

March 10, 1998

The regular meeting of the State Internal Audit Advisory Board was held on March 10, 1998, at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Bill Coons called the meeting to order at 9:30 A.M. Roll call was taken.

Members Present:

Bill Coons, Chairman - Professional Regulation
Mike Moody, Vice Chairman - Office of the Comptroller
Brad Hammond - Department of Natural Resources
Nancy Hilger - Commerce & Community Affairs
Jim Reid - Office of the Attorney General
Jack Schoonover - Western Illinois University

Members Absent:

Stan Brown - Office of the Treasurer
John Cain - Office of the Secretary of State
Bob Schwarz - Central Management Services
Dick Traver - University of Illinois
Ben Zemaitis - Department of Revenue

Regular Meeting:

Chairman Coons asked if there were any additional corrections to the revised minutes of the December, 1997 meeting. A motion was made by Nancy Hilger and seconded by Jack Schoonover to approve the minutes; the minutes were unanimously approved.

Chairman Coons asked if there were any corrections to the minutes of the January, 1998 meeting. A motion was made by Mike Moody and seconded by Brad Hammond to approve the minutes; the minutes were unanimously approved.

Since there was not a quorum at the February 10 meeting, notes were taken, but are not considered official minutes. These notes were distributed to all members for their information only.

Old Business:

Peer Review - Survey

Brad Hammond distributed the results of the survey and explained the content to the Members. A discussion was held. Brad had contacted four of the six agencies who did not wish to participate

at this time. The Department of Transportation is in a different peer review system. EPA will reconsider after their current peer review; they have had two or three persons work on peer review. Three are one-person shops.

A letter was sent to Banks & Real Estate; we just found out they do not have an Internal Auditor. Bill will send a letter to Stan Brown. If no response within 15 days and they do not have a Chief Internal Auditor, need to send a letter to head of agency or college. We are doing a letter stating that when the position gets filled, we will contact them.

We will be doing a Peer Review at U of I beginning in May.

The third column on the handout indicates which agencies have assisted in conducting peer reviews. Brad would like to pick eight agencies on which we will perform peer reviews. Chairman Coons would like to defer that issue until the next meeting.

New Business:

CPD Rules

In the Standards approved by the State Internal Audit Advisory Board, Section V. Continuing Professional Development, Item C., "An Agency's Chief Internal Auditor is responsible for establishing and implementing a program to ensure that staff auditors meet the CPD requirements cited in paragraph B of this Section." Paragraph B states "All internal auditors must complete a total of 100 hours of acceptable continuing professional development during three successive calendar years, with a minimum of 10 hours completed each year."

If we want to make changes, we will have to go back and change Item C. Mike Moody modified what we talked about: "Personnel hired after October 1 are not subject to the 10-hour CPD minimum in the calendar year they are hired. The three-year CPD period and minimum CPD will begin in the calendar year immediately following their hiring."

In the By-Laws it says "Chief Internal Auditors". We could modify "B", and then "C" would be okay.

If you go back to the IIA Standards, they would have to have 100 hours from the date of hire. In reporting, we might report calendar year, but we have a reporting period.

Mike Moody distributed his version. Brad Hammond stated that "that way we do not have to be looking at their anniversary dates.

We are just trying to clarify - if hired after October 1, you only have three months to get 10 hours. Should the Chief Internal Auditor present a plan for attainment? The three years are not covered yet.

You have to determine who is on a prorated schedule and who is not - in the first year only. The proposal that Mike Moody presented would be to amend Section B (the last two sentences).

Mike Moody made a motion to amend Section B with the last two sentences; Jack Schoonover seconded the motion. Mike Moody made a motion to table the motion until the next meeting; Brad Hammond seconded that motion.

The discussion continued. Look at 100 over three years is no longer the rule. Money is still an issue for audit members.

CPA, CIA - 80 hours over two years - recognizing IIA, but when it comes to attainment, it is the CIA's responsibility to get perhaps 40 per year. It would be their responsibility to get the other 10 hours.

Election of Officers

Chairman Coons proposed to the Board the following slate of officers: Mike Moody for Chairperson; Nancy Hilger as Vice-Chairperson. Jim Reid seconded. Nancy Hilger asked if there were any other nominations. Chairman Coons made a motion to close the nominations; seconded by Nancy Hilger. A vote was taken; vote was unanimous to close the nominations. All those in favor of Mike Moody as Chairperson and Nancy Hilger as Vice Chairperson, say "aye"; the vote was unanimous in favor of the nominations.

Peer Review

The Executive Committee will decide which Peer Review's will be done - scheduling Peer Reviews for next year. Brad will give a list to incoming Chair as to which ones have had Peer Reviews; on the chart he had distributed, no Peer Review and "Yes" they have assisted with a Peer Review. Of the ten, would drop the Comptroller's Office, since Chair of the Committee. We will not do Insurance this year because she will be President of the IIA.

Mike Moody asked if there was any other business regarding Peer Review. He will review the rules, and then come up with a list.

Announcements:

None.

Next Meeting:

The next meeting will be held April 14, 1998, at 9:30 A.M. in the regular meeting room at the Illinois State Museum Collection Center, Springfield, Illinois.

Adjournment:

A motion to adjourn was made by Jack Schoonover and seconded by Mike Moody; the meeting was adjourned at 10:45 A.M.