

# The Limitations of Government Program Financial Transparency

by  
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What does it mean to say that something is "transparent"?

That's easy; you can see through it, like a window let you see through a wall and into -- or out of -- a room.

What does it mean for a government program to be "transparent"?

That's a bit more tricky.

I would say that a "transparent" government program is one where you can see how it operates and how the different people and groups that operate it or use its services interact with it.

An important component of government program transparency is the cost of the program. This can be measured by answering the following types of questions:

1. How much money is appropriated to run the program?
2. If the program involves provision of funds, products, or services to targeted populations, what are the costs associated with providing these funds, products or services?
3. If intermediary groups outside the government are also involved in provision of the programs funds, products, for services, what costs are associated with these intermediary services -- and who is responsible for paying these costs?
4. Regarding the targeted recipients of the program, what costs in time, money, or other resources are involved in accessing the program?

None of these cost questions says anything about the government program's effectiveness, i.e., whether or not the program actually accomplishes its goals or objectives. Nor do these cost questions say anything about the relationship between the cost of the program and the value of the benefits derived by those who are targeted by the program.

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It is important not to equate government program transparency overall with the more limited transparency of the funds appropriated for and used as the basis for funding specific program operations, products, and services. Dollar measurements are only stand-ins for the measurement of impacts or benefits. Spending money on something does not necessarily equate with success.

This is not to suggest that [legislation proposed to make government program spending more accessible](#) is a bad idea; far from it. Knowing your costs is an absolute prerequisite for project and program management no matter what your intended outcomes are.

But we shouldn't assume that making program expenditures data more standardized and accessible will automatically make government programs more accountable and effective. To do that, we also need to establish measurable goals and objectively assess whether those goals are met.

Till that happens, spending transparency should be seen as a necessary tool for management and oversight. At the same time, spending transparency is an imperfect proxy for assessing government program effectiveness.