

AN ACT concerning local government.

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

Section 5. The Governmental Account Audit Act is amended by changing Sections 3 and 4 as follows:

(50 ILCS 310/3) (from Ch. 85, par. 703)

Sec. 3. Any governmental unit receiving revenue of less than \$850,000 for any fiscal year shall, in lieu of complying with the requirements of Section 2 for audits and audit reports, file with the Comptroller a financial report containing information required by the Comptroller. In addition, a governmental unit receiving revenue of less than \$850,000 may file with the Comptroller any audit reports which may have been prepared under any other law. Any governmental unit receiving revenue of \$850,000 or more for any fiscal year shall, in addition to complying with the requirements of Section 2 for audits and audit reports, file with the Comptroller the financial report required by this Section. Such financial reports shall be on forms so designed by the Comptroller as not to require professional accounting services for its preparation. All reports to be filed with the Comptroller under this Section must be submitted electronically and the Comptroller must post the reports on the

Internet no later than 45 days after they are received. If the governmental unit provides the Comptroller's Office with sufficient evidence that the report cannot be filed electronically, the Comptroller may waive this requirement. The Comptroller must also post a list of municipalities that are not in compliance with the reporting requirements set forth in this Section.

(Source: P.A. 92-582, eff. 7-1-02.)

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

Sec. 4. Overdue report.

(a) If the required report for a governmental unit is not filed with the Comptroller in accordance with Section 2 or Section 3, whichever is applicable, within 6 months after the close of the fiscal year of the governmental unit, the Comptroller shall notify the governing body of that unit in writing that the report is due and may also grant a 60 day extension for the filing of the audit report. If the required report is not filed within the time specified in such written notice, the Comptroller shall cause an audit to be made by a licensed public accountant, and the governmental unit shall pay to the Comptroller actual compensation and expenses to reimburse him for the cost of preparing or completing such report.

(b) The Comptroller may decline to order an audit and the preparation of an audit report (i) if an initial examination of

the books and records of the governmental unit indicates that the books and records of the governmental unit are inadequate or unavailable due to the passage of time or the occurrence of a natural disaster or (ii) if the Comptroller determines that the cost of an audit would impose an unreasonable financial burden on the governmental unit.

(c) The State Comptroller may grant extensions for delinquent reports. The Comptroller may charge a governmental unit a fee for a delinquent audit of \$5 per day for the first 15 days past due, \$10 per day for 16 through 30 days past due, \$15 per day for 31 through 45 days past due, and \$20 per day for the 46th day and every day thereafter. All fees collected under this subsection (c) shall be deposited into the Comptroller's Administrative Fund.

(Source: P.A. 92-191, eff. 8-1-01.)

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

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

Sec. 6-31003. Annual audits and reports. ~~The In counties having a population of over 10,000 but less than 500,000, the~~ county board of each county shall cause an audit of all of the funds and accounts of the county to be made annually by an accountant or accountants chosen by the county board or by an accountant or accountants retained by the Comptroller, as

hereinafter provided. In addition, each county ~~having a population of less than 500,000~~ shall file with the Comptroller a financial report containing information required by the Comptroller. Such financial report shall be on a form so designed by the Comptroller as not to require professional accounting services for its preparation. All reports to be filed with the Comptroller under this Section must be submitted electronically and the Comptroller must post the reports on the Internet no later than 45 days after they are received. If the county provides the Comptroller's Office with sufficient evidence that the report cannot be filed electronically, the Comptroller may waive this requirement. The Comptroller must also post a list of counties that are not in compliance with the reporting requirements set forth in this Section.

The audit shall commence as soon as possible after the close of each fiscal year and shall be completed within 6 months after the close of such fiscal year, unless an extension of time is granted by the Comptroller in writing. Such extension of time shall not exceed 60 days. When the accountant or accountants have completed the audit a full report thereof shall be made and not less than 2 copies of each audit report shall be submitted to the county board. Each audit report shall be signed by the accountant making the audit and shall include only financial information, findings and conclusions that are adequately supported by evidence in the auditor's working papers to demonstrate or prove, when called upon, the basis for

the matters reported and their correctness and reasonableness. In connection with this, each county board shall retain the right of inspection of the auditor's working papers and shall make them available to the Comptroller, or his designee, upon request.

Within 60 days of receipt of an audit report, each county board shall file one copy of each audit report and each financial report with the Comptroller and any comment or explanation that the county board may desire to make concerning such audit report may be attached thereto. An audit report which fails to meet the requirements of this Division shall be rejected by the Comptroller and returned to the county board for corrective action. One copy of each such report shall be filed with the county clerk of the county so audited.

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

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

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

Sec. 6-31004. Overdue reports.

(a) In the event the required reports for a county are not filed with the Comptroller in accordance with Section 6-31003 within 6 months after the close of the fiscal year of the county, the Comptroller shall notify the county board in

writing that the reports are due, and may also grant an extension of time of up to 60 days for the filing of the reports. In the event the required reports are not filed within the time specified in such written notice, the Comptroller shall cause the audit to be made and the audit report prepared by an accountant or accountants.

(b) The Comptroller may decline to order an audit and the preparation of an audit report if an initial examination of the books and records of the governmental unit indicates that the books and records of the governmental unit are inadequate or unavailable due to the passage of time or the occurrence of a natural disaster.

(c) The State Comptroller may grant extensions for delinquent reports. The Comptroller may charge a county a fee for a delinquent audit of \$5 per day for the first 15 days past due, \$10 per day for 16 through 30 days past due, \$15 per day for 31 through 45 days past due, and \$20 per day for the 46th day and every day thereafter. All fees collected under this subsection (c) shall be deposited into the Comptroller's Administrative Fund.

(Source: P.A. 90-104, eff. 7-11-97.)

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

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

Sec. 8-8-3. Audit requirements.

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

(b) The accounts and funds of each municipality having a population of 800 or more or having a bonded debt or owning or operating any type of public utility shall be audited annually. The audit herein required shall include all of the accounts and funds of the municipality. Such audit shall be begun as soon as possible after the close of the fiscal year, and shall be completed and the report submitted within 6 months after the close of such fiscal year, unless an extension of time shall be granted by the Comptroller in writing. The accountant or accountants making the audit shall submit not less than 2 copies of the audit report to the corporate authorities of the municipality being audited. Municipalities not operating utilities may cause audits of the accounts of municipalities to be made more often than herein provided, by an accountant or accountants. The audit report of such audit when filed with the Comptroller together with an audit report covering the remainder of the period for which an audit is required to be filed hereunder shall satisfy the requirements of this section.

(c) Municipalities of less than 800 population which do not

own or operate public utilities and do not have bonded debt, shall file annually with the Comptroller a financial report containing information required by the Comptroller. Such annual financial report shall be on forms devised by the Comptroller in such manner as to not require professional accounting services for its preparation.

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

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

(f) All reports to be filed with the Comptroller under this Section must be submitted electronically and the Comptroller must post the reports on the Internet no later than 45 days after they are received. If the municipality provides the Comptroller's Office with sufficient evidence that the report cannot be filed electronically, the Comptroller may waive this requirement. The Comptroller must also post a list of municipalities that are not in compliance with the reporting requirements set forth in this Section.

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

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

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

Sec. 8-8-4. Overdue reports.

(a) In the event the required audit report for a municipality is not filed with the Comptroller in accordance with Section 8-8-7 within 6 months after the close of the fiscal year of the municipality, the Comptroller shall notify the corporate authorities of that municipality in writing that the audit report is due, and may also grant an extension of time of 60 days, for the filing of the audit report. In the event the required audit report is not filed within the time specified in such written notice, the Comptroller shall cause

such audit to be made by an accountant or accountants. In the event the required annual or supplemental report for a municipality is not filed within 6 months after the close of the fiscal year of the municipality, the Comptroller shall notify the corporate authorities of that municipality in writing that the annual or supplemental report is due and may grant an extension in time of 60 days for the filing of such annual or supplemental report.

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

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

(d) The State Comptroller may grant extensions for delinquent reports. The Comptroller may charge a municipality a

fee for a delinquent audit of \$5 per day for the first 15 days past due, \$10 per day for 16 through 30 days past due, \$15 per day for 31 through 45 days past due, and \$20 per day for the 46th day and every day thereafter. All fees collected under this subsection (d) shall be deposited into the Comptroller's Administrative Fund.

(Source: P.A. 90-104, eff. 7-11-97.)

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