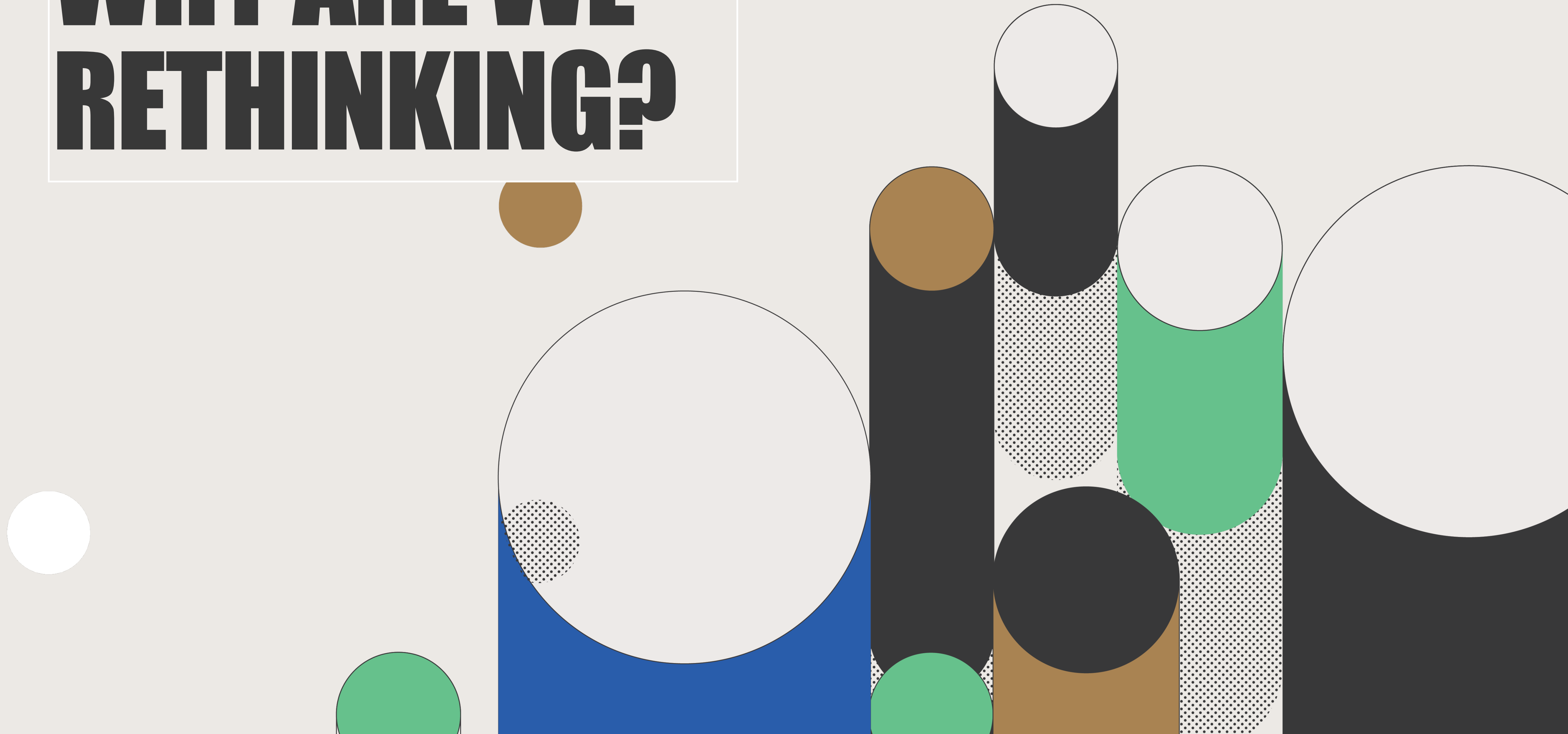


RETHINKING FINANCIAL REPORTING



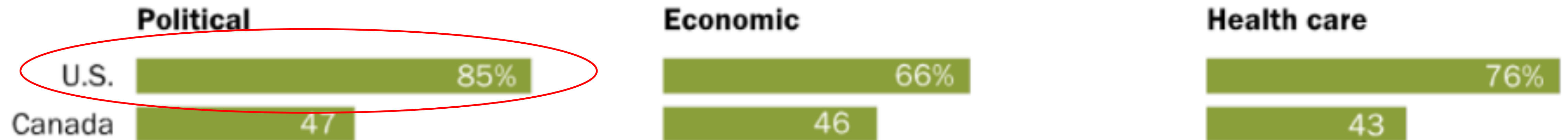
WHY ARE WE RETHINKING?



Pew Research Center, October 2021

Many see need for significant political, economic and health care reform

% who say the ____ system in (survey public) needs to be completely reformed/needs major changes



GFOA has a family of “Rethinking” initiatives...

- Rethinking Budgeting
- Rethinking Revenue
- Rethinking Financial Reporting

WHY ARE WE RETHINKING FINANCIAL REPORTING?



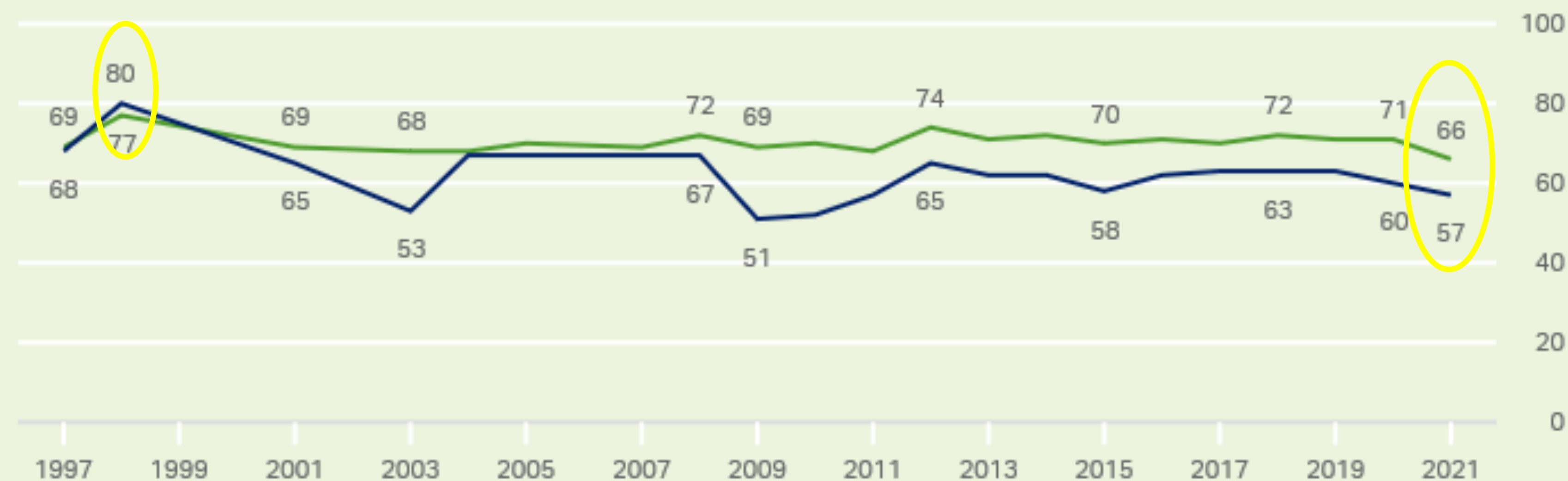
In a time of decreasing trust, are lengthy, technical financial reports published many months in arrears the best way to build trust with citizens?

Trust in Local and State Governments' Handling of Problems

How much trust and confidence do you have in the [local/state] government where you live when it comes to handling [local/state] problems -- a great deal, a fair amount, not very much or none at all?

% A great deal/fair amount

— Local government — State government



State down 23%

Local down 11%

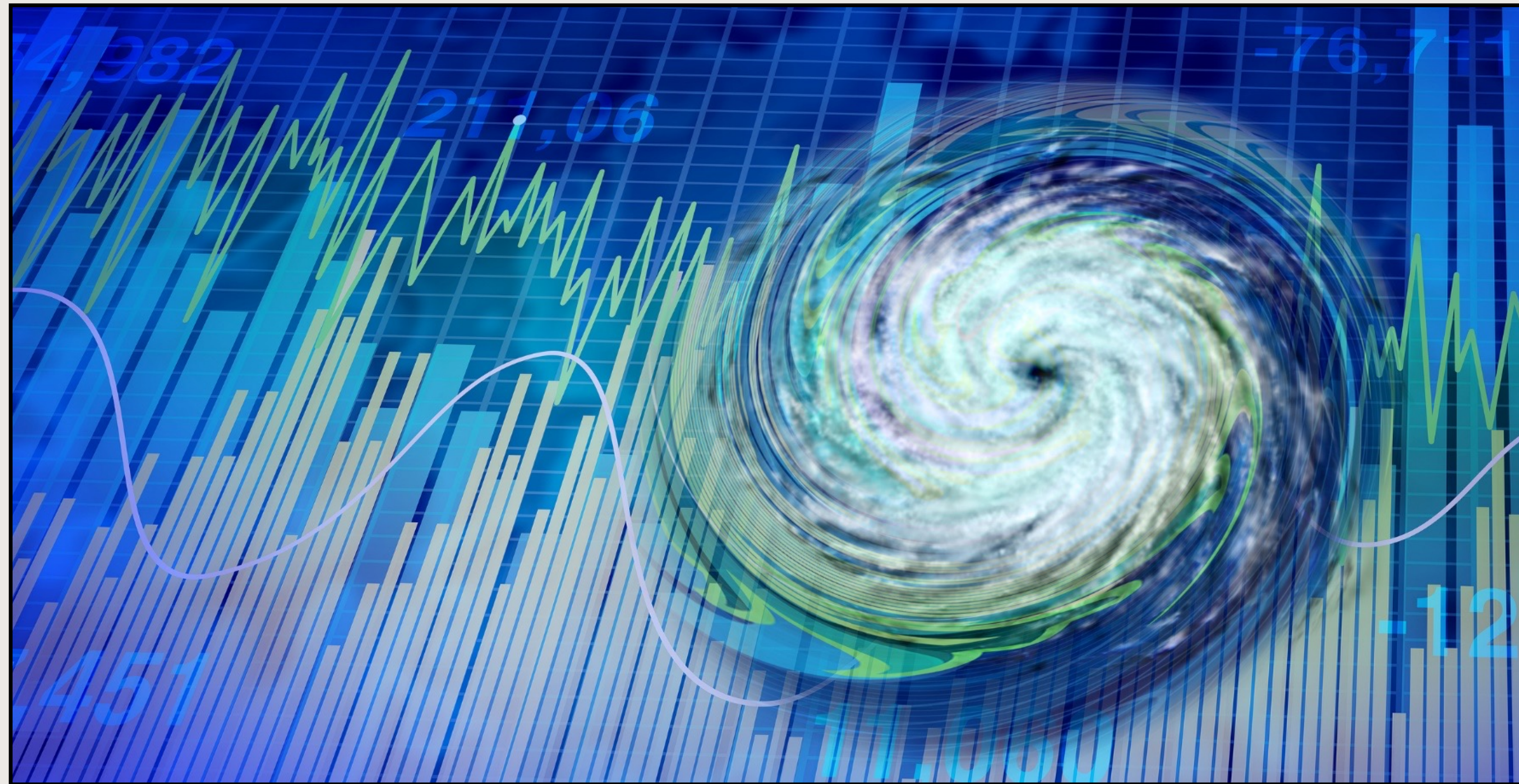
Data from 1972-1976 not shown

GALLUP

What information best serves the need of citizens, given the purpose of government is to provide services to the public?



In a time of volatility & risk are traditional financial reports sufficiently informative, due to the long turnaround time, the difficulty non-experts face in interpreting the reports, and the static nature of the information in reports?



Is the finance officer's time is well spent producing these reports, if, in fact, these reports are of dubious value to citizens and decision-makers?

 **RETHINKING BUDGETING**

 **GET YOUR TIME BACK**

MEETINGS: GOING FROM WASTE OF TIME TO WORTH THE TIME



Government Finance Officers Association | gfoa.org


 **RETHINKING BUDGETING**


 **GET YOUR TIME BACK**

INTERRUPTIONS: HOW TO TAME ONE OF THE WORST OFFICE PRODUCTIVITY KILLERS




Government Finance Officers Association | gfoa.org

 **RETHINKING BUDGETING**

 **GET YOUR TIME BACK**

REWORK: DOING DOUBLE FOR NOTHING AND HOW TO FIX IT



Government Finance Officers Association | gfoa.org

WHERE TO NEXT?



*A Problem well stated
is a problem half solved*

-Charles Kettering, inventor, holder of 186 patents

To what extent do financial reports inform decisions and policy making?

We would like to know if there is evidence that decisions are influenced by the *information contained within* and/or **timeliness** of reports.

Are there opportunities to use information technology to present information in entirely new ways that could aid in understanding and retention?

“On line” reports are often an electronic reproduction of a paper report. We are interested in other opportunities to make use of technology to better convey information.

Does a new GAAP standard change how stakeholders perceive the nature or importance of issues within public finance?

We would like to know if a new standard changes the conversation by nature of its very existence and how

*What is the cost of compliance with GAAP
accounting and reporting standards?*

We are interested in total costs, include staff time, software upgrades,
and consultant support, after the standard is “live”.

What do citizens/taxpayers want to know about local government finance? How do they define accountability for the use of their tax dollars?

We are interested in giving adequate consideration to the identity of the “users” for financial reporting and whether the current approach is meeting their needs

THE END

