

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 Governmental Account Audit Act is amended by
5 changing Sections 2 and 4 as follows:

6 (50 ILCS 310/2) (from Ch. 85, par. 702)

7 Sec. 2. Except as otherwise provided in Section 3, the
8 governing body of each governmental unit shall cause an audit
9 of the accounts of the unit to be made by a licensed public
10 accountant. Such audit shall be made annually and shall cover
11 the immediately preceding fiscal year of the governmental unit.
12 The audit shall include all the accounts and funds of the
13 governmental unit, including the accounts of any officer of the
14 governmental unit who receives fees or handles funds of the
15 unit or who spends money of the unit. The audit shall begin as
16 soon as possible after the close of the last fiscal year to
17 which it pertains, and shall be completed and the audit report
18 filed with the Comptroller within 180 days ~~6 months~~ after the
19 close of such fiscal year unless an extension of time is
20 granted by the Comptroller in writing. An audit report which
21 fails to meet the requirements of this Act shall be rejected by
22 the Comptroller and returned to the governing body of the
23 governmental unit for corrective action. The licensed public

1 accountant making the audit shall submit not less than 3 copies
2 of the audit report to the governing body of the governmental
3 unit being audited.

4 All audits to be filed with the Comptroller under this
5 Section must be submitted electronically and the Comptroller
6 must post the audit reports on the Internet no later than 45
7 days after they are received. If the governmental unit provides
8 the Comptroller's Office with sufficient evidence that the
9 audit report cannot be filed electronically, the Comptroller
10 may waive this requirement. The Comptroller must also post a
11 list of governmental units that are not in compliance with the
12 reporting requirements set forth in this Section.

13 Any financial report under this Section shall include the
14 name of the purchasing agent who oversees all competitively bid
15 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. 97-932, eff. 8-10-12; 97-1142, eff. 12-28-12.)

19 (50 ILCS 310/4) (from Ch. 85, par. 704)

20 Sec. 4. Overdue report.

21 (a) If the required report for a governmental unit is not
22 filed with the Comptroller in accordance with Section 2 or
23 Section 3, whichever is applicable, within 180 days ~~6 months~~
24 after the close of the fiscal year of the governmental unit,
25 the Comptroller shall notify the governing body of that unit in

1 writing that the report is due and may also grant a 60 day
2 extension for the filing of the audit report. If the required
3 report is not filed within the time specified in such written
4 notice, the Comptroller shall cause an audit to be made by a
5 licensed public accountant, and the governmental unit shall pay
6 to the Comptroller actual compensation and expenses to
7 reimburse him for the cost of preparing or completing such
8 report.

9 (b) The Comptroller may decline to order an audit and the
10 preparation of an audit report (i) if an initial examination of
11 the books and records of the governmental unit indicates that
12 the books and records of the governmental unit are inadequate
13 or unavailable due to the passage of time or the occurrence of
14 a natural disaster or (ii) if the Comptroller determines that
15 the cost of an audit would impose an unreasonable financial
16 burden on the governmental unit.

17 (c) The State Comptroller may grant extensions for
18 delinquent audits or reports. The Comptroller may charge a
19 governmental unit a fee for a delinquent audit or report of \$5
20 per day for the first 15 days past due, \$10 per day for 16
21 through 30 days past due, \$15 per day for 31 through 45 days
22 past due, and \$20 per day for the 46th day and every day
23 thereafter. These amounts may be reduced at the Comptroller's
24 discretion. All fees collected under this subsection (c) shall
25 be deposited into the Comptroller's Administrative Fund.

26 (Source: P.A. 97-890, eff. 8-2-12; 97-1142, eff. 12-28-12;

1 98-922, eff. 8-15-14.)

2 Section 10. The Counties Code is amended by changing
3 Sections 6-31003, 6-31004, and 6-31005 as follows:

4 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

5 Sec. 6-31003. Annual audits and reports. The county board
6 of each county shall cause an audit of all of the funds and
7 accounts of the county to be made annually by an accountant or
8 accountants chosen by the county board or by an accountant or
9 accountants retained by the Comptroller, as hereinafter
10 provided. In addition, each county shall file with the
11 Comptroller a financial report containing information required
12 by the Comptroller. Such financial report shall be on a form so
13 designed by the Comptroller as not to require professional
14 accounting services for its preparation. All audits and reports
15 to be filed with the Comptroller under this Section must be
16 submitted electronically and the Comptroller must post the
17 audits and reports on the Internet no later than 45 days after
18 they are received. If the county provides the Comptroller's
19 Office with sufficient evidence that the audit or report cannot
20 be filed electronically, the Comptroller may waive this
21 requirement. The Comptroller must also post a list of counties
22 that are not in compliance with the reporting requirements set
23 forth in this Section.

24 Any financial report under this Section shall include the

1 name of the purchasing agent who oversees all competitively bid
2 contracts. If there is no purchasing agent, the name of the
3 person responsible for oversight of all competitively bid
4 contracts shall be listed.

5 The audit shall commence as soon as possible after the
6 close of each fiscal year and shall be completed within 180
7 days ~~6 months~~ after the close of such fiscal year, unless an
8 extension of time is granted by the Comptroller in writing.
9 Such extension of time shall not exceed 60 days. When the
10 accountant or accountants have completed the audit a full
11 report thereof shall be made and not less than 2 copies of each
12 audit report shall be submitted to the county board. Each audit
13 report shall be signed by the accountant making the audit and
14 shall include only financial information, findings and
15 conclusions that are adequately supported by evidence in the
16 auditor's working papers to demonstrate or prove, when called
17 upon, the basis for the matters reported and their correctness
18 and reasonableness. In connection with this, each county board
19 shall retain the right of inspection of the auditor's working
20 papers and shall make them available to the Comptroller, or his
21 designee, upon request.

22 Within 60 days of receipt of an audit report, each county
23 board shall file one copy of each audit report and each
24 financial report with the Comptroller and any comment or
25 explanation that the county board may desire to make concerning
26 such audit report may be attached thereto. An audit report

1 which fails to meet the requirements of this Division shall be
2 rejected by the Comptroller and returned to the county board
3 for corrective action. One copy of each such report shall be
4 filed with the county clerk of the county so audited.

5 This Section is a limitation under subsection (i) of
6 Section 6 of Article VII of the Illinois Constitution on the
7 concurrent exercise by home rule counties of powers and
8 functions exercised by the State.

9 (Source: P.A. 97-890, eff. 8-2-12; 97-932, eff. 8-10-12;
10 97-1142, eff. 12-28-12.)

11 (55 ILCS 5/6-31004) (from Ch. 34, par. 6-31004)

12 Sec. 6-31004. Overdue reports.

13 (a) In the event the required reports for a county are not
14 filed with the Comptroller in accordance with Section 6-31003
15 within 180 days ~~6 months~~ after the close of the fiscal year of
16 the county, the Comptroller shall notify the county board in
17 writing that the reports are due, and may also grant an
18 extension of time of up to 60 days for the filing of the
19 reports. In the event the required reports are not filed within
20 the time specified in such written notice, the Comptroller
21 shall cause the audit to be made and the audit report prepared
22 by an accountant or accountants.

23 (b) The Comptroller may decline to order an audit and the
24 preparation of an audit report if an initial examination of the
25 books and records of the governmental unit indicates that the

1 books and records of the governmental unit are inadequate or
2 unavailable due to the passage of time or the occurrence of a
3 natural disaster.

4 (c) The State Comptroller may grant extensions for
5 delinquent audits or reports. The Comptroller may charge a
6 county a fee for a delinquent audit or report of \$5 per day for
7 the first 15 days past due, \$10 per day for 16 through 30 days
8 past due, \$15 per day for 31 through 45 days past due, and \$20
9 per day for the 46th day and every day thereafter. These
10 amounts may be reduced at the Comptroller's discretion. All
11 fees collected under this subsection (c) shall be deposited
12 into the Comptroller's Administrative Fund.

13 (Source: P.A. 97-890, eff. 8-2-12; 97-1142, eff. 12-28-12;
14 98-922, eff. 8-15-14.)

15 (55 ILCS 5/6-31005) (from Ch. 34, par. 6-31005)

16 Sec. 6-31005. Funds managed by county officials. In
17 addition to any other audit required by this Division, the
18 County Board shall cause an audit to be made of all funds and
19 accounts under the management or control of a county official
20 as soon as possible after such official leaves office for any
21 reason. The audit shall be filed with the county board not
22 later than 180 days ~~6 months~~ after the official leaves office.
23 The audit shall be conducted and the audit report shall be
24 prepared and filed with the Chairman of the County Board by a
25 person lawfully qualified to practice public accounting as

1 regulated by "An Act to regulate the practice of public
2 accounting and to repeal certain acts therein named", approved
3 July 22, 1943 as amended.

4 As used in this Section, "county official" means any
5 elected county officer or any officer appointed by the county
6 board who is charged with the management or control of any
7 county funds; and "audit" means a post facto examination of
8 books, documents, records, and other evidence relating to the
9 obligation, receipt, expenditure or use of public funds of the
10 county, including governmental operations relating to such
11 obligations, receipt, expenditure or use.

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

13 Section 15. The Illinois Municipal Code is amended by
14 changing Sections 8-8-3 and 8-8-4 as follows:

15 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

16 Sec. 8-8-3. Audit requirements.

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

23 (b) The accounts and funds of each municipality having a
24 population of 800 or more or having a bonded debt or owning or

1 operating any type of public utility shall be audited annually.
2 The audit herein required shall include all of the accounts and
3 funds of the municipality. Such audit shall be begun as soon as
4 possible after the close of the fiscal year, and shall be
5 completed and the report submitted within 180 days ~~6 months~~
6 after the close of such fiscal year, unless an extension of
7 time shall be granted by the Comptroller in writing. The
8 accountant or accountants making the audit shall submit not
9 less than 2 copies of the audit report to the corporate
10 authorities of the municipality being audited. Municipalities
11 not operating utilities may cause audits of the accounts of
12 municipalities to be made more often than herein provided, by
13 an accountant or accountants. The audit report of such audit
14 when filed with the Comptroller together with an audit report
15 covering the remainder of the period for which an audit is
16 required to be filed hereunder shall satisfy the requirements
17 of this section.

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

25 (d) In addition to any audit report required, all
26 municipalities, except municipalities of less than 800

1 population which do not own or operate public utilities and do
2 not have bonded debt, shall file annually with the Comptroller
3 a supplemental report on forms devised and approved by the
4 Comptroller.

5 (e) Notwithstanding any provision of law to the contrary,
6 if a municipality (i) has a population of less than 200, (ii)
7 has bonded debt in the amount of \$50,000 or less, and (iii)
8 owns or operates a public utility, then the municipality shall
9 cause an audit of the funds and accounts of the municipality to
10 be made by an accountant employed by the municipality or
11 retained by the Comptroller for fiscal year 2011 and every
12 fourth fiscal year thereafter or until the municipality has a
13 population of 200 or more, has bonded debt in excess of
14 \$50,000, or no longer owns or operates a public utility.
15 Nothing in this subsection shall be construed as limiting the
16 municipality's duty to file an annual financial report with the
17 Comptroller or to comply with the filing requirements
18 concerning the county clerk.

19 (f) All audits and reports to be filed with the Comptroller
20 under this Section must be submitted electronically and the
21 Comptroller must post the audits and reports on the Internet no
22 later than 45 days after they are received. If the municipality
23 provides the Comptroller's Office with sufficient evidence
24 that the audit or report cannot be filed electronically, the
25 Comptroller may waive this requirement. The Comptroller must
26 also post a list of municipalities that are not in compliance

1 with the reporting requirements set forth in this Section.

2 (g) Subsection (f) of this Section is a limitation under
3 subsection (i) of Section 6 of Article VII of the Illinois
4 Constitution on the concurrent exercise by home rule
5 municipalities of powers and functions exercised by the State.

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

11 (Source: P.A. 96-1309, eff. 7-27-10; 97-890, eff. 8-2-12;
12 97-932, eff. 8-10-12; 97-1142, eff. 12-28-12.)

13 (65 ILCS 5/8-8-4) (from Ch. 24, par. 8-8-4)

14 Sec. 8-8-4. Overdue reports.

15 (a) In the event the required audit report for a
16 municipality is not filed with the Comptroller in accordance
17 with Section 8-8-7 within 180 days ~~6 months~~ after the close of
18 the fiscal year of the municipality, the Comptroller shall
19 notify the corporate authorities of that municipality in
20 writing that the audit report is due, and may also grant an
21 extension of time of 60 days, for the filing of the audit
22 report. In the event the required audit report is not filed
23 within the time specified in such written notice, the
24 Comptroller shall cause such audit to be made by an accountant
25 or accountants. In the event the required annual or

1 supplemental report for a municipality is not filed within 6
2 months after the close of the fiscal year of the municipality,
3 the Comptroller shall notify the corporate authorities of that
4 municipality in writing that the annual or supplemental report
5 is due and may grant an extension in time of 60 days for the
6 filing of such annual or supplemental report.

7 (b) In the event the annual or supplemental report is not
8 filed within the time extended by the Comptroller, the
9 Comptroller shall cause such annual or supplemental report to
10 be prepared or completed and the municipality shall pay to the
11 Comptroller reasonable compensation and expenses to reimburse
12 him for the cost of preparing or completing such annual or
13 supplemental report. Moneys paid to the Comptroller pursuant to
14 the preceding sentence shall be deposited into the
15 Comptroller's Audit Expense Revolving Fund.

16 (c) The Comptroller may decline to order an audit or the
17 completion of the supplemental report if an initial examination
18 of the books and records of the municipality indicates that
19 books and records of the municipality are inadequate or
20 unavailable to support the preparation of the audit report or
21 the supplemental report due to the passage of time or the
22 occurrence of a natural disaster.

23 (d) The State Comptroller may grant extensions for
24 delinquent audits or reports. The Comptroller may charge a
25 municipality a fee for a delinquent audit or report of \$5 per
26 day for the first 15 days past due, \$10 per day for 16 through

1 30 days past due, \$15 per day for 31 through 45 days past due,
2 and \$20 per day for the 46th day and every day thereafter.
3 These amounts may be reduced at the Comptroller's discretion.
4 All fees collected under this subsection (d) shall be deposited
5 into the Comptroller's Administrative Fund.
6 (Source: P.A. 97-890, eff. 8-2-12; 97-1142, eff. 12-28-12;
7 98-922, eff. 8-15-14.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.