

Truth in Accounting Releases 2024 Transparency Score for State Governments

State financial transparency worsens compared to previous year

CHICAGO, IL, USA, April 23, 2024 /EINPresswire.com/ -- Truth in Accounting (TIA), a non-profit organization dedicated to promoting transparent and accurate government financial reporting, has released its annual [Transparency Score for State Governments](#) report based on fiscal year FY (2022) data. The report evaluates the financial reporting practices of all 50 states, aiming to encourage the publication of transparent and accurate government financial information.

The Transparency Score for State Governments assesses the comprehensive financial reports (ACFRs) produced annually by state governments, which certified public accountants audit. The criteria used to develop the transparency score provide a "best practices" framework for government officials and citizens, aiming to enhance government transparency and accountability.

Key findings from the report include:

1. New York and Wyoming came out on top with a notable score of 86 points out of a possible 100. Wyoming experienced the largest increase of six points, largely attributed to releasing its financial report promptly
2. Overall Decline: The transparency scores for the 50 states declined compared to the previous year. Idaho saw the largest decline of twenty-four points, primarily due to increased hidden retirement debt.
3. Net Position Distortions: The report highlights the distortion of state net positions, primarily caused by governments' use of confusing and misleading accounts such as "deferred outflows" and "deferred inflows." These distortions impact governments' overall financial condition, revenue, and expenses.
4. Hidden Retirement Debt: Increased hidden retirement liabilities, including unfunded pension debt, adversely affected state transparency scores. Idaho had the largest percentage (101%) of hidden retirement liabilities, leading to a decline in its ranking.
5. Audit Opinion: States receiving clean opinions on their financial reports saw improvements in their transparency scores. For instance, Nebraska's transparency score improved to 76 after receiving a clean opinion. Other states, such as Arizona, Florida, and Ohio, also significantly improved their transparency scores due to clean audit opinions on their financial reports.
6. The following six states are the least transparent, with scores below 60: Alaska (55), Vermont

(51), North Carolina (50), California (48), Georgia (45), and Illinois being the least transparent, with a score of 42.

According to Sheila Weinberg, CEO and Founder of Truth in Accounting, "The Transparency Score for State Governments provides valuable insights into the financial reporting practices of states, encouraging greater transparency and accountability. We hope this report will catalyze states to enhance their financial reporting practices, ultimately benefiting citizens and policymakers alike."

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