



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3355

by Rep. Michael W. Tryon

SYNOPSIS AS INTRODUCED:

15 ILCS 405/6.01	from Ch. 15, par. 206.01
30 ILCS 5/2-8.2 new	
30 ILCS 5/3-6	from Ch. 15, par. 303-6
30 ILCS 5/3-9	from Ch. 15, par. 303-9
30 ILCS 5/3-15	from Ch. 15, par. 303-15

Amends the Illinois State Auditing Act. Provides that oversight of the State's compliance with auditing standards and generally accepted accounting principles for governments shall be the responsibility of the Auditor General. Provides that the Auditor General's annual review shall evaluate the State's compliance with generally accepted accounting principles for governments, as promulgated by the Governmental Accounting Standards Board. Provides that the Auditor General shall (instead of "may") adopt rules concerning audit standards. Amends the State Comptroller Act to require to Comptroller to consult with the Auditor General and provide the Auditor General with draft copies of any proposed accounting standards. Effective immediately.

LRB098 09649 JDS 39795 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The State Comptroller Act is amended by changing
5 Section 6.01 as follows:

6 (15 ILCS 405/6.01) (from Ch. 15, par. 206.01)

7 Sec. 6.01. Specification and establishment of accounting
8 standards and principles. The Comptroller shall specify and
9 establish the financial accounting and reporting standards and
10 principles to be used by all State government and State
11 agencies. The standards and principles shall be effective upon
12 filing by the Comptroller with the Auditor General. The
13 Comptroller shall maintain and publish the standards and
14 principles as a public document. These standards and principles
15 shall be known as the Generally Accepted Accounting Standards
16 and Principles for Illinois State Government, and shall,
17 whenever possible, be compatible with any similar nationally
18 existing generally accepted accounting standards and
19 principles for government.

20 In establishing the Generally Accepted Accounting
21 Standards and Principles for Illinois State Government, the
22 Comptroller shall consult with the Governor and the other
23 members of the Executive Branch, the Chief Justice of the

1 Supreme Court, the Auditor General, and the leadership of the
2 General Assembly and shall provide to these officials draft
3 copies of any proposed standards at least 90 days prior to
4 their adoption and shall consider any responses or suggestions
5 that these officials may present.

6 (Source: P.A. 86-1415.)

7 Section 10. The Illinois State Auditing Act is amended by
8 changing Sections 3-6, 3-9, and 3-15 and by adding Section
9 2-8.2 as follows:

10 (30 ILCS 5/2-8.2 new)

11 Sec. 2-8.2. Compliance with auditing standards and
12 generally accepted accounting principles for governments.
13 Oversight of the State's compliance with auditing standards and
14 generally accepted accounting principles for governments shall
15 be the responsibility of the Auditor General.

16 (30 ILCS 5/3-6) (from Ch. 15, par. 303-6)

17 Sec. 3-6. Audit Standards. The Auditor General shall adopt
18 rules ~~may adopt regulations~~ establishing post audit standards
19 consistent with Sections 1-13, 1-13.5, and 1-14 of this Act and
20 in accordance with generally accepted government auditing
21 standards. The regulations may specify separate or particular
22 standards applicable only to audits of federal grants, aid or
23 trust funds administered by State agencies in order to comply

1 with applicable federal regulations. Post audit standards
2 established under this paragraph shall govern all post audits
3 conducted by the Auditor General.

4 The Auditor General shall adopt rules ~~may adopt regulations~~
5 making such standards applicable to financial audits,
6 compliance audits, and other attestation engagements conducted
7 by State agencies of local governmental agencies or private
8 agencies which are grantees or recipients of public funds of
9 the State or of federal funds not constituting public funds of
10 the State through projects administered by that State agency.
11 Notwithstanding any other statute to the contrary, those
12 regulations shall govern the audits to which they are expressly
13 applicable.

14 The Auditor General shall adopt rules ~~may make regulations~~
15 providing for the ordinary use of compliance audits conducted
16 by State agencies or by certified public accountants as part of
17 financial audits, if such compliance audits comply with the
18 standards and regulations applicable under this Act.

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

20 (30 ILCS 5/3-9) (from Ch. 15, par. 303-9)

21 Sec. 3-9. Annual review of State accounting and pre-audit
22 system. The Auditor General shall review, annually, the uniform
23 State accounting system prescribed by the State Comptroller.
24 The review shall include a review of the comments, findings and
25 recommendations in audit reports and investigation reports and

1 such other inquiry as the Auditor General considers advisable.
2 The review shall evaluate the State Comptroller's compliance
3 with generally accepted accounting principles for governments,
4 as promulgated by the Governmental Accounting Standards Board.

5 The annual review shall be directed primarily at the operation
6 of the accounting system in facilitating post audits.

7 The Auditor General shall review, annually, the operation
8 of the pre-audit system in the office of the State Comptroller.
9 This review shall include an analysis of the comments, findings
10 and recommendations in audit reports and investigation reports
11 and such other inquiries as the Auditor General considers
12 advisable. The review shall be made in consultation with the
13 State Comptroller.

14 The reviews made under this Section shall be included in
15 the annual report of the Auditor General.

16 (Source: P.A. 84-832.)

17 (30 ILCS 5/3-15) (from Ch. 15, par. 303-15)

18 Sec. 3-15. Reports of Auditor General. By March 1, each
19 year, the Auditor General shall submit to the Commission, the
20 General Assembly and the Governor an annual report summarizing
21 all audits, investigations and special studies made under this
22 Act during the last preceding calendar year. The annual report
23 shall include an evaluation of the State's overall compliance
24 with generally accepted accounting principles for governments,
25 as promulgated by the Governmental Accounting Standards Board.

1 Once each 3 months, the Auditor General shall submit to the
2 Commission a quarterly report concerning the operation of his
3 office, including relevant fiscal and personnel matters,
4 details of any contractual services utilized during that
5 period, a summary of audits and studies still in process and
6 such other information as the Commission requires.

7 The Auditor General shall prepare and distribute such other
8 reports as may be required by the Commission.

9 All post audits directed by resolution of the House or
10 Senate shall be reported to the members of the General
11 Assembly, unless the directing resolution specifies otherwise.

12 The requirement for reporting to the General Assembly shall
13 be satisfied by filing copies of the report with the Speaker,
14 the Minority Leader and the Clerk of the House of
15 Representatives and the President, the Minority Leader and the
16 Secretary of the Senate and the Legislative Research Unit, as
17 required by Section 3.1 of "An Act to revise the law in
18 relation to the General Assembly", approved February 25, 1874,
19 as amended, and filing such additional copies with the State
20 Government Report Distribution Center for the General Assembly
21 as is required under paragraph (t) of Section 7 of the State
22 Library Act.

23 (Source: P.A. 84-1438.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.