



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB3742

Introduced 2/24/2005, by Rep. Lovana Jones

SYNOPSIS AS INTRODUCED:

30 ILCS 705/13	from Ch. 127, par. 2313
50 ILCS 205/3a	from Ch. 116, par. 43.103a
65 ILCS 5/4-5-16	from Ch. 24, par. 4-5-16
65 ILCS 5/11-65-9	from Ch. 24, par. 11-65-9
65 ILCS 5/11-67-9	from Ch. 24, par. 11-67-9
65 ILCS 5/11-117-13	from Ch. 24, par. 11-117-13
65 ILCS 5/11-122-5	from Ch. 24, par. 11-122-5
65 ILCS 5/11-123-14	from Ch. 24, par. 11-123-14
70 ILCS 3705/14	from Ch. 111 2/3, par. 201

Amends the Illinois Grant Funds Recovery Act, the Local Records Act, the Illinois Municipal Code, and the Public Water District Act to change certain references to accountants to refer to licensed Certified Public Accountants permitted to perform audits under the Illinois Public Accounting Act. Effective immediately.

LRB094 10110 LJB 40371 b

1 AN ACT concerning government.

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

4 Section 5. The Illinois Grant Funds Recovery Act is amended
5 by changing Section 13 as follows:

6 (30 ILCS 705/13) (from Ch. 127, par. 2313)

7 Sec. 13. Notwithstanding the requirements of any other
8 State law or regulation, an institution of higher education
9 which conducts annual audits of its own operations may elect to
10 fulfill any audit requirements with respect to any or all State
11 grants which it receives by having such audit conducted at the
12 time of its own annual audit at its own cost.

13 The institution of higher education shall make such
14 election at the time that it receives each grant. The
15 institution of higher education shall not be required to elect
16 that all State grants be included in its annual audit. Such
17 election may be for either financial or compliance audits, or
18 both. In the event of such election, such audits shall fulfill
19 the audit requirements of the applicable State law or
20 regulation authorizing such grants except for the reporting
21 dates required for such audits. Such audits shall be conducted
22 in accordance with generally accepted auditing standards by
23 licensed Certified Public Accountants permitted to perform
24 audits under the Illinois Public Accounting Act ~~certified~~
25 ~~public accountants authorized to do business in the State of~~
26 ~~Illinois.~~

27 The provisions of this Section do not limit the authority
28 of any State agency to conduct, or enter into contracts for the
29 conduct of, audits and evaluations of State grant programs, nor
30 limit the authority of the Auditor General. Such State agency
31 shall fund the cost of any such additional audits.

32 (Source: P.A. 86-602.)

1 Section 10. The Local Records Act is amended by changing
2 Section 3a as follows:

3 (50 ILCS 205/3a) (from Ch. 116, par. 43.103a)

4 Sec. 3a. Reports and records of the obligation, receipt and
5 use of public funds of the units of local government and school
6 districts, including certified audits, management letters and
7 other audit reports made by the Auditor General, County
8 Auditors, other officers or by licensed Certified Public
9 Accountants permitted to perform audits under the Illinois
10 Public Accounting Act ~~certified public accountants licensed~~
11 ~~under the Illinois Public Accounting Act~~ and presented to the
12 corporate authorities or boards of the units of local
13 government, are public records available for inspection by the
14 public. These records shall be kept at the official place of
15 business of each unit of local government and school district
16 or at a designated place of business of the unit or district.
17 These records shall be available for public inspection during
18 regular office hours except when in immediate use by persons
19 exercising official duties which require the use of those
20 records. The person in charge of such records may require a
21 notice in writing to be submitted 24 hours prior to inspection
22 and may require that such notice specify which records are to
23 be inspected. Nothing in this Section shall require units of
24 local government and school districts to invade or assist in
25 the invasion of any person's right to privacy.

26 (Source: P.A. 91-357, eff. 7-29-99.)

27 Section 15. The Illinois Municipal Code is amended by
28 changing Sections 4-5-16, 11-65-9, 11-67-9, 11-117-13,
29 11-122-5, and 11-123-14 as follows:

30 (65 ILCS 5/4-5-16) (from Ch. 24, par. 4-5-16)

31 Sec. 4-5-16. Statement of receipts and expenses;
32 examination of books and accounts; expenditure greater than

1 appropriation.

2 (a) In municipalities with 25,000 or more inhabitants, the
3 council each month shall print in pamphlet form, a detailed
4 itemized statement of all receipts and expenses of the
5 municipality and a summary of its proceedings during the
6 preceding month. In municipalities with fewer than 25,000
7 inhabitants, the council shall print a similar statement
8 annually instead of monthly. The council shall furnish printed
9 copies of each statement to (i) the State Library, (ii) the
10 city library, (iii) all the daily and weekly newspapers with a
11 general circulation in the municipality, and (iv) persons who
12 apply for a copy at the office of the municipal clerk.

13 (b) At the end of each fiscal year, the council shall have
14 licensed Certified Public Accountants permitted to perform
15 audits under the Illinois Public Accounting Act ~~competent~~
16 ~~accountants~~ make a full and complete examination of all books
17 and accounts of the municipality and shall distribute the
18 result of that examination in the manner provided in this
19 Section.

20 (c) It is unlawful for the council or any commissioner to
21 expend, directly or indirectly, a greater amount for any
22 municipal purpose than the amount appropriated for that purpose
23 in the annual appropriation ordinance passed for that fiscal
24 year. A violation of this provision by any member of the
25 council shall constitute a petty offense.

26 (Source: P.A. 93-486, eff. 1-1-04.)

27 (65 ILCS 5/11-65-9) (from Ch. 24, par. 11-65-9)

28 Sec. 11-65-9. Every municipality owning and operating such
29 a municipal convention hall shall keep books of account for the
30 municipal convention hall separate and distinct from other
31 municipal accounts and in such manner as to show the true and
32 complete financial standing and results of the municipal
33 ownership and operation. These accounts shall be so kept as to
34 show: (1) the actual cost to the municipality of maintenance,
35 extension, and improvement, (2) all operating expenses of every

1 description, (3) if water or other service is furnished for the
2 use of the municipal convention hall without charge, as nearly
3 as possible, the value of that service, and also the value of
4 any use or service rendered by the municipal convention hall to
5 the municipality without charge, (4) reasonable allowances for
6 interest, depreciation, and insurance, and (5) estimates of the
7 amount of taxes that would be chargeable against the property
8 if owned by a private corporation. The corporate authorities
9 shall publish a report annually showing the financial results,
10 in the form specified in this section, of the municipal
11 ownership and operation in one or more newspapers published in
12 the municipality, or, if no newspaper is published therein,
13 then in one or more newspapers with a general circulation
14 within the municipality.

15 The accounts of the convention hall shall be examined at
16 least once a year by a licensed Certified Public Accountant
17 permitted to perform audits under the Illinois Public
18 Accounting Act ~~an expert accountant~~ who shall report to the
19 corporate authorities the results of his examination. This
20 ~~expert~~ accountant shall be selected as the corporate
21 authorities may direct, and he shall receive for his services
22 such compensation, to be paid out of the revenue from the
23 municipal convention hall, as the corporate authorities may
24 prescribe.

25 (Source: P.A. 92-774, eff. 1-1-03.)

26 (65 ILCS 5/11-67-9) (from Ch. 24, par. 11-67-9)

27 Sec. 11-67-9. Every municipality owning and operating such
28 a municipal coliseum shall keep books of account for the
29 coliseum separate and distinct from other municipal accounts
30 and in such manner as to show the true and complete financial
31 standing and results of the municipal ownership and operation.
32 These accounts shall be so kept as to show: (1) the actual cost
33 to the municipality of maintenance, extension, and
34 improvement, (2) all operating expenses of every description,
35 (3) if water or other service is furnished for the use of the

1 municipal coliseum without charge, as nearly as possible, the
2 value of that service, and also the value of any use or service
3 rendered by the municipal coliseum to the municipality without
4 charge, (4) reasonable allowances for interest, depreciation,
5 and insurance, and (5) estimates of the amount of taxes that
6 would be chargeable against that property if owned by a private
7 corporation. The corporate authorities shall have printed
8 annually for public distribution, a report showing the
9 financial results, in the form specified in this section, of
10 the municipal ownership and operation.

11 The accounts of the municipal coliseum shall be examined at
12 least once a year by a licensed Certified Public Accountant
13 permitted to perform audits under the Illinois Public
14 Accounting Act ~~an accountant~~, who shall report to the corporate
15 authorities the results of his examination. This accountant
16 shall be selected as the corporate authorities may direct, and
17 he shall receive for his services such compensation, to be paid
18 out of the revenue from the municipal coliseum, as the
19 corporate authorities may prescribe.

20 (Source: Laws 1961, p. 576.)

21 (65 ILCS 5/11-117-13) (from Ch. 24, par. 11-117-13)

22 Sec. 11-117-13. Any municipality, owning a public utility,
23 shall keep the accounts for each public utility distinct from
24 other municipal accounts and in such manner as to show the true
25 and complete financial results of municipal ownership or
26 ownership and operation, as the case may be. These accounts
27 shall be so kept as to show (1) the actual cost of the
28 municipality of each public utility owned; (2) all costs of
29 maintenance, extension, and improvement; (3) all operating
30 expenses of every description, in case of municipal operation;
31 (4) the amounts set aside for sinking fund purposes; (5) if
32 water or other service is furnished for the use of a public
33 utility without charge, as nearly as possible, the value of
34 that service and also the value of any similar service rendered
35 by each public utility to any other municipal department

1 without charge; (6) reasonable allowances for interest,
2 depreciation, and insurance; and (7) estimates of the amount of
3 taxes that would be chargeable against each public utility if
4 owned by a private corporation.

5 The corporate authorities shall print annually for public
6 distribution, a report, in the form specified in this Section,
7 showing the financial results of the municipal ownership or
8 ownership and operation. The accounts of each public utility
9 shall be examined once each year by a licensed Certified Public
10 Accountant permitted to perform audits under the Illinois
11 Public Accounting Act ~~an expert accountant~~ who shall report to
12 the corporate authorities the results of his examination. This
13 ~~expert~~ accountant shall be selected in such manner as the
14 corporate authorities may direct, and he shall receive for his
15 services such compensation, to be paid out of the revenue from
16 each public utility, as the municipality may prescribe.

17 (Source: Laws 1961, p. 576.)

18 (65 ILCS 5/11-122-5) (from Ch. 24, par. 11-122-5)

19 Sec. 11-122-5. Every city owning, or owning and operating,
20 street railways, shall keep the books of account for these
21 street railways distinct from other city accounts and in such
22 manner as to show the true and complete financial results of
23 the city ownership, or ownership and operation, as the case may
24 be. These accounts shall be so kept as to show: (1) the actual
25 cost to the city of street railways owned, (2) all costs of
26 maintenance, extension, and improvement, (3) all operating
27 expenses of every description, in case of city operation, (4)
28 the amount set aside for sinking fund purposes, (5) if water or
29 other service is furnished for the use of the street railways
30 without charge, as nearly as possible, the value of this
31 service, and also the value of any similar service rendered by
32 the street railways to any other city department without
33 charge, (6) reasonable allowances for interest, depreciation,
34 and insurance, and (7) estimates of the amount of taxes that
35 would be chargeable against the property if owned by a private

1 corporation. The city council shall print annually for public
2 distribution, a report showing the financial results, in the
3 form specified in this section, of the city ownership, or
4 ownership and operation.

5 The accounts of those street railways, shall be examined at
6 least once a year by a licensed Certified Public Accountant
7 permitted to perform audits under the Illinois Public
8 Accounting Act ~~an expert accountant~~, who shall report to the
9 city council the results of his examination. This ~~expert~~
10 accountant shall be selected in such manner as the city council
11 may direct, and he shall receive for his services such
12 compensation, to be paid out of the income from those street
13 railways, as the city council may prescribe.

14 (Source: Laws 1961, p. 576.)

15 (65 ILCS 5/11-123-14) (from Ch. 24, par. 11-123-14)

16 Sec. 11-123-14. Every city and village owning and
17 operating, or owning and leasing any portion of a utility,
18 shall keep the accounts for the utilities separate and distinct
19 from other municipal accounts and in such manner as to show the
20 true and complete financial standing and results of the
21 municipal ownership and operation or of the municipal ownership
22 and leasing, as the case may be. These accounts shall be so
23 kept as to show: (1) the actual cost of the municipality of the
24 utilities owned; (2) all costs of maintenance, extension, and
25 improvement; (3) all operating expenses of every description,
26 in case of municipal operation, whether of the whole or of a
27 part of the utilities; (4) if water or other service is
28 furnished for the use of the utilities without charge, as
29 nearly as possible, the value of that service, and also the
30 value of any service rendered by the utilities to any
31 reasonable allowances for interest, depreciation, and other
32 municipal department without charge; (5) insurance; and (6)
33 estimates of the amount of taxes that would be chargeable
34 against the utilities if owned by a private corporation. The
35 corporate authorities of the municipality shall have printed

1 annually for public distribution, a report showing the
2 financial standing and results, in the form specified in this
3 section, of the municipal ownership and operation, or of
4 municipal ownership and leasing. This report shall be published
5 in one or more newspapers published in the municipality, or, if
6 no newspaper is published therein, then in one or more
7 newspapers with a general circulation within the municipality.
8 In municipalities with less than 500 population in which no
9 newspaper is published, publication may instead be made by
10 posting a notice in 3 prominent places within the municipality.

11 The accounts of the utilities shall be examined at least
12 once a year by a licensed Certified Public Accountant permitted
13 to perform audits under the Illinois Public Accounting Act ~~an~~
14 ~~expert~~ ~~accountant~~, who shall report to the corporate
15 authorities the results of his examination. This ~~expert~~
16 accountant shall be selected in such manner as the corporate
17 authorities may direct, and he shall receive for his services
18 such compensation, to be paid out of the revenue from the
19 utilities, as the corporate authorities may prescribe.

20 (Source: Laws 1961, p. 576.)

21 Section 20. The Public Water District Act is amended by
22 changing Section 14 as follows:

23 (70 ILCS 3705/14) (from Ch. 111 2/3, par. 201)

24 Sec. 14. It shall be the duty of the board of trustees to
25 install and maintain a proper system of accounts showing
26 receipts from operation and the application of the same, and
27 the board shall at least once a year cause such accounts to be
28 properly audited by a licensed Certified Public Accountant
29 permitted to perform audits under the Illinois Public
30 Accounting Act ~~an independent public accountant~~.

31 (Source: Laws 1945, p. 1187.)

32 Section 99. Effective date. This Act takes effect upon
33 becoming law.