New Local Government Reporting Requirements:

HB 244 Plain Language Summary

Overview

The Georgia General Assembly passed House Bill 244 (HB 244) during the 2025–2026 Regular Session, amending O.C.G.A. § 36-81-7, which governs the audit of financial affairs and transactions for local governments in Georgia. HB 244 modernizes Georgia's local government financial reporting requirements by creating simplified reporting options for qualifying local governments while maintaining transparency and accountability. The law authorizes the State Auditor to prescribe a Special Purpose (Regulatory Basis) Framework for qualifying governments and expands other reporting options.

✔ **Signed into law — May 11, 2026**

Why This Matters

Many smaller local governments have simple operations but have historically been required to prepare full GAAP financial statements. HB 244 reduces unnecessary cost and complexity while maintaining annual reporting and appropriate oversight.

Which Reporting Option Applies to My Government?

If your annual expenditures are...	Your reporting options
$2.5 million or more	Annual GAAP audit required
Less than $2.5 million	Annual audit using either GAAP **or** the State Auditor's prescribed Special Purpose Framework
Less than $1 million	May elect Agreed-Upon Procedures for up to four consecutive years A full audit is required in the fifth year. Governments may also choose a GAAP or Special Purpose Framework audit instead.

Note: Eligible governments may continue preparing GAAP financial statements even if they qualify for one of the simplified reporting options. HB 244 expands reporting choices; it does not require governments to change reporting methods.

Additional Details

Special Purpose Framework

Local governments with annual expenditures below $2.5 million may prepare annual financial statements using the Special Purpose Framework prescribed by the State Auditor while continuing to receive an annual audit.

Agreed-Upon Procedures

Governments with annual expenditures below $1 million may use Agreed-Upon Procedures for up to four consecutive years. A full audit is required in the fifth year.

Audit Filing Extensions

HB 244 expands the State Auditor's authority to grant additional filing extensions in limited circumstances when delays are caused by officials who fail to provide required financial information. Extensions are granted at the discretion of the state auditor and are intended to address situations where a government's ability to file on time has been materially affected by circumstances outside its control. Where an extension is necessitated by an official's failure to provide documentation, HB 244 creates accountability consequences for those officials.

Continued Compliance

Governments using any of the reporting options authorized by HB 244 remain fully compliant with Georgia law, provided they satisfy all statutory requirements and follow guidance issued by the State Auditor.

DOAA's Role

The Georgia Department of Audits and Accounts is responsible for implementing HB 244 by:

- Prescribing the Special Purpose Framework
- Publishing required forms and implementation guidance
- Reviewing reports submitted under HB 244 for compliance with statutory and regulatory requirements
- Administering extension requests
- Providing implementation resources and technical assistance to help local governments navigate the new requirements

All guidance documents, templates, FAQs, and implementation timelines will be posted to audits.ga.gov as they become available.

Questions?

For more information, please contact:

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