**Section 1445.125 Audits**

a) General Rule

The Department may cause an audit of the accounts, including, but not limited to, all related electronic records, of a Community Association Management Firm or an unaffiliated Community Association Manager by its own employees or by a licensed certified public accountant as provided for in this Section. The audit may be conducted for the purpose determining, pursuant to Section 55 of the Act and Section 1445.120 of this Part, whether the Community Association Management Firm or unaffiliated Community Association Manager maintains separate, segregated accounts for each managed community association and/or whether it has commingled the funds of any of the community associations which it manages.

b) The Department shall notify in writing the Community Association Management Firm, and/or unaffiliated Community Association Manager that an auditor has been retained to audit their accounts, the identity of the auditor or auditing firm and the requirement that the Community Association Management Firm, and/or unaffiliated Community Association Manager shall submit all pertinent records for audit within 30 days after receipt of the written notice.

c) Procedures for Audit

The auditor or the Department shall contact the Community Association Management Firm, and/or unaffiliated Community Association Manager responsible for their accounts for the purpose of scheduling the audit of the accounts. The Community Association Management Firm and/or unaffiliated Community Association Manager shall provide the records requested at the scheduled time and location or as otherwise agreed by the Community Association Management Firm and/or unaffiliated Community Association Manager and the auditor or the Department.

d) Written Report

Any licensed certified public accountant performing an audit for the Department under the provisions of this Section and the Act shall provide a written report to the Department, with a copy to the Community Association Management Firm and/or unaffiliated Community Association Manager detailing the findings of the auditor with specific reference to compliance with the requirements of this Section and the Act.

e) Noncompliance and Cost of Audit

The Community Association Management Firm and/or unaffiliated Community Association Manager shall be liable for the cost of the audit if an order is issued by the Director finding that it or its employees, independent contractors, agents or designees, misappropriated funds held on behalf of a Community Association or if the Community Association Management Firm, and/or unaffiliated Community Association Manager or their employees, independent contractors, agents, or designees did not comply with the requirements of the Act or this Part.

f) Pursuant to Section 105 of the Act, the Department shall have the power to subpoena documents, books, records, or other materials and to bring before it any person and to take testimony either orally, by written interrogatory or any combination thereof, in order to enforce this Section.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)