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Best Practices in Government Financial Management





Transparency and Accountability Through Public-Sector Reporting

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Is your public-sector organization engaging citizens with your financial and performance reporting? Do citizens know how their tax dollars are being spent? Which programs are not fully funded due to financial constraints? What accomplishments have been made? What is left to do? How many citizens are impacted by specific programs?

These questions are relevant and significant, particularly as we approach the start of another presidential administration in the federal government, and transition to different local and state

governments nationwide. Perceptions of government performance and accountability can affect the degree of citizen trust and engagement.¹ The more engaged citizens are, the more information they will need to develop a sense of trust and confidence that the government is spending their tax dollars appropriately. With legislation such as the DATA Act, elected officials remain laser-focused on providing citizens with data to demonstrate accountability and transparency. But will the availability of this data lead to an informed, engaged and trusting citizenry?

Government's desire to provide understandable information to citizens has motivated initiatives like AGA's citizen-centric report (CCR), which launched 10 years ago (see **Figure 1**).

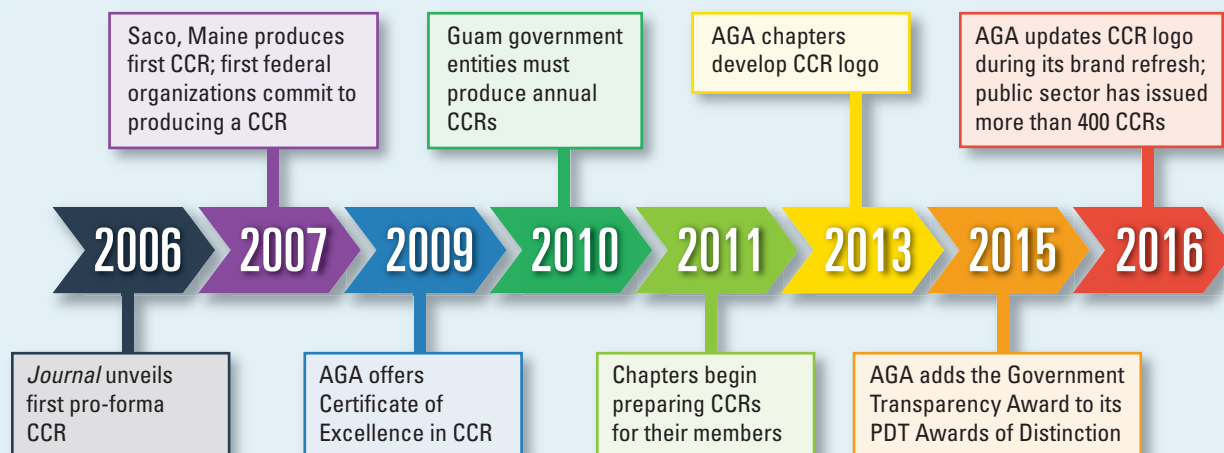
In 2007, the Office of Management and Budget (OMB) provided guidelines for a highlights document as part of a federal agency Performance and Accountability Report (PAR) pilot. OMB's objective for the "highlights" document was to "summarize key performance and financial information in a brief, user-friendly format that can be easily understood by a novice

Figure 1. AGA's CCR Celebrates 10 Years

AGA looked at ways to improve financial performance reporting more than 10 years ago, and, following an extensive study and examination of the public-sector financial and performance reporting outputs and surveys of citizens by AGA members and staff, the AGA Citizen-Centric Report (CCR) was conceived.

In extolling the platform for CCR, AGA's former executive director, Relmond Van Daniker was often quoted as saying, "Citizens are

drowning in data but starving for information." Ann Ebberts, AGA's CEO, said CCR can be viewed as an early adopter in providing transparency and information in context in a way all Americans should be able to understand. "The CCR can be used in so many ways and can quickly get the public, staff, and new leaders current on the agency mission, demographics, accomplishments and priorities for the future. It's come a long way in 10 short years, and we look forward to the next 10!"



reader with little technical background in these areas. The goal of this document is to increase agency and program accountability for performance by making financial and performance information more transparent and accessible.² This led to the annual OMB-required Summary of Performance and Financial Information (SPFI) in 2010.

In the same year, the U.S. Department of the Treasury launched its first *Citizen's Guide* to the financial report of the U.S. government, a 12-page summary report, and have produced one every fiscal year (FY) since. The FY 2015 guide (now 8 pages) exemplifies the user-friendly, citizen-centric approach with two simple sections:³

- **Where We Are Now** — focuses on current FY financial information. Subsections include: Comparing the Budget and the Financial Report; What Went Out and What Came In (bottom line net operating cost); and What We Own and What We Owe.
- **Where We are Headed** — focuses on current fiscal policy. Subsections include: Receipts, Spending and Debt; The Fiscal Gap and the Cost of Delaying Policy Reform; and Conclusion.

The U.S. Department of Homeland Security (DHS) debuted a 26-page “Citizens’ Report” for FY 2008. DHS’ report dove deeper into both performance outcomes and financial information, to provide citizens the value proposition of the agency. Covering DHS’ many diverse components and mission areas at this level of detail resulted in a longer, yet plain-English and graphically oriented report. One of the unique sections of the 2008 report is “A Day in the Life” of DHS, a single page illustrating typical daily outcomes, such as people rescued by the U.S. Coast Guard, weapons confiscated at airport checkpoints by the Transportation Security Administration, and number of

citizens naturalized by the U.S. Citizenship and Immigration Services.⁴ This graphic (see **Figure 2**) is sometimes posted to social media to share the information with citizens who frequent such sites.

Similar state and local governments’ initiatives include the popular financial reports promoted by the Government Financial Officers Association. These reports highlight an organization’s financial data, and significant achievements and challenges.

Innovation in Citizen-Centric Reporting

Government entities continue to innovate in report development and deployment, as exemplified by the National Science Foundation (NSF). NSF had been producing a summary of performance and financial results accompanying the agency financial report (AFR) and annual performance report. In 2007, the summary document was 25 pages long; in 2008, for that year’s presidential transition, NSF produced a four-page highlights document following AGA’s CCR guidelines. NSF’s leadership has used/distributed the now-six-page highlights document in meetings at the White House, with members of Congress and others. The Small Business Administration’s short report is distributed to lending agencies. Both federal agencies used the AGA CCR content guidelines as a guide for the preparation of these reports.

Passion Leads to Advocacy

Our passion for transparency and accountability led us to become reviewers with AGA’s CCR program, through which we have examined countless CCRs. We share best practices from all levels of government to help you create a CCR and further engage citizens in public reporting.

Figure 2. A Day in the Life of DHS



For example, Idaho issued its eighth report last year; and other state agencies within Idaho, including the Department of Transportation and the Department of Health and Welfare, produce CCRs.

Similarly, Texas has issued a CCR since FY 2008. Tallahassee, Fla., was one of the first communities to consistently prepare a CCR, and today, it's used in classroom curriculum for middle schoolers to explain what their government does for citizens. Scottsdale, Ariz., has issued a CCR since 2009 and its design has evolved to be original and visually appealing.

What's Next and What's Possible

The federal administration transition creates additional opportunity to leverage and build upon NSF's example to educate incoming leaders. Agencies will compile numerous documents to highlight programs, challenges, needs and risks, as well as achievements and progress, the list of which can be quite long. A "transition-centric" report can provide new leaders and their staffs with a clear, concise and easily understandable explanation of what their organization does, as well as demonstrate the organization's transparency and accountability to citizens and stakeholders.

A report that communicates to citizens regardless of government level, in layman's terms and with interesting graphics showcasing accomplishments, next-term priorities and what remains to be done "with their support" could be very impactful and beneficial to those seeking reelection.

CCR-like reports fulfill one important open-government objective: providing transparency of results, and the value an organization provides the taxpayer. With new technology, executive orders for digital government strategies, and legislation such as the DATA Act, much focus is on digitizing government data.

But, is raw financial data what citizens want or need?

A May 2016 Old Dominion University publication discussed citizens' need for more than stand-alone information. Research affirmed citizens seek relevant and contextual information that provides a basis for understanding impact,⁵ stating "government should remain



DID YOU KNOW?

AGA's Government Transparency Award has been renamed the Relmond P. Van Daniker Government Transparency Award, in honor of AGA's former executive director, who championed the creation and promotion of CCRs. This award recognizes outstanding reporting by a government through generation of a report, dashboard or information display for the public and/or government officials.

cognizant that information availability does not equate to accessibility, and should therefore focus on providing information that is comprehensible and relevant to the citizen audience." Furthermore, the focus group expressed interest in data beyond budget and financial information — such as performance information.⁶

While the public sector still has more opportunity to innovate, citizen-centric reporting has come a long way in 10 years, and the path is clear. Government serves in the public interest and the public wants to participate — information is the connection point for this effective engagement. With technology and innovation, governments have tremendous potential to tell their stories, provide relevant information, answer value proposition questions, and engage citizens in the governance process in a tangible way. **■**

Endnotes

1. Irvin, R.A. and J. Stansbury. 2004. Citizen Participation in Decision Making: Is It Worth the Effort? *Public Administration Review*, 64(1):55-65; Burby, R.J. 2003. Making Plans that Matter. *APA Journal*, 69(1): 33-49.

2. OMB Circular No. A-136 Revised (2007, June). Office of Management and Budget. Accessed Sept. 9, 2016 from www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a136/a136_revised_2007.pdf

3. Citizen's Guide to the Fiscal Year 2015 Financial Report of the United States Government. U.S. Department of the Treasury. Accessed Sept. 12, 2016 from www.fiscal.treasury.gov/fsreports/rpt/finrep/fr/15frusg/CitizensGuide2015.pdf

4. Department of Homeland Security FY 2008 Citizens' Report. U.S. Department of Homeland Security. Accessed Sept. 12, 2016 from www.dhs.gov/sites/default/files/publications/cfo_citizensfy2008.pdf

5. Jordan, Meagan; Yusef, Juita-Elena (Wie); Mayer, Martin; and Mahar, Kaitrin, "What Citizens Want to Know about their Government's Finances: Closing the Information Gap" (2016). *School of Public Service Faculty Publications*. Accessed Oct. 20, 2016 from digitalcommons.odu.edu/publicservice_pubs/9

6. Ibid.



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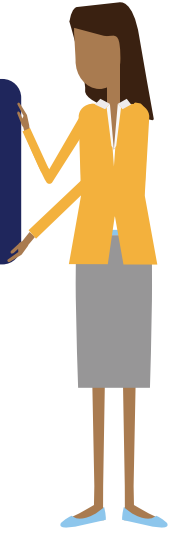
Homeland Security (DHS). She is an AGA Past National President and Past National Treasurer and currently serves on AGA's Accountability Workgroup.



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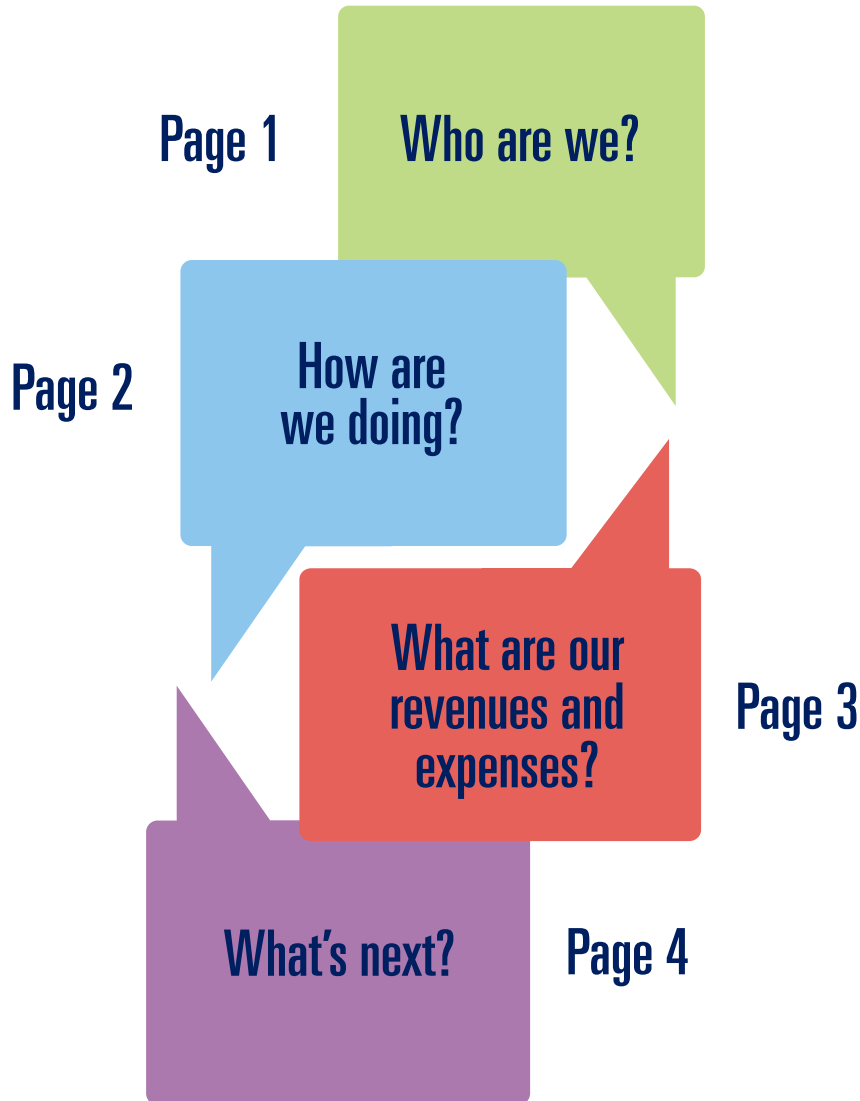
Treasurer, and currently serves AGA as SVP At-large and on the Professional Certification Board.

The views expressed are those of the authors, and do not necessarily reflect the views of DHS or NSF.



We did a CCR and you can, too!

The guidelines are simple.



Get inspired, then submit your report at www.agacgfm.org/CCR.