



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin, CPA
State Auditor

Local Governments "At-Risk"



Georgia code requires local governments to annually submit financial reports within 180 days of year end.

Each year local governments fail to submit their financial reports in compliance with state law.

The number of local governments that fail to submit is increasing each year

Who is required to submit?



Cities



Counties



Consolidated
Governments



Authorities

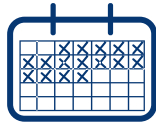


Regional
Commissions

Why does it matter?



Failure to submit is a cautionary sign



Consecutive years of noncompliance are indicative of an emerging trend

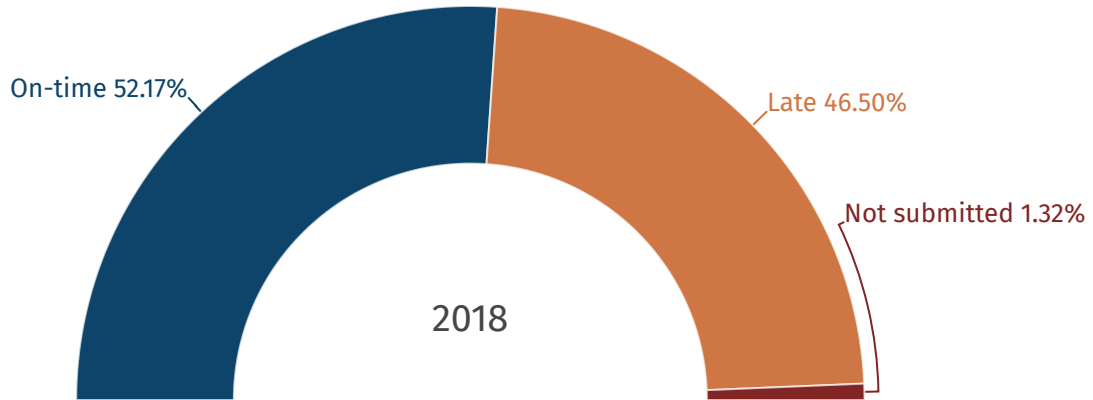


This emerging trend can lead to organizations having records that are more difficult to audit

Local governments filing late or not filing have proven to be difficult to audit



Filing Status of Cities for the Last Five Fiscal Years



- On-Time** | Met Statutory Deadline
- Late** | Submitted after Statutory Deadline
- Not Submitted** | No Report Received To Date

Frequent Causes of Late and Unfiled Reports

Cities file late, or do not file at all, for a variety of reasons. The themes that have emerged over the past five years are listed below.



Difficult to obtain an audit

City is not prepared for audit; Difficulty hiring an auditor



Turnover of City Management or Financial Staff

Lack of experience creates challenges



Major Illness

Problems amplified by COVID-19; Few people have the experience to replace employees on medical leave



Lack of required information

Missing component unit information, actuarial reports for single employer defined benefit pension plans



Change in Auditor

New audit firms face a learning curve

"At-Risk" Cities

Cities that have failed to submit for 3 (or more) of the last 5 years are considered "At-Risk" of having records that are difficult to audit.

City	2018	2019	2020	2021	2022
Alapaha			X	X	X
Aragon	X	X	X	X	X
Avalon			X	X	X
Bishop		X	X	X	X
Braswell	X	X	X	X	X
Cecil	X	X	X	X	X
Darien			X	X	X
Edgehill			X	X	X
Edison		X	X	X	X
Fort Valley		X	X	X	X
Gum Branch			X	X	X
Homerville			X	X	X
Jeffersonville		X	X	X	X
Keysville			X	X	X
Maxeys	X	X	X	X	X
Molena			X	X	X
Monticello			X	X	X
Newton		X	X	X	X



26

Number of cities considered "At-Risk"



5

Percent of Georgia cities considered "At-Risk"



7

Number of cities that have not filed a report for the past 5 years

Cities "In-Danger" of Becoming "At-Risk"

Cities that have failed to submit for 1 or 2 years out of the last five are considered "In-Danger" of becoming an "At-Risk" city.

City	2018	2019	2020	2021	2022
Abbeville				✘	✘
Adel					✘
Adrian					✘
Allentown					✘
Alto					✘
Ambrose					✘
Americus					✘
Andersonville					✘
Arcade					✘
Ashburn					✘
Bainbridge					✘
Barnesville					✘
Bartow					✘
Between					✘
Blackshear					✘
Bluffton					✘
Bowersville				✘	✘
Bowman				✘	✘



192

Number of cities considered "In-Danger"



36

Percent of Georgia cities considered "In-Danger"



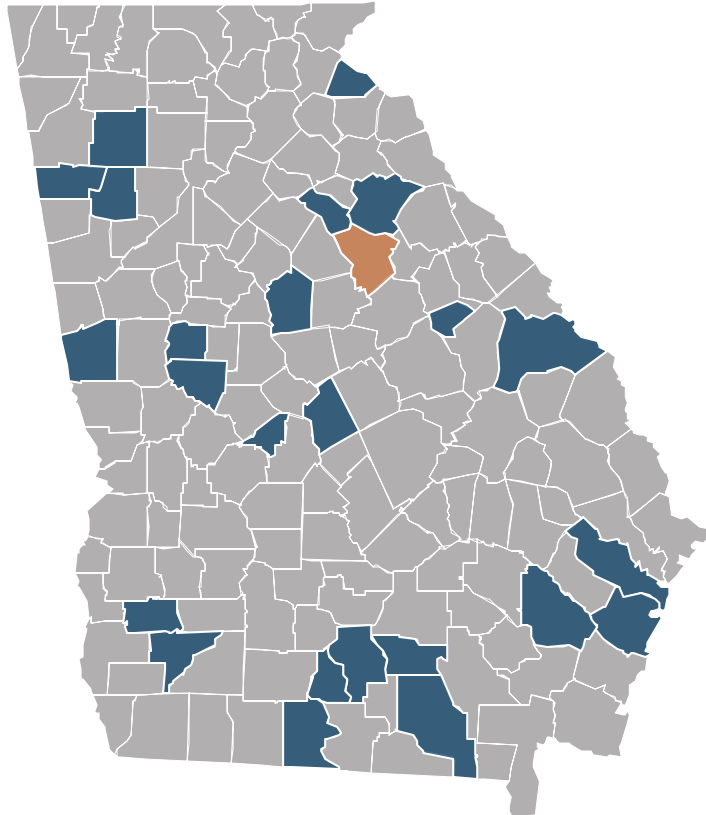
217

Reports un-filed in the past 5 years

Where in Georgia is this emerging trend?

At-Risk

In-Danger



● 1 City ● 2 Cities

"At-Risk"



26

Number of cities considered "At-Risk"



100

Reports un-filed by "At-Risk" cities in the past 5 years

"In-Danger"



192

Number of cities considered "In-Danger"



217

Reports un-filed by "In-Danger" cities in the past 5 years

Potential Actions to Consider



Work with legislators to refresh laws allowing for simplified reporting, easing the burden on local governments and allowing for more timely, accurate financial information.



Create an early warning system through fiscal health dashboards made public on our website to highlight issues for legislators and other public officials.

[School System Financial Dashboard](#)



Create standardized steps for early remediation to avoid potential fiscal hardships and other issues.



Want More Information?

www.audits.ga.gov

griffin@audits.ga.gov

Ph: 770-274-9149

[Interact with the live version of this presentation](#)