



Rep. Anthony DeLuca

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LRB100 14828 AWJ 38142 a

1 AMENDMENT TO HOUSE BILL 4104

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4104 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Governmental Account Audit Act is amended  
5 by changing Sections 1 and 5 as follows:

6 (50 ILCS 310/1) (from Ch. 85, par. 701)

7 Sec. 1. Definitions. As used in this Act, unless the  
8 context otherwise indicates:

9 "Governmental unit" or "unit" includes all municipal  
10 corporations in and political subdivisions of this State that  
11 appropriate more than \$5,000 for a fiscal year, with the amount  
12 to increase or decrease by the amount of the Consumer Price  
13 Index (CPI) as reported on January 1 of each year, except the  
14 following:

15 (1) School districts.

16 (2) Cities, villages, and incorporated towns subject

1 to the Municipal Auditing Law, as contained in the Illinois  
2 Municipal Code, and cities that file a report with the  
3 Comptroller under Section 3.1-35-115 of the Illinois  
4 Municipal Code.

5 (3) Counties with a population of 1,000,000 or more.

6 (4) Counties subject to the County Auditing Law.

7 (5) Any other municipal corporations in or political  
8 subdivisions of this State, the accounts of which are  
9 required by law to be audited by or under the direction of  
10 the Auditor General.

11 (6) (Blank).

12 (7) A drainage district, established under the  
13 Illinois Drainage Code (70 ILCS 605), that did not receive  
14 or expend any moneys during the immediately preceding  
15 fiscal year or obtains approval for assessments and  
16 expenditures through the circuit court.

17 (8) Public housing authorities that submit financial  
18 reports to the U.S. Department of Housing and Urban  
19 Development.

20 "Governing body" means the board or other body or officers  
21 having authority to levy taxes, make appropriations, authorize  
22 the expenditure of public funds or approve claims for any  
23 governmental unit.

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

26 "Consumer Price Index" means the Consumer Price Index for

1 All Urban Consumers for all items published by the United  
2 States Department of Labor.

3 "Licensed public accountant" means the holder of a valid  
4 certificate as a public accountant under the Illinois Public  
5 Accounting Act.

6 "Audit report" means the written report of the licensed  
7 public accountant and all appended statements and schedules  
8 relating to that report, presenting or recording the findings  
9 of an examination or audit of the financial transactions,  
10 affairs, or conditions of a governmental unit.

11 "Auditor" means a licensed certified public accountant, as  
12 that term is defined in Section 0.03 of the Illinois Public  
13 Accounting Act, who performs an audit of governmental unit  
14 financial statements and records and expresses an assurance or  
15 disclaims an opinion on the audited financial statements.

16 "Report" includes both audit reports and reports filed  
17 instead of an audit report by a governmental unit receiving  
18 revenue of less than \$850,000 during any fiscal year to which  
19 the reports relate.

20 (Source: P.A. 92-191, eff. 8-1-01; 92-582, eff. 7-1-02.)

21 (50 ILCS 310/5) (from Ch. 85, par. 705)

22 Sec. 5. (a) Prior to fiscal year 2019, the ~~The~~ audit report  
23 shall contain statements that conform with generally accepted  
24 accounting principles or other comprehensive basis of  
25 accounting and that set forth, ~~insofar as possible,~~ the

1 financial position and results of financial operations for each  
2 fund of the governmental unit. Each audit report shall include  
3 only financial information, findings, and conclusions that are  
4 adequately supported by evidence in the auditor's working  
5 papers to demonstrate or prove, when called upon, the basis for  
6 the matters reported and their correctness and reasonableness.  
7 In connection with this, each governmental unit shall retain  
8 the right of inspection of the auditor's working papers and  
9 shall make them available to the Comptroller, or his or her  
10 designee, upon request. The audit report shall also include the  
11 professional opinion of the auditor or auditors ~~licensed public~~  
12 ~~accountant~~ with respect to the financial statements or, if an  
13 opinion cannot be expressed, a declaration that he or she is  
14 unable to express such opinion and an explanation of the  
15 reasons he or she cannot do so. Each audit report shall include  
16 the certification of the auditor or auditors ~~accountant or~~  
17 ~~accountants~~ making the audit that the audit has been performed  
18 in compliance with generally accepted auditing standards.

19 (b) For fiscal year 2019 and each fiscal year thereafter,  
20 the audit report shall contain statements that set forth the  
21 financial position and results of financial operations for each  
22 fund of the governmental unit. Each audit report shall include  
23 only financial information, findings, and conclusions that are  
24 adequately supported by evidence in the auditor's working  
25 papers to demonstrate or prove, when called upon, the basis for  
26 the matters reported and their correctness and reasonableness.

1 In connection with this, each governmental unit shall retain  
2 the right of inspection of the auditor's working papers and  
3 shall make them available to the Comptroller, or his or her  
4 designee, upon request. The audit report shall also include the  
5 professional opinion of the auditor or auditors with respect to  
6 the financial statements or, if an opinion cannot be expressed,  
7 a declaration that he or she is unable to express an opinion  
8 and an explanation of the reasons he or she cannot do so. Each  
9 audit report shall include the certification of the auditor or  
10 auditors making the audit that the audit has been performed in  
11 compliance with generally accepted auditing standards.

12 (c) For fiscal year 2019 and each fiscal year thereafter,  
13 audit reports shall contain financial statements prepared in  
14 conformity with generally accepted accounting principles and  
15 audited in conformity with generally accepted auditing  
16 standards if the last audit report filed preceding fiscal year  
17 2017 expressed an unmodified or modified opinion by the  
18 independent auditor that the financial statements were  
19 presented in conformity with generally accepted accounting  
20 principles.

21 (d) For fiscal year 2019 and each fiscal year thereafter,  
22 audit reports containing financial statements prepared in  
23 conformity with an other comprehensive basis of accounting may  
24 follow the best practices and guidelines as outlined by the  
25 American Institute of Certified Public Accountants and shall be  
26 audited in conformity with generally accepted auditing

1 standards. If the governing body of a governmental unit submits  
2 an audit report containing financial statements prepared in  
3 conformity with generally accepted accounting principles,  
4 thereafter all future audit reports shall also contain  
5 financial statements presented in conformity with generally  
6 accepted accounting principles.

7 (e) Audits may be made on financial statements prepared  
8 using either an accrual or cash basis of accounting, depending  
9 upon the system followed by the governmental unit, and audit  
10 reports shall comply with this Section.

11 (Source: P.A. 85-1000.)

12 Section 10. The Counties Code is amended by changing  
13 Sections 6-31002 and 6-31006 as follows:

14 (55 ILCS 5/6-31002) (from Ch. 34, par. 6-31002)

15 Sec. 6-31002. Definitions. As used in this Division, unless  
16 the context otherwise requires:

17 1. "Comptroller" means the Comptroller of the State of  
18 Illinois;

19 2. "accountant" or "accountants" means and includes all  
20 persons authorized to practice public accounting under the laws  
21 of this State;

22 3. "funds and accounts" means all funds of a county derived  
23 from property taxes and all funds and accounts derived from  
24 sources other than property taxes, including the receipts and

1 expenditures of the fee earnings of each county fee officer;

2 4. "audit report" means the written report of the  
3 accountant or accountants and all appended statements and  
4 schedules relating thereto, presenting or recording the  
5 findings of an examination or audit of the financial  
6 transactions, affairs and condition of a county;

7 5. "population" means the number of persons residing in a  
8 county according to the last preceding federal decennial  
9 census;~~i-~~

10 6. "auditor" means a licensed certified public accountant,  
11 as that term is defined in Section 0.03 of the Illinois Public  
12 Accounting Act, who performs an audit of county financial  
13 statements and records and expresses an assurance or disclaims  
14 an opinion on the audited financial statements.

15 (Source: P.A. 86-962.)

16 (55 ILCS 5/6-31006) (from Ch. 34, par. 6-31006)

17 Sec. 6-31006. Audit report.

18 (a) Prior to fiscal year 2019, the ~~The~~ audit report shall  
19 contain statements that are in conformity with generally  
20 accepted public accounting principles or other comprehensive  
21 basis of accounting and shall set forth, ~~insofar as possible,~~  
22 the financial position and the results of financial operations  
23 for each fund, account, and office of the county government.  
24 The audit report shall also include the professional opinion of  
25 the auditor or auditors ~~accountant or accountants~~ with respect

1 to the financial status and operations or, if an opinion cannot  
2 be expressed, a declaration that such auditor ~~accountant~~ is  
3 unable to express such opinion and an explanation of the  
4 reasons he or she cannot do so. Each audit report shall include  
5 the certification of the auditor or auditors ~~accountant or~~  
6 ~~accountants~~ making the audit that the audit has been performed  
7 in compliance with generally accepted auditing standards. Each  
8 audit report filed with the Comptroller shall be accompanied by  
9 a copy of each official statement or other offering of  
10 materials prepared in connection with the issuance of  
11 indebtedness of the county since the filing of the last audit  
12 report.

13 (b) For fiscal year 2019 and each fiscal year thereafter,  
14 the audit report shall contain statements that set forth the  
15 financial position and the results of financial operations for  
16 each fund, account, and office of the county government. The  
17 audit report shall also include the professional opinion of an  
18 auditor or auditors with respect to the financial status and  
19 operations or, if an opinion cannot be expressed, a declaration  
20 that the auditor is unable to express an opinion and an  
21 explanation of the reasons he or she cannot do so. Each audit  
22 report shall include the certification of the auditor or  
23 auditors making the audit that the audit has been performed in  
24 compliance with generally accepted auditing standards. Each  
25 audit report filed with the Comptroller shall be accompanied by  
26 a copy of each official statement or other offering of



1 materials prepared in connection with the issuance of  
2 indebtedness of the county since the filing of the last audit  
3 report.

4 (c) For fiscal year 2019 and each fiscal year thereafter,  
5 audit reports shall contain financial statements prepared in  
6 conformity with generally accepted accounting principles and  
7 audited in conformity with generally accepted auditing  
8 standards if the last audit report filed preceding fiscal year  
9 2017 expressed an unmodified or modified opinion by the  
10 independent auditor that the financial statements were  
11 presented in conformity with generally accepted accounting  
12 principles.

13 (d) For fiscal year 2019 and each fiscal year thereafter,  
14 audit reports containing financial statements prepared in  
15 conformity with an other comprehensive basis of accounting may  
16 follow the best practices and guidelines outlined by the  
17 American Institute of Certified Public Accountants and shall be  
18 audited in conformity with generally accepted auditing  
19 standards. If the county board of a county submits an audit  
20 report containing financial statements prepared in conformity  
21 with generally accepted accounting principles, thereafter all  
22 future audit reports shall also contain financial statements  
23 presented in conformity with generally accepted accounting  
24 principles.

25 (e) Audits may be made on financial statements prepared  
26 using either an accrual or cash basis of accounting, depending

1 upon the system followed by the county, and audit reports shall  
2 comply with this Section.

3 (Source: P.A. 86-962; 87-424.)

4 Section 15. The Illinois Municipal Code is amended by  
5 changing Sections 8-8-2 and 8-8-5 as follows:

6 (65 ILCS 5/8-8-2) (from Ch. 24, par. 8-8-2)

7 Sec. 8-8-2. The following terms shall, unless the context  
8 otherwise indicates, have the following meanings:

9 (1) "Municipality" or "municipalities" means all cities,  
10 villages and incorporated towns having a population of less  
11 than 500,000 as determined by the last preceding Federal  
12 census.

13 (2) "Corporate authorities" means a city council, village  
14 board of trustees, library board, police and firemen's pension  
15 board, or any other body or officers having authority to levy  
16 taxes, make appropriations, or approve claims for any  
17 municipality.

18 (3) "Comptroller" means the Comptroller of the State of  
19 Illinois.

20 (4) "Accountant" or "accountants" means all persons  
21 licensed to practice public accounting under the laws of this  
22 State.

23 (5) "Audit report" means the written report of the  
24 accountant or accountants and all appended statements and

1 schedules relating thereto, presenting or recording the  
2 findings of an examination or audit of the financial  
3 transactions, affairs, or condition of a municipality.

4 (6) "Annual report" means the statement filed, in lieu of  
5 an audit report, by the municipalities of less than 800  
6 population, which do not own or operate public utilities and do  
7 not have bonded debt.

8 (7) "Supplemental report" means the annual statement  
9 filed, in addition to any audit report provided for herein, by  
10 all municipalities, except municipalities of less than 800  
11 population which do not own or operate public utilities and do  
12 not have bonded debt.

13 (8) "Auditor" means a licensed certified public  
14 accountant, as that term is defined in Section 0.03 of the  
15 Illinois Public Accounting Act, who performs an audit of  
16 municipal financial statements and records and expresses an  
17 assurance or disclaims an opinion on the audited financial  
18 statements.

19 (Source: P.A. 81-1050.)

20 (65 ILCS 5/8-8-5) (from Ch. 24, par. 8-8-5)

21 Sec. 8-8-5. (a) Prior to fiscal year 2019, the ~~The~~ audit  
22 shall be made in accordance with generally accepted auditing  
23 standards. Reporting on the financial position and results of  
24 financial operations for each fund of the municipality shall be  
25 in accordance with generally accepted accounting principles or

1 ~~other comprehensive basis of accounting, insofar as possible.~~  
2 Each audit report shall include only financial information,  
3 findings, and conclusions that are adequately supported by  
4 evidence in the auditor's working papers to demonstrate or  
5 prove, when called upon, the basis for the matters reported and  
6 their correctness and reasonableness. In connection with this,  
7 each municipality shall retain the right of inspection of the  
8 auditor's working papers and shall make them available to the  
9 Comptroller, or his or her designee, upon request. The audit  
10 report shall consist of the professional opinion of the auditor  
11 or auditors ~~accountant or accountants~~ with respect to the  
12 financial statements or, if an opinion cannot be expressed, a  
13 declaration that the auditor ~~accountant~~ is unable to express  
14 such opinion and an explanation of the reasons he or she cannot  
15 do so. Municipal authorities shall not impose limitations on  
16 the scope of the audit to the extent that the effect of such  
17 limitations will result in the qualification of the opinion of  
18 the auditor or auditors ~~accountant or accountants~~. Each audit  
19 report filed with the Comptroller shall be accompanied by a  
20 copy of each official statement or other offering of materials  
21 prepared in connection with the issuance of indebtedness of the  
22 municipality since the filing of the last audit report.

23 ~~Audits under this Division may be made upon either an~~  
24 ~~accrual or cash basis of accounting depending upon the system~~  
25 ~~followed by each municipality.~~

26 (b) For fiscal year 2019 and each fiscal year thereafter,

1 the audit shall be made in accordance with generally accepted  
2 auditing standards. Each audit report shall include only  
3 financial information, findings, and conclusions that are  
4 adequately supported by evidence in the auditor's working  
5 papers to demonstrate or prove, when called upon, the basis for  
6 the matters reported and their correctness and reasonableness.  
7 In connection with this, each municipality shall retain the  
8 right of inspection of the auditor's working papers and shall  
9 make them available to the Comptroller, or his or her designee,  
10 upon request. The audit report shall also consist of the  
11 professional opinion of an auditor or auditors with respect to  
12 the financial statements or, if an opinion cannot be expressed,  
13 a declaration that the auditor is unable to express an opinion  
14 and an explanation of the reasons he or she cannot do so.  
15 Municipal authorities shall not impose limitations on the scope  
16 of the audit to the extent that the effect of the limitations  
17 will result in the qualification of the opinion of the auditor  
18 or auditors. Each audit report filed with the Comptroller shall  
19 be accompanied by a copy of each official statement or other  
20 offering of materials prepared in connection with the issuance  
21 of indebtedness of the municipality since the filing of the  
22 last audit report.

23 (c) For fiscal year 2019 and each fiscal year thereafter,  
24 audit reports shall contain financial statements prepared in  
25 accordance with generally accepted accounting principles and  
26 audited in accordance with generally accepted auditing

1 standards if the last audit report filed preceding fiscal year  
2 2017 expressed an unmodified or modified opinion by the  
3 independent auditor that the financial statements were  
4 presented in accordance with generally accepted accounting  
5 principles.

6 (d) For fiscal year 2019 and each fiscal year thereafter,  
7 audit reports containing financial statements prepared in  
8 accordance with an other comprehensive basis of accounting may  
9 follow the best practices and guidelines outlined by the  
10 American Institute of Certified Public Accountants and shall be  
11 audited in accordance with generally accepted auditing  
12 standards. If the corporate authority of a municipality submits  
13 an audit report containing financial statements prepared in  
14 accordance with generally accepted accounting principles,  
15 thereafter all future audit reports shall also contain  
16 financial statements presented in accordance with generally  
17 accepted accounting principles.

18 (e) Audits may be made on financial statements prepared  
19 using either an accrual or cash basis of accounting, depending  
20 upon the system followed by the municipality, and audit reports  
21 shall comply with this Section.

22 (Source: P.A. 87-433.)

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