

July 11, 2000

The regular monthly meeting of the State Internal Audit Advisory Board was held on July 11, 2000, at the Capital City Center, Springfield, Illinois. The meeting was called to order by Chair Robert Schwarz at 9:30 A.M.

Members Present:

Robert Schwarz - Chair - Department of Central Management Services
Barbara Ringler - Vice-Chair - Office of the Treasurer
Nancy J. Hilger - Department of Agriculture
Richard O. Traver - University of Illinois
C. William (Bill) Coons - Department of Professional Regulation
Bradley W. Hammond - Department of Natural Resources
James S. Reid - Office of the Attorney General

Members Absent:

Al DiSilvestro - IL Secretary of State
Carole Kraus - Office of the Comptroller

Minutes:

The Board reviewed the minutes from the June 13, 2000 meeting. Mr. Traver requested two corrections to the minutes. They are as following:

From: The Audit Plan should be required to be done at the end of the year

To: The Audit Plan should be required to be done after June 30th.

From: Dick Traver (University of Illinois' Ethics Officer) stated that he is in the process of finalizing a "Proper Business Conduct Handbook" for the University of Illinois and will bring copies to the next Board meeting.

To: Dick Traver (University of Illinois' Ethics Officer) stated that he is in the process of finalizing a "Proper Business Conduct Handbook" for the University of Illinois and will bring copies to a Board meeting.

A motion was made by Ms. Hilger to accept the minutes. Mr. Coons seconded this motion. All were in favor. None opposed.

Ms. Hilger requested that the minutes not be sent to Audit Managers until approved by Board Members.

Old Business:

Statewide Internal Audit Managers Meeting

Dates are available in September and October at Eagle Creek State Park and October at Pere Marquette State Park. Board agreed that 40 sleeping rooms and a meeting room to accommodate 60-70 people would meet our needs.

There was some discussion about using the University of Illinois at Springfield as a site but it was decided that it would not be convenient.

Chair Schwarz is to conduct more research for facilities and available dates then forward results to Mr. Traver. Mr. Traver is conferring with Auditwatch Association to hire a consultant to speak one day at the meeting; Mr. Traver's staff would attend that day.

Status of Board Appointments

Chair Schwarz reported that the Governor's Office stated they hoped appointments would be made by the end of July.

Procurement

Comptroller has formed a committee to review the implementation of the procurement cards. Legislative should be passed this year finalizing the terminology. Pilot program should start this fall.

Peer Review:

- No one has responded to Mr. Hammond's request for volunteers to conduct Peer Reviews. He needs a minimum of 20 people to stay on a 5-year schedule. There is a problem trying to recruit people in the Chicago area for Peer Review. Mr. Hammond will send a letter requesting volunteers.
- The has issued a statement that Internal Audit offices can schedule their own Peer Reviews as long as they are conducted in accordance with our guidelines. The Board must review the Peer Review workpapers if done by an outside firm or the Board will conclude that the review is not part of our review program.
- The Institute of Internal Auditors has issued an exposure draft of new standards. It is available for review on their website at www.theiia.org. The standards require that Peer Review be done on a 5-year schedule and prohibits people from using the phrase "This audit was conducted in accordance with IIA Standards." The new terminology is Independent Review instead of Peer Review.

- The Public Accounting Board has met and discussed change in Public Accounting in regards to Peer Review. A big problem seems to be individuals doing Peer Reviews that are not qualified.

New Business:

Mr. Hammond will arrange a meeting with the Office of the Auditor General's Mr. Bruce Bullard to discuss potential issues about FCIAA revisions.

Announcements:

The downstate chapter of CFE is sponsoring a presentation on Fraud by Lane Manning on August 21st at the Northfield Center. Registration is \$50.00 and includes lunch.

Central Management Services is sponsoring the 2000 Strategic Planning Retreat on July 18 and 19, 2000 at UIS - Brookens Auditorium. Surveys have been distributed to Agency Directors, State Employees, Vendors, Agency Coordinators and Central Management Services Employees, as part of its Strategic Planning process.

Next Meeting:

The next meeting will be August 8, 2000, at 9:30 A.M. at the Capital City Center, 130 W. Mason, Springfield, Illinois, in Room 103.

Adjournment:

A motion to adjourn was made by Mr. Coons and seconded by Mr. Traver. All were in favor. None were opposed. The meeting was adjourned at 10:31 A.M.