

# Leading a Government Accounting and Finance Function in 2025

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# What We're Covering Today

- ▶ Governmental finance and accounting departments are facing current and long-term challenges that are putting a significant strain on the system
- ▶ In this session we will commiserate over the top challenges and then look forward to opportunities and innovative solutions to help the finance and accounting teams going forward



# Group Exercise

What movie/show best describes your finance and accounting department?



# Group Exercise

What movie/show best describes your finance and accounting department?

Titanic

Groundhog Day

The Walking Dead

A Series of  
Unfortunate  
Events



# Let's Deal with the Challenges First!

The environment we are in



# Today's Challenges

- ▶ Inability to Fill Open Positions
- ▶ Aging Workforce
- ▶ Inflexibility Compared to Private Sector
- ▶ Complex Governmental Accounting Standards
- ▶ Uncertainty in Washington
- ▶ Inability to Find Qualified Auditors



# Staffing Challenges

One of the biggest topics in governmental accounting conferences and accounting at large

Governments specifically are facing these three challenges related to staffing:

- ▶ Inability to fill open positions
- ▶ Aging workforce
- ▶ Inflexibility compared to private sector



# Inability to fill open positions



The screenshot shows the GFOA website's navigation bar with links for MEMBER COMMUNITIES, LEARNING DASHBOARD, EVENTS, and MATERIALS LIBRARY. Below the navigation bar, a blue banner features the GFOA logo and the text: MEMBERSHIP & EDUCATION, BEST PRACTICES & RESOURCES, ADVOCACY & AWARDS PROGRAMS, and I WANT TO. The main content area has a blue background with the text: Home / Materials Library / State and Local Public Finance Offices Face Talent Shortfall According to New Report from GFOA and Lightcast. Below this, it says GFOA DOCUMENTS and then the title: State and Local Public Finance Offices Face Talent Shortfall According to New Report from GFOA and Lightcast. At the bottom of the banner, there is a link: DOWNLOAD NEWS RELEASE.



## FINANCE

### Hey, Budding Accountants: Governments Need You

A shortage of accountants and auditors has left dozens of municipalities without credit ratings, and new financial reporting requirements are likely to make things worse. There are ways to tackle this skill set supply chain problem.

OPINION | June 6, 2023 • Girard Miller



# Inability to fill open positions

// [Census.gov](#) / [Library](#) / [America Counts: Stories](#) / Effects of the COVID-19 Pandemic on Private and Public Employment

## Employment Bounced Back Faster for Private Industry Than for State and Local Governments

November 20, 2024

Written by: Dylan Maloney

Since the economic downturn caused by the COVID-19 pandemic, total full- and part-time employment in state and local governments has never fully bounced back.

Share



In March 2022, while private industry had surpassed its level of employment from March 2019, state and local governments still had not fully regained their March 2019 employment levels.

Related  
America  
Counts



# Inability to fill open positions

- ▶ Demand for state and local public finance workers far outstripping supply
- ▶ 30,000 fewer state and local public finance workers in September 2024 than in 2019
- ▶ Job boards are filling up often with zero applicants that meet minimum requirements
- ▶ National Association of State Personnel Executives (NASPE) or the Center for State and Local Government Excellence (SLGE) often reveal that finance and accounting roles are among the hardest to fill.



# Polling Question

Has your government experienced turnover and/or do you have open positions?

We have experienced turnover but have filled those needs

We have experienced turnover and currently have open positions

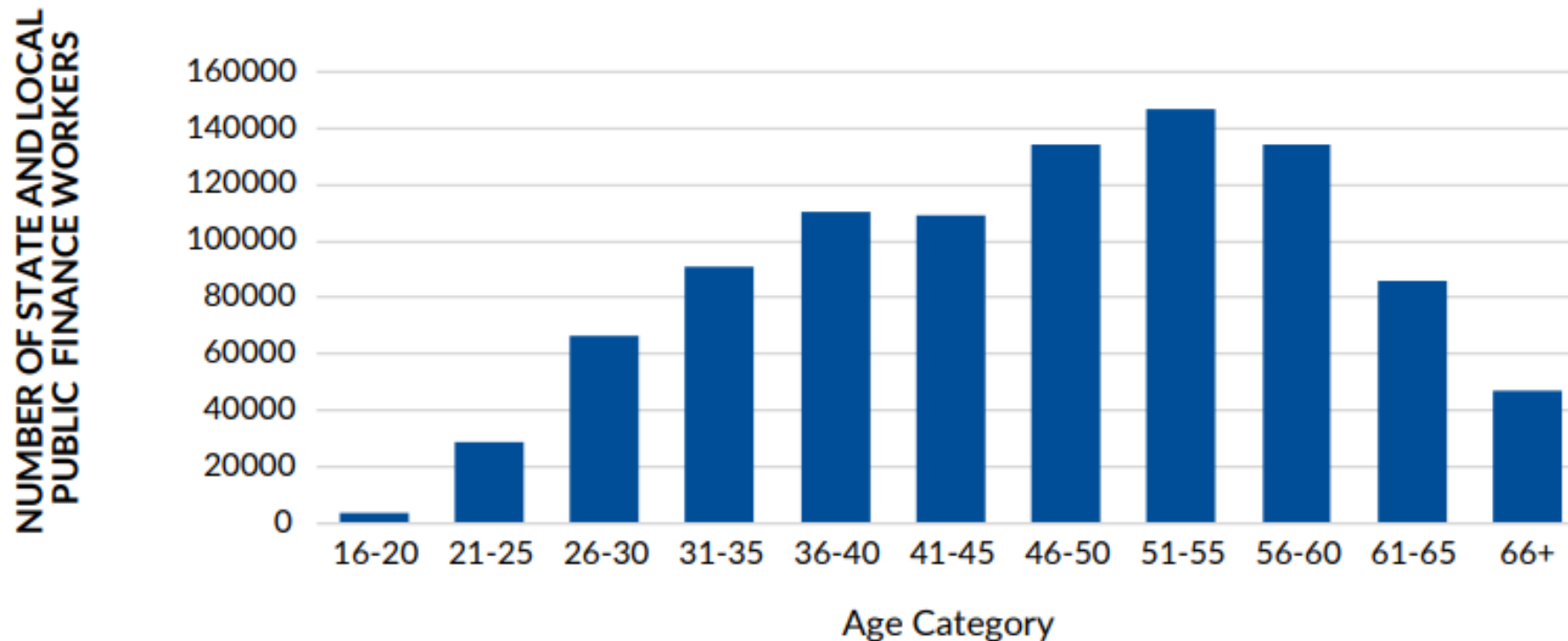
We expect turnover in the future

We are currently well staffed, don't LinkedIn message our people



# Aging Workforce

Figure 8. State and Local Public Finance Employment, by Age, 2019



Source: <https://www.gfoa.org/materials/public-finance-offices-face-talent-shortfall>

# Aging Workforce

Table 8. Impending Retirements and Retirement Risk for State and Local Public Finance Workers, by Occupation, 2019

Occupation Name	Impending Retirements (55+ year old workforce)	Retirement Risk (% of workers 55+ years-old)
First-Line Supervisors of Office and Administrative Support Workers	62,570	31%
Accountants and Auditors	38,370	28%
Compliance Officers	28,412	30%
Court, Municipal, and License Clerks	21,101	31%
Bookkeeping, Accounting, and Auditing Clerks	19,991	39%
Tax Examiners and Collectors, and Revenue Agents	19,317	39%
Financial Managers	18,455	38%
Project Management Specialists	15,684	30%
Business Operations Specialists, All Other	11,943	30%
File Clerks	10,560	31%
Property appraisers and assessors	10,395	41%
Purchasing Agents, Except Wholesale, Retail, and Farm Products	8,597	28%
Budget Analysts	7,012	32%
Claims Adjusters, Appraisers, Examiners, and Investigators	5,941	26%
Payroll and Timekeeping Clerks	4,596	32%

Source: <https://www.gfoa.org/materials/public-finance-offices-face-talent-shortfall>



# Aging Workforce

- ▶ Five percent of state and local public finance workers are already at retirement age
- ▶ Nearly a third are 55+ years old
  - This includes 39% of bookkeeping, accounting, and auditing clerks
- ▶ The finance and accounting pipeline to replace the aging workforce does not currently exist



# Inflexibility Compared to Private Sector

**STATESCOOP**

Topics ▾

Special Reports

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## Philadelphia, other cities cut back remote work, but keep COVID-era digital infrastructure

Philadelphia officials said despite an upcoming change to remote work policies, COVID-era digital infrastructure will remain useful.

BY KEELY QUINLAN • MAY 21, 2024

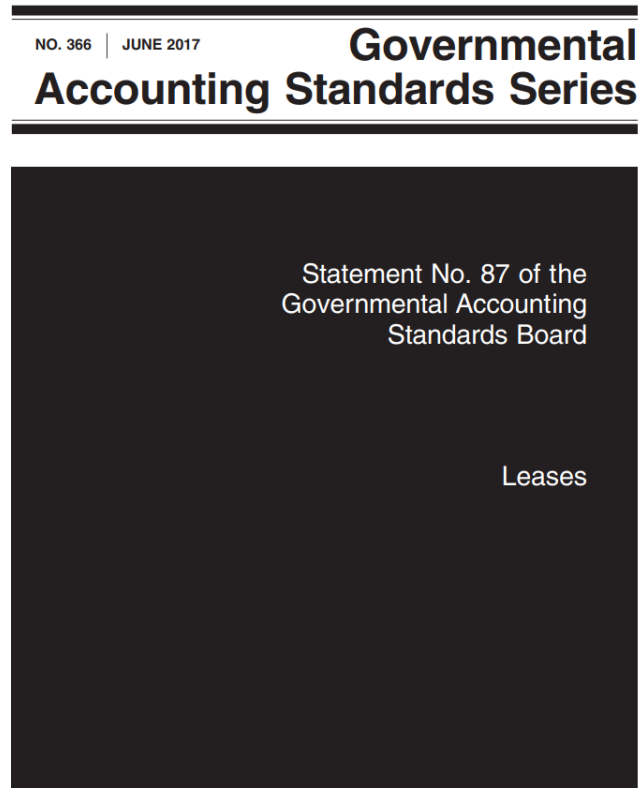


# Inflexibility Compared to Private Sector

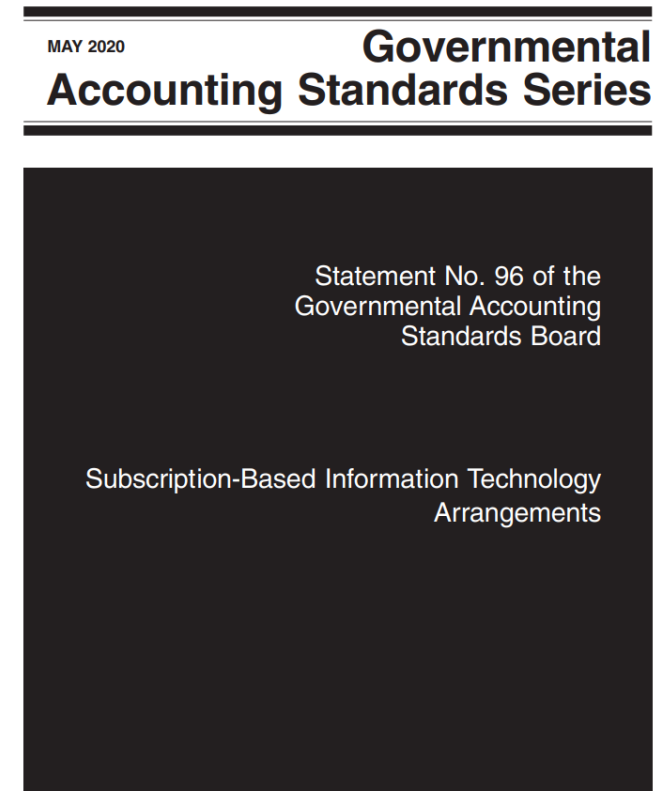
- ▶ The supply and demand constraints for accountants is highlighting the inflexibility in government hiring
- ▶ Applicants report not hearing back after an application for over 30 days. The process from start to finish takes months
- ▶ Remote work flexibility does not match private sector. Often “fairness” or “mandates” are cited for a blanket approach
- ▶ Minimum requirements for positions are experience and not skills based



# Complex Governmental Accounting Standards and Reporting Requirements



GOVERNMENTAL ACCOUNTING STANDARDS BOARD  
OF THE FINANCIAL ACCOUNTING FOUNDATION



GOVERNMENTAL ACCOUNTING STANDARDS BOARD  
OF THE FINANCIAL ACCOUNTING FOUNDATION



# Uncertainty in Washington

POLICY

## How New Administration's Priorities Will Impact State, Local Government

A look at key changes, their implications and emergent best practices as the start of President Donald Trump's second term brings shifts likely to have influence across state and local organizations.

January 22, 2025 • Joe Morris, Dustin Haisler



# Uncertainty in Washington

- **More Responsibility for States and Localities:** The Trump administration plans to shift more responsibility for key issues — such as education and health — back to the states.
- **Changes in Federal Funding:** To improve efficiency and allocate resources more effectively, the federal government may restructure, pause or reduce certain funding streams for state and local agencies.
- **Increased Federal Reporting Requirements:** State and local agencies that rely on federal grants may face new impact reporting requirements and tighter competition for funding. Grant priorities could also shift toward regional impacts rather than single-agency initiatives.
- **Tariff Impacts on Budgets and Supply Chains:** Changes to tax codes and tariffs may affect state and local budgets as well as supply chains — particularly for specialized IT equipment.
- **Technology as a Priority:** The incoming administration is emphasizing technology — such as AI and cybersecurity — as a key driver of innovation.
- **Increased State Legislative Activity:** With more decision-making and funding responsibilities shifting to states, this legislative session is likely to be particularly active.



# Inability to Find Qualified Auditors

- ▶ Many larger audit firms are getting out of governmental auditing due to staffing constraints and fee considerations

*“We’re financially sound, it’s just the paperwork”*

- City Finance Director

## How an Auditor Shortage Could Hurt Local Governments



PEEPO VIA GETTY IMAGES

| By Liz Farmer

APRIL 18, 2023

Fewer auditors have led to a lag in financial reporting and is threatening to translate into more costs for governments.



Source: Route-Fifty.com



## Group Exercise

Which of these challenges do you believe is the most impactful and why?

This can be specific to your government or across the industry



# Whew! Ok, now let's turn the page and focus on solutions!

The environment we can aspire to



# Tomorrow's Solutions

- ▶ Rethink hiring, retention, and refresh
- ▶ Cater branding/marketing to future pipeline
- ▶ Co-sourcing or outsourcing accounting or grants functions
- ▶ Utilize technological advances



# Rethink Hiring, Retention and Refresh

- ▶ Acknowledge reality
- ▶ Refresh job postings to be skills based and less prescriptive
- ▶ Leverage strong non-Bachelor's opportunities in public finance to attract workers to the sector
- ▶ Incentivize hiring
- ▶ Remove the red tape
- ▶ Actively track key performance indicators (KPIs) related to hiring
  - Turnaround time from application to hiring decision to first day
  - # of job postings refreshed

# Rethink Hiring, Retention and Refresh

- ▶ Develop career path for non-managers
  - ▶ Implement skill-based training for every employee
  - ▶ Experiment with compensation models that reward longevity
  - ▶ Actively recruit from adjacent talent pools
- 
- ▶ Actively track key performance indicators (KPIs) related to retention
    - % of employees who earned a new certification
    - Turnover % by department



# Rethink Hiring, Retention and Refresh

- ▶ Use this as an opportunity to analyze your significant transaction cycles and key controls
- ▶ Given turnover, COVID-related technology improvements, and other factors do your written policies and procedures align with what you're doing?
- ▶ If you've streamlined controls or processes due to staffing challenges is your current process sufficient?
  - Don't automatically revert to how you did things before
  - Oftentimes out of necessity come innovations and efficiencies in processes



# Cater Branding/Marketing to Future Pipeline

- ▶ Learn appropriate generational titles
  - Older millennials are in early 40's
- ▶ If your government is going to develop a task force to recruit and retain Gen Z include members from that generation on the task force
- ▶ Texting, emailing and instant messaging are their typical communication methods.



# Cater Branding/Marketing to Future Pipeline

- ▶ The shift in workers' values has made the traditional “employee value proposition” of the public sector less appealing for many
- ▶ Lean into the purpose and mission of government
- ▶ Emphasize the important role government's play in their communities rebounding from COVID-19
- ▶ Highlight the work-life balance your government provides
- ▶ Get creative about the value-based benefits available to your employees



# Co-sourcing or Outsourcing Accounting or Grants Function



MEMBER COMMUNITIES LEARNING DASHBOARD EVENTS

MEMBERSHIP & EDUCATION

BEST PRACTICES & RESOURCES

ADVOCACY & AWARDS PRO

Home / ... / Navigating the Talent Shortage: The Role of Just-in-Time-Talent and Virtual CFOs

COMPENSATION AND BENEFITS

## Navigating the Talent Shortage: The Role of Just-in-Time-Talent and Virtual CFOs

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accountingTODAY

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ACCOUNTING

## Voices Outsourcing accounting functions can benefit government entities

By [Randall Shepard](#) July 27, 2022, 11:30 a.m. EDT 3 Min Read



Running a successful government is no simple task and often requires juggling many moving parts. Whether at a local, state or federal level, one way to alleviate some of the many stressors government officials face is through outsourcing accounting functions. While some might worry about sensitive or confidential information falling into the wrong hands, it's important to remember these breaches can happen internally too. Outsourcing accounting efforts offers many benefits to government officials by helping them save time and allowing them to focus on essential tasks rather than investing hours and effort into tedious ones like bookkeeping.



# Co-sourcing or Outsourcing Accounting or Grants Function

- ▶ Access to specialized financial, accounting, and grants expertise on as-needed basis
- ▶ Ability to leverage best practices of other governments
- ▶ Enhanced visibility by utilizing analytics and real time metrics
- ▶ Community forum where you can get questions answered

# Co-sourcing or Outsourcing Accounting or Grants Function

- ▶ Cost-effective when compared to full-time FTE's
- ▶ Eliminate training/retraining time and cost
- ▶ Opportunity to spend time on more important, bigger picture strategic tasks



# Polling Question

Do you currently outsource or cosource any of your accounting or grant functions?

Yes

No

No, but we may  
look into that in the  
future

Unsure



# Utilize Technological Advances

ERP with automation

Artificial Intelligence



# ERP with Automation

- ▶ Always-on anomaly detection and auditing
- ▶ Machine-learning guidance
- ▶ Custom validations
- ▶ Data integration and monitoring
- ▶ Configurable task workflows
- ▶ Automated billing, payment and JE processes
- ▶ Question answering



# Artificial Intelligence and ChatGPT

- ▶ The uses for AI in accounting and finance are endless. Some of the key areas where AI is transforming the accounting industry include:
  - Data entry
  - Real-time data processing
  - Intelligent financial analysis
  - Enhanced security and compliance
  - Scalability and cost-efficiency
  - Template and form writing
- ▶ We will show two examples that can be utilized by your accounting and finance function



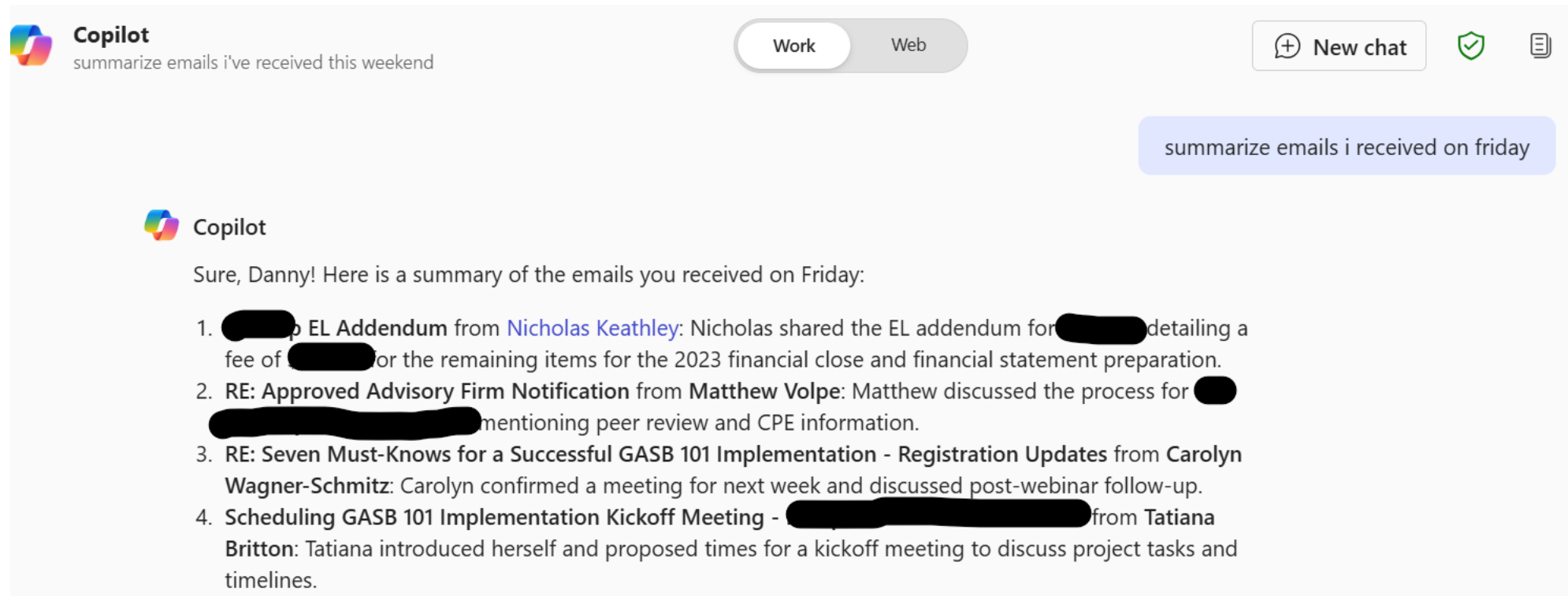
# Example 1: Microsoft Co-Pilot

- ▶ Enhanced Productivity
- ▶ Improved Creativity and Content Creation
- ▶ Data Insights and Analysis
- ▶ Streamlined Collaboration
- ▶ Learning and Adaptation



# Example 1: Microsoft Co-Pilot

Prompt: Summarize the emails I received Friday:



The screenshot shows the Microsoft Copilot chat interface. At the top, the Copilot logo is on the left, and the text "summarize emails i've received this weekend" is entered. To the right of the input are tabs for "Work" and "Web", a "New chat" button, and a shield icon. Below the input, a blue button contains the text "summarize emails i received on friday". The Copilot response, indicated by the Copilot logo, reads: "Sure, Danny! Here is a summary of the emails you received on Friday:". This is followed by a numbered list of four email summaries, with some names and details redacted with black boxes.

**Copilot**  
summarize emails i've received this weekend

Work Web

New chat

summarize emails i received on friday

**Copilot**

Sure, Danny! Here is a summary of the emails you received on Friday:

1. [REDACTED] EL Addendum from [Nicholas Keathley](#): Nicholas shared the EL addendum for [REDACTED] detailing a fee of [REDACTED] for the remaining items for the 2023 financial close and financial statement preparation.
2. RE: Approved Advisory Firm Notification from [Matthew Volpe](#): Matthew discussed the process for [REDACTED] [REDACTED] mentioning peer review and CPE information.
3. RE: Seven Must-Knows for a Successful GASB 101 Implementation - Registration Updates from [Carolyn Wagner-Schmitz](#): Carolyn confirmed a meeting for next week and discussed post-webinar follow-up.
4. Scheduling GASB 101 Implementation Kickoff Meeting - [REDACTED] from [Tatiana Britton](#): Tatiana introduced herself and proposed times for a kickoff meeting to discuss project tasks and timelines.

# Example 1: Microsoft Co-Pilot

## Meeting Summary

### Meeting notes

- > **Introductions:** [REDACTED] and [REDACTED] introduced themselves and their roles within the accounting team.
- > **Project Overview:** [REDACTED] explained his experience with ACFR improvement projects and outlined the approach he used with [REDACTED] including reviewing financial statements, identifying required and non-required items, and comparing with peer governments.
- > **ACFR Improvement:** [REDACTED] discussed the challenges they face in improving the ACFR, including time constraints and the need to refresh the MD&A and simplify the OPEB pension section.

### Follow-up tasks

- **Word Document for ACFR:** Provide [REDACTED] with the Word document of the ACFR for review and suggestions. [REDACTED]
- **ASBO Comments:** Send the ASBO comments to [REDACTED] for review and suggestions. [REDACTED]
- **[REDACTED] Version Information:** Find out and confirm the different versions of [REDACTED] and their features. [REDACTED]
- **[REDACTED] Rounding Issue:** Investigate and address the rounding issues in [REDACTED] potentially considering a different package if necessary. [REDACTED]
- **Follow-up Meeting:** Schedule a follow-up meeting in three weeks to review [REDACTED] suggestions and progress. [REDACTED]

🗨 Speakers

# Topics

≡ Chapters

• Financial Review and Improvement ...

• Challenges and Improvements in Uti...

• Importance of Internal Expertise and...

• Implementing and Managing Gover...

• Financial Models and Project Comm...



# Example 2: Azure (Or Chat-GPT, Grok, etc)

Write a letter to city constituents explaining reason for water fee increase of \$.25 per 1000 gallons. Highlight that costs for water services have risen and we need to implement this increase to help pay our city water employees market rate. let them know we greatly appreciate them as a customer and tell them this will be an agenda item at the city council meeting next Tuesday night.



Free Research Preview. ChatGPT may produce inaccurate information about people, places, or facts. [ChatGPT July 20 Version](#)



# Example 2: Azure (Or Chat-GPT, Grok, etc)



[Your City's Letterhead]



[Date]

Dear Valued City Constituents,

Subject: Notice of Water Fee Increase

We hope this letter finds you in good health and high spirits. We are writing to inform you about an upcoming change that will affect our city's water services.

Over the past few years, the costs associated with providing essential water services to our community have steadily risen. These increases have been primarily driven by maintenance expenses, infrastructure improvements, and inflationary pressures. As stewards of our city's resources, it is our duty to ensure the continued delivery of safe and reliable water to every household.

To address the rising costs and sustain the quality of our water services, the City Council has made the difficult decision to implement a modest increase in the water fee. Starting from [Effective Date], the water fee will be raised by \$.25 per 1000 gallons used. We understand that even small adjustments can be felt by our valued customers, but we assure you that this increase is essential to maintain the excellence you have come to expect from our city's water services.

One crucial aspect of our water services is the dedicated team of city water employees who work tirelessly to ensure the smooth operation of the water infrastructure. As you know, our city thrives because of the commitment and dedication of our employees. To attract and retain the best talent, we need to compensate our water employees at a competitive market rate. The increased revenue from the water fee adjustment will be utilized, in part, to support our water employees' compensation and acknowledge their valuable contributions.

Your satisfaction and confidence in our services are of utmost importance to us. We are grateful for the trust you have placed in our city's water department and are committed to maintaining the highest standards in our operations.

We kindly request your understanding and support during this time of transition. Your feedback and suggestions are always welcome as we work together to ensure the well-being of our community.

The water fee increase will be discussed at the upcoming City Council meeting on [Meeting Date], which will be held at [Meeting Venue]. We encourage you to participate in this meeting to express your thoughts and concerns. Your input is crucial to us as we seek to make informed decisions that serve the best interests of our community.



# Example 2: Azure (Or Chat-GPT, Grok, etc)

build an RFP template for City, State in Florida to procure accounting advisory on-demand services. Emphasize the importance of availability, GASB expertise, and experience working with other governments in a similar capacity and score those items most heavily

City of [City Name], Florida

Request for Proposal (RFP) for Accounting Advisory On-Demand Services

RFP Number: [RFP Number]

Issue Date: [Issue Date]

Proposal Due Date: [Due Date]

## 1. Introduction

The City of [City Name], Florida, is seeking proposals from qualified firms to provide accounting advisory on-demand services. These services will support the city's financial operations, ensuring compliance with the Governmental Accounting Standards Board (GASB) standards, and enhancing financial reporting and decision-making capabilities.

## 2. Scope of Work

The selected firm will be expected to provide the following services:

- On-demand accounting advisory services, including but not limited to financial reporting, budgeting, and auditing support.
- Expertise and guidance on GASB standards and their application to the city's accounting practices.
- Assistance with the implementation of new accounting standards as required.
- Recommendations for improving financial processes and controls.

## 3. Proposal Requirements

Proposals should include the following information:

- **Executive Summary:** Brief overview of the firm's qualifications and approach to providing the requested services.
- **Availability:** Description of the firm's availability to provide on-demand services, including response times and support options.
- **GASB Expertise:** Detailed account of the firm's expertise with GASB standards and experience in applying these standards in a governmental context.
- **Experience with Government Clients:** Examples of past engagements with state or local governments, including the scope of work, outcomes, and references.
- **Team Qualifications:** Resumes and qualifications of key personnel who will be assigned to this project.
- **Pricing:** Detailed pricing structure, including hourly rates and any additional fees.



# Example 2: Azure (Or Chat-GPT, Grok, etc)

## 4. Evaluation Criteria

Proposals will be evaluated based on the following weighted criteria:

- **Availability (30%):** Ability to provide timely and responsive services.
- **GASB Expertise (30%):** Demonstrated knowledge and application of GASB standards.
- **Experience with Government Clients (25%):** Proven track record of successful engagements with governmental entities.
- **Team Qualifications (10%):** Expertise and experience of the proposed team members.
- **Pricing (5%):** Cost-effectiveness and clarity of the pricing proposal.

## 5. Submission Instructions

Proposals must be submitted by [Due Date] to:

[Contact Name]  
[Title]  
City of [City Name]  
[Address]  
[Email Address]  
[Phone Number]

## 6. Terms and Conditions

- The City reserves the right to reject any or all proposals.
- Proposals must be valid for a minimum of 90 days from the due date.
- The City is not liable for any costs incurred by proposers in responding to this RFP.

## 7. Questions

For questions regarding this RFP, please contact [Contact Name] at [Email Address] or [Phone Number]. All questions must be submitted by [Questions Due Date].

This template provides a structured approach to soliciting proposals for accounting advisory services, emphasizing the city's key priorities of availability, GASB expertise, and relevant experience. Adjust the details and criteria as needed to fit specific city requirements.



## Group Exercise

Which of these solutions do you believe is the most impactful and why?

This can be specific to your government or across the industry



| SERVICES

# GASB-as-a-Service

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## Overcome Staffing & Technical Challenges with GASB-as-a-Service

<https://www.cbh.com/services/advisory/gasb-as-a-service/>



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# Questions

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