SUMMARY OF RULEMAKING FOR UNIFORM CPA EXAM AND CERTIFICATION APPLICANTS AND ARIZONA CPAS

Arizona State Board of Accountancy
Effective February 4, 2019

The Arizona State Board of Accountancy (Board) will have new rules that impact the following:

1. Applicants for certification or who wish to sit for the Uniform CPA Exam that require a course-by-course evaluation from a foreign transcript evaluation service for education taken outside of the United States; and,

2. Continuing professional education requirements for CPAs.

A copy of this rulemaking can be found on the Board’s website under News and Updates, but the following delineates the most substantive provisions of the rulemaking.

Foreign Transcript Evaluators

Currently, applicants for certification or who wish to sit for the Uniform CPA Exam, and who have taken education outside of the United States, are required to undertake a course-by-course evaluation of their education from a foreign transcript evaluation service that is a member of either the National Association of Credential Evaluation Services (NACES) or the Association of International Credential Evaluators (AICE).

Effective February 4, 2018, applicants for certification or who wish to sit for the Uniform CPA Exam, and who have taken education outside of the United States, are required to undertake a course-by-course evaluation of their education from the National Association of State Boards of Accountancy International Evaluation Services (NIES).

NIES’ mission is dedicated to upholding the integrity of the U.S. CPA credential through expert evaluation of international coursework and stringent authentication of education.

For more information about NIES, see their website at: https://nasba.org/products/nasbainternationalevaluationservices/
Continuing Professional Education (CPE)

CPE Reciprocity
Non-resident CPAs renewing their Arizona CPA certificate shall be determined to have met the CPE requirements of Arizona if they meet CPE requirements in the jurisdiction where the non-resident CPA’s principal place of business is located.

Nano-Learning CPE
CPAs may earn a maximum of four hours of CPE each renewal period by completing nano-learning courses. A nano-learning program is a tutorial program designed to permit a participant to learn a given subject in a ten-minute time frame, through the use of electronic media and without interaction with a real-time instructor.

CPE Credit Increments
Apart from nano-learning, CPE will be credited in one-fifth and one-half hour increments for periods of not less than one class hour.

Reporting CPE for Renewal
CPAs will be required to report, at a minimum, only the statutorily-required hours of CPE for the registration period rather than the total CPE hours taken during the registration period. There is a continued benefit, however, to report total CPE hours taken. If CPE hours are not credited for a course during a review or audit of the CPE, then other CPE hours reported above the statutorily-required hours will be reviewed to determine if a different course can be credited prior to taking any action regarding non-compliance with CPE requirements.

CPE Record Retention
CPAs shall maintain CPE records (transcripts, course outlines, and certificates of completion that include the registrant’s name, course provider or sponsor, course title, credit hours and date of completion) for three years from the date the registration was dated as received by the Board for all CPE completed during the registration period, even if the only CPE reported on the registration was for the statutorily-required hours. Maintaining all CPE records help protect CPAs if a CPE deficiency is found.

Technical and Conforming Changes Tip Sheet
SB 1443 makes various technical and conforming changes to simplify and modernize the statutes, while also eliminating redundant and archaic language.

The consolidation of reactivation and reinstatement requirements into a new section, A.R.S. § 32-732. "Public accountant" is stricken throughout the statutes and will no longer be regulated since there are only three public accountants remaining; and the public accountant designation is no longer issued to applicants.

A new definition for “CPA designation” is established to simplify statutory language and make conforming changes throughout statute, as applicable.

The terms "partnership" and "partner" are repealed and replaced with the terms "firm" and "owner" respectively, which are easier to understand since terms are different between business types.