

January 8, 2002

A regular meeting of the State Internal Audit Advisory Board was held on January 8, 2002, at the Capital City Center, Springfield, Illinois. The meeting was called to order by Chair Barb Ringler at 10:00 A.M.

Members Present:

Barbara Ringler - Chair - Office of the Treasurer
Lesslie D. Morgan - Vice-Chair - Department of Insurance
Carol Kraus - Office of the Comptroller
Robert Schwarz - Department of Central Management Services
C. William Coons - Department of Professional Regulation
Stephen D. Kirk - Capital Development Board
Nancy J. Hilger - Department of Agriculture
Bradley W. Hammond - Department of Natural Resources
Kathleen Moreno - Eastern Illinois University

Members Absent:

James S. Reid - Office of the Attorney General
Al DiSilvestro - IL Secretary of State

Minutes:

The Board reviewed the minutes from the December 11, 2001 meeting. Ms. Morgan requested that a notation be made in parentheses in regards to the "State and Local Government Conference" meeting dates that have been rescheduled from October 7-8, 2002 to September 23-24, 2002. Mr. Schwarz requested that LAC meeting be changed to Governor's Boards and Commissions meeting. A motion was made by Mr. Hammond and seconded by Mr. Coons to accept the amended minutes. All approved the motion.

Old Business:

Peer Review

Mr. Hammond reported that ten Peer Reviews were scheduled to be completed in 2001:

- Board of Education - Work Papers were sent to Review Committee last week.
- Chicago State University - Review Committee has work papers.
- Western Illinois University - Completed, but Review Committee has not received the work papers but some issues need to be resolved.
- Racing Board - Rescheduled.
- Capital Development Board - Completed.

- Commerce Commission - Review Committee has received work papers but some issues need to be resolved.
- Professional Regulations - Fieldwork has been completed.
- Corrections - Completed (Report was issued 1-11-00).
- Treasurers - Letter sent to Executive Committee.
- Children and Family Services - Dropped from schedule, will schedule own Peer Review.

Ms. Morgan reported that the observation in the Peer Review report of the Illinois Commerce Commission was not supported. Ms. Morgan will contact Ed Taylor and inform him that the observation was not supported and will not be included in the final report.

Mr. Hammond distributed to the Board copies of an outline of the presentation give at Eagle Creek by himself and Mr. Schwarz on the "Revised Peer Review Process."

Chair Ringler presented to the Board a copy of the Association of College and University Auditors (ACUA) audit program.

Ms. Morgan asked for volunteers to review the Chicago State University Peer Review. Ms. Hilger agreed to review the report.

Board Membership Recommendations to Governor

Chair Ringler contacted Tammy Paige at the Governor's Office in regards to the recommended reappointments of Mr. Kirk and Mr. Coons to the State Internal Audit Advisory Board. Ms. Paige reported the issue would be on the agenda of the next Governor's Boards and Commissions meeting.

Spring Retreat Discussion

Brenda Easley reported that Starved Rock has the dates May 20-21, 2002 available for the Spring Retreat. The Board will be required to sign a contract guaranteeing a payment of \$1000 if the function is cancelled during the period 90 days prior to the scheduled date of arrival.

After discussion the Board decided that due to the State budget restraints, it would be more fiscally responsible to hold the Retreat locally to avoid travel and hotel costs for the majority of audit managers.

Ms. Hilger will check the availability of the Agriculture auditorium in Springfield. Ms. Easley will check the availability of the Northfield Center and Training Center in Springfield. Both will report to the Board next meeting.

Board members were asked to submit ideas of issues that speakers could address.

FCIAA Vote

Mr. Kirk reported that the Governor's Office has assigned the project to Jim Kaitschuk. Mr. Kaitschuk will work with Kevin Wright and after they research the issues they will report back to Mr. Kirk.

New Business:

Adopted Standards

Chair Ringler requested that the adopted motions from the Board meeting of December 11, 2001 be added to the By-Laws. The approved motions are as following:

- "That Issues be handled in a method other than including in the Peer Review report."
- "There are other immaterial issues and/or matters of consideration that have been brought to the attention of the Chief Internal Auditor in the course of auditing and have not been included in this report."

Adopting Standards for CPD's

After discussion on adopting standards for Continuing Professional Development (CPD), Mr. Coons moved, and Ms. Morgan seconded that "The Board adopt the requirement of 80 CPD's hours over two years based on the consensus of the June 13th Mangers Meeting, to be effective January 1, 2003." All approved.

After further discussion on the minimum CPD's required, Ms. Morgan moved and Ms. Hilger seconded that the Board revise the SIAAB Standards, Section V, Part B., to read:

- "All internal auditors must complete a total of 80 hours of acceptable continuing professional development during two successive calendar years, with a minimum of 20 hours completed each year. Personnel hired after October 1 are not subject to the 20 hour CPD minimum in the calendar year they are hired. Effective period beginning January 1, 2003, the two-year CPD period and minimum CPD will begin in the calendar year immediately following their hiring."

All approved. Mr. Coons moved and Mr. Schwarz seconded that his prior motion be removed. All approved.

After discussion the Board decided to review the new IIA Standards before taking any further action. The issue was tabled until the next meeting.

Official Contact /Auditor General's Office

The board agreed the Chairperson and Vice-Chairperson would serve as the official contact people for the Auditor General's Office.

Volunteers for Peer Review Committees

Chair Ringler reported that she had received three replies to the letter sent to Chief Internal Auditors requesting volunteers for Peer Review Committees. The new Chairperson will address this issue.

Nominations for Vice-Chair

Chair Ringler reported that Ms. Lesslie Morgan had volunteered to serve as Chairperson for 2002.

Nominations were opened for Vice-Chairperson. Mr. Coons nominated Steve Kirk, seconded by Mr. Hammond. Ms. Hilger nominated Carol Kraus, seconded by Mr. Hammond.

The vote will be held at the February 13, 2002 meeting, and the new officers will assume office at the March 12, 2002 meeting.

Misc.

Due to conflict in Board's members schedules the Board decided to reschedule the time of the meetings. As of the March 12, 2002 meeting, the time will change from 10:00 A.M. to 2:00 P.M. Ms. Easley will contact the Training Center as to the availability of the room.

Announcements:

There were no announcements.

Next Meeting:

The next meeting will be held on February 13, 2002, at 10:00 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 Ms. Morgan. All were in favor. The meeting was adjourned at 11:57 A.M.