

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the
5 Financial Reporting Standards Board Act.

6 Section 5. Definitions. As used in this Act:

7 "Board" means the Financial Reporting Standards Board
8 created under Section 10 of this Act.

9 "CAFR" means the Comprehensive Annual Financial Report
10 required under Section 19.5 of the State Comptroller Act.

11 "Comptroller" means the Comptroller of the State of
12 Illinois.

13 "GAAP Coordinator" means a designated representative,
14 employed by a State agency or component unit of the State, who
15 is responsible for submission to the Office of the Comptroller
16 all required documentation, as determined by the Office of the
17 Comptroller, necessary for the preparation of the
18 Comprehensive Annual Financial Report.

19 "Internal auditor" means an auditor employed by a State
20 agency under the Fiscal Control and Internal Auditing Act.

21 "Licensed Certified Public Accountant" has the meaning
22 provided in Section 0.03 of the Illinois Public Accounting Act.

23 "Registered Certified Public Accountant" has the meaning

1 provided in Section 0.03 of the Illinois Public Accounting Act.

2 "State agency" means all departments, officers,
3 commissions, boards, authorities, institutions, universities,
4 foundations, and bodies politic and corporate of the State that
5 are required to submit financial reporting information to the
6 Office of the Auditor General, the Office of the Comptroller,
7 or the federal government. "State agency" does not include the
8 legislative branch or judicial branch.

9 Section 10. Financial Reporting Standards Board; creation.

10 (a) There is created the Financial Reporting Standards
11 Board. The Board shall assist the State in improving the
12 timeliness, quality, and processing of financial reporting for
13 the State.

14 (b) The Board shall consist of 3 members appointed by the
15 Comptroller and 3 members appointed by the Governor, all with
16 the advice and consent of the Senate.

17 (c) At least one member appointed by the Comptroller and at
18 least one member appointed by the Governor shall be a licensed
19 or registered Certified Public Accountant. Any member who is
20 not a licensed or registered Certified Public Accountant shall
21 have relevant experience in business, government accounting,
22 or finance.

23 (d) Of the initial members appointed to the Board: one
24 member appointed by the Comptroller and one member appointed by
25 the Governor shall be appointed for a 2-year term; one member

1 appointed by the Comptroller and one member appointed by the
2 Governor shall be appointed for a 3-year term; and one member
3 appointed by the Comptroller and one member appointed by the
4 Governor shall be appointed for a 4-year term. Those members
5 may be reappointed for 4-year terms. Their successors shall be
6 appointed for 4-year terms and may be reappointed. A vacancy on
7 the Board shall be filled for the remainder of the unexpired
8 term, in the same manner and by the same officer who made the
9 original appointment.

10 (e) The Comptroller and the Governor shall each designate
11 one of their appointed members as co-chairperson of the Board.

12 (f) The Board shall meet at least 2 times each year and at
13 other times at the call of the chairpersons. Meetings of the
14 Board shall be subject to the provisions of the Open Meetings
15 Act.

16 (g) The members of the Board shall serve without
17 compensation, but may be reimbursed for expenses.

18 Section 15. Powers. The Board has the following powers:

19 (1) to have a corporate seal, and to alter that seal at
20 pleasure, and to use it by causing it or a facsimile to be
21 affixed or impressed or reproduced in any other manner;

22 (2) to use the services of the Office of the
23 Comptroller and the Office of the Governor to carry out the
24 Board's purposes, subject to the approval of the respective
25 office;

1 (3) to assist State agencies with being timely and
2 accurate in the processing of financial reporting for the
3 State by:

4 (A) establishing minimum qualifications for all
5 new GAAP Coordinators, in cooperation with the
6 Comptroller's Division of Financial Reporting;

7 (B) establishing minimum training requirements for
8 GAAP Coordinators, in cooperation with the
9 Comptroller's Division of Financial Reporting;

10 (C) establishing continuing education requirements
11 for GAAP Coordinators, in cooperation with the
12 Comptroller's Division of Financial Reporting;

13 (D) establishing best practice guidelines for GAAP
14 package submissions, in cooperation with the
15 Comptroller's Division of Financial Reporting; and

16 (E) providing assistance during the GAAP cycle, in
17 cooperation with the Comptroller's Financial Reporting
18 Division and the Governor's Office of Management and
19 Budget;

20 (4) to make available to the Comptroller or Governor
21 any information related to the processing of financial
22 reports that the Board may deem necessary to enable it
23 effectively to carry out the provisions of this Act;

24 (5) to promulgate rules with respect to its operations
25 as may be necessary to carry out the purposes of this Act,
26 subject to the provisions of the Illinois Administrative

1 Procedure Act;

2 (6) to consult with other states and private businesses
3 that have successfully modernized and streamlined their
4 financial reporting systems;

5 (7) to use current State resources that are already
6 available inside of State government, and to use current
7 financial reporting principles and practices, including,
8 but not limited to, principles and practices of the Auditor
9 General and the Comptroller; and

10 (8) to participate in the development of a statewide
11 GAAP-compliant financial reporting system.

12 Section 20. Audits.

13 (a) The Internal Auditor of every State agency that submits
14 a GAAP package must submit an annual audit of its GAAP and
15 financial statement process, if applicable, to the Board.

16 (b) The Board shall review all information submitted and
17 may prepare a report for the Comptroller and the Governor.

18 Section 25. Responsibilities of other parties.

19 (a) The Comptroller's Division of Financial Reporting, in
20 cooperation with the Governor's Office of Management and
21 Budget, shall assist State agencies during the GAAP process and
22 shall review GAAP packages and preparation of the CAFR.

23 (b) The Comptroller's Division of Financial Reporting and
24 the Governor's Office of Management and Budget shall cooperate

1 with the Board in the following matters:

2 (1) the development of a GAAP training program for
3 State agencies;

4 (2) the development of continuing education for
5 employees of State agencies; and

6 (3) the development of detailed standards for GAAP
7 reporting by State agencies.

8 (c) State agencies must adhere to the Board's guidance in
9 regards to GAAP package processing and maintaining minimum
10 standards for qualifications, training, and education for GAAP
11 Coordinators.

12 Section 30. Cooperation. All State agencies must render
13 full cooperation to the Board and its employees, consistent
14 with and subject to all otherwise applicable laws, regulations,
15 rules and contractual obligations, including collective
16 bargaining agreements, and budget constraints of the agencies.

17 Section 90. Repeal. This Act is repealed on June 30, 2016.

18 Section 100. The Personnel Code is amended by changing
19 Section 4c as follows:

20 (20 ILCS 415/4c) (from Ch. 127, par. 63b104c)

21 Sec. 4c. General exemptions. The following positions in
22 State service shall be exempt from jurisdictions A, B, and C,

1 unless the jurisdictions shall be extended as provided in this
2 Act:

3 (1) All officers elected by the people.

4 (2) All positions under the Lieutenant Governor,
5 Secretary of State, State Treasurer, State Comptroller,
6 State Board of Education, Clerk of the Supreme Court,
7 Attorney General, and State Board of Elections.

8 (3) Judges, and officers and employees of the courts,
9 and notaries public.

10 (4) All officers and employees of the Illinois General
11 Assembly, all employees of legislative commissions, all
12 officers and employees of the Illinois Legislative
13 Reference Bureau, the Legislative Research Unit, and the
14 Legislative Printing Unit.

15 (5) All positions in the Illinois National Guard and
16 Illinois State Guard, paid from federal funds or positions
17 in the State Military Service filled by enlistment and paid
18 from State funds.

19 (6) All employees of the Governor at the executive
20 mansion and on his immediate personal staff.

21 (7) Directors of Departments, the Adjutant General,
22 the Assistant Adjutant General, the Director of the
23 Illinois Emergency Management Agency, members of boards
24 and commissions, and all other positions appointed by the
25 Governor by and with the consent of the Senate.

26 (8) The presidents, other principal administrative

1 officers, and teaching, research and extension faculties
2 of Chicago State University, Eastern Illinois University,
3 Governors State University, Illinois State University,
4 Northeastern Illinois University, Northern Illinois
5 University, Western Illinois University, the Illinois
6 Community College Board, Southern Illinois University,
7 Illinois Board of Higher Education, University of
8 Illinois, State Universities Civil Service System,
9 University Retirement System of Illinois, and the
10 administrative officers and scientific and technical staff
11 of the Illinois State Museum.

12 (9) All other employees except the presidents, other
13 principal administrative officers, and teaching, research
14 and extension faculties of the universities under the
15 jurisdiction of the Board of Regents and the colleges and
16 universities under the jurisdiction of the Board of
17 Governors of State Colleges and Universities, Illinois
18 Community College Board, Southern Illinois University,
19 Illinois Board of Higher Education, Board of Governors of
20 State Colleges and Universities, the Board of Regents,
21 University of Illinois, State Universities Civil Service
22 System, University Retirement System of Illinois, so long
23 as these are subject to the provisions of the State
24 Universities Civil Service Act.

25 (10) The State Police so long as they are subject to
26 the merit provisions of the State Police Act.

1 (11) (Blank).

2 (12) The technical and engineering staffs of the
3 Department of Transportation, the Department of Nuclear
4 Safety, the Pollution Control Board, and the Illinois
5 Commerce Commission, and the technical and engineering
6 staff providing architectural and engineering services in
7 the Department of Central Management Services.

8 (13) All employees of the Illinois State Toll Highway
9 Authority.

10 (14) The Secretary of the Illinois Workers'
11 Compensation Commission.

12 (15) All persons who are appointed or employed by the
13 Director of Insurance under authority of Section 202 of the
14 Illinois Insurance Code to assist the Director of Insurance
15 in discharging his responsibilities relating to the
16 rehabilitation, liquidation, conservation, and dissolution
17 of companies that are subject to the jurisdiction of the
18 Illinois Insurance Code.

19 (16) All employees of the St. Louis Metropolitan Area
20 Airport Authority.

21 (17) All investment officers employed by the Illinois
22 State Board of Investment.

23 (18) Employees of the Illinois Young Adult
24 Conservation Corps program, administered by the Illinois
25 Department of Natural Resources, authorized grantee under
26 Title VIII of the Comprehensive Employment and Training Act

1 of 1973, 29 USC 993.

2 (19) Seasonal employees of the Department of
3 Agriculture for the operation of the Illinois State Fair
4 and the DuQuoin State Fair, no one person receiving more
5 than 29 days of such employment in any calendar year.

6 (20) All "temporary" employees hired under the
7 Department of Natural Resources' Illinois Conservation
8 Service, a youth employment program that hires young people
9 to work in State parks for a period of one year or less.

10 (21) All hearing officers of the Human Rights
11 Commission.

12 (22) All employees of the Illinois Mathematics and
13 Science Academy.

14 (23) All employees of the Kankakee River Valley Area
15 Airport Authority.

16 (24) The commissioners and employees of the Executive
17 Ethics Commission.

18 (25) The Executive Inspectors General, including
19 special Executive Inspectors General, and employees of
20 each Office of an Executive Inspector General.

21 (26) The commissioners and employees of the
22 Legislative Ethics Commission.

23 (27) The Legislative Inspector General, including
24 special Legislative Inspectors General, and employees of
25 the Office of the Legislative Inspector General.

26 (28) The Auditor General's Inspector General and

1 employees of the Office of the Auditor General's Inspector
2 General.

3 (29) All employees of the Illinois Power Agency.

4 (30) Employees having demonstrable, defined advanced
5 skills in accounting, financial reporting, or technical
6 expertise who are employed within executive branch
7 agencies and whose duties are directly related to the
8 submission to the Office of the Comptroller of financial
9 information for the publication of the Comprehensive
10 Annual Financial Report (CAFR).

11 (Source: P.A. 97-618, eff. 10-26-11.)

12 Section 999. Effective date. This Act takes effect upon
13 becoming law.