



Arizona Barbering & Cosmetology Board
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Katie Hobbs
Governor

Frank L. Migali
Executive Director

September 19, 2025

Lisa S. Parke, CPA
Walker & Armstrong
1850 N. Central Ave., Suite 400
Phoenix, AZ 85004

Dear Ms. Parke,

The Arizona Barbering & Cosmetology Board has reviewed and responded to the Performance Audit and Sunset Review. We've enclosed the full response for your review.

We want to express our appreciation for the professionalism and courtesy demonstrated by your staff and the team at Walker & Armstrong. We believe this collaboration has fostered a transparent and professional working relationship.

The Board has already begun to address the findings and implement the recommendations from the audit. We look forward to meeting with the Committees of Reference in both chambers of the Arizona Legislature to present the positive changes that are already underway.

Sincerely,

 Digitally signed by Frank L. Migali
Date: 2025.09.19 13:23:29 -07'00'

Frank L. Migali, MBA
Executive Director

Enclosure: Board's Response

Cc: Gary Begley, Board Chair

Finding 1: Board failed to take enforcement action against licensees for violations consistent with its policy, increasing the risk of harm to the public and unequal treatment of licensees.

Board response: The finding is agreed to.

Response explanation: The Board accepts the finding and will begin implementing the recommendations.

Recommendation 1: Follow its disciplinary guidelines policy to discipline licensees consistently.

Board response: The audit recommendation will be implemented.

Response explanation: Board members will follow its disciplinary guidelines policy to ensure licensees are disciplined consistently.

Recommendation 2: Establish and implement written policies and procedures to document circumstances and/or explanations for deviations of disciplinary action from those outlined in the Board's disciplinary guidelines policy (mitigating and aggravating factors).

Board response: The audit recommendation will be implemented.

Response explanation: The Board will establish and implement written policies and procedures to document all mitigating and aggravating factors that lead Board members to a deviation from its disciplinary guidelines.

Sunset factor 2: The Board's effectiveness and efficiency in fulfilling its key statutory objectives and purposes.

Board did not verify work authorization for most renewal applicants, and risks failing to fulfill its responsibility to enforce licensure laws consistently and equally across all license types.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 3: Continue obtaining and reviewing citizenship and work authorization documentation submitted by licensees during the renewal process for cosmetology, aesthetics, hairstyling, nail technicians, and eyelash technicians.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has implemented a process to collect lawful residence documentation from all new and renewal applicants. This requirement is built into the Licensing System for both applications and renewals. Full implementation is anticipated by February 2027, coinciding with the completion of the current two-year renewal cycle.

Board did not verify that initial applicants met all requirements for licensure.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 4: Complete the development of the infection prevention, sanitation, and law classes and require applicants to take the class to comply with statute.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has completed developing the required infection prevention, sanitation, and law course. These courses will be implemented by December 31, 2025, to ensure all applicants meet statutory requirements.

Board lacked a process to ensure staff approved only qualified applicants, increasing the risk of unqualified applicants being approved for licensure.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 5: Develop and implement a secondary review process to ensure applicants for licensure meet statutory requirements.

Board response: The audit recommendation will be implemented.

Response explanation: To strengthen oversight and ensure all applicants for licensure meet statutory and regulatory requirements, the Board will develop and implement a quality assurance process that includes a secondary review of a representative sample of completed applications.

Board did not require that applicants certify all information submitted was true and correct, increasing the risk of applications being approved with inaccurate, incomplete, or misleading information.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 6: Comply with its rules to obtain an applicant's signature attesting that information provided is true and correct or update its rules to change the requirement.

Board response: The audit recommendation will be implemented.

Response explanation: To comply with its rules, the Board is collaborating with the Licensing System vendor to add electronic signatures for applicants.

Board did not evaluate the reasonableness of its fees, resulting in the Board charging fees in excess of the cost necessary to provide services.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 7: Develop and implement written policies and procedures to annually analyze fees to determine their reasonableness.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement written policies and procedures to annually analyze fees and ensure their reasonableness.

Board did not adequately configure its database, resulting in unreliable data and limiting its ability to assess whether key statutory responsibilities are being completed in a timely manner.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 8: Ensure the Board's database system can produce accurate reports, including the progress/status of applications, complaints, and inspections.

Board response: The audit recommendation will be implemented.

Response explanation: The Board is taking steps to ensure its database system provides accurate reporting on applications, complaints, and inspections. This includes tracking the progress and current status of each item.

Board did not establish some safeguards in its cash-handling procedures, increasing the risk that errors and fraud could occur and go undetected.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendations.

Recommendation 9: Continue its newly implemented process for segregating duties related to cash-handling.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will continue its new process for segregating duties related to cash handling to ensure proper financial controls.

Recommendation 10: Develop and implement a process for reconciling cash receipts to its licensing database.

Board response: The audit recommendation will be implemented.

Response explanation: The Board is developing and will implement a process to reconcile all cash receipts with the licensing database. This new process will ensure the accuracy of financial records and licensing data.

Board did not take action to prevent unlicensed individuals from operating, increasing risks to public health and safety and undermining Board's regulatory authority.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 11: Develop and implement policies and procedures to take necessary steps to stop unlicensed individuals from operating without a license, to include using its statutory authority to seek injunctions through the Arizona Superior Court.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement policies and procedures to take necessary steps to stop unlicensed individuals from operating without a license.

Board inspections did not comply with statutory and rule requirements, allowing critical compliance issues to go unaddressed and may have compromised licensees' rights, and increasing risks to public health and safety.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 12: Update its inspection form to include all rule requirements, including providing guidance to the inspector on how to assess the licensees' compliance with the rule.

Board response: The audit recommendation will be implemented.

Response explanation: The Board is in the process of updating its inspection form to ensure all rule requirements are included. The new form will also provide inspectors with clear guidance on how to properly assess compliance.

Recommendation 13: Provide all statutorily required disclosures to establishments during inspections.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has updated its inspection protocol to ensure that all statutorily required disclosures are provided to establishments during every inspection.

Recommendation 14: Follow its policy to send monthly status reports to establishments for inspections that identified violations of statute and/or rule.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has implemented and will continue to follow its policy of sending monthly status reports to establishments where inspections identified violations of statute or rule.

Board lacked policies and procedures to ensure it only inspected establishments within its jurisdiction, wasting or inefficiently using Board resources and potentially exposing the Board to legal challenges and intergovernmental conflict.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 15: Develop and implement written policies and procedures for investigators to research their routine inspections to determine if establishments are within the Board's jurisdiction to ensure inspectors only inspect establishments within the Board's jurisdiction.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will develop and implement written policies and procedures to ensure all routine inspections are performed only on establishments within its jurisdiction.

Board did not follow its policy to refer complaints outside of its jurisdiction, potentially increasing the risk to public health and safety.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 16: Follow its policy to refer complaints to the appropriate authorities when the complaint is not within its jurisdiction.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will ensure adherence to its policy to refer complaints that are not within its jurisdiction to the appropriate authorities.

Board had not implemented a comprehensive risk-based inspection program, hindering its ability to detect and correct compliance issues and increasing the risk to public health and safety.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 17: Update its risk-based inspection program to include risk factors that will be considered to determine which establishments to inspect as part of the Board's routine inspections.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will update its risk-based inspection program to include specific factors for determining which establishments to inspect as part of its routine schedule.

Sunset factor 4: The extent to which rules adopted by the Board are consistent with legislative mandate.

Some Board rules that were inconsistent with statutory requirements.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 18: Update rules R4-10-204, R4-10-202, and R4-10-102 to be consistent with statute.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has begun the process of updating rules R4-10-204, R4-10-202, and R4-10-102 to bring them into full consistency with the relevant statutes.

Sunset factor 5: The extent to which the Board has provided appropriate public access to records, meetings, and rulemakings, including soliciting public input in making rules and decisions.

Board did not fully comply with open meeting law requirements, potentially leaving the public uninformed on the Board's proceedings.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 19: Comply with open meeting law requirements, including disclosing the location of the Board meeting for the record and ensuring that its meeting minutes reflect Board member actions, including a record of how each member voted.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has implemented this recommendation and will comply with all open meeting law requirements. This includes disclosing the location of meetings for the record and ensuring meeting minutes accurately reflect Board member actions, including how each member voted.

Board has not established a schedule for how long records should be retained, risking difficulty providing sufficient information in response to records requests.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 20: Work with the Arizona State Library to update the Board's archives and public records retention schedule for the consolidation of the Arizona State Board of Barbers and Arizona State Board of Cosmetology under Laws 2021, Ch. 334 and follow the updated requirement to provide required information to the public.

Board response: The audit recommendation will be implemented.

Response explanation: The Board, in partnership with the Arizona State Library, has completed the consolidation and update of its archives and public records retention schedule. The new retention schedule took effect on May 2, 2025, and the Board is following its requirements to provide information to the public.

Sunset factor 8: The extent to which the Board has established safeguards against possible conflicts of interest.

Board members did not disclose conflicts-of-interest as required by statute, increasing the risk of the Board taking action when a conflict exists.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 21: Use its updated form for annual conflict-of-interest disclosures to help ensure all conflicts of interest are properly disclosed.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has updated and implemented its new annual conflict-of-interest disclosure form. This new form will be used to help ensure all conflicts are properly disclosed.

The Board did not require annual conflict-of-interest disclosure from Board members and staff or periodic training, consistent with recommended practices, increasing the risk of undisclosed or unrecognized conflicts.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 22: Continue following the Board's revised policies and procedures for conflicts of interest, including requiring annual disclosures, periodic training, and Board recusal.

Board response: The audit recommendation will be implemented.

Response explanation: The Board is adhering to its updated policies for conflicts of interest, which includes mandatory annual disclosures and periodic training for all staff and members, and voting recusal when a conflict is identified.

Sunset factor 9: The extent to which changes are necessary for the Board to more efficiently and effectively fulfill its key statutory objectives and purposes or to eliminate statutory responsibilities that are no longer necessary.

Statutory definition of aesthetics does not align with licensees' training or scope.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 23: Work with the Legislature to make the necessary changes to clearly establish an appropriate scope of practice for aestheticians licensed by the Board.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will proactively engage with the Legislature to propose and support statutory changes that will clearly define an appropriate scope of practice for aestheticians.

Board lacks authority to issue cease-and-desist orders to unlicensed practitioners.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 24: Work with the Legislature to determine if providing the Board the authority to issue cease-and-desist orders to stop unlicensed individuals from operating to protect the health and safety of the public is necessary.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will proactively engage with the Legislature to assess the need for the authority to issue cease-and-desist orders. This authority would enable the Board to stop unlicensed individuals from operating, thereby protecting public health and safety.

Board statute lacks clarity on training requirements for eyelash technicians.

Board response: The finding is agreed to.

Response explanation: The Board accepts the sunset factor finding and will begin implementing the recommendation.

Recommendation 25: Work with the Legislature to specify acceptable training requirements for Board registration for individuals who received eyelash technician training before October 30, 2023.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will proactively engage with the Legislature to propose statutory changes that specify acceptable training requirements for individuals who received eyelash technician training before October 30, 2023.