



DOAA

Georgia Department
of Audits & Accounts

Community Development Block Grant (CDBG) Applicants' Workshop

Local Financial Reporting Requirements

January 2023



Learning Objectives

- Understand the reporting requirements of governmental entities to Department of Audits and Accounts (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



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Reporting Requirements

1. Annual financial reporting required by provisions of O.C.G.A. §36-81-7 and §50-8-38
2. Annual immigration compliance reporting required by provisions of O.C.G.A. §50-36-4
3. Report of local retirement systems required by provisions of O.C.G.A. §47-20-1



The background features a light blue, semi-transparent overlay of a pen and a bar chart on a grid. The pen is positioned diagonally from the top left towards the center. The bar chart consists of several vertical bars of varying heights, set against a grid of horizontal and vertical lines.

Annual Financial Reporting

required by provisions of
O.C.G.A. §36-81-7 & §50-8-38

O.C.G.A. §36-81-7

Local Governments and Regional Commissions

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



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O.C.G.A. §50-8-38

DOAA/State Auditor

- Review reports to ensure compliance with generally accepted government accounting principles
- Review reports to ensure compliance with generally accepted government auditing standards
- Review reports to ensure compliance with federal and state regulations



Submission of Financial Reports

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

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



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



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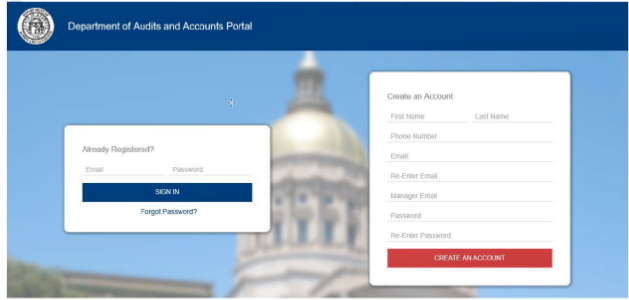
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Upload Instructions

External Account Creation and Upload Instructions for the File Collection System

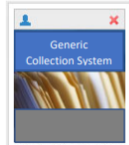
https://doaa.wpengine.com/wp-content/uploads/2021/11/New_File_Collection_System_Instructions_-_External.pdf

External Account Creation and Upload Instructions for the File Collection System



The screenshot shows the Department of Audits and Accounts Portal. On the left, there is a 'SIGN IN' section for 'Already Registered?' with fields for Email and Password, and a 'SIGN IN' button. On the right, there is a 'CREATE AN ACCOUNT' section with fields for First Name, Last Name, Phone Number, Email, No-Enter Email, Manager Email, Password, and No-Enter Password, and a 'CREATE AN ACCOUNT' button. The background features a building with a golden dome.

1. To login, go to <https://www.audits.ga.gov/auth> . If you do not have an account, go to step 2 to create an account. If you already have an account with the Department of Audits and Accounts, proceed to step 3.
2. Login and Creating an account instructions can be found at:
http://www.audits.ga.gov/Resources/External_Account_Creation_and_Login_Instructions.pdf
3. Click your designated tile's "Collection System" to enter that application.
Note: The title "Generic Collection System" in the pictures are just for illustration purposes.



The screenshot shows a small application tile titled 'Generic Collection System' with a blue header and a red 'X' in the top right corner.



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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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Non-Compliance Consequences

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



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Non-Compliance Status & Consequences *(continued)*

Download Non-compliance Memo Document

www.audits2.ga.gov/resources/orgs/local-government

The screenshot shows the DOAA website's 'Local Government Resources' page. The page has a dark blue header with the DOAA logo and navigation links: Reports, Resources, About, Careers, Contact. Below the header, there's a search bar and a 'Next Deadline' section for August 15, 2023. The main content area is divided into two columns: 'Resources' and 'Tools & Checklists'. The 'Resources' column lists 'Financial Statement Preparation', 'Professional Organizations', 'Submissions', 'Technical Assistance' (circled in red), 'Submissions Portal', 'Deadlines', 'Other Deadlines', and 'Get Help'. The 'Tools & Checklists' column lists several documents, with 'Non-Compliance Memo Dated December 14, 2022' (circled in red) being the focus. An arrow points from the 'Technical Assistance' link to this document. Other documents include 'NPLG Newsletter 2022', 'Request for Proposal for Audit Services Updated 2022', 'Compliance Auditing in Georgia Counties and Municipalities', and 'Local Government Audit Office Review Checklist'.



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
- Verification of 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



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Annual Immigration Compliance
required by provisions of
O.C.G.A. §50-36-4

Annual Immigration Compliance Reporting

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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Reporting Reminders

- 2022 reporting period deadline was December 31, 2022
- Reporting period: Dec 1, 2021 – Nov 30, 2022
- Immigration & Reform Act Collection System opened on November 1, 2022
- O.C.G.A. §50-36-4 requires all Georgia governmental entities to submit an annual immigration compliance report



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Focus on Two of Five Areas of Reporting

1. Title 13 – Contract Reporting (O.C.G.A. §13-10-91)
2. Sanctuary Policies (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
- Includes: routine operation, repair and maintenance of existing structures and services needed for normal operations



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Contractor 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



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Contractor 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



Common Reporting Issues

- Contracts reported based on the date contract was entered into rather than payment date
- Services performed remotely (*within the U.S.*) need to be included
- Work may be performed anywhere in the U.S.
- For services performed in a different country, there is no requirement to obtain an affidavit or report the contract



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Possible Consequences

- Failure to complete the Title 13 section 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



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 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



Possible Consequences

Governments will be reported as noncompliant if:

- Noncompliance with provisions (*sanctuary policies enacted*)
- Failed to confirm (*no response*)
- DOAA required to notify state agencies of noncompliance
- Commissioners of DCA and Georgia Department of Transportation (GDOT) notified specifically and separately as required
- All state agencies that provide funding notified



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Report of Local Retirement Systems
required by provisions of
O.C.G.A. §47-20-1

Report of Local Retirements Systems

State Auditor - O.C.G.A. §47-1-4

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



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Report of Local Retirements 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 Plans

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 Treasure notified of governments that did not meet the minimum funding standards *(to withhold any state funds)*



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Report of Local Retirement Plans

- 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*)



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Contact Information

Please contact the Nonprofit and Local Government Audits Team at:

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

Jackie Neubert, CPA, CGFM, Deputy Director

Email address: neubertj@audits.ga.gov

Eric Moody, CPA, Manager

Email address: moodyen@audits.ga.gov



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