



# **WORK PROGRAM FOR AGREED UPON PROCEDURES FOR LOCAL GOVERNMENTS O.C.G.A. §36-81-7**

Prepared by the Department of Audits and Accounts,  
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Department of Audits and Accounts  
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Instructions: For each section, complete the listed procedures. There are spaces to the right of each item for you to place your initials and work paper reference.

## Section 1 – Cash, Investments, and Petty Cash

1. Obtain and inspect a summary schedule of cash at year end by fund which includes all depositories with which the local government had transactions during the period covered by the agreed-upon procedures, including banks from which temporary investments were purchased. \_\_\_\_\_
- a. Confirm for individual funds that are required to maintain separate bank accounts that separate bank accounts are maintained. \_\_\_\_\_
- b. Confirm that a separate bank account is maintained for Special Purpose Local Option Sales Tax (SPLOST) proceeds as required by the provisions of O.C.G.A. § 48-8-121. \_\_\_\_\_
- c. Confirm that a separate bank account is maintained for Special District Mass Transportation Sales and Use Tax (TSPLOST 2) proceeds as required by the provisions of O.C.G.A. § 48-8-269.5. \_\_\_\_\_
- d. Confirm opening and closing of accounts with minutes of the governing body. \_\_\_\_\_
2. Confirm account balance information with financial institutions as of the date of the local government’s fiscal year end for all accounts identified in Step 1 above (including accounts which were closed during the year). \_\_\_\_\_
3. Obtain copies of the year end bank statement for each open account and trace balances and activities to bank account reconciliations. \_\_\_\_\_
4. Obtain copies of the year end bank account reconciliation for each account and perform the following on each reconciliation:
  - a. Trace bank balance on reconciliation to the bank confirmation received from financial institution. \_\_\_\_\_
  - b. Trace reconciled book balance to the general ledger and trial balance or summary schedule. \_\_\_\_\_
  - c. Mathematically check reconciliation and detailed supporting schedules for clerical accuracy. \_\_\_\_\_
  - d. Compare confirmed balances of savings accounts and certificates of deposit to amounts recorded in the general ledger and determine whether unrecorded items were considered on bank reconciliations. \_\_\_\_\_

- 5. Inspect cash receipts and cash disbursements ledgers for each bank account for a period of five business days before and after the local government's fiscal year end. \_\_\_\_\_

  - a. Confirm interbank transfers, checks, and deposits are recorded in the proper period. \_\_\_\_\_
  - b. Confirm transfers between each cash receipts ledger and each cash disbursements ledger were recorded in the same period. \_\_\_\_\_
  - c. Confirm transfers not clearing the bank in the same accounting period as they were initiated are properly reflected as reconciling items on bank reconciliation. \_\_\_\_\_

- 6. Perform cash proof procedures on each account in which the local Government maintains funds at its fiscal year end for a minimum of two months, including the month in which the local government's fiscal year ends. \_\_\_\_\_

  - a. Trace all outstanding checks shown on the proof of cash reconciliation at fiscal year end date to clearing of checks on subsequent bank statements, including last bank statement available during field work. \_\_\_\_\_
  - b. Inquire about any check of a material amount that has not cleared or has taken an inordinately long period to clear and indicate reason(s). \_\_\_\_\_
  - c. Trace all deposits in transit at the fiscal year end date to their deposit. \_\_\_\_\_
  - d. Investigate any delay in crediting of book deposits to bank. \_\_\_\_\_
  - e. Trace deposits from general ledger to bank statements for all months tested. \_\_\_\_\_
  - f. Trace checks to disbursements journal and compare dates, numerical sequence, signatures and endorsements. \_\_\_\_\_
  - g. Mathematically check cash journal. \_\_\_\_\_
  - h. Investigate other reconciling items and determine if appropriate. \_\_\_\_\_
  - i. Confirm and account for all voided checks. \_\_\_\_\_

- 7. Obtain and inspect an analysis of investment activity. \_\_\_\_\_

  - a. Mathematically check the clerical accuracy of the investment activity analysis. \_\_\_\_\_
  - b. Inquire about types of investments permitted by law (State law as referenced in O.C.G.A. § 36-81-4), contract or investment policy of the governmental unit and confirm investments maintained by the government are allowable. \_\_\_\_\_

- c. Inspect the minutes of the Board or Council meetings to confirm the investment policies are consistent with requirements of laws, contracts or stated investment policies of the government entity. \_\_\_\_\_
- d. Compare the purchases and sales of investments during the period included on the investment activity analysis with the confirmed investment policies to determine whether transactions were authorized. \_\_\_\_\_
- e. Inspect investments on hand while in the presence of responsible official of the government entity. \_\_\_\_\_
- f. Confirm balances of investments held by other as well as the name in which the investments are held. \_\_\_\_\_
- g. Trace investments to the investment activity analysis and general ledger. \_\_\_\_\_
- h. Recalculate the gain or loss from the sales of investments using the cost of investment purchases and the proceeds from investment sales obtained from investment activity analysis and general ledger. \_\_\_\_\_
- i. Compare amounts reported as income from investments for reasonableness. \_\_\_\_\_
- 8. Obtain and inspect a listing of all petty cash funds as of the fiscal year end. \_\_\_\_\_
  - a. Inquire about the methods for reimbursement of funds. \_\_\_\_\_
  - b. Inspect documentation of expenditures and confirm that the purposes agree with the purposes for which the fund was established. \_\_\_\_\_
  - c. Obtain copies of internal audits performed on the fund and confirm audits were reviewed for exceptions and determine whether corrective actions were planned and taken. \_\_\_\_\_
  - d. Observe a count of funds in the presence of the custodian. \_\_\_\_\_
  - e. Compare the reconciliations to the control account. \_\_\_\_\_
- 9. Reconcile petty cash at the beginning of the fiscal year to petty cash at the end of the fiscal year using cash receipts and cash disbursements reported in the entity's general ledger. \_\_\_\_\_

## Section II – Report of Local Government Finances

1. Obtain the Report of Local Government Finances (RLGF) for the local government's fiscal year. \_\_\_\_\_ \_\_\_\_\_
  - a. Confirm the RLGF was prepared using the standards established for local governments by the Georgia Department of Community Affairs (DCA). \_\_\_\_\_ \_\_\_\_\_
  - b. Confirm the amount of expenditures reported on the RLGF meets the criteria established in O.C.G.A. § 36-81-7 for submission of an annual report of agreed-upon procedures. \_\_\_\_\_ \_\_\_\_\_
  - c. Inquire about the approval for submission of reports to both the DCA and the DOAA to fulfill the local government's reporting requirements of O.C.G.A. § 36-81-7 and O.C.G.A. § 36-81-8. \_\_\_\_\_ \_\_\_\_\_
  
2. Obtain the workpaper trial balance for the period covered by the agreed-upon procedures. Perform the following:
  - a. Confirm the workpaper trial balance is in balance. \_\_\_\_\_ \_\_\_\_\_
  - b. Compare the workpaper trial balance to the local government's general ledger and confirm agreement between the account balances for cash, investments, receipts and disbursements. \_\_\_\_\_ \_\_\_\_\_
  - c. Confirm that the adjusting journal entries at year end have been posted. \_\_\_\_\_ \_\_\_\_\_
  
3. Perform the following procedures using the RLGF and workpaper trial balance:
  - a. Trace all accounts on the workpaper trial balance to the RLGF as appropriate. \_\_\_\_\_ \_\_\_\_\_
  - b. Confirm proper classifications for all accounts on the workpaper trial balance, according to the instructions for completion of the RLGF. \_\_\_\_\_ \_\_\_\_\_
  - c. Confirm amounts recorded on the RLGF with the amounts reported on the workpaper trial balance. \_\_\_\_\_ \_\_\_\_\_
  - d. Recalculate totals and compare for accuracy. \_\_\_\_\_ \_\_\_\_\_
  - e. Recalculate amounts reported on supporting schedules and compare totals to the appropriate reference on the RLGF. \_\_\_\_\_ \_\_\_\_\_

## Section III – Compliance with State Laws and Regulations

Note: An authoritative source for state laws and regulations for Georgia local governments is the *Compliance Auditing in Georgia Counties and Municipalities: A Practical Guide to State Laws for Auditors and Local Government Officials*. This publication is updated annually and is available for free download, thanks to the Georgia Department of Audits and Accounts. To view this document on the Carl Vinson Institute website, [CLICK HERE](#).

1. Obtain the minutes of Board or Council meetings and inspect for compliance with open meetings requirements of O.C.G.A. § 50-14-1. \_\_\_\_\_
- a. Confirm that meetings were open to the public if there was a gathering of a quorum of the members of the governing body and any official business, policy or public matter of the entity was formulated, presented, discussed or voted upon. \_\_\_\_\_
- b. Inspect documentation of Board or Council meetings to confirm the stated requirements for open public meetings. Note: The requirements include notice, public access, agenda, summary and minutes. \_\_\_\_\_
- c. Confirm that notices for regular meetings were posted at least one week in advance in a place available to the public and on the government’s website, if applicable. Note: Notices should include time, place and dates of regular meetings. \_\_\_\_\_
- d. Confirm that notices for meetings other than regular scheduled were posted at least 24 hours in advance - notices may be written or oral. \_\_\_\_\_
- e. Confirm that an agenda was available and included all matters expected to come before each agency or committee meeting. \_\_\_\_\_
- f. Confirm that a written summary, including subjects acted on and members present, was prepared for each meeting and was available for public inspection within two business days of the adjournment of meeting. \_\_\_\_\_
- g. Confirm that minutes of regular meetings are recorded promptly and open to public inspection once approved as official, no later than immediately following the next regular meeting. \_\_\_\_\_
- h. Confirm that minutes of regular meetings contain at a minimum: names of members present, description of each motion or proposal, identity of persons making and seconding motions or proposals and record of all votes including names of persons voting for or against (or abstaining). \_\_\_\_\_

- i. Confirm that minutes of executive sessions are recorded but not open to the public. \_\_\_\_\_
- 2. Inspect documentation of open records requests and responses to confirm compliance with the provisions of O.C.G.A. § 50-18-70. \_\_\_\_\_
- 3. Obtain the minutes of the Board or Council and inspect the policies of budget preparation, budget proposal and adoption for compliance with provisions of O.C.G.A. § 36-81-3 and O.C.G.A. § 36-81-5. \_\_\_\_\_
  - a. Confirm that the proposed budget was submitted to the governing authority and placed on file for public inspection as required by O.C.G.A. § 36-81-5. \_\_\_\_\_
  - b. Confirm that the budget was adopted at a properly advertised public meeting as required by O.C.G.A. § 36-81-6. \_\_\_\_\_
  - c. Confirm the adoption by ordinance or resolution of an annual balanced budget for the general fund, each special revenue fund and each debt service fund in use by the local government as required by O.C.G.A. § 36-81-3 as well as the adoption of project-length balanced budget for each capital projects fund. \_\_\_\_\_
  - d. Confirm the legal level of control is expenditures for each department, for each fund, for which a budget is required, at a minimum. (O.C.G.A. § 36-81-2 and O.C.G.A. § 36-81-5) Note: The legal level of control is the lowest level of budgetary detail at which a local government’s management or budget office may not reassign resources without approval of the government authority. \_\_\_\_\_
  - e. Confirm budget amendments during the fiscal year were adopted by ordinance or resolution of the governing authority as required by O.C.G.A. § 36-81-3. \_\_\_\_\_
  - f. Inspect the budget document to determine if it provides for the appropriate budget period, a statement of the amount budgeted for anticipated revenues by source and the amount budgeted for expenditures at the legal level of control in accordance with O.C.G.A. § 36-81-5. \_\_\_\_\_
- 4. Confirm the adoption and use of the Uniform Chart of Accounts for Local Governments in Georgia in the local government’s accounting records, audited financial statements and reports to state agencies as required by provisions of O.C.G.A. § 36-81-3. \_\_\_\_\_
- 5. Confirm the submission of the annual report of local government finances (RLGF) to the Department of Community Affairs as required by provisions of O.C.G.A. § 36-81-8 (b) (1) (A). \_\_\_\_\_

6. Inquire whether the local government levies hotel/motel tax in accordance with the provisions of O.C.G.A. § 48-13-51. If levied, then confirm submission of the hotel/motel tax report to the Department of Community Affairs as required by O.C.G.A. § 36-81-8 (B).

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7. Confirm the submission of annual agreed-upon procedures report and copy of RLGf to the Department of Audits and Accounts as required by provisions of O.C.G.A. § 36-81-7 (a) (3).

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8. Confirm the submission of the Annual Immigration Compliance Report as required by the provisions O.C.G.A. § 50-36-4.

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