

February 10, 1998

A meeting of the State Internal Audit Advisory Board was held on February 10, 1998, at the Illinois State Museum Collection Center, Springfield, Illinois. Since there were only five members present, Ben Zemaitis called a quorum. It was decided that items on the agenda could be discussed, but no votes taken. Vice-Chairman Mike Moody called the meeting to order at 9:35 A.M. Roll call was taken.

Members Present:

Mike Moody, Vice Chairman - Office of the Comptroller
Brad Hammond - Department of Natural Resources
Jack Schoonover - Western Illinois University
Bob Schwarz - Central Management Services
Ben Zemaitis - Department of Revenue

Members Absent:

Bill Coons, Chairman - Professional Regulation
John Cain - Office of the Secretary of State
Nancy Hilger - Commerce & Community Affairs
Jim Reid - Office of the Attorney General
Stan Brown - Office of the Treasurer
Dick Traver - University of Illinois

Guests:

Donna McNeely, University of Illinois

Meeting:

Since there was not a quorum present, there was no reason to review the minutes; they will be put on the Agenda for the next meeting.

Old Business:

Peer Review

Brad Hammond distributed the latest results of the survey we had done regarding Peer Review. A discussion was held. Some of the audit shops only have one person. If any of these shops really wanted to be State Internal Audit Advisory Board included in the Peer Review Program but couldn't commit staff, the Board might want to reconsider its position.

To the agencies that did not respond, we are supposed to send a letter to the Director of their Agency confirming that since they are not participating in the program that they are required to have some kind of a review.

Also, for the ones who responded "no", could we go back and see when they had their last review? Brad will go through the list and note who we had done in the past.

Before we send any letter out, Brad will call each agency who responded "no" to confirm that they really do not want to participate.

Some agencies were having the same firm that does their financial review do their independent review; that is where a conflict arises.

The roster of participants who are going to do the reviews - need to look to see how they are staffed - what their qualifications are (is it being done by an intern?).

What if the CPA firm relies on the Internal Auditor's work? The Auditor General's word is that you need to review the Internal Auditor's work.

We need: Independence; Proficiency; Coverage; Compliance with the Standards.

You cannot just rely on their work if you are using interns.

The situation we have is different - if the Auditor General is following the program that is only dealing with the Statutes. According to comments from some of the people, they think that the Auditor General's review is enough. The people who say "yes" or "no" need to know that the services provided by the Auditor General may not be sufficient. They need to know that the audit firm meets the purpose of the standards. We have all kinds of thinking out in the field.

The Peer Review Acceptance Committee was brought up. Need list of committees - put under other Old Business.

New Business:

CPD Rules

Ben Zemaitis - What are the requirements for a new person? For instance if they began their employment on July 1, or people who come in during other times of the year. Do we require them to have a full year of training, or do we pro-rate it?

After a discussion, the following was proposed: For the first year of employment, if they begin before March 1, 30 hours would still be required; after October 1, no CPD hours would be required; and anywhere in between would require 16 hours. It was decided to put this proposal on the Agenda for the next meeting for consideration by all Members.

It was brought up that if you participate in a peer review you can get credit toward the CIA requirement. The Team Leader would have to send something saying that the person has spent xx hrs. on Field Work, but it can only be at the site. It is the Team Leader's responsibility to report it to Brad Hammond. He has the authority to send out a certificate, and he would keep the letter from the Team Leader on file. Does not meet State requirement, but can be used toward CPA, etc.

CMS Survey

Brad Hammond inquired if others in the group had received a survey from CMS regarding a Recruitment Program - to identify titles for which you might have had difficulty finding qualified people.

Announcements:

None.

Next Meeting:

The next meeting will be held March 10, 1998, at 9:30 A.M. in the regular meeting room at the Illinois State Museum Collection Center, Springfield, Illinois.

Adjournment:

The meeting adjourned at 10:25 A.M.