



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

August 20, 2026

Members of the Arizona State Legislature

The Honorable Katie Hobbs, Governor

Executive Director Migali
Arizona Barbering and Cosmetology Board

We have issued an initial followup report regarding the implementation statuses of the recommendations from the September 2025 *Performance Audit and Sunset Review of the Arizona Barbering and Cosmetology Board* report (see report 25-107) conducted by the independent firm Walker and Armstrong, LLP under contract with the Arizona Auditor General. This audit was in response to a November 21, 2022, resolution of the Joint Legislative Audit Committee and was conducted as part of the sunset review process prescribed in Arizona Revised Statutes §41-2951 et seq.

The September 2025 report made 25 recommendations to the Arizona Barbering and Cosmetology Board (Board). My Office contracted with Walker and Armstrong, LLP to conduct initial followup work with the Board, and as of this initial followup report, 9 recommendations have been implemented, 12 recommendations are in process, and 4 recommendations have not been implemented.

My Office has contracted with Walker and Armstrong, LLP to follow up with the Board again at 18 months to assess its progress in implementing the 16 outstanding recommendations.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

Arizona Barbering and Cosmetology Board

Initial Follow-Up of Report 25-107

The September 2025 Arizona Barbering and Cosmetology Board (Board) performance audit and sunset review found that the Board timely issued initial and renewal licenses and resolved complaints, but did not take consistent enforcement action against licensees for violations, or verify that some license applicants met all requirements, potentially affecting public safety. We made **25** recommendations to the Board.

Board's status on implementing 25 recommendations

Implementation status	Number of recommendations
✓ Implemented	9 recommendations
🔄 In process	12 recommendations
⊘ Not implemented	4 recommendations

We will conduct an 18-month follow-up with the Board on the status of the recommendations that have not yet been implemented.

Recommendations

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

The Board should:

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

Status: Implemented at 6 months.

In November 2025, the Board implemented a written policy directing it to either follow its disciplinary guidelines when taking Board action, or to document circumstances for deviating from the Board's disciplinary guidelines.

Based on our review of a judgmentally selected sample of 9 of 175 complaint and inspection violations the Board closed between December 2025 and March 2026, we found that the Board took consistent action against licensees with similar violations and in accordance with its disciplinary guidelines policy.

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).

Status: Implementation in process.

In November 2025, the Board established a policy stating that it will document all circumstances, mitigating or aggravating factors, and a clear rationale for aggravating or mitigating factors when a disciplinary action is imposed on a licensee that deviates from the Board's disciplinary guidelines.

Although the Board has established this policy, the Board reported that it did not have any instances since its implementation that required the Board to document its rationale for deviating from its disciplinary guidelines. We will further assess the Board's implementation of its updated policy during our 18-month follow-up.

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

The Board should:

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.

Status: Implemented at 6 months.

As of September 2025, the Board developed and implemented a documented process to obtain and review citizenship and work authorization documentation for all renewal applications across all application types.

Our review of a random sample of 5 of 29,412 renewal applications received and approved between September 2025 and February 2026 found that the Board obtained and approved citizenship and work authorization documentation for all 5 renewal applications, consistent with its documented process.

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

Status: Implemented at 6 months.

As of February 2026, the Board had developed online infection prevention, sanitation, and law classes for applicants seeking licensure or registration by reciprocity, as well as those applying for instructor licensure, to take as part of the application process. Our March 2026 review found that these classes were available on the Board's website.

Our random sample of 2 of 9 applications for licensure by reciprocity for barbering and aesthetics found that the Board required applicants to complete the training and attest their completion of the training as part of the licensing application process.

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

Status: Implementation in process.

As of March 2026, the Board developed quality assurance monitoring procedures to perform secondary reviews of applications to ensure licensees meet statutory requirements. This process includes randomly selecting license or registration applications for secondary review and reviewing the applicant's licensing or registration file to confirm that all required documentation to demonstrate qualification has been obtained and that the applicable payment has been charged and collected. The procedures also outline steps for correcting and reprocessing applications, as needed, and for training employees in areas of improvement when all necessary information has not been obtained. This process will require each of the Board's application specialists to designate 2 to 3 hours per week conducting secondary reviews of applications processed by their colleagues.

The Board reported that the implementation of the recommendation is awaiting the assignment of an individual to be the Quality Assurance Coordinator, who will be responsible for overseeing the selection process and other staffs' work as it relates to the quality assurance process. We will further evaluate the Board's implementation of this recommendation during our 18-month follow-up.

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.

Status: Implemented at 6 months.

In September 2025, the Board developed and implemented a process to require licensees to submit an electronic signature on their application, attesting that information provided was true and correct. Specifically, the Board revised its electronic application to require applicants to submit an electronic signature prior to submission.

Our review of a stratified random sample of 12 of 2,338 individual initial applications approved by the Board between September 2025 and February 2026 found that the Board obtained an electronic signature for all 12 applications.

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

Status: Not Implemented.

The Board reported that it has not yet developed policies and procedures to annually analyze fees because it has focused on implementing other recommendations. The Board further reported that it expects to develop policies and procedures in Summer 2026; however, it was unable to provide an estimated implementation date. We will further assess the Board's progress in implementing this recommendation during our 18-month follow-up.

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

Status: Implementation in process.

Our March 2026 review of reports used by the Board to oversee its licensing department found that the Board's database was able to generate reports with dates and information that management could use to review the progress of processing license applications. However, our review of the reports the Board uses to monitor the progress/status of complaints and inspections found that the reports did not include complete information, such as complaints that were deemed to be outside of its jurisdiction or accurate receipt dates for inspections, and complaints. For example, the reports available for complaints and inspections did not include the date the complaint was received or the date the investigation was initiated.

After bringing this information to the Board attention, we reviewed the Board staff submission to the database vendor requesting these discrepancies be addressed, and the Board's staff reported that they anticipated having accurate reports for all Board operations by the summer 2026. We will further assess the implementation of this recommendation during our 18-month follow-up.

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

Status: Implemented at 6 months.

Our observation of the Board's cash-handling procedures in March 2026 found that it continued to implement its processes for segregating cash-handling duties.

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

Status: Implementation in process.

As of March 2026, our review of the Board's database ticketing system found that the Board submitted a request to its database system vendor to develop the report it needs to be able to reconcile cash receipts to its licensing database. Specifically, the Board needs a report from its database that lists all fees, including application and other miscellaneous fees, processed through the Board's database. This report will enable the Board to reconcile total cash received with amounts recorded in the database and verify all expected cash was collected and deposited. The Board reported that it anticipates developing and implementing a cash reconciliation process once its database system is able to generate the necessary report. The Board further reported that it anticipates implementing this recommendation by summer 2026. We will further assess the implementation of this recommendation during our 18-month follow-up.

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.

Status: Implementation in process.

As of March 2026, the Board drafted a written policy and procedure to take necessary steps to stop unlicensed individuals from operating without a license. Specifically, the Board's policy requires staff to investigate allegations of unlicensed activity, notify the individual that an investigation has been opened, request a response from the individual, and present the matter to the Board for resolution and possible action, including to direct its assistant attorney general to seek injunctive relief from the Arizona Superior Court. However, the Board reported that it is unable to use its database to most effectively assign and track these cases and is in the process of working with its database system vendor to be able to create a complaint file for unlicensed individuals. The Board reported that it anticipates implementing this recommendation in August 2026, after it can assign and track these cases within its database system. We will further assess the Board's implementation of this recommendation during our 18-month follow-up.

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.

Status: Implementation in process.

In March 2026, we reviewed of the Board's in-progress draft inspection form and found that the Board is evaluating what changes are necessary to ensure all rule requirements and guidance are included in its inspection form. For example, the Board had identified that some of the references in the form were not accurate and the Board reported that it is in the process of developing guidance that will be included in its inspection form. Additionally, the Board is working with a vendor to create a digital inspection form that inspectors will be able to fill out using tablets in the field. The Board reported that once it ensures that all rule requirements and guidance has been included in its inspection form, it will incorporate the revisions in the digital inspection form before finalizing the form for use.

The Board expects that the digital inspection form, revised to include both the form changes and guidance to inspectors, will be implemented in August 2026. We will further assess the Board's implementation of this recommendation during our 18-month follow-up.

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

Status: Implemented at 6 months.

As of September 2025, the Board revised and implemented the disclosure communication it provides to establishments during inspections. Our review of the revised communication found that it now includes key information our 2025 performance audit and sunset review identified as missing, including: (1) the applicable time limit for the Board to open a complaint against an establishment owner or licensee following the inspection date; and (2) that licensees are not prohibited from having an attorney or other expert present during interviews and that no adverse action or inference may be taken based on their decision to obtain such representation.¹

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

Status: Implemented at 6 months.

Beginning in September 2025, the Board followed its policy to provide establishments with monthly status reports on the progress of the Board’s investigation for inspections where violations were identified. Our review of 3 of 24 inspection investigations the Board closed between October 2025, and February 2026 found that the Board sent monthly status reports to establishments after finding violations during the establishment’s inspection.

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.

Status: Not implemented.

As of our review in March 2026, the Board had revised its policy outlining guidelines for investigators to follow for routine inspections of establishments and schools. However, our review of the revised policy identified no requirement for investigators to perform or document jurisdictional determinations prior to conducting inspections. Additionally, we observed the Board’s process for selecting establishments for routine inspections with the Board’s investigations manager and found that the process did not include procedures to verify whether establishments selected were within the Board’s jurisdiction. Since neither the policies nor procedures required a jurisdictional review to ensure investigators only inspect establishments within the Board’s jurisdiction, the recommendation has not been implemented. Board staff were unable to provide an estimated implementation date for this recommendation due to needing to reassess its policies and procedures to determine how to implement the recommendation. However, by not implementing this recommendation, the Board risks conducting inspections outside the Board’s jurisdiction, which is an inefficient use of Board resources and may expose the Board to legal challenges and intergovernmental conflict if it attempts to impose authority where other agencies have jurisdiction. We will further assess the Board’s implementation of this recommendation during our 18-month follow-up.

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

Status: Not Implemented.

Our March 2026 review found that the Board did not have a process to track complaints received that are outside of its jurisdiction and therefore we could not assess whether the Board had followed its

¹ See Arizona Auditor General report 25-107, *Arizona Barbering and Cosmetology Board—Performance Audit and Sunset Review*.

policy to refer complaints to the appropriate authorities. Although Board staff reported that the database was able to identify and track these complaints, it was unable to generate a report of non-jurisdictional complaints for our review. We reviewed 1 complaint Board staff reported referring to another authority after determining it was outside its jurisdiction and found that the Board appropriately referred the complaint. However, since the Board was unable to provide a population of non-jurisdictional complaints it received, we were unable to assess whether the Board consistently referred complaints outside its jurisdiction to the appropriate authorities. In response to our request for a list of non-jurisdictional complaints, Board staff reported they would submit a ticket to the Board's database systems vendor to ensure these complaints could be identified and tracked for review in the future. We will further assess the Board's progress in implementing this recommendation during our 18-month follow-up.

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.

Status: Implementation in process.

As of March 2026, the Board updated its policy to apply a risk-based approach for selecting establishments for routine inspections. The revised process incorporates risk factors such as (1) the time elapsed since an establishment's last inspection and (2) the severity of previously substantiated violations to identify higher-risk establishments for inspection. Additionally, the process includes scheduling inspections of establishments located near high-risk establishments to improve efficiency. For example, the Board may identify 1 establishment as a high-risk establishment and select that establishment for inspection, but would also inspect nearby establishments to promote efficiency. However, in March 2026 the Board reported that it has not yet implemented this policy because doing so required changes to its database system. The Board reported working with its database system vendor to develop a process to identify high-risk establishments, including a report to support the risk-based selection. We reviewed the ticket submitted by the Board and found that the vendor is currently developing this functionality/reporting capability, and the Board anticipates implementation by August 2026. We will further assess the Board's implementation of this recommendation during our 18-month follow-up.

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

The Board should:

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

Status: Implementation in process.

The Board reported that on February 20, 2026, it filed a Notice of Proposed Rulemaking with the Office of the Secretary of State. Our review of the proposed rulemaking found it includes revisions to rules R4-10-204 and R4-10-202, for fees and high school education which, if approved, would be consistent with statute. Additionally, the Board held oral proceedings on the proposed rulemaking on March 26, 2026. The Board reported that it anticipates finalizing the rulemaking before the end of the 2026.

Additionally, our review of the Board’s proposed rulemaking found that the Board proposed a revision to rule R4-10-102, to require an individual applying for license or registration reactivation to complete educational requirements prescribed by the Board when their license or registration has been inactive for 3 years or more. Board staff reported that their understanding was that the statute allowed the Board to determine at what point education requirements were necessary. However, the Board’s proposed rule revision did not fully address the statutory requirement for the Board to prescribe educational requirements that an individual must complete when applying to reactivate a license or registration that has been inactive for at least 1 year but fewer than 5 years. The proposed revision would have required additional education only for individuals whose licenses or registrations had been inactive for 3 to 5 years. As a result, individuals whose licenses or registrations had been inactive for at least 1 year but fewer than 3 years could have reactivated them without completing education designed to refresh their knowledge of sanitation and infectious disease prevention practices necessary to protect the public.

We will further assess the Board’s implementation of the proposed rulemaking during our 18-month follow-up.

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

The Board should:

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.

Status: Implemented at 6 months.

As of October 2025, the Board developed and implemented a process for disclosing the location of the Board’s meetings for the record. In addition, the Board’s process ensured that meeting minutes reflect the Board members’ actions, which included a record of how each member voted.

Based on our review of Board minutes for October 2025, November 2025, and January 2026 meetings, we found that the Board included the location of the meeting and how each Board member voted for each action it took. For example, the Board’s January 2026 meeting minutes noted which members were present and which members did not vote to approve the motion, including which member(s) voted against the motion, abstained, or recused themselves.

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.

Status: Implementation in process.

Our review found that the Board developed an archives and public records retention schedule for the Arizona Barbering and Cosmetology Board which was approved by the Arizona State Library.

However, based on our March 2026 review of the Board’s process for providing public information and 1 public records request processed in September 2025, the Board had not developed a process to follow its records retention schedule and destroy or dispose of records at the end of their retention period. As a result, the Board did not provide complete and accurate information in response to the public records request we reviewed. Specifically, a member of the public requested all records related to a licensee, the Board stated it retains disciplinary records for only 3 years and reported there were no disciplinary actions for the licensee. However, our review of the Board’s database identified a disciplinary action from 2020 that was not disclosed. Because the Board did not have a process to and did not destroy the record of disciplinary action after 3 years in accordance with its retention schedule, the information should have been provided to the requestor. We will reassess the Board’s progress during our 18-month follow-up.

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

The Board should:

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

Status: Not implemented.

Our review of the Board’s annual conflict-of-interest disclosure forms completed in February 2026 found that the Board had not used its updated form. The Board reported that this was an oversight and that it will use its updated form moving forward. As described in our initial sunset review and performance audit, by not using its updated form, the Board members and staff may disclose relationships that do not present a conflict of interest and might omit relationships that might be a conflict of interest. We will further assess the Board’s implementation of this recommendation during our next follow-up.

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

Status: Implemented at 6 months.

Our March 2026 review found that the Board continued to follow its policies and procedures related to conflicts of interest, including requiring annual disclosures, providing periodic training, and ensuring Board members recuse themselves from participating in Board matters when they have a conflict. Specifically, our review of Board meeting minutes from October 2025, November 2025, and January 2026 identified that recusals by Board members were stated for the record and the recused Board members did not participate in the associated matter. Additionally, a sign-in sheet from its January 2026 conflict-of-interest training demonstrated that Board members and staff received training on State conflict of interest law, including what constitutes a conflict and responsibilities when a conflict exists, in accordance with its policy. Further, our review of the Board’s process for obtaining annual conflict-of-interest disclosure forms for 2026 found that although required annual disclosures were completed by Board members and staff in accordance with Board policy, the Board did not use its revised

disclosure form, as noted in recommendation 21. We reviewed the conflict-of-interest disclosure form for a Board member who completed the form improperly in the previous year, noting the form was properly completed.

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

The Board should:

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

Status: Implementation in process.

As of June 2026, our review of enacted and proposed legislation during the Fifty-Seventh Legislature, Second Regular Session, did not identify any legislation that would address this recommendation. Our review of Senate Bill 1518, introduced during the Fifty-Seventh Legislature's Second Regular Session, found that the bill included the changes needed for this recommendation and Recommendations 24 and 25. Specifically, the bill would have established an appropriate scope of practice for aestheticians, authorized the Board to issue cease-and-desist orders, and specified acceptable training requirements for the Board's registration for eyelash technicians. However, the bill did not progress through the necessary committees for review and consideration or reach a final vote. The Board reported it will continue to work with the legislature during the 2027 legislative session to make the changes recommended in Recommendations 23, 24, and 25. We will further assess the Board's implementation of these recommendations during our 18-month follow-up.

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.

Status: Implementation in process.

See explanation for recommendation 23.

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

Status: Implementation in process.

See explanation for recommendation 23.