

SIAAB  
MEETING  
MINUTES  
FOR  
1996

Internal Audit Advisory Board

Brad Hammond BH

January 4, 1996

January Board Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for January 16, 1996 at 9:30 A.M. at the Department of Revenue. A copy of the draft minutes for the November meeting is attached for your review.

If you have any questions regarding this meeting or if you can not attend, please call me at 785-0853.

BH/te

Attachment

cc: Jim Donkin

Advisory Board:

Ben Zemaitis  
Bill Coons  
Stan Brown  
Mike Moody

Bob Schwarz  
Jim Reid  
Jack Schoonover  
John Cain

Internal Audit Advisory Board Meeting  
January 16, 1996  
9:30 A.M.

Place: Willard Ice Building  
101 West Jefferson  
Training Room, Level 6 NE

Agenda:

- \* Call to order
- \* Roll Call
- \* Minutes
  - Approval of prior minutes - November 14, 1995
- \* Old Business
  - Revision of FCIAA Guidelines - Committee Report (Coons)
  - Update on peer review process (Hammond/Coons)
- \* New Business
  - Meeting Schedule for 1996 (Hammond)
  - Meeting with State Audit Managers Group (Hammond)
  - Use of peer review findings in OAG audits (Hammond)
  - Status of FCIAA Guidelines Committee (Coons)
  - Upcoming election of new officers (Hammond)
- \* Announcements
- \* Schedule Next Meeting
- \* Adjournment

DRAFT  
MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD  
January 23, 1996

The regular monthly meeting of the State Internal Audit Advisory Board was held on January 23, 1996 at the Department of Revenue, Willard Ice Building, 101 West Jefferson, Springfield, Illinois. Chairman Bradley Hammond called the meeting to order at 9:40 a.m. Roll call was taken and the following members were present:

Present:

Bradley Hammond, Chairman, Natural Resources  
Stan Brown, Treasurer's Office  
Ben Zemaitis, Revenue  
Bob Schwarz, Central Management Services  
Bill Coons, Professional Regulation  
Jim Reid, Attorney General  
John Cain, Secretary of State  
Mike Moody, Comptroller's Office

Absent:

Jack Schoonover, Vice Chairman, Western Illinois University

Guest Observers:

Jewel Bishop, Natural Resources  
Jim Donkin, Public Aid  
Nancy Hilger, Commerce and Community Affairs  
Dick Traver, University of Illinois  
Dick Haas, Bronner Group  
Merlyn Hepperly, Comptroller  
Fred Lehrman, Illinois Housing Development Authority

Regular Meeting

Chairman Hammond introduced his new secretary, Jewel Bishop, and asked Board members and guests to introduce themselves for her benefit.

Chairman Hammond asked the Board if they had any corrections or additions to the November 14, 1995 meeting minutes. Motion to approve the minutes was made by Bill Coons, seconded by Stan Brown; minutes unanimously approved as written.

Minutes  
January 23, 1996  
Page 2

## OLD BUSINESS:

### Discussion Item: FCIAA Guidelines

Chairman Hammond requested that discussion of this item be deferred until the arrival of two board members delayed by previous commitments.

### Discussion Item: Peer Review

Bill Coons gave an update on the status of pending peer reviews. Two handouts were distributed outlining the status of pending/completed reviews.

There was concern about the number of peer reviews which have not been carried out. A lengthy discussion ensued concerning the peer review process instituted by the Board and the Board's commitment to this program. Ben Zemaitis asked that members be polled to see if they were still committed to this process. There was consensus that Board members were still in favor of the peer review process. After further discussion, it was decided that the Board would go forward with a strong position that this process is important and encourage everyone to be involved. A meeting will be scheduled with the Audit Managers in the near future to discuss this process and its importance. Chairman Hammond volunteered to work to get the process back on schedule following the completion of his term as Chairman this Spring.

## NEW BUSINESS:

### Discussion Item: Meeting Schedule for 1996

Chairman Hammond announced scheduled meetings of the State Internal Audit Advisory Board would be at 9:30 a.m., the second Tuesday of every month at the Willard Ice Building. A schedule of meetings for 1996 was distributed.

### Discussion Item: Meeting with State Audit Managers Group

A meeting with the Audit Managers will be scheduled to discuss the peer review process and FCIAA Guidelines in the near future. The scheduling of the meeting depends on when the FCIAA Guidelines Task Force has a recommendation ready to take to the Audit Managers.

Minutes  
January 23, 1996  
Page 3

Discussion Item: Use of peer review findings in OAG audits

Chairman Hammond reported on his conversation with the Auditor General's office. It is their position that it at the Audit Manager's (at the Auditor General's office) discretion whether or not a peer review finding is included in an audit report.

Discussion Item: Election of New Officers

Chairman Hammond asked that this item be delayed until the March meeting due to the appointing of new members to the Board.

**DEFERRED OLD BUSINESS:**

Discussion Item: FCIAA Guidelines

There was a lengthy discussion concerning the FCIAA guidelines. Bob Schwarz reported that CMS was contracting with the Bronner Group to assist in redesigning the guidelines. To expedite the review of these guidelines, Bob suggested that the recommendations of the Task Force of audit managers currently reviewing this matter should be sent directly to CMS rather than to the State Audit Managers Group for review. The majority of the Board felt it was important for the Task Force to follow through with its assignment as planned. There was a general discussion concerning the Bronner Group's role under the firm's contract with CMS. The consensus of the Board was that it was too late to change the guidelines for this year's certification.

Eight of the 10 members of the Task Force were in attendance either as Board members or guests, and a meeting of the Task Force was called for January 31, 1996, 1:00 p.m., at 320 W. Washington, 5th Floor. Bill Coons will notify those Task Force members not present at this meeting.

The Task Force will update the Board on the status of its work at the next Board meeting. The Chairman will call John Gacjala of the Comptroller's Office to see what his timeline is for redesigning the guidelines.

**SCHEDULING OF NEXT MEETING:**

The next meeting is scheduled for February 12, 1996, 9:30 a.m. at Revenue.

**ADJOURNMENT:**

Motion to adjourn made by Ben Zemaitis, seconded by Mike Moody; meeting adjourned at 11:50 a.m.

Internal Audit Advisory Board Meeting  
February 13, 1996  
9:30 A.M.

Place: Willard Ice Building  
101 West Jefferson  
Training Room, Level 6NE

Agenda:

- \* Call to Order ✓
- \* Roll Call ✓
- \* Minutes
- Approval of prior minutes - January 23, 1996 ✓

\* Old Business

- Revision of FCIAA Guidelines-Committee Report (Coons) ✓ →

\* New Business

- Upcoming election of new officers (Hammond) ✓

\* Announcements ✓

\* Schedule Next Meeting

\* Adjournment

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COONS

Schuyler

ST. MARYS GROUP - Feb 27th  
TO Board on 3/12

① BRAD ELECTION - 3/95 MEETING

② Ben & Dick T are  
WILLING TO  
Do a peer Review  
Training

3/12/96 9:30 LOCATION  
TO BE  
Determined

should do peer review  
training, maybe  
in the future. This  
would help get  
peer reviews done.

③ TRAVEL → VUEP  
CAT →  
Quality Assurance  
Tools -

MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD  
February 13, 1996

The regular monthly meeting of the State Internal Audit Advisory Board was held on February 13, 1996 at the Department of Revenue, Willard Ice Building, 101 West Jefferson, Springfield, Illinois. Chairman Bradley Hammond called the meeting to order at 9:40 a.m. Roll call was taken and the following members were present:

Present:

Bradley Hammond, Chairman, Natural Resources  
Jack Schoonover, Vice Chairman, Western Illinois University  
Ben Zemaitis, Revenue  
Bob Schwarz, Central Management Services  
Bill Coons, Professional Regulation  
John Cain, Secretary of State  
Mike Moody, Comptroller's Office

Absent:

Jim Reid, Attorney General  
Stan Brown, Treasurer's Office

Guest Observer:

Jewel Bishop, Natural Resources

Regular Meeting

Chairman Hammond asked the Board if they had any corrections or additions to the January 23, 1996 meeting minutes. Motion to approve the minutes was made by Ben Zemaitis, seconded by Bill Coons; minutes unanimously approved as written.

**OLD BUSINESS:**

Discussion Item: Revision of FCIAA Guidelines-Committee Report

A report was given on the Task Force's progress concerning the revising of the FCIAA guidelines. It was noted that another meeting of the Task Force has been scheduled for February 20 at 10:00 a.m. After this meeting, the Task Force will present their recommendations to the Audit Managers. A meeting of the Audit Managers is tentatively scheduled for February 27. It is hoped that the Task Force's recommendation will be ready to present to the full Board at its March meeting.



Chairman Hammond reported on his conversation with John Gacjala of the Comptroller's Office concerning the timeline for the redesigning of the guidelines. The Comptroller's Office is still interested in redesigning the guidelines, however, they are not actively moving on it at this time. The window of opportunity for comments is still open, but could close at any time.

It was noted that there would need to be training when, and if, new guidelines are implemented.

#### NEW BUSINESS:

Discussion Item: Upcoming election of new officers

It was felt that the election of new officers should be delayed until the existing vacancies on the Board were filled and several current members reappointed. Hopefully, this issue will be resolved in the near future.

Discussion Item: Additional new business

Chairman Hammond raised a question regarding continuing professional development (CPD). There was discussion and it was felt that the Board could make the determination whether a seminar/meeting met the eligibility requirements for CPD.

Bill Coons and Ben Zemaitis volunteered to do one-day training on peer review.

*TRAVER*

Dick Schoonover told the Board about a new software tool that the Association of College and University Auditors were developing. The software would allow auditors to enter answers to audit questions directly into the computer. This would be a useful tool for auditors in the field. Chairman Hammond suggested that a presentation on the software be made at the April or May Board meeting.

#### SCHEDULING OF NEXT MEETING:

The next meeting is scheduled for March 12 at 9:30 a.m. Due to a problem with parking an alternative meeting site will be designated.

#### ADJOURNMENT:

Motion to adjourn was made by Bill Coons, seconded by Bob Schwarz; meeting adjourned at 10:25 a.m.



ILLINOIS  
DEPARTMENT OF  
**NATURAL RESOURCES**

524 South Second Street, Springfield 62701-1787

Jim Edgar, Governor • Brent Manning, Director

**OFFICE OF THE DIRECTOR**

**FAX #217/785-9236**

**TELECOPIER COVER LETTER**

**PLEASE DELIVER THE FOLLOWING PAGES TO:**

Ben Zemaitis	524-2716
Bill Coons	524-0142
Stan Brown	524-3822
Mike Moody	524-5877
Bob Schwarz	524-5895
Jim Reid	782-8827
Jack Schoonover	309/298-2006
John Cain	524-6924
Jim Donkin	524-2963
Nancy Hilger	524-0864
Fred Lehrman	312/836-5386
Janet Taylor Wilson	312/793-5341

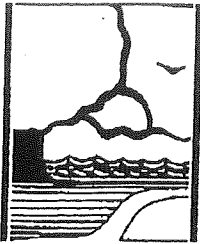
**FROM:** Brad Hammond

**DATE:** February 6, 1996

**TOTAL NUMBER OF PAGES:** 5 (excluding cover)

**If you do not receive all the pages indicated, please call back as soon as possible.**

**217/785-0853 (Jewel Bishop)**



ILLINOIS  
DEPARTMENT OF  
NATURAL  
RESOURCES

# MEMORANDUM

to: Internal Audit Advisory Board  
from: Brad Hammond *BH*  
date: February 6, 1996  
subject: February Board Meeting

reference:

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for February 13, 1996 at 9:30 am at the Department of Revenue. A copy of the draft minutes for the January meeting is attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at 785-0853.

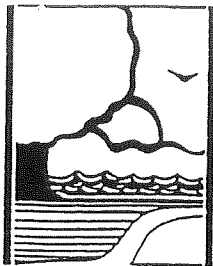
BH/jb

attachments

cc: FCIAA Guidelines Task Force  
Dick Haas, Bronner Group

Advisory Board:	Ben Zemaitis	Bob Schwarz
	Bill Coons	Jim Reid
	Stan Brown	Jack Schoonover
	Mike Moody	John Cain

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ILLINOIS  
DEPARTMENT OF  
NATURAL  
RESOURCES

# MEMORANDUM

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to: Internal Audit Advisory Board

from: Brad Hammond *BH*

date: March 1, 1996

subject: March Board Meeting

reference:

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for March 12, 1996 at 9:30 am at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street) A copy of the draft minutes for the February meeting is attached for your review.

The main topic of this meeting will be a review of the proposed changes to the FCIAA guidelines. By copy of this letter, I am notifying state internal audit managers of this meeting, so they may attend and make comments.

If you have any questions regarding this meeting or if you cannot attend, please call me at 785-0853.

BH/jb

attachments

cc: State Internal Audit Managers

Advisory Board:	Ben Zemaitis	Bob Schwarz
	Bill Coons	Jim Reid
	Stan Brown	Jack Schoonover
	Mike Moody	John Cain

## MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD

March 12, 1996

The regular monthly meeting of the State Internal Audit Advisory Board was held on March 12, 1996 at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Bradley Hammond called the meeting to order at 9:40 a.m. The Board members were asked to introduce themselves for roll call and the following members were present.

### Present:

Bradley Hammond, Chairman, Natural Resources  
Jack Schoonover, Vice Chairman, Western Illinois University  
Bob Schwarz, Central Management Services  
John Cain, Secretary of State  
Stan Brown, Treasurer's Office  
Jim Reid, Attorney General's Office  
Mike Moody, Comptroller's Office

### Absent:

Ben Zemaitis, Revenue  
Bill Coons, Professional Regulation

### State Internal Audit Managers Present:

Nancy Hilger, Commerce & Community Affairs  
Donna McNeely, University of Illinois Springfield  
Dick Traver, University of Illinois  
Jeff Cooley, Eastern Illinois University  
Fred Lehrman, Illinois Housing Development Authority  
John W. White, Illinois State Police  
Wilfred A. Kaltenbach, Veteran's Affairs  
Jim Weistart, Insurance  
Tom Smith, Insurance  
Wayne McMillan, Transportation  
Stu Gresham, Environmental Protection Agency  
John Holmes, Guardianship & Advocacy Commission  
Janet Taylor-Wilson, Employment Security

### Regular Meeting

Chairman Hammond asked the Board if they had any corrections to the February 13, 1996 meeting minutes. The following corrections were made: (1) Stan Brown should be listed as present, and (2) under Additional New Business, Dick Traver is the one that spoke of the new

software tool. Motion to approve the minutes as corrected was made by Mike Moody, seconded by John Cain; minutes unanimously approved.

## **OLD BUSINESS**

Discussion Item: Recommendations for changes to the FCIAA Guidelines

Chairman Hammond began by stating that the Task Force had met with the Audit Managers and was now ready to make their recommendation to the Board. He noted that the intent of today's meeting was for the Board to hear and discuss the Task Force's recommendations. The Audit Managers were invited to attend today's meeting so the Board could solicit any additional comments they might have.

Mike Moody gave an overview of the Task Force's proposal which included Management Questions and Administrative Guidelines (portions of which are outlined below).

### **Management Questions**

- Question #1: Identify your organization's major mission(s).
- Question #2: Identify any significant, manageable risks or exposures that affect accomplishing your organization's mission(s).
- Question #3: Identify the significant activities that support your organization's mission(s).
- Question #4: Identify any significant, manageable risks or exposures that affect the activities used to accomplish your organization's mission(s).
- Question #5: Identify the methods or processes used to minimize or manage the risks or exposures identified in question #4.
- Question #6: Identify your organization's methods or processes for ensuring corrective action is taken when risks or exposures identified in question #4 are not minimized or managed effectively.
- Question #7: Identify and report in your annual certification any significant, manageable risks or exposures identified from question #4 that are not currently minimized or managed effectively. Include in your report an action plan and time table for correcting any deficiencies.

### **Administrative Guidelines**

- A. The chief executive officer (CEO) of each State Agency as defined by FCIAA (10/1003(c)) is responsible for carrying out the FCIAA certification review.
- B. Each State Agency's senior management is responsible for coordinating the review process.
- C. The individuals responsible for managing the significant activities identified from question #4 are usually the most appropriate level of management to carry out the review.

- D. Internal Audit's role in this process is to review the completed assessment and comment on the responses provided to management prior to certification by the agency CEO.

Mr. Moody read two letters from Audit Managers commenting on the proposed changes. The letters focused on two issues: 1) the role of the Internal Auditor in the certification process, and 2) what, if any, difference there was between Management Question #'s 2 and 4.

The Board and the Audit Managers discussed the role that Internal Audit should play in the certification process and it was agreed that CEO's and management needed to play a greater part in the certification process, but that Internal Audit should assist in any way that management deemed appropriate.

In order to emphasize this point, the Board and the Audit Managers agreed unanimously to make the following change to the proposed recommendations. (underline = new language; strike through = deleted language)

Administrative Guideline C: The individuals responsible for managing the significant activities identified from question #4 are ~~usually~~ the most appropriate level of management to carry out the review.

Administrative Guideline D. Internal Audit's role in this process is to ~~review the completed assessment and comment on the responses provided to management prior to certification by the agency CEO.~~ assist senior management in any portion of the certification process as deemed necessary by the CEO.

Discussion continued regarding the difference between Question #'s 2 and 4. It was felt that both questions were necessary to the certification process. However, it was noted that the training of management on the new guidelines would be the key to a successful certification process.

The Board and Audit Managers agreed unanimously to add the following Administrative Guideline:

Administrative Guideline E. Training and education of agency managers is vital to establishment and maintenance of internal control systems and a successful certification.

On a motion made by John Cain and seconded by Jim Reid, the Board unanimously accepted the proposed recommendations as revised.

There was discussion as to how the Board should proceed with the recommendation and to whom the proposal should be forwarded. It was decided that the proposal would be transmitted

to the Comptroller and CMS jointly for their review. Mike Moody and Chairman Hammond will work together to transmit the document. After review by Comptroller and CMS the proposal will be sent to the Office of the Auditor General for their input.

### **New Business**

Chairman Hammond asked Dick Traver to make a presentation to the Board at the April meeting on the new software audit tool developed by the Association of College and University Auditors.

### **SCHEDULING OF NEXT MEETING:**

The next meeting is scheduled for April 9th, 9:30 a.m. at the Illinois State Museum Collection Center.

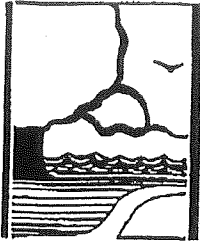
### **ADJOURNMENT:**

Motion to adjourn was made by Mike Moody, seconded by Jack Schoonover; meeting adjourned at 14:45 a.m.

Minutes taken by: Jewel Bishop, Natural Resources

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ILLINOIS  
DEPARTMENT OF  
NATURAL  
RESOURCES

# MEMORANDUM

to: Internal Audit Advisory Board

from: Brad Hammond

date: March 28, 1996

subject: April Board Meeting

4/1/96

NOTE: This is a corrected notice for the April meeting. I inadvertently typed March. I apologize for any inconvenience this may have caused.

Jewel Bishop

reference:

## CORRECTED NOTICE

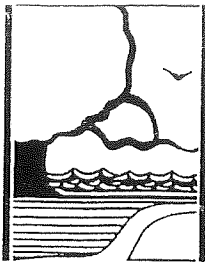
This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for **April 9, 1996 at 9:30 am** at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street) A copy of the draft minutes for the March meeting is attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at 785-0853.

BH/jb

## attachments

Advisory Board:	Ben Zemaitis	Bob Schwarz
	Bill Coons	Jim Reid
	Stan Brown	Jack Schoonover
	Mike Moody	John Cain



ILLINOIS  
DEPARTMENT OF  
NATURAL  
RESOURCES

# MEMORANDUM

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to: Internal Audit Advisory Board

from: Brad Hammond *BH*

date: March 28, 1996

subject: April Board Meeting

reference:

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for <sup>March 12</sup>~~March 12~~, 1996 at 9:30 am at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street) A copy of the draft minutes for the March meeting is attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at 785-0853.

BH/jb

attachments

Advisory Board:	Ben Zemaitis	Bob Schwarz
	Bill Coons	Jim Reid
	Stan Brown	Jack Schoonover
	Mike Moody	John Cain

*Reappointed - 1999*

Internal Audit Advisory Board Meeting

April 9, 1996

9:30 A.M.

Place: Illinois State Museum  
Collection Center  
10 1/2 Street, Springfield

Agenda:

- \* Call to Order ✓
- \* Roll Call ✓
- \* Minutes ✓
  - Approval of prior minutes - March 12, 1996
- \* Old Business
  - Changes to FCIAA Guidelines ✓
  - New Board members ✓
  - New OFFICERS ✓
- \* New Business
  - Presentation by Dick Traver ✓
  - Other ✓
- \* Announcements ✓
- \* Schedule Next Meeting → MAY 14, 1996
- \* Adjournment ✓

✓ JACKS, chair  
✓ BILLC, v. chair

Nominations  
1<sup>st</sup>  
JAN  
1997

GAT

0105.w61

OLD BUSINESS

GAT - BILL COONS

10:45

NEW BUSINESS

Refigure  
Committees

Peer Review

committee  
to develop  
text for  
new

MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD  
April 9, 1996

The regular monthly meeting of the State Internal Audit Advisory Board was held on April 9, 1996 at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Bradley Hammond called the meeting to order at 9:40 a.m. Roll call was taken and the following members were present:

Present:

Bradley Hammond, Chairman, Natural Resources  
Jack Schoonover, Vice Chairman, Western Illinois University  
Bob Schwarz, Central Management Services  
John Cain, Office of the Secretary of State  
Jim Reid, Office of the Attorney General  
Mike Moody, Office of the Comptroller  
Ben Zemaitis, Revenue  
Bill Coons, Professional Regulation  
Nancy Hilger, Commerce & Community Affairs  
Dick Traver, University of Illinois

Absent:

Stan Brown, Office of the Treasurer

Regular Meeting

Chairman Hammond welcomed Nancy Hilger, Chief Internal Auditor of Commerce and Community Affairs. Ms. Hilger has been appointed by the Governor's Office to fill a vacancy on the Board. He also stated that the Governor's office had reappointed several members. Copies of the letter of appointment/ reappointment and accompanying press release will be sent to the respective Board members.

Following is a list of all Board members and the length of their term:

<u>Name</u>	<u>Expiration</u>	
Brad Hammond	2/1/97	✓ - NEW
Nancy Hilger	2/1/97	✓ - RE-APPOINT
Dick Traver	2/1/98	
Ben Zemaitis	2/1/98	
Bill Coons	2/1/99	
Jack Schoonover	2/1/99	
Bob Schwarz, CMS*		

Jim Reid, Attorney General\*  
John Cain, Secretary of State\*  
Mike Moody, Comptroller\*  
Stan Brown, Treasurer\*

*\*Statutory members of the Board; serve as long as their position with their respective offices.*

Chairman Hammond asked the Board if there were any corrections to the March 12, 1996 meeting minutes. Motion to approve the minutes was made by Jack Schoonover, seconded by John Cain; minutes unanimously approved as written.

## OLD BUSINESS

### Discussion Item: Changes to FCIAA Guidelines

Chairman Hammond reported that a letter had been sent to the Comptroller, with a copy to the Director of CMS, transmitting the Board's recommended changes to the guidelines. To date there has been no response from the Comptroller.

Bob Schwarz noted that a copy of the letter had been sent to his Director and questioned what his level of involvement was expected to be. Chairman Hammond said that statute states the Comptroller will consult with CMS on revisions to the guidelines and therefore it was up to the Comptroller to contact CMS. The Director had been sent a copy "for informational purposes only."

### Discussion Item: Election of Officers (This item was inadvertently left off of the Agenda)

Ben Zemaitis noted that the Governor's Office has requested a letter from Sharon Stanford resigning her position on the Board. The Chairman noted that he had a letter from Ms. Stanford and would forward a copy to the Governor's Office.

Chairman Hammond stated that since the Board now had a full membership new officers could be elected. The floor was opened for nominations.

Motion made by Brad Hammond to nominate Jack Schoonover for Chairman, seconded by Ben Zemaitis. Motion to close nominations for Chairman made by John Cain, seconded by Bill Coons. Motion made by Jim Reid to nominate Bill Coons for Vice Chairman, seconded by Jack Schoonover. Motion to close nominations made by Bob Schwarz, seconded by Dick Traver.

There was discussion as to whether the actual election should be held at today's meeting or should it be postponed until the May meeting. It was felt that since there had only been one nomination for each office, the election would be held today. The Board voted unanimously to accept the nominations. Jack Schoonover was elected Chairman and Bill Coons elected Vice Chairman. Their terms will run through the end of 1996.

It was decided that Brad Hammond would continue to serve as Chairman for the remainder of the meeting and new officers would take over in May.

Chairman Hammond noted there was a need to reconfigure the Peer Review Committee and he would work with Jack Schoonover during the next month so this issue could be presented at the May meeting.

## **NEW BUSINESS**

Discussion Item: Presentation by Dick Traver

Dick Traver gave a presentation on the Quality Assurance Tool (QAT) software program developed by the Association of College and University Auditors. This software automates the quality assurance/peer review process and allows the auditor to enter answers to audit questions directly into the computer. The Board felt that this would be a very useful, however, there were several modifications or changes to the software the Board felt would be necessary. Bill Coons will contact the software programmer to see if the audit questions could be locked in and whether each section could be secured after being completed. The Board will defer a decision about this software until Mr. Coons reports back at the next meeting. It was also noted that if the Board purchased the software, the Peer Review Committee should form a subcommittee to address the development of the audit questions.

## **SCHEDULING OF NEXT MEETING:**

The next meeting is scheduled for May 14, 1996, 9:30 a.m. at the Illinois State Museum Collection Center.

It was decided that, if possible, the remainder of the Board meetings for 1996 would be held at the State Museum Collection Center. Brad Hammond will check with the Collection Center.

## **ADJOURNMENT:**

Motion to adjourn was made by Bill Coons, seconded by Jack Schoonover; meeting adjourned at 10:45 a.m.

State of Illinois  
STATE INTERNAL AUDIT ADVISORY BOARD



TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman

DATE: May 1, 1996

RE: May Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for May 14, 1996 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 ½ Street. (Entrance is located between Laurel and Ash just east of 9th Street.) A copy of the draft minutes for the April meeting are attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at (309)298-1664.

JS/jb

attachments

Advisory Board:	Ben Zemaitis	Bob Schwarz
	Bill Coons	Jim Reid
	Stan Brown	Dick Traver
	Mike Moody	John Cain
	Brad Hammond	Nancy Hilger

0211.w61

# MINUTES OF THE STATE INTERNAL AUDIT ADVISORY BOARD

May 14, 1996

The regular meeting of the State Internal Audit Advisory Board was held on May 14, 1996 at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Jack Schoonover called the meeting to order at 9:30 a.m. Roll call was taken and the following members were present:

## Present:

Jack Schoonover, Chairman, Western Illinois University  
Bill Coons, Vice Chairman, Professional Regulation  
John Cain, Office of the Secretary of State  
Bradley Hammond, Natural Resources  
Nancy Hilger, Commerce & Community Affairs  
Jim Reid, Office of the Attorney General  
Bob Schwarz, Central Management Services  
Ben Zemaitis, Revenue

## Absent:

Stan Brown, Office of the Treasurer  
Mike Moody, Office of the Comptroller  
Dick Traver, University of Illinois

## Regular Meeting

Chairman Schoonover asked the Board if there were any corrections to the April 9, 1996 meeting minutes. Motion to approve the minutes was made by Ben Zemaitis, seconded by Bill Coons; minutes unanimously approved as written.

## Old Business

Discussion Item: ACUA Software

Bill Coons reported on his discussion with the developer of the software we are considering for peer review. The developer has stated that the Board may purchase 1 copy for \$149 plus shipping and make as many working copies as we need for the purpose of conducting peer reviews. Bill mentioned some of the changes we had asked about at the previous meeting, but it was felt the cost was prohibitive.

It was moved by Bill Coons, seconded by Brad Hammond that we buy the package as is. It was further moved that CMS buy the package. Motion unanimously passed. Note - If CMS can not purchase the package other agencies said they could.



Scheduling of Next Meeting:

It was decided that since the SIAMG was going to meet in June that the Board did not have to. The next meeting of the State Internal Audit Advisory Board will be July 9, 1996 at 9:30 a.m. at the Illinois State Museum Collection Center.

Adjournment:

Motion to adjourn was made by Bill Coons, seconded by Brad Hammond; meeting adjourned at 11:00 a.m.

Internal Audit Advisory Board Meeting  
May 14, 1996  
9:30 A.M.

JEWEL  
MONDAY  
ABOUT SIAMG

Place: Illinois State Museum  
Collection Center  
10 1/2 Street, Springfield

Agenda:

- \* Call to Order 9:30
- \* Roll Call
  - STAN BROWN - A
  - JOHN CLARK
  - BILL COONS
  - BRAD HAMMOND
  - NANCY HILGER
  - MIKE MOODY - A
  - JIM REID
  - JACK SCHOOVER
  - BOB SCHWARZ
  - DICK TRAVER - A
  - BEN ZAMATIS
- \* Minutes

- Approval of prior minutes - April 9, 1996

\* Old Business

- Update on ACUA Software - See letter \$149

\* New Business

- Peer Review Committee

- Other - FCIAA - DISCUSSED

Comptroller - SAMS - Brad  
Beyond our authority.

Announcements

Ben → INT AUD IT'S & IT'S INCORP'S  
CONSENSUS WAS THAT PREVIOUS QUALIFICATIONS  
SCHEDULE NEXT MEETING

Adjourment  
POLICE QUAL. → CMS JULY 9th

Time - 11:00 WRITE CMS  
0105.W61

What is PROCESS  
CMS'S PROCESS  
TO MONITORING

SIAMG - Meeting

MORE INVOLVEMENT

CALL a meeting TO REFORM & Elect OFFICERS.

BILL C - moved motion

BEN - 2ND  
BILL PASSED

NO NEW ASSIGNMENTS

MOTION - TO USE 1990 WITH

BILL PASSED AS A CATCH-UP

YEAR GETTING RE

1993, 1994, 1995

TOGETHER CAUGHT UP

P.C SURVEY

AUDIT SHOP

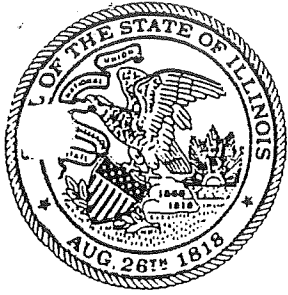
MORS

96+97,

TO BE

ASSIGNED

when they  
WOULD  
LIKE TO  
be Resched



State of Illinois  
INTERNAL AUDIT ADVISORY BOARD  
320 W. Washington  
Springfield, IL 62786

---

CHAIRPERSON

John F. Schoonover, CPA  
Western Illinois University

VICE-CHAIRPERSON

C. William Coons, CFE  
Department of Professional  
Regulation

MEMBERS

Stan Brown  
Office of the Treasurer

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

Br. W. Hammond  
Department of Natural Resources

Nancy Hilger, CPA  
Department of Commerce and  
Community Affairs

Michael Moody, CISA  
Office of the Comptroller

James S. Reid  
Office of the Attorney General

Robert Schwarz  
Department of Central Management  
Services

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

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman, IIAB

DATE: June 5, 1996

RE: June Board Meeting

The State Internal Audit Advisory Board will not be having a June meeting. Our next scheduled meeting is July 9, 1996 at 9:30 a.m. at the Illinois State Museum Collection Center. A notice and a copy of May's minutes will be sent out at the end of June or the first part of July.

State of Illinois  
STATE INTERNAL AUDIT ADVISORY BOARD



TO: State Internal Audit Managers

FROM: Jack Schoonover, Chairman, IAAB

DATE: May 21, 1996

RE: Meeting of State Audit Managers

The State Internal Audit Managers Group will meet on Tuesday, June 4, 1996 at 9:30 a.m. at the State Museum Collection Center. The Collection Center is located in Springfield on 10 ½ Street. (Entrance is located between Laurel and Ash just East of 9th Street.)

The primary purpose of this meeting will be to reorganize this group and elect its chair. Other issues will be dictated by those attending.

Please notify Jewel Bishop, Internal Audit, Department of Natural Resources, (217)785-0853, if you plan to attend.

If you have any questions regarding this meeting, call me at (309) 298-1664.

JS/jb  
0228.w61

From: Jack Schoonover at SHPOST 5/20/96 11:54AM  
JBISHOP@DNRMAIL.STATE.IL.US (BISHOP, JEWEL) at internet  
Subject: May IAAB meeting

----- Message Contents -----

Jewel -

As stated on the phone, I would like to have a meeting of the State Internal Audit Managers Group sometime the first week of June. Probably Tuesday or Wednesday would be best. I have a meeting all day on Monday. 9:30 to 11:30 will be more than adequate. Below is an example of what to use in the memo.

TO: State Internal Audit Managers  
FROM: Jack Schoonover, IAAB Chairman  
DATE: May 21, 1996  
SUBJECT: Meeting of State Audit Managers

The State Internal Audit Managers Group will meet on Tuesday or Wednesday, June 4 or 5, 1996 from 9:30 a.m. at the State Museum Collection Center. The Collection Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just East of 9th Street.)

The primary purpose of this meeting will be to reform this group and elect its chair. Other issues will be dictated by those attending.

If you have any question regarding this meeting, call me at (309) 298-1664.

Feel free to change this anyway you wish.

Thanks. Call or e-mail if you have any questions.



State of Illinois  
INTERNAL AUDIT ADVISORY BOARD  
320 W. Washington  
Springfield, IL 62786

---

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John F. Schoonover, CPA  
Western Illinois University

VICE-CHAIRPERSON

C. William Coons, CFE  
Department of Professional  
Regulation

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James S. Reid  
Office of the Attorney General

Robert Schwarz  
Department of Central Management  
Services

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

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman *Jack*

DATE: June 24, 1996

RE: July Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for July 9, 1996 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street.) A copy of the draft minutes for the May meeting are attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at (309) 298-1664 or E-mail at

Jack\_Schoonover@cmail.wiu.edu

attachments

Advisory Board:	Stan Brown	Mike Moody
	John Cain	Jim Reid
	Bill Coons	Bob Schwarz
	Brad Hammond	Dick Traver
	Nancy Hilger	Ben Zemaitis



State of Illinois  
INTERNAL AUDIT ADVISORY BOARD  
320 W. Washington  
Springfield, IL 62786

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Western Illinois University

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Department of Professional  
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Department of Central Management  
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University of Illinois

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman *Jack*

DATE: June 24, 1996

RE: July Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for July 9, 1996 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street.) A copy of the draft minutes for the May meeting are attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at (309) 298-1664 or E-mail at

Jack\_Schoonover@ccmail.wiu.edu

attachments

Advisory Board:	Stan Brown	Mike Moody
	John Cain	Jim Reid
	Bill Coons	Bob Schwarz
	Brad Hammond	Dick Traver
	Nancy Hilger	Ben Zemaitis

Internal Audit Advisory Board Meeting  
July 9, 1996  
9:30 a.m.

Place: Illinois State Museum  
Collection Center  
10 ½ Street, Springfield

Agenda:

- Call to Order
- Roll Call
- Minutes
  - Approval of prior minutes: May 14, 1996
- Old Business
  - Update on ACUA Software (Schwarz)
  - Update on CMS position on job qualifications (Schwarz)
  - Update on Peer Review Training (Zemaitis & Traver)
  - Update on FCIAA Changes (Schoonover)
  - Update on State Internal Audit Managers Group
- New Business
  - Other
- Announcements
- Schedule Next Meeting
- Adjournment



MINUTES  
STATE INTERNAL AUDIT ADVISORY BOARD  
July 9, 1996

The regular meeting of the State Internal Audit Advisory Board was held on July 9, 1996 at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Jack Schoonover called the meeting to order at 9:36 a.m. Roll call was taken and the following members were present:

Present:

Jack Schoonover, Chairman, Western Illinois University  
Bill Coons, Vice Chairman, Professional Regulation  
Bradley Hammond, Natural Resources  
Nancy Hilger, Commerce & Community Affairs  
Bob Schwarz, Central Management Services  
Dick Traver, University of Illinois  
Steve Bunch, Office of the Attorney General, substitute for Jim Reid

Absent:

Ben Zemaitis, Revenue  
John Cain, Office of the Secretary of State  
Stan Brown, Office of the Treasurer  
Mike Moody, Office of the Comptroller

Guest(s):

Donna McNeeley, UIS

Regular Meeting:

Chairman Schoonover asked the Board if there were any corrections to the May 14, 1996 meeting minutes. Motion to approve the minutes was made by Bob Schwarz, seconded by Bradley Hammond; minutes unanimously approved as written.

Old Business:

Discussion Item: Update on ACUA Software

Bob Schwarz received the ACUA software which he presented to Chairman Schoonover. Question was raised as to what the Board's next step would be. There was discussion as to how much time it would take to modify the software for the Board's use and how much training would be needed. Dick Traver felt that he and Ben Zemaitis could make the needed changes in about 1/2 a day. He will contact Ben to arrange a time, probably during the last week of July. The software should be ready for use in training by August 1.

Discussion Item: Update on Peer Review Training

The Board went on to discuss how the training would be handled and the Peer Review Committee. The timeframe for scheduled peer reviews was also discussed. It was felt that some departments would rather peer review was done after their Single Audits were completed. This would mean that peer review could begin again sometime in late fall. The software should be ready by the first of August so training could be scheduled for later that month. It was mentioned that perhaps two separate days for training could be arranged to accommodate everyone's schedule.

The Board also discussed the membership of the Peer Review Committee. Tammy Rust has been moved to the Executive Committee leaving a vacancy on the Peer Review Committee. Brad Hammond will work with Tammy to find a replacement.

Discussion Item: Update of CMS position on job qualifications

Bob Schwarz reported that CMS was looking at the job qualification process and that he would be conducting a mini-audit of the process. His report should be ready by the next Board meeting. There was discussion regarding job qualifications and those positions that were regulated by State statute.

A question was asked about the veteran preference law suit and its status. It was noted that this suit is still in the appeal process.

Discussion Item: FCIAA Changes

Chairman Schoonover reported that the guideline changes were still a priority with the Comptroller's Office; however other issues have arisen and these changes have been put on hold. There was discussion as to whether the Board should move forward and begin to develop an implementation plan so that when the Comptroller was ready to move on this the process would have already begun. It was decided that before the Board put forth any further effort the Chairman would talk to Jon Gacjala to see where the Comptroller was on this. The Chairman will also contact Tom Loobey of the Auditor General's Office to arrange a time for the Chairman and Mike Moody, who was on the FCIAA Guidelines Task Force, to present the outline for changes that was presented to the Comptroller. It was felt that the new guidelines would probably not be in place for next year's certification process, but for the following year.

Discussion Item: Update on State Internal Audit Managers Group

Tammy Rust, Chairperson of the State Internal Audit Managers Group, recently sent out a letter asking for volunteers to assist in reforming of the Internal Audit Managers Group and in developing a mission statement, bylaws and procedures.

Discussion Item: New Business

It was noted that Elaine Hyden, Chief Internal Auditor for Southern Illinois University has been promoted to Head of Planning and Budget at the SIU.

Bob Schwarz noted that CMS is canceling the maintenance agreement on CMSmart software.

It was noted that Jeff Cooley, Chief Internal Auditor at Eastern Illinois University has been elected to the ACUA Board.

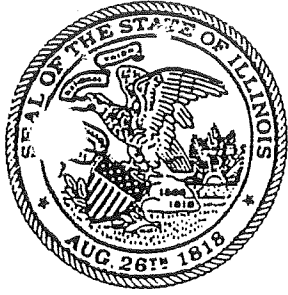
Dick Traver noted that the University of Illinois is going to fund a research proposal to do research on the neuronet and the internal audit environment. Dick Traver recently read an article on how the City of Chicago used the neuronet to trap bad cops. He will send a copy of the article to Jack Schoonover so it can be distributed when the minutes of the meeting are sent out.

Next Meeting:

The next meeting of the State Internal Audit Advisory Board will be August 13, 1996 at 9:30 a.m. at the Illinois State Museum Collection Center.

Adjournment:

Motion to adjourn was made by Bill Coons, seconded by Nancy Hilger; meeting adjourned at 10:30 a.m.



State of Illinois  
INTERNAL AUDIT ADVISORY BOARD  
320 W. Washington  
Springfield, IL 62786

---

CHAIRPERSON

John F. Schoonover, CPA  
Western Illinois University

VICE-CHAIRPERSON

C. William Coons, CFE  
Department of Professional  
Regulation

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Office of the Attorney General

Robert Schwarz  
Department of Central Management  
Services

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

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman *Jack*

DATE: August 1, 1996

RE: August Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for August 13, 1996 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street.) A copy of the draft minutes for the July meeting are attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at (309) 298-1664 or E-mail at

Jack\_Schoonover@ccmail.wiu.edu

attachments

Advisory Board:

Stan Brown	Mike Moody
John Cain	Jim Reid
Bill Coons	Bob Schwarz
Brad Hammond	Dick Traver
Nancy Hilger	Ben Zemaitis

Internal Audit Advisory Board  
August 13, 1996  
9:30 a.m.

Place: Illinois State Museum  
Collection Center  
10 1/2 Street, Springfield

Agenda:

- Call to Order 9:33
  - Roll Call
  - Minutes
    - Approval of prior minutes: July 9, 1996 ✓ BILL BOB
  - Old Business
    - ✓ Update on CMS position on job qualifications (Schwarz) ✓
    - ✓ Update on Peer Review Training (Zemaitis, Traver, Schoonover)  
FOLLOWS technique from LONG-FORM to  
SHORT FORM.
    - Update FCIAA Certification Changes (Schoonover, Coons)
  - New Business
    - FCIAA Changes (Coons)
    - Other
  - Announcements JANE & TAYLOR WILSON  
HAS LEFT AUDITING
  - Schedule Next Meeting Sept 10 / 0028
  - Adjournment 10:40 ↓  
Bob, Bill TRAINING
- Resolved INFO TECH/ERP AUDITOR
- BRAD FAXED TAMMY  
9 has not sent  
Nancy note yet  
↓  
NEXT MONTH MIKE has  
meeting this  
AFTERNOON, will  
check status

Ben - By NEXT Sept 15 - 31

Rick Wato

1-

5.12.9 10th 1 9-12

MINUTES  
STATE INTERNAL AUDIT ADVISORY BOARD  
August 13, 1996

The regular meeting of the State Internal Audit Advisory Board was held on August 13, 1996 at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Jack Schoonover called the meeting to order at 9:33 a.m. Roll call was taken and the following members were present:

Present:

Jack Schoonover, Chairman, Western Illinois University  
Bill Coons, Vice Chairman, Professional Regulation  
Mike Moody, Office of the Comptroller  
Bradley Hammond, Natural Resources  
Nancy Hilger, Commerce & Community Affairs  
Ben Zemaitis, Revenue  
John Cain, Office of the Secretary of State  
Bob Schwarz, Central Management Services  
Dick Traver, University of Illinois  
Jim Reid, Office of the Attorney General

Guest Observer:

Fred Lehrman, Housing Development Authority

Absent:

Stan Brown, Office of the Treasurer

Regular Meeting:

Chairman Schoonover asked the Board if there were any corrections to the July 9, 1996 meeting minutes. It was noted that Donna McNeeley, Internal Auditor from University of Illinois-Springfield, should be added as a guest observer. Motion to approve the minutes as amended was made by Bill Coons, seconded by Bob Schwarz; minutes unanimously approved.

Old Business:

Discussion Item: CMS position on job qualifications

There was discussion concerning job descriptions that had qualification requirements set by statute. Bob Schwarz said that CMS is planning to issue a notice stating that agencies will be responsible for adding statutory requirements to position descriptions. He noted that CMS will still review the job description. There was discussion regarding the options of the various internal audit position titles and what option an EDP auditor would qualify for. When CMS is sent a job description for a PSA, Option III (for an EDP auditor), CMS

returns it because they feel it is more of an EDP job instead of internal audit. Bob Schwarz stated that CMS is looking to the Board for direction on how to handle EDP auditor job descriptions.

Brad Hammond and Nancy Hilger will work on a proposal for the Board to send to CMS. Ben Zemaitis will send Brad and Nancy a copy of the EDP job description that Revenue uses.

Discussion Item: Peer Review Training

Ben Zemaitis reported that modifications to the software are nearing completion and should be completed by the middle of next week. There was discussion concerning the timeframe for training and whether the software needed to be reviewed and approved by the Board prior to the training session. Chairman Schoonover read the bylaws and it was found the Peer Review Committee, made up of three subcommittees: Executive, Report Acceptance and Performance, could approve the use of the software without consulting the Board.

Ben Zemaitis will send copies of the modified software to the members of the above mentioned committees (6 total) for their review and approval.

Training has been scheduled for September 10, 9 a.m., at the State Museum Collection Center. Brad Hammond will contact the members of the peer review teams previously established. Mike Moody will meet with Tammy Rust this afternoon and will inform her of the training.

Discussion Item: Update - FCIAA Certification Changes

Chairman Schoonover report that he and Vice Chairman Coons met with Tom Looby, Tom Erikson and Bruce Bullard of the Auditor General's Office to present the outline for changes to the FCIAA guidelines that the Board sent to the Comptroller. The Auditor General's office will not give an official opinion concerning the FCIAA changes. There was discussion about what, if any steps, the Board should take. Mike Moody said that he will inform the Board when he's informed that the Comptroller is ready to move forward on this issue. It was decided to wait and see what develops.

Announcements

Janet Taylor Wilson has accepted another position at the Office of Employment Security and is no longer Chief Internal Auditor.

Next Meeting:

The next meeting of the State Internal Audit Advisory Board will be October 8, 1996, 9:30 a.m. at the Illinois State Museum Collection Center.

Adjournment:

Motion to adjourn was made by Bob Schwarz, seconded by Bill Coons; meeting adjourned at 10:40 a.m.



State of Illinois  
INTERNAL AUDIT ADVISORY BOARD  
320 W. Washington  
Springfield, IL 62786

---

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Western Illinois University

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C. William Coons, CFE  
Department of Professional  
Regulation

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Office of the Secretary of State

Bradley W. Hammond  
Department of Natural Resources

Nancy Hilger, CPA  
Department of Commerce and  
Community Affairs

Michael Moody, CISA  
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James S. Reid  
Office of the Attorney General

Robert Schwarz  
Department of Central Management  
Services

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

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman

DATE: September 27, 1996

RE: October Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for October 8, 1996 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street.) A copy of the draft minutes for the July meeting are attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at (309) 298-1664 or E-mail at

Jack\_Schoonover@ccmail.wiu.edu

or call Bill Coons at 785-2188 since I will be unable to attend this meeting.

attachments

Advisory Board:	Stan Brown	Mike Moody
	John Cain	Jim Reid
	Bill Coons	Bob Schwarz
	Brad Hammond	Dick Traver
	Nancy Hilger	Ben Zemaitis



Internal Audit Advisory Board  
October 8, 1996  
9:30 a.m.

Place: Illinois State Museum  
Collection Center  
10 ½ Street, Springfield

Agenda:

- Call to Order
- Roll Call
- Minutes
  - Approval of prior minutes: August 13, 1996
- Old Business
  - Update on CMS position on job qualifications for EDP Auditor (Hammond/Hilger)
  - Review of Peer Review Training (Zemaitis/Traver)
- New Business
  - Internal Audit Workpapers & Reports/Freedom of Information
  - Moving December 10th meeting to 11th to coincide with Technology Conference (Schwarz)
  - Other
- Announcements
- Schedule Next Meeting - November 12, 1996
- Adjournment

DRAFT  
MINUTES  
STATE INTERNAL AUDIT ADVISORY BOARD  
October 8, 1996

The regular meeting of the State Internal Audit Advisory Board was held on October 8, 1996 at the Illinois State Museum Collection Center, Springfield, Illinois. Vice Chairman Bill Coons called the meeting to order at 9:30 a.m. He noted that Chairman Schoonover was absent and that he would be acting as Chairman. Roll call was taken and the following members were present:

Present:

Bill Coons, Vice Chairman, Professional Regulation  
Mike Moody, Office of the Comptroller  
Brad Hammond, Natural Resources  
Ben Zemaitis, Revenue  
John Cain, Office of the Secretary of State  
Bob Schwarz, Central Management Services  
Dick Traver, University of Illinois  
Jim Reid, Office of the Attorney General  
Stan Brown, Office of the Treasurer

Absent:

Jack Schoonover, Chairman, Western Illinois University  
Nancy Hilger, Commerce & Community Affairs

Regular Meeting:

Vice Chairman Coons asked the Board if there were any corrections to the August 13, 1996 meeting minutes. It was noted that the reference to Mike Coons (page 2) should read Mike Moody. Motion to approve the minutes as amended was made by John Cain, seconded by Dick Traver, minutes unanimously approved.

Old Business:

Discussion Item: CMS position on job qualifications for EDP Auditor

Brad Hammond reported that he and Nancy Hilger had met to discuss drafting of a job description for an EDP auditor. He noted that they did receive information from Ben Zemaitis and Bob Schwarz. He raised the question as to how the Board wanted to proceed. Did they want the job description written as an Auditor first with a DP background or should it be written for a data processing background and brought into auditing as a trainee?

Brad Hammond will contact the other auditors for code agencies and work with them to develop a generic job description for an EDP auditor.

Discussion Item: Peer Review Training

Training on the use of the new peer review software was held on September 10. Approximately 30 auditors attended. Deanna Marvin, auditor for Corrections is scheduled to conduct a peer review of Children and Family Services later this month. She will report on how the software works in the field. Dick Traver noted that if anyone had any questions on the use of the software they should contact Gloria Ring of his office at 333-0901.

New Business:

Discussion Item: Internal Audit Workpapers/Freedom of Information

Bill Coons reported that Tammy Rust, Chief Internal Auditor, State Board of Education, contacted Jack Schoonover concerning a request she received to release audit papers. Tammy questioned whether workpapers were covered under the Freedom of Information Act and wanted input from the Board. It was noted that Internal Audit standards state that workpapers shouldn't be released without management approval. It was the consensus of the Board that internal audit has met its mandate by issuing the report to the agency head or governing board. It is then up to the agency director or governing board to decide whether to release workpapers.

John Cain stated that when he feels that an audit should remain confidential he has the Secretary of State request a special audit through the Legal Division whereby client privilege might be established.

Discussion Item: Moving December 10th meeting to December 11th

Bob Schwarz stated that CMS will probably be holding their Technology Conference on December 11th. If the Conference is held on that date, he suggested that the December Board meeting be switched from the 10th to the 11th to accommodate those members from out-of-town who would like to attend the conference.

The conference date will be confirmed at the November meeting and a decision regarding the December meeting will be made at that time.

Discussion Item: Other

**Audit Managers:** Bill Coons asked if other audit managers had received the questionnaire regarding the renaming/forming of the audit managers group. Mike Moody noted that the audit managers were trying to formalize the group. There was discussion concerning whether the original intent of the group was being changed and if so how the Board felt. Mike Moody will take the Board's comments back to the audit managers group.

**Peer Review Training:** The new software will be used in upcoming peer reviews and Brad should have comments by December as to how the software was received.

Stan Brown stated that he would like to become involved in peer review and volunteered his services.

Member Reappointment: Brad Hammond noted that the Governor will reappoint the two members who were appointed to fill the recent vacancies on the Board. The reappointments will take effect in February.

Next Meeting:

The next meeting of the State Internal Audit Advisory Board will be November 11, 9:30 a.m. at the Illinois State Museum Collection Center.

Adjournment:

Motion to adjourn was made by Mike Moody, seconded by Bob Schwarz; meeting adjourned at 10:20 a.m.



State of            is  
INTERNAL AUDIT ADVISORY BOARD  
320 W. Washington  
Springfield, IL 62786

---

CHAIRPERSON

John F. Schoonover, CPA  
Western Illinois University

VICE-CHAIRPERSON

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Robert Schwarz  
Department of Central Management  
Services

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

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members  
FROM: Jack Schoonover, Chairman *Jack*  
DATE: October 28, 1996  
RE: November Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for November 12, 1996 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street.) Corrected August minutes are enclosed, as well as a copy of the draft minutes for the October meeting are attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at (309) 298-1664 or E-mail at

Jack\_Schoonover@ccmail.wiu.edu

attachments

Advisory Board:	✓ Stan Brown	Mike Moody
	John Cain	✓ Jim Reid
	✓ Bill Coons	✓ Bob Schwarz
	Brad Hammond	✓ Dick Traver
	✓ Nancy Hilger	✓ Ben Zemaitis



State of Illinois  
INTERNAL AUDIT ADVISORY BOARD  
320 W. Washington  
Springfield, IL 62786

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CHAIRPERSON

John F. Schoonover, CPA  
Western Illinois University

VICE-CHAIRPERSON

C. William Coons, CFE  
Department of Professional  
Regulation

MEMBERS

Stan Brown  
Office of the Treasurer

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

Bradley W. Hammond  
Department of Natural Resources

Nancy Hilger, CPA  
Department of Commerce and  
Community Affairs

Michael Moody, CISA  
Office of the Comptroller

James S. Reid  
Office of the Attorney General

Robert Schwarz  
Department of Central Management  
Services

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

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman *Jack*

DATE: October 28, 1996

RE: November Meeting

This is to confirm that the next meeting of the Internal Audit Advisory Board is scheduled for November 12, 1996 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 ½ Street. (Entrance is located between Laurel and Ash just east of 9th Street.) Corrected August minutes are enclosed, as well as a copy of the draft minutes for the October meeting are attached for your review.

If you have any questions regarding this meeting or if you cannot attend, please call me at (309) 298-1664 or E-mail at

Jack\_Schoonover@ccmail.wiu.edu

attachments

Advisory Board:	Stan Brown	Mike Moody
	John Cain	Jim Reid
	Bill Coons	Bob Schwarz
	Brad Hammond	Dick Traver
	Nancy Hilger	Ben Zemaitis

Internal Audit Advisory Board  
November 12, 1996  
9:30 a.m.

Place: Illinois State Museum  
Collection Center  
10 1/2 Street, Springfield

Agenda:

- Call to Order 9:35
- Roll Call
- Minutes
  - Approval of prior minutes: October 8, 1996 Bob/Dick
- Old Business
  - Update on CMS position on job qualifications for EDP Auditor (Hammond/Hilger)

- New Business  
DATE DISCUSSION OF THIS YEAR'S AUDIT FINDING.

- ✓ Moving December 10th meeting to 11th to coincide with Technology Conference (Schwarz)
  - STATUS OF PEER REVIEW PROGRAM
  - Other Election (~~Dec 10th~~) 1997 meeting site

Feb 5th  
Tech.  
CONF  
CMS  
DP/IS  
CONFERENCE  
DP MGRS  
AGENCY  
Mgmt.  
PCCC

- Announcements
- Schedule Next Meeting - December 10th or 11th, 1996  
Location - ?
- Adjournment 10:20

CALL BRAD/IF WANTS,  
I'LL MAKE  
RECOMMENDATION

EPACS  
AURBACH  
FRAVOR  
HARRIS

Applying Neutral  
Notes

Vehicle  
Audit MGRS  
Tennay

JARV  
FCIA  
change  
MOCK  
↓  
ACCT.  
CITATION

MINUTES  
STATE INTERNAL AUDIT ADVISORY BOARD  
November 12, 1996

The regular meeting of the State Internal Audit Advisory Board was held on November 12, 1996 at the Illinois State Museum Collection Center, Springfield, Illinois. Chairman Jack Schoonover called the meeting to order at 9:35 a.m. Roll call was taken and the following members were present:

Present:

Jack Schoonover, Chairman, Western Illinois University  
Bill Coons, Vice Chairman, Professional Regulation  
Nancy Hilger, Commerce & Community Affairs  
Ben Zemaitis, Revenue  
Bob Schwarz, Central Management Services  
Dick Traver, University of Illinois  
Jim Reid, Office of the Attorney General  
Stan Brown, Office of the Treasurer

Absent:

Mike Moody, Office of the Comptroller  
Brad Hammond, Natural Resources  
John Cain, Office of the Secretary of State

Regular Meeting:

Chairman Schoonover asked the Board if there were any corrections to the October 8, 1996 meeting minutes. Motion to approve the minutes was made by Bob Schwarz, seconded by Dick Traver, minutes unanimously approved.

Old Business:

Discussion Item: CMS position on job qualifications for EDP Auditor

Nancy Hilger reported that she and Brad are in the end stages of their agencies' external audit and have been unable to meet to work on the proposed job description. They hope to schedule a meeting with CMS sometime next month and will have a report for the board at the next meeting.

There was general discussion concerning ways that some agencies have been able to handle the problems associated with hiring of an EDP auditor.



New Business:

Discussion Item: Moving December 10th meeting to December 11th

Bob Schwarz reported that the Technology Conference has been scheduled for February 5, 1997. Therefore, there is no need to move the December meeting date. However, the February meeting will be rescheduled for February 5 at 1:30 p.m. at the Prairie Capitol Convention Center to accommodate those Board members from out-of-town that would like to the conference..

Discussion Item: Other

**External Audits:** There was general discussion concerning the external audits in progress and if there where any areas of major concern. None were reported.

**1997 Election of Officers:** The Chairman raised the subject of 1997 election of officers. This year's officers were elected in February and took office in March. Two board vacancies will occur in February: Nancy Hilger and Brad Hammond. Both have received reappointment packages from the Governor's Office.

There was discussion concerning how vacancies are filled. Two Board vacancies occur each year. A mechanism needs to be developed to inform the Audit Managers Group of vacancies.

**1997 Meeting Schedule:** Jewel Bishop will prepare a schedule to be posted at the Board's designated meeting place with the list of 1997 meeting dates. It was noted that the agenda for the Board meetings needs to be posted two days prior to the meeting.

**FCIAA Guidelines:** Question was raised as to the status of the Board's recommended changes to the FCIAA guidelines. Jack Schoonover will contact Mike Moody to get an update for the next meeting.

Announcements: Dick Traver will be meeting with the University Civil Service Commission. The job descriptions for auditors are being rewritten.

Dick Traver has published an article in *EDPAC* entitled "Applying Neuronet Networks in Information System Auditing." Dick Traver and his co-author will give a presentation to the Chicago Chapter of IIA on March 19, 1997.

Next Meeting:

The Board decided to cancel the December meeting. The next meeting of the State Internal Audit Advisory Board will be January 14, 1997, 9:30 a.m. at the Illinois State Museum Collection Center.

Adjournment:

Motion to adjourn was made by Bob Schwarz, seconded by Bill Coons; meeting adjourned at 10:20 a.m.

From: Jack Schoonover at SHPOST 11/27/95 1:10PM  
To: JBISHOP@DNENAIL.STATE.IL.US (BISHOP, JESSE) at Internet  
Subject: IAAB minutes

----- Message Contents -----

Jack -

As far as I can tell the minutes look great. If there's a problem, somebody else can catch it at the January meeting.

Questions -

1.) Do we have to post some sort of announcement at the PCCC for the February meeting, or is a posting at Collections Center and here good enough? The "Guide to ..." seems to say we need to post at PCCC. Therefore, how would we do that?

2.) Should the July meeting be the 8th? The 15th is the 3rd Tuesday. We have scheduled a meeting for April 8th.

3.) Is November 11th (Veteran's Day) a holiday for you? Or if so, is Veteran's Day a Monday holiday.

I'll get the meeting notice and minutes out the first of the week.

Thanks for everything and have a nice Thanksgiving.

- Jack



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University of Illinois

Benedict R. Zemaitis, CIA, CPA  
Department of Revenue

TO: Internal Audit Advisory Board Members

FROM: Jack Schoonover, Chairman *Jack*

DATE: December 2, 1996

RE: December Meeting

This is to confirm that the December meeting of the Internal Audit Advisory Board has been cancelled. The next meeting is scheduled for January 14, 1997 at 9:30 a.m. at the State Museum Collection Center. The Center is located on 10 1/2 Street. (Entrance is located between Laurel and Ash just east of 9th Street.) Draft minutes from November are enclosed for your review.

If you have any questions regarding this, please call me at (309) 298-1664 or E-mail at

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