

HB4589



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4589

by Rep. Tony McCombie

SYNOPSIS AS INTRODUCED:

205 ILCS 205/9014
205 ILCS 205/9004 rep.

from Ch. 17, par. 7309-14

Amends the Savings Bank Act. Provides that a savings bank shall have its books, records, and accounts examined at least once every 18 months (rather than at least once in each year) in the same manner as a State Bank (rather than be audited by an independent licensed public accountant not connected with the savings bank). Removes requirements concerning an annual audit. Effective immediately.

LRB100 18278 XWW 33482 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Savings Bank Act is amended by changing
5 Section 9014 as follows:

6 (205 ILCS 205/9014) (from Ch. 17, par. 7309-14)

7 Sec. 9014. Examination ~~Annual audit.~~ ~~(a)~~ At least once
8 every 18 months, ~~in each year, but in no case more than 12~~
9 ~~months~~ after the last examination ~~audit~~ conducted pursuant to
10 this Section, or more often if it is necessary or expedient, it
11 shall be mandatory for each savings bank to have ~~cause~~ its
12 books, records, and accounts examined in the same manner as a
13 State bank under the Illinois Banking Act ~~to be audited by an~~
14 ~~independent licensed public accountant not connected with the~~
15 ~~savings bank. This audit must produce a certified financial~~
16 ~~statement. The Commissioner may prescribe the scope of the~~
17 ~~audit within generally accepted auditing standards.~~

18 ~~(b) The report of the audit shall be given to a committee~~
19 ~~composed of not fewer than 3 members of the board of directors,~~
20 ~~a majority of whom may not be an officer, employee, or agent of~~
21 ~~the savings bank, and the committee shall, at the meeting of~~
22 ~~the board of directors following receipt of the report, present~~
23 ~~in detail the nature, extent, and result of the report. A~~

1 ~~written summary of the committee's presentation, including a~~
2 ~~detailed listing of all criticisms made by the accountant~~
3 ~~conducting the audit and any responses thereto made by any~~
4 ~~member of the board of directors or any officer of the savings~~
5 ~~bank, shall be sent by registered mail to all members of the~~
6 ~~board of directors not present at the meeting at which the~~
7 ~~committee made its presentation.~~

8 ~~(c) A copy of the audit report, including a balance sheet~~
9 ~~of the savings bank on the date of the audit and a statement of~~
10 ~~income and expenses of the savings bank during the year ending~~
11 ~~with the date of the audit and, if and when such is used, a copy~~
12 ~~of any written summary prepared for absent members of the board~~
13 ~~of directors shall be filed with the Commissioner by the~~
14 ~~committee receiving the report within 90 days of the audit~~
15 ~~date; except that the Commissioner may, for good cause shown,~~
16 ~~extend the filing date for up to 60 additional days.~~

17 ~~(d) The report filed with the Commissioner shall be~~
18 ~~certified by the independent licensed public accountant~~
19 ~~conducting the audit. If any savings bank required to make an~~
20 ~~audit shall fail to cause an audit to be made, the Commissioner~~
21 ~~shall cause the audit to be made by an independent licensed~~
22 ~~public accountant at the savings bank's expense. In lieu of the~~
23 ~~audit required by this Section, the Commissioner may accept any~~
24 ~~audit or financial statement or portion thereof made~~
25 ~~exclusively for or in accordance and in compliance with~~
26 ~~regulations adopted by the Federal Deposit Insurance~~

1 ~~Corporation.~~

2 ~~(c) A savings bank holding company shall cause its books~~
3 ~~and records to be audited at least once annually by an~~
4 ~~independent licensed public accountant. A copy of the~~
5 ~~independent licensed public accountant's report, along with~~
6 ~~all supporting documentation, shall be filed with the~~
7 ~~Commissioner. The report of audit shall be on a consolidated~~
8 ~~basis unless, in the auditor's opinion, certain subsidiaries or~~
9 ~~parent entities should be reported separately. If separate~~
10 ~~reports are prepared, they shall be prepared on the same basis~~
11 ~~as the report on the holding company.~~

12 (Source: P.A. 89-320, eff. 1-1-96; 90-301, eff. 8-1-97.)

13 (205 ILCS 205/9004 rep.)

14 Section 10. The Savings Bank Act is amended by repealing
15 Section 9004.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.