

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

Web Address: SIAAB.AUDITS.UILLINOIS.EDU

MINUTES

Special Board Meeting, September 24, 2008

10:00 AM

Call to Order

A Special meeting of the State Internal Audit Advisory Board (SIAAB) was held on September 24, 2008 at the Capital City Center, Springfield, Illinois, Room 104 with video conferencing available at the JRTC, Chicago, Illinois, Room 9035. Chair Rusti Cummings called the meeting to order at 10:07 a.m. Per Ms. Cummings request, Mary Ishmael, Office of the Comptroller attended and recorded the minutes.

Roll Call

Members Present

- Rusti Cummings, Chair – Office of the Comptroller
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- Carol Kraus, Illinois Office of Internal Audits
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- Lesslie Morgan, Office of the Attorney General
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- Barbara Ringler, Office of the Treasurer
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- Julie Zemaitis, University of Illinois
(In Person/CMS Video Conference Room 9035, JRTC, Chicago)
- Nancy Bowyer, Office of the Secretary of State
(In Person/CMS Video Conference Room 9035, JRTC, Chicago)

Members Absent

None

Guests

- Mary Ishmael, Office of the Comptroller
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)

Minutes

The minutes for the September 10, 2008 regular meeting was tabled until the next regular meeting scheduled for October 8, 2008.

Reports/Updates

CPE Coordinator – Online Peer Review Training Update

Ms. Morgan reported no one is scheduled for Peer Review Training at this time.

Quality Assessment/Subsequent Review Updates

The Executive Committee and Performance Committee have met as noted below. Ms. Cummings will draft the Board's letters for the Illinois Office of Internal Audit, State University Retirement System, and Governor's State University as agreed in the Executive Committee meeting.

Old Business

Fall Conference-

The Board members discussed the Fall Government Auditing Conference to be held on October 6 and 7, 2008. Ms. Cummings reported that she had received many calls to request that this conference be opened to additional staff participants. The Board discussed the state's fiscal condition, the governmental continuing education requirement, current registration level, and meeting room capacity. Based upon this discussion, the Board agreed to open both days to all staff.

Ms. Cummings asked the Board to consider eliminating the costs associated with future conferences so that this course could be offered free of charge. The Board recommended Ms. Cummings include this suggestion in the conference survey to determine the participants' response.

New Business

Ms. Cummings reminded the members that the October 8, 2008 meeting would include a discussion regarding the Institute of Internal Auditor's Tool 19 and the Board's Quality Assurance Matrix. Ms. Zemaitis shared a few thoughts about Tool 19 and how it could be used to establish guidance for assessing the significance of non-conformances to the entity's overall ability to comply with standards. It was discussed that Tool 19 would not replace the matrix but would compliment it. There was also discussion regarding the requirements adopted by the Board in addition to the IIA Standards as well as the requirements of the Fiscal Control and Internal Auditing Act. All members agreed to review these documents for further discussion at the October 8, 2008 meeting.

Announcements

The next regular meeting will be October 8, 2008 – 10:00 a.m. at the Capital City Center's Video Conference Room #104, 130 West Mason, Springfield, Illinois. For those attending via video conference in Chicago, the JRTC Room 9035 has been reserved.

BOARD COMMITTEE MEETINGS

Performance Committee –

Illinois Office of Internal Audits –

Ms. Ringler, the Performance Committee Chair for the Illinois Office of Internal Audits Full External Quality Assurance Report, recommended that this report be accepted for approval by the Executive Committee. Ms. Ringler had no problems or concerns with this report.

State Universities Retirement System –

Ms. Kraus, Performance Committee Chair for the State Universities Retirement System of Illinois, recommended that this Subsequent Review be accepted for approval by the Executive Committee. There were no problems or concerns noted.

Governor's State University –

Ms. Kraus, the Performance Committee Chair for the Governor's State University, provided a report on this Subsequent Review. Ms. Kraus agreed with the independent validator that the non-conformances in the original Self Assessment with Independent Validation were corrected. However, she did not agree with the Independent Validator's conclusion concerning the audit reports issued subsequent to the original Self Assessment.

Executive Committee –

Illinois Office of Internal Audits –

Ms. Cummings and Ms. Morgan serve as the Executive Committee members for the Illinois Office of Internal Audits Full External Quality Assurance Report. Ms. Morgan asked that the Board's transmittal clarify that the Illinois Office of Internal Audit was created under the provisions of Executive Order 2003-10 and had jurisdiction over the Governor's agencies only. Ms. Morgan also asked to clarify who the Board's transmittal letter would be distributed to. Ms. Kraus indicated that it should be sent to her Audit Committee Co-chairs, Department of Central Management Services Director, and any other individuals involved in the review. Ms. Kraus will send the names and addresses to Ms. Cummings. Ms. Morgan made a motion to accept the report with those additions, Ms. Cummings seconded the motion and the Executive Committee approved.

State Universities Retirement System –

Ms. Cummings and Ms. Morgan serve as the Executive Committee members for the State Universities Retirement System of Illinois' Subsequent Review. They had no questions or concerns with this report. Ms. Morgan made a motion to accept and Ms. Cummings seconded and the Executive Committee approved.

Governor's State University –

After lengthy discussion, the Board agreed with Ms. Kraus' concern regarding the audit reports issued subsequent to the original Self Assessment. A motion was made by Ms. Morgan to accept the subsequent review with an explanation as to the Board's position regarding this matter and a

statement outlining the requirements contained in the Board's Bylaws. Governor's State University must request another subsequent review to resolve this new matter. This motion was seconded by Ms. Kraus and approved by the Executive Committee.

Ms. Cummings will draft the Board's transmittal letters for the Illinois Office of Internal Audit, State University Retirement System, and Governor's State University as agreed above.

Adjournment

Ms. Kraus made a motion to adjourn these meetings. This was seconded by Ms. Ringler. Meeting was adjourned at 11:24 a.m.