**Section 1450.920 Inspections and Audits**

a) Inspections

1) The Division is authorized to inspect areas of a sponsoring broker's office that are open and generally available to the public at any time during normal business hours, with or without the sponsoring broker's consent. The Division, with at least 24 hours notice, may conduct a visual and physical inspection of the non-public areas of a sponsoring broker's office and interview any person, including any licensee or non-licensee, who may have knowledge or information about the licensee's real estate practice, with or without the consent of either the sponsoring broker or designated managing broker. The licensee may have an attorney present. The Division's action will not be postponed due to a licensee's attorney's unreasonable delay.

2) The Division is authorized to inspect a virtual office of the sponsoring broker, with or without the sponsoring broker's consent. The Division, with at least 24 hours notice, may conduct an inspection of the digital infrastructure and all electronic records in the sponsoring broker's virtual office, and interview any person, including any licensee or non-licensee who may have knowledge or information about the licensee's real estate practice, with or without consent of either the sponsoring broker or designated managing broker. The licensee may have an attorney present. The Division's action will not be postponed due to a licensee's attorney's unreasonable delay.

3) Upon any written or oral request by the Division for documents in physical or electronic form, a licensee shall, except as otherwise allowed by subsection (b), produce the requested documents within 30 days after the request.

b) Escrow Audits

The Division is authorized to audit special accounts, escrow records and documents related to any escrow accounts maintained by the licensee. Any records or documents may be provided in physical or electronic form. Escrow audits may be conducted at any time with the sponsoring broker's consent or without consent with at least 24 hours notice. The licensee may have an attorney present. The Division's action will not be postponed due to a licensee's attorney's unreasonable delay. Escrow audits may include:

1) A review and examination of all required, original escrow records as set forth in this Part.

2) A review and examination of any document, including physical or electronic originals, related to a licensee's escrow accounts.

3) Interviews of any person, including any licensee or non-licensee, who may have knowledge or information about the licensee's practices for maintaining and administering escrow accounts.

4) The Division may require audits of special accounts of sponsoring brokers by licensed certified public accountants as set forth in this Section.

A) The Division shall notify in writing the sponsoring broker responsible for the special accounts that an auditor has been retained to audit the special accounts, the identity of the auditor or auditing firm, and that the sponsoring broker shall submit all pertinent records for audit within 30 days after the written notice.

B) Any licensed certified public accountant performing an audit for the Division pursuant to the provisions of this Section or the Act shall provide a written report to the Division, with a copy to the sponsoring broker, detailing the findings of the auditor, with specific reference to compliance with the special account requirements of the Act and this Part.

C) The sponsoring broker shall be liable for the cost of the audit if an order is issued by the Department pursuant to Section 20-60 of the Act finding that escrow moneys were misappropriated by the sponsoring broker or the sponsoring broker's employees, independent contractors, agents or designees.

c) Pursuant to Section 5-45(d) of the Act, the Division is authorized to obtain a licensee's original records, including physical or electronic records, for the purposes of inspection, audit and reproduction. The Division shall promptly return all original documents or records to the licensee.

(Source: Amended at 45 Ill. Reg. 2851, effective February 23, 2021)