



November 2023

Opinions & Compliance with OCGA 36-81-7

Annual financial statements are required to be prepared in conformity with generally accepted governmental accounting principles (GAAP)

- **Audit opinion modified to contain qualifications** – auditor is opining that the overall financial statements are materially in compliance with GAAP (**requirement is met**)
- Audit opinion contains **disclaimers of opinion** – conformity with GAAP cannot be verified (**considered out of compliance**)
- **Audit opinion is adverse** – auditor is opining that the financial statements are not in compliance with GAAP (**considered out of compliance**)

Annual audit reports with disclaimers or adverse opinions will automatically be considered out of compliance with the provisions of O.C.G.A. §36-81-7.

Units of local government who are non-compliant could result in changes to eligibility for state grant funds.

2023 Immigration Compliance Reporting

O.C.G.A. §50-36-4 requires governmental entities to submit an annual immigration compliance report.
Immigration - DOAA (ga.gov)

- Next reporting period: December 1, 2022, through November 30, 2023
- The Immigration & Reform Act Collection System is open
- Reporting deadline for the 2023 reporting period is December 31, 2023

Be sure to collect affidavits for new business licenses and contracts for physical performance of services at the time these events occur. Please do not wait until year's end.

Consequences of Immigration Reporting Non-Compliance

Title 13 Contractor Reporting

Political subdivisions not responding to the request are non-compliant. We are required to notify the Georgia Department of Community Affairs that your political subdivision shall be excluded from their list of qualified local governments. This may jeopardize funding of any grants or loans provided under the State Community Development Program.

Sanctuary Policy Reporting

- Noncompliance with provisions (sanctuary policies enacted)
- Failed to confirm (no response)



- DOAA is required to notify state agencies of noncompliance.
- Failure to comply with the requirements related to the prohibition of immigration sanctuary policies will result in the discontinuance of ALL state funding.

Disclosure of Transportation Expenditures

Disclosures of Transportation Expenditures are required by OCGA 48-8-267(b)(2). Total General Fund expenditures for transportation should be disclosed in annual financial statements.

- For transportation reported in Section 4200 of the Uniform Chart of Accounts (Sections 4210-4290)
- For maintenance and operation costs to support local government airport reported within functions 7561 and 7563 of the Uniform Chart of Accounts

Annual Audit Report Submissions

Audited financial statements for local governments should be submitted to the Department of Audits and Accounts (DOAA) within 180 days after the close of their fiscal year. Reporting requirements are in the provisions of **O.C.G.A. §36-81-7**.

Local governments are required to submit audited financial statements or agreed-upon procedures reports electronically using our Local Government Audit Report Collection System.

Fiscal Year End	Due Date
May 31, 2023	Nov. 30, 2023
June 30, 2023	Dec. 31, 2023
July 31, 2023	Jan. 31, 2024
Aug 3, 2023	Feb. 29, 2024



Requests for Extensions for Report Submissions

Governments may request an extension of time for the submission of the annual audit reports. DOAA is authorized to grant extensions if requested by eligible local governments for an additional 180 days. DOAA's authorization is limited to two consecutive years.



Please note that late submissions are included in the eligibility determination. For more details on the [Extension Process Procedures](#) please access the DOAA website. Requests should be electronically submitted to locgov@audits.ga.gov.

Local Government Eligibility for State Grants

Noncompliance with audit reporting requirements could impact a local government's eligibility for state grant funds and could require previously awarded grant funds to be returned to the State. DOAA prepares and posts a noncompliance listing that includes the specific nature of the noncompliance noted.

O.C.G.A. §36-81-7 requires that local governments forward a copy of their annual audit report to the State Auditor for review. This code section also requires local governments to correct deficiencies noted during this review. Subparagraph (d)(5) of this code section specifies that "no state agency shall make or transmit any state grant funds to any local government which has failed to provide all the audits required by law within the preceding five years".

O.C.G.A. §36-81-7 refers to "any state grant funds" (emphasis added). The provision to suspend state grants does not apply to grants made or transmitted by state agencies to local governments that are not considered state grants. For example, federal grant awards that state agencies pass through to local governments should not be withheld from noncompliant governments, even if the grant has state matching requirements. However, please check grant agreements for specific program requirements.

Thank You for Attending...

The **2023 Governmental Accounting & Reporting Issues Seminar** - State Auditor Training Program was a great success due to your participation!

We want to thank each of you for participating in the **State Auditor Training Program (SATP)**. Your presence added significant value to the event, fostering a dynamic atmosphere of knowledge-sharing and collaboration. Your active engagement and dedication to enhancing your skills and expertise in local government audits were genuinely inspiring.

We appreciate your dedication to enhancing your skills and expertise in local government audits. Events like SATP enable us to stay at the forefront of our field and deliver even better service to our community.

We have already started preparations for next year's program and look forward to seeing you there. Be on the lookout for communications regarding dates and registration.