

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

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

**MINUTES**

**Board Meeting, December 14, 2011**

**1:00 p.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. 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  
Nancy Bowyer, Office of the Secretary of State - Chicago (Departed at 2:00 pm)  
Barb Ringler, Office of the Treasurer - Springfield  
Spenser Staton, Illinois Department of Central Management Services – Chicago  
Tracy Allen, Office of the Comptroller – Springfield  
Jane Cullen, Illinois Department on Aging – Springfield  
Marcus Dodd, Illinois Department of Employment Security – Chicago (Arrival 1:10 pm)  
Doug Hathorn, Illinois Department of Revenue – Springfield (Arrival 1:35 pm)  
Lisa LaBonte, Illinois Department of Natural Resources – Springfield  
Julie Zemaitis, University of Illinois - Springfield

**Members Absent**

N/A

**Non-Members Present**

N/A

**MINUTES**

The November 9, 2011, meeting minutes were presented to the Board for discussion and approval. A motion was made by Ms. Ringler and seconded by Mr. Allen to accept the November 9, 2011 meeting minutes. The motion carried unanimously.

## **REPORTS AND UPDATES**

### **CPE Coordinator –**

Ms. Morgan reported that two individuals had successfully completed the 2011 version of the SIAAB External Quality Assurance Review Training Course since the November 9<sup>th</sup> meeting and two individuals were currently registered for the 2011 course.

Ms. Morgan reported that the Illinois Department of Financial and Professional Regulation had reissued the SIAAB's Continuing Education Sponsor license for the period of January 1, 2012 through December 31, 2012. Ms. Morgan also reported that she has notified the SIAAB's webmaster that Ms. LaBonte had agreed to take on the responsibilities for the SIAAB External Quality Assurance Training Course and for the issuance of all SIAAB CPE certificates for Calendar Year 2012.

Ms. Ringler stated that on behalf of the Board she would like to extend a thank you to Ms. Morgan for all the work she has done since 2002 in maintaining the SIAAB External Quality Assurance Training Course and serving as the Board's CPE Coordinator since 2003.

Ms. Zemaitis also extended a thank you for Ms. Morgan service to the Board and the profession over the past several years.

### **FOIA Officer –**

Ms. Morgan reported that she received an inquiry that was forwarded to her by Mr. Tinch (Chief Internal Auditor, Capital Development Board) from the State of Rhode Island's Bureau of Audits requesting information on the State of Illinois' audit reporting structure. Ms. Morgan provided the Board with the information regarding the inquiry and her response for the period of November 28<sup>th</sup> through December 1<sup>st</sup>.

Ms. Ringler reported that Mr. Kirk had forwarded her a request for information from Ms. Geter, Chief Internal Auditor, Illinois Student Assistance Commission (ISAC), requesting that a copy of the ISAC 2006 External Quality Assurance Report be provided to her. Both the request and response by the Board was initiated/completed on November 28<sup>th</sup>.

### **Guidance Coordinator –**

Mr. Kirk reported that he had not received any request for guidance since the November 9<sup>th</sup> meeting.

### **Board Appointments -**

Mr. Staton reported that there had been no change since the November 9<sup>th</sup> meeting.

## **OLD BUSINESS**

### **SIAAB's Records Retention Policy –**

Ms. Morgan provided a summary of the status of the SIAAB Record Retention Policy matter that had been tabled from the November 9<sup>th</sup> meeting. Mr. Staton reported the Internal Audit Advisory Board's Record Retention Policy required that the records be sent to State Archives in hardcopy form, rather than

in electronic form. Ms. LaBonte stated that the level of technology had significantly changed and the amount of effort to accommodate the records was not practical.

Mr. Staton went on to say that he was able to locate Board minutes in which a Comptroller's Office member was designated by the Board to oversee records management. Mr. Kirk stated that he had been on the Board from 1999 through 2003 and at that time it was always the Chief Internal Auditor of DCMS whom was responsible for maintaining the Board's records. Ms. Morgan stated that it had been the practice that the DCMS Chief Internal Auditor be the responsible party for the maintenance of the records, since the Governor is the lead agency for the Board and controls, in addition to the DCMS Chief Internal Auditor, six members appointments to the Board.

The Board discussed the types of records maintained by the board pertaining to State agencies quality assurance reviews. Mr. Staton stated that he would recommend that the Board table the matter until the January 2012 meeting and in the interim identify key projects that should be addressed by the Board during calendar year 2012. A motion was made by Ms. Ringler and seconded by Mr. Hathhorn for the Board to seek an official legal opinion on the interpretation of the Board's duties along with whether rules should be established. The motion did not carry with three for seeking a legal opinion and six opposed to seeking an opinion at this time, and with Ms. Morgan abstaining. (Ms. Bowyer had departed from the meeting at the time of the vote).

#### **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 November 9<sup>th</sup> meeting:

#### **External Quality Assurance Review Reports Released:**

- **Eastern Illinois University** - Ms. Morgan reported that the Eastern Illinois University's EQA/SAIV Report (Based on Standards Effective January 1, 2009) was released on November 15, 2011, following the Board's approval for release on November 9, 2011.
- **Illinois Commerce Commission** - Ms. Morgan reported that the Illinois Commerce Commission's EQA/SAIV Report (Based on Standards Effective January 1, 2009) was released on November 15, 2011, following the Board's approval for release on November 9, 2011.

#### **External Quality Assurance Review Reports Before the Board for Discussion:**

- **Illinois Student Assistance Commission** - Ms. Morgan presented the Illinois Student Assistance Commission's SAIV Report (Based on Standards Effective January 1, 2011) for the Board's discussion. A motion was made by Mr. Staton and seconded by Ms. Zemaitis to approve the release of the Illinois Student Assistance Commissions SAIV Report. The motion carried with nine votes for approval, no votes opposed, and with Mr. Dodd abstaining (ISAC – FCIAA Validator).

Mr. Kirk will delegate the responsibility for signing the Board's distribution letter and the release of the report to ISAC.

### **Request for External Quality Assurance Team Approval:**

- **Illinois Housing Development Authority** - Ms. Morgan reported that the Illinois Housing Development Authority had submitted a request to the Board to consider the approval of a Self-Assessment with Independent Validation (Based on Standards Effective January 1, 2011) with Mr. Neal Crowley serving as the independent external validator.

Ms. Labonte made a motion to accept the QAR Team for the Illinois Housing Development Authority contingent upon the reviewer's completion of the SIAAB's 2011 Quality Assurance Review Course. Ms. Cullen seconded. The motion carried with nine votes for approval, no votes opposed, and with Ms. Zemaitis abstaining (both Mr. Crowley and Ms. Zemaitis are employed by the University of Illinois).

### **External Quality Assurance Review Reports 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 was received on December 12, 2011, assigned to an Assistant Quality Assurance Coordinator on December 12, 2011 and completed on December 13, 2011. However further follow-up of the process is under review.

### **External Quality Assurance Reviews Due CY12:**

- **Illinois State Board of Education** - No Request for Team Approval Received – EQA Completion Due March 2, 2012.
- **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. EQA completion will be due following the close of FY2012.
- **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 provided a draft change to the SIAAB Bylaws based on PA96-1473. The Board discussed the proposal and a motion was made by Ms. Ringler and seconded by Ms. LaBonte to accept the revision to the Bylaws as amended. The motion carried unanimously.

**NEW BUSINESS**

**Meeting Schedule for December 2011 -**

The Board discussed whether the second meeting scheduled for December 21, 2011, would be necessary and a motion was made by Mr. Kirk and seconded by Ms. Cullen to cancel the meeting scheduled for December 21, 2011. The motion carried unanimously.

**Other New Business Training -**

The Board discussed the merits of contacting the IIA to determine whether it was feasible to hold a special training session for small audit shops based on the IIA's Audit Executive series. Ms. LaBonte will check with IIA to determine whether such a conference would be feasible and report back to the Board at its January 11, 2012, meeting.

**ANNOUNCEMENTS**

The next regular meeting will be January 11, 2012, 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 2-201 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 2:37 p.m.