

ALL THINGS GOVERNMENTAL

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How Does Your Water Rates Compare?

The Georgia Environmental Finance Authority and the Environmental Finance Center at UNC-Chapel Hill have collaborated to conduct a statewide rates survey and to create interactive rates dashboards. This is the fourth consecutive year in which they conducted the survey in order to provide up-to-date, detailed survey information of current statewide rate structures and trends. The goal of the surveys is to provide utilities with information they can use in rate setting



523 water and sewer utilities were contacted by email, fax, letter or phone during the course of the survey. The response rate included 461 utilities, which represented an 88 percent response rate. These utilities account for 96 percent

of the population served by all public community water and sewer utilities in the state. Due to some utilities in the survey using more than one rate structure for different portions of their service areas the total number of rate structures in the sample was raised to 495. Each of the rate structure responses were incorporated into the Rates Dashboard. The Dashboard provides users with an interactive tool that combines utility financial, physical and customer characteristics. The Dashboard can be used to compare rates among utilities that are similar in various categories.

The Dashboard can be useful to those who are thinking of changing their rates by allowing them to compare the rates of their public utilities with those around the state.

The dashboard can be found at

www.efc.unc.edu/ga/rates.html.

The study authors note some changes in the survey: "Over the last few years, many features of the rate-setting environment have changed in Georgia. Droughts have compelled many systems to adopt high volumetric rates or increasing block structures as tools to promote water conservation, more systems have moved towards full cost pricing in the face of declining federal and state infrastructure grants, and a new statewide water management plan has affected the ways that utilities produce and sell their water. The survey has resulted in a rich set of data on trends in utility finances, customer bills, and rate setting practices."

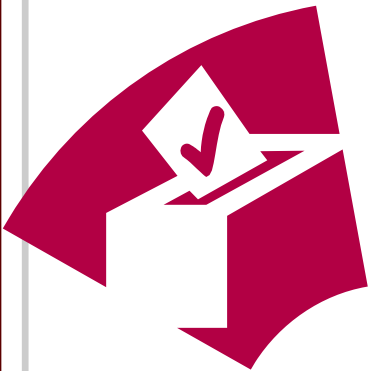


Georgia Government Transparency and Campaign Finance Act

Many cities are set to have elections during 2011. The Secretary of State Office has a calendar of important dates for 2011 elections. One of the dates coming up quickly is the deadline for cities to publish qualifying fees.

Candidates for office will also need to be aware of changes to ethics laws regarding campaign finance disclosure forms and personal finance disclosure forms. Beginning this month, the state Ethics Commission is requiring candidates to file those forms electronically with the Commission, now called the Georgia Government Transparency and Campaign Finance Commission.

An overview of some of the changes made by the final ethics legislation adopted by the Georgia Legislature entitled the "Georgia Government Transparency and Campaign Finance Act of 2010" follows.



General 2011 Changes

- The Commission has a new name: The Georgia Government Transparency and Campaign Finance Commission.
- All local filings (county and municipal) are now made with the Commission. Local filing officers will no longer be required to maintain Campaign Finance Commission filings which are made after 1/10/2011. Local filings officers will continue to maintain filings which were made previous to 1/10/2011.

Lobbyist Changes 2011

- For reporting purposes, adds the following to the term Expenditure, "reimbursement or payment of actual and reasonable expenses provided to a public officer for transportation (unless not arranged by the lobbyist), travel, lodging, registration, food, beverages, and other activities related to attending a meeting or conference".
- Registration fees for lobbyists are increased to \$300 annually plus \$10 for every additional client added. Additionally \$20 is charged for each lobbyist badge issued. Previously lobbyist fees were not charged due to a federal injunction preventing Georgia from charging lobbyist fees on a discriminatory basis. The Georgia statute was amended to remove the language which caused the policy concerns and the Commission will once again charge a lobbyist registration fee.
- Prohibits a lobbyist from registering if convicted of a felony involving moral turpitude within the last 10 years and requires oath verifying no conviction exists. **Oath will be contained in the lobbyist registration form. Explanation of felonies occurring more than 10 years prior must be provided.**
- Requires all lobbyists to file disclosure reports electronically.
- Requires lobbyists involved in local ordinances or rule making to file disclosure reports by the fifth day of May, September and January for the preceding period, excluding state employees who must file monthly for the same activities (there was no change in the reporting for these lobbyists).



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- Expands the definition of lobbying a “state agency” to include local political subdivisions. **This change is significant** as it expands the realm of state agency and vendor lobbyists to include, with respect to vendor lobbyists, anyone who is attempting to influence a local county, city or other municipal official in the selection of goods or services provided to the local government unit or, with respect to state agency lobbyists, anyone who is hired to influence the passage of any rule or regulation of any local county, city or other municipal government unit.

Personal Financial Disclosure Changes 2011

- Removes the filing of a PFD for the director and members of boards, commissions and authorities. However, the PFD filing requirement is replaced with the filing of an annual affidavit swearing that the director or member did not take any official action from which he derived personal gain.
- Lowers threshold for disclosing annual payments from the State from \$20,000 to \$10,000; lowers threshold for reporting real property from \$10,000 to \$5,000.
- Removes requirement that filers of a PFD disclose the name(s) of dependent children.

Campaign Finance Changes 2011

- Makes electronic filing mandatory for all campaign disclosure reports by candidates and campaign committees.
- **All candidates and/or campaign committees must**

file a PIN application found in the forms section of the Commissions website in order to begin filing electronically if they have not already done so.

- Adds graduated late fees of \$125, \$250 and \$1,000 for failure to timely file CCDRs and prohibits campaigns from using campaign funds to pay late fees.

E-Mail 2011 Changes

- All filers are now required to provide a current e-mail address to the Commission. If there are changes to the email address, the Commission must be notified within 10 days of the changes to the email address.

Commission Authority Changes 2011

- The Commission has the authority to award attorney’s fees for frivolous complaints or in the situation where the complaining party fails to appear at the preliminary hearing without good cause.
 - Civil penalties for a second violation of the same provision of the Act were raised from \$5,000 to \$10,000 and from \$10,000 to \$25,000 for a third violation.
- The Commission was given the discretion to waive penalties or late fees in cases of hardship.
- Requires the Commission to send late fee notices via registered mail.
- Public officers who are required to file state business transaction reports, will now file the reports with the Commission (business transaction reports were formerly filed with the Secretary of State).



Let Us Know! : If you feel anyone would benefit from our newsletter, please let us know their contact information and we will be happy to add them to our mailing list!



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Our firm takes all appropriate measures to ensure compliance with all areas of governmental accounting, auditing and consulting through our training and development of our team involved in our governmental practice. Our firm has a long history of audit excellence achieved in our audits of governmental entities through our responsiveness, our knowledgeable team and our timely approach to the services we provide. We pledge to continue that same commitment to governmental entities in the future.

To effectively manage financial affairs, you need three things: extensive knowledge, meticulous organization, and constant vigilance. Hilliard & Milton, LLC provides all that and more, thanks to a complete range of consulting and advisory services to help you sort through the complexities of today's financial reporting.

We offer a special **thank you** to our clients for allowing us to be of service to them and their continued trust. If you are pleased with our services we are grateful for any referrals you provide.



Our governmental services include:

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- Policy and procedure development
- Single audits
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- Corrective Action Plans
- Rpt of Local Government Finances preparation
- Grant Certification compliance
- Bond issuance services and compliance
- Audits of SPLOST revenues and expenditures
- Agreed-upon procedures
- Operational reviews and consulting
- Direct or Indirect Cost Allocation Plans
- Budgetary analysis and preparation
- Capital asset accounting and reporting
- Arbitrage tax information
- Payroll tax services
- Retirement plans
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- Financial planning and cash flow management
- Risk assessments
- Education and training



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To provide accounting, consulting, tax and attest services that distinguish us from our competition through our commitment to excellence as consistently reflected in timely personal attention to the well-being of our clients, respect for our clients and uncompromising integrity in client relations throughout every aspect of our practice.

Reporting of Fraud and Questionable Accounting

In most cases, potential instances of fraud or abuse and questionable accounting or auditing practices come to the attention of responsible parties thanks to employees or citizens who become aware of such practices. Governments can and should take practical steps to encourage and facilitate such reporting. A financial reporting system must be designed to detect not only material fraud or abuse, but also any questionable accounting or auditing practices that could jeopardize the integrity of financial reporting.

The **Government Finance Officers Association** recommends that every government establish policies and procedures to encourage and facilitate the reporting of fraud or abuse and questionable accounting or auditing practices. At a minimum, a government should do all of the following:

- Formally approve, and widely distribute and publicize an ethics policy that can serve as a practical basis for identifying potential instances of fraud or abuse and questionable accounting or auditing practices.
- Establish practical mechanisms (e.g., hot line) to permit the *confidential, anonymous reporting* of concerns about fraud or abuse and questionable accounting or auditing practices to the appropriate responsible parties.
- A government should regularly publicize the availability of these mechanisms and encourage individuals who may have relevant information to provide it to the government.
- Since ensuring or enhancing confidentiality can significantly increase costs, consider minimizing those costs by providing a separate reporting mechanism for employees, who typically desire greater assur-

ance of confidentiality than do outside parties. In this regard, a government may wish to explore the possibility of engaging the services of an outside vendor to receive complaints from employees. The use of an outside vendor offers a number of potential advantages, including the following:

- Employees may be more readily persuaded of the confidentiality of their calls if they are made directly to a party outside the government.
- Vendors may be able to provide extended hours of service, thus avoiding the need to place a call during regular working hours (i.e., while the employee is still at work).

While providing mechanisms to promote the reporting of fraud is an important element of an overall fraud prevention program there are other elements necessary for a complete program that are outside the scope of this recommended practice.

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- Train those answering calls from the general public to recognize calls that are reporting fraud or abuse and direct them appropriately to ensure that reports of instances of fraud or abuse by outside parties receive the appropriate disposition even when they are not made through the mechanism established for that purpose.
- Make internal auditors (or their equivalent) responsible for the mechanisms used to report instances of

potential fraud or abuse and questionable accounting or auditing practices. Emphasize that they should take whatever steps are necessary to satisfy themselves that a given complaint is without merit before disposing of it. Further, they also should document the disposition of each complaint received so it can be reviewed by the audit committee.

- Have the audit committee, as part of its evaluation of the government's internal control framework, examine the documentation of how complaints were handled to satisfy itself that the mechanisms for reporting instances of potential fraud or abuse, and questionable accounting or auditing practices are in place and working satisfactorily.

