



AASHTO's Subcommittee on Organizational Management

Annual Meeting

**GASB's SUGGESTED GUIDELINES FOR
VOLUNTARY REPORTING,**

SEA PERFORMANCE INFORMATION

Lisa R. Parker, CPA, Project Manager
December 9, 2010



The opinions expressed in this presentation are those of Mrs. Parker. Official positions of the GASB are established only after extensive public due process and deliberation.



Is Your State or Local Government:

- ✘ Effective?
- ✘ Efficient?
- ✘ Providing Good Value?

- ✘ **How do you know?**



Why Governmental Accounting and Financial Reporting Is—And Should Be—Different

“Governments are fundamentally different from for-profit business enterprises in several important ways.”



Key Differences

- ✘ Basic Missions/Purposes
- ✘ Stakeholders
- ✘ Processes for Generating Revenues
- ✘ Budgetary Obligations
- ✘ Longevity and Powers

The **needs of users** of financial reports of governments and business enterprises differ. **Public accountability** is an essential factor.



Suggested Guidelines— Request for Response

- Request for Response, *Suggested Guidelines for Voluntary Reporting of SEA Performance Information* was issued on July 31, 2008
- Comment deadline was October 31, 2008 – 35 written comments received
- User Forum was held in NYC on November 7, 2008
- Public Hearing was held on November 14, 2008 in Orlando, Florida in conjunction with the National League of Cities' 2008 Congress of Cities and Exposition



Suggested Guidelines—Proposal

- Proposed Suggested Guidelines for Voluntary Reporting, *SEA Performance Information* was issued on June 30, 2009
- Comment deadline was October 30, 2009
- 23 written comments received and webinar conducted with the Rutgers Public Performance Measurement & Reporting Network
- Issuance of final document, Suggested Guidelines for Voluntary Reporting, *SEA Performance Information* was June 2010

SEA Reporting—Scope

✘ What the project is:

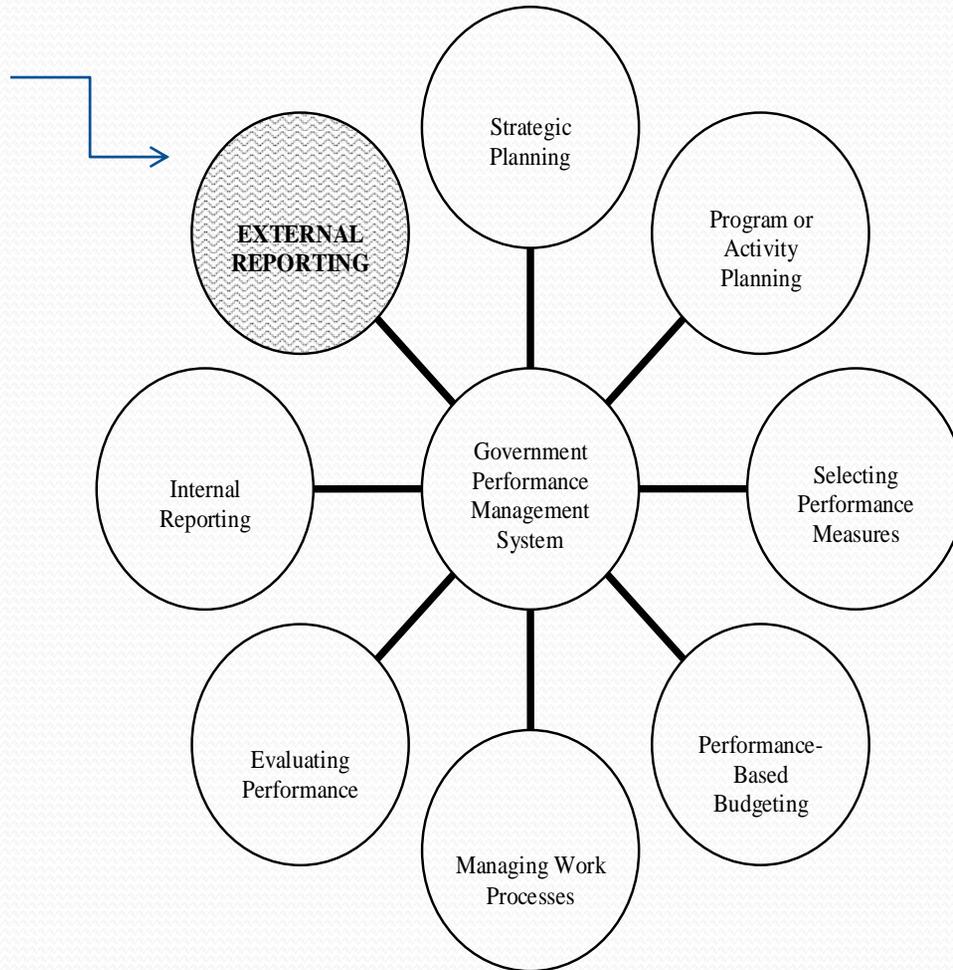
- + Focus on voluntary reporting
- + Focus on suggested guidelines
- + Focus on clarifying GASB's role

✘ What the project is not:

- + Establishing performance measures
- + Establishing performance benchmarks
- + Establishing reporting standards
- + Requiring SEA reporting

GOVERNMENT PERFORMANCE MANAGEMENT SYSTEM

Sole Focus
Of GASB
Efforts





2003 Special Report – GASB 16 Suggested Criteria

1. Purpose and scope
2. Statement of major goals and objectives
3. Involvement in establishing goals and objectives
4. Multiple levels of reporting
5. Analysis of results and challenges
6. Focus on key measures
7. Reliable information
8. Relevant measures of results
9. Resources used and efficiency
10. Citizen and customer perceptions
11. Comparisons for assessing performance
12. Factors affecting results
13. Aggregation and disaggregation of information
14. Consistency
15. Easy to find, access, and understand
16. Regular and timely reporting



Suggested Guidelines for Voluntary Reporting

- Suggested Guidelines for Voluntary Reporting, *SEA Performance Information* composed of three parts:
 - Four **essential components** of an effective SEA report
 - Six **qualitative characteristics** that are appropriate for reporting SEA **performance information**
 - A discussion of how to **effectively communicate** SEA performance information



Suggested Guidelines for Voluntary Reporting

- Suggested guidelines, although voluntary, will assist governments in improving the quality of their reported SEA performance information
- Traditional financial statements provide information about fiscal and operational accountability but not the degree to which the government was successful in helping to maintain or improve the well-being of its citizens by providing services



Essential Components

- Provide guidance to assist preparers of SEA reports in effectively communicating SEA performance information to users
 - ✓ Purpose and Scope
 - ✓ Major Goals and Objectives
 - ✓ Key Measures of SEA Performance
 - ✓ Discussion and Analysis of Results and Challenges

ESSENTIAL COMPONENTS AND USER NEEDS

Essential Components	User Needs
Purpose and Scope	The knowledge of why the information is being reported and what portion of a government the information relates to.
Major Goals and Objectives	A basis for determining whether the reported SEA performance measures are relevant measures of what a government intended to accomplish (that is, the measures are associated with the goals and objectives of the program or service).
Key Measures of SEA Performance	The ability to focus on the key measures of SEA performance that are most important to report users.
Discussion and Analysis of Results and Challenges	The ability to understand what has been achieved and what has affected the level of achievement.

ELEMENTS OF SEA PERFORMANCE MEASURES

Elements of SEA Performance Measures	Definition	Example
Measures of service efforts		
Input measures	Measure the amount of financial and nonfinancial resources applied to a service	Financial—cost of road maintenance Nonfinancial—total lane-miles of roads used in providing a service
Measures of service accomplishments		
Output measures	Measure the quantity of services provided; A quality requirement may be included	Number of lane-miles of road repaired or the number of lane-miles of road repaired to a certain minimum satisfactory condition
Outcome measures	Measure the results associated with the provision of services; may include measures of public perceptions of results	Percentage of roads in good or excellent condition, or the residents' rating of the smoothness of the roads
Measures relating service efforts to service accomplishments		
Cost-output measures	Measure the resources used per unit of output or the cost per unit of output	Cost per lane-mile of road maintained or more specifically, resurfaced or seal-coated
Cost-outcome measures	Measure the resources used per unit of outcome or result, or the cost per unit of outcome or result	Cost per lane-mile of road maintained in good or excellent condition



Qualitative Characteristics

- ❖ Provide further guidance in the application of the essential components—assist users in comprehending and assessing government programs and services
- ❖ Characteristics that the information needs to possess
 - ✓ Timeliness
 - ✓ Understandability
 - ✓ Comparability
 - ✓ Consistency
 - ✓ Relevance
 - ✓ Reliability

QUALITATIVE CHARACTERISTICS AND USER NEEDS

Qualitative Characteristics	User Needs
Relevance	The ability to assess the level of accomplishment of a government's goals and objectives with potentially significant accountability or decision-making implications.
Understandability	SEA performance information that is readily comprehensible.
Comparability	A clear frame of reference for assessing the SEA performance of a government and its agencies, departments, programs, and services.
Timeliness	SEA performance information issued while it is still of value in assessing accountability and making decisions.
Consistency	A basis for comparing similar SEA performance information over time.
Reliability	SEA performance information that is verifiable, free from bias and a faithful representation of what it purports to represent.



EFFECTIVE COMMUNICATION

- ❖ Provide further guidance on the effective communication of SEA performance information
 - ✓ Intended Audiences
 - ✓ Forms of Communication
 - ✓ Multiple Levels of Reporting



APPENDIXES

- ✓ Appendix A: Illustrations
- ✓ Appendix B: Background Information
- ✓ Appendix C: Board Considerations



AGA and Rutgers' Public
Performance
Measurement and Reporting
Network Collaborative
Toolkit Website

www.performancereporting.org

Separate toolkit discussion session—Thursday at 1:30

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Welcome



Welcome to The Public Performance Reporting Toolkit website, a collaborative project between the **Public Performance Measurement and Reporting Network (PPMRN)** and the **Association of Governmental Accountants (AGA)**

Are you thinking about implementing performance management and measurement for your government?

Have you been tasked to design a performance system for your agency?

Your government has data, but now you would like to condense the information into a useful and comprehensive document. Who will the report be designed for – your legislature or governing body? For your management? For your constituents? Where do you begin?

We're delighted that you are visiting our website! This means that you are interested learning more about performance reporting, performance measurement and performance management.

We think our website will answer many of your questions and as the site is a work in progress, it will be updated as new resources, ideas, and recommendations become available.

The purpose of this website is to guide you through the process of creating a Service Efforts and Accomplishments (SEA) performance report for a state, municipality, county, agency or other government entity.

The contents of this site are based on the recently issued Suggested Guidelines for Voluntary Reporting, SEA Performance Information (www.seagov.org) by the Governmental Accounting Standards Board (GASB) (www.gasb.org). The GASB has spent two decades conducting research and outreach to create these Suggested Guidelines and we hope that you find them helpful in reporting government performance information.

Your recommendations can only make this site more useful. Please send your comments to us at webmaster@performancereporting.org

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2. Major Goals and Objectives

Effective SEA reports state the major goals and objectives of the programs and services being reported or what those programs and services are intended to accomplish. In doing so, the following needs to be considered for inclusion within a SEA report:

- **The major goals and objectives of the programs and services being reported or what those programs and services intend to accomplish**

A clear description of the major goals and objectives of the programs and services being reported and what those programs and services intend to accomplish.

- **The sources of the goals and objectives or the sources of what programs or services are expected to achieve**

A brief description of who or what was responsible for the selection or development of the goals and objectives as well as where they originated from, such as the strategic plan, mission, or budget.

- **Distinguish between the government-wide goals and objectives and the goals and objectives of individual programs and services, if applicable**

Governments that establish government-wide goals and objectives as well as goals and objectives for individual programs and services need to articulate how these goals and objectives relate, to the extent such a relationship exists.

- **Explain the link between the measures being reported, the programs and services being delivered, and the major goals and objectives**

Explain or demonstrate the link between the SEA performance measures being reported and the major goals and objectives.

The following are examples of major goals and objectives sections from governmental entity performance reports:

[Goals and Objectives – Albuquerque, NM](#) [Type of Gov: Mayor-Council; Pop.:528,497; Land Area:181.3 Sq. Miles; Budget:\$904,273,000]

[Goals and Objectives – Bellevue, WA](#) [Type of Gov: Mayor; Pop.:126,626; Land Area: 33.9 Sq. Miles; Budget:\$832,936,837]

[Goals and Objectives – Charlotte, NC](#) [Type of Gov: Council-Manager; Pop.:709,441; Land Area: 286.0 Sq. Miles; Budget:\$1,083,700]

[Goals and Objectives – San Diego, CA](#) [Types of Gov:Mayor-Council; Pop.:1,359,132; Land Area: 372.1 Sq. Miles; Budget:\$ 1,100,000,000]

[Goals and Objectives – San Jose, CA](#) [Type of Gov: Council-Manager; Pop.:1,023,000; Land Area:178.2 Sq. Miles; Budget: \$3,340,000,000]

[Goals and Objectives – Vancouver, WA](#) [Type of Gov: Mayor; Pop.: 165,809; Land Area: 46.1 Sq. Miles; Budget: \$445,300,195]

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4. Timeliness

Effective SEA reports provide SEA performance information to users before it loses its value for assessing accountability and information decisions. In doing so, the following attributes of the reported information need to be considered:

- **Is the SEA report issued soon enough after the reported events to affect user's decisions or assessments of accountability?**

Timely SEA performance information needs to be received by users soon enough after the reported events to have the ability to affect their decisions or assessments of accountability. While timeliness alone does not make information useful, the passage of time generally diminishes its usefulness.

- **Does the SEA report include information on the period covered by the report and the period covered for each program, service, or performance measure presented?**

Timely SEA performance information needs to communicate the period covered by the report, each program or service, and the individual's performance measures. The period covered for a particular program (grants), service, or individual performance measure may differ from the period covered by the SEA report as a whole. If these reporting periods differ, the reasons need to be clearly identified, and the reasons need to be discussed.

- **Does the SEA performance information include the reason for choosing a less frequent period than annual, if applicable?**

Timely SEA performance information needs to communicate which programs or services are not reported annually and explain the reasons why they are not being reported annually, if applicable.

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Service Efforts and Accomplishments (SEA) reports have been included here, in their entirety, to provide examples of governments that have prepared SEA reports. Components of these reports have been featured throughout this website to illustrate various points of information. The inclusion of these SEA reports is for demonstrative purposes only and does not represent the endorsement by the Association of Governmental Accountants (AGA) or the Rutgers Public Performance Measurement and Reporting Network (PPMRN) that these reports provide the most exemplary examples of governments that have implemented the Governmental Accounting Standards Board's (GASB's) Suggested Guidelines for Voluntary Reporting, SEA Performance Information.

[Albuquerque, NM complete report](#)

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[Bellevue, WA complete report](#)

[Des Moines, IA complete report](#)

[Guilford, NC complete report](#)

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[Lauderhill, FL complete report](#)

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Questions?

Lisa R. Parker, CPA

Project Manager

Governmental Accounting Standards Board

401 Merritt 7, Norwalk, CT 06856-5116

E-mail—lrparker@gasb.org

Telephone—(203)956-5351

Web Sites—www.gasb.org and www.seagov.org

Toolkit web site—www.performancereporting.org