



Rep. Natalie A. Manley

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10400HB2352ham002

LRB104 07611 RTM 25010 a

1 AMENDMENT TO HOUSE BILL 2352

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2352 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Governmental Account Audit Act is amended  
5 by changing Sections 1, 2, 3, 4, and 6 and by adding Section  
6 3.5 as follows:

7 (50 ILCS 310/1) (from Ch. 85, par. 701)

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

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

16 (1) School districts.

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

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

7           (4) Counties subject to the County Auditing Law.

8           (5) Any other municipal corporations in or political  
9 subdivisions of this State, the accounts of which are  
10 required by law to be audited by or under the direction of  
11 the Auditor General.

12          (6) (Blank).

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

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

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

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

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

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

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

16 "Report" includes both audit reports and reports filed  
17 instead of an audit report by either a governmental unit  
18 receiving revenue of less than \$850,000 during any fiscal year  
19 or a governmental unit described in Section 3.5 and to which  
20 the reports relate.

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

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

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

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

2 Sec. 2. Except as otherwise provided in Section 3 and  
3 Section 3.5, the governing body of each governmental unit  
4 shall cause an audit of the accounts of the unit to be made by  
5 an auditor or auditors. Such audit shall be performed annually  
6 and shall cover the immediately preceding fiscal year of the  
7 governmental unit. The audit shall include all the accounts  
8 and funds of the governmental unit, including the accounts of  
9 any officer of the governmental unit who receives fees or  
10 handles funds of the unit or who spends money of the unit. The  
11 audit shall begin as soon as possible after the close of the  
12 last fiscal year to which it pertains, and shall be completed  
13 and the audit report filed with the Comptroller within 180  
14 days after the close of such fiscal year unless an extension of  
15 time is granted by the Comptroller in writing. An audit report  
16 which fails to meet the requirements of this Act shall be  
17 rejected by the Comptroller and returned to the governing body  
18 of the governmental unit for corrective action. The auditor or  
19 auditors performing the audit shall submit not less than 3  
20 copies of the audit report to the governing body of the  
21 governmental unit being audited.

22 All audits to be filed with the Comptroller under this  
23 Section must be submitted electronically and the Comptroller  
24 must post the audit reports on the Internet no later than 45  
25 days after they are received. If the governmental unit  
26 provides the Comptroller's Office with sufficient evidence

1 that the audit report cannot be filed electronically, the  
2 Comptroller may waive this requirement. The Comptroller must  
3 also post a list of governmental units that are not in  
4 compliance with the reporting requirements set forth in this  
5 Section.

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

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

12 (50 ILCS 310/3) (from Ch. 85, par. 703)

13 Sec. 3. Except as provided in Section 3.5, any ~~Any~~  
14 governmental unit receiving revenue of less than \$850,000 for  
15 any fiscal year shall, in lieu of complying with the  
16 requirements of Section 2 for audits and audit reports,  
17 beginning with fiscal year 2016, either: (i) cause an audit of  
18 the accounts of the unit to be made once every 4 years and file  
19 with the Comptroller an annual financial report containing  
20 information required by the Comptroller, or (ii) file with the  
21 Comptroller an annual financial report containing information  
22 required by the Comptroller, a copy of which has been provided  
23 to each member of that governmental unit's board of elected  
24 officials, presented either in person or by a live phone or web  
25 connection during a public meeting, and approved by a 3/5

1 majority vote. In addition, a governmental unit receiving  
2 revenue of less than \$850,000 or a governmental unit described  
3 in Section 3.5 may file with the Comptroller any audit reports  
4 which may have been prepared under any other law. Except as  
5 provided in Section 3.5, any ~~Any~~ governmental unit receiving  
6 revenue of \$850,000 or more for any fiscal year shall, in  
7 addition to complying with the requirements of Section 2 for  
8 audits and audit reports, file with the Comptroller the  
9 financial report required by this Section. Such financial  
10 reports shall be on forms so designed by the Comptroller as not  
11 to require professional accounting services for its  
12 preparation. All reports to be filed with the Comptroller  
13 under this Section must be submitted electronically and the  
14 Comptroller must post the reports on the Internet no later  
15 than 45 days after they are received. If the governmental unit  
16 provides the Comptroller's Office with sufficient evidence  
17 that the report cannot be filed electronically, the  
18 Comptroller may waive this requirement. The Comptroller must  
19 also post a list of governmental units that are not in  
20 compliance with the reporting requirements set forth in this  
21 Section.

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

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

3 (50 ILCS 310/3.5 new)

4 Sec. 3.5. Audit thresholds for certain governmental units.  
5 Notwithstanding any provision of this Act to the contrary, a  
6 park district, forest preserve district, or conservation  
7 district shall not be required to conduct an audit under this  
8 Act for any fiscal year that ends on or after January 1, 2027  
9 unless the park district, forest preserve district, or  
10 conservation district receives revenue in excess of \$1,500,000  
11 for that fiscal year. Any park district, forest preserve  
12 district, or conservation district that is not required to  
13 conduct an audit under this Act because the district did not  
14 meet the revenue requirements of this Section shall, in lieu  
15 of an audit, file an annual financial report with the  
16 Comptroller in accordance with the requirements of Section 3.

17 (50 ILCS 310/4) (from Ch. 85, par. 704)

18 Sec. 4. Overdue report.

19 (a) If the required report for a governmental unit is not  
20 filed with the Comptroller in accordance with Section 2, ~~or~~  
21 Section 3, or Section 3.5, whichever is applicable, within 180  
22 days after the close of the fiscal year of the governmental  
23 unit, the Comptroller shall notify the governing body of that  
24 unit in writing that the report is due and may also grant a

1 60-day extension for the filing of the audit report. If the  
2 required report is not filed within the time specified in such  
3 written notice, the Comptroller shall cause an audit to be  
4 made by an auditor, and the governmental unit shall pay to the  
5 Comptroller actual compensation and expenses to reimburse him  
6 or her for the cost of preparing or completing such report.

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

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

24 (Source: P.A. 101-419, eff. 1-1-20; 102-558, eff. 8-20-21.)

1           Sec. 6. When the audit is completed the auditor making  
2 such audit shall make and sign at least 3 copies of the report  
3 of the audit and immediately file them with the governmental  
4 unit audited. Except as provided under Section 3.5,  
5 governmental ~~Governmental~~ units receiving revenue of \$850,000  
6 or more for any fiscal year shall immediately make one copy of  
7 the audit report and one copy of the financial report required  
8 by Section 3 of this Act a part of its public record. Except as  
9 provided under Section 3.5, governmental ~~Governmental~~ units  
10 receiving revenue of less than \$850,000 shall immediately make  
11 one copy of the audit report, or one copy of the report  
12 authorized by Section 3 of this Act to be filed instead of the  
13 audit report, a part of its public record. These copies shall  
14 be open to public inspection. In addition, the governmental  
15 unit shall file one copy of the report with the Comptroller and  
16 with the county clerk of the county in which the principal  
17 office of the governmental unit is located. A governmental  
18 unit may, in filing its audit report with the Comptroller,  
19 transmit with such report any comment or explanation that it  
20 wishes to make concerning the report.

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

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