



Reporting Requirements for Local Governments

Presentation by DOAA



Agenda

- State compliance laws related to local governments and DOAA
- Various reports submitted to DOAA
- Various submission deadlines for reporting to DOAA
- Possible consequences for noncompliance

Reporting Requirements

- Annual financial audits (or Agreed-Upon Procedures)
- Annual Immigration Compliance Reporting
 - 5 areas of reporting (two specific areas with consequences for noncompliance)
- Biennial Reporting of Local Retirement Plans

General Reporting Requirements

- Focus on reporting requirements for annual audits, annual immigration compliance reporting and biennial local retirement plan reporting
- O.C.G.A. §36-81-7: Annual audits required
- O.C.G.A. §50-36-4: Annual immigration compliance reporting
- O.C.G.A. §47-1-3 and §47-20: Biennial local retirement plan reporting and minimum funding standards

O.C.G.A. §36-81-7

- Requires annual audits for each unit of local government
- Unit of local government as defined in OCGA §36-81-2
- Municipality, county, consolidated government or other political subdivision (local government authorities)

O.C.G.A. §36-81-7 (continued)

- Other political subdivisions
 - OPS – created as other political division
 - Includes local government authorities
 - Such as Water Authorities, Joint Development Authorities, Airport Authorities, etc.

Reporting Deadlines and Extensions

- Annual audits submitted to State Auditor within 180 days after close of fiscal year
- Submission deadlines extended for reports due between March 14, 2020 and 90 days following expiration of the public health emergency declaration

Reporting Extensions for 90 days

- Current declaration expires March 7, 2021
- Per Governor Kemp's Executive Order: 01.29.21.01 issued January 29, 2021
- Executive Order 04.23.20.02: provided certain local governments with 90-day extensions for statutorily required audit report (DOAA) and Report of Local Government Finances (DCA)

Public Health Extensions Table

Fiscal Year	FYE Date	Statutory Deadline	Public Health Emergency Due Date
2020	April 30	October 31, 2020	January 31, 2021
2020	May 31	November 30, 2020	February 28, 2021
2020	June 30	December 31, 2020	March 31, 2021
2020	July 31	January 31, 2021	April 30, 2021
2020	August 31	February 28, 2021	May 31, 2021
2020	September 30	March 31, 2021	June 30, 2021
2020	October 31	April 30, 2021	July 31, 2021
2020	November 30	May 31, 2021	August 31, 2021

Public Health Extensions

- Affected local governments not considered delinquent on either requirement until the new due date
- Reminder that the hardship extension does not change reporting responsibilities to other state or federal agencies

Extension Requests

- Note: State Auditor is authorized by State law to grant extension requests, if government is eligible
- Extended due date or new due date if granted will be for an additional 180 days
- Extensions may be granted for 2 consecutive years (late submissions count as extensions)

Annual Audits or Agreed-Upon Procedures

- Agreed-Upon Procedures (AUP) Reports submitted in lieu of annual audits.
- Total annual expenditures and/or expenses of all funds and activities less than \$550,000
- Biennial audit covering two fiscal years
 - Each year level of expenditures/expenses must be less than \$550,000

Annual Audits or Agreed-Upon Procedures (continued)

- Total amount must include all funds and activities
 - Expenditures from SPLOST proceeds or grant proceeds
 - Expenses from Enterprise Funds (such as Water System, Gas System, etc.)

After Submission: Desk Reviews

- Audits may not be accepted due to material deficiencies noted during review
- For example:
 - Omission of auditor's report
 - Omission of Government Auditing Standards Report
 - Audit firm license not valid
 - Adverse opinion – financial statements not fairly presented with GAAP

After Submission: Desk Reviews (continued)

- Fund presented as non-major when criteria met for major fund presentation
- Omission of schedule of reconciliation of fund balance to net position
- Omission of schedule of reconciliation of changes in fund balance to changing in net position
- Noted items during the review that were noted in the prior year and not corrected during current fiscal period

Immigration Compliance Reporting

- O.C.G.A. §50-36-4 requires governmental entities to report their annual immigration compliance
- Report filed by December 31 each year
- Next reporting period: December 1, 2020 through November 30, 2021
- System opens on November 1, 2021

Immigration Compliance (continued)

- Complete submission to the Immigration & Reform Collection System:
 - Confirmation of 5 areas of reporting
 - 1) E-Verify Number (reporting government's number)
 - 2) Title 13 (contract reporting)
 - 3) Title 36 (business licenses)
 - 4) Sanctuary Policy (O.C.G.A. §36-80-23)
 - 5) Title 50 (public benefits)

Immigration Compliance (continued)

- O.C.G.A. §50-36-4: Annual reporting of immigration compliance
 - Specifically, two of five reporting areas
 - O.C.G.A §13-10-91 – Title 13 or contract reporting
 - O.C.G.A. §36-80-23 – Sanctuary Policies

Immigration Compliance (continued)

- Focus on two areas that could affect state funding
 - Contract reporting
 - Required by provisions of O.C.G.A. §13-10-91
- Sanctuary policy
 - Provisions of O.C.G.A. §36-80-23 confirmation that the government is in compliance

Title 13: Contractor Report

- Title 13: E-Verify contract reporting
 - Report contracts for the physical performance of service as defined in O.C.G.A. §13-10-90
 - Required by O.C.G.A. §13-10-91 for contracts for the physical performance of service that are over \$2,499.99
 - \$2,499.99 threshold applies to non-bid contracts
 - Contracts using bid process requires affidavits regardless of amount

Title 13: Contractor Report (continued)

- Failure to complete the Title 13 section or area may result in exclusion from the list of qualified local governments (QLG)
- Report is due on December 31
- DOAA is required to provide political subdivisions 30 days to demonstrate compliance

Title 13: Contractor Report (continued)

- DOAA is required to provide political subdivisions 30 days to demonstrate compliance
 - DOAA notified noncompliant governments on January 21, 2021
 - 30-day period will end on February 26, 2021
- Notification included non-compliant municipalities, consolidated city-county governments and counties

Title 13: Contractor Report (continued)

- Commissioner of Department of Community Affairs (DCA) will be notified on or after February 26, 2021 of any units remaining non-compliant
- DCA should exclude governments not in compliance from their list of **qualified local governments**

Title 13: Contractor Report (continued)

- Failure to be recognized as a qualified local government may jeopardize funding of any grants or loans made through the DCA
 - Including any grants or loans provided under the State Community Development Program
- Provisions of O.C.G.A. §50-8

Sanctuary Policy Reporting

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

Sanctuary Policy Reporting (continued)

- Sanctuary policy – means 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 such local official or employee is acting within scope of his or her official duties

Sanctuary Policy Reporting (continued)

- Confirm that no sanctuary policies were enacted
- Or confirm that the government is in compliance with provisions of OCGA §36-80-23
- Reminder confirmation due by December 31
- Governments will be reported if:
 - Noncompliance with provisions (policies enacted)
 - Failed to confirm (No Response)

Sanctuary Policy Reporting (continued)

- DOAA required to notify DCA, Ga Department of Transportation (GDOT) and all other state agencies that provide funding
- Notification includes both sanctuary policy non-compliance and non-respondent
- Proof of compliance with the provisions of O.C.G.A. §36-80-23 is a condition of funding

Reporting Local Retirement Plans

- Report published every two years in order to fulfill the reporting requirement in O.C.G.A. §47-1-4 and to provide information about local retirement plans in Georgia and their adherence with the Public Retirement Systems Standards Law.
- Two areas of compliance with statutory requirements that non-compliance would be reported to the State Treasurer

Reporting Local Retirement Plans (continued)

- Reporting Requirements

Non-Compliance requires that the State Treasurer be notified to withhold state funds payable until the actuarial investigation and financial reports are submitted

- Funding Requirements

Non-Compliance requires State Treasurer notification and state funds will be withheld until funded in conformity with the minimum funding standards

Reporting Local Retirement Plans (continued)

- Report issued every two years
- Latest report was issued on January 1, 2021
- 2,145 governmental units contacted
 - Including Municipalities, Counties, Consolidated Governments, Regional Commissions, Local Boards of Education and Local Authorities

Reporting Local Retirement Plans (continued)

- Number of local retirement plans: 457 (includes closed plans and some governments have more than one plan)
- 20% of governmental units that responded have local retirement plans
- Report also includes a schedule of the governments that did not respond to our survey

Reporting Local Retirement Plans (continued)

- Greater response rate means greater accuracy of our report
- Two surveys: Retirement Plans and Other Post Employee Benefits (OPEB)
- Retirement plan survey includes:
 - Defined Contribution Plans
 - Insurance Contracts (none reported in 2020)

Reporting Local Retirement Plans (continued)

- OPEB survey includes:
 - Deferred Compensation Plans
 - Post Employment Healthcare Benefits
 - Other Post Employment Benefits (life insurance, etc.)

Reporting Local Retirement Plans (continued)

- Timeline:
 - Will Begin the process after 2022 state legislative session ends
 - Notifications will be emailed in August 2022
 - Prepare report based on surveys received
 - Publish date of next report January 1, 2023
- Electronic notifications and reporting

Contact Information

- Compliance status may be confirmed at any time
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