

House Bill 244

By: Representatives Cannon of the 172nd, Yearata of the 152nd, Greene of the 154th, Jackson of the 128th, and Hagan of the 156th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 36-81-7 of the Official Code of Georgia Annotated, relating to audit
2 of financial affairs and transactions, contents, copy to state auditor, and public inspection,
3 so as to provide for local governments to request and receive in certain circumstances due
4 date extensions related to filing annual audits with the state auditor; to provide for related
5 matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 36-81-7 of the Official Code of Georgia Annotated, relating to audit of
9 financial affairs and transactions, contents, copy to state auditor, and public inspection, is
10 amended by revising subsection (d), as follows:

11 "(d)(1) Each annual audit report of a local unit of government shall be completed and a
12 copy of the report forwarded to the state auditor within 180 days after the close of the
13 unit's fiscal year. In addition to the audit report, the local unit of government shall
14 forward to the state auditor, within 30 days after the audit report due date, written
15 comments on the findings and recommendations in the report, including a plan for
16 corrective action taken or planned and comments on the status of corrective action taken

17 on prior findings. If corrective action is not necessary, the written comments should
18 include a statement describing the reason it is not. In the case of units provided for in
19 paragraph (2) of subsection (a) of this Code section, the audit reports for both fiscal
20 periods shall be submitted within 180 days after the close of each second fiscal year and
21 the written comments shall be submitted within 30 days after the audit report due date.

22 (2) The state auditor shall review the audit report and written comments submitted to the
23 auditor's office to ensure that it meets the requirements for audits of local governments.
24 If the state auditor finds the requirements for audits of local governments have not been
25 complied with, the state auditor shall within 60 days of receipt of the audit or the written
26 comments notify the governing authority and the auditor who performed the audit and
27 shall submit to them a list of deficiencies to be corrected. A copy of this notification shall
28 also be sent by the state auditor to each member of the General Assembly whose
29 senatorial or representative district includes any part of the unit of local government.

30 (3) If the state auditor has not received any required audit or written comments by the
31 date specified in paragraph (1) of this subsection, the state auditor shall within 30 days
32 of such date notify the unit of local government that the audit has not been received as
33 required by law. A copy of this notification shall also be sent by the state auditor to each
34 member of the General Assembly whose senatorial or representative district includes any
35 part of the unit of local government.

36 (4) The state auditor, for good cause shown by those local units in which an audit is in
37 the process of being conducted or will promptly be conducted, may waive the
38 requirement for completion of the audit within 180 days. Such waiver shall be for an
39 additional period of not more than 180 days and no such waiver shall be granted for more
40 than two successive years to the same unit of local government.

41 (4.1) If the state auditor receives, prior to the audit report due date provided for in
42 paragraph (1) of this subsection, an affidavit signed by the auditor of a local government
43 providing good cause that such local government is unable to meet such audit report due

44 date through no fault of such local government, the state auditor shall extend such audit
45 report due date by 90 days. The provisions of paragraph (5) of this subsection shall not
46 become applicable to a local government during the extension period allowed under this
47 paragraph. Requesting or receiving an extension under this paragraph shall not
48 negatively affect a local government's eligibility for state funds whether by operation of
49 paragraph (5) of this subsection or any other provision of law.

50 (5) No state agency shall make or transmit any state grant funds to any local government
51 which has failed to provide all the audits required by law within the preceding five years."

52 **SECTION 2.**

53 All laws and parts of laws in conflict with this Act are repealed.