

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 1, 2, 4, 5, and 6 as follows:

6 (50 ILCS 310/1) (from Ch. 85, par. 701)

7 Sec. 1. Definitions. As used in this Act, unless the
8 context otherwise indicates:

9 "Governmental unit" or "unit" includes all municipal
10 corporations in and political subdivisions of this State that
11 appropriate more than \$5,000 for a fiscal year, with the amount
12 to increase or decrease by the amount of the Consumer Price
13 Index (CPI) as reported on January 1 of each year, except the
14 following:

15 (1) School districts.

16 (2) Cities, villages, and incorporated towns subject
17 to the Municipal Auditing Law, as contained in the Illinois
18 Municipal Code, and cities that file a report with the
19 Comptroller under Section 3.1-35-115 of the Illinois
20 Municipal Code.

21 (3) Counties with a population of 1,000,000 or more.

22 (4) Counties subject to the County Auditing Law.

23 (5) Any other municipal corporations in or political

1 subdivisions of this State, the accounts of which are
2 required by law to be audited by or under the direction of
3 the Auditor General.

4 (6) (Blank).

5 (7) A drainage district, established under the
6 Illinois Drainage Code (70 ILCS 605), that did not receive
7 or expend any moneys during the immediately preceding
8 fiscal year or obtains approval for assessments and
9 expenditures through the circuit court.

10 (8) Public housing authorities that submit financial
11 reports to the U.S. Department of Housing and Urban
12 Development.

13 "Governing body" means the board or other body or officers
14 having authority to levy taxes, make appropriations, authorize
15 the expenditure of public funds or approve claims for any
16 governmental unit.

17 "Comptroller" means the Comptroller of the State of
18 Illinois.

19 "Consumer Price Index" means the Consumer Price Index for
20 All Urban Consumers for all items published by the United
21 States Department of Labor.

22 ~~"Licensed public accountant" means the holder of a valid~~
23 ~~certificate as a public accountant under the Illinois Public~~
24 ~~Accounting Act.~~

25 "Audit report" means the written report of the auditor
26 ~~licensed public accountant~~ and all appended statements and

1 schedules relating to that report, presenting or recording the
2 findings of an examination or audit of the financial
3 transactions, affairs, or conditions of a governmental unit.

4 "Auditor" means a licensed certified public accountant, as
5 that term is defined in Section 0.03 of the Illinois Public
6 Accounting Act, or the substantial equivalent of a licensed
7 CPA, as provided under Section 5.2 of the Illinois Public
8 Accounting Act, who performs an audit of governmental unit
9 financial statements and records and expresses an assurance or
10 disclaims an opinion on the audited financial statements.

11 "Report" includes both audit reports and reports filed
12 instead of an audit report by a governmental unit receiving
13 revenue of less than \$850,000 during any fiscal year to which
14 the reports relate.

15 "Generally accepted accounting principles" means
16 accounting principles generally accepted in the United States.

17 "Generally accepted auditing standards" means auditing
18 standards generally accepted in the United States.

19 (Source: P.A. 100-837, eff. 8-13-18.)

20 (50 ILCS 310/2) (from Ch. 85, par. 702)

21 Sec. 2. Except as otherwise provided in Section 3, the
22 governing body of each governmental unit shall cause an audit
23 of the accounts of the unit to be made by an auditor or
24 auditors ~~a licensed public accountant~~. Such audit shall be
25 performed ~~made~~ annually and shall cover the immediately

1 preceding fiscal year of the governmental unit. The audit shall
2 include all the accounts and funds of the governmental unit,
3 including the accounts of any officer of the governmental unit
4 who receives fees or handles funds of the unit or who spends
5 money of the unit. The audit shall begin as soon as possible
6 after the close of the last fiscal year to which it pertains,
7 and shall be completed and the audit report filed with the
8 Comptroller within 180 days after the close of such fiscal year
9 unless an extension of time is granted by the Comptroller in
10 writing. An audit report which fails to meet the requirements
11 of this Act shall be rejected by the Comptroller and returned
12 to the governing body of the governmental unit for corrective
13 action. The auditor or auditors performing ~~licensed public~~
14 ~~accountant making~~ the audit shall submit not less than 3 copies
15 of the audit report to the governing body of the governmental
16 unit being audited.

17 All audits to be filed with the Comptroller under this
18 Section must be submitted electronically and the Comptroller
19 must post the audit reports on the Internet no later than 45
20 days after they are received. If the governmental unit provides
21 the Comptroller's Office with sufficient evidence that the
22 audit report cannot be filed electronically, the Comptroller
23 may waive this requirement. The Comptroller must also post a
24 list of governmental units that are not in compliance with the
25 reporting requirements set forth in this Section.

26 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 (Source: P.A. 99-459, eff. 8-25-15.)

6 (50 ILCS 310/4) (from Ch. 85, par. 704)

7 Sec. 4. Overdue report.

8 (a) If the required report for a governmental unit is not
9 filed with the Comptroller in accordance with Section 2 or
10 Section 3, whichever is applicable, within 180 days after the
11 close of the fiscal year of the governmental unit, the
12 Comptroller shall notify the governing body of that unit in
13 writing that the report is due and may also grant a 60 day
14 extension for the filing of the audit report. If the required
15 report is not filed within the time specified in such written
16 notice, the Comptroller shall cause an audit to be made by a
17 auditor ~~licensed public accountant~~, and the governmental unit
18 shall pay to the Comptroller actual compensation and expenses
19 to reimburse him for the cost of preparing or completing such
20 report.

21 (b) The Comptroller may decline to order an audit and the
22 preparation of an audit report (i) if an initial examination of
23 the books and records of the governmental unit indicates that
24 the books and records of the governmental unit are inadequate
25 or unavailable due to the passage of time or the occurrence of

1 a natural disaster or (ii) if the Comptroller determines that
2 the cost of an audit would impose an unreasonable financial
3 burden on the governmental unit.

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

13 (Source: P.A. 98-922, eff. 8-15-14; 99-459, eff. 8-25-15.)

14 (50 ILCS 310/5) (from Ch. 85, par. 705)

15 Sec. 5. (a) Prior to fiscal year 2019, the audit report
16 shall contain statements that conform with generally accepted
17 accounting principles or other comprehensive basis of
18 accounting and that set forth the financial position and
19 results of financial operations for each fund of the
20 governmental unit. Each audit report shall include only
21 financial information, findings, and conclusions that are
22 adequately supported by evidence in the auditor's working
23 papers to demonstrate or prove, when called upon, the basis for
24 the matters reported and their correctness and reasonableness.
25 In connection with this, each governmental unit shall retain

1 the right of inspection of the auditor's working papers and
2 shall make them available to the Comptroller, or his or her
3 designee, upon request. The audit report shall also include the
4 professional opinion of the auditor or auditors with respect to
5 the financial statements or, if an opinion cannot be expressed,
6 a declaration that he or she is unable to express such opinion
7 and an explanation of the reasons he or she cannot do so. Each
8 audit report shall include the certification of the auditor or
9 auditors making the audit that the audit has been performed in
10 compliance with generally accepted auditing standards.

11 (b) For fiscal year 2019 and each fiscal year thereafter,
12 the audit report shall contain statements that set forth the
13 financial position and results of financial operations for
14 financial statements for governmental activities,
15 business-type activities, discretely presented component
16 units, and each major fund and aggregated nonmajor fund ~~each~~
17 ~~fund of the governmental unit~~. Each audit report shall include
18 only financial information, findings, and conclusions that are
19 adequately supported by evidence in the auditor's working
20 papers to demonstrate or prove, when called upon, the basis for
21 the matters reported and their correctness and reasonableness.
22 In connection with this, each governmental unit shall retain
23 the right of inspection of the auditor's working papers and
24 shall make them available to the Comptroller, or his or her
25 designee, upon request. The audit report shall also include the
26 professional opinion of the auditor or auditors with respect to

1 the financial statements or, if an opinion cannot be expressed,
2 a declaration that he or she is unable to express an opinion
3 and an explanation of the reasons he or she cannot do so. Each
4 audit report shall include a representation by ~~the~~
5 ~~certification~~ of the auditor or auditors conducting ~~making~~ the
6 audit that the audit has been performed in accordance
7 ~~compliance~~ with generally accepted auditing standards.

8 (c) For fiscal year 2019 and each fiscal year thereafter,
9 audit reports shall contain financial statements prepared in
10 accordance ~~conformity~~ with generally accepted accounting
11 principles and audited in accordance ~~conformity~~ with generally
12 accepted auditing standards if the last audit report filed
13 preceding fiscal year 2019 expressed an unmodified or modified
14 opinion by the ~~independent~~ auditor pertaining to ~~that~~ the
15 financial statements that were prepared ~~presented~~ in
16 accordance ~~conformity~~ with generally accepted accounting
17 principles.

18 (d) For fiscal year 2019 and each fiscal year thereafter,
19 audit reports containing financial statements prepared in
20 accordance ~~conformity~~ with an other comprehensive basis of
21 accounting may follow the best practices and guidelines as
22 outlined by the American Institute of Certified Public
23 Accountants and shall be audited in accordance ~~conformity~~ with
24 generally accepted auditing standards. If the governing body of
25 a governmental unit submits an audit report containing
26 financial statements prepared in accordance ~~conformity~~ with

1 generally accepted accounting principles, thereafter all
2 future audit reports shall also contain financial statements
3 prepared ~~presented~~ in accordance ~~conformity~~ with generally
4 accepted accounting principles.

5 (e) Audits may be performed ~~made~~ on financial statements
6 prepared using either an accrual or cash basis of accounting,
7 depending upon the system followed by the governmental unit,
8 and audit reports shall comply with this Section.

9 (Source: P.A. 100-837, eff. 8-13-18.)

10 (50 ILCS 310/6) (from Ch. 85, par. 706)

11 Sec. 6. When the audit is completed the auditor ~~licensed~~
12 ~~public accountant~~ making such audit shall make and sign at
13 least 3 copies of the report of the audit and immediately file
14 them with the governmental unit audited. Governmental units
15 receiving revenue of \$850,000 or more for any fiscal year shall
16 immediately make one copy of the audit report and one copy of
17 the financial report required by Section 3 of this Act a part
18 of its public record. Governmental units receiving revenue of
19 less than \$850,000 shall immediately make one copy of the audit
20 report, or one copy of the report authorized by Section 3 of
21 this Act to be filed instead of the audit report, a part of its
22 public record. These copies shall be open to public inspection.
23 In addition, the governmental unit shall file one copy of the
24 report with the Comptroller and with the county clerk of the
25 county in which the principal office of the governmental unit

1 is located. A governmental unit may, in filing its audit report
2 with the Comptroller, transmit with such report any comment or
3 explanation that it wishes to make concerning the report.

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

5 Section 10. The Counties Code is amended by changing
6 Sections 6-31002, 6-31003, 6-31004, 6-31005, 6-31006, and
7 6-31008 as follows:

8 (55 ILCS 5/6-31002) (from Ch. 34, par. 6-31002)

9 Sec. 6-31002. Definitions. As used in this Division, unless
10 the context otherwise requires:

11 1. "Comptroller" means the Comptroller of the State of
12 Illinois;

13 2. (Blank); ~~"Accountant" or "accountants" means and~~
14 ~~includes all persons authorized to practice public accounting~~
15 ~~under the laws of this State;~~

16 3. "Funds and accounts" means all funds of a county derived
17 from property taxes and all funds and accounts derived from
18 sources other than property taxes, including the receipts and
19 expenditures of the fee earnings of each county fee officer;

20 4. "Audit report" means the written report of the auditor
21 or auditors ~~accountant or accountants~~ and all appended
22 statements and schedules relating thereto, presenting or
23 recording the findings of an examination or audit of the
24 financial transactions, affairs and condition of a county;

1 5. "Population" means the number of persons residing in a
2 county according to the last preceding federal decennial
3 census;

4 6. "Auditor" means a licensed certified public accountant,
5 as that term is defined in Section 0.03 of the Illinois Public
6 Accounting Act, or the substantial equivalent of a licensed
7 CPA, as provided under Section 5.2 of the Illinois Public
8 Accounting Act, who performs an audit of county financial
9 statements and records and expresses an assurance or disclaims
10 an opinion on the audited financial statements; "auditor" does
11 not include a county auditor elected or appointed under
12 Division 3-1 of the Counties Code.

13 7. "Generally accepted accounting principles" means
14 accounting principles generally accepted in the United States.

15 8. "Generally accepted auditing standards" means auditing
16 standards generally accepted in the United States.

17 (Source: P.A. 100-837, eff. 8-13-18.)

18 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

19 Sec. 6-31003. Annual audits and reports. The county board
20 of each county shall cause an audit of all of the funds and
21 accounts of the county to be performed ~~made~~ annually by an
22 auditor or auditors ~~accountant or accountants~~ chosen by the
23 county board or by an auditor or auditors ~~accountant or~~
24 ~~accountants~~ retained by the Comptroller, as hereinafter
25 provided. In addition, each county shall file with the

1 Comptroller a financial report containing information required
2 by the Comptroller. Such financial report shall be on a form so
3 designed by the Comptroller as not to require professional
4 accounting services for its preparation. All audits and reports
5 to be filed with the Comptroller under this Section must be
6 submitted electronically and the Comptroller must post the
7 audits and reports on the Internet no later than 45 days after
8 they are received. If the county provides the Comptroller's
9 Office with sufficient evidence that the audit or report cannot
10 be filed electronically, the Comptroller may waive this
11 requirement. The Comptroller must also post a list of counties
12 that are not in compliance with the reporting requirements set
13 forth in this Section.

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

19 The audit shall commence as soon as possible after the
20 close of each fiscal year and shall be completed within 180
21 days after the close of such fiscal year, unless an extension
22 of time is granted by the Comptroller in writing. Such
23 extension of time shall not exceed 60 days. When the auditor or
24 auditors ~~accountant or accountants~~ have completed the audit a
25 full report thereof shall be made and not less than 2 copies of
26 each audit report shall be submitted to the county board. Each

1 audit report shall be signed by the auditor performing
2 ~~accountant making~~ the audit and shall include only financial
3 information, findings and conclusions that are adequately
4 supported by evidence in the auditor's working papers to
5 demonstrate or prove, when called upon, the basis for the
6 matters reported and their correctness and reasonableness. In
7 connection with this, each county board shall retain the right
8 of inspection of the auditor's working papers and shall make
9 them available to the Comptroller, or his designee, upon
10 request.

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

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

24 (Source: P.A. 99-459, eff. 8-25-15.)

25 (55 ILCS 5/6-31004) (from Ch. 34, par. 6-31004)

1 Sec. 6-31004. Overdue reports.

2 (a) In the event the required reports for a county are not
3 filed with the Comptroller in accordance with Section 6-31003
4 within 180 days after the close of the fiscal year of the
5 county, the Comptroller shall notify the county board in
6 writing that the reports are due, and may also grant an
7 extension of time of up to 60 days for the filing of the
8 reports. In the event the required reports are not filed within
9 the time specified in such written notice, the Comptroller
10 shall cause the audit to be performed ~~made~~ and the audit report
11 prepared by an auditor or auditors ~~accountant or accountants~~.

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

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

1 (Source: P.A. 98-922, eff. 8-15-14; 99-459, eff. 8-25-15.)

2 (55 ILCS 5/6-31005) (from Ch. 34, par. 6-31005)

3 Sec. 6-31005. Funds managed by county officials. In
4 addition to any other audit required by this Division, the
5 County Board shall cause an audit to be made of all funds and
6 accounts under the management or control of a county official
7 as soon as possible after such official leaves office for any
8 reason. The audit shall be filed with the county board not
9 later than 180 days after the official leaves office. The audit
10 shall be performed ~~conducted~~ and the audit report shall be
11 prepared and filed with the Chairman of the County Board by an
12 auditor ~~a person lawfully qualified to practice public~~
13 ~~accounting as regulated by "An Act to regulate the practice of~~
14 ~~public accounting and to repeal certain acts therein named",~~
15 ~~approved July 22, 1943 as amended.~~

16 As used in this Section, "county official" means any
17 elected county officer or any officer appointed by the county
18 board who is charged with the management or control of any
19 county funds; and "audit" means a post facto examination of
20 books, documents, records, and other evidence relating to the
21 obligation, receipt, expenditure or use of public funds of the
22 county, including governmental operations relating to such
23 obligations, receipt, expenditure or use.

24 (Source: P.A. 99-459, eff. 8-25-15.)

1 (55 ILCS 5/6-31006) (from Ch. 34, par. 6-31006)

2 Sec. 6-31006. Audit report.

3 (a) Prior to fiscal year 2019, the audit report shall
4 contain statements that are in conformity with generally
5 accepted public accounting principles or other comprehensive
6 basis of accounting and shall set forth the financial position
7 and the results of financial operations for each fund, account,
8 and office of the county government. The audit report shall
9 also include the professional opinion of the auditor or
10 auditors with respect to the financial status and operations
11 or, if an opinion cannot be expressed, a declaration that such
12 auditor is unable to express such opinion and an explanation of
13 the reasons he or she cannot do so. Each audit report shall
14 include the certification of the auditor or auditors making the
15 audit that the audit has been performed in compliance with
16 generally accepted auditing standards. Each audit report filed
17 with the Comptroller shall be accompanied by a copy of each
18 official statement or other offering of materials prepared in
19 connection with the issuance of indebtedness of the county
20 since the filing of the last audit report.

21 (b) For fiscal year 2019 and each fiscal year thereafter,
22 the audit report shall contain statements that set forth the
23 financial position and the results of financial operations for
24 financial statements for governmental activities,
25 business-type activities, discretely presented component
26 units, and each major fund and aggregated nonmajor funds for

1 each fund, account, and office of the county government. The
2 audit report shall ~~also~~ include the professional opinion or
3 opinions of an auditor or auditors with respect to the
4 financial status and statements ~~operations~~ or, if an opinion
5 cannot be expressed, a declaration that the auditor is unable
6 to express an opinion and an explanation of the reasons he or
7 she cannot do so. Each auditor's ~~audit~~ report shall include the
8 representation ~~certification~~ of the auditor or auditors
9 conducting ~~making~~ the audit that the audit has been performed
10 in accordance ~~compliance~~ with generally accepted auditing
11 standards. Each audit report filed with the Comptroller shall
12 be accompanied by a copy of each official statement or other
13 offering of materials prepared in connection with the issuance
14 of indebtedness of the county since the filing of the last
15 audit report.

16 (c) For fiscal year 2019 and each fiscal year thereafter,
17 audit reports shall contain financial statements prepared in
18 accordance ~~conformity~~ with generally accepted accounting
19 principles and audited in conformity with generally accepted
20 auditing standards if the last audit report filed preceding
21 fiscal year 2019 expressed an unmodified or modified opinion by
22 the ~~independent~~ auditor that the financial statements were
23 presented in accordance ~~conformity~~ with generally accepted
24 accounting principles.

25 (d) For fiscal year 2019 and each fiscal year thereafter,
26 audit reports containing financial statements prepared in

1 accordance ~~conformity~~ with an other comprehensive basis of
2 accounting may follow the best practices and guidelines
3 outlined by the American Institute of Certified Public
4 Accountants and shall be audited in accordance ~~conformity~~ with
5 generally accepted auditing standards. If the county board of a
6 county submits an audit report containing financial statements
7 prepared in accordance ~~conformity~~ with generally accepted
8 accounting principles, thereafter all future audit reports
9 shall also contain financial statements prepared in accordance
10 ~~presented in conformity~~ with generally accepted accounting
11 principles.

12 (e) Audits may be made on financial statements prepared
13 using either an accrual or cash basis of accounting, depending
14 upon the system followed by the county, and audit reports shall
15 comply with this Section.

16 (Source: P.A. 100-837, eff. 8-13-18.)

17 (55 ILCS 5/6-31008) (from Ch. 34, par. 6-31008)

18 Sec. 6-31008. Expenses of audit. The expenses of conducting
19 the audit and making the required audit report or financial
20 statement for each county, whether ordered by the county board
21 or the Comptroller, shall be paid by the county and the county
22 board shall make provisions for such payment. If the audit is
23 made by an auditor or auditors ~~accountant or accountants~~
24 retained by the Comptroller, the county, through the county
25 board, shall pay to the Comptroller reasonable compensation and

1 expenses to reimburse him for the cost of making such audit.
2 Moneys paid to the Comptroller pursuant to the preceding
3 sentence shall be deposited into the Comptroller's Audit
4 Expense Revolving Fund.

5 Such expenses shall be paid from the general corporate fund
6 of the county.

7 Contracts for the performance of audits required by this
8 Division may be entered into without competitive bidding.

9 (Source: P.A. 88-280.)

10 Section 15. The Illinois Municipal Code is amended by
11 changing Sections 8-8-2, 8-8-3, 8-8-3.5, 8-8-4, 8-8-5, 8-8-7,
12 and 8-8-8 as follows:

13 (65 ILCS 5/8-8-2) (from Ch. 24, par. 8-8-2)

14 Sec. 8-8-2. The following terms shall, unless the context
15 otherwise indicates, have the following meanings:

16 (1) "Municipality" or "municipalities" means all cities,
17 villages and incorporated towns having a population of less
18 than 500,000 as determined by the last preceding Federal
19 census.

20 (2) "Corporate authorities" means a city council, village
21 board of trustees, library board, police and firemen's pension
22 board, or any other body or officers having authority to levy
23 taxes, make appropriations, or approve claims for any
24 municipality.

1 (3) "Comptroller" means the Comptroller of the State of
2 Illinois.

3 (4) (Blank). ~~"Accountant" or "accountants" means all~~
4 ~~persons licensed to practice public accounting under the laws~~
5 ~~of this State.~~

6 (5) "Audit report" means the written report of the auditor
7 or auditors ~~accountant or accountants~~ and all appended
8 statements and schedules relating thereto, presenting or
9 recording the findings of an examination or audit of the
10 financial transactions, affairs, or condition of a
11 municipality.

12 (6) "Annual report" means the statement filed, in lieu of
13 an audit report, by the municipalities of less than 800
14 population, which do not own or operate public utilities and do
15 not have bonded debt.

16 (7) "Supplemental report" means the annual statement
17 filed, in addition to any audit report provided for herein, by
18 all municipalities, except municipalities of less than 800
19 population which do not own or operate public utilities and do
20 not have bonded debt.

21 (8) "Auditor" means a licensed certified public
22 accountant, as that term is defined in Section 0.03 of the
23 Illinois Public Accounting Act, or the substantial equivalent
24 of a licensed CPA, as provided under Section 5.2 of the
25 Illinois Public Accounting Act, who performs an audit of
26 municipal financial statements and records and expresses an

1 assurance or disclaims an opinion on the audited financial
2 statements.

3 (9) "Generally accepted accounting principles" means
4 accounting principles generally accepted in the United States.

5 (10) "Generally accepted auditing standards" means
6 auditing standards generally accepted in the United States.

7 (Source: P.A. 100-837, eff. 8-13-18.)

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

9 Sec. 8-8-3. Audit requirements.

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

17 (b) The accounts and funds of each municipality having a
18 population of 800 or more or having a bonded debt or owning or
19 operating any type of public utility shall be audited annually.
20 The audit herein required shall include all of the accounts and
21 funds of the municipality. Such audit shall be begun as soon as
22 possible after the close of the fiscal year, and shall be
23 completed and the report submitted within 180 days after the
24 close of such fiscal year, unless an extension of time shall be
25 granted by the Comptroller in writing. The auditor or auditors

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

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

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

24 (e) Notwithstanding any provision of law to the contrary,
25 if a municipality (i) has a population of less than 200, (ii)
26 has bonded debt in the amount of \$50,000 or less, and (iii)

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

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

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

25 (h) Any financial report under this Section shall include
26 the name of the purchasing agent who oversees all competitively

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

4 (Source: P.A. 99-459, eff. 8-25-15.)

5 (65 ILCS 5/8-8-3.5)

6 Sec. 8-8-3.5. Tax Increment Financing Report. The reports
7 filed under subsection (d) of Section 11-74.4-5 of the Tax
8 Increment Allocation Redevelopment Act and the reports filed
9 under subsection (d) of Section 11-74.6-22 of the Industrial
10 Jobs Recovery Law in the Illinois Municipal Code must be
11 separate from any other annual report filed with the
12 Comptroller. The Comptroller must, in cooperation with
13 reporting municipalities, create a format for the reporting of
14 information described in paragraphs (1.5) and (5) and in
15 subparagraph (G) of paragraph (7) of subsection (d) of Section
16 11-74.4-5 of the Tax Increment Allocation Redevelopment Act and
17 the information described in paragraphs (1.5) and (5) and in
18 subparagraph (G) of paragraph (7) of subsection (d) of Section
19 11-74.6-22 of the Industrial Jobs Recovery Law that facilitates
20 consistent reporting among the reporting municipalities. The
21 Comptroller may allow these reports to be filed electronically
22 and may display the report, or portions of the report,
23 electronically via the Internet. All reports filed under this
24 Section must be made available for examination and copying by
25 the public at all reasonable times. A Tax Increment Financing

1 Report must be filed electronically with the Comptroller within
2 180 days after the close of the municipal fiscal year or as
3 soon thereafter as the audit for the redevelopment project area
4 for that fiscal year becomes available. If the Tax Increment
5 Finance administrator provides the Comptroller's office with
6 sufficient evidence that the report is in the process of being
7 completed by an auditor, the Comptroller may grant an
8 extension. If the required report is not filed within the time
9 extended by the Comptroller, the Comptroller shall notify the
10 corporate authorities of that municipality that the audit
11 report is past due. The Comptroller may charge a municipality a
12 fee of \$5 per day for the first 15 days past due, \$10 per day
13 for 16 through 30 days past due, \$15 per day for 31 through 45
14 days past due, and \$20 per day for the 46th day and every day
15 thereafter. These amounts may be reduced at the Comptroller's
16 discretion. In the event the required audit report is not filed
17 within 60 days of such notice, the Comptroller shall cause such
18 audit to be made by an auditor or auditors ~~accountant or~~
19 ~~accountants~~. The Comptroller may decline to order an audit and
20 the preparation of an audit report if an initial examination of
21 the books and records of the municipality indicates that books
22 and records of the municipality are inadequate or unavailable
23 to support the preparation of the audit report or the
24 supplemental report due to the passage of time or the
25 occurrence of a natural disaster. All fees collected pursuant
26 to this Section shall be deposited into the Comptroller's

1 Administrative Fund. In the event the Comptroller causes an
2 audit to be made in accordance with the requirements of this
3 Section, the municipality shall pay to the Comptroller
4 reasonable compensation and expenses to reimburse her for the
5 cost of preparing or completing such report. Moneys paid to the
6 Comptroller pursuant to the preceding sentence shall be
7 deposited into the Comptroller's Audit Expense Revolving Fund.
8 (Source: P.A. 98-497, eff. 8-16-13; 98-922, eff. 8-15-14.)

9 (65 ILCS 5/8-8-4) (from Ch. 24, par. 8-8-4)

10 Sec. 8-8-4. Overdue reports.

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

1 is due and may grant an extension in time of 60 days for the
2 filing of such annual or supplemental report.

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

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

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

1 into the Comptroller's Administrative Fund.

2 (Source: P.A. 98-922, eff. 8-15-14; 99-459, eff. 8-25-15.)

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

4 Sec. 8-8-5. (a) Prior to fiscal year 2019, the audit shall
5 be made in accordance with generally accepted auditing
6 standards. Reporting on the financial position and results of
7 financial operations for each fund of the municipality shall be
8 in accordance with generally accepted accounting principles or
9 other comprehensive basis of accounting. Each audit report
10 shall include only financial information, findings, and
11 conclusions that are adequately supported by evidence in the
12 auditor's working papers to demonstrate or prove, when called
13 upon, the basis for the matters reported and their correctness
14 and reasonableness. In connection with this, each municipality
15 shall retain the right of inspection of the auditor's working
16 papers and shall make them available to the Comptroller, or his
17 or her designee, upon request. The audit report shall consist
18 of the professional opinion of the auditor or auditors with
19 respect to the financial statements or, if an opinion cannot be
20 expressed, a declaration that the auditor is unable to express
21 such opinion and an explanation of the reasons he or she cannot
22 do so. Municipal authorities shall not impose limitations on
23 the scope of the audit to the extent that the effect of such
24 limitations will result in the qualification of the opinion of
25 the auditor or auditors. Each audit report filed with the

1 Comptroller shall be accompanied by a copy of each official
2 statement or other offering of materials prepared in connection
3 with the issuance of indebtedness of the municipality since the
4 filing of the last audit report.

5 (b) For fiscal year 2019 and each fiscal year thereafter,
6 ~~the audit shall be made in accordance with generally accepted~~
7 ~~auditing standards. Each audit report shall include only~~
8 ~~financial information, findings, and conclusions that are~~
9 ~~adequately supported by evidence in the auditor's working~~
10 ~~papers to demonstrate or prove, when called upon, the basis for~~
11 ~~the matters reported and their correctness and reasonableness.~~
12 ~~In connection with this, each municipality shall retain the~~
13 ~~right of inspection of the auditor's working papers and shall~~
14 ~~make them available to the Comptroller, or his or her designee,~~
15 ~~upon request. The audit report shall include the financial~~
16 statements for governmental activities, business-type
17 activities, discretely presented component units, and each
18 major fund and aggregated nonmajor fund. The audit report shall
19 also include ~~also consist of~~ the professional opinion or
20 opinions of the ~~an~~ auditor or auditors with respect to the
21 financial statements or, if an opinion cannot be expressed, a
22 declaration that the auditor is unable to express an opinion
23 and an explanation of the reasons he or she cannot do so. Each
24 auditor's report shall include a representation by the auditor
25 or auditors conducting the audit has been performed in
26 accordance with generally accepted auditing standards.

1 Municipal authorities shall not impose limitations on the scope
2 of the audit to the extent that the effect of the limitations
3 will result in the modification ~~qualification~~ of the opinion or
4 opinions of the auditor or auditors. Each audit report filed
5 with the Comptroller shall be accompanied by a copy of each
6 official statement or other offering of materials prepared in
7 connection with the issuance of indebtedness of the
8 municipality since the filing of the last audit report.

9 (c) For fiscal year 2019 and each fiscal year thereafter,
10 audit reports shall contain financial statements prepared in
11 accordance with generally accepted accounting principles and
12 audited in accordance with generally accepted auditing
13 standards if the last audit report filed preceding fiscal year
14 2019 expressed an unmodified or modified opinion by the
15 ~~independent~~ auditor that the financial statements were
16 prepared ~~presented~~ in accordance with generally accepted
17 accounting principles.

18 (d) For fiscal year 2019 and each fiscal year thereafter,
19 audit reports containing financial statements prepared in
20 accordance with an other comprehensive basis of accounting may
21 follow the best practices and guidelines outlined by the
22 American Institute of Certified Public Accountants and shall be
23 audited in accordance with generally accepted auditing
24 standards. If the corporate authority of a municipality submits
25 an audit report containing financial statements prepared in
26 accordance with generally accepted accounting principles,

1 thereafter all future audit reports shall also contain
2 financial statements prepared ~~presented~~ in accordance with
3 generally accepted accounting principles.

4 (e) Audits may be made on financial statements prepared
5 using either an accrual or cash basis of accounting, depending
6 upon the system followed by the municipality, and audit reports
7 shall comply with this Section.

8 (Source: P.A. 100-837, eff. 8-13-18.)

9 (65 ILCS 5/8-8-7) (from Ch. 24, par. 8-8-7)

10 Sec. 8-8-7. When the auditor or auditors ~~accountant or~~
11 ~~accountants~~ have completed the audit, not less than 2 copies of
12 a report of the audit shall be made and signed by the
13 ~~accountant~~ making such audit, and shall immediately be filed
14 with the municipality audited. Each audit report shall include
15 the certification of the auditor or auditors ~~accountant or~~
16 ~~accountants~~ making the audit that the audit has been performed
17 in compliance with generally accepted auditing standards. The
18 municipality shall immediately make one copy of the report, or
19 one copy of the report authorized by this Division 8 in lieu of
20 an audit report, a part of its public records and at all times
21 thereafter this copy shall be open to public inspection. In
22 addition, the municipality shall file one copy of the report
23 with the Comptroller. An audit report which fails to meet the
24 requirements of this Act shall be rejected by the Comptroller
25 and returned to the municipal authorities for corrective

1 action. Nothing in this section shall be construed as
2 preventing a municipality, in filing its audit report with the
3 Comptroller, from transmitting with such report any comment or
4 explanation that it may desire to make concerning that report.
5 The audit report filed with the Comptroller, together with any
6 accompanying comment or explanation, shall immediately become
7 a part of his public records and shall at all times thereafter
8 be open to public inspection. It shall be unlawful for the
9 auditor ~~accountant~~ to make any disclosure of the result of any
10 examination of any public account excepting as he does so
11 directly to the corporate authorities of the municipality
12 audited.

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

14 (65 ILCS 5/8-8-8) (from Ch. 24, par. 8-8-8)

15 Sec. 8-8-8. The expenses of the audit and investigation of
16 public accounts provided for in Division 8, whether ordered by
17 the corporate authorities or the Comptroller, shall be paid by
18 the municipality for which the audit is made. Payment shall be
19 ordered by the corporate authorities out of the funds of the
20 municipality and it shall be the duty of such authorities to
21 make provisions for payment. Contracts for the performance of
22 audits required by this Division 8 may be entered into without
23 competitive bidding. If the audit is made by an auditor or
24 auditors ~~accountant or accountants~~ retained by the
25 Comptroller, the municipality shall pay to the Comptroller

1 reasonable compensation and expenses to reimburse him for the
2 cost of making such audit.

3 The corporate authorities of all municipalities coming
4 under the provisions of this Division 8 shall have the power to
5 annually levy a "Municipal Auditing Tax" upon all of the
6 taxable property of the municipalities at the rate on the
7 dollar which will produce an amount which will equal a sum
8 sufficient to meet the cost of all auditing and reports
9 thereunder. Such municipal auditing tax shall be held in a
10 special fund and used for no other purpose than the payment of
11 expenses occasioned by this Division 8.

12 The tax authorized by this Section shall be in addition to
13 taxes for general corporate purposes authorized under Section
14 8-3-1 of this Act.

15 (Source: P.A. 81-824.)