Restoring Public Trust in Government

By Andrew C. Lewis, Marlon D. Perry, Meghan E. Cadigan and Jeffrey C. Steinhoff

rust deficits impair government at all levels in delivering on promises and tackling challenges. Pew's most recent poll found only 20% of Americans trust the federal government "to do the right thing all or most of the time," down from 77% in 1964.1 Only 32% view the federal government favorably, whereas they view state and local governments more favorably at 54% and 66%, respectively.²

The underlying issues are highly complex, deeply rooted, and affected by widely differing social values, as well as the

prevalence of misinformation and disinformation in a digital world. The nation needs collaborative, innovative, bipartisan solutions to overcome gridlock and polarization that breed distrust. The accountability community has a vital role to play in regaining Americans' trust. Anchored by strong ethical standards and a reputation for trustworthiness, the community's support to agency program management and its integrated financial and performance reporting hold the potential to shift public perceptions.

DISAGREE AGREE (%) (%)75 Too bureaucratic 17 Wasteful 75 Corrupt 69 19 59 31 Incompetent 52 Effective 41 Accountable 37 54 Listens to the public 27/ 65 Transparent 23 67 Source: Partnership for Public Service and Freedman Consulting

Figure 1. 2022 Survey Respondents' Views of the Federal Government

How Do Trust Deficits Impact America?

The Partnership for Public Service and Freedman Consulting found 53% of Americans believe the federal government negatively impacts the country, and 55% believe it negatively impacts them personally.³ Three principal sources of distrust are:

- **1.** Serving some communities better than others.
- 2. Too much bureaucracy and waste.
- **3.** Negative personal experiences.

Overall responses to survey questions about government distrust are shown in **Figure 1**.

Trust in various sectors of business and society has also declined appreciably, along with trust in one another. Gallup found only 55% of Americans have trust and confidence in others, down from at least 80% throughout the 1970s. 4 Pew found 79% of Americans worry about the diminishing trust in each other, while 70% say the distrust makes it harder to solve the country's problems, such as social and policy issues, polarization, government gridlock, and overall poor government performance. About 85% believe the tone and nature of

American political debate has become more negative and less respectful, with 60% saying the discourse today focuses less on issues.⁵ Americans also believe political compromise could restore trust in the federal government and in each other.⁶

Lack of Trust in Governments Is Global

In the first cross-national survey of trust in democratic governments and public institutions, conducted by the Organisation for Economic Co-operation and Development (OECD), only 40% of the more than 50,000 people surveyed across 22 member countries⁷ expressed trust in the public sector.8 OECD's trust framework, shown in **Figure 2** includes five trust drivers, also applicable to U.S. governments, to capture the degree to which government institutions are responsive and reliable in delivering policies and services and act in accordance with values of openness, integrity and fairness. The framework includes two additional dimensions critical to recovering trust during and after crises: 1) cultural, socioeconomic and political drivers; and 2) the capacity to address global and intergenerational issues.

Among OECD's findings:

- Trust and distrust are evenly split at 40%.
- People think national governments are unresponsive to public feedback.
- Almost half of survey participants predict a high-level political official would grant a favor in exchange for a well-paid private sector job.
- Misinformation and disinformation fuel mistrust and disengagement; 40% surveyed do not trust news media, and people more often turn to social media for news.
- Disadvantaged groups and younger people maintain lower levels of trust.

How Can U.S. Governments Reduce Their Trust Deficit?

There is no magic wand, but there is hope. Pew found 84% of Americans believe it is possible to increase confidence in the federal government; 86% believe it is possible to increase trust in each other. Even 78% of those with lower trust levels hold this opinion. Four themes then emerge for the rebuilding process:

1. Provide the best customer service.

"The Great Compromiser" of 19th century U.S. history, Henry Clay said, "Government is a trust, and the officers of the government are trustees. And both the trust and the trustees are created for the benefit of the people." Regaining trust requires high quality customer service for all Americans, delivered equally across every demographic group and community. Yet in one survey, cited by the President, the federal government scored dead last in customer service among 100 sectors surveyed.¹⁰

Governments must know what the public expects and perceives as performance in every demographic to develop solutions. As shown in **Figure 1**, Americans believe 65% to 27% that the federal government does not listen to public concerns.¹¹ Governments must aim to be #1 in customer service; just moving up from the bottom will not appreciably elevate trust. But it takes more than reduced wait times and dropped

calls or new online services; it means improved service quality and understanding why a customer had to reach out to resolve a problem in the first place. Negative personal experiences have lasting impacts, while positive experiences build trust and respect.

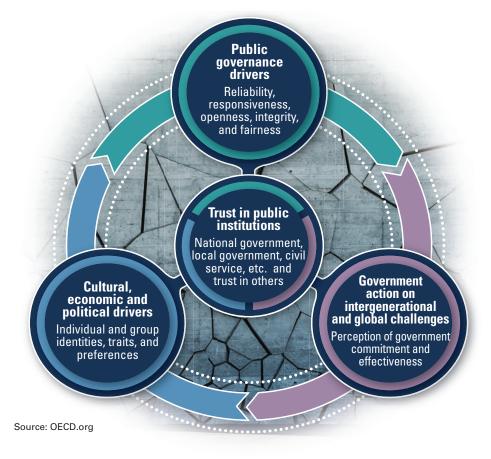
Does your agency:

- Systematically ask for Americans' opinions on the quality of customer service, what needs to be improved, and what is working? Continual public feedback, especially to improve service, shows governments care about citizen needs and opinions.
- Set quantitative and qualitative customer service goals and have valid measurement systems for areas such as overall satisfaction, timeliness, accuracy, ease of obtaining service, adequacy of follow up, and employees' knowledge, responsiveness, professionalism, helpfulness, and caring attitudes? This information would

- also address competency, which Americans view as problematic in the federal government by a margin of 59% to 39%. 12
- Use performance results in decisionmaking and accountability? The buck must stop somewhere when performance is lacking. Agencies must also address bureaucracy that inhibits innovation and wastes resources.
- Publish candid, easily understood, widely disseminated, readily obtained performance reports? Online reporting provides ongoing transparency and accountability.
- Subject customer service data to independent third-party validation to ensure veracity and build public trust?
- 2. Foster agreement on facts. The proliferation of internet news and data sources spreads unsupported opinions and theories. Calculated misinformation and disinformation can now immediately enter vast distribution networks. As a result, governments must strive to become trusted sources of facts and truth, a status that only derives from proven transparency and accountability. Pew found about 68% of Americans believe that "made up" news and information greatly affects confidence in government institutions¹³ and noted widespread lack of confidence in a "common set of [American] truths and ideals." Of those surveyed, 73% believe partisan voters disagree on plans and policies as well as basic facts, and $\overline{7}6\%$ say public discourse is less fact-based.14

The accountability community must make its voice heard and respected for truth-telling with unassailable facts and analysis that are non-partisan and non-ideological. Perhaps governments could report on program costs and impacts in ways that increase credibility and public understanding,15 or build a structure of third-party assurance and external assessments over performance information by credible independent organizations, similar to audited financial reports. Using independently verified facts, governments could more fully assess the

Figure 2. OECD Trust Framework



impact of government programs and operations and determine how much Americans invest to get these results and whether better, more costeffective alternatives exist.

Since 75% of the populace views the federal government as wasteful and only 17% disagree, 16 these numbers must be reversed. Robust, integrated government program performance and financial information, the endgame of the CFO Act of 1990, will demonstrate return on investment, program effectiveness, efficiency, and asset protection. Where performance meets expectations, governments must consider the next steps, which could involve additional program investment, restructuring, replacement or elimination. Where there is program fragmentation, overlap or duplication, governments can gain a holistic view of results and costs from the integrated performance information of responsible agencies and programs. This information can reveal options for changes and consolidation and, according to the Government Accountability Office (GAO), save billions of taxpayer dollars.¹⁷

Long championed by AGA, citizencentric accountability reports that are readily accessible, easily understood and candid are essential to rebuilding trust. Established in 1997, AGA's Certificate of Excellence in Accountability Reporting (CEAR)® program has helped federal agencies improve accountability and transparency through streamlined, effective reporting that clearly demonstrates federal agency accomplishments and the challenges that remain. Experimentation and innovative reporting mechanisms can increase report value to citizens. While the ultimate responsibility rests with top management, the accountability community, with its high standards and reputation for integrity and credibility, has a vital role in speaking truth to power and the American public.

3. Defend against fraud, waste and abuse. Governments attract fraudsters with their spending volume, value and range of programs, and their antiquated systems. One of the most devastating findings of the Partnership for Public Service



and Freedman Consulting survey is that 69% of Americans believe the federal government is "corrupt," and only 19% disagree. To accountability professionals, corrupt is a four-letter word! However, in light of continual reports of fraud, waste and abuse in government programs and ethical issues, the public's view is understandable. Rampant fraud in COVID-19 programs led the President in March 2023 to request \$1.6 billion to address the problem, including \$600 million to crack down on criminal syndicates and \$600 million to invest in identity theft prevention and benefit program fraud. 18 In 2022, over 1.1 million (22%) of the fraud cases reported to the Federal Trade Commission (FTC) involved identity theft.¹⁹ Statistics show an identity is stolen in the U.S. every 22 seconds, and over 33% of Americans have experienced identity theft.²⁰

Fraud prevention necessitates addressing lessons learned and, unfortunately, re-learned. As in earlier crises, billions of COVID-19 dollars were paid to incarcerated individuals and non-existent businesses. Also, states relied on antiquated systems and processes, some dating to the 1970s and known to be vulnerable to fraud, to pay record-setting unemployment insurance (UI) claims. Fraudsters easily exploited weaknesses in state UI systems to steal tens of billions of dollars; one fraudster reportedly bilked 29 states!²¹ Perhaps a standard, modern UI system used or adapted in every state could prevent billions in fraud, improve customer service, and strengthen trust.²²

The legislative design of certain benefit programs increases fraud vulnerability. For example, the Earned Income Tax Credit (EITC) must be paid without fully prevalidating entitlement, making the program highly vulnerable to fraud. Billions of dollars of payments annually for fraudulent EITC claims do not engender public trust. For any such program it is important that the public understand the legislative rationale for the program design and what is done to mitigate the severity of fraud, recover fraudulent payments, and hold wrong-doers accountable. This information would provide the proper context for judging government performance.

Enterprise risk management (ERM) and fraud risk management (FRM) will help break the cycle of fraud, waste and abuse and strengthen program delivery and public trust. Governments must manage current risks, as well as identify and prepare for changing and emerging risks. A crucial component of the U.S. Department of Defense's mission is continual preparedness for current and future adversaries and new threats and risks, so that the military is always ready to defend America. Fraudsters, including international criminals, are U.S. adversaries. While their methods and personas change, their intent to attack government programs for personal gain or to disrupt service delivery remains nearly constant. Governments must be proactive and always one step ahead of adversaries through the preparedness that comes from ERM and FRM.

At any point in time, thousands of open recommendations from Inspectors General and GAO await attention; some languish on the back burner for years. Through strong partnerships built on trust and respect with the audit community, and within the framework of auditor independence, agency management could help resolve audit findings and better utilize auditors' expertise in ERM and FRM. For example, the Pandemic Response Accountability Committee (PRAC) galvanized partnerships within all levels of government auditing to allow identification of fraud in COVID-19 programs, recover fraudulent payments, and prosecute criminals. The PRAC also demonstrated governments' resolve

to combat fraud and hold fraudsters accountable for their crimes. Making the PRAC a permanent entity and expanding its mission and capabilities would help improve public trust in government and its ability to address fraud, waste and abuse.23

4. Strengthen intergovernmental collab**oration**. Pew found "half of Americans express concern both about states not working with the federal government and about the federal government doing too much that should be done at the state level." About a third are "highly concerned."24 Many federal domestic programs are implemented in partnership with state and local governments, which received about \$1.2 trillion in federal grants in fiscal year 2022!²⁵

On work to support a bipartisan House Task Force on Intergovernmental Affairs, the National Academy of Public Administration (NAPA) wrote: "The relationships among our levels of government have become more horizontal and intersectoral and, at the same time, increasingly

fractious and contentious. ... A wide range of issues must be addressed if our intergovernmental system is to function more efficiently and effectively." NAPA identified four primary policy proposals and outcomes for intergovernmental affairs in which the accountability community can play a vital role:26

- Comprehensive national solutions.
- Cross-government and cross-sector collaboration.
- Administrative simplification and accountability.
- Data-driven decision-making.

Lines of communication and structures for collaboration are crucial. For example, for 50 years, the National Intergovernmental Audit Forum, chaired by the U.S. Comptroller General, has brought together federal, state and local auditors to "improve coordination, communication, and cooperation among its members, private sector firms, and other accountability organizations to

address common challenges, increase public trust, and enhance government performance, accountability, and transparency."²⁷ The collaboration of federal, state and local audit communities in COVID-19 spending oversight is another successful partnership.

Also, in collaboration with the government audit community and private sector auditors, GAO issues Government Auditing Standards. Used at all levels of U.S. government, the standards are "a framework ... to provide accountability and improve government operations and services," and "a foundation for government auditors to lead by example in the areas of independence, transparency, accountability, and quality through the audit process."

Final Thoughts

As Pew, Gallup, the Partnership for Public Service, and others have documented, Americans' distrust of governments and of each other impairs the ability of governments to



deliver on promises and tackle challenges, making the stakes perilously high. In the words of President Barack Obama, "If people cannot trust their government to do the job for which it exists — to promote them and to promote their common welfare — all else is lost."

The public discourse must reincorporate bipartisanship, compromise and respectful debate among elected officials and among all Americans. With its foundation of credibility, transparency, ethical values and trustworthiness, the government accountability profession bears special responsibility to step up and make a difference in restoring public trust in government.

Endnotes

- 1. Pew Research Center. "Public Trust in
- Government: 1958 to 2022," June 2022. 2. Pew Research Center. "Americans" Views of Government: Decades of Distrust, Enduring Support For Its Role," June 6, 2022.
- 3. Hitlin, Paul and Nadzeya Shutava. "Trust in Government: A Close Look at Public Perceptions of the Federal Government and Its Employees," Partnership for Public Service, March 23, 2022.
- 4. Newport, Frank. "Americans' Trust in Themselves," Gallup, Oct. 8, 2021.
- 5. Rainie, Lee, Scott Keeter and Andrew Perrin. "Trust and Distrust in America," Pew Research Center, July 22, 2019.
 - 6. See Endnote 2.
- 7. The U.S. is not a member country. The 22 member countries participating were Australia, Austria, Belgium, Canada, Colombia, Denmark, Estonia, Finland, France, Iceland, Ireland, Japan, Korea, Latvia, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Portugal, Sweden, and the United Kingdom.
- 8. OECD. "Building Trust to Reinforce Democracy: Key Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions," 2022; http://t4.oecd.org/governance/trust-in-government/
 - 9. See Endnote 5.
 - 10. Performance.gov/pma
 - 11. See Endnote 3.
 - 12. Ibid and Figure 1.
 - 13. See Endnote 2.
 - 14. Ibid.
- 15. Lewis, Andrew and Jeffrey Steinhoff. "The Next Frontier in Government Accountability: Impact Reporting," Journal of Government Financial Management, Spring 2019.
 - 16. See Endnote 3 and Figure 1.
- 17. GAO. "2022 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions of Dollars in Financial Benefits," GAO-22-105301, May 11, 2022.

- 18. White House. "FACT SHEET: President Biden's Sweeping Pandemic Anti-Fraud Proposal: Going After Systemic Fraud, Taking on Identity Theft, Helping Victims," March 2, 2023.
- 19. FTC. "Consumer Sentinel Network -Data Book 2022," February 2023.
- 20. National Council on Identity Theft Protection. "2023 Identity Theft Facts and
- 21. Fahrenhold, David. "Prosecutors Struggle to Catch Up to a Tidal Wave of Pandemic Fraud," New York Times, Aug. 18, 2022.
- 22. On March 10, 2021, the Chairman of the Senate Finance Committee introduced the Unemployment Insurance Technology Modernization Act of 2021, calling for a complete overhaul to help states offer accessible, equitable, timely and accurate UI payments and to quickly flag fraudulent claims.
- 23. Lewis, Andrew, Kayla Futch and Jeffrey Steinhoff. "Be Better Prepared for the Next Crisis Through Robust Enterprise and Fraud Risk Management," Journal of Government Financial Management, Winter 2023.
 - 24. See Endnote 2.
- 25. Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2024
- (whitehouse.gov). 26. NAPA. "Building an Intergovernmental System for the Future," Feb. 26, 2018.
 - 27. https://auditforum.org



Andrew C. Lewis, CGFM, CPA, PMP, CIPP/G, is AGA's Past National Treasurer, past co-chair of AGA's Leadership Development Committee, and

a member of AGA's Montgomery/Prince George's County Chapter. He is the partnerin-charge of KPMG LLP's federal audit practice, and an executive fellow of the KPMG Government Institute.



Marlon D. Perry, CPA, is a partner in KPMG's federal audit practice. With over 22 years of federal accounting and audit experience, he is an executive fellow

of the Government Institute at KPMG. He currently serves as vice-chair of AGA's Corporate Partner Advisory Group's Accounting and Auditing Committee, a member of AGA's Washington D.C. Chapter, and a member and past-president of AGA's Montgomery/Prince George's County Chapter.



Meghan E. Cadigan, CPA, is a senior manager in the federal audit practice, with more than 11 years of federal accounting and audit experience, focused on

performing financial statement audits and agreed-upon procedures for federal agencies. She is a member of AGA's Washington D.C. Chapter, and a fellow of the KPMG Government Institute.



Jeffrey C. Steinhoff, CGFM, CPA, CFE, CGMA, is a senior advisor to KPMG and retired managing director of its Government Institute. He enjoyed a 40-year federal

career in which he served as Assistant Comptroller General of the U.S. for Accounting and Information Management, led GAO's largest audit unit, had responsibility for developing government auditing and internal control standards, and was a principal architect of the CFO Act. Jeff is an AGA Past National President, founded the CGFM program, and received the organization's highest honor, the Robert W. King Memorial Award; the Comptroller General's Award, GAO's highest honor; and AICPA's Outstanding CPA in the Federal Government. Jeff is a member of AGA's Northern Virginia and Washington D.C. chapters and an elected Fellow of the National Academy of Public Administration.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. This article represents the views of the authors only, and not necessarily the views or professional advice of KPMG LLP.