

# HB2341



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2341

Introduced 2/14/2023, by Rep. Kevin Schmidt

### SYNOPSIS AS INTRODUCED:

30 ILCS 708/65

Amends the Grant Accountability and Transparency Act. Provides that a local government may submit a request to the Grant Accountability and Transparency Unit to be exempt from certain audit requirements if the local government is unable to meet the audit requirements due to circumstances beyond the local government's control, including, but not limited to, a natural disaster in which financial records of the local government are destroyed or alleged employee misconduct involving the destruction or withholding of financial records. Effective immediately.

LRB103 26830 HLH 53194 b

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Grant Accountability and Transparency Act  
5 is amended by changing Section 65 as follows:

6 (30 ILCS 708/65)

7 Sec. 65. Audit requirements.

8 (a) The standards set forth in Subpart F of 2 CFR 200 and  
9 any other standards that apply directly to State or federal  
10 agencies shall apply to audits of fiscal years beginning on or  
11 after December 26, 2014.

12 (b) Books and records must be available for review or  
13 audit by appropriate officials of the pass-through entity, and  
14 the agency, the Auditor General, the Inspector General,  
15 appropriate officials of the agency, and the federal  
16 Government Accountability Office.

17 (b-5) If a local government is unable to meet the audit  
18 requirements of this Section or the audit requirements set  
19 forth in rules adopted under this Act, due to circumstances  
20 beyond the local government's control, including, but not  
21 limited to, a natural disaster in which financial records of  
22 the local government are destroyed or alleged employee  
23 misconduct involving the destruction or withholding of

1 financial records, the local government may submit a request  
2 to the Grant Accountability and Transparency Unit to be exempt  
3 from those audit requirements with which it is unable to  
4 comply. In its request for an exemption, the local government  
5 must provide: (i) all relevant information related to the lack  
6 of financial records or the inability of the local government  
7 to access those records; (ii) relevant financial records and  
8 documents that are available to the local government; (iii) a  
9 list of the specific audit requirements from which the local  
10 government is seeking an exemption; (iv) information about  
11 audits that could be performed with the available financial  
12 records and documents; (v) a description of the events that  
13 led to the local government not having the financial records  
14 and documents available; and (vi) any other information that  
15 the Grant Accountability and Transparency Unit finds relevant  
16 to the local government's specific situation. Upon receiving  
17 the request from the local government, the Grant  
18 Accountability and Transparency Unit shall compile the  
19 information related to the request and shall submit the  
20 request for exemption to a 3-member panel consisting of the  
21 Auditor General, the Director of the Governor's Office of  
22 Management and Budget, and the Director of the State agency  
23 with which the local government has submitted the applicable  
24 grant application. The 3-member panel shall meet, virtually or  
25 in-person, to review the request for the exemption and shall  
26 make a determination, based on the facts and information

1 available in the request, to deny or approve the local  
2 government's request to be exempt from the full audit  
3 requirements established under this Act to the extent allowed  
4 by the 3-member panel. The 3-member panel may require  
5 officials from the local government to testify to their  
6 request for exemption. Nothing in this Section shall be  
7 construed to exempt the local government from the audit  
8 requirements of this Act if financial records and documents  
9 are readily available and can be used to complete a required  
10 audit or a portion of the audit requirements.

11 (c) The Governor's Office of Management and Budget, with  
12 the advice and technical assistance of the Illinois Single  
13 Audit Commission, shall adopt rules for audits of grants from  
14 a State or federal pass-through entity that are not subject to  
15 the Single Audit Act because the amount of the federal award is  
16 less than \$750,000 or the subrecipient is an exempt entity and  
17 that are reasonably consistent with 2 CFR 200.

18 (d) This Act does not affect the provisions of the  
19 Illinois State Auditing Act and does not address the external  
20 audit function of the Auditor General.

21 (Source: P.A. 98-706, eff. 7-16-14.)

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.