



Sen. Steve Stadelman

Filed: 4/15/2016

09900SB2270sam001

LRB099 16091 MJP 47484 a

1 AMENDMENT TO SENATE BILL 2270

2 AMENDMENT NO. _____. Amend Senate Bill 2270 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 and 9 and by adding Section 12 as
6 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" (but not "unit of local
11 government") includes all municipal corporations in and
12 political subdivisions of this State that appropriate more than
13 \$5,000 for a fiscal year, with the amount to increase or
14 decrease by the amount of the Consumer Price Index (CPI) as
15 reported on January 1 of each year, except the following:

16 (1) School districts.

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

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 "CPA" or "C.P.A." has the meaning provided in Section 0.03
5 of the Illinois Public Accounting Act.

6 "CPA firm" has the meaning provided in Section 0.03 of the
7 Illinois Public Accounting Act.

8 ~~"Licensed public accountant" means the holder of a valid~~
9 ~~certificate as a public accountant under the Illinois Public~~
10 ~~Accounting Act.~~

11 "Audit partner rotation" means that neither the lead (or
12 coordinating) audit partner (having primary responsibility for
13 the audit) nor the audit partner responsible for reviewing the
14 audit have performed audit services for the unit of local
15 government in each of the previous 5 fiscal years of that unit
16 of local government.

17 "Audit report" means the written report of the CPA ~~licensed~~
18 ~~public accountant~~ and all appended statements and schedules
19 relating to that report, presenting or recording the findings
20 of an examination or audit of the financial transactions,
21 affairs, or conditions of a governmental unit.

22 "Public colleges and universities" means public community
23 colleges subject to the Public Community College Act, the
24 University of Illinois, Southern Illinois University, Chicago
25 State University, Eastern Illinois University, Governors State
26 University, Illinois State University, Northeastern Illinois

1 University, Northern Illinois University, and Western Illinois
2 University.

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

7 "Unit of local government" (but not "governmental unit" or
8 "unit") has the meaning provided in Section 1 of Article VII of
9 the Constitution of the State of Illinois and also includes
10 school districts and public colleges and universities.

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

12 (50 ILCS 310/9) (from Ch. 85, par. 709)

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

1 The governing body of any governmental unit having taxing
2 powers may levy an auditing tax in an amount that will not
3 require extension of such tax at a rate in excess of .005% of
4 the value of all taxable property in the unit as equalized or
5 assessed by the Department of Revenue. This auditing tax may be
6 in excess of or in addition to any statutory limitation of rate
7 or amount. Money received from the auditing tax shall be held
8 in a special fund and used only for the payment of auditing
9 expenses.

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

11 (50 ILCS 310/12 new)

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

15 (a) A unit of local government may not enter into a
16 contract or appointment longer than 5 fiscal years with a CPA
17 or a CPA firm to audit the unit of local government's accounts.

18 (b) A unit of local government may contract with or appoint
19 a CPA or a CPA firm to audit the unit of local government's
20 accounts only after advertising for and following a competitive
21 request for proposals process that solicits qualifications and
22 proposals from interested parties.

23 (c) If a CPA or a CPA firm has had primary responsibility
24 for an audit or responsible for reviewing the audit of a unit
25 of local government during the previous 5 consecutive fiscal

1 years, the unit of local government may not contract with or
2 appoint that CPA or CPA firm unless the CPA or CPA firm
3 complies with the requirements of audit partner rotation for
4 the audits of the unit of local government.

5 (d) The Comptroller may waive the requirements of
6 subsection (c) upon a showing by the unit of local government
7 that no other CPA or CPA firm within a reasonable distance from
8 the unit of local government is able or willing to perform the
9 audit. Evidence a unit of local government may provide to the
10 Comptroller to show the unavailability of other auditors
11 includes, but is not limited to, receipt of only one proposal
12 after issuing a request for proposals. The Comptroller may not
13 wave the requirement that a CPA firm use audit partner
14 rotation unless the CPA firm has only one audit partner with
15 the requisite skills, knowledge, and experience in
16 governmental accounting and auditing and no other qualified CPA
17 or CPA firm within a reasonable distance is able or willing to
18 perform the audit.

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

21 (55 ILCS 5/6-31008) (from Ch. 34, par. 6-31008)

22 Sec. 6-31008. Expenses of audit. The expenses of conducting
23 the audit and making the required audit report or financial
24 statement for each county, whether ordered by the county board

1 or the Comptroller, shall be paid by the county and the county
2 board shall make provisions for such payment. If the audit is
3 made by an accountant or accountants retained by the
4 Comptroller, the county, through the county board, shall pay to
5 the Comptroller reasonable compensation and expenses to
6 reimburse him for the cost of making such audit. Moneys paid to
7 the Comptroller pursuant to the preceding sentence shall be
8 deposited into the Comptroller's Audit Expense Revolving Fund.

9 Such expenses shall be paid from the general corporate fund
10 of the county.

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

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

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

18 (65 ILCS 5/8-1-7) (from Ch. 24, par. 8-1-7)

19 Sec. 8-1-7. (a) Except as provided otherwise in this
20 Section, no contract shall be made by the corporate
21 authorities, or by any committee or member thereof, and no
22 expense shall be incurred by any of the officers or departments
23 of any municipality, whether the object of the expenditure has
24 been ordered by the corporate authorities or not, unless an

1 appropriation has been previously made concerning that
2 contract or expense. Any contract made, or any expense
3 otherwise incurred, in violation of the provisions of this
4 section shall be null and void as to the municipality, and no
5 money belonging thereto shall be paid on account thereof.
6 However, pending the passage of the annual appropriation
7 ordinance for any fiscal year, the corporate authorities may
8 authorize heads of departments or other separate agencies of
9 the municipality to make necessary expenditures for the support
10 thereof upon the basis of the appropriations of the preceding
11 fiscal year. However, if it is determined by two-thirds vote of
12 the corporate authorities then holding office at a regularly
13 scheduled meeting of the corporate authorities that it is
14 expedient and in the best public interest to begin proceedings
15 for the construction of a needed public work, then the
16 provisions of this section shall not apply to the extent that
17 the corporate authorities may employ or contract for
18 professional services necessary for the planning and financing
19 of such public work.

20 (b) Notwithstanding any provision of this Code to the
21 contrary, the corporate authorities of any municipality may
22 make contracts for a term exceeding one year and not exceeding
23 the term of the mayor or president holding office at the time
24 the contract is executed, relating to: (1) the employment of a
25 municipal manager, administrator, engineer, health officer,
26 land planner, finance director, attorney, police chief or other

1 officer who requires technical training or knowledge; (2) the
2 employment of outside professional consultants such as
3 engineers, doctors, land planners, ~~auditors,~~ attorneys or
4 other professional consultants who require technical training
5 or knowledge; (3) the provision of data processing equipment
6 and services; or (4) the provision of services which directly
7 relate to the prevention, identification or eradication of
8 disease. In such case the corporate authorities shall include
9 in the annual appropriation ordinance for each fiscal year, an
10 appropriation of a sum of money sufficient to pay the amount
11 which, by the terms of the contract, is to become due and
12 payable during the current fiscal year. The corporate
13 authorities shall enter into contracts with auditors pursuant
14 to Section 12 of the Governmental Account Audit Act.

15 (c) This section shall not apply to municipalities
16 operating under special charters.

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

24 Notwithstanding any provision of this Code to the
25 contrary, the corporate authorities of any municipality may
26 enter into multi-year collective bargaining agreements with

1 exclusive representatives under the provisions of the Illinois
2 Public Labor Relations Act.

3 (e) Notwithstanding any provision of this Code to the
4 contrary, the corporate authorities of any municipality may
5 enter into any multi-year contract or otherwise associate for
6 any term under the provisions of Section 10 of Article VII of
7 the Illinois Constitution or the Intergovernmental Cooperation
8 Act.

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

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

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

25 The corporate authorities of all municipalities coming

1 under the provisions of this Division 8 shall have the power to
2 annually levy a "Municipal Auditing Tax" upon all of the
3 taxable property of the municipalities at the rate on the
4 dollar which will produce an amount which will equal a sum
5 sufficient to meet the cost of all auditing and reports
6 thereunder. Such municipal auditing tax shall be held in a
7 special fund and used for no other purpose than the payment of
8 expenses occasioned by this Division 8.

9 The tax authorized by this Section shall be in addition to
10 taxes for general corporate purposes authorized under Section
11 8-3-1 of this Act.

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

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

15 (70 ILCS 1205/8-1) (from Ch. 105, par. 8-1)

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

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

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

19 (2) In addition to the powers granted in paragraph (1) of
20 subsection (b), a park district located in more than one
21 county, the majority of its territory located in a county over
22 450,000 in population and none of its territory located in a
23 county over 1,000,000 in population, shall have condemnation
24 power in the manner provided for the exercise of the power of
25 eminent domain under the Eminent Domain Act or as otherwise
26 granted by law as to any and all real estate situated up to one

1 mile outside of such district which is not within the
2 boundaries of another park district.

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

1 periodicals, pamphlets and reports are not subject to
2 competitive bidding. Contracts for emergency expenditures are
3 also exempt from competitive bidding when the emergency
4 expenditure is approved by 3/4 of the members of the board.

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

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

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

24 (e) To prescribe such fines and penalties for the violation
25 of ordinances as it shall deem proper not exceeding \$1,000 for
26 any one offense, which fines and penalties may be recovered by

1 an action in the name of such district in the circuit court for
2 the county in which such violation occurred. The park district
3 may also seek in the action, in addition to or instead of fines
4 and penalties, an order that the offender be required to make
5 restitution for damage resulting from violations, and the court
6 shall grant such relief where appropriate. The procedure in
7 such actions shall be the same as that provided by law for like
8 actions for the violation of ordinances in cities organized
9 under the general laws of this State, and offenders may be
10 imprisoned for non-payment of fines and costs in the same
11 manner as in such cities. All fines when collected shall be
12 paid into the treasury of such district.

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

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

1 proper.

2 (h) To establish fees for the use of facilities and
3 recreational programs of the districts and to derive revenue
4 from non-resident fees from their operations. Fees charged
5 non-residents of such district need not be the same as fees
6 charged to residents of the district. Charging fees or deriving
7 revenue from the facilities and recreational programs shall not
8 affect the right to assert or utilize any defense or immunity,
9 common law or statutory, available to the districts or their
10 employees.

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

1 which, by the terms of the contract, is to become due and
2 payable during that fiscal year. Contracts with auditors shall
3 be entered into pursuant to Section 12 of the Governmental
4 Account Audit Act.

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

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

11 Section 25. The School Code is amended by changing Section
12 3-7 as follows:

13 (105 ILCS 5/3-7) (from Ch. 122, par. 3-7)

14 Sec. 3-7. Failure to prepare and forward information. If
15 the trustees of schools of any township in Class II county
16 school units, or any school district which forms a part of a
17 Class II county school unit but which is not subject to the
18 jurisdiction of the trustees of schools of any township in
19 which such district is located, or any school district in any
20 Class I county school units fail to prepare and forward or
21 cause to be prepared and forwarded to the regional
22 superintendent of schools, reports required by this Act, the
23 regional superintendent of schools shall furnish such
24 information or he shall employ a person or persons to furnish

1 such information, as far as practicable. Such person shall have
2 access to the books, records and papers of the school district
3 to enable him or them to prepare such reports, and the school
4 district shall permit such person or persons to examine such
5 books, records and papers at such time and such place as such
6 person or persons may desire for the purpose aforesaid. For
7 such services the regional superintendent of schools shall bill
8 the district an amount to cover the cost of preparation of such
9 reports if he employs a person to prepare such reports.

10 Each school district shall, as of June 30 of each year,
11 cause an audit of its accounts to be made by a person lawfully
12 qualified to practice public accounting as regulated by the
13 Illinois Public Accounting Act. Such audit shall include
14 financial statements of the district applicable to the type of
15 records required by other sections of this Act and in addition
16 shall set forth the scope of audit and shall include the
17 professional opinion signed by the auditor, or if such an
18 opinion is denied by the auditor, shall set forth the reasons
19 for such denial. Each school district shall on or before
20 October 15 of each year, submit an original and one copy of
21 such audit to the regional superintendent of schools in the
22 educational service region having jurisdiction in which case
23 the regional superintendent of schools shall be relieved of
24 responsibility in regard to the accounts of the school
25 district. If any school district fails to supply the regional
26 superintendent of schools with a copy of such audit report on

1 or before October 15, or within such time extended by the
2 regional superintendent of schools from that date, not to
3 exceed 60 days, then it shall be the responsibility of the
4 regional superintendent of schools having jurisdiction to
5 cause such audit to be made by employing an accountant licensed
6 to practice in the State of Illinois to conduct such audit and
7 shall bill the district for such services, or shall with the
8 personnel of his office make such audit to his satisfaction and
9 bill the district for such service. In the latter case, if the
10 audit is made by personnel employed in the office of the
11 regional superintendent of schools having jurisdiction, then
12 the regional superintendent of schools shall not be relieved of
13 the responsibility as to the accountability of the school
14 district. The copy of the audit shall be forwarded by the
15 regional superintendent to the State Board of Education on or
16 before November 15 of each year and shall be filed by the State
17 Board of Education.

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

1 audit and shall include the professional opinion signed by the
2 auditor, or if such an opinion is denied, the auditor shall set
3 forth the reason for such denial. Each administrative district
4 of a joint agreement shall on or before October 15 each year,
5 submit an original and one copy of such audit to the regional
6 superintendent of schools in the educational service region
7 having jurisdiction in which case the regional superintendent
8 of schools shall be relieved of responsibility in regard to the
9 accounts of the joint agreement. The copy of the audit shall be
10 forwarded by the regional superintendent to the State Board of
11 Education on or before November 15 of each year and shall be
12 filed by the State Board of Education. The cost of such an
13 audit shall be apportioned among and paid by the several
14 districts who are parties to the joint agreement, in the same
15 manner as other costs and expenses accruing to the districts
16 jointly.

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

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

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

1 (110 ILCS 205/13 new)

2 Sec. 13. Account audits. The Board shall establish minimum
3 standards for account audits of public institutions of higher
4 education that, at a minimum, require public institutions of
5 higher education to comply with Section 12 of the Governmental
6 Account Audit Act.

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

9 (110 ILCS 805/3-22.1) (from Ch. 122, par. 103-22.1)

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

1 limit the scope of the examination to the extent that the
2 effect of such limitation will result in the qualification of
3 the auditor's professional opinion. The procedures for payment
4 for the expenses of the audit shall be in accordance with
5 Section 9 of the Governmental Account Audit Act. Copies of the
6 audit report shall be filed with the State Board in accordance
7 with regulations prescribed by the State Board. The State Board
8 shall file one copy of the audit report with the Auditor
9 General. The State Board shall file copies of the uniform
10 financial statements from the audit report with the Board of
11 Higher Education.

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