

Using Websites to Improve Access to Budget Documents and Financial Reports

The original recommended practice was developed by the Government Finance Officers Association (GFOA). Some aspects of the practice have been revised by the Financial Management Capacity Building Committee (FMCBC) for use by Nova Scotia municipal governments. The original GFOA recommended practice is *Using Websites to Improve Access to Budget Documents and Financial Reports*, approved by the GFOA in 2003.

Recommendation

The GFOA recommends that every government publish its budget documents and financial reports on the government's website, and the FMCBC supports the recommendation.

Purpose

The purpose of the recommendation is to create public awareness and understanding of the budget process, to educate the public about the financial position of the municipality, and to encourage their participation in the financial decision making of the municipality.

Public accountability is rooted in the belief that the public has the right to know and the right to be provided with reliable financial information. It is this sharing of information that opens the dialogue between citizens and elected representatives.

Background

Technology significantly impacts the way in which information is communicated and, in some cases, has fundamentally changed the way that business is conducted. Using the Internet for disclosure provides the conditions for an effective exchange of information between the public and politicians.

Specific benefits of including the budget and financial reports on a website include the following:

- Awareness of the existence of these sources of financial data is increased;
- Usage of financial information by citizens is increased;
- The application of analytic tools to find, extract, and analyse the data found in these reports is simplified in the electronic format;

- It requires less effort to disseminate the information to the public; and
- It is a cheaper and more efficient way to reach a broad number of constituents.

Currently in Nova Scotia, the possibilities opened by the Internet have not been adequately utilized. This best practice hopes to make the process of web disclosure more understandable and simplify the process for Nova Scotia municipalities.

Considerations in Policy Development

The GFOA recommends that governments comply with the following guidelines when presenting financial documents on their websites. For a complete discussion of each of the recommended guidelines, refer to the appendix at the end of this document.

- 1) The electronic budget documents, including the concise summary of the budget and the annual financial report, should be identical to the printed version of these documents.
- 2) The website should prominently notify users whether the budget document presented represents the preliminary budget or the approved budget.
- 3) If a government elects to present the budget documents and the annual financial reports of prior years, the website should clearly segregate them from current information. A “library” or “archive section” of the website is advisable for this purpose.
- 4) The security of the website should be evaluated to protect it from manipulation by external or unauthorized persons.
- 5) A documented process for reviewing and approving any information posted on the website should be required to ensure the accuracy, consistency, and completeness of the information. Statements indicating the most recent date that the web page has been updated should be posted.
- 6) It should be remembered that the primary audience is the public, so care should be taken to ensure that the organization, selection of information, and technology used to create the website will maximize its usefulness. The design of the website should be as user-friendly as possible. A website should also have a contact person, with a direct phone number provided, to answer questions or provide users with assistance.
- 7) Governments should develop a system of internal controls to ensure the accuracy, completeness, consistency, and freshness of information posted on the website.
- 8) Terms, or conditions, of use should be included on the website so that, prior to accessing the information, users are aware of, or preferably required to acknowledge, limits on how the website may be used and what obligations a

government is undertaking by disclosing information on its website.

- 9) Governments should not use hyperlinks to other websites. Information on external websites may be inaccurate and/or incomplete. If hyperlinks are used there should be an accompanying warning.

Appendices

Appendix I: Considerations in Policy Development

Appendix II: Examples: Disclaimers and Terms / Conditions of Use

Appendix I: Considerations in Policy Development

- 1) *The electronic budget documents, including the concise summary of the budget and the Annual Financial Report, should be identical to the printed version of these documents.*

It is suggested that municipalities post financial documents on a website in PDF format. PDF is presently the best format available; it is universal and easily searchable. A municipality may also wish to place a link to the Adobe Acrobat Reader website so that users can download the software required to view the file.

- 2) *The website should prominently notify users whether the budget document presented represents the preliminary budget or the approved budget.*

A municipality should have its approved budget posted on the website. If the municipality does produce a preliminary budget, it can also be posted on the website and clearly labelled to ensure that there is no confusion as to which document is the approved budget.

It is also recommended that if a municipality places the preliminary budget on its website it should state when the approved budget should be completed or when the budget will be voted on by council. It is important that the public is aware of what is going on and is informed throughout the entire process.

- 3) *If a government elects to present the budget documents and the annual financial reports of prior years, the website should clearly segregate them from current information. A “library” or “archive section” of the website is advisable for this purpose.*

At a minimum the archived data should be made available for at least as many years as are presented in the budget document and the concise summary of the budget.

The municipality should ensure that it has adequate web space available to present the required information. It is also recommended that the government ensure that the information presented on the website is updated regularly.

- 4) *The security of the website should be evaluated to protect it from manipulation by external or unauthorized persons.*

The evaluation procedures and requirements for authorization should be included in the internal controls of the municipality.

- 5) *A documented process for reviewing and approving any information posted on the website should be required to ensure the accuracy, consistency, and completeness of the information. Statements indicating the most recent date that the web page has been updated should be posted.*

Steps to achieve the best practice of ensuring the accuracy, consistency and completeness of information presented on a website include the following:

- a) Presentation format/layout of the current statements should be the same as statements for prior years.
 - b) All budget documents that are produced by the municipality should be disclosed on the website; this disclosure should state if there is any information missing and provide an explanation for its absence.
 - c) The website should include a full set of financial statements and notes and other details required in printed financial statements.
 - d) The municipality should also provide meaningful cautionary disclaimers with all forward-looking statements—like forecasted budgets.
 - e) All final documents placed on the website should be approved by council.
 - f) Municipalities should post disclaimers on their financial web pages notifying visitors that although they attempt to keep information up to date some items may not be current.
- 6) *It should be remembered that the primary audience is the public, so care should be taken to ensure the organization, selection of information, and technology used to create the website will maximize its usefulness. The design of the website should also be made as user-friendly as possible. A website should also have a contact person, with a direct phone number provided, to answer questions or provide users with assistance.*

Governments should provide the most relevant information and provide it using language and formats that the public can be expected to understand.

The budget document and financial statements should be placed in an obvious location that is easy to find on the website. The best option is to place a link to the budget on the home page of the website. When referencing the budget or financial statements in another part of the website, the words BUDGET and FINANCIAL STATEMENTS should be hyperlinked to the documents for easy comparisons.

The contact information should include name, e-mail link, and direct telephone line to that person. Simply placing a telephone number on the website can be both frustrating and inhibiting to citizens who wish to call the municipality and ask a specific question.

- 7) *Governments should develop a system of internal controls to ensure the accuracy, completeness, consistency, and freshness of information posted on the website.*

The municipality should be responsible for devising and adopting its own set of internal controls.

- 8) *Terms, or conditions, of use should be included on the website so that, prior to accessing the information, users are aware of, or preferably required to acknowledge, limits on how the website may be used and what obligations a government is undertaking by disclosing information on its website (examples can be found in Appendix B).*

The majority of municipal websites in Nova Scotia do not include a disclaimer or terms/conditions of use. Since there is no provincial legislation or regulation that requires municipalities to do so, it is at their discretion. It is highly recommended that a municipality develop its own disclaimer or terms/conditions of use as a guideline to the users of the website and as a warning about the completeness and reliability of the information located on the site.

The following are some issues that can be placed in a disclaimer or terms/conditions:

- There is no guarantee of the accuracy and completeness of the information posted.
- There is no guarantee that the information is current.
- The municipality is not responsible for any viruses downloaded from the website.
- The municipality does not guarantee the accuracy or completeness of information on other websites that are linked to the municipal website.
- The municipality is not responsible for results obtained by individuals using the information or for any action taken based on the information on the website.
- The municipality does not endorse, approve, certify, or control external Internet sites and does not guarantee the accuracy, completeness efficiency, timeliness, or correctness of the information located on the sites.
- The municipality is not liable for any direct, indirect, incidental, or punitive damages arising from access to or use of the website.

- 9) *Governments should not use hyperlinks to other websites. Information on external websites may be inaccurate and/or incomplete. If hyperlinks are used there should be an accompanying warning.*

A municipality has no control over the content of external sites; therefore it is prudent to display a warning to users of the municipality's website that there is no guarantee regarding the accuracy, timeliness, and completeness of information on those external sites that are hyperlinked.

If a municipality chooses to use hyperlinks on the official website it is highly recommended that a warning be issued to ensure that users understand that they use the information located on the linked sites at their own risk.

Appendix II: Examples of Disclaimers and Terms / Conditions of Use

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Cape Breton Regional Municipality (<http://www.cbrm.ns.ca>)

The Cape Breton Regional Municipality does not accept any responsibility for the accuracy of this information, nor is it responsible for any expenses or damages incurred directly or indirectly resulting from the use of this information.

Municipality of the District of Lunenburg (<http://www.modl.ca>)

This website is owned and provided by The Municipality of the District of Lunenburg (“Municipality”), solely for your interest and information. The accessing and continual use of the Website constitutes the user’s acceptance of and abidance to the following terms, which are subject to change at any time without prior notice.

The information on this website is believed to be accurate and complete at the time of posting. The Municipality attempts to keep the information current and accurate, but cannot guarantee the accuracy and completeness.

Anyone using and browsing within the Website does so at their own risk. The Municipality is not liable for any direct, indirect, incidental, or punitive damages arising from your access to or use of this website. The Municipality is also not responsible for any damages to your computer equipment or other property resulting from your access to and downloading from the Website. Therefore please take precautions to ensure any information you access or download is free of viruses or other items of hazardous nature.

This website contains "links" to other websites, which may be of interest. However, as we do not control these third party websites, we are not responsible for the content or suitability of any off-site pages. You link to and use such sites at your own risk, as The Municipality is not able to verify, investigate or confirm the information contained or suitability of any goods or services offered or provided within these links.

References

Cape Breton Regional Municipality. *Privacy Statement*.

<http://www.cbrm.ns.ca/portal/includes/privacy.asp>.

Government Finance Officers Association. Using Websites to Improve Access to Budget Documents and Financial Reports, Approved 2003.

<http://www.gfoa.org/downloads/caafr-budgets-to-websites.pdf>.

Halifax Regional Municipality. Disclaimer.

<http://www.halifax.ca/disclaim.html>.

Municipality of the District of Lunenburg. *Disclaimer*.

http://www.modl.ca/our_municipality/disclaimer.html.