**Section 4401.30 Pre-Audit and Examination Procedures**

a) Pursuant to Section 1A-104 of the Illinois Pension Code [40 ILCS 5/1A-104], each pension fund or retirement system under the Illinois Pension Code shall be subject to periodic examinations or audits on behalf of the Illinois Department of Insurance.

b) Notification of an impending examination or audit will be given through the issuance of a "Warrant of Examiners." This Warrant of Examiners shall state the name of the pension fund or retirement system which will be examined, and will identify the examiner appointed to perform the examination or audit.

c) The Warrant of Examiners may also be accompanied by a letter, which shall set a tentative date for a review of the books and other documentation, as well as a request for materials which are to be sent by the pension fund or retirement system to the attention of the examiner within 14 days after receipt of said letter. In preparing for the examination or audit, the Division's examiner shall have access to all books, records, files, documents and other relevant materials deemed necessary by the Division to assist in the completion of such examination or audit.

d) All requests for an extension of time in providing the requested documents shall be sent to the examiner listed in the warrant at least 7 business days before the scheduled deadline. One extension of time shall be granted automatically for a period of up to 30 days. Thereafter, requests for extension shall only be granted for good cause.

e) Pursuant to Section 1A-104 of the Illinois Pension Code [40 ILCS 5/1A-104], the Division may accept and rely upon a report of audit or examination for any pension fund or retirement system made by a certified public accountant in lieu of making an examination and investigation. Upon receipt of the Warrant of Examiners, a pension fund may file with the Division a certified public accountant examination for its consideration in lieu of conducting the examination. The Division shall notify the pension fund in writing of its intention to conduct or cancel the impending examination. *The acceptance of the report of audit or examination does not bar the Division from making a further audit, examination, and investigation if deemed necessary by the Division* [40 ILCS 5/1A-104].

(Source: Amended at 22 Ill. Reg. 15312, effective August 7, 1998)