

# Oregon Board of Accountancy Annual Performance Progress Report for Fiscal Year 2006-07

Original Submission date: September 29, 2007

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Visit [http://www.oregon.gov/DAS/OPB/GOVresults.shtml#Annual\\_Performance\\_Reports](http://www.oregon.gov/DAS/OPB/GOVresults.shtml#Annual_Performance_Reports).

# 1. EXECUTIVE SUMMARY

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

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## 1. SCOPE OF REPORT

- All agency programs/services are addressed by KPM #1, customer satisfaction survey. The survey has the largest impact on the Board’s licensing and administrative programs. Other key performance measures address compliance and enforcement programs
- There are no agency programs/services that are not addressed by key performance measures

## 2. THE OREGON CONTEXT

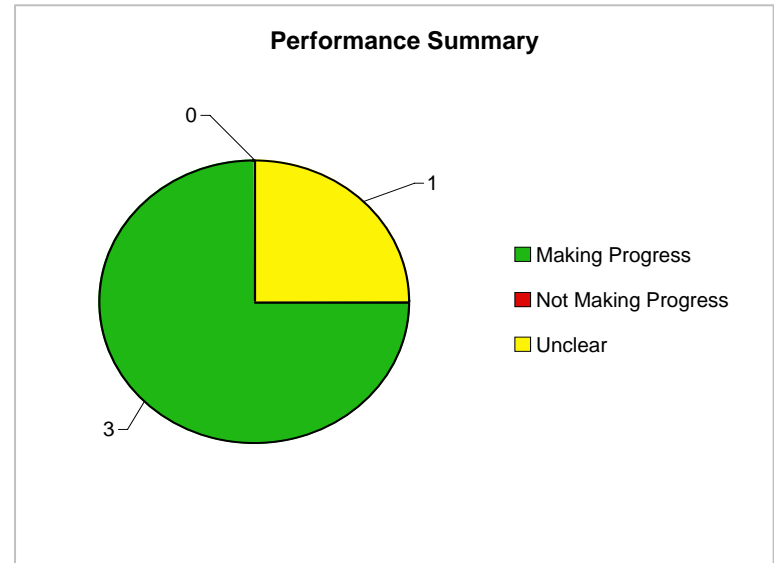
The Board of Accountancy protects the public by assuring that individuals who hold a certified public accountant or public accountant license demonstrate minimum competency to perform professional accounting services. Licensees are required to meet license renewal requirements that demonstrate continued competency in the licensee’s area of practice and to comply with the appropriate statutory and administrative rule requirements.

Board partnerships include the Department of Revenue, Department of Consumer and Business Services, Office of the Secretary of State, Audits Division, Board of Tax Practitioners.

There are no direct links between the Oregon Benchmarks and Board performance measures.

Key performance measures are linked to three high-level outcomes:

- Public Protection
- Excellent Customer Service
- Regulation in a manner that supports a positive business environment.



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### 3. PERFORMANCE SUMMARY

#### **KPM-1 Customer Satisfaction**

This measure shows continued high performance in services provided to Board customers. The Board assures excellent service by (1) maintaining high performance standards for Board employees, and (2) providing accurate and relevant information to the public and to licensees through various communication tools.

#### **KPM-2 Complaint Investigations**

The Board has made steady progress in reducing a backlog of complaint investigations and expects to eliminate the complaint backlog in the 2007-09 biennium. The legislature approved a policy package for 2007-09 that will enable the Board to establish a pool of qualified licensees to investigate and report on the current backlog and also to investigate complex matters that are beyond the resources of Board staff. The Board is also in the process of revising this performance measure for legislative approval in 2009.

#### **KPM-3 Complaints Resulting in Disciplinary Action**

#### **KPM-4 Contested Cases Resolved by Consent**

The Board will monitor new Key Performance Measures 3 and 4 to determine whether the results demonstrate a value that can be affected by the Board, and if so, what actions are necessary to demonstrate improvement.

### 4. CHALLENGES

Time periods over which the Board has no control present a significant challenge in achieving timely investigation of complaints (KPM-2). Licensees are required to respond to Board inquiries within a stated number of days, however this requirement may be extended for various reasons. Investigations of complex issues also require additional time for the licensee and the Board. The Board anticipates that a revised performance measure that does not include time periods over which the Board has no control will provide a more realistic timeframe for complaint investigations. It is also anticipated that the availability of contract investigators who have demonstrated professional expertise in diverse areas will also affect the period of time required to process complaints.

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KPM-3 (Complaints resulting in disciplinary action) is a new performance measure and anticipates a target of diminishing numbers. The Board hopes to accomplish this through licensee education requirements for licensees who are disciplined, and also for the general licensee population through general continuing education requirements and by publication of frequent problem areas.

Consent agreements (KPM-4) are the most efficient and cost-effective method of resolving disciplinary actions. Frequently however licensees decline consent agreements because they do not wish to have a blemish on their record and hope to prevail through administrative hearing.

## 5. RESOURCES USED AND EFFICIENCY

KPM-2 is an efficiency measure demonstrating the Board's ability to promptly and accurately process complaint investigations. Based on revisions to be implemented, the Board anticipates improvement in this area.

KPM-4 is also an efficiency measure, however the outcome is not entirely within the Board's control. Success for this measure requires that licensees wish to resolve a complaint through consent agreements.

The 2007-09 Other Fund Legislatively Approved Budget includes:	Revenues	1,524,225
	Expenditure Limitation:	1,992,874

Additional funds to meet the increased expenditure limitation are available in cash reserves dedicated to Board operations.

## II. USING PERFORMANCE DATA

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<b>The following questions indicate how performance measures and data are used for management and accountability purposes.</b>	
<p><b>1 INCLUSIVITY</b> Describe the involvement of the following groups in the development of the agency's performance measures.</p>	<ul style="list-style-type: none"> <li>• Board members: Participate in review, progress and development of performance measures</li> <li>• Staff: Assists with regular review of performance measure results and development of meaningful measures</li> <li>• Elected Officials: Governor and Legislative members approve Board performance measures</li> <li>• Stakeholders: Opportunities to provide dialogue on any subject at public meetings</li> <li>• Citizens: Public member on Board represents interests of general public</li> </ul>
<p><b>2 MANAGING FOR RESULTS</b> How are performance measures used for agency management?</p>	<p>Annual review of performance measure results conducted to:</p> <ul style="list-style-type: none"> <li>• Verify alignment and progress toward achievement of Board goals and</li> <li>• Identify necessary areas of change</li> </ul>
<p><b>3 STAFF TRAINING</b> Describe staff training in the past year on practical value and use of pfc measures?</p>	<ul style="list-style-type: none"> <li>• Active participation in the development, collection and analysis of statistical data to measure results and consider areas for improvement or change;</li> <li>• Attendance at Progress Board quarterly performance measure roundtable meetings;</li> <li>• Administrator participation in CPM class focusing on use of performance measures</li> </ul>
<p><b>4 COMMUNICATING RESULTS</b> How does the agency communicate performance results to the following audiences and for what purpose?</p>	<ul style="list-style-type: none"> <li>• Staff: staff meetings, board meetings, personal communication for training and increased performance</li> <li>• Elected Officials: Legislative hearings, Board website, newsletter, subscription service and public meetings for review and evaluation</li> <li>• Stakeholders: Board surveys, website, newsletter, subscription service and public meetings for input and evaluation</li> <li>• Citizens: Board website, newsletter, subscription service and public meetings for input</li> </ul>

### III. KEY MEASURE ANALYSIS

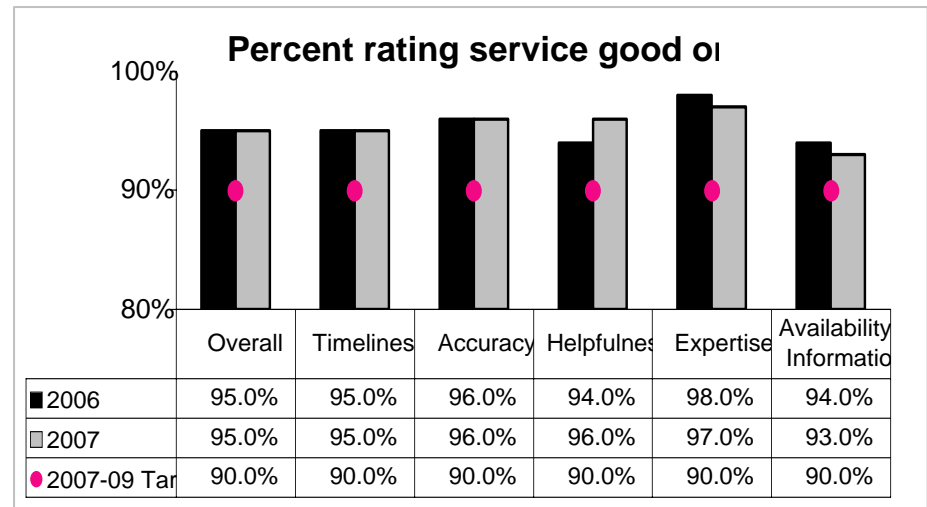
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<b>CUSTOMER SATISFACTION</b>		<b>Measure since: 2003</b>
<b>KPM #1</b>	Percent of customers rating satisfaction with agency services as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information	
<b>Goal</b>	To provide customer service that is timely, accurate and appropriate in a courteous and helpful manner	
<b>Oregon Context</b>	High-level Outcome B: Excellent Customer Service	
<b>Data source</b>	Statistics are provided by survey vendors; staff compiles results of Board delivered surveys, hard copies of returned surveys are available for review.	
<b>Owner</b>	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;
- Prompt and courteous response to licensee inquiries
- Uniform administration of laws and rules.



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**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 a preference to select “n/a” for services that they do not utilize.

**3. HOW WE ARE DOING**

Responses to customer satisfaction surveys have been consistent in reporting high satisfaction in customer service since 2003, when this performance measure was initiated. The Board exceeds targets set at 90%, which ALLOWS an acceptable margin for error.

**4. HOW WE COMPARE**

When compared with other agency customer satisfaction performance measure results the Board of Accountancy ranks in the upper levels

**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; monitor 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. The Internet survey provider prepares compiled statistics for analysis. Surveys received by mail are catalogued and analyzed by staff members. Results are reviewed by staff members and by the Board.

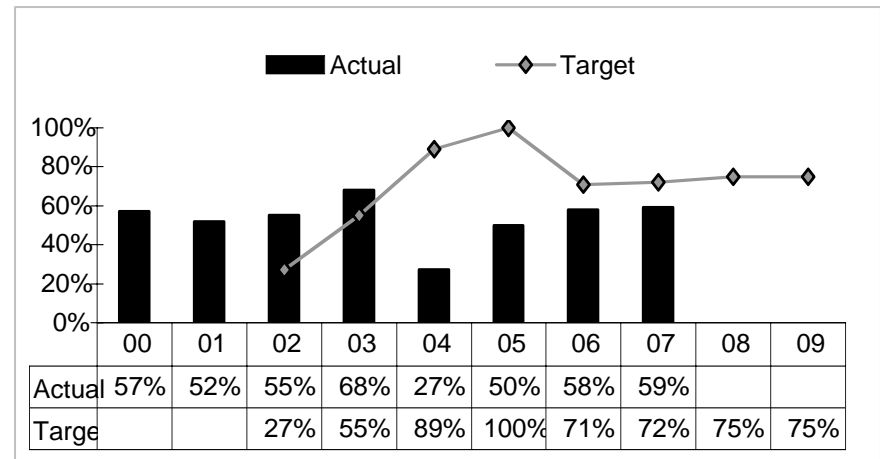
### III. KEY MEASURE ANALYSIS

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KPM #2	COMPLAINT INVESTIGATIONS	Measure since: 2002
	Percent of complaints processed within six months from date of receipt	
<b>Goal</b>	Protect the public by regulating the practice and performance of all services provided by licensed accountants.	
<b>Oregon Context</b>	High-level outcome A: PUBLIC PROTECTION	
<b>Data source</b>	Board and committee public meeting minutes; Enforcement database information.	
<b>Owner</b>	Carol Rives, 503-378-4181 x26	

#### 1. OUR STRATEGY

To process complaint investigations within six months of receipt. Complaints that require knowledge of professional issues beyond Board resources are referred to committee members or to a consultant for investigation. Complaints that are delayed because of pending civil litigation are deferred until the litigation is resolved in order to prevent litigants from using the Board as a litigation tool, and to minimize duplication of efforts by multiple parties. Complaints that present imminent risk of public harm are investigated as quickly as possible. The Board works with law enforcement agencies and other state agencies to investigate complaints with overlapping jurisdictions.



#### 2. ABOUT THE TARGETS

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

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### 3. HOW WE ARE DOING

Data demonstrates a continuous upward trend in the Board's goal to process complaints within six months. Years 2005 and 2006 demonstrate efficiencies achieved from stability in the investigation program. The Board anticipates continued progress toward this goal through programs and revisions to be implemented in the 2007-09 biennium.

### 4. HOW WE COMPARE

The Board is not aware of agency or industry measures that provide a valid comparison for analysis.

### 5. FACTORS AFFECTING RESULTS

Barriers to achievement of this goal include: slow responses to requests for information in the course of the investigation; complaints alleging violations of complex professional issues take longer to investigate; files that require outside investigations are delayed by the procurement process; investigation of complaints that are under investigation by law enforcement or other jurisdictions may be delayed based on confidentiality restrictions.

### 6. WHAT NEEDS TO BE DONE

- Continue policy to complete investigations as promptly as possible without jeopardizing the quality of the investigation
- Expedite investigations that indicate ongoing risk to public protection
- Implement use of qualified contract investigators to conduct investigation of complex issues
- Identify timeframe for measuring complaint investigations that is not subject to lapse of time that is outside of the Board's control
- Use subpoena authority when routine requests for information are unsuccessful.

### 7. ABOUT THE DATA

Data is based on the Oregon fiscal year. Data relating to the progress of every complaint received is recorded in the database as well as various spreadsheet reports

### III. KEY MEASURE ANALYSIS

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KPM #3	COMPLAINTS RESULTING IN DISCIPLINARY ACTION	Measure since: 2006
	Percent of complaints that result in disciplinary action	
<b>Goal</b>	Protect the public from unethical or substandard public accounting services through efficient and fair exercise of Board regulatory authority	
<b>Oregon Context</b>	High-level outcome #A: PUBLIC PROTECTION	
<b>Data source</b>	Board and committee public meeting minutes; Enforcement database information	
<b>Owner</b>	Carol Rives, 503-378-4181 x26	

#### 1. OUR STRATEGY

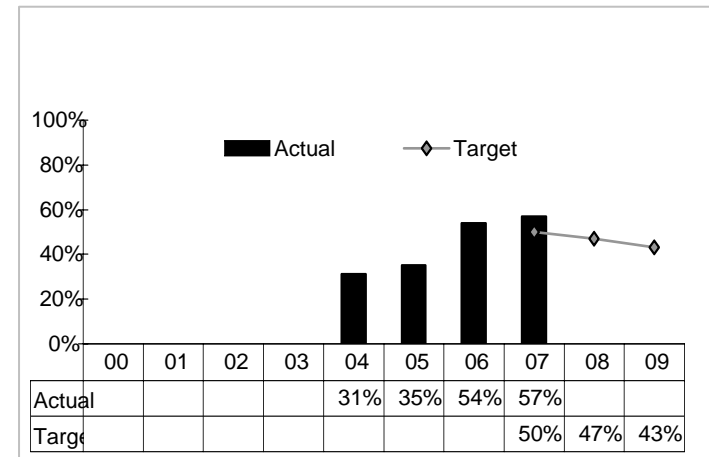
To impose disciplinary sanctions that:

- Assist in rehabilitation of licensees
- Raise awareness in the general community of licensees by publishing violations and sanctions in Board newsletter
- Provide helpful information on the website, and
- Require case studies to be included in Ethics continuing education requirement.

#### 2. ABOUT THE TARGETS

Expectation is to show a declining percentage of complaints that result in disciplinary sanctions based on Board decisions and activities that:

- Include sanctions that educate licensees and
- Increase licensee awareness of conduct that violates Board regulations.



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### 3. HOW WE ARE DOING

This is a new performance measure and historical information may not be consistent with current standards of measurement

### 4. HOW WE COMPARE

The Board is not aware of agency or industry measures that provide a valid comparison for analysis.

### 5. FACTORS AFFECTING RESULTS

Higher percentages of violations recorded in 2006 and 2007 are partially due to a larger number of complaint investigations were completed.

### 6. WHAT NEEDS TO BE DONE

The method of calculation should be reviewed after a reasonable period to determine if other factors affect the results; for example, the number of complaints that result in “no violation” may be an essential element affecting the outcome.

### 7. ABOUT THE DATA

Data is based on the Oregon fiscal year. The data is very reliable and easily verifiable since all complaints received are recorded in the Board database, reviewed and investigated, and records of all actions are available in the minutes of public meetings.

### III. KEY MEASURE ANALYSIS

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

KPM #4	CONTESTED CASES RESOLVED BY CONSENT Percent of contested cases resolved by consent agreement prior to formal hearing	Measure since: 2006
<b>Goal</b>	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.	
<b>Oregon Context</b>	High- level outcomes #A: Public Protection High- level outcomes #C Regulation in a manner that is supports a positive business environment	
<b>Data source</b>	Various Board records catalogue information regarding resolution of contested cases, including licensee database, Board minutes, and records of administrative actions completed.	
<b>Owner</b>	Carol Rives, 503-378-4181 x26	

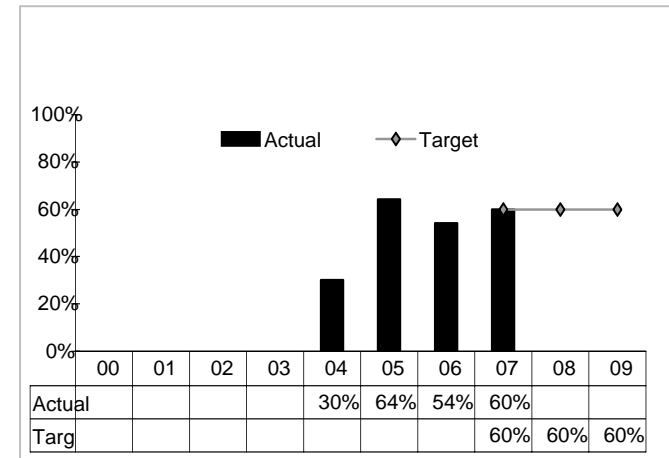
#### 1. OUR STRATEGY

The Board approves offers of settlement based on the following factors:

- Public protection
- The likelihood of continued violations by the licensee
- Corrective actions taken by the licensee prior to discipline, and
- Consistency with discipline imposed for similar violations.

#### 2. ABOUT THE TARGETS

The desired outcome is to increase the number of contested cases settled by consent agreements. Both the Board and licensees benefit from fair and efficient resolution of disciplinary actions. A Proposed Notice of Disciplinary Action becomes a contested case when the Respondent requests an administrative hearing. The administrative hearing process is expensive and



### III. KEY MEASURE ANALYSIS

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disruptive to the normal delivery of business services. The Board encourages licensees who receive a Proposed Notice of Disciplinary Action to consider an agreed settlement of the issues prior to hearing.

**3. HOW WE ARE DOING**

This is a new performance measure.

**4. HOW WE COMPARE**

The Board is not aware of agency or industry measures that provide a valid comparison for analysis.

**5. FACTORS AFFECTING RESULTS**

Licensees are entitled to an administrative hearing and frequently wish to exercise that right. Some licensees do not wish to have a blemish on their record and hope to prevail through administrative hearing.

**6. WHAT NEEDS TO BE DONE**

Maintain efforts to conduct all disciplinary actions to an appropriate resolution, whether the resolution is by consent or after administrative hearing.

**7. ABOUT THE DATA**

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