



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2270

Introduced 1/27/2016, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

50 ILCS 310/1	from Ch. 85, par. 701
50 ILCS 310/9	from Ch. 85, par. 709
50 ILCS 310/12 new	
55 ILCS 5/6-31008	from Ch. 34, par. 6-31008
65 ILCS 5/8-1-7	from Ch. 24, par. 8-1-7
65 ILCS 5/8-8-8	from Ch. 24, par. 8-8-8
70 ILCS 1205/8-1	from Ch. 105, par. 8-1
105 ILCS 5/3-7	from Ch. 122, par. 3-7
110 ILCS 205/13 new	
110 ILCS 805/3-22.1	from Ch. 122, par. 103-22.1

Amends the Governmental Account Audit Act. Provides that units of local government (including school districts and public colleges and universities) shall limit contracts or appointments with auditors to 5 years and shall competitively bid auditor contracts or appointments. Provides that a unit of local government may not contract with or appoint an auditor or auditing firm who has done any audit of the unit of local government in the previous 5 fiscal years unless an auditing firm practices audit partner rotation. Allows the Comptroller to waive the limitation on the same auditor or auditing firm in certain circumstances. Amends the Counties Code, the Illinois Municipal Code, the Park District Code, the School Code, the Board of Higher Education Act, and the Public Community College Act making conforming changes.

LRB099 16091 AWJ 40415 b

HOME RULE NOTE
ACT MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Governmental Account Audit Act is amended by
5 changing Sections 1 and 9 and by adding Section 12 as follows:

6 (50 ILCS 310/1) (from Ch. 85, par. 701)

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

9 "Governmental unit" or "unit" (but not "unit of local
10 government") includes all municipal corporations in and
11 political subdivisions of this State that appropriate more than
12 \$5,000 for a fiscal year, with the amount to increase or
13 decrease by the amount of the Consumer Price Index (CPI) as
14 reported on January 1 of each year, except the following:

15 (1) School districts.

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

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

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

23 (5) Any other municipal corporations in or political

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

4 (6) (Blank).

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

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

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

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

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

22 "Licensed public accountant" means the holder of a valid
23 certificate as a public accountant under the Illinois Public
24 Accounting Act.

25 "Licensed public accounting firm" means a firm that employs
26 more than one licensed public accountant.

1 "Audit partner rotation" means the lead (or coordinating)
2 audit partner (having primary responsibility for the audit), or
3 the audit partner responsible for reviewing the audit of a unit
4 of local government, does not be the lead (or coordinating)
5 audit partner (having primary responsibility for the audit), or
6 be the audit partner responsible for reviewing the audit of a
7 unit of local government, in in each of the 5 previous fiscal
8 years of that unit of local government.

9 "Audit report" means the written report of the licensed
10 public accountant and all appended statements and schedules
11 relating to that report, presenting or recording the findings
12 of an examination or audit of the financial transactions,
13 affairs, or conditions of a governmental unit.

14 "Public colleges and universities" means public community
15 colleges subject to the Public Community College Act, the
16 University of Illinois, Southern Illinois University, Chicago
17 State University, Eastern Illinois University, Governors State
18 University, Illinois State University, Northeastern Illinois
19 University, Northern Illinois University, and Western Illinois
20 University.

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

25 "Unit of local government" (but not "governmental unit" or
26 "unit") has the same meaning as defined in Section 1 of Article

1 VII of the Constitution of the State of Illinois and also
2 includes school districts and public colleges and
3 universities.

4 (Source: P.A. 92-191, eff. 8-1-01; 92-582, eff. 7-1-02.)

5 (50 ILCS 310/9) (from Ch. 85, par. 709)

6 Sec. 9. The expenses of the audit and investigation of
7 public accounts provided for by this Act, whether ordered by
8 the governing body or the Comptroller, shall be paid by the
9 governmental unit for which the audit is made. Payment shall be
10 ordered by the governing body out of the funds of the unit and
11 such authorities shall make provision for payment. Contracts
12 for the performance of audits required by this Act shall ~~may~~
13 ~~entered into~~ in accordance with Section 12 of this Act ~~without~~
14 ~~competitive bidding~~. If the audit is made by a licensed public
15 accountant retained by the Comptroller, the governmental unit
16 shall pay to the Comptroller actual compensation and expenses
17 to reimburse him for the cost of making such audit.

18 The governing body of any governmental unit having taxing
19 powers may levy an auditing tax in an amount that will not
20 require extension of such tax at a rate in excess of .005% of
21 the value of all taxable property in the unit as equalized or
22 assessed by the Department of Revenue. This auditing tax may be
23 in excess of or in addition to any statutory limitation of rate
24 or amount. Money received from the auditing tax shall be held
25 in a special fund and used only for the payment of auditing

1 expenses.

2 (Source: P.A. 81-1509.)

3 (50 ILCS 310/12 new)

4 Sec. 12. Auditor contracts. Notwithstanding any other
5 provision of law to the contrary and on or after the effective
6 date of this amendatory Act of the 99th General Assembly:

7 (a) A unit of local government may not enter into a
8 contract or appointment longer than 5 fiscal years with a
9 licensed public accountant or a licensed public accounting firm
10 to audit the unit of local government's accounts.

11 (b) A unit of local government may contract with or appoint
12 a licensed public accountant or a licensed public accounting
13 firm to audit the unit of local government's accounts only
14 after letting to or appointing the lowest responsible bidder
15 after advertising for bids.

16 (c) If a licensed public accountant or a licensed public
17 accounting firm having primary responsibility for an audit or
18 responsible for reviewing the audit of a unit of local
19 government within the 5 previous fiscal years was the lowest
20 responsible bidder after advertising for bids, the unit of
21 local government may not contract with or appoint said licensed
22 public accountant or licensed public accounting firm except
23 when contracting with or appointing a licensed public
24 accounting firm using audit partner rotation with the audits of
25 the unit of local government.

1 (d) The Comptroller may waive the limitations of subsection
2 (c) upon a showing by the unit of local government that no
3 other licensed public accountant or licensed public accounting
4 firm within a reasonable distance from the unit of local
5 government are able or willing to perform the audit. Evidence a
6 unit of local government may provide to the Comptroller to show
7 the unavailability of other auditors includes, but is not
8 limited to, receipt of only one bid after advertising for bids.
9 The Comptroller may not waive the requirement that a licensed
10 public accounting firm use audit partner rotation unless the
11 licensed public account firm has less than 3 licensed public
12 accountants employed and no individual licensed public
13 accountant within a reasonable distance is able or willing to
14 perform the audit.

15 Section 10. The Counties Code is amended by changing
16 Section 6-31008 as follows:

17 (55 ILCS 5/6-31008) (from Ch. 34, par. 6-31008)

18 Sec. 6-31008. Expenses of audit. The expenses of conducting
19 the audit and making the required audit report or financial
20 statement for each county, whether ordered by the county board
21 or the Comptroller, shall be paid by the county and the county
22 board shall make provisions for such payment. If the audit is
23 made by an accountant or accountants retained by the
24 Comptroller, the county, through the county board, shall pay to

1 the Comptroller reasonable compensation and expenses to
2 reimburse him for the cost of making such audit. Moneys paid to
3 the Comptroller pursuant to the preceding sentence shall be
4 deposited into the Comptroller's Audit Expense Revolving Fund.

5 Such expenses shall be paid from the general corporate fund
6 of the county.

7 Contracts for the performance of audits required by this
8 Division shall be entered into pursuant to Section 12 of the
9 Governmental Account Audit Act ~~may be entered into without~~
10 ~~competitive bidding.~~

11 (Source: P.A. 88-280.)

12 Section 15. The Illinois Municipal Code is amended by
13 changing Sections 8-1-7 and 8-8-8 as follows:

14 (65 ILCS 5/8-1-7) (from Ch. 24, par. 8-1-7)

15 Sec. 8-1-7. (a) Except as provided otherwise in this
16 Section, no contract shall be made by the corporate
17 authorities, or by any committee or member thereof, and no
18 expense shall be incurred by any of the officers or departments
19 of any municipality, whether the object of the expenditure has
20 been ordered by the corporate authorities or not, unless an
21 appropriation has been previously made concerning that
22 contract or expense. Any contract made, or any expense
23 otherwise incurred, in violation of the provisions of this
24 section shall be null and void as to the municipality, and no

1 money belonging thereto shall be paid on account thereof.
2 However, pending the passage of the annual appropriation
3 ordinance for any fiscal year, the corporate authorities may
4 authorize heads of departments or other separate agencies of
5 the municipality to make necessary expenditures for the support
6 thereof upon the basis of the appropriations of the preceding
7 fiscal year. However, if it is determined by two-thirds vote of
8 the corporate authorities then holding office at a regularly
9 scheduled meeting of the corporate authorities that it is
10 expedient and in the best public interest to begin proceedings
11 for the construction of a needed public work, then the
12 provisions of this section shall not apply to the extent that
13 the corporate authorities may employ or contract for
14 professional services necessary for the planning and financing
15 of such public work.

16 (b) Notwithstanding any provision of this Code to the
17 contrary, the corporate authorities of any municipality may
18 make contracts for a term exceeding one year and not exceeding
19 the term of the mayor or president holding office at the time
20 the contract is executed, relating to: (1) the employment of a
21 municipal manager, administrator, engineer, health officer,
22 land planner, finance director, attorney, police chief or other
23 officer who requires technical training or knowledge; (2) the
24 employment of outside professional consultants such as
25 engineers, doctors, land planners, ~~auditors~~, attorneys or
26 other professional consultants who require technical training

1 or knowledge; (3) the provision of data processing equipment
2 and services; or (4) the provision of services which directly
3 relate to the prevention, identification or eradication of
4 disease. In such case the corporate authorities shall include
5 in the annual appropriation ordinance for each fiscal year, an
6 appropriation of a sum of money sufficient to pay the amount
7 which, by the terms of the contract, is to become due and
8 payable during the current fiscal year. The corporate
9 authorities shall enter into contracts with auditors pursuant
10 to Section 12 of the Governmental Account Audit Act.

11 (c) This section shall not apply to municipalities
12 operating under special charters.

13 (d) In order to promote orderly collective bargaining
14 relationships, to prevent labor strife and to protect the
15 interests of the public and the health and safety of the
16 citizens of Illinois, this Section shall not apply to
17 multi-year collective bargaining agreements between public
18 employers and exclusive representatives governed by the
19 provisions of the Illinois Public Labor Relations Act.

20 Notwithstanding any provision of this Code to the
21 contrary, the corporate authorities of any municipality may
22 enter into multi-year collective bargaining agreements with
23 exclusive representatives under the provisions of the Illinois
24 Public Labor Relations Act.

25 (e) Notwithstanding any provision of this Code to the
26 contrary, the corporate authorities of any municipality may

1 enter into any multi-year contract or otherwise associate for
2 any term under the provisions of Section 10 of Article VII of
3 the Illinois Constitution or the Intergovernmental Cooperation
4 Act.

5 (Source: P.A. 90-517, eff. 8-22-97.)

6 (65 ILCS 5/8-8-8) (from Ch. 24, par. 8-8-8)

7 Sec. 8-8-8. The expenses of the audit and investigation of
8 public accounts provided for in Division 8, whether ordered by
9 the corporate authorities or the Comptroller, shall be paid by
10 the municipality for which the audit is made. Payment shall be
11 ordered by the corporate authorities out of the funds of the
12 municipality and it shall be the duty of such authorities to
13 make provisions for payment. Contracts for the performance of
14 audits required by this Division 8 shall be entered into
15 pursuant to Section 12 of the Governmental Account Audit Act
16 ~~may be entered into without competitive bidding~~. If the audit
17 is made by an accountant or accountants retained by the
18 Comptroller, the municipality shall pay to the Comptroller
19 reasonable compensation and expenses to reimburse him for the
20 cost of making such audit.

21 The corporate authorities of all municipalities coming
22 under the provisions of this Division 8 shall have the power to
23 annually levy a "Municipal Auditing Tax" upon all of the
24 taxable property of the municipalities at the rate on the
25 dollar which will produce an amount which will equal a sum

1 sufficient to meet the cost of all auditing and reports
2 thereunder. Such municipal auditing tax shall be held in a
3 special fund and used for no other purpose than the payment of
4 expenses occasioned by this Division 8.

5 The tax authorized by this Section shall be in addition to
6 taxes for general corporate purposes authorized under Section
7 8-3-1 of this Act.

8 (Source: P.A. 81-824.)

9 Section 20. The Park District Code is amended by changing
10 Section 8-1 as follows:

11 (70 ILCS 1205/8-1) (from Ch. 105, par. 8-1)

12 Sec. 8-1. General corporate powers. Every park district
13 shall, from the time of its organization, be a body corporate
14 and politic by the name set forth in the petition for its
15 organization, the specific name set forth in this Code, or the
16 name it may adopt under Section 8-9 and shall have and exercise
17 the following powers:

18 (a) To adopt a corporate seal and alter the same at
19 pleasure; to sue and be sued; and to contract in furtherance of
20 any of its corporate purposes.

21 (b) (1) To acquire by gift, legacy, grant or purchase, or
22 by condemnation in the manner provided for the exercise of the
23 power of eminent domain under the Eminent Domain Act, any and
24 all real estate, or rights therein necessary for building,

1 laying out, extending, adorning and maintaining any such parks,
2 boulevards and driveways, or for effecting any of the powers or
3 purposes granted under this Code as its board may deem proper,
4 whether such lands be located within or without such district;
5 but no park district, except as provided in paragraph (2) of
6 this subsection, shall have any power of condemnation in the
7 manner provided for the exercise of the power of eminent domain
8 under the Eminent Domain Act or otherwise as to any real
9 estate, lands, riparian rights or estate, or other property
10 situated outside of such district, but shall only have power to
11 acquire the same by gift, legacy, grant or purchase, and such
12 district shall have the same control of and power over lands so
13 acquired without the district as over parks, boulevards and
14 driveways within such district.

15 (2) In addition to the powers granted in paragraph (1) of
16 subsection (b), a park district located in more than one
17 county, the majority of its territory located in a county over
18 450,000 in population and none of its territory located in a
19 county over 1,000,000 in population, shall have condemnation
20 power in the manner provided for the exercise of the power of
21 eminent domain under the Eminent Domain Act or as otherwise
22 granted by law as to any and all real estate situated up to one
23 mile outside of such district which is not within the
24 boundaries of another park district.

25 (c) To acquire by gift, legacy or purchase any personal
26 property necessary for its corporate purposes provided that all

1 contracts for supplies, materials or work involving an
2 expenditure in excess of \$20,000 shall be let to the lowest
3 responsible bidder after due advertisement. No district shall
4 be required to accept a bid that does not meet the district's
5 established specifications, terms of delivery, quality, and
6 serviceability requirements. Contracts which, by their nature,
7 are not adapted to award by competitive bidding, such as
8 contracts for the services of individuals possessing a high
9 degree of professional skill where the ability or fitness of
10 the individual plays an important part, contracts for the
11 printing of finance committee reports and departmental
12 reports, contracts for the printing or engraving of bonds, tax
13 warrants and other evidences of indebtedness, contracts for
14 utility services such as water, light, heat, telephone or
15 telegraph, contracts for the use, purchase, delivery,
16 movement, or installation of data processing equipment,
17 software, or services and telecommunications and interconnect
18 equipment, software, or services, contracts for duplicating
19 machines and supplies, contracts for goods or services procured
20 from another governmental agency, purchases of equipment
21 previously owned by some entity other than the district itself,
22 and contracts for the purchase of magazines, books,
23 periodicals, pamphlets and reports are not subject to
24 competitive bidding. Contracts for emergency expenditures are
25 also exempt from competitive bidding when the emergency
26 expenditure is approved by 3/4 of the members of the board.

1 All competitive bids for contracts involving an
2 expenditure in excess of \$20,000 must be sealed by the bidder
3 and must be opened by a member or employee of the park board at
4 a public bid opening at which the contents of the bids must be
5 announced. Each bidder must receive at least 3 days notice of
6 the time and place of the bid opening.

7 For purposes of this subsection, "due advertisement"
8 includes, but is not limited to, at least one public notice at
9 least 10 days before the bid date in a newspaper published in
10 the district or, if no newspaper is published in the district,
11 in a newspaper of general circulation in the area of the
12 district.

13 (d) To pass all necessary ordinances, rules and regulations
14 for the proper management and conduct of the business of the
15 board and district and to establish by ordinance all needful
16 rules and regulations for the government and protection of
17 parks, boulevards and driveways and other property under its
18 jurisdiction, and to effect the objects for which such
19 districts are formed.

20 (e) To prescribe such fines and penalties for the violation
21 of ordinances as it shall deem proper not exceeding \$1,000 for
22 any one offense, which fines and penalties may be recovered by
23 an action in the name of such district in the circuit court for
24 the county in which such violation occurred. The park district
25 may also seek in the action, in addition to or instead of fines
26 and penalties, an order that the offender be required to make

1 restitution for damage resulting from violations, and the court
2 shall grant such relief where appropriate. The procedure in
3 such actions shall be the same as that provided by law for like
4 actions for the violation of ordinances in cities organized
5 under the general laws of this State, and offenders may be
6 imprisoned for non-payment of fines and costs in the same
7 manner as in such cities. All fines when collected shall be
8 paid into the treasury of such district.

9 (f) To manage and control all officers and property of such
10 districts and to provide for joint ownership with one or more
11 cities, villages or incorporated towns of real and personal
12 property used for park purposes by one or more park districts.
13 In case of joint ownership, the terms of the agreement shall be
14 fair, just and equitable to all parties and shall be set forth
15 in a written agreement entered into by the corporate
16 authorities of each participating district, city, village or
17 incorporated town.

18 (g) To secure grants and loans, or either, from the United
19 States Government, or any agency or agencies thereof, for
20 financing the acquisition or purchase of any and all real
21 estate, or rights therein, or for effecting any of the powers
22 or purposes granted under this Code as its Board may deem
23 proper.

24 (h) To establish fees for the use of facilities and
25 recreational programs of the districts and to derive revenue
26 from non-resident fees from their operations. Fees charged

1 non-residents of such district need not be the same as fees
2 charged to residents of the district. Charging fees or deriving
3 revenue from the facilities and recreational programs shall not
4 affect the right to assert or utilize any defense or immunity,
5 common law or statutory, available to the districts or their
6 employees.

7 (i) To make contracts for a term exceeding one year, but
8 not to exceed 3 years, notwithstanding any provision of this
9 Code to the contrary, relating to: (1) the employment of a park
10 director, superintendent, administrator, engineer, health
11 officer, land planner, finance director, attorney, police
12 chief, or other officer who requires technical training or
13 knowledge; (2) the employment of outside professional
14 consultants such as engineers, doctors, land planners,
15 ~~auditors,~~ attorneys, or other professional consultants who
16 require technical training or knowledge; (3) the provision of
17 data processing equipment and services; and (4) the purchase of
18 energy from a utility or an alternative retail electric
19 supplier. With respect to any contract made under this
20 subsection (i), the corporate authorities shall include in the
21 annual appropriation ordinance for each fiscal year an
22 appropriation of a sum of money sufficient to pay the amount
23 which, by the terms of the contract, is to become due and
24 payable during that fiscal year. Contracts with auditors shall
25 be entered into pursuant to Section 12 of the Governmental
26 Account Audit Act.

1 (j) To enter into licensing or management agreements with
2 not-for-profit corporations organized under the laws of this
3 State to operate park district facilities if the corporation
4 covenants to use the facilities to provide public park or
5 recreational programs for youth.

6 (Source: P.A. 98-325, eff. 8-12-13; 98-772, eff. 7-16-14.)

7 Section 25. The School Code is amended by changing Section
8 3-7 as follows:

9 (105 ILCS 5/3-7) (from Ch. 122, par. 3-7)

10 Sec. 3-7. Failure to prepare and forward information. If
11 the trustees of schools of any township in Class II county
12 school units, or any school district which forms a part of a
13 Class II county school unit but which is not subject to the
14 jurisdiction of the trustees of schools of any township in
15 which such district is located, or any school district in any
16 Class I county school units fail to prepare and forward or
17 cause to be prepared and forwarded to the regional
18 superintendent of schools, reports required by this Act, the
19 regional superintendent of schools shall furnish such
20 information or he shall employ a person or persons to furnish
21 such information, as far as practicable. Such person shall have
22 access to the books, records and papers of the school district
23 to enable him or them to prepare such reports, and the school
24 district shall permit such person or persons to examine such

1 books, records and papers at such time and such place as such
2 person or persons may desire for the purpose aforesaid. For
3 such services the regional superintendent of schools shall bill
4 the district an amount to cover the cost of preparation of such
5 reports if he employs a person to prepare such reports.

6 Each school district shall, as of June 30 of each year,
7 cause an audit of its accounts to be made by a person lawfully
8 qualified to practice public accounting as regulated by the
9 Illinois Public Accounting Act. Such audit shall include
10 financial statements of the district applicable to the type of
11 records required by other sections of this Act and in addition
12 shall set forth the scope of audit and shall include the
13 professional opinion signed by the auditor, or if such an
14 opinion is denied by the auditor, shall set forth the reasons
15 for such denial. Each school district shall on or before
16 October 15 of each year, submit an original and one copy of
17 such audit to the regional superintendent of schools in the
18 educational service region having jurisdiction in which case
19 the regional superintendent of schools shall be relieved of
20 responsibility in regard to the accounts of the school
21 district. If any school district fails to supply the regional
22 superintendent of schools with a copy of such audit report on
23 or before October 15, or within such time extended by the
24 regional superintendent of schools from that date, not to
25 exceed 60 days, then it shall be the responsibility of the
26 regional superintendent of schools having jurisdiction to

1 cause such audit to be made by employing an accountant licensed
2 to practice in the State of Illinois to conduct such audit and
3 shall bill the district for such services, or shall with the
4 personnel of his office make such audit to his satisfaction and
5 bill the district for such service. In the latter case, if the
6 audit is made by personnel employed in the office of the
7 regional superintendent of schools having jurisdiction, then
8 the regional superintendent of schools shall not be relieved of
9 the responsibility as to the accountability of the school
10 district. The copy of the audit shall be forwarded by the
11 regional superintendent to the State Board of Education on or
12 before November 15 of each year and shall be filed by the State
13 Board of Education.

14 Each school district that is the administrative district
15 for several school districts operating under a joint agreement
16 as authorized by this Act shall, as of June 30 each year, cause
17 an audit of the accounts of the joint agreement to be made by a
18 person lawfully qualified to practice public accounting as
19 regulated by the Illinois Public Accounting Act. Such audit
20 shall include financial statements of the operation of the
21 joint agreement applicable to the type of records required by
22 this Act and, in addition, shall set forth the scope of the
23 audit and shall include the professional opinion signed by the
24 auditor, or if such an opinion is denied, the auditor shall set
25 forth the reason for such denial. Each administrative district
26 of a joint agreement shall on or before October 15 each year,

1 submit an original and one copy of such audit to the regional
2 superintendent of schools in the educational service region
3 having jurisdiction in which case the regional superintendent
4 of schools shall be relieved of responsibility in regard to the
5 accounts of the joint agreement. The copy of the audit shall be
6 forwarded by the regional superintendent to the State Board of
7 Education on or before November 15 of each year and shall be
8 filed by the State Board of Education. The cost of such an
9 audit shall be apportioned among and paid by the several
10 districts who are parties to the joint agreement, in the same
11 manner as other costs and expenses accruing to the districts
12 jointly.

13 The State Board of Education shall determine the adequacy
14 of the audits. All audits shall be kept on file in the office
15 of the State Board of Education. Contracts for the performance
16 of audits required by this Section shall be entered into
17 pursuant to Section 12 of the Governmental Account Audit Act.

18 (Source: P.A. 86-1441; 87-473.)

19 Section 30. The Board of Higher Education Act is amended by
20 adding Section 13 as follows:

21 (110 ILCS 205/13 new)

22 Sec. 13. Account audits. The Board shall establish minimum
23 standards for account audits of public institutions of higher
24 education that, at a minimum, require public institutions of

1 higher education to comply with Section 12 of the Governmental
2 Account Audit Act.

3 Section 35. The Public Community College Act is amended by
4 changing Section 3-22.1 as follows:

5 (110 ILCS 805/3-22.1) (from Ch. 122, par. 103-22.1)

6 Sec. 3-22.1. To cause an audit to be made as of the end of
7 each fiscal year by an accountant licensed to practice public
8 accounting in Illinois and appointed by the board in accordance
9 with Section 12 of the Governmental Account Audit Act. The
10 auditor shall perform his or her examination in accordance with
11 generally accepted auditing standards and regulations
12 prescribed by the State Board, and submit his or her report
13 thereon in accordance with generally accepted accounting
14 principles. The examination and report shall include a
15 verification of student enrollments and any other bases upon
16 which claims are filed with the State Board. The audit report
17 shall include a statement of the scope and findings of the
18 audit and a professional opinion signed by the auditor. If a
19 professional opinion is denied by the auditor he or she shall
20 set forth the reasons for that denial. The board shall not
21 limit the scope of the examination to the extent that the
22 effect of such limitation will result in the qualification of
23 the auditor's professional opinion. The procedures for payment
24 for the expenses of the audit shall be in accordance with

1 Section 9 of the Governmental Account Audit Act. Copies of the
2 audit report shall be filed with the State Board in accordance
3 with regulations prescribed by the State Board. The State Board
4 shall file one copy of the audit report with the Auditor
5 General. The State Board shall file copies of the uniform
6 financial statements from the audit report with the Board of
7 Higher Education.

8 (Source: P.A. 90-468, eff. 8-17-97.)