

STATE FINANCE

AN ACT relating to internal auditing in State government.
Approved August 11, 1967. L. 1967, p. 2938.

Be it enacted by the People of the State of Illinois, re-
presented in the General Assembly:

136.1 Program of internal auditing.) S1. All Departments of State government, designated by the Governor subject to the provisions of "The Civil Administrative Code of Illinois", the Secretary of State, the Auditor of Public Accounts, the State Treasurer, the Attorney General, the Superintendent of Public Instruction and any other State agency designated by the Governor, shall establish a program of internal auditing.

Chapter 127, S1 et. seq.

136.2 Qualifications of internal auditor.) S2. Internal auditing established under this Act shall have as its head an internal auditor who is a certified public accountant or an auditor or accountant with 5 years experience and who is responsible directly to the chief executive officer of a department of State Government, elected State official or State agency, in the exercise of auditing and fiscal controls.

136.3 Powers and duties of internal auditor.) S3. In performing his duties under this Act, each internal auditor shall, in addition to any other power or duty authorized by law or required by professional ethics, have the power and duty to:

- (a) Conduct procedural audits;
- (b) Audit all appropriation accounts of the department, office or agency;
- (c) Audit all revenue accounts; -
- (d) Pre-audit all requests for purchases;
- (e) Assist and advise in the preparation of budgets;
- (f) Report periodically to the chief executive officer of the Department of State government, elected State official or State agency on the status of the budget;
- (g) Report, at any time, to the Department of Finance, the chief executive officer of the Department of State government, elected State official or State agency on any matter of finance or fiscal policy and make recommendations thereon;
- (h) Conduct all other duties and responsibilities accepted within the general principles of accounting as duties of an internal auditor.

136.4 Consultations by internal auditor.) S4. Each internal auditor appointed under this Act may consult with the Auditor General, the Department of Finance, the Department of Audits and the Illinois Budgetary Commission on matters affecting his duties or responsibilities under this Act.

ILLINOIS REVISED STATUTES

CHAPTER 127

INTERNAL AUDITING

An Act relating to internal auditing in State government. Laws 1967, p. 2938, approved and eff. Aug. 11, 1967.

136.1 Program of internal auditing

§ 1. All Departments of State government designated by the Governor subject to "The Civil Administrative Code of Illinois", the Secretary of State, the State Comptroller, the State Treasurer, the Attorney General, the State Board of Education, State colleges and universities, and any other State agency designated by the Governor, shall establish a full-time program of internal auditing.

The fact that an agency is not required to have a full-time program of internal auditing does not release an agency from its responsibility to maintain an adequate internal control system.

136.2 Appointment of internal auditor - Qualifications

§ 2. The chief executive officer of any State agency required to have a full-time program of internal auditing under this Act shall appoint a chief internal auditor who is a certified public accountant or an auditor or accountant with 5 years auditing experience. The chief internal auditor shall report directly to the chief executive officer of a State agency, in the exercise of auditing activities, and shall be free of all operational and management responsibilities which would impair the auditor's ability to make independent reviews of all aspects of the agency's operations.

136.2 Internal auditing program - Requirements

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

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

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

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

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

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

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

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

Each chief internal auditor, in addition to any other power or duty authorized by law, required by professional ethics, or assigned consistent with this Act, shall have the powers necessary to carry out the duties required by this Act.

136.4. Consultations by internal auditor

§ 4. Each chief internal auditor appointed under this Act may consult with the Auditor General, the Department of Central Management Services, the Illinois Economic and Fiscal Commission, the Appropriations Committees of the General Assembly and the Bureau of the Budget on matters affecting the duties or responsibilities under this Act.