

Certificate of Achievement for Excellence in Financial Reporting (CAFR Program)

Judging process

Each CAFR is reviewed using a checklist designed to determine compliance with both generally accepted accounting principles (GAAP) and program policy as established by the GFOA's Special Review Executive Committee and the GFOA Executive Board. Reviews are performed by GFOA staff and members of the GFOA's Special Review Committee, which comprises individuals from government, the public accounting profession, and academe who possess specialized expertise in governmental financial reporting, typically as a result of either preparing or auditing a CAFR that has received the Certificate of Achievement. Reviewers are never selected from the same state as the CAFR being reviewed or from the same firm that performed the independent audit.

A Certificate is awarded only if there is consensus among reviewers that a CAFR substantially complies with both GAAP and program policy. Failure to comply with any checklist item marked by an asterisk (*) is considered, of itself, sufficient evidence to justify a determination that a CAFR has failed to substantially comply with both GAAP and program policy.

In certain limited circumstances (e.g., adoption of a new authoritative standard), a CAFR may receive the award with a "qualification" (disclosed only to the participating government). Such a qualified award puts the government on notice that failure to remedy one or more specified deficiencies in the following year's CAFR would likely result in a denial.