

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

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

**MINUTES**

**Board Meeting- June 13, 2012**

**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 2-201, Chicago, Illinois. The meeting was called to order at 1:04 p.m. by Stephen Kirk, Chair.

**ROLL CALL**

**Members Present/Location**

Stephen Kirk, (Chair), Illinois Department of Transportation– Springfield

Doug Hathhorn, (Vice Chair) Illinois Department of Revenue- Springfield (Present from 1:00-1:35)

Spenser Staton for Amy Walter, Central Management Services-Springfield

Lesslie Morgan, Office of the Attorney General- Springfield

Tracy Allen, Office of the Comptroller – Chicago

Julie Zemaitis, University of Illinois – Springfield

Marcus Dodd, Illinois Department of Employment Security-Chicago

**Members Absent**

Nancy Bowyer, Office of the Secretary of State

Barb Ringler, Office of the Treasurer

Jane Cullen, Illinois Department on Aging

**MINUTES**

The May 9, 2012, meeting minutes were presented to the Board for discussion and approval. Some changes were proposed by Ms. Morgan and Ms. Zemaitis and accepted by the Board. A motion was made by Ms. Zemaitis and seconded by Vice-Chair Hathhorn to accept the May 9, 2012 minutes as amended. The motion carried unanimously.

**REPORTS AND UPDATES**

**CPE Coordinator** – Due to the resignation of Ms. LaBonte Chair Kirk has filled in as the CPE Coordinator until a new one is elected. Chair Kirk acknowledged and thanked SIAAB Web Master Eduardo Mascorro for providing the updated details regarding the on-line training. Chair Kirk reported

that since the previous meeting, Randy Martin of IDOT, Katelyn Wurth of Western Illinois University and Chris Cavanaugh Chief Internal Auditor for Wichita State University successfully completed the 2011 version of the SIAAB External Quality Assurance Review Training Course and was issued a training certificate. Randy Martin has been issued his certificate and Chair Kirk stated he will be issuing the other two certificates soon. The following people are pending completion of the training course: Staceyann Cabey-Kaufmann of IDOT, Joseph Dillon of IDOT and Alex Zavin of IDOT.

It was decided that Chair Kirk would continue as the CPE Coordinator until the next meeting when more members were present to vote for a replacement for the position. Chair Kirk agreed to serve until the next meeting in the CPE Coordinator capacity.

### **Quality Assurance Reviews – Current Reviews and Requests–**

Chair Kirk provided an update.

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

- **Illinois Office of the Comptroller-**

Chair Kirk presented that Mr. Allen of the Comptroller's Office submitted a request for Brett Finley to the QAR independent validator

Motion: Vice-Chair Hathhorn to accept Brett Finley as the QAR Independent Validator for the Comptroller's Office subject to his successful completion of the SIAAB QAR on-line Training Course.

Second: Mr. Dodd

Mr. Allen Abstained

8 voted yes, 1 abstained, motion carried.

- **Illinois State Board of Education-** No Change in Status. No official Request for Team Approval Received – EQA Completion Due March 2, 2012 has been submitted, Ms. Oller has communicated that she plans on submitting a request within the next two months. Chair Kirk reported at a previous meeting that he received a telephone call from Ms. Oller and answered questions about the process and the selection of the independent validator. Ms. Oller indicated she would be requesting someone as an independent validator soon.

Chair Kirk asked Ms. Morgan to present a request from Danielle Schultz the Chief Internal Auditor of Northern University.

1. What CPE does SIAAB recognize for taking and passing a CPA or CIA examination?

Ms. Morgan noted that currently the By-Laws do not allow for CPE credit for the CIA or CPA examination. A discussion was held between the SIAAB members as to whether credit should be given and if so under what conditions. Ms. Morgan stated that she believed credit should be given under certain circumstances and several members acknowledged agreement with that position. Ms. Morgan noted that continuing education is addressed in Section V, 2.5.1 of the SIAAB By-Laws.

The SIAAB then discussed what should be allowed. Chair Kirk noted that it was his opinion that no credit should be given if a person does not pass the examination but it should be given if they pass the examination. Mr. Dodd stated he did not believe someone should receive credit for taking the examination. Chair Kirk clarified his point and stated it was credit for self study for the course and the evidence that the person studied was the passing of the examination it was not really credit for passing the examination. Chair Kirk stated that studying for the examination is very intense study and people who do so learn more than they would when sitting in a seminar for which we do give credit or other self study. Chair Kirk stated some examples of self study material would be course books such as Gleim or study CDs or on line study courses.

Vice-Chair Hathhorn noted if someone took an actual training course they would only receive credit for the training course they would not also receive credit for the self study, it would be an either or situation. Vice-Chair Hathhorn stated that the number of hours given should be based upon guidance from the applicable organization who awarded the certification, which for CPA would be the AICPA and for CIA the IIA. Vice-Chair Hathhorn stated that the IIA divides their hours earned equally between the next 2 years.

Ms. Morgan noted she liked the idea of giving credit for those that passed as a way SIAAB could encourage auditors to earn designations. Ms. Morgan noted that the current By-Laws were based upon the GAO, which has not allowed this continuing education credit, however she noted the SIAAB could certainly decide to change the By-Laws but a vote would be required. It was also noted by Ms. Morgan that this request pertained to activities that occurred in 2011 and 2012, so the SIAAB would have to decide whether those would be acknowledged since the By-Law was not changed then. Vice-Chair Hathhorn stated that he would look at what he had proposed before and provide that at the next board meeting. Chair Kirk recommended tabling the matter until the next meeting so more members could participate in the discussion and Vice-Chair Hathhorn could provide the information. Ms. Morgan noted that a change to the By-Laws requires a 2/3 Majority vote.

### **SIAAB 2012 Training–**

Chair Kirk stated that Vice-Chair Hathhorn would have to leave the meeting early to attend the external audit entrance conference. He requested that he be able to discuss the fall conference before leaving so that was being moved up the agenda as the next topic. Vice-Chair Hathhorn stated the conference has been set for October 24<sup>th</sup> and 25<sup>th</sup> at the Northfield Center in Springfield. Vice-Chair Hathhorn stated he had reached out to the Auditor General but had not heard back yet. He had communicated with Bruce Bullard. He stated that he had reviewed the various topics from the internal audit survey. He requested that Mr. Allen seek out someone from the Comptroller's Office to provide an update and suggested topics would be SB3794 and the WEDGE System. Mr. Allen agreed.

Vice-Chair Hathhorn stated he also believed that although in the past SIAAB had each speaker for one hour, he believed some speakers may require more time depending on the subject. He believed that was consistent with the survey feedback that was received. Vice-Chair Hathhorn stated if it was ok with SIAAB members he would look at some of the speaker slots and possibly provide additional time to them. Vice-Chair Hathhorn stated that one of those speakers would cover Risk Assessment. Vice-Chair Hathhorn stated he had reached out to a former Chief Internal Auditor of a Fortune 500 Company that he knows who lives in Sherman but he has not heard back from him yet. Vice-Chair Hathhorn requested that Ms. Zemaitis send him the agenda from last year and she acknowledged she would do so. He also requested the meals and other Northfield arrangements from last year and Ms. Zemaitis stated that Vice-Chair Hathhorn should reach out to Ms. Ringler who was the Conference Chairman last year. Vice-Chair Hathhorn requested that all members think of some topics and let him know. It was agreed that seminar topics would be discussed at the July meeting. Vice-Chair Hathhorn then excused himself from the meeting.

The SIAAB then continued with its previous discussion regarding the request from Northern.

1. In regards to the first item of CPE for self-study after passing the examination, it was noted that currently that is not allowed under the SIAAB By-Laws. It was also noted that SIAAB members were interested in discussing a possible change to the SIAAB By-Laws at the next meeting.
2. Northern stated that they occasionally send staff to NCAA sponsored conferences and they wanted to know if this would be eligible for CPE and what evidence would be needed to support the training. Chair Kirk stated that he believed it would be eligible if the NCAA was qualified to issue CPE and in fact provided CPE Certificates. Ms. Morgan stated that Northern indicated the NCAA does not provide certificates. Mr. Dodd stated that the United States Department of Labor also provides training and does not issue certificates so he has not counted that towards CPE even though it is industry specific training. Chair Kirk noted that he attends an annual training conference held by AASHTO, the Association of State Highway Officials but that they issue actual CPE certificates for continuing education. Chair Kirk noted that Northern should encourage the NCAA to issue CPE certificates, but absent that he did not believe it would qualify. Mr. Statton asked if Northern had the agenda would that qualify for CPE? Ms. Morgan stated the organization must be registered in their state and abide by the CPE requirements. Ms. Zemaitis stated that the requirements were more stringent than just providing an agenda.

Motion: Ms. Morgan- A response be sent by Chair Kirk by e-mail to the Northern Chief Internal Auditor outlining the discussion from today's meeting. SIAAB members should be copied on the correspondence.

Second: Ms. Zemaitis

Motion carried unanimously

**FOIA Officer –**

Chair Kirk noted that Ms. Ringler had requested that he report there had been no FOIA requests.

**Guidance Coordinator–**

Ms. Morgan reported that she had not received any request for guidance since the previous meeting.

**Board Appointments–**

Ms. Walter stated in an e-mail to Chair Kirk that Chair Kirk and Vice-Chair Hathhorn had signed up with the Governor’s Office to renew. Ms. Cullen had indicated she would serve on the SIAAB until replaced. Ms. LaBonte withdrew her renewal request and resigned from the SIAAB. Ms. LaBonte’s position is therefore vacant. Mr. Dodd suggested providing a notice on the SIAAB website. Ms. Zemaitis stated she could have that placed under the “What’s New” section. (The four members with expired terms are Mr. Kirk, Mr. Hathhorn, Ms. LaBonte and Ms. Cullen).

**SIAAB 2012 Projects –**

Chair Kirk stated that he would rather wait to continue the discussion of the SIAAB Projects when more members were present. SIAAB members present indicated their concurrence.

**ANNOUNCEMENTS**

The next regular meeting will be July 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**

Motion made by Ms. Morgan to adjourn the meeting.

Second: Mr. Staton

Motion carried unanimously and the meeting was adjourned at 2:01 p.m.