

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.)