



State of Illinois
State Internal Audit Advisory Board

SIAAB Bylaw, Article 2 Standards



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Bylaw 2.1.1 and 2.2.1– Authority and Applicability

- ▶ SIAAB promulgates Standards under authority granted by the Fiscal Control and Internal Auditing Act (30 ILCS 10/2005(f)).
- ▶ The adopted standards apply to all state agencies designated in Section 1003 (a) of the Fiscal Control and Internal Auditing Act (30 ILCS 10/1001 et. seq.).

Bylaw 2, Section III – Professional Auditing Standards

Polling Question: Which of the following have not been adopted by the SIAAB as mandatory for all designated State of Illinois Internal Audit Functions?

- International Standards for the Professional Practice of Internal Auditing (Standards)
- Definition of Internal Auditing
- Code of Ethics
- Core Principles for the Professional Practice of Internal Auditing
- Implementation Guides
- All of the above are mandatory in the State of Illinois
- I do not know
- Prefer not to answer

Bylaw 2, Section III – Guidance

Though not mandatory, SIAAB has prepared several guidance documents to assist Illinois internal auditors with fulfilling their missions in conformance with standards and laws. Adopted guidance documents include:

- SIAAB Guidance 01: Internal Audit Access to Records, Personnel and Physical Properties
- SIAAB Guidance 02: Internal Audit Independence - Interaction with Agency Head, Senior Staff and Placement within the Organizational Structure
- SIAAB Guidance 03: Internal Audit Committees in State of Illinois Government
- SIAAB Guidance 04: Internal Audit Plan Development and Amendment in State of Illinois Government
- SIAAB Guidance 05: Conforming with FCIAA and Standards in Small Audit Functions in the State of Illinois
- SIAAB Guidance 06: Pre-Implementation Reviews for non-IT Auditors in the State of Illinois
- SIAAB Guidance 07: Access and Disclosure of Engagement Records
- SIAAB Guidance 08: Internal Audit Coverage Risk Assessment and FCIAA Compliance
- SIAAB Guidance 09: Internal Assessments and Checklist

SIAAB accepts requests for guidance.

https://siaab.audits.uillinois.edu/SIAAB_Guidance/

Bylaw 2.4.1 – Code of Ethics

The IIA Code of Ethics has been adopted by SIAAB as mandatory, and is addressed in **Bylaw 2.4.1**, which requires State of Illinois Internal auditors to apply and uphold the following principles:

- **Integrity** - the integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.
- **Objectivity** - Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
- **Confidentiality** - Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
- **Competency** - Internal auditors apply the knowledge, skills, and experience needed in the performance of internal auditing services.

Bylaw 2.4.1 – Rules of Conduct

1. Integrity - Internal auditors:

- 1.1 Shall perform their work with honesty, diligence, and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organization.

2. Objectivity - Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality - Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

4. Competency - Internal auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2 Shall perform internal auditing services in accordance with the *International Standards for the Professional Practice of Internal Auditing*.
- 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.

Bylaw 2.5.1– Continuing Professional Education

Polling Question: How many hours of continuing professional education (CPE) are required of State of Illinois Internal Auditors?

- 40 hours every year, including 12 in government auditing and 2 in ethics.
- 80 hours every two years, including 24 in government auditing and 4 in ethics.
- 120 hours every three years, including 24 in government auditing and 4 in ethics.
- Continuing education is recommended but not required unless the auditor is maintaining a professional certification such as Certified Internal Auditor (CIA).
- I do not know
- Prefer not to answer

Bylaw 2.5.1 – Continuing Professional Education

SIAAB Continuing Professional Education (CPE) requirements

- ▶ 80 hours every two years, including 24 in government and 4 in ethics.
- ▶ Hours may be prorated based on full six month intervals based on hire date or valid circumstances (leave, illness, military service, etc.). CPE may not be prorated for reasons such as workload, budget, or travel constraints.
- ▶ Auditors employed on a part time or temporary basis may be exempt, as long as they are under the supervision of an auditor conformant with the CPE requirements.
- ▶ When an auditor becomes nonconformant with the CPE requirements, there is a two month grace period to make up the deficiency (i.e., prior to March 1).
- ▶ If the auditor fails to make up the deficiency within the two month grace period, they should either work under the supervision of an auditor who is conformant or disclose the nonconformance in their audit reports.

Bylaw 2.5.2 – Qualifying CPE Activity

Qualifying CPE Activities are outlined in **Bylaw 2.5.1**. SIAAB recently added two new activities as opportunities to earn CPE:

- **External Quality Assessments** - Validating an external quality assurance review to earn 5 CPE, with a limit of 10 CPE per two year cycle.
- **Professional Certifications** - Obtaining a professional certification *by examination*, to earn 10 CPE, with a limit of 20 per two year cycle.
 - The certification must be listed in **Bylaw 2.5.2**. to qualify for CPE.
 - Currently, 27 certifications are listed.
 - SIAAB will consider additional certifications upon request.

Bylaw 2.5.2 – Activities That Do Not Qualify

Activities that do not qualify for CPE hours include but are not limited to the following:

- ▶ on-the-job training;
- ▶ basic or elementary courses in subjects and topics in which the auditor already has the knowledge and skills being taught;
- ▶ programs that are designed for general personal development, such as resume writing, improving parent-child relations, personal investments and money management, and retirement planning;
- ▶ programs that demonstrate office equipment or software that is not used in conducting audits or attestation engagements;
- ▶ programs that provide training on the audit organization's administrative operations; and
- ▶ business sessions at professional organizations, conferences, conventions, and meetings that do not have a structured educational program with learning objectives.

Bylaw 2.5.3 – Recording CPE Activities

Chief Internal Auditors are responsible for maintaining documentation of the CPE hours completed by each auditor subject to CPE requirements. The records should include the following information for each CPE program or activity:

- the name of the organization providing the CPE;
- the title of the training program, including the subject matter or field of study;
- the dates attended for group programs or dates completed for individual-study programs;
- the number of CPE hours earned toward the 56-hour and 24-hour requirements;
- any reasons for specific exceptions granted to the CPE requirement; and
- evidence of completion of CPE, such as a certificate or other evidence of completion from the CPE provider for group and individual-study programs, if provided.

Required records for CPE participation shall be maintained by the Chief Internal Auditor for at least six years.