



Sen. Linda Holmes

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1 AMENDMENT TO SENATE BILL 3794

2 AMENDMENT NO. _____. Amend Senate Bill 3794 by replacing
3 everything after the enacting clause with the following:

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

1 Comptroller, necessary for the preparation of the
2 Comprehensive Annual Financial Report.

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

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

7 "Registered Certified Public Accountant" has the meaning
8 provided in Section 0.03 of the Illinois Public Accounting Act.

9 "Schedule of Expenditures of Federal Awards" and "SEFA"
10 mean the supplemental information required by the federal
11 Office of Management and Budget, Circular A-133.

12 "State agency" means all departments, officers,
13 commissions, boards, authorities, institutions, universities,
14 foundations, and bodies politic and corporate of the State that
15 are required to submit financial reporting information to the
16 Office of the Auditor General, the Office of the Comptroller,
17 or the federal government.

18 Section 10. Financial Reporting Standards Board; creation.

19 (a) There is created the Financial Reporting Standards
20 Board. The Board shall assist the State in improving the
21 timeliness, quality, and processing of financial reporting for
22 the State.

23 (b) The Board shall consist of 3 members appointed by the
24 Comptroller and 2 members appointed by the Governor, all with
25 the advice and consent of the Senate.

1 (c) Each member shall be licensed or registered as a
2 certified public accountant.

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

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

16 (f) The Board shall meet at least 2 times each year and at
17 other times at the call of the chairpersons. Meetings of the
18 Board shall be subject to the provisions of the Open Meetings
19 Act.

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

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

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

1 (2) to use the services of the Office of the
2 Comptroller and the Office of the Governor as necessary to
3 carry out the Board's purposes;

4 (3) to receive and expend funds appropriated to it by
5 the General Assembly;

6 (4) to assist State agencies with being timely and
7 accurate in the processing of financial reporting for the
8 State by:

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

12 (B) establishing minimum training requirements for
13 GAAP Coordinators, in cooperation with the
14 Comptroller's Division of Financial Reporting;

15 (C) establishing continuing education requirements
16 for GAAP Coordinators, in cooperation with the
17 Comptroller's Division of Financial Reporting;

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

21 (E) providing assistance during the GAAP cycle, in
22 cooperation with the Comptroller's Financial Reporting
23 Division;

24 (5) to request information, and to make any inquiry,
25 investigation, survey, audit, or study that the Board may
26 deem necessary to enable it effectively to carry out the

1 provisions of this Act;

2 (6) to engage in any activity or operation that is
3 incidental to and in furtherance of efficient operation to
4 accomplish the Board's purposes;

5 (7) to adopt, revise, amend, and repeal rules with
6 respect to its operations, properties, and facilities as
7 may be necessary or convenient to carry out the purposes of
8 this Act, subject to the provisions of the Illinois
9 Administrative Procedure Act;

10 (8) to consult with other states and private businesses
11 that have successfully modernized and streamlined their
12 financial reporting systems;

13 (9) to use current State resources that are already
14 available inside of State government, and to use current
15 financial reporting principles and practices, including,
16 but not limited to, principles and practices of the Auditor
17 General and the Comptroller;

18 (10) to issue reports to the General Assembly
19 concerning State agencies that are deficient in their GAAP
20 submission responsibilities; and

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

23 Section 20. Audits.

24 (a) Within 12 months after the effective date of this Act,
25 the Internal Auditor of every State agency that submits a GAAP

1 package must submit a completed initial audit to the Board.

2 The audit shall include, but is not limited to, the
3 following:

4 (1) the identity, tenure, and qualifications of the
5 agency's GAAP Coordinator;

6 (2) whether the agency is or has been delinquent in the
7 submission of any GAAP packages or forms and the number of
8 days during which the submission was delinquent;

9 (3) whether the agency is or has been delinquent in the
10 submission of any Schedule of Expenditures of Federal
11 Awards (where applicable); and

12 (4) any errors in any financial statements published by
13 the Agency (where applicable).

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

18 (c) The Board shall submit the reports created under
19 subsections (a) and (b) to the Comptroller and the Governor.

20 Section 25. Responsibilities of other parties.

21 (a) The Comptroller's Division of Financial Reporting
22 shall assist State agencies during the GAAP process and shall
23 review GAAP packages and preparation of the CAFR. In addition,
24 the Comptroller's Division of Financial Reporting shall
25 cooperate with the Board in the following matters:

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

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

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

7 (b) The Governor's Office has the following
8 responsibilities under this Act:

9 (1) to ensure that State agencies maintain the minimum
10 standards for qualifications, training and education for
11 GAAP coordinators;

12 (2) to ensure that State agencies complete an initial
13 audit on the GAAP process;

14 (3) to ensure that State agencies complete an annual
15 audit on the GAAP process; and

16 (4) to ensure that proper resources are allocated to
17 the State agencies to meet their GAAP and Financial
18 Statement reporting responsibilities.

19 (c) State agencies have the following responsibilities
20 under this Act:

21 (1) to perform an initial audit of the GAAP process;

22 (2) to perform annual audits of the GAAP process;

23 (3) to ensure that proper resources are allocated to
24 meet their GAAP and Financial Statement reporting
25 responsibilities; and

26 (4) to adhere to the Board's guidance in regards to

1 GAAP package processing and maintaining minimum standards
2 for qualifications, training, and education for GAAP
3 coordinators.

4 Section 30. Cooperation. All State agencies must render
5 full cooperation to the Board and its employees.

6 Section 65. The State Finance Act is amended by adding
7 Sections 5.811 and 6z-93 as follows:

8 (30 ILCS 105/5.811 new)

9 Sec. 5.811. The Financial Reporting Standards Revolving
10 Fund.

11 (30 ILCS 105/6z-93 new)

12 Sec. 6z-93. The Financial Reporting Standards Revolving
13 Fund; creation. The Financial Reporting Standards Revolving
14 Fund is hereby created as a revolving Fund in the State
15 treasury. The Fund may receive moneys or transfers for
16 GAAP-related services provided to State agencies. State
17 agencies shall reimburse the Comptroller for the cost of
18 training, education, assistance, audits, studies, and other
19 costs incurred on their behalf as a result of the Financial
20 Reporting Standards Board Act. The Comptroller may advance bill
21 for services for the upcoming GAAP cycle. The Comptroller shall
22 adjust any future billings for any advance billing

1 inaccuracies. The State agency may voucher the payments to the
2 Comptroller or they may initiate a fund transfer to the
3 Comptroller. State moneys may be appropriated from the Fund for
4 the expenses of the Financial Reporting Standards Board, and
5 for the operations of the Comptroller's Division of Financial
6 Reporting.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.".