

**TAX PRACTITIONERS, BOARD of**  
**Annual Performance Progress Report (APPR) for Fiscal Year (2013-2014)**

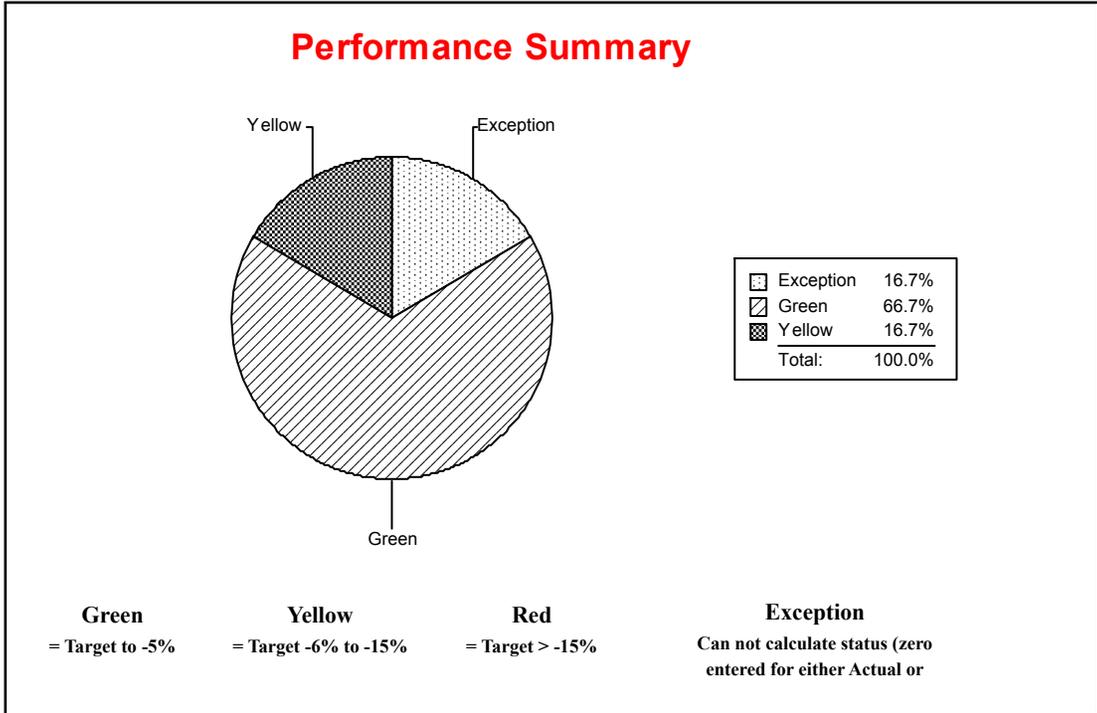
Original Submission Date: 2014

Finalize Date: 12/23/2014

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
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.

<b>New Delete</b>	<b>Proposed Key Performance Measures (KPM's) for Biennium 2015-2017</b>
	<b>Title:</b>  <b>Rationale:</b>

<b>TAX PRACTITIONERS, BOARD of</b>		<b>I. EXECUTIVE SUMMARY</b>	
<b>Agency Mission:</b> The State Board of Tax Practitioners protects consumers by ensuring Oregon tax professionals are competent and ethical in their professional activities.			
<b>Contact:</b> Bill McMillen		<b>Contact Phone:</b> 503-378-4733	
<b>Alternate:</b> Heather Shepherd		<b>Alternate Phone:</b> 503-378-4860	



**1. SCOPE OF REPORT**

Agency programs/services are addressed by key performance measures.

**2. THE OREGON CONTEXT**

The State Board of Tax Practitioners licenses Tax Preparers and Tax Consultants who prepare personal tax returns in Oregon for Oregon citizens. The board

also registers tax preparation businesses. Licensees and registered businesses under the board's jurisdiction must meet standards set forth in the agency's statutes and administrative rules. The State Board of Tax Practitioners investigates complaints and takes enforcement action against violations of the agency's statutes and administrative rules.

### **3. PERFORMANCE SUMMARY**

The agency's performance measures link to the agency's mission rather than to Oregon benchmarks or high-level outcomes. Measures number one and number two track timely processing of the board's license renewal forms and exam applications. Measure number three relies on reporting by board licensees. Measure number four reflects the agency's response time to consumer complaints. The agency is solely responsible for achieving the targets set for these measures.

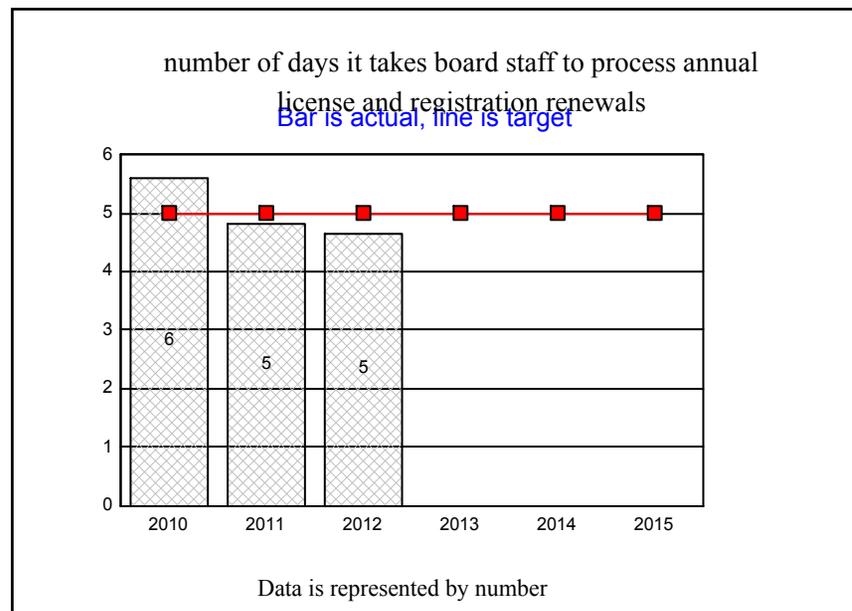
### **4. CHALLENGES**

The agency continues to evaluate its key performance measures. The agency has measurable success in meeting the two new measures. Staff turnover at the executive director, licensing and compliance desks between July 2013 and October 2014 influenced both performance measure tracking and performance. Production, particularly with licensing is showing net positive performance. The new Compliance Specialist began work in August 2014 and developed a new tracking model providing better, more accurate information. The agency continues to investigate and enforce violations, aggressively pursuing illegal tax preparation activity. Identity theft is a growing concern and the agency is improving communication with the Department of Justice and Federal Treasury investigators as tools to exchange enforcement information. The targeted goal of increasing the average number of continuing education hours completed each year by licensees is improving as a function of the Exam and Education Coordinator's annual audit procedure. A continuing challenge for the agency is improving the way it informs the public of Oregon's practitioner licensing laws and the benefits to Oregonians. The agency is redesigning its website informing Oregonians about how to locate a licensed tax professional; current enforcement actions, particularly regarding unlicensed activity; and outlining the pathway for interested citizens to become a tax practitioner in Oregon. The agency has a customer satisfaction measure as required and a survey link is now included in all email correspondence. The survey link is also visible on the agency website. The survey, introduced in 2007, had many responses early on but the volume diminished in recent years. In 2012, the agency did not receive enough responses to derive any reliable conclusions from the data.

### **5. RESOURCES AND EFFICIENCY**

The Board of Tax Practitioners budget for the biennium ending June 30, 2015, is \$1,157,125.

<b>KPM #1</b>	The average number of days it takes the board to process annual license and registration renewals.	2010
<b>Goal</b>	Process license and business registration renewal forms within five business days.	
<b>Oregon Context</b>	None	
<b>Data Source</b>	The agency database captures the date license renewal forms are received and the date processed. The database report computes the average number of days from the date received to the date processed of all license renewals and business registrations.	
<b>Owner</b>	Bill McMillen Executive Director 503-378-4733	



**1. OUR STRATEGY**

Processing annual license renewal forms for Licensed Tax Preparers, Tax Consultants and Business Registrations is a top priority during May - June and September - October renewal seasons. The Licensing Specialist is assigned to enter licensee renewals and this is a top priority.

## 2. ABOUT THE TARGETS

Both classes of licensee must 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 could interrupt their ability to serve their customers.

## 3. HOW WE ARE DOING

This is an established performance measure. Data was first available in 2010.

## 4. HOW WE COMPARE

Four states in the nation have some form of tax practitioner licensing program. Each state's methodology is unique thus we are unable to compare how we are doing compared to other states.

## 5. FACTORS AFFECTING RESULTS

Generally, Licensed Tax Consultants and Business Owners renew their licenses relatively on time. Licensed Tax Preparers, who tend to work just during the upcoming tax season, may not renew their licenses during the normal renewal cycle and will generally submit their license renewal closer to year end. This is also the most 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. The combination of license renewals and exam applications sent in during the autumn renewal time adds extra pressure to the licensing specialist. The added volume may result in longer processing times.

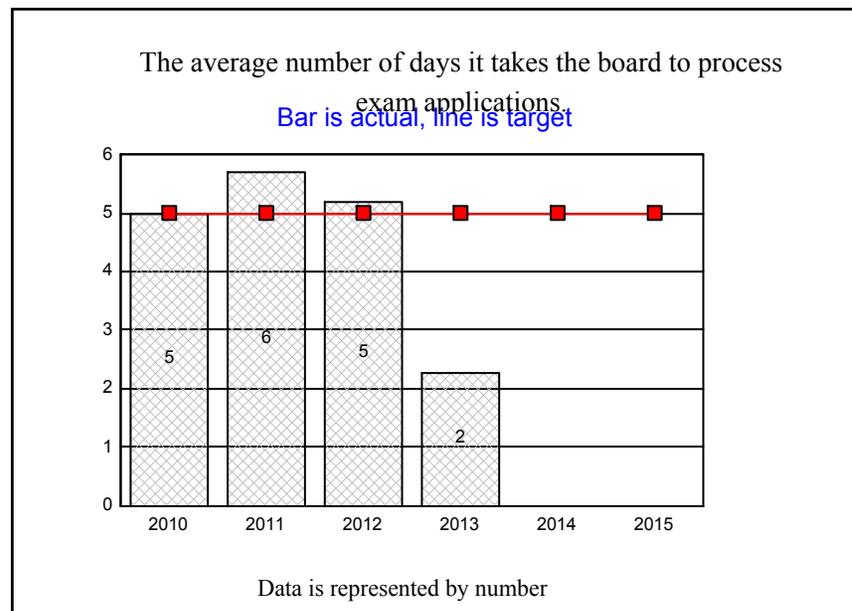
## 6. WHAT NEEDS TO BE DONE

The board encourages licensed tax preparers to submit their annual renewal forms during normal renewal cycles. This provides a more balanced workload allowing staff to process the renewal applications within the established time goals.

## 7. ABOUT THE DATA

This 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 a license renewal form or business registration form is processed. The date processed is automatically entered by the system. The accuracy of the data depends upon the timeliness of the data entry.

<b>KPM #2</b>	The average number of days it takes the board to process exam applications.	2010
<b>Goal</b>	To process exam applications within five working days.	
<b>Oregon Context</b>	None.	
<b>Data Source</b>	The agency database captures the date exam application forms are received and the date processed. The database report computes the average number of days from the date received to the date processed of all license renewals and business registrations.	
<b>Owner</b>	Bill McMillen 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 exam applications and this is a 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 an established performance measure. Data was first available in 2010.

## 4. HOW WE COMPARE

Four states in the nation have some form of tax practitioner application and licensing program. Each state's methodology is unique thus we are unable to compare how we are doing compared to other states.

## 5. FACTORS AFFECTING RESULTS

Approximately 85% of the nearly 800 - 900 exam applications are received between November 1 and February 28. The combination of license renewals and exam applications sent in during the autumn renewal time adds extra pressure to the licensing specialist position. The added volume may result in longer processing times.

## 6. WHAT NEEDS TO BE DONE

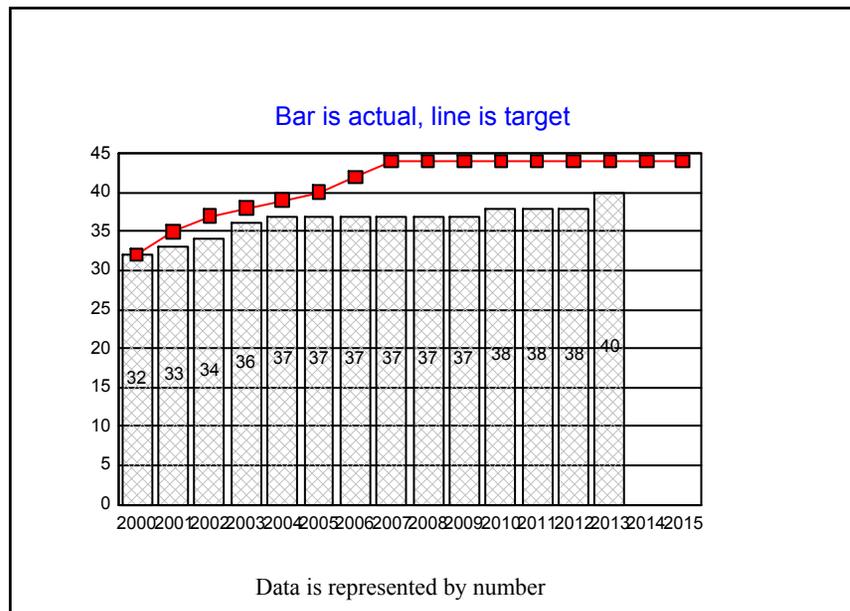
The board encourages licensed tax preparers to submit their annual renewal forms during the normal renewal seasons. This provides a more even workload allowing the board to process exam applicants within established time goals.

## 7. ABOUT THE DATA

This 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 an

exam application form is processed. The date processed is automatically entered by the system. The accuracy of the data depends upon the timeliness of the data entry.

<b>KPM #3</b>	CONTINUING EDUCATION HOURS SUBMITTED - Average number of continuing education hours licensees receive annually (at least 30 hours are required for annual renewal).	2000
<b>Goal</b>	To ensure Licensed Tax Practitioners are properly educated to provide accurate and professional personal tax preparation services to Oregonians.	
<b>Oregon Context</b>	None	
<b>Data Source</b>	Licensed tax practitioners attest they completed 30 hours of continuing education on their annual license renewal form.	
<b>Owner</b>	Bill McMillen Executive Director 503-378-4733	



**1. OUR STRATEGY**

Oregon Administrative Rules require each licensee to attest that they completed 30 hours of continuing education. The exam and education coordinator

randomly selects a pool of Licensed Tax Preparers and a pool Licensed Tax Consultants to audit and verify compliance with the rule. Should a licensee be found out of compliance, the Tax Board takes corrective action.

## 2. ABOUT THE TARGETS

Continuing education is the primary method for licensed tax professionals to keep informed about regular changes in state and federal tax laws. A practitioner who neglects to maintain their continuing education may unintentionally provide inaccurate advice to clients. The Board determined that 30 hours of continuing education is a minimum standard for licensees. The more continuing education hours a licensee receives, the more competent they are in preparing personal income tax returns.

## 3. HOW WE ARE DOING

Oregon licensed tax practitioners are well educated. The average number of continuing education hours exceeded the required 30 hours by more than 20%. The average number of continuing education hours reported to the board as received by Oregon licensed tax practitioners remains roughly the same. The Tax Board also uses its newsletter to inform licensees to attest all continuing education received in the previous year when renewing their licenses.

## 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. Time spent obtaining continuing education hours can impact hours available to prepare returns for clients affect their profit. However, practitioners also benefit from continuing education by improving accuracy and keeping current with state and federal tax changes.

## 6. WHAT NEEDS TO BE DONE

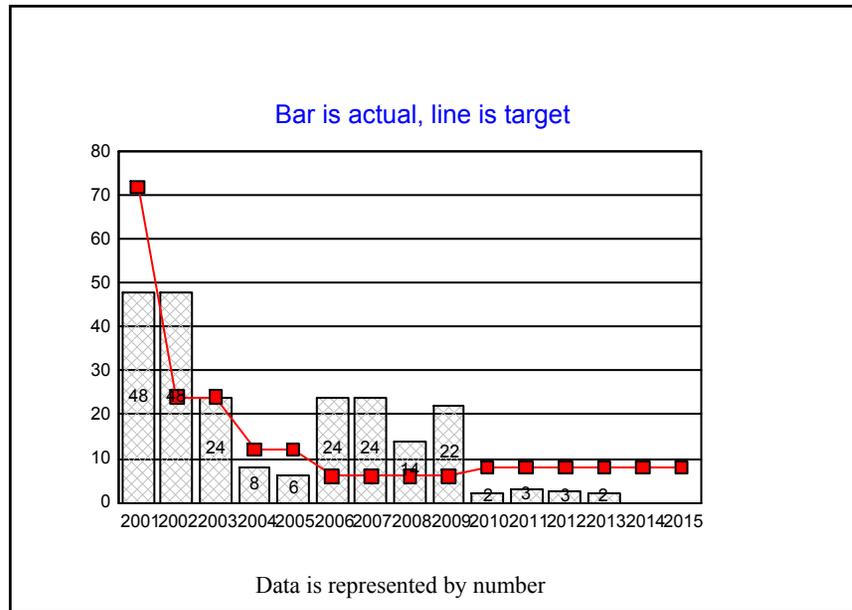
The Board is not considering any increase in the continuing education requirement. The Board will continue to encourage licensees to be actively involved in their profession and to recognize that more education contributes to their expertise in tax preparation. The Tax Board continues to engage with industry associations underscoring the importance of effective continuing education at reasonable costs to licensees. The Tax Board reminds all licensees to submit all

hours of continuing education. The agency website maintains a current list of approved continuing education providers.

## **7. ABOUT THE DATA**

The data is initially compiled from licensee's annual renewal forms. Licensees attest to the number of hours of continuing education earned during the prior fiscal year. The Board performs a random audit of Licensed Tax Consultants and a random audit of Licensed Tax Preparers verifying the accuracy of hours reported by a licensee. The Board reminds licensees to attest to the total number of continued education hours received not just the minimum hours required.

<b>KPM #4</b>	RESPONSE TIME TO COMPLAINTS - Average number of hours to make an initial response to a consumer complaint.	2001
<b>Goal</b>	To expedite the resolution of consumer complaints.	
<b>Oregon Context</b>		
<b>Data Source</b>	The board compliance specialist enters information on a spreadsheet noting the date, time and a complaint summary when a complaint is received. The compliance specialist then notes the date and time the subject of the complaint is contacted.	
<b>Owner</b>	Bill McMillen Executive Director 503-378-4733	



**1. OUR STRATEGY**

An unethical, incompetent, or unlicensed tax practitioner has the ability to harm Oregon a large number of consumers in short period of time. Violators often disappear as soon as they sense tension from consumers and often with advance payments from clients and their

source documents. The Board's goal seeks to respond to complaint within 24 hours of receipt. Faster response times translate to a better opportunity for the Tax Board catch violators and enforce its statutes and rules .

## **2. ABOUT THE TARGETS**

The target is to shorten initial response times to complaints particularly during tax season when most violations occur . Faster response means a better opportunity for the compliance specialist to investigate and halt a potential violator.

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

Complaint response went down each year from 2001 to 2005. Data collected in 2006 and 2007 changed from hours to days, which did not allow for a proper comparison to prior years. Reporting changed back to number of hours rather than days and, other than the two years noted above, restores comparisons with prior years.

## **4. HOW WE COMPARE**

## **5. FACTORS AFFECTING RESULTS**

The Tax Board compliance specialist resigned in May 2014 A new compliance specialist began work in August 2014. Response time will stay within the targeted time. Policies are in place where all complaints will be forwarded to the Executive Director if the compliance specialist is out of the office to ensure complaints are responded to in a timely manner.

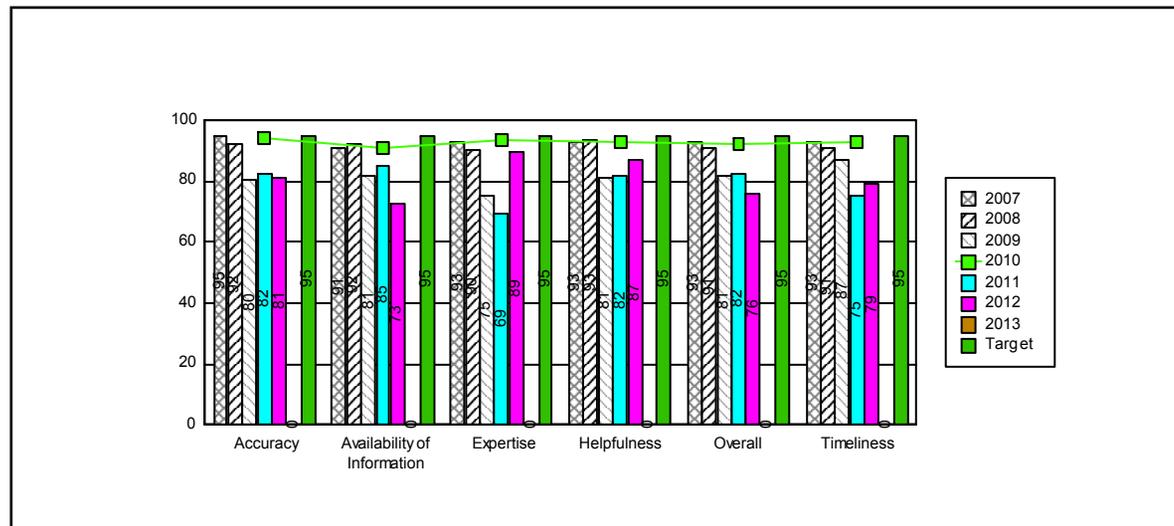
## **6. WHAT NEEDS TO BE DONE**

The standard is the number of hours elapsed between receipt of a complaint and the compliance specialist's response. The Board's goal is to act swiftly on leads of violations. While initial response time is now rather short, the agency is not sure if this is the best measurement. The agency proposes changing this measure from initial response time to completed investigation time in addition to continuing to track responses to initial complaints. Establishing a baseline to consistently measure the time to reach an actual resolution of cases depends on many factors some of which are outside Board control.

**7. ABOUT THE DATA**

Monthly data from the complaint log worksheet calculates complaint response time. The annual comparison report data is a compilation of monthly data and the compliance specialist creates the summary. Prior to 2006, the data reported was in hours. The data shifted to number of days for 2006 and 2007. Calendar years is the time period. Hours calculate on an eight-hour workday. If a complaint arrives at 2:00 p.m. and the first contact is made at 10:00 a.m., the following morning, response time calculates as five hours.

<b>KPM #5</b>	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	2006
<b>Goal</b>	To measure agency customer service.	
<b>Oregon Context</b>		
<b>Data Source</b>	The data source is the customer satisfaction surveys received by the agency.	
<b>Owner</b>	Bill McMillen Executive Director 503-378-4733	



**1. OUR STRATEGY**

Our strategy is for all employees to be properly trained and knowledgeable about the Board. They can answer questions and provide prompt, appropriate responses to callers in a pleasant and professional manner.

**2. ABOUT THE TARGETS**

Customer service is a priority for the agency. The agency has re-initiated measuring customer service and is increasing visibility of its survey and drafting fresh and more focused questions. The measure gives the agency a baseline to evaluate the current level of customer service.

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

The agency initialized the Customer Service Survey in July 2006. The agency sent the survey to roughly 4,000 licensees and followed up to consumers (approx 100) who contacted and used agency services. The existing survey generated less than twenty responses during the last year. The measure requires the Board to track the number of excellent and good responses to the six required customer service questions. The agency also tracks responses to three additional questions specific to the agency and its programs. The survey is on each employee's email and will become more visible on the main page of the agency's website.

### **4. HOW WE COMPARE**

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

In 2014, the agency replaced the compliance specialist in August and the administrative specialist in October. As our new staff learn their duties and become more knowledgeable about the Board they will provide higher levels of service to our customers. The agency is building a system to apply for initial licenses, renew existing licenses, apply for examinations and process secure financial transactions on-line, significantly reducing the need for mail or checks. This service will increase convenience for licensees and expedite license renewals. As the IRS rolls out the new voluntary national licensing program scheduled for implementation in December 2014, more licensees are expected to access the board's website for updates and information about the federal licensing program and how the program will affect Board licensees.

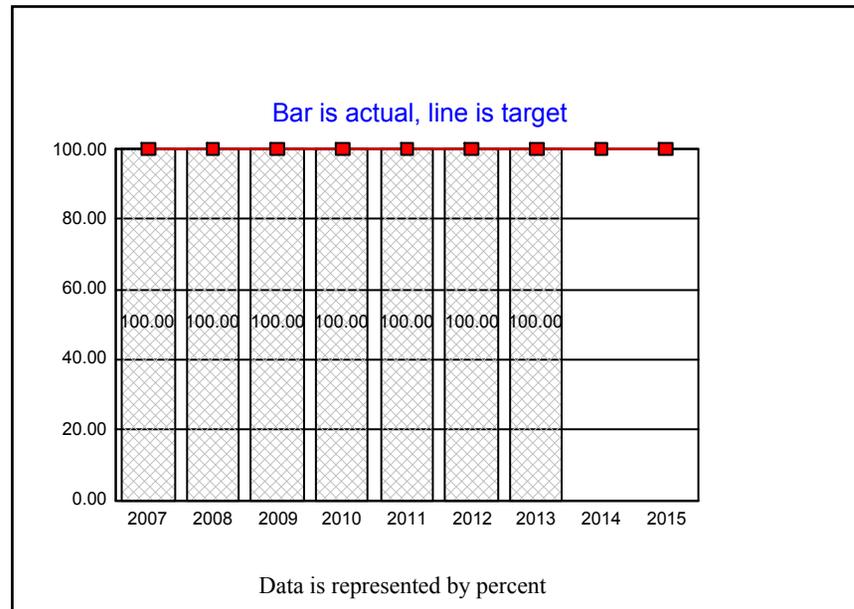
### **6. WHAT NEEDS TO BE DONE**

The Board continues to look for innovative ways to serve 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 accelerate distribution of 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 has a link to the survey with all emails generated from the board office. This will also reduce printing and publishing costs for the agency. The period covered in the reporting is based on a calendar year.

<b>KPM #6</b>	EFFECTIVE GOVERNANCE - Percent of total best practices by the agency.	
<b>Goal</b>	The agency uses fifteen best practice criteria as outlined in number 7 below.	
<b>Oregon Context</b>		
<b>Data Source</b>	<p>The data source for criteria #1 and #2 is the completed performance evaluation. The data source for criteria #3, #4, #6, #7, #8, #9, #10, #12, #14, and #15 stems from board minutes held during the fiscal 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 perform the accounting function.</p> <p>The data source for criteria #13 is in the email sent and received between affected stakeholders.</p>	
<b>Owner</b>	Bill McMillen Executive Director 503-378-4733	



**1. OUR STRATEGY**

Our strategy is to include the review of best practices on the Board's agenda. That ensures the best practices receive proper review. We also include sharing them with all business partners and stakeholders in business activity or business decisions where appropriate. Our partners include the Oregon Department of Revenue, IRS, Governmental Accountability Office, TIGTA (Treasury Inspector General for Tax Administration), Oregon Board of Accountancy, and 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**

Staff need to be sure that best practices are included in Board agendas and are reviewed by board members at appropriate intervals throughout the year.

## 7. ABOUT THE DATA

Best practices contain fifteen 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 reviews 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.

<b>TAX PRACTITIONERS, BOARD of</b>	<b>III. USING PERFORMANCE DATA</b>
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**Agency Mission:** The State Board of Tax Practitioners protects consumers by ensuring Oregon tax professionals are competent and ethical in their professional activities.

<b>Contact:</b> Bill McMillen	<b>Contact Phone:</b> 503-378-4733
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<b>Alternate:</b> Heather Shepherd	<b>Alternate Phone:</b> 503-378-4860
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**The following questions indicate how performance measures and data are used for management and accountability purposes.**

<b>1. INCLUSIVITY</b>	<ul style="list-style-type: none"> <li>* Staff :</li> <li>* Elected Officials:</li> <li>* Stakeholders:</li> <li>* Citizens:</li> </ul>
<b>2 MANAGING FOR RESULTS</b>	
<b>3 STAFF TRAINING</b>	
<b>4 COMMUNICATING RESULTS</b>	<ul style="list-style-type: none"> <li>* Staff :</li> <li>* Elected Officials:</li> <li>* Stakeholders:</li> <li>* Citizens:</li> </ul>