

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting, March 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 1:04 p.m. by Lesslie Morgan, Chair.

ROLL CALL

Members Present/Location

Lesslie Morgan (Chair), Office of the Attorney General – Springfield
Steve Kirk, Illinois Department of Transportation (Vice-Chair) – Springfield
Nancy Bowyer, Office of the Secretary of State – Chicago (joined meeting at 1:20 p.m.)
Nick Barnard, Office of the Treasurer - Springfield
Spenser Staton, Illinois Department of Central Management Services – Springfield (joined meeting at 1:05 p.m.)
Tracy Allen, Office of the Comptroller – Springfield
Jane Cullen, Illinois Department of Aging - Springfield
Marcus Dodd, Illinois Department of Employment Security – Chicago
Doug Hathhorn, Illinois Department of Revenue – Springfield (joined meeting at 1:55 p.m.)
Lisa Labonte, Illinois Department of Natural Resources – Springfield
Julie Zemaitis (Chair), University of Illinois – Springfield (joined meeting at 1:20 p.m.)

Members Absent

All present

MINUTES

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

Page 5, first paragraph and first sentence under New Business, SIAAB Guidance – Ms. Kirk was changed to Mr. Kirk.

A motion was made by Ms. Labonte 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 the 2010 version of the on-line training course was rolled out on February 10, 2010. As of the March meeting, four individuals had taken the 2010 version of the on-line training course and two individuals were in the process of taking the course. Ms. Morgan also reported that there were three individuals who have requested access to the 2011 version of the on-line training course and their registration was pending the 2011 course roll-out.

FOIA Officer Update –

Mr. Barnard reported that no FOIA requests were received, however, Ms. Ringler had requested that the Board consider adding a secondary FOIA Officer as backup, as was previously held by the Comptroller's Office. The Board discussed the need for a secondary FOIA Officer in the event that a request was received and SIAAB's primary FOIA Officer was not available to respond timely. Further, the Board discussed whether the secondary FOIA Officer should be a "member ex-officio" not subject to the three year reappointment provision pertaining to the Governor appointees. In response to the concerns raised, Mr. Staton graciously volunteered to serve as the secondary FOIA Officer. A motion was made by Ms. Labonte to appoint Mr. Staton as the SIAAB's secondary FOIA Officer and Ms. Cullen seconded. The motion carried unanimously.

Mr. Barnard provided Ms. Morgan with a copy of the FOIA and OMA Certifications indicating that Ms. Ringler had successfully completed the course on March 4th and March 8th, respectively. Ms. Morgan informed the Board that Mr. Kirk and she had also completed both courses since the February meeting.

Quality Assurance Coordinator / Assistant Quality Assurance Coordinator –

Ms. Morgan reported that she received three QAR Team Approval Forms which were provided to the Board for discussion. The QAR Team Approval Forms, along with respective independence forms, confidentiality forms, and resumes were as follows:

1. QAR Team Approval Form from Ms. Morgan, Illinois Office of the Attorney General, proposing a Self-Assessment with Independent Validation with Jessica Hoppe, CPA, CIA, from the University of Illinois – Springfield serving as the independent external validator.

Mr. Staton made a motion to accept the QAR Team for the Illinois Office of the Attorney General, and Mr. Allen seconded. The motion carried unanimously.

2. QAR Team Approval Form from Stacy Smith, Illinois Teachers Retirement Systems, proposing a Self-Assessment with Independent Validation with Steve Hayward, from State Universities Retirement System serving as the independent external validator.

Mr. Staton made a motion to accept the QAR Team for the Illinois Teachers Retirement Systems contingent upon the reviewer's completion of the SIAAB's Quality Assurance Training Course and Mr. Kirk seconded. The motion carried unanimously.

3. QAR Team Approval Form from Ronald Cierny, Northeastern Illinois University, proposing a External Quality Assessment with a Review Team consisting of Michael Ciminero, Crowe Horwath LLP.

Mr. Kirk made a motion to accept the QAR Team for Northeastern Illinois University. Ms. Zemaitis seconded. The motion carried unanimously.

Ms. Morgan reported that she contacted the Institute of Internal Auditor's (IIA) Quality Manager, in relation to the IIA's position pertaining to the timing of the EQA/SAIV completion and the impact on the opinion rendered (June 25, 2009). Ms. Morgan provided the Board with a copy of the IIA's response dated March 4, 2011 which stated:

" Once the EQA is conducted and a report is drafted to the IA activity and the opinion or once a self assessment has been independently validated and each is general conformance, that IA activity is at that point in conformance and may report such."

Based upon the IIA response, if the Board was unable to release an internal audit organization's EQA or SAIV prior to the date of the Board's last EQA/SAIV release, the internal audit organization would not be penalized and therefore would not need to revise its "General Conforms" opinion rendered. The IIA's basis will provide a safeguard for internal audit organizations subject to the next round of EQA/SAIV. In the event that a Special Assistant Coordinator or the Board is unavailable to complete the subsequent review timely due to unforeseen delays in the assignment to the Special Assistant Coordinator (availability) or the final review by the Board.

Ms. Morgan sent a request for Special Assistant Coordinators to State of Illinois Chief Internal Auditors (not on the Board) and to senior managers. Ms. Morgan reported that the following six Chief Internal Auditors/Managers responded that they would be willing to serve as Special Assistant Coordinators:

- Debbie Abbott, Chief Internal Auditor – Department of Human Services
- Neal Crowley, Manager - University of Illinois – Chicago
- Ariana Jaupi, Manager – Illinois Toll Highway Authority
- Barbara Manning, Chief Internal Auditor – Illinois Housing Development Authority
- Rita Moore, Chief Internal Auditor – Western Illinois University
- Stacy Smith, Chief Internal Auditor – Illinois Teacher's Retirement Systems

As of the meeting, Rita Moore and Stacy Smith had successfully completed the SIAAB's 2010 Quality Assurance Review Online Training Course. Ms. Morgan confirmed that the remaining four potential Special Assistant Coordinators were aware that they would need to take the 2010 version of the course. Further, each of the six were informed that they may also be required to complete the 2011 version of the course in the event that an internal audit organization chose to complete a EQA/SAIV using the 2011 version of the Standards.

Mr. Staton motioned that the Special Assistant Coordinators be approved contingent upon their completion of the Boards Quality Assurance Review Online Training Course. Mr. Dodd seconded. The motion carried unanimously.

OLD BUSINESS

Records Retention Policy –

Mr. Allen was unaware of the status of the Records Retention Policy and would seek input from Ms. Cummings. Ms. Zemaitis stated that a draft may have been provided to Ms. Ringler by Ms. Cummings. Mr. Barnard will follow-up with Ms. Ringler regarding the status. Mr. Staton stated that he would also check on the SIAAB Record Retention Policy that is currently in place. Further discussion was tabled until the April 2011 meeting.

On-Line Training Course -

Ms. Morgan reported that the 2011 version of the course was provided to the webmaster on March 1, 2011 (Lessons) and on March 3, 2011 (Quizzes). The webmaster was in the process of moving the lessons and quizzes to the new platform (Illinois Compass), however, Ms. Morgan will need some of the Board members to complete the trial version of the 2011 course prior to its rollout, which is anticipated after the April 13, 2011 meeting. Ms. Morgan asked if any of the members would participate in the course review and Ms. Labonte, Ms. Cullen, Mr. Dodd, Ms. Zemaitis, Ms. Ringler or Mr. Barnard, and Ms. Morgan would complete the review. Ms. Morgan asked each to provide their comments to both the Board's webmaster and her prior to the next Board meeting so that the course could be rolled out shortly after April 13, 2011.

Quality Assurance Matrix-

Ms. Morgan reported that the 2011 Quality Assurance Matrix (Matrix) was updated to include the December 8, 2010 adoption of the IIA Standards in their entirety. Ms. Morgan identified additional quality assurance steps that would need to be added to the 2011 version in order for the Matrix to parallel the IIA's Standards. The Board discussed changes to the following Matrix sections:

- PS 2010.A2 -Question 1 (c).
- PS 2130.A1 – Question 6 (b)(c)
- PS 2210.C2 – Question 4 (d) and 7
- PS 2450 – New Question 6

Mr. Staton motioned that the revisions to the 2011 Quality Assurance Matrix as discussed be approved. Ms. Zemaitis seconded. The motion carried unanimously.

Proposed Revisions to Open Meetings Act -

Ms. Morgan reported that she received a request from Mr. Green, Illinois CPA Society, that as the SIAAB's Chair that she serve as a witness on behalf of the Board's position on an amendment to the Open Meetings Act. Ms. Morgan attended the February 23, 2011 State Government Administration Committee Meeting as a witness. Mr. Green has since communicated that the bill overwhelming passed the House and that it was awaiting committee assignment in the Senate.

SIAAB Bylaws Revisions –

Ms. Morgan asked Mr. Kirk to present the proposed amendment to the SIAAB Bylaws pertaining to Article I, Section 1.44 Other Coordinators. The proposal would establish the SIAAB Guidance Coordinator's position which would be responsible for monitoring changes to applicable professional standards, receiving request for interpretations and guidance, and seeking comment from State of Illinois Chief Internal Auditors. The Board discussed the proposal and made minor modifications. A motion was made by Mr. Dodd and seconded by Ms. Bowyer to adopt the revisions to Article I, Section 1.44 with the changes made by the Board. The motion was approved unanimously.

NEW BUSINESS

SIAAB Annual Training Conference –

Ms. Morgan reported that she had discussed the Annual Government Conference with the IIA's Vice President and have received some support in co-sponsoring the conference in either August or September 2011. Ms. Morgan stated that the internal audit community relied upon the Board's annual conference as a significant means to obtain governmental updates and CPE at a reasonable cost. Ms. Morgan ask for assistance in overseeing the 2011 Government Conference and Ms. Ringler, Ms. Labonte, and Ms. Zemaitis agreed to assist in the conference. Ms. Zemaitis provided a binder to Mr. Barnard which had been prepared by Mr. Mascarro, to use in preparing for SIAAB Conferences. The Board was very appreciative of the work that both Mr. Mascarro and Ms. Zemaitis provided, along with members who were responsible for presentations during the 2010 Government Conference, as it had been rated as one of the best.

A motion was made by Mr. Barnard and seconded by Mr. Hathhorn to appoint Ms. Ringler, Ms. LaBonte, and Ms. Zemaitis as Special Conference Assistants. The motion carried unanimously.

Other Business –

Ms. Morgan requested and obtained the annual Independent Disclosure Forms and the Confidentiality Statements from Board members with the exception of Ms. Bowyer, Mr. Dodd, Mr. Hathhorn and Ms. Labonte, who would be forwarding these to Ms. Morgan following the meeting. Mr. Kirk, as Vice Chair approved Ms. Morgan's Independent Disclosure Form and Confidentiality Statements.

A motion was made By Mr. Hathhorn and seconded by Ms. Zemaitis to appoint Mr. Kirk to Assistant Quality Assurance Coordinator and to re-appoint Mr. Mascarro as the Board's webmaster. The motion was approved unanimously.

ANNOUNCEMENTS

The next regular meeting will be April 13, 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. Dodd. The motion carried unanimously and the meeting was adjourned at 2:58 p.m.