

# ARIZONA

## REGULATORY BOARD OF PHYSICIAN ASSISTANTS

Katie Hobbs  
Governor

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Raquel Rivera  
Executive Director

September 19, 2025

Lisa S. Parke, CPA  
Walker & Armstrong  
Via email: [lpinke@wa-cpas.com](mailto:lpinke@wa-cpas.com)

Re: Arizona Regulatory Board of Physician Assistants – Sunset Review: A.R.S. §41-2951 et seq.

Dear Ms. Parke:

The Arizona Regulatory Board of Physician Assistants (“Board”) has reviewed and provided responses to the Performance Audit and Sunset Review. The Board’s staff, as well as the Board itself, appreciated the professionalism and courtesy of Walker & Armstrong. The Board has begun addressing the findings and implementing the recommendations. The Board looks forward to meeting with the Committees of Reference to discuss the positive changes already made.

Respectfully,



Raquel Rivera  
Executive Director

Enclosure: Board’s Response(s)  
Cc: Ms. Susan Reina, Board Chair

**Finding 1:** Board did not resolve most complaints in a timely manner, which may affect patient safety

Board response: The finding is agreed to.

Response explanation: The Board continues to strive to resolve complaints in 180 days. However, the staff of the Board is also tasked by statute to carry out the administrative responsibilities of the Arizona Medical Board. In FY24, the Medical and PA Boards received and opened a combined total of over 1,430 investigations, which impacts an investigator's ability to meet the 180 day goal. For FY25, the Board requested additional funding for 4 investigators and was approved funding for 2 additional investigators, which have been filled. Despite the addition of two investigators, in FY25, the average number of days to complete an investigation exceeded 200 days due to this high volume. Additionally, in FY25, the Board opened 157 investigations on PAs; closed 133 PA investigations, with 131 open investigations at the end of the fiscal year. For FY27, in lieu of additional investigators, the Board will be requesting funding to add investigative aides to assist Investigators with administrative tasks associated with each case investigated such as processing referrals; sourcing and uploading information; responding to complainants requests for updates; downloading records and images received; and following-up on deficient subpoenas. This will alleviate the administrative workload to allow Investigators to focus on more critical investigative work such as conducting interviews, performing site inspections, and drafting investigative reports. Process improvements identified through this audit and agreed to by the Board are also expected to positively impact the Arizona Medical Board moving forward.

**Recommendation 1:** Investigate and resolve complaints within 180 days.

Board response: The audit recommendation will be implemented.

Response explanation: In FY25, Investigators completed 83 PA cases in less than 12 months and averaged 167 days to complete those investigations. The Board has recently implemented the following changes to allow for more timely processing of complaints: 1) Creation of an investigation timeline with goals and key timeframes for each stage of the investigation; 2) Creation of a tracking spreadsheet for the Manager to monitor the progress of staff compliance with the investigation timeline and identify any reasons for delays in cases. The Board's Investigations Manager has recently developed an Investigative Timeline with goals and timeframes for the 6 stages of each investigation. The Board's IT staff will continue to develop monitoring mechanisms within the database to alert staff and Managers to deficient items to ensure cases move forward through the investigative process.

**Recommendation 2:** Establish a time frame for requesting subpoenaed enforcement from the Superior Court of Arizona after deadlines are missed.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will work with the Arizona Attorney General's office to encourage compliance with Board issued subpoenas.

**Recommendation 3:** Request the Superior Court of Arizona enforce subpoenas when licensees and/or third parties miss deadlines for providing subpoenaed information.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will work with the Arizona Attorney General's office to establish a timeframe and process to request the Superior Court of Arizona to enforce Board subpoenas when appropriate. Staff will continue to work with IT to develop an alert mechanism for staff to identify deficient subpoenas that require staff action.

**Recommendation 4:** Develop and implement policies and procedures that include required time frames for completing key steps in a complaint investigation, including how long it should take to send initial requests to licensees for a response to a complaint, issue subpoenas, time the Board may grant licensees to respond to complaint allegations or outside medical consultants to accept cases for review, and issue dismissal letters.

Board response: The audit recommendation will be implemented.

Response explanation: The Investigations Manager has developed an Investigative Timeline with key timeframes and goals for the 6 stages of each investigation which was implemented in July 2025. The OMC policy will be revised to include a 2-week timeframe for potential OMCs to accept case reviews. The Investigation Process Policy will also be updated to include key timeframes for investigative stages. Board staff has initiated development of templated letters for quicker processing of dismissal letters and will research if any further automation of this process can be configured within the database.

**Recommendation 5:** Develop and implement policies and procedures for tracking and monitoring complaint handling, including establishing a mechanism to document and track completion of key steps in the complaint-handling process, assigning responsibilities to Board staff to use management reports to actively monitor the progress of complaint investigations and address reasons for delays, and regular reporting to the Board on the timeliness of complaints.

Board response: The audit recommendation will be implemented.

Response explanation: The Investigations Manager has developed a plan and began documenting the monitoring of staff performance at the end of FY25. This includes a sample review of each staff investigator and their ability to meet key timeframes for each stage of the investigation. Investigations and IT Staff will continue to work together to develop queries to track and quantify the investigative tasks and timeframes completed to allow for the monitoring of complaint-handling and performance management. The Board anticipates that implementation of the recommendations to develop performance reports for staff will aid in future staffing requests to the Arizona Legislature.

**Finding 2:** Inconsistent with recommended practices, Board's executive director delegated key responsibilities to staff without establishing oversight and accountability mechanisms, potentially resulting in inefficient and ineffective operations, noncompliance with Board statutes and policies, and waste of public resources.

Board response: The finding is agreed to.

Response explanation: The Board acknowledges that administrative deficiencies can be improved and has started to make the necessary changes.

**Recommendation 6:** Establish and enforce productivity and quality standards for each department and position, and implement accountability measures consistent with Board policy to ensure performance expectations are met.

Board response: The audit recommendation will be implemented.

Response explanation: Board staff will establish quality standards and SMAART goals for each department along with productivity and monitoring metrics to ensure accountability for managers and staff.

**Recommendation 7:** Develop and implement policies and procedures for consistently tracking Board staff hours worked to help ensure that staff are compensated only for actual time worked and reduce the risk of abuse.

Board response: The audit recommendation will be implemented.

Response explanation: Board staff will work to develop a policy and procedure to ensure tracking of staff hours will be consistent across all departments for teleworking staff.

**Recommendation 8:** Evaluate the roles and responsibilities of Board IT staff and contractors to identify and eliminate unnecessary duplication and ensure IT expenditures are aligned with Board needs and priorities, including documenting its evaluation.

Board response: The audit recommendation will be implemented.

Response explanation: Starting in April 2025, the Board initiated a comprehensive review of all existing IT contracts to identify and eliminate any duplication of services and to pursue more cost-effective solutions that align with the Board's strategic objectives. As part of these efforts, the Board is planning a transition from Zoom to Google Meets by January 2026 and has already changed its email marketing vendor to reduce costs. Since 2010, the Board has provided online payment functionality for Physician Assistant (PA) renewals. In July 2024, recognizing the need for broader online services and within the constraints of available funding, the Board began development of a comprehensive web portal. This new portal will serve both Physician (MD) and Physician Assistant (PA) licensees, enabling secure online application submission and document uploads. The portal is currently in the testing phase, with an anticipated go-live date of December, 2025. Looking ahead, the Board intends to collaborate with the Arizona Department of Administration – Arizona Strategic Enterprise Technology (ADOA-ASET) Digital Government team in FY27 to modernize its public-facing websites. In addition, the Board is actively researching and developing a method for tracking IT staff time by task. This initiative

aims to produce detailed reports that will support more effective project management and resource allocation by capturing time spent and task-specific data.

**Recommendation 9:** Develop and implement performance monitoring and accountability measures for IT projects, including but not limited to establishing IT project budgets, timelines, and planned outcomes and functionalities.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will implement this recommendation. Beginning in April 2025, the Executive Director and Chief Technology Officer have established standing weekly meetings to review the status of ongoing IT projects and address any emerging issues, which are documented and tracked through completion. In addition, a monthly meeting is held to formally review and prioritize the IT Project List, ensuring that all initiatives have projected timelines and status checks to ensure they remain strategically aligned with the agency's goals and operational needs. These monthly meetings also include the Chief Operations Officer to ensure that IT projects and budget requests are evaluated within the context of the Board's financial resources and planning. This collaborative approach supports effective project governance and ensures that IT investments are both mission-driven and fiscally sustainable.

**Recommendation 10:** Conduct a comprehensive employee productivity and workload analysis to identify process inefficiencies and staffing challenges, support effective resource allocation, and justify staffing and budget requests.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will implement this recommendation as part of the development of productivity measures and will analyze the results on a quarterly basis to identify and address productivity and workload trends to support process improvements and to support budget requests going forward.

**Recommendation 11:** Review the Board's performance incentive pay program and related policies to ensure alignment with measurable, meaningful performance outcomes tied to its key statutory objectives and purposes and staff responsibilities, and revise or eliminate components that do not drive accountability or results.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will implement this recommendation. The Board strongly supports the use of PIP to improve the performance and effectiveness of staff by motivating employees, attracting talent, and aligning efforts with strategic goals. In FY25, the Board's performance incentive pay program was audited by Arizona Department of Administration and it was determined that the program was driving the right behaviors. The Board's budget has included a Special Line item to support PIP since 2017, and prior to that time was funded by a footnote allowing the board to use up to 7% of the prior year's balance from the Arizona Medical Board Fund. The Arizona Medical Board reviews and approves the annual budget. Staff has consistently met the PIP measures since 2015, but acknowledges that performance goals can be updated and revised to better drive accountability and performance across all departments.

**Recommendation 12:** Implement a process to annually evaluate whether performance metrics and related incentive payments effectively support operational efficiency and the Board's overall objectives.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will annually evaluate performance metrics and incentive payment parameters to support efficiency and accountability. The Board also continues to explore non-monetary incentives in line with the Governor's statewide strategic priority to engage and retain productive, self-motivated, and dedicated staff.

**Recommendation 13:** Work with the Arizona Medical Board to ensure executive director compensation is established and approved by the Board in accordance with statute and that any performance incentives paid to the executive director are clearly authorized and documented.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will share the Sunset Audit findings with the Arizona Medical Board and address the findings and recommendations related to the executive director's compensation.

**Recommendation 14:** Work with the Arizona Medical Board and its assistant attorney general to review performance incentive payments made to the executive director since 2015 to determine if the payments violated statute and seek reimbursement for any unallowable payments.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will share the Sunset Audit findings with the Arizona Medical Board and address the findings and recommendations related to the executive director's compensation.

**Recommendation 15:** Establish performance monitoring and verification procedures for all responsibilities delegated to department managers to help ensure the executive director can hold the managers accountable for meeting their delegated responsibilities.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will implement this recommendation and ensure each manager has SMAART goals that are related to their departmental and staff goals. The Board will work to develop database queries to capture managerial tasks performed. The Executive Director will meet with Managers and review their delegated responsibilities then perform a quarterly review of the Manager and their departments progress toward measured goals and consideration of process improvements or staffing needs.

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

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

Board response: The finding is agreed to.

Response explanation: The Board agrees to this finding as the fees have not been raised since 2007. The Board will research and evaluate PA licensure fees and renewal timeframes to ensure the appropriateness of its fees in comparison to the costs for PA licensing and investigations undertaken.

**Recommendation 16:** Develop and implement policies and procedures for periodically evaluating and setting fees to ensure its fees are structured based on the actual cost of the Board's operations.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will develop a process for the Board to evaluate the fees charged by the Board.

**Recommendation 17:** Work with the Arizona Medical Board to develop and implement a process to use relevant historical and projected data to develop the Board's annual budget request.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will share the Sunset Audit findings with the Arizona Medical Board and address the findings and recommendations related to the budget.

**Board performed continuing education audits in excess of what was required under statute, potentially wasting staff resources that could be utilized on other Board priorities.**

Board response: The finding is agreed to.

Response explanation: The Board continues to explore ways to capture the current number of NCCPA certified PAs in Arizona in order to audit 10% of those who are not certified.

**Recommendation 18:** Develop and implement a tracking system to identify licensees required to submit CME and reduce unnecessary staff workload during renewals.

Board response: The audit recommendation will be implemented.

Response explanation: The Board continues to explore ways to capture the current number of NCCPA certified PAs in Arizona in order to audit 10% of those who are not certified. It is expected that this effort will be assisted by ongoing efforts of the Arizona Medical Board to streamline its continuing medical education audit review and verification process.

**Recommendation 19:** Evaluate the appropriate scope of annual CME audits in accordance with statutory requirements and adjust practices accordingly.

Board response: The audit recommendation will be implemented.

Response explanation: The Board continues to explore an efficient and accurate tracking system to ensure efficient auditing of CME hours.



**Board failed to comply with the *State of Arizona Accounting Manual (SAAM)* requirements for reconciliations, efficiency, and separation of duties.**

Board response: The finding is agreed to.

Response explanation: The Board concurs with the audit finding and is implementing enhanced reconciliation procedures to strengthen alignment between licensing and financial data. Support Services staff will continue to provide Licensing staff with daily reports of processed applications, which will now be subject to daily reconciliation to minimize discrepancies and reduce errors. Additionally, the Chief Operating Officer, Licensing Manager, and Executive Director will conduct monthly reconciliation meetings. These meetings will focus on comparing revenue data recorded in AZ360 with licensing data maintained in the Board's internal database, with the goal of improving accuracy, accountability, and operational efficiency.

**Recommendation 20:** Develop and implement policies and procedures for cash-handling that comply with SAAM requirements, including separation of duties, documentation, and independent verification to safeguard funds.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will implement the recommended measures. Currently, cash handling involves multiple staff with certain staff recording all incoming checks in a mail log, which is subsequently reviewed by another staff and compared to a monthly check log documenting all checks received. In instances where checks are returned to the payee, they are verified against the return log to ensure proper documentation. To complete the reconciliation process, the check log is reconciled with the bank statement at month-end by Support Services staff. This procedure is designed to comply with the State of Arizona Accounting Manual (SAAM) requirements, particularly those related to reconciliation protocols and separation of duties.

**Board failed to implement an efficient process for accepting credit card payments, increasing the risk of errors and concerns related to data security.**

Board response: The finding is agreed to.

Response explanation: The Board will be able to process credit card payments electronically through the web portal starting in November 2025, which should make the process more efficient and decrease the risk of errors and data security concerns.

**Recommendation 21:** Evaluate and, if deemed appropriate, implement secure electronic payment options to reduce reliance on mailed payments, improve processing efficiency, and enhance the security of applicant financial data.

Board response: The audit recommendation will be implemented.

Response explanation: The Board's current process has been evaluated, and it has been determined that the current process, which includes documenting checks returned and received on the mail log by staff, comparison to the check log each month, and reconciliation with bank statements will continue for the next three months in anticipation of our transition to secure, electronic web portal payments for all licenses. This month end process is conducted by multiple



staff members, and not one individual in compliance with the SAAM requirements for reconciliation and separation of duties.

**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 acknowledge the receipt of all public records requests.**

Board response: The finding is agreed to.

Response explanation: The Board has updated this process and log to ensure that for each public record request received, the date of receipt, date of acknowledgement, and date of completion of the request are documented going forward.

**Recommendation 22:** Ensure its staff are properly trained and follow the Board's policy to acknowledge the receipt of all public records requests within 24 hours of receipt of the request.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has implemented the recommendation as of August 12, 2025. Going forward, all public records requests will have a documented acknowledgement date on the log.

**Recommendation 23:** Update its public records request tracking log to include a field for the date the Board sends an acknowledgement of receipt of a request.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has implemented this recommendation as of August 12, 2025.

**Board did not provide sufficient public information in response to anonymous phone calls we made.**

Board response: The finding is agreed to.

Response explanation: The Board will provide re-training to ensure that all staff are informed of where to direct public records requests. The Board will ensure that public records staff are asking appropriate information to obtain sufficient information to assist with the requests.

**Recommendation 24:** Provide information to the public regarding licensees as required by statute.

Board response: The audit recommendation will be implemented.

Response explanation: The Board will ensure that public records staff are asking appropriate information to obtain sufficient information to assist with the requests.

**Board complied with open meeting law requirements we reviewed with 2 exceptions.**

Board response: The finding is agreed to.

Response explanation: The Board agrees to the findings as described and immediately started citing the location of board meetings upon notification of the auditors during the audit. Upon notification of the draft report findings, the Board immediately updated its website to ensure a statement was added to include the physical location of meeting agendas.

**Recommendation 25:** Update the Board's website to include a statement indicating the physical location of the meeting agendas.

Board response: The audit recommendation will be implemented.

Response explanation: The Board has implemented this recommendation as of August 12, 2025. The statement has been added to our Board Meeting, Agenda & Minutes section on our website: "The Board posts all agendas in three locations available to the public. The Board posts a physical copy inside the public notices glass case on the first floor of the 1740 West Adams Building, in Phoenix, Arizona 85007. The Board posts a digital copy of the agenda on the Board's website under the Board Meeting, Agenda & Minutes section. The Board also posts a digital copy of the agenda to the Arizona Public Meetings website: <https://publicmeetings.az.gov>. All updates to the agenda are posted in the same locations. The Board's website is the primary place to view the agendas as updates are more readily available through electronic means."

**Recommendation 26:** State the location of the Board meetings for the record in accordance with State open meeting laws.

Board response: The audit recommendation will be implemented.

Response explanation: The Board promptly implemented this finding during the audit upon verbal notification of the finding from Auditor staff. The Board also updated the opening Board Chair script for in-person and teleconference meetings to ensure the location of every meeting is conducted in full compliance with open meeting laws.

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

**Board did not require contracted employees to complete conflict-of interest disclosure forms or require Board members or staff to complete annual conflict-of-interest training.**

Board response: The finding is agreed to.

Response explanation: Promptly upon receiving the Governor's direction to improve conflict of interest disclosures in February 2024 the Board developed its conflict of interest policy and disclosure forms. The Board will be reviewing its current policy to ensure consistency with the ADOA Conflict of Interest-Disclosure policy going forward.

**Recommendation 27:** Update its policy to require contracted employees to complete annual conflict-of-interest disclosure forms.

Board response: The audit recommendation will be implemented.

Response explanation: The Board implemented this recommendation during the audit and since February 2025, all contractors have signed disclosure forms at onboarding and will be required to do so annually.

**Recommendation 28:** Obtain conflict-of-interest disclosure forms for all contracted employees and assess whether any conflicts exist.

Board response: The audit recommendation will be implemented.

Response explanation: The Board implemented this recommendation during the audit and since February 2025, all contractors have signed COI disclosure forms at onboarding and will be required to update them annually thereafter.

**Recommendation 29:** Provide periodic training on conflicts-of-interest for Board members, staff, and contracted employees.

Board response: The audit recommendation will be implemented.

Response explanation: Conflict of interest training is provided to new Board members as part of the initial onboarding process. Additional training was most recently provided to the Board at its February 28, 2024 meeting and will again be provided at the Board's upcoming August 27, 2025, meeting. This training will also be attended or viewed by all Board staff as part of their annual COI training with documented evidence maintained by the Board. The Board anticipates providing training on at least an annual basis going forward.