

**STATE OF ILLINOIS**  
**INTERNAL AUDIT ADVISORY BOARD**

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

**MINUTES**

**Board Meeting, December 8, 2010**

**10:00 a.m.**

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**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. Due to connectivity issues, the meeting was called to order at 10:12 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 – Chicago  
Doug Hathhorn, Illinois Department of Revenue - Springfield  
Steve Kirk, Illinois Department of Transportation – Springfield  
Tracy Allen, Office of the Comptroller – Springfield  
Spenser Staton, Illinois Department of Central Management Services – Chicago  
Marcus Dodd, Illinois Department of Employment Security – Chicago  
Jane Cullen, Illinois Department of Aging - Springfield  
Lisa Labonte, Illinois Department of Natural Resources - Springfield

**Members Absent**

Rusti Cummings, Office of the Comptroller – Springfield  
Barb Ringler, Office of the Treasurer – Springfield  
Nancy Bowyer, Office of the Secretary of State – Chicago

**MINUTES**

The minutes for the November 10, 2010, meeting were reviewed and revisions made as follows:

Page 2, first paragraph under Reports, CPE Coordinator – On-line Quality Assurance Review Training Update, second sentence was revised to read, *“Ms. Morgan further reported that the CPE certificates for the Fall Conference were sent out on or before November 9, 2010, with the exception of those who had requested extra CPE for presentations.”*

Page 2, first paragraph under Reports, CPE Coordinator – On-line Quality Assurance Review Training Update, third sentence was revised to read, “*Ms. Morgan indicated that there were 98 CPE certificates prepared and were sent via e-mail, or distributed on November 10, 2010, at the Board meeting.*”

Page 3, first paragraph under Old Business, Fall Conference, last line was revised to read, “*...December Board meeting.*”

A motion was made by Ms. Morgan to accept the November 10, 2010, minutes as revised and Mr. Staton seconded. The motion carried unanimously.

## **REPORTS AND UPDATES**

### **CPE Coordinator – On-line Quality Assurance Review Training Update**

Ms. Morgan reported that five individuals have registered to take the on-line training course during the past month. Ms. Morgan further indicated that two of these individuals have since completed the on-line training course and that their CPE certificates were sent on December 2, 2010.

Ms. Morgan reported that the SIAAB’s CPE license for awarding CPE during 2011 has been received.

Mr. Staton inquired about the possibility to develop a testing tool similar to the QAR on-line training course that can be used during the hiring process of new auditors to determine their level of auditing knowledge in order to find best qualified personnel. Mr. Staton, Mr. Dodd, Ms. Labonte, and Ms. Zemaitis will review the various available auditor examinations and report back on the status of their findings at the next Board meeting.

Ms. Zemaitis reported that the new QAR on-line training course platform, Illinois Compass, is ready to go. Illinois Compass will replace the current on-line training course platform, Mallard, when this platform is decommissioned in January. Ms. Zemaitis further indicated that Illinois Compass will be made available by the University of Illinois free of charge. Ms. Zemaitis also indicated that Mr. Mascorro will attend the January Board meeting to give a brief overview of the new on-line course platform.

### **FOIA Officer Update –**

Mr. Allen reported that the FOIA Officer has developed forms that the SIAAB would use to process FOIA requests. Mr. Allen indicated that the introduction for the FOIA Webpage has also been developed. He further indicated that Ms. Ringler would approve these documents and these documents will then be sent out to the Board members for discussion at the January meeting.

Mr. Allen reported that no FOIA requests were received.

### **Quality Assurance Coordinator –**

Ms. Zemaitis reported that she and Ms. Morgan received questions from Kim Labonte from Southern Illinois University; 1) Whether two auditors from the same university can perform the quality assurance review for another university; and 2) Whether there can be reciprocal reviews between two organizations from one round to another if there are different people involved in conducting the quality assurance reviews.

The Board discussed both questions. The Board's consensus to question number one is that the current Bylaws prohibit more than one representative from the same organization, however an exception can be granted by the Board. The Board's consensus to question number two is that the Board will not approve a reciprocal quality assurance review between two internal audit organizations as it is prohibited by current SIAAB Bylaws. Ms. Zemaitis will respond to Ms. Labonte's questions on behalf of the Board and copy all the Board members on her correspondence to Ms. Labonte.

Ms. Zemaitis reported that she and Ms. Morgan also received a question from Ron Cierny from Northeastern Illinois University regarding whether it would be acceptable for two individuals from the same firm to conduct a quality assurance review. Since Mr. Cierny's question is similar to the first question received from Ms. Labonte, Ms. Zemaitis will respond to Mr. Cierny in a similar fashion to her response to Ms. Labonte's question and copy the Board members on her correspondence to Mr. Cierny.

### **OLD BUSINESS**

#### **Fall Conference –**

Ms. Zemaitis reported that the surveys for the Fall Conference are now closed and the final survey results were distributed to all Board members via e-mail. Ms. Zemaitis gave an update of the Fall Conference finance statistics to date: Total to be collected, \$7,500.00; total collected to date, \$3,300.00; total actual cost for the conference, \$6,430.84. The overage will be held by the Springfield Chapter of the IIA and added to existing funds held for the SIAAB to be used for future SIAAB conference expenses.

Ms. Zemaitis reported that she received an additional conference fee waiver from an individual who was not able to attend one of the two days of the conference due attendance at a funeral. Since the request for the waiver was received after the SIAAB's cancellation policy cut-off day, the fee waiver was presented to the Board for approval. Mr. Kirk made a motion to approve the conference fee waiver and the motion was seconded by Mr. Hathhorn. The motion carried unanimously.

#### **Records Retention Policy –**

Mr. Allen reported that Ms. Cummings has drafted the SIAAB Records Retention Policy, but that the policy has not yet submitted to the State Records Commission. This item has been deferred until the January meeting.

Mr. Kirk indicated that he and Ms. Cummings had no further discussion or resolution yet regarding the issue of retaining e-mails as official documents.

## **NEW BUSINESS**

### **IIA Standards –**

Discussion was held, and a motion to accept the new IIA Standards as written was made by Ms. Morgan and seconded by Ms. Cullen. The motion carried unanimously.

Ms. Cullen agreed to update the SIAAB Quality Assurance Matrix to reflect the adopted IIA Standards and will present to the Board for approval.

Mr. Kirk suggested the Board work on a formal document, in addition to the SIAAB Quality Assurance Matrix, to provide guidance and clarification on the SIAAB interpretation of the Standards. Mr. Kirk will work on drafting this document and will present to the Board for discussion.

### **SIAAB Bylaws Revisions –**

This item has been deferred until the January meeting to allow the new Board Members sufficient time to review and provide input on the Bylaws. However, some discussion was initiated.

Regarding Article 1, Section 1, the following points were raised:

- That the Board discuss its purpose and clarify whether the Board's current practices are consistent with an advisory role.
- That the Board review the historical records for any legal interpretation as to whether the SIAAB Bylaws are required to be approved by the Joint Committee on Administrative Rules

Ms. Zemaitis proposed that Board members review historical, factual background and interpretation of the Board's mission and evolution of current practices, and then move forward with the discussion regarding revisions to the Bylaws.

[Ms. Morgan left the Board Meeting at 12:47 p.m.]

Mr. Staton will review the SIAAB historical records maintained by CMS to see if any SIAAB relevant information is available and present to the Board at the January meeting.

### **Open Meetings Act –**

This item was deferred until the January meeting.

## **OTHER NEW BUSINESS**

### **IIA Government Membership –**

Mr. Hathhorn inquired whether a group membership to the IIA for the State of Illinois can be coordinated through CMS. Mr. Hathhorn agreed to contact the IIA to get clarification on how

membership payments under a government group membership are handled and will follow-up with Mr. Staton to discuss further.

### **ANNOUNCEMENTS**

The next regular meeting will be January 12, 2010, at 1:00 p.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.

Ms. Zemaitis reminded the Board that according to the Bylaws, nominations for a new Chair and Vice Chair will need to be made at the January meeting for a vote at the February meeting.

### **ADJOURNMENT**

A motion to adjourn the regular meeting was made by Mr. Staton and seconded by Mr. Kirk. The motion unanimously passed and the meeting was adjourned at 12:56 p.m.