

April 14, 1998

The regular meeting of the State Internal Audit Advisory Board was held on April 14, 1998, at the Illinois State Museum Collection Center, Springfield, Illinois. Acting Chairperson Nancy Hilger called the meeting to order at 9:30 a.m. Roll call was taken.

Members Present:

Nancy J. Hilger - Acting Chairperson, Vice-Chairperson - Department of Commerce & Community Affairs

Dick Traver - University of Illinois

Bill Coons - Professional Regulation

Merlyn Hepperly - Office of the Comptroller

Brad Hammond - Department of Natural Resources

Bob Schwarz - Central Management Services

Jack Schoonover - Western Illinois University

Jim Reid - Office of the Attorney General

Ben Zemaitis - Department of Revenue

Stan Brown - Office of the Treasurer

Members Absent:

John Cain - Office of the Secretary of State

Regular Meeting:

It was explained by Nancy Hilger that Mike Moody, Chairperson, has been temporarily assigned by the Comptroller to a non-audit position in Chicago. Therefore, Nancy Hilger has assumed the Chairperson duties until Mr. Moody's return in a couple of months. This topic was discussed by the entire board and all agreed.

Nancy Hilger also reported that Merlyn Hepperly has been appointed acting Chief Internal Auditor at the Office of the Comptroller in Mike Moody's absence, and will be a member of the Internal Audit Advisory Board until Mr. Moody's return.

Mike Moody had spoken prior to this meeting with Nancy Hilger, and offered to resign from the Board if the other members felt it was necessary. Ben Zemaitis stated that the statute stipulates that the members of this Board must be Chief Internal Auditors. Since Mike Moody is no longer the active Chief Internal Auditor at the Office of the Comptroller, he cannot be a member of this board until he has reassumed his duties as Chief Internal Auditor of the Office of the Comptroller. Merlyn Hepperly is a permanent member of this Board until Mr. Moody is reinstated as active Chief Internal Auditor. All Board Members agreed.

Nancy Hilger thanked Bill Coons and his staff for the preparation of the previous meeting's minutes and this meeting's agenda due to the short notice she received regarding her temporary assignment as Acting Chairperson.

Minutes:

Nancy Hilger asked if there were any corrections to the minutes of the March, 1998 meeting.

There was a general discussion of the corrections needed to the March, 1998 meeting. Due to the numerous changes, a revised copy of the March minutes will be reissued.

A motion was made by Brad Wammond and seconded by Bill Coons to correct minutes and redistribute at the next meeting. This was unanimously approved by all Board Members.

Old Business:

CPD

Ben Zemaitis suggested that the Board should make a decision or provide some guidance to the Audit Managers as to how they should compute their CPD hours. Ben feels that there is a problem computing these hours since not every new internal auditor starts on January 1. Nancy Hilger stated that at the last Board meeting, everyone agreed that if an auditor was hired after October 1, they would not be required to meet the 10-hour minimum in the year hired. The 3-year, 100-hour commitment would begin with the January after the auditor was hired.

It was noted that the Internal Audit Advisory Board Standards should read "These standards are promulgated . . .", not, "These rules are promulgated . . ." A brief discussion continued regarding the clarification of CPD hours. It was agreed that the IAAB standards should be revised and reissued to internal audit managers.

Peer Review

Brad Hammond mentioned that there are several reviews that have not been performed. He suggested that as soon as an executive committee is formed, they should select the next round of peer reviews to be performed. Nancy Hilger stated that she and Mike Moody are on this executive committee, and that there is currently a vacancy due to Mike's temporary assignment. Ben Zemaitis stated that he feels that Hilger needs to fill the temporary vacancy. Hilger asked if there were any volunteers. Bill Coons volunteered. Hilger stated that Mark Krell will be contacted to also serve on the Executive Committee.

Brad Hammond had suggested that additional peer review training may be needed. It was suggested that the summer or fall may be the best time to provide the training. Ben Zemaitis and Dick Traver agreed that they could provide the training at that time. Brad Hammond suggested that, in reviewing past peer reviews, everyone schedule is best around August for additional training.

New Business:

Committee Assignments

Nancy Hilger stated that prior to Mike Moody taking his temporary assignment, he made the following recommendations to appointments to the following committees:

Report Committee - Jack Schoonover, Bob Schwarz

Performance Committee - Brad Hammond, Dick Traver

Ben Zemaitis inquired as to the status of the state internal auditor group and Brad Hammond responded that he will be talking to Mark Krell and will find out the status.

Jack Schoonover stated that it was voted on and passed by this Board when Brad Hammond was Chairperson to change the acceptable number of committee members from five to three, but that the bylaws had never been revised to reflect this change. Brad Hammond said he would check to see the difference between participating in a peer review versus serving on a committee. The minutes will be reviewed for clarification.

Nancy Hilger asked the other Board Members if the Chairperson had to appoint the non-board members to the committees. Jack Schoonover responded "yes" and that he would contact Fred Lehrman in Chicago in regards to this.

Nancy Hilger suggested that the Board needs a better permanent record file, and a database could possibly be developed to contain this information (i.e., minutes, members, appointments, committees, etc.). A brief discussion was held. Hilger volunteered to spearhead this project.

There was a suggestion that the Governor's Office be contacted and informed of the current Board Members' terms. Bill Coons inquired as to whether Dick Traver and Ben Zemaitis would like to be reappointed. They both responded "yes." Bill then made a motion that the Board inform the Governor's Office that Dick Traver and Ben Zemaitis had been nominated to be reappointed to the Internal Audit Advisory Board. Stan Brown seconded the motion. All agreed, and no opposed.

Job Descriptions

Bob Schwarz discussed the RSA, option 8c title. CMS is changing this option to include a mandatory CPA or CIA certification requirement.

Bob Schwarz also discussed a new concept CMS is considering called "position specific testing", which, in general, is a written test developed by CMS personnel using a specific detailed job description provided by the employing agency to be given to all applicants to determine who is qualified to perform the job. Schwarz is currently discussing this entire project with personnel. Bill Coons inquired as to the status of the PSA lawsuits. Schwarz replied that they are still on appeal.

Announcements:

None.

Next Meeting:

The next meeting will be held May 12, 1998, at 9:30 a.m. in the regular meeting room at the Illinois State Museum Collections Center, Springfield, Illinois.

Adjournment:

A motion to adjourn was made by Bill Coons and seconded by Bob Schwarz. The meeting was adjourned at 10:40 a.m.