Written Testimony
Prepared for
The Ohio House of Representatives
State and Local Government: Shared Services and Government Efficiency
Subcommittee

Chairman Maag, Ranking Member Slesnick and Members of the House State and Local Government Shared Services and Government Efficiency Subcommittee, thank you for this opportunity to share The Ohio Society of CPAs' (OSCPA) support for the package of DataOhio bills: House Bills 321 – 324.   We believe the DataOhio initiative will help both government entities and the taxpayers who support them make informed decisions based on readily available and consistent, data-driven, evidence-based information.

We applaud Representatives Mike Duffey and Christina Hagan for their vision with regard to this package of bills. Transparency and accountability are important goals and will benefit all Ohioans.

Some of you may recall OSCPA's Ohio Budget Advisory Task Force Report issued in 2010. A major emphasis was the reality that any enterprise, public or private, must be accountable to those who provide the means to keep it operating. In the private sector, shareholders must be confident that their investment in a company is being used efficiently and in a manner that will result in both short- and long-term success. An important way they can do so is by having access to independently verified data that is presented in a consistent manner.   Taxpayers want that same level of confidence in the numbers shared by their local government entities.

Government entities have a unique structure which sometimes requires them to report to multiple levels, but every Ohio government unit, local or state, ultimately is accountable to Ohio citizens. We applaud those local government leaders who want to have good information they can share with their constituents and use themselves to budget efficiently and strategically. However, as others already have noted, where data is concerned if you can't measure it, you can't manage it. Until consistent and uniform accounting and charts of accounts are adopted by local government entities and that information is openly shared, they – and their constituents - can't reliably compare similar jurisdictions on an "apples to apples" approach. As a result, they can't truly measure their expenditures to know where their approach sits on the jurisdiction-to-jurisdiction continuum of most efficient/cost effective to least efficient/cost effective. The DataOhio package should be able to fix that problem and create a powerful budgeting tool.

THE OHIO SOCIETY OF CPAs
535 Metro Place South, P.O. Box 1810, Dublin, Ohio 43017-7810
614.764.2727 • 800.686.2727 • www.ohioscpa.com
Member Service Center: Toll-free at 888.959.1212

Having said that, the devil is in the details. From a common sense approach, we support not reinventing the wheel where administration is concerned. The Auditor of State's office already has finance-related relationships with every unit of government that is audited in Ohio, and already has processes in place related to a uniform chart of accounts that can evolve with the passage of this legislation. We support keeping as much of the DataOhio effort as possible within the Auditor of State's operations if they believe doing so would make the process smoother and easier to manage.

Related, government entities clearly have a wide variety of technological capability and bases of accounting. Therefore, we understand that it may be necessary to continue having different approaches for different levels or sizes of government. This reality makes it more important than ever that the various interested parties have adequate time to work together to establish uniform guidelines and charts of accounts that are as beneficial and cost-effective as possible in achieving the goals of transparency and accountability, and those responsible for developing the necessary software have adequate time and resources to get it right.

Finally, where end results are concerned, we recommend consideration be given to ensuring that every dollar spent by a given jurisdiction be reported/allocated (in a consistent manner, of course) and that the spending total ties back to the audited financial statements for that entity. It would be helpful to also include non - accounting data such as employee headcount, number of residents, fire calls, police calls, tax returns filed, miles of roads that must be maintained, etc. to ensure ratios of cost per resident or facility can be reached.

We appreciate the time and attention this subcommittee is giving to the DataOhio proposal, and value the opportunity to support such a common-sense, forward-thinking initiative.