

SIAAB  
MEETING  
MINUTES  
FOR  
1994

**1994 SIAAB MEETING DATES AND LOCATIONS  
WITHIN THE WILLARD ICE BUILDING  
101 WEST JEFFERSON  
SPRINGFIELD, IL**

| <u>DATE</u> | <u>LOCATION</u>   | <u>TIME</u> |
|-------------|---|-------------|
| 02/08/94    | Capitol Development Board Meeting Third Floor North,<br>Stratton Building, Springfield, Illinois    | 9:30 a.m.   |
| 03/08/94    | Level 6 NE, North Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 04/12/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 05/10/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 06/14/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 07/12/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 08/09/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 09/13/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 10/11/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 11/15/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |
| 12/13/94    | Level 6 NE, South Training Room, Willard Ice Building,<br>101 West Jefferson, Springfield, Illinois | 9:30 a.m.   |

# MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD MEETING

JANUARY 11, 1994

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on January 11, 1994 in Capital Development Board meeting room on the Third Floor North, Stratton Building, Springfield, Illinois. A meeting of the State Internal Audit Managers was also held following the SIAAB meeting.

Chair Traver called the meeting to order at 9:15 a.m.

## SIAAB Board Members Present:

Richard O. Traver, Chair, University of Illinois  
Bradley Hammond, Vice Chair, Department of Conservation  
Art Keegan, Office of the Treasurer  
Terry Radliff, State Employees' Retirement System  
John L. Cain, Secretary of State's Office  
Ron Omer, Office of the Comptroller  
Ben Zemaitis, Department of Revenue

## Absent:

Sharon Stanford, Illinois State University  
James S. Reid, Office of the Attorney General  
William Winberg, Central Management Services

## Guest Observers Including Members of the State Internal Audit Managers Group:

Galie Traylor, Department of Revenue

## State Internal Audit Managers Members:

Barry Greenberg, Southern Illinois University - E  
Bill Coons, Department of Professional Regulation  
Brian J. Bond, Capital Development Board  
(Sitting in for Sharon Stapleton)  
Donald Bullerman, Department of Rehabilitation Services  
Daniel Kahle, Department of Children and Family Services  
(for M. Graham)  
Gary Norton, Department of Mines & Minerals  
Hoppy Freeman, Department of Rehabilitation Services  
Jack Schoonover, Western Illinois University  
James Donkin, Department of Public Aid

Janet Taylor-Wilson, Employment Security  
Jim Reeder, Illinois Commerce Commission  
John H. Winterbauer, Department of Agriculture  
John Holmes, Illinois Guardianship & Advocacy Commission  
Karl Vogl, Illinois State Board of Education  
Leonard Beck, Illinois Department of  
Mental Health & Developmental Disabilities  
Nancy Hilger, Department of Commerce & Community Affairs  
Stuart A. Gresham, Environmental Protection Agency  
Wilfred Kaltenbach, Department of Veterans Affairs

Chair Traver announced this meeting was set for an earlier time today so that the Board could meet with the State Internal Audit Managers Group to discuss Board membership, peer review process and volunteers for participation in the peer review progress. He further announced the Board would conduct its meeting first and then turn it over to Jim Donkin, President of State Internal Audit managers Group.

Chair Traver called for corrections, additions, etc. to the November 9, 1993 SIAAB meeting minutes. There being none, he asked for motion to approve the minutes. Member Zemaitis moved to approve the November 9, 1993 SIAAB minutes; said motion seconded by Member John Cain; SIAAB unanimously approved said minutes.

### **OLD BUSINESS**

**DISCUSSION ITEM:        Report On CMS Personnel Meeting - Bradley  
Hammond, Ben Zemaitis and Bill Winberg.**

Chair Traver relinquished the floor to Member Zemaitis for a report on the meeting with CMS personnel regarding Options 1 and 2 of the Internal Auditor Trainee Series. Member Zemaitis reported that in the past, Options 1 and 2 required an individual be a college graduate. However, in some Agencies that requirement allegedly had to be waived because of Upward Mobility program. In a meeting with Wes Killion of CMS, James Donkin and Bill Winberg, it was clarified that an individual must still have a Bachelor's degree for either Option 1 or 2, regardless which avenue the candidate is using - Upward Mobility Program, promotional list, or open competitive list. A discussion took place.

**DISCUSSION ITEM:        Progress on Peer Reviews - Terry Radliff.**

Chair Traver then called upon Member Terry Radliff for a report on the progress of the peer reviews. Member Radliff reported there were four peer reviews (out of eleven) not yet completed. However, he reported they should be completed before February 1994. This will

complete the first round of the cycle of the peer reviews. He noted there is a shortage of volunteers for the program even if there is a total of 35 qualified volunteers. he also reported if the Board doesn't get any more volunteers before the second cycle starts, the same volunteers will have to perform the peer reviews again. Chair Traver stated the Board will have a training session in February, 1994. The Board plans to have the team leaders help with the training program and to choose new qualified volunteers at that time. Members Omer, Zemaitis pointed out that the most time expended so far in conducting the peer reviews was about 5 days including some time spent outside the workplace. They emphasized the urgency of having a pool of volunteers from which to work. Member Omer suggested (as an example) his staff is small and four out of five of his staff members were called on to conduct peer reviews and he could not do this every year.

### NEW BUSINESS

Chair Traver then asked if there was any new business. Member Zemaitis announced the intent by CMS to establish a Public Administrator series which is a level below the Senior Public Administrator. This would cover all the Merit Comp titles under the Governor from MC8 through MC11 which means that Internal Auditors 2 and 3 would be covered by the new series. Member Zemaitis stated he is raising this issue for discussion to see whether the SIAAB or SIAM Groups wish to take a position regarding the institution of this series. The comments to CMS should be submitted by agencies on or before January 17, 1994. Chair Traver called for discussion. A discussion was held. It was unanimously agreed by both SIAAB and SIAM Group to draft a position letter regard this proposal by CMS. Member Bradley Hammond moved that we contact CMS to express our concerns regarding their proposed reorganization of the Internal Auditor 2 and 3 series. Member Art Keegan seconded said motion and both SIAAB and SIAM group members unanimously approved said motion. Member Zemaitis, at the request of Chair Traver, agreed to draft said position letter. The letter is to be addressed to Director Schnorff, CMS Director, with carbon copies to Mike Belletire.

Chair Traver then asked if there was any further new business. Then he announced he had received a letter from Thomas Powell, Director of Professional Practices, Institute of Internal Auditors. A copy of this letter will be distributed to SIAAB and SIAM Group members. A portion of the letter read by Chair Traver, stated as follows:

"In your letter you requested that consideration be given to either establishing a separate category for peer reviews or including it under "Education". Your letter arrived during a scheduled revision of the administrative director which provides guidance on CPD. Although the specific action you requested was not taken perhaps a clarification of the policy may be helpful.

First of all the reporting period has been changed from a three-year to a two-year process. Under the new program 80 hours of qualifying CPD must be reported every two years. Quality assurance reviews continue to be listed under the Participation category for up to

25 hours. Additionally, formal, sponsored training courses related to the peer review process may qualify under Education if they contribute directly to the "professional proficiency of the CIA/"

Member Zemaitis inquired if there was an effective date and Chair Traver stated none that he knew of at this time. Ron Omer was asked by Chair Traver to research the impact of the new CPD requirements on the current state requirements established by the SIAAB, and to report results at the February 8th meeting.

Chair Traver further announced the location of the February 1994 meeting should be held at the Williard Ice Building not in the Stratton Building. He further announced that it is time for the election of a new chair and vice chair of the SIAAB. The terms of the board members appointed by the Governor's office have expired and the governor is in the process of appointing new people to the Board. He stated if anyone is interested in getting on the Board, let the Board members know. Also, it would be helpful to volunteer for peer reviews, or serve on a committee. The Board has had an opening for a long period of time and have been working with the Governor's Office to appoint someone. The Board expects these appointments will be coming. Nancy Hilger asked if there were rotating terms. Chair Traver stated that the Board members had been asked to serve until they were replaced. After all 6 terms expired, the Board wrote a letter and was instructed to resubmit the appointments. However, at this time we do not know the terms.

Chair Traver called for any further announcements; there being none, he called for motion to adjourn. Motion to adjourn made by Member Ronald Omer; seconded by Member Ben Zemaitis; motion unanimously carried; meeting adjourned at 10:05 a.m.



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  
(term expires Feb. 1995)

**VICE-CHAIRPERSON**

Bradley W. Hammond  
Department of Conservation  
(term continues until notified)  
*Reappointed 3/85*

**MEMBERS**

John L. Cain, CPA, CISA  
Office of the Secretary of State  
(term is permanent)

Art Keegam, CPA  
Office of the Treasurer  
(term is permanent)

Ronald E. Omer  
Office of the Comptroller  
(term is permanent)

Jack Schoonover, CPA  
Western Illinois University  
(term expires Feb. 1996)

James S. Reid  
Office of the Attorney General  
(term is permanent)

Sharon E. Stanford, CIA, CPA  
Illinois State University  
(term continues until notified)  
*Reappointed 3/85*

William B. Winberg, CPA  
Department of Central Management  
Services  
(term is permanent)

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue  
(term expires Feb. 1995)

Bill Coons, CFE  
Professional Regulation  
(term expires Feb. 1996)

**TO:** State Internal Audit Advisory Members  
**FROM:** Richard O. Traver, Chair  
**DATE:** January 26, 1994  
**SUBJECT:** State Internal Audit Advisory Board Meeting

The purpose of this letter is to confirm the February 8, 1994, meeting. The February meeting will take place at 9:30 a.m. in the Willard Ice Building, 101 West Jefferson, Level 6 NE, Training Room, Springfield, Illinois.

Enclosed is the agenda for the February meeting, letter to Director Schnorf and the response from Director Schnorf, draft minutes for the January 11 meeting, and approved minutes for the November 9 meeting.

Please join me in congratulating Sharon Stanford for obtaining her Ph.D.

*Dick*

Enclosures

c: J. Donkin  
T. Radliff

## INTERNAL AUDIT ADVISORY BOARD MEETING

TUESDAY, FEBRUARY 8, 1994 - 9:30 A.M.

Level 6 NE, North Training Room, Willard Ice Building  
101 West Jefferson, Springfield, Illinois

(Please note corrected meeting location)

### A G E N D A

- ◆ Call to Order ✓
- ◆ Roll Call and Welcome to new Board members Bill Coons and Jack Schoonover
- ◆ Minutes
  - Approval of Prior Minutes - 1/11/94 ✓
- ◆ Old Business
  - Report on Board member reappointments and new term expirations ✓
  - Report on new CDP requirements compared to established Illinois CDP requirements - Ron
  - Report from Committee on Peer Review Quality Review - Bill, Sharon ✓
  - Progress of job description parity - John  
(postponed to future meeting in order to address election of officers and formation of new committee memberships)
- ◆ New Business
  - Election of Chair and Vice-Chair  
*Jim Reid* *Brad Hammond*
  - Discussion of reorganization of Peer Review Performance Committee (Terry Radliff, Chair has not been reappointed to the SIAAB and Sharon Stapleton, Committee member, has resigned).
  - Other new Business
- ◆ Announcements
- ◆ Adjournment



MINUTES OF THE STATE INTERNAL AUDIT  
ADVISORY BOARD MEETING

FEBRUARY 8, 1994

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on February 8, 1994, at the Willard Ice Building, 1010 West Jefferson, Level 6NE Training Room, Springfield, Illinois. Chair Traver called the meeting to order at 9:30 a.m. with roll call. The following Board Members were present:

Richard O. Traver, Chair, University of Illinois  
Bradley Hammond, Vice Chair, Department of Conservation  
Jack Schoonover, Western Illinois University  
Ben Zemaitis, Department of Revenue  
William Winberg, Central Management Services  
James S. Reid, Office of the Attorney General  
Bill Coons, Department of Professional Regulation  
John Cain, Secretary of State

Absent:

Sharon Stanford, Illinois State University  
Ronald Omer, Office of the Comptroller  
Art Keegan, Office of the Treasurer

Guest Observers:

James Donkin, Department of Public Aid  
Nita Adams, Department of Professional Regulation  
Galie Traylor, Department of Revenue

Chair Traver welcomed two new members of the Board, Jack Schoonover of Western Illinois University and Bill Coons, Department of Professional Regulation.

Chair Traver called for any corrections or additions to the draft of the January 11, 1994 Board minutes. Member Zemaitis noted that on Page 3, first paragraph, under New Business, the correct spelling of the name "Mike Belletize" should be "Mike Belletire". It was noted by Member Coons, on Page 1, the name of "Harry Freeman, Department of Rehabilitation Services" should be "Hoppy Freeman". Member Coons also corrected, for the record, that he is from the Department of Professional Regulation, not Public Aid. Chair Traver so noted said corrections for the record and called for motion for approval of minutes as corrected. Member Hammond moved the January 11, 1994 minutes be approved as corrected, said motion was seconded by Member Zemaitis; motion unanimously carried.

A discussion was held concerning the SIAAB letterhead and the following corrections to same were noted: Member Cain's professional designations are CPA and CISA. Member Coons'

professional designation is CFE. Member Keegan's name was misspelled on said letterhead and should be Keegan, not Keegam. Chair Traver noted said changes for the record and stated corrections will be made to the letterhead.

### **OLD BUSINESS**

#### **DISCUSSION ITEM: Report On Board Member Reappointments and New Term Expirations.**

Chair Traver reported the two new members, Bill Coons, Department of Professional Regulation and Jack Schoonover, Western Illinois University each were appointed to the Board for 2-year terms. Members Bradley Hammond, Department of Conservation, and Sharon Stanford, Illinois State University, each were appointed to 3-year terms, and Chair Traver, University of Illinois and Member Ben Zemaitis, Illinois Department of Revenue, each were appointed to 1-year terms.

#### **DISCUSSION ITEM: Report On New CDP Requirements Compared to Established Illinois CDP Requirements - Member Ron Omer.**

Chair Traver announced that Member Omer had another commitment, but planned to try to make the meeting so he could report on the new CDP requirements. Chair Traver further reported that Member Omer is ready to present his report and if he is unable to make this meeting, the report will be on next meeting's agenda.

#### **DISCUSSION ITEM: Report from Committee on Peer Review Quality Review - Members Bill Winberg and Sharon Stanford.**

Chair Traver asked for report from Member Winberg. Member Winberg reported there were two peer reviews in progress and he had not yet heard from Member Stanford, Member Winberg also stated that his agency's peer review work paper review was handled by Members Stanford and Chair Traver. Chair Traver noted he has received the papers and submitted them to Member Zemaitis for issuance of the report.

Chair Traver brought to the attention of the Board Members that when the new chair takes offices and names his committees, the Peer Review Committees, over which former Member Terry Radliff chaired, is the position which is most critical to fill. This position is critical to a smooth transition and conduction of future peer reviews. He also emphasized the need to get information and documents concerning these committees from Terry Radliff.

**DISCUSSION ITEM:Progress of Job Description Parity - Member  
John Cain (postponed to future meeting in  
order to address election of officers and  
formation of new committee memberships.)**

Chair Traver confirmed, for the record, the above discussion item has been postponed as noted above.

**NEW BUSINESS**

**DISCUSSION ITEM:Election of Chair and Vice Chair.**

Chair Traver called for nominations from the floor for the position of Chairperson of the State Internal Audit Advisory Board.

Member Zemaitis nominated Member Bradley Hammond for the position of Chair. Member Hammond respectfully declined the nomination due to heavy schedules and commitments. Member Reid nominated Member John Cain, who also respectfully declined due to a heavy schedule. Chair Traver nominated Member James S. Reid, Office of the Attorney General. Member Winberg seconded said nomination. Member Coons moved nominations from the floor be closed. Motion to close nominations from the floor was unanimously approved by the Board Members. Motion from the floor nominating James S. Reid as the new Chairperson of the State Internal Audit Advisory Board Chairman was unanimously approved.

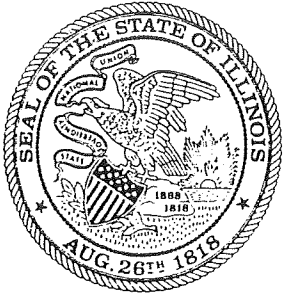
At this time, Chair Traver relinquished the floor to the new Chairperson, James S. Reid, with the first order of business being the election of a new Vice Chairperson of the Board. Chair Reid called for nominations from the floor. Member Coons nominated Member Ron Omer as Vice Chair. Member Cain seconded said nomination. Member Zemaitis nominated Member Brad Hammond as Vice Chair,, said nomination was seconded by Member Traver. Member Winberg moved the nominations for Vice Chair of the State Internal Audit Advisory Board be closed; said motion was seconded by Member Zemaitis. A discussion took place and Member Cain withdrew his nomination of Member Ron Omer as Vice Chair. Chair Reid called for further discussion or comments. Member Winberg moved that since Member Omer's nomination was withdrawn by Member Cain, the nominations be closed and cast his ballot for Member Bradley W. Hammond, department of Conservation, as the new Vice Chair. Member Traver seconded said motion; nominations from the floor were closed by unanimous vote of the Board Members. Chair Reid called for approval of said motion and nomination. Both were unanimously approved by the Board Members. Member Bradley Hammond accepted said nomination and is currently the Vice Chair of the State Internal Audit Advisory Board.

Member Winberg, under other new business, brought before the Board the issue of re-organization of committees. He inquired if Sharon Stapleton, who was a member of Member Radliff's committee, had in fact resigned. Member Traver stated she did resign.

Chair Reid opened the floor for discussion of meeting sites. He stated parking was a problem at his agency. Discussion took place and it was unanimously approved by the Board to continue to have the meeting held at the Willard Ice Building. Member Zemaitis introduced a motion to express the Board's gratitude to Member Traver for doing a fine job as Chair. Vice Chair Hammond seconded said motion; said motion unanimously approved.

Member Traver announced a new business item: A training session on conducting peer reviews will be held on March 4, 1994. He asked for a meeting to replace Member Terry Radliff before March 4, 1994, so they could be ready to make team and audit assignments at that meeting. He suggested inviting the committee members to come to the March 4, 1994 training session so they can meet the new volunteers. It was the consensus of the Board Members to pursue Member Traver's suggestions as set forth above.

Chair Reid called for motion to adjourn. Motion to adjourn made by Vice Chair Hammond, seconded by Member Coons; motion unanimously carried; meeting adjourned at 9:50 a.m.



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

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CHAIRPERSON

James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Bradley W. Hammond  
Department of Conservation

MEMBERS

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

C. William Coons, CFE  
Department of Professional Regulation

Michael Keegan, CPA  
Office of the Treasurer

Ronald E. Omer  
Office of the Comptroller

Jack Schoonover, CPA  
Western Illinois University

Sharon E. Stanford, CIA, CPA  
Illinois State University

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

William B. Winberg, CPA  
Department of Central Management  
Services

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: State Internal Audit Advisory Members  
FROM: Richard O. Traver  
DATE: February 10, 1994  
SUBJECT: State Internal Audit Advisory Board Letterhead

Enclosed is a copy for your use of the revised letterhead. I would also like to thank each of you for your contributions to the State Internal Audit Advisory Board during my term as Chair.

DICK

Enclosures

c: J. Donkin



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

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CHAIRPERSON

James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Bradley W. Hammond  
Department of Conservation

MEMBERS

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

C. William Coons, CFE  
Department of Professional  
Regulation

Art Keegan, CPA  
Office of the Treasurer

Ronald E. Omer  
Office of the Comptroller

Jack Schoonover, CPA  
Western Illinois University


Sharon E. Stanford, CIA, CPA, Ph.D  
Illinois State University

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

William B. Winberg, CPA  
Department of Central  
Management Services

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: State Internal Audit Advisory Members

FROM: James S. Reid, Chair 

DATE: March 2, 1994

SUBJECT: State Internal Audit Advisory Board Meeting

This is to confirm the March 8, 1994 meeting of the Internal Audit Advisory Board. The meeting will take place at 9:30 a.m. at the Willard Ice Building, 101 West Jefferson, Level 6NE Training Room, Springfield, Illinois.

Enclosed is the agenda for the March meeting, draft minutes for the February meeting, and approved minutes for the January meeting.

enclosures

cc: J. Donkin

## MINUTES OF THE INTERNAL AUDIT ADVISORY BOARD MEETING

MARCH 8, 1994

The regular monthly meeting of the State Internal Audit Advisory Meeting (SIAAB) was held on March 8, 1994 at the Willard Ice Building 101 West Jefferson, Level 6NE Training Room, Springfield, Illinois. Chair Reid called the meeting to order at 9:35 a.m. The following Board Members were present:

James S. Reid, Chair, Office of the Attorney General  
Bradley Hammond, Vice Chair, Department of Conservation  
Bill Coons, Department of Professional Regulation  
Art Keegan, Office of the Treasurer  
Ronald Omer, Office of the Comptroller  
Jack Schoonover, Western Illinois University  
Richard O. Traver, University of Illinois  
Ben Zemaitis, Department of Revenue

### Absent:

John Cain, Secretary of State  
Sharon Stanford, Illinois State University  
William Winberg, Central Management Services

### Guest Observers:

James Donkin, Department of Public Aid  
Galie Traylor, Department of Revenue

Chair Reid called for any corrections or additions to the draft of the February 8, 1994 minutes. Member Traver noted under "Old Business", Report from Committee on Peer Review Quality Review, in the first paragraph, second sentence should read: "Member Winberg also stated that his agency's peer review work paper review was handled by Members Stanford and Chair Traver." Correction so noted by Chair Reid. Chair Reid called for any other comments or corrections; there being none, Member Zemaitis moved for approval of the February 8, 1994 minutes as corrected; motion was seconded by Member Coons and minutes were unanimously approved by the Board.

## OLD BUSINESS

### **DISCUSSION ITEM:        Report on New CDP Requirements Compared to Established Illinois CDP Requirements-Member Ron Omer**

Chair Reid asked for a report from Member Omer regarding new CDP requirements. Member Omer provided Board Members with a written copy of his report. He proceeded to describe some of the major changes the Institute of Internal Auditors (IIA) had made regarding CDP requirements. He explained he identified differences of the changes in the left-hand column and, on the right-hand column, the SIAAB's adopted Continuing Professional Development requirements.

Member Omer pointed out the basic change is, the prior requirements were 100 hours over a 3-year period. The new requirements are shortened to a 2-year period with the number of hours reduced to 80. He noted the IIA has gone from a 33 hour requirement per year to a 40 hour requirement per year. The SIAAB had adopted the 100 hours over a 3-year period.

Member Omer also pointed out that the prior IIA requirement had a 10 hour minimum per year and this has been dropped and the new requirement has no minimum. Note: The Board did not adopt this requirement.

Member Omer cited several changes made in the requirements by the IIA as follows:

1.     The CIA exam was worth 100 hours in the year it was passed (The Board adopted this requirement.). It has now been reduced to 80 hours.
2.     Education: Previous IIA requirement that a person could have 100 hours in educational category and now it has been reduced to 80 hours over a 2-year period (40 hrs. per year). He noted the IIA has also increased the number of hours needed in the various categories, but is also being more liberal.
3.     Member Omer reported the IIA previously did not address the issue of passing a part of the CPA and CIA exams. Now, they allow 20 hours for passing part of the exams. The Board did not address this issue either.
4.     Publications: The IIA allows 50 hours maximum over a 3-year period and were giving 1 hour per full single line page. This has been increased to 2 hours per single line page.



5. Oral Presentations: The IIA is allowing 50 hours over a 2-year period whereas it was a 3-year period.
6. Participation: The IIA is currently allowing 25 hours over a 2-year period; whereas, in the past it was 25 hours over a 3-year period.
7. Peer Review Category: The IIA does mention a peer review category, whereas there was none before. They have classified conducting a peer review under "Participation" and specified the peer review participation would be for time spent on-site.
8. Records: The length of time to keep records and who is responsible for them was addressed. Under the old requirements, no time lines were mentioned. The change is: the records are to be kept for 3 years.

Member Zemaitis suggested the Board look at what its requirements should be. He also noted the Board's program differs significantly from the IIA in that the Board says its program is mandatory to every internal auditor in the system; whereas the IIA's program states it is only applicable to CIAs. Whereas we need to make our own decision as to what kind of impact it would have on our ability to obtain volunteers for the Peer Review Program, if we told the volunteers they were limited to only 25 hours participation.

Chair Reid called for further discussion on this issue. Member Traver interjected he felt he should speak for Member Sharon Stanford (who is absent today). He paraphrased her viewpoint (Sharon is representing an IIA viewpoint) that she feels the professional organization has changed some of its guidelines and basically, the Board has followed them over the past. She would like to see the Board follow the new ones. A discussion took place regarding the control of record of hours given to conducting peer reviews.

It was the consensus of the Board to table the matter of discussion and/or adopting the changes made by the IIA to a later date if the Board should desire to make any changes. In the meantime, the Board would continue to abide by the requirements for CDP as initially set out by its members.

### NEW BUSINESS

Chair Reid asked for a report from Member Bill Coons regarding names of agencies to be peer reviewed this year. Member Coons reported the following:

Department of Conservation  
Illinois Student Assistance Commission  
Dept. of Transportation

Eastern Illinois University  
State Community Colleges  
Southern IL University  
Illinois State University  
University of Retirement  
Teacher's Retirement  
Illinois Community College Board  
Board of Education  
Secretary of State  
Department of Nuclear Safety

Member Coons further reported he was awaiting confirmation of whether the Rural Bond Bank and state Police would be peer reviewed.

Vice Chair Hammond stated Department of Transportation would be dropped because they were peer reviewed by Transportation Auditors Association. Member Zemaitis requested a clarification on the ones who volunteered. Member Coons reported that the Department of Conservation, Illinois State University and Illinois Student Scholarship Commission have volunteered as well as the Illinois State Police. The State Police were to inform him today of whether or not they would be able to be peer reviewed.

#### **DISCUSSION ITEM: Peer Review Committee Assignments-Chair Reid**

Chair Reid then reported on the status of committee assignments as follows:

|                                      |  |
|--------------------------------------|--|
| Executive Committee:                 | Chair James S. Reid<br>Member Benedict R. Zemaitis<br>James Donkin, State Internal Audit<br>Managers group |
| Peer Review Acceptance<br>Committee: | Member William Winberg<br>Member Sharon Stanford   |
| Performance Committee                | Member William Coons<br>Member Richard O. Traver   |

Chair Reid noted the By-Laws state there should be five members on each of the above committees. He stated additional volunteers would be welcome.

Chair Reid then opened the floor for discussion of the By-Laws' requirement of five people for each of the above committees. A discussion took place. Jim Donkin volunteered to again invite volunteers from the State Internal Audit Managers group.

**DISCUSSION ITEM: Person Responsible for Continuing Education Programs - Chair Jim Reid**

Chair Reid then opened the floor discussion for a volunteer to sign-off on continuing education certificates. He noted former Member Terry Radliff had performed that duty and another person is now needed. The form is presented to the Department of Professional Regulation. A discussion took place. Vice Chair Bradley Hammond volunteered to keep the records and sign the forms/certificates for continuing education.

Chair Reid then brought before the Board the issue that the Peer Review Program By-Laws state the Peer Review Reports are to be issued by the Chair of the Executive Committee. He inquired if this procedure is being complied with. A discussion took place. Member Zemaitis noted the form we have in place in the exhibit is good. The top sheet of the form should be signed by the team leader and the transmittal letter should be signed by the Chair. This letter could be a form letter and be prepared by the team leader. It was also noted that 3 copies of the report should be distributed. It was the consensus of the Board adherence to the Peer Review Program By-Laws should be better tracked and documented.

**ANNOUNCEMENTS**

Chair Reid then asked for any announcements, comments, etc. Member Zemaitis announced he would like to bring before the Board an item for consideration. The issue dealing with membership in the Institute of Internal Auditors (IIA). He reported he read an article about the IIA has modified their rules pertaining to membership of sponsoring organizations. Their previous interpretation had been that for those entities in government, each separate governmental entity, department, or university was considered as a separate organization which made the sponsoring organization membership somewhat limited inasmuch as the sponsoring organization fee required threshold of \$3,000 for annual fee for organization having 150 auditors or less. With sponsoring organizations, it also allowed the individual staff auditors to obtain individual membership at \$35.00 per person whether you are a manager or supervisor.

The change now is the IIA has held that a state in itself can hold itself as an organization in its entirety. So if an agency of the state can show it is a part of the state, the agency can be placed under the state as being a part of the organization (state).

Member Zemaitis further reported that South Carolina did this and also Ohio and two other states are in various stages of implementation. Member Zemaitis suggested the Board look into this because on a global basis, money can be saved for the State of Illinois by taking advantage of it. Member Zemaitis inquired if the Board was interested in pursuing this and, if so, how would the fee be paid. A discussion took place. It was the consensus of the Board that the matter be investigated and a sub-committee be

formed to perform this research. Member Zemaitis volunteered to work on the sub-committee. Jim Donkin volunteered and Member Zemaitis volunteered to ask Member William Winberg if he would like to work on this committee.

Chair Reid inquired if there were any items to be placed on the April 1994 agenda and suggested if there were no priority items the meeting be cancelled.

Member Traver suggested an item to be placed on a future agenda is that a permanent member of the Board be selected to become the Board Librarian to keep records of the Board.

Chair Reid called for any further discussion. There being none, it was agreed the April 12, 1994 meeting of the SIAAB be cancelled for lack of agenda.

Chair Reid called for motion to adjourn. Member Coons moved to adjourn, seconded by Member Traver; motion to adjourn unanimously approved. Meeting adjourned at 10:35 a.m.



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

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CHAIRPERSON

✓ James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Bradley W. Hammond  
Department of Conservation

MEMBERS

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

William Coons, CFE  
Department of Professional  
Regulation

✓ Art Keegan, CPA  
Office of the Treasurer

✓ Ronald E. Omer  
Office of the Comptroller

Jack Schoonover, CPA  
Western Illinois University


Sharon E. Stanford, CIA, CPA, Ph.D  
Illinois State University

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

✓ William B. Winberg, CPA  
Department of Central  
Management Services

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: State Internal Audit Advisory Members

FROM: James S. Reid, Chair 

DATE: April 26, 1994

SUBJECT: State Internal Audit Advisory Board Meeting

This is to confirm the May 10, 1994 meeting of the Internal Audit Advisory Board. The meeting will take place at 9:30 a.m. at the Willard Ice Building, 101 West Jefferson, Level 6NE Training Room, Springfield, Illinois.

Enclosed is the agenda for the May meeting, draft minutes for the March meeting, letter to CMS Director, and approved minutes for the February meeting.

enclosures

cc: J. Donkin

**MINUTES OF THE STATE INTERNAL AUDIT  
ADVISORY BOARD MEETING**

**MAY 10, 1994**

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on May 10, 1994, at the Willard Ice Building, 1010 West Jefferson, Level 6NE Training Room, Springfield, Illinois. Chair Reid called the meeting to order at 9:30 a.m. The following Board Members were present:

James S. Reid, Chairperson, Office of the Attorney General  
Bradley Hammond, Vice Chair, Department of Conservation  
John L. Cain, Office of the Secretary of State  
C. William Coons, Department of Professional Regulation  
Ronald E. Omer, Office of the Comptroller  
Jack Schoonover, Western Illinois University  
Sharon E. Stanford, Illinois State University  
Benedict R. Zemaitis, Department of Revenue

Absent:

Art Kegan, Office of the Treasurer  
Richard O. Traver, University of Illinois  
William B. Winberg, Central Management Services

Guest Observers:

Stan Brown, Office of the Treasurer (Representing Art Keegan)  
James Donkin, Department of Public Aid  
Jeff James, CMS (Representing William B. Winberg)  
Galie Traylor, Department of Revenue

Chair Reid opened the meeting by calling for any corrections or additions to the draft of the March 8, 1994 meeting minutes. Member Sharon Stanford moved that the sentence on Page 2, Second Paragraph which stated, "He further stated the changes made by the Institute were because of the financial impact on it." should be deleted. She stated it was not the reason and queried Member Zemaitis who made the report. Member Zemaitis explained he was referring to administrative part having the members report every two years. Motion was seconded by Member Jack Schoonover. The Board unanimously approved the deletion.

Member Schoonover noted on Page 2 under New Business the title of "SIU at Edwardsville" should be "SIU" only. Chair Reid called for any other additions or corrections. There being none, Member Ron Omer moved for approval of the March 8, 1994 SIAAB minutes as corrected. Said motion was seconded by Member Jack Schoonover; minutes were unanimously approved as corrected by the Board.

### **OLD BUSINESS**

Chair Reid reported to the Board about the follow-up letter to the Director of CMS regarding the Internal Auditor job classifications. Chair Reid previously provided the Board Members with a copy of the response he received from CMS. He also reported he discussed this issue with Tammy McClure, Deputy Director of CMS. She informed him that CMS is taking into consideration the Board's comments. A discussion took place regarding this issue. Chair Reid suggested that each agency write to CMS about the proposed changes now being entertained by CMS and voice their opinions regarding this issue.

### **NEW BUSINESS**

Chair Reid opened the floor for discussion of new business.

#### **DISCUSSION ITEM: Permanent Record Retention Site and Librarian for Board Records (Mr. Traver).**

Chair Reid reported that Member Richard Traver requested this item be placed on the agenda. A librarian should be selected to retain Board records. He asked for a volunteer. Discussion of the location for the storage of Board records took place. Member Ronald Omer volunteered to become the librarian of Board records. Member John Cain volunteered to review the possibility of Board's records being kept at the Secretary of State Archives Offices.

#### **DISCUSSION ITEM: Status Report from Performance Committee (Mr. Coons).**

Chair Reid requested Member C. William Coons' status report on the above discussion item. Member Coons opened the report by distributing copies of the peer review schedule for the years 1993, 1994, 1995, 1996 and 1997. He reported these schedules reflect the letter of the Governor last year. He reported in 1994 State Community College and Department of Nuclear Energy Safety do not have internal audit functions and they have so written him. Member Coons further

reported Rural Bank Bond was disclosed as not having an audit function and they were scheduled for this year. They were contacted and are no longer designated as an agency. All other 1994 Peer Review Audit Teams have been approved and letters are out. Member Coons further reported Member Schoonover has his peer review scheduled and there is an additional one scheduled within the next two weeks.

Chair Reid asked Member Zemaitis (as a member of the Executive Committee) about Board approval of the peer reviews. Member Zemaitis reported the Executive Committee, according to the By-Laws, is the one to schedule them, inform the Performance Committee and confirm them. Member Zemaitis suggested that subsequent to 1994, each yearly peer review be confirmed by the Executive Committee as the year appears.

Chair Reid then opened the floor for any announcements. There being none, he then opened the floor for any further business.

Jim Donkin, Department of Public Aid, announced that at the last meeting the Board discussed the issue of the State sustaining membership in the IIA. He reported a survey was distributed and the overall results were as follows:

- \* 45 agencies responded to the survey.
- \* Of the 45 agencies, 6 reported having no internal auditors.
- \* There are 209 internal auditors involved in the 45 agencies. 74 are supervisors and 135 are staff.
- \* Currently, the number of paid members for IIA is 126 1/2 (meaning someone paid one-half of membership).
- \* Of the 126 1/2 paid, 48 are supervisors and 78 1/2 are staff.
- \* Of the 45 agencies responding to the questions if they would be willing to pay a pro rata share of membership dues, 36 agencies said yes, 1 said no, 2 were unsure and the remaining gave no response.

Mr. Donkin pointed out that if we have 36 agencies willing to pay a pro rata share, perhaps something could be worked out.

Member Zemaitis also pointed out that the state is paying approximately \$10,000 a year in membership. If the state took a sustaining organization (and since we have over 150 members) there would be a flat fee of \$3,000 plus payment for the 126 1/2 that are being paid. If the



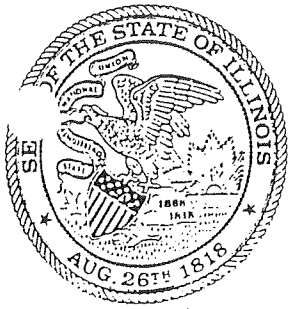
organization decided to reimburse the people even for the individual \$35.00 additional fee, it would be approximately \$7,337 or a saving of approximately \$2,686 to the state. A discussion took place. It was the consensus of the Board that Member Zemaitis follow up with Member Winberg regarding this issue and report at the next meeting.

Chair Reid stated he will place this issue on the next meeting agenda.

Chair Reid then suggested that the June meeting be cancelled and the issue be placed on the July agenda. However, Member Zemaitis suggested not to cancel the meeting until he talked to Member Winberg. He stated he would contact Chair Reid as soon as he had done so.

Chair Reid announced he would be unable to preside over a June 14, 1994 meeting and Vice Chair Bradley Hammond would do so.

Chair Reid called for motion to adjourn. Member Sharon Stanford moved to adjourn, Member William Coon seconded the motion and it was unanimously approved. Chair Reid adjourned the meeting at 10:05 a.m.



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

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CHAIRPERSON

James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Bradley W. Hammond  
Department of Conservation

MEMBERS

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

C. Jam Coons, CFE  
Department of Professional  
Regulation

Art Keegan, CPA  
Office of the Treasurer

Ronald E. Omer  
Office of the Comptroller

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Western Illinois University

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Illinois State University

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

William B. Winberg, CPA  
Department of Central  
Management Services

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: State Internal Audit Advisory Members

FROM: James S. Reid, Chair *J. Reid*

DATE: June 8, 1994

SUBJECT: State Internal Audit Advisory Board Meeting

Please be advised that there will be no Internal Audit Advisory Board meeting on Tuesday, June 14, 1994. The next meeting will be held on Tuesday, July 12, 1994.

Thank you.

cc: J. Donkin



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

**CHAIRPERSON**

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Office of the Attorney General

**VICE-CHAIRPERSON**

Bradley W. Hammond  
Department of Conservation

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University of Illinois

William B. Winberg, CPA  
Department of Central  
Management Services

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: State Internal Audit Advisory Members

FROM: James S. Reid, Chair *J. Reid*

DATE: June 28, 1994

SUBJECT: State Internal Audit Advisory Board Meeting

This is to confirm the July 12, 1994 meeting of the Internal Audit Advisory Board. The meeting will take place at 9:30 a.m. at the Willard Ice Building, 101 West Jefferson, Level 6NE Training Room, Springfield, Illinois.

Enclosed is the agenda for the July meeting, draft minutes for the May meeting, and approved minutes for the March meeting.

enclosures

cc: J. Donkin

MINUTES OF THE STATE INTERNAL AUDIT  
ADVISORY BOARD MEETING

JULY 12, 1994

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on July 12, 1994 at the Willard Ice Building, Level 6NE Training Room, 101 West Jefferson, Springfield, Illinois. Chair James R. Reid called the meeting to order at 9:32 a.m. The following Board Members were present:

James S. Reid, Chairperson, Office of the Attorney General  
Bradley Hammond, Vice Chair, Department of Conservation  
John L. Cain, Office of the Secretary of State  
C. William Coons, Department of Professional Regulation  
Jack Schoonover, Western Illinois University  
Richard O. Traver, University of Illinois  
William Winberg, Central Management Services  
Benedict R. Zemaitis, Department of Revenue  
Art Keegan, Office of the Treasurer

Absent:

Ronald Omer, Office of the Comptroller  
Sharon Stanford, Illinois State University

Guest Observers:

Nita Adams, Department of Professional Regulation  
James Donkin, Department of Public Aid  
Galie Traylor, Department of Revenue

Chair Reid opened the meeting by calling for any corrections, additions, or deletions to the May 10, 1994 meeting minutes. There being none, Member William Coons moved for approval of the minutes, said motion was seconded by Member Richard Traver, and the May 10, 1994 SIAAB Minutes were unanimously approved.

OLD BUSINESS

DISCUSSION ITEM: IIA Sustaining Membership for State of Illinois

Chair Reid opened the meeting by thanking Members William B. Winberg and Benedict R. Zemaitis for getting the sustaining membership in the Institute of Internal Auditors for the State

of Illinois. This sustaining membership will save the State of Illinois a substantial amount of money. A discussion took place.

Member Winberg announced the sustaining membership will be for Fiscal Year 1995 Budget, which is still pending. However, he reported he sent Karen Reiland (phonetic spelling of last name) of the Institute of Internal Auditors a draft of the voucher to pay the \$3,000.00 fee for said sustaining membership for the State of Illinois, as well as a copy of the fiscal request for sign-up. The only administrative function to continue is (does not matter whether they are paid for by their organization) all that has to be done is to indicate whether an individual is connected with the State of Illinois on the application.

Member Winberg further reported the fee is now \$40.00 and all an individual has to do is send in the membership application (new or renewal) along with \$40.00 and indicate member is a part of a State of Illinois Agency. He also reported universities and Auditor General's Office were included in this package.

Member Traver suggested the Board send a letter to Central Management Services Director Stephen Schnorf thanking him for his support of the Board's efforts in this matter.

Chair Reid asked for additional discussion. He volunteered to draft and send a memorandum to Director Schnorf.

**DISCUSSION ITEM:     Permanent Record Retention Site and Librarian  
                             for Board Records**

Chair Reid opened the floor for discussion about a permanent site for storage of Board records. He asked for a report from Member John Cain. Member Cain reported he would have to research the matter further and report to the Board at a later meeting. Chair Reid announced this discussion item would remain on the agenda for the next meeting.

Chair Reid then opened the floor for discussion of any other old business. Vice Chair Bradley Hammond inquired of the Board Members if anyone had any additional information available regarding the Public Service Administrator position. A discussion took place.

**NEW BUSINESS**

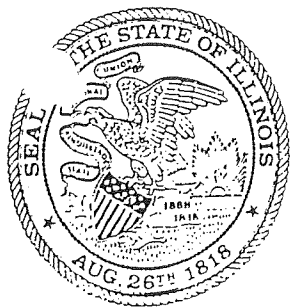
Chair Reid then opened the floor for discussion of any new business as there was none scheduled on the agenda.

Member Traver reported that at the University of Illinois Board of Trustees meeting last Friday (7/8/94), the Auditor General spoke for about ten minutes. Prior to the meeting, Member Traver met with the Auditor General and during their conversation, the subject of the SIAAB came up. Member Traver suggested the State Internal Audit Advisory Board invite the Auditor General to one of their meetings and that everyone make an effort to be present to meet him. A discussion took place.

Chair Reid inquired of Member Traver if the Board previously sent a letter to the Governor. Member Traver reported the Board sent a letter to the Governor outlining the Board's accomplishments during the first 3 to 4 years of its existence, with a copy to the Auditor General. It was the consensus of the Board members to invite the Auditor General to a Board meeting and, in the letter, explain what the Board does and its accomplishments. Chair Reid volunteered to do so.

Chair Reid then called for any further new business; there being none, Member Winberg moved for adjournment; said motion seconded by Member Cain; meeting adjourned at 10:00 a.m.

Chair Reid, by motion and unanimous agreement of the Board Members, re-opened the meeting at 10:01 a.m. for discussion of cancellation of the August 9, 1994 Board meeting. A discussion was held, and the Board Members unanimously agreed to empower Chair Reid to write the letter to the Auditor General inviting him to the September 13, 1994 SIAAB meeting. Board Members unanimously agreed, by way of Chair's motion, to cancel the August 9, 1994 meeting. No further discussion was held. Member Cain moved for adjournment, motion seconded by Member Keegan. The motion carried and meeting adjourned at approximately 10:15 a.m.



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

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CHAIRPERSON

James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Bradley W. Hammond  
Department of Conservation

MEMBERS

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

C. William Coons, CFE  
Department of Professional  
Regulation

Art Keegan, CPA  
Office of the Treasurer

Ronald E. Omer  
Office of the Comptroller

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

William B. Winberg, CPA  
Department of Central  
Management Services

Ber R. Zemaitis, CIA, CPA  
Department of Revenue

TO: State Internal Audit Advisory Board Members

FROM: James S. Reid, Chair *J. Reid*

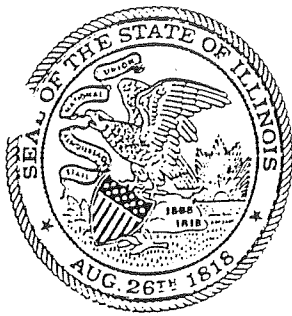
DATE: July 28, 1994

SUBJECT: State Internal Audit Advisory Board Meeting

Please be advised that there will be no Internal Audit Advisory Board meeting on Tuesday, August 9, 1994. The next meeting will be held on Tuesday, September 13, 1994.

Thank you.

cc: J. Donkin



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

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CHAIRPERSON

James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Adley W. Hammond  
Department of Conservation

MEMBERS

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Office of the Secretary of State

William A. Coons, CFE  
Department of Professional Regulation

Michael Keegan, CPA  
Office of the Treasurer

Donald E. Omer  
Office of the Comptroller

Mark Schoonover, CPA  
Western Illinois University

Frederick E. Stanford, Ph.D., CIA, CPA  
Illinois State University

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

William B. Winberg, CPA  
Department of Central Management  
Services

Stephen R. Zemaitis, CIA, CPA  
Department of Revenue

September 1, 1994

Mr. William G. Holland  
Auditor General  
509 South Sixth Street  
Springfield, Illinois 62701

RE: State Internal Audit Advisory Board Meeting

Dear Auditor General Holland:

This is to confirm the Advisory Board meeting on Tuesday, September 13, 1994 at 10:30 a.m. in the Willard Ice Building. In anticipation of your attendance, I have put together the following information summarizing the statutory creation and responsibilities of the Board, primary accomplishments, and on-going efforts of the Board.

Under the provisions of the Fiscal Control and Internal Auditing Act of 1989 (enclosed), the State of Illinois established an eleven member State Internal Audit Advisory Board (Board) and designated the following Board responsibilities: promulgating a uniform set of professional standards and a code of ethics for all internal auditors working in State agencies and universities, serving as a clearinghouse for the correlation of internal audit training needs, and coordinating peer review activities among the internal audit offices of the State of Illinois.

Effective July 1, 1991, rules were developed regarding audit standards, ethics, and continuous professional education. The rules established The Standards for the professional Practice of Internal Auditing of the Institute of Internal Auditors as the professional standards by which the State internal auditors should operate. We adopted a code of ethics for State internal auditors based on the Code of Ethics of the Institute of Internal Auditors.



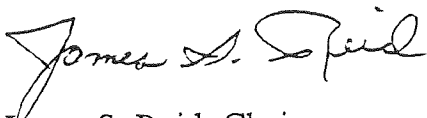
Continuous professional education requirements have been established to promote professional auditor training. Each auditor is to complete during three successive calendar years, 100 hours of audit related course work with a minimum of 10 hours reported in any one year. Guidelines for types of acceptable continuing professional development are based upon the Institute of Internal Auditor's Administrative Directive on continuing professional development.

Effective May 12, 1992, bylaws which defined the authority for and policy governing a Peer Review Program applicable to all State of Illinois internal audit organizations of designated State agencies were approved. The bylaws require each designated State agency that has an internal audit staff to have a peer review at least once every five years. Subsequent to the program approval, three training sessions have been conducted on how to perform a peer review. All agencies' audit staffs are scheduled to have a peer review before December 31, 1997. We are currently in our second year of peer reviews.

In addition to performing its statutory duties, the Board meets on a regular basis to discuss and conduct business on issues affecting State internal auditing. Most recently, Board action was responsible for the State of Illinois being designated as a sustaining organization in the Institute of Internal Auditors. This designation will result in a significant cost savings to the State through reduced membership fees for State auditors.

Thank you for your interest in the Board. We look forward to seeing you at our September 13th meeting.

Sincerely,

A handwritten signature in cursive script, reading "James S. Reid".

James S. Reid, Chairperson  
State Internal Audit Advisory Board

Enclosure

**MINUTES OF THE STATE INTERNAL AUDIT  
ADVISORY BOARD MEETING**

**SEPTEMBER 13, 1994**

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on September 13, 1994 at the Willard Ice Building, Level 6NE Training Room, 101 West Jefferson, Springfield, Illinois. Chair James S. Reid called the meeting to order at 9:30 a.m.

Chair Reid introduced Bruce Bullard from the Auditor General's Office and thanked him for accepting the Board's invitation to attend its meeting.

A roll call was held to introduce the Board Members to Bruce Bullard. The following Board Members were present:

James S. Reid, Chairperson, Office of Attorney General  
Bradley W. Hammond, Vice Chairperson, Department of Conservation  
C. William Coons, Department of Professional Regulation  
Art Keegan, Office of Treasurer  
Ronald E. Omer, Office of the Comptroller  
Jack Schoonover, Western Illinois University  
Richard O. Traver, University of Illinois  
Benedict R. Zemaitis, Department of Revenue

Absent:

John Cain, Office of the Secretary of State  
Sharon Stanford, Illinois State University  
William Winberg, Central Management Services

Guest Observers:

Nita Adams, Department of Professional Regulation  
Bruce Bullard, Office of Auditor General  
James Donkin, Department of Public Aid  
Jeff James, (representing William Winberg), CMS  
Galie Traylor, Department of Revenue

Chair Reid asked for any corrections, additions, or deletions to the July 12, 1994 meeting minutes. He corrected the minutes as to Nita Adams, who is from the Department of Professional Regulation, not Public Aid. Member Art Keegan noted he attended the July 12, 1994 meeting. Corrections so noted. Member Ben Zemaitis noted on Page 2, Paragraph 3, last sentence should include: "and Auditor General's Office" and read as follows: "He also reported universities and

Auditor General's Office were included in the package." There being no further corrections, Member Zemaitis moved the minutes be approved as amended; said motion was seconded by Member Bill Coons and minutes were unanimously approved as amended.

### OLD BUSINESS

#### **DISCUSSION ITEM:      Permanent record retention site and librarian for Board Records**

Chair Reid reported he spoke with Greg McCormick at the State Library (782-3504) regarding the permanent Board records being kept at the State Library. The Board's documents will be placed in the Illinois Document Section of the library and bound in 8-1/2 x 11" binders. Mr. McCormick suggested it would be easier if the Board provided the indexes. Chair suggested the Board file its records by year under each chairperson and the chairperson to be responsible for compiling the records and getting them to the library.

A discussion took place regarding retention of records concerning CPE/CPD credit hours given for participation/conduction of peer reviews. It was the agreement and consensus of the Board Members that the team leaders of the peer review should record the times their people were out on field work and send it to Member Bradley Hammond, as Chair of Continuing Education Programs. He would keep the records and then at the end of the chair's term, include the record with the permanent records to be filed at the State Library. A certificate for credit hours would only be issued upon request.

It was the agreement of the Board Members that each past chair of the Board prepare the minutes, correspondence and index them for the year(s) served. Then Chair Reid would coordinate the compilation of the records and forward them to Greg McCormick at the State Library. Member Zemaitis noted the Peer Review Reports would not be a part of the permanent records because said reports are confidential.

### NEW BUSINESS

Chair Reid opened the floor for discussion of any new business to be brought before the Board. Member Bradley Hammond inquired if Board Members received a letter from John Larsen, Executive Director of the State Board of Ethics. John Larsen is responsible for a presentation on Ethics in Internal Auditing. A discussion took place and it was the consensus of the Board that those who wished, would respond to his letter.

Member Art Keegan inquired the status of the peer review schedules. Chair Reid asked Member Bill Coons to report. Member Coons reported the assignments were sent out. A lengthy discussion took place. Several issues were discussed and suggestions were made regarding the status of peer reviews and Member Coons reported that State Community College no longer has an internal audit function and that he reported this to Chair Reid.

Member Zemaitis noted that the Governor's Office should be notified immediately if there was non-compliance. A further discussion took place. It was the consensus of the Board to notify the Governor's Office if non-compliance of no internal audit function in State Community College existed. Member Traver suggested the Board look at the agencies on the list who do not have an audit function, take a position and inform the Governor's Office of the Board's position.

Member Zemaitis moved a subcommittee be appointed to perform this function and volunteered to serve, with Member Traver as chair, on this subcommittee. Member William Winberg was also appointed to serve on this subcommittee. Said motion was seconded by Member Art Keegan; motion unanimously carried. Chair Reid asked for a report from the subcommittee at the next SIAAB meeting.

Chair Reid then opened the floor to allow an open forum discussion between Board Members and Bruce Bullard of the Auditor General's Office. A lengthy discussion was held and such topics as Peer Reviews, the training programs for teams planned by the Board, time spent on peer reviews, and any problems and/or issues encountered by the Board in conducting or issuing peer review reports were discussed.

Chair Reid announced the cancellation of the October 11, 1994 SIAAB meeting. The next SIAAB meeting would be held on November 15, 1994.

Chair Reid then opened the floor for discussion of peer review assignments. Member Coons noted the Board should consider getting new peer review assignments for 1995. Member Coons reported four peer reviews were to be performed in December, 1994. Member Zemaitis asked for a report from the Performance Committee Chair next meeting. Member Coons noted that a date for the peer review training program should also be designated and a training program should be put together, perhaps in December or January. A discussion was held.

It was suggested the peer review team leaders be asked to participate in part of the training program. Members Bill Coons and Dick Traver volunteered to spearhead the training program and Member Zemaitis offered to speak to John Monkirs about the availability of a room at Sangamon State University for December 1994 or January 1995.

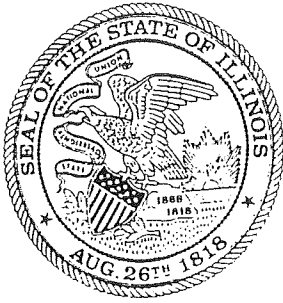
The Board Members unanimously agreed to:

The subcommittee will report on list of agencies reviewed and determined to be in compliance or non-compliance in maintaining an internal audit function

Member Coons will report on status of peer reviews and training program.

Member Zemaitis will report on location of training program.

Chair Reid called for any further discussion. Member Omer moved for adjournment; said motion was seconded by Member Jack Schoonover; motion unanimously carried. Meeting adjourned at 10:50 a.m.



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

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CHAIRPERSON

James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Bradley W. Hanumond  
Department of Conservation

MEMBERS

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

C. William Coons, CFE  
Department of Professional  
Regulation

Art Keegan, CPA, CBA  
Office of the Treasurer

Ronald E. Omer  
Office of the Comptroller

Jack Schoonover, CPA  
Western Illinois University

Sharon E. Stanford, CIA, CPA, Ph.D  
Illinois State University

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

William B. Winberg, CPA  
Department of Central  
Management Services

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: State Internal Audit Advisory Members

FROM: James S. Reid, Chair *J. S. Reid*

DATE: November 1, 1994

SUBJECT: State Internal Audit Advisory Board Meeting

This is to confirm the November 15, 1994 meeting of the Internal Audit Advisory Board. The meeting will take place at 9:30 a.m. at the Willard Ice Building, 101 West Jefferson, Level 6NE Training Room, Springfield, Illinois.

Enclosed is the agenda for the November meeting, draft minutes for the September meeting, and approved minutes for the July meeting.

enclosures

cc: J. Donkin

MINUTES OF THE STATE INTERNAL AUDIT  
ADVISORY BOARD MEETING

NOVEMBER 15, 1994

The regular monthly meeting of the State Internal Audit Advisory Board (SIAAB) was held on November 15, 1994 at the Willard Ice Building, Level 6NE Training Room, 101 West Jefferson, Springfield, Illinois. Chair James S. Reid called the meeting to order at 9:37 a.m.

The following Board Members were present:

James S. Reid, Chairperson, Office of Attorney General  
Bradley W. Hammond, Vice Chairperson, Department of Conservation  
C. William Coons, Department of Professional Regulation  
Ronald E. Omer, Office of the Comptroller  
Jack Schoonover, Western Illinois University  
Richard O. Traver, University of Illinois  
Benedict R. Zemaitis, Department of Revenue  
John Cain, Office of the Secretary of State

Absent:

Art Keegan, Office of the Treasurer  
Sharon Stanford, Illinois State University  
William Winberg, Central Management Services

Guest Observers:

Nita Adams, Department of Professional Regulation  
James Donkin, Department of Public Aid  
Joyce Gerhold, Office of the Attorney General

Chair Reid opened the meeting by distributing the following information to those present: informational letter from the Illinois Community College Board and the index used by Member Traver in filing SIAAB documents with the Illinois State Library.

Chair Reid asked for any corrections, additions, or deletions to the September 13, 1994 meeting minutes. Member Ron Omer questioned the discussion on the State Community College no longer having an internal audit function. The Board discussed this area and decided the minutes did not need to be amended. Member Zemaitis moved the minutes be approved; said motion was seconded by Member Ron Omer and minutes were unanimously approved.

## OLD BUSINESS

**DISCUSSION ITEM: Subcommittee on Non-compliance with Internal Audit Function Requirement - Member Traver and Member Winberg**

Member Traver reported that Member Winberg has provided a letter with the list of the agencies under the Governor's jurisdiction required to establish a full time program of internal auditing pursuant to the Fiscal Control and Internal Auditing Act. To the best of his knowledge the list is correct. Also Member Winberg attached a list of those agencies which have a full time internal audit program although they are not required to. Member Traver suggested that the Governor's Office be advised that the Department of Aging use the same criteria as the other designated agencies.

Member Zemaitis brought up the issue on the criteria used to decide whether an agency is required to have a full time audit program. This function is under the Governor's Office. Member Brad Hammond shared that some time ago he worked on a committee to go through the requirements concerning whether an agency should have a full time audit program. With regard to staff size, federal programs, and total expenditures, the Department of Aging fell right on the borderline as to whether or not they should have a full time audit program. Member Zemaitis stated that before the Board makes a recommendation, they need to know the criteria that the Governor's Office is using.

Chair Reid asked Member Traver if he and Member Winberg could follow up on these issues or whether a new committee should be formed. Member Traver suggested that the Board write a letter to our liaison with the Governor's Office asking about the criteria they used. Member Traver will contact Member Winberg and find out who to contact at the Governor's Office for this information.

Member Zemaitis notified Chair Reid that he would be leaving soon if there were any issues in which he needed to be informed.

**DISCUSSION ITEM: Update on Peer Reviews - Member Coons**

Member Coons reported that the following peer reviews were either completed or near completion: Scholarship Commission, University Retirement, Teachers Retirement, Department of Transportation (report issued), Illinois Community College Board, Eastern Illinois University, Board of Education, Southern Illinois University. Others: The State Community College does not have an audit program at this time, but is trying to hire someone. The Secretary of State's Office is scheduled for December. A phone call was received from the director of Nuclear Safety who stated that although the agency is on the Governor's list to have an audit program, they should not be. Member Coons stated that, with Federal Grants and other funding resources that the agency deals with, they should have an audit program. Member Omer stated that an individual from Nuclear Safety visited his office to see the audit program setup, but to his knowledge never set up shop.



Member Coons further reported the following agencies have been approved by the Acceptance Committee: Public Aid, Illinois Housing Development Authority, Department of Energy and Natural Resources, Illinois Industrial Commission, Department of Rehabilitation Services, Department of Financial Institutions, Board of Higher Education, Southern Illinois University, Central Management Services, Teacher's Retirement System.

Chair Reid asked Member Coons to put the status report in writing.

Chair Reid brought up a question on the peer review process. He has an approved draft of a report dated September. Follow-up with the team leader has been unanswered. Who is responsible to see that Peer Reviews are finished in a timely manner? Should the Performance Committee be notified when these situations arise? Member Coons suggested that it be addressed at the next meeting.

**DISCUSSION ITEM:       Peer Review Training Program - Member Coons and Member Zemaitis**

Chair Reid opened the discussion reporting that Member Zemaitis had contacted Sangamon State University which have agreed to provide a room for peer review training on January 12, 1995. Member Coons and Member Hammond were going to coordinate it. Member Coons stated that the minutes from last meeting should have read Bill Coons and Dick Traver instead of Brad Hammond. After discussion from the group Member Coons moved for an amendment to the minutes to reflect the name change from Brad Hammond to Dick Traver; said motion was seconded by Member Omer, and unanimously approved.

Member Coons and Member Traver provided an outline to Chairman Reid for the training program. These members will work together to ask certain individuals to participate in the training. January 12th is the date for the program.

Chair Reid brought to the attention of the Board that he had talked with Tammy Rust (SSU) who performed a Peer Review. She stated that the audit program did not flow in a logical manner. Maybe she would be able to participate in the seminar and provide some input concerning changes. Tammy is now with the IL State Board of Education. Chair Reid asked Member Coons to follow up and see if she would be willing to assist in the training.

Member Schoonover questioned Peer Review procedures regarding Exhibit 5 and Exhibit 16. The Peer Review Manual and Peer Review ByLaws are not consistent. The conflict needs to be addressed and resolved. Member Traver agreed to look at both areas and to make a recommendation. After a discussion Member Traver suggested that it be postponed until next meeting and have the pages concerning this issue from both documents available at the next meeting. Member Schoonover will bring it up at next meeting and show us the inconsistencies.

**DISCUSSION ITEM:        SIAAB Documentation with the State Library**

Chair Reid has sent the package compiled by Member Traver to Greg McCormick at the State Library. We will continue to go through Greg until a standard procedure is established.

**NEW BUSINESS**

Illinois Community College Board letter has already been discussed.

The "sample" Index for filing SIAAB documentation with the State Library has already been discussed.

Chair Reid opened the floor for discussion of any new business to be brought before the Board.

Member Traver announced that the SIAAB consider inviting Sally Curtin deVincents, CEO of APTE, Inc. to present a software package used to train employees of an organization on internal control concepts. This software, called "Doing the Right Thing: A Guide to Internal Control" was developed for Northwestern University. Member Traver suggested that the board invite Ms. deVincents to present the software package to the board and state auditors, if interested at the January meeting. He stated that the 30 minute presentation would provide a good overview of internal control concepts. It was also decided to invite the state internal audit managers.

After discussion about where to hold the presentation it was decided to meet at CDB. The presentation will be made before the SIAAB meeting. Sharon Stapleton can set up the meeting room for us. Special equipment needs were discussed and Member Traver will let us know about special equipment needs. The presentation will be at 9:30 and the regular Board meeting will follow directly after the presentation.

Member Schoonover made a comment that other than receiving a letter and discussing with Chairperson, he did not receive any information from a peer reviewer, whether his team did or did not do a good job on the peer review. Evaluation of peer review. After discussion it was suggested that there be a Report Review Committee to evaluate the process. Available model of workpapers so peer review team knows they are on target. It would also help in studying them to help with future peer reviews. Follow up on the Agenda for next meeting.

Chair Reid called for any further discussion. There being none, Member Coons moved for adjournment; said motion was seconded by Member John Cain; motion unanimously carried. Meeting adjourned at 10:20 A.M.



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

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CHAIRPERSON

James S. Reid  
Office of the Attorney General

VICE-CHAIRPERSON

Bradley W. Hammond  
Department of Conservation

MEMBERS

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

C. William Coons, CFE  
Department of Professional  
Regulation

Art Keegan, CPA, CBA  
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TO: State Internal Audit Advisory Members

FROM: James S. Reid, Chair *J. S. Reid*

DATE: December 5, 1994

SUBJECT: State Internal Audit Advisory Board Meeting

Please be advised that there will be no Internal Audit Advisory Board meeting on Tuesday, December 13, 1994. The next meeting will be held on Tuesday, January 10, 1995.

Thank you.

cc: J. Donkin