

March 22, 1999

The regular monthly meeting of the State Internal Audit Advisory Board was held on March 22, 1999, at the Illinois State Museum Collection Center, Springfield, Illinois. Acting Chair Nancy Hilger called the meeting to order at 9:45 a.m.

Members Present:

Nancy J. Hilger - Acting Chair - Department of Commerce and Community Affairs
Richard O. Traver - University of Illinois
Bradley W. Hammond - Department of Natural Resources
Robert Schwarz - Department of Central Management Services
Benedict R. Zemaitis - Department of Revenue
James Reid - Office of the Attorney General

Members Absent:

Bill Coons - Department of Professional Regulation
Stan Brown - Office of the Comptroller

Minutes:

The minutes from the February 9, 1999 meeting were reviewed by the Board prior to this meeting. A motion was made by Brad Hammond to accept the minutes. This motion was seconded by Dick Traver. All were in favor. No were opposed.

Dick Traver noted that each month's approved minutes are posted on the Internal Audit Advisory Board web site (siaab.audits.uillinois.edu). He also stated that all State Audit Directors in the State Audit Managers Group have their names, addresses, telephone numbers, fax numbers, etc. also posted on this web site.

Old Business:

None.

New Business:

Future Meetings

Acting Chair Hilger stated that this facility will no longer be available after this meeting due to structural improvements that will begin in April. Therefore, this committee needed to discuss a possible new location for future meetings. Mark Krell, Dept. of Corrections (DOC), spoke to Acting Chair Hilger prior to this meeting and suggested his location at 1301 Concordia Court. Acting Chair Hilger also suggested that the Dept. of Agriculture (DOA), Dept. of Commerce and

Community Affairs (DCCA) or the University of Illinois at Springfield (UIS) might also be possible locations. She will contact DOC and DOA to check on availability. Dick Travel' volunteered to contact UIS to check on future availability. Bob Schwarz suggested he contact CMS' conferencing center to see if we could meet in their videoconferencing facility where we could make contact with the Chicago Board members as well. Ben Zemaitis questioned whether statutorily this was classified as an official meeting. Bob Schwarz said he would check. Acting Chair Hilger stated that where ever we relocate, we would have to repost our Public Notice of the meeting date, location and time.

DOT Peer Review

Acting Chair Hilger asked Dick Traver to give a brief overview of the issue raised during the OAG's earlier peer review of DOT. Mr. Traver stated that he had sent a letter to previous Chair Mike Moody suggesting that this committee accept this peer review. He also recommended in his earlier letter to Mr. Moody that we go back and spend time with DOT regarding FCIAA noncompliance. Mr. Traver stated that he now feels that this committee should not accept what was done in the past and that someone still needs to go and meet with DOT to discuss this issue. Mr. Traver also stated that he contacted the OAG's office and relayed his concerns to them. Acting Chair Hilger inquired whether this Board could send a letter and accept the peer review done by DOT and not address this issue since the FCIAA noncompliance was reported in their audit report. All agreed that this Board should issue an acceptance letter.

Peer Review Schedule

Brad Hammond distributed a list of all the agencies that have been identified as having audit functions and whether or not they wanted to participate in the peer review process. The current count is 45.

The other handout distributed was a listing of the 45 entities broken out into a 5-year scheduling cycle (9 per year). Unfortunately, there have been many changes since this schedule was derived and Mr. Hammond feels that this schedule will need to be redone reflecting these changes. A general discussion was held.

Election of Chair

Acting Chief Hilger asked for nominations for the IAAB Chair vacancy. Brad Hammond nominated Acting Chair Hilger and Bob Schwarz seconded the nomination. All were in favor and no were opposed.

Election of Vice-Chair

Chair Hilger nominated Bob Schwarz for the IAAB Vice-Chair vacancy. Brad Hammond seconded the nomination. All were in favor and no were opposed. Brad Hammond moved that we close the nominations and accept the slate to acclimation. All were in favor and no were opposed.

Appointments to Board

Chair Hilger informed the Board that Bill Coons is up for reappointment shortly. Mark Krell, DOC, has been nominated as a replacement for John Schoonover. Chair Hilger feels this Board should resubmit Mark Krell's nomination to the Governor's Office. With Ben Zemaitis retiring at the end of March, 1999, a replacement will need to be nominated as well for his upcoming vacancy. The Office of the Treasurer vacancy has been filled effective 4/1/99 with Barb Ringler. She will be attending all future meetings. The Secretary of State vacancy will also need to be filled at a later ate. Chair Hilger stated that if anyone had recommendations for the three current vacancies, please let her know.

Executive Order

Ben Zemaitis stated that there was a Governor's Executive Order that may have an impact an internal auditing - establishment of the Office of Program Evaluation. This new office plans to visit all agencies and perform an evaluation on each program to determine whether that program is tied to the agency's mission(s). The Executive Order further stated that any funding for new programs would require agencies to submit performance measures for that new program. A general discussion was held.

Research Materials

Jim Reid asked if this Board had a compilation of research materials, and if so, where they were located. Brad Hammond replied that this Board did originally have research materials, but they had been donated to the local library. Bob Schwarz replied that CMS had research materials that Jim was welcome to use, and Chair Hilger stated that the Institute of Internal Auditors also had research materials available.

Training Software

Dick Traver suggested putting a training index on the IAAB web page. He also asked Bob Schwarz if there was any progress on acquiring training software through CMS. Bob Schwarz stated that he had not been able to approach their Director until official peer review procedures were done. After the procedures have been officially approved, he will approach his Director with this inquiry. He does not envision a problem with this request. A general discussion was held.

Ethics Officers

Dick Traver informed this Board that due to the Gift Ban Act, he has been established as the Ethics Officer for the University of Illinois, and inquired whether any other Board members had been established as the Ethics Officer for their agency. Brad Hammond stated that he had been established at the Department of Natural Resources. A general discussion was held.

Announcements:

Chair Hilger thanked Ben Zemaitis for all of his past contributions to this Board and wished him well in his retirement.

Next Meeting:

The scheduling of the next meeting was postponed until Chair Hilger could acquire a new location for future meetings. She will inform this Board of the new location, date and time under separate cover.

Adjournment:

A motion to adjourn was made by Brad Hammond and seconded by Vice-Chair Schwarz. The meeting was adjourned at 10:45 a.m.