HB3980

LRB09611690RCE22370b

96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3980

Introduced 2/26/2009, by Rep. Fred Crespo

SYNOPSIS AS INTRODUCED:

30 ILCS 5/1-14 from Ch. 15, par. 301-14
30 ILCS 5/3-20 new

Amends the Illinois State Auditing Act. Provides that if, in conducting a performance audit, which includes a program audit and a management or economy and efficiency audit, the Auditor General determines that an assessment of specified performance factors indicates a significant deficiency in program performance, the Auditor General, with the concurrence of the Joint Committee on Administrative Rules, may impose and collect an administrative fine upon each officer and employee responsible for that deficiency. Further provides that a fine may not exceed $50,000 per individual per program found to be deficient; that the Auditor General shall follow the provisions of Article 10 (Administrative Hearings) of the Illinois Administrative Procedure Act to the extent applicable; and that any fine so imposed is a personal liability of the officer or employee and shall not be reimbursed by the State or any other governmental entity.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning finance.

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

Section 5. The Illinois State Auditing Act is amended by changing Section 1-14 and by adding Section 3-20 as follows:

(30 ILCS 5/1-14) (from Ch. 15, par. 301-14)

Sec. 1-14. Performance audit. "Performance audit" means an objective and systematic examination of evidence in order to provide an independent assessment of the performance and management of a program against objective criteria. Performance audits provide information to improve program operations and facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and improve public accountability.

Performance audits include management audits, which are also called economy and efficiency audits, and program audits. A program audit addresses the effectiveness of a program and typically measures the extent to which a program is achieving its goals and objectives. An economy and efficiency audit concerns whether an agency is acquiring, protecting, and using its resources in the most productive manner to achieve program objectives. Program audits and economy and efficiency audits may include an assessment of <u>one or more of the following</u>

factors:

(1) the extent to which legislative, regulatory, or organizational goals and objectives are being achieved;

(2) the relative ability of alternative approaches to yield better program performance or eliminate factors that inhibit program effectiveness;

(3) the relative cost and benefits or cost effectiveness of program performance;

(4) whether a program produced intended results or produced effects that were not intended by the program's objectives;

(5) the extent to which programs duplicate, overlap, or conflict with other related programs;

(6) whether the audited entity is following sound procurement practices;

(7) the validity and reliability of performance measures concerning program effectiveness and results or economy and efficiency; and

(8) the reliability, validity, or relevance of financial information related to the performance of a program.

Performance audits may also encompass objectives related to internal control and compliance with legal or other requirements. Performance audits are to be performed in accordance with generally accepted government auditing standards (GAGAS) current at the time the audit is commenced.

(Source: P.A. 93-630, eff. 12-23-03.)

(30 ILCS 5/3-20 new)

Sec. 3-20. Performance audits; program deficiency fines. If, in conducting a performance audit, which includes a program audit and a management or economy and efficiency audit, the Auditor General determines that an assessment of factors set forth in Section 1-14 indicates a significant deficiency in program performance, the Auditor General, with the concurrence of the Joint Committee on Administrative Rules, may impose and collect an administrative fine upon each officer and employee responsible for that deficiency. A fine may not exceed $50,000 per individual per program found to be deficient. The Auditor General shall follow the provisions of Article 10 (Administrative Hearings) of the Illinois Administrative Procedure Act to the extent applicable. Any fine so imposed is a personal liability of the officer or employee and shall not be reimbursed by the State or any other governmental entity.