

Meeting Minutes Statewide Audit Advisory Committee

APPROVED: August 22, 2011



Members:

Michael Jordan, CHAIR
Director, DAS

Gary Blackmer
Director, Oregon Audits
Division

Laurie Byerly
Principal Legislative
Analyst, LFO

Kim Johnsen
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
CAE, DAS

Meeting Date:

May 23, 2011

Time:

1:00 – 3:00 p.m.

Location:

DAS Executive Building, 155 Cottage St Salem
Conference Room A

Absent:

Laurie Byerly, LFO

ITEM	PRESENTER	TIME	ACTION, NOTES
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Opening Comments

<ul style="list-style-type: none"> Welcome and Introductions – Membership Updates Approve February 28, 2011 meeting minutes. Review committee membership 	Michael Jordan Pam Stroebel	1:00- 1:05	Correct 11-02.28 meeting minutes then post as approved. Committee membership on hold until August meeting; Pam and Michael to discuss. Please let Pam know if you plan to continue with the Committee.
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Pam introduced the new Committee Chair Michael Jordan, DAS Director and Chief Operating Officer. Michael spoke briefly about his background and outlined the Governor's strategic vision for the next 10 years. He also shared his experience working with the elected auditor at Metro.

The meeting minutes from February 28, 2011 were approved with the following corrections:

- Specify who was not in attendance. (Susan will add "Absent:" to the meeting minutes template.)
- Spell out "QAR" (Quality Assurance Review) in the meeting minutes.

Pam asked to move review of committee membership to the next meeting. She received some thoughts at a recent meeting of the Salem Chapter of the Institute of Internal Auditors on Committee membership and will bring those ideas to the committee after first discussing with Michael. **Non-rule specified members please let Pam know whether they would like to continue to serve on the committee by end of day Tuesday July 5, 2011.**

Outreach

<ul style="list-style-type: none"> Update on recruitment efforts statewide Update on ERM work with RMAC and ESO; DAS 	Pam Stroebel Pam/Theresa Masse	1:05 – 1:30	
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Renee Klein has returned to DAS as the Senior Internal Auditor. Pam also reported that Byron Williams from the Audits Division has been hired at Oregon State Treasury as the Chief Audit Executive.

Pam and Theresa Masse made a presentation on the Enterprise Risk Management Self Assessment Survey being rolled out to state government next month. Committee members discussed topics such as training for managers on risk management and the need for systematic methods such as inventory of systems and dissemination of risk information. Aggregated results will be shared with the Committee in August.

SAAC-CAE Connection

<ul style="list-style-type: none"> FY 11 Action Plan Progress Update Discuss IA Proposal 	Pam Stroebel	1:30 – 2:00	Respond to Pam with approval or comments on FY 11's top objectives for the Committee.
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Pam went over the current action plan, highlighting ongoing activities and updates. The Committee developed the top goal for FY 11's Action Plan as:

To define and assess the effectiveness of internal audit in State Government by:

- Developing a statewide strategic plan for internal audit;
- Enhancing the relationship with agency audit committees; and
- Developing the role of internal audit within Enterprise Risk Management.

Pam will distribute the new wording electronically for review and approval by Committee members.

The committee discussed available resources and decided to drop the action item "Prepare statewide report on KPM data integrity results – FY 10 Follow-up." It may be more useful for internal auditors to focus on data managers use to measure success of their business, which may be performed individually at the agency level.

The Internal Audit Contractors RFP update will need to move up to an action item for this fiscal year as the previous list of pre-approved contractors expires in 2012.

The Committee discussed the internal audit proposal shared with Legislative members after a meeting held to follow-up on the Ways and Means presentation of the Annual Report on Statewide Internal Audit Activities. Items discussed included (to be addressed in the annual plan):

- Do agencies fully understand the necessity to manage risk, how to use risk information in day to day business, and the role of audit as it relates to risk;
- Agencies are currently without internal audit/uneven coverage; and
- What the Committee's role will be going forward.

Training

<ul style="list-style-type: none"> No update this meeting: Audit Committee training efforts. 			Subcommittee formed, will report progress in August.
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Reporting

<ul style="list-style-type: none"> OAR Revision Update Legislative Update 	Pam Stroebel	2:00 – 2:30	Pam to send out final OAR revisions to committee members and CAE's via e-mail for changes to be in
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			effect by June 30.
<p>Pam held up the Oregon Administrative Rule 125-700 revision process to see if there would be any action needed after the Internal Audit Proposal document was sent to Legislative members. Since there has been no action for DAS and no one testified at the hearing, she will proceed with making some grammatical changes as suggested, re-send to Committee members and the Chief Audit Executives for final review, then submit to be effective by June 30.</p> <p>A list of audit related bills and current status was distributed; none are directly related to internal audit. Gary Blackmer reported the Audits Division bills are moving forward. HB 3415 which would have designated money from contracts for auditing was dropped. A member asked about the background of HRJ15 and discussion ensued.</p>			
Round Table			
<ul style="list-style-type: none"> General topics from Committee Members 	All members	2:30 – 3:00	
<p>No general topics were brought forward. The meeting was adjourned.</p>			

Next meeting: August 22, 2011, 1 – 3 p.m., DAS Executive Building, Conference Room A.

Potential agenda items: Updates on subcommittee work; Update on recruitment efforts statewide; High-level results of ERM Self-Assessment survey; Membership update.