

July 10, 2002

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

Members Present:

Lesslie D. Morgan - Chair - Department of Insurance
Stephen D. Kirk - Vice-Chair - Capital Development Board
Robert Schwarz - Department of Central Management Services
Carol Kraus - Office of the Comptroller
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
Barbara Ringler - Office of the Treasurer
C. William Coons - Department of Professional Regulation

Minutes:

The Board reviewed the minutes from the June 11, 2002 meeting. A motion was made by Mr. Schwarz and seconded by Ms. Hilger to accept the minutes. All approved the motion.

Old Business:

Peer Review

Ms. Kraus reported the following updates on Peer Reviews:

- Board of Education - Ready to issue.
- Western Illinois University - First review.
- Professional Regulations - Outstanding.

Revise Peer Review Bylaws To Correlate With IIA Standards Committee. Chairperson - Brad Hammond

Chair Hammond presented to the Board members a working draft copy of the Peer Review Bylaws. After discussion a draft (Attachment) was approved for review by the Chief Internal Auditors. The draft copy will be sent to the Chief Internal Auditors this week for their review

and suggestions. The Board members will vote on the final draft at the Board meeting on August 14, 2002.

Develop New Peer Review Program To Be Used By Teams Committee. Chairperson - Barb Ringler

Chair Ringler was unable to attend the Board meeting but has reported the Committee is on schedule.

Revise Online Peer Review Training Committee. Chairperson - Lesslie Morgan

The Committee will be reviewing each section and determine where they will be making changes. Chair Morgan will be reviewing the Attribute Standards, Ms. Downen will be reviewing the Performance Standards thru 2200, and Ms. Moreno will be reviewing the Performance Standards 2300 thru 2600.

Two Committee members are not in Springfield thus the Committee will work by attachments and emails.

FCIAA

Chair Morgan reported she had faxed the wording for the FCIAA revisions to the Auditor General on June 12, 2002. Chair Morgan contacted Mr. Bruce Bullard of the Auditor General's office and he reported that the changes in language was under consideration by the Auditor General.

Consulting Standards

Chair Morgan gave the Board members a copy of the *Standards for the Professional Practice of Internal Auditing* with the mandatory implementation date of January 1, 2002. The Board discussed the IIA new consulting standards and decided to table the discussion until the next Board meeting to allow members time to further review the impact upon audit departments.

New Business:

Early Retirement

Mr. Schwarz reported to the Board that our Board appointments are current, but with early retirement we anticipate some vacancies. Mr. Schwarz suggested the Board recruit new members now so the process to obtain the Governor's approval can begin. The board will send an announcement to Chief Internal Auditors seeking those that are interested in serving on the Board.

Announcements:

No announcements.

Next Meeting:

The next meeting will be held on August 14, 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. Kirk and seconded by Mr. Schwarz. All were in favor. The meeting was adjourned at 11:50 A.M.