

SIAAB
MEETING
MINUTES
FOR
1993

1993 SLAAB MEETING DATES AND LOCATIONS
 WITHIN THE WILLARD ICE BUILDING
 101 WEST JEFFERSON
 SPRINGFIELD, IL

<u>DATE</u>	<u>LOCATION</u>	<u>TIME</u>
02/09/93	Level 6 NE, South Training Room	9:30 a.m. ✓
03/09/93	Level 5 SW, Legal Conference Room A	9:30 a.m.
04/13/93	Level 6 NE, South Training Room	9:30 a.m. ✓
05/11/93	Level 5 SW, Legal Conference Room A	9:30 a.m.
06/08/93	Level 6 NE, South Training Room	9:30 a.m. - CANCEL
07/13/93	Level 6 NE, South Training Room	9:30 a.m.
8/10/93	Level 6 NE, South Training Room	9:30 a.m. CANCEL
09/14/93	Level 6 NE, North Training Room	9:30 a.m.
10/12/93	Level 6 NE, South Training Room	9:30 a.m. CANCEL
11/09/93	Level 6 NE, South Training Room	9:30 a.m.
12/14/93	Level 6 NE, South Training Room	9:30 a.m. cancel

1/11/94

2/8/94

INTERNAL AUDIT ADVISORY BOARD MEETING

TUESDAY, JANUARY 11, 1993 - 9:00 A.M.

Capital Programs Board Meeting Room
Third Floor North - Stratton building

(Please note special starting time for this meeting)

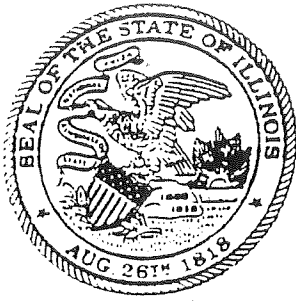
AGENDA

- ◆ Call to Order
- ◆ Roll Call
- ◆ Minutes
 - Approval of Prior Minutes - 11/9/93
- ◆ Old Business
 - Report on CMS Personnel meeting - Brad, Ben, Bill
 - Progress on Peer Reviews - Terry
 - Peer Review Quality Review - Bill, Sharon
 - Progress of job description parity - John
- ◆ New Business - *Gov Remains - Discussion of 11/9/92 session - PROGRAM ADMIN.*
- ◆ Announcements - *CFD - Peer Review 2017-199 - will get both from January 8*
- ◆ Adjournment *Effective 1/11/93*

*Gov Appts →
low P. 21/51
P. 11/10/93
1/11/93*

*(COP)
122 - 1000 - 1/11/93 on-site hour*

*St. John's Hospital all day for 1/11/93
1/11/93 - 1/11/93
1/11/93 - 1/11/93*



State of Illinois
INTERNAL AUDIT ADVISORY BOARD
101 West Jefferson Street
Springfield, IL 62703
(217) 782-2439

Chairperson

Benedict R. Zemaitis, CIA, CPA
Department of Revenue

Vice-Chairperson

Richard O. Traver, PhD, CPA, CISA
University of Illinois

Members

John L. Cain, CPA, CISA
Office of the Secretary of State

Bradley W. Hammond
Department of Conservation

Art Kucgas, CPA
Office of the Treasurer

Ronald E. Omer
Office of the Comptroller

Terry E. Radliff, CIA
State Employees' Retirement
System

James S. Reid
Office of the Attorney General

Sharon E. Stanford, CIA, CPA
Illinois State University

William B. Winberg, CPA
Department of Central Management
Services

TO: Richard O. Traver, PhD, CPA, CISA
SIAAB Executive Committee

James R. Donkin, CIA
SIAAB Executive Committee

FROM: Ben Zemaitis, CIA, CPA, ~~Chairman~~
SIAAB Executive Committee

DATE: January 22, 1993

Enclosed are the SIAAB Executive Board Minutes which I
will call for approval during the regular monthly meeting
on February 9, 1993.

BRZ:get
Enclosure

**MINUTES OF THE EXECUTIVE COMMITTEE OF THE
STATE INTERNAL AUDIT ADVISORY BOARD**

JANUARY 19, 1993

The members of the Executive Board of the State Internal Audit Advisory Board met in a telephonic meeting on January 19, 1993 at 1:15 p.m. in the Offices of Ben Zemaitis, Chairperson, in the Willard Ice Building to discuss selection of agencies to be peer reviewed during the first year of the program.

Chairperson Ben Zemaitis called the meeting to order at approximately 1:15 p.m. in a telephone conference with member Richard O. Traver. Member James Donkin was present at such meeting. Chair Zemaitis reported to the Executive Board Members there was some preliminary work performed and the Board has 55 groups with internal audit functions. These groups were compiled from the sources of Member William Winberg and James Donkin. Out of the 55 groups, 27 have indicated preference as to when they want to be audited and they are as follows:

First Year - Four Volunteers:

Central Management Services
Dept. of Public Aid
Dept. of Public Health
Ill. Housing Development Authority

Second Year - Four volunteers

Third Year - Ten Volunteers

Fourth Year - Five Volunteers

Fifth Year - Four Volunteers

This leaves the Board with 28 entities that have not requested anything. Since there are 55, and 11 peer reviews are required to meet the five year cycle, seven additional agencies need to be selected.

Member Traver suggested selecting nine entities so there would be two alternates should something occur where the peer reviewers could not go into the agency. The Executive Board Members unanimously agreed to add two entities to the selection list for alternates in the peer review process.

Chair Zemaitis numbered the list of entities 1 through 28, next to each name, and used the Random Number Generator Program in the computer to select the remaining agencies. In order to ensure this is not a "stacked" draw, he used a "seed number" given from a One Dollar Bill by Member Richard Traver. The remaining entities for the first year were selected by number and name through the Random Number Generator Program are as follows:

<u>Number of Agency as Shown on List & Selected by the Random Number Generator</u>	<u>Name</u>
6	Community College Board
8	Board of Higher Education
11	Energy and Natural Resources
12	Financial Institutions
19	Ill. Industrial Commission
23	Ill. Racing Board
24	Rehabilitation Services

The Random Number Generator Program was again used again for sample size to select two alternates. The following entities were selected:

<u>Number of Agency as Shown on List & Selected by the Random Number Generator</u>	<u>Name</u>
25	Southern Ill. University
26	Nuclear Safety

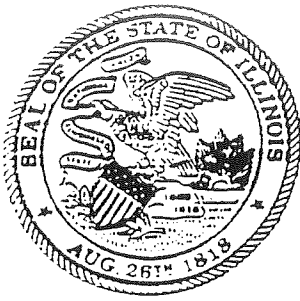
Member Traver noted if one of the agencies has an open position for director, then a peer review cannot be conducted. It was unanimously agreed by the three members of the Executive Board that this type of situation would be dealt with as the situation arises.

Chair Zemaitis volunteered to send the list of entities to be peer reviewed to Terry Radliff, Chairperson of the Peer Review Committees.

The Executive Board Members unanimously agreed that the members would select agencies for peer review in January of each year should there not be enough volunteers. Said list would be provided to the Peer Review Performance Committee Chairman.

The Executive Board Members unanimously agreed the pool of volunteers was now adequate to conduct the peer reviews.

Chair Zemaitis called for further discussion, comments, or new business; there being none, Member Richard Traver moved for adjournment, said motion seconded by James Donkin. Meeting was adjourned at approximately 2:00 p.m.



State of Illinois
INTERNAL AUDIT ADVISORY BOARD
101 West Jefferson Street
Springfield, IL 62703
(217) 782-2439

Chairperson

Benedict R. Zemaitis, CIA, CPA
Department of Revenue

Vice-Chairperson

Richard O. Traver, PhD, CPA, CISA
University of Illinois

Members

John L. Cain, CPA, CISA
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Bradley W. Hammond
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Art Keegan, CPA
Office of the Treasurer

Ronald E. Omer
Office of the Comptroller

Terry E. Radliff, CIA
State Employees' Retirement
System

James S. Reid
Office of the Attorney General

Sharon E. Stanford, CIA, CPA
Illinois State University

William B. Winberg, CPA
Department of Central Management
Services

TO: Terry Radliff, Chairman
Peer Review Performance Committee

FROM: Ben Zemaitis, Chairman
SIAAB Executive Committee

DATE: January 22, 1993

This is to inform you that the SIAAB's Executive Committee in its January 19, 1992 meeting selected State of Illinois entities with internal audit functions for peer review during calendar year 1993. They include four agencies that requested to be peer reviewed in 1993 and additional seven agencies which were determined through random draw from the pool of agencies which have not expressed preference in which year they wanted the review to take place. We also selected two additional alternative agencies for the first year's review in case any of the eleven primary candidates cannot be reviewed.

Agencies to be Peer Reviewed in
Calendar Year 1993

A. Volunteer Agencies

Agency

Chief Internal Auditor

Central Management
Services

William B. Winberg

Dept. of Public Aid

James R. Donkin

Dept. of Public
Health

Darrell Balmer

Illinois Housing
Development Authority

Fred Lehrman

Terry Radliff
Page Two
January 22, 1993

B. Randomly Selected Agencies

<u>Agency</u>	<u>Chief Internal Auditor</u>
Illinois Community College Board	Edward Smith
Board of Higher Education	Mark Wilcoxon
Dept. of Energy & Natural Resources	Dan Bedell
Dept. of Financial Institutions	Ron Handlin
Illinois Industrial Commission	Jan Hamilton
Illinois Racing Authority	Venice Meyer
Dept. of Rehabilitation Services	Ernest Freeman

C. Alternate Agencies

<u>Agency</u>	<u>Chief Internal Auditor</u>
Southern Illinois University	Ron Cremeens
Dept. of Nuclear Safety	Jeff Derrick

Jim Donkin, Chief Internal Auditor of Illinois Department of Public Aid, has requested to be "Peer Reviewed" as soon as possible. Hopefully, you can honor his request by scheduling Public Aid as the first agency to be peer reviewed.

Terry Radliff
January 22, 1993
Page Three

Please advise State Internal Audit Advisory Board of your review schedule. If you have any questions on this, please do not hesitate to contact me.

BRZ:get

cc: SIAAB Executive Committee Members
State Internal Audit Advisory Board Members

MINUTES OF THE STATE INTERNAL AUDIT
ADVISORY BOARD MEETING

January 9, 1993

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was cancelled by Chairperson Ben Zemaitis, for lack of an Agenda.

MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD MEETING

February 9, 1993

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on February 9, 1993 in the Willard Ice Building, 101 W. Jefferson, Level 6NE, South Training Room, Springfield, Illinois. Chairperson Ben Zemaitis called the meeting to order at 9:30 a.m. with a quorum. The following members were present:

Benedict R. Zemaitis, Chairperson, Department of Revenue
Richard O. Traver, Vice Chairperson, University of Illinois
Bradley Hammond, Dept. of Conservation
Ronald Omer, Office of Comptroller
Terry Radliff, State Employees Retirement System
James Reid, Office of Attorney General
William Winberg, CMS

Guest Observers:

Stan Brown, Office of Treasurer sitting in for Art Keegan
James R. Donkin, Ill. Dept. of Public Aid
Julie Monroe, University of Illinois

Absent:

Sharon E. Stanford, Ill. State University
Art Keegan, Office of Treasurer
John Cain, Secretary of State

DISCUSSION ITEM: Review of December 8, 1992 Board Minutes:

Chair Zemaitis opened the floor for review of the December 8, 1992 Board Minutes. He asked for any additions, corrections or deletions. Chair Zemaitis noted for the record two corrections made by Galie E. Traylor. There being no further discussion, he called for a motion to approve said minutes. Member Omer moved the minutes be approved, said motion seconded by Brad Hammond; motion unanimously carried.

Chair Zemaitis reported the members of the Executive Committee (Himself, James R. Donkin and Richard O. Traver) met on 1/19/93 and the results of that meeting are as follows:

The main issue of the meeting was to identify agencies to be reviewed during the calendar year 1993. The Executive Committee unanimously agreed to honor the requests that various agencies made as to which year the peer review was going to be made. Based on information supplied by James Donkin, who collected the requests, the Executive Committee determined that the number of volunteers were as follows:

First Year (4)

Central Management Services
Ill. Dept. of Public Aid
Ill. Dept. of Public Health
Ill. Housing Development
Authority

Second Year

Four Volunteer Agencies

Third Year

Ten Volunteer Agencies

Fourth Year

Five Volunteer Agencies

Fifth Year

Five Volunteer Agencies

There were 28 entities which had not requested to be peer reviewed. There are 55 agencies in total and over a 5 year period, this translates into 11 per year. Therefore, for the first year, an additional 7 agencies were needed to total 11 for 1993. Using a Random Number Generator Program on the PC, the Executive Committee selected the remaining agencies to be peer reviewed during the calendar year 1993. In addition to the four agencies named above (CMS, Ill. Dept. of Public Aid, Ill. Dept. of Public Health & Ill. Housing Development Authority), the Community College Board, Board of Higher Education, Energy & Natural Resources, Financial Institutions, Ill. Industrial Commission, Illinois Racing Board and Rehabilitation Services were named to meet the 1993 quota of 11 agencies to be peer reviewed.

At Member Traver's suggestion, 2 additional agencies were selected to be placed in a pool should any of the above mentioned agencies be unable or unwilling to be peer reviewed. These agencies are: Southern Illinois University and Dept. of Nuclear Safety.

As required by the By-laws of the Peer Review Program, the Executive Committee Chair submitted a list of the agencies to the Peer Review Performance Committee Chair, Terry Radliff.

Chair Zemaitis asked for any questions, comments, additions or suggestions to his report. As a member of the Executive Committee, James Donkin moved for approval of the Executive Committee Meeting Minutes as stated. Minutes were so unanimously approved.

A discussion took place regarding whether any of the agencies were designated exempt from being peer reviewed by the Governor. Member Winberg noted the only agency he was informed of that would be dropped was Department on Aging. Chair Zemaitis recommended this issue be tabled for the new chair and Member Winberg noted the lists of agencies which have audit functions as opposed to those that do not, will be compared and a report will be given at the next regular monthly meeting.

Chair Zemaitis relinquished the floor to Member Terry Radliff, who is Chairperson of the Peer Review Performance Committee. Member Radliff reported as follows:

The Peer Review Performance Committee met and approved the Illinois Department of Public Aid's election to volunteer for the long version of the peer review and the Illinois Housing Development Authority to have the short version of the peer review. The Committee selected individuals from the pool of volunteers to conduct the peer reviews. The Committee agreed to meet with the reviewers and the agencies reviewed after the peer reviews were completed to discuss them to see if they went well or if any modifications or changes to the work plans approved by SIAAB need to be addressed. This meeting is tentatively scheduled during the month of April, 1993. When everyone has been briefed and revisions made to program (if necessary), the Performance Committee will assign pool members to perform peer reviews on the remainder of the agencies selected.

The Performance Review Committee Members divided the remainder of the agencies between them and agreed to notify them that they had been selected to be peer reviewed in 1993. The Committee would then report to SIAAB at the next regular monthly meeting of any refusals, or inability of any agency to comply with the peer review assignment.

The next phase of the peer review is for the Performance Committee to notify the Report Committee Members regarding receipt of the report drafts. Chair Radliff noted he was not informed as to the name of the person on the Report Committee who would be receiving the report draft.

Next, the Committee perused the list of 26 volunteers to conduct peer reviews. Chair Radliff noted the Committee would be able to utilize the 26 volunteers to conduct the peer reviews for the first calendar year (1993) but he was concerned about the remainder of the 5 year cycle. He stated the pool of 26 volunteers would not be sufficient to conduct all of the peer reviews.

At this point, a discussion took place regarding the list of volunteers. The consensus of the Board was to utilize the 26 member pool of peer reviewers for the first year and then evaluate progression of the process. Also, the Board planned to embark upon a program of educating agencies on the peer review process, conduct additional training programs and recruit more individuals to conduct the peer reviews.

The Performance Committee Chair Terry Radliff stated for the record that in order to make the Peer Review Program work, additional qualified members of the volunteer peer reviewers pool would have to be recruited.

Chair Zemaitis called for any additional comments or questions to Member Radliff's report. There being none, Chair Zemaitis then reported that John Huston, Internal Auditor of the Commonwealth of Virginia conducted the peer reviewing training seminar in January, 1993 presenting his approach which is being used in Virginia. There were 42 people at that session. Chair Zemaitis reported he is having a video tape made of this session should the Board desire to use it for future training. However, it was noted the Board should obtain input from the Performance Committee after the first two peer reviews have been completed so that the Board can decide how to proceed.

Chair Zemaitis congratulated Terry Radliff on the fine job he and his Performance Committee performed on getting the program off the ground and urged the Board Members to help him implement it.

Chair Zemaitis called for any other comments and Member Radliff again stated his Committee had enough volunteers in the pool to conduct the 11 peer reviews for the calendar year 1993. It was agreed that Member Radliff would provide Board Members with the names of the volunteers so they could help get additional people into training and the pool.

NEXT ITEM OF DISCUSSION: Selection of a new Chairperson and Vice Chairperson.

Chair Zemaitis thanked the Board Members for their support and cooperation during the past year and congratulated them on the past accomplishments of the Board. He then opened the floor for nominations for Chairperson of the State Internal Advisory Board. He then entertained a motion for nomination of Richard O. Traver as the new chairperson of the SIAAB. Member Winberg seconded said nomination and Member Hammond moved nominations be closed. Member Omer seconded the motion. Chair Zemaitis called for discussion; there being none, the Board Members unanimously voted to close nominations for chairperson. Member Winberg cast a unanimous ballot for Richard O. Traver as the new chairperson of SIAAB. Seconded by Member Hammond and by unanimous vote, the new chairperson of the SIAAB is Richard O. Traver.

Chair Zemaitis called for nominations for Vice Chairperson of the SIAAB. Member Winberg nominated Member Ronald Omer; however, Member Omer declined the nomination. Member Omer then asked Member Bradley Hammond to serve as Vice Chair and he reserved the right to accept, asking about the length of terms of the members of the Board. Chair Zemaitis reported he talked to the Governor's Office a few months ago and was informed that once the Board had the Peer Review Program going to contact them but they were happy with the way things were going.

Member Traver suggested the Board defer nomination of Vice Chair until the next meeting to allow Member Bradley Hammond time to confer with his director.

Chair Zemaitis called for announcements; there being none, he called for motion to adjourn. Member Hammond moved for adjournment; said motion seconded by Member Omer. Meeting adjourned at 10:35 a.m.

AMENDED
MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD MEETING
April 13, 1993 - 9:30 a.m.

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on April 13, 1993 in the Willard Ice Building, 101 W. Jefferson, Level 6NE, South Training Room, Springfield, Illinois. Chairperson Richard O. Traver called the meeting to order at 9:30 a.m. with a quorum. The following members were present:

Richard O. Traver, Chairperson, University of Illinois
Sharon Stanford, Illinois State University
William Winberg, Central Management Services
Benedict R. Zemaitis, Department of Revenue
Terry Radliff, Illinois State Retirement System
Ron Omer, Office of Comptroller
Brad Hammond, Department of Conservation

Guest Observers:

Julie Eggiman, Department of Public Health
Galie T aylor, Department of Revenue

Absent:

John Cain, Secretary of State
James Reid, Office of Attorney General
Art Keegan, Office of Treasurer

DISCUSSION ITEM: Review of February 9, 1993 Board Minutes:

Chair Traver opened the floor for review of the February 9, 1993 Board Minutes. He asked for any additions, corrections or deletions. Member Zemaitis noted on Page 2, first sentence in the last paragraph read as follows:

"The Peer Review Performance Committee met and selected the Illinois Department of Public Aid to have the long version of the peer review...."

The sentence should read as follows:

The Peer Review Committee met and approved the Illinois Department of Public Aid's election to volunteer for the long version of the peer review...."

Correction so noted. Member Winberg moved to have the minutes approved as corrected. Member Zemaitis seconded said motion; minutes unanimously approved as amended.

OLD BUSINESS

DISCUSSION ITEM: Election of Vice Chairperson

Chairperson Traver called for nominations for the position of Vice Chairperson from the floor. Member Omer nominated Member Bradley Hammond, Department of Conservation; nomination seconded by Member Zemaitis. Chairperson Traver called any additional nominations from the floor. Member Winberg moved nominations be closed and the Board Members cast a unanimous ballot for Bradley Hammond as Vice Chairperson of the State Internal Audit Advisory Board. Member Stanford seconded said

NEW BUSINESS

DISCUSSION ITEM: Report on Peer Reviews - Dick Traver and Terry Radliff

Chairperson Traver reported two peer reviews were conducted; one long version (Illinois Department of Public Aid) and one short version (Illinois Housing Development Authority). He relinquished the floor to Member Radliff who reported as follows:

The short version of the peer review went very well. The review took two full days of on-site examination of records and work program. The support information gleaned from the long version worked reasonably well in terms of questionnaires and contact with the agency's director and internal auditor to get background information from their Board. Illinois Housing Development Authority is set up as a Board of Trustees with an audit committee within the Board of Trustees. Three of the Board Members serve in the capacity of Audit Members. Fred Lehrman, Internal Auditor, had all the information available and a conference room ready when the reviewers arrived. Member Radliff reported the short program of the peer review is going to work and the Peer Reviewers can complete it (on most agencies) within a couple of days.

A situation arose after the peer review was completed in that Fred Lehrman, Internal Auditor, requested the report be submitted as soon as possible because they were having a board meeting within two weeks of the date the peer reviewers were leaving. Since there were no material findings, Member Radliff agreed. He reported they discussed the two findings they had with the agency's Director and Fred Lehrman. They agreed to both suggestions made by the Peer Reviewers. The Director requested the report be written up reflecting that they agreed with the findings, or in the alternative, it could be written without their agreement. Member Radliff reported the Director did not wish to go through a lengthy process regarding the peer review.

Member Radliff called Report Acceptance Committee Chair Bill Winberg and arranged to have the report issued on a more timely basis than original procedure would have allowed. He stated he sent copies of the workpapers to Chair Winberg and the report was released about the same time as the workpapers were sent to the Acceptance Committee.

A discussion was held by the Board Members regarding the process of issuance of the Peer Review report. The Board Members' consensus was the following procedure be used with reference to issuance of the Peer Review Report:

- 1) Team Leader submits workpapers and report stamped "DRAFT" to Acceptance Committee and a Draft Report be sent to the Agency Auditor;
- 2) Acceptance Committee approves them;
- 3) Report comes to Chairperson of Executive Committee for his signature and then distributed.
- 4) Chair Traver will incorporate into the transmittal memorandum for the Draft Report recognition of the Peer Review Team.

Chair Traver called for any further discussion or report from Member Radliff; there being none, he proceeded to report the peer review of the Department of Public Aid. Julie Eggiman of the Department of Public Health and Merlin Hepperley, Comptroller's Office worked with Chair Traver in conducting this long version of the peer review. Chair Traver reported as follows:

The long version of the peer review of the Ill. Department of Public proceeded well. Each team member submitted workpapers and it was a matter of organizing them and preparing the report. The team members work from 8:30 a.m. to 5:00 p.m. daily for approximately two and half days.

Chair Traver then reported he made editorial changes and reorganized some portions of the long version of the peer review document. Some of the detailed audit steps were moved to appendices so that if a team needed to distribute certain portions of the audit program, they could do it through the appendices, rather than "cut and paste" method. The Board unanimously agreed to these changes, but tabled any further changes until more peer reviews are conducted. Chair Traver agreed to provide the general format, i.e. indexes, general page headings, etc. to aid the peer review team members in conducting their reviews. He then asked for any additional discussion or comments on peer reviews. Member Zemaitis reported he made phone calls to get additional people into the peer review pool. Don Drone, Board of Education, will be adding four people to the pool. Drone inquired of the Board to clarify the CPD credits for work performed on the audit review team. Member Zemaitis reported he informed Don Drone the CPD credits for the State of Illinois were in place.

The questions about the CPA/CPD credits for participating in the Peer Review process were then discussed by the Board Members. The Board Members' consensus was there is a need to actively pursue avenues of providing continuing education credits for participating in the Peer Review process. Member Winberg volunteered to research CPA maximum hours allowed to CPAs for participating in a peer review; Member Zemaitis will research the IIA rules and Member Hammond will review Board minutes regarding requirements established by the Board and contact Bill Coons, of Springfield Chapter of the Institute of Internal Auditors for the state requirements for authorization to give CPE credits..

NEXT DISCUSSION ITEM: Letter to Four State Agencies

Chair Traver called attention to the letter to four state agencies to solicit information from them regarding their internal audit departments. Member Radliff provided two of the four. Chair Traver called for comments on the draft letter. A discussion took place. Chair Traver called for corrections, additions, deletions to the draft; there being none, the letter will sent to State Historical Preservation Agency, State Emergency Services & Disaster and Department of Labor.

NEXT DISCUSSION ITEM: Agencies Designated Exempt from Peer Review

Chair Traver opened the floor for discussion of an item tabled in the February 9, 1993 meeting which concerned agencies which were designated exempt from being peer reviewed by the Governor. A discussion of this item followed. Member Winberg noted the Board established under their guidelines that there are auditing standards for agencies that have internal auditing. The guidelines did not state it was or was not required. If they have an internal auditing department, they should comply with the Statutes. These agencies should be peer reviewed. The consensus of the Board Members was to agree with Member Winberg's observation.

NEXT DISCUSSION ITEM: Acceptance Committee

Chair Traver recognized the Acceptance Committee, William Winberg and Sharon Stanford. Member Stanford noted documentation needs to be made by the Team Leader that they had talked with the Director, and an assessment was made by the Director and, there is documentation the assessment.

ANNOUNCEMENTS

Chair Traver called for any announcements. Member Radliff announced the committee for the assignment for this year's peer reviews met last week and made tentative assignments. Member Radliff will be calling the agencies within the next week. The Committee will be giving the Internal Audit Managers the opportunity to accept or reject the peer review. They will also have the opportunity to choose either the long or short version of the peer review.

Chair Traver offered to conduct a half day seminar to walk Peer Review Team Members through the long version of the Peer Review if they desired. Member Radliff noted it was very difficult to schedule same because of work schedules. He reported the Peer Review Team Members would make their own agenda on conducting the Peer Reviews.

There being no further announcements, Chair Traver called for motion for adjournment. Member Omer moved for adjournment; seconded by Member Hammond; meeting adjourned at 10:55 a.m.

MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD MEETING

MAY 11, 1993

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on May 11, 1993 at the Willard Ice Building, 101 West Jefferson, Level 5SW, Legal Conference Room A, Springfield, Illinois. Chairperson Richard O. Traver called the meeting to order at 9:30 a.m.

Roll Call was as follows:

Present:

Richard O. Traver, Chairperson, University of Illinois
Terry Radliff, Illinois State Retirement System
Ron Omer, Office of Comptroller
Bradley Hammond, Vice Chairperson Dept. of Conservation
Benedict R. Zemaitis, Department of Revenue

Absent:

John Cain, Secretary of State
Art Keegan, Office of Treasurer
James S. Reid, Office of Attorney General
Sharon E. Stanford, Ill. State University

Guest Observer:

Galie E. T aylor, Dept. of Revenue

Chair Traver announced the approval of the 4/13/93 meeting minutes would held at the end of the meeting as the Board did not have a quorum.

OLD BUSINESS

DISCUSSION ITEM: Letters to Three State Agencies

Chair Traver reported he had sent identification letters to three state agencies which had to be contacted: Emergency Services & Disaster Agency, Historic Preservation Agency and Department of Labor. Department of Labor acknowledged they were required to have an Internal Auditing program; however they do not have funding for it. Chair Traver noted for the record the Board had contacted the agencies and received a response from the Department of Labor. If he does not receive responses from the other agencies, he'll follow-up with another letter. *Subsequent to the meeting, we have received responses from Illinois Historic Preservation Agency and Illinois Emergency Management Agency.*

Member Winberg's Report on Maximum Credit Hours for CPA's who perform Peer Review.

Chair Traver reported Member Winberg reported to him that 8 hours of CPE credit are allowed to CPA's for performing peer reviews. Member Winberg was unable to attend this meeting due another commitment. Chair Traver related that it was not clear whether the credit hours were given on annual basis or per peer review. This will be clarified at a later date.

Member Zemaitis' Report on IIA Standards, and/or Guidelines Relating to CPE Credit for Conducting Peer Reviews.

Chair Traver then relinquished the floor to Member Zemaitis, who reported he researched in published directories dealing with what IIA Standards provide. He reported peer reviews are not mentioned at all. He then talked to the Director of Professional Practices, Tom Powell, at Altamonte Springs headquarters. Member Zemaitis reported Tom Powell informed him that basically this topic had not been discussed at the Institute at this point. The current practice for allowing CPD credits is limited to the hours obtained getting training. Performance of peer reviews at this time is not subject to any CPD credits. Member Zemaitis reported Tom Powell suggested this matter be taken up at the next Standards Board meeting set for 6/23-24/93 in Chicago. Since the CPD area is currently within jurisdiction of the IIA Standards Board, they will need to address this issue and make a decision whether to act on this area. Member Zemaitis informed the Board that since he is a member of the IIA Standards Board, he plans to send a memorandum to the Chairman of the Standards Board, Roy Salmon, asking him to place the topic on the agenda for the June meeting. He will report on this at the July meeting.

A discussion took place and the Board Members agreed that in using the IIA Program as a basis, it has a choice to make modifications to it. The Board Members discussed proper documentation of the peer review in order to be certified to grant credit hours for conducting peer reviews. Chair Traver informed the Board Members that Internal Auditing Office of the University of Illinois is certified to give continuous education credits for CPA's. He volunteered to obtain certification for the SIAAB. He will report the status of the certification process at the July, 1993 meeting.

Member Hammond suggested the Board entertain a motion at 10:00 a.m. that the Board agrees to count hours given for participation in a peer review. This motion was tabled until later in the meeting.

NEW BUSINESS

Chair Traver then opened the floor for discussion of new business, which is cancelling the June meeting. He inquired of the Board if any Board Member had anything to place on the June meeting agenda. There being none, the June 8, 1993 meeting was cancelled.

Chair Traver called for a report from Member Radliff regarding the Peer Review Committee action. Member Radliff reported the letters had been sent to the agencies giving

them an option to reject the members of the committee's selection and the process is progressing satisfactorily.

Chair Traver informed the Board Members that the Association of College and University Auditors Peer Review Program is being sent to members for their information and review.

Chair Traver then informed the Board that Member Cain called him regarding interviewing internal auditors who are not qualified. Member Cain would like to develop some kind of parity between the State Internal auditor and the University State Internal Auditor where we require college degrees. Chair Traver reported he will contact Member Cain and if he plans to attend July meeting, he will place the issue on the agenda.

Chair Traver then relinquished the floor to Member Zemaitis who inquired whether the Board should react to House Bill 2444 which will have a major impact on internal auditors in state government. This bill, among other things, states that term appointments will be determined by CMS rather than employing agency or director. A discussion took place and it was the consensus of the Board that opinions should be expressed at an agency level.

Chair Traver called for any other new business. There being none, he called for the return to Old Business.

DISCUSSION ITEM: CPD Credit Hours Given for Conducting Peer Reviews.

The floor was opened for discussion of the above. A discussion took place and Member Zemaitis presented a motion that, "For the CPD purposes the Board recognize time spent by individuals on actual peer review activities with no limitation as though it was in the training category." Member Hammond seconded said motion; the Board unanimously approved as motion. They further agreed a form should be created reflecting this motion to be inserted in the peer review packet.

DISCUSSION ITEM: Approval of 4/13/93 Board Meeting Minutes

Chair Traver opened the floor for discussion and approval of 4/13/93 minutes. Member Zemaitis noted on Page 4, First Paragraph, the sentence "Member Zemaitis will research IIA Standards", the word Rules should be used instead of Standards. Correction so noted.

He also noted in the same paragraph the following, "Member Winberg volunteered to research CPA maximum hours allowed ", insert after the word "allowed", insert the words, "to CPA's". Correction so noted. No further discussion was had and Chair Traver called for motion to approve the minutes. Member Omer moved the 4/13/93 Board Minutes be approved with corrections; said motion seconded by Member Zemaitis; minutes unanimously approved by the Board.

Chair Traver called for announcements or issues to come before the Board. There being none, he called for motion to adjourn. Member Radliff moved to adjourn, seconded by Member Zemaitis; meeting adjourned at 10:30 a.m.

MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD MEETING
JULY 12, 1993

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on July 12, 1993 at the Willard Ice Building, 101 West Jefferson, Level 6NE, South Training Room, Springfield, Illinois. Chairperson Richard O. Traver called the meeting to order at 9:35 a.m. Roll Call was as follows:

Present:

Richard O. Traver, Chairperson, University of Illinois
Bradley Hammond, Vice Chairperson, Dept. of Conservation
John L. Cain, Office of Secretary of State
Art Keegan, Office of the Treasurer
Ronald E. Omer, Office of Comptroller
Terry Radliff, State Employees' Retirement System
James S. Reid, Office of Attorney General
William B. Winberg, Dept. of Central Management Services
Benedict R. Zemaitis, Dept. of Revenue

Absent:

Sharon Stanford, Ill. State University

Guest Observer:

Galie E. Traylor, Dept. of Revenue

Chair Traver called for approval of May 11, 1993 Board Minutes. There being no additions, corrections or deletions, Member Omer moved for approval of the minutes. Motion was seconded by Member Keegan and minutes were unanimously approved.

OLD BUSINESS

DISCUSSION ITEM: Letters to State Agencies Regarding Internal Auditing Program

Chair Traver reported on status of letters sent to state agencies not having an internal auditing program. He stated he received responses from Emergency Services and Disaster Agency, Historic Preservation Agency and Department of Labor. Two agencies stated they were working on a program and one stated it had no money appropriated for the program.

Chair Traver brought to the Board's attention the Board has never compiled an annual report of its actions. The annual report would consist of Board actions including reporting the Board had contacted the agencies on the Governor's list and the results of same. He suggested the Board send a copy of the annual report to the Governor and Auditor General's Office. A discussion was held. Member Winberg suggested the report be sent in September. It was the consensus of the Board Members that Chair Traver prepare a draft of the annual report to be presented at the September meeting of the Board.

DISCUSSION ITEM: Recognition Form for CPE Credits

Chair Traver opened the floor for discussion of the draft of the recognition form for CPE credits previously distributed to members. He called for any changes. Member Radliff questioned the number of hours the Board would be granting. A discussion was held. It was unanimously decided by Board Members that a written statement of criteria specifying the qualifications for CPE credits awarded for participation in a peer review. Chair Traver suggested development of a questionnaire to be handed out before the last day of the peer review. The form would be completed by team members and returned to the team leader. Member Winberg volunteered to obtain a sample questionnaire and prepare a draft to Chair Traver for presentation at the September 1993 Board meeting.

Chair Traver called upon Member Zemaitis for a report on IIA status concerning CPE/CPD credits. Member Zemaitis reported the current administrative directive #4 issued by the Institute primarily does not make any special provision for peer reviews. He reported information obtained from Tom Powell of the IIA headquarters indicates the current interpretation is that peer review activity could be included as part of participation. However, participation category only allows 25 CPD hours every 3 years. He further reported the Institute is undergoing administrative changes and the whole area of the CPD determination and interpretation is, by request of the Standards Board, being moved to the Board of Regents. The Standards Board is working on a revised draft of this administrative bulletin; however, everything was tabled due to the administrative changes. Member Zemaitis noted Member Sharon Stanford is the chair of the Board of Regents. Member Zemaitis further noted that currently, the best the Board can tell our members for IIA purposes is they can include it as part of their participation which is limited to 25 hours every three years. Also, for IIA purposes, only the CIAs need to fill it out. For our internal purposes, since we are applying CPD requirements to every auditor and if we give one on one that should give our members what they need for state compliance. Chair Traver noted he would contact Sharon Stanford on the status of the situation.

DISCUSSION ITEM: Application for CPE Credits

Chair Traver reported Member Terry Radliff's appointment for providing official credit for CPE credits has been approved and the Board is registered to do that.

NEW BUSINESS

DISCUSSION ITEM: Status Report from Performance Committee Chair

Chair Traver called upon Member Terry Radliff, Chair of the Performance Committee, to present an overview of his written report of Committee actions. Member Radliff reviewed the listing of the approved peer review volunteers meeting standards, their assignments and details for the 1993 peer review program. This listing also provides corresponding agencies to be peer reviewed by the volunteers as well as members of the Performance Committee who are acting as contact persons to coordinate the peer reviews. He reported all individuals had been contacted. He has not heard of any problems with the selection, nor did the Committee have anyone who was rejected from the initial selection. Of the 34 individuals, only 9 people did not receive a peer review assignment. Member Radliff further reported if we are looking to the future, those 9 (if we're doing short version) could only conduct 4 peer reviews out of the 11 that are projected to be performed during each calendar year. This indicates that individuals who are already on the list performing the peer reviews for 1993 are going to have to conduct another one in 1994. This presents a time factor problem. A discussion took place. It was unanimously decided by the Board Members to send a copy of the selection letters (directed to the individuals) to the Chief Internal Auditors of the agencies. It was also the consensus of the Board to conduct another training session after the first year cycle is completed using feedback obtained from these initial peer reviews. The selection letter will also include the benefit of the CPE credit hours to be granted after participating in peer reviews. Member Radliff will prepare a draft of the letter to be distributed prior to next meeting.

DISCUSSION ITEM: Internal Auditor Job Description Parity (to be discussed by Member John Cain).

Chair Traver called upon Member John Cain to present the issue of internal auditor job description parity. Member Cain reported he is in hiring process and has encountered a situation about educational qualifications for internal auditors. Under personnel rules of his agency, he was required to interview everybody, even if they did not have a Bachelor's Degree. He contends the job description should contain a college degree requirement. A discussion took place. It was the consensus of the Board that Member John Cain will draft a position paper to be presented to his agency stating, in essence, that internal auditor positions require a college degree.

Chair Traver called for any further discussion or comments. Member Radliff commented the Racing Board did not have an internal auditor. Board Members unanimously agreed to report this in its annual report.

Chair Traver opened the floor for discussion of cancelling the August 1993 Board Meeting. He inquired of the Board Members whether it was necessary to meet in August, since there was no new business for the agenda. There being no objection, it was unanimously agreed by the Board Members to cancel the August 1993 meeting.

Chair Traver called for any announcements, discussion or comments; there being none, he asked for a motion to adjourn. Motion to adjourn the meeting was made by Member Cain, seconded by Member Zemaitis, said motion unanimously carried and meeting was adjourned at 10:27 a.m.

MINUTES OF STATE INTERNAL AUDIT ADVISORY BOARD MEETING

SEPTEMBER 14, 1993

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on September 14, 1993 at the Williard Ice Building, 101 West Jefferson, Level 6NE, North Training Room, Springfield, IL. Chairperson Richard O. Traver called the meeting to order at 9:30 a.m. Roll Call was as follows:

Present:

Richard O. Traver, Chairperson, University of Illinois
Bradley Hammond, Vice Chairperson, Dept. of Conservation
Sharon Stanford, Illinois State University
Ronald Omer, Office of Comptroller
William Winberg, Central Management Services
Art Keegan, Office of Treasurer
Jim Reid, Office of Attorney General
Benedict Zemaitis, Dept. of Revenue

Absent:

John Cain, Secretary of State
Terry Radliff, Ill. State Retirement Board

Observers:

James Donkin, Ill. Dept. of Public Aid
Galie Traylor, Ill. Dept. of Revenue

Chair Traver called for approval of July 12, 1993 Board Minutes. There being no additions, corrections or deletions, Member Winberg moved for approval of the minutes. Said motion was seconded by Member Keegan. Minutes were unanimously approved by the Board.

Chair Traver called for a vote of the Board regarding cancelling the meeting for the month of October 1993. The Board unanimously agreed not to meet in October 1993.

OLD BUSINESS

DISCUSSION ITEM: Letter to Governor Jim Edgar - Chair Traver

Chair Traver opened the floor for discussion of a proposed letter to Governor Jim Edgar regarding status report of the SIAAB. Vice Chair Hammond suggested rewording the last sentence of second paragraph. Chair Traver rephrased the sentence to read, "We adopted

a Code of Ethics for State Internal Auditors based on the Code of Ethics of the Institute of Internal Auditors."

Member Stanton suggested adding to the last paragraph, names for consideration of appointment by the Governor to fill expiring terms of Board Members as well as the open position currently on the Board. A discussion was held and Chair Traver will revise the last paragraph to include noting there are six appointed positions which have expired terms. It was the consensus of the Board Members that said addition should be included in the letter for the record. In addition, Chair Traver announced he would meet with Ken Zehnder of the Governor's Office prior to the November meeting regarding this issue.

NEXT DISCUSSION ITEM: Peer Review Letters - Terry Radliff

Chair Traver opened the floor for discussion as Terry Radliff was absent. He asked for any comments regarding the draft letters regarding peer reviews. A discussion was held. The Peer Review letters were unanimously approved by the Board and will be changed accordingly, when new information concerning CPD hours is obtained.

NEXT DISCUSSION ITEM: Peer Review Evaluation - Wm. Winberg

Chair Traver opened the floor for discussion of peer review evaluations prepared by Member Winberg. Member Winberg noted this peer review evaluation is part of the requirements to be approved by the State for continuous education credits for CPAs. They have to evaluate the program. This is an opportunity for the people participating in the peer review to review it. Member Winberg reported this evaluation is also a part of Professional Regulations. The instructor has to be qualified; has to take attendance, has to give out certificates for number of hours and what categories. The people participating in the peer review (reviewers) must also complete an evaluation form also. These questions for the participants are patterned after the Illinois CPA Society's Regular Classification, Ill. Department Training Center, CMS etc. A discussion took place. There being no further comments, the Peer Review Evaluation form prepared by Member Winberg was unanimously approved by the Board and Chair Traver will forward said form to Member Terry Radliff for further processing.

NEXT DISCUSSION ITEM: CPD Determination for Peer Review Involvement at IIA
- Member Sharon Stanford

Chair Traver relinquished the floor to Member Stanford. She reported the Board of Regents who now has authority to set CPD qualifications for the IIA are meeting in two weeks. This issue is on the agenda and has been assigned to a subcommittee. She further reported the new regulations and changes should be forthcoming by December 1993. Member Stanford stated this is a part of what she requested that the Board look at: "If one does a quality

assurance review, can they be placed in a separate classification, other than participation?" It is on the agenda to be considered. She will report to the Board at the November 9, 1993 meeting.

Chair Traver announced due to Member John Cain's absence, there would be no report or discussion of job description parity issue. Member Cain was to prepare a position paper on this issue and present it to the Board..

Vice Chair Hammond brought before the Board the issue of reclassification of internal auditors above Internal Auditor 3 stating the title, "Senior Public Administrator" replaces Internal Auditor 5. A discussion was held. No consensus of the Board being reached, the discussion was closed.

NEW BUSINESS

DISCUSSION ITEM: Discuss Extension of Current Committee Members' Service to January 31, and change future committee appointments to February 1 through January 31.

Chair Traver opened the floor for discussion to extend current committee members' service to January 31, and change future committee appointments to February 1 through January 31. A discussion was held regarding election of committee chairpersons. Chair Traver called for a motion to change committee service to February 28. Member Omer so moved; seconded by Member Stanford. Motion unanimously approved by the Board Members.

Chair Traver called for any further new business. Vice Chair Hammond called the attention of the Board to a letter from the Governor to Secretary of State Index Division regarding full-time program of internal auditing for agencies under the Governor's controls, under the Act. Member Winberg noted he received a call from Diane Long whom he referred to Chair Traver. A discussion was held. Chair Traver suggested inviting Diane Long to our February/March 1994 meetings to discuss the list of agencies required to have full time programs in internal auditing.

Chair Traver called for any new business: he relinquished the floor to Observer, Jim Donkin, of Ill. Dept. of Public Aid, who stated he had two items relative to Code Agency personnel matters.

The First Issue: CMS may be looking for some direction from State Internal Auditors and SIAAB on how to treat prior experience as for what qualifies the experience used for internal auditors. He presented a situation involving an employee who applied for a promotion to Internal Auditor 2. CMS refused stating the employee didn't have enough experience even though he had two and a half years experience at a bank. Jim Donkin suggested there needs to be some type of a subcommittee of the Board and other people involved who do a lot of hiring

under the Code Department, to go to CMS; talk about what constitutes appropriate experience, and what constitutes eligibility for the position. A discussion was held. Member Winberg suggested contacting Charlene Wasilewski, head of evaluation and counseling areas and Suzanne Trainer, who works under Charlene. Further discussion was held, and the Board Members unanimously agreed the matter should be taken up with CMS.

The Second Issue that Mr. Donkin brought before the Board concerned the options, i.e. Option A, no extensive accounting & 12 hours of accounting; Option B required 27 hours in accounting. Upward Mobility candidates don't have a degree. If he calls for Option A List, Internal Auditor Trainee, that doesn't require 27 hours of accounting, he has to accept the Upward Mobility candidate with no degree. Whereas Option B (all 27 hours of accounting) this requires a degree in order to enter into that Upward Mobility-wise. This requires him to hire only accounting majors, which is not the object. The object was to be able to discern top quality candidates from various disciplines not only accounting. A discussion was held.

The Board unanimously agreed that Members William Winberg, Bradley Hammond, and Benedict Zemaitis form a committee and discuss these issues with CMS and report to the Board at the November 9, 1993 meeting.

Chair Traver called for any other comments or announcements. Member Stanford announced an audit staff opening at Illinois State University for Internal Auditor 2 under the University Civil Service System, with 2 years experience in Information Systems: to start in December 1993.

Member Zemaitis noted the Internal Auditor Trainee lists contain a number of individuals who have taken the internal auditing courses held at Sangamon State University. Member Zemaitis offered to provide the names of the students, if anyone is interested.

Chair Traver reviewed the November Agenda:

1. Terry Radliff's progress report on Peer Reviews
2. Members Winberg & Stanford to report on workpapers and program/quality of peer reviews.
3. Members Winberg, Zemaitis & Vice Chair Hammond to report on results of discussion with CMS personnel.
4. Member Stanford to report on results, if any, of the Board of Regents's meeting regarding CPD hours.

Chair Traver called for a motion to adjourn; Member Stanford so moved; said motion seconded by Member Keegan. Meeting adjourned at 10:30 a.m.

MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD MEETING

NOVEMBER 9, 1993

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on November 9, 1993 at the Willard Ice Building, 101 West Jefferson, Level 6NE, South Training Room, Springfield, Illinois. Chair Richard O. Traver called the meeting to order at 9:30 a.m.

Present:

Richard O. Traver, Chairperson, University of Illinois
Bradley Hammond, Vice Chairperson, Dept. of Conservation
Art Keegan, Office of the treasurer
Terry Radliff, State Employees' Retirement System
James S. Reid, Office of Attorney General
William B. Winberg, Central Management Services
Benedict R. Zemaitis, Dept. of Revenue

Absent:

Ronald Omer, Office of Comptroller
Sharon Stanford, Ill. State University
John Cain, Secretary of State

Guest Observer:

Galie E. Traylor, Dept. of Revenue

Chair Traver called for corrections, additions, etc. to September 14, 1993 minutes. There being none, motion for approval of 9/14/93 minutes made by Member Winberg, seconded by Member Zemaitis; minutes unanimously approved.

OLD BUSINESS

DISCUSSION ITEM: **Report on CMS Personnel Meeting - Members Bradley Hammond, William Winberg and Benedict Zemaitis.**

Chair Traver called for report regarding CMS Personnel meeting; there being none; he moved said report to the next meeting agenda. Chair Traver with unanimous approval of the Board, added Jim Donkin to the subcommittee. Member Zemaitis noted confusion existing between Options 1 and 2 of the Internal Auditor Trainee series. A discussion took place. The subcommittee agreed to meet prior to requesting a meeting with CMS personnel office and report back to the Board at the next meeting.

NEXT DISCUSSION ITEM: Progress on Peer Reviews - Terry Radliff

Chair Traver called on Member Radliff for a report on progress of the peer reviews. Member Radliff reported two or three peer reviews are nearing completion. It was noted during discussion that several are scheduled for early December 1993. Member Radliff noted some of the peer reviews had been encountering some scheduling problems, but have been able to work them out. Chair Traver placed this report on the January 1994 agenda for further update. During this discussion, Member Winberg reported he heard from Sharon Stapleton and Jim Donkin, who inquired where workpapers are to be sent indicating these peer reviews are nearing completion. Chair Traver placed Member Stanford and Member Winberg's report on Peer Review Quality Review on the January 1994 agenda for an update.

NEXT DISCUSSION ITEM: Feedback on SIAAB membership - Chair Richard O. Traver

Chair Richard Traver reported he sent a letter to Rob Phipper, Government Boards & Commissions Office regarding Board appointments. Chair Traver reported he received notice from Member John Cain (Secretary of State) that his office had received a finding from external auditors noting that the State Internal Audit Advisory Board was understaffed and wanting to know what Secretary of State's Office was doing about it. Chair Traver sent copies of letters to Rob Phipper in an effort to fill the vacancy. Member Zemaitis noted boards and commissions are required to file with the Office of the Secretary of State and the Secretary of State's Office is supposed to report any exceptions.

Member Hammond noted he understood when the Board was formed, it was agreed the Board would have meetings with other State Audit Managers to solicit input from them for nominations for membership. A discussion took place. Chair Traver noted there should be more interaction between the State Internal Audit Advisory Board (SIAAB) and State Internal Audit Managers Group (SIAM). He suggested he contact Jim Donkin about scheduling a meeting with the SIAM group in January 1994. This meeting could include report of the Board's program on Peer Review, obtaining nominations to the Board, and training sessions for peer reviews. It was the unanimous consensus of the Board to schedule a meeting with SIAM in January, 1994.

NEXT DISCUSSION ITEM: CPD Determination for Peer Review Involvement at IIA - Sharon Stanford

Chair Traver opened the discussion by distributing a brief written report from Member Sharon Stanford as she was unable to attend this meeting. Chair Traver reported the CPD recognition from IIA is still in draft form. Member Stanford's written report mentioned the IIA Board of Regents' draft on CPD requirements is being voted on by the members. Member Stanford expects the draft to be approved. She reported under the category of qualifying activities, Participation - (Maximum of 25 hours in a two year period), quality assurance review is acceptable. One CPD hour for each hour spent on site will be awarded. No CPD hours will be awarded for activities such as preparation time and writing the report.

Member Zemaitis suggested the Institute take a more positive role as far as including the peer review under the category of education, which is not limited to the two year 25 hour limitation. In other words, put it in a category which has no limit, or establish a separate category. A discussion took place. Chair Traver asked Member Zemaitis to draft a position paragraph to be reviewed at the next meeting. Member Zemaitis noted the IIA Board would be meeting right after Thanksgiving. The SIAAB needs to submit the position paper prior to the IIA Board meeting; otherwise it would be next June before the Board could get it presented. Member Zemaitis moved the Board contact the Institute with a request to include the peer review hours as a separate category or include it under education, which has no limit. Member William Winberg seconded said motion. Chair Traver called for further discussion. Discussion took place. It was unanimously agreed by the Board to submit the position paragraph as so moved by Member Zemaitis and seconded by Member Winberg, to the Institute. Said position paragraph would be drafted by Member Zemaitis. *Letter sent to IIA November 18, 1993, stating Board's position.*

Chair Traver tabled the next discussion item of Member John Cain's issue of job description parity since John was unable to attend this meeting.

NEW BUSINESS

Chair Traver brought before the Board the issue of scheduling of a peer review training session in 1994. Chair Traver announced he would contact the President of the State Internal Audit Managers group to suggest a meeting at the SIAAB regular January 1994 meeting. He will then place the issue of peer review training session on the agenda to be discussed with State Internal Audit Managers group. Chair Traver called for any other new business. Member Hammond asked for clarification regarding attending a Conservation Business Management meeting comprised of business managers, administrative accountants and auditing people from conservation agencies for 13 midwestern states. He stated this meeting had a track that was auditing and accounting. Member Hammond stated he is assuming he could count this meeting as CPD hours for state purposes. He asked for clarification of his action on applying for credit for CPD hours. It was the consensus of the Board that Member Hammond should document his query before the Board. He should include verification of his attendance at the meeting to claim credit for CPD hours.

Chair Traver called for any other new business. Member Zemaitis reported the Institute of Internal Auditors has issued a new recodification of Standards which is available for purchase from the Institute for \$10.00 each. The new issue includes the SIAS all the way through SIAS 13, and is totally up-to-date. The Institute also provides an electronic service you can buy. You can get the Standards in an electronic format. It is available with the new codification and has to be used within the organization-it cannot be copied.

Chair Traver inquired of Member Winberg if there is a mechanism to distribute the Board minutes without expecting Jim Donkin as head of the State Internal Audit Managers Group to do this. Member Winberg stated CMS has Mail-a-Messenger. If there is a label on it, CMS could do it. Member Winberg also stated the minutes could be folded, stapled and labeled. Chair Traver will provide Member Winberg with copies of the approved Board minutes to be distributed to the Springfield and Chicago people. Member Winberg noted the Board minutes could only be distributed 7 days after they have been approved.

Chair Traver re-iterated he will contact the President of the State Internal Audit Managers Group to schedule a meeting between SIAAB and SIAM for January, 1994.

Chair Traver called for any other new business. Member Winberg noted the Chair was to discuss the next meeting date. Chair Traver suggested moving the December 14, 1993 meeting to January 11, 1994 as there was no agenda. It was unanimously agreed by the Board to move the December 14, 1993 meeting to the Second Tuesday in January, 1994.

Chair Traver announced the February 8, 1994 meeting agenda will be for nomination and election of the new chairperson and vice chairperson. Member Radliff noted some of the subcommittee chair positions are ending. Chair Traver stated the Board changed the one year appointments to run through February date so the new chairperson could work on subcommittee membership. This motion was approved at the last meeting.

There being no further new business or announcements, Chair Traver called for motion to adjourn. Motion to adjourn made by Member Art Keegan, seconded by Member Terry Radliff. Meeting adjourned at 10:15 a.m.

VIEW THE NOTE

E01

From: MAILER --UICVMC Date and time 10/26/93 12:44:17
 Received: from VMD.CSO.UIUC.EDU by UICVMC (Mailer R2.08) with BSMTTP id 3590;
 Tue, 26 Oct 93 12:44:17 CDT
 Received: from ILSTU (NJE origin SYSMWTR@ILSTU) by VMD.CSO.UIUC.EDU (LMail
 V1.1d/1.7f) with BSMTTP id 4810; Tue, 26 Oct 1993 12:45:18 -0500
 FROM: "SHARON STANFORD" <SESTAN@ILSTU.BITNET>
 SUBJECT: Nov 9 meeting IAAB
 DATE: 26 OCT 1993 12:44 -00
 MESSAGE-ID: <301530 >
 TO: <IAUXROT@UICVMC.BITNET>

Dick, I am unable to attend the November 9, 1993, meeting of the Board. However, I wish to report on the CPD requirements as currently being reviewed by the Institute of Internal Auditor's Board of Regents.

The draft of this Administrative Directive is now being voted on by the members. I expect this draft to be approved. Under the category of qualifying activities, Participation-(Maximum of 25 hours in a two year period), quality assurance review is acceptable. One CPD hour for each hour spent on site will be awarded. No CPD hours will be awarded for activities such as preparation time and writing the report. If you have any questions, please write or call. Sharon sestan@ilstu.bitnet

PF1 Alternate PFs PF2 File NOTE PF3 Keep PF4 Erase PF5 Forward Note
 PF6 Reply PF7 Resend PF8 Print PF9 Help PF10 Next PF11 Previous PF12 Return

• uicmvsa A

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08:34

VIEW THE NOTE

E01

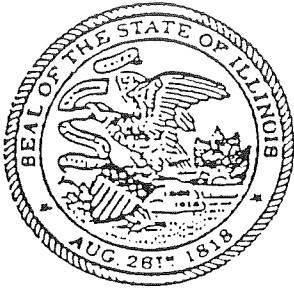
• / questions, please write or call. Sharon sestan@ilstu.bitnet
 E N D O F N O T E

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State of Illinois
INTERNAL AUDIT ADVISORY BOARD
101 West Jefferson Street
Springfield, IL 62794

CHAIRPERSON

Richard O. Traver, CPA, CISA, Ph.D
University of Illinois

TO: State Internal Audit Advisory Members

VICE-CHAIRPERSON

Bradley W. Hammond
Department of Conservation

FROM: Richard O. Traver, Chair

DATE: December 10, 1993

SUBJECT: State Internal Audit Advisory Board Meeting

MEMBERS

John L. Cain
Office of the Secretary of State

Art Keegam, CPA
Office of the Treasurer

Ronald E. Omer
Office of the Comptroller

Terry Radliff, CIA
State Employees' Retirement
System

James S. Reid
Office of the Attorney General

Sharon E. Stanford, CIA, CPA
Illinois State University

William B. Winberg, CPA
Department of Central Management
Services

Benedict R. Zemaitis, CIA, CPA
Department of Revenue

The purpose of this letter is to cancel the December State Internal Audit Advisory Board Meeting and confirm the January 11, 1994, meeting. The January meeting will take place at 9:00 a.m. in the Capital Development Board Meeting Room, Third Floor North, Stratton Building, Springfield, Illinois. A meeting of the State Internal Audit Managers will be held directly following the SIAAB meeting.

Enclosed is the agenda for the January meeting, letter to Sharon Stanford, IIA Board of Regents (*thanks Ben for the draft*), 1994 meeting schedule for the SIAAB, and draft minutes for the November meeting.

Richard O. Traver

Enclosures

c: J. Donkin