

TAX PRACTITIONERS, BOARD of
Annual Performance Progress Report (APPR) for Fiscal Year (2011-2012)

Original Submission Date: 2012

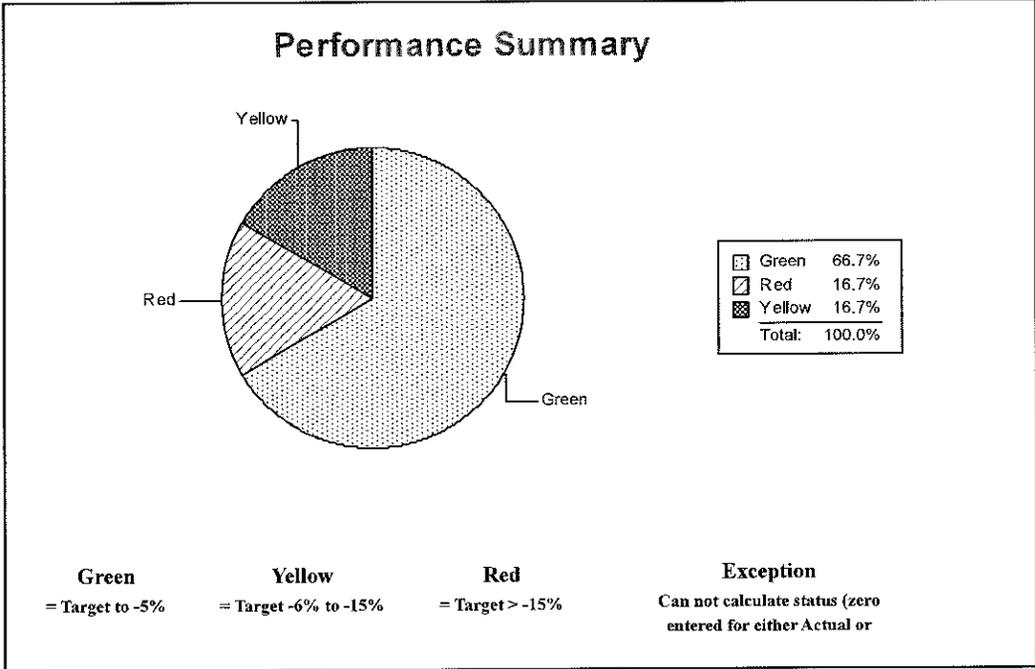
Finalize Date: 2/21/2013

| 2011-2012 KPM # | 2011-2012 Approved Key Performance Measures (KPMs) |
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| 1 | The average number of days it takes the board to process annual license and registration renewals. |
| 2 | The average number of days it takes the board to process exam applications. |
| 3 | CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal). |
| 4 | RESPONSE TIME TO COMPLAINTS - Average number of hours to make an initial response to a consumer complaint. |
| 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. |

| New Delete | Proposed Key Performance Measures (KPM's) for Biennium 2013-2015 |
|-----------------------|---|
| | Title: Rationale: |



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| TAX PRACTITIONERS, BOARD of | | I. EXECUTIVE SUMMARY | |
| 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. | | | |
| Contact: Ronald A. Wagner | | Contact Phone: 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. Measures number one and two are influenced by the board's ability to timely process license renewal forms and exam applications. Measure number three is solely influenced by our licensees. Measure number four is completely influenced by the agency based on our response time to consumer complaints. The agency does not rely on other agencies to achieve the targets for these measures. Whereas three of the four key performance measures are on target, the other one is close to its targeted goals and moving forward.

4. CHALLENGES

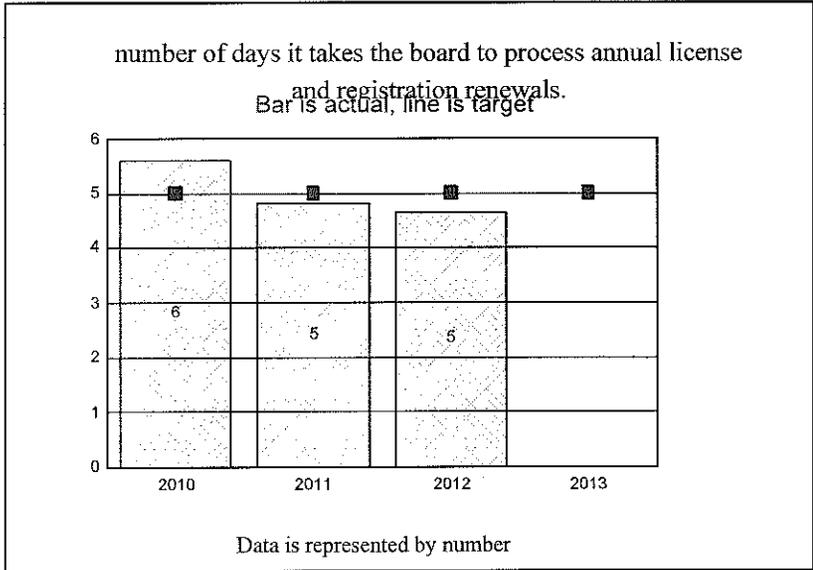
The agency continues to move toward its challenging key performance measures. The agency eliminated two old performance measures that were poorly written and did not provide meaningful data to the board. The agency has replaced those two measures with ones that measure the performance of work performed by the board which affect our licensees. The agency has had success towards meeting the goals of these two new measures. The hiring of the Compliance Specialist has lowered the initial response time dramatically. 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 average number of continuing education hours completed each year by licensees. Moving forward toward the targeted goals also will include a continued commitment from board members, staff and the licensees. Another challenge for the agency is informing the public of Oregon's licensing laws and the benefits to Oregonians. The agency has implemented an affordable, grassroots public awareness campaign to inform Oregonians of the benefits of using a tax professional by implementing new rules requiring licensees to include their license number on all forms of advertising. 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. Fortunately, there was no cost to the agency to implement the new advertising rules. 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, particularly unlicensed activity. 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. The data has been helpful in the past but, in 2012 the agency did not receive enough responses (the board received just 12 responses) to derive any reliable conclusions from the data. The agency will be reviewing this measure on a regular basis and hopes to report clear data and conclusions next year.

5. RESOURCES AND EFFICIENCY

The Board of Tax Practitioners budget for the 2 year fiscal cycle ending June 30, 2013, is \$1,098,646.

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| TAX PRACTITIONERS, BOARD of | II. KEY MEASURE ANALYSIS |
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| KPM #1 | The average number of days it takes the board to process annual license and registration renewals. | 2010 |
| Goal | Process license and business registration renewal forms within 5 business days. | |
| Oregon Context | None | |
| Data Source | Data sources are: 1) Currently, the number of license renewals and business registrations received from the bank and received by fax and the number of renewals processed are entered each day into an Excel spreadsheet. 2) Board's data base report. Beginning September 2012 the datab base will capture the date license renewal forms are received and the date processed. The database report will compute the average number of days from the date received to the date processed of all license renewals and business registrations. | |
| Owner | Ron Wagner Executive Director 503-378-4733 | |



1. OUR STRATEGY

Processing annual license renewals forms and business registrations is be a top priority during the two renewal seasons. The licensing specialist is assigned to perform this work and this is her top priority.

2. ABOUT THE TARGETS

Licensees are required to renew their licenses each year. Tax businesses must also register their businesses and branch offices each year. Licensees must hold a current and valid license to prepare, advise or assist in the preparation of personal income taxes. A long delay in renewing their license or business registration being could interrupt their ability to provide services to their customers.

3. HOW WE ARE DOING

This is a new performance measure. Data is first available starting in 2010.

4. HOW WE COMPARE

No other states in the nation have an active licensing program. Thus we are unable to compare how we are doing compared to the tax licensing boards of other states.

5. FACTORS AFFECTING RESULTS

Those licensees and business owners who do not renew their licenses or business registrations during the normal renewal cycle will generally submit their license renewal form and/or business registration forms at year end. This is also the very busy season for processing exam applications. Approximately 85% of the nearly 800 - 900 exam applications received during the year are received between November 1 and February 28. When license renewal forms and business registration forms are sent in during this time, it adds to an already demanding work load and may result in longer processing times.

6. WHAT NEEDS TO BE DONE

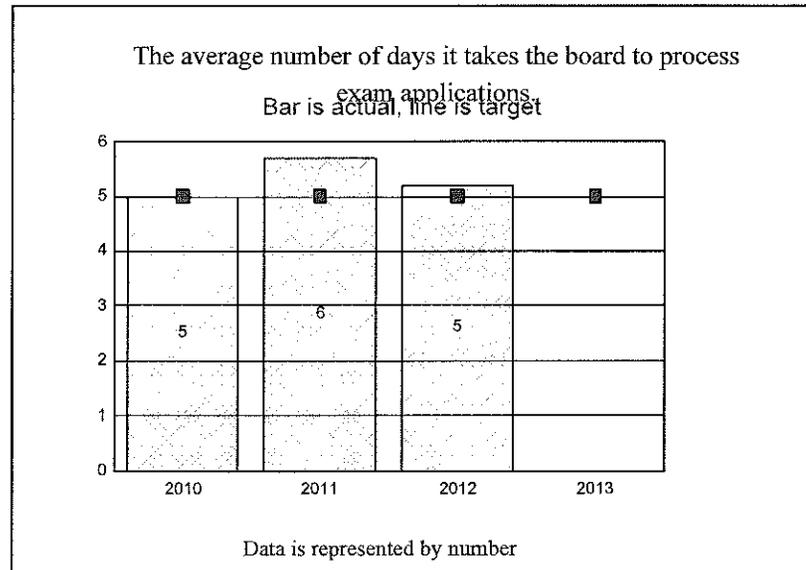
The board encourages licensees and business owners to submit their annual renewal forms during the normal renewal seasons. This provides a more even

workload allowing the board to process the work within the time goals set.

7. ABOUT THE DATA

This data will be reported on a calendar year basis. The date received is manually entered by the licensing specialist into the board's database system at the time the licensing specialist processes the license renewal form or business registration form. The date processed is automatically entered by the system. The strength or weakness of the data is dependent upon the accuracy of the date received being entered by the licensing specialist.

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| KPM #2 | The average number of days it takes the board to process exam applications. | 2010 |
| Goal | To process exam applications within 5 working days. | |
| Oregon Context | None. | |
| Data Source | Data sources are: 1) Currently, the number of license renewals and business registrations and exam applications received from the bank and received by fax and the number of renewals processed are entered each day into an Excel spreadsheet. 2) Board's data base report. Beginning September 2012 the datab base will capture the date license renewal forms and exam applications are received and the date processed. The database report will compute the average number of days from the date received to the date processed of all license renewals, business registrations and exam applications. | |
| Owner | Ron Wagner, Executive Director 503-378-4733 | |



1. OUR STRATEGY

Processing exam applications will be a top priority during the examination season. The licensing specialist is assigned to perform this work and this is her top priority.

2. ABOUT THE TARGETS

Individuals must submit an examination application to the board. The board staff will process the application after reviewing the application and determining that the applicant qualifies to take the exam and the payment has been processed. The applicant must wait for confirmation that the application has been approved and processed before they can schedule a date and time to take the exam. It is important to the customer that the board processes the examination application in a timely manner. In time to process examination applications, the lower number is best.

3. HOW WE ARE DOING

This is a new performance measure. Data is first available starting in 2010.

4. HOW WE COMPARE

No other states in the nation have an active licensing program. Thus we are unable to compare how we are doing to other states.

5. FACTORS AFFECTING RESULTS

Approximately 85% of the nearly 800 - 900 exam applications are received between November and the end of February. During this busy season of processing exam applications, those licensees and business owners who did not renew their licenses or business registrations during the normal renewal cycle will generally submit their license renewal form and /or business registrations forms at this time. This adds to an already demanding work load and may result in longer processing times.

6. WHAT NEEDS TO BE DONE

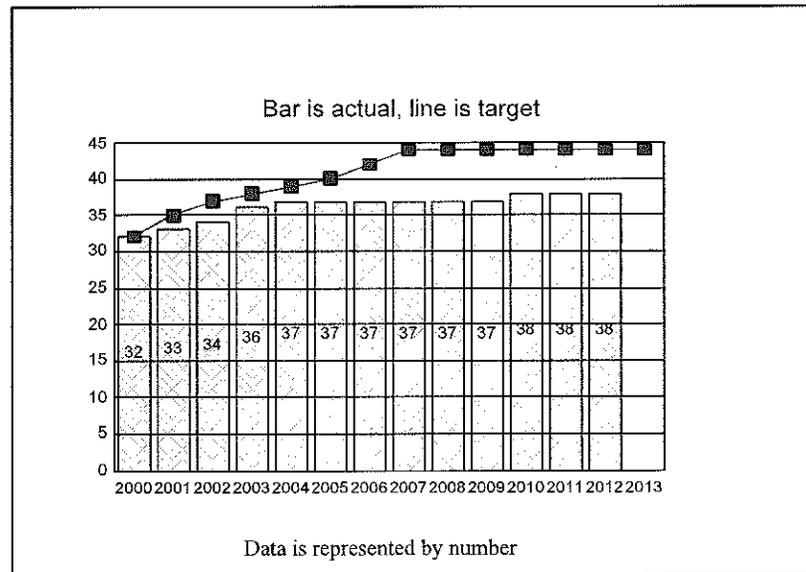
The board encourages licensees and business owners to submit their annual renewal forms during the normal renewal seasons. This

provides a more even workload allowing the board to process the work within the time goals set.

7. ABOUT THE DATA

The data is reported on a calendar year basis. The date received is manually entered by the licensing specialist into the board's database system at the time the licensing specialist processes the exam application. The date processed is also entered by the licensing specialist. The strength or weakness of the data is dependent upon the accuracy of the date received and date processed entered by the licensing specialist.

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| KPM #3 | CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal). | 2000 |
| Goal | To ensure a well educated workforce of Tax Practitioners who can provide accurate and professional service to the public. | |
| Oregon Context | none. | |
| Data Source | Reporting by licensed tax practitioners on their annual license renewal form. | |
| Owner | 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 does not 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 reported to the board as received by Oregon licensed tax practitioners has remained the same over the last 5 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 report (beginning in 2007 to attest) all continuing education received 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 with a full licensing program.

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

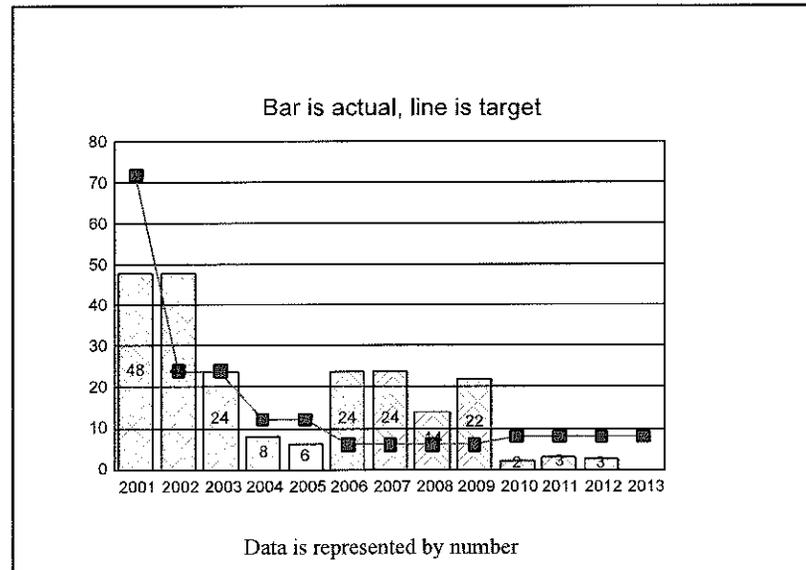
Although the Board is not considering any increase in the legal requirement, it will continue to encourage licensees to be actively involved in the profession and to gain education that contributes to their expertise in tax preparation. The agency will continue to work with the industry associations to ensure effective continuing education at reasonable costs to the licensees. The agency is working hard to remind all licensees to submit all continuing education. The agency has also implemented a program to inform 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 report the actual 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 audits 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.

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| KPM #4 | RESPONSE TIME TO COMPLAINTS - Average number of hours to make an intial response to a consumer complaint. | 2001 |
| Goal | To expedite the resolution of consumer complaints. | |
| Oregon Context | | |
| Data Source | The board staff enters into a data base the date and time the complaint is received and the date and time the office staff contacts the alleged violator. | |
| Owner | 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 vioating the laws will disappear as soon as they feel tension from consumers, often with advance payments from clients and consusmer source

documents. In an effort to prevent widespread damage, the Board will seek to respond to a consumer complaint within 24 hours of it's 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 alledged violator.

3. HOW WE ARE DOING

The number our 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 agencys 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. In 2009 the Board's investigator was away from the office on parental leave. During her absense complaints were responded to by other Board staff. Three complaints received during the year were not responded to in a timely manner. The first was due to the investigator being on parental leave. She responded to the complaint 11 work days later which was recorded at 87 hours. The other two complaints were received on a Friday, which the investigator did not work. She took the following week as a vacation week. She then replied when she returned to the office. The responses were recorded at 60 hours each. Policies has been put in to place where all complaints will be forwarded to the Executive Director if the investigator is out of the office on leave to ensure complaints are responded to in a timely manner.

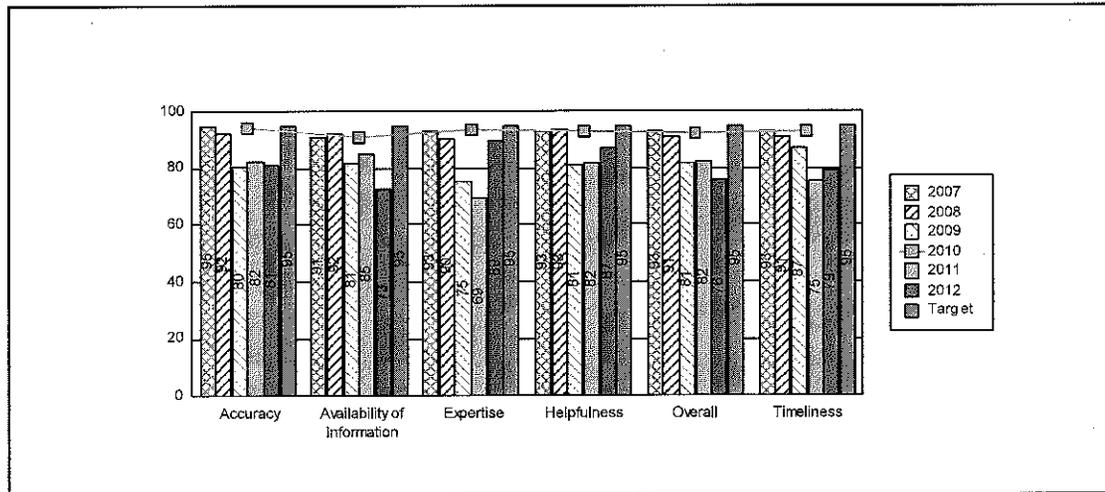
6. WHAT NEEDS TO BE DONE

The reporting process is reported in the number of hours. This change took 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. By focusing importance on the measure and making this a priority for the compliance specialist, initial response time will be reduced. The agency realizes this activity goes to the heart of its mission, to protect the consumer. The initial response time is getting so short the agency is not sure if this is the best measurement. The agency may consider changing this measure from initial response time to completed investigation time. However, monitoring the time to reach an actual resolution of cases is dependent of many factors outside the Boards' control.

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 to 2006. The data was collected in the number of days for years 2006 and 2007. The time period covered is based on calendar years. The number of hours are based on an 8 hour work day, 8:00 a.m. to 5:00 p.m. If a response is received at 2:00 p.m. and the first contact is made at 10:00 a.m. the next morning, the response time will be reported as 5 hours. A note is included in number 5. Factors affecting results, explaining the delayed response to three complaints during 2009. The average response time when including the results from these three cases is 18.92 hoours. Including the response times on these three cases grossly exaggerates the data for the 2009. Therefore, the data reported in this measure excludes the response time for these three cases.

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| KPM #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. | 2006 |
| Goal | To measure the level of the agency's customer service. | |
| Oregon Context | | |
| Data Source | The data source is the customer satisfaction surveys received by the agency. | |
| Owner | 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 being 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 experienced a 100% turnover of its staff within a two and one half month period, February 1 - April 15. As our new staff learn the duties of their jobs and become more knowledgeable about the Board they were 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. The number of customers responding to our online survey dropped dramatically from 330 in 2007 to 48 in 2008 and to just 5 in 2009. The few number of customers responding would affect the results. It is believed that after the survey has been available to customers for a couple of years few customers felt it necessary to again complete teh survey. A presumption is made that those customers who were not as happy with the service they received are more likely to complete the survey. Better results will show in the 2010 data as many licensees, over 900 have completed the survey to date. This may possible be due to the new national licensing program which will begin its first stage of implementation in late 2010. Many licensees are accessing the board's website for current information about the federal licensing program and to learn how this new program will affect the Board.

6. WHAT NEEDS TO BE DONE

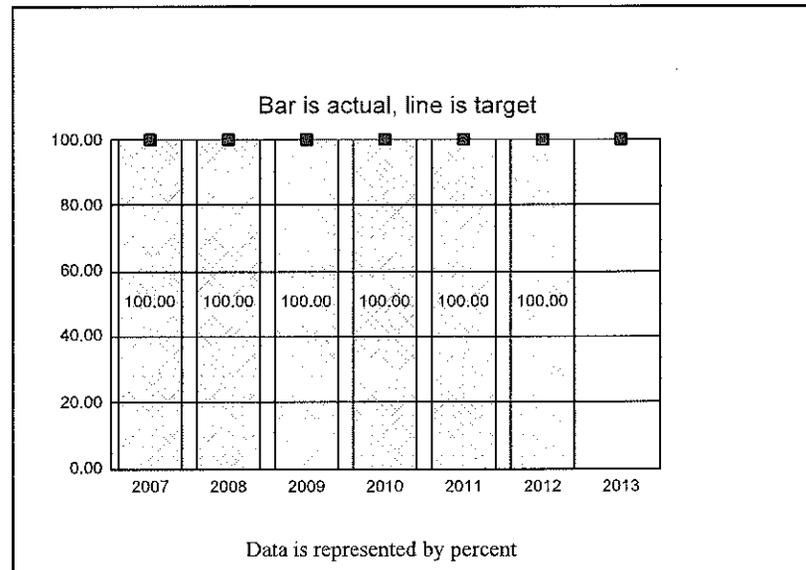
The agency is researching the ability to renew its licenses on-line, eliminating the need for mail or checks. This service will expedite the renewal process; at the same time make it more convenient for the licensees. The Board must continue to look for innovative ways to serve our customers and provide 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. The time period covered in the reporting is based on a calendar year.

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| TAX PRACTITIONERS, BOARD of | II. KEY MEASURE ANALYSIS |
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| KPM #6 | EFFECTIVE GOVERNANCE - Percent of total best practices by the agency. |
| Goal | The agency's best practices are made up of 15 best practice criteria. These are outlined in number 7 below. |
| Oregon Context | |
| Data Source | The data source for criteria # 1 and #2 is the completed performance evaluation. 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. The data source for criteria #5 is email received from the Board chair approving the agency's communications. The data source for criteria #11 comes from Shared Client Services with whom the Board contracts to performs the accounting function. The data source for criteria #13 is in the email sent and received between affected stakeholders. |
| Owner | Oregon Board of Tax Practitioners Ron Wagner, Executive Director 503-378-4034 |



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, TIGTA (Treasury Inspector General for Tax Administration); 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**

After a 100% turnover in the board staff over a 6 month period in 2008 the board's staff has stabilized. The shortage of staff and 100% turnover rate caused the available staff 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 by the prior Executive Director. The staff have been able to concentrate on meeting the goals of the measures and reevaluate whether the measures were effective measures of the board's work. The board was able to eliminate two measures that did not provide realistic measures of the staff effort and replace them with new measures.

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 its 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.

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| TAX PRACTITIONERS, BOARD of | III. USING PERFORMANCE DATA |
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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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| Contact: Ronald A. Wagner | Contact Phone: 503-378-4034 |
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| Alternate: Monica Walker | Alternate Phone: 503-378-4034 |
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| The following questions indicate how performance measures and data are used for management and accountability purposes. | |
| 1. INCLUSIVITY | <ul style="list-style-type: none"> * Staff : * Elected Officials: * Stakeholders: * Citizens: |
| 2 MANAGING FOR RESULTS | |
| 3 STAFF TRAINING | |
| 4 COMMUNICATING RESULTS | <ul style="list-style-type: none"> * Staff : * Elected Officials: * Stakeholders: * Citizens: |