

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting, August 11, 2010

10:00 a.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 10:16 a.m. by Julie Zemaitis, Chair. The meeting was recorded for subsequent transcription of the minutes.

ROLL CALL

Members Present/Location

Julie Zemaitis (Chair), University of Illinois – Springfield
Lesslie Morgan (Vice Chair), Office of the Attorney General – Springfield
Rusti Cummings, Office of the Comptroller – Springfield
Spenser Staton, Illinois Department of Central Management Services – Springfield
Nick Barnard, Office of the Treasurer – Springfield
Nancy Bowyer, Office of the Secretary of State – Chicago

Members Absent

Barb Ringler, Office of the Treasurer – Springfield

Ms. Zemaitis introduced Nick Barnard attending on behalf of Ms. Ringler. Ms. Ringler delegated to Mr. Barnard her voting rights for this meeting.

MINUTES

The minutes for the July 14, 2010 meeting were reviewed and revisions made as follows:

Page 2, Reports - CPE Coordinator, first paragraph, next to last sentence, was corrected to read, *“CPE certificates were mailed; one to Western Illinois University on July 8, 2010, and two for Southern Illinois University on July 14, 2010.”*

Page 4, top paragraph, last sentence was corrected to read *“Ms. Morgan stated that providing these documents to the Board for discussion would be helpful in order to give the whole picture of the concerns raised.”*

Page 4, "Resume Regular Session", second paragraph, was corrected to read, "Ms. Morgan indicated that in her summary as a Performance Coordinator, she believed that she needed to do a follow-up review in order to feel comfortable with how to proceed with the Executive Committee."

Page 4, fourth paragraph, last sentence, was corrected to read, "Ms. Morgan indicated her regret to have to make this recommendation, but that based on the information that the Performance Committee has seen, is submitting to the Board for discussion based on Ms. Bowyer's request."

Page 5, first paragraph, was corrected to read, "Ms. Zemaitis reiterated that this is not reflective of Ms. Bowyer's current function."

Page 7, "Adjournment", the adjournment was corrected to "1:10 p.m."

A motion was made by Ms. Cummings to accept the July 14, 2010 minutes as revised and Mr. Staton seconded. The motion unanimously carried.

REPORTS

CPE Coordinator – Online Quality Assurance Review Training Update

Ms. Morgan reported that there were four individuals registered for the on-line training; three from Chicago State University and one from Teachers Retirement System. None of the four individuals have completed the on-line course.

Ms. Morgan stated that the on-line training course will need to be updated once the IIA Standards revisions become effective and subsequent to the Board's acceptance of the Standards. Ms. Morgan indicated that the revised on-line training would most likely be rolled out in December or January.

FOIA Officer –

Ms. Cummings stated no FOIA requests have been received.

Mr. Barnard reported that Ms. Ringler, in her role as secondary FOIA Officer, now has a FOIA e-mail address and provided the new e-mail address to the Board (advisoryboardfoia@treasurer.state.il.us).

Ms. Zemaitis informed the Board that the SIAAB Web site now has a link for the Freedom of Information Act and Open Meetings Act. The new Web page is presently 'under construction'. The Board noted items that will be included on the new Web page, including a description of SIAAB, a list of public records, and the FOIA Officers' contact information.

Recess for Committee Meetings –

The regular session of the Board recessed at 10:40 a.m. for Committee meetings.

Performance Committee –

Discussion of the Quality Assurance Review for the Office of the Secretary of State.

Ms. Bowyer requested to withdraw the Office of the Secretary of State's 2006 External Quality Assurance Review. Ms. Bowyer proceeded to submit the Office of the Secretary of State's December 2009 Internal Quality Assurance Review for approval by an External Validator. This matter was brought to the full Board for discussion, based on Ms. Bowyer's request at the July 14, 2010 meeting.

Resume Regular Session –

Ms. Zemaitis indicated that she had received the signed Statement of Independence for Stacy Smith of the Teacher's Retirement System, as well as her signed Confidentiality Policy. Ms. Bowyer confirmed that Ms. Smith will serve as her QAR's External Validator. Ms. Zemaitis reported that Ms. Smith still needs to complete the on-line training course in order to perform the Ms. Bowyer's QAR validation. Ms. Zemaitis confirmed that Ms. Smith has registered for the on-line training course. Ms. Zemaitis added that a copy of Ms. Smith's resume also needs to be received.

After discussion, Ms. Bowyer made the decision to perform a new self-assessment for the Office of the Secretary State's QAR, updated through June 30, 2010. Ms. Bowyer will also revise the Quality Assurance Team Approval Form timeline to note the Draft Report to Performance Committee by October 31, 2010, and the Final Report by December 31, 2010.

A motion was made to approve the new self-assessment with the scope through June 30, 2010, and to approve Stacy Smith as the External Validator for the Office of the Secretary State's QAR. Ms. Cummings motioned contingent on Ms. Smith's completion of the on-line training course, the receipt of Ms. Smith's resume, and the revised timeline for the completion of the QAR. Mr. Barnard seconded. The motion unanimously carried.

OLD BUSINESS

IOIA Deconsolidation –

Mr. Staton reported that all auditors have now returned to their respective agencies and provided a copy of available new contact information for the respective Chief Internal Auditors to the Board. Mr. Staton added that as part the deconsolidation all the internal audit shops will be given access to the IOIA's electronic workpaper system.

Ms. Cummings indicated her concern on how the "by appointment" information is presented on the Illinois Boards and Commissions Web sites for the Constitutional Office SIAAB Board Members and suggested that the information be updated to indicate "by statute". Mr. Staton will find out who maintains this information and get it corrected.

Fall Conference –

Ms. Zemaitis proposed to finalize the topics, speakers, and estimated time allotments in order to put together the agenda for the conference, which will include roundtable breakout sessions. Ms. Zemaitis requested discussion topics and speaker assignments from the Board Members.

Mr. Staton agreed to do a presentation on SB51 which includes a procurement component. Mr. Staton also indicated that he would ask Julie O'Brien to do a presentation on FFA TA and the changes in federal reports which are monitored under ARRA.

Ms. Zemaitis indicated she has not heard back from Ms. Ringler to confirm if someone from the Office of the State Treasurer will be able to give a presentation on unclaimed property. Mr. Barnard indicated that he would check with Ms. Ringler to confirm if Josh Budd could speak on ePay and perhaps PCI Compliance.

Ms. Morgan confirmed that 50 minutes each for the Office of the Attorney General's presentations on the Open Meetings Act and FOIA, and the Identity Protection Act would be sufficient. Ms. Morgan also requested that these two presentations be scheduled in the afternoon.

Ms. Morgan proposed to do a presentation on the updates to the IIA Standards.

Ms. Morgan proposed that the Board Members who are not giving a presentation facilitate the roundtable breakout session discussions. Ms. Zemaitis further proposed that each of the Board Members look within their own staff for potential facilitators.

Ms. Zemaitis explained that the breakout sessions would be scheduled both days with the CAE and Audit Staff session running concurrently on one day and the Agencies and Universities running concurrently on another day. Ms. Zemaitis indicated she will be sending a 'save the date' e-mail announcing the conference dates, location, and solicitation for roundtable topics. Ms. Zemaitis will also contact the Northfield Inn & Suites to find out if they can assign breakout rooms for both days of the conference and find out how many people each breakout room can accommodate.

NEW BUSINESS

Bylaws Revisions –

Ms. Cummings stated that the proposed changes to the Bylaws are editorial corrections, changes to references to the Standards, and how the Board conducts its Committees. Ms. Cummings explained that the Board's Committees are subject to the Open Meetings Act, and therefore, the Board will add a 'coordinator structure' to facilitate discussions and completion of those tasks. A detailed discussion of the proposed revisions followed.

The SIAAB Bylaws will be amended to identify the record retention as follows:

- Minutes and Calendars – five years
- General Procedures for Bylaws – seven years
- Risk-Assessments – seven years
- QAR Files – seven years
- On-line Training Materials – five years
- Annual Conference Materials – five years
- CPE Correspondence – five years
- Public Information Access Files – five years
- Miscellaneous Files – five years

Ms. Morgan motioned to accept the amended Bylaws subject to the revisions concerning document retention. Mr. Staton seconded. The motion unanimously carried.

Ms. Cummings will submit the changes to the Bylaws to the SIAAB's Webmaster for posting.

Minutes of Closed Meetings – Deferred until September meeting (previously deferred for the August meeting).

Possible Additions to Regular Schedule of Meetings –

Ms. Morgan proposed to schedule the meetings for calendar year 2011 through CMS as soon as possible. Ms. Morgan further proposed an additional meeting during the months of November and December 2011 in order to accommodate the number of QARs expected to be submitted.

Ms. Morgan polled the Board Members on their preference of the meeting times for 2011 (10 a.m. or 1 p.m.). All Board Members expressed their preference to hold these meetings at 1 p.m.

Ms. Zemaitis indicated she will work on getting the 2011 meeting schedule together for discussion during the next Board meeting.

ANNOUNCEMENTS

The next regular meeting will be September 8, 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. Staton. The motion unanimously passed and the meeting was adjourned at 12:09 p.m.