



ARIZONA STATE BOARD OF ACCOUNTANCY

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August 30, 2023

The Honorable Katie Hobbs
Governor of the State of Arizona
1700 W. Washington, Suite 900
Phoenix, Arizona 85007

Dear Governor Hobbs:

The Arizona State Board of Accountancy (Board) respectfully presents for your consideration its continuation budget request for Fiscal Year 2025. The Board has a couple recent notable accomplishments that have streamlined the Board operations and created a business-friendly environment that are worth highlighting.

1. Effective April 5, 2020, the Board introduced a temporary biennial registration fee reduction, which reduced the biennial registration fee from \$300.00 to \$275.00 for active registrations and from \$150.00 to \$137.50 for inactive registrations due during the period from July 1, 2020, to June 30, 2022. Effective July 3, 2022, the Board amended the rule to extend the fee reduction for another two years through June 30, 2024. As a result of this temporary fee reduction, through FY 2022, 10,289 CPAs saved a combined \$253,725. We expect a similar amount of savings for the additional two years through June 30, 2024. Overall, the Board's fund balance will be reduced by approximately \$500,000.
2. The Board is pleased to announce the release of two additional webforms in early FY 2023 for Notice to Schedule Extensions and Conditional Credit Extensions related to the Uniform CPA Exam. These are in addition to the six webforms for Uniform CPA Exam applications, Certification applications and Change of Address, License Verifications, CPA cancellations, and CPA firm cancellations done in the prior two fiscal years. These new webforms replace the Board's prior fillable PDF forms. The webforms provide the following customer service, convenience, and efficiency improvements:
 - a. Webforms are dynamic based on responses which provides for a cleaner more streamlined user experience.
 - b. Webforms can be saved and finished later.
 - c. Webform attachments can be uploaded as required.
 - d. Webforms provide data validation to ensure it is complete and accurate before the webform will be accepted.
 - e. Webforms can be e-Filed and credit card payments are accepted.
 - f. e-File helps ensure instant delivery and saves user time from mailing or delivery.
 - g. e-File will provide a confirmation receipt to user via email.
 - h. Webforms ensure no lost or misplaced paperwork. The webform is accessed through the Internet via a secured connection and established profile.

The Americans with Disabilities Act

Persons with disabilities may request reasonable accommodations, such as sign language interpreters.
Requests should be made as early as possible to allow time to arrange the accommodation.

The Board, as noted in its Five-Year plan, will continue to introduce additional webforms to modernize its operations. Additionally, the Board will be working to enhance its existing online registration system. The Board currently has an online renewal registration for CPAs to submit biennial registration via our website. CPAs are required to renew every two years in their birth month in an even or odd numbered year based on whether the year they were born was an odd or even numbered year. This application needs to be updated to include initial registrations and prorated renewal registrations which are currently PDF fillable forms. When a CPA is initially certified by the Board, they do an initial registration and pay a prorated registration fee for the time between their issue date and their renewal due date. Similarly, CPAs do a prorated registration which prorates the continuing professional education requirements between their issue date and their renewal due date. Further, the online registration needs to handle reinstatements from cancelled, expired, relinquished, or revoked status and reactivations from inactive or retired status. The goal is to have a single registration system that is dynamic and sophisticated enough to handle the various types of registration scenarios.

For FY 2025, the Board has not submitted any funding issues and simply requests that a continuation budget be supported. Thank you in advance for your support of this continuation budget request, which is critical to the success of the Board's efforts to protect the public, uphold the standards of the profession and to provide CPAs and CPA firms with the level of service they deserve.

Sincerely,



Monica L. Petersen
Executive Director

Arizona State Board of Accountancy

Monica L. Petersen
Executive Director

Chris Rasmussen
Assistant Director –
Regulation and Compliance

Kijler Marble
Compliance Specialist

Jalen Rashid
Compliance Specialist

Amanda Brown
Assistant Director –
Qualifications

Vacant
Program and Project Specialist 2

Pamela Davis
Qualifications Specialist

Lydia Mathew
Qualifications Specialist

Laura Minnick
Qualifications Specialist

Austin Sutton
Qualifications Assistant

Richard Stetz
Systems Manager

Dave Dusick
Senior Systems Engineer

Howie Hilliker
Systems Engineer

Vacant
Administrative Services Officer



State of Arizona Budget Request

State Agency

Board of Accountancy

Citation: A.R.S. § 32-701

Governor Hobbs:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2025.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

Appropriated Funds

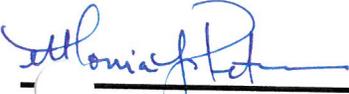
	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Total Amount Requested:	2,230.4	-	2,230.4
Accountancy Board Fund	2,230.4	-	2,230.4

Non-Appropriated Funds

	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
	-	-	-
Board of Accountancy Total:	2,230.4	(0.0)	2,230.4

Agency Head: **Monica L. Petersen**

Title: **Executive Director**

 8/18/2023
 (signature)

Phone: 6023640804

Prepared by: Monica L. Petersen

Email Address: mpetersen@azaccountancy.gov

Date Prepared: Friday, August 18, 2023

Revenue Schedule

Agency: Board of Accountancy

Fund: AA1000 General Fund

AFIS Code	Category of Receipt and Description	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
4312	Examination Fees	14.9	11.6	11.6
4372	Publications & Reproductions	0.5	0.2	0.2
4415	Occupational & Professional Licenses	163.4	163.0	163.0
4419	Other Licenses	(0.0)	-	-
4512	Restitution	7.5	2.3	2.3
4519	Other Fines, Forfeitures, Penalties and Liquidated Damages	34.0	2.6	2.6
4645	Payment Card Transaction Fees Paid	(2.9)	(2.7)	(2.7)
General Fund Total:		217.3	177.0	177.0

Forecast Methology

Fund: AB2001 Accountancy Board Fund

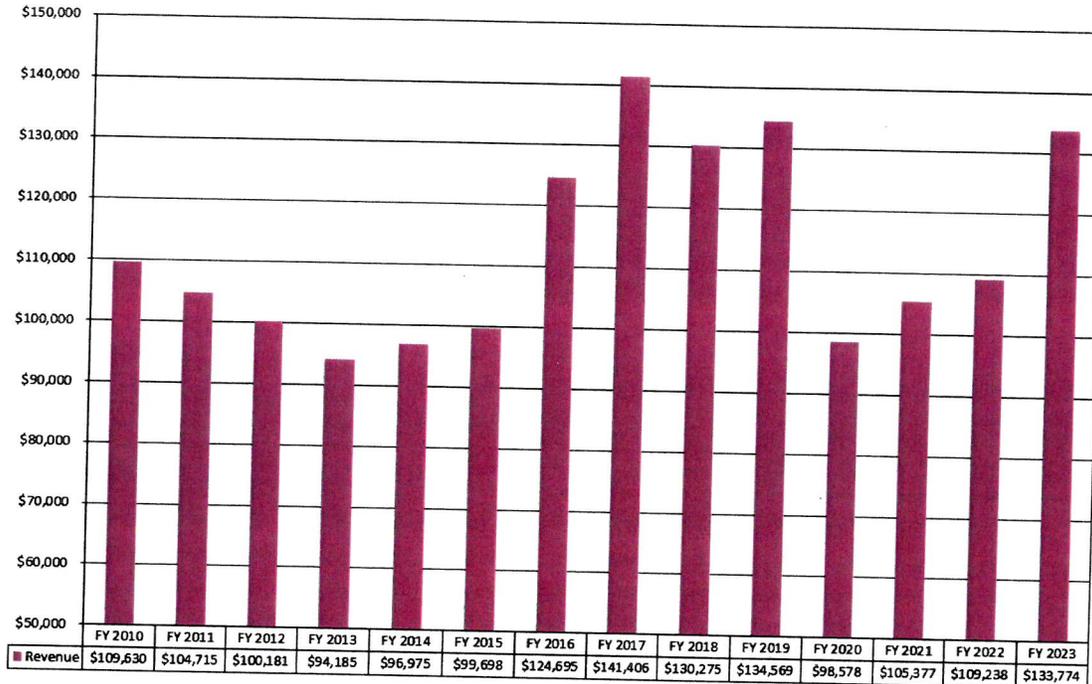
AFIS Code	Category of Receipt and Description	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
4312	Examination Fees	133.8	104.4	104.4
4372	Publications & Reproductions	4.4	1.6	1.6
4415	Occupational & Professional Licenses	1,470.2	1,466.7	1,466.7
4419	Other Licenses	(0.0)	-	-
4512	Restitution	67.5	20.4	20.4
4519	Other Fines, Forfeitures, Penalties and Liquidated Damages	22.5	23.2	23.2
4645	Payment Card Transaction Fees Paid	(26.4)	(24.7)	(24.7)
Accountancy Board Fund Total:		1,671.9	1,591.6	1,591.6

Forecast Methology

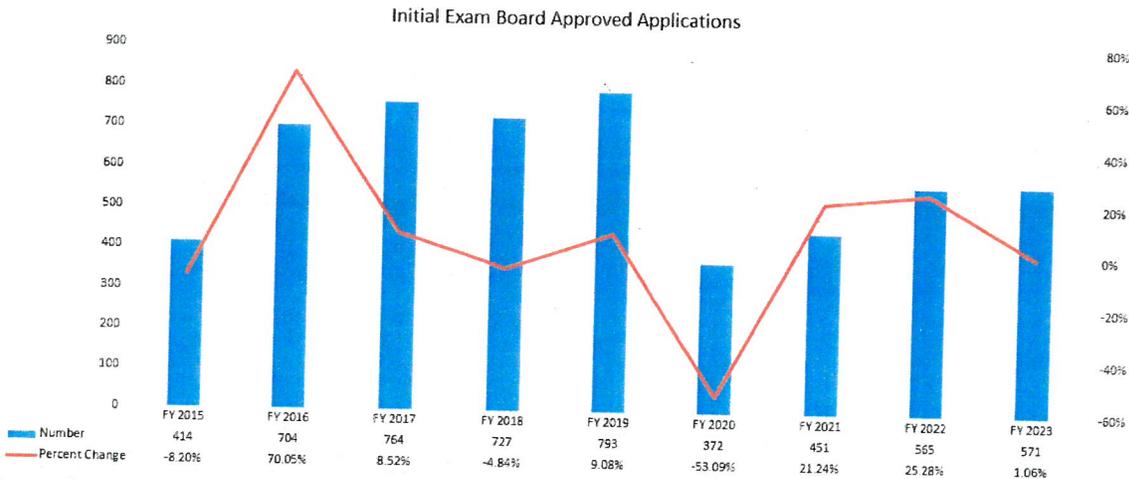
See attached

Revenue Budget Justification

4312 – Exams



Exam revenue consists of an application fee for initial and reexam applications in the amounts of \$100 and \$50 respectively.



In conjunction with the AICPA and Prometric, NASBA currently provides the opportunity for international administration of the Uniform CPA Examination (Exam) to be offered in Bahrain, Brazil, Canada, Egypt, England, Germany, India, Ireland, Israel, Japan, Jordan, Kuwait, Lebanon, Nepal, Republic of Korea, Saudi Arabia, Scotland, and United Arab Emirates.

In FY 2016, the Board approved a total of 704 exam applications, which was an increase of 290 applications or 70% more than the 414 approved in FY 2015. From FY 2016 – FY 2019, the number of exam applications remained high, which was attributable to many foreign applicants.

Prior to February 4, 2019, the Board’s rules allowed member organizations of the National Association of Credential Evaluation Services (NACES) and the Association of International Credential Evaluators (AICE) to provide foreign transcript evaluation services. Effective February 4, 2019, the Board’s rule was amended to make the National Association of State Boards of Accountancy (NASBA) International Evaluation Services (NIES) the only evaluator. The sole purpose of NIES is to evaluate international education for the certified public accountant examination and certification in the United States. NIES retains a strict adherence to their policies regarding the evaluation of Accounting and Business Degrees in a higher education setting in India. NACES and AICE evaluators provide that an Indian education is equivalent to a four-year U.S. degree whereas NIES would provide that the same education is only equivalent to three-years of a U.S. education. NIES provides evaluation services to 53 of the 55 jurisdictions (U.S. and territories) and is the sole provider for 26 jurisdictions as of August 2022.

In FY 2019, 25%^{1/} of the exam applications were from foreign applicants. Of the 25%, 92% were from India. Without the rule change, the annualized amount in FY 2019 would have been close to 50% of exam applicants from foreign applicants. The reduction in the number of initial exam applicants in FY 2020 was most likely attributable to the rule change.

The CPA profession is always moving forward, adopting new technologies, new skills, and new best practices. The job requirements of most CPAs today are completely different from those of a CPA even 20 years ago. As the profession evolves, so must the steps to licensure. The American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) are restructuring the CPA Exam into a new CPA licensure model. The CPA Evolution is the term used to describe the NASBA/AICPA initiative aimed at evolving CPA licensure to reflect the skills and knowledge CPAs increasingly need in a technology-driven marketplace. The goal of both NASBA and the AICPA is to update the CPA Exam by January 2024 to align with a new core-plus-discipline licensure model. The result of this change is reflected in the FY 2023 revenue that is believed to be attributable to exam applicants wanting to take the BEC section of the exam before December 31, 2023, when the BEC section of the exam is replaced with three new disciplines.

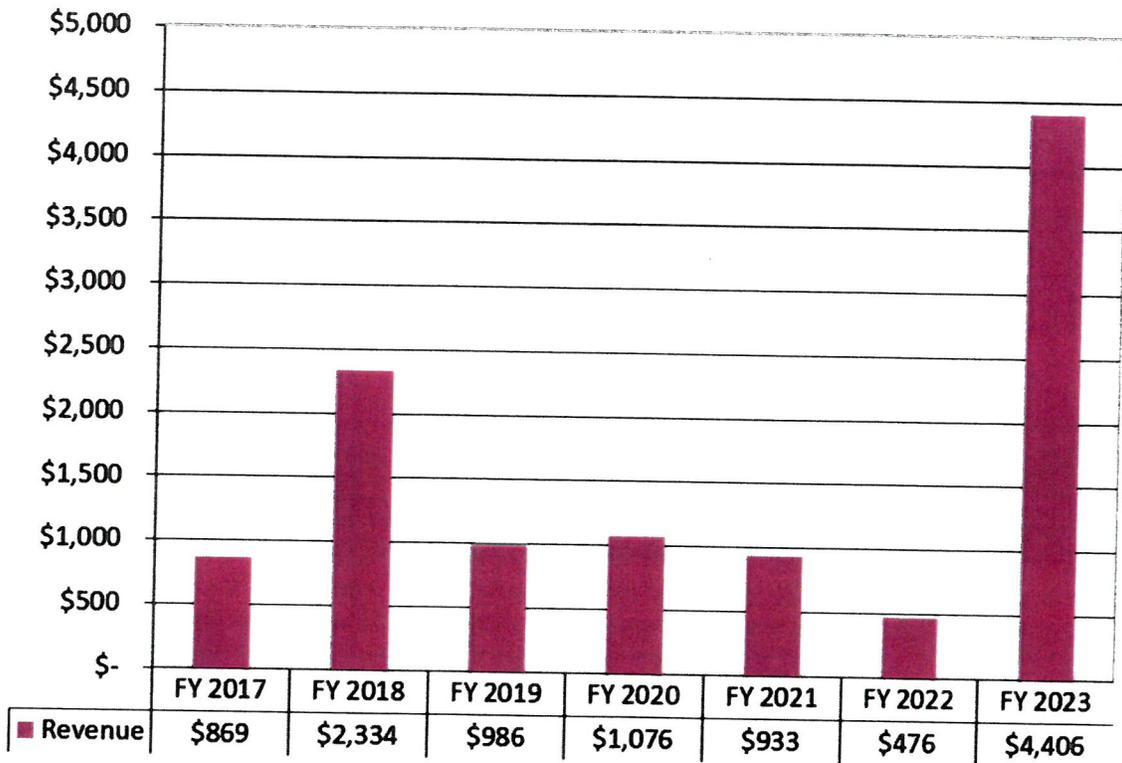


The Board’s annual exam revenue has been relatively consistent over the last 13 years except for the period between FY 2016 – FY 2019 and in FY 2023 for the aforementioned reason. The estimate for FY 2024 and FY 2025 is based on an average from FY 2010 – 2015 and FY 2020 – 2022.

FY 2023	_____	\$133,774
FY 2024	_____	\$104,397
FY 2025	_____	\$104,397

^{1/} The Board’s database does not have a field for a Board approved date so a payment date, which reflects the date an application is received, was used as a proxy measure.

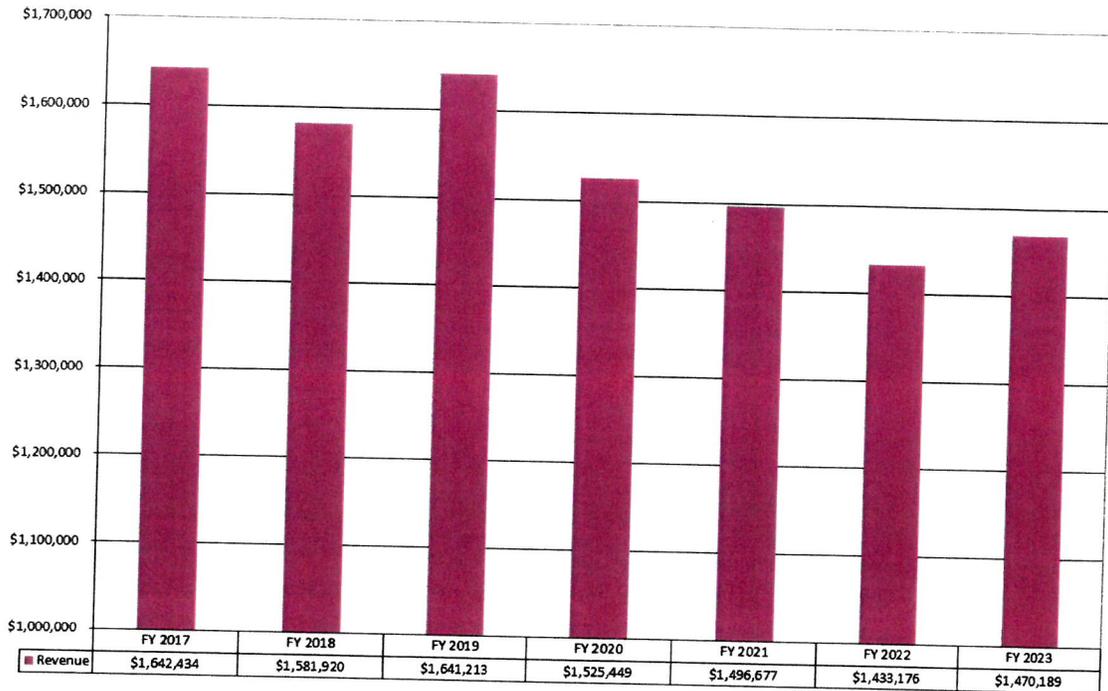
4372 – Publication and Reproduction



This revenue object consists of revenues from the fulfillment of commercial public records requests. The FY 2024 and FY 2025 estimates are based on a six-year average of FY 2017 – FY 2022.

FY 2023	\$4,406
FY 2024	\$1,583
FY 2025	\$1,583

4415—Certification and Professional Licenses



The revenue for this category is comprised of certification and reinstatement application fees, firm registration fees, and biennial renewal fees for both individual CPAs and non-sole proprietor CPA firms.

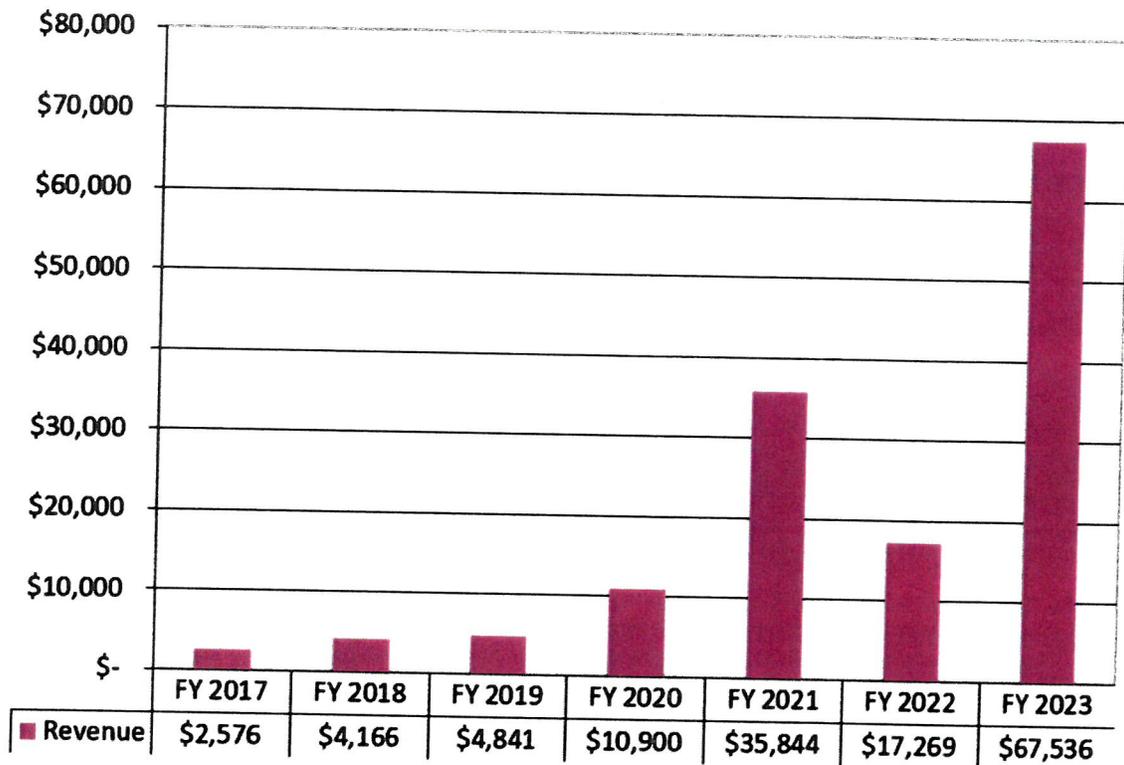
Before Laws 2018, Ch. 268 (SB 1443) went into effect on August 3, 2018, a partnership, PC, PLLC, LLC, LLP (business organization) was required to register as a firm if it engaged in the practice of accounting which encompasses a broad array of accounting services^{2/}. The legislation limited firm registration to the performance of attest services or compilation services and the use of the CPA designation in the firm's name.

Effective April 5, 2020, the Arizona State Board of Accountancy (Board) implemented a new rule which reduced from \$300 to \$275 and from \$150 to \$137.50 the biennial registration renewal fee for active and inactive CPA registrations respectively due during the period from July 1, 2020 to June 30, 2022. Effective July 3, 2022, the rule was amended to extend the temporary fee reduction approved for another biennium from July 1, 2022, to June 30, 2024, to further reduce the Board's fund balance. The FY 2024 and FY 2025 estimates are a three-year average of FY 2021 – FY 2023 which takes into account the fee reductions which may be extended another biennium.

FY 2023	\$1,470,189
FY 2024	\$1,466,681
FY 2025	\$1,466,681

^{2/} Pre-Laws 2018, Ch. 268 effective August 3, 2018, the practice of accounting meant providing any of the following accounting services to a client or employer: 1) Recording or summarizing financial transactions, 2) Bookkeeping, 3) Analyzing or verifying financial information, 4) Auditing, 5) Reviewing or compiling financial statements, 6) Reporting financial results, 7) Financial planning, 8) Providing tax services, or 9) Providing consulting services.

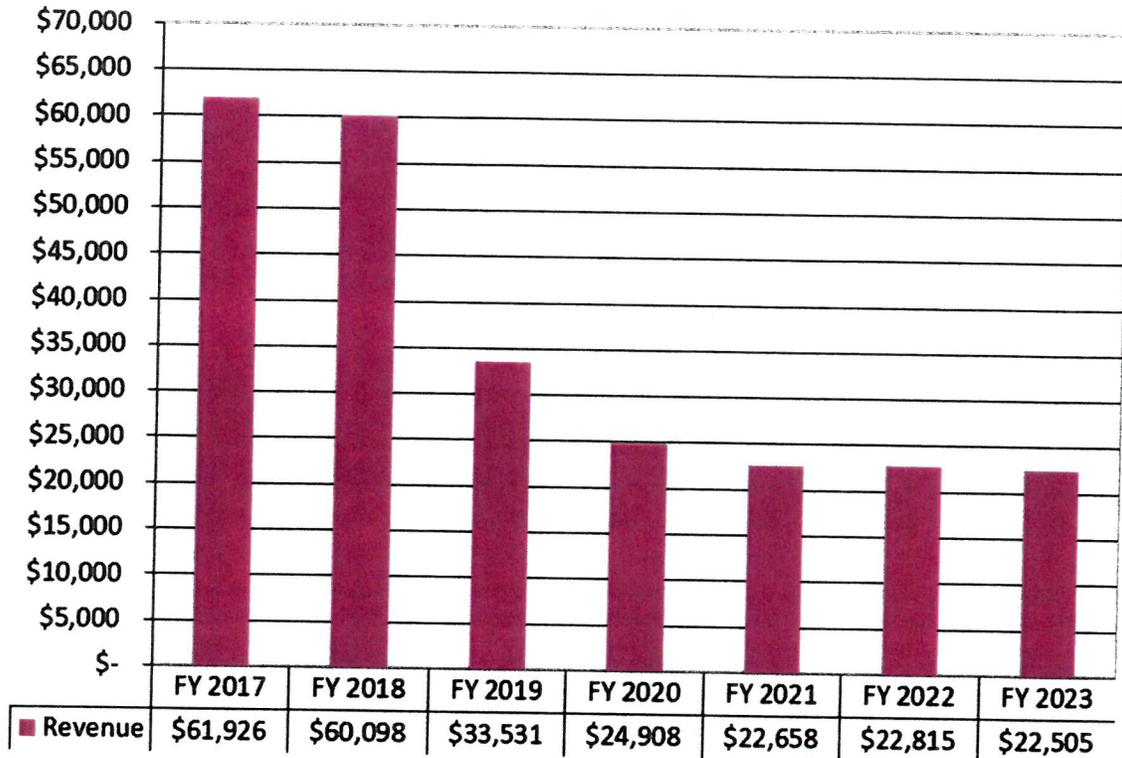
4512—Restitution (Cost Recovery)



There is not enough data to determine the variability in revenue from year to year. As such, the estimates for FY 2024 – FY 2025 assume a six-year average of FY 2017 – FY 2022. The average excludes FY 2023 from the average because of a few compliance matters that resulted in cost recovery in the amounts of \$25,000, \$15,394.15, \$8,051.71, \$3,663.40 the higher amounts of which are not typical.

FY 2023	\$67,536
FY 2024	\$20,447
FY 2025	\$20,447

4519—Other Fines, Forfeitures, and Penalties

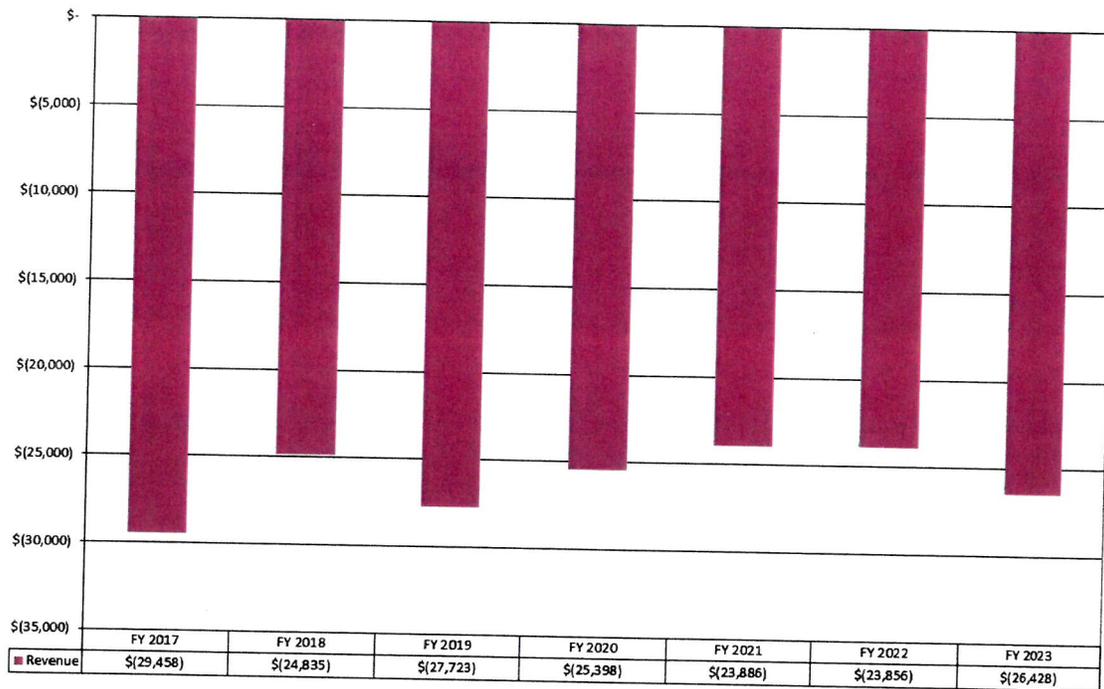


This comptroller object consists of late fees, administrative penalties (100% General Fund), and non-sufficient fund fees.

The Board started to send out email renewal reminders in May 2017 for individual registrants and April 2018 for CPA firms. Also, Laws 2018, Ch. 268 (SB 1443) reduced firm registration requirements, so the number of registered firms has decreased. Given the email reminders, a reduced firm population, and administrative cancelation of firms that are not required to register, the FY 2024 and FY 2025 estimates are based on a four-year average from FY 2020 - FY 2023.

FY 2023	_____	\$22,505
FY 2024	_____	\$23,221
FY 2025	_____	\$23,221

4645—Credit Card Replacement



The Board is pleased to announce the release of new webforms for Uniform CPA Exam applicants to complete an initial or re-exam application (April 2020), for certification applicants to complete their certification application by exam/grade transfer or reciprocity by substantial equivalency (August 2020). We've also released webforms for change of address, license verifications, CPA cancellations, CPA firm cancellations, NTS Extension Requests and Conditional Credit Extension requests but these forms do not have any fees. These new webforms replace the Board's prior fillable PDF forms. The webforms provide the following customer service, convenience, and efficiency improvements:

- a. Webforms are dynamic based on responses which provides for a cleaner more streamlined user experience.
- b. Webforms can be saved and finished later.
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- e. Webforms can be e-Filed and credit card payments are accepted.
- f. e-File helps ensure instant delivery and saves user time from mailing or delivery.
- g. e-File will provide a confirmation receipt to user via email.
- h. Webforms ensure no lost or misplaced paperwork. The webform is accessed through the Internet via a secured connection and established profile.

As part of the servicing bank contract, the State Treasurer also contracts for merchant card services. The contract term for the merchant card processing service is the same as the overall servicing bank contract. The bundled qualified pricing for Visa, MasterCard, and Discover is 1.45%. The webforms that have application fees such as the exam and certification increase the

amount of credit card discount fees. The FY 2024 and FY 2025 estimates are based on based on a three-year average from FY 2021 – FY 2023.

FY 2023	_____	(\$26,428)
FY 2024	_____	(\$24,724)
FY 2025	_____	(\$24,724)

Sources and Uses

Agency: Board of Accountancy

Fund: AB2001 Accountancy Board Fund

Funds are used to license, investigate, and conduct examinations of public accountants and certified public accountants. Revenues consist primarily of examination and licensing fees.

Cash Flow Summary

	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Beginning Balance	2,968.1	2,767.1	2,128.3
Revenue (from Revenue Schedule)	1,671.9	1,591.6	1,591.6
Total Available	4,640.0	4,358.7	3,719.9
Total Appropriated Disbursements	1,872.9	2,230.4	2,230.4
Total Non-Appropriated Disbursements	-	-	-
Balance Forward to Next Year	2,767.1	2,128.3	1,489.5

Explanation for Negative Ending Balance(s):

Board of Accountancy

Appropriated Expenditure

Expenditure Categories	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Personal Services	882.9	1,061.7	1,086.7
Employee Related Expenditures	373.1	420.5	431.2
Professional & Outside Services	251.4	393.2	393.2
Travel In-State	3.1	6.9	6.9
Travel Out-Of-State	3.6	12.0	12.0
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	248.1	303.8	268.1
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	16.9	-	-
Non-Capital Resources	12.5	22.3	22.3
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	5.1	10.0	10.0
Appropriated Expenditure Sub-Total:	1,796.7	2,230.4	2,230.4
Non-Lapsing Authority from Prior Years (no entry for BY)	-	-	-
Administrative Adjustments (no entry for BY)	76.2	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-

Sources and Uses

Agency: Board of Accountancy

Fund: AB2001 Accountancy Board Fund

Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
Appropriated Expenditure Total:	1,872.9	2,230.4	2,230.4
Appropriated FTE	13.0	14.0	14.0

Non-Appropriated Expenditure

Expenditure Categories	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Resources	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	-	-	-
Non-Appropriated Expenditure Sub-Total:	-	-	-
Non-Lapsing Authority from Prior Years (no entry for BY)	-	-	-
Administrative Adjustments (no entry for BY)	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
Non-Appropriated Expenditure Total:	-	-	-

Sources and Uses

Agency: Board of Accountancy

Fund: AB2001 Accountancy Board Fund

Non-Appropriated FTE

Funding Issue List

Agency: Board of Accountancy

FY 2023

Priority	Funding Issue Title	Total FTE	Total Amount	General Fund	Other Appropriated Funds	Non- Appropriated Funds
	Base Modification	-	-	-	-	-
Total:		-	-	-	-	-

Funding Issue Detail

Agency: Board of Accountancy

Issue: Base Modification

Calculated ERE: 10.7

Uniform Allowance:

Program: Certification, Registration, and Regulation

Fund: AB2001 Accountancy Board Fund (Appropriated)

Expenditure Categories		FY 2025
6000	Personal Services	25.0
6100	Employee Related Expenditures	10.7
	Subtotal Personal Services and ERE	35.7
7000	Other Operating Expenditures	(35.7)
	Program/Fund Total:	-

Funding Issue Narrative

Agency: Board of Accountancy

Issue: Base Modification

Description of Issue: Realignment of lump sum expenditure plan

Proposal:

Alternatives Considered:

Impact of Not Funding This Year:

Statutory Reference:

Equipment to be Purchased (if applicable):

Classification of New Positions:

Annualization(s):

Alignment with Agency's Strategic Plan or Statutory Responsibilities:

Summary of Expenditure and Budget Request for All Funds

Agency: Board of Accountancy

Appropriated Funds	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Program:				
ABA-1-0 Certification, Registration, and Regulation	1,796.7	2,230.4	-	2,230.4
Appropriated Funds Total:	1,796.7	2,230.4	-	2,230.4
Expenditure Categories				
FTE	13.0	14.0	-	14.0
Personal Services	882.9	1,061.7	25.0	1,086.7
Employee Related Expenditures	373.1	420.5	10.7	431.2
Subtotal Personal Services and ERE	1,256.1	1,482.2	35.7	1,517.9
Professional & Outside Services	251.4	393.2	-	393.2
Travel In-State	3.1	6.9	-	6.9
Travel Out-Of-State	3.6	12.0	-	12.0
Other Operating Expenditures	248.1	303.8	(35.7)	268.1
Capital Equipment	16.9	-	-	-
Non-Capital Resources	12.5	22.3	-	22.3
Transfers-Out	5.1	10.0	-	10.0
Expenditure Categories Total:	1,796.7	2,230.4	-	2,230.4
Board of Accountancy Total for All Funds:	1,796.7	2,230.4	-	2,230.4

Appropriated and Non-Appropriated	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2024 Funding Issue	FY 2025 Total Request
ABA-1-0 Certification, Registration, and Regulation	1,796.7	2,230.4	-	2,230.4
Board of Accountancy Total for All Funds:	1,796.7	2,230.4	-	2,230.4

Summary of Expenditure and Budget Request for Selected Funds

Agency: Board of Accountancy

Fund: AB2001 Accountancy Board Fund (Appropriated)

Program:	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
ABA-1-0 Certification, Registration, and Regulation	1,796.7	2,230.4	-	2,230.4
Accountancy Board Fund (Appropriated)	1,796.7	2,230.4	-	2,230.4
Summary Total:	1,796.7	2,230.4	-	2,230.4
Expenditure Categories				
FTE	13.0	14.0	-	14.0
Personal Services	882.9	1,061.7	25.0	1,086.7
Employee Related Expenditures	373.1	420.5	10.7	431.2
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Travel Out-Of-State	3.6	12.0	-	12.0
Other Operating Expenditures	248.1	303.8	(35.7)	268.1
Capital Equipment	16.9	-	-	-
Non-Capital Resources	12.5	22.3	-	22.3
Transfers-Out	5.1	10.0	-	10.0
Expenditure Categories Total:	1,796.7	2,230.4	-	2,230.4

Program Budget Unit Summary of Expenditure and Budget Request for All Funds

Agency: Board of Accountancy

Program: Certification, Registration, and Regulation

Expenditure Categories	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
FTE	13.0	14.0	-	14.0
Personal Services	882.9	1,061.7	25.0	1,086.7
Employee Related Expenditures	373.1	420.5	10.7	431.2
Subtotal Personal Services and ERE	1,256.1	1,482.2	35.7	1,517.9
Professional & Outside Services	251.4	393.2	-	393.2
Travel In-State	3.1	6.9	-	6.9
Travel Out-Of-State	3.6	12.0	-	12.0
Other Operating Expenditures	248.1	303.8	(35.7)	268.1
Capital Equipment	16.9	-	-	-
Non-Capital Resources	12.5	22.3	-	22.3
Transfers-Out	5.1	10.0	-	10.0
Expenditure Categories Total:	1,796.7	2,230.4	-	2,230.4
Fund Source				
Appropriated Funds				
Accountancy Board Fund (Appropriated)	1,796.7	2,230.4	(0.0)	2,230.4
Appropriated Funds Total:	1,796.7	2,230.4	(0.0)	2,230.4
Certification, Registration, and Regulation Total:	1,796.7	2,230.4	(0.0)	2,230.4

**Program Budget Unit Summary of Expenditure and Budget Request
for Selected Funds**

Agency:	Board of Accountancy
Program:	Certification, Registration, and Regulation
Fund:	AB2001 Accountancy Board Fund

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated				
Personal Services	882.9	1,061.7	25.0	1,086.7
Employee Related Expenditures	373.1	420.5	10.7	431.2
Subtotal Personal Services and ERE	1,256.1	1,482.2	35.7	1,517.9
Professional & Outside Services	251.4	393.2	-	393.2
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Transfers-Out	5.1	10.0	-	10.0
Expenditure Categories Total:	1,796.7	2,230.4	-	2,230.4
Accountancy Board Fund Total:	1,796.7	2,230.4	(0.0)	2,230.4
Program Total for Select Funds:	1,796.7	2,230.4	-	2,230.4

Program Summary of Expenditure and Budget Request

Agency: Board of Accountancy

Program: Certification, Registration, and Regulation

Program Summary		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
ABA-1-1	Certification, Registration, and Regulation	1,796.7	2,230.4	-	2,230.4
	Certification, Registration, and Regulation Summary Total:	1,796.7	2,230.4	-	2,230.4

Expenditure Categories		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
FTE	FTE	13.0	14.0	-	14.0
6000	Personal Services	882.9	1,061.7	25.0	1,086.7
6100	Employee Related Expenditures	373.1	420.5	10.7	431.2
	Subtotal Personal Services and ERE	1,256.1	1,482.2	35.7	1,517.9
6200	Professional & Outside Services	251.4	393.2	-	393.2
6500	Travel In-State	3.1	6.9	-	6.9
6600	Travel Out-Of-State	3.6	12.0	-	12.0
7000	Other Operating Expenditures	248.1	303.8	(35.7)	268.1
8400	Capital Equipment	16.9	-	-	-
8	Non-Capital Resources	12.5	22.3	-	22.3
9100	Transfers-Out	5.1	10.0	-	10.0
	Expenditure Categories Total:	1,796.7	2,230.4	-	2,230.4

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
AB2001	Accountancy Board Fund (Appropriated)	1,796.7	2,230.4	(0.0)	2,230.4
	Appropriated Funds Total:	1,796.7	2,230.4	(0.0)	2,230.4
	Certification, Registration, and Regulation Summary Total:	1,796.7	2,230.4	(0.0)	2,230.4

Program Summary of Expenditure and Budget Request for Selected Funds

Agency:	Board of Accountancy
Program:	Certification, Registration, and Regulation
Fund:	AB2001 Accountancy Board Fund (Appropriated)

Program Expenditures	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
ABA-1-1 Certification, Registration, and Regulation	1,796.7	2,230.4	-	2,230.4
Accountancy Board Fund (Appropriated)	1,796.7	2,230.4	-	2,230.4
Summary Total:	1,796.7	2,230.4	-	2,230.4
Appropriated Funding				
6000 Personal Services	882.9	1,061.7	25.0	1,086.7
6100 Employee Related Expenditures	373.1	420.5	10.7	431.2
Subtotal Personal Services and ERE	1,256.1	1,482.2	35.7	1,517.9
6200 Professional & Outside Services	251.4	393.2	-	393.2
6500 Travel In-State	3.1	6.9	-	6.9
6600 Travel Out-Of-State	3.6	12.0	-	12.0
7000 Other Operating Expenditures	248.1	303.8	(35.7)	268.1
8400 Capital Equipment	16.9	-	-	-
8 Non-Capital Resources	12.5	22.3	-	22.3
9100 Transfers-Out	5.1	10.0	-	10.0
Expenditure Categories Total:	1,796.7	2,230.4	-	2,230.4
Fund AB2001 - A Total:	1,796.7	2,230.4	(0.0)	2,230.4
Certification, Registration, and Regulation Total:	1,796.7	2,230.4	(0.0)	2,230.4

Program Expenditure Schedule

Agency: Board of Accountancy

Program: Certification, Registration, and Regulation

FTE	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
FTE	13.0	14.0	-	14.0
Expenditure Category Total:	-	-	-	-
Fund Source				
Appropriated Funds				
AB2001 Accountancy Board Fund (Appropriated)	13.0	14.0	-	14.0
Appropriated Funds Total:	13.0	14.0	-	14.0
Fund Source Total:	13.0	14.0	-	14.0

Personal Services	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Personal Services	842.6	978.1	25.0	1,003.1
Board & Commission Members Compensation	40.3	83.6	-	83.6
Expenditure Category Total:	882.9	1,061.7	25.0	1,086.7

Fund Source				
Appropriated Funds				
AB2001 Accountancy Board Fund (Appropriated)	882.9	1,061.7	25.0	1,086.7
Appropriated Funds Total:	882.9	1,061.7	25.0	1,086.7
Fund Source Total:	882.9	1,061.7	25.0	1,086.7

Employee Related Expenditures	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Employee Related Expenses	-	420.5	10.7	431.2
FICA Taxes	64.1	-	-	-
Medical Insurance	184.8	-	-	-
Basic Life	0.1	-	-	-
Long-Term Disability (ASRS)	1.1	-	-	-
Unemployment Compensation & Other State' Taxes	0.2	-	-	-
Dental Insurance	1.3	-	-	-
Workers' Compensation	9.0	-	-	-
Arizona State Retirement System	96.5	-	-	-
Personnel Board Pro-Rata Charges	7.6	-	-	-

Program Expenditure Schedule

Agency:	Board of Accountancy
Program:	Certification, Registration, and Regulation

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Information Technology Pro Rata Charge	5.0	-	-	-
Accumulated Sick Leave Fund Charge	3.4	-	-	-
Expenditure Category Total:	373.1	420.5	10.7	431.2

Fund Source

Appropriated Funds

AB2001	Accountancy Board Fund (Appropriated)	373.1	420.5	10.7	431.2
Appropriated Funds Total:		373.1	420.5	10.7	431.2
Fund Source Total:		373.1	420.5	10.7	431.2

Professional & Outside Services

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Professional and Outside Services	-	393.2	-	393.2
Attorney General Legal Services	97.9	-	-	-
Education & Training	1.4	-	-	-
Other Professional & Outside Services	152.1	-	-	-
Expenditure Category Total:	251.4	393.2	-	393.2

Fund Source

Appropriated Funds

AB2001	Accountancy Board Fund (Appropriated)	251.4	393.2	-	393.2
Appropriated Funds Total:		251.4	393.2	-	393.2
Fund Source Total:		251.4	393.2	-	393.2

Travel In-State

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Travel In-State	-	6.9	-	6.9
Mileage - Private Vehicle	1.0	-	-	-
Lodging	2.1	-	-	-
Meals without Overnight Stay	0.0	-	-	-
Expenditure Category Total:	3.1	6.9	-	6.9

Fund Source

Appropriated Funds

AB2001	Accountancy Board Fund (Appropriated)	3.1	6.9	-	6.9
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Program Expenditure Schedule

Agency: Board of Accountancy

Program: Certification, Registration, and Regulation

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds Total:	3.1	6.9	-	6.9
Fund Source Total:	3.1	6.9	-	6.9

Travel Out-Of-State	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Travel Out of State	-	12.0	-	12.0
Airfare and Other Common Carrier Charges	1.2	-	-	-
Lodging Out-of-State	2.1	-	-	-
Meals with Overnight Stay	0.1	-	-	-
Meals without Overnight Stay	0.1	-	-	-
Other Miscellaneous Out-of- State Travel	0.2	-	-	-
Expenditure Category Total:	3.6	12.0	-	12.0

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
AB2001	Accountancy Board Fund (Appropriated)	3.6	12.0	-	12.0
	Appropriated Funds Total:	3.6	12.0	-	12.0
	Fund Source Total:	3.6	12.0	-	12.0

Other Operating Expenditures		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
	Other Operating Expenses	-	303.8	(35.7)	268.1
	Risk Management Charges to State Agencies	5.4	-	-	-
	Internal Service Computer Processing, Hosting, Maintenance and Support Costs	12.4	-	-	-
	External Programming and System Development Costs	8.5	-	-	-
	Other External Computer Processing, Hosting, Maintenance and Support Costs	16.6	-	-	-
	Charges Imposed Related to AFIS.	3.2	-	-	-
	External Telecommunications Charges	12.5	-	-	-
	Certificate of Participation (COP) Building Rent Charges to State Agencies	125.9	-	-	-
	Miscellaneous Rent	1.7	-	-	-

Program Expenditure Schedule

Agency: Board of Accountancy

Program: Certification, Registration, and Regulation

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Internal Accounting, Budgeting & Financial Services	18.0	-	-	-
Other Internal Services	0.0	-	-	-
Repair & Maintenance - Buildings	0.5	-	-	-
Repair & Maintenance - Other Equipment	1.5	-	-	-
Office Supplies	2.9	-	-	-
Conference Registration / Attendance Fees	3.3	-	-	-
Internal Printing	0.8	-	-	-
Postage & Delivery	9.2	-	-	-
Document Shredding and Destruction Services	0.9	-	-	-
Awards	1.3	-	-	-
Dues	6.6	-	-	-
Books, Subscriptions & Publications	0.6	-	-	-
Costs for Digital Imaging or Producing Microfilm & Microfiche	16.0	-	-	-
Other Miscellaneous Operating	0.3	-	-	-
Expenditure Category Total:	248.1	303.8	(35.7)	268.1

Fund Source

Appropriated Funds

AB2001	Accountancy Board Fund (Appropriated)	248.1	303.8	(35.7)	268.1
Appropriated Funds Total:		248.1	303.8	(35.7)	268.1
Fund Source Total:		248.1	303.8	(35.7)	268.1

Capital Equipment

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Computer Equipment - Capitalized Purchase	16.9	-	-	-
Expenditure Category Total:	16.9	-	-	-

Fund Source

Appropriated Funds

AB2001	Accountancy Board Fund (Appropriated)	16.9	-	-	-
Appropriated Funds Total:		16.9	-	-	-
Fund Source Total:		16.9	-	-	-

Program Expenditure Schedule

Agency: Board of Accountancy

Program: Certification, Registration, and Regulation

Non-Capital Resources	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Non-Capital Resources	-	22.3	-	22.3
Computer Equipment – Non- Capitalized Purchases	2.2	-	-	-
Other Equipment - Non- Capital Purchase	0.8	-	-	-
Purchased or licensed software / website	9.5	-	-	-
Expenditure Category Total:	12.5	22.3	-	22.3
Fund Source				
Appropriated Funds				
AB2001 Accountancy Board Fund (Appropriated)	12.5	22.3	-	22.3
Appropriated Funds Total:	12.5	22.3	-	22.3
Fund Source Total:	12.5	22.3	-	22.3
Transfers-Out				
Transfers	-	10.0	-	10.0
Transfers Out – Not Subject to Cost Allocation	5.1	-	-	-
Expenditure Category Total:	5.1	10.0	-	10.0
Fund Source				
Appropriated Funds				
AB2001 Accountancy Board Fund (Appropriated)	5.1	10.0	-	10.0
Appropriated Funds Total:	5.1	10.0	-	10.0
Fund Source Total:	5.1	10.0	-	10.0

Program Expenditure Schedule

Agency: Board of Accountancy

Administrative Costs Summary

	FY 2025
Personal Services	116.0
ERE	49.9
All Other	-
Administrative Costs Total:	165.9

Administrative Costs / Total Expenditure Ratio

	Request	Admin %
FY 2025	2,230.4	7.4%

Personal Services and Board and Advisory Committee Per Diem Justification

Regular Base Pay (Comp Obj 6011)	\$ 958,907	
Incentive Pay (Comp Obj 6035)	\$ 19,178	Up to 2% of personal services allowable pursuant to ADOA Compensation Guidelines
Total Personal Services	\$ 978,086	

Board and Committee Per Diem (paid from comp obj 6017)

	Fiscal Years 2024 and 2025					
	Regular Meetings	Per Diem	Cost	Special Meetings	Per Diem	Cost
Lumbard, Lisa	10	\$200	\$2,000	2	\$100	\$200
Rodis, Stephen	10	\$200	\$2,000	2	\$100	\$200
Dubberly, Rob	10	\$200	\$2,000	2	\$100	\$200
Eggleston, Brandon	10	\$200	\$2,000	2	\$100	\$200
Roderick, Christina	10	\$200	\$2,000	2	\$100	\$200
Dawson, Greg	10	\$200	\$2,000	2	\$100	\$200
Levine, Michael	10	\$200	\$2,000	2	\$100	\$200
Total - Board	70		\$14,000	14		\$1,400

	Fiscal Years 2023 and 2024					
	A&A	Tax	Law	CPE	Peer ^{1/}	Cert
Number of Meetings	9	9	4	11	4	12
Number of Members	9	9	7	7	5	7
Advisory Committee Meetings	81	81	28	77	20	84
Per Diem	\$200	\$200	\$100	\$200	\$100	\$100
Advisory Committee Meeting Cost	\$16,200	\$16,200	\$2,800	\$15,400	\$2,000	\$8,400
Number of Review Acceptance Body Meetings					72	
Per Diem					\$100	
Review Acceptance Body Meeting Cost					\$7,200	
Total - Committee	\$16,200	\$16,200	\$2,800	\$15,400	\$9,200	\$8,400

^{1/} There are on average six Review Acceptance Board meetings per month with the CalCPA, of which one PROAC committee member attends. The PROAC meets quarterly.

Total - Board and Committee ^{1/}	\$83,600
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1/ A.R.S. § 32-703(B)(10) states "The Board may Appoint accounting and auditing, tax, peer review, law, certification, continuing professional education or other committees or individuals as it considers necessary to advise or assist the board or the board's executive director in administering and enforcing this chapter. These committees and individuals serve at the pleasure of the board." Some advisory committee members choose not to accept per diem. However, the Board's budget provides for per diem for each committee member because it needs to be prepared to pay should a committee member elect to receive per diem at a later date.

Professional and Outside Services / Transfers Out Justification

Obj	Description	FY 2024 Exp Plan	FY 2025 Exp Plan	
6221	Attorney General Legal Services Interagency Service Agreement	\$108,700	\$108,700	\$108,700 Funding for 0.65 AAG FTE.
6241	Temp Services	\$15,000	\$15,000	
6299	Other P & O Services Court reporting	\$269,500	\$269,500	\$5,000 Court reporting services are used for investigative interviews and hearings at the Office of Administrative Hearings.
	Skip Tracing Services		\$1,500	\$1,500
	Executive Process		\$3,000	\$3,000 On occasion, the services of a process server are needed to issue subpoenas.
	Expert Witnesses for Compliance		\$25,000	\$25,000 In order to prevail at hearing, sometimes expert witnesses are used for investigative purposes and to testify during a hearing if necessary.
	Investigator costs		\$180,000	\$180,000 The Board has a contract for outside investigators as we do not have any full-time equivalent positions dedicated to this mission critical compliance activity.
	Goodman's Interior Structures		\$2,000	\$2,000 Design services, project management services. Administrative fees associated with furniture reconfiguration or relocation.
	Employ Test		\$1,000	\$1,000 Skills testing fees related to human resource recruitment
	NASBA Special Accommodation Test Fees		\$2,000	\$2,000 Candidates with health issues and/or learning disabilities required CPA Exam testing accommodations.
	Attorney Fees		\$50,000	\$50,000 While not common, if the Board loses a case it would have to reimburse attorney fees.
Professional & Outside Services		\$393,200	\$393,200	
9100	Transfers Out Office of Administrative Hearings	\$10,000	\$10,000	\$10,000 Costs related to Office of Administrative Hearings.
Transfers Out		\$10,000	\$10,000	

Professional and Outside Services / Transfers Out Justification

Obj	Description	FY 2024 Exp Plan	FY 2025 Exp Plan	
6221	Attorney General Legal Services Interagency Service Agreement	\$108,700	\$108,700	\$108,700 Funding for 0.65 AAG FTE.
6241	Temp Services	\$15,000	\$15,000	
6299	Other P & O Services Court reporting	\$269,500	\$269,500	\$5,000 Court reporting services are used for investigative interviews and hearings at the Office of Administrative Hearings.
	Skip Tracing Services		\$1,500	\$1,500
	Executive Process		\$3,000	\$3,000 On occasion, the services of a process server are needed to issue subpoenas.
	Expert Witnesses for Compliance		\$25,000	\$25,000 In order to prevail at hearing, sometimes expert witnesses are used for investigative purposes and to testify during a hearing if necessary.
	Investigator costs		\$180,000	\$180,000 The Board has a contract for outside investigators as we do not have any full-time equivalent positions dedicated to this mission critical compliance activity.
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	Employ Test		\$1,000	\$1,000 Skills testing fees related to human resource recruitment
	NASBA Special Accommodation Test Fees		\$2,000	\$2,000 Candidates with health issues and/or learning disabilities required CPA Exam testing accommodations.
	Attorney Fees		\$50,000	\$50,000 While not common, if the Board loses a case it would have to reimburse attorney fees.
Professional & Outside Services		\$393,200	\$393,200	
9100	Transfers Out Office of Administrative Hearings	\$10,000	\$10,000	\$10,000 Costs related to Office of Administrative Hearings.
Transfers Out		\$10,000	\$10,000	

In-State Travel Budget Justification

	# of Mtgs	Approx Cost Per Trip	Total	Notes
6516 - POV Milage				
<u>Staff</u>				
Miscellaneous Milage		\$ 156	\$ 156	250 miles (roundtrip) x .625 per mile
TOTAL			\$ 156	
6516 - Board and Commission Member Travel Milage				
<u>Board</u>				
Mike Levin	5	\$ 156	\$ 781	250 miles (roundtrip) x .625 per mile
<u>A&A</u>				
Chris Heinfeld	5	\$ 156	\$ 781	250 miles (roundtrip) x .625 per mile
<u>Certification</u>				
Kevin Yeanoplos	12	\$ 156	\$ 1,875	250 miles (roundtrip) x .625 per mile
<u>Tax</u>				
Kim Paskal	5	\$ 156	\$ 781	250 miles (roundtrip) x .625 per mile
TOTAL			\$ 4,219	
6531 - Lodging				
<u>Certification</u>				
Kevin Yeanoplos	12	\$ 175	\$ 2,100	Assumes lodging is used for each meeting
<u>Board Member</u>				
Outside Maricopa County	3	\$ 128	\$ 385	Assumes that lodging may be used for a quarter of the meetings rather than driving up and back in the same day
TOTAL			\$ 2,485	
GRAND TOTAL			\$ 6,860	

Out-of-State Travel Budget Justification

Conference	NASBA Annual Meeting	NASBA Executive Director's Conference	NASBA Legal Conference	NASBA Western Regional Meeting	Totals
Location	Various	Various	Various	Various	
Number of staff	1	1	1	1	
Number of board members	2	0	0	2	
Number of AAGs	0	0	1	0	
Total Attendance	3	1	2	3	
Lodging per night	\$250.00	\$250.00	\$250.00	\$250.00	
Number of nights	3	3	3	2	
Total Lodging	\$2,250.00	\$750.00	\$1,500.00	\$1,500.00	\$6,000.00
Airfare	\$500.00	\$500.00	\$500.00	\$500.00	
Total Airfare	\$1,500.00	\$500.00	\$1,000.00	\$1,500.00	\$4,500.00
Transportation from & to Airport	\$100.00	\$100.00	\$100.00	\$100.00	
Total Transportation	\$300.00	\$100.00	\$200.00	\$300.00	\$900.00
Per Diem per day	\$25.00	\$25.00	\$25.00	\$25.00	
Total Per Diem per person per trip	\$75.00	\$75.00	\$75.00	\$50.00	
Total Per Diem	\$225.00	\$75.00	\$150.00	\$150.00	\$600.00
Total Trip Cost	\$4,275.00	\$1,425.00	\$2,850.00	\$3,450.00	\$12,000.00
<u>Other Operating Costs - Comp Obj 7455 - Conference Education and Training Registration</u>					
Registration Fees	\$795.00	\$795.00	\$795.00	\$795.00	\$3,180.00
Total Registration	\$2,385.00	\$795.00	\$1,590.00	\$2,385.00	\$7,155.00
Total Cost (including registration fees)	\$6,660.00	\$2,220.00	\$4,440.00	\$5,835.00	\$19,155.00

Equipment Justification

Obj	Description	FY 2024 Exp Plan	FY 2025 Exp Plan	
8581	Purchased or Licensed Software Microsoft Office 365 ProPlus	\$22,300	\$22,300	\$2,000 This is an annual subscription-based service.
	Office Exchange Only Plan 1		\$100	\$100 This is an annual subscription-based service.
	Adobe DC	\$1,000	\$1,000	The State enterprise contract for Adobe Creative Cloud is not being extended. Agencies are being required to procure any apps within Adobe Creative Cloud and pay for each app separately. The Board uses Adobe DC and the budgeted cost is for 14 FTE.
	Civic Plus	\$4,500	\$4,500	Agenda management software. Easy-to-use item entry allows content contributors to save time by entering agenda items, uploading attachments, and sending through approvals workflows with a few clicks. Publish agendas and meeting content in an integrated portal.
	Telerik Controls	\$600	\$600	This is for three licenses for software that supports developers with UI controls and .NET development tools.
	Telerik Reporting	\$400	\$400	Telerik Reporting is a reporting solution for all .NET cloud, web, and desktop platforms that provides a full range of ready-to-use tools and services to help an agency to quickly and easily create, deploy, and use reports.
	DigiCert SSL Certificate	\$1,200	\$1,200	Secure Sockets Layer (SSL) is a computer protocol that helps secure communications over computer networks and is most often used with e-mail. An SSL certificate is a digital document that ensures the content provided is from the correct (verified) sender.
	Microsoft Visual Studio	\$4,500	\$4,500	Licenses for three developers to create, deploy, and manage the Board's applications.
	Microsoft SQL Server License	\$1,100	\$1,100	A SQL server license is needed to allow for users and devices to be connected to a server.
	Source Defense	\$1,000	\$1,000	A security service for annual PCI audit compliance to check for payment page changes and tampering.
	Box	\$1,260	\$1,260	Three enterprise licenses to share content with Board and Committee Member, Board investigators, and fulfill public records requests.
	Grammarly	\$140	\$140	One license to explore the benefits of Grammarly Premium
	ICM View Center Document Management System Licenses	\$4,500	\$4,500	Four concurrent licenses for ICM Document Management ViewCenter.
Total		\$22,300	\$22,300	

Agency Summary

Board of Accountancy

Monica L. Petersen, Executive Director

Phone: 6023640804

A.R.S. § 32-701

Mission:

To protect the public from unlawful, incompetent, unqualified, or unprofessional certified public accountants through certification, regulation, and rehabilitation.

Description:

The Arizona State Board of Accountancy consists of five certified public accountants (CPAs) and two public members, all of whom are residents of the state and are appointed by the Governor. The Board also has six advisory committees consisting of 44 members appointed by the Board whose work directly supports the Board's mission. The advisory committees are Accounting and Auditing, Tax Practice, Peer Review, Certification, Continuing Professional Education, and Law Review. The Board and its committees qualify candidates for the Uniform CPA Examination, certify individuals to practice as CPAs, register accounting firms owned by CPAs, and biennially renew certificates for CPAs and registered accounting firms. The Board and its committees also receive and investigate complaints, take enforcement action against licensees for violation of statutes and regulations, monitor compliance with continuing education requirements, and review the work product of CPAs to ensure adherence to professional standards through the Board's peer review program.

Agency Summary: (\$ Thousands)

Program	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
► Certification, Registration, and Regulation	1,796.7	2,230.4	2,230.4
Agency Total:	1,796.7	2,230.4	2,230.4

Funding:

	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Other Appropriated Funds	1,796.7	2,230.4	2,230.4
Total Funding	1,796.7	2,230.4	2,230.4

FTE Positions	13.0	14.0	14.0
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5 Year Plan

Issue 1 Online Registration

Description: The Board currently has an online renewal registration for CPAs to submit biennial registration via our website. CPAs are required to renew every two years in their birth month in an even or odd numbered year based on whether the year they were born was an odd or even numbered year. This application needs to be updated to include initial registrations and prorated renewal registrations which are currently PDF fillable forms. When a CPA is initially certified by the Board, they do an initial registration and pay a prorated registration fee for the time between their issue date and their renewal due date. Similarly, CPAs do a prorated registration which prorates the continuing professional education requirements between their issue date and their renewal due date. Further, the online registration needs to handle reinstatements from cancelled, expired, relinquished, or revoked status and reactivations from inactive or retired status. The goal is to have a single registration system that is dynamic and sophisticated enough to handle the various types of registration scenarios.

The Board would also like to create an online registration process for CPA firms, CPA firm reinstatements, and CPA firm name changes.

Solutions:

CPA Registration

1. Enhance the Board's Accountancy Regulatory Management System (ARMS) which is the board's database to include data elements like registration terms that are needed to be able to program the applications with enhanced features. The following modules must be modified or created for the new functionality and data elements.

- a. Modify the Certification tab
- b. Modify the CPA tab > CPA Information tab and Payments
- c. Create a CPA tab > Registration Information tab
- d. Create a CPA tab > Reinstatement Information tab

2. Modify the following batch jobs that send data from ARMS up to the CPA registration app:

- a. aPROD-01-CPA Renewal – Ver 1_1_1
- b. aPROD-03-Process Newly Qualified CPAs for a Portal Login Letter
- i. Design how to assign an account before CPAs are assigned a certificate

3. Modify the following batch jobs that send data from the CPA registrations down to ARMS:

- a. aPROD-02-Post Payments to AIMS Nightly Job
- b. aPROD-04-Data Warehouse Nightly Job
- c. aPROD-05-Post Business Day Accepted To Payments Tbl
- d. aPROD-08-CPA Renewal – Process Terms Around Reinstatements
- e. aPROD-12-Update ARMS with AIMS data

4. Enhance the coding in the CPA registration to be able to support the new functionality:

- a. Modify Submit, e-File and Print pages to accommodate prorated fees and fee discount
- b. Modify renewal's CPE Tracking page to accommodate prorated CPE hours
- c. Modify CPE List's CPE Tracking page to accommodate prorated CPE hours
- d. Remove S-type firm renewals from the CPA renewal and modify the Employment page

5. Identify and modify impacted CPA reports:

- a. Online Renewal Mgmt > Login Letter – Newly Qualified CPAs
- b. Online Renewal Mgmt > Pro Rates CPE Renewals
- c. Registrations Due > CPA Registrations > Biennial Registration Status
- d. Registrations Due > CPA Registrations > Biennial Registration Summary
- e. Registrations Due > CPA Registrations > Biennial Reg Due For Email
- f. Registrations Due > CPA Registrations > Initial Registration Summary
- g. Registrations Due > CPA Registrations > Pro-Rated Registrations Renewals List

6. Roll out the CPA registration app to new user groups

- a. Modify the user guide and train staff on customer support for modified CPA registrations
- b. Change the business workflow process concerning more online CPA registrations
- c. Communicate new registration process to a subset of CPAs

CPA Firm Registration

1. Enhance the Board's Accountancy Regulatory Management System (ARMS) to include data elements like registration terms that are needed to be able to program the applications with enhanced features. The following modules must be modified or created for the new functionality and data elements.

- a. Create a Firm Application tab
- b. Modify the Firm tab > Firm Information tab and Payments
- c. Modify the CPA tab > CPA Information tab to link to individually owned firms
- d. Create a Firm tab > Registration Information tab
- i. Accommodate prorates terms for S-type firms (synced to CPA's terms)
- e. Create a Firm tab > Reinstatement Information tab

2. Create the following batch jobs that send data from ARMS up to the firm registration app:

- a. aPROD-21-Firm Registration
- b. aPROD-23-Process Newly Qualified Firms for a Portal Login Letter
- i. Design how to assign an account before firms are approved as a CPA firm

3. Create the following batch jobs that send data from the firm registrations to ARMS:

- a. aPROD-22-Post Firm Payments to ARMS
- b. aPROD-24-Data Warehouse Update for Firms
- c. aPROD-25-Post Business Day Accepted To Firm Payments
- d. aPROD-28-Process Firm Terms Around Reinstatements
- e. aPROD-26-Update ARMS with Firm Registrations
- f. aPROD-27-Update Firm Contact Info
- g. Modify aPROD-16-Sync Azure File Share for firm registrations

4. Modify the Login page

- a. Create firm accounts for owners

5. Create a firm Account Login page
6. Create a CPA firm registration application.
 - a. Cover page
 - b. Business/Firm Name page
 - c. Business/Firm Contact Info page
 - d. Firm Qualifications page
 - e. Disciplinary Actions page
 - f. Peer Review page
 - g. Affidavit page
 - h. Attest and Compilation Services page
 - i. Submit, e-File and Print pages for firms
7. Create and modify impacted firm reports:
 - a. ARMS > Firm > New Issued Firms
 - b. ARMS > Firm > Biennial Reg Past Due
 - c. Online Renewal Mgmt > Login Letter – Newly Qualified Firms
 - d. Online Renewal Mgmt > Pro Rated Firm Renewals
 - e. Online Renewal Mgmt > S.P. and Individual Firms Submitted Online
 - f. Online Renewal Mgmt > Update S.P. and Individual Firm Contact Info Exceptions
 - g. Registrations Due > Firm Registrations > Biennial Reg Due For Email
 - h. Registrations Due > Firm Registrations > Registrations With No Payments Entered
8. Roll out the new firm registration app
 - a. Create a user guide and train staff on customer support for new firm registration app
 - b. Change the business workflow process concerning online firm registrations
 - c. Communicate new registration process to firms

Issue 2 Web Forms

Description: The Board has been working on modernizing its operations and has updated the Board's prior PDF fillable forms with web forms. In calendar year 2021, the Board has completed webforms for Uniform CPA Exam applications, Certification applications and Change of Address forms. In calendar year 2022, the Board completed additional webforms for license verifications, CPA cancellations, CPA firm cancellations, Notice to Schedule Extensions, and Conditional Credit Extensions. The web forms provide the following customer service, convenience, and efficiency improvements:

- a. Web forms are dynamic based on user responses which provides for a clean, streamlined user experience.
- b. Web forms can be saved and finished later.
- c. Web form attachments can be uploaded as required.
- d. Web forms provide data validation to ensure it is complete and accurate before the webform will be accepted.
- e. Web forms can be e-Filed and credit card payments are accepted.
- f. e-File helps ensure instant delivery and saves user time from mailing or delivery.
- g. e-File will provide a confirmation receipt to user via email.
- h. Web forms ensure no lost or misplaced paperwork. The webform is accessed through the Internet via a secured connection and established profile.

Solutions:

1. Create a Reissuance of CPA Certificate Form
2. Create a Consumer Complaint Form
3. Create a Public Records Request Form

Issue 3 Arizona Strategic Enterprise Technology Policies, Standards, and Procedures

Description: Information Technology (IT) Policies, Standards, and Procedures are based on ADOA-ASET strategies and frameworks. They provide a comprehensive framework of business principles, best practices, technical standards, migration, and implementation strategies that direct the design, deployment, and management of IT for the State of Arizona. The Board must understand state PSPs, adopt agency PSPs, identify PSP gaps and mitigate the gaps given our limited time, resources, and expertise.

Solutions:

1. Review all the state's PSPs as follows:
P1000 - IT Governance
P4400: Data Governance
P5000: Collaboration and Communication
P6000: State Data Center
P7000: Enterprise Architecture

2. Develop agency specific policies

3. Determine gaps

4. Mitigate gaps

Issue 4 Data Quality

Description: To adhere with state policy P4460 Data Governance Data Quality, the Board must develop a data quality policy for the agency and then implement the strategy over a three-year period. The Board's policy and implementation will be overseen by the Department of Administration. It is important that the Board can trust its data to run operations, make management decisions, and do planning. Data quality involves measuring the quality of our data so we can rely on it. It requires participation from both business and IT sides of the agency.

Solutions:

1. Define our data quality rules and thresholds.
 - 1.1 Develop a Data Quality Implementation Plan
 - 1.2 Document what quality means to our agency for our Data Quality Strategy
 - 1.2.1 Document business goal(s) and objectives
 - 1.2.2 Identify high-level business quality requirements
 - 1.2.3 Identify key data elements for our data standards
 - 1.2.4 Identify a quality metric (quality threshold and criteria) for each key data element
 - 1.2.S Identify control processes that must be in place for each key data element to maintain quality
 - 1.3 Create our agency's Data Quality Policy
 - 1.4 Train employees on our data quality policy and data standards
 - 1.5 Create a Data Oeansing Strategy
 - 1.5.1 Define data cleansing rules for a consistent approach
 - 1.5.2 Define data deansing guidelines on how to apply the rules
 - 1.5.3 Train employees on data deansing rules and guidelines
- 2.0 Conduct a data quality assessment
 - 2.1 Identify data repositories of our key data (databases and spreadsheets) for data profiling
 - 2.2 Conduct data profiling to get statistics about the kind of data values stored in the key data elements
 - 2.3 Conduct a data assessment to reveal where stored data values differ from the allowed values
 - 2.4 Determine how each key data element's quality compares to our acceptance and desired levels
 - 2.5 Identify the root cause of data discrepancies where possible (business rules and/or automation)
- 3.0 Resolve data quality issues
 - 3.1 Prioritize issues Identified in the data quality assessment (cost, risk, compliance, productivity)
 - 3.2 Identify the data source and all downstream repositories for each data element requiring cleansing
 - 3.3 Identify If any key documents require data cleansing due to the cleansing of the data repository
 - 3.4 Identify if any archived data repositories will be impacted by data deansing (ability to restore data)
 - 3.5 Build a library of data cleansing rules, procedures, and scripts for continuous reuse
 - 3.6 Backup data and then apply data cleansing solutions from the library, documenting changes
 - 3.7 Verify data changes with internal and external data providers (NASBA, ICM, CyberSource, etc.)
4. Monitor and maintain data quality
 - 4.1 Conduct the data quality assessment again to confirm the deansing meets our acceptance levels
 - 4.2 Department of Administration approves our implementation plan, data quality policy and deansing
 - 4.3 Department of Administration oversees our resolving issues identified in the quality assessment
 - 4.4 Monitor the employees are following their data quality training
 - 4.5 Monitor that automated data cleansing solution is working as expected
 - 4.6 Assess new projects to ensure they meet our data quality standards before there's an impact
 - 4.7 Annually review of our Data Quality Policy, Data Quality Assessment, and Data Cleansing Strategy

Resource Assumptions

FY 2026 Estimate FY 2027 Estimate FY 2028 Estimate

Full-Time Equivalent Positions	14.0	14.0	14.0
General Fund	-	-	-
Other Appropriated Funds	2,230.4	2,230.4	2,230.4
Non-Appropriated Funds	-	-	-
Federal Funds	-	-	-

◆ **Goal 1** To assist candidates in applying for the Uniform CPA examination so that the candidate can successfully complete the exam.

Performance Measures	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Number of exam candidates approved by Board to sit for the Uniform CPA exam	565	593	571	568	568

◆ **Goal 2** To certify and register persons who meet the statutory requirements as certified public accountants and to register firms that meet the statutory requirements.

Performance Measures	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Percent of applicants reporting excellent or good service	95	95	96	95	95
Number of certificates issued	429	422	376	403	403
Number of firms registered	37	36	39	38	38
Number of firms renewed (excluding sole practitioners)	445	459	462	454	454

◆ **Goal 3** To process complaints and provide enforcement of statutes and rules to protect the public from incompetent, unethical and/or unprofessional conduct by registrants.

Performance Measures	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Number of revocations and relinquishments	11	9	8	10	10
Number of compliance files established	228	230	275	252	252
Number of compliance files that resulted in discipline	86	97	78	82	82
Number of compliance files that resulted in administrative letters of concern	9	9	10	10	10