



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2836

Introduced 1/13/2026, by Sen. Adriane Johnson

SYNOPSIS AS INTRODUCED:

50 ILCS 310/1	from Ch. 85, par. 701
50 ILCS 310/2	from Ch. 85, par. 702
50 ILCS 310/3	from Ch. 85, par. 703
50 ILCS 310/6	from Ch. 85, par. 706
60 ILCS 1/80-20	

Amends the Governmental Account Audit Act. Modifies the audit procedures for governmental units under the Act for the governmental units fiscal years 2028 and after, including: (1) modifying the definitions of "audit report" and "report", and adds a definition for "annual financial report"; (2) requiring the governing body of each governmental unit to conduct an audit every 2 years (rather than annually) of the accounts of the unit to be made by an auditor or auditors, and modifying the requirements of the audits; (3) allowing an exception for a governmental unit receiving revenue of less than \$1,400,000 for any fiscal year, with the amount to increase or decrease by a percentage equal to the Consumer Price Index-U as reported on January 1 of each year, to provide a 4-year audit report and annual financial report or annual financial report under specified requirements (rather than a governmental unit receiving revenue of less than \$850,000 for any fiscal year providing a 4-year audit report and annual financial report or annual financial report under specified requirements); and (4) modifying the requirements for signing, copying, and filing completed reports. Amends the Township Code to make conforming changes. Effective immediately.

LRB104 17498 RTM 30924 b

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
5 by changing Sections 1, 2, 3, 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
12 amount to increase or decrease by the amount of the Consumer
13 Price Index (CPI) as reported on January 1 of each year, except
14 the following:

15 (1) School districts.

16 (2) Cities, villages, and incorporated towns subject
17 to the Municipal Auditing Law, as contained in the
18 Illinois Municipal Code, and cities that file a report
19 with the Comptroller under Section 3.1-35-115 of the
20 Illinois 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 "Annual financial report" means, for governmental unit
23 fiscal years 2028 and after, the statement filed in lieu of an
24 audit report containing information required by the
25 Comptroller on forms devised by the Comptroller in such manner
26 as to not require professional accounting services for its

1 preparation.

2 "Audit report" means:

3 (1) for governmental unit fiscal years before fiscal
4 year 2028, the written report of the auditor and all
5 appended statements and schedules relating to that report,
6 presenting or recording the findings of an examination or
7 audit of the financial transactions, affairs, or
8 conditions of a governmental unit; and-

9 (2) for governmental unit fiscal years 2028 and after,
10 the written report of the auditor or auditors and all
11 appended statements and schedules relating thereto,
12 presenting or recording the findings of an examination or
13 audit of the financial transactions, affairs, or
14 conditions of a governmental unit, which includes all of
15 the accounts and funds of a governmental unit.

16 "Auditor" means a licensed certified public accountant, as
17 that term is defined in Section 0.03 of the Illinois Public
18 Accounting Act, or the substantial equivalent of a licensed
19 CPA, as provided under Section 5.2 of the Illinois Public
20 Accounting Act, who performs an audit of governmental unit
21 financial statements and records and expresses an assurance or
22 disclaims an opinion on the audited financial statements.

23 "Consumer Price Index-U" means the index published by the
24 Bureau of Labor Statistics of the United States Department of
25 Labor that measures the average change in prices of goods and
26 services purchased by all urban consumers, United States city

1 average, all items, 1982-84 = 100.

2 "Report" includes, for governmental unit fiscal years
3 before fiscal year 2028, both audit reports and reports filed
4 instead of an audit report by a governmental unit receiving
5 revenue of less than \$850,000 during any fiscal year to which
6 the reports relate.

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

9 "Generally accepted auditing standards" means auditing
10 standards generally accepted in the United States.

11 (Source: P.A. 100-837, eff. 8-13-18; 101-419, eff. 1-1-20.)

12 (50 ILCS 310/2) (from Ch. 85, par. 702)

13 Sec. 2. (a) This subsection applies to governmental unit
14 fiscal years before fiscal year 2028. Except as otherwise
15 provided in Section 3, the governing body of each governmental
16 unit shall cause an audit of the accounts of the unit to be
17 made by an auditor or auditors. Such audit shall be performed
18 annually and shall cover the immediately preceding fiscal year
19 of the governmental unit. The audit shall include all the
20 accounts and funds of the governmental unit, including the
21 accounts of any officer of the governmental unit who receives
22 fees or handles funds of the unit or who spends money of the
23 unit. The audit shall begin as soon as possible after the close
24 of the last fiscal year to which it pertains, and shall be
25 completed and the audit report filed with the Comptroller

1 within 180 days after the close of such fiscal year unless an
2 extension of time is granted by the Comptroller in writing. An
3 audit report which fails to meet the requirements of this Act
4 shall be rejected by the Comptroller and returned to the
5 governing body of the governmental unit for corrective action.
6 The auditor or auditors performing the audit shall submit not
7 less than 3 copies of the audit report to the governing body of
8 the governmental unit being audited.

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

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

24 (b) This subsection applies to governmental unit fiscal
25 years 2028 and after. Except as otherwise provided in Section
26 3, the governing body of each governmental unit shall cause an

1 audit of the accounts of the unit to be made by an auditor or
2 auditors. Such audit shall be performed once every 2 years and
3 shall cover the 2 immediately preceding fiscal years of the
4 governmental unit, unless the latest audit report filed with
5 the Comptroller contains an adverse or disclaimer of opinion.
6 If the audit report contains an adverse or disclaimer of
7 opinion, then the governmental unit shall file an audit report
8 annually until the audit report shows no adverse or disclaimer
9 of opinion. The audit shall include all the accounts and funds
10 of the governmental unit, including the accounts of any
11 officer of the governmental unit who receives fees or handles
12 funds of the unit or who spends money of the unit. The audit
13 shall begin as soon as possible after the close of the last
14 fiscal year to which it pertains, and shall be completed and
15 the audit report filed with the Comptroller within 180 days
16 after the close of such fiscal year unless an extension of time
17 is granted by the Comptroller in writing. An audit report
18 which fails to meet the requirements of this Act shall be
19 rejected by the Comptroller and returned to the governing body
20 of the governmental unit for corrective action. The auditor or
21 auditors performing the audit shall submit not less than 3
22 copies of the audit report to the governing body of the
23 governmental unit being audited.

24 All audits to be filed with the Comptroller under this
25 Section must be submitted electronically and the Comptroller
26 must post the audit reports on the Internet no later than 45

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

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

13 (Source: P.A. 101-419, eff. 1-1-20.)

14 (50 ILCS 310/3) (from Ch. 85, par. 703)

15 Sec. 3. (a) This subsection applies to governmental unit
16 fiscal years before fiscal year 2028. Any governmental unit
17 receiving revenue of less than \$850,000 for any fiscal year
18 shall, in lieu of complying with the requirements of Section 2
19 for audits and audit reports, beginning with fiscal year 2016,
20 either: (i) cause an audit of the accounts of the unit to be
21 made once every 4 years and file with the Comptroller an annual
22 financial report containing information required by the
23 Comptroller, or (ii) file with the Comptroller an annual
24 financial report containing information required by the
25 Comptroller, a copy of which has been provided to each member

1 of that governmental unit's board of elected officials,
2 presented either in person or by a live phone or web connection
3 during a public meeting, and approved by a 3/5 majority vote.
4 In addition, a governmental unit receiving revenue of less
5 than \$850,000 may file with the Comptroller any audit reports
6 which may have been prepared under any other law. Any
7 governmental unit receiving revenue of \$850,000 or more for
8 any fiscal year shall, in addition to complying with the
9 requirements of Section 2 for audits and audit reports, file
10 with the Comptroller the annual financial report required by
11 this Section. Such annual financial reports shall be on forms
12 so designed by the Comptroller as not to require professional
13 accounting services for its preparation. All reports to be
14 filed with the Comptroller under this Section must be
15 submitted electronically and the Comptroller must post the
16 reports on the Internet no later than 45 days after they are
17 received. If the governmental unit provides the Comptroller's
18 Office with sufficient evidence that the report cannot be
19 filed electronically, the Comptroller may waive this
20 requirement. The Comptroller must also post a list of
21 governmental units that are not in compliance with the
22 reporting requirements set forth in this Section.

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

1 contracts shall be listed.

2 (b) This subsection applies to governmental unit fiscal
3 years 2028 and after. Any governmental unit receiving revenue
4 of less than \$1,400,000 for any fiscal year, with the amount to
5 increase or decrease by a percentage equal to the Consumer
6 Price Index-U as reported on January 1 of each year, shall, in
7 lieu of complying with the requirements of Section 2, either:
8 (i) cause an audit of the accounts of the unit to be made once
9 every 4 years and must file with the Comptroller an annual
10 financial report containing information required by the
11 Comptroller; or (ii) file with the Comptroller an annual
12 financial report containing information required by the
13 Comptroller, a copy of which has been provided to each member
14 of that governmental unit's board of elected officials,
15 presented either in person or by a live phone or web connection
16 during a public meeting, and approved by a three-fifths
17 majority vote. In addition, a governmental unit receiving
18 revenue of less than \$1,400,000, with the amount to increase
19 or decrease by a percentage equal to the Consumer Price
20 Index-U as reported on January 1 of each year, may file with
21 the Comptroller any audit reports which may have been prepared
22 under any other law. Any governmental unit receiving revenue
23 of \$1,400,000 or more for any fiscal year, with the amount to
24 increase or decrease by a percentage equal to the Consumer
25 Price Index-U as reported on January 1 of each year, shall, in
26 addition to complying with the requirements of Section 2 for

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

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

17 (Source: P.A. 97-890, eff. 8-2-12; 97-1142, eff. 12-28-12;
18 98-1019, eff. 7-1-15.)

19 (50 ILCS 310/6) (from Ch. 85, par. 706)

20 Sec. 6. (a) This subsection applies to governmental unit
21 fiscal years before fiscal year 2028. When the audit is
22 completed the auditor making such audit shall make and sign at
23 least 3 copies of the report of the audit and immediately file
24 them with the governmental unit audited. Governmental units
25 receiving revenue of \$850,000 or more for any fiscal year

1 shall immediately make one copy of the audit report and one
2 copy of the financial report required by Section 3 of this Act
3 a part of its public record. Governmental units receiving
4 revenue of less than \$850,000 shall immediately make one copy
5 of the audit report, or one copy of the report authorized by
6 Section 3 of this Act to be filed instead of the audit report,
7 a part of its public record. These copies shall be open to
8 public inspection. In addition, the governmental unit shall
9 file one copy of the report with the Comptroller and with the
10 county clerk of the county in which the principal office of the
11 governmental unit is located. A governmental unit may, in
12 filing its audit report with the Comptroller, transmit with
13 such report any comment or explanation that it wishes to make
14 concerning the report.

15 (b) This subsection applies to governmental unit fiscal
16 years 2028 and after. When the audit is completed, the auditor
17 making such audit shall make and sign at least 3 copies of the
18 report of the audit and immediately file them with the
19 governmental unit audited. Governmental units shall
20 immediately make one copy of the audit report or one copy of
21 the annual financial report a part of its public record as
22 required by Section 3 of this Act. These copies shall be open
23 to public inspection. In addition, the governmental unit shall
24 file one copy of the report with the Comptroller and with the
25 county clerk of the county in which the principal office of the
26 governmental unit is located. A governmental unit may, in

1 filing its audit report with the Comptroller, transmit with
2 such report any comment or explanation that it wishes to make
3 concerning the report.

4 (Source: P.A. 101-419, eff. 1-1-20.)

5 Section 10. The Township Code is amended by changing
6 Section 80-20 as follows:

7 (60 ILCS 1/80-20)

8 Sec. 80-20. Independent audit of accounts.

9 (a) All accounts audited under this Article (and those
10 rejected, if any) shall be delivered with the certificate of
11 the trustees (or a majority of them) to the township clerk, who
12 shall keep them on file for the inspection of any of the
13 inhabitants of the township. They shall also be produced by
14 the township clerk at the next annual meeting and shall be read
15 at the meeting by the clerk.

16 (b) In townships that receive revenue of more than
17 \$1,400,000 for any fiscal year, with the amount to increase or
18 decrease by a percentage equal to the Consumer Price Index-U
19 as reported on January 1 of each year ~~\$850,000 or more during~~
20 ~~any fiscal year, exclusive of road funds,~~ the township board
21 shall have the accounts and all records of the township
22 thoroughly audited by a certified public accountant within 6
23 months after the close of each fiscal year. The board shall
24 have a copy of the accountant's report and recommendations

1 filed with the township clerk and another copy filed with the
2 county clerk for public inspection.

3 (c) In townships that receive revenue of less than
4 \$1,400,000 for any fiscal year, with the amount to increase or
5 decrease by a percentage equal to the Consumer Price Index-U
6 as reported on January 1 of each year ~~\$850,000 during any~~
7 ~~fiscal year, exclusive of road funds~~, the township board shall
8 have the accounts and all records of the township audited and
9 inspected by an independent auditing committee composed of 3
10 township electors chosen by the board. The audit shall be
11 completed within 6 months after the close of each fiscal year.
12 A copy of the auditing committee's report and recommendations
13 shall be filed with the township clerk and another copy shall
14 be filed with the county clerk for public inspection. The
15 auditing committee shall not contain any member of the
16 township board or any person related to a trustee. Members of
17 the auditing committee shall be proficient in accounting
18 principles and practices and shall be compensated at a rate
19 determined by the township board but not to exceed \$50 per day.
20 In addition to the other audit requirements imposed by law, in
21 townships subject to this subsection, the township board shall
22 have the accounts and all records of the township thoroughly
23 audited by a certified public accountant within 6 months after
24 (i) the end of each term of office of the township supervisor
25 and (ii) a vacancy occurs in the office of township
26 supervisor. A copy of the accountant's report and

1 recommendations shall be filed with the township clerk and
2 another copy shall be filed with the county clerk for public
3 inspection.

4 As used in this Section, "Consumer Price Index-U" means
5 the index published by the Bureau of Labor Statistics of the
6 United States Department of Labor that measures the average
7 change in prices of goods and services purchased by all urban
8 consumers, United States city average, all items, 1982-84 =
9 100.

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

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