

ACCOUNTANCY, STATE BOARD OF

Annual Performance Progress Report (APPR) for Fiscal Year (2013-2014)

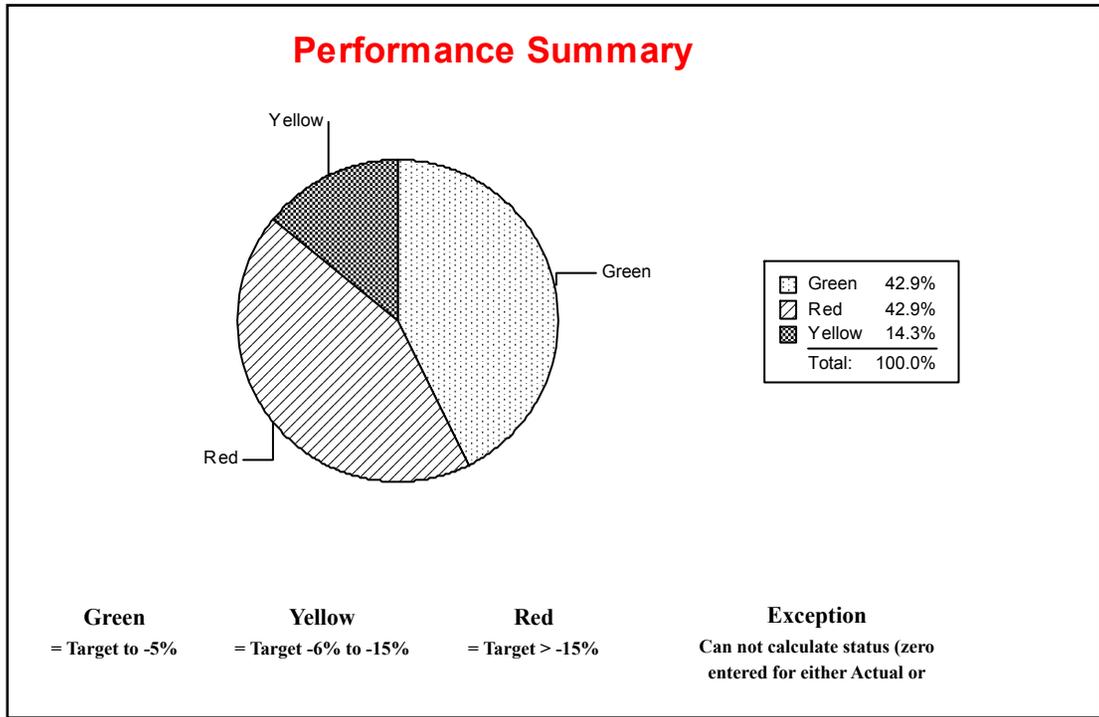
Original Submission Date: 2014

Finalize Date: 2/17/2015

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
2	Number of days from date of Complaints Committee recommendation to date of preliminary Board determination
3	Number of days from date of letter advising parties that an investigation has begun to completion of investigative report
4	Percentage of complaints dismissed or moved to contested case hearing within 270 days of initiation of investigation.
5	Percentage of complaints wherein letters advising the parties of whether or not an investigation will be initiated are mailed within five business days of the receipt of the complaint
6	Percent of contested cases resolved by consent agreement prior to formal hearing
7	BEST PRACTICES - Percent of total best practices met by the Board.

New Delete	Proposed Key Performance Measures (KPM's) for Biennium 2015-2017
DELETE	<p>Title: Percent of contested cases resolved by consent agreement prior to formal hearing</p> <p>Rationale: The Board of Accountancy respectfully requests deletion of this KPM as it could be interpreted as a quota for achieving settlements. In the view of the Board, only evidence supporting facts should drive decisions whether to dismiss a complaint, or attempt to settle it, or take it to a contested case hearing. Numeric targets for this activity are not appropriate. An additional indicator as to why this KPM is not meaningful is that it is impossible to tell whether the outcome measured is positive or negative. Depending on the particulars of a case and the supporting evidence, a settlement can be a solid outcome that protects the public. Alternatively, a settlement could also reflect a failure to appropriately sanction the severity of the conduct in a matter that should have been taken to contested case hearing, in the event the Respondent is unwilling to agree to appropriate settlement terms.</p>
DELETE	<p>Title: Percentage of complaints dismissed or moved to contested case hearing within 270 days of initiation of investigation.</p> <p>Rationale: The Board respectfully requests deletion of this KPM#4 in favor of maintaining KPM #3. KPM#3 measures the time it takes the Board to complete an investigation - an appropriate measure that assesses what is within the Board's control (the investigation itself), and is unconnected to the possible outcomes from the investigation. In contrast, this KPM#4 also includes the time to Board dismissal or moving to a contested case, which is far less precise, and includes significant elements outside the Board's control. This KPM is also problematic as it excludes the possibility of other outcomes such as settlements, which could be an equally valid public protection outcome of the process. In sum, keeping the focus on KPM#3 and the time to complete investigation reports is a measurement that is far more meaningful, and would also serve the legislative oversight objective of focusing on KPMs that allow for meaningful cross-comparison between regulatory agencies.</p>

ACCOUNTANCY, STATE BOARD OF		I. EXECUTIVE SUMMARY	
Agency Mission: The Board of Accountancy protects the public by regulating the practice and performance of all services provided by licensed accountants.			
Contact: Martin Pittioni, Executive Director		Contact Phone: 503-378-2280	
Alternate: Kimberly Fast		Alternate Phone: 503-378-2268	



1. SCOPE OF REPORT

All agency programs are addressed by KPM 1, Customer Satisfaction. The Customer Satisfaction survey has the largest impact on the Board's licensing and administrative programs KPM-2, KPM-3, and KPM-4 relate to compliance and enforcement programs. All Board programs and services are addressed by key performance measures. Additional KPMs to measure performance were added beginning with FY 2012.

2. THE OREGON CONTEXT

There are no direct links between Oregon Benchmarks and Board performance measures. Performance measures are related to the following three high-level outcomes: Public Protection, Excellent Customer Service and Regulation in a manner that supports a positive business climate. The Board of Accountancy licensing program protects the public by assuring that licensed accountants who provide professional accounting services in Oregon have demonstrated professional competency. The Board enforcement program protects the public by administering laws and rules governing the practice of public accountancy. The Board maintains business partnerships with the Oregon Department of Revenue, Oregon Department of Consumer and Business Services, Audit Division of the Office of the Secretary of State, the Oregon Board of Tax Practitioners and other regulatory and law enforcement agencies.

3. PERFORMANCE SUMMARY

43% of the Board's KPMs are 15% or more below target, only 57% are within or above target. That overall picture is driven by a significant drop in performance related to the Board's compliance work; in anticipation, the Board worked with the Department of Administrative Services and the Oregon State Legislature to provide additional resources as of FY 2014 to the Board's compliance unit, in the form of a second, limited duration compliance position. Performance has remained steady with respect to customer service, and improved significantly on the Board best practices KPM. The Board's new Executive Director is working with the Board and staff to review and improve performance.

4. CHALLENGES

Performance in compliance operations is clearly the most critical challenge. The impact of adding a second investigator on a limited duration basis will not show fuller impact until FY 2015, as hiring and training occurred during FY 2014. FY 2014 performance was also hampered by a significant contested case that drained considerable staff resources. The Board is focusing its budgetary resources and requests squarely on this arena. Initial data on rate of case resolution (not tracked as a legislative KPM) shows uptick in performance as of FY 2014..

5. RESOURCES AND EFFICIENCY

2013-15 Legislatively Approved Budget allowed Other Fund Expenditures of \$2,104,122. The agency received legislative approval for additional \$200,000 in 2013-15 expenditure limitation to address the impacts of an unusually expensive contested case, and to allow for more cases to be handled by contract investigators. The Board has been working on implementing more efficient ways to handle its compliance case load.

KPM #1	CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	2003
Goal	To provide all services to all customers in a professionally courteous, timely, accurate and helpful manner.	
Oregon Context	High-level Outcome B: Excellent Customer Service.	
Data Source	Data for this measure through FY 2011 was provided by means of a survey provided to those who have completed the licensure renewal process. This meant that the only data generated came from that process, and not from any other interactions with the Board of Accountancy. After a new Executive Director was hired in Fall 2012, the Board has switched as of FY 2013 to using a survey monkey tool to generate data for this KPM. (The Board did not compile this data for FY 2012 due to a Director change). The expansion of the data source for customer satisfaction is significant as it limits somewhat the cross comparability of the data generated prior to FY 2013. From FY 2013, the customer performance data is gathered from a much broader set of customers. For the most recent FY reported (2014), only 67% of respondents were current licensees. Another 16% identified themselves as applicants for licensure, and another 11% were applicants for the CPA examination. The data is also generated from complainants (4%) and attorneys who interacted with the Board (3%).	
Owner	Martin Pittioni, Executive Director 503-378-2280	



1. OUR STRATEGY

The Board strives to provide excellent customer service. Our strategies include: respond to inquiries promptly and accurately; maintain a user friendly website, which offers useful information in an easily accessible format; assure that staff members remain informed of changes in law, rules and standards promulgated by professional bodies; refer licensees and the public to appropriate entities when information being sought is not within agency purview. The Board has begun work on web site improvements and on-line service delivery, but these improvements are not yet complete.

2. ABOUT THE TARGETS

Providing the highest possible levels of all services to all customers is our goal. The agency believes the goal can be maintained if the combined customer satisfaction survey responses of "good" or "excellent" total 90 percent or more of all responses. With the switch to a much broader base of customers including compliance-related feedback, it may well be difficult to maintain the 90% target. In general, it is more difficult to get high ratings in satisfaction in a compliance setting when usually either the complainant or the licensee is unhappy with the outcome. The Director believes it is important to look for and evaluate feedback on service from all sources, including the more difficult arena of compliance operations.

3. HOW WE ARE DOING

The Board of Accountancy has seen a steady increase in "good" and "excellent" responses to customer satisfaction surveys since 2003, when this performance measure was initiated. The Board has mostly exceeded targets set at 90%, with some underperformance relative to target, and especially relative to other results, with respect to availability of information. Data was not collected for FY 2012, and the Executive Director position was vacant between August 6, and November 1, 2012. The Board and the new Director collected data again for FY 2013 and will work to improve performance with respect to availability of information. In addition, it is expected that overall customer satisfaction will be negatively impacted for FY 2012 and FY 2013, especially with respect to failure to implement on-line renewals as advertised to our licensees. The expansion of the data source for customer satisfaction is significant as it limits somewhat the cross comparability of the data generated prior to FY 2013. From FY 2013, the customer performance data is gathered from a much broader set of customers. For the most recent FY reported (2014), only 67% of respondents were current licensees. Another 16% identified themselves as applicants for licensure, and another 11% were applicants for the CPA examination. The data is also generated from complainants (4%) and attorneys who interacted with the Board (3%). With the switch to a much broader collection of data including from compliance-related feedback, it may well be difficult to maintain the 90% target. In general, it is more difficult to get high ratings in satisfaction in a compliance setting when usually either the complainant or the licensee is unhappy with the outcome. The Director believes it is important to look for and evaluate feedback on service from all sources, including the more difficult arena of compliance operations.

4. HOW WE COMPARE

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

5. FACTORS AFFECTING RESULTS

The practice of public accountancy in Oregon is governed by laws, administrative rules and professional standards promulgated by national professional organizations. The Board strives to assure that staff members are aware of relevant changes in all regulatory and professional parameters. Data was not collected for FY 2012. The Board under a new Director has collected data again from FY 2013 forward and improved performance with respect to availability of information. In addition, it is expected that overall customer satisfaction will be negatively impacted for FY 2012 and FY 2013 due to failure to implement on-line renewals as originally advertised and promised to half the licensee base up for renewal in June 2012. With the switch to a much broader data collection for this KPM including compliance-related feedback, it may well be difficult to maintain the 90% target. In general, it is more difficult to get high ratings in satisfaction in a compliance setting when usually either the complainant or the licensee is unhappy with the outcome. The Director believes it is important to look for and evaluate feedback on service from all sources, including the more difficult arena of compliance operations.

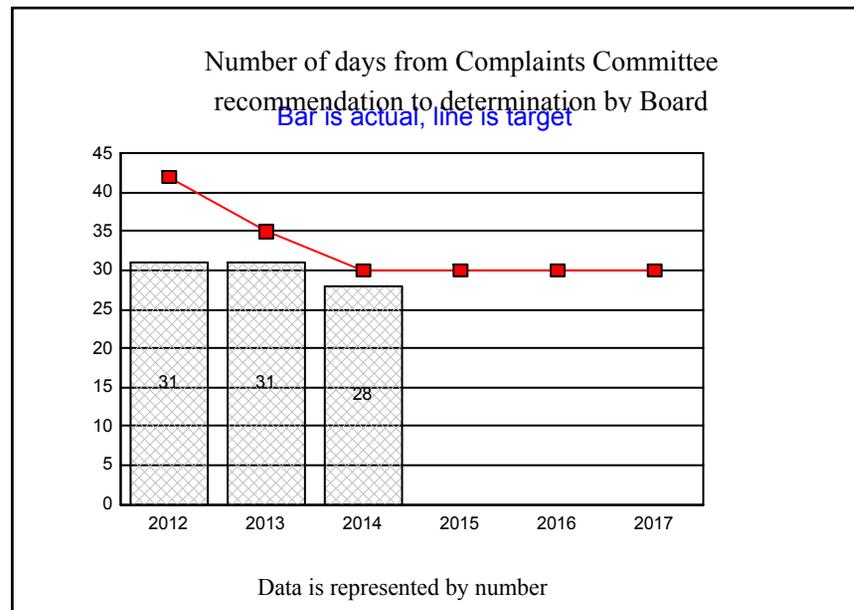
6. WHAT NEEDS TO BE DONE

Provide the highest level of customer services possible. Analyze customer surveys and other forms of feedback in order to identify improvements that can be made to customer services.

7. ABOUT THE DATA

Data is based on the Oregon fiscal year. Customer surveys are delivered by email requesting completion of a survey monkey. Survey materials are available for review.

KPM #2	Number of days from date of Complaints Committee recommendation to date of preliminary Board determination	2010
Goal	Improve customer service	
Oregon Context	A) public protection; B) excellent customer service	
Data Source	Agency data base	
Owner	Martin Pittioni, Executive Director, 503-378-2280	



1. OUR STRATEGY

Strategy is to decrease the time taken between Complaint Committee recommendation and Board action.

2. ABOUT THE TARGETS

Targets are set high to emphasize the goal of timely resolution.

3. HOW WE ARE DOING

Initial FY 2012 and FY 2013 data on this new performance measure indicates the Board should be able to meet the set target levels. Board exceeded target in FY 2014.

4. HOW WE COMPARE

No comparable measures.

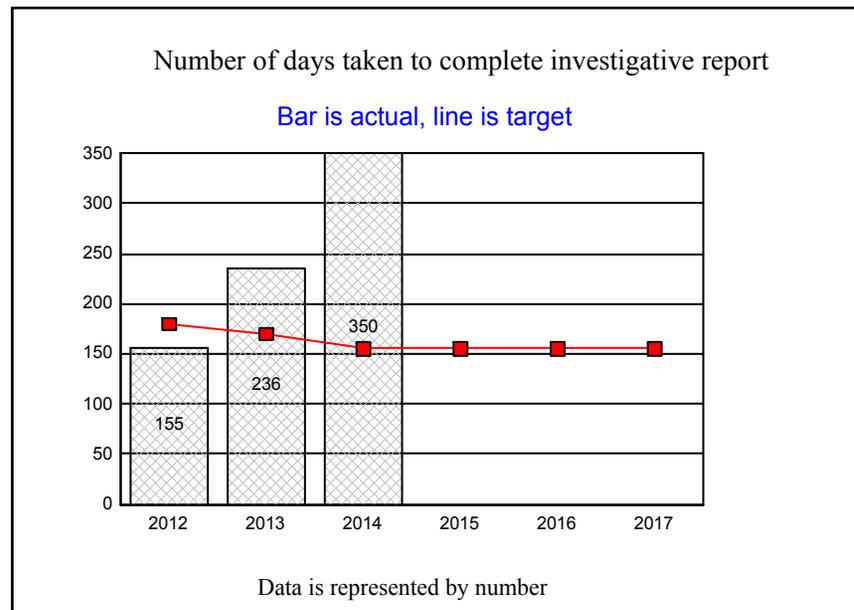
5. FACTORS AFFECTING RESULTS**6. WHAT NEEDS TO BE DONE**

This new KPM needs to continue to be monitored and evaluated.

7. ABOUT THE DATA

Initial FY 2012, FY 2013 and FY 2014 data indicate the Board should be able to meet the set target levels. The Board slightly exceeded the targeted performance in FY 2014.

KPM #3	Number of days from date of letter advising parties that an investigation has begun to completion of investigative report	2012
Goal	Improve customer service to complainants and licensees.	
Oregon Context	A) public protection; B) excellent customer service	
Data Source	Agency data base	
Owner	Martin Pittioni, Executive Director, 503-378-2280	



1. OUR STRATEGY

Focus investigation resources on timely completion of investigations, without compromising quality.

2. ABOUT THE TARGETS

These targets are set high to focus on the area that the Board can control at the staff level with respect to its performance investigations - actual time taken to complete the investigation report.

3. HOW WE ARE DOING

Initial FY 2012 data indicated the Board is achieving better than target with this measure. However FY 2013 data is significantly below target, reflecting the relative mismatch of compliance resources with demand. It is too early to draw any conclusions from just two years of data. The Board worked collaboratively with the Department of Administrative Services and the Legislative Fiscal Office to add a compliance position for the Board, which - once implemented with a hire and completion of training - should start positively impacting the data trend for this KPM.

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

Complexity of investigations, resources available to hire investigators on a contract basis, and a new compliance position approved by the Legislature for FY 2014 and FY 2015 on a limited duration basis.

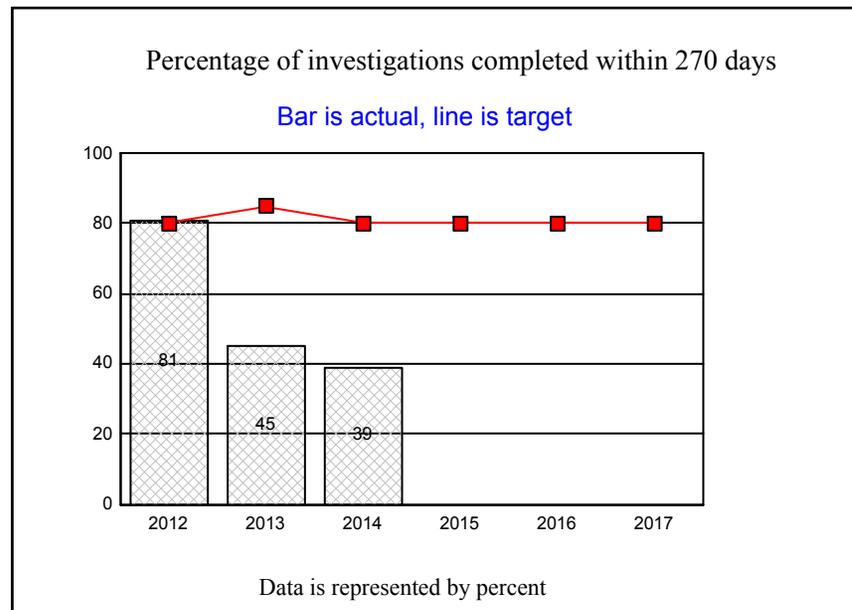
6. WHAT NEEDS TO BE DONE

Continued monitoring of this measure by the Board's new Executive Director.

7. ABOUT THE DATA

Recent FY 2013 and 2014 data indicates performance significantly below target, reflecting the relative mismatch of compliance resources with demand, as well as the repercussions of cleaning up old cases in the Board's docket. It is too early to adjust goals or draw broad conclusions until the Board has had a chance to operate for at least 2-3 years with two investigators.

KPM #4	Percentage of complaints dismissed or moved to contested case hearing within 270 days of initiation of investigation.	2012
Goal	Protect the public by regulating the practice and performance of all services provided by licensed accountants.	
Oregon Context	High-level outcome A: PUBLIC PROTECTION	
Data Source	Data is maintained on the Board database, legal files and records of public meetings.	
Owner	Martin Pittioni, Executive Director, 503-378-2880	



1. OUR STRATEGY

This is a new KPM since FY 2012, to replace a previous KPM that contained a 180 day target. Initial data from FY 2012 indicate that the Board's actual performance on this KPM was within target range, but performance dropped sharply in FY 2013 reflecting the significant strain on resources. The Board has

worked successfully and proactively with the Department of Administrative Services and the Oregon State Legislature to obtain additional resources in the form of adding a two-year, limited duration compliance position as of FY 2014 to improve performance.

2. ABOUT THE TARGETS

270 days is a more realistic target for completion of Board action on the increasingly complex cases facing the Board, especially once the backlog of older cases has been significantly reduced.

3. HOW WE ARE DOING

Initial data from FY 2012 on this new KPM showed the Board on target, however FY 2013 and FY 2014 data show a significant drop in performance.

4. HOW WE COMPARE

There are no comparable measures by other Boards of Accountancy.

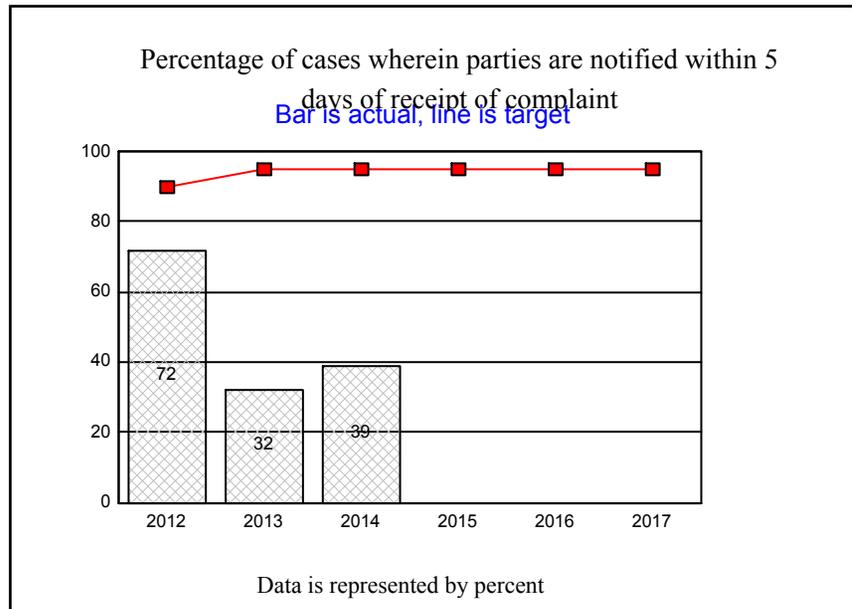
5. FACTORS AFFECTING RESULTS

Complexity of investigations, availability and resources for contract investigators.

6. WHAT NEEDS TO BE DONE

7. ABOUT THE DATA

KPM #5	Percentage of complaints wherein letters advising the parties of whether or not an investigation will be initiated are mailed within five business days of the receipt of the complaint	2010
Goal	Provide service in a timely manner	
Oregon Context	A- public protection; B-excellent customer service	
Data Source	Date entries from agency data base.	
Owner	Martin Pittioni, Interim Executive Director, 503-378-2280	



1. OUR STRATEGY

The strategy is to focus on timely notification within 5 business days of receipt, to increase transparency of the process and provide excellent service.

2. ABOUT THE TARGETS

The target is set high, due to the volume of complaints. It is not always realistic to determine quickly issues of jurisdiction determining whether or not an investigation should be initiated.

3. HOW WE ARE DOING

FY 2012 initial performance is under target. This KPM is too new to draw any conclusions based on FY 2012 and FY 2013 data alone.

4. HOW WE COMPARE

There appear to be no comparable measures by other Boards of Accountancy.

5. FACTORS AFFECTING RESULTS

The target is set high, due to the volume of complaints. It is not always realistic to determine quickly issues of jurisdiction determining whether or not an investigation should be initiated.

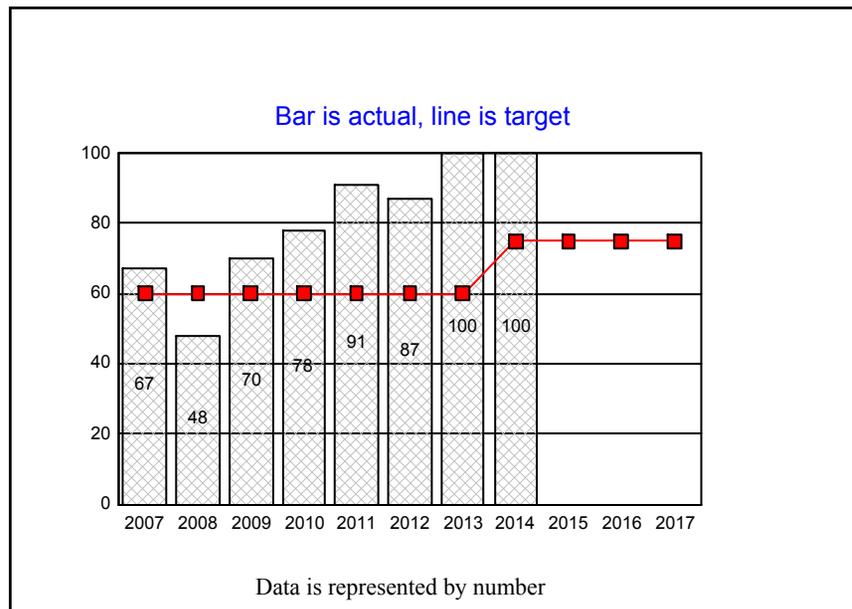
6. WHAT NEEDS TO BE DONE

Continued monitoring and evaluation of this new KPM.

7. ABOUT THE DATA

Data is collected on a fiscal year basis.

KPM #6	Percent of contested cases resolved by consent agreement prior to formal hearing	2006
Goal	Protect the public from unethical or substandard public accounting services and encourage corrective action and future compliance by licensees through the negotiation of mutually acceptable case dispositions.	
Oregon Context	High- level outcomes #A - Public Protection. High- level outcomes #C - Regulation in a manner that is supportive of a positive business environment.	
Data Source	Various Board records provide information regarding the resolution of contested cases including licensee database , Board minutes and records of administrative actions completed.	
Owner	Martin Pittioni, Executive Director 503-378-2280	



1. OUR STRATEGY

The Board encourages the execution of stipulated orders (negotiated settlement agreements) as a potential disposition in those investigations that result in preliminary findings of violations and proposed sanctions. Negotiated settlement is a cost effective alternative to the formal contested case hearing process for both the Board and licensees. The Board's primary objective is to assure public protection and the fair administration of Board rules and statutes, while also being mindful of an appropriate relationship between Board resources and outcomes, when considering proposed settlements. Factors guiding the level of sanction the Board seeks in a settlement include the likelihood of continued violations by the licensee, whether the licensee has implemented corrective actions and consistency with disciplinary action previously imposed by the Board for similar conduct.

2. ABOUT THE TARGETS

The desired outcome is that an increased number of disciplinary actions will be settled by negotiated settlements. Negotiated settlement provides fair and efficient resolution of disciplinary action for all parties.

3. HOW WE ARE DOING

The Board's performance has exceeded targets since 2009, significantly so in FY 2011 and FY 2012. As a result, the Board is proposing to raise performance standards on this target beginning in FY 2014.

4. HOW WE COMPARE

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

5. FACTORS AFFECTING RESULTS

Licensees are entitled to an administrative hearing and choose to exercise that right in some instances. There are also cases in which settlement negotiations are not successful because the Board and the licensee are unable to agree on terms and conditions.

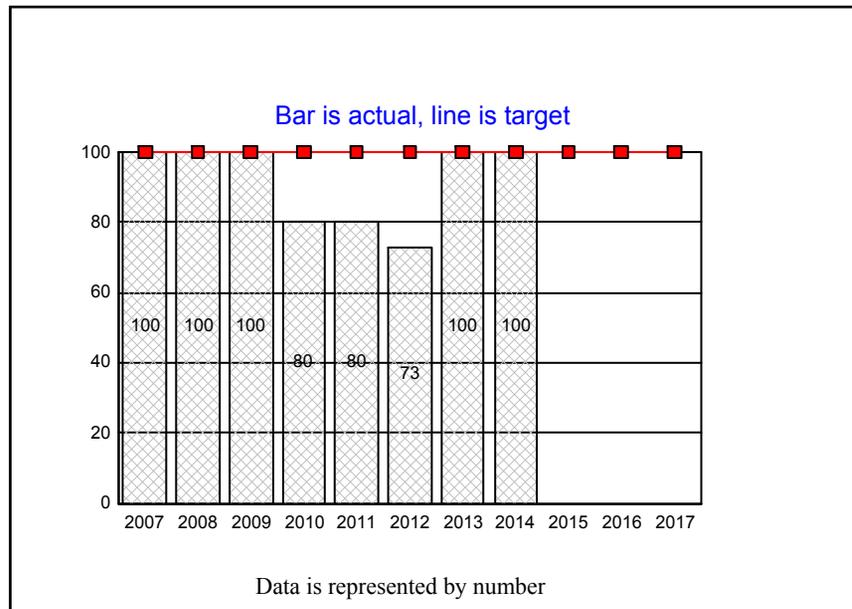
6. WHAT NEEDS TO BE DONE

Continue to encourage the resolution of cases through negotiated settlements.

7. ABOUT THE DATA

Results are based on the Oregon fiscal year. Relevant information is maintained in and retrieved from the Board database, case files and records of public meetings.

KPM #7	BEST PRACTICES - Percent of total best practices met by the Board.	2007
Goal	Assure effective governance and integrity of all Board functions.	
Oregon Context	High Level Outcome A: Public Protection	
Data Source	Board minutes and personal knowledge of existing Board practices.	
Owner	Martin Pittioni, Executive Director 503-378-2280	



1. OUR STRATEGY

The Board has re-established full compliance in FY 2013, working with a new Executive Director as of November 1, 2012.

2. ABOUT THE TARGETS

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

3. HOW WE ARE DOING

The Board's performance has been decreasing on this performance measure. The Board re-gained 100% compliance with the help of a new Executive Director.

4. HOW WE COMPARE

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

5. FACTORS AFFECTING RESULTS

Key factor for performance is a partnership between the Executive Director and the Board to achieve 100% compliance. Other factors are training of Board members in their responsibilities when they accept appointment to the Board of Accountancy.

6. WHAT NEEDS TO BE DONE

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

7. ABOUT THE DATA

No additional information is available.

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

Contact: Martin Pittioni, Executive Director

Contact Phone: 503-378-2280

Alternate: Kimberly Fast

Alternate Phone: 503-378-2268

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

1. INCLUSIVITY

- * **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. Board created a Laws and Rules Task Force in Fall 2013 for a more transparent and inclusive rule and statutory change development process.
- * **Citizens:** Public member on Board represents interests of general public.

2 MANAGING FOR RESULTS

Board members and staff monitor performance measure results to verify alignment with and progress toward achievement of Board goals and Strategic Business Plan and to identify necessary areas of change. The Board established a pool of qualified professionals in 2008 to investigate complaints on a contracts basis for which Board staff does not have professional expertise. In 2013, the Board worked with the Legislature to add additional compliance resources in the form of a second investigator to its budget, to help address the growing case log.

3 STAFF TRAINING

Active participation in the development, collection and analysis of statistical data to measure results and consider areas for improvement or change.

4 COMMUNICATING RESULTS

- * **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.