



# GAO Technical Bulletin

Arizona Department of Administration ♦ General Accounting Office

Subject:	<b><i>Transparency Website Data Confidentiality</i></b>	Issued:	04/13/10
Manual Section(s):	N/A	Effective:	04/13/10
Supersede(s):	N/A	Page:	1 of 5

TO: Technical Bulletin Administrators  
All Agencies

FROM: D. Clark Partridge  
State Comptroller

## AUTHORITY

A.R.S. § 41-703	Duties of director
A.R.S. § 41-722	Powers and duties relating to finance
A.R.S. § 41-725	Comprehensive database of receipts and expenditures of state monies
A.R.S. § 41-732	Powers and duties relating to general accounting activities

## DEFINITIONS

ADOA: Arizona Department of Administration.

AFIS: The Arizona Financial Information System; the State's primary automated accounting system.

Agency: For the purposes of this technical bulletin, an agency is defined as any department, authority, board, commission, council, administration, court, registrar, office, institution, or other entity in the Executive, Legislative, or Judicial Branch of the Government of the State of Arizona. In contexts that are directive in nature, the use of the term "agency" may imply that employee or those employees within the organization responsible for carrying out the procedures under consideration.

Confidential: A term relating to certain information that may not be released to the public as a matter of law. Confidential data includes taxpayer information, data that allows the personal identification of individuals receiving State assistance, payees' addresses or telephone numbers, attorney-client privileged information, or any other information that is designated by law as confidential or may be determined to be confidential by the ADOA.

Form GAO-701A: The "Transparency Confidentiality Certification." A form published by the GAO that an agency uses to indicate whether any element of the financial information it provides or will provide, through AFIS or by other means, for inclusion on the Transparency Website is to be considered confidential or sensitive.

Form GAO-701B: The "Transparency Confidentiality Disclosure." A form to be published by the GAO that an agency will use to identify confidential or sensitive information, the reasons why such information is to be considered confidential or sensitive, how such information can be identified, etc.

GAO: General Accounting Office; a division of the Arizona Department of Administration.

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Payee: The person or entity to whom money is paid by way of check, warrant, draft or transfer. The term payee extends to individuals, vendors, contractors, employees, etc.

Sensitive: A term relating to certain information that, while not confidential as a matter of law (including A.R.S. § 41-725), possibly should not be released to the public because it may result in adverse consequences to the State. Sensitive data might include, for example, information relating to physical or information security, information that may affect the outcome of a legal action in which the State is involved, or information related to internal control weaknesses.

Transparency Website: The comprehensive, public, online database of receipts and expenditures mandated and described by A.R.S. § 41-725.

**INTRODUCTION**

The subject of transparency is gaining importance at all levels of government. Consistent with this development, the ADOA has been charged, under A.R.S. § 41-725, with establishing a Transparency Website, open to the public, consisting of a comprehensive record of the receipts and disbursements of public monies. Within the ADOA, the GAO has been tasked to collect financial data and perform other duties relating to the establishment and maintenance of the Transparency Website. A.R.S. § 41-725 specifically requires agencies to cooperate with the ADOA in the necessary initial and ongoing data collection activities supporting this effort. This is the first of what is likely to be a series of technical bulletins and other communications with agencies dealing with the Transparency Website.

The purpose of this technical bulletin is to solicit input from agencies regarding the protection of confidential and sensitive data. A.R.S. § 41-725 specifically prohibits the inclusion of confidential data in the information to be made available through the Transparency Website. A.R.S. § 41-725 allows, but does not require, ADOA to rely upon an agency's determination of what, of the information provided or to be provided by the agency, constitutes confidential data.

In addition to confidential information, there is sensitive information the release of which would be detrimental to the State.

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**POLICIES**

1. In accordance with A.R.S. § 41-725, agency information relating to State receipts and expenditures must be made available to the public through the Transparency Website, to be established and maintained by the ADOA. Within the ADOA, the GAO has been tasked with collecting receipt and expenditure information from all agencies. Much of this information is currently available in AFIS.
2. A.R.S. § 41-725 prohibits confidential information from being displayed on the Transparency Website. Confidential information includes, but is not necessarily limited to:
  - a. The personal information of individuals receiving State assistance.
  - b. Payees' addresses or telephone numbers.
  - c. Information protected by attorney-client privilege.
  - d. Other information designated by law to be confidential.
3. The best interests of the State may prohibit sensitive information from being displayed on the Transparency Website. Sensitive information includes, by is not necessarily limited to:
  - a. Information relating to the physical security of the State, its personnel, its records, or its equipment.
  - b. Information relating to actual or potential litigation, the release of which would be detrimental to the State.
  - c. Information concerning internal controls over State finances.
4. Elements of the information—most of which are contained in AFIS—that may, subject to limitations imposed by considerations of confidentiality or sensitivity, be displayed on the Transparency Website include:
  - a. Payee's name.
  - b. Transaction amount.
  - c. Title of fund receiving or disbursing the amount under consideration.
  - d. Description of the object, source group, comptroller object and/or agency object.

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5. In accordance with A.R.S. § 41-725, the ADOA may, but is not required to, rely upon the representation of agency management with respect to confidential information.
6. The ADOA may also, but is not required to, rely upon the representation of agency management with respect to sensitive information.

### **PROCEDURES**

1. In determining whether its financial records contain confidential or sensitive information, agencies should consider the relevant laws, including, but not limited to, the provisions of A.R.S. § 41-725. Agencies should also consider whether, in response to a public information request, certain information or elements of that information would be legally and appropriately redacted for reasons of confidentiality or sensitivity.
2. As an initial step in the implementation of the preceding, each agency will forward to the GAO, attention: Transparency Website Workgroup, on or before April 30, 2010, a completed Form GAO-701A, "Transparency Confidentiality Certification." This form can be found at the GAO Website, [www.gao.az.gov](http://www.gao.az.gov), under the Online Forms Tab.
  - a. The initial filing of the Form GAO-701A will remain in effect, unless sooner amended, until December 31, 2011.
  - b. Unless sooner amended, for calendar years 2012 and thereafter, an updated Form GAO-701A and, if required, a companion Form GAO-701B, "Transparency Confidentiality Disclosure," is to be filed annually during the month of December.
  - c. As soon as practicable, but, in any event, not later than thirty (30) calendar days after some relevant change in agency data or applicable laws, amended Forms GAO-701A and GAO-701B are to be filed.
  - d. After receiving an agency's completed Form GAO-701A, the GAO will contact the agency to discuss, among other topics:
    - i. Which information and elements of its data are considered to be confidential.
    - ii. The reasons the agency considers certain information to be confidential. This will include those laws, rules, regulations, or conditions under which the information is considered to be confidential.
    - iii. Which information and what elements of its data are considered to be sensitive.
    - iv. The reasons the agency considers certain information to be sensitive.
    - v. How such confidential or sensitive information can readily be identified so that it is not displayed on the Transparency Website.

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3. Please direct any questions concerning this technical bulletin or Forms GAO-701A or B to Jennifer Verhelst at 602.542.6227 or [jennifer.verhelst@azdoa.gov](mailto:jennifer.verhelst@azdoa.gov).

## **ON-LINE AVAILABILITY**

Copies of all Technical Bulletins and many GAO Forms are available for viewing and downloading from the General Accounting Office Website located at:

<http://www.gao.az.gov>

## **AREAS IMPACTED**

All State Agencies.

## **CONTACTS**

If you have any questions concerning this Technical Bulletin, please contact your GAO Liaison. You may also e-mail questions or comments concerning State policy and procedure to us at:

[gaopolicy@azdoa.gov](mailto:gaopolicy@azdoa.gov)