

November 11, 1999

The regular monthly meeting of the State Internal Audit Advisory Board was held on November 9, 1999, at the Illinois Department of Corrections, Springfield, Illinois. Chair Nancy Hilger called the meeting to order at 9:44 a.m.

Members Present:

Nancy J. Hilger - Chair- Department of Commerce and Community Affairs
Bradley W. Hammond - Department of Natural Resources
Barbara Ringler - Office of the Treasurer
Robert Schwarz - Vice Chair - Department of Central Management Services
Richard O. Traver - University of Illinois
Stan Brown - Office of the Comptroller

Members Absent:

C. William Coons - Department of Professional Regulation
James S. Reid - Office of the Attorney General

Minutes:

The minutes from the August 10, 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.

Old Business:

None

New Business:

Peer Review Teams

Brad Hammond stated that he met with Bruce Bullard of the Office of the Auditor General (OAG) regarding peer reviews being performed every three years as required by the Institute of Internal Auditors (IIA) standards. Mr. Bullard informed Mr. Hammond that the OAG is only requesting peer review teams to inquire whether auditees have had a peer review performed within the last three years. If they have not, it is not considered a finding as per the IIA standards as originally thought.

Dick Traver inquired whether Northeastern University was scheduled for a peer review. Brad Hammond responded that it was, but that Fred Lehrman was handling the Chicago area peer

review scheduling. Mr. Traver suggested Mike Moody as a participant on a Chicago area peer review team. Mr. Hammond will inform Mr. Lehrman.

Mr. Hammond also informed the board that all of the following have staff auditors that could participate on a peer review team in the Chicago area: Racing Board, Northeastern University, Northern Illinois University, Chicago State University, Toll Highway Authority, Employment Security, and Housing Development. He will send out a general notice to all staff auditors asking for volunteers in performing upcoming peer reviews. One requirement is that all participants must be Public Service Administrator level or higher to participate on a team. There will be notices mailed out in December, 1999 to all agencies scheduled for a peer review in FY2001 informing them they are scheduled for peer review and to include this in their upcoming audit plans.

Brad Hammond also stated that he will forward Dick Traver, as well as this board, any audit manager changes to update the web site.

Review of On-Line Peer Review Document

Chair Hilger stated that Dick Traver put together an automated on-line peer review training course. Bill Coons and Jim Reid were to review this course and present their findings/concerns at this meeting. Neither Mr. Coons or Mr. Reid were able to attend this meeting, so their presentation would be at the December, 1999 board meeting. Dick Traver stated that this on-line training course is ready to go. He and Ben Zemaitis had gone through the training lessons and noticed a few inconsistencies in navigation. He will have his students at the University of Illinois go through the entire course and make revisions so that all areas are consistent. Chair Hilger suggested having someone outside the University review this application. Barb Ringler, Bob Schwarz and Brad Hammond all volunteered to review this application and report back their findings to this board at the December meeting. Dick Traver stated there are multiple-choice quizzes at the end of each lesson which are graded upon completion and informs the applicant how he/she did. The participant is required to pass the final examination before CPD credit is given. The entire training course should take a beginner approximately eight hours to complete. A more experienced person will take less time. Once a person has completed the training and passed the final examination, their lessons are automatically forwarded to Dick Traver for review. After approved by Mr. Traver, the applicant is informed of his/her passing grade and CPD hours are awarded. Brad Hammond, CPD coordinator, will also be informed of each Applicants passing grade so that the records will reflect the accurate CPD credit hours. Brad Hammond stated there had been requests from outside Illinois to take this on-line training course. A general discussion was held whether to offer this outside of Illinois. It was decided by all present to offer this to whomever requested. Stan Brown suggested a statement be added to the application that this application is not to be used for personal gain.

Board Replacements

Chair Hilger stated that she has not received a reply from the Governor's Office regarding the new appointments to this Board. She contacted DCCA's Legislative Liaison and requested see

contact the Governor's Office to see if there were any new developments regarding these new appointments. Chair Hilger will report any new developments at the next.

Samples of Audit Plans

Chair Hilger stated that she had been contacted by another state agency requesting a copy of her audit plan. This other state agency is upgrading their audit department and wanted to see samples of other agencies audit plans to compare to their current plan. Dick Traver agreed to provide Chair Hilger a copy of his current audit plan. Brad Hammond also agreed.

Institute of Internal Auditors (IIA)

Dick Traver stated that a few years ago the IIA reorganized the guidelines pertaining to how to become a member. He stated that he had had some staff changes and the question arose whether these new people were automatically members of the IIA since the positions they filled were previously occupied by IIA members. Brad Hammond stated that each individual must join independently. Everyone in a "sustaining organization" is a member **individually**. Chair Hilger stated that the IIA is now allowing individuals to join and prorate their membership so their expiration date is the same as the other members of their "sustaining organization" membership. A general discussion was held regarding the IIA standards and guidelines. Dick Traver stated that he sent an e-mail earlier this month voicing some concerns he had to the IIA in Florida. He will forward a copy of his e-mail to IAAB members. Brad Hammond also stated that the IIA is sending information to each audit manager regarding an upcoming CGAP survey. A general discussion was held.

Statewide Audit Managers Meeting

Brad Hammond inquired how the scheduling of the statewide audit managers meeting was progressing. Bob Schwarz responded that he is in the process of scheduling this upcoming meeting, probably sometime in January, 2000. He also stated this meeting will last at a minimum of 1/2 day, **but most likely** one entire day. Dick Traver suggested including an ethics class in this seminar and has a person in mind to be the presenter. He will wait to contact this person until he hears back from Bob Schwarz with dates and schedules.

Announcements:

Chair Hilger stated that the State of Illinois Museum Collections Center had been contacted regarding scheduling all upcoming IAAB meetings at their facility and was informed that their facility construction was not complete at this time. She was also informed that they were unsure whether they were going to allow agencies, other than the Department of Natural Resources (DNR), to schedule functions at their facility. Brad Hammond stated that since he worked for DNR, he would check with the Collections Center to see if he could schedule all future IAAB meeting at their facility. Dick Traver stated that if the Collections Center was not available, he would check with the University of Illinois, Springfield to see if their conference room would be available for future use. Both will report back their findings at the next meeting in December.

Brad Hammond stated that the Department of Natural Resources has vacancies in the audit department. If anyone had possible applicants, please contact him.

Next Meeting:

The next meeting will be held December 14, 1999 at 9:30 a.m. in the regular meeting room at the Illinois Department of Corrections, Springfield, Illinois.

Adjournment:

A motion to adjourn was made by Bob Schwarz and seconded by Stan Brown. The meeting was adjourned at 10:50 a.m.