



SR0609

LRB096 20125 JDS 35661 r

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SENATE RESOLUTION

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WHEREAS, Pursuant to State law, the State Comptroller is given the responsibility to "develop and prescribe for the use of all State agencies a uniform accounting system . . ." in accordance with generally accepted accounting principles applicable to government; and

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WHEREAS, For the last 7 years, the Auditor General's audits of the State's financial statements have concluded that the State of Illinois does not have adequate controls to ensure that information reported by individual agencies of the primary government is fairly stated and compliant with generally accepted accounting principles; and

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WHEREAS, For the last 7 years, the Auditor General's statewide single audits have concluded that the State's current financial reporting process also is not sufficient to allow the State to prepare a complete and accurate Comprehensive Annual Financial Report (CAFR) or the Schedule of Expenditures of the Federal Awards in a timely manner; and

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WHEREAS, Financial reporting problems result in inaccuracies, inefficiencies, and delays that negatively impact the ability of State decision-makers to have timely and accurate information on which to base their decisions and could

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1 potentially jeopardize the State's eligibility for federal
2 funding; and

3 WHEREAS, A centralized automated reporting system, if
4 properly implemented, would increase the State's timeliness,
5 accuracy, and consistency in financial reporting and enhance
6 its accountability and transparency to citizens, other units of
7 government, vendors, bond-rating agencies, and other
8 interested persons; and

9 WHEREAS, The cost of a centralized automated reporting
10 system sufficient to address these issues is estimated at more
11 than \$100 million; therefore, be it

12 RESOLVED, BY THE SENATE OF THE NINETY-SIXTH GENERAL
13 ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is
14 directed to conduct a management audit of the State's financial
15 reporting system; and be it further

16 RESOLVED, That that the audit include, but not be limited
17 to, the following determinations:

18 (1) an analysis of the State's current financial
19 reporting procedures, practices, and systems, including
20 the number of different systems used by the various State
21 agencies, an estimate of the cost of maintaining those
22 systems, and whether those systems are compliant with

1 generally accepted accounting principles applicable to
2 government; and

3 (2) a survey of other states to determine their methods
4 of financial reporting and any advantages or disadvantages
5 to those methods, with particular emphasis on those states,
6 if any, with centralized automated reporting systems; and
7 be it further

8 RESOLVED, That the Office of the Governor, Office of the
9 State Comptroller, Governor's Office of Management and Budget,
10 and any other entity having information relevant to this audit
11 cooperate fully and promptly with the Auditor General's Office
12 in the conduct of this audit; and be it further

13 RESOLVED, That the Auditor General commence this audit as
14 soon as possible and report findings and recommendations upon
15 completion in accordance with the provisions of Section 3-14 of
16 the Illinois State Auditing Act, but no later than 12 months
17 after the adoption of this resolution; and be it further

18 RESOLVED, That copies of this resolution be delivered to
19 the Auditor General, Governor, and State Comptroller.