

January 12, 1999

The regular monthly meeting of the State Internal Audit Advisory Board was held on January 12, 1999, at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Mike Moody called the meeting to order at 1:00 p.m. and suspended the meeting for 10 minutes for lack of a quorum.

Members Present:

Mike Moody, Chairman - Office of the Comptroller
Nancy J. Hilger, Vice-Chairman- Department of Commerce and Community Affairs
Bradley W. Hammond - Department of Natural Resources
Richard O. Traver - University of Illinois
Ben Zemaitis - Department of Revenue

Stan Brown - Office of the Treasurer (arrived at 1:10 p.m.)

Members Absent:

John Cain - Office of the Secretary of State
Bill Coons - Department of Professional Regulation
Jim Reid - Office of the Attorney General
Bob Schwarz - Department of Central Management Services

Minutes:

(Approval of the minutes of the December 18, 1998 Advisory Board meeting was deferred until the next meeting.)

Old Business:

Peer Review

Mike Moody stated that he received responses from Eastern Illinois University, Illinois Commerce Commission, and Illinois Guardianship & Advocacy Commission regarding their participation in the Board's peer review program and the Department of Transportation with report acceptance. The Illinois Industrial Commission does not have an audit and the Illinois Supreme Court is exempt. Brad Hammond said that his last count of those agencies participating was 47 with 2 pending. Mike said Environmental Protection Agency is also participating.

Mike Moody said the Executive Committee will be meeting following the Board meeting.

Special Committee Report

Mike Moody said that at the October meeting he asked for the Vice-Chairman, Nancy Hilger, to give a special review report at the January meeting on how the peer review process should be tracked. A copy of the Proposed Duties - Peer Review Performance Committee was distributed to the members of the Board. Brad Hammond reviewed the specific duties outlined on the report. General discussion followed. Brad said the Acceptance Committee would notify him of the completion of a review, he would notify the Executive Committee and then everything would be presented to the Board for approval. Mike said the Board needs to quantify the responsibilities of the committee. Brad Hammond said the Board will approve the list of peer review teams and then he will contact the agencies. He indicated that he has not discussed with the individuals or the chiefs who is going to do the peer reviews. Mike Moody suggested that the Performance Committee put together the list and provide a list of the potential peer reviews for the year.

Mike Moody asked if there was anything else. Brad Hammond stated that there would be a formal telephone contact and then a memo from the Chairman of the Performance committee. The chief auditor can then delete one member of the review team.

Nancy Hilger asked if anyone would want to set up guidelines for time frames of the field work. Mike Moody said the Performance Committee, Executive Committee and Report Acceptance Committee are to meet after each meeting so, if the Board wants to use that as a basis for a time frame, they can. Ben Zemaitis stated that he and Jim Reid were at the agency three days for a peer review so he thought it would not be unreasonable to have the time frame set for within a week. Nancy Hilger indicated two weeks would be reasonable. Dick Traver said preferably a peer review would be performed all at one time, but if there was an interruption, two weeks would be good. Mike Moody asked for the issue to be talked over among the members and suggested language brought back to the next Board meeting. Brad Hammond said the Board needs to have a process whereby somebody is watching the peer review process all the way through - perhaps using a routing slip. Mike suggested having a check sheet that would go along with the work papers. Mike said this will remain a special project of the committee for the next meeting.

Committee Appointments

Mike Moody stated that at the last meeting the Board moved to defer nominations to the Performance Committee until the January meeting. Membership of the Performance Committee is back on the floor. It was suggested to first clear up all pending peer reviews and to table nominations to the Performance Committee until the next meeting. Ben Zemaitis moved to table the reconstitution of the Performance Committee to the next meeting. Stan Brown seconded the motion. All were in favor and no opposed.

New Business:

Nancy Hilger stated that Bill Coons suggested informing the new administrations of the role of the Internal Audit Advisory Board. Mike Moody said that under the Board's direction, he would write a letter to the Governor with an offer to set up a meeting if they would like.

Announcements:

Ben Zemaitis said he received a draft of the financial audit from the Attorney General's office. He talked to the audit team which indicated in the summary that the audit was done because of the year 2000. Brad Hammond indicated that the draft audit is a contingent liability because of the year 2000 uncertainties.

Next Meeting:

None.

Adjournment:

A motion to adjourn the meeting was made by Dick Traver. Stan Brown seconded the motion. All were in favor and no opposed. The meeting was adjourned at 1:40 p.m.

Following the meeting a preview of the Board's new World Wide Web Home Page and the Board's Web-based Peer Review Training Program was presented by Dick Traver and Ben Zemaitis to a group of the State's chief internal auditors.