

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting, August 10, 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 1:00 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
Jane Cullen, Illinois Department on Aging – Springfield (Attended 1:00-2:20 p.m.)
Marcus Dodd, Illinois Department of Employment Security – Chicago
Lisa LaBonte, Illinois Department of Natural Resources – Springfield
Nick Barnard, Office of the Treasurer - Springfield (Voting Designee)
Spenser Staton, Illinois Department of Central Management Services – Chicago
Julie Zemaitis, University of Illinois – Springfield

Members Absent

Nancy Bowyer, Office of the Secretary of State
Doug Hathhorn, Illinois Department of Revenue

MINUTES

The July 13, 2011, meeting minutes were presented to the Board for discussion and approval. A motion was made by Mr. Dodd and seconded by Ms. LaBonte to accept the July 13, 2011 meeting minutes as amended for the punctuation error identified by Ms. Zemaitis. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator –

Ms. Morgan reported that as of the August 10th meeting, one individual had successfully completed the 2011 version of the on-line training course and three individuals had successfully completed the 2009 version of the

on-line training course. No other new registrations have been received for the online courses. 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 Board will need to begin considering who should be appointed to serve as the Board's CPE Coordinator for CY2012. Action will need to be taken by the Board with sufficient time to finalize the annual renewal of their CPE Sponsors registration with the DPFR by December 31st.

FOIA Officer –

Mr. Barnard and Mr. Staton reported that there were no FOIA requests received since the last meeting.

Guidance Coordinator –

Mr. Kirk reported that no responses or request have been received since the July 13th meeting.

Proposed Revisions to Open Meetings Act –

Ms. Morgan provided an update on HB 1277, which had been passed by the Senate on May 17, 2011 and was sent to the Governor on June 15, 2011. Ms. Morgan reported that as of the meeting, there had not been any further action taken by the Governor on HB 1277.

OLD BUSINESS

SIAAB 's Records Retention Policy –

Ms. LaBonte and Mr. Staton reported on their review of the SIAAB's Records Retention Policy and the SIAAB's Public Records Management Tool. The Board discussed the types of documents that were included as "official records" and the length of retention. Ms. Morgan asked Ms. LaBonte and Mr. Staton to review SIAAB's Record's Retention Policy and Public Records Management Tool and determine whether further revisions were warranted.

Further discussion was tabled until the September 14, 2011 meeting.

SIAAB's Annual Training Conference –

Mr. Barnard reported on the SIAAB's Annual Training Conference including the tentative list of attendees in response from communication with State Internal Audit Manager's; cost break-out and tentative training schedule. Once the two-day training schedule has been finalized the information will be provided to the SIAAB's Webmaster so that the Conference's announcement brochure can be finalized and loaded to the Board's website.

Further discussion was tabled until the September 14, 2011 meeting.

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 July 13th meeting:

External Quality Assurance Review Reports Released Since July 2011 Meeting:

- **Illinois Office of the Secretary of State** - Ms. Morgan reported that the Office of the Secretary of State's SAIV Report (Based on Standards Effective January 1, 2009) was released on July 14, 2011, following the Board's approval for release on July 13, 2011.
- **Illinois State University** - Ms. Morgan reported that the Illinois State University's SAIV Report (Based on Standards Effective January 1, 2009) was released on July 14, 2011, following the Board's approval for release on July 13, 2011.
- **Illinois Teachers Retirement Systems** - Ms. Morgan reported that the Illinois Teachers Retirement System's SAIV Report (Based on Standards Effective January 1, 2009) was released on July 14, 2011, following the Board's approval for release on July 13, 2011.
- **Southern Illinois University** - Ms. Morgan reported that the Southern Illinois University's SAIV Report (Based on Standards Effective January 1, 2009) was released on July 18, 2011, following the Board's approval for release on July 13, 2011.

Request for External Quality Assurance Team Approval:

- **Illinois Commerce Commission** – Ms. Morgan reported that the Illinois Commerce Commission (ICC) has submitted a Request for External Quality Assurance Review Team Approval for the Board's review and approval. Mr. Rife, the ICC's Chief Internal Auditor has requested approval for a Self-Assessment with Independent Validation (Based on Standards Effective January 1, 2009) with Doug Tinch CPA, CIA, CISA, CISSP and Corrine Fuchs CGAP serving as the independent external validators. Ms. Morgan reported that both Mr. Tinch and Ms. Fuchs had completed the 2009 version of the Board's quality assurance training course. A motion was made by Mr. Barnard and seconded by Mr. Kirk to accept the request for team approval. The motion carried unanimously.

External Quality Assurance Review Reports Before the Board for Discussion:

- **Chicago State University** - Ms. Morgan presented the Chicago State University's SAIV review (Based on Standards Effective January 1, 2009) for the Board's discussion. Based upon the Board's review, further follow-up was warranted with the Chief Internal Auditor and validator.
- **Governor's State University** - Ms. Morgan presented the Governor's State University's SAIV review (Based on Standards Effective January 1, 2009) for the Board's discussion and approval for release. A motion was made by Ms. Zemaitis and seconded by Mr. Barnard to approve the release of the Governor's State University's external quality assurance review. The motion carried unanimously.
- **Illinois Office of the Attorney General** - Mr. Kirk presented the Office of the Attorney General's SAIV review (Based on Standards Effective January 1, 2011) for the Board's discussion and approval for release. A motion was made by Mr. Staton and seconded by Ms. LaBonte to approve the release of the Office of the Attorney General's external quality assurance review. The motion carried by 6 votes for approval for release (Ms. Cullen had left the meeting) and 2 abstentions (Ms. Zemaitis, whose staff conducted the validation, and Ms. Morgan, the Attorney General's Chief Internal Auditor). Mr. Kirk

will be responsible for signing the Board's distribution letter and forwarding the reports to the Office of the Attorney General.

External Quality Assurance Reviews Received By Board for Review:

- **State Universities Retirement System** - The draft EQA/SAIV Report (Based on Standards Effective January 1, 2009) was received by the Quality Assurance Coordinator on July 27, 2011 and assigned to a Special Assistant Quality Assurance Coordinator on July 27, 2011.

External Quality Assurance Reviews in Progress:

- **Eastern Illinois University** - Request for SAIV Team Approval (Based on Standards Effective January 1, 2009) granted by the Board on February 9, 2011 – SAIV 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.
- **Illinois State Employee's Retirement Systems** - Request for SAIV Team Approval (Based on Standards Effective January 1, 2009) granted by the Board on April 13, 2011 – SAIV in Progress
- **Illinois Office of the Treasurer** - Request for SAIV Team Approval (Based on Standards Effective January 1, 2009) granted by the Board on May 23, 2011 – SAIV in Progress.
- **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 – No Course Registration Received as of August 10th 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.

Ms. Morgan also reported that the following external quality assurance reviews 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 in January 1, 2002. Mr. Allen stated that the Office of the Comptroller was aware that an external quality assurance review had not been completed and would conduct such a review in the near future.
- **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 –

Due to Ms. Ringler's absence, the discussion was tabled until the September 14, 2011 meeting.

NEW BUSINESS

Calendar Year 2012/2011 – Scheduled Meeting Dates/Times

Ms. Morgan reported that with the new calendar year approaching the Board should reserve dates/times for calendar year 2012. A motion was made by Mr. Staton and seconded by Ms. Zemaitis to approve the second Wednesday (1:00-3:00 p.m.) of each month during calendar year 2012. The motion carried unanimously.

Ms. Morgan also reported that there had been an inquiry from a Board member as to whether it would be necessary to hold two meetings per month for October, November, and December 2011. Ms. Morgan reported that since there are still external quality assurance reviews outstanding, the Board will determine whether the second monthly meeting is necessary on a month-to-month basis. The decision to cancel the second monthly meeting will be based upon Board action. Further, communication of the cancellation will be posted on the Board's website and at the locations in which the Board regularly meets.

Other Business –

Ms. Zemaitis announced that U of I's LISTSERV email application is available for the Board and SIAMG for email distributions.

Mr. Staton announced that at the Legislative Audit Commission's hearing, a special committee had been established to seek candidates for the Auditor General's appointment.

ANNOUNCEMENTS

The next regular meeting will be September 14, 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. Barnard and seconded by Mr. Allen. The motion carried unanimously and the meeting was adjourned at 3:00 p.m.