**REPORT OF THE
AUDITOR OF PUBLIC ACCOUNTS**

Commonwealth Data Point Transparency Best Practices - December 1, 2010

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**

HOUSE DOCUMENT NO. 14

**COMMONWEALTH OF VIRGINIA
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SUMMARY

Overall, Commonwealth Data Point contains a majority of the best practices that we identified during our review, and incorporates additional features beyond existing best practices.

Government Technology's Digital States Survey in 2010 ranked Virginia as second best in the United States for state government technology practices. This Survey cited Commonwealth Data Point as a major reason for the ranking. Contributing to this ranking was the website's ability to track government credit card transactions, population levels in prisons and schools, and government work force levels.

Our review identified three basic categories for grouping transparency best practices. These categories are Comprehensiveness, Accessibility, and Search-ability. Each of these categories includes detailed recommendations or already existing transparency initiatives found in a majority of state database websites. We did not include practices that appeared to be specific to a particular state or do not exist across the board in our sources.

Commonwealth Data Point does not include salary information, copies of contracts, performance measures reporting, and tax subsidy data. Best practices would dictate that this information be included; however, these features are currently impractical either because the Commonwealth's legacy accounting system would not support them or legislative changes would be necessary to provide the information.

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BACKGROUND INFORMATION

In 2005, the Virginia General Assembly enacted legislation requiring the Auditor of Public Accounts to develop an online searchable database of the Commonwealth's expenditure, revenue, and demographic information by November 1, 2005. Commonwealth Data Point went live October 31, 2005 and houses the information required by the General Assembly.

To ensure that the database continually incorporates best practices, our Office reviews reports, articles, and other state websites, as well as participates in working groups relevant to transparency. Each year, we prepare a project plan containing possible improvements based our observations during our review of best practices. We then prioritize and schedule these improvements based on available data, funding, and staffing resources.

BEST PRACTICES REVIEW

Overview

The third enactment clause of Chapter 671 of the 2010 Acts of the Assembly requires the Auditor of Public Accounts to review other states' searchable databases and best practices for ease of use and transparency. This report contains best practices relating to transparency and a comparison of Commonwealth Data Point's features to those best practices.

During our review, we compiled a listing of best practices from multiple sources. Our sources included the National Association of State Auditors, Comptrollers, and Treasurers (NASACT) transparency working group; the United States Public Interest Research Group (USPIRG); the American Legislative Exchange Council; the Open Government Data working group; Good Jobs First, a corporate research group; and numerous state transparency websites. These sources, and specific information pertaining to each, are included below with detailed elements in Appendix A. Appendix A also compares the specific requirements from each source and compares these practices to those currently available in Commonwealth Data Point.

During 2009 and 2010, we participated in the NASACT transparency working group. We participated in quarterly conference calls with representatives from a majority of states that are currently developing or considering a transparency database. We were also an active contributor to a sub-group that developed model legislation for states enacting transparency website legislation. Appendix A discusses and includes the model legislation best practices.

Methodology and Evaluation

In September 2010, we participated in a conference call and discussion with the co-author of the USPIRG report, *"Following the Money: How the 50 States Rate in Providing Online Access to Government Spending Data"*, issued in April 2010. This report, which we reviewed in detail, evaluated each states progress toward developing transparency websites. Their evaluation of the 32 states providing government spending transparency websites ranked Virginia as seventh best overall. USPIRG plans to issue a follow-up report with additional evaluation criteria for 2011. Appendix A

lists the best practices used to rank the states, as well as the proposed evaluation criteria for the 2011 report. Appendix B includes a comparison of the seven leading states identified in this report.

The American Legislative Exchange Council issued a report in 2009 entitled "*Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index*". This report includes model legislation states can adopt to create searchable state spending and budget databases. The report states that their model legislation is an effort to push the transparency models a few steps further than current efforts.

In October 2007, a group of 30 open government advocates met and developed eight key open government data principles. This group has used these principles since then to evaluate openness in government records and these principles have led to initiatives such as H.R. 4858: Public Online Information Act of 2010 introduced in the United States House of Representatives on March 16, 2010.

In November 2007, Good Jobs First, a corporate research group, completed a report entitled "*State of the State Disclosure: An Evaluation of Online Public Information About Economic Development Subsidies, Procurement Contracts, and Lobbying Activities*". This organization performed a ranking of the states transparency initiates relating to Economic Development Subsidies, Procurement Contracts, and Lobbying Activities. The report noted that most states were moving forward with improving transparency in all three areas. Appendix A includes the criteria for this report's rankings.

We reviewed many of the existing 32 state transparency websites. For each website, we evaluated whether certain practices were common across all websites, or something specific to a particular state. In Appendix A, we note those practices found on a majority of state transparency websites. We did not include practices that appear specific to a state or didn't exist across the board in our sources. We included in Appendix B a comparison of websites by the leading states in transparency, as determined by the USPIRG report.

At the conclusion of our review we identified three basic categories' of best practices for transparency websites. These categories include *Comprehensiveness,* *Accessibility,* and *Search-ability*. We describe these attributes in the following section of our report. Our report includes detailed best practices within each of these categories as recommended or already present in a majority of state transparency initiatives.   We also describe possible enhancements for Commonwealth Data Point in the next section of this report.

<u>**COMMONWEALTH DATA POINT FEATURES**</u>

Overall, Commonwealth Data Point has contains a majority of the best practices that we identified during our review, and incorporates additional features beyond existing best practices.

<u>**Comprehensiveness**</u>

The *Comprehensiveness* best practice ensures that transparency websites include a range of detailed information relative to government operations, including past, present, and future

information. A website containing only expenditure information is not as useful as one that displays the budget, revenue, and expenditure data. Citizens are often looking for very specific information, which a website cannot provide unless it is comprehensive.

Commonwealth Data Point includes all state revenues, expenditures, and budget information. In 2010, we implemented a checkbook level display feature that provides expenditure data in a user friendly format. This data includes all of Virginia's state-supported colleges and universities even though they maintain decentralized accounting records. Commonwealth Data Point also includes summary local government financial information. In most instances, the website contains eight years of information and we update this data quarterly.

Commonwealth Data Point does not include salary information, copies of contracts, performance measures reporting, and tax subsidy data. Best practices would dictate that this information be included; however, these features are currently impractical either because the Commonwealth's legacy accounting system would not support them or legislative changes would be necessary to provide the information.

- During the 2010 General Assembly session, Senate Bill 431 included language that would mandate the inclusion of public employee salaries. During the legislative process a subcommittee removed this requirement. This data is now publicly available on the Richmond Times-Dispatch website and the General Assembly may wish to revisit including salaries.

- Commonwealth Data Point does not currently possess the capability to display electronic copies of contracts both because of an outdated accounting system and features that are not available in the Commonwealth's electronic procurement system. Implementation of an enterprise financial system and the establishment of a standard process for capturing an electronic version of contracts must occur before including this information is feasible.

- Performance measures relating to the Commonwealth's key objectives are available on the Virginia Performs website, to which there is a link on Commonwealth Data Point. Our office has issued several reports on the usefulness of these measures; therefore we do not feel it is accurate or beneficial to display these on Commonwealth Data Point. There is also not currently a link between the budget structure and amount appropriated to the reported performance measures. Lack of this link is a result of the Commonwealth's current financial systems inherent technological shortcomings.

- Tax subsidy data is not currently available and would require a change in how the Commonwealth collects this information. Currently, the Department of Taxation has this information by taxpayer and certain federal statutes and regulations prohibit the dissemination of this information.

In addition to the best practices identified during our review, Commonwealth Data Point includes demographic information on economic data, education, and the state's workforce. Also, Commonwealth Data Point includes several analyses such as an Allocation of State General Fund Expenditures for each locality. Legislation from the 2009 General Assembly mandated the posting

of all Public-Private Partnership agreements. We plan to make annual bond indebtedness and capital outlay project information available during 2011.

Accessibility

Accessibility refers to practices that increase the awareness and user-friendliness of the transparency website. Websites that meet comprehensiveness best practices are not beneficial unless they also are accessible. With the amount of information available on transparency websites, ease of use and intuitive design are increasingly important. One-stop portals and export functionality allow citizens to search and compare many different types of data and make their own analysis.

Commonwealth Data Point includes all best practices that we identified relating to accessibility. Commonwealth Data Point includes all information on a single website with its own domain that is open to the public with no registration requirement. Commonwealth Data Point has also undergone two re-designs to increase its intuitiveness and user-friendly design, including the addition of an export feature on all pages. The website's feedback feature allows users to provide input and recommendations, and if requested, be contacted directly by the website Director. The website contains a glossary and privacy policy, and is both W3C Compliant HTML and W3C Compliant CSS.

During 2009, the Commonwealth developed a single transparency portal, which is part of Virginia.gov, state government's main portal. This transparency portal displays the four Commonwealth websites for increasing transparency and includes Commonwealth Data Point. Beginning in 2010, all state agencies are required to post a link to Commonwealth Data Point on their home pages. These links provide direct access to the agency's checkbook level display and allows users to then select other agency's information or explore other areas of Commonwealth Data Point.

Search-ablity

The final category, *Search-ability,* ensures users have a variety of search options to navigate the site's information. Most users may not understand government funding flows. Therefore, transparency websites need the ability to browse broad, common-sense categories and make direct keyword searches.

Commonwealth Data Point also includes all best practices that we identified relating to search-ability. Commonwealth Data Point has two different search formats. The first allows the user to search on vendor name, category, or year. This search will display all information on the items the user chooses. Also available is a Google search option. This option searches the entire database for the entered keyword and will display any audit reports related to the keyword search.

Government Technology's Digital States Survey in 2010 ranked Virginia as second best in the United States for state government technology practices. This Survey cited Commonwealth Data Point as a major reason for the ranking. Contributing to this ranking was the website's ability to track government credit card transactions, population levels in prisons and schools, and government work force levels.

CONCLUSION

Commonwealth Data Point has incorporated all but four of the best practices we identified. In order to move forward with incorporating the remaining transparency best practices, the Commonwealth must take certain steps. The General Assembly should consider mandating that public employee salaries be available on Commonwealth Data Point. The Commonwealth must move forward with the implementation of an enterprise financial system and take special consideration when determining what and how this system should capture information. An enterprise financial system could also give the Commonwealth the ability to display both electronic copies of contracts and a link between budget and performance measurement information. We will continue our review of best practices and incorporate these into Commonwealth Data Point as we move forward.

Commonwealth of Virginia

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Walter J. Kucharski, Auditor

December 1, 2010

The Honorable Robert F. McDonnell
Governor of Virginia

The Honorable Charles J. Colgan
Chairman, Joint Legislative Audit
 and Review Commission

We have completed our review of **Commonwealth Data Point Transparency Best Practices** pursuant to the third enactment clause of Chapter 671 of the 2010 Acts of the Assembly. This review compared a set of best practices for ease of use and transparency of state agency expenditures. Included in our report is also an evaluation of best practices that have been incorporated in the Commonwealth's searchable database, Commonwealth Data Point.

Objectives

Our objectives for this review were as follows:

- To determine the current best practices identified by research groups and other state transparency websites;

- To compare features available in Commonwealth Data Point to the Best Practices; and

- To determine the feasibility of best practices identified that have not been incorporated into Commonwealth Data Point.

Scope and Methodology

Our review examined the generally accepted best practices from multiple sources over transparency websites. Our review determined whether Commonwealth Data Point currently includes or had plans to implement the best practices identified. Our work consisted mostly of reviewing reports and other state websites and gathering documentation to support both the best practices and the practices currently used in Commonwealth Data Point.

<u>Conclusion</u>

We identified 25 best practices to be used in the implementation of transparency websites. We determined that all but four of these practices had been implemented into Commonwealth Data Point. We will continue our review of best practices and incorporate these into Commonwealth Data Point as we move forward.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

AUDITOR OF PUBLIC ACCOUNTS

AVG/clj

Transparency Website Best Practice							
	NASACT Transparency Group(1)	USPIRG Report (2)	Good Jobs First Report	ALEC Model Legislation (3)	Open Government Working Group	State Transparency Websites (4)	Commonwealth Data Point
1.0 Comprehensive							
1.1 Expenditure Data	●	●	●	●		●	●
1.2 Checkbook level Detail	●	●	●		●	●	●
1.3 Budget Data	●	●		●		●	●
1.4 Revenue Data				●		●	●
1.5 Salary Data						●	🟥
1.6 Copies of Contracts		●	●				🟥
1.7 Federal Stimulus Reporting/Link		●				●	●
1.8 Quasi-Public Agency Data	●	●				●	●
1.9 Local/County Data		●					●
1.10 Audit Reports	●			●			●
1.11 Performance Measures/Outcome Reporting	●	●		●			🟥
1.12 Previous Fiscal Years	●	●	●	●			●
1.13 Tax Subsidy Data/Link		●	●				🟥
1.14 Economic Development Incentives Data		●	●			●	●
1.15 Updated timely	●	●		●	●	●	●
2.0 Accessible							
2.1 Data on Single Website				●		●	●
2.2 Intuitive design and navigation	●		●			●	●
2.3 Exporting Function for Data		●			●		
2.4 Feedback Forum / Contact Us Link		●			●		
2.5 Prominent Link or Own Domain		●	●	●		●	●
2.6 Open to Public				●	●	●	●
2.7 Link on Agency's Internet Site				●			●
3.0 Searchable							
3.1 Search by Contractor/Vendor		●	●	●	●	●	●
3.2 Search by type of service (keyword or list of categories)		●	●	●	●	●	●
3.3 Web-based Search (Google, Bing, etc)				●	●	●	●

Notes:

1 National Association of State Auditors, Comptrollers, and Treasurers

2 United States Public Interest Research Group

3 American Legislative Exchange Council

4 Features that were present in a majority of the existing 32 state transparency websites

	Kentucky	Ohio	Illinois	Minnesota	Texas	Missouri	Pennsylvania	Virginia
Transparency States Comparison								
1.0 Comprehensive								
1.1 Expenditure Data	●		●	●	●	●		●
1.2 Checkbook level Detail	●		●	●	●	●		●
1.3 Budget Data	●	●			●			●
1.4 Revenue Data	●				●			●
1.5 Salary Data	●	●	●			●		
1.6 Copies of Contracts	●	●	●					
1.7 Federal Stimulus Reporting/Link	●	●			●	●		●
1.8 Quasi-Public Agency Data			●					●
1.9 Local/County Data					●		●	●
1.10 Audit Reports	●							●
1.11 Performance Measures/Outcome Reporting		●						
1.12 Previous Fiscal Years	●		●		●	●	●	●
1.13 Tax Subsidy Data/Link	●	●	●			●		
1.14 Economic Development Incentives Data	●	●	●		●	●	●	●
1.15 Updated timely	●	●	●		●	●	●	●
2.0 Accessibility								
2.1 Data on Single Website	●		●		●	●		●
2.2 Intuitive design and navigation	●		●		●	●		●
2.3 Exporting Function for Data								●
2.4 Feedback Forum / Contact Us Link	●	●	●	●	●	●	●	●
2.5 Prominent Link or Own Domain	●	●	●		●	●		●
2.6 Open to Public	●	●	●		●	●	●	●
2.9 Link on Agency's Internet Site								●
3.0 One-Click Searchable Data								
3.1 Search by Contractor/Vendor	●	●	●	●	●	●	●	●
3.2 Search by type of service (keyword or list of categories)	●	●	●		●	●	●	●
3.3 Web-based Search (Google, Bing, etc)	●	●			●			●

Notes:

The states compared in the chart above are the seven leading states in transparency as identified by the United States Public Interest Research Group report discussed in the Best Practices Review section of this report.

SOURCES OF BEST PRACTICES

Note – Best Practices from these sources were compiled and then re-worded or modified to facilitate our review.

"8 Principles of Open Government." *Open Government Data Working Group.* December 2007. Web. November 2010. http://www.opengovdata.org/home/8principles

"ALEC Model Legislation." 2009. *American Legislative Exchange Council.* November 2010. http://www.alec.org/am/pdf/tax/09RSPS/26969_REPORT_full.pdf

"Example Transparency Legislation." *National Association of State Auditors, Comptrollers, and Treasurers.* http://www.nasact.org/nasc/committees/transparencyISG/index.cfm

"Following the Money: How the States Rate in Providing Online Access to Government Spending." *U.S. Public Interest Research Group.* http://www.uspirg.org/home/reports/report-archives/tax--budget-policy/tax--budget-policy--reports/following-the-money-how-the-50-states-rate-in-providing-online-access-to-government-spending-data

"Good Jobs First, The State of State Disclosure: An Evaluation of Online Public Information About Economic Development Subsidies, Procurement Contracts, and Lobbying Activities" *November 2007.* - http://www.goodjobsfirst.org/pdf/statedisclosure.pdf