

Technical Inquiry Activities: Service Efforts and Accomplishments Report for First Half of 2013

How and Why the GASB Produces This Report

In addition to its activities related to developing new and improved standards of accounting and financial reporting and other communications for state and local governments, the GASB staff continues to spend a significant amount of time responding to questions (technical inquiries) about existing GASB standards. This service efforts and accomplishments (SEA) report presents performance information about the technical inquiry activities of the GASB staff during the first six months of 2013, with comparative information for 2010 through 2012.

The GASB reports this performance information to apprise its constituents—the preparers, auditors, and users of state and local government financial reports—of its efforts to assist in understanding and implementing GASB standards. The GASB’s efforts to respond to constituent questions are key to supporting the educational goal of its activities.

At the beginning of each month, the GASB conducts a brief survey of inquirers whose inquiries were completed in the previous month. The GASB staff selects a random sample of 15 inquirers each month, or roughly 10 percent of the inquiries closed. The survey is administered primarily by email or alternatively by telephone if an email address is not available. The response rate approaches 100 percent every month; if an inquirer does not respond to the initial contact or a subsequent reminder, then an additional inquirer is selected randomly to ensure at least 15

respondents every month. The survey poses four questions regarding the inquirer’s satisfaction with the understandability and timeliness of the GASB’s answer, the helpfulness of the staff member, and the overall experience.

Although all reasonable efforts are made to ensure that the information underlying the performance information in this report is accurate, it should be noted that this information has not been independently audited.

Major Goals and Objectives

GASB Goal: Education—Promote the development of informed and competent financial report users, preparers, and auditors.

Constituents need assistance in understanding GASB pronouncements, as well as in understanding and using the resulting information in financial reports.

Within the goal of education, the following performance measures assess a part of the GASB’s strategic plan objective to “Guide and educate constituents about the content and value of the GASB’s reporting requirements and proposed standards.”

The GASB equates success toward this objective with achieving a high degree of constituent satisfaction regarding how quickly a response to the inquiry is received, how understandable the response is, how helpful the staff member handling the inquiry is, and the overall experience of submitting an inquiry and receiving a response.

Key Measures of SEA Performance

Table 1. Inquirer Satisfaction with Understandability, Helpfulness, and Promptness

Measure	Total 1/13–6/13	GASB Goals	Total 2012	Total 2011	Total 2010
Answers to technical inquiries were understandable or very easy to understand	99.0%	90.0%	99.0%	98.9%	95.6%
Person responding to technical inquiry was helpful or very helpful	98.0%	90.0%	99.5%	98.9%	97.8%
Person making technical inquiry was satisfied or very satisfied with promptness of response	99.0%	90.0%	99.5%	98.3%	96.7%
Overall, person making technical inquiry was satisfied or very satisfied with the experience	99.0%	90.0%	98.0%	98.9%	94.5%

Table 2. Time Required to Complete Inquiries

Technical inquiries closed within:	Total <u>1/13-6/13</u>	GASB <u>Goals</u>	Total <u>2012</u>	Total <u>2011</u>	Total <u>2010</u>
0-6 days	88.4%	80.0%	86.9%	93.8%	84.0%
7-13 days	97.1%	90.0%	96.5%	99.3%	95.5%
14-20 days	99.5%	95.0%	98.7%	99.9%	98.1%
21-27 days	99.9%	100.0%	99.3%	99.9%	99.1%
28+ days	100.0%	100.0%	100.0%	100.0%	100.0%

Table 3. Time Until First Contact Is Made with the Inquirer

First contact with inquirer made within:	Total <u>1/13-6/13</u>	GASB <u>Goals</u>	Total <u>2012</u>	Total <u>2011</u>	Total <u>2010</u>
1 day	72.7%	60.0%	69.0%	71.2%	65.1%
2-6 days	93.0%	90.0%	92.7%	93.8%	90.2%
7 days	96.3%	100.0%	95.2%	95.7%	92.7%
8+ days	100.0%	100.0%	100.0%	100.0%	100.0%

Discussion and Analysis of Results and Challenges

Constituent satisfaction with the GASB's technical inquiry activities was above the GASB's goals in the first half of 2013. (See Table 1.) The percentage of inquirers surveyed that were satisfied or very satisfied with the understandability, helpfulness of the GASB staff member responding, and promptness of the answer to their inquiry was 99 percent, 98 percent, and 99 percent, respectively. Overall satisfaction was 99 percent. These results exceed the first half of 2012 figures in each category and track very closely with 2012 and 2011 year-end totals.

The goal of completing all technical inquiries in less than 4 weeks was missed by 0.1 percent in the first half of 2013. (See Table 2.) However, the percentage of inquiries closed in less than 4 weeks improved over the 99.3 percent registered in 2012. The GASB staff is working hard to achieve a 100 percent rating.

The length of time required to complete an inquiry often relates to the complexity of the subject matter. The guidance provided in response to technical inquiries is specific to the facts and circumstances of the particular inquiry, which may be difficult to ascertain from the original question. In addition, the current work load of the particular staff member to whom an inquiry is

assigned may explain why a small percentage of inquiries take four weeks or more to complete. For instance, the volume of technical inquiries tends to increase noticeably as the effective date of a new standard approaches.

Although it may take one to three weeks to provide a final response to an inquirer, the staff actually responds much sooner in order to acknowledge receipt of the inquiry and to gather additional information. The GASB's goal is to make initial contact with all inquirers within one week.

First contact was made within 1 week for more than 96 percent of the inquiries received in the first half of 2013. (See Table 3.) This represents an improvement of more than 1 percent over the level attained in 2012.

The benchmark for making contact within 2 to 6 days 90 percent of the time was exceeded by 3 percentage points in the first half of 2013. This is a slight increase over the 2012 figure and tracks just behind the 2011 level. First contact did not occur until at least a week had passed 3.7 percent of the time during the first half of 2013. This represents a small improvement over 2012 figures but falls short of the overall GASB goal of following up on 100 percent of inquiries within 7 days.