



Rep. Kevin Schmidt

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10300HB2341ham001

LRB103 26830 HLH 58715 a

1 AMENDMENT TO HOUSE BILL 2341

2 AMENDMENT NO. _____. Amend House Bill 2341 by replacing
3 everything after the enacting clause with the following:

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.

1 (b-5) If a local government is unable to meet the audit
2 requirements of this Section or the audit requirements set
3 forth in rules adopted under this Act due to circumstances
4 beyond the local government's control, including, but not
5 limited to, a natural disaster in which financial records of
6 the local government are destroyed or alleged employee
7 misconduct involving the destruction or withholding of
8 financial records, the local government may submit a request
9 to the Grant Accountability and Transparency Unit to be exempt
10 from the audit requirements with which it is unable to comply.
11 In its request for an exemption, the local government must
12 provide: (i) all relevant information related to the lack of
13 financial records or the inability of the local government to
14 access those records; (ii) relevant financial records and
15 documents that are available to the local government; (iii) a
16 list of the specific audit requirements from which the local
17 government is seeking an exemption; (iv) information about
18 audits that could be performed with the available financial
19 records and documents; (v) a description of the events that
20 led to the local government not having the financial records
21 and documents available; and (vi) any other information that
22 the Grant Accountability and Transparency Unit finds relevant
23 to the local government's specific situation.

24 Upon receiving the request from the local government, the
25 Grant Accountability and Transparency Unit shall compile the
26 information related to the request and shall submit the

1 request for an exemption to a 5-member panel established under
2 this subsection. The Governor, the President of the Senate,
3 the Senate Minority Leader, the Speaker of the House of
4 Representatives, and the House Minority Leader shall each
5 appoint one member to the panel. As soon as possible after the
6 initial members are appointed, those members shall draw lots
7 to determine the length of their terms so that 2 members have
8 2-year terms, 2 members have 3-year terms, and one member has a
9 4-year term. Thereafter, all members of the panel shall be
10 appointed for terms of 4 years. The appointing authority may,
11 at any time, make an appointment to fill a vacancy for the
12 unexpired term of a member. Each member of the panel must have
13 auditing or accounting experience. Members of the panel shall
14 serve without compensation but may be reimbursed for
15 reasonable travel expenses associated with their service on
16 the panel. The Governor's Office of Management and Budget
17 shall provide administrative support to the panel. The panel
18 shall meet, virtually or in-person, to review the request for
19 the exemption and shall make a determination, based on the
20 facts and information available in the request, to deny or
21 approve the local government's request to be exempt from the
22 full audit requirements established under this Act to the
23 extent allowed by the panel. If a majority of the members of
24 the panel who are voting on the issue vote to approve the local
25 government's request, then the request shall be approved.
26 Otherwise, the request shall be denied. The panel may require

1 officials from the local government to testify to their
2 request for exemption. Nothing in this Section shall be
3 construed to exempt the local government from the audit
4 requirements of this Act if financial records and documents
5 are readily available and can be used to complete a required
6 audit or a portion of the audit requirements.

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

14 (d) This Act does not affect the provisions of the
15 Illinois State Auditing Act and does not address the external
16 audit function of the Auditor General.

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

18 Section 99. Effective date. This Act takes effect upon
19 becoming law."