



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4104

by Rep. Anthony DeLuca

SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-8-5

from Ch. 24, par. 8-8-5

Amends the Illinois Municipal Auditing Law of the Illinois Municipal Code. Provides that audit reports reporting on the financial position and results of financial operations for each fund of the municipality shall be consistent with either the accrual or cash basis of accounting depending upon the system followed by each municipality and shall otherwise be in accordance with generally accepted accounting principles (currently, shall be in accordance with generally accepted accounting principles, insofar as possible).

LRB100 14828 AWJ 29649 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

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

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

7 Sec. 8-8-5. The audit shall be made in accordance with
8 generally accepted auditing standards. Reporting on the
9 financial position and results of financial operations for each
10 fund of the municipality shall be consistent with either the
11 accrual or cash basis of accounting depending upon the system
12 followed by each municipality and shall otherwise be in
13 accordance with generally accepted accounting principles,
14 ~~insofar as possible~~. Each audit report shall include only
15 financial information, findings and conclusions that are
16 adequately supported by evidence in the auditor's working
17 papers to demonstrate or prove, when called upon, the basis for
18 the matters reported and their correctness and reasonableness.
19 In connection with this, each municipality shall retain the
20 right of inspection of the auditor's working papers and shall
21 make them available to the Comptroller, or his designee, upon
22 request. The audit report shall consist of the professional
23 opinion of the accountant or accountants with respect to the

1 financial statements or, if an opinion cannot be expressed, a
2 declaration that the accountant is unable to express such
3 opinion and an explanation of the reasons he cannot do so.
4 Municipal authorities shall not impose limitations on the scope
5 of the audit to the extent that the effect of such limitations
6 will result in the qualification of the opinion of the
7 accountant or accountants. Each audit report filed with the
8 Comptroller shall be accompanied by a copy of each official
9 statement or other offering of materials prepared in connection
10 with the issuance of indebtedness of the municipality since the
11 filing of the last audit report.

12 Audits under this Division may be made upon either an
13 accrual or cash basis of accounting depending upon the system
14 followed by each municipality.

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