

AN ACT concerning State government.

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

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

Section 5. Definitions. As used in this Act:

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

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

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

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

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

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

"Registered Certified Public Accountant" has the meaning

provided in Section 0.03 of the Illinois Public Accounting Act.

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

Section 10. Financial Reporting Standards Board; creation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Procedure Act;

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

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

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

Section 20. Audits.

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

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

Section 25. Responsibilities of other parties.

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

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

with the Board in the following matters:

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

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

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

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

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

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

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

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

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

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

(1) All officers elected by the people.

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

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

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

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

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

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

(8) The presidents, other principal administrative

officers, and teaching, research and extension faculties of Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Western Illinois University, the Illinois Community College Board, Southern Illinois University, Illinois Board of Higher Education, University of Illinois, State Universities Civil Service System, University Retirement System of Illinois, and the administrative officers and scientific and technical staff of the Illinois State Museum.

(9) All other employees except the presidents, other principal administrative officers, and teaching, research and extension faculties of the universities under the jurisdiction of the Board of Regents and the colleges and universities under the jurisdiction of the Board of Governors of State Colleges and Universities, Illinois Community College Board, Southern Illinois University, Illinois Board of Higher Education, Board of Governors of State Colleges and Universities, the Board of Regents, University of Illinois, State Universities Civil Service System, University Retirement System of Illinois, so long as these are subject to the provisions of the State Universities Civil Service Act.

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

(11) (Blank).

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

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

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

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

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

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

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

of 1973, 29 USC 993.

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

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

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

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

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

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

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

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

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

(28) The Auditor General's Inspector General and

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

(29) All employees of the Illinois Power Agency.

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

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

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