

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting, October 12, 2011

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 1:05 p.m. by Lesslie Morgan, Chair.

ROLL CALL

Members Present/Location

Lesslie Morgan (Chair), Office of the Attorney General – Springfield
Steve Kirk, (Vice-Chair) Illinois Department of Transportation– Springfield
Tracy Allen, Office of the Comptroller – Springfield
Nancy Bowyer, Office of the Secretary of State - Chicago (Arrived 1:26 p.m.)
Barb Ringler, Office of the Treasurer - Springfield
Spenser Staton, Illinois Department of Central Management Services – Chicago
Jane Cullen, Illinois Department on Aging – Springfield
Marcus Dodd, Illinois Department of Employment Security - Chicago

Members Absent

Doug Hathorn, Illinois Department of Revenue
Lisa LaBonte, Illinois Department of Natural Resources
Julie Zemaitis, University of Illinois

MINUTES

The September 14, 2011, meeting minutes were presented to the Board for discussion and approval. A motion was made by Mr. Staton and seconded by Mr. Kirk to accept the September 14, 2011 meeting minutes as amended. The motion carried unanimously.

The September 27, 2011 and September 28, 2011 SIAAB Fall Government Auditing Conference minutes were presented to the Board for discussion and approval. A motion was made by Ms. Ringler and seconded by Mr. Dodd to accept the September 27, 2011 and September 28, 2011 minutes as amended. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator –

Ms. Morgan reported that as of the October 12, 2011 meeting, three individuals had successfully completed and one individual was currently registered for the 2011 version of the SIAAB External Quality Assurance Review Training Course. No other registrations had been received for the 2010 version of the course. Ms. Morgan reported that the SIAAB's Webmaster has been provided updated listings of the CPE awarded so that the Board's website can be updated timely.

Ms. Morgan also reported that the 2012 CPE Sponsor License Renewal Form was received and that the form will be forwarded to Ms. LaBonte for completion and filing at the Board November 2011 meeting.

Mr. Staton inquired on how much longer SIAAB would be providing the link to the 2010 Version of the training course. Ms. Morgan stated that she believed that the course would remain active until the close of the calendar year.

FOIA Officer –

Ms. Ringler and Mr. Staton reported that there were no FOIA requests received since September 14, 2011 meeting.

Guidance Coordinator –

Mr. Kirk reported that he had not received any request for guidance since the September 14, 2011 meeting however, several of the attendees at the SIAAB Fall Government Auditing Conference had indicated their interest in communicating matters for guidance in the future.

Ms. Morgan also reported to the Board that Mr. Ricardo Meza, Executive Inspector General for the Governor's agencies asked if SIAAB would like to establish a working group that can meet periodically with the Governor's Executive Inspector General and his staff. Ms. Morgan stated that she thought the Governor's Chief Internal Auditors would be interested in participating in the working group and asked that the Board's Vice Chair facilitate this process.

Board Appointments -

Mr. Staton provided an update on the progress that he has made toward obtaining action on the Board's outstanding appointment since the September 14, 2011 meeting. Mr. Staton stated that he has communicated his concerns pertaining to the manner in which the appointment terms were established and about updating the Board's information on the website.

OLD BUSINESS

SIAAB 's Records Retention Policy –

Mr. Staton requested that the discussion be tabled due to the absence of Ms. LaBonte. Further discussion was tabled until the November 9, 2011 meeting.

SIAAB's Annual Training Conference Results–

Ms. Morgan reported that 120 of the 123 registrants who attended the SIAAB Fall Government Auditing Conference had been awarded CPE. She has sent follow-up communications to two individuals for whom an adjustment in the number of CPE hours awarded may be necessary and had not received a response. Ms. Morgan stated that she would send these individuals their CPE certificates following the meeting. Ms. Morgan also reported that her CPE certificate would need Mr. Kirk's review and approval. Mr. Kirk reviewed the CPE Certificate for Ms. Morgan during the meeting and approved the 14 CPE hours awarded.

Ms. Morgan stated that the IIA has received the invoice for the cost of the Conference and the IIA President has approved the payment. Ms. Ringler and Ms. Morgan both reviewed the invoices and believed the amounts shown were accurate and that it was appropriate for the IIA Treasurer to move forward with the payment. Ms. Morgan stated that based upon the amounts shown it would appear that the Board should consider reducing the registration fees for the 2012 Conference.

The Board discussed the feasibility of distributing the PowerPoint presentations for the SIAAB Fall Government Auditing Conference to Chief Internal Auditors and asked that Ms. Morgan reach out to each presenter to see if they would be able to provide the presentations for distribution to her for distribution to the Chief Internal Auditors.

Quality Assurance Reviews –

Ms. Morgan provided an update on the requests for team approvals and external quality assurance reviews that had been received since the Board's September 14th meeting:

External Quality Assurance Review Reports Released Since August 10, 2011 Meeting:

- **State Universities Retirement Systems** - Ms. Morgan reported that the State Universities Retirement System's SAIV review (Based on Standards Effective January 1, 2009) was released on September 19, 2011, following the Board's approval for release on September 14, 2011.
- **Chicago State University** - Ms. Morgan reported that the Chicago State University's SAIV review (Based on Standards Effective January 1, 2009) was released on September 20, 2011, following the Board's approval for release on September 14, 2011.
- **Illinois Office of the Treasurer** - Ms. Morgan reported that the Illinois Office of the Treasurer's SAIV review (Based on Standards Effective January 1, 2009) was released on September 20, 2011, following the Board's approval for release on September 14, 2011.
- **Illinois State Employee's Retirement Systems** - Ms. Morgan reported that the Illinois State Employee's Retirement System's SAIV review (Based on Standards Effective January 1, 2009) was released on September 21, 2011, following the Board's approval for release on September 14, 2011.

External Quality Assurance Review Reports Before the Board for Discussion:

- N/A

External Quality Assurance Reviews Received By Board for Review:

- **Eastern Illinois University** - The draft EQA/SAIV Report (Based on Standards Effective January 1, 2009) was received by the Assistant Quality Assurance Coordinator on September 6, 2011 and assigned to a Special Assistant Quality Assurance Coordinator on September 6, 2011. As a result of the review conducted further follow-up was in progress.
- **Illinois Commerce Commission** - The draft EQA/SAIV Report (Based on Standards Effective January 1, 2009) was received by the Assistant Quality Assurance Coordinator on September 13, 2011 and was assigned to a Special Assistant Quality Assurance Coordinator on September 15, 2011. As a result of the review conducted further follow-up was in progress.

External Quality Assurance Reviews in Progress:

- **Northeastern Illinois University** - Request for SAIV Team Approval (Based on Standards Effective January 1, 2009) granted by the Board on March 9, 2011 – SAIV Delayed for Good Cause. External Validator has asked Board for further guidance which was provided on October 12, 2011.
- **Illinois Student Assistance Commission** - Request for SAIV Team Approval (Based on Standards Effective January 1, 2011) was discussed by the Board on May 23, 2011 and approved contingent upon the validator's completion of the SIAAB's Quality Assurance Review Training Course – the validator completed the SIAAB training course on October 7, 2011 and the Vice- Chair has approved the Request on October 12, 2011 and will notify the Chief Internal Auditor of the Board's approval.

Request for External Quality Assurance Team Approval:

- No Requests for External Quality Assurance Team Approvals have been received since the August 2011 meeting.

External Quality Assurance Reviews Due CY12:

- **Illinois State Board of Education** - No Request for Team Approval Received – EQA Completion Due March 2, 2012.
- **Illinois Housing Development Authority** - No Request for Team Approval Received – EQA Completion Due March 8, 2012.

The Board also discussed the following external quality assurance reviews that have not been completed or initiated:

- **Illinois Office of the Comptroller** - No external quality assurance review has been conducted or initiated since the IIA five-year external quality assurance review requirements became effective on January 1, 2002. Mr. Allen stated that the Comptroller was aware that an external quality assurance

review had not been completed. Mr. Allen was appointed as the Comptroller's Chief Internal Auditor effective June 30, 2011. The Board discussed the content of the letter and a motion was made by Mr. Kirk and seconded by Ms. Ringler for the Chair to send the letter as discussed by the Board immediately following the October 12, 2011 meeting. The motion carried by 6 votes for approval, 1 vote opposed (Mr. Staton), and with 1 abstention (Mr. Allen, Chief Internal Auditor of the Illinois Office of the Comptroller).

- **Illinois Supreme Court** - Although the Supreme Court is not subject to the Board's oversight of its External Quality Assurance process, the Supreme Court's Chief Internal Auditor is responsible for conducting an external quality assurance review pursuant to IIA's Standards if they use the IIA's "Conforms with the International Standards for the Professional Practice of Internal Auditing" within their Internal Audit Charter or reports.

Discussion on Implementing PA96-1473 Public Comments –

Ms. Ringler stated that there was insufficient time to finalize the changes due to the priority placed during the past month on finalizing the SIAAB Fall Government Auditing Conference. Further discussion was tabled until the November 9, 2011 meeting.

NEW BUSINESS

SIAAB Bylaws – Section 3.4.1 –Internal Assessments –

Ms. Morgan brought the inquiry from the Southern Illinois University's Chief Internal Auditor to the Board for discussion. The Chief Internal Auditor stated that an external quality assurance review was completed in March 2011 and was based on the processes that were in place during calendar year 2010. None of the processes had changed in 2011, except to implement the new Standards effective January 1, 2011. Based upon this scenario, the Board agreed that it would be reasonable to complete the portions of the matrix that had change because of the new Standards that took effect in January 2011.

Meeting Schedule for October 2011 -

The Board discussed whether the second meeting scheduled for October 26, 2011 would be necessary and a motion was made by Mr. Kirk and seconded by Mr. Staton to cancel the meeting scheduled for October 26, 2011. The motion carried unanimously.

ANNOUNCEMENTS

The next regular meeting will be November 9, 2011, 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.

ADJOURNMENT

A motion to adjourn the regular meeting was made by Mr. Kirk and seconded by Mr. Allen. The motion carried unanimously and the meeting was adjourned at 2:54 p.m.