

August 25, 2008

The Time is Right for Government Transparency

by W. David Patton, PhD, CPPA Director

Transparency in government seems to be an idea that is catching on around the country. During the past legislative session, Utah enacted SB 38 that emphasizes transparency in government finances. Other states have passed similar legislation that allows citizens to see how tax dollars are being spent by government. With the availability of the Internet, government agencies are now able to easily disseminate their financial information to anyone who might be interested. Transparency is an effective tool in holding elected and appointed public officials accountable for the public funds entrusted to them. In several states, including Utah, the opportunity for more transparent government could be extended beyond financial disclosure to include reports on other key performance measures so citizens can see how effective public agencies are – not just how they spend their money.



Transparency legislation or executive orders have taken a variety of forms, but usually they involve how the government spends tax dollars including government contracts and day-to-day expenditures. Missouri Governor Blunt's executive order requires that every transaction involving state money be displayed on its web site. The site received 7.5 million hits the first year. Oklahoma places all investment tax credits and economic development incentives on its transparency web site. Once the information was placed on its own web site, Texas found that it had five separate contracts for toner and saved \$73,000 by consolidating these contracts. In all, Texas has saved \$2.3 million by examining its own financial information from its transparency web site.[\[1\]](#)

Utah's SB 38, sponsored by Senator Niederhauser and Representative Dougall, creates the Utah Public Finance Website for the purpose of providing public financial information and the Utah Transparency Advisory Board to advise on website administration and make recommendations for information to be included on the website. The website will allow citizens access to financial reports, financial audits, budgets, contracts, and other financial documents. Utah's transparency website could include the name of the agency making an expenditure, as well as the date, amount and purpose of the expenditure, the name of the person or company receiving funds, and a copy of the contract.[\[2\]](#)

Financial transparency can be an effective way to allow citizens to see how public funds are being spent, but can only go so far in explaining the effectiveness or efficiency of public programs or the ethical conduct of public officials. Transparency is a fundamental concept in government accountability and democracy and should be extended to how well agencies are performing and how well officials are representing their constituency. Much like how company officials would report to its board of directors, the legislative and executive branches could use transparency websites to report on critical performance measures in their respective agencies and disclose information on ethical standards such as political contributions, conflicts of interest, and gifts received. A meaningful transparency report would include information in understandable language and graphic displays and include key indicators of financial performance but also measures of service improvement, efficient use of tax dollars, and areas that need more attention. With the Internet, and possibly for the first time in history, we have the means to provide the general public with meaningful information about how well the government utilizes public funds and how effective public programs are in providing public services.

[\[1\]](#) Dickson, David M., Financial transparency sweeps across nation; States shed new light on records. The Washington Times, August 11, 2008.

[\[2\]](#) SB 38 Enrolled, 2008 General Session, State of Utah.

Published by [Center for Public Policy & Administration](#)

Copyright © 2008 The University of Utah. All rights reserved.

The Center for Public Policy & Administration offers research, education and services to public and nonprofit organizations that will strengthen administration, leadership and public policy making.

Powered by [IMN](#)