

Meeting Minutes Statewide Audit Advisory Committee



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: August 22, 2011
Time: 1:00 – 3:00 p.m.
Location: DAS Executive Building, 155 Cottage St Salem
Conference Room A
Absent: Michael Jordan

ITEM	PRESENTER	TIME	ACTION, NOTES
Opening Comments			
<ul style="list-style-type: none"> Welcome and Introductions – Membership Updates Approve May meeting minutes Discussion revision to agenda format 	Pam Stroebel	1:00-1:05	
<p>Pam Stroebel welcomed present members and introduced the new student intern for DAS, James Hanseling. The May meeting minutes were approved.</p> <p>Pam proposed a revision to the agenda format. The format which had been used was based on topics selected after an internal audit survey several years ago. The new format will be reflective of the Committee’s current priorities as well as on-going actions. The proposed format was approved. A member mentioned difficulty in opening documents embedded into the agenda and minutes so this practice will be discontinued and meeting materials will be distributed as attachments directly in e-mails.</p>			
Outreach			
<ul style="list-style-type: none"> Update on recruitment efforts statewide Update on ERM work with RMAC and ESO; DAS – Forum results Brainstorm Strategic Plan Elements 	Pam Stroebel Pam/Theresa Mass Pam/All	1:05 – 2:00	
<p>Recruitment updates were given and discussed. ODOT is still in the recruitment process. Forestry and Fish and Wildlife are working together on a potential shared internal audit function.</p> <p>Theresa Masse updated the committee on the self-assessment project. ERM surveys were sent out in June to agencies requesting a response within 5 weeks. 100 plus agencies responded. The purpose of the survey was to raise awareness of Enterprise Risk Management and information security. Cyber security insurance is currently being pursued by the State. Results of the survey can be seen in the PDF distributed to members. Overall the state fell between a 1 and a 2 on the maturity model score. Members discussed the following:</p> <ul style="list-style-type: none"> The Enterprise Leadership Team will be accepting more risk with their proposed 10-year plan and they need to understand why. Survey fatigue and the amount of resources to complete was mentioned. 			

- More information on the context between the maturity model levels may be needed and agencies could use industry baseline information.
- Some of the questions were yes/no; all or none ... what about the potential for in-between answers?
- Concern over the ability to self-evaluate maturity on this scale was mentioned.

Pam mentioned that agencies will be asked to set their targets for next year soon. The next survey will include questions focused on contract administration practices.

Pam also mentioned that the State of Washington has opened an ERM training session up to some Oregon employees – about 15 people will be invited across the state representing internal audit, risk management and information security functions.

Pam led a brainstorming discussion on elements of an internal audit strategic plan. Questions used to generate discussion:

- What constitutes good internal audit services?
- How do we provide these services across State Government? (currently)
- How should we provide these services across State Government? (future)
- What are the current issues/obstacles to providing consistent, adequate and effective internal audit services across State Government?

Laurie Byerly and Satish volunteered to serve on a subcommittee to work on this project.

SAAC-CAE Connection

• FY 11 Action Plan Progress Update	Pam Stroebel	2:00 – 2:15	
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Pam reviewed the current status of projects and on-going items.

Training

• Audit Committee training efforts – review Handbook Outline & progress to date of subcommittee	Jason Stanley	2:15 – 2:30	
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Discussion of the progress on generating a handbook for audit committee members and an iLearn module. The subcommittee is planning to give the training to the CAE’s as a ‘train the trainer’ experience soon.

Reporting

• Post-Legislative Debrief	Pam/Gary Blackmer	2:30 – 2:45	
• OAR Revision Posted			

Gary discussed outcomes of the 2011 Legislative session. Awareness was directed to the bills pertaining to audit work (HB 2247 Safeguarding audit work papers until draft form is generated, and HB 3291 requiring agencies to report to the Legislature on progress toward implementing audit recommendations). Members discussed concerns around public records requests of risk management information.

Pam announced that the OAR revisions had been finalized and posted.

Pam mentioned that there was a hold-up on the annual reporting process for agencies this year due to revisions to the database. The Chief Audit Executives did agree to some standardization for the report including titles, risk category definitions, and some people have been assigned to look into the cash criteria. Pam also announced that Jason Stanley was named as CAE Coordinator by the group.

Round Table

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| • General topics from Committee Members | All members | 2:45 – 3:00 | |
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A member asked why state agencies weren't required to use TeamMate and discussion also ensued around using the software for risk surveying. It was mentioned that a web interface was needed for that.

Next meeting: November 21, 2011 1:00 – 3:00 DAS Conference Room A
Review Draft Annual Report; Subcommittee Updates