

**TAX PRACTITIONERS, BOARD of**

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

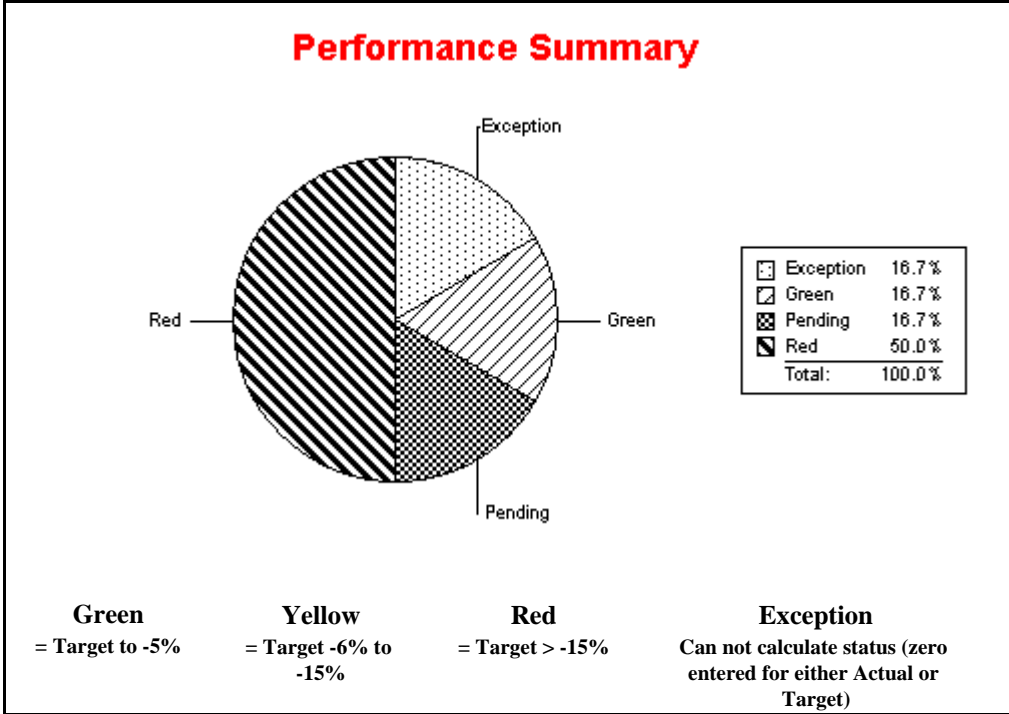
**Proposed KPM's for Biennium (2009-2011)**

Original Submission Date: 2008

2007-2008 KPM #	2007-2008 Approved Key Performance Measures (KPMs)
1	PRACTITIONER ASSISTED TAX RETURNS - The number of practitioner assisted tax returns per licensed practitioner (measure of overload, which adversely affects competency and ethics) Request from the Department of Revenue.
2	CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal).
3	RESPONSE TIME TO COMPLAINTS - Average number of hours to make an initial response to a consumer complaint.
4	CONSUMER COMPLAINTS - Number of consumer complaints handled satisfactorily per year (count is number of Oregonians affected).
5	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.
6	EFFECTIVE GOVERNANCE - Percent of total best practices by the agency.

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	<b>Title:</b>  <b>Rationale:</b>

<b>TAX PRACTITIONERS, BOARD of</b>	<b>I. EXECUTIVE SUMMARY</b>
<b>Agency Mission:</b> The Board of Tax Practitioners works to protect consumers by ensuring that Oregon tax professionals are competent and ethical in their professional activities.	
<b>Contact:</b> Ronald A. Wagner	<b>Contact Phone:</b> 503-378-4034
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**1. SCOPE OF REPORT**

Agency programs/services are addressed by key performance measures.

**2. THE OREGON CONTEXT**

The Board of Tax Practitioners assures that the preparation of personal income tax returns in Oregon for Oregon citizens are by Licensed Tax Preparers or Licensed Tax Consultants, and takes enforcement action against violations of the Agency’s Oregon Revised Statutes and/or Oregon

Administrative Rules.

### **3. PERFORMANCE SUMMARY**

The agency's performance measures link to the agency's mission not a direct link to an Oregon benchmark or a high-level outcome. The agency's key performance measures are influenced by both the agency and outside sources. Measure number one the agency has influence over the number of practitioners, but the increasing number of tax returns filed in Oregon, the agency has no influence over. Measure number two, three and four are all measures that are influenced by the agency and its licensees. Work performed by the agency can have a direct affect on the outcomes of these measures. The agency does not rely on other agencies to achieve the targets for these measures. Whereas only two of the four key performance measures are on target, the other two are close to their targeted goals and moving forward.

### **4. CHALLENGES**

The agency continues to move toward its challenging key performance measures. The agency has begun implementation of programs designed to achieve the targets for its key performance measures. The agency has had success in moving the measures forward. This movement has been slower than expected, but the movement is forward. A barrier to success is time. The programs design to positively affect the key performance measures, unfortunately take time to influence the measures. The agency is seeing that influence beginning to happen, but it is still early in the process. The hiring of the Compliance Specialist has lowered the initial response time dramatically. The agency is considering changing this measure from initial response to satisfactory completion time of a complaint. This issue will be brought forward at the agency's next budget cycle. This timely response however, has resulted in numerous successes in stopping illegal tax preparation activity and lessens the damage to the consumer. This has resulted in preventing Oregonians from being defrauded, including examples or prevention of identity theft. The agency has seen success in moving towards its targeted goal of increasing the number of continuing education hours completed each year by its licensees. This measure will continue to be monitored for its desired outcome of lowering the number of errors on personal income tax returns prepared by our licensees.

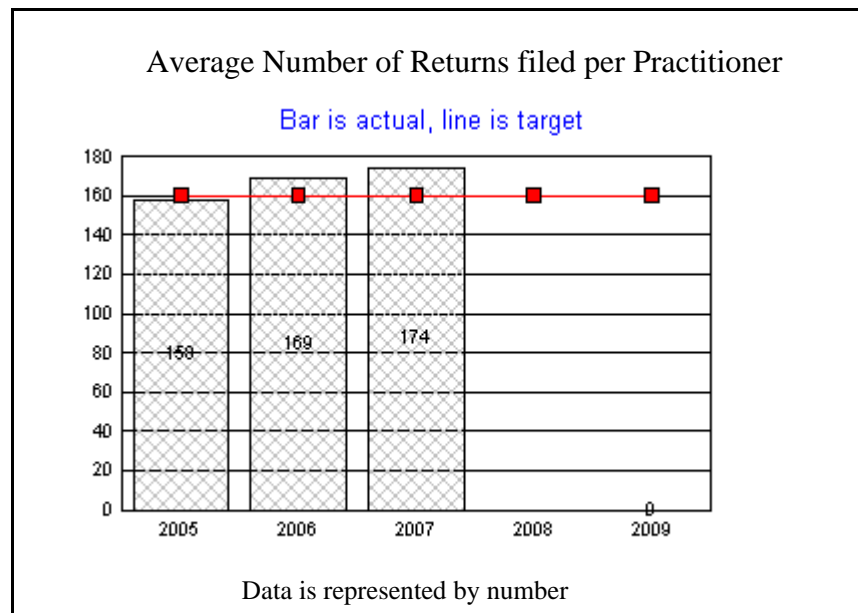
The future challenges for the agency will be to continue to move the measure forward toward its targeted goals. This will require not only the current programs in place to contribute to movement towards the key performance measures but new programs including programs that include not only the licensees of the agency, but the public. Moving forward toward the targeted goals also will include a continued commitment from board members, staff and the licensees. The continued commitment will only take place if the challenge of informing board members, staff and most importantly licensees, the importance of the measures and importance of their involvement. This will also require the agency to focus using its limited resources towards achieving the agency's performance measures. Another challenge is meeting key performance measure number one. This measure requires the number of licensees to increase to meet the needs of Oregon's increasing population. The programs in place to meet this measure require time to be successful. It will take time to train and license tax professionals. The agency is seeing a slight increase in the number of licensees. Unfortunately the population of Oregon continues to increase at a higher rate. This increases the number of tax returns filed in Oregon. The agency will implement some additional programs to attempt to increase the number of licensees to meet the increased demands for their services by Oregonians. Another future challenge for the agency is informing the public of Oregon's licensing laws and the benefits to Oregonians. The agency is has implemented an

affordable, grassroots public awareness campaign to inform Oregonians of the benefits of using a tax professional. The agency is just beginning to see benefits from this program. The challenge was to devise and implement a program within the limited resources of the agency. The agency has also expanded its website to inform Oregonians of our licensing laws and the benefits these laws afford them. The agency continues to list individuals and businesses that the agency has taken civil action against. This information can be used by Oregonians to avoid using the services of these individuals and businesses. The agency has implemented a customer satisfaction measure as required this biennium. The data is still too new and the agency has received not enough responses to derive any conclusions from the data. The agency will be reviewing this measure on a regular basis and hopes to report next year clear data and conclusions. The agency however continues to look for ways to serve its customers in a more effective and efficient manner.

## **5. RESOURCES AND EFFICIENCY**

The Board of Tax Practitioners budget for the fiscal year ending June 30, 2008, was \$553,449 (one half of the biennial budget of \$1,106,998).

<b>KPM #1</b>	PRACTITIONER ASSISTED TAX RETURNS - The number of practitioner assisted tax returns per licensed practitioner (measure of overload, which adversely affects competency and ethics) Request from the Department of Revenue.	2005
<b>Goal</b>	Improve the availability of competent, ethical tax preparation services to the consumer.	
<b>Oregon Context</b>	None	
<b>Data Source</b>	Data sources are: 1) Department of Revenue data on the number of practitioner filed returns including paper and electronically filed returns; and  2) number of licensed tax practitioners provided by the Board of Tax Practitioners.	
<b>Owner</b>	Oregon Board of Tax Practitioners Ron Wagner, Executive Director 503-378-4034	



**1. OUR STRATEGY**

The fewer number of returns prepared by each practitioner enables the practitioner the opportunity to produce less errors on each return.

The greater number of licensed tax practitioners in the state will decrease the average number of returns prepared per practitioner.

The Board will works with industry leaders and the professional tax organizations in Oregon to encourage new people to enter the tax preparation field in Oregon. Less returns prepared by each practitioner enables the practitioner the opportunity to produce less errors on each return.

The agency is devising a program to talk with high school age people to promote a career in tax preparation.

**2. ABOUT THE TARGETS**

Consumers are using the services of licensed tax practitioners in filing their taxes. Growth in the profession has not kept up with the demand. In fact, the number of licensed practitioners has decrease slightly over the last 3 years. In an effort to protect the consumer, the Board will seek to remove barriers from entering the profession, without compromising the competency and integrity licensing ensures. It will also seek to retain those already in the profession.

**3. HOW WE ARE DOING**

The agency has added a program of working with the industry to match the agency's examinations with the materials being taught by the industry. When the two do not match, the agency informs the industry they need to instruct in this area. The agency believes this will increase the passage rate of its examinations.

There is no data from the prior administration to help measure the efforts of this agency to devise a program to work with high school age people to promote a career in tax preparation or the work with professional tax practitioner organizations over the last year. The current administration will make a genuine effort to work on this measure over the next year and will document and save all documentation of the progress made.

**4. HOW WE COMPARE**

Oregon is the only state that has a comprehensive licensing requirement of professional tax preparers. Therefore there are no state to which we can compare our efforts.

#### **5. FACTORS AFFECTING RESULTS**

The perceived low pay and extensive preparation required to become a licensed tax practitioner may deter some individuals from considering entering the tax preparation field.

#### **6. WHAT NEEDS TO BE DONE**

The Board will increase the number of contacts with the professional tax practitioner organizations in the state.

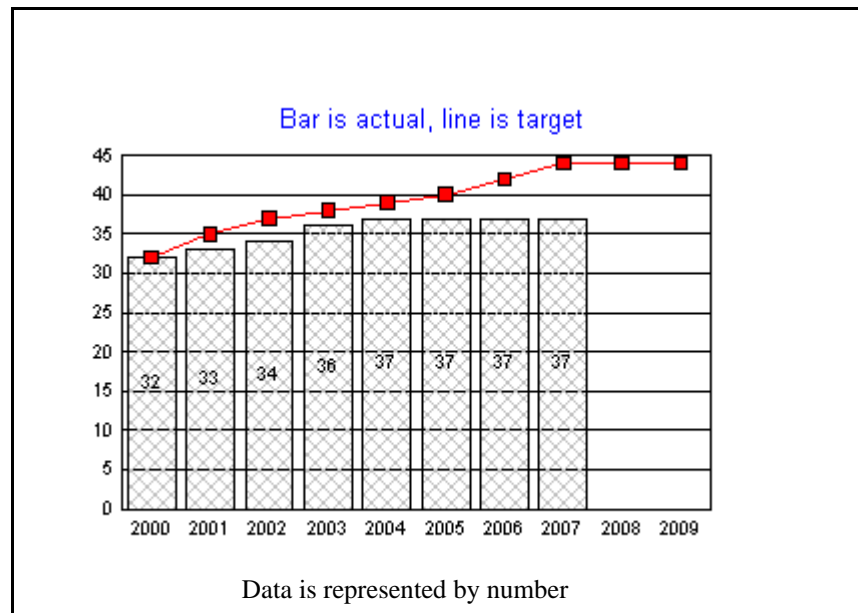
The Board will look for new ways to have contact with and encourage members of the general public to consider becoming licensed tax practitioners. This may include participating in job fairs, providing information to community colleges and universities, and sending press releases.

#### **7. ABOUT THE DATA**

The data is collected on a calendar year basis. The data has great credibility. We receive the actual number of returns from the Oregon Department of Revenue which were filed using a paid tax practitioner.

The data concerning the number of licensed tax practitioners comes directly from the Oregon Board of Tax Practitioners data base files showing the licensees who renewed their license that year.

<b>KPM #2</b>	CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal).	2000
<b>Goal</b>	To ensure a well educated workforce of Tax Practitioners who can provide accurate service to the public.	
<b>Oregon Context</b>	none.	
<b>Data Source</b>	Reporting by licensed tax practitioners on their annual license renewal form.	
<b>Owner</b>	Oregon Board of Tax Practitioners Ron Wagner, Executive Director 503-378-4034	



**1. OUR STRATEGY**

The number of continuing education hours required by each licensee is set by Oregon Administrative Rule.

**2. ABOUT THE TARGETS**

Education is pivotal for tax professionals to stay informed with the regular changes in tax laws. A practitioner who doesn't maintain their education may unintentionally give inaccurate advice to clients. The more continuing education hours our licensees receive, the more competent they are in their practice of preparing personal income tax returns.

**3. HOW WE ARE DOING**

Oregon licensed tax practitioners are well educated as the number of average number of continuing education hours exceeding the required number of hours by more than 20%. The average number of continuing education hours received by Oregon licensed tax practitioners has remained the same over the last 4 years.

The agency is working with the industry associations to ensure effective continuing education at reasonable costs to the licensees. The agency has also used the newsletter to inform licensees to submit (beginning in 2007 to attest) all continuing education performed in the previous year when renewing their licenses. Industry practice had previously been just to submit the required 30 hours and no more.

**4. HOW WE COMPARE**

Oregon is the only state that licenses tax practitioners and who requires continuing education.

**5. FACTORS AFFECTING RESULTS**

Continuing education hours can be expensive and time consuming. The time spent obtaining continuing education hours can take away from hours available to prepare returns for clients which can affect their profit.

**6. WHAT NEEDS TO BE DONE**

Although the Board is not considering any increase in the legal requirement, it will continue to encourage licensees to be actively involved in the profession and to gain education that contributes to their expertise in tax preparation.

The agency will continue to work with the industry associations to ensure effective continuing education at reasonable costs to the licensees.

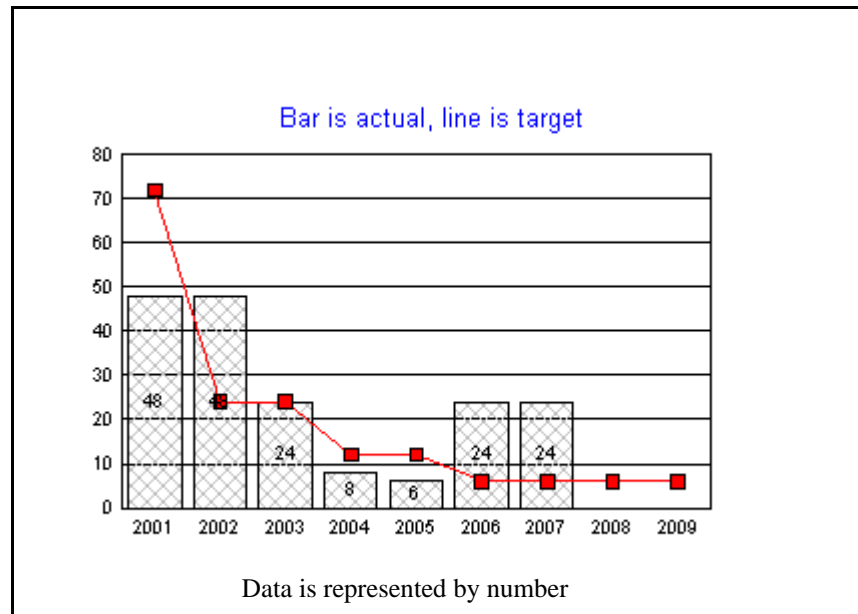
The agency is working hard to inform the licensees to submit all continuing education. The agency has also implemented a program of informing licensees of approved continuing education through the agency's website. The agency is continuing to expand its website on approved continuing education. The agency will begin working with the professional associations to inform them of the importance of continuing education and the need to increase the number of hours completed each year.

The agency needs to continue to use its website to inform licensees of the availability and affordability of approved continuing education.

**7. ABOUT THE DATA**

The data is collected from the annual renewal forms submitted by the licensees. The licensees attest to the number of hours of continuing education received during the last fiscal year. The Board performs periodic and random checks to verify the number of hours reported by the licensees are accurate. The Board will also remind licensees to attest to the total number of continued education hours received not just the minimum hours required.

<b>KPM #3</b>	RESPONSE TIME TO COMPLAINTS - Average number of hours to make an initial response to a consumer complaint.	2001
<b>Goal</b>	To expedite the resolution of consumer complaints.	
<b>Oregon Context</b>		
<b>Data Source</b>	The board staff enters into a data base the date the complaint is received and the date the office staff contacts the alleged violator.	
<b>Owner</b>	Oregon Board of Tax Practitioners Ron Wagner, Executive Director 503-378-4034	



**1. OUR STRATEGY**

An unethical, incompetent, or unlicensed tax practitioner has the ability to harm numerous consumers in a very short period of time. In some

instances, the person violating the laws will disappear as soon as they feel tension from consumers, often with advance payments from clients and consumer source documents. In an effort to prevent widespread damage, the Board will seek to respond to a consumer complaint within 24 hours of its receipt.

The faster the initial response time to the complaint the better opportunity the agency has to protect the consumer.

## **2. ABOUT THE TARGETS**

The faster the initial response time to the complaint the better opportunity the agency has to protect the consumer.

A quick response will give us a better chance of finding and dealing with the alleged violator.

## **3. HOW WE ARE DOING**

The number of hours it took for the staff to respond to the complaints went down each year from 2001 to 2005. The data collected in 2006 and 2007 changed from hours to days, which does not allow for a proper comparison to prior years. We have changed our reporting back to the number of hours rather than days.

## **4. HOW WE COMPARE**

## **5. FACTORS AFFECTING RESULTS**

The agency hired a full time compliance specialist in late 2003. Since the hiring, the agency predicted a significant decrease in initial response time. The agency has initialized an aggressive campaign to inform the public and our licensees of the fast response time to complaints. This will increase the number of complaints, which could increase the initial response time. The time will however, stay within the targeted time. The actual response time the past fiscal year improved to even faster than the agency's target time.

In 2007 the Board had a change in personnel who responded to complaints. The reporting of time changed from hours to days affecting the reporting and ability to accurately monitor our efforts.

## **6. WHAT NEEDS TO BE DONE**

The reporting process will change from number of days to number of hours. This will take affect immediately affecting the reporting starting September 1, 2008.

The Board will seek to manage it's resources and personnel to act swiftly on leads of violations. Monitoring the time to reach an actual resolution of cases is dependent of many factors outside the Boards's control. By focusing importance on the measure and making this a priority for the compliance specialist, initial response time will be reduced.

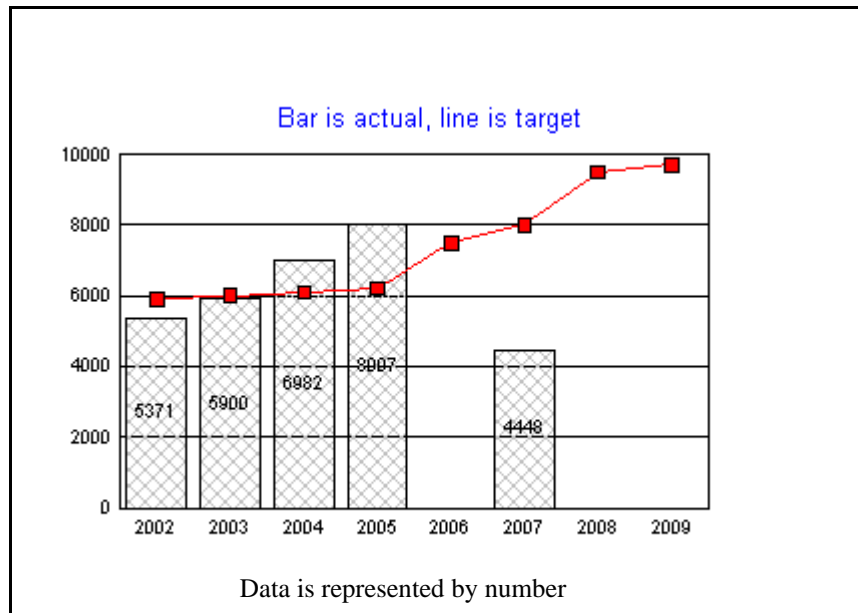
A continued significant effort by agency to respond to consumer complaints. The agency realizes this activity goes to the heart of its mission, to protect the consumer. The agency may consider changing this measure from initial response time to completed investigation time. The initial response time is getting so short the agency is not sure if this is the best measurement. Next budget period we may modify this measure.

#### **7. ABOUT THE DATA**

The data is obtained monthly from the complaint log database to calculate consumer response time. The data is compiled and analyzed on an annual comparison report.

The data was collected and reported in hours for years prior to2006. The data was collected in the number of days for years 2006 and 2007.

<b>KPM #4</b>	CONSUMER COMPLAINTS - Number of consumer complaints handled satisfactorily per year (count is number of Oregonians affected).	2002
<b>Goal</b>	To broaden the effect of the Board's Consumer Protection influence, making consumers aware of the protections it offers them when they select a tax professional.	
<b>Oregon Context</b>		
<b>Data Source</b>	The data is obtained from the Agency's complaint activity log files. The data is compiled and a statistical analysis and comparison is done annually. This data was not tracked prior to 2002. Information is not available for 2006.	
<b>Owner</b>	Oregon Board of Tax Practitioners Ron Wagner, Executive Director 503-378-4034	



**1. OUR STRATEGY**

The Board seeks to increase public awareness on the protections Oregon's tax practitioner licensing law provide them. The Board will also continue to develop relationships with other agencies of mutual interest. The Board will seek to proactively act to protect consumers from fraudulent activities and to be responsive to requests for assistance. The Board will expand its use of its website to inform the public of the protections provided to them through the Board's compliance program.

**2. ABOUT THE TARGETS**

This is a double-edged sword. As the number increases it can be said that more Oregonians are assisted by the Board.

However, it can also be argued that as the number decrease it represents that there are less number of Oregonians who are involved with and affected by unlicensed, fraudulent, deceptive or dishonest tax practices needing our help.

**3. HOW WE ARE DOING**

The agency is increasing its public awareness campaign. The agency's public awareness campaign continues to increase the number of Oregonians affected by the agency. The public awareness campaign educates Oregonians to the licensing program and the benefits it provides them.

The agency is using community associations, ethnic associations and organizations, and the news media to inform Oregonians of the agency's programs in the benefits provided to them. The agency is also working with licensees to educate their customers on the licensing program and the benefits it provides them. This is a grassroots effort to inform Oregonians of the benefits of using an ethical, competent professional to preparer their personal income taxes.

The agency set a more aggressive target for 2006 and subsequent years. This will insure the agency will continue to work in this area and not be satisfied with meeting this goal. The agency continues to affect Oregonians at a higher rate than first predicted.

**4. HOW WE COMPARE****5. FACTORS AFFECTING RESULTS**

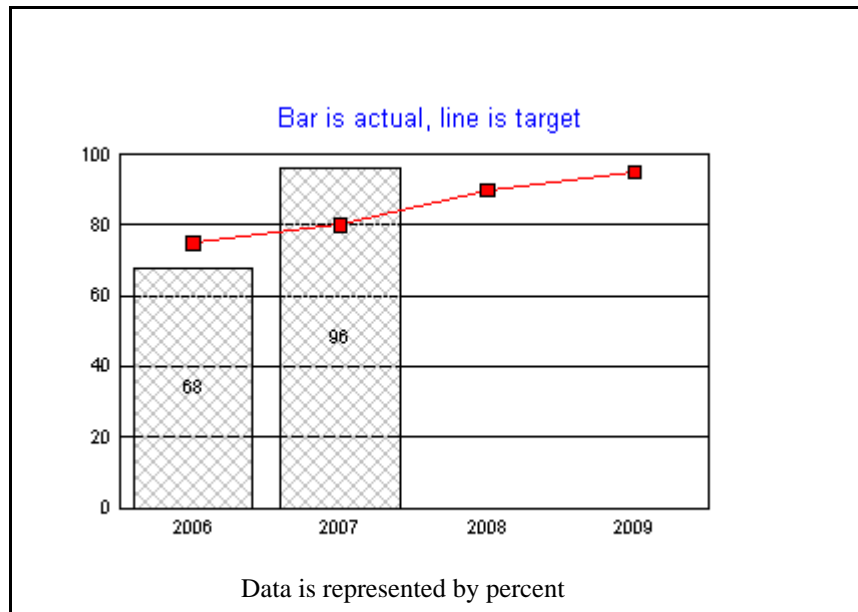
**6. WHAT NEEDS TO BE DONE**

The agency needs to continue to monitor this measurement. The agency needs to continue to find ways of informing Oregonians of the benefit of the licensing program and how this program can benefit them personally. The agency's website will be used to inform Oregonians of the work being done by the agency. We will use the front page of the website for these public messages.

The agency will continue to challenge itself in this area. The more Oregonians affected positively by the agency the more the agency is meeting its mission.

**7. ABOUT THE DATA**

<b>KPM #5</b>	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	2006
<b>Goal</b>	To measure the level of the agency's customer service.	
<b>Oregon Context</b>		
<b>Data Source</b>	The data source is the customer satisfaction surveys received by the agency.	
<b>Owner</b>	Oregon Board of Tax Practitioners Ron Wagner, Executive Director 503-378-4034	



**1. OUR STRATEGY**

Our strategy is to ensure that all employees have proper training and are knowledgeable about the Board. This will allow them to answer all

questions, provide responses to our customers in a timely manner, and do so in a pleasant and professional manner.

## **2. ABOUT THE TARGETS**

Customer service is a priority for the agency. The agency has not attempted to measure customer service until recent years. The measure has just recently given the agency a baseline to determine it's current level of customer service. It will also provide a point of reference to measure the effectiveness off future programs implemented to improve customer service.

## **3. HOW WE ARE DOING**

The agency initialized the Customer Service Survey in July 2006. The agency sent the survey to all licensees (approx 4,000) and as a follow up to consumers (approx 100) who have contacted and used agency services. Currently the agency is utilizing the survey for all programs administered. The current response rate is less than one percent. The Agency has received little data as of this report and predicts an increase in the number of responses as well as an increase in the percentage rate for the services provided in future annual reports.

The measure requires the Board to track the number of excellent and good responses to the six required customer service questions. The agency is also tracking the responses to three additional questions that are specific to the agency and it's programs. This information will be reported to the Board in a public meeting and published on the agency's website. The measure is relatively new to the agency. Current data is beind used to establish a baseline or service to be compared to future surveys.

## **4. HOW WE COMPARE**

## **5. FACTORS AFFECTING RESULTS**

In 2007 the Board had a 40% turnover of its staff. In 2008 the Board has experienced a 100% turnover of its staff in the last 6 months.

As our new staff learn the duties of their jobs and become more knowledgeable about the Board the will be able to provide higher levels of service to our customers.

The agency is researching the ability to renew its licenses on-line, eliminating the need for mail or checks. This service will expedite the renewal process; at the same time make it more convenient for the licensees.

**6. WHAT NEEDS TO BE DONE**

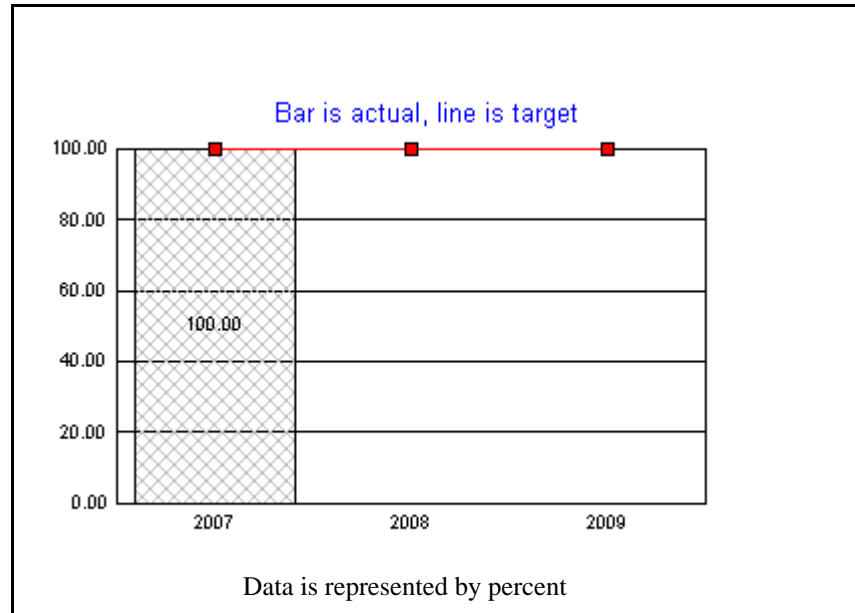
The agency is researching the ability to renew its licenses on-line, eliminating the need for mail or checks. This service will expedite the renewal process; at the same time make it more convenient for the licensees.

The Board must continue to look for innovative ways to serve our customers and provide better service. As our new staff learn the duties of their jobs and become more knowledgeable about the Board they will be able to provide higher levels of service to our customers.

**7. ABOUT THE DATA**

The Board will continue to distribute the customer satisfaction survey to consumers, licensees, community colleges, education sponsors, professional associations, other state agencies and other parties that receive services from the agency. The agency will continue to send the survey by using the semi-annual newsletter, include surveys in the agency's renewal notices, post it on the website, and mail to Oregonians affected by the agency. The agency has developed a process in which a link to the survey is sent with all emails generated from the board office. This link is in a format that allows the recipient to complete the survey electronically and return it to the agency electronically. The agency believes this will make it more convenient for the recipient to respond to the survey therefore increasing the number of responses received by the agency. This will also reduce printing and publishing costs for the agency.

<b>KPM #6</b>	EFFECTIVE GOVERNANCE - Percent of total best practices by the agency.	
<b>Goal</b>	The agency's best practices are made up of 15 best practice criteria. These are outlined in number 7 below.	
<b>Oregon Context</b>		
<b>Data Source</b>	<p>The data source for criteria # 1 and #2 is the completed performance evaluation.</p> <p>The data source for criteria #3, #4, #6, #7, #8, #9, #10, #12, #14, and #15 is the minutes from the board meetings held throughout the year.</p> <p>The data source for criteria #5 is email received from the Board chair approving the agency's communications.</p> <p>The data source for criteria #11 comes from Shared Client Services with whom the Board contracts to performs the accounting function.</p> <p>The data source for criteria #13 is in the email sent and received between affected stakeholders.</p>	
<b>Owner</b>	<p>Oregon Board of Tax Practitioners</p> <p>Ron Wagner, Executive Director</p> <p>503-378-4034</p>	



### 1. OUR STRATEGY

Our strategy is to include the review of best practices on the Board's agenda to ensure they receive proper review, and to include all business partners and stakeholders in business activity or business decisions where appropriate.

Our partners include:

- The Oregon Department of Revenue
- The IRS
- The Governmental Accountability Office
- The Board of Accountancy
- State and local chapters of professional tax practitioner organizations.

### 2. ABOUT THE TARGETS

The targets ensure that the Board members are properly involved and up-to-date on the proper business activities of the Board. The criteria is

measured with a simple yes or no answer. The more yes answers received, the more involved the board members are.

### 3. HOW WE ARE DOING

Little data is available to support the status from prior years.

### 4. HOW WE COMPARE

### 5. FACTORS AFFECTING RESULTS

There has been a 100% turnover in the board staff over the 6 months; the three staff members and the Executive Director. Two of the staff positions remained vacant for 2 and 3 months. The shortage of staff and 100% turnover rate have caused the staff available to concentrate on the most critical functions of the board, most important which included processing the annual license renewals and accompanying payments.

The APPR was not filed in 2007.

There is a lack of historical data available to the current staff to chart progress.

### 6. WHAT NEEDS TO BE DONE

The Board needs to be sure that the Best Practices are added to the Board agendas and reviewed by the Board members at appropriate intervals throughout the year.

### 7. ABOUT THE DATA

The best practices contain 15 criteria.

1. Executive Director's performance expectations are current.
2. Executive Director's performance has been evaluated in the last year.
3. The agency's mission and high-level goals are current and applicable.
4. The Board of Directors review the Annual Performance Progress Report.
5. The Board of Directors is appropriately involved in review of the agency's key communications.

6. The Board of Directors is appropriately involved in policy-making activities.
7. The Board's policy option budget packages are aligned with it's mission and goals.
8. The Board of Directors reviews all proposed budgets.
9. The Board of Directors periodically reviews key financial information and audit findings.
10. The Board of Directors is appropriately accounting for resources.
11. The Board of Directors adheres to accounting rules and other relevant financial controls.
12. Board members act in accordance with their roles as public representatives.
13. The Board coordinates with others where responsibilities and interest overlap.
14. The Board of Directors and staff identify and attend appropriate training sessions.
15. The Board reviews its management practices to ensure best practices are utilized.

**Agency Mission:** The Board of Tax Practitioners works to protect consumers by ensuring that Oregon tax professionals are competent and ethical in their professional activities.

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

<p><b>1. INCLUSIVITY</b></p>	<p>* <b>Staff :</b></p> <p>* <b>Elected Officials:</b></p> <p>* <b>Stakeholders:</b></p> <p>* <b>Citizens:</b></p>
<p><b>2 MANAGING FOR RESULTS</b></p>	
<p><b>3 STAFF TRAINING</b></p>	
<p><b>4 COMMUNICATING RESULTS</b></p>	<p>* <b>Staff :</b></p> <p>* <b>Elected Officials:</b></p> <p>* <b>Stakeholders:</b></p> <p>* <b>Citizens:</b></p>