

ACCOUNTANCY, STATE BOARD OF

Annual Performance Progress Report (APPR) for Fiscal Year (2007-2008)

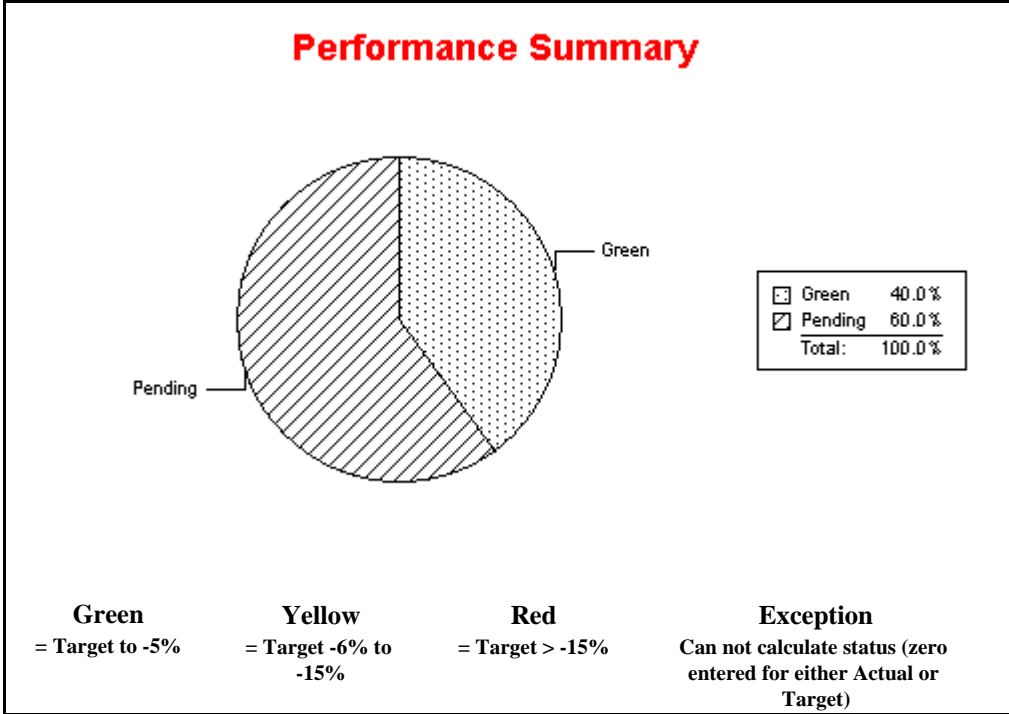
Proposed KPM's for Biennium (2009-2011)

Original Submission Date: 2008

2007-2008 KPM #	2007-2008 Approved Key Performance Measures (KPMs)
1	CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
2	Percent of complaints processed within 180 days from date of receipt.
3	Percent of complaints that result in disciplinary action.
4	Percent of contested cases resolved by consent agreement prior to formal hearing
5	BEST PRACTICES - Percent of total best practices met by the Board.

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	Title: Rationale:

ACCOUNTANCY, STATE BOARD OF		I. EXECUTIVE SUMMARY	
Agency Mission: The Board of Accountancy protects the public by regulating the practice and performance of all services provided by licensed accountants.			
Contact: Carol Rives, Administrator x26		Contact Phone: 503-378-4181	
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1. SCOPE OF REPORT

- All agency programs are addressed by KPM 1, Customer Satisfaction
- The Customer Satisfaction survey has the largest impact on the Board's licensing and administrative programs
- KPM-2, KPM-3, and KPM-4 relate to compliance and enforcement programs
- All Board programs and services are addressed by key performance measures.

2. THE OREGON CONTEXT

There are no direct links between Oregon Benchmarks and Board performance measures. Performance measures are related to the following three high-level outcomes: Public Protection, Excellent Customer Service and Regulation in a manner that supports a positive business climate.

The Board of Accountancy licensing program protects the public by assuring that licensed accountants who provide professional accounting services in Oregon have demonstrated professional competency.

The Board enforcement program protects the public by enforcing Board regulations.

The Board maintains business partnerships with the Oregon Department of Revenue, Oregon Department of Consumer and Business Services, Audit Division of the Office of the Secretary of State, and the Oregon Board of Tax Practitioners.

3. PERFORMANCE SUMMARY

KPM-1 Customer Satisfaction

This measure is making progress. The Board has received positive responses from its customer surveys since 2003, when KPM-1 was first implemented. The Board assures excellent customer services by maintaining high performance standards for Board employees and providing accurate and relevant information to the public and licensees through various communication tools.

KPM-2 Complaints processed within 180 days of receipt

This performance measure sets a standard of 180 days for the Board to investigate complaints filed with the Board. Annual reports in 2005 and 2006 demonstrated an upward trend after a significant decline in 2004. The lowpoint was caused by two consecutive years when the number of complaints received doubled, coupled with periods of staff vacancies.

The 2007 Legislature appropriated funds with directions to reduce the number of complaints that are outside of the 180-day standard, and to achieve a 90% target for this performance measure.

In fiscal year 2007-08 the Board established a pool of qualified professionals to investigate complaints that present complex professional issues (special investigations), and has assigned work under this contract. The Board anticipates that the complaint backlog will be eliminated during the 07-09 biennium.

The Board submitted a 2009-11 Policy Option Package requesting that funding for special investigations be included in the Board's essential budget level. Funds are currently available in the Board's cash reserves. This will allow complex investigations to be assigned to professionals with the appropriate expertise without delay, and without creating a backlog.

KPM-3 Complaints that result in disciplinary action

This performance measure was adopted in 2006 and after the first year in effect, progress of the measure remains unclear. The Board strategy for this measure includes the following goals:

- To prevent recurring violations by including educational or other remedial requirements that provide the licensee with skills and information necessary to avoid future violations
- To raise awareness in the general licensee population of conduct that violates Board regulations by publishing information about disciplinary actions available to the public and to licensees
- To include "case studies" of disciplinary actions in continuing education ethics programs that are required for all licensees.

Complaints that are filed with the Board may or may not complain of conduct that is within the Board's regulatory authority. The expectation for this performance measure is that broad licensee knowledge of the Board disciplinary program and sanctions will help licensees avoid conduct that violates rules, thereby reducing the number of complaints that result in disciplinary action.

KPM-4 Contested cases resolved by consent agreement

This performance measure was adopted in 2006 and after the first year, the measure is making progress.

The purpose of this measure is to minimize disruption to normal business procedures for the Board and the licensee, by encouraging the use of consent agreements. Consent agreements also decrease the time and expenditures required to conduct administrative hearings.

Consent agreements also allow the licensee to participate in a resolution that (a) protects the public, (b) is appropriate to the nature of the violations, and (c) meets specific needs of the licensee.

KPM-5 Best Practices achieved by the Board

This is a new performance measure, adopted in 2007 pursuant to legislative action. Best Practices identified by the legislature have been components of Board standards since 2000 and stated in the following Board documents:

- Strategic Business Plan
- Statements of Ideals for Board Members
- Statements of Ideals for the Administrator
- Statements of Ideals for Board staff

The Board reviews and approves business practices as a part of the annual Strategic Business Plan discussion. The targets set for the Board of Accountancy are 100%, and were achieved in an informal discussion of this performance measure in August 2007, and again in 2008. The 2008 results are included in the performance measure .

4. CHALLENGES

KPM-2

Achievement of the 90% target to investigate complaints within 180 days will require the Board to take strict measures against licensees or complainants who do not respond to Board requests within the response deadlines. The pool of qualified investigators will eliminate the delay that is often caused when an investigation involves complex professional issues that are not within the expertise of Board resources.

KPM-4

Consent agreements are the most efficient and cost-effective method of resolving disciplinary actions. However, it is not uncommon for Licensees to decline consent agreements because they want the opportunity to present their position at an administrative hearing.

5. RESOURCES AND EFFICIENCY

2007-09 Legislatively Approved Budget:

Revenue: \$1,524,225 Other Fund Revenue

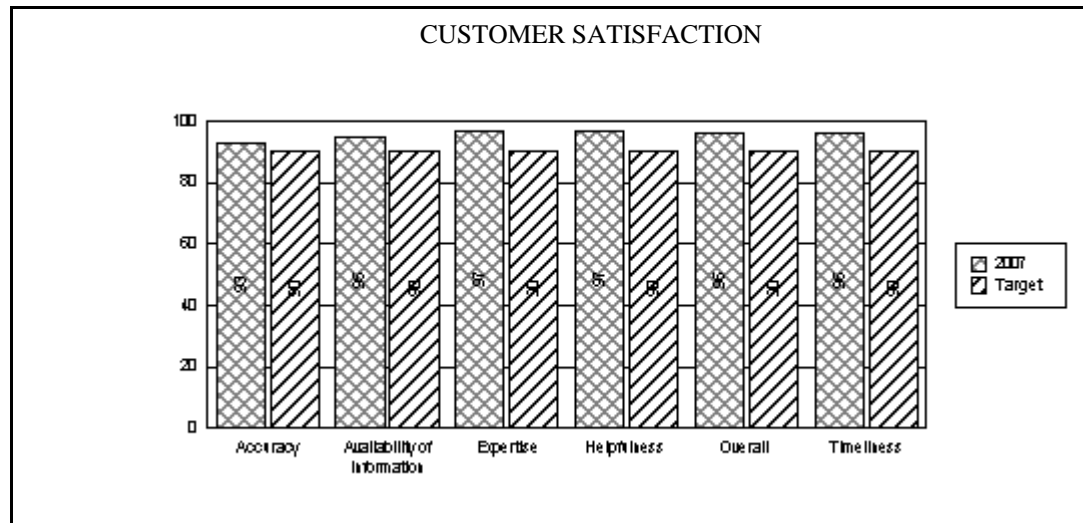
Expenditures \$1,452,874 Essential Budget level

\$1,952,874 includes Policy Option Pkgs101 and 102: \$400,000

Oregon Board of Accountancy performance measures have no fiscal impact on the Board budget,

KPM-2, KPM-4, and KPM-5 are efficiency measures)and each one is showing progress.

KPM #1	CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	2003
Goal	To provide customer service that is timely, accurate and appropriate in a courteous and helpful manner.	
Oregon Context	High-level Outcome B: Excellent Customer Service.	
Data Source	Statistics are provided by survey vendors; staff compiles results of Board delivered surveys, hard copies of returned surveys are available for review.	
Owner	Carol Rives, 503-378-4181 x26	



1. OUR STRATEGY

The Board strives to provide prompt, courteous service that is responsive to customer needs and public protection. Methods of achieving this goal include continuous enhancements to website to provide useful information in a format that is helpful and accessible; staff responses to licensee inquires and to provide information to consumer and professional groups; uniform administration of laws and rules.

2. ABOUT THE TARGETS

A high indication of customer satisfaction is ideal; however a certain percentage of customers will not be satisfied with all Board policies or decisions. Customers have also expressed the preference to select "n/a" for services that they do not utilize.

3. HOW WE ARE DOING

The Board has enjoyed a steady increase in positive responses to customer satisfaction surveys since 2003, when this performance measure was initiated. The Board exceeds targets set at 90%.

4. HOW WE COMPARE

Comparison with other state agency customer satisfaction performance measure results indicated comparable levels of customer satisfaction.

5. FACTORS AFFECTING RESULTS

Board licensees are, in general, mindful of regulatory requirements and seek information both on the website and from office staff. Office policies and procedures encourage staff members to provide excellent customer service in the performance of their duties.

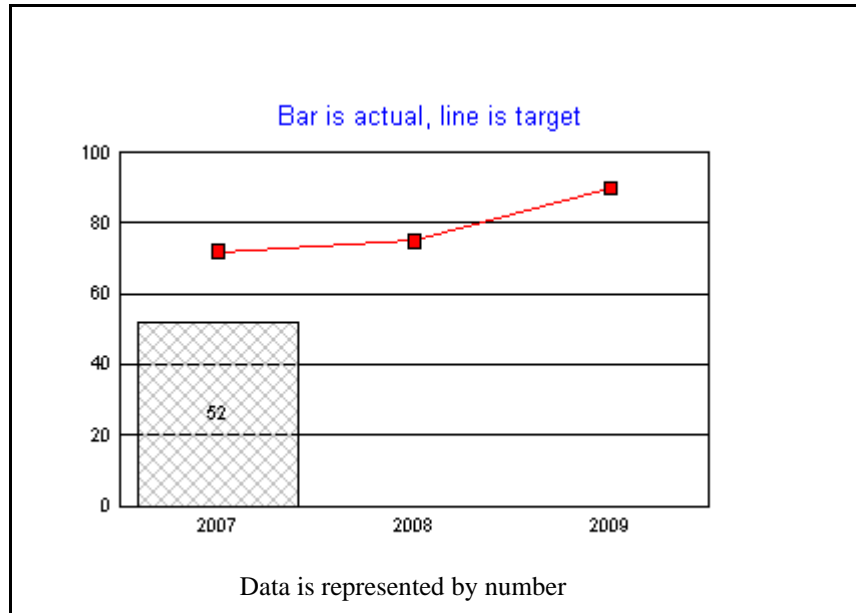
6. WHAT NEEDS TO BE DONE

Maintain good customer service; review customer surveys to identify areas for change.

7. ABOUT THE DATA

Data is based on the Oregon fiscal year. Customer surveys are delivered by mail and via the Internet. Results are reviewed by a responsible staff member and by staff as a group. The Internet survey provider prepares compiled statistics for analysis. Surveys received by mail or other methods are catalogued and analyzed by staff members.

KPM #2	Percent of complaints processed within 180 days from date of receipt.	2002
Goal	Protect the public by regulating the practice and performance of all services provided by licensed accountants.	
Oregon Context	High-level outcome A: PUBLIC PROTECTION	
Data Source	Data is maintained on the Board database, legal files and records of public meetings.	
Owner	Carol Rives, 503-378-4181 x26	



1. OUR STRATEGY

To process complaint investigations within 180 days complaint is opened. Complaints that require knowledge of professional issues beyond Board resources are referred to qualified contract investigators for investigation. Complaints that are subject to pending civil litigation or other agency investigations are deferred until the previous litigation or investigation is resolved. Investigation of complaints that present imminent risk of public

harm are given priority. The Board works with law enforcement agencies and other state agencies to share investigation information of complaints with overlapping jurisdictional issues.

2. ABOUT THE TARGETS

The number of complaints processed within the target period is expected to increase the backlog of cases is reduced, allowing current case to be processed more efficiently.

3. HOW WE ARE DOING

The Board anticipates that this KPM will have an upward trend in 2009 based on a program implemented by the Board in 2007-08, using a special appropriation that was approved by the 2007 Legislature. The purpose of the appropriation was to reduce the complaint backlog and establish a 90% target for completion of investigations in 180 days.

4. HOW WE COMPARE

The Board has not made comparisons with other Boards in Oregon. Other State Boards of Accountancy do not have a similar requirement.

5. FACTORS AFFECTING RESULTS

Complaints alleging violations of complex professional issues are beyond the resources and expertise of Board staff, and frequently take longer to investigate. In the past the Board relied on volunteers to provide investigations of these cases, or issued RFP for independent contractors. This strategy was dependent on the availability and willingness of volunteers to contribute the amount of time required to conduct a thorough investigation. The funds appropriated by the 2007 Legislature will allow the Board is to use contract investigators from a pre-qualified pool of professionals for complex investigations.

6. WHAT NEEDS TO BE DONE

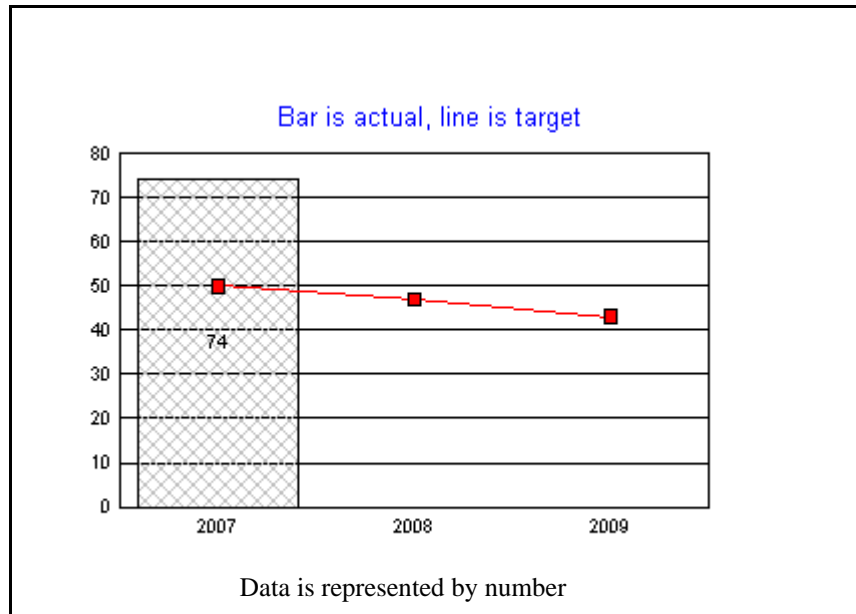
The first cases were assigned to contract investigators in July 2008, and are targeted for completion in October 2008.

Files that require an outside investigation must be assigned promptly so that these cases can be completed within the 180 day target period. Prompt review and resolution of complaints is important for the complainant , the licensee, and the Board.

7. ABOUT THE DATA

Data is based on the Oregon fiscal year.

KPM #3	Percent of complaints that result in disciplinary action.	2006
Goal	Protect the public from unethical or substandard public accounting services through the use of remedial disciplinary sanctions and educational tools available to the general licensee population.	
Oregon Context	High-level outcome #A: PUBLIC PROTECTION	
Data Source	Data is maintained on the Board database, legal files and records or public meetings.	
Owner	Carol Rives, 503-378-4181 x26	



1. OUR STRATEGY

Impose disciplinary sanctions that require the licensee to take corrective action; Raise awareness in the general community of licensees by publishing violations and sanctions in Board newsletter; Maintain website information that is responsive to licensee needs and questions; Require case studies

of typical violations to be included in licensee continuing education requirements.

2. ABOUT THE TARGETS

Expectation is to show a declining percentage of complaint allegations that result in a violation, based on Board strategies that provide increased awareness to licensees of conduct that violates Board regulations, and non-recurrence of violations by licensees who have taken corrective actions as a disciplinary sanction.

3. HOW WE ARE DOING

This performance measure was initiated in 2006 for the 2007-09 biennium. Current data reflects a slight increase in disciplinary action.

4. HOW WE COMPARE

The Board has not made comparisons with other Boards in Oregon. Other State Boards of Accountancy do not have a similar requirement.

5. FACTORS AFFECTING RESULTS

Complaints filed with the Board may or may not have merit under the Board of Accountancy regulatory authority. Every complaint receives an initial review to determine whether it is within the Board's jurisdiction. Complaints that are not within the Board's authority are returned to the Complainant with a Board letter; It is not uncommon for the complainant to provide more and more information to the Board in the hope that it will be reviewed. These additional reviews take time away from the investigation of other complaints.

Other factors that may affect the results of this KPM have not been identified.

6. WHAT NEEDS TO BE DONE

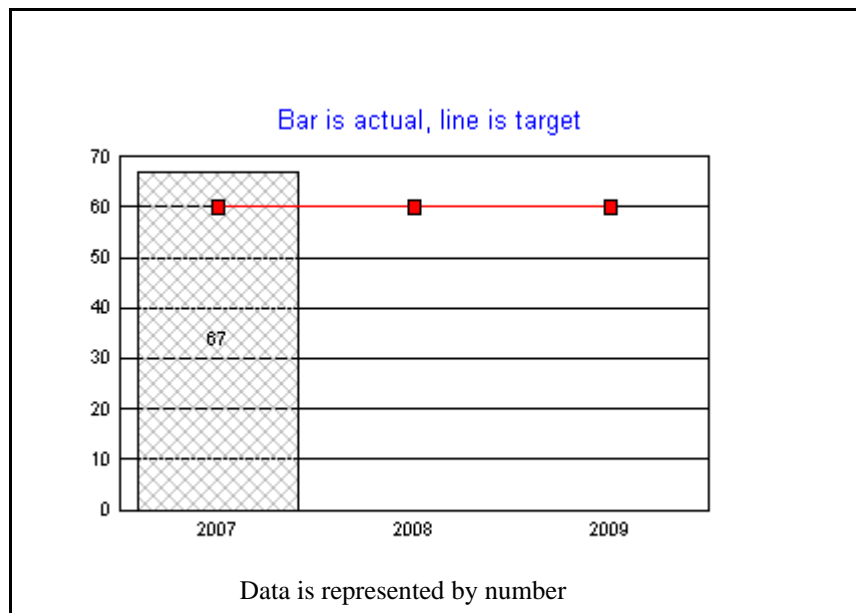
This performance measure should be monitored to determine:

whether it will provide meaningful valid information, and
whether the number of complaints filed is in any way affected by Board efforts to influence licensee conduct.

7. ABOUT THE DATA

Results are based on the Oregon fiscal year.

KPM #4	Percent of contested cases resolved by consent agreement prior to formal hearing	2006
Goal	Protect the public from unethical or substandard public accounting services, and encourage corrective action by licensees through the fair and efficient resolution of disciplinary actions.	
Oregon Context	High- level outcomes #A - Public Protection. High- level outcomes #C - Regulation in a manner that is supportive of a positive business environment.	
Data Source	Various Board records catalogue information regarding resolution of contested cases, including licensee database, Board minutes, and records of administrative actions completed.	
Owner	Carol Rives, 503-378-4181 x26	



1. OUR STRATEGY

The Board encourages the use of Consent Orders as an efficient use of limited resources for both the Board and licensees. When approving

settlement offers, the Board considers the following factors to assure public protection and the fair administration of Board rules and statutes: the likelihood of continued violations by the licensee, whether the licensee has implemented corrective actions, and consistency with disciplinary action for similar violations.

2. ABOUT THE TARGETS

The desired outcome is that the number of disciplinary actions settled by consent shall increase, both the Board and licensees benefit from fair and efficient resolution of disciplinary action. The administrative hearing process is expensive and disruptive to the normal delivery of business services. The Board encourages licensees who receive notice of a violation to consider an agreed settlement of the issues prior to hearing.

3. HOW WE ARE DOING

This is a new performance measure; however the 2007 results exceed the target.

4. HOW WE COMPARE

The Board has not made comparisons with other Boards in Oregon.
Other State Boards of Accountancy do not have a similar requirement.

5. FACTORS AFFECTING RESULTS

Licensees are entitled to an administrative hearing and frequently wish to exercise that right.

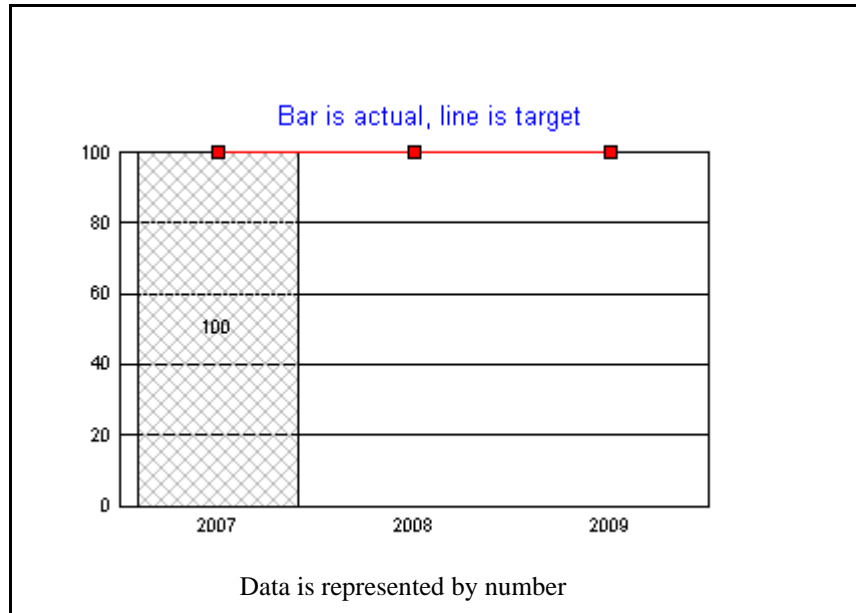
6. WHAT NEEDS TO BE DONE

Continue to encourage resolution of disciplinary actions with consent orders.

7. ABOUT THE DATA

Results are based on the Oregon fiscal year.
Data is maintained on the Board database, such as legal files and records of public meetings.

KPM #5	BEST PRACTICES - Percent of total best practices met by the Board.	
Goal	Assure effective governance and integrity of all Board functions.	
Oregon Context	High Level Outcome A: Public Protection	
Data Source	Board minutes of annual Board review of best practices.	
Owner	Carol Rives, 503-378-4181 x26	



1. OUR STRATEGY

The Board conducted a one-day training session, with the assistance of a facilitator, to review the "best practice" standards for Boards and Commissions, and consider this Board's performance under each standard. The Board also developed policies and procedures for conducting an annual self-evaluation for this KPM. Annual review of best practices will be conducted during a regularly scheduled Board meeting, and areas of

concern will be considered in annual meeting of the Executive Strategic Planning Committee. New Board members are required to attend at least two training sessions that are specifically presented to initiate new members to the duties and standards for members of a policy making professional licensing board.

2. ABOUT THE TARGETS

The Board sets the highest standards for its own performance and has established 100% of its standard targeted for this KPM.

3. HOW WE ARE DOING

The initial discussion and review of best practices demonstrated that the Board has consistently conducted business using best practices because of existing procedures and controls that assure fair and effective regulation, that is provided with consistency and integrity.

4. HOW WE COMPARE

The Board has not made comparisons with other Boards in Oregon. Other State Boards of Accountancy do not have a similar requirement.

5. FACTORS AFFECTING RESULTS

Board members accept appointment to this Board with clear understanding of each member's responsibility to execute duties with integrity and in accordance with the Board mission. This acceptance is an important factor in achieving high marks on this KPM. Achievement of the Board goal could be affected if the Board is unable to maintain experienced board members as well as new board members. However continuity of knowledge and experience is generally provided through overlapping member terms and is supported through the knowledge and experience of the Board Administrator.

6. WHAT NEEDS TO BE DONE

Conduct thorough and thoughtful review of Board practices each year at a public board meeting, allowing an opportunity for public comment.

7. ABOUT THE DATA

No additional information is available.

Agency Mission: The Board of Accountancy protects the public by regulating the practice and performance of all services provided by licensed accountants.

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The following questions indicate how performance measures and data are used for management and accountability purposes.

<p>1. INCLUSIVITY</p>	<ul style="list-style-type: none"> * Staff : Staff: Assists with regular review of performance measure results and development of meaningful measures. * Elected Officials: Elected Officials: Governor and Legislative members approve Board performance measures. * Stakeholders: Stakeholders: Opportunities to provide dialogue on any subject at public meetings. * Citizens: Citizens: Public member on Board represents interests of general public.
<p>2 MANAGING FOR RESULTS</p>	<p>Board members and staff monitor performance measure results to verify alignment with and progress toward achievement of Board goals and Strategic Business Plan and to identify necessary areas of change.</p> <p>The Board established a pool of qualified professionals in 2008 to investigate complaints for which Board staff does not have professional expertise. This program is funded by a special appropriation by the 2007 Legislative to allow the Board to reduce the complaint backlogs.</p>
<p>3 STAFF TRAINING</p>	<p>Active participation in the development, collection and analysis of statistical data to measure results and consider areas for improvement or change; attendance at Progress Board quarterly performance measure roundtable meetings.</p>
<p>4 COMMUNICATING RESULTS</p>	<ul style="list-style-type: none"> * Staff : Staff: Staff meetings, board meetings, personal communication. * Elected Officials: Elected Officials: Communication through Board website, newsletter, subscription service and public meetings. * Stakeholders: Stakeholders: Communication through Board website, newsletter, subscription service and public

	meetings.
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	* Citizens: Citizens: Communication through Board website, newsletter, subscription service and public meetings.
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