



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 3245

2 AMENDMENT NO. _____. Amend Senate Bill 3245, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Comptroller Act is amended by
6 changing Section 9 as follows:

7 (15 ILCS 405/9) (from Ch. 15, par. 209)

8 Sec. 9. Warrants; vouchers; preaudit.

9 (a) No payment may be made from public funds held by the
10 State Treasurer in or outside of the State treasury, except by
11 warrant drawn by the Comptroller and presented by him to the
12 treasurer to be countersigned except for payments made pursuant
13 to Section 9.03 or 9.05 of this Act.

14 (b) No warrant for the payment of money by the State
15 Treasurer may be drawn by the Comptroller without the
16 presentation of itemized vouchers indicating that the

1 obligation or expenditure is pursuant to law and authorized,
2 and authorizing the Comptroller to order payment.

3 (b-1) An itemized voucher for under \$5 that is presented to
4 the Comptroller for payment shall not be paid except through
5 electronic funds transfer. This subsection (b-1) does not apply
6 to (i) vouchers presented by the legislative branch of State
7 government or (ii) vouchers presented by the State Treasurer's
8 Office for the payment of unclaimed property claims authorized
9 under the Uniform Disposition of Unclaimed Property Act.

10 (c) The Comptroller shall examine each voucher required by
11 law to be filed with him and determine whether unencumbered
12 appropriations or unencumbered obligational or expenditure
13 authority other than by appropriation are legally available to
14 incur the obligation or to make the expenditure of public
15 funds. If he determines that unencumbered appropriations or
16 other obligational or expenditure authority are not available
17 from which to incur the obligation or make the expenditure, the
18 Comptroller shall refuse to draw a warrant.

19 (d) The Comptroller shall examine each voucher and all
20 other documentation required to accompany the voucher, and
21 shall ascertain whether the voucher and documentation meet all
22 requirements established by or pursuant to law. If the
23 Comptroller determines that the voucher and documentation do
24 not meet applicable requirements established by or pursuant to
25 law, he shall refuse to draw a warrant. As used in this
26 Section, "requirements established by or pursuant to law"

1 includes statutory enactments and requirements established by
2 rules and regulations adopted pursuant to this Act.

3 (e) Prior to drawing a warrant, the Comptroller may review
4 the voucher, any documentation accompanying the voucher, and
5 any other documentation related to the transaction on file with
6 him, and determine if the transaction is in accordance with the
7 law. If based on his review the Comptroller has reason to
8 believe that such transaction is not in accordance with the
9 law, he shall refuse to draw a warrant.

10 (f) Where the Comptroller refuses to draw a warrant
11 pursuant to this Section, he shall maintain separate records of
12 such transactions.

13 (g) State agencies shall have the principal responsibility
14 for the preaudit of their encumbrances, expenditures, and other
15 transactions as otherwise required by law.

16 (Source: P.A. 97-969, eff. 8-16-12.)

17 Section 10. The State Prompt Payment Act is amended by
18 changing Section 3-2 as follows:

19 (30 ILCS 540/3-2)

20 Sec. 3-2. Beginning July 1, 1993, in any instance where a
21 State official or agency is late in payment of a vendor's bill
22 or invoice for goods or services furnished to the State, as
23 defined in Section 1, properly approved in accordance with
24 rules promulgated under Section 3-3, the State official or

1 agency shall pay interest to the vendor in accordance with the
2 following:

3 (1) Any bill, except a bill submitted under Article V
4 of the Illinois Public Aid Code and except as provided
5 under paragraph (1.05) of this Section, approved for
6 payment under this Section must be paid or the payment
7 issued to the payee within 60 days of receipt of a proper
8 bill or invoice. If payment is not issued to the payee
9 within this 60-day period, an interest penalty of 1.0% of
10 any amount approved and unpaid shall be added for each
11 month or fraction thereof after the end of this 60-day
12 period, until final payment is made. Any bill, except a
13 bill for pharmacy or nursing facility services or goods,
14 and except as provided under paragraph (1.05) of this
15 Section, submitted under Article V of the Illinois Public
16 Aid Code approved for payment under this Section must be
17 paid or the payment issued to the payee within 60 days
18 after receipt of a proper bill or invoice, and, if payment
19 is not issued to the payee within this 60-day period, an
20 interest penalty of 2.0% of any amount approved and unpaid
21 shall be added for each month or fraction thereof after the
22 end of this 60-day period, until final payment is made. Any
23 bill for pharmacy or nursing facility services or goods
24 submitted under Article V of the Illinois Public Aid Code,
25 except as provided under paragraph (1.05) of this Section,
26 and approved for payment under this Section must be paid or

1 the payment issued to the payee within 60 days of receipt
2 of a proper bill or invoice. If payment is not issued to
3 the payee within this 60-day period, an interest penalty of
4 1.0% of any amount approved and unpaid shall be added for
5 each month or fraction thereof after the end of this 60-day
6 period, until final payment is made.

7 (1.05) For State fiscal year 2012 and future fiscal
8 years, any bill approved for payment under this Section
9 must be paid or the payment issued to the payee within 90
10 days of receipt of a proper bill or invoice. If payment is
11 not issued to the payee within this 90-day period, an
12 interest penalty of 1.0% of any amount approved and unpaid
13 shall be added for each month, or 0.033% (one-thirtieth of
14 one percent) ~~00.0033% (1/30%)~~ of any amount approved and
15 unpaid for each day, after the end of this 90-day period,
16 until final payment is made.

17 (1.1) A State agency shall review in a timely manner
18 each bill or invoice after its receipt. If the State agency
19 determines that the bill or invoice contains a defect
20 making it unable to process the payment request, the agency
21 shall notify the vendor requesting payment as soon as
22 possible after discovering the defect pursuant to rules
23 promulgated under Section 3-3; provided, however, that the
24 notice for construction related bills or invoices must be
25 given not later than 30 days after the bill or invoice was
26 first submitted. The notice shall identify the defect and

1 any additional information necessary to correct the
2 defect. If one or more items on a construction related bill
3 or invoice are disapproved, but not the entire bill or
4 invoice, then the portion that is not disapproved shall be
5 paid.

6 (2) Where a State official or agency is late in payment
7 of a vendor's bill or invoice properly approved in
8 accordance with this Act, and different late payment terms
9 are not reduced to writing as a contractual agreement, the
10 State official or agency shall automatically pay interest
11 penalties required by this Section amounting to \$50 or more
12 to the appropriate vendor. Each agency shall be responsible
13 for determining whether an interest penalty is owed and for
14 paying the interest to the vendor. Except as provided in
15 paragraph (4), an individual interest payment amounting to
16 \$5 or less shall not be paid by the State. Interest due to
17 a vendor that amounts to greater than \$5 and less than \$50
18 shall not be paid but shall be accrued until all interest
19 due the vendor for all similar warrants exceeds \$50, at
20 which time the accrued interest shall be payable and
21 interest will begin accruing again, except that interest
22 accrued as of the end of the fiscal year that does not
23 exceed \$50 shall be payable at that time. In the event an
24 individual has paid a vendor for services in advance, the
25 provisions of this Section shall apply until payment is
26 made to that individual.

1 (3) The provisions of Public Act 96-1501 reducing the
2 interest rate on pharmacy claims under Article V of the
3 Illinois Public Aid Code to 1.0% per month shall apply to
4 any pharmacy bills for services and goods under Article V
5 of the Illinois Public Aid Code received on or after the
6 date 60 days before January 25, 2011 (the effective date of
7 Public Act 96-1501) except as provided under paragraph
8 (1.05) of this Section.

9 (4) Interest amounting to less than \$5 shall not be
10 paid by the State, except for claims (i) to the Department
11 of Healthcare and Family Services or the Department of
12 Human Services, (ii) pursuant to Article V of the Illinois
13 Public Aid Code, the Covering ALL KIDS Health Insurance
14 Act, or the Children's Health Insurance Program Act, and
15 (iii) made (A) by pharmacies for prescriptive services or
16 (B) by any federally qualified health center for
17 prescriptive services or any other services.

18 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
19 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
20 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.
21 6-30-11; 97-348, eff. 8-12-11; 97-813, eff. 7-13-12; 97-932,
22 eff. 8-10-12.)

23 Section 15. The Governmental Account Audit Act is amended
24 by changing Sections 2, 3, and 4 as follows:

1 (50 ILCS 310/2) (from Ch. 85, par. 702)

2 Sec. 2. Except as otherwise provided in Section 3, the
3 governing body of each governmental unit shall cause an audit
4 of the accounts of the unit to be made by a licensed public
5 accountant. Such audit shall be made annually and shall cover
6 the immediately preceding fiscal year of the governmental unit.
7 The audit shall include all the accounts and funds of the
8 governmental unit, including the accounts of any officer of the
9 governmental unit who receives fees or handles funds of the
10 unit or who spends money of the unit. The audit shall begin as
11 soon as possible after the close of the last fiscal year to
12 which it pertains, and shall be completed and the audit report
13 filed with the Comptroller within 6 months after the close of
14 such fiscal year unless an extension of time is granted by the
15 Comptroller in writing. An audit report which fails to meet the
16 requirements of this Act shall be rejected by the Comptroller
17 and returned to the governing body of the governmental unit for
18 corrective action. The licensed public accountant making the
19 audit shall submit not less than 3 copies of the audit report
20 to the governing body of the governmental unit being audited.

21 All audits to be filed with the Comptroller under this
22 Section must be submitted electronically and the Comptroller
23 must post the audit reports on the Internet no later than 45
24 days after they are received. If the governmental unit provides
25 the Comptroller's Office with sufficient evidence that the
26 audit report cannot be filed electronically, the Comptroller

1 may waive this requirement. The Comptroller must also post a
2 list of governmental units that are not in compliance with the
3 reporting requirements set forth in the Section.

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

9 (Source: P.A. 97-932, eff. 8-10-12.)

10 (50 ILCS 310/3) (from Ch. 85, par. 703)

11 Sec. 3. Any governmental unit receiving revenue of less
12 than \$850,000 for any fiscal year shall, in lieu of complying
13 with the requirements of Section 2 for audits and audit
14 reports, file with the Comptroller a financial report
15 containing information required by the Comptroller. In
16 addition, a governmental unit receiving revenue of less than
17 \$850,000 may file with the Comptroller any audit reports which
18 may have been prepared under any other law. Any governmental
19 unit receiving revenue of \$850,000 or more for any fiscal year
20 shall, in addition to complying with the requirements of
21 Section 2 for audits and audit reports, file with the
22 Comptroller the financial report required by this Section. Such
23 financial reports shall be on forms so designed by the
24 Comptroller as not to require professional accounting services
25 for its preparation. All reports to be filed with the

1 Comptroller under this Section must be submitted
2 electronically and the Comptroller must post the reports on the
3 Internet no later than 45 days after they are received. If the
4 governmental unit provides the Comptroller's Office with
5 sufficient evidence that the report cannot be filed
6 electronically, the Comptroller may waive this requirement.
7 The Comptroller must also post a list of governmental units
8 ~~municipalities~~ that are not in compliance with the reporting
9 requirements set forth in this Section.

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

15 (Source: P.A. 97-890, eff. 8-2-12.)

16 (50 ILCS 310/4) (from Ch. 85, par. 704)

17 Sec. 4. Overdue report.

18 (a) If the required report for a governmental unit is not
19 filed with the Comptroller in accordance with Section 2 or
20 Section 3, whichever is applicable, within 6 months after the
21 close of the fiscal year of the governmental unit, the
22 Comptroller shall notify the governing body of that unit in
23 writing that the report is due and may also grant a 60 day
24 extension for the filing of the audit report. If the required
25 report is not filed within the time specified in such written

1 notice, the Comptroller shall cause an audit to be made by a
2 licensed public accountant, and the governmental unit shall pay
3 to the Comptroller actual compensation and expenses to
4 reimburse him for the cost of preparing or completing such
5 report.

6 (b) The Comptroller may decline to order an audit and the
7 preparation of an audit report (i) if an initial examination of
8 the books and records of the governmental unit indicates that
9 the books and records of the governmental unit are inadequate
10 or unavailable due to the passage of time or the occurrence of
11 a natural disaster or (ii) if the Comptroller determines that
12 the cost of an audit would impose an unreasonable financial
13 burden on the governmental unit.

14 (c) The State Comptroller may grant extensions for
15 delinquent audits or reports. The Comptroller may charge a
16 governmental unit a fee for a delinquent audit or report of \$5
17 per day for the first 15 days past due, \$10 per day for 16
18 through 30 days past due, \$15 per day for 31 through 45 days
19 past due, and \$20 per day for the 46th day and every day
20 thereafter. All fees collected under this subsection (c) shall
21 be deposited into the Comptroller's Administrative Fund.

22 (Source: P.A. 97-890, eff. 8-2-12.)

23 Section 20. The Counties Code is amended by changing
24 Sections 6-31003 and 6-31004 as follows:

1 (55 ILCS 5/6-31003) (from Ch. 34, par. 6-31003)

2 Sec. 6-31003. Annual audits and reports. The county board
3 of each county shall cause an audit of all of the funds and
4 accounts of the county to be made annually by an accountant or
5 accountants chosen by the county board or by an accountant or
6 accountants retained by the Comptroller, as hereinafter
7 provided. In addition, each county shall file with the
8 Comptroller a financial report containing information required
9 by the Comptroller. Such financial report shall be on a form so
10 designed by the Comptroller as not to require professional
11 accounting services for its preparation. All audits and reports
12 to be filed with the Comptroller under this Section must be
13 submitted electronically and the Comptroller must post the
14 audits and reports on the Internet no later than 45 days after
15 they are received. If the county provides the Comptroller's
16 Office with sufficient evidence that the audit or report cannot
17 be filed electronically, the Comptroller may waive this
18 requirement. The Comptroller must also post a list of counties
19 that are not in compliance with the reporting requirements set
20 forth in this Section.

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

26 The audit shall commence as soon as possible after the

1 close of each fiscal year and shall be completed within 6
2 months after the close of such fiscal year, unless an extension
3 of time is granted by the Comptroller in writing. Such
4 extension of time shall not exceed 60 days. When the accountant
5 or accountants have completed the audit a full report thereof
6 shall be made and not less than 2 copies of each audit report
7 shall be submitted to the county board. Each audit report shall
8 be signed by the accountant making the audit and shall include
9 only financial information, findings and conclusions that are
10 adequately supported by evidence in the auditor's working
11 papers to demonstrate or prove, when called upon, the basis for
12 the matters reported and their correctness and reasonableness.
13 In connection with this, each county board shall retain the
14 right of inspection of the auditor's working papers and shall
15 make them available to the Comptroller, or his designee, upon
16 request.

17 Within 60 days of receipt of an audit report, each county
18 board shall file one copy of each audit report and each
19 financial report with the Comptroller and any comment or
20 explanation that the county board may desire to make concerning
21 such audit report may be attached thereto. An audit report
22 which fails to meet the requirements of this Division shall be
23 rejected by the Comptroller and returned to the county board
24 for corrective action. One copy of each such report shall be
25 filed with the county clerk of the county so audited.

26 This Section is a limitation under subsection (i) of

1 Section 6 of Article VII of the Illinois Constitution on the
2 concurrent exercise by home rule counties of powers and
3 functions exercised by the State.

4 (Source: P.A. 97-890, eff. 8-2-12; 97-932, eff. 8-10-12;
5 revised 8-23-12.)

6 (55 ILCS 5/6-31004) (from Ch. 34, par. 6-31004)

7 Sec. 6-31004. Overdue reports.

8 (a) In the event the required reports for a county are not
9 filed with the Comptroller in accordance with Section 6-31003
10 within 6 months after the close of the fiscal year of the
11 county, the Comptroller shall notify the county board in
12 writing that the reports are due, and may also grant an
13 extension of time of up to 60 days for the filing of the
14 reports. In the event the required reports are not filed within
15 the time specified in such written notice, the Comptroller
16 shall cause the audit to be made and the audit report prepared
17 by an accountant or accountants.

18 (b) The Comptroller may decline to order an audit and the
19 preparation of an audit report if an initial examination of the
20 books and records of the governmental unit indicates that the
21 books and records of the governmental unit are inadequate or
22 unavailable due to the passage of time or the occurrence of a
23 natural disaster.

24 (c) The State Comptroller may grant extensions for
25 delinquent audits or reports. The Comptroller may charge a

1 county a fee for a delinquent audit or report of \$5 per day for
2 the first 15 days past due, \$10 per day for 16 through 30 days
3 past due, \$15 per day for 31 through 45 days past due, and \$20
4 per day for the 46th day and every day thereafter. All fees
5 collected under this subsection (c) shall be deposited into the
6 Comptroller's Administrative Fund.

7 (Source: P.A. 97-890, eff. 8-2-12.)

8 Section 25. The Illinois Municipal Code is amended by
9 changing Sections 8-8-3 and 8-8-4 as follows:

10 (65 ILCS 5/8-8-3) (from Ch. 24, par. 8-8-3)

11 Sec. 8-8-3. Audit requirements.

12 (a) The corporate authorities of each municipality coming
13 under the provisions of this Division 8 shall cause an audit of
14 the funds and accounts of the municipality to be made by an
15 accountant or accountants employed by such municipality or by
16 an accountant or accountants retained by the Comptroller, as
17 hereinafter provided.

18 (b) The accounts and funds of each municipality having a
19 population of 800 or more or having a bonded debt or owning or
20 operating any type of public utility shall be audited annually.
21 The audit herein required shall include all of the accounts and
22 funds of the municipality. Such audit shall be begun as soon as
23 possible after the close of the fiscal year, and shall be
24 completed and the report submitted within 6 months after the

1 close of such fiscal year, unless an extension of time shall be
2 granted by the Comptroller in writing. The accountant or
3 accountants making the audit shall submit not less than 2
4 copies of the audit report to the corporate authorities of the
5 municipality being audited. Municipalities not operating
6 utilities may cause audits of the accounts of municipalities to
7 be made more often than herein provided, by an accountant or
8 accountants. The audit report of such audit when filed with the
9 Comptroller together with an audit report covering the
10 remainder of the period for which an audit is required to be
11 filed hereunder shall satisfy the requirements of this section.

12 (c) Municipalities of less than 800 population which do not
13 own or operate public utilities and do not have bonded debt,
14 shall file annually with the Comptroller a financial report
15 containing information required by the Comptroller. Such
16 annual financial report shall be on forms devised by the
17 Comptroller in such manner as to not require professional
18 accounting services for its preparation.

19 (d) In addition to any audit report required, all
20 municipalities, except municipalities of less than 800
21 population which do not own or operate public utilities and do
22 not have bonded debt, shall file annually with the Comptroller
23 a supplemental report on forms devised and approved by the
24 Comptroller.

25 (e) Notwithstanding any provision of law to the contrary,
26 if a municipality (i) has a population of less than 200, (ii)

1 has bonded debt in the amount of \$50,000 or less, and (iii)
2 owns or operates a public utility, then the municipality shall
3 cause an audit of the funds and accounts of the municipality to
4 be made by an accountant employed by the municipality or
5 retained by the Comptroller for fiscal year 2011 and every
6 fourth fiscal year thereafter or until the municipality has a
7 population of 200 or more, has bonded debt in excess of
8 \$50,000, or no longer owns or operates a public utility.
9 Nothing in this subsection shall be construed as limiting the
10 municipality's duty to file an annual financial report with the
11 Comptroller or to comply with the filing requirements
12 concerning the county clerk.

13 (f) All audits and reports to be filed with the Comptroller
14 under this Section must be submitted electronically and the
15 Comptroller must post the audits and reports on the Internet no
16 later than 45 days after they are received. If the municipality
17 provides the Comptroller's Office with sufficient evidence
18 that the audit or report cannot be filed electronically, the
19 Comptroller may waive this requirement. The Comptroller must
20 also post a list of municipalities that are not in compliance
21 with the reporting requirements set forth in this Section.

22 (g) Subsection (f) of this Section is a limitation under
23 subsection (i) of Section 6 of Article VII of the Illinois
24 Constitution on the concurrent exercise by home rule
25 municipalities of powers and functions exercised by the State.

26 (h) ~~(f)~~ Any financial report under this Section shall

1 include the name of the purchasing agent who oversees all
2 competitively bid contracts. If there is no purchasing agent,
3 the name of the person responsible for oversight of all
4 competitively bid contracts shall be listed.

5 (Source: P.A. 96-1309, eff. 7-27-10; 97-890, eff. 8-2-12;
6 97-932, eff. 8-10-12; revised 8-23-12.)

7 (65 ILCS 5/8-8-4) (from Ch. 24, par. 8-8-4)

8 Sec. 8-8-4. Overdue reports.

9 (a) In the event the required audit report for a
10 municipality is not filed with the Comptroller in accordance
11 with Section 8-8-7 within 6 months after the close of the
12 fiscal year of the municipality, the Comptroller shall notify
13 the corporate authorities of that municipality in writing that
14 the audit report is due, and may also grant an extension of
15 time of 60 days, for the filing of the audit report. In the
16 event the required audit report is not filed within the time
17 specified in such written notice, the Comptroller shall cause
18 such audit to be made by an accountant or accountants. In the
19 event the required annual or supplemental report for a
20 municipality is not filed within 6 months after the close of
21 the fiscal year of the municipality, the Comptroller shall
22 notify the corporate authorities of that municipality in
23 writing that the annual or supplemental report is due and may
24 grant an extension in time of 60 days for the filing of such
25 annual or supplemental report.

1 (b) In the event the annual or supplemental report is not
2 filed within the time extended by the Comptroller, the
3 Comptroller shall cause such annual or supplemental report to
4 be prepared or completed and the municipality shall pay to the
5 Comptroller reasonable compensation and expenses to reimburse
6 him for the cost of preparing or completing such annual or
7 supplemental report. Moneys paid to the Comptroller pursuant to
8 the preceding sentence shall be deposited into the
9 Comptroller's Audit Expense Revolving Fund.

10 (c) The Comptroller may decline to order an audit or the
11 completion of the supplemental report if an initial examination
12 of the books and records of the municipality indicates that
13 books and records of the municipality are inadequate or
14 unavailable to support the preparation of the audit report or
15 the supplemental report due to the passage of time or the
16 occurrence of a natural disaster.

17 (d) The State Comptroller may grant extensions for
18 delinquent audits or reports. The Comptroller may charge a
19 municipality a fee for a delinquent audit or report of \$5 per
20 day for the first 15 days past due, \$10 per day for 16 through
21 30 days past due, \$15 per day for 31 through 45 days past due,
22 and \$20 per day for the 46th day and every day thereafter. All
23 fees collected under this subsection (d) shall be deposited
24 into the Comptroller's Administrative Fund.

25 (Source: P.A. 97-890, eff. 8-2-12.)".

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