

Oregon Board of Accountancy Annual Performance Progress Report for Fiscal Year 2005-06

Due: September 30, 2006
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the practice and performance of all services
provided by licensed accountants.

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(503) 378-4181, 3218 Pringle Road SE, Salem OR 97302
or visit http://www.oregon.gov/DAS/OPB/GOVresults.shtml#Annual_Performance_Reports.

ABOUT THIS REPORT

Purpose of Report

The purpose of this report is to summarize the agency's performance for the reporting period, how performance data are used and to analyze agency performance for each key performance measure legislatively approved for the 2005-07 biennium. The intended audience includes agency managers, legislators, fiscal and budget analysts and interested citizens.

1. PART I: EXECUTIVE SUMMARY defines the scope of work addressed by this report and summarizes agency progress, challenges and resources used.
2. PART II: USING PERFORMANCE DATA identifies who was included in the agency's performance measure development process and how the agency is managing for results, training staff and communicating performance data.
3. PART III: KEY MEASURE ANALYSIS analyzes agency progress in achieving each performance measure target and any corrective action that will be taken. This section, the bulk of the report, shows performance data in table and chart form.
- 4.

KPM = Key Performance Measure

The acronym "KPM" is used throughout to indicate **K**ey **P**erformance **M**easures. Key performance measures are those highest-level, most outcome-oriented performance measures that are used to report externally to the legislature and interested citizens. Key performance measures communicate in quantitative terms how well the agency is achieving its mission and goals. Agencies may have additional, more detailed measures for internal management.

Consistency of Measures and Methods

Unless noted otherwise, performance measures and their method of measurement are consistent for all time periods reported.

TABLE OF MEASURES

*The Board of Accountancy protects the public by regulating
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2005-07 KPM#	2005-07 Key Performance Measures (KPMs)	Page #
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	5
2	COMPLAINT INVESTIGATIONS Percent of complaints processed within six months from date of receipt	7
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1. SCOPE OF REPORT

- All customer services are addressed by customer satisfaction survey KPM 1.
- There are no Board programs or services that are not addressed by key performance measures.

2. THE OREGON CONTEXT

The Board of Accountancy assures that professional accounting services provided to Oregon citizens and Oregon businesses are provided by licensees who have demonstrated competency in their area of practice, and by taking disciplinary action when Board standards are not achieved.

3. PERFORMANCE SUMMARY

The Board has been working to reduce a backlog of complaints from past years that occurred because of (1) complexity of complaint allegations presented and (2) vacancies in the Board Investigator position. Even though the backlog has been consistently smaller year over year for the past three years, completed investigations of older complaints continue to affect the data for this performance measure. Prompt investigation of complaints is also subject to factors outside of the Board's control, including:

- licensees and witnesses who do not respond to inquiries or do not provide critical information in a timely fashion;
- an increasing number of complaints that require investigation by outside consultants;
- volunteer committee members who assist in the investigation of complaints and who have other professional demands on their time;
- complaints received from anonymous sources present problems in verification, and
- complaints alleging complex professional issues require additional time to prepare.

II. USING PERFORMANCE DATA

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The following questions indicate how performance measures and data are used for management and accountability purposes.	
<p>1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency's pfc measures.</p>	<ul style="list-style-type: none"> • Staff: Assists with regular review of performance measure results and development of meaningful measures • Elected Officials: Governor and Legislative members approve Board performance measures • Stakeholders: Opportunities to provide dialogue on any subject at public meetings • Citizens: Public member on Board represents interests of general
<p>2 MANAGING FOR RESULTS How are pfc measures used for agency management? What changes were in the past year?</p>	<p>Board members and staff monitor performance measure results to verify alignment and progress toward achievement of Board goals and Strategic Business Plan and to identify necessary areas of change.</p> <p>The Board contracts with consultants to investigate complaints for which Board staff does not have professional expertise, which helps to keep the backlog of complaints at a reasonable number.</p>
<p>3 STAFF TRAINING Describe staff training in the past year on practical value and use of pfc measures?</p>	<p>Active participation in the development, collection and analysis of statistical data to measure results and consider areas for improvement or change; attending Progress Board quarterly performance measure roundtable meetings; Administrator participation in CPM class focusing on use of performance measures</p>
<p>4 COMMUNICATING RESULTS How does the agency communicate performance results to the following audiences and for what purpose?</p>	<ul style="list-style-type: none"> • Staff: staff meetings, board meetings, personal communication • Elected Officials: Communication through Board website, newsletter, subscription service and public meetings • Stakeholders: Communication through Board website, newsletter, subscription service and public meetings • Citizens: Communication through Board website, newsletter, subscription service and public meetings

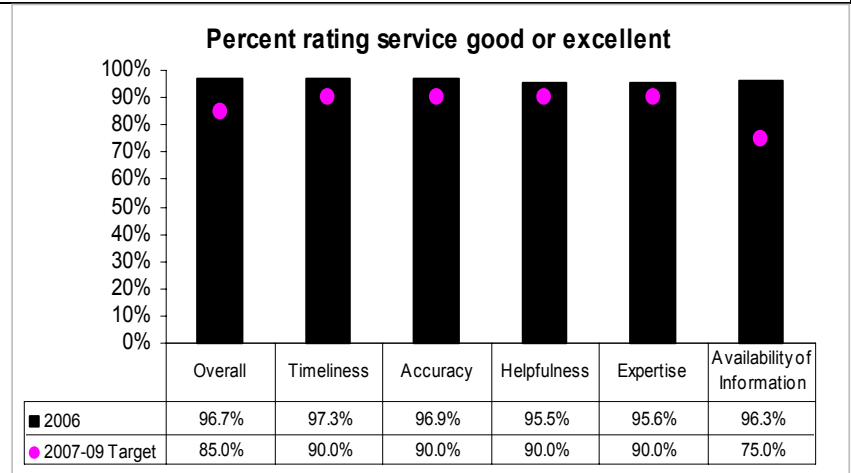
III. KEY MEASURE ANALYSIS

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KPM #1	CUSTOMER SATISFACTION		Measure since: 2005
	Percent of customers rating satisfaction with agency services as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information		
	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 inquiries and to provide information to consumer and professional groups; 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 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 indicates 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

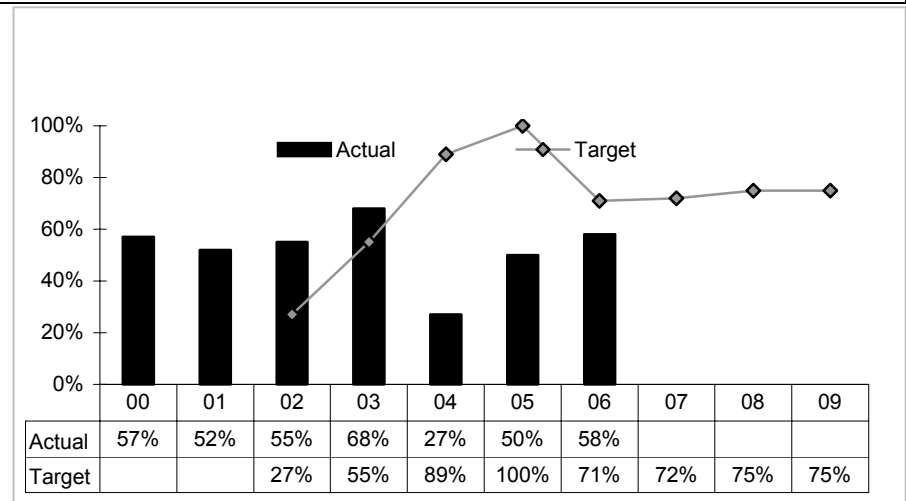
Data is based on the Oregon fiscal year. Customer surveys are delivered by mail and via the Internet. Results are reviewed by a responsible staff member and by staff as a group. The Internet survey provider prepares compiled statistics for analysis. Surveys received by mail are catalogued and analyzed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

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KPM #2	COMPLAINT INVESTIGATIONS	Measure since: 2002
	Percent of complaints processed within six months from date of receipt	
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	Board and committee public meeting minutes; Enforcement database information.	
Owner	Carol Rives, 503-378-4181 x26	

1. OUR STRATEGY

Process complaint investigations within six months of receipt. Complaints that require knowledge of professional issues beyond Board resources will be 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 more recent cases to be processed more efficiently.

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3. HOW WE ARE DOING

Data demonstrates a continued increase in achievement the goal to process complaints within six months. A high watermark in 2003 was the result of complaints that were not opened and catalogued during a period of vacancy, combined with a training period for a new investigator. The low watermark in 2004 reflects a period of catch-up for unopened 2002 complaints. Years 2005 and 2006 demonstrate efficiencies achieved from stability in this position. The Board anticipates continued progress toward this goal through continued efforts of an experienced investigator.

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 first delayed by the procurement process; and immediate investigation of complaints under investigation by law enforcement or other jurisdictions may not be possible.

6. WHAT NEEDS TO BE DONE

Continue efforts to complete investigations as promptly as possible without jeopardizing the quality of the investigation or public protection; use subpoenas when routine requests for information are unsuccessful.

7. ABOUT THE DATA

Data is based on the Oregon fiscal year. Data is recorded in the database as well as various spreadsheet reports, in which complaints are entered on date opened, which occurs with 24 hours of receipt. Committee and Board minutes record the dates that investigations are presented for consideration.

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

1. OUR STRATEGY

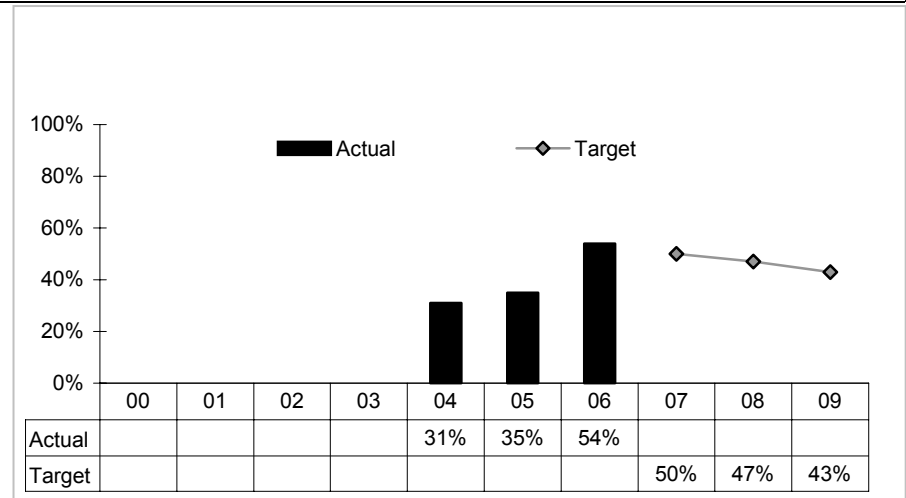
To impose disciplinary sanctions that assist in rehabilitation of licensees; raise awareness in the general community of licensees by publishing violations and sanctions in Board newsletter; provide helpful information on the website, and require case studies to be included in Ethics continuing education requirement.

2. ABOUT THE TARGETS

Expectation is to show a declining percentage of violations that result in disciplinary sanctions demonstrating from increased licensee awareness of conduct that violates Board regulations.

3. HOW WE ARE DOING

This is a new performance measure and measurable results are not available.



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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

The increase in percentage of violations recorded in 2006 is partially because a greater number of complaint investigations were completed in 2006 due to extensive efforts to reduce the backlog of old and complex cases.

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, reviewed and investigated, and records of all actions are available in the minutes of public meetings. Finally information is recorded in the Board database.

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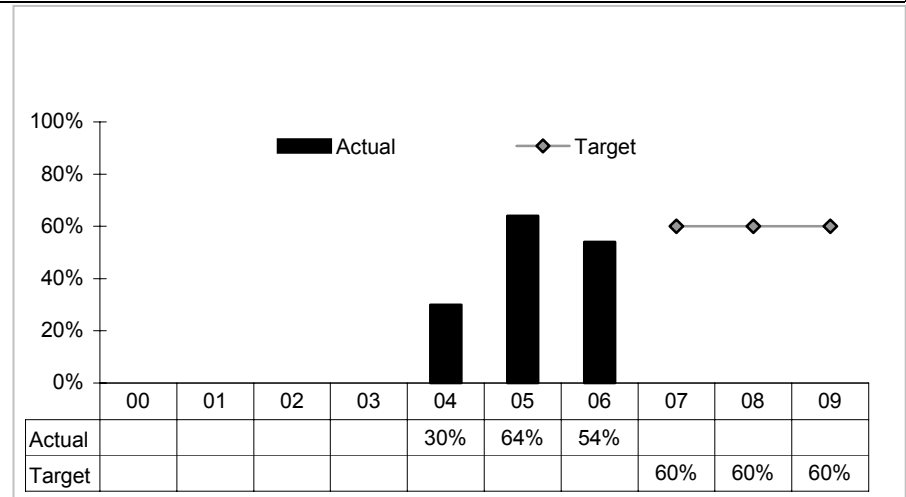
KPM #4	CONTESTED CASES RESOLVED BY CONSENT Percent of contested cases resolved by consent agreement prior to formal hearing	Measure since: 2005
Goal	Protect the public from unethical or substandard public accounting services, and encourage corrective action by licensees through the fair and efficient resolution of disciplinary actions.	
Oregon Context	High- level outcomes #A: Public Protection High- level outcomes #C Regulation in a manner that is supports 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.	
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1. OUR STRATEGY

The Board approves offers of settlement based on public protection, the likelihood of continued violations by the licensee, corrective actions taken by the licensee, and consistency with discipline imposed 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 actions. 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.



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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

Continue efforts to conduct all disciplinary actions to an appropriate resolution.

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.