

# Meeting Minutes

## Statewide Audit Advisory Committee

### Members:

Kris Kautz, CHAIR  
Acting Director, DAS

Gary Blackmer  
Director, Oregon  
Audits Division

Laurie Byerly  
Principal Legislative  
Analyst, LFO

Kim Johnson  
External Member

Michael Freudenthal  
External Member

Marlene Hartinger  
CAE, ODOT

Theresa Masse  
SCISO, DAS

David Moon  
CAE, OJD


Jason Stanley  
CAE, PERS

Satish Upadhyay  
Admin Services  
Division Chief, ODF


Marc Williams  
Administrative  
Service Division  
Administrator, DOJ

Pamela Stroebel  
Valencia  
CAE, DAS

**Meeting Date:** February 28, 2011  
**Time:** 1:00 – 3:00 p.m.  
**Location:** DAS Executive Building, 155 Cottage St Salem  
Conference Room A


Item	Presenter	Time	Action, Notes
<b>Opening Comments</b>			
<ul style="list-style-type: none"> <li>Welcome and Introductions – Membership Updates (new DAS Director)</li> <li>Approve November meeting minutes</li> </ul>	Kris Kautz	1:00 – 1:05	
<p>Kris Kautz opened the meeting. The November meeting minutes were approved. Kris announced a new DAS Director will start on March 28, 2011. His name is Michael Jordan. He will have a dual role as DAS Director and Chief Operating Officer for state government.</p>			
<b>Outreach</b>			
<ul style="list-style-type: none"> <li>Update on recruitment efforts statewide</li> <li>Update on ERM work with RMAC and ESO; DAS</li> </ul>	Pam Stroebel Valencia  Kris/Pam	1:05 – 1:25	 DAS Fundamentals Management Map Fel
<p>Pam reported that Judicial hired their chief audit executive. She has not heard of any additional potential budget reductions in IA. Community Colleges and Workforce Development got an IA position in the Governor's budget.</p> <p>The DAS Fundamentals Management Map dated Feb 24 2011 was discussed. MassIngenuity created the format for the framework for taking a look at mission, vision, values, goals and strategies. Kris explained the components of the map and gave a brief background about it.</p> <p>Pam spoke about her role as Core Process owner for the managing risk value stream. She works in a team with Jen Coney, State Risk Manager, Theresa Masse, State Information Security Officer, and a representative from the Human Resource Services Division.</p> <p>There was discussion about the tool being developed for agencies to perform a self-assessment of ERM readiness, with an emphasis on information security. Kris stated that after having conversations with Michael Jordan, she believes him to be on board with the management map and the strategic direction DAS is undertaking.</p> <p>The ERM website is live. It provides information, examples, and tools for documenting risk assessment exercises. There will be modules developed for ILearn in the future.</p>			

## SAAC-CAE Connection

<ul style="list-style-type: none"><li>FY 11 Action Plan Progress Update</li></ul>	Pam Stroebel Valencia	1:25 – 1:35	 11-02 28 SAAC Project Update .pdf
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Pam went over the current action plan highlighting ongoing activities and updates.

## Training

<ul style="list-style-type: none"><li>Audit Committee training efforts – review Handbook Outline</li></ul>	Jason Stanley	1:35 – 1:45	 Draft_AC_Handbook _Outline
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Discussion ensued about the draft audit committee handbook outlined presented by Jason. Pam asked for volunteers for a sub-committee to continue this work and Kim Johnsen volunteered. Additional ideas for audit committee training were discussed including holding a forum late summer and presenting 'train the trainer' topics at CAE meetings for them to take back and share with agency audit committees.

## Reporting

<ul style="list-style-type: none"><li>OAR Revision Update</li><li>Review FY 11 Annual Report for future Action Items</li><li>Legislative Update</li></ul>	Pam Stroebel Valencia	1:45 – 2:30	 11-02.28 LEG LINUS Audit Report.pdf
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No one showed up to testify at the OAR revision hearing and only grammatical type comments were received. Pam will finalize the language and send out for final review before filing the revision. The QAR section of the OAR will be effective back to Dec 26th.

Pam presented a list of current bills related to auditing; none are specific to internal audit.


Kris and Pam presented the FY 11 Statewide Annual Report on Internal Audit Activities to the Ways and Means Committee. Discussion ensued at the Hearing on why some agencies are eliminating or choosing not to staff the internal audit function. Gary and Pam were invited to a meeting with the Ways and Means General-Government Sub-Committee Chairs as well as the Co-Chairs of the Joint Legislative Committee on Audit and Information Technology (the prime interest of this committee is audit, performance management and information technology issues). Pam asked for input from SAAC members before that meeting. Some of the discussion items included:

- Could you pool similar agencies and use a shared team of auditors?
- Inter-agency agreements.
- Why doesn't DAS provide IA functions?
- IA could provide training.
- One risk or audit agency for the state.
- The lack of and potential need for developing a long term strategic view in state government for internal audit.
- It is sensible to have an agency audit department or one audit department.

- Encourage executive teams to invite their Internal Auditors to meetings.
- Provide more templates and training.
- One size may not fit all.

Pam will bring potential topics from this discussion to the next meeting for consideration for next year's action plan. Members discussed other potential action items regarding internal audit, ERM, and accountability.

### Round Table

<ul style="list-style-type: none"> <li>• General topics from Committee Members</li> </ul>	All members	2:30 – 3:00	 11-02.28 OR IA Gary Blackmer.pdf
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Gary compiled his points in the attached document after talking with his staff. He brought his observations and understanding about IA to the group.

**Next meeting:** Monday, May 23, 2011, 1:00 – 3:00p.m., DAS Executive Building, Conference Room A

**Potential agenda items:** Develop/Approve FY 12 Action Plan Discussion