

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting, February 9, 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 1:06 p.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
Spenser Staton, Illinois Department of Central Management Services – Springfield
Steve Kirk, Illinois Department of Transportation – Springfield
Marcus Dodd, Illinois Department of Employment Security – Chicago
Jane Cullen, Illinois Department of Aging - Springfield
Lisa Labonte, Illinois Department of Natural Resources – Springfield
Barb Ringler, Office of the Treasurer – Springfield

Nancy Bowyer, Office of the Secretary of State – Chicago (joined meeting at 1:20 p.m.)

Members Absent

Doug Hathhorn, Illinois Department of Revenue - Springfield

MINUTES

The February 9, 2011, meeting minutes were reviewed and revisions made as follows:

Page 2, first paragraph under Reports and Updates, CPE Coordinator – On-line Quality Assurance Review Training Update was deleted.

A motion was made by Mr. Staton to accept the February 9, 2011, minutes as revised and Ms. Cullen seconded. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator – On-line Quality Assurance Review Training Update

Ms. Morgan reported that four individuals are on the waiting list to take the 2010 version of the on-line training course and three individuals are on the waiting list to take the 2011 version of the on-line training course. Ms. Morgan further reported that she, Ms. Zemaitis, and Ms. Ringler took the 2010 course using its new platform (Illinois Compass) and that based on their review, the course is ready to roll out.

Ms. Morgan reported that Mr. Eduardo Mascorro has requested a new Illinois Compass course site for the 2011 version of the on-line training course. She also indicated that the development of the 2011 course is pending, but plans to have it ready and available for the Board to review by the March meeting.

Ms. Zemaitis confirmed that 2011 course site has been set-up and is ready to start adding content when it becomes available.

Ms. Morgan made a motion to roll out the 2010 version of the on-line training course with the changes identified by Ms. Zemaitis and Ms. Ringler and to process the registrations for the four individuals waiting to take the 2010 version of this course. Mr. Kirk seconded. The motion carried unanimously.

FOIA Officer Update –

Ms. Ringler reported that no FOIA requests were received. Ms. Ringler further reported that Mr. Tracy Allen delivered boxes containing FOIA documentation from Ms. Rusti Cummings, former FOIA Officer. Ms. Ringler indicated that she will retain those files.

Quality Assurance Coordinator / Assistant Quality Assurance Coordinator –

Ms. Zemaitis reported that she received four QAR Team Approval Forms. Ms. Zemaitis provided the QAR Team Approval Forms, along with respective independence forms, confidentiality forms, and resumes to the Board for QAR Team approval.

1. QAR Team Approval Form from Kim Labonte, Southern Illinois University, proposing a self-assessment with independent validation with a Review Team consisting of Rita Moore, from Western Illinois University, and Dave Dixon, from Governor's State University.

Ms. Ringler made a motion to accept the QAR Team for Southern Illinois University. Ms. Lisa Labonte seconded. The motion carried unanimously.

2. QAR Team Approval Form from David Dixon, Governor's State University, proposing a self-assessment with independent validation with a Review Team consisting of Becky Litton, from Eastern Illinois University.

Mr. Staton made a motion to accept the QAR Team for Governor's State University. Mr. Kirk seconded. The motion carried unanimously.

3. QAR Team Approval Form from Sharon McRaven, Eastern Illinois University, proposing a self-assessment with a Review Team consisting of Deborah Muhammad, from Chicago State University.

Ms. Labonte made a motion to accept the QAR Team for Eastern Illinois University. Ms. Cullen seconded. The motion carried unanimously.

4. QAR Team Approval Form from Danielle Schultz, Northern Illinois University, proposing a self-assessment with a QAR Review Team consisting of Tom Salzman, from Illinois State University, and Brenda Martin, from Southern Illinois University.

Mr. Staton made a motion to accept the QAR Team for Northern Illinois University. Mr. Kirk seconded. The motion carried unanimously.

Ms. Zemaitis reported that Ms. Morgan forwarded an e-mail from Mr. Michael Pustelnik from the Illinois Toll Highway. Mr. Pustelnik inquired about what the Board considers significant changes in personnel and whether his agency will need to complete an internal assessment since toll Highway is in process of hiring a new Chief. The Board discussed that an internal review will be necessary because of the Standards changes that were effective January 1, 2011. The consensus of the Board was that a change in Chief Internal Auditor constitutes a significant change in personnel. Therefore, the consensus of the Board is that Toll Highway will need to conduct an internal assessment, and Ms. Zemaitis will respond to Mr. Pustelnik's question accordingly.

Ms. Bowyer informed the Board that the self-assessment validator for the Secretary of State's Office withdrew from reviewing their report and that she is currently looking for a new validator. Ms. Bowyer will resubmit a new set of QAR Team Approval Forms for the Board's approval when a new validator has been identified.

OLD BUSINESS

Records Retention Policy –

This item was tabled until the March meeting.

SIAAB Bylaws Revisions –

Mr. Dodd raised a question regarding CPE requirements for contracted internal auditors when certain internal audit activities are co-sourced.

In order to address CPE requirements for contracted internal audit services, section 2.5.1 of the Bylaws, fourth paragraph, was revised to add the following statement: *“In cases where a portion of the internal audit services are contracted out, the Chief Internal Auditor must ensure that individuals assigned to such internal audit services have obtained the appropriate continuing professional education.”*

A motion to approve this change to the Bylaws was made by Ms. Morgan and seconded by Mr. Kirk. The motion carried unanimously.

QAR Matrix –

The following changes to the Matrix were suggested:

1. Effective dates under Attribute Standards to be revised to indicate the actual date the Board adopted the Standards, December 8, 2010.
2. Performance Standard 2070 to include SIAAB interpretation on outsourcing internal audit function. Ms. Morgan will provide Ms. Cullen the language from FCIAA to be added to this section of the Matrix to clarify the Board’s position on outsourcing.
3. Page numbers to be included on all pages.
4. The IIA’s copyright statement for 2011 to be included on all pages.
5. Ms. Cullen will review the current version of the Standards and make sure Performance Standards numbering throughout the Matrix is consistent.

A motion to accept the Matrix as amended was made by Ms. Morgan and seconded by Ms. Ringler. The motion carried unanimously.

Open Meetings Act –

Ms. Zemaitis informed the Board that she provided Mr. Marty Green the change to the footer of the Open Meetings Act to correct the word “Internal” to “International” as part of the IIA Standard’s formal name reference.

Ms. Zemaitis further indicated that Mr. Green inquired whether the SIAAB Chair is willing to testify in support of the revisions to the Open Meetings Act when the bill is called for a hearing in the Committee. Mr. Green also inquired whether the SIAAB Members would work with their institutions’ legislative liaisons to submit slips in support of the legislation.

Ms. Zemaitis will follow-up with Mr. Green regarding her communication of his inquiries for the Board. Ms. Zemaitis will also ask Mr. Green who is sponsoring the bill and the bill’s number when it becomes available and will bring this information to the Board.

Mr. Kirk made a motion for the Board to support the proposed amendments to the Opens Meetings Act and to grant authority to the SIAAB Chair to testify on behalf of the Board unless there is substantial

change to the proposed revisions at which time the SIAAB Chair will consult with the Board for further discussion. Ms. Labonte seconded. The motion carried unanimously.

NEW BUSINESS

SIAAB Guidance –

Mr. Kirk proposed the SIAAB adopt a document similar to a “practice advisory” document being used by the IIA. This new document would contain detailed SIAAB interpretations, clarification, and guidance for state auditors and will be used in addition to the Matrix. Mr. Kirk further proposed that the draft of this document be placed on the SIAAB’s Website to outreach to the state audit community in order to gather the knowledge of the entire group of state auditors to finalize this document.

Ms. Morgan proposed the creation of a new Coordinator to oversee the new “practice advisory” document and suggested the title of “SIAAB Guidance Coordinator”. Mr. Kirk agreed to act as the new Coordinator and proposed the Bylaws be amended to include the new coordinator position. Mr. Kirk further agreed to draft the language for the new coordinator position to be added to the Bylaws and will bring it to the Board for discussion and approval at the March meeting.

Chair and Vice Chair Elections –

Ms. Zemaitis opened the SIAAB Election of Officers. Mr. Kirk withdrew his name for Chair. With Mr. Kirk’s withdrawal from the Chair nominations, Ms. Morgan remained the sole nominee. Mr. Staton made a motion to approve Ms. Morgan as the new SIAAB Chair. Ms. Cullen seconded. The motion carried unanimously.

Mr. Kirk was the only SIAAB Member nominated for Vice Chair at the January meeting. Therefore, Ms. Ringler made a motion to approve Mr. Kirk as the new SIAAB Vice Chair. Mr. Staton seconded. The motion carried unanimously.

ANNOUNCEMENTS

The next regular meeting will be March 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 Ms. Ringler. The motion carried unanimously and the meeting was adjourned at 2:57 p.m.