



Transparency

Improving local government performance



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Introduction

The 2014 CGMA® report, 'Managing local government performance – Transparency, technology, talent and transformation', outlined a new role for finance professionals in helping local authority leaders address key performance management challenges.

The research described in the report explored current and future local government practice in 48 countries. The findings showed that in order to fulfil the demands of politicians, citizens, businesses and other constituents within increasingly diverse urban communities, governments must simultaneously address four key areas and meet the ongoing challenge of 'doing more with less'. They must actively pursue the transformation of public services, and enable the necessary technology to support this objective, while responding to increasing public demand for government transparency. To meet these challenges, they must also contend with the difficulty of recruiting, developing and retaining talent in an increasingly competitive market.

Financial, environmental and demographic challenges have continued to be a focus in the government sector since the initial research was conducted. We focus on each area of our findings individually in this subsequent series, of which 'Transparency' is the first. In them we consider recent and future developments in more detail, and provide practical guidance for finance professionals.

Volume 1: Managing local government performance

Volume 2: Transparency

Volume 3: Technology

Part 1: digitalisation and open data

Part 2: strategy, communication and cybersecurity

Volume 4: Talent

Volume 5: Transformation

Transparency

Our original study was based on surveys of more than 1,000 local government and business leaders across the world. Its key findings revealed continuing 'disconnects' between internal and external stakeholders over performance issues and the demand for greater government transparency.

In this series opener, we highlight new developments and challenges, and assess the future impact of growing public and stakeholder demand for clearer information on performance. The report also highlights top-rated government reporting, with a focus on key performance indicators (KPIs).

The definition of 'transparency' is a matter of some debate, although the related themes of clarity, ethics and accountability are universal. A popular business dictionary defines transparency as the 'lack of hidden agendas and conditions, accompanied by the availability of full information required for collaboration, co-operation, and collective decision-making'. It also references the 'minimum degree of disclosure to which agreements, dealings, practices, and transactions are open to all for verification'.¹

The global anti-corruption movement, Transparency International, uses the definition: 'a characteristic of governments, companies, organisations and individuals of being open in the clear disclosure of information, rules, plans, processes and actions. As a principle, public officials, civil servants, the managers and directors of companies and organisations, and board trustees have a duty to act visibly, predictably and understandably to promote participation and accountability and allow third parties to easily perceive what actions are being performed'.²

However, it is widely recognised that the uncontrolled opening up of the information floodgates to an external audience can be counter-productive. The CGMA Global Management Accounting Principles® place transparency within their first overarching Principle of Communication, in the context of breaking down complexity.

It includes the caveat that any information revealed should be useful to the needs of the audience.

"When the right people have the right information at the right time, they are better placed to make decisions that will drive long-run value generation."

PAS 1919:2016 Guide to management accounting principles, The British Standards Institution, 2016³

"Transparency is not as simple as sharing the latest budget or meeting minutes. It's about identifying the right sets of data, along with the appropriate key performance indicators (KPIs), both financial and non-financial, which will demonstrate how effective local government is at meeting the needs of those it serves, and acting upon that information. Furthermore, full disclosure demands that the manner in which performance metrics are measured and calculated is made clear."

Managing local government performance: Transparency, technology, talent and transformation, CGMA, 2014⁴

Effective transparency requires communication and the reporting of reliable, prudent and factual information. It also eliminates clutter, noise and poor navigation. Without close attention, unfettered transparency can be destructive: the huge banks of data held by local and central government make information overload all too easy to achieve. Our focus instead is on providing healthy, sustainable transparency which empowers accountability, data authenticity and better decision-making.

As the transparency journey continues, the benefits for city, metropolitan, regional and state governments continue to be solid. They include factors like better business engagement, internal collaboration, greater trust from business and citizens, quality of service delivery and operational efficiency. Future best practices are emerging today in major cities across the globe, where government leaders are setting the standards for excellence. Government finance functions will play a crucial role in ensuring that transparency, once a well-intentioned hope for the future, becomes an integral part of the here and now.

"Governments generally have a poor record of turning policy ideas into well-delivered projects. And, in a time when there is less money, greater transparency and far more communication with the world outside, getting delivery wrong is far more costly."

Lord Browne of Madingley, former Lead Non-Executive Director, UK government⁵

"I firmly believe that the most important feature of spending the people's money is complete transparency."

Marsha Blackburn, US Congresswoman

The role of the finance function

Credible government transparency can no longer be achieved and maintained by methodically and accurately producing financial reports and posting them on a website, or by routinely providing the same long-established metrics. In addition, transparency should not arise only as a reaction to a problem or an unexpected third-party need. However, in many instances, these are the means and the drivers of transparency initiatives.

Greater transparency can improve public trust in government. The Edelman Trust Barometer, an annual global survey which measures public trust, found that while trust in government, business, non-governmental organisations and media to 'do what is right' has climbed to its highest recorded level in 2016, government nonetheless remains the least trusted institution.⁶ With citizens and stakeholders attaching precedence to diverse areas

including economic development, human services, public safety, quality of life and environmental impact, how can government finance professionals assist in the development of exemplary transparency?

Jeff Tryens is a performance and strategic expert who has worked with local government in the US and South Australia. He believes that the best place to improve transparency is in the information that is perceived as most useful to citizens, potentially including measurement of factors such as fatality rates, rubbish collection, emergency response times and housing. The next stage is identifying and engaging with existing data which is already collected by staff or other stakeholders on a regular or ad hoc basis. While increased transparency can result in negative public feedback, Tryens believes any public response should be welcomed. 'Public engagement with information is the most important feedback about whether it matters or not,' he says.⁷

Table 1: The roles of finance and leadership in enabling transparency

Transparency	Role of finance (value-adding)	Role of leaders (empowering)
Providing insight into how money is spent and decisions are made, allowing citizens to make informed decisions and giving governments incentives to improve the quality of their services.	Identifying the right metrics to support desired outcomes. Ensuring that measurement is consistent and timely.	Demanding and rewarding the right management information and using this information to support decision-making.

At its best, local government transparency provides insight for citizens into where money is spent and how decisions are made. This allows the voicing of public opinions and incentivises government to improve the quality of its services.

The finance function has a key value-adding role to play, both in identifying the right metrics to support the desired outcomes and in ensuring that measurement is consistent and timely. Local government leaders can empower the finance function by demanding and rewarding the right management information and, crucially, by using this information to support decision-making.

Leaders often fail to recognise that management information should be used more widely than simply to inform and enable big investment decisions. An active performance management culture across the organisation, based on insightful management information, can lead to benefits including incremental innovation, increased efficiency and service improvements.

Transparency and ethics

Finance professionals have an important role to play in ensuring that transparency, whether or not it is legislated for, is more than a box-ticking exercise. The CGMA Code of Ethics recognises that members are often involved in the preparation and reporting of information that may be either made public or used by others outside the organisation. In this regard, the principles of integrity and objectivity are key, supporting the public interest by prohibiting a member from knowingly misrepresenting facts or subordinating his or her judgment.

Download the CGMA Code of Ethics [here](#).

Integrated Reporting

With increasing expectations of transparency from the public, political leaders and other stakeholders, governments and public sector organisations need to rethink how they present information. In recent years, calls for greater transparency and accessibility in corporate reporting have resulted in a rise in the adoption of Integrated Reporting. This emerging approach to corporate reporting combines non-financial information, KPIs and financial data to tell the story of how an organisation creates and defines value, both for internal users and for external stakeholders.

An integrated report goes beyond traditional financial reporting to consider a broader range of resources and relationships used and affected by the organisation in its business activities. The International Integrated Reporting Council (IIRC) recognises six distinct but interrelated 'capitals': financial, manufactured, natural, human, intellectual, and social and relationship.

Integrated Reporting drives integrated thinking, which in turn promotes a better understanding of the impact of decisions on the value creation process. Integrated Reporting takes into account a broad range of factors relevant to that process, not just short-term financial considerations. This emphasis encourages better decision-making, greater transparency and a longer-term perspective, all of which are crucial to the sustainability of public services.

An additional benefit to local government of integrated thinking is its focus on cutting through silos to connect relevant people and information across the organisation. The CIMA report '[Integrated Reporting in the Public Sector](#)' provides a roadmap for organisations wishing to adopt this approach and reap its benefits. The report describes the fundamental principles of Integrated Reporting. It explains how these factors are evaluated through a more thorough understanding of the business model and provides examples of public bodies that have already adopted this approach.⁸

Case Study: New York City's performance reporting tools

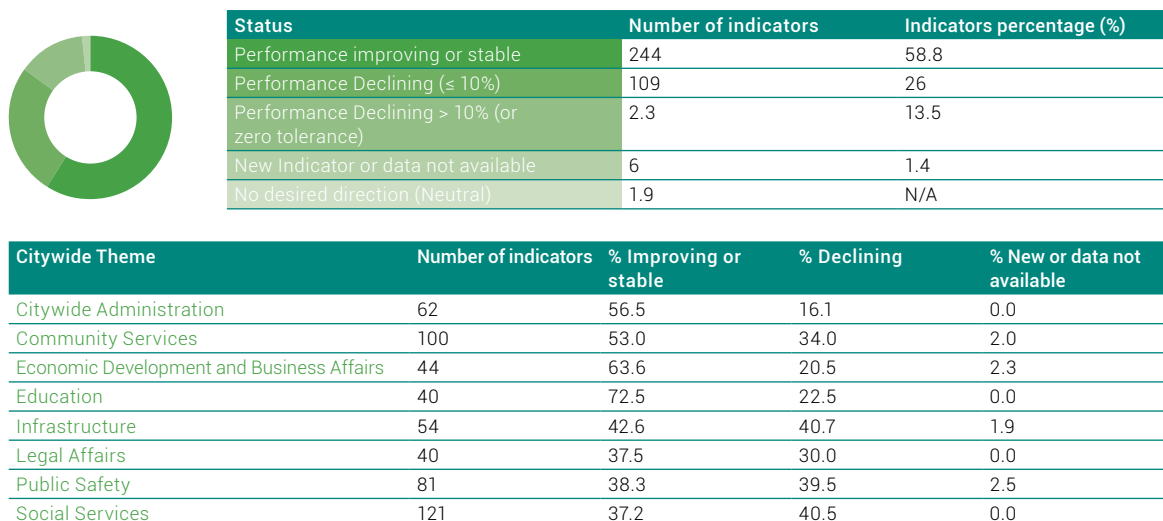
New York City (NYC) is a fast-paced, globally influential centre of art, fashion, research, technology, entertainment and finance. It is a premiere gateway city for legal immigration, and one of the most populated urban agglomerations in the world. Consisting of five boroughs consolidated into a single city, the diversity in culture, language and experience makes NYC an economically powerful city. With several programmes and initiatives currently tracking the bottom line (whether in terms of financial, human or asset capital), NYC is a worldwide exemplar of transparency and excellence in governance. Such success is not accidental – it is planned, prepared, executed and monitored.

The City of New York releases a 'report card' twice a year that measures actual performance and service delivery by city agencies. This improvement tool houses agency accomplishments as well as services that identify areas for improvement. The Preliminary Mayor's Management Report (PMMR) provides information about city services during the first four months of the fiscal year, acting as a barometer to gauge activity and allowing courses to be changed when necessary. The final report covers the entire fiscal year. As well as identifying areas for improvement, the systems and reports are designed to drive strategic decision-making. However, many stakeholders and citizens want real-time information, and the two reports provided are housed in the city's performance reporting system.⁹ (See Figure 1) We discuss further examples in the section "Key Performance Indicators" of this report.

The extensive tracking required for the various agencies involves nearly 550 separate performance indicators that impact NYC citizens. The use of dashboards, graphs, KPIs, status updates, trends and comparisons together amounts to exemplary reporting. Technology and digitisation are key components of the success of this programme for the city's close to 8,500,000 residents, not only enabling but also enhancing transparency for citizens and the world community as a whole. Areas of focus are determined through a mix of agency function, stakeholder interest (including complaints), revenue, expenditure and other inputs that require information on the ultimate outcomes.

Once the scope of information of interest has been identified, the next step is a comprehensive evaluation of the data to assure it is accurate and to decide which data elements need to be collected. To obtain the appropriate level of transparency, the process has to be viewed from the top down. It must not be seen as a compliance exercise but rather as a valuable service to all stakeholders. As Jeff Tryens states, 'From a legitimacy standpoint, information and strength is still in management reporting, but we are seeking to go beyond reporting to produce useful tools for management and citizens'.

Figure 1: CPR (Citywide Performance Reporting) Agency Performance Reporting – Mayor's Office of Operations¹⁰



The next step is to make sure the data is reliable. There is a common saying, 'You're only as good as your data'. A public sector body's management accounting personnel should be able to provide assurance that its data is of a high quality. Analytics cannot be an afterthought, but should be recognised as a highly specialised area. The discipline of analytics involves far more than simply comparing A to B. It also involves evaluating indicators, identifying appropriate data and determining how data is used, including how it interacts with other indicators and performance measures. The overall objective to be derived from analytics is to provide citizens and other stakeholders with information that is meaningful to them. According to Jeff Tryens, 'Deeper dives and clear understanding of data are paramount'. This is where qualified individuals are required. Once you have combined excellent staff with judgment and confidence, the journey to transparency has begun.

Case study: City of Seoul and social media

The City of Seoul is noted for its continuous achievement of top scores for the quality of its governance, making it a leading exemplar for government organisations across the world. In the areas of privacy, usability, content, services and citizen engagement, Seoul sets standards for governments worldwide. Overall, Seoul Metropolitan Government has proved to be an ideal environment for developing and promoting transparency within its economy.

It is not only information that the city makes available online. The Mayor himself is active online and on social media, with over a million followers. As well as engaging citizens through social media, the Seoul Innovation Bureau also hosts policy workshops before decisions are made, invites people to present their ideas through its new portals and promotes transparency by publishing all mayoral conversations, discussions and other decisions online.¹¹ The administration has also established a Social Media Centre to help deal with enquiries and to use social media as a means for reaching residents with urgent information (about weather and transport issues, for example).

Above all, Seoul is setting an example of transparency and openness by opening the door to policy suggestions directed at the city's administration. This is more than just a powerful idea: the annual discussion has resulted in the city's policymakers, mayor, executives and other officers not only listening to but also accepting and implementing citizens' policy ideas. In fact, 104 of the 1,463 suggestions received in this way during 2015 were adopted in an actual policy. This is a case in which communication was key to effective transparency.

The administration provides information across all social media channels, with the ultimate goal of improving its citizens' quality of life. This begins with first identifying the most significant economic, social and general indicators and then responding to them appropriately. Areas of interest include, but are far from restricted to, income distribution, economic indicators (such as regional GDP and GDP per capita), the cost of living, household economies, human capital, health and safety, culture, consumption and more. Once the relevant information has been identified and obtained for the authority, then it can be analysed and 'dissected' to separate out what is relevant for stakeholders. For example, tracking the availability and usage of resources (such as tracking water usage per capita while monitoring reserves) provides a basis in times of drought for issuing alerts to all citizens and imposing any required restrictions on consumption.

Key performance indicators

How can local governments prove to themselves, their stakeholders and citizens that they are 'doing it right'? The real test is in the metrics that are reported.

Organisations commonly use key performance indicators (KPIs) internally to reflect success or progress in relation to a specified goal. KPIs can, however, lose impact and relevance when used in too great a number for external users. External users may also require an explanation of how the KPIs are calculated.

The critical element in developing KPIs is determining what is important or "key" to the organisation. Operational measures are also important, and can be termed as "performance indicators" (or "PIs") to distinguish them from KPIs.

KPIs – financial and non-financial, CGMA, 2013¹²

The information conveyed needs not only to be accurate, it also needs to be understandable, relevant and timely. Our 2014 study found that 87% of local governments used financial KPIs to track, measure and communicate their performance; 76% used non-financial indicators. We also found that, while a 13% growth was anticipated in the use of non-financial KPIs over the following 18 months, as many as 31% of local governments were struggling to determine the right KPIs to properly evaluate and improve performance across their organisation. Only 54% considered themselves significantly transparent, with performance KPIs open to public view.

Getting started with KPIs – Key Performance Questions™ (KPQs)

Establishing the question(s) an indicator will help to answer is an excellent method for determining whether or not an indicator is worth measuring. Key Performance Questions™ (KPQs) are designed to identify what managers want to know. If there is no question that needs to be answered, then there is no need for measurement.¹³ The development of KPQs provides an opportunity to engage internal and external stakeholders in the performance-management process.

Guidelines for developing KPQs:

- ▶ Involve staff, citizens and leaders in the process
- ▶ Keep it simple – a good KPQ contains only one question
- ▶ KPQs should be formulated as open questions
- ▶ Do not focus only on past performance, but also on the present and future
- ▶ Refine through usage – do your KPIs answer your questions and help people make better decisions?

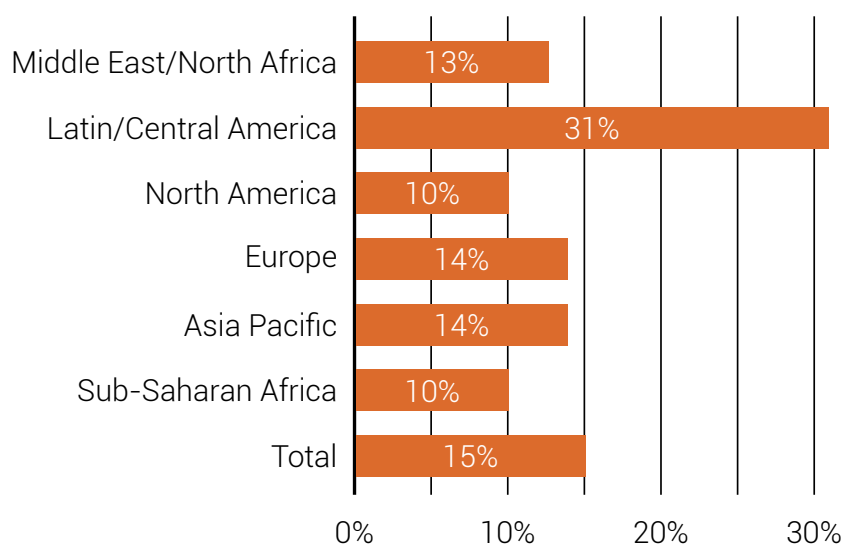
"For each measure, it is important to decide whether it is worth measuring in the first place. If we start collecting data without knowing what we are measuring, we often collect wrong or unnecessary data. We also will fail to develop answers to the really important questions."

Jeff Tryens, performance and strategic expert

KPQs for a local government organisation might include:

- ✓ How do our citizens perceive our services?
- ✓ How effective are we in managing our relationships?
- ✓ How well are we innovating?
- ✓ How successful are we at building our new competencies in X?
- ✓ How motivated is our workforce?
- ✓ How successful are we at sharing one set of values?
- ✓ Do we understand our value drivers and core activities?
- ✓ What KPIs do we need? What performance questions do we need to answer?
- ✓ What mix of financial and non-financial measures do we need?
- ✓ What customer, human capital and operating supply chain (or pipeline) measures do we need to monitor?
- ✓ What is relevant? What is the cost of measurement? Does this KPI really add value?
- ✓ Are there other key measures that are important drivers of our services?
- ✓ What do we already have that we can use?
- ✓ What is the most cost-effective way to collect meaningful data?
- ✓ Are existing management information systems adequate to support the collection, analysis and reporting process?

Figure 2 – Government leaders struggle to determine the right KPIs to properly evaluate and improve performance across their organisation⁴



KPIs in practice – illustrations and examples

Springfield City Utilities

Jeff Parkison, CPA, CGMA, is Supervisor-Forecasting of City Utilities of Springfield, Missouri in the US. He provides a local utilities perspective, indicating that a Working Capital Target KPI is a robust metric that ensures City Utilities targets an appropriate funds balance.

'This KPI is based on ever-changing risk factors and promotes long-term financial stability. Prudent and responsible working capital and reserve levels enable the company to mitigate these risks and continue to provide customers with reliable and responsible utility services at competitive rates. Guidelines used to develop this KPI included involving staff and leaders in the process by obtaining their feedback and ultimately using this information to answer the question: "How do we know we're on the right track to long-term financial viability?" Ultimately the development of the Working Capital Target focused not only on past performance and took account of trends, but also on the present and future. This approach allows proactive strategic improvement.

'City Utilities developed a working capital cash flow model in 2014 to establish a corporate target for the amount of cash or working capital it should have to hand. The working capital level, along with the target range, is reported to our Board on a monthly basis. The model consists of three components: historical cash flow needs, financial stability and risks. The historical cash flow needs were based on a rolling 10-year look at cash flow needs, determining the minimum cash flow needed to ensure that cash balances stay positive during all months of the year.

'The financial stability component dealt with the cash flow recommendations for similar bond-rated organisations and the standards set by bond raters. The third component dealt with the identified risks to

our day-to-day cash needs. This was set based on interviews with department heads, identifying the risks, risk exposure and probability.

'The historical cash flows and the risk model were compiled within a Monte Carlo model. The historical cash flows component of the model included historical operating cash activity for 18 components, after eliminating any irregular events. The components included revenues by business unit, fuels expenditures, capital expenditures, non-capital expenditures, accounts receivable and debt service payments. This part of the model was intended to model the cash flow impact for each of the major categories impacting cash on a monthly and annual basis.

'We use a key Operating Earnings metric to evaluate cash flow from operations by business unit. Each business unit is featured as a component on our income statement, but roll up to one balance sheet and one cash account (there is not a cash account for each business unit). This requires a metric of establishing the operating earnings requirement by business unit based on the sum of capital expenditures, debt service payments and adjustments in inventory. This is compared with cash flow from operations (operating income + depreciation) to determine if each business unit is covering its own costs or being subsidised by other business units.'

(Capital Expenditures [net of Capital Contributions]
– Debt Service +/- Inventory Adjustments)

=

Operating Earnings Requirement

Operating Income + Depreciation

=

Cash Flow from Operations (Operating Earnings)

Net Cash Surplus (Deficit)

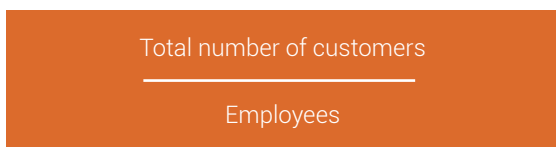
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Operating Earnings –
Operating Earnings Requirement

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Jeff Parkison continues: 'All entities need to measure and report productivity, because productivity is a clear concern for stakeholders. Customers per Employee is a KPI that directly relates to customer service productivity. This metric is calculated by dividing the number of customers by the number of employees. It monitors year-over-year the productivity of our operation based on the number of employees that are currently on staff.'

This measure can be adjusted to consider the population per employee for government entities or particular departments.


$$\frac{\text{Total number of customers}}{\text{Employees}}$$

New York City's performance reporting tools

As well as review, analysis and reporting, monitoring the implementation of new products and expansion projects also requires the sharing of relevant information with stakeholders and citizens for promotional purposes. For example, New York City's Housing Authority's (NYCHA) strategic goal is to leverage its investments more effectively. One tactic is to assess the housing programmes and identify new funding streams and partnerships. In September 2015 NYCHA launched NextGeneration (NextGen) Neighborhoods, a programme to build 50% market rate and 50% affordable housing units on underutilised NYCHA land. In this way, it would create a revenue source for NYCHA to reinvest in capital needs and create more affordable housing. Indicators shown in an excerpt from the Preliminary Mayor's Management Report are part of the NYC strategy of transparently sharing information on the initiative's purpose and progress.¹⁴

Table 2: NextGen Neighborhoods: sharing targets and communicating progress

		Actual		4-Month actual		Target		Cumulative	
		FY14 (1/1/14- 6/30/14)	FY15 (7/1/14- 6/30/15)	FY15	FY16	FY16	Fy17	1/1/14- 10/31/15	2024 Target
Total units started for special needs population	Units started for homeless individuals or families	401	1,537	108	87	1,320	1,320	2,025	13,200
	Units started for senior individuals or families	446	1,722	117	60	250	1,000	2,231	10,000
Housing units completed									
Total completions (new and preservation)		2,937	1,837	618	38	•	•	4,812	•
New construction completions		96	124	42	25	•	•	245	•
Preservation completions		2,841	1,713	576	13	•	•	4,567	•
Total completions (new construction and preservation) by income band	Extremely low income units	5	6	1	1	•	•	12	•
	Very low income units	12	390	3	3	•	•	405	•
	Low income units	2,085	1,157	561	31	•	•	3,273	•
	Moderate income units	10	68	8	2	•	•	80	•
	Middle income units	821	202	38	1	•	•	1,024	•
	Other units (includes units for building superintendents)	4	14	7	0	•	•	18	•
Total completions (new construction and preservation) by bedroom distribution	Studio units	158	285	18	1	•	•	444	•
	1 Bedroom units	682	497	176	4	•	•	1,183	•
	2 Bedroom units	1,005	643	279	5	•	•	1,653	•
	3 Bedroom units	454	245	62	10	•	•	709	•
	4+ Bedroom units	71	47	21	4	•	•	122	•
	Unclassified units ¹	567	120	62	14	•	•	701	•
Total units completed for special needs population	Units completed for homeless individuals or families	0	131	24	0	•	•	131	•
	Units completed for senior individuals or families	3	346	4	3	•	•	352	•

Notes: Data on bedroom distribution is not available for homeownership assistance programs and small homeowner preservation programs

Once the targets have been identified and goals set, then basic metrics can be established based upon these criteria.

$$\frac{\text{Total housing units for homeless population}}{\text{Total housing units target (for year/total goal/etc.)}}$$

$$\frac{\text{Total new housing units completed}}{\text{Total housing units goal}}$$

New York City's Vision Zero Action Plan

Traffic Safety metrics consider the cumulative effects of adherence to speed limits, dangerous parking/moving violations (obstructions), failure-to-yield to pedestrians, driving configurations and street design, as well as penalties imposed. NYC launched its Vision Zero Action Plan in February 2014, 'recognising that traffic crashes are not "accidents", but rather preventable incidents that can be systematically addressed and prevented'. The plan has already generated positive results. These metrics are measured in the number of lives saved.

Table 3: The positive impact of NYC's Vision Zero Action Plan¹⁵

Fatality Type	FY 2014	FY 2015	July-Oct 2014) FY15)	July-Oct 2015 (FY16)	% Change
Total Fatalities	285	249	101	76	-24.4%
Pedestrians	158	143	55	37	-32.7%
Bicyclists	14	16	9	8	-11.1%
Motercyclists	42	28	18	14	-22.2%
Moter Vehicle Operators	51	29	7	6	-14.3%
Passengers	20	33	12	11	-8.3%

New York City's health and wellness facilities

An increased societal focus on health and wellness is a consideration for many individuals, families and businesses evaluating specific areas to move into. What opportunities are available and at what cost? What is the level of local service? Does the community as a whole support educational programmes, recreation centres, public parks and other venues?

Location is a key factor in any type of property selection. A simple metric shows how many people have easy access to local facilities by identifying the number of facilities within a specific region, city or locality alongside how many residents are within walking distance of them. This provides a basis for developing goals to monitor progress and make decisions.

$$\frac{\text{Number of individuals (as defined by census)}}{\text{Number of health and wellness sites/facilities}} = \text{Number of individuals per site}$$

The following green metric can be used as the starting point in enabling a local government organisation to ensure there is an adequate supply of health and wellness facilities or to begin measuring the current service level.

$$\frac{\text{Number of individuals within walking distance of site}}{\text{Total population}}$$

KPIs supporting stakeholder satisfaction

Transparency begins and ends, in the perception of stakeholders, with those employed to execute an organisation's strategic plan. Administrative KPIs of the sort outline below can provide substantiation that those who provide services are, in fact, doing so to the benefit of the citizens.

Timely administration of civil service exams

$$\frac{\text{Number of exams administered as scheduled}}{\text{Total number of exams administered}}$$

Skilled, trained employees/civil servants and customer service:



Next steps in the transparency journey – supporting innovation through standardised city data

The first international standard for cities (ISO 37120) was published in 2014, following eight years of development at the University of Toronto's Global Cities Institute. Implemented initially by 20 global cities, a figure forecast to reach 100 by March 2017, ISO 37120 identifies 100 standardised indicators across 17 themes ranging from the economy, environment and education to transportation, urban planning and wastewater. This approach enables cities of all sizes to assess, measure and compare their social, economic and environmental performance against verified data from others around the world. Cities can then utilise this benchmarked data to guide policy, solve problems, make informed decisions, plan, evaluate and leverage funding.

Examples of indicators that are relevant to city performance include the unemployment rate, the percentage of city population with a potable water supply, the total municipal solid waste collected per capita and the length in kilometres of high-capacity public transport per 100,000 population. While these measures are designed to map city performance as a whole, some city leaders have taken a more granular approach. One example of this is the mapping of total residential electrical use per capita at a neighbourhood level in order to identify where residents' use of electricity is high. This enables a more targeted approach to issues such as energy efficiency and the development of solutions supported by local industry.

Conclusion

Transparency is increasingly recognised as a vital property of excellence in government, chiefly as a means of explaining how citizens' money is spent. At its best, a transparency initiative focuses on meeting public needs through the reporting of reliable, prudent, factual and useful information to empower public accountability, data authenticity and better decision-making.

The government finance function is key in enabling transparency, both in identifying the right metrics to support desired outcomes and in ensuring that measurement is consistent and timely. It also has an important role to play in ensuring that the information generated is used proactively to support better decision-making and the development of better public services.

There are many examples of excellence within today's government administrations and other public service organisations. Utility companies using city data to measure delivery against their own KPIs, enabling them to communicate their successes and shortcomings to stakeholders is just one of many examples.

Additionally, the 2014 publication of the first international standard for cities (ISO 37120) is enabling cities to compare and benchmark performance against their global peer group.

These and other initiatives are demonstrative of a more transparent and trusted future for government. The future is now.

The CGMA local government research programme explores the transformation of public services, and examines the supporting technology required to support this objective. It considers the effectiveness of responses to public demand for greater transparency and investigates the difficulty of recruiting, developing and retaining talent in an increasingly competitive market.

Visit [cgma.org/government](https://www.cgma.org/government) to learn more about the programme

Further resources

[How to develop non-financial KPIs](#)

[Global Management Accounting Principles®](#)

[The Four T's of local government performance](#)

[Integrated reporting in the public sector](#)

[Joining the Dots: Decision-making for a new era](#)

[Essential tools for management accountants](#)

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Endnotes

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