

AN ACT concerning local government.

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

Section 5. The Governmental Account Audit Act is amended by changing Sections 1, 3, and 6 as follows:

(50 ILCS 310/1) (from Ch. 85, par. 701)

Sec. 1. Definitions. As used in this Act, unless the context otherwise indicates:

"Governmental unit" or "unit" includes all municipal corporations in and political subdivisions of this State that appropriate more than \$5,000 for a fiscal year, with the amount to increase or decrease by the amount of the Consumer Price Index (CPI) as reported on January 1 of each year, except the following:

(1) School districts.

(2) Cities, villages, and incorporated towns subject to the Municipal Auditing Law, as contained in the Illinois Municipal Code, and cities that file a report with the Comptroller under Section 3.1-35-115 of the Illinois Municipal Code.

(3) Counties with a population of 1,000,000 or more.

(4) Counties subject to the County Auditing Law.

(5) Any other municipal corporations in or political

subdivisions of this State, the accounts of which are required by law to be audited by or under the direction of the Auditor General.

(6) (Blank).

(7) A drainage district, established under the Illinois Drainage Code (70 ILCS 605), that did not receive or expend any moneys during the immediately preceding fiscal year or obtains approval for assessments and expenditures through the circuit court.

(8) Public housing authorities that submit financial reports to the U.S. Department of Housing and Urban Development.

"Governing body" means the board or other body or officers having authority to levy taxes, make appropriations, authorize the expenditure of public funds or approve claims for any governmental unit.

"Comptroller" means the Comptroller of the State of Illinois.

"Consumer Price Index" means the Consumer Price Index for All Urban Consumers for all items published by the United States Department of Labor.

"Audit report" means the written report of the auditor and all appended statements and schedules relating to that report, presenting or recording the findings of an examination or audit of the financial transactions, affairs, or conditions of a governmental unit.

"Auditor" means a licensed certified public accountant, as that term is defined in Section 0.03 of the Illinois Public Accounting Act, or the substantial equivalent of a licensed CPA, as provided under Section 5.2 of the Illinois Public Accounting Act, who performs an audit of governmental unit financial statements and records and expresses an assurance or disclaims an opinion on the audited financial statements.

"Report" includes both audit reports and reports filed instead of an audit report by a governmental unit receiving revenue of less than \$1,400,000 ~~\$850,000~~ during any fiscal year to which the reports relate.

"Generally accepted accounting principles" means accounting principles generally accepted in the United States.

"Generally accepted auditing standards" means auditing standards generally accepted in the United States.

(Source: P.A. 100-837, eff. 8-13-18; 101-419, eff. 1-1-20.)

(50 ILCS 310/3) (from Ch. 85, par. 703)

Sec. 3. Beginning with fiscal year 2027, any ~~Any~~ governmental unit receiving revenue of less than \$1,400,000 ~~for any \$850,000 for any~~ fiscal year shall, in lieu of complying with the requirements of Section 2 for audits and audit reports, ~~beginning with fiscal year 2016,~~ either: (i) cause an audit of the accounts of the unit to be made once every 4 years and file with the Comptroller an annual financial report containing information required by the

Comptroller, or (ii) file with the Comptroller an annual financial report containing information required by the Comptroller, a copy of which has been provided to each member of that governmental unit's board of elected officials, presented either in person or by a live phone or web connection during a public meeting, and approved by a 3/5 majority vote. In addition, a governmental unit receiving revenue of less than \$1,400,000 ~~\$850,000~~ may file with the Comptroller any audit reports which may have been prepared under any other law. Beginning with fiscal year 2027, any ~~Any~~ governmental unit receiving revenue of \$1,400,000 ~~\$850,000~~ or more for any fiscal year shall, in addition to complying with the requirements of Section 2 for audits and audit reports, file with the Comptroller the annual financial report required by this Section. Such annual financial reports shall be on forms so designed by the Comptroller as not to require professional accounting services for its preparation. All reports to be filed with the Comptroller under this Section must be submitted electronically and the Comptroller must post the reports on the Internet no later than 45 days after they are received. If the governmental unit provides the Comptroller's Office with sufficient evidence that the report cannot be filed electronically, the Comptroller may waive this requirement. The Comptroller must also post a list of governmental units that are not in compliance with the reporting requirements set forth in this Section.

Any financial report under this Section shall include the name of the purchasing agent who oversees all competitively bid contracts. If there is no purchasing agent, the name of the person responsible for oversight of all competitively bid contracts shall be listed.

(Source: P.A. 97-890, eff. 8-2-12; 97-1142, eff. 12-28-12; 98-1019, eff. 7-1-15.)

(50 ILCS 310/6) (from Ch. 85, par. 706)

Sec. 6. When the audit is completed the auditor making such audit shall make and sign at least 3 copies of the report of the audit and immediately file them with the governmental unit audited. Beginning with fiscal year 2027, governmental ~~Governmental~~ units receiving revenue of \$1,400,000 ~~\$850,000~~ or more for any fiscal year shall immediately make one copy of the audit report and one copy of the financial report required by Section 3 of this Act a part of its public record. Governmental units receiving revenue of less than \$1,400,000 ~~\$850,000~~ shall immediately make one copy of the audit report, or one copy of the report authorized by Section 3 of this Act to be filed instead of the audit report, a part of its public record. These copies shall be open to public inspection. In addition, the governmental unit shall file one copy of the report with the Comptroller and with the county clerk of the county in which the principal office of the governmental unit is located. A governmental unit may, in filing its audit report with the

Comptroller, transmit with such report any comment or explanation that it wishes to make concerning the report.

(Source: P.A. 101-419, eff. 1-1-20.)

Section 10. The Township Code is amended by changing Section 80-20 as follows:

(60 ILCS 1/80-20)

Sec. 80-20. Independent audit of accounts.

(a) All accounts audited under this Article (and those rejected, if any) shall be delivered with the certificate of the trustees (or a majority of them) to the township clerk, who shall keep them on file for the inspection of any of the inhabitants of the township. They shall also be produced by the township clerk at the next annual meeting and shall be read at the meeting by the clerk.

(b) In townships that receive revenue of more than \$1,400,000 for any fiscal year, with the amount to increase or decrease by a percentage equal to the Consumer Price Index-U as reported on January 1 of each year ~~\$850,000 or more during any fiscal year, exclusive of road funds~~, the township board shall have the accounts and all records of the township thoroughly audited by a certified public accountant within 6 months after the close of each fiscal year. The board shall have a copy of the accountant's report and recommendations filed with the township clerk and another copy filed with the

county clerk for public inspection.

(c) In townships that receive revenue of less than \$1,400,000 for any fiscal year, with the amount to increase or decrease by a percentage equal to the Consumer Price Index-U as reported on January 1 of each year ~~\$850,000 during any fiscal year, exclusive of road funds~~, the township board shall have the accounts and all records of the township audited and inspected by an independent auditing committee composed of 3 township electors chosen by the board. The audit shall be completed within 6 months after the close of each fiscal year. A copy of the auditing committee's report and recommendations shall be filed with the township clerk and another copy shall be filed with the county clerk for public inspection. The auditing committee shall not contain any member of the township board or any person related to a trustee. Members of the auditing committee shall be proficient in accounting principles and practices and shall be compensated at a rate determined by the township board but not to exceed \$50 per day. In addition to the other audit requirements imposed by law, in townships subject to this subsection, the township board shall have the accounts and all records of the township thoroughly audited by a certified public accountant within 6 months after (i) the end of each term of office of the township supervisor and (ii) a vacancy occurs in the office of township supervisor. A copy of the accountant's report and recommendations shall be filed with the township clerk and

another copy shall be filed with the county clerk for public inspection.

As used in this Section, "Consumer Price Index-U" means the index published by the Bureau of Labor Statistics of the United States Department of Labor that measures the average change in prices of goods and services purchased by all urban consumers, United States city average, all items, 1982-84 = 100.

(Source: P.A. 92-582, eff. 7-1-02.)

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