

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 1. BOARD OF ACCOUNTANCY

PREAMBLE

- 1. Sections Affected** **Rulemaking Action**
R4-1-453 Amend
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rule is implementing (specific)**
Authorizing statute: A.R.S. § 32-703(B)(13)
Implementing statute: A.R.S. § 32-730(D)
- 3. The effective date of the rules:**
A delayed effective date of January 1, 2005, due to educating registrants regarding the rule and allow time for registrants to become compliant with the rule. The public will not be harmed by the delayed effective date, since it is in the best interest of the public that registrant be informed about the rule and become compliant by taking an ethics course.
- 4. A list of all previous notices appearing in the Register addressing the final rule:**
Notice of Rulemaking Docket Opening: 9 A.A.R. 1874, June 13, 2003
Notice of Proposed Rulemaking: 9 A.A.R. 4429, October 17, 2003
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Valerie M. Elliott, Executive Director
Address: Accountancy Board
100 N. 15th Ave., Ste. 165
Phoenix, AZ 85007
Telephone: (602) 364-0804
Fax: (602) 364-0903
E-mail: vme@mail.accountancy.state.az.us
- 6. An explanation of the rule, including the agency's reasons for initiating the rule:**
A requirement for ethics continuing professional education will increase registrants' ethical awareness and knowledge in the areas of professional responsibility, and compliance with professional standards and Arizona statutes and rules.
- 7. A reference to any study relevant to the rule that the agency reviewed and did or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, any analysis of each study and other supporting material:**
None
- 8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable
- 9. The summary of the economic, small business, and consumer impact:**
The economic impact of the rule does not involve small business or consumers. The rule will not affect the number of continuing professional education hours registrants are currently required to complete. The rule merely requires four of those required hours be in the area of ethics. There will some impact on providers of continuing professional education. Providers that offer an ethics course will have increase business.

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10. A description of the changes between the proposed rule, including supplemental notice and final rule:

Only minor technical changes were made throughout the rules to improve clarity, grammar, and consistency as suggested by G.R.R.C. staff.

11. A summary of the comments made regarding the rule and the agency response to them:

Written comments were received regarding availability of courses before the effective date of the rule and availability of courses for registrants located out-of-state. The Board responded that the marketplace has already reacted to the proposed rule with courses to be available in a classroom setting, as a self-study, and on-line. In regards to registrants located outside of Arizona, the availability of self-study and on-line courses will allow those registrants to full the requirement. Three people attended the oral proceeding held on November 19, 2003. Two people commented on the rules. One person stated an ethics continuing professional education requirement would have no impact upon registrants. The other person expressed support for the proposed rule. The Board responded that the proposed rule would affect registrants' behavior by better equipping certified public accountants to avoid ethical violations.

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

13. Incorporations by reference and their location in the rule:

None

14. Was the rule previously adopted as emergency rules?

No

15. The full text of the rule follows:

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 1. BOARD OF ACCOUNTANCY

ARTICLE 4. REGULATION

Section

R4-1-453. Continuing Professional Education

ARTICLE 4. REGULATION

R4-1-453. Continuing Professional Education

A. No change

B. No change

1. No change

2. No change

a. No change

b. No change

c. No change

3. No change

4. No change

5. No change

6. No change

7. No change

C. No change

1. No change

a. No change

b. No change

c. No change

2. No change

3. Notwithstanding the foregoing, an ethics program taught or developed by an employer or co-worker of a registrant does not qualify for the ethics requirement of subsection (D)(5).

D. No change

1. No change

2. No change

3. No change

4. No change

5. A registrant shall complete four hours of CPE in ethics during the two-year period immediately preceding registration renewal. The four-hour requirement shall include a minimum of one hour of each of the following:

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a. Ethics related to the practice of accounting including the American Institute of Certified Public Accountants Professional Code of Conduct;

b. Board statutes and administrative rules.

~~5-6.~~ No change

~~6-7.~~ No change

~~7-8.~~ No change

~~8-9.~~ No change

~~9-10.~~ No change

~~10-11.~~ No change

E. No change

F. No change