



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB3245

Introduced 2/1/2012, by Sen. Linda Holmes

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Comptroller's Records Act. Removes a provision requiring certificates of destruction to be signed by 2 witnesses. Amends the State Finance Act. Provides that, upon written approval by the office of the Comptroller, a State agency may maintain an original voucher for travel expenses at the office of the State agency. Provides that a State agency that maintains an original travel voucher at its office is not exempt from submitting a detailed travel voucher as prescribed by the office of the Comptroller. Provides that interest penalties payable under the State Prompt Payment Act associated with a voucher for which payment is issued after June 30 may be paid out of the next year's appropriation. Provides that the Comptroller may issue payments against outstanding liabilities that were received prior to the lapse period deadline, until all liabilities are paid. Amends the Illinois Procurement Code. Provides that whenever certain grants or contract liabilities exceeding \$20,000 (now, \$10,000) are incurred by any State agency, a copy of the contract or grant shall be filed with the Comptroller within 30 days (now, 15 days) thereafter. Provides that the Comptroller may require these copies to be filed electronically. Provides that any cancellation or modification to any such contract liability shall be filed with the Comptroller within 30 days (now, 15 days) after its execution. Amends the Governmental Account Audit Act, the Counties Code, and the Illinois Municipal Code. Provides that any financial report of a governmental unit under the jurisdiction of one of those Acts shall include the name of the purchasing agent who oversees all competitively bid contracts for that unit. Effective immediately.

LRB097 18348 PJG 63574 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning government.

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

4 Section 5. The Comptroller's Records Act is amended by  
5 changing Section 7 as follows:

6 (15 ILCS 415/7) (from Ch. 15, par. 31)

7 Sec. 7. Certificate of destruction. Before the destruction  
8 of any warrants or records pursuant to this Act, the State  
9 Comptroller shall have prepared a certificate setting forth by  
10 summary description the warrants or records and the manner,  
11 time and place of their destruction. The certificate ~~shall be~~  
12 ~~signed by at least 2 witnesses of such destruction and~~ shall be  
13 kept in the permanent files of the Comptroller.

14 (Source: P.A. 78-592.)

15 Section 10. The State Finance Act is amended by changing  
16 Sections 12 and 25 as follows:

17 (30 ILCS 105/12) (from Ch. 127, par. 148)

18 Sec. 12. Each voucher for traveling expenses shall indicate  
19 the purpose of the travel as required by applicable travel  
20 regulations, shall be itemized and shall be accompanied by all  
21 receipts specified in the applicable travel regulations and by

1 a certificate, signed by the person incurring such expense,  
2 certifying that the amount is correct and just; that the  
3 detailed items charged for subsistence were actually paid; that  
4 the expenses were occasioned by official business or  
5 unavoidable delays requiring the stay of such person at hotels  
6 for the time specified; that the journey was performed with all  
7 practicable dispatch by the shortest route usually traveled in  
8 the customary reasonable manner; and that such person has not  
9 been furnished with transportation or money in lieu thereof;  
10 for any part of the journey therein charged for.

11 Upon written approval by the office of the Comptroller, a  
12 State agency may maintain the original travel voucher, the  
13 receipts, and the proof of the traveler's signature on the  
14 traveler's certification statement at the office of the State  
15 agency. However, nothing in this Section shall be construed to  
16 exempt a State agency from submitting a detailed travel voucher  
17 as prescribed by the office of the Comptroller.

18 An information copy of each voucher covering a claim by a  
19 person subject to the official travel regulations promulgated  
20 under Section 12-2 for travel reimbursement involving an  
21 exception to the general restrictions of such travel  
22 regulations shall be filed with the applicable travel control  
23 board which shall consider these vouchers, or a report thereof,  
24 for approval. Amounts disbursed for travel reimbursement  
25 claims which are disapproved by the applicable travel control  
26 board shall be refunded by the traveler and deposited in the

1 fund or account from which payment was made.

2 (Source: P.A. 84-345.)

3 (30 ILCS 105/25) (from Ch. 127, par. 161)

4 Sec. 25. Fiscal year limitations.

5 (a) All appropriations shall be available for expenditure  
6 for the fiscal year or for a lesser period if the Act making  
7 that appropriation so specifies. A deficiency or emergency  
8 appropriation shall be available for expenditure only through  
9 June 30 of the year when the Act making that appropriation is  
10 enacted unless that Act otherwise provides.

11 (b) Outstanding liabilities as of June 30, payable from  
12 appropriations which have otherwise expired, may be paid out of  
13 the expiring appropriations during the 2-month period ending at  
14 the close of business on August 31. Any service involving  
15 professional or artistic skills or any personal services by an  
16 employee whose compensation is subject to income tax  
17 withholding must be performed as of June 30 of the fiscal year  
18 in order to be considered an "outstanding liability as of June  
19 30" that is thereby eligible for payment out of the expiring  
20 appropriation.

21 (b-1) However, payment of tuition reimbursement claims  
22 under Section 14-7.03 or 18-3 of the School Code may be made by  
23 the State Board of Education from its appropriations for those  
24 respective purposes for any fiscal year, even though the claims  
25 reimbursed by the payment may be claims attributable to a prior

1 fiscal year, and payments may be made at the direction of the  
2 State Superintendent of Education from the fund from which the  
3 appropriation is made without regard to any fiscal year  
4 limitations, except as required by subsection (j) of this  
5 Section. Beginning on June 30, 2021, payment of tuition  
6 reimbursement claims under Section 14-7.03 or 18-3 of the  
7 School Code as of June 30, payable from appropriations that  
8 have otherwise expired, may be paid out of the expiring  
9 appropriation during the 4-month period ending at the close of  
10 business on October 31.

11 (b-2) All outstanding liabilities as of June 30, 2010,  
12 payable from appropriations that would otherwise expire at the  
13 conclusion of the lapse period for fiscal year 2010, and  
14 interest penalties payable on those liabilities under the State  
15 Prompt Payment Act, may be paid out of the expiring  
16 appropriations until December 31, 2010, without regard to the  
17 fiscal year in which the payment is made, as long as vouchers  
18 for the liabilities are received by the Comptroller no later  
19 than August 31, 2010.

20 (b-2.5) All outstanding liabilities as of June 30, 2011,  
21 payable from appropriations that would otherwise expire at the  
22 conclusion of the lapse period for fiscal year 2011, and  
23 interest penalties payable on those liabilities under the State  
24 Prompt Payment Act, may be paid out of the expiring  
25 appropriations until December 31, 2011, without regard to the  
26 fiscal year in which the payment is made, as long as vouchers

1 for the liabilities are received by the Comptroller no later  
2 than August 31, 2011.

3 (b-2.6) Effective for fiscal year 2012 and after, interest  
4 penalties payable under the State Prompt Payment Act associated  
5 with a voucher for which payment is issued after June 30 may be  
6 paid out of the next fiscal year's appropriation. The future  
7 year appropriation must be for the same purpose and from the  
8 same fund as the original payment.

9 (b-3) Medical payments may be made by the Department of  
10 Veterans' Affairs from its appropriations for those purposes  
11 for any fiscal year, without regard to the fact that the  
12 medical services being compensated for by such payment may have  
13 been rendered in a prior fiscal year, except as required by  
14 subsection (j) of this Section. Beginning on June 30, 2021,  
15 medical payments payable from appropriations that have  
16 otherwise expired may be paid out of the expiring appropriation  
17 during the 4-month period ending at the close of business on  
18 October 31.

19 (b-4) Medical payments may be made by the Department of  
20 Healthcare and Family Services and medical payments and child  
21 care payments may be made by the Department of Human Services  
22 (as successor to the Department of Public Aid) from  
23 appropriations for those purposes for any fiscal year, without  
24 regard to the fact that the medical or child care services  
25 being compensated for by such payment may have been rendered in  
26 a prior fiscal year; and payments may be made at the direction

1 of the Department of Healthcare and Family Services from the  
2 Health Insurance Reserve Fund and the Local Government Health  
3 Insurance Reserve Fund without regard to any fiscal year  
4 limitations, except as required by subsection (j) of this  
5 Section. Beginning on June 30, 2021, medical payments made by  
6 the Department of Healthcare and Family Services, child care  
7 payments made by the Department of Human Services, and payments  
8 made at the discretion of the Department of Healthcare and  
9 Family Services from the Health Insurance Reserve Fund and the  
10 Local Government Health Insurance Reserve Fund payable from  
11 appropriations that have otherwise expired may be paid out of  
12 the expiring appropriation during the 4-month period ending at  
13 the close of business on October 31.

14 (b-5) Medical payments may be made by the Department of  
15 Human Services from its appropriations relating to substance  
16 abuse treatment services for any fiscal year, without regard to  
17 the fact that the medical services being compensated for by  
18 such payment may have been rendered in a prior fiscal year,  
19 provided the payments are made on a fee-for-service basis  
20 consistent with requirements established for Medicaid  
21 reimbursement by the Department of Healthcare and Family  
22 Services, except as required by subsection (j) of this Section.  
23 Beginning on June 30, 2021, medical payments made by the  
24 Department of Human Services relating to substance abuse  
25 treatment services payable from appropriations that have  
26 otherwise expired may be paid out of the expiring appropriation

1 during the 4-month period ending at the close of business on  
2 October 31.

3 (b-6) Additionally, payments may be made by the Department  
4 of Human Services from its appropriations, or any other State  
5 agency from its appropriations with the approval of the  
6 Department of Human Services, from the Immigration Reform and  
7 Control Fund for purposes authorized pursuant to the  
8 Immigration Reform and Control Act of 1986, without regard to  
9 any fiscal year limitations, except as required by subsection  
10 (j) of this Section. Beginning on June 30, 2021, payments made  
11 by the Department of Human Services from the Immigration Reform  
12 and Control Fund for purposes authorized pursuant to the  
13 Immigration Reform and Control Act of 1986 payable from  
14 appropriations that have otherwise expired may be paid out of  
15 the expiring appropriation during the 4-month period ending at  
16 the close of business on October 31.

17 (b-7) Payments may be made in accordance with a plan  
18 authorized by paragraph (11) or (12) of Section 405-105 of the  
19 Department of Central Management Services Law from  
20 appropriations for those payments without regard to fiscal year  
21 limitations.

22 (c) Further, payments may be made by the Department of  
23 Public Health, the Department of Human Services (acting as  
24 successor to the Department of Public Health under the  
25 Department of Human Services Act), and the Department of  
26 Healthcare and Family Services from their respective



1 appropriations for grants for medical care to or on behalf of  
2 persons suffering from chronic renal disease, persons  
3 suffering from hemophilia, rape victims, and premature and  
4 high-mortality risk infants and their mothers and for grants  
5 for supplemental food supplies provided under the United States  
6 Department of Agriculture Women, Infants and Children  
7 Nutrition Program, for any fiscal year without regard to the  
8 fact that the services being compensated for by such payment  
9 may have been rendered in a prior fiscal year, except as  
10 required by subsection (j) of this Section. Beginning on June  
11 30, 2021, payments made by the Department of Public Health, the  
12 Department of Human Services, and the Department of Healthcare  
13 and Family Services from their respective appropriations for  
14 grants for medical care to or on behalf of persons suffering  
15 from chronic renal disease, persons suffering from hemophilia,  
16 rape victims, and premature and high-mortality risk infants and  
17 their mothers and for grants for supplemental food supplies  
18 provided under the United States Department of Agriculture  
19 Women, Infants and Children Nutrition Program payable from  
20 appropriations that have otherwise expired may be paid out of  
21 the expiring appropriations during the 4-month period ending at  
22 the close of business on October 31.

23 (d) The Department of Public Health and the Department of  
24 Human Services (acting as successor to the Department of Public  
25 Health under the Department of Human Services Act) shall each  
26 annually submit to the State Comptroller, Senate President,

1 Senate Minority Leader, Speaker of the House, House Minority  
2 Leader, and the respective Chairmen and Minority Spokesmen of  
3 the Appropriations Committees of the Senate and the House, on  
4 or before December 31, a report of fiscal year funds used to  
5 pay for services provided in any prior fiscal year. This report  
6 shall document by program or service category those  
7 expenditures from the most recently completed fiscal year used  
8 to pay for services provided in prior fiscal years.

9 (e) The Department of Healthcare and Family Services, the  
10 Department of Human Services (acting as successor to the  
11 Department of Public Aid), and the Department of Human Services  
12 making fee-for-service payments relating to substance abuse  
13 treatment services provided during a previous fiscal year shall  
14 each annually submit to the State Comptroller, Senate  
15 President, Senate Minority Leader, Speaker of the House, House  
16 Minority Leader, the respective Chairmen and Minority  
17 Spokesmen of the Appropriations Committees of the Senate and  
18 the House, on or before November 30, a report that shall  
19 document by program or service category those expenditures from  
20 the most recently completed fiscal year used to pay for (i)  
21 services provided in prior fiscal years and (ii) services for  
22 which claims were received in prior fiscal years.

23 (f) The Department of Human Services (as successor to the  
24 Department of Public Aid) shall annually submit to the State  
25 Comptroller, Senate President, Senate Minority Leader, Speaker  
26 of the House, House Minority Leader, and the respective

1 Chairmen and Minority Spokesmen of the Appropriations  
2 Committees of the Senate and the House, on or before December  
3 31, a report of fiscal year funds used to pay for services  
4 (other than medical care) provided in any prior fiscal year.  
5 This report shall document by program or service category those  
6 expenditures from the most recently completed fiscal year used  
7 to pay for services provided in prior fiscal years.

8 (g) In addition, each annual report required to be  
9 submitted by the Department of Healthcare and Family Services  
10 under subsection (e) shall include the following information  
11 with respect to the State's Medicaid program:

12 (1) Explanations of the exact causes of the variance  
13 between the previous year's estimated and actual  
14 liabilities.

15 (2) Factors affecting the Department of Healthcare and  
16 Family Services' liabilities, including but not limited to  
17 numbers of aid recipients, levels of medical service  
18 utilization by aid recipients, and inflation in the cost of  
19 medical services.

20 (3) The results of the Department's efforts to combat  
21 fraud and abuse.

22 (h) As provided in Section 4 of the General Assembly  
23 Compensation Act, any utility bill for service provided to a  
24 General Assembly member's district office for a period  
25 including portions of 2 consecutive fiscal years may be paid  
26 from funds appropriated for such expenditure in either fiscal

1 year.

2 (i) An agency which administers a fund classified by the  
3 Comptroller as an internal service fund may issue rules for:

4 (1) billing user agencies in advance for payments or  
5 authorized inter-fund transfers based on estimated charges  
6 for goods or services;

7 (2) issuing credits, refunding through inter-fund  
8 transfers, or reducing future inter-fund transfers during  
9 the subsequent fiscal year for all user agency payments or  
10 authorized inter-fund transfers received during the prior  
11 fiscal year which were in excess of the final amounts owed  
12 by the user agency for that period; and

13 (3) issuing catch-up billings to user agencies during  
14 the subsequent fiscal year for amounts remaining due when  
15 payments or authorized inter-fund transfers received from  
16 the user agency during the prior fiscal year were less than  
17 the total amount owed for that period.

18 User agencies are authorized to reimburse internal service  
19 funds for catch-up billings by vouchers drawn against their  
20 respective appropriations for the fiscal year in which the  
21 catch-up billing was issued or by increasing an authorized  
22 inter-fund transfer during the current fiscal year. For the  
23 purposes of this Act, "inter-fund transfers" means transfers  
24 without the use of the voucher-warrant process, as authorized  
25 by Section 9.01 of the State Comptroller Act.

26 (i-1) Beginning on July 1, 2021, all outstanding

1 liabilities, not payable during the 4-month lapse period as  
2 described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and  
3 (c) of this Section, that are made from appropriations for that  
4 purpose for any fiscal year, without regard to the fact that  
5 the services being compensated for by those payments may have  
6 been rendered in a prior fiscal year, are limited to only those  
7 claims that have been incurred but for which a proper bill or  
8 invoice as defined by the State Prompt Payment Act has not been  
9 received by September 30th following the end of the fiscal year  
10 in which the service was rendered.

11 (j) Notwithstanding any other provision of this Act, the  
12 aggregate amount of payments to be made without regard for  
13 fiscal year limitations as contained in subsections (b-1),  
14 (b-3), (b-4), (b-5), (b-6), and (c) of this Section, and  
15 determined by using Generally Accepted Accounting Principles,  
16 shall not exceed the following amounts:

17 (1) \$6,000,000,000 for outstanding liabilities related  
18 to fiscal year 2012;

19 (2) \$5,300,000,000 for outstanding liabilities related  
20 to fiscal year 2013;

21 (3) \$4,600,000,000 for outstanding liabilities related  
22 to fiscal year 2014;

23 (4) \$4,000,000,000 for outstanding liabilities related  
24 to fiscal year 2015;

25 (5) \$3,300,000,000 for outstanding liabilities related  
26 to fiscal year 2016;

1 (6) \$2,600,000,000 for outstanding liabilities related  
2 to fiscal year 2017;

3 (7) \$2,000,000,000 for outstanding liabilities related  
4 to fiscal year 2018;

5 (8) \$1,300,000,000 for outstanding liabilities related  
6 to fiscal year 2019;

7 (9) \$600,000,000 for outstanding liabilities related  
8 to fiscal year 2020; and

9 (10) \$0 for outstanding liabilities related to fiscal  
10 year 2021 and fiscal years thereafter.

11 (k) The Comptroller may issue payments against outstanding  
12 liabilities that were received prior to the lapse period  
13 deadlines set forth in this Section, until all liabilities are  
14 paid.

15 (Source: P.A. 96-928, eff. 6-15-10; 96-958, eff. 7-1-10;  
16 96-1501, eff. 1-25-11; 97-75, eff. 6-30-11; 97-333, eff.  
17 8-12-11.)

18 Section 15. The Illinois Procurement Code is amended by  
19 changing Section 20-80 as follows:

20 (30 ILCS 500/20-80)

21 Sec. 20-80. Contract files.

22 (a) Written determinations. All written determinations  
23 required under this Article shall be placed in the contract  
24 file maintained by the chief procurement officer.

1 (b) Filing with Comptroller. Whenever a grant, defined  
2 pursuant to accounting standards established by the  
3 Comptroller, or a contract liability, except for: (1) contracts  
4 paid from personal services, or (2) contracts between the State  
5 and its employees to defer compensation in accordance with  
6 Article 24 of the Illinois Pension Code, exceeding \$20,000  
7 ~~\$10,000~~ is incurred by any State agency, a copy of the  
8 contract, purchase order, grant, or lease shall be filed with  
9 the Comptroller within 30 ~~15~~ days thereafter. The Comptroller  
10 may require that grants and contracts that must be filed with  
11 the Comptroller under this Section shall be filed  
12 electronically. For each State contract for goods, supplies, or  
13 services awarded on or after July 1, 2010, the contracting  
14 agency shall provide the applicable rate and unit of  
15 measurement of the goods, supplies, or services on the contract  
16 obligation document as required by the Comptroller. If the  
17 contract obligation document that is submitted to the  
18 Comptroller contains the rate and unit of measurement of the  
19 goods, supplies, or services, the Comptroller shall provide  
20 that information on his or her official website. Any  
21 cancellation or modification to any such contract liability  
22 shall be filed with the Comptroller within 30 ~~15~~ days of its  
23 execution.

24 (c) Late filing affidavit. When a contract, purchase order,  
25 grant, or lease required to be filed by this Section has not  
26 been filed within 30 days of execution, the Comptroller shall

1 refuse to issue a warrant for payment thereunder until the  
2 agency files with the Comptroller the contract, purchase order,  
3 grant, or lease and an affidavit, signed by the chief executive  
4 officer of the agency or his or her designee, setting forth an  
5 explanation of why the contract liability was not filed within  
6 30 days of execution. A copy of this affidavit shall be filed  
7 with the Auditor General.

8 (d) Timely execution of contracts. No voucher shall be  
9 submitted to the Comptroller for a warrant to be drawn for the  
10 payment of money from the State treasury or from other funds  
11 held by the State Treasurer on account of any contract unless  
12 the contract is reduced to writing before the services are  
13 performed and filed with the Comptroller. Vendors shall not be  
14 paid for any goods that were received or services that were  
15 rendered before the contract was reduced to writing and signed  
16 by all necessary parties. A chief procurement officer may  
17 request an exception to this subsection by submitting a written  
18 statement to the Comptroller and Treasurer setting forth the  
19 circumstances and reasons why the contract could not be reduced  
20 to writing before the supplies were received or services were  
21 performed. A waiver of this subsection must be approved by the  
22 Comptroller and Treasurer. This Section shall not apply to  
23 emergency purchases if notice of the emergency purchase is  
24 filed with the Procurement Policy Board and published in the  
25 Bulletin as required by this Code.

26 (e) Method of source selection. When a contract is filed



1 with the Comptroller under this Section, the Comptroller's file  
2 shall identify the method of source selection used in obtaining  
3 the contract.

4 (Source: P.A. 96-794, eff. 1-1-10; 96-795, eff. 7-1-10 (see  
5 Section 5 of P.A. 96-793 for the effective date of changes made  
6 by P.A. 96-795); 96-1000, eff. 7-2-10.)

7 Section 20. The Governmental Account Audit Act is amended  
8 by changing Section 2 as follows:

9 (50 ILCS 310/2) (from Ch. 85, par. 702)

10 Sec. 2. Except as otherwise provided in Section 3, the  
11 governing body of each governmental unit shall cause an audit  
12 of the accounts of the unit to be made by a licensed public  
13 accountant. Such audit shall be made annually and shall cover  
14 the immediately preceding fiscal year of the governmental unit.  
15 The audit shall include all the accounts and funds of the  
16 governmental unit, including the accounts of any officer of the  
17 governmental unit who receives fees or handles funds of the  
18 unit or who spends money of the unit. The audit shall begin as  
19 soon as possible after the close of the last fiscal year to  
20 which it pertains, and shall be completed and the audit report  
21 filed with the Comptroller within 6 months after the close of  
22 such fiscal year unless an extension of time is granted by the  
23 Comptroller in writing. An audit report which fails to meet the  
24 requirements of this Act shall be rejected by the Comptroller

1 and returned to the governing body of the governmental unit for  
2 corrective action. The licensed public accountant making the  
3 audit shall submit not less than 3 copies of the audit report  
4 to the governing body of the governmental unit being audited.

5 Any financial report under this Section shall include the  
6 name of the purchasing agent who oversees all competitively bid  
7 contracts. If there is no purchasing agent, the name of the  
8 person responsible for oversight of all competitively bid  
9 contracts shall be listed.

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

11 Section 25. The Counties Code is amended by changing  
12 Section 6-31003 as follows:

13 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

14 Sec. 6-31003. Annual audits and reports. In counties having  
15 a population of over 10,000 but less than 500,000, the county  
16 board of each county shall cause an audit of all of the funds  
17 and accounts of the county to be made annually by an accountant  
18 or accountants chosen by the county board or by an accountant  
19 or accountants retained by the Comptroller, as hereinafter  
20 provided. In addition, each county having a population of less  
21 than 500,000 shall file with the Comptroller a financial report  
22 containing information required by the Comptroller. Such  
23 financial report shall be on a form so designed by the  
24 Comptroller as not to require professional accounting services

1 for its preparation.

2 Any financial report under this Section shall include the  
3 name of the purchasing agent who oversees all competitively bid  
4 contracts. If there is no purchasing agent, the name of the  
5 person responsible for oversight of all competitively bid  
6 contracts shall be listed.

7 The audit shall commence as soon as possible after the  
8 close of each fiscal year and shall be completed within 6  
9 months after the close of such fiscal year, unless an extension  
10 of time is granted by the Comptroller in writing. Such  
11 extension of time shall not exceed 60 days. When the accountant  
12 or accountants have completed the audit a full report thereof  
13 shall be made and not less than 2 copies of each audit report  
14 shall be submitted to the county board. Each audit report shall  
15 be signed by the accountant making the audit and shall include  
16 only financial information, findings and conclusions that are  
17 adequately supported by evidence in the auditor's working  
18 papers to demonstrate or prove, when called upon, the basis for  
19 the matters reported and their correctness and reasonableness.  
20 In connection with this, each county board shall retain the  
21 right of inspection of the auditor's working papers and shall  
22 make them available to the Comptroller, or his designee, upon  
23 request.

24 Within 60 days of receipt of an audit report, each county  
25 board shall file one copy of each audit report and each  
26 financial report with the Comptroller and any comment or

1 explanation that the county board may desire to make concerning  
2 such audit report may be attached thereto. An audit report  
3 which fails to meet the requirements of this Division shall be  
4 rejected by the Comptroller and returned to the county board  
5 for corrective action. One copy of each such report shall be  
6 filed with the county clerk of the county so audited.

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

8 Section 30. The Illinois Municipal Code is amended by  
9 changing Section 8-8-3 as follows:

10 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

11 Sec. 8-8-3. Audit requirements.

12 (a) The corporate authorities of each municipality coming  
13 under the provisions of this Division 8 shall cause an audit of  
14 the funds and accounts of the municipality to be made by an  
15 accountant or accountants employed by such municipality or by  
16 an accountant or accountants retained by the Comptroller, as  
17 hereinafter provided.

18 (b) The accounts and funds of each municipality having a  
19 population of 800 or more or having a bonded debt or owning or  
20 operating any type of public utility shall be audited annually.  
21 The audit herein required shall include all of the accounts and  
22 funds of the municipality. Such audit shall be begun as soon as  
23 possible after the close of the fiscal year, and shall be  
24 completed and the report submitted within 6 months after the

1 close of such fiscal year, unless an extension of time shall be  
2 granted by the Comptroller in writing. The accountant or  
3 accountants making the audit shall submit not less than 2  
4 copies of the audit report to the corporate authorities of the  
5 municipality being audited. Municipalities not operating  
6 utilities may cause audits of the accounts of municipalities to  
7 be made more often than herein provided, by an accountant or  
8 accountants. The audit report of such audit when filed with the  
9 Comptroller together with an audit report covering the  
10 remainder of the period for which an audit is required to be  
11 filed hereunder shall satisfy the requirements of this section.

12 (c) Municipalities of less than 800 population which do not  
13 own or operate public utilities and do not have bonded debt,  
14 shall file annually with the Comptroller a financial report  
15 containing information required by the Comptroller. Such  
16 annual financial report shall be on forms devised by the  
17 Comptroller in such manner as to not require professional  
18 accounting services for its preparation.

19 (d) In addition to any audit report required, all  
20 municipalities, except municipalities of less than 800  
21 population which do not own or operate public utilities and do  
22 not have bonded debt, shall file annually with the Comptroller  
23 a supplemental report on forms devised and approved by the  
24 Comptroller.

25 (e) Notwithstanding any provision of law to the contrary,  
26 if a municipality (i) has a population of less than 200, (ii)

1 has bonded debt in the amount of \$50,000 or less, and (iii)  
2 owns or operates a public utility, then the municipality shall  
3 cause an audit of the funds and accounts of the municipality to  
4 be made by an accountant employed by the municipality or  
5 retained by the Comptroller for fiscal year 2011 and every  
6 fourth fiscal year thereafter or until the municipality has a  
7 population of 200 or more, has bonded debt in excess of  
8 \$50,000, or no longer owns or operates a public utility.  
9 Nothing in this subsection shall be construed as limiting the  
10 municipality's duty to file an annual financial report with the  
11 Comptroller or to comply with the filing requirements  
12 concerning the county clerk.

13 (f) Any financial report under this Section shall include  
14 the name of the purchasing agent who oversees all competitively  
15 bid contracts. If there is no purchasing agent, the name of the  
16 person responsible for oversight of all competitively bid  
17 contracts shall be listed.

18 (Source: P.A. 96-1309, eff. 7-27-10.)

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.

|   |                   |   |
|---|-------------------|---|
| 1 |                   | INDEX                                   |
| 2 |                   | Statutes amended in order of appearance |
| 3 | 15 ILCS 415/7     | from Ch. 15, par. 31                    |
| 4 | 30 ILCS 105/12    | from Ch. 127, par. 148                  |
| 5 | 30 ILCS 105/25    | from Ch. 127, par. 161                  |
| 6 | 30 ILCS 500/20-80 |   |
| 7 | 50 ILCS 310/2     | from Ch. 85, par. 702                   |
| 8 | 55 ILCS 5/6-31003 | from Ch. 34, par. 6-31003               |
| 9 | 65 ILCS 5/8-8-3   | from Ch. 24, par. 8-8-3                 |