

December 12, 2000

The regular monthly meeting of the State Internal Audit Advisory Board was held on December 12, 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
James S. Reid - Office of the Attorney General
Carol Kraus - Office of the Comptroller
Lesslie D. Morgan - Department of Insurance
Richard E. Traver - University of Illinois (via teleconferencing)
C. William Coons - Department of Professional Regulation
Stephen D. Kirk - Capital Development Board

Guests

Kim Campbell - Office of the Treasurer

Members Absent:

Al DiSilvestro - IL Secretary of State
Nancy J. Hilger - Department of Agriculture
Bradley W. Hammond - Department of Natural Resources

Agenda Additions:

The following items were accepted as additions to the agenda:

- Discussion of the time frame for election of new Chairperson.
- SIAAB Peer Review Training Web site.

Minutes:

The Board reviewed the minutes from the November 14, 2000 meeting. Per Mr. Kirk's email a correction was made to the minutes and corrected copies were given to the Board members. A motion was made by Mr. Kirk and seconded by Ms. Morgan to accept the minutes. All approved the motion.

Handouts

- Internal Audits Advisory Board Standards
- SIAAB Adopted Motions
- Mr. Coons noted that Memo of Understanding the Board issued a few months ago needs to be included in the Motions
- SIAAB Peer Review Program Bylaws

Old Business:

Proposed FCIAA Revisions

Chair Schwarz requested that the Legislative Audit Commission withdraw the Board's proposal for revisions to FCIAA. As outlined in the email sent to the Chief Internal Auditors the primary reason was the IIA Standards, upon which our standards are based, are in the process of being revised and there may be additional changes we will need to consider in our revision. We have decided to wait until we get the final version of the IIA Standards.

Secondary reason is lack of unanimity among the CIAs. We are willing to promote revision(s) reflecting the majority's will; however, we want assurance the revision(s) does not harm anyone's internal audit program.

While the majority of the Chief Internal Auditors support the proposed revisions, there is opposition to some of the revisions. It is appropriate to wait until we can have a meeting with everyone to discuss the revisions. The IIA Standards are to be finalized either this month (December) or January.

Chair Schwarz opened the floor for discussion on the revisions to FCIAA:

Ms. Ringler asked what kind of feedback we received since the email was sent. Chair Schwarz reported there have been several comments so far. The majority was disappointed that we did not proceed with the bill while others thought it was appropriate to hold off at this time.

Mr. Kirk asked about the timing scenario, when would we be able to submit the bill again. Chair Schwarz replied that it would not be this spring and next fall is a veto session, thus we are looking at a year.

Chair Schwarz reported that the Governor's Office had been contacted and they agreed to the revisions. Their only issue was assurance that the separately elected officials were in agreement with revisions to the bill.

Ms. Ringler asked if this was something that was just going to drop off. Chair Schwarz suggested that we request the FCIAA Committee meet once the new IIA Standards are issued. The Committee could then create a draft for everyone to review.

Ms. Ringler replied if we can't get the legislation introduced for a year, do we want to continue working on it now and hope everyone is in agreement in a year? Chair Schwarz said that some of the complaints that he had received were that we rushed this along too quickly, even though we have been working on it for months, so maybe a year isn't too much time.

Mr. Coons suggested that we wait until the Legislature comes out with related legislation. There are issues that can impact Internal Auditing so maybe we are better off waiting for the legislation.

Chair Schwarz reported that the IIA Standards should be out soon so we will defer this issue until our next meeting in January.

Mr. Kirk reported that the local IIA chapter's meeting in March or April will have a discussion of FCIAA revisions and Standards.

LAC Hearing

Chair Schwarz will not attend the LAC meeting in Chicago on December 14, 2000. He had been invited to present the FCIAA revisions.

Peer Review

Mr. Hammond is establishing a new schedule.

Board Membership Recommendations to Governor

The nominations have been submitted to the Governor's Office; we are waiting for their response.

New Business:

Election of Chairperson

After discussion a time frame was established. Nominations for Chairperson will occur at the January meeting, election will be held at the February meeting, and the new Chairperson will assume office at the March meeting.

SIAAB Web Site

Mr. Traver will leave the Board in February; thus he requested that someone take the responsibility to keep the peer review training course up-to-date. Mr. Traver stated that he would allow his webmaster to maintain the site but that the content of the lessons will need to be periodically updated. Chair Schwarz asked for volunteers to come forward at the January meeting.

Announcements:

No announcements.

Next Meeting:

The next meeting will be January 9, 2001, at 9:30 A.M. at the Capital City Center, 130 W. Mason, Springfield, Illinois, in Room 103.

The Board agreed to continue the monthly meeting dates for the year 2001 as the second Tuesday of each month at 9:30 A.M. at the Capital City Center, Room 103, Springfield, Illinois. A copy of the approved dates has been sent to the Capital City Center for posting.

Adjournment:

A motion to adjourn was made by Mr. Coons and seconded by Mr. Kirk. All were in favor. The meeting was adjourned at 10:00 A.M.