ASSEMBLY, No. 103

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman CHRISTOPHER P. DEPHILLIPS
District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Establishes certain ethical standards and financial control requirements for State authorities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT establishing certain ethical standards and financial control requirements for State authorities and supplementing P.L.1971, c.182 (C.52:13D-12 et seq.).

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. For the purpose of this act:

"authority" means any board, commission or agency which is organized in, but not of, a principal department of State government and any independent State authority; and

"executive director" means the executive or administrative head of an authority.

2. The Governor's Authorities Unit, in conjunction with the Executive Commission on Ethical Standards and the Inspector General, shall hold several training sessions for members of all State authorities in government ethics and proper fiscal practices, including specific training in the requirements of the federal Sarbanes Oxley Act, as related to their duties as authority members. Such training shall include the responsibility of authority members in the employment of authority staff, oversight of procurement and fiscal operations and approval of contracts. As of January 1, 2006 and annually thereafter, the executive director of each authority shall certify in writing to the Director of the Governor's Authorities Unit that each member of the authority has completed such training. Such training shall be updated annually at the direction of the Director of the Governor's Authorities Unit to include such federal mandates as directed by Congress and such State mandates as directed by the Office of the Inspector General.

3. The Inspector General shall assess the internal controls that are in place at every authority and make recommendations concerning what uniform practices and procedures should be established for all State authorities.

4. Within 30 days of the effective date of this act, the Director of the Governor's Authorities Unit shall provide recommendations concerning whether there are any authorities, boards, commissions or agencies that are not presently covered by the provisions of this act or Executive Orders Nos. 10 (2002), 122 (2004) or 134 (2004), but should be included within its scope. The director shall further review whether any executive director of an authority also serves as a member of the authority and recommend whether legislative or regulatory changes are necessary to eliminate this service in dual capacities.

5. Within 30 days of the effective date of this act and annually

as of May 15 thereafter, the executive director of an authority shall certify in writing to the Director of the Governor's Authorities Unit that all authority members have met the requirements of Executive Order No.10 (2002).

6. Within 45 days of the effective date of this act and annually as of January 1 thereafter, each executive director shall certify in writing to the Director of the Governor's Authorities Unit that the authority has met the requirements of Executive Order No.122 (2004), which includes the requirement that every authority covered by that executive order have an audit committee that serves independently of the management of the authority in soliciting, procuring and overseeing the function of the independent auditor and ensuring that the relationship with such auditor is the function of the board and not the management of the authority.

7. Within 60 days of the effective date of this act and annually as of January 1 thereafter, each executive director shall certify in writing to the Director of the Governor's Authorities Unit that the authority has met the requirements of Executive Order No. 134 (2004), which includes the requirement that every authority comply with procedures designed to limit or ban campaign contributions by vendors doing business with the State or the authority.

8. The failure of any authority member, officer or employee to comply with the provisions of this act shall constitute good cause for his or her removal from office or employment.

9. This act shall take effect immediately.

STATEMENT

This bill codifies Executive Order No. 41 (2005), issued by Acting Governor Codey on June 15, 2005. Specifically, it provides that:

the Governor's Authorities Unit, in conjunction with the Executive Commission on Ethical Standards and the Inspector General, will conduct training sessions for members of independent State authorities, as well as members of boards, commissions, or agencies that are in but not of a principal department, in government ethics and proper fiscal practices, including specific training in the requirements of the federal Sarbanes Oxley Act, as related to their duties as authority members and will include the responsibility of authority members in the employment of authority staff, oversight of procurement and fiscal operations and approval of contracts;

as of January 1, 2006 and annually thereafter, the executive

director of each authority will certify in writing to the Director of the Governor's Authorities Unit that each member of the authority has completed such training;

such training will be updated annually at the direction of the Director of the Governor's Authorities Unit to include such federal mandates as directed by Congress and such State mandates as directed by the Office of the Inspector General;

the Inspector General will assess the internal controls that are in place at every authority and make recommendations concerning what uniform practices and procedures should be established for all State authorities;

within 30 days of the bill's effective date, the Director of the Governor's Authorities Unit will provide recommendations concerning whether there are any authorities, boards, commissions or agencies that are not presently covered by the bill's provisions or Executive Orders Nos 10 (2002), 122 (2004) or 134 (2004), but should be included within their scope, and the director will further review whether any executive director of an authority also serves as a member of the authority and recommend whether legislative or regulatory changes are necessary to eliminate this service in dual capacities;

within 30 days of the bill's effective date and annually as of May 15 thereafter, the executive director of an authority will certify in writing to the Director of the Governor's Authorities Unit that all authority members have met the requirements of Executive Order No. 10 (2002);

within 45 days of the bill's effective date and annually as of January 1 thereafter, each executive director will certify in writing to the Director of the Governor's Authorities Unit that the authority has met the requirements of Executive Order No. 122 (2004), which includes the requirement that every authority covered by that executive order have an audit committee that serves independently of the management of the authority in soliciting, procuring and overseeing the function of the independent auditor and ensuring that the relationship with such auditor is the function of the board and not the management of the authority;

within 60 days of the bill's effective date and annually as of January 1 thereafter, each executive director will certify in writing to the Director of the Governor's Authorities Unit that the authority has met the requirements of Executive Order No. 134 (2004), which includes the requirement that every authority comply with procedures designed to limit or ban campaign contributions by vendors doing business with the State or the authority; and

the failure of any authority member, officer or employee to comply with the bill's provisions will constitute good cause for his or her removal from office or employment.