

BOARD OF ACCOUNTANCY

The Board of Accountancy is a seven-member citizen board that licenses and regulates public accountants. The Board administers the examination and licenses individual Certified Public Accountants (CPAs) and Public Accountants (PAs), and their firms. The Board is responsible for investigating complaints, renewing licenses, and monitoring the continuing education of its licensees. A staff of seven administers the Board’s programs. The Board currently regulates over 8,200 licensees.

BOARD OF ACCOUNTANCY	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
Other Funds	1,557,481	2,048,572	1,952,934	1,924,185	0	-4.7%
TOTAL FUNDS	\$1,557,481	\$2,048,572	\$1,952,934	\$1,924,185	\$0	-4.7%
Positions	7	7	7	7	0	0.0%
FTE	7.00	7.00	7.00	7.00	0.00	0.0%

Major Revenues	Budget Environment	Comparison by Fund Type															
<ul style="list-style-type: none"> The Board’s Other Funds come primarily from business registration fees, biennial licensing fees, and examination fees. A small amount of revenue is gained through the sale of public information and assessment of civil penalties Licensing revenue continues to reflect the effects of SB 867 (2009) which allowed accountants and public accounting firms licensed in other states to provide professional services in Oregon without registering with the Board. The anticipated decrease in licensing revenue to the Board is offset by language in SB 867 (2009) that allows the Board to increase the permit fee by \$10 for individual licensees and \$75 for firm registrations. The Board has an ending balance of \$1,609,270 Other Funds, which represents 12.53 months of operations. The Board receives most of its revenue during annual 	<ul style="list-style-type: none"> The Board expects the base of licensees to remain relatively consistent in the near future. The Board is challenged with regulating a changing profession and meeting the demand to provide more services to licensees, while ensuring more rigorous professional and ethical standards to protect the public without placing undue restrictions on licensees. For example, in addition to authorizing certain qualified accountants licensed in other states to practice accountancy in Oregon, SB 867 (2009) also increased the Board’s ability to discipline based on the licensees’ performance of public accounting services within a state, rather than restricting the Board’s authority to only those holding a state license. Over the past two biennia, fines have increased as have the frequency and 	<table border="1"> <caption>BOARD OF ACCOUNTANCY Revenue Comparison</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery (Millions)</th> <th>Other Funds (Millions)</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$1.6</td> <td>\$1.6</td> </tr> <tr> <td>2011-13</td> <td>\$2.0</td> <td>\$2.0</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$2.0</td> <td>\$2.0</td> </tr> <tr> <td>2013-15 GB</td> <td>\$1.9</td> <td>\$1.9</td> </tr> </tbody> </table>	Year	General Fund/Lottery (Millions)	Other Funds (Millions)	2009-11	\$1.6	\$1.6	2011-13	\$2.0	\$2.0	2013-15 CSL	\$2.0	\$2.0	2013-15 GB	\$1.9	\$1.9
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<p>renewals in June, and thus needs a higher balance to cover cash flow needs. In addition, included in the ending balance is the savings bank for the Board to cover unanticipated contested case expenses.</p>	<p>complexity of complaint investigations. This in turn has increased the expenditures for independent third party auditors and Attorney General’s services.</p>	

MAJOR CHALLENGES AND DECISION POINTS

<ol style="list-style-type: none"> 1. Policy Option Package – Financial Investigator, Limited Duration - \$147,874: Because of the increase in number and complexity of complaints, and in order to prepare for the retirement of the Board’s current Financial Investigator, the Board seeks to add a Limited Duration Financial Investigator position starting July 1, 2013. The Board has sufficient resources based on operating income and ending balance to fund this request without additional fee increases. 2. Policy Option Package 100: Fee Ratification – The Board modified, by rule, the following fees as of January 1, 2012: (1) Late Firm Registration from \$35 to \$175; (2) Late Active Fee from \$50 to \$160; (3) Late inactive fee from \$35 to \$50. Establish new fees: (1) Municipal Auditor Application Fee \$100; (2) Municipal Auditor Late Fee \$100; (3) Retired Renewal Fee \$25; (4) Retired Late Fee \$25; (5) Reinstatement Application Fee \$150. These rules amendment were published for public comment and administrative rule hearings were held. No opposition to these fee changes was received. These increases are estimated to generate \$83,650. 3. Online Licensing Project: The Legislature appropriated \$150,000 in the 2007-09 legislative session to fund the preliminary work for the development of online licensing services. The Board used \$63,000 of this funding to develop the project Statement of Work, which included identification of project deliverables and functional requirements of the new system. The Department of Administrative Services (DAS) Information Resource Management Division approved a proposal that estimated the total project cost between \$422,950 and \$601,950, including five years of ongoing support and 	<p>maintenance. An additional limitation of \$200,000 was approved by the Emergency Board to allow for implementation of this project in the 2011-13 biennium. The agency issued a Request for Proposals, and selected a vendor, GL Solutions. A project management consultant was hired to work with the Board and GL Solutions to implement this project. In total, \$260,296 has been spent on this project to date. The project was not able to be completed in time for the annual renewal period in June 2012. The Board terminated its Executive Director on August 6, 2012, and then worked with the interim Director to begin a due diligence review of the project. Working with the DAS CIO and the Department of Justice, the Board recently approved a settlement and release agreement with GL Solutions. The Board has decided to delay the implementation of an online licensing system and new licensee database.</p> <ol style="list-style-type: none"> 4. The GB includes reductions for statewide administrative savings, PERS Taxation Policy and Other PERS adjustments totaling (\$28,749) Other Funds. 5. Proposed legislation (SB 301) would place the Board of Accountancy in the Department of Consumer and Business Services (DCBS).
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