

**FY
2022**

**ARIZONA STATE BOARD
OF ACCOUNTANCY**

**Budget Request
and Master List**



ARIZONA STATE BOARD OF ACCOUNTANCY

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August 21, 2020

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

Dear Governor Ducey:

The Arizona State Board of Accountancy (Board) respectfully presents for your consideration its budget request for Fiscal Year 2022. The Board has a couple recent notable accomplishments that are worth highlighting to you and your administration as they both support your vision for reduced regulation, leaner government, and a business-friendly environment. First, the Board completed its Five-Year Rule Review and promulgated rules which accomplish the following:

1. Reduces 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.
2. Reduces certification licensing timeframes.
3. Allows an applicant to retake a test section of the Uniform CPA Exam once their grade for any previous attempt of the same test section during that window has been released to support continuous testing.
4. Streamlines certification by exam, grade transfer, and substantial equivalency requirements.
5. Simplifies the peer review rule to ensure a single peer review administration process that follows the Standards for Performing and Reporting on Peer Reviews.
6. Provides for appeal rights for exam and reinstatement denials.

Second, Laws 2020, Ch. 72 (SB 1131) was passed which accomplishes the following:

1. Provides that a CPA's firm registration will be expired, rather than revoked, for failure to meet firm registration requirements. Prior law mandated that the Board revoke a firm's registration. Revocation required a notice and a hearing, which was neither efficient nor cost effective for the registrant or the Board. Expiring a registration, instead of revoking, removes the implication that disciplinary action was taken while still providing sufficient protection for the public from working with an unregulated firm.
2. Upon delegation by the Board, allows the Executive Director to approve a request for continuing professional education (CPE) reciprocity. This streamlined business procedure improves efficiency and customer service, while ensuring that any denial recommendations go to the Board for oversight and action.

For FY 2022, 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

The Americans with Disabilities Act: Persons with disabilities may request reasonable accommodations, such as sign language interpreters. Request should be made as early as possible to allow time to arrange the accommodation.

This document is available in an alternative format upon request.

Arizona State Board of Accountancy

Monica L. Petersen
Executive Director

Chris Rasmussen
Assistant Director –
Regulation and Compliance

Meagan Johnson
Program and Project Specialist 2

Israel Kiyogera
Program and Project Specialist 2

Andi Byrd
Assistant Director –
Registration and Operations

Laura Minnick
Program and Project Specialist 2

Lydia Mathew
Administrative Assistant II

Pamela Dawis
Administrative Assistant II

Taylor Porter
Administrative Assistant II

Vacant
Administrative Assistant II

Richard Stetiz
Systems Manager

Dave Dusick
Senior Systems Engineer

Howie Hilliker
Systems Engineer

Vacant
Administrative Services Officer



State of Arizona Budget Request

State Agency

State Board of Accountancy

A.R.S. Citation: 32-701

Appropriated Funds

FY 2021 Approp	FY 2022 Fund. Issue	FY 2022 Total Budget
2,098.5	0.0	2,098.5
2,098.5	0.0	2,098.5

Total Amount Requested:

Accountancy Board Fund

Governor DUCEY:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2022.

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

Agency Head: **Monica L. Petersen**

Title: **Executive Director**

Monica L. Petersen 8/21/2020
(signature)

Phone: **(602) 364-0870**

Prepared By: **Monica L. Petersen**

Email Address: **mpetersen@azaccountancy.gov**

Date Prepared: **Monday, August 10, 2020**

Total: 2,098.5 0.0 2,098.5

Date Printed: 8/12/2020 4:27:30 PM

Transmittal Statement

All dollars are presented in thousands.

Revenue Schedule

Agency: State Board of Accountancy

Fund: AA1000 General Fund

AFIS Code	Category of Receipt and Description	FY 2020	FY 2021	FY 2022
4312	EXAMINATION FEES	10.9	11.1	11.1
4372	PUBLICATIONS AND REPRODUCTIONS	0.1	0.1	0.1
4415	OCCUPATIONAL AND PROFESSIONAL LICENSES	169.5	163.0	156.4
4512	RESTITUTION	1.2	0.6	0.6
4519	OTHER FINES OR FORFEITURES OR PENALTIES	54.1	2.8	2.8
4646	UNALLOCATED REVENUE-PMT CARD FEE ADJUST	(2.8)	(2.9)	(2.9)
Fund Total:		233.0	174.7	168.1

Revenue Schedule

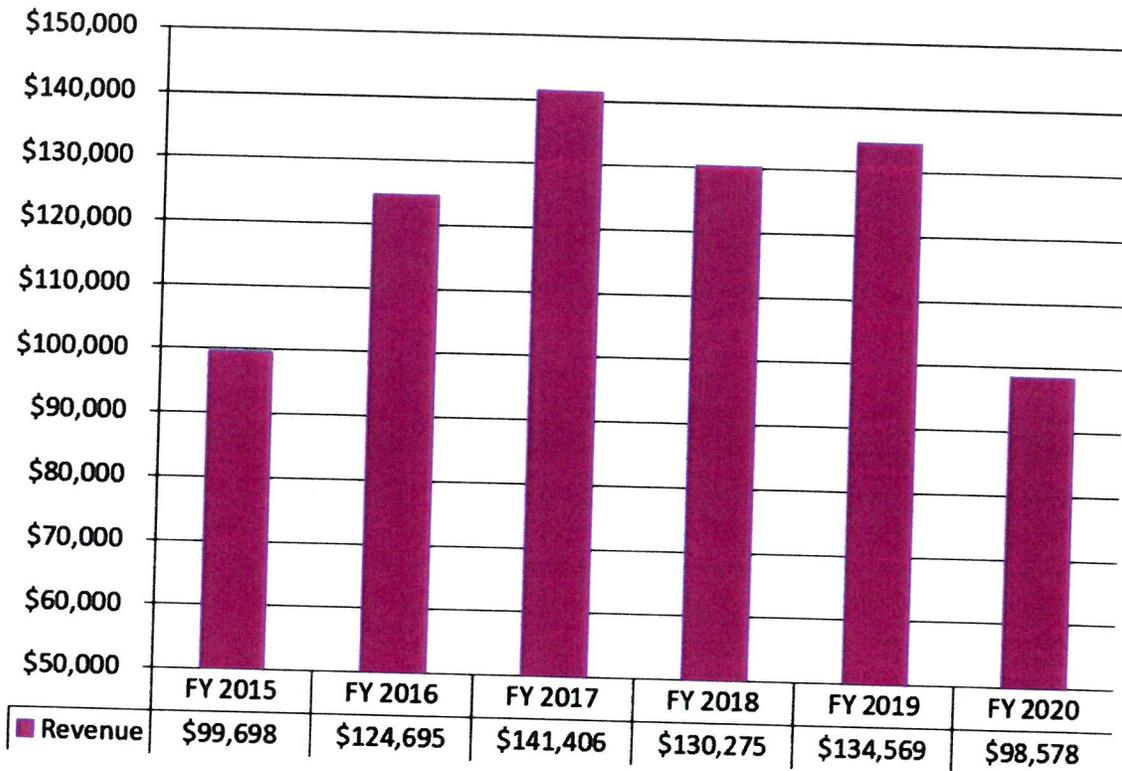
Agency: State Board of Accountancy

Fund: AB2001 Accountancy Board Fund

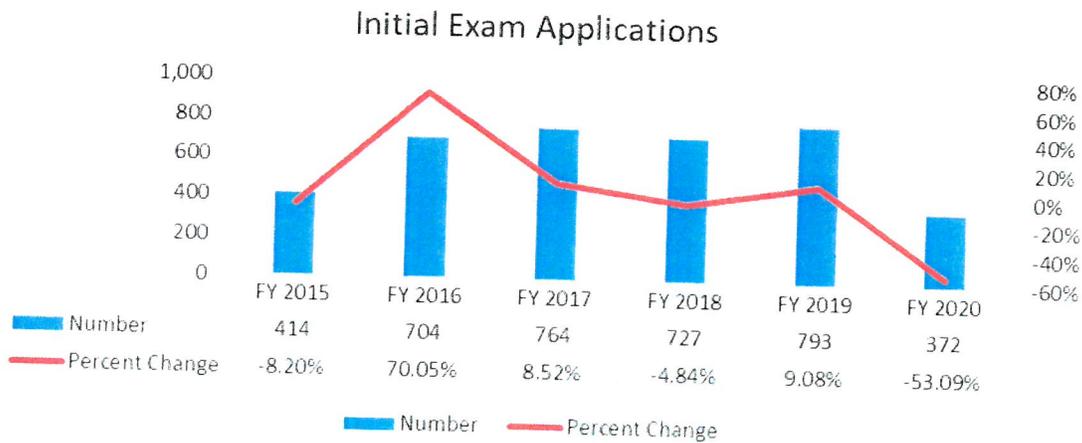
AFIS Code	Category of Receipt and Description	FY 2020	FY 2021	FY 2022
4312	EXAMINATION FEES	98.6	100.0	100.0
4372	PUBLICATIONS AND REPRODUCTIONS	1.1	1.3	1.3
4415	OCCUPATIONAL AND PROFESSIONAL LICENSES	1,525.4	1,466.9	1,407.3
4512	RESTITUTION	10.9	5.6	5.6
4519	OTHER FINES OR FORFEITURES OR PENALTIES	24.9	25.0	25.0
4645	CREDIT CARD DISCOUNT FEES PAID	(25.4)	(26.0)	(26.0)
Fund Total:		1,635.5	1,572.8	1,513.2

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.



The National Association of State Boards of Accountancy (NASBA), in conjunction with the American Institute of Certified Public Accountants and Prometric, offers the Uniform CPA Examination in Japan, Brazil, Bahrain, Kuwait, Lebanon, United Arab Emirates, and India. 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. Since FY 2016, the number of exam applications has remained high, which is attributable to many foreign applicants from India.

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 52 of the 55 jurisdictions (U.S. and territories) and is the sole provider for 24 jurisdictions as of August 2020.

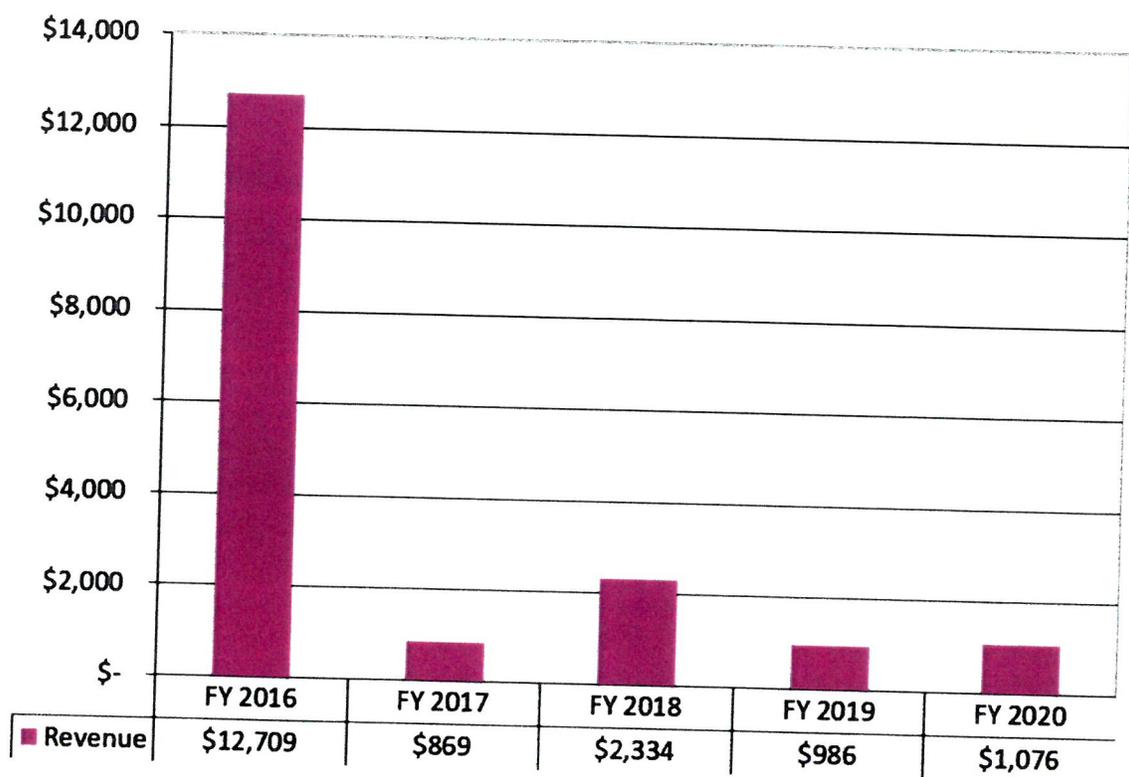
In FY 2019, 25%^{1/} of the exam applications were from foreign applicants. Of the 25%, 92% were from India. Without the rule change, the annualized amount would be closer to 50% of exam applicants from foreign applicants.

From February 2019 to June 2020, the Board received an average of 32 applications a month or an annualized amount of about 384 initial exam applications. The number of reexam applications and associated revenue is harder to predict but approximately 60% of exam revenue is due to reexam applications. The FY 2021 and FY 2022 forecast reflect revenue like FY 2015 and FY 2020 when the number of initial exam applications were much lower without the foreign applicants.

FY 2020	
FY 2021	\$98,578
FY 2022	\$100,000
	\$100,000

^{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.

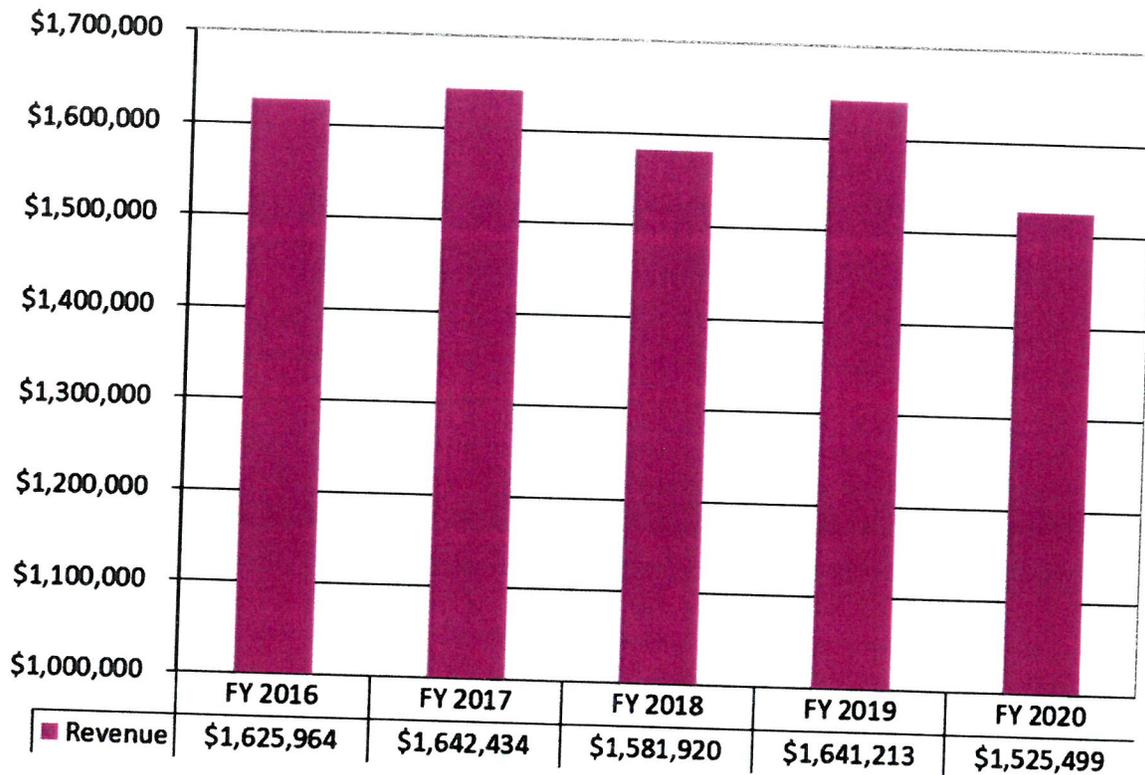
4372 – Publication and Reproduction



This revenue object consists of revenues from the fulfillment of commercial public records requests. FY 2016 revenue is an anomaly as the Board had a single commercial public records request which was \$9,993. The FY 2021 and FY 2022 estimates are based on a four-year average of FY 2017 – FY 2020, excluding the FY 2016 anomaly.

FY 2020	\$1,076
FY 2021	\$1,316
FY 2022	\$1,316

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 limits firm registration to the performance of attest services or compilation services and the use of the CPA designation in the firm's name.

With respect to firm registration, the Board's FY 2019 actuals reflect a loss of revenue for 11 of the 12 months of the fiscal year. Since firms renew biennially, the Board anticipated that there would continue to be some revenue loss associated with firm registration which we saw in FY 2020. The impact of Laws 2018, Ch. 268 has almost been fully realized with perhaps a negligible impact in FY 2021 for July 2020 and August 2020 registrations if firm that are not required to renew do but are then administratively canceled because they are not subject to the Board's regulation.

^{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.

Effective April 5, 2020, the Arizona State Board of Accountancy (Board) has a new rule which reduces 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. The Governor's office approved a future rule change for another fee reduction for the biennium of July 1, 2022 to June 30, 2024 to further reduce the Board's fund balance.

As of August 10, 2020, the following is the revenue forecast for FY 2021 and FY 2022.

CPA REGISTRATION

Fiscal Year 2021			
Certificate Type	Certificate Count	Renewal Fee	Cert Type Revenue
Active	5,163	\$ 275.00	\$ 1,419,825.00
Retired	380	\$ 50.00	\$ 19,000.00
Inactive	136	\$ 137.50	\$ 18,700.00
Probation	4	\$ 275.00	\$ 1,100.00
Suspended	43	\$ 275.00	\$ 11,825.00
Total	5,726		\$ 1,470,450.00

Fiscal Year 2022			
Certificate Type	Certificate Count	Renewal Fee	Cert Type Revenue
Active	4,899	\$ 275.00	\$ 1,347,225.00
Retired	425	\$ 50.00	\$ 21,250.00
Inactive	127	\$ 137.50	\$ 17,462.50
Probation	2	\$ 275.00	\$ 550.00
Suspended	54	\$ 275.00	\$ 14,850.00
Total	5,507		\$ 1,401,337.50

Revenue Adjustments			
Certification	378	\$ 100.00	\$ 37,800.00
Prorated Renewals	199	\$ 150.00	\$ 29,775.00
Retired	388	\$ 225.00	\$ (87,300.00)
Inactive	60	\$ 137.50	\$ (8,250.00)
Expires	253	\$ 275.00	\$ (69,575.00)
Cancellations	82	\$ 275.00	\$ (22,550.00)
Total			\$ (120,100.00)

Revenue Adjustments			
Cert/Reinstatments	433	\$ 100.00	\$ 43,300.00
Reactivation	226	\$ 150.00	\$ 33,900.00
Retired	388	\$ 225.00	\$ (87,300.00)
Inactive	60	\$ 137.50	\$ (8,250.00)
Expires	253	\$ 275.00	\$ (69,575.00)
Cancellations	82	\$ 275.00	\$ (22,550.00)
Total			\$ (110,475.00)

Total \$ 1,350,350.00

Total \$ 1,290,862.50

FIRM REGISTRATION

Fiscal Year 2021			
Registration Type	Registration Count	Renewal Fee	Registration Type Revenue
Non-SP	503	\$ 300.00	\$ 150,900.00
SP	62	\$ -	\$ -
Total			\$ 150,900.00

Fiscal Year 2022			
Registration Type	Registration Count	Renewal Fee	Registration Type Revenue
Non-SP	499	\$ 300.00	\$ 149,700.00
SP	48	\$ -	\$ -
Total			\$ 149,700.00

Revenue Adjustment			
New	99	\$ 100.00	\$ 9,900.00
Expires	60	\$ 300.00	\$ (18,000.00)
Cancellations	103	\$ 197.00	\$ (20,291.00)
Total			\$ (34,391.00)

Revenue Adjustment (based on FY 2020 approvals)			
New	50	\$ 100.00	\$ 5,000.00
Expires	60	\$ 300.00	\$ (18,000.00)
Cancellations	103	\$ 197.00	\$ (20,291.00)
Total			\$ (33,291.00)

Total \$ 116,509.00

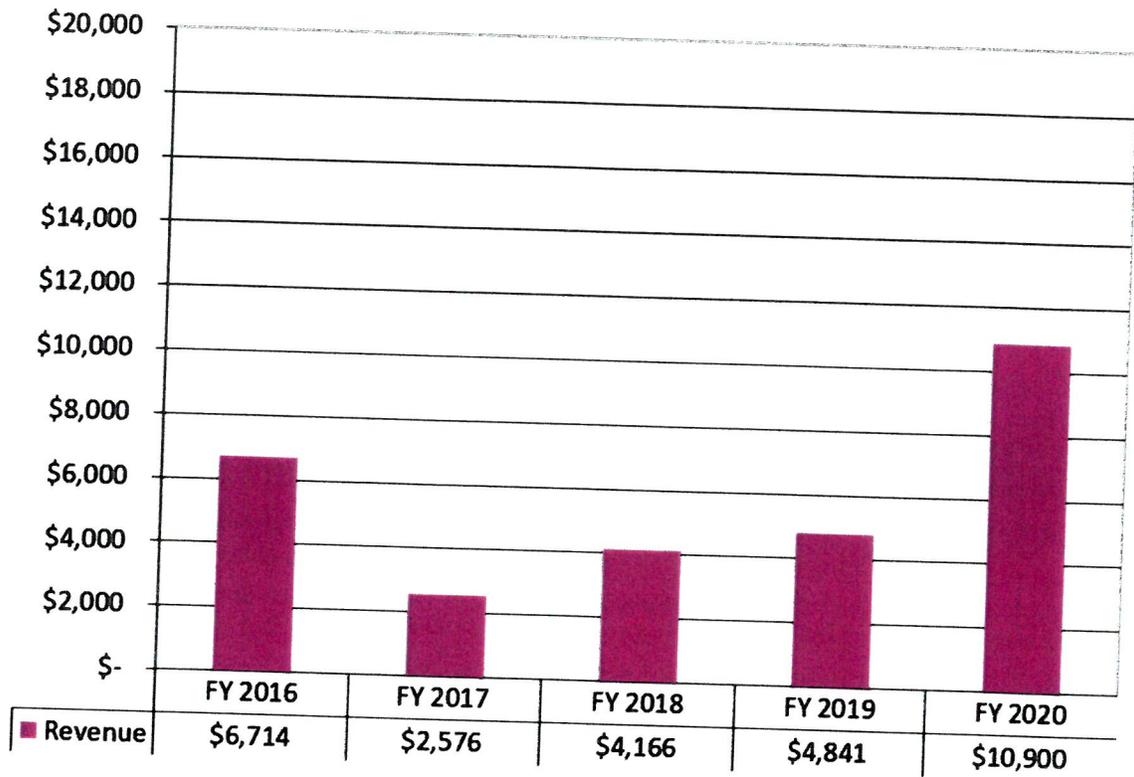
Total \$ 116,409.00

Grand Total \$ 1,466,859.00

Grand Total \$ 1,407,271.50

FY 2020 _____
 FY 2021 _____ \$1,525,499
 FY 2022 _____ \$1,466,859
 _____ \$1,407,272

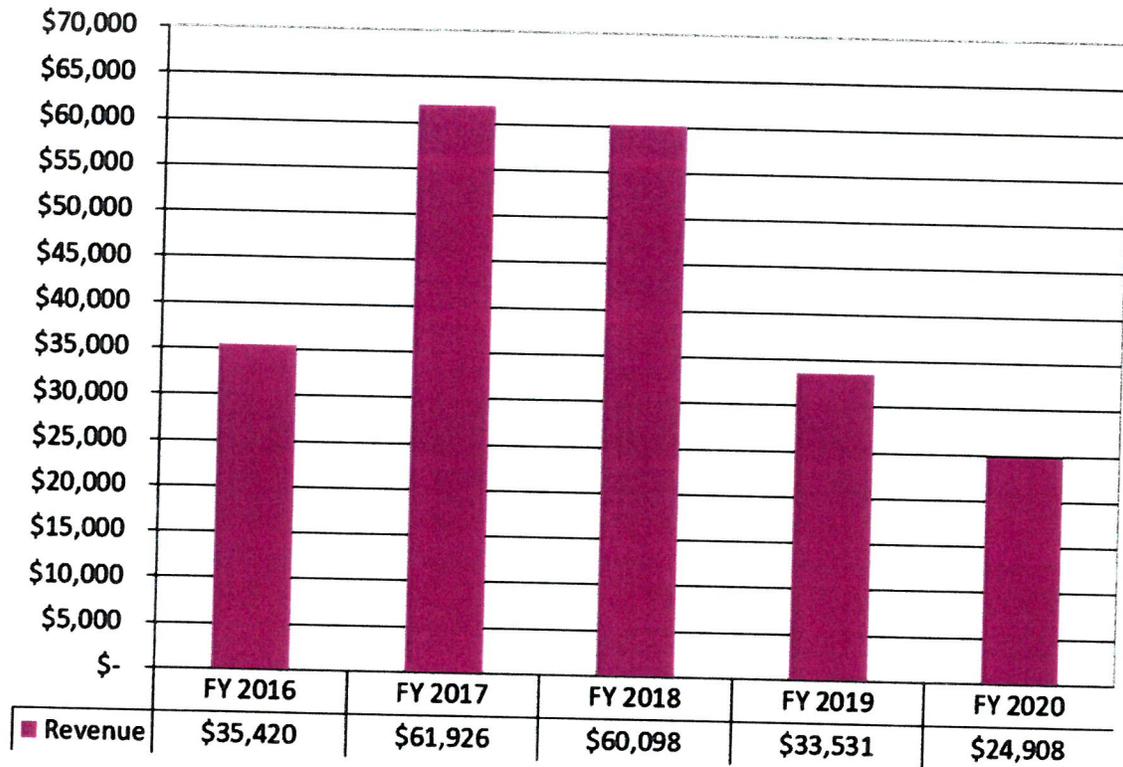
4512—Restitution (Cost Recovery)



There is not enough data to determine the variability in revenue from year to year. As such, the estimates for FY 2021 – FY 2022 assume a four-year average of FY 2017 – FY 2020.

FY 2020	\$10,900
FY 2021	\$5,621
FY 2022	\$5,621

4519—Other Fines, Forfeitures, and Penalties

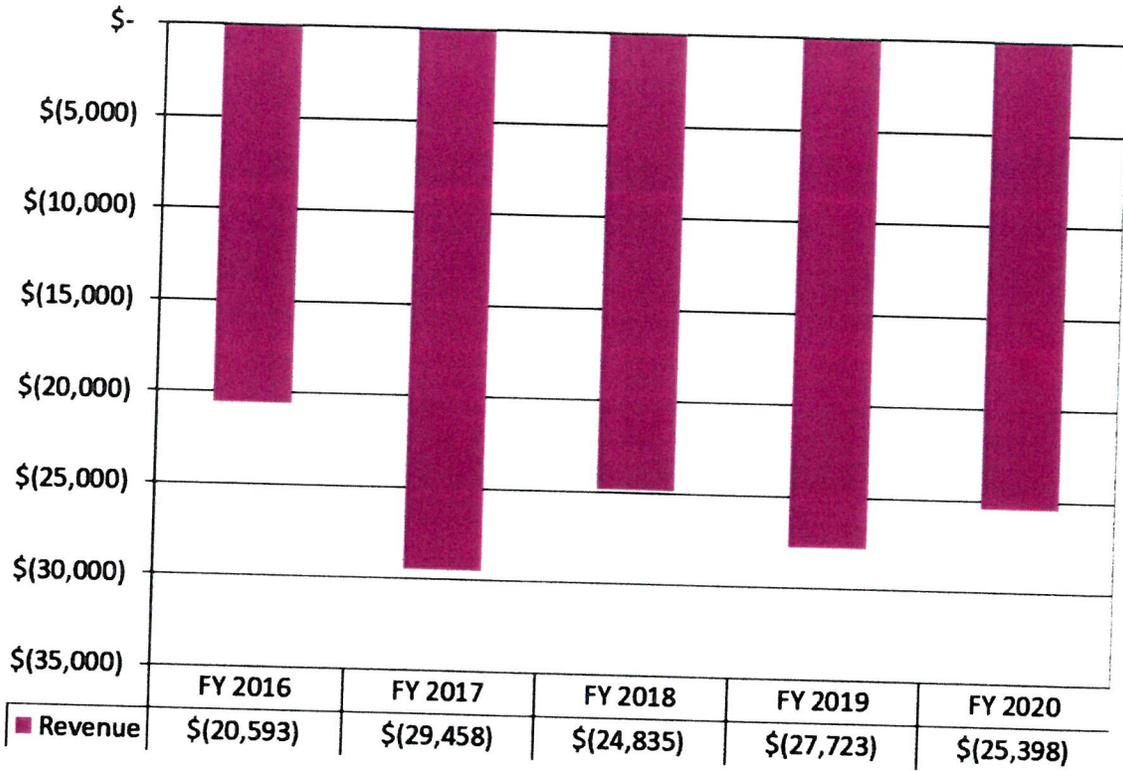


This comptroller object consists of late fees, administrative penalties (100% General Fund), and non-sufficient fund fees.

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. The three-year average of FY 2018 – FY 2020 is \$39,512 but given the email reminders, a reduced firm population, and administrative cancellation of firms that are not required to register which helps fully realize the impacts of SB 1443, the FY 2021 and FY 2022 estimates are expected to be more closely associated with the FY 2020 actuals.

FY 2020	\$24,908
FY 2021	\$25,000
FY 2022	\$25,000

4645—Credit Card Replacement



The revenue estimates for FY 2020 and FY 2021 are based on a three-year average from FY 2018 – FY 2020.

FY 2020	_____	\$(25,398)
FY 2021	_____	\$(25,985)
FY 2022	_____	\$(25,985)

Sources and Uses of Funds

Agency: **State Board of Accountancy**

Fund: **AB2001 Accountancy Board Fund**

Cash Flow Summary

	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Balance Forward from Prior Year	3,282.7	3,065.3	2,539.6
Revenue (From Revenue Schedule)	1,635.5	1,572.8	1,513.2
Total Available	4,918.2	4,638.1	4,052.8
Total Appropriated Disbursements	1,852.9	2,098.5	2,098.5
Total Non-Appropriated Disbursements	0.0	0.0	0.0
Balance Forward to Next Year	3,065.3	2,539.6	1,954.3

Appropriated Expenditure

Expenditure Categories	Actual FY 2020	Estimate FY 2021	Estimate FY 2022
Personal Services	769.6	956.8	956.8
Employee Related Expenses	309.6	386.5	386.5
Prof. And Outside Services	468.4	437.2	434.0
Travel - In State	1.4	6.1	6.1
Travel - Out of State	5.1	12.0	12.0
Food	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0
Other Operating Expenses	236.6	278.4	281.6
Equipment	36.6	6.5	6.5
Capital Outlay	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0
Transfers	12.6	15.0	15.0
Expenditure Categories Total:	1,839.9	2,098.5	2,098.5
Non-Lapsing Authority from Prior Years	0.0	0.0	0.0
Administrative Adjustments	13.0	0.0	0.0
Capital Projects (Land, Buildings,Improvements)	0.0	0.0	0.0
Appropriated 27th Pay Roll	0.0	0.0	0.0
Legislative Fund Transfers	0.0	0.0	0.0
IT Project Transfers	0.0	0.0	0.0
Appropriated Expenditure Total:	1,852.9	2,098.5	2,098.5
Appropriated FTE:	14.0	0.0	0.0

Fund Description

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

Funding Issues List

Agency: State Board of Accountancy

FY 2022

Priority	Funding Issue Title	Total FTE	Total Amount	General Fund	Other Approp. Funds	Non-App Funds
1	Base Modification	0.0	0.0	0.0	0.0	0.0
Total:		0.0	0.0	0.0	0.0	0.0
Decision Package Total:		0.0	0.0	0.0	0.0	0.0

Funding Issue Detail

Agency: State Board of Accountancy

Issue: 1 Base Modification

Program: Certification, Registration, and Regulation
 Fund: AB2001-A Accountancy Board Fund (Appropriated)

Calculated ERE: \$0.00
 Uniform Allowance: \$0.00

Expenditure Categories	FY 2022
FTE	0.0
Personal Services	0.0
Employee Related Expenses	0.0
Subtotal Personal Services and ERE:	0.0
Professional & Outside Services	(3.2)
Travel In-State	0.0
Travel Out-of-State	0.0
Food	0.0
Aid to Organizations & Individuals	0.0
Other Operating Expenditures	3.2
Equipment	0.0
Capital Outlay	0.0
Debt Services	0.0
Cost Allocation	0.0
Transfers	0.0
Program / Fund Total:	0.0

Summary of Expenditure and Budget Request for All Funds

Agency: State Board of Accountancy

Appropriated

Cost Center/Program:	FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
1 Certification, Registration, and Regulation	1,839.9	2,098.5	0.0	2,098.5
Expenditure Categories	1,839.9	2,098.5	0.0	2,098.5
FTE				
Personal Services	14.0	0.0	0.0	0.0
Employee Related Expenses	769.6	956.8	0.0	956.8
Professional and Outside Services	309.6	386.5	0.0	386.5
Travel In-State	468.4	437.2	(3.2)	434.0
Travel Out of State	1.4	6.1	0.0	6.1
Food	5.1	12.0	0.0	12.0
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
Other Operating Expenses	0.0	0.0	0.0	0.0
Equipment	236.6	278.4	3.2	281.6
Capital Outlay	36.6	6.5	0.0	6.5
Debt Service	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0
Transfers	0.0	0.0	0.0	0.0
Expenditure Categories Total:	1,839.9	2,098.5	0.0	2,098.5

Summary of Expenditure and Budget Request for All Funds

Agency: State Board of Accountancy

Agency Total for All Funds:	1,839.9	2,098.5	0.0	2,098.5
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Summary of Expenditure and Budget Request for Selected Funds

Agency: State Board of Accountancy
 Fund: AB2001 Accountancy Board Fund (Appropriated)

Cost Center/Program:	FY 2020	FY 2021	FY 2022	FY 2022	FY 2022
	Actual	Expd. Plan	Fund. Issue	Total Request	Total Request
1 Certification, Registration, and Regulation	1,839.9	2,098.5	0.0	2,098.5	2,098.5
	1,839.9	2,098.5	0.0	2,098.5	2,098.5
Expenditure Categories					
FTE	14.0	0.0	0.0	0.0	0.0
Personal Services	769.6	956.8	0.0	956.8	956.8
Employee Related Expenses	309.6	386.5	0.0	386.5	386.5
Professional and Outside Services	468.4	437.2	(3.2)	434.0	434.0
Travel In-State	1.4	6.1	0.0	6.1	6.1
Travel Out of State	5.1	12.0	0.0	12.0	12.0
Food	0.0	0.0	0.0	0.0	0.0
Aid to Organizations and Individuals	0.0	0.0	0.0	0.0	0.0
Other Operating Expenses	236.6	278.4	3.2	281.6	281.6
Equipment	36.6	6.5	0.0	6.5	6.5
Capital Outlay	0.0	0.0	0.0	0.0	0.0
Debt Service	0.0	0.0	0.0	0.0	0.0
Cost Allocation	0.0	0.0	0.0	0.0	0.0
Transfers	12.6	15.0	0.0	15.0	15.0
Expenditure Categories Total:	1,839.9	2,098.5	0.0	2,098.5	2,098.5
Fund Total:	1,839.9	2,098.5	0.0	2,098.5	2,098.5

Summary of Expenditure and Budget Request for Selected Funds

Agency: State Board of Accountancy
 Fund: AB2001 Accountancy Board Fund (Appropriated)

FY 2020 Actual	FY 2021 Expd. Plan	FY 2022 Fund. Issue	FY 2022 Total Request
1,839.9	2,098.5	0.0	2,098.5

Agency Total for Selected Funds

Program Summary of Expenditures and Budget Request

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

	FY 2020	FY 2021	FY 2022	FY 2022
	Actual	Expd. Plan	Fund. Issue	Total Request
Program Summary				
1-1 Certification, Registration, and Regulation	1,839.9	2,098.5	0.0	2,098.5
Program Summary Total:	1,839.9	2,098.5	0.0	2,098.5
Expenditure Categories				
0000 FTE Positions	14.0	0.0	0.0	0.0
6000 Personal Services	769.6	956.8	0.0	956.8
6100 Employee Related Expenses	309.6	386.5	0.0	386.5
6200 Professional and Outside Services	468.4	437.2	(3.2)	434.0
6500 Travel In-State	1.4	6.1	0.0	6.1
6600 Travel Out of State	5.1	12.0	0.0	12.0
6700 Food	0.0	0.0	0.0	0.0
6800 Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
7000 Other Operating Expenses	236.6	278.4	3.2	281.6
8000 Equipment	36.6	6.5	0.0	6.5
8100 Capital Outlay	0.0	0.0	0.0	0.0
8600 Debt Service	0.0	0.0	0.0	0.0
9000 Cost Allocation	0.0	0.0	0.0	0.0
9100 Transfers	12.6	15.0	0.0	15.0
Expenditure Categories Total:	1,839.9	2,098.5	0.0	2,098.5
Fund Source				
Appropriated Funds				
AB2001-A Accountancy Board Fund (Appropriated)	1,839.9	2,098.5	0.0	2,098.5
Fund Source Total:	1,839.9	2,098.5	0.0	2,098.5

Program Group Summary of Expenditures and Budget Request for Selected Funds

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

FY 2020 FY 2021 FY 2022 FY 2022
 Actual Expd. Plan Fund. Issue Total Request

Fund:	AB2001-A	Accountancy Board Fund (Appropriated)	1,839.9	2,098.5	0.0	2,098.5
Program Expenditures						
COST CENTER/PROGRAM BUDGET UNIT						
1-1	Certification, Registration, and Regulation		1,839.9	2,098.5	0.0	2,098.5
Total			1,839.9	2,098.5	0.0	2,098.5
Appropriated Funding						
Expenditure Categories						
FTE Positions						
	Personal Services		14.0	0.0	0.0	0.0
	Employee Related Expenses		769.6	956.8	0.0	956.8
	Professional and Outside Services		309.6	386.5	0.0	386.5
	Travel In-State		468.4	437.2	(3.2)	434.0
	Travel Out of State		1.4	6.1	0.0	6.1
	Food		5.1	12.0	0.0	12.0
	Aid to Organizations and Individuals		0.0	0.0	0.0	0.0
	Other Operating Expenses		0.0	0.0	0.0	0.0
	Equipment		236.6	278.4	3.2	281.6
	Capital Outlay		36.6	6.5	0.0	6.5
	Debt Service		0.0	0.0	0.0	0.0
	Cost Allocation		0.0	0.0	0.0	0.0
	Transfers		0.0	0.0	0.0	0.0
			12.6	15.0	0.0	15.0
Expenditure Categories Total:			1,839.9	2,098.5	0.0	2,098.5
Fund AB2001-A Total:			1,839.9	2,098.5	0.0	2,098.5
Program 1 Total:			1,839.9	2,098.5	0.0	2,098.5

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

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

Expenditure Categories	FY 2020	FY 2021	FY 2022	FY 2022
	Actual	Expd. Plan	Fund. Issue	Total Request
0000 FTE	14.0	0.0	0.0	0.0
6000 Personal Services	769.6	956.8	0.0	956.8
6100 Employee Related Expenses	309.6	386.5	0.0	386.5
6200 Professional and Outside Services	468.4	437.2	(3.2)	434.0
6500 Travel In-State	1.4	6.1	0.0	6.1
6600 Travel Out of State	5.1	12.0	0.0	12.0
6700 Food	0.0	0.0	0.0	0.0
6800 Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
7000 Other Operating Expenses	236.6	278.4	3.2	281.6
8000 Equipment	36.6	6.5	0.0	6.5
8100 Capital Outlay	0.0	0.0	0.0	0.0
8600 Debt Service	0.0	0.0	0.0	0.0
9000 Cost Allocation	0.0	0.0	0.0	0.0
9100 Transfers	12.6	15.0	0.0	15.0
Fund Source	1,839.9	2,098.5	0.0	2,098.5
Expenditure Categories Total:				
Fund Source	1,839.9	2,098.5	0.0	2,098.5
Appropriated Funds				
AB2001-A Accountancy Board Fund (Appropriated)	1,839.9	2,098.5	0.0	2,098.5
Fund Source Total:	1,839.9	2,098.5	0.0	2,098.5

Program Budget Unit Summary of Expenditures and Budget Request for Selected Funds

Agency: State Board of Accountancy

	FY 2020	FY 2021	FY 2022	FY 2022
Actual	Expd. Plan	Fund. Issue	Total Request	Total Request

Program: Certification, Registration, and Regulation

Fund: AB2001-A Accountancy Board Fund

	FY 2020	FY 2021	FY 2022	FY 2022
Actual	Expd. Plan	Fund. Issue	Total Request	Total Request
Appropriated				
0000 FTE	14.0	0.0	0.0	0.0
6000 Personal Services	769.6	956.8	0.0	956.8
6100 Employee Related Expenses	309.6	386.5	0.0	386.5
6200 Professional and Outside Services	468.4	437.2	(3.2)	434.0
6500 Travel In-State	1.4	6.1	0.0	6.1
6600 Travel Out of State	5.1	12.0	0.0	12.0
6700 Food	0.0	0.0	0.0	0.0
6800 Aid to Organizations and Individuals	0.0	0.0	0.0	0.0
7000 Other Operating Expenses	236.6	278.4	3.2	281.6
8000 Equipment	36.6	6.5	0.0	6.5
8100 Capital Outlay	0.0	0.0	0.0	0.0
8600 Debt Service	0.0	0.0	0.0	0.0
9000 Cost Allocation	0.0	0.0	0.0	0.0
9100 Transfers	12.6	15.0	0.0	15.0
Appropriated Total:	1,839.9	2,098.5	0.0	2,098.5
Fund Total:	1,839.9	2,098.5	0.0	2,098.5
Program Total For Selected Funds:	1,839.9	2,098.5	0.0	2,098.5

Program Expenditure Schedule

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

	FY 2020 Actual	FY 2021 Expd. Plan
FTE	14.0	0.0
Expenditure Category Total	14.0	0.0
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	14.0	0.0
Fund Source Total	14.0	0.0
<hr/>		
Personal Services	735.8	879.3
Boards and Commissions	33.8	77.5
Expenditure Category Total	769.6	956.8
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	769.6	956.8
Fund Source Total	769.6	956.8
<hr/>		
Employee Related Expenses	309.6	386.5
Expenditure Category Total	309.6	386.5
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	309.6	386.5
Fund Source Total	309.6	386.5
<hr/>		
Professional and Outside Services		437.2
External Prof/Outside Serv Budg And Appn	0.0	
External Investment Services	0.0	
Other External Financial Services	0.0	
Attorney General Legal Services	82.0	
External Legal Services	0.0	
External Engineer/Architect Cost - Exp	0.0	
External Engineer/Architect Cost- Cap	0.0	
Other Design	0.0	
Temporary Agency Services	0.0	
Hospital Services	0.0	
Other Medical Services	0.0	
Institutional Care	0.0	
Education And Training	0.0	
Vendor Travel	0.0	
Professional & Outside Services Excluded from Cost Alloca	0.0	
Vendor Travel - Non Reportable	0.0	
External Telecom Consulting Services	0.0	
Costs related to those in custody of the State	0.0	
Non - Confidential Specialist Fees	0.0	
Confidential Specialist Fees	0.0	
Outside Actuarial Costs	0.0	
Other Professional And Outside Services	386.4	

Program Expenditure Schedule

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

	FY 2020 Actual	FY 2021 Expd. Plan
Expenditure Category Total	468.4	437.2
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	468.4	437.2
Fund Source Total	468.4	437.2
<hr/>		
Travel In-State		
Expenditure Category Total	1.4	6.1
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	1.4	6.1
Fund Source Total	1.4	6.1
<hr/>		
Travel Out of State		
Expenditure Category Total	5.1	12.0
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	5.1	12.0
Fund Source Total	5.1	12.0
<hr/>		
Food		
Expenditure Category Total	0.0	0.0
<hr/>		
Aid to Organizations and Individuals		
Expenditure Category Total	0.0	0.0
<hr/>		
Other Operating Expenses		278.4
Other Operating Expenditures Budg Approp	0.0	
Other Operating Expenditures Excluded from Cost Allocati	0.0	
Risk Management Charges To State Agency	4.3	
Risk Management Deductible - Indemnity	0.0	
Risk Management Deductible - Legal	0.0	
Risk Management Deductible - Medical	0.0	
Risk Management Deductible - Other	0.0	
Gen Liab- Non Physical-Taxable- Self Ins	0.0	
Gross Proceeds Payments To Attorneys	0.0	
General Liability- Non-Taxable- Self Ins	0.0	
Medical Malpractice - Self-Insured	0.0	
Automobile Liability - Self Insured	0.0	
General Property Damage - Self- Insured	0.0	
Automobile Physical Damage-Self Insured	0.0	
Liability Insurance Premiums	0.0	
Property Insurance Premiums	0.0	
Workers Compensation Benefit Payments	0.0	
Self Insurance - Administrative Fees	0.0	
Self Insurance - Premiums	0.0	
Self Insurance - Claim Payments	0.0	
Self Insurance - Pharmacy Claims	0.0	
Premium Tax On Altcs	0.0	

Program Expenditure Schedule

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

	FY 2020 Actual	FY 2021 Expd. Plan
Other Insurance-Related Charges	0.0	
Internal Service Data Processing	3.6	
Internal Service Data Proc- Pc/Lan	0.0	
External Programming-Mainframe/Legacy	0.0	
External Programming- Pc/Lan/Serv/Web	0.0	
External Data Entry	0.0	
Othr External Data Proc-Mainframe/Legacy	0.0	
Othr External Data Proc-Pc/Lan/Serv/Web	39.1	
Pmt for AFIS Development & Usage	2.1	
Internal Service Telecommunications	0.0	
External Telecom Long Distance-In-State	8.7	
External Telecom Long Distance-Out-State	0.0	
Other External Telecommunication Service	0.0	
Electricity	0.0	
Sanitation Waste Disposal	0.0	
Water	0.0	
Gas And Fuel Oil For Buildings	0.0	
Other Utilities	0.0	
Building Rent Charges To State Agencies	0.0	
Priv Lease To Own Bld Rent Chrgs To Agy	0.0	
Cert Of Part Bld Rent Chrgs To Agy	118.6	
Rental Of Land And Buildings	0.0	
Rental Of Computer Equipment	0.0	
Rental Of Other Machinery And Equipment	0.0	
Miscellaneous Rent	1.7	
Interest On Overdue Payments	0.0	
All Other Interest Payments	0.0	
Internal Acct/Budg/Financial Svcs	18.0	
Other Internal Services	0.0	
Repair And Maintenance - Buildings	0.8	
Repair And Maintenance - Vehicles	0.0	
Repair And Maint - Mainframe And Legacy	0.0	
Repair And Maint-Pc/Lan/Serv/Web	0.0	
Repair And Maintenance - Other Equipment	1.6	
Other Repair And Maintenance	0.0	
Software Support And Maintenance	0.0	
Uniforms	0.0	
Inmate Clothing	0.0	
Security Supplies	0.0	
Office Supplies	3.7	
Computer Supplies	0.0	
Housekeeping Supplies	0.0	
Bedding And Bath Supplies	0.0	
Drugs And Medicine Supplies	0.0	
Medical Supplies	0.0	
Dental Supplies	0.0	
Automotive And Transportation Fuels	0.0	
Automotive Lubricants And Supplies	0.0	
Rpr And Maint Supplies-Not Auto Or Build	0.0	
Repair And Maintenance Supplies-Building	0.0	
Other Operating Supplies	0.0	

Program Expenditure Schedule

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

	FY 2020 Actual	FY 2021 Expd. Plan
Publications	0.3	
Aggregate Withheld Or Paid Commissions	0.0	
Lottery Prizes	0.0	
Lottery Distribution Costs	0.0	
Material for Further Processing	0.0	
Other Resale Supplies	0.0	
Loss On Sales Of Capital Assets	0.0	
Loss on Sales of Investments	0.0	
Employee Tuition Reimbursement-Graduate	0.0	
Employee Tuition Reimb Under-Grad/Other	0.0	
Conference Registration-Attendance Fees	3.2	
Other Education And Training Costs	10.8	
Advertising	0.0	
Sponsorships	0.0	
Internal Printing	0.2	
External Printing	1.4	
Photography	0.0	
Postage And Delivery	8.8	
Document shredding and Destruction Services	0.8	
Translation and Sign Language Services	0.0	
Distribution To State Universities	0.0	
Other Intrastate Distributions	0.0	
Awards	0.0	
Entertainment And Promotional Items	0.0	
Dues	6.6	
Books- Subscriptions And Publications	0.1	
Costs For Digital Image Or Microfilm	0.0	
Revolving Fund Advances	0.0	
Credit Card Fees Over Approved Limit	0.0	
Relief Bill Expenditures	0.0	
Surplus Property Distr To State Agencies	0.0	
Security Services	0.0	
Judgments - Damages	0.0	
ICA Payments to Claimants Confidential	0.0	
Jdgmnt-Confidential Restitution To Indiv	0.0	
Judgments - Non-Confidential Restitution	0.0	
Judgments - Punitive And Compensatory	0.0	
Pmts Made to Resolve/Disputes/Avoid Costs of Litigation	0.0	
Pmts For Contracted State Inmate Labor	0.0	
Payments To State Inmates	0.0	
Bad Debt Expense	0.0	
Interview Expense	0.0	
Employee Relocations-Nontaxable	0.0	
Employee Relocations-Taxable	0.0	
Non-Confidential Invest/Legal/Law Enf	0.0	
Conf/Sensitive Invest/Legal/Undercover	0.0	
Fingerprinting, Background Checks, Etc.	0.0	
Other Miscellaneous Operating	2.2	

Program Expenditure Schedule

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

	FY 2020 Actual	FY 2021 Expd. Plan
Expenditure Category Total	236.6	278.4
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	236.6	278.4
Fund Source Total	236.6	278.4
Current Year Expenditures		
Capital Equipment Budget And Approp	0.0	6.5
Vehicles Capital Purchase	0.0	
Vehicles Capital Leases	0.0	
Furniture Capital Purchase	0.0	
Depreciable Works Of Art & Hist Treas/Coll Capital Purcha	0.0	
Non Depr Works Of Art & Hist Treas/Coll Cap Purchase	0.0	
Furniture Capital Leases	0.0	
Computer Equipment Capital Purchase	0.0	
Computer Equipment Capital Lease	0.0	
Telecommunication Equip-Capital Purchase	0.0	
Telecommunication Equip-Capital Lease	0.0	
Other Equipment Capital Purchase	0.0	
Other Equipment Capital Leases	0.0	
Purchased Or Licensed Software-Website	0.0	
Internally Generated Software-Website	0.0	
Development in Progress	0.0	
Right-Of-Way/Easement/Extraction Rights	0.0	
Oth Int Assets purchased, licensed or internally generate	0.0	
Other intangible assets acquired by capital lease	0.0	
Other Capital Asset Purchases	0.0	
Leasehold Improvement-Capital Purchase	0.0	
Other Capital Asset Leases	0.0	
Non-Capital Equip Budget And Approp	0.0	
Vehicles Non-Capital Purchase	0.0	
Vehicles Non-Capital Leases	0.0	
Furniture Non-Capital Purchase	4.0	
Works Of Art And Hist Treas-Non Capital	0.0	
Furniture Non-Capital Leases	0.0	
Computer Equipment Non-Capital Purchase	29.3	
Computer Equipment Non-Capital Lease	0.0	
Telecomm Equip Non-Capital Purchase	0.0	
Telecomm Equip Non-Capital Leases	0.0	
Other Equipment Non-Capital Purchase	0.0	
Weapons Non-Capital Purchase	0.0	
Other Equipment Non-Capital Lease	0.0	
Purchased Or Licensed Software/Website	3.3	
Internally Generated Software/Website	0.0	
LICENSES AND PERMITS	0.0	
Right-Of-Way/Easement/Extraction Exp	0.0	
Other Intangible Assets - Purchased, Licensed or Internall	0.0	
Noncapital Software/Web By Capital Lease	0.0	
Other Intangible Assets Acquired by Capital Lease	0.0	
Other Long Lived Tangible Assets to be Expenses	0.0	
Non-Capital Equipment Excluded from Cost Allocation	0.0	

Program Expenditure Schedule

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

	FY 2020 Actual	FY 2021 Expd. Plan
Expenditure Category Total	36.6	6.5
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	36.6	6.5
Fund Source Total	36.6	6.5
Capital Outlay		
Expenditure Category Total	0.0	0.0
Debt Service		
Expenditure Category Total	0.0	0.0
Cost Allocation		
Expenditure Category Total	0.0	0.0
Transfers		
Expenditure Category Total	12.6	15.0
Appropriated		
AB2001-A Accountancy Board Fund (Appropriated)	12.6	15.0
Fund Source Total	12.6	15.0

Employee Retirement Coverage

Retirement System	FTE	Personal Services	Fund#
Arizona State Retirement System	14.0	879.3	AB2001-A

Combined Regular & Elected Positions At/Above FICA Maximum of \$142,800

Total FTE	Personal Services	FTE's not eligible for Health, Dental & Life
0.0	0.0	0.0

Personal Services and Board and Advisory Committee Per Diem Justification

Regular Base Pay (Comp Obj 6011)	\$ 836,809	
27th payroll (Comp Obj 6011)	\$ 25,740	27th payroll adjustment was \$42,900 but the amount was split 60/40 between personnel services and ERE
Incentive Pay (Comp Obj 6035)	\$ 16,736	Up to 2% of personal services allowable pursuant to ADOA Compensation Guidelines
Total Personal Services	\$ 879,286	

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

	Fiscal Years 2021 and 2022					
	Regular Meetings	Per Diem	Cost	Special Meetings	Per Diem	Cost
Alexander ,Giselle	11	\$200	\$2,200	2	\$100	\$200
Beach, Bruce	11	\$200	\$2,200	2	\$100	\$200
Dubberly, Rob	11	\$200	\$2,200	2	\$100	\$200
Levine, Michael	11	\$200	\$2,200	2	\$100	\$200
Lumbard, Lisa	11	\$200	\$2,200	2	\$100	\$200
Schafer, Larry	11	\$200	\$2,200	2	\$100	\$200
Young, Tiffany	11	\$200	\$2,200	2	\$100	\$200
Total - Board	77		\$15,400	14		\$1,400

	Fiscal Years 2021 and 2022					
	A&A	Tax	Law	CPE	Peer ^{1/}	Cert
Number of Meetings	9	9	10	11	4	12
Number of Members	9	9	7	7	7	7
Advisory Committee Meetings	81	81	70	77	28	84
Per Diem	\$200	\$200	\$100	\$100	\$100	\$100
Advisory Committee Meeting Cost	\$16,200	\$16,200	\$7,000	\$7,700	\$2,800	\$8,400
Number of Review Acceptance Body Meetings					24	
Per Diem					\$100	
Review Acceptance Body Meeting Cost					\$2,400	
Total - Committee	\$16,200	\$16,200	\$7,000	\$7,700	\$5,200	\$8,400

^{1/} There are approximately two 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/}	\$77,500
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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 2021 Exp Plan	FY 2022 Exp Plan	
6221	Attorney General Legal Services Interagency Service Agreement	\$85,200	\$82,000	\$82,000 Funding for 0.65 AAG FTE. The FY 2021 expenditure plan has an additional \$3,200 because there are 27 pay periods.
6241	Temp Services	\$15,000	\$15,000	
6299	Other P & O Services Court reporting	\$337,000	\$337,000	\$15,000
				\$7,000 Court reporting services are used for investigative interviews and hearings at the Office of Administrative Hearings.
	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	\$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	\$250,000	\$250,000	\$250,000 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	\$2,000 Design services, project management services. Administrative fees associated with furniture reconfiguration or relocation.
	Attorney Fees	\$50,000	\$50,000	\$50,000 While not common, if the Board loses a case it would have to reimburse attorney fees.
Professional & Outside Services		\$437,200	\$434,000	
9100	Transfers Out Office of Administrative Hearings	\$15,000	\$15,000	\$15,000 Costs related to Office of Administrative Hearings.
Transfers Out		\$15,000	\$15,000	

In-State Travel Budget Justification

	# of Mtgs	Approx Cost Per Trip	Total	Notes
6516 - POV Milage				
<u>Staff</u>				
Miscellaneous Milage		\$ 111	\$ 111	200 miles at .445 per mile = \$111.25
TOTAL			\$ 111	
6516 - Board and Commission Member Travel Milage				
<u>Board</u>				
Michael Levine	13	\$ 115	\$ 1,493	129 miles @ .445 per mile x 2 roundtrip
Bruce Beach	13	\$ 100	\$ 1,296	112 miles @ .445 per mile x 2 roundtrip
<u>CPE</u>				
Martin Levendusky	11	\$ 131	\$ 1,439	147 miles @ .445 per mile x 2 roundtrip
<u>Tax</u>				
Vacancy (there are currently two vacancies but travel is being budgeted for one member in case the member is from outside Maricopa County)	10	\$ 101	\$ 1,015	114 miles @ .445 per mile x 2 roundtrip
TOTAL			\$ 5,242	
6531 - Lodging				
<u>Board</u>				
Bruce Beach	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
Michael Levine	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			\$ 769	
GRAND TOTAL			\$ 6,123	

Out-of-State Travel Budget Justification

Conference	NASBA Annual Meeting	NASBA Executive Director's Conference	NASBA Legal Conference	NASBA Western Regional Meeting	
Location	Various	Various	Various	Various	Totals
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
Other Operating Costs - Comp Obj 7455 - Conference Education and Training Registration					
Registration Fees	\$700.00	\$700.00	\$700.00	\$700.00	\$2,800.00
Total Registration	\$2,100.00	\$700.00	\$1,400.00	\$2,100.00	\$6,300.00
Total Cost (including registration fees)	\$6,375.00	\$2,125.00	\$4,250.00	\$5,550.00	\$18,300.00

Equipment Justification

Obj	Description	FY 2021 Exp Plan	FY 2022 Exp Plan	
8581	Purchased or Licensed Software	\$6,500	\$6,500	
	Microsoft Office 365 ProPlus		\$1,800	\$1,800 This is an annual subscription-based service.
	Office Exchange Only Plan 1		\$100	\$100 This is an annual subscription-based service.
	Red Gate Dependency Tracker		\$2,200	\$2,200 Annual license cost for IT staff for a software which helps with database documentation. Among other things, you can store every change to your database in the same source control system as your application, it's easy to record and share your code changes, you can look through the full revision history of a database or database object, when you commit or update SQL Source Control maintains the referential integrity of your database for you, and it's simple to roll back and resolve conflicts.
	Telerik Controls		\$600	\$600 This is for three licenses for software that supports developers with UI controls and .NET development tools.
	Telerik Reporting		\$800	\$800 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		\$1,000	\$1,000 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.
Total		\$6,500	\$6,500	

Administrative Costs

Agency: State Board of Accountancy

Administrative Costs Summary

Common Administrative Area	FY 2021
Personal Services	101.3
ERE	42.6
All Other	0.0
Administrative Costs Total:	143.9

Administrative Cost / Total Expenditure Ratio

	Request	Admin %
FY 2021	2,098.5	6.9%

2020 - 2022 ARIZONA MASTER LIST OF STATE GOVERNMENT PROGRAMS

ABA 0.0 Agency Summary
BOARD OF ACCOUNTANCY
 Monica L. Petersen, Executive Director
 Board of Accountancy (602) 364-0804
 A.R.S. § 32-701

Objective: 1 FY2020: To process complaints and provide enforcement of statutes and rules to protect the public from incompetent, unethical and/or unprofessional conduct by registrants.
FY2021: To process complaints and provide enforcement of statutes and rules to protect the public from incompetent, unethical and/or unprofessional conduct by registrants.
FY2022: To process complaints and provide enforcement of statutes and rules to protect the public from incompetent, unethical and/or unprofessional conduct by registrants.

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 46 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.

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

Objective: 1 FY2020: To ensure that exam applicants meet the requisite statutory requirements to sit for the Uniform CPA Exam.
FY2021: To ensure that exam applicants meet the requisite statutory requirements to sit for the Uniform CPA Exam.
FY2022: To ensure that exam applicants meet the requisite statutory requirements to sit for the Uniform CPA Exam.

Performance Measures	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Number of exam candidates approved by Board to sit for the Uniform CPA exam	372	384	384

◆ **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.

Objective: 1 FY2020: To ensure that certification and CPA firm applicants meet the requisite statutory requirements to be approved by the Board and once approved register biennially.
FY2021: To ensure that certification and CPA firm applicants meet the requisite statutory requirements to be approved by the Board and once approved register biennially.
FY2022: To ensure that certification and CPA firm applicants meet the requisite statutory requirements to be approved by the Board and once approved register biennially.

Performance Measures	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Number of certificates issued	378	433	433
Biennial renewal of certificates	5377	5391	5172
Number of firms registered	39	50	50
Number of firms renewed (excluding sole practitioners)	416	422	418
Percent of applicants reporting very good or excellent service	97	95	95

◆ **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 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Number of revocations and relinquishments	18	15	15
Explanation:	Laws 2020, Ch. 72 (SB 1131) will reduce revocations because firms will be expired when the don't meet qualifications.		
Number of compliance files established	185	190	185
Explanation:	FY 2019 actuals are higher due to the number of accounting and auditing complaints the Board received from a single complainant.		
Number of compliance files that resulted in discipline	97	90	90
Number of compliance files that resulted in administrative letters of concern	9	7	7

Agency 5-Year Plan

Issue 1 Records Retention

Description: To simplify the Board's retention schedule and ensure consistent adherence for all public records regardless of medium. The Board's retention schedule is onerous, not properly followed and requires archiving of records longer than they are of administrative value which comes at an unnecessary expense.

The records maintained by the Board as well as other state and local governments are among the most valuable resources in their care. They are essential for the conduct of ongoing operations and the official documentation of legally binding decisions and actions of the government. Records allow the public to understand civic issues and they are the community's memory. Records need to be adequately preserved because:

- Officials use them to administer and monitor government operations
- Records document the conduct of public business
- Records ensure and measure government accountability
- Records contain information that is used by researchers from within and from outside government
- Historians and other researchers use government records for information on individuals, groups and the communication, on the development of the government and its operations, and on the life of the community itself.

Solutions:

1.Perform analysis on existing records retention schedule and determine business need for both onsite and offsite retention and revise retention accordingly and submit to Library and Archives for approval

- 1.1.Exam files
- 1.2.Certification files
- 1.3.Registrant (CPA) files
- 1.4.Registrant (firm) files
- 1.5.Compliance Files
- 1.6.Disciplinary Actions
- 1.7.Board and Committee Meetings

2.Evaluate the following general records retention schedules that apply to all public bodies and determine current compliance/noncompliance.

- 2.1.Administrative records
- 2.2.Audit records
- 2.3.Bond records
- 2.4.Copy center and mail room records
- 2.5.Election records
- 2.6.Electronic Communications, Social Networking and Website Records
- 2.7.Environmental Quality Management and Sustainability Records
- 2.8.Equipment/Vehicle Services Records
- 2.9.Facilities/Grounds Management Records
- 2.10.Financial Records
- 2.11.Human Resources/ Personnel Records
- 2.12.Information Technology (IT) Records
- 2.13.Law Enforcement Records
- 2.14.Library Records
- 2.15.Management Records
- 2.16.Medical Records
- 2.17.Official Records
- 2.18.Public Health Records
- 2.19.Public Information and Marketing Records
- 2.20.Purchasing/Procurement Records
- 2.21.Warehouse/Supply Records
- 2.22.Historic Preservation Records
- 2.23.Civic, Convention, and Cultural Facilities and Visitors' Bureau Records
- 2.24.Parks and Recreation Records

3.Develop records retention policies and procedures

4.Train staff on records retention policies and procedures

5.Archive or dispose of records as necessary to ensure compliance with the following:

- 5.1.New records retention schedule approved by Library and Archives for Board specific records
- 5.2.Areas of non-compliance identified in strategy 2.

Issue 2 Five-Year Rule Review and Rulemaking

Description: Statute requires agencies to regularly review each rule to determine whether the rule still meets the criteria in A.R.S. § 41-1056(A) and A.A.C. R1-6-301. If a rule fails to meet these criteria, the rule can be amended or repealed. In the process of reviewing its rules for compliance with A.R.S. § 41-1056(A), the agency may discover issues with its rules, ranging from inconsistencies with applicable statutes to outdated language. The agency then develops a proposed course of action to address any issues identified in the report. This proposed course of action guides the agency's future rulemaking activity. If an agency determines that the rule is no longer necessary, the agency can complete a rulemaking to repeal the rule or choose to allow the rule to expire by not including the rule in the scheduled report.

Solutions:

1. Complete and submit Five-Year Review Report to the Governor's Regulatory Review Council (GRRC)
2. Draft proposed rules and economic impact statement
3. Seek exemption from Executive Order 2019-01 regarding rulemaking moratorium
4. Begin rulemaking process
 - 4.1 File Notice of Docket Opening and a Notice of Proposed Rulemaking with the Secretary of State for publication in the Administrative Register
 - 4.2 Conduct an oral proceeding and close the rulemaking record
 - 4.3 Based on feedback, make technical corrections and non-substantial amendments
 - 4.4 Submit proposed rules economic impact statement to GRRC for approval
 - 4.5 If approved by GRRC, file a Notice of Final Rulemaking with the Secretary of State for publication in the Administrative Register
- 5 Operationalize new rules
 - 5.1 Update website content
 - 5.2 Update letter, applications, forms, etc.
 - 5.3 Send communication to registrants to educate them about rule changes

Issue 3 Digitize Paper Documents

Description: In the digital age, we all know paper is a temporary medium for information. Large quantities of paper are expensive to maintain, difficult to store and fraught with risk from deterioration, loss, water, and fire. Scanning paper documents is a business decision that can reduce costs, improve security and help the environment. The following are some valuable reasons to work toward digitizing paper documents.

1. Secure document storage - scanning offers improved security for sensitive documents. Scanned documents can be securely stored in an online document management system, with security access at a user or role level. Documents can be shared and accessed by multiple users at the same time.
2. Increase office space - Document scanning reduces the volume of paper to be filed, thus eliminating the need for filing cabinets, which frees up office space, recaptures floor space, and reduces cluttered office environment
3. Improves customer service - Searching paper documents is time-consuming which can affect the response time to your customer. Digital documents can be found quickly and easily using a simple keyword search.
4. Better for the environment - Scanning documents can help any organizations in its move to become more environmentally friendly. The use of less paper and toner are not only good for the environment but also reduces business costs.
5. Reduce costs - Storing and maintaining records is an expensive business, including office square footage and costs associated with misfiled or lost documents.
6. Risk mitigation and business continuity - Documents, records, and reports are vital to the Board's daily operations. That is why it's so important to safeguard them from theft, fire, severe weather, sprinkler damage, mold, and mildew or any other type of hazard that might occur in the workplace. Protecting business records ensures the information they contain is available anytime it is needed and also speeds recovery from an unplanned disruption.

Solutions:

1. Beginning in FY 2020, the Board's regulatory and compliance team will only maintain files digitally.
2. Digitize historical exam scores
 - 2.1 Hire temporary service to enter paper exam scores into the Board's database.
 - 2.2 Work with the National Association of State Boards of Accountancy (NASBA) to get exam scores from the Gateway program from 2004, when the Uniform CPA exam became a national computerized-based exam, to date in an FTP format that can be uploaded in the Board's database.
 - 2.3 Work with NASBA to get exam scores on a regular basis via FTP that can be uploaded in the Board's database.
3. Complete records retention initiative
4. Convert registrant files to a document management system
 - 4.1 Design system to determine requirements and software needs
 - 4.2 Evaluate document management software available on state contract or develop RFP and hire vendor
 - 4.3 Train team on new tools
 - 4.4 Plan implementation
5. Implement the system
6. Test the system

Resource Assumptions

	FY2023 Estimate	FY2024 Estimate	FY2025 Estimate
Full-Time Equivalent Positions			
General Fund	14.0	14.0	14.0
Other Appropriated Funds	0.0	0.0	0.0
Non-Appropriated Funds	2,098.5	2,098.5	2,098.5
Federal Funds	0.0	0.0	0.0
	0.0	0.0	0.0