



Sen. Andy Manar

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LRB099 10967 AWJ 35258 a

1 AMENDMENT TO HOUSE BILL 3389

2 AMENDMENT NO. _____. Amend House Bill 3389 by replacing
3 everything after the enacting clause with the following:

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

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

7 Sec. 2. Except as otherwise provided in Section 3, the
8 governing body of each governmental unit shall cause an audit
9 of the accounts of the unit to be made by a licensed public
10 accountant. Such audit shall be made annually and shall cover
11 the immediately preceding fiscal year of the governmental unit.
12 The audit shall include all the accounts and funds of the
13 governmental unit, including the accounts of any officer of the
14 governmental unit who receives fees or handles funds of the
15 unit or who spends money of the unit. The audit shall begin as
16 soon as possible after the close of the last fiscal year to

1 which it pertains, and shall be completed and the audit report
2 filed with the Comptroller within 180 days ~~6 months~~ after the
3 close of such fiscal year unless an extension of time is
4 granted by the Comptroller in writing. An audit report which
5 fails to meet the requirements of this Act shall be rejected by
6 the Comptroller and returned to the governing body of the
7 governmental unit for corrective action. The licensed public
8 accountant making the audit shall submit not less than 3 copies
9 of the audit report to the governing body of the governmental
10 unit being audited.

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

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

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

1 (50 ILCS 310/4) (from Ch. 85, par. 704)

2 Sec. 4. Overdue report.

3 (a) If the required report for a governmental unit is not
4 filed with the Comptroller in accordance with Section 2 or
5 Section 3, whichever is applicable, within 180 days ~~6 months~~
6 after the close of the fiscal year of the governmental unit,
7 the Comptroller shall notify the governing body of that unit in
8 writing that the report is due and may also grant a 60 day
9 extension for the filing of the audit report. If the required
10 report is not filed within the time specified in such written
11 notice, the Comptroller shall cause an audit to be made by a
12 licensed public accountant, and the governmental unit shall pay
13 to the Comptroller actual compensation and expenses to
14 reimburse him for the cost of preparing or completing such
15 report.

16 (b) The Comptroller may decline to order an audit and the
17 preparation of an audit report (i) if an initial examination of
18 the books and records of the governmental unit indicates that
19 the books and records of the governmental unit are inadequate
20 or unavailable due to the passage of time or the occurrence of
21 a natural disaster or (ii) if the Comptroller determines that
22 the cost of an audit would impose an unreasonable financial
23 burden on the governmental unit.

24 (c) The State Comptroller may grant extensions for
25 delinquent audits or reports. The Comptroller may charge a
26 governmental unit a fee for a delinquent audit or report of \$5

1 per day for the first 15 days past due, \$10 per day for 16
2 through 30 days past due, \$15 per day for 31 through 45 days
3 past due, and \$20 per day for the 46th day and every day
4 thereafter. These amounts may be reduced at the Comptroller's
5 discretion. All fees collected under this subsection (c) shall
6 be deposited into the Comptroller's Administrative Fund.

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

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

11 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

12 Sec. 6-31003. Annual audits and reports. The county board
13 of each county shall cause an audit of all of the funds and
14 accounts of the county to be made annually by an accountant or
15 accountants chosen by the county board or by an accountant or
16 accountants retained by the Comptroller, as hereinafter
17 provided. In addition, each county shall file with the
18 Comptroller a financial report containing information required
19 by the Comptroller. Such financial report shall be on a form so
20 designed by the Comptroller as not to require professional
21 accounting services for its preparation. All audits and reports
22 to be filed with the Comptroller under this Section must be
23 submitted electronically and the Comptroller must post the
24 audits and reports on the Internet no later than 45 days after

1 they are received. If the county provides the Comptroller's
2 Office with sufficient evidence that the audit or report cannot
3 be filed electronically, the Comptroller may waive this
4 requirement. The Comptroller must also post a list of counties
5 that are not in compliance with the reporting requirements set
6 forth in this Section.

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

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

1 papers and shall make them available to the Comptroller, or his
2 designee, upon request.

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

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

16 (Source: P.A. 97-890, eff. 8-2-12; 97-932, eff. 8-10-12;
17 97-1142, eff. 12-28-12.)

18 (55 ILCS 5/6-31004) (from Ch. 34, par. 6-31004)

19 Sec. 6-31004. Overdue reports.

20 (a) In the event the required reports for a county are not
21 filed with the Comptroller in accordance with Section 6-31003
22 within 180 days ~~6 months~~ after the close of the fiscal year of
23 the county, the Comptroller shall notify the county board in
24 writing that the reports are due, and may also grant an
25 extension of time of up to 60 days for the filing of the

1 reports. In the event the required reports are not filed within
2 the time specified in such written notice, the Comptroller
3 shall cause the audit to be made and the audit report prepared
4 by an accountant or accountants.

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

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

20 (Source: P.A. 97-890, eff. 8-2-12; 97-1142, eff. 12-28-12;
21 98-922, eff. 8-15-14.)

22 (55 ILCS 5/6-31005) (from Ch. 34, par. 6-31005)

23 Sec. 6-31005. Funds managed by county officials. In
24 addition to any other audit required by this Division, the
25 County Board shall cause an audit to be made of all funds and

1 accounts under the management or control of a county official
2 as soon as possible after such official leaves office for any
3 reason. The audit shall be filed with the county board not
4 later than 180 days ~~6 months~~ after the official leaves office.
5 The audit shall be conducted and the audit report shall be
6 prepared and filed with the Chairman of the County Board by a
7 person lawfully qualified to practice public accounting as
8 regulated by "An Act to regulate the practice of public
9 accounting and to repeal certain acts therein named", approved
10 July 22, 1943 as amended.

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

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

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

22 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

23 Sec. 8-8-3. Audit requirements.

24 (a) The corporate authorities of each municipality coming

1 under the provisions of this Division 8 shall cause an audit of
2 the funds and accounts of the municipality to be made by an
3 accountant or accountants employed by such municipality or by
4 an accountant or accountants retained by the Comptroller, as
5 hereinafter provided.

6 (b) The accounts and funds of each municipality having a
7 population of 800 or more or having a bonded debt or owning or
8 operating any type of public utility shall be audited annually.
9 The audit herein required shall include all of the accounts and
10 funds of the municipality. Such audit shall be begun as soon as
11 possible after the close of the fiscal year, and shall be
12 completed and the report submitted within 180 days ~~6 months~~
13 after the close of such fiscal year, unless an extension of
14 time shall be granted by the Comptroller in writing. The
15 accountant or accountants making the audit shall submit not
16 less than 2 copies of the audit report to the corporate
17 authorities of the municipality being audited. Municipalities
18 not operating utilities may cause audits of the accounts of
19 municipalities to be made more often than herein provided, by
20 an accountant or accountants. The audit report of such audit
21 when filed with the Comptroller together with an audit report
22 covering the remainder of the period for which an audit is
23 required to be filed hereunder shall satisfy the requirements
24 of this section.

25 (c) Municipalities of less than 800 population which do not
26 own or operate public utilities and do not have bonded debt,

1 shall file annually with the Comptroller a financial report
2 containing information required by the Comptroller. Such
3 annual financial report shall be on forms devised by the
4 Comptroller in such manner as to not require professional
5 accounting services for its preparation.

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

12 (e) Notwithstanding any provision of law to the contrary,
13 if a municipality (i) has a population of less than 200, (ii)
14 has bonded debt in the amount of \$50,000 or less, and (iii)
15 owns or operates a public utility, then the municipality shall
16 cause an audit of the funds and accounts of the municipality to
17 be made by an accountant employed by the municipality or
18 retained by the Comptroller for fiscal year 2011 and every
19 fourth fiscal year thereafter or until the municipality has a
20 population of 200 or more, has bonded debt in excess of
21 \$50,000, or no longer owns or operates a public utility.
22 Nothing in this subsection shall be construed as limiting the
23 municipality's duty to file an annual financial report with the
24 Comptroller or to comply with the filing requirements
25 concerning the county clerk.

26 (f) All audits and reports to be filed with the Comptroller

1 under this Section must be submitted electronically and the
2 Comptroller must post the audits and reports on the Internet no
3 later than 45 days after they are received. If the municipality
4 provides the Comptroller's Office with sufficient evidence
5 that the audit or report cannot be filed electronically, the
6 Comptroller may waive this requirement. The Comptroller must
7 also post a list of municipalities that are not in compliance
8 with the reporting requirements set forth in this Section.

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

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

18 (Source: P.A. 96-1309, eff. 7-27-10; 97-890, eff. 8-2-12;
19 97-932, eff. 8-10-12; 97-1142, eff. 12-28-12.)

20 (65 ILCS 5/8-8-4) (from Ch. 24, par. 8-8-4)

21 Sec. 8-8-4. Overdue reports.

22 (a) In the event the required audit report for a
23 municipality is not filed with the Comptroller in accordance
24 with Section 8-8-7 within 180 days ~~6 months~~ after the close of
25 the fiscal year of the municipality, the Comptroller shall

1 notify the corporate authorities of that municipality in
2 writing that the audit report is due, and may also grant an
3 extension of time of 60 days, for the filing of the audit
4 report. In the event the required audit report is not filed
5 within the time specified in such written notice, the
6 Comptroller shall cause such audit to be made by an accountant
7 or accountants. In the event the required annual or
8 supplemental report for a municipality is not filed within 6
9 months after the close of the fiscal year of the municipality,
10 the Comptroller shall notify the corporate authorities of that
11 municipality in writing that the annual or supplemental report
12 is due and may grant an extension in time of 60 days for the
13 filing of such annual or supplemental report.

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

23 (c) The Comptroller may decline to order an audit or the
24 completion of the supplemental report if an initial examination
25 of the books and records of the municipality indicates that
26 books and records of the municipality are inadequate or

1 unavailable to support the preparation of the audit report or
2 the supplemental report due to the passage of time or the
3 occurrence of a natural disaster.

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

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

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