

**February 13, 2001**

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A motion to adjourn was made by Mr. Kirk and seconded by Mr. Reid. All were in favor. The meeting was adjourned at 10:05 A.M.

**Members Present:**

Robert Schwarz - Chair - Department of Central Management Services  
Barbara Ringler - Vice-Chair - Office of the Treasurer  
Carol Kraus - Office of the Comptroller  
Richard E. Traver - University of Illinois (via teleconferencing)  
Stephen D. Kirk - Capital Development Board  
Bradley W. Hammond - Department of Natural Resources  
C. William Coons - Department of Professional Regulation  
Kathleen Moreno - Eastern Illinois University

**Guests**

Eduardo Mascorro - University of Illinois

**Members Absent:**

Al DiSilvestro - IL Secretary of State  
James S. Reid - Office of the Attorney General  
Lesslie D. Morgan - Department of Insurance  
Nancy J. Hilger - Department of Agriculture

**Minutes:**

The Board reviewed the minutes from the January 9, 2001 meeting. Per A motion was made by Mr. Coons and seconded by Mr. Kirk to accept the minutes. All approved the motion.

**Old Business:**

**Proposed FCIAA Revisions**

Chair Schwarz reported that the IIA has issued their standards. Should the Committee reconvene to review and come back with their proposal at the next meeting? Mr. Coons suggested that we wait and see what comes out of the Governor's Office with goals. Mr. Hammond responded that this was not an issue and deferred to new business for further discussion. Chair Schwarz said the Committee will serve again and should have their proposals by next meeting. Mr. Hammond suggested that the Board make recommendations about audit standards. Mr. Hammond suggested the Board review if we are going to adopt the IIA Standards revisions or look at the Yellow Book. Once the new Standards are accepted the Board needs to coordinate training. Mr.

Hammond suggested the training would not involve as much substance as guidance in interpreting the Standards.

The scope for the committee is to look at the Standards and make recommendations as to:

- Accepting the standards or;
- modifying the Standards or;
- go to the Yellow Book.

Mr. Kirk announced the Springfield chapter of the IIA is planning a presentation of the new FCIAA revisions and Standards at the March meeting.

Mr. Hammond asked if the IIA newsletter was sent to all Internal Audit Managers. Mr. Traver said he would post the copy of the newsletter announcing the March meeting on the SIAAB Website.

Chair Schwarz said he would send out a notice to all Audit Managers about the March meeting.

### **Peer Review**

Mr. Hammond gave copies of the revised Peer Review schedule. Mr. Hammond reported that he has scheduled ten Peer Reviews per year through 2004 but we may have four new agencies (Labor, Nuclear, Financial Institutions and Illinois Emergency Management Agency) that potentially will need reviews. These four agencies will be sent letters asking if they want to participate in the Peer Review Program.

Mr. Hammond stated he is trying to achieve a mixture of people from Springfield, Chicago, University, Non-University, big agencies and small agencies to conduct the Peer Reviews.

Mr. Hammond reported that he has eighteen out of twenty people that are needed for the committees to conduct Peer Reviews for 2001. Mr. Hammond is seeking two more volunteers, one senior level person with experience for a large agency review and one person to review a smaller agency. The teams will not be finalized until all twenty members have been appointed.

Mr. Coons made a motion to adopt the 2001 Peer Review schedule. Ms. Ringler seconded the motion. The motion was approved.

A general discussion on Peer review followed.

### **Board Membership Recommendations to Governor**

Chair Schwarz reported that Governor' Office of Board's & Commissions met in February but they did not act on our recommendations. The next meeting is in early March. The Board will continue to operate at current status. Ms. Moreno will continue to attend meetings while her appointment is pending confirmation.

## **SIAAB Web Site**

Mr. Traver introduced Mr. Eduardo Mascorro, Microcomputer Support Specialist from the University of Illinois. Mr. Mascorro is responsible for the SIAAB web site. Mr. Mascorro gave Board members a handout of sample pages of the web site. Mr. Mascorro requested more input for the site, especially the What's New and SIAMG News.

Mr. Traver requested that the email address on the Course Registration page to be changed to Mr. Mascorro's (mascorro@uillinois.edu).

Mr. Traver suggested that we put a hot link on the web site under Resources for State Statute.

## **New Business:**

### **Election of Chairperson**

Chair Schwarz announced that the floor was opened for the election of Chairperson and Vice-Person. The nominations are Ms. Barbara Ringler for Chairperson and Ms. Lesslie Morgan for Vice-Chairperson. Mr. Coons motion that the Board unanimously accept the nominations. Ms. Kraus seconded the motion. The vote was unanimous.

### **Audit Program**

Chair Schwarz announced that Kristal Berck, CMS Internal Audits, developed for her Master Project an audit program on auditing Performance Measures. The program has been approved by CMS Director Schwartz for distribution to other agencies Internal Auditors.

### **PSA Positions**

Mr. Coons reported that he is having a difficult time convincing CMS Personnel to issue an EDP Auditing position as a PSA because it does not include supervision. Mr. Coons requested that Chair Schwarz contact the CMS Personnel on his behalf to rectify this issue.

A discussion on job classifications followed with Chair Schwarz agreeing to look into the matter.

## **Announcements:**

- Mr. Hammond reported that the Governor's Office is considering either issuing an Executive Order or adding the requirement in Statute that Internal Auditors audit Performance Measures. Discussion followed.
- Mr. Kirk reported that the local IIA chapter would present a program on FCIAA revisions and standards at their March meeting. Invitations will be sent to all Internal Audit Managers. Mr. Kirk requested that Board members serve as discussion group leaders. Ideas created in-group would be presented to the general meeting.
- Chair Schwarz reported that John Cain of the Department of Public Aid has retired. Mr. Eappen Thomas is acting Chief.

- Board members were given a copy of the "Handbook for Good Ethical Practice" that is distributed to the faculty and staff at the University of Illinois.

**Next Meeting:**

The next meeting will be March 13, 2001, 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. Hammond. All were in favor. The meeting was adjourned at 10:55 A.M.