

ILLINOIS DEPARTMENT OF CENTRAL MANAGEMENT SERVICES  
CLASS SPECIFICATION

INTERNAL AUDITOR SERIES

<u>CLASS TITLE</u>	<u>POSITION CODE</u>
INTERNAL AUDITOR TRAINEE	21726
INTERNAL AUDITOR I	21721
INTERNAL AUDITOR II	21727

Effective: 4-1-18

SERIES INCLUSIONS:

The Internal Auditor class series includes professional positions responsible for the independent and formal review, analysis and evaluation of the effectiveness of an agency's statewide internal operations and controls. Such positions serve top management in an agency and report to the chief executive officer of the agency or the chief internal auditor through supervisory internal audit staff. During the internal audit process, management is provided with information regarding the agency's operational effectiveness, the areas of inefficiency and/or noncompliance with policies and regulations. Internal auditing is a function regulated by state statute\* and required by the Governor to maintain a full-time program of internal auditing. External auditing, which is achieved by internal and/or external auditing positions, is included in this series when auditors report to the chief internal auditor and when their duties include both internal and external auditing. The internal and external audit work should be coordinated to ensure adequate audit coverage and to minimize duplicate efforts.

SERIES EXCLUSIONS:

This series does not include positions which perform specialized auditing outside of the direct control and supervision of the chief internal auditor. Auditing work which is defined by other classification series such as the Financial Institution Examiners, Unemployment Insurance Auditors and Revenue Auditors is not included in the Internal Auditor series, although it is not unusual for Internal Auditors to conduct financial and compliance audits of grantee service providers. Positions in an internal audit program, which require a specialized background and expertise and are not directly involved in the entire audit process, should be considered for placement in occupationally specific classes. For example, engineers and data processing analysts may be used as technical consultants and methods and procedures advisors may be used to prepare work flow charts. Positions serving as the chief internal auditor of a major and/or complex agency or those which manage a section of five or more Internal Auditors are properly allocated to the Senior Public Service Administrator classification. The audit function is the term used to encompass all internal auditing operations and external auditing as defined above, including the staff responsible for conducting the audits and their goals and activities. The audit function is directed by the chief internal auditor of the agency.

SERIES DISCUSSION OF TERMS:

An **audit plan** is prepared annually by internal audit management and is approved by the director of the agency and/or a governing board, commission or committee. This plan identifies the unit or function to be audited and may include objectives or risks to be addressed during each audit. However, the standards do not require the plan to include specific audit objectives. The internal auditing program requires that all major systems are to be reviewed once every two years. New system designs and any major modifications of existing computer systems are to be reviewed by Internal Auditors to ensure the systems provide adequate audit trails and accountability. The **audit**

\*Audits performed by internal audit staff are conducted in compliance with standards required by the Fiscal Control and Internal Auditing Act (10 ILCS 30/2005(f)(1)).

**process** is the actual performance of the audit. The auditor examines evidence to reach conclusions about an operation under review. The **audit scope** identifies the type of audit being performed and the parameters of the audit. The types of audits are financial, compliance, economy and efficiency, effectiveness and technology. A single audit may include one or more of these audit types. Both the objectives of the audit and what is being audited distinguishes the type of audit. Financial accounts, documents and statements are audited in a financial audit to determine their accuracy, integrity and fair presentation. In a compliance audit, the auditor determines whether an entity is complying with state laws, statutory mandates, administrative rules, regulations, policies and procedures. Acquisition, control and utilization of personnel, facilities, materials and resources are evaluated during audits for economy and efficiency and can be referred to as operational or performance audits. Audits for effectiveness are normally directed at program results. The auditor's attention is directed to programs, projects and activities to measure progress, success and impact. Audits for effectiveness are often called programmatic audits. Technology audits assess management controls of information technology and evaluate if the systems are operating effectively to achieve the agency's goals. Technology audits can be performed with financial audits. For each specific audit, programs are prepared to identify the objectives of the audit, the scope and the steps taken in conducting the audit. The audit programs provide an auditor with a direction regarding the conduct of the audit and provide a written record to demonstrate that the audit was planned in accordance with the objectives of the audit and performed with accepted auditing standards using appropriate procedures designed for the audit.

Upon completion of the audit, a report is prepared to furnish a written record of the audit process. The audit report normally identifies what was done, communicates an auditor's observations and recommends corrective action when needed. These reports may include:

1. Agency operations regarding the adequacy and efficiency in achieving the agency's goals.
2. The soundness, adequacy and use of operational, including financial, controls toward the goal of effective control at a reasonable cost.
3. The reliability and integrity of reporting systems.
4. Agency operations deemed inappropriate resulting from actions by employees which are believed to be fraudulent.
5. The agency's compliance with local, state and federal statutes and regulations, agency policies, plans and procedures, and good business practices.

A major and complex agency is one ranking near the top of agencies having a chief internal auditor in the areas of annual budget, total employees, number of internal auditing staff and complexity of audits due to statutes, regulations and impact of decisions. The Internal Auditor series recognizes different levels of analytical and communication skills required to perform audits of varying complexities. These complexities within an audit program are:

1. Routine audits are of simply structured programs that utilize past audit programs. The audit procedures are straightforward and uncomplicated using basic fact gathering and research techniques and the findings and recommendations would be minor. There are few questioned costs that require only a fundamental ability for audit analysis and report writing. These audits check for basic compliance with stated procedures given by law or regulation. Simple audits are characterized by smaller organizations and dollar values, good internal controls, no prior audit problems and one contract. Typical examples are an office supply fund's pricing policies and internal controls, special audits of revolving fund expenditures and selected master contracts, travel vouchers, timekeeping procedures with attendance records, grant audits and small service providers.

2. Routine audits of complex programs would use past audit programs for the same functions and would be performed per formulated audit guidelines. The program audited is complex involving an audit trail through several divisions in an agency and their activities, records or documentation of interacting units or functions. This requires an analytical ability to interrelate the identified processing or functional weaknesses in one area of the program with control aspects of the total program. It requires perception and communication skills that, in the context of complex program interaction, clearly state the problems (and not just symptoms), the causes of these problems, the risk exposures and the recommended corrective actions. Typical examples would be the resolution of sub-grantee audits with administrative findings and routine deficiencies done annually with little or no change, an audit of more than one contract in a medium organization or an audit of several divisions in a large organization that has good controls and a good accounting system for financial and compliance audits of revolving funds.
3. Nonroutine audits of simply structured, uncomplicated programs in one area of an agency are usually required because of suspected problems in the program. The audit approach challenges most assumptions and requires an analytical ability to make creative associations of identified program weaknesses to anticipate larger uncovered risks. It also requires perception and communication skills that allow for the possibility of complex solutions and simply state the problems, the risk exposures and recommended corrective actions. Typical examples would be an audit of overtime abuse or suspected fraud or mismanagement in an agency. Each audit would require different auditing procedures.
4. Nonroutine audits of complex programs are usually required, because of known or suspected problems in programs which involve the complex interaction of several units, processes, functions and/or departments. These audits require the utmost in analytical skills that challenge all assumptions, compare challenged assumptions across programs, units or functions to anticipate larger risks and relate identified processing or functional weaknesses with all other assumptions and control aspects of the entire program. It requires perception and communication skills that can, in the context of complex program oriented operations, clearly state the problems, the causes of the problems, the risk exposures and the recommended corrective actions. Examples would include audits in new areas of large organizations with large funding amounts and/or suspected problem areas, such as fraud or mismanagement, which involves several units or divisions or even several agencies and different statutes and regulations. An Internal Auditor can be held accountable for an entire internal audit function, such as part of the audit function, an entire audit or one phase of an audit. The more comprehensive the audit responsibility is, the greater the need for a demonstrated knowledge of the agency's structure and operation, organization and independence. An auditor responsible for an entire audit has a greater responsibility than an auditor reviewing an audit process and is responsible for what was not considered, not found and not included in the audit report and carries the ultimate responsibility regarding the effectiveness and success of the internal audit function. Erroneous audit facts discredit the quality of the audit findings and failure to note or properly explain significant findings could result in financial losses, program inefficiencies or costly litigation.

INTERNAL AUDITOR TRAINEE

POSITION CODE: 21726

**DISTINGUISHING FEATURES OF WORK:**

Under direct supervision, for a period of up to 12 months, participates in an agency sponsored internal audit training program; receives formal and/or on-the-job training assignments to acquire knowledge of auditing techniques and procedures for the review, analysis and evaluation of the effectiveness of an agency's statewide internal operations and controls; learns to conduct simple audits or sections of complex internal audits and/or external audits of an agency's programs to determine compliance with audit programs; learns to prepare audit reports for supervisor review that provide details of the audit's findings, deficiencies and recommendations for corrections learns to provide management with information as to the agency's operational effectiveness and to recommend corrective controls in areas of inefficiency and noncompliance with policies and regulations; travels to audit sites with other audit staff to perform assigned tasks; participates in continuing professional education.

**ILLUSTRATIVE EXAMPLES OF WORK:**

1. Receives work assignments to develop the knowledge and skills necessary to perform financial, compliance, operational, performance, programmatic and/or technology reviews and audits of the systems, processes and services of agencies under review to determine if state laws, statutory mandates, administrative rules, regulations, policies and procedures are being efficiently and economically administered and if program requirements and objectives are being effectively fulfilled; attends and participates in training seminars relative to internal auditing procedures and operational analysis; receives training to develop research techniques and prepare reports and presentations for supervisor review; utilizes software programs and other technology to perform audits; participates in a variety of auditing assignments to enhance skills and knowledge and to gain proficiency in computer applications and technology audits and/or basic internal audits.
2. Receives work assignments designed to develop the knowledge, understanding and practical skills of internal auditing by preparing detailed reports, summaries, audit questions, audit programs and supporting documents; gains knowledge of applicable state laws, statutory mandates, administrative rules, policies, procedures, regulations and any other requirements; performs audit assignments of increasing difficulty to gain knowledge and experience in applying all applicable laws, statutory mandates, rules, regulations, policies and procedures to audit assignments and to develop auditing skills in various operational functions.
3. Conducts a preliminary review of the audited agency's functions, technology and programs; travels to audit sites with other staff to receive training in performing audits to achieve the skills necessary to conduct audit field work and follow-up interviews and to provide technical assistance to audited agency representatives; develops documentation of risk assessments, audit tests and statistical and non-statistical samples and analyzes all relevant data and prepares a summary of the criteria; participates in entrance and exit conferences, meetings and briefings with other agency staff.

INTERNAL AUDITOR TRAINEE (continued)

4. Receives training to prepare and organize various work documents, including electronic documents to support an audit's findings and any control recommendations and to facilitate easy reference; provides to other staff explanations and information from audit work documents including electronic documents as required.
5. Receives training to review an audited agency's comments and incorporate these responses into the final report; participates in follow-up activities to determine the status of implemented corrective recommendations to determine if the implementation has achieved the intent of the recommendation.
6. Participates in continuing professional education, such as completing requirements for the Certified Internal Auditor, the Certified Public Accountant or the Certified Information Systems Auditor.
7. Attends and completes all training classes provided by the agency; reviews and studies publications pertaining to the internal audit profession to enhance knowledge of auditing concepts; attends and participates in staff meetings, conferences, workshops and any other work activities that provide learning experiences regarding auditing practices and procedures.
8. Performs other duties as required or assigned, which are reasonably within the scope of the duties enumerated above.

DESIRABLE REQUIREMENTS:

Education and Experience

General Option: Requires a bachelor's degree with coursework in accounting, auditing, business management, public administration, economics, computer science or other related subjects.

Accounting Option: Requires a bachelor's degree in the field of accounting, fiscal administration or finance.

This class is included as an Upward Mobility Program credential title.

Knowledge, Skills and Abilities

Requires elementary knowledge of auditing theories and procedures.

Requires elementary knowledge of the agency's programs, policies and regulations.

Requires elementary knowledge of management principles and techniques, including organization, management, program accountability, governmental operations and systems analysis.

Requires elementary knowledge of the functions of state government.

Requires elementary knowledge of current technology utilized in the workplace.

Requires ability to learn and apply state laws, statutory mandates, administrative rules, regulations, policies and procedures when auditing an agency's functions and programs.

Requires ability to perform duties in a professional, efficient and ethical manner and to maintain the confidentiality of the information gathered during an audit.

Requires ability to prepare all auditing documentation and written reports.

INTERNAL AUDITOR TRAINEE (continued)

Requires ability to understand and to follow oral and written instructions.

Requires ability to develop and maintain satisfactory working relationships with other agency staff and representatives of agencies under review.

Requires ability to learn to develop routine and non-routine audit programs of operational, compliance and financial audits.

Requires ability to learn to prepare for, attend and conduct entrance conferences to outline audit plans with agency personnel and to attend exit conferences to participate in the discussion of audit findings prior to the issuance of the final report.

Requires ability to learn to rationally assess and evaluate programs of an operational and procedural nature.

Requires ability to learn to note deficiencies in control procedures and to suggest corrective action.

Requires ability to learn to document and support audit findings and recommendations.

Requires a valid appropriate driver's license and the ability to travel to audit sites, which may require overnight stays away from the primary work location to perform assigned tasks.

In addition to having English verbal and written skills, candidates may be required to speak and write a language other than English at a colloquial skill level. Some positions may require candidates to possess specific communication skills, such as reading Braille, performing sign language or other forms of manual communication.

INTERNAL AUDITOR I

POSITION CODE: 21721

DISTINGUISHING FEATURES OF WORK:

Under general supervision, independently conducts internal and/or external audits of simple and routine programs including financial, operational, performance, programmatic, technology and/or compliance according to approved audit programs; completes specific phases of complex audits utilizing current auditing and various other computer programs; assists in compiling and analyzing audit data and prepares audit reports by summarizing the work performed, detailing the findings and deficiencies and developing recommendations for correcting those deficiencies; participates in entrance and exit conferences, meetings and briefings with other agency staff throughout the duration of assigned audits; participates in continuing professional education; travels to audits sites to perform assigned tasks.

ILLUSTRATIVE EXAMPLES OF WORK:

1. Researches and identifies all applicable state laws, administrative rules, statutory mandates, regulations, policies and procedures for each audit; conducts a preliminary review of an audited agency's functions, technology and programs; identifies problem areas and prepares audit questions for the audited agency's representatives; prepares for and conducts entrance conferences for assigned audits to discuss the details and outline the scope of the audit with other agency staff.
2. Travels to audits sites to independently conduct financial, compliance, operational, performance, programmatic and/or technology audits to determine if all laws, rules, statutory mandates, policies, procedures and program requirements are being efficiently and effectively implemented; assists audit team during large audits by compiling and analyzing data to conduct sample analytical reviews and utilizing various auditing and computer programs to verify the accuracy of records, to ensure compliance of agency activities with current fiscal and legal requirements and to identify managerial and administrative problems and/or weaknesses.
3. Plans and writes audit programs for assigned audits or audit segments; prepares work documents including electronic documents, supporting schedules and materials and preliminary and final audit reports that describe the audit results, the recommended improvements in accounting and operational methods and any corrective actions or revised internal control procedures; documents audit tests and statistical and non-statistical samples.
4. Applies current audit and analytical techniques in assessing risks and evaluating an agency's accounting and technology systems and management controls; analyzes organizational structure to determine the lines of authority, the span of control and the deficiencies in control procedures.
5. Prepares and organizes audit reports to present at exit conferences and attends exit conferences with other agency staff and the audited agency's representatives; prepares and organizes all work documents including electronic documents for supervisory review detailing the audit's findings and control recommendations and provides explanations and information to other staff from audit documents as required.

INTERNAL AUDITOR I (continued)

6. Reviews an audited agency's comments and incorporates those comments into the final report; participates in follow-up activities to determine if recommendations have been implemented and to provide technical assistance when needed; reviews the audited agency's reports to determine if the implementation has achieved the intent of the recommendation.
7. Participates in agency training seminars and continuing professional education, such as completing requirements for the Certified Internal Auditor, the Certified Public Accountant or the Certified Information Systems Auditor; attends and participates in meetings, conferences, workshops and other work activities that provide learning experiences relating to audit practices and procedures; reviews and studies current publications to enhance knowledge of professional auditing concepts.
8. Performs other duties as required or assigned, which are reasonably within the scope of the duties enumerated above.

DESIRABLE REQUIREMENTS:

Education and Experience

Requires a bachelor's degree, with coursework in auditing, business management, public administration, economics, computer science, accounting or other related subjects. Requires completion of an agency's Internal Auditor Trainee program; or requires two years of professional auditing experience.

Knowledge, Skills and Abilities

Requires working knowledge of auditing theories and procedures.

Requires working knowledge of the agency's programs, policies and regulations.

Requires working knowledge of management principles and techniques, including organization, management, program accountability, governmental operations and systems analysis.

Requires working knowledge of the functions of state government.

Requires working knowledge of applicable state laws, administrative rules, statutory mandates, regulations, policies and procedures when auditing an agency's functions and programs.

Requires working knowledge of current auditing and various other computer programs.

Requires ability to maintain effective working relationships with other agency staff and representatives of agencies under review.

Requires ability to perform duties in a professional, efficient and ethical manner and to maintain the confidentiality of the information gathered during an audit.

Requires ability to develop routine and non-routine audit programs of operational, compliance and financial audits and to prepare audit documents and reports.

Requires ability to prepare for, attend and conduct entrance conferences, to outline audit plans with agency personnel, to attend exit conferences and to participate in the discussion of audit findings prior to the issuance of the final report.

Requires ability to rationally assess and evaluate programs of an operational and procedural nature.

INTERNAL AUDITOR I (continued)

Requires ability to note deficiencies in control procedures and to suggest corrective action.

Requires ability to document and support audit findings and recommendations.

May require completion of the Certified Internal Auditor, Certified Public Accountant or the Certified Information Systems Auditor as designated by the agency's senior management.

Requires a valid appropriate driver's license and ability to travel to audit sites, which may require overnight stays away from the primary work location to perform assigned tasks.

In addition to having English verbal and written skills, candidates may be required to speak and write a language other than English at a colloquial skill level. Some positions may require candidates to possess specific communication skills, such as reading Braille, performing sign language or other forms of manual communication.

INTERNAL AUDITOR II

POSITION CODE: 21727

**DISTINGUISHING FEATURES OF WORK:**

Under direction, independently conducts complex, non-routine risk-based audits in all areas of an agency's operational, financial, administrative, compliance and technology programs by assessing the effectiveness of controls, the accuracy of financial records and the efficiency of operations; serves as a senior auditor to an internal auditing team by preparing comprehensive audit programs, recommending and detailing the duration, scope and purpose of an audit and monitoring the progress of all staff audits; directs audit entrance and exit conferences, meetings and briefings; serves as technical advisor to agency staff and an audited agency's representatives; participates in follow-up activities for assigned and/or staff audits; prepares and submits to supervisor each assigned audit's preliminary and final reports and reviews staff audit reports; conducts special projects as required; participates in continuing professional education; travels to audit sites to perform assigned tasks; may function as a lead worker to lower level auditors.

**ILLUSTRATIVE EXAMPLES OF WORK:**

1. Researches and identifies all applicable state laws, administrative rules, statutory mandates, regulations, policies and procedures for each audit; conducts a preliminary review of an audited agency's functions, technology and programs; analyzes complex data to obtain samples for analytical reviews utilizing current auditing and various computer programs; travels to audit sites to independently conduct financial, compliance, operational, performance, programmatic and/or technology audits; examines and evaluates an agency's complex system of accounting, technology and management controls to prevent or detect deficiencies, to identify needed improvements in procedures and techniques, to determine the reliability and adequacy of the fiscal and operational controls and existing policies and to determine if all laws, rules, regulations, statutory mandates, policies, procedures and program requirements are being efficiently and effectively implemented; determines the objectives and goals and identifies the scope, tests and procedures necessary to perform an audit; provides explanations and information from work documents including electronic documents as required.
2. Serves as lead worker by assigning audits to lower level internal auditing staff; provides guidance and training to assigned staff; monitors daily work progress, addresses problem areas and reviews the findings, documentation and reports for completeness, accuracy and compliance with all applicable state laws, administrative rules and regulations and current agency policies and procedures; advises supervisor of staff work performance.
3. As senior auditor, plans and develops audit programs and procedures for all audits that consider previous work documents, current policies, procedures, laws, rules and regulations and explains the overall objectives; serves as technical advisor to other agency staff and to an audited agency's representatives regarding the audit process; directs audit entrance and exit conferences, meetings and briefings with other agency staff and the audited agency's representatives to discuss internal audit results and compliance issues; coordinates the work activities of external auditors and provides guidance when needed.

INTERNAL AUDITOR II (continued)

4. Consults with supervisor during an audit regarding changes to the audit program, problems which have occurred and the progress of the audit; participates in follow-up activities for assigned audits or subordinate staff audits that involve significant findings from previous audits to determine if corrective actions have been implemented and if the implementation has achieved the intent of the recommendation.
5. Prepares reports for assigned audits to present at exit conferences that detail the audit's findings, compliance with all laws, rules, mandates, policies and procedures and any internal controls, accounting methods or procedure recommendations to explain the report's contents; reviews an audited agency's comments and incorporates those comments into the final report.
6. Conducts special research projects for supervisor or performs technical audits to develop knowledge as a subject matter expert when required; collaborates with other staff to develop new concepts to standardize audits and/or reviews and to increase the agency's auditing efficiency and effectiveness.
7. Attends and completes agency training seminars; attends and participates in meetings, conferences, workshops and other work activities that provide learning experiences related to auditing concepts; participates in continuing professional education.
8. Performs other duties as required or assigned, which are reasonably within the scope of the duties enumerated above.

DESIRABLE REQUIREMENTS:

Education and Experience

Requires a bachelor's degree with coursework in accounting, auditing, business management, computer science, economics, public administration or other related subjects.

Requires four years of professional auditing experience; or requires three years of professional auditing experience plus completion of one of the following certifications: Certified Internal Auditor, Certified Public Accountant or Certified Information Systems Auditor.

Knowledge, Skills and Abilities

Requires extensive knowledge of professional auditing theories and procedures.

Requires extensive knowledge of management principles and techniques, including organization, program accountability, governmental operations and systems analysis.

Requires extensive knowledge of the functions of state government, the agency's policies and procedures, and the state laws, administrative rules, statutory mandates and regulations relating to the auditing profession.

Requires extensive knowledge of current auditing and various other technology and computer applications that are utilized in the auditing profession.

Requires ability to develop an internal audit program for an agency's accounting, management or internal control system, which includes the audit's objectives, scope and necessary tests.

Requires ability to analyze computer data, computations and comprehensive reports.

INTERNAL AUDITOR II (continued)

Requires ability to prepare for and conduct entrance conferences, to outline the audit scope with agency staff and representatives of an audited agency, and to participate in exit conferences to discuss audit findings prior to the issuance of the final audit report.

Requires ability to evaluate internal controls to identify strengths and weaknesses and to propose corrective actions designed to strengthen controls and operations.

Requires ability to perform duties in a professional, efficient and ethical manner and to maintain the confidentiality of the information gathered during an audit.

Requires ability to prepare clear and concise audit reports, which includes the findings, all supporting documentation and any corrective recommendations.

Requires ability to rationally analyze, assess, evaluate and solve problems of a difficult procedural, organizational, administrative and technical nature.

Requires ability to monitor and direct lower level staff in performing routine or portions of complex audits.

May require ability to assist in the development of new or improved methods and procedures for evaluating agency internal audit program activities and operations.

Requires a valid appropriate driver's license and ability to travel to audit sites, which may require overnight stays away from the primary work location to perform assigned tasks.

In addition to having English verbal and written skills, candidates may be required to speak and write a language other than English at a colloquial skill level. Some positions may require candidates to possess specific communication skills, such as reading Braille, performing sign language or other forms of manual communication.