

STATE OF ILLINOIS INTERNAL AUDIT ADVISORY BOARD

Web Address: [HTTP://SIAAB.AUDITS.UILLINOIS.EDU](http://SIAAB.AUDITS.UILLINOIS.EDU)

MINUTES

Board Meeting, June 9, 2010

1:00 p.m.

Call to Order

The regularly scheduled meeting of the State Internal Audit Advisory Board (SIAAB) was held at the Capital City Center, Room 104, Springfield, Illinois, with video conferencing available at the JRTC, Room 9-035, Chicago, Illinois. The meeting was called to order at 1:33 p.m. by Julie Zemaitis, Chair. The meeting was late in starting due to technical difficulty with the video-conferencing equipment in Chicago. Jewel Bishop, Illinois Office of Internal Audit, attended and recorded the minutes. With the deconsolidation of the Illinois Office of Internal Audit, Ms. Bishop will be moving to the Department of Human Services and will no longer be available to record the minutes. The Board thanked Ms. Bishop for her assistance.

Roll Call

Members Present/Location

Julie Zemaitis (Chair), University of Illinois – Springfield
Lesslie Morgan (Vice Chair), Office of the Attorney General – Springfield
Tracy Allen (for Rusti Cummings), Office of the Comptroller – Springfield
Debbie Abbott, Illinois Office of Internal Audit – Springfield
Barb Ringler, Office of the Treasurer – Springfield

Members Absent

Rusti Cummings, Office of the Comptroller
Nancy Bowyer, Office of the Secretary of State

Minutes

The minutes for the May 12, 2010 meeting were reviewed and revisions made as follows:

1. Page 2, Reports, CPE Coordinator, 3rd paragraph: After the 3rd sentence, delete the remainder of the paragraph and replace with the following language: "FCIAA requirements state that the Internal Audit function located within the entity should be full time, but specialized skills to conduct specific audits could be outsourced in accordance with IIA Standards. Ms. Zemaitis also received an inquiry from an independent firm regarding an interpretation as to whether or not total outsourcing of the internal audit function would meet FCIAA requirements. Ms. Zemaitis had also communicated to him the same FCIAA requirements and directed him to the IIA position paper entitled: The Role of Internal Audit in Resourcing the Internal Audit Activity."

Ms. Morgan motioned to approve the minutes as revised and Ms. Abbott seconded. The motion carried.

Reports

CPE Coordinator – Online Quality Assurance Review Training Update

Ms. Morgan reported that there were two new individuals from Western Illinois University (WIU) registered for the on-line training. There is also an individual from WIU that has been registered since January, but that has not taken the course. This person's registration has been revoked, however, Mr. Mascorro – SIAAB's webmaster, will contact WIU to confirm that the registration should be terminated.

Ms. Morgan stated that the on-line training course will need to be revised again to reflect the change in IIA Standards effective January 2011.

FOIA Officer – Tracy Allen gave the FOIA Officer's report in Ms. Cummings' absence. No FOIA requests have been received. Copies of documents have been received from Ms. Morgan (May 14, 2010) and Ms. Zemaitis. The letter has not yet been sent to the Public Access Counselor regarding the three issues identified at April's meeting. 1) What constitutes a quorum for the Board? Does a majority of quorum exclude vacancies? Is a quorum based on the number of actual members at the time or is it based on what membership should be as outlined in the statutes? 2) Are the answers to the questions for the on-line training exempt from FOIA request? 3) What level of quality assurance documents are releasable for FOIA requests. If we receive a FOIA request in the meantime, we could direct any questions to the PAC at that time.

The set-up of the new email accounts for the FOIA officers has not been completed yet, but will be in the near future. In the meantime continue to forward copies of emails to the FOIA officers with a notation in the subject line that the communication is for record retention purposes only.

Recess for Committee Meetings

The regular session of the Board recessed at 1:50 p.m. for Committee meetings.

Performance Committee

Discussion of the Quality Assurance Review for the Office of the Secretary of State was postponed until the July meeting so all parties involved would be present.

Ms. Zemaitis has issued a request for volunteers for the Performance Committee.

Ms. Morgan received an inquiry for the Chief Internal Auditor of Eastern Illinois University wanting to know when next Quality Assurance Review was due. Subsequent reviews are due five years from the date of the distribution letter. The Board suggested that Ms. Zemaitis send a reminder letter to Chief Internal Auditors reminding them of this requirement.

Executive Committee

Ms. Ringler has completed transcribing a draft of the minutes from the December 28, 2006 meeting. Ms. Ringler gave the draft of the minutes to Mr. Tracy to deliver to Ms. Cummings for her review prior to the Board taking action on the minutes. The original tape recording of the minutes will be retained by the Board's primary FOIA officer.

Resume Regular Session

The Board resumed regular session at 1:57 pm.

Old Business

IOIA Deconsolidation (SB 51) – Ms. Abbott reported on the status of the deconsolidation of the Illinois Office of Internal Audit. The trailer bill to SB 51 has died. The new title of Internal Audit Chief is being established and grading of applications will begin on July 1, 2010. The applications then have to go through the E-Par system. Staff will begin transferring to agencies July 1st. If staff is transferred before this date, the requesting agency must complete an Interagency Agreement with CMS.

Ms. Morgan received an inquiry regarding the timeframe for appointing Chief Internal Auditors at the agencies, since SB 51 (deconsolidation of IOIA) does not specify a timeframe. The Board discussed how the appointment process for Chief Internal Auditors was going to be documented. There is no “official” process in place at this time. Each University and Constitutional Officer will also have to develop their own process.

Fall Conference

Ms. Zemaitis will follow-up with the Northfield Inn and Suites concerning arrangements for the fall conference.

There was discussion concerning presentation topics for the fall conference. The following topics were suggested:

- Chief Internal Auditor Round Table – break-out session
- University Round Table – break-out session
- Quality Assurance Review Process Refresher
- New IIA Standards (how new government standards affect FCIAA)
- Governance and Risk Assessment Portion of Standards, how to weave into Audit Plan – Julie Zemaitis
- Privacy Protection Act (FIPPA)
- PA 96-874 – policy on how agencies deal with social security numbers
- Auditor General Presentation (Ms. Zemaitis will contact)
- Open Meetings, FOIA
- Office of the Comptroller (Scott Reeser) – possible presentations: GAAP, GASB 51 intangible assets, Accounting Bulletins
- Office of the Treasurer – unclaimed property
- Office of the Inspector General – fraud
- FBI – fraud, identity theft

The Board also discussed the number of CPE hours that would be awarded for attending the conference. The Board would like to see between 12 and 14 hours in total for the two-day conference.

New Business

Bylaws Revisions – Deferred until July meeting.

SIAAB Record Retention Policy – Deferred until July meeting.

Minutes of Closed Meetings – Deferred until July meeting.

Possible Additions to Regular Schedule of Meetings – Deferred until July meeting.

Announcements

Ms. Abbott announced that with the deconsolidation of the IOIA on July 1, 2010, she will no longer be a member of the Board. Ms. Abbott said that Spenser Staton will be the new CMS Chief Internal Auditor. The Board thanked Ms. Abbott for her contributions to the Board.

The next regular meeting will be July 14, 2010 at 10:00 a.m. at the Capital City Center's Video Conference Room #104, 130 West Mason, Springfield, Illinois. For those attending via video conference in Chicago, Room 9-035 of the JRTC has been reserved.

Adjournment

A motion to adjourn the Regular Session was made by Ms. Morgan and seconded by Mr. Allen. The motion passed and the meeting with adjourned at 3:00 p.m.