



UNDERSTANDING YOUR CITY'S AUDIT AND REPORTING REQUIREMENTS

Georgia Department of Audits & Accounts (DOAA)
2023

Learning Objectives

- ✓ Understand the reporting requirements of governmental entities to DOAA
- ✓ Be aware of possible consequences of a non-compliance status for local governments
- ✓ Understand the relationship between the compliance status and eligibility for state grant awards and programs

Learning
objectives

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The background of the slide is a light blue-tinted image. It depicts a hand holding a silver pen, poised to write on a document. The document is filled with various financial data visualizations, including bar charts and line graphs. The overall scene suggests a professional setting related to financial reporting or auditing.

SECTION 1

Annual Financial Reporting & Report of Local Retirement Systems

O.C.G.A. §36-81-7 & §50-8-38

Local Governments and Regional Commissions

- Audits required if annual expenditures of \$550,000 or more
- Agreed-Upon Procedures maybe submitted if annual expenditures of less than \$550,000
- Annual audits required for regional commissions
- Submission of reports to DOAA



O.C.G.A. §36-81-7 and §50-8-38

DOAA/State Auditor

Review reports to ensure compliance with:

- ✓ generally accepted government accounting principles
- ✓ generally accepted government auditing standards
- ✓ federal and state regulations



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Submission of Financial Reports

Submitted to DOAA/State Auditor within 180 days after close of fiscal year

FYE Date	Due Date
December 31, 2022	June 30, 2023
March 31, 2023	September 30, 2023
June 30, 2023	December 31, 2023
September 30, 2023	March 31, 2024

Submission of Documents

Use the Nonprofit and Local Government Audit Report Collection System

- Upload all documents associated with fiscal year
- Submit transmittal document with current email addresses for contacts

Upload Instructions

- External Account Creation and Upload Instructions for the File Collection System

<https://www.audits2.ga.gov/resources/orgs/local-government/?rpage=submissions>

Extension Requests

- Extension requests should be electronically submitted
- Eligibility status determined before we respond
- Determination of eligibility status – analysis of receipt dates for past two years
- Not eligible if extended in previous 2 consecutive years
- Reminder that late submissions are considered to be extensions

<https://www.audits2.ga.gov/wp-content/uploads/2022/08/Extension-Request-Procedures.pdf>



Desk Reviews – Noncompliance Issues

- Valid firm license for independent audit firm
- Submission of draft audit reports
- Major fund presentation
- Reconciliations – Governmental Fund Financial Statements to Government-Wide Financial Statements
- Identical items noted in prior year desk review



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Valid Firm License – Audit Firm

- Audit firm must hold a valid Georgia firm license
- State law requires an opinion certifying or attesting to the reliability of the financial statements
- Certification by firm holding a license to practice in Georgia
- Licenses can be verified at <http://cpaverify.org>



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Draft Versions of Audit Reports

- Reports submitted should be the final version
- Final version approved by Council or Commission
- DOAA unable to accept draft versions of reports



Major Fund Presentation

- Focus of governmental or proprietary fund financial statements is major funds
- Fund statements should present financial information of each major fund in a separate column
- Major fund test performed during each review when non-major funds are presented
- Major fund test included as a tool for local governments on our website

https://www.audits2.ga.gov/wp-content/uploads/2021/10/major_fund_test.xls



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Financial Statements Reconciliations

Reconciliations: Governmental Fund Financial Statements reconciled to Government-Wide Financial Statements (Governmental Activities)

- Reconciliation of Governmental Activities Net Position to Fund Balance
- Reconciliation of Governmental Activities Changes in Net Position to Changes in Fund Balance



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Prior Year Noted Items Uncorrected

- Items cited during desk review of the prior year audit report
- Granted one-year waivers for correcting these items
- If same items cited during current year desk review, we are unable to accept the report until the corrections are made
- In addition, your auditor will need to comply with the appropriate standards related to audit reports of corrected financial statements



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Report of Local Retirement Systems

Required by provisions of

- **O.C.G.A. §47-20-1** Report of Local Retirement Systems



Report of Local Retirement Systems

State Auditor – O.C.G.A. §47-1-4

- Publish report every two years
- Report provides information about local retirement plans in Georgia
- Report provides information about the plans' adherence with the Public Retirement Systems Standards Law



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Report of Local Retirement Systems (continued)

State Treasurer

Non-Compliance reported to State Treasurer

- With reporting requirements of **O.C.G.A. §47-1-3**
- With minimum funding requirements of **O.C.G.A. §47-20-1**



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Report of Local Retirement Systems (continued)

O.C.G.A. §47-1-4: Report on the financial condition of local retirement plans every 2 years

O.C.G.A. §47-1-5: State Treasurer notified of governments not in compliance with reporting requirements (*to withhold any state funds*)

O.C.G.A. §47-20-21: State Treasurer notified of governments that did not meet the minimum funding standards (*to withhold any state funds*)



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Report of Local Retirement Systems (continued)

- Published as of January 1 of odd-years (latest January 1, 2023)
- Type of retirement plan (*no plan, defined benefit plan and/or defined contribution plan*)
- Types, if any, of Other Post-Employment Benefit Plans (*OPEB*)



Non-Compliance Status

Types of Non-Compliance

- Report Not Submitted
- Report Not Accepted by DOAA
- Grant Certification Noncompliance
- Local Retirement Law Noncompliance



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Consequences of Non-Compliance

Possible Consequences

- No state agency shall transmit any state grant funds
- To any government which has failed to provide all audit or agreed-upon procedures reports
- Required by law within the preceding five years



Non-Compliance Status & Consequences

Download Latest Non-Compliance Memo Document

<https://www.audits2.ga.gov/resources/orgs/local-government/?rcat=technical-assistance>



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Verification of Compliance Status

- Quarterly non-compliance list sent to State agencies
- State grantor agency officials urged to contact DOAA to verify potential grantee's eligibility
- Verify eligibility to receive state grant fund transmittals prior to grant award and transmittal
- Non-compliance list valid as of date prepared
- DOAA will confirm compliance status upon request

Contact Information

Please contact the Nonprofit and Local Government Team at:
locgov@audits.ga.gov or (404) 656-9145

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STANDARD



REGULATION

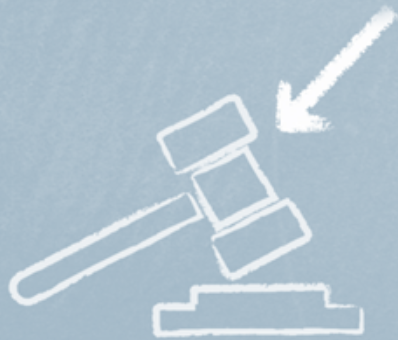


POLICY



SECTION II

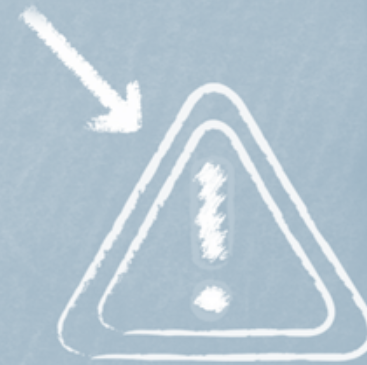
Annual Immigration Compliance Reporting



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REQUIREMENT



RULE



Annual Immigration Compliance Reporting

Required by provisions of O.C.G.A. §50-36-4

- All Georgia governmental entities required to submit annual immigration compliance report
- Sometimes referred to as E-Verify reporting
- Federal Work Authorization Program – which is commonly known as E-Verify program



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E-Verify Program



- E-Verify program is operated by the U.S. Citizenship and Immigration Services (USCIS)
- Registration information available on the USCIS website – located at www.uscis.gov/e-verify



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E-Verify Program (continued)



- Registration information includes user identification number and authorization date
- Records of E-Verify numbers and authorization dates are maintained by USCIS
- E-mail address: E-Verify@dhs.gov



Five Reporting Areas

1. Confirm reporting government's E-Verify number
2. Title 13 – Contract Reporting
3. Title 36 – Business Licenses
4. Sanctuary Policy – Compliance with **O.C.G.A. §36-80-23**
5. Title 50 – Public Benefits



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Descriptions of Five Reporting Areas

Descriptions of information that the annual report collects for the five different immigration requirements

1. E-Verify Number – confirm the number in the collection system for your entity
2. Contractor Reporting – list of contractors the entity used during the period for “physical performance of services”
3. Business Licenses – listing of licenses issued during the period to businesses who were required to enroll in the E-Verify program

Descriptions (continued)

4. **Public Benefits** – listing of public benefits and whether or not the entity has received SAVE authorization for these benefits

SAVE – Systematic Alien Verification for Entitlements

- 27 “Public Benefits” – for all 27 refer to lists on next two slides
- Examples of public benefits: employee retirement benefits, employee health benefits, employee disability benefits, alcoholic beverage licenses, business licenses, pawn broker licenses, billiard hall licenses, peddler and itinerant trader licenses, and transient business licenses



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SAVE (continue)

There are 27 “Public Benefits”

- Adult education;
- Authorization to conduct a commercial enterprise or business;
- Business certificate, license, or registration;
- Business loan;
- Cash allowance
- Disability assistance or insurance;
- Down payment assistance;
- Energy assistance;
- Food stamps;
- Gaming license;
- Grants;
- Health benefits;
- Housing allowance, grant, guarantee, or loan;
- Loan guarantee;



SAVE (continue)

There are 27 “Public Benefits”

- Medicaid;
- Occupational license;
- Professional license;
- Public and assisted housing;
- Registration of a regulated business;
- Rent assistance or subsidy;
- Retirement benefits;
- State grant or loan;
- State issued driver's license and identification card;
- Tax certificate required to conduct a commercial business;
- Temporary assistance for needy families (TANF);
- Unemployment insurance; and
- Welfare to work.



Descriptions (continued)

5. **Sanctuary Policy** – true/false question asking if the entity has enacted a sanctuary policy

- Confirmation that the government is in compliance with **O.C.G.A. §36-80-23**

Focus on Two of Five Areas of Reporting

1. **Title 13** – Contract Reporting (O.C.G.A. §13-10-91)
2. **Sanctuary Policy** – (O.C.G.A. §36-80-23)



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Title 13 or Contract Reporting

- Report contracts that are over \$2,499.99
- Report contracts for the physical performance of labor and services
- Report contracts for routine operation, repair and maintenance of existing structures and services needed for normal operations



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Contract Reporting

- List of contractors used during the period for physical performance of labor and services
- Documentation of contractor compliance (*obtain notarized affidavit that states the contractor used the E-Verify program*)
- Affidavit required even if contractor only has one employee
- Contractors with no employees – verify eligibility to work in the United States



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Contract Reporting (continued)

- New affidavit required each time you contract with a vendor
- Obtain affidavit in advance of awarding bid or contract
- \$2,499.99 threshold applies to non-bid contracts
- Contracts using bid process require affidavits regardless of amount



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Contract Reporting (continued)

- ✓ Contractors must obtain similar affidavits from sub-contractors
- ✓ Sub-contractor affidavits must be submitted to public employer within 5 days of receipt



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Differences Between Title 13 and Title 36

- Every private employer with more than 10 employees shall register with and utilize the federal work authorization program
- Counties and municipalities may not issue a business license (or other documents required to operate a business) until
 - Provide evidence that they are authorized to use the Federal Work Authorization Program or
 - Provide evidence that the provisions do not apply



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Differences Between Title 13 and Title 36 (continued)

- O.C.G.A. §36-60-6 applies to counties and municipalities only
- Required of business with more than 10 employees
- Number of employees in business or company (not just employees located in Georgia)
- Affidavit required at time of issuance only
- Person needs to only provide E-Verify number upon renewal



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Common Reporting Issues – Title 13

Affidavits should be obtained before services begin

- Documents compliance of contractor(s)
- Prevents trying to track down information at report submission time

Reporting is based on the contract date, not payment date

- Contracts are reported based on the date contract was entered into rather than payment date



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Common Reporting Issues – Title 13 (continued)

Services performed remotely (but within the U.S.) included in the report

- Work can be performed anywhere in the U.S.
- Work does not have to be performed in Georgia

Services performed in a different country

- No requirement to obtain an affidavit or report contract since the purpose of the law is to ensure those working in the U.S. have the authority to do so



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Other Reporting Issues

Locking yourself out of the collection system – choosing the “finished” option before you are finished

- When entering contractor records manually, use the “new record” button to start a new entry rather than choosing the “finished” option
- When multiple users are entering data and one user chooses the “finished” option and the others still need to enter data

Account creation and logging into your account

- Collection system at www.audits.ga.gov/auth
- Multiple people can have accounts
- Control access or remove access
- View data reported in a prior submission year

Possible Consequences of Noncompliance

Failure to complete the Title 13 – report contracts

- May result in exclusion from the list of qualified local governments (QLG)
- Provisions of O.C.G.A. §13-10-91(b)(7) require the Commissioner of the Department of Community Affairs (DCA) be notified of noncompliant municipalities and counties



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Possible Penalties of Noncompliance

- DCA should exclude municipalities and counties not in compliance from the list of qualified local governments (QLG)
- Failure to be recognized as a QLG may jeopardize funding of any grants or loans made through DCA (*including the State Community Development Program*)



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Sanctuary Policy Reporting

- No local governing body shall enact, adopt, implement or enforce any sanctuary policy
- Provisions of O.C.G.A. §36-80-23 require confirmation that governments did not enact any sanctuary policy
- Annual report includes a question that asks the local government to confirm that no sanctuary policies were enacted



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Sanctuary Policy Definition

“Sanctuary Policy” defined as

- any regulation, rule, policy or practice adopted by a local governing body
- which prohibits or restricts local officials or employees from communicating or cooperating with federal officials or law enforcement officers with regard to reporting immigration status information
- while acting within the scope of their official duties



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Sanctuary Policy Annual Report

Question: This organization has not enacted a sanctuary policy and is in compliance with O.C.G.A. §36-80-23

- Indicate **True** or **False**
- **True if:** Entity does not have any policy that prohibits employees from notifying federal officials of a person's immigration status while acting within the scope of their official duties
- **False if:** Entity has any type of policy that would prohibit or discourage employees from notifying federal officials



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Sanctuary Policy Key Points

Confirmation of compliance with provisions of O.C.G.A. §36-80-23

Two compliance issues:

- ✓ Not reporting or status of no response/need response
- ✓ Report enactment of sanctuary policies



Possible Consequences of Noncompliance

Governments will be reported as noncompliant if:

- Sanctuary policies enacted
- Failed to confirm (no response)
- DOAA required to notify all state agencies that provide funding of noncompliance
- Commissioners of DCA and Georgia Department of Transportation (GDOT) notified specifically and separately as required



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Immigration Compliance Reporting Reminders

- Reporting deadline: **December 31**
- Reporting period: **December 1 – November 30**
- Immigration & Reform Act Collection System opens on **November 1**
- O.C.G.A. §50-36-4 requires all Georgia governmental entities to submit an annual immigration compliance report



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Submission Reminders

- Report is filed each year by December 31 (due date)
- No provision in O.C.G.A. §50-36-4 authorizes the Department of Audits & Accounts (DOAA) to waive the due date
- Reporting completed online through our Immigration & Reform Act Collection System
- Compliance status may be confirmed at any time
- Please consult your legal counsel if you have specific questions on whether a particular contract, license, or benefit should be included

Resource and Contact Information

Resources on our webpage at

<https://www.audits.ga.gov/resources/other/immigration>

Please contact the Nonprofit & Local Government Team at:

locgov@audits.ga.gov or (404) 656-9145

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