



HR0558

LRB100 13628 MST 28254 r

1 HOUSE RESOLUTION

2 WHEREAS, The Local Government Account Audit Act, the County  
3 Code Division of Audits, and the Municipal Code-Audit Report  
4 Contents requires units of local government to file audit  
5 reports of local government financial statements with the  
6 Comptroller's Local Government Division; and

7 WHEREAS, Audits of local government financial statements  
8 prepared on a cash basis accounting have been accepted by the  
9 Office of the Comptroller since the office was created by the  
10 1970 State Constitution; and

11 WHEREAS, The Comptroller's Local Government Division has  
12 began notifying units of local government who have submitted  
13 audits that as of December 5, 2016 audits of financial  
14 statements prepared on a cash basis accounting are no longer in  
15 compliance; and

16 WHEREAS, The Comptroller's Local Government Division has  
17 retroactively applied a change in practice in place since 1970  
18 without any advance notice, stakeholder outreach, or  
19 consultation with the Comptroller's Local Government Advisory  
20 Committee; and

21 WHEREAS, Audit standards provide for audits of financial

1 statements prepared on the cash basis of accounting; and

2 WHEREAS, The conversion from a cash basis system of  
3 accounting to an accrual basis system of accounting will be  
4 costly and time consuming for units of local government; and

5 WHEREAS, Local governments who have already received  
6 non-compliant letters from the Comptroller are more than half  
7 way through their current fiscal year and audit period and the  
8 Comptroller's Office is requiring the upcoming audit to be  
9 completed using an accrual basis of accounting; and

10 WHEREAS, An opinion has been requested from the Attorney  
11 General on the interpretation and application of Section  
12 5/8-8-5 audit contents of the Illinois Municipal Code;  
13 therefore, be it

14 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE  
15 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we  
16 encourage the Comptroller to suspend implementation of the  
17 accrual basis of accounting requirement pending the receipt of  
18 the Attorney General's opinion; and be it further

19 RESOLVED, That we encourage the Comptroller to work with  
20 stakeholders to minimize the impact of this change on units of  
21 local government; and be it further

1           RESOLVED, That a suitable copy of this resolution be  
2 delivered to the Comptroller Susana A. Mendoza.