

## **Certificate of Excellence in Accountability Reporting (CEAR) Board Policies and Procedures**

### **I. Policies**

- A. **Purpose of Program** – The CEAR Program fosters excellence in accountability reporting. It helps federal agencies improve their Performance and Accountability Reports and produce effective documents that integrate financial and program performance information, thereby enabling readers to evaluate government programs and their costs. The program has a dual purpose: (1) to review individual Performance and Accountability Reports and provide recommendations for improving their quality; and (2) to evaluate the Performance and Accountability Reports and publicly recognize the excellent reports by presenting a *Certificate of Excellence in Accountability Reporting* to the agencies preparing those reports.
- B. **Definition of “Excellence”** – Performance and Accountability Reports and the related standards for excellence are evolving. The additional content being added to the reports each year, as well as the increasing attention they are receiving, is stimulating a desire to continuously enhance the reports’ usability and usefulness. The CEAR Program’s Guidelines are updated annually to reflect new characteristics and thereby stimulate the continuing issuance of truly excellent reports. Moreover, the CEAR Program’s annual recognition of the excellent reports is based on the understanding that as experience grows and standards evolve, award-winning reports that do not continue to improve might not be award-winners in future years.

Under the CEAR Program, “excellence” means more than complying with all of the technical, statutory, and regulatory requirements for Performance and Accountability Reports. It means producing an informative document that achieves the goal of complete and fair reporting. It also means producing reports that:

- report accurately and candidly on the agency’s performance against its plan and goals
- are written in plain English with a minimum of technical terminology, and flow well
- integrate financial and program information, such that citizenry, Congress, and the media can see the cost of results achieved and how the agency has determined that this cost is the most effective use of available funds
- are readable and inviting to the intended audience
- reflect an effort and desire to continuously improve the agency’s performance and accountability reporting, i.e., there are minimum editorial problems, the agency is responsive to the prior year’s recommendations for improvement
- demonstrate coordination among the Chief Financial Officer, Program Managers, Inspector General, and other agency leaders in preparing an integrated report

- proactively approach the adoption of new accounting and reporting requirements, e.g., early adoption of Statements of Federal Financial Accounting Standards and OMB requirements
- C. **Eligible Agencies** – Agencies eligible to participate in the CEAR Program include federal agencies and their components and bureaus, federal corporations, commissions, and other independent agencies, whether or not they have received an unqualified auditors’ report on the agency’s financial statements (although the absence of an unqualified opinion will preclude the award of the Certificate), and whether or not they are statutorily required to produce a Performance and Accountability Report. While the program is most appropriate to agencies that issue financial statements in accordance with FASAB-issued accounting and reporting standards, those agencies that issue financial statements in accordance with FASB -issued accounting and reporting standards may also participate.
- D. **Filing Fee** – The CEAR Board shall recommend any change in filing fee to the National Executive Committee. The filing fee is due when the application and other documents are submitted.
- E. **Deadline** – All Performance and Accountability Reports, related documents and program fees are due on the date established by Association of Government Accountants (AGA) staff after consultation with the CEAR Board and communicated on the AGA web page and applications.
- F. **Requirements for Program Reviewers** – The program’s reviewer pool will be comprised of volunteer professionals with considerable knowledge and experience in federal government financial management and the reporting of results. While individual reviewers may not have an in-depth knowledge of the agency, they have a general knowledge of federal government operations, the subjects covered by the Performance and Accountability Report and, at least collectively, a familiarity with the federal agency submitting the report, its mission, and its programs.

The following requirements should be used to categorize individuals interested in serving as reviewers:

1. **CFO Representatives** – Chief Financial Officers, Deputy Chief Financial Officers, Controllers/Comptrollers (and Deputies), Directors of Finance/Financial Management (and Deputies) and other senior-level staff who are responsible for the preparation and issuance of their agency’s Performance and Accountability Report are eligible to be a reviewer.
2. **IG Representatives** – Inspectors General, Deputy Inspectors General, Assistant Inspectors General for Audit, Deputy Assistant Inspectors General for Audit, Directors of Financial Statement Audits, Financial Management and Performance Audits (and Deputies) and Audit Managers who are responsible for the review/audit of their agency’s financial statements and/or Performance and Accountability Report are eligible to be a reviewer.

3. **Independent Public Accounting Firm Representatives** – Partners, Principals, Senior Managers and Audit Managers who are responsible for the review/audit of federal agency financial statements and/or Performance and Accountability Reports are eligible to be a reviewer.
4. **Performance Management Experts and Others** – Active and retired senior-level federal agency officials who are or were program managers and/or preparers of performance measurement reports/data as well as academicians, public interest group representatives, and others with a government program management background are eligible to be a reviewer.

G. **Non-assignability of Reviews** – Individuals volunteering to be reviewers are expected to perform the reviews themselves. Although they may involve others in the review as a form of training or for other reasons, the reviewer cannot delegate to others the review and attendance at the meeting to discuss the results of the review.

#### H. **Confidentiality**

1. **Participating Agencies** – The names of the agencies participating in the CEAR Program shall be kept confidential. Agency names will be included in the program evaluation results summary only after the participating agency grants consent.
2. **Evaluation Results** – Specific evaluation results will be kept confidential and only released to the participating agency official indicated on the program application.
3. **Review Teams** – Program reviewers will be publicly thanked in AGA's publications and other public forums. AGA will not release the names of the specific review team members.

## II. **Review Elements**

- A. **Review Guidelines** – The CEAR Guidelines identify each of the numerous items Congress or the Office of Management and Budget require for Performance and Accountability Reports, with the specific authority identified. They also identify other content that could improve a report's usefulness and usability. The content of the Guidelines is updated each year to reflect legislation pertaining to performance and accountability reporting, amendments to or new OMB directives, accounting standards becoming effective, etc. and the resulting reporting requirements. The Guidelines enable reviewers to consider the overall quality and content of the report (rather than dwell on the presence or absence of the individual elements). Reviewers read the Performance and Accountability Report and use the Guidelines primarily as a reminder of the expected content for a Performance and Accountability Report.
- B. **Review Team** – Each Performance and Accountability Report is reviewed by a Review Team that is comprised of up to five professionals who are independent of the federal agency he or she is reviewing. One team member is the CEAR Program Technical Director. The other team members are volunteer professionals, one of whom must be reviewing from a program/performance perspective. The team should consist of representation from all

reviewer categories. The review team members use the Guidelines to review the PAR individually, identify and prepare written recommendations for matters in which they believe the report could be improved, and decide individually whether the report is at the level of excellence that merits a *Certificate of Excellence in Accountability Reporting*.

- C. **Number of Accountability Reports to Review** – A CEAR reviewer generally reviews only *one* Performance and Accountability Report each year. In rare instances, a CEAR reviewer may be asked to review two Performance and Accountability Reports.
- D. **Review Period** – Reviewers will have approximately four weeks to evaluate the reports, complete the guidelines, and submit their recommendations for improving the report. If a reviewer is unable to complete a review on schedule, he/she should contact the Director of the CEAR Program for an extension. Extensions are normally given for 7 to 14 days.

### III. Review Process

- A. **Application Requirements** – A federal agency shall submit the following documents to participate in the CEAR Program:
  - 1. The completed, signed application.
  - 2. A letter on the agency's official stationery, signed by the agency's Chief Operating Officer or equivalent level official, requesting that the Performance and Accountability Report be reviewed under the CEAR Program.
  - 3. Six copies of its Performance and Accountability Report (a signed, print-ready copy is acceptable).
  - 4. If the agency recently participated in the program, six copies of a letter responding to each of the prior recommendations for strengthening the Performance and Accountability Report. Performance and accountability reporting and the CEAR Program are evolving. It is important that agencies attempt to continuously improve their reporting. Identifying the modification in the report for each of the CEAR Program's recommendations demonstrates a commitment to continuous improvement.
  - 5. Six copies of the completed CEAR Guidelines for the current year's submission. Not only do the CEAR Guidelines act as a valuable tool for preparing each Performance and Accountability Report. They provide further details for the review team members. The completed document should contain (1) the agency's name and (2) the Performance and Accountability Report page numbers where the reviewers can find the referenced items. Including page numbers is very important.
  - 6. Optional, but continually needed: names of high-level (GS-14 and above) individuals representing the Chief Financial Officer's, Inspector General's, budget office, program areas, and other offices who are available to serve as program reviewers. The knowledgeable senior-level representatives serving as program reviewers are critical to the success of the program. AGA asks each participating agency to provide at least two representatives (more if possible) who would be willing to serve in this capacity.

7. The filing fee payable to the Association of Government Accountants.
- B. **Preparer Training** – Preparer training is provided each year during the late summer to assist entities in preparing their reports. This training presents a summary of the results of the prior year’s CEAR program, any changes in the requirements for the PARs, and a draft of the Guidelines that will be used for the upcoming reviews. The filing fee will allow an entity to have 5 persons attend the Preparer Training at no charge.
- C. **Reviewer Training** –CEAR Reviewer Training is held close to the program report submission deadline. At this training, each reviewer will receive the Performance and Accountability Report he/she has been assigned to review and the associated documents. If a reviewer is unable to attend the CEAR Reviewer Training or if the training is held prior to the report submission deadline, the reviewer will receive the Performance and Accountability Report and associated documents via mail.
- D. **Materials to Review** – Each reviewer receives the following materials:
1. A federal agency’s Performance and Accountability Report and highlights, if applicable.
  2. A completed *Certificate of Excellence in Accountability Reporting Guidelines*, which was completed by the participating federal agency.
  3. The previous recommendations, if applicable.
  4. The agency’s responses to the previous recommendations, if applicable.
  5. A list of the entire review team with contact information.
  6. Instructions on how to access the Guidelines on the AGA website
- E. **Providing Recommendations for Improvement** – As reviewers read the Performance and Accountability Report using the Guidelines, they should note matters for which the presentation can be improved because the information is unclear, inconsistent, incomplete, too verbose, etc. For each such instance, the reviewer should prepare a clear and concise recommendation. In order for a recommendation to be useful for the agency, the recommendation must identify (1) the deficient condition, (2) the page number of the condition, (3) the specific change recommended, and (4) the reason why the change would be an improvement.
- F. **Agency Responsiveness** – As stated, the most recent recommendations and the agency’s response will be given to reviewers for agencies that have previously submitted their Performance and Accountability Report for review. The reviewers are to refer to the letter and ascertain whether and how the agency has changed the current year’s report (or that the matter to which the recommendation pertains is not part of the current year’s report). A recommendation that is made for the current year’s report because the previous recommendation was not addressed should indicate that it is a repeat of the prior year’s recommendation.

- G. **Determining Excellence** – CEAR reviewers are responsible for deciding whether a Performance and Accountability Report meets the level of excellence that merits a *Certificate of Excellence in Accountability Reporting*. In making the decision, the reviewer should consider the extent to and manner in which the report does or does not fulfill the Guidelines criteria. Significant weight should be given to criteria printed in bold face since they represent the most essential qualities of an excellent Performance and Accountability Report. Also, at the end of each section, the reviewer can summarize an overall impression with the section. This too should be considered.
- H. **Preliminary Vote Regarding *Certificate of Excellence in Accountability Reporting*** – Reviewers should make a preliminary decision as to whether the Certificate of Excellence should be awarded. (See Section I.B “Definition of Excellence.”)
- I. **Synthesis of Recommendations, Outstanding Features and Votes** – The reviewer recommendations for improvement, comments about outstanding features and preliminary votes are forwarded to the CEAR Program Technical Director, via the AGA National Office, who ensures the documents are complete, and then synthesizes and consolidates all the recommendations for improvement and forwards them to the review team via AGA staff.
- J. **Review Team Meeting** – The review team meets as a group to (1) discuss each of the recommendations for improvement, (2) reach agreement on which recommendations for improvement should be forwarded to the agency, and (3) take a final vote on whether the *Certificate of Excellence in Accountability Reporting* should be awarded.
- K. **Minimum Vote Required** – At the review team meeting, reviewers are encouraged to interact with each other to reach a unanimous vote. The vote for presenting the *Certificate of Excellence in Accountability Reporting* must not have more than one individual voting not to present the award.
- L. **Preparation of Agency Materials** - The CEAR Program Technical Director incorporates changes resulting from the review team meeting, and prepares a transmittal letter. These materials are sent to the review team via AGA staff.
- M. **Fatal Flaw Review** – The review team verifies that all expected changes from the review team meeting have been incorporated in the recommendations and transmittal letter, and determines that the materials adequately represent the team consensus.
- N. **Notification of Program Participants of Performance and Accountability Report Review Results** – After completion of the review, the agency will receive a letter notifying whether it has been awarded a Certificate. The letter is signed by the AGA Executive Director.
1. If the agency is to receive a Certificate, the agency will receive:
    - A letter notifying it of the award.

- Recommendations for improvement, if applicable.
  - The matted and framed *Certificate of Excellence in Accountability Reporting* (presented to the head of the agency) and the crystal Award for Excellence in Accountability Reporting (presented to the head of the office most substantially responsible for producing the award-winning report.)
  - Recognition in AGA's publications, *The Journal of Government Financial Management* and *Government Financial Management TOPICS*, on AGA's Website, as well as in various newspapers and professional publications.
  - An invitation to the formal awards Ceremony
2. If the agency is not to receive a Certificate, the agency will receive:
- A letter notifying it of the results.
  - Recommendations for improvement, if applicable.

#### **IV. Appeals Process**

- A. An agency may appeal a decision not to award a Certificate in a written letter to the AGA Executive Director within 20 calendar days from the date of the letter to the agency notifying that a Certificate has not been awarded. The agency's written letter appealing the review results should provide a detailed explanation of its objections to the results. The letter should contain new information not previously seen by the reviewers. Each review comment must be addressed.
- B. The AGA Executive Director will forward the agency's written appeal to the CEAR Program Technical Director for review, who will determine whether the federal agency's written appeal has merit.
1. If the CEAR Program Technical Director determines that the federal agency's written appeal has merit, the CEAR Program Technical Director will forward the appeal, via AGA staff, to the CEAR Review Team that reviewed the agency's Performance and Accountability Report, for its review and action. The CEAR Program Technical Director will provide notification of this action to the Chair of the CEAR Board.
- a. The CEAR Review Team shall meet as group to (1) discuss the merits of the agency's written appeal and (2) revote on whether the *Certificate of Excellence in Accountability Reporting* should be awarded. The CEAR Reviewers will be encouraged to interact with each other to reach a unanimous vote. A revote for presenting the Certificate must not have more than one individual voting not to present their award.
- i. If the CEAR Review Team determines that a *Certificate of Excellence in Accountability Reporting* should be awarded, the CEAR Program Technical Director will inform the AGA Executive Director who will notify the federal agency

