

1 AN ACT to amend Sections 1, 2, 3 and 4 of and to add 4
2 Section 5 to "An Act relating to internal auditing in State 5
3 government", approved August 11, 1967, as amended. 52

4 Re it enacted by the People of the State of Illinois, 56
5 represented in the General Assembly:

6 Section 1. Sections 1, 2, 3 and 4 of "An Act relating to 58
7 internal auditing in State government", approved August 11, 59
8 1967, as amended, are amended, and Section 5 is added 60
9 thereto, the amended and added Sections to read as follows:

(Ch. 127, par. 136.1) 62

10 Sec. 1. All Departments of State government designated 64
11 by the Governor subject to "The Civil Administrative Code of 65
12 Illinois", the Secretary of State, the State Comptroller, the 66
13 State Treasurer, the Attorney General, the State Board of 67
14 Education, State colleges and universities, and any other 68
15 State agency designated by the Governor, shall establish a 69
16 full-time program of internal auditing.

17 The fact that an agency is not required to have a 71
18 full-time program of internal auditing does not release an 72
19 agency from its responsibility to maintain an adequate 73
20 internal control system. 74

(Ch. 127, par. 136.2) 76

21 Sec. 2. The chief executive officer of any State agency 78
22 required to have a full-time program of internal auditing 79
23 under this Act shall appoint a chief internal auditing 80
24 established under this Act shall have as its head an internal 81
25 auditor who is a certified public accountant or an auditor or 82
26 accountant with 5 years auditing experience. The chief 83
27 internal auditor shall report and who is responsible directly 84
28 to the chief executive officer of a department of State 85
29 Government, elected State official or State agency, in the 86
30 exercise of auditing activities, and shall be free of all 87
31 operational and management responsibilities which would

Secretary of the Senate
Originated in the Senate

Renee M. Wright

PUBLIC ACT 83-301

PR
mqm

1 impair the auditor's ability to make independent reviews of
2 all aspects of the agency's operations and fiscal controls.

(Ch. 127, par. 136.3)

3 Sec. 3. The chief executive officer of any State agency 9
4 required to have a full-time program of internal auditing 9
5 under this Act shall ensure that the internal auditing 9
6 program includes:

7 (a) An audit plan which identifies the individual audits 96
8 to be conducted during the year; 97

9 (b) Audits of the agency's systems of internal 99
10 accounting control and internal administrative control on a 10
11 periodic basis so that all such systems are reviewed every 2 10
12 years; 10

13 (c) Audits on a test basis of the agency's obligation, 10
14 expenditure, receipt, and use of public funds of the State 10
15 and of funds held in trust to determine whether such 10
16 activities are in accordance with applicable laws and 10
17 regulations; 10

18 (d) Audits on a test basis of grants received or made by 10
19 the agency to determine that such grants are monitored, 10
20 administered and accounted for in accordance with applicable 10
21 laws and regulations; 10

22 (e) Reviews of the design of major new electronic data 111
23 processing systems and major modifications thereto prior to 111
24 their installation to ensure these systems provide for 111
25 adequate audit trails and accountability; 111

26 (f) Special audits of the operations, procedures, 115
27 programs, electronic data processing systems, and activities 11
28 of the agency as directed by the chief executive officer of 11
29 the agency; and 11

30 (g) Any other audits necessary to maintain an adequate 11
31 program of internal auditing as required by professional 12
32 ethics and standards. 12

33 In performing his duties under this Act, Each chief 12
34 internal auditor shall, in addition to any other power or 12

PJR
mqm

1 duty authorized by law, or required by professional ethics, 11
 2 or assigned consistent with this Act, shall have the powers 12
 3 necessary to carry out the duties required by this Act. have 12
 4 the power and duty to:

5 (a) Conduct procedural audits; 12
 6 (b) Audit all appropriation accounts of the department; 13
 7 office or agency; 13
 8 (c) Audit all revenue accounts; 13
 9 (d) Pre-audit all requests for purchases; 13
 10 (e) Assist and advise in the preparation of budgets; 13
 11 (f) Report periodically to the chief executive officer 14
 12 of the Department of State government, elected State official 14
 13 or State agency on the status of the budget; 14
 14 (g) Report, at any time, to the Department of Central 14
 15 Management Services, the chief executive officer of the 14
 16 Department of State government, elected State official or 14
 17 State agency on any matter of finance or fiscal policy and 14
 18 make recommendations thereon; 14
 19 (h) Conduct all other duties and responsibilities 14
 20 accepted within the general principles of accounting as 14
 21 duties of an internal auditor.

(Ch. 127, par. 136.4) 14

22 Sec. 4. Each chief internal auditor appointed under this 15
 23 Act may consult with the Auditor General, the Department of 15
 24 Central Management Services, the Illinois Economic and Fiscal 15
 25 Commission, the Appropriations Committees of the General 15
 26 Assembly and the Bureau of the Budget on matters affecting 15
 27 his duties or responsibilities under this Act. 15

(Ch. 127, new par. 136.5) 15

28 Sec. 5. This Act shall be known and may be cited as the 16
 29 "Internal Auditing Act". 16

30 Section 2. This Act takes effect upon becoming a law. 16

APPROVED

Philip J. Cook
 President of the Senate

Michael J. Madigan
 Speaker, House of Representatives

James Thompson
 GOVERNOR

this 14th day of September, 1983 A.D.