

AN ACT concerning government.

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

Section 5. The State Records Act is amended by changing Section 9 as follows:

(5 ILCS 160/9) (from Ch. 116, par. 43.12)

Sec. 9. The head of each agency shall establish, and maintain an active, continuing program for the economical and efficient management of the records of the agency.

Such program:

(1) shall provide for effective controls over the creation, maintenance, and use of records in the conduct of current business and shall ensure that agency electronic records, as specified in Section 5-135 of the Electronic Commerce Security Act, are retained in a trustworthy manner so that the records, and the information contained in the records, are accessible and usable for reference for the duration of the retention period; all computer tape or disk maintenance and preservation procedures must be fully applied and, if equipment or programs providing access to the records are updated or replaced, the existing data must remain accessible in the successor format for the duration of the approved retention period;

(2) shall provide for cooperation with the Secretary in

appointing a records officer and in applying standards, procedures, and techniques to improve the management of records, promote the maintenance and security of records deemed appropriate for preservation, and facilitate the segregation and disposal of records of temporary value; and

(3) shall provide for compliance with the provisions of this Act and the rules and regulations issued thereunder.

If an agency has delegated its authority to retain records to another agency, then the delegate agency shall maintain the same, or a more diligent, record retention methodology and record retention period as the original agency's program. If the delegate is from the legislative or judicial branch, then the delegate may use the same record retention methodology and record retention period that the delegate uses for similar records.

(Source: P.A. 92-866, eff. 1-3-03.)

Section 10. The Comptroller's Records Act is amended by changing Section 7 as follows:

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

Sec. 7. Certificate of destruction. Before the destruction of any warrants or records pursuant to this Act, the State Comptroller shall have prepared a certificate setting forth by summary description the warrants or records and the manner, time and place of their destruction. The certificate ~~shall be~~

~~signed by at least 2 witnesses of such destruction and shall be kept in the permanent files of the Comptroller.~~

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

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

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

Sec. 12. Each voucher for traveling expenses shall indicate the purpose of the travel as required by applicable travel regulations, shall be itemized and shall be accompanied by all receipts specified in the applicable travel regulations and by a certificate, signed by the person incurring such expense, certifying that the amount is correct and just; that the detailed items charged for subsistence were actually paid; that the expenses were occasioned by official business or unavoidable delays requiring the stay of such person at hotels for the time specified; that the journey was performed with all practicable dispatch by the shortest route usually traveled in the customary reasonable manner; and that such person has not been furnished with transportation or money in lieu thereof; for any part of the journey therein charged for.

Upon written approval by the office of the Comptroller, a State agency may maintain the original travel voucher, the receipts, and the proof of the traveler's signature on the traveler's certification statement at the office of the State

agency. However, nothing in this Section shall be construed to exempt a State agency from submitting a detailed travel voucher as prescribed by the office of the Comptroller.

An information copy of each voucher covering a claim by a person subject to the official travel regulations promulgated under Section 12-2 for travel reimbursement involving an exception to the general restrictions of such travel regulations shall be filed with the applicable travel control board which shall consider these vouchers, or a report thereof, for approval. Amounts disbursed for travel reimbursement claims which are disapproved by the applicable travel control board shall be refunded by the traveler and deposited in the fund or account from which payment was made.

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

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

Sec. 25. Fiscal year limitations.

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

(b) Outstanding liabilities as of June 30, payable from appropriations which have otherwise expired, may be paid out of the expiring appropriations during the 2-month period ending at

the close of business on August 31. Any service involving professional or artistic skills or any personal services by an employee whose compensation is subject to income tax withholding must be performed as of June 30 of the fiscal year in order to be considered an "outstanding liability as of June 30" that is thereby eligible for payment out of the expiring appropriation.

(b-1) However, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code may be made by the State Board of Education from its appropriations for those respective purposes for any fiscal year, even though the claims reimbursed by the payment may be claims attributable to a prior fiscal year, and payments may be made at the direction of the State Superintendent of Education from the fund from which the appropriation is made without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payment of tuition reimbursement claims under Section 14-7.03 or 18-3 of the School Code as of June 30, payable from appropriations that have otherwise expired, may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-2) All outstanding liabilities as of June 30, 2010, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2010, and interest penalties payable on those liabilities under the State

Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2010, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2010.

(b-2.5) All outstanding liabilities as of June 30, 2011, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2011, and interest penalties payable on those liabilities under the State Prompt Payment Act, may be paid out of the expiring appropriations until December 31, 2011, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2011.

(b-2.6) For fiscal years 2012 and 2013, 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 fiscal year's appropriation. The future year appropriation must be for the same purpose and from the same fund as the original payment. An interest penalty voucher submitted against a future year appropriation must be submitted within 60 days after the issuance of the associated voucher, and the Comptroller must issue the interest payment within 60 days after acceptance of the interest voucher.

(b-3) Medical payments may be made by the Department of Veterans' Affairs from its appropriations for those purposes

for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-4) Medical payments may be made by the Department of Healthcare and Family Services and medical payments and child care payments may be made by the Department of Human Services (as successor to the Department of Public Aid) from appropriations for those purposes for any fiscal year, without regard to the fact that the medical or child care services being compensated for by such payment may have been rendered in a prior fiscal year; and payments may be made at the direction of the Department of Healthcare and Family Services from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the Department of Healthcare and Family Services, child care payments made by the Department of Human Services, and payments made at the discretion of the Department of Healthcare and Family Services from the Health Insurance Reserve Fund and the Local Government Health Insurance Reserve Fund payable from

appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-5) Medical payments may be made by the Department of Human Services from its appropriations relating to substance abuse treatment services for any fiscal year, without regard to the fact that the medical services being compensated for by such payment may have been rendered in a prior fiscal year, provided the payments are made on a fee-for-service basis consistent with requirements established for Medicaid reimbursement by the Department of Healthcare and Family Services, except as required by subsection (j) of this Section. Beginning on June 30, 2021, medical payments made by the Department of Human Services relating to substance abuse treatment services payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

(b-6) Additionally, payments may be made by the Department of Human Services from its appropriations, or any other State agency from its appropriations with the approval of the Department of Human Services, from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986, without regard to any fiscal year limitations, except as required by subsection (j) of this Section. Beginning on June 30, 2021, payments made

by the Department of Human Services from the Immigration Reform and Control Fund for purposes authorized pursuant to the Immigration Reform and Control Act of 1986 payable from appropriations that have otherwise expired may be paid out of the expiring appropriation during the 4-month period ending at the close of business on October 31.

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

(c) Further, payments may be made by the Department of Public Health, the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act), and the Department of Healthcare and Family Services from their respective appropriations for grants for medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, rape victims, and premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program, for any fiscal year without regard to the fact that the services being compensated for by such payment may have been rendered in a prior fiscal year, except as required by subsection (j) of this Section. Beginning on June

30, 2021, payments made by the Department of Public Health, the Department of Human Services, and the Department of Healthcare and Family Services from their respective appropriations for grants for medical care to or on behalf of persons suffering from chronic renal disease, persons suffering from hemophilia, rape victims, and premature and high-mortality risk infants and their mothers and for grants for supplemental food supplies provided under the United States Department of Agriculture Women, Infants and Children Nutrition Program payable from appropriations that have otherwise expired may be paid out of the expiring appropriations during the 4-month period ending at the close of business on October 31.

(d) The Department of Public Health and the Department of Human Services (acting as successor to the Department of Public Health under the Department of Human Services Act) shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(e) The Department of Healthcare and Family Services, the Department of Human Services (acting as successor to the

Department of Public Aid), and the Department of Human Services making fee-for-service payments relating to substance abuse treatment services provided during a previous fiscal year shall each annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before November 30, a report that shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for (i) services provided in prior fiscal years and (ii) services for which claims were received in prior fiscal years.

(f) The Department of Human Services (as successor to the Department of Public Aid) shall annually submit to the State Comptroller, Senate President, Senate Minority Leader, Speaker of the House, House Minority Leader, and the respective Chairmen and Minority Spokesmen of the Appropriations Committees of the Senate and the House, on or before December 31, a report of fiscal year funds used to pay for services (other than medical care) provided in any prior fiscal year. This report shall document by program or service category those expenditures from the most recently completed fiscal year used to pay for services provided in prior fiscal years.

(g) In addition, each annual report required to be submitted by the Department of Healthcare and Family Services under subsection (e) shall include the following information

with respect to the State's Medicaid program:

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

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

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

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

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

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

(2) issuing credits, refunding through inter-fund transfers, or reducing future inter-fund transfers during the subsequent fiscal year for all user agency payments or authorized inter-fund transfers received during the prior

fiscal year which were in excess of the final amounts owed by the user agency for that period; and

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

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

(i-1) Beginning on July 1, 2021, all outstanding liabilities, not payable during the 4-month lapse period as described in subsections (b-1), (b-3), (b-4), (b-5), (b-6), and (c) of this Section, that are made from appropriations for that purpose for any fiscal year, without regard to the fact that the services being compensated for by those payments may have been rendered in a prior fiscal year, are limited to only those claims that have been incurred but for which a proper bill or invoice as defined by the State Prompt Payment Act has not been received by September 30th following the end of the fiscal year in which the service was rendered.

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

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

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

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

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

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

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

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

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

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

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

(k) The Comptroller must issue payments against outstanding liabilities that were received prior to the lapse period deadlines set forth in this Section as soon thereafter as practical, but no payment may be issued after the 4 months following the lapse period deadline without the signed authorization of the Comptroller and the Governor.

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

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

(30 ILCS 500/20-80)

Sec. 20-80. Contract files.

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

(b) Filing with Comptroller. Whenever a grant, defined pursuant to accounting standards established by the Comptroller, or a contract liability, except for: (1) contracts paid from personal services, or (2) contracts between the State and its employees to defer compensation in accordance with Article 24 of the Illinois Pension Code, exceeding \$20,000 ~~\$10,000~~ is incurred by any State agency, a copy of the contract, purchase order, grant, or lease shall be filed with

the Comptroller within 30 ~~15~~ days thereafter. Beginning January 1, 2013, the Comptroller may require that contracts and grants required to be filed with the Comptroller under this Section shall be filed electronically, unless the agency is incapable of filing the contract or grant electronically because it does not possess the necessary technology or equipment. Any agency that is incapable of electronically filing its contracts or grants shall submit a written statement to the Governor and to the Comptroller attesting to the reasons for its inability to comply. This statement shall include a discussion of what the agency needs in order to effectively comply with this Section. Prior to requiring electronic filing, the Comptroller shall consult with the Governor as to the feasibility of establishing mutually agreeable technical standards for the electronic document imaging, storage, and transfer of contracts and grants, taking into consideration the technology available to that agency, best practices, and the technological capabilities of State agencies. Nothing in this amendatory Act of the 97th General Assembly shall be construed to impede the implementation of an Enterprise Resource Planning (ERP) system. For each State contract for goods, supplies, or services awarded on or after July 1, 2010, the contracting agency shall provide the applicable rate and unit of measurement of the goods, supplies, or services on the contract obligation document as required by the Comptroller. If the contract obligation document that is submitted to the

Comptroller contains the rate and unit of measurement of the goods, supplies, or services, the Comptroller shall provide that information on his or her official website. Any cancellation or modification to any such contract liability shall be filed with the Comptroller within 30 ~~15~~ days of its execution.

(c) Late filing affidavit. When a contract, purchase order, grant, or lease required to be filed by this Section has not been filed within 30 days of execution, the Comptroller shall refuse to issue a warrant for payment thereunder until the agency files with the Comptroller the contract, purchase order, grant, or lease and an affidavit, signed by the chief executive officer of the agency or his or her designee, setting forth an explanation of why the contract liability was not filed within 30 days of execution. A copy of this affidavit shall be filed with the Auditor General.

(d) Timely execution of contracts. No voucher shall be submitted to the Comptroller for a warrant to be drawn for the payment of money from the State treasury or from other funds held by the State Treasurer on account of any contract unless the contract is reduced to writing before the services are performed and filed with the Comptroller. Vendors shall not be paid for any goods that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties. A chief procurement officer may request an exception to this subsection by submitting a written

statement to the Comptroller and Treasurer setting forth the circumstances and reasons why the contract could not be reduced to writing before the supplies were received or services were performed. A waiver of this subsection must be approved by the Comptroller and Treasurer. This Section shall not apply to emergency purchases if notice of the emergency purchase is filed with the Procurement Policy Board and published in the Bulletin as required by this Code.

(e) Method of source selection. When a contract is filed with the Comptroller under this Section, the Comptroller's file shall identify the method of source selection used in obtaining the contract.

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

Section 25. The State Prompt Payment Act is amended by changing Section 3-2 as follows:

(30 ILCS 540/3-2)

Sec. 3-2. Beginning July 1, 1993, in any instance where a State official or agency is late in payment of a vendor's bill or invoice for goods or services furnished to the State, as defined in Section 1, properly approved in accordance with rules promulgated under Section 3-3, the State official or agency shall pay interest to the vendor in accordance with the

following:

(1) Any bill, except a bill submitted under Article V of the Illinois Public Aid Code and except as provided under paragraph (1.05) of this Section, approved for payment under this Section must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 60-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made. Any bill, except a bill for pharmacy or nursing facility services or goods, and except as provided under paragraph (1.05) ~~1.05~~ of this Section, submitted under Article V of the Illinois Public Aid Code approved for payment under this Section must be paid or the payment issued to the payee within 60 days after receipt of a proper bill or invoice, and, if payment is not issued to the payee within this 60-day period, an interest penalty of 2.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made. Any bill for pharmacy or nursing facility services or goods submitted under Article V of the Illinois Public Aid Code, except as provided under paragraph (1.05) of this Section, and approved for payment under this Section must be paid or the payment issued to the payee within 60 days of receipt

of a proper bill or invoice. If payment is not issued to the payee within this 60-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 60-day period, until final payment is made.

(1.05) For State fiscal year 2012 and future fiscal years, any bill approved for payment under this Section must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month, or 00.0033% (1/30%) of any amount approved and unpaid for each day, ~~fraction thereof~~ after the end of this 90-day period, until final payment is made.

(1.1) A State agency shall review in a timely manner each bill or invoice after its receipt. If the State agency determines that the bill or invoice contains a defect making it unable to process the payment request, the agency shall notify the vendor requesting payment as soon as possible after discovering the defect pursuant to rules promulgated under Section 3-3; provided, however, that the notice for construction related bills or invoices must be given not later than 30 days after the bill or invoice was first submitted. The notice shall identify the defect and any additional information necessary to correct the

defect. If one or more items on a construction related bill or invoice are disapproved, but not the entire bill or invoice, then the portion that is not disapproved shall be paid.

(2) Where a State official or agency is late in payment of a vendor's bill or invoice properly approved in accordance with this Act, and different late payment terms are not reduced to writing as a contractual agreement, the State official or agency shall automatically pay interest penalties required by this Section amounting to \$50 or more to the appropriate vendor. Each agency shall be responsible for determining whether an interest penalty is owed and for paying the interest to the vendor. Except as provided in paragraph (4), an individual interest payment amounting to \$5 or less shall not be paid by the State. Interest due to a vendor that amounts to greater than \$5 and less than \$50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds \$50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time. In the event an individual has paid a vendor for services in advance, the provisions of this Section shall apply until payment is made to that individual.

(3) The provisions of Public Act 96-1501 reducing the

interest rate on pharmacy claims under Article V of the Illinois Public Aid Code to 1.0% per month shall apply to any pharmacy bills for services and goods under Article V of the Illinois Public Aid Code received on or after the date 60 days before January 25, 2011 (the effective date of Public Act 96-1501) except as provided under paragraph (1.05) of this Section.

(4) Interest amounting to less than \$5 shall not be paid by the State, except for claims (i) to the Department of Healthcare and Family Services or the Department of Human Services, (ii) pursuant to Article V of the Illinois Public Aid Code, the Covering ALL KIDS Health Insurance Act, or the Children's Health Insurance Program Act, and (iii) made (A) by pharmacies for prescriptive services or (B) by any federally qualified health center for prescriptive services or any other services.

(Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10; 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff. 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff. 6-30-11; 97-348, eff. 8-12-11; revised 9-7-11.)

Section 30. The Governmental Account Audit Act is amended by changing Section 2 as follows:

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

Sec. 2. Except as otherwise provided in Section 3, the

governing body of each governmental unit shall cause an audit of the accounts of the unit to be made by a licensed public accountant. Such audit shall be made annually and shall cover the immediately preceding fiscal year of the governmental unit. The audit shall include all the accounts and funds of the governmental unit, including the accounts of any officer of the governmental unit who receives fees or handles funds of the unit or who spends money of the unit. The audit shall begin as soon as possible after the close of the last fiscal year to which it pertains, and shall be completed and the audit report filed with the Comptroller within 6 months after the close of such fiscal year unless an extension of time is granted by the Comptroller in writing. An audit report which fails to meet the requirements of this Act shall be rejected by the Comptroller and returned to the governing body of the governmental unit for corrective action. The licensed public accountant making the audit shall submit not less than 3 copies of the audit report to the governing body of the governmental unit being audited.

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

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

Section 35. The Counties Code is amended by changing

Section 6-31003 as follows:

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

Sec. 6-31003. Annual audits and reports. 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.

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

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.

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

Section 40. The Illinois Municipal Code is amended by changing Section 8-8-3 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) Any financial report under this Section shall include the name of the purchasing agent who oversees all competitively bid contracts. If there is no purchasing agent, the name of the person responsible for oversight of all competitively bid contracts shall be listed.

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

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