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Local government leaders globally are overhauling operations to achieve more efficiency and better service, but nearly 1 in 3 struggles to demonstrate a financial benefit and a majority of business executives see no value from their efforts.

The findings come from global surveys of more than 1,000 government and business leaders by the [Chartered Institute of Management Accountants](#) (CIMA) and [American Institute of CPAs](#) (AICPA) to inform new [CGMA](#) research into the evolution of local government, its relationship with business and the role of finance in managing performance.

While 90 percent of city, provincial and other local governments around the world have transformed the way they work or expect to do so within 18 months, 30 percent of government leaders can't quantify financial gains. And 7 out of 10 business executives say the efforts – which may include new online tools or more transparency —haven't helped their operations.

The results are significant as local governments increase their influence through population growth or by taking on responsibility for services once provided at the national level. Public-private partnerships are also increasing to create new models of service delivery and fuel innovation.

Closer alignment between business and government is crucial, but disconnects remain: 40 percent of business executives said local governments don't understand their needs, and a third of local leaders said building successful public-private partnerships is a significant challenge. U.S. numbers are more positive, with only 32

percent of business executives and 14 percent of government leaders expressing

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need a strong, integrated finance function focused across four critical areas, according to the new CGMA report, **Transformation and Transparency: Managing local government performance**. It defines those areas as the 'Four Ts':

- **Transformation.** Local government leaders must get people to adapt, secure budget, determine cost-benefit, find the right skills and decide where to focus.
- **Technology.** Digital solutions are core to transformation efforts, but 40 percent of local government leaders said that they struggle to manage data and share insights.
- **Transparency.** They need to think beyond sharing meeting minutes to identify data that could spur private sector innovation and indicators that can give insight on government effectiveness.
- **Talent.** Nearly half of local government leaders, 46 percent, said they struggle to compete with the private sector for talent.

The report is based on two related surveys. The first, conducted by Oxford Economics on behalf of CIMA and the AICPA, reached more than 500 local government leaders and finance professionals in 97 cities and metro areas worldwide. It provided insight on performance management with local governments. The second reached 510 Chartered Global Management Accountant designation holders across the globe to provide insight on what business leaders expect from their local governments. For more information or to read the full report, visit www.cgma.org.

Accounting

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