



**Next Version of the  
Uniform CPA Examination**  
*Launching April 1, 2017*

**Core Message Points**

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# Next Version Exam Launches April 1, 2017

## Executive Summary

Evolving the Uniform CPA Examination (“Exam”) is necessary and critical to continue the Exam’s alignment with professional practice, reflecting the needs of today’s profession and the work of newly licensed CPAs. Advances in technology and outsourcing have greatly impacted the accounting profession and affected the knowledge and skills required of newly licensed CPAs.

Pursuant to policy and to maintain the Exam’s relevance, reliability and defensibility, the AICPA initiated a rigorous research project to identify how the Exam should evolve to better assess CPA candidates. This initiative included the participation of myriad stakeholders connected to the profession who contributed their essential insight and feedback. The result of the in-depth research is the foundation of what has become the next version of the Exam, launching on April 1, 2017.

Within this document you will find key information regarding all aspects of the AICPA’s development of the next Exam as well as details about its design and administration, which will be announced on April 4, 2016.

## Background

### The Evolving Accounting Profession

Ongoing transformation in the business world and advancements in technology have affected the accounting profession, changing the required knowledge, skills and professional responsibilities of newly licensed certified public accountants (CPAs). These professionals are required to perform more advanced tasks and contribute to increasingly complex projects earlier in their accounting careers. Professional content knowledge remains fundamental to protecting the public interest, but newly licensed CPAs must also possess:

- Higher-order cognitive skills, including critical thinking, problem solving and analytical ability, as well as professional skepticism
- A thorough understanding of professional and ethical responsibilities
- A strong understanding of the business environment and processes
- Effective communication skills

To remain relevant to a dynamic profession and current with the real-world demands on newly licensed CPAs, the Exam must continue to evolve to:

- Remain current, relevant, reliable, legally defensible and aligned with professional practice so that it may continue to fulfill its role in protecting the public interest.
- Provide reasonable assurance to state boards of accountancy that individuals who pass the Exam possess the minimum level of technical knowledge and skills necessary for initial licensure.

The evolution of the Exam requires comprehensive input from key stakeholders directly connected with the profession.

## Research

In early 2014, the AICPA began an in-depth **practice analysis**, a rigorous, broad and inclusive research project, to identify the knowledge and skills required of today's newly licensed CPAs. The practice analysis was overseen by the AICPA Board of Examiners (BOE) and its sponsor group, sponsor advisory group, content committee and its subcommittees, and others.

### Who contributed to the practice analysis?

The practice analysis collected input from a wide variety of stakeholders who share an interest in preserving the strength and mission of the profession:

- State boards of accountancy
- State CPA societies
- Accounting firms and members in business & industry
- Educators and review course providers
- Regulators and standard setters

The practice analysis was conducted in cooperation with National Association of State Boards of Accountancy (NASBA), which provided critical support and input.

### How was feedback collected?

- Focus groups
- Interviews
- Meetings
- [Invitation to Comment](#)
- Nationwide survey of newly licensed CPAs and supervisors of newly licensed CPAs
- [Exposure Draft: Maintaining the Relevance of the Uniform CPA Examination](#)

Overall, the research demonstrated that the profession supports the initiative to make meaningful changes to the Exam, to operationalize the testing of higher-order skills and to align more closely with the types of tasks regularly performed by today's newly licensed CPAs.

### How was the research used?

The AICPA's research informed its proposal for the next version of the Exam as presented in the [Exposure Draft: Maintaining the Relevance of the Uniform CPA Examination](#).

- The Exposure Draft is the culmination of in-depth research, critical analysis of data, best practices in test development and the collective thinking of leaders in the profession.
  - Opened for public comment September 1 – November 30, 2015
  - Provided stakeholders a final opportunity to review and offer feedback on the AICPA proposal for the next Exam
- Feedback was used to finalize the design, content and structure of the next Exam.

## Exam Design

The results of the in-depth research, which included a call for a greater assessment of higher-order cognitive skills, drove changes to the design of the next Exam.

### Exam Structure

- The Exam remains structured by the four existing sections
  - Auditing and Attestation (AUD)
  - Business Environment and Concepts (BEC)
  - Financial Accounting and Reporting (FAR)
  - Regulation (REG)
- The Exam will have an increased emphasis on testing higher order skills that include, but are not limited to, critical thinking, problem solving, analytical ability and professional skepticism.
- Total Exam testing time increases from 14 to 16 hours (four sections – four hours each).
- To test a combination of knowledge and higher order skills, more Task-Based Simulations (TBSs) will be used in all four sections.
  - Most effective way to assess higher order skills
  - TBSs added to BEC for the first time
  - TBSs on the next Exam will feature increased background material and data that will require candidates to determine what information is or is not relevant to the question (reflects actual practice).
- Each section will have a blueprint illustrating the content knowledge and skills that will be tested on the Exam, which are linked directly to the tasks that are representative of the work of a newly licensed CPA.
- Writing continues to be assessed in the BEC section.

### Exam Blueprints

New Exam blueprints will replace the current Content Specification Outlines (CSOs) and Skill Specification Outlines (SSOs) for each section. These blueprints contain approximately 600 representative tasks across all four Exam sections, which identify the content knowledge and related skills required of newly licensed CPAs.

- Blueprints were developed by an experienced group of CPAs, psychometricians and content subcommittee subject matter experts and further supported by survey results.
- Blueprints provide candidates with greater clarity in the presentation of content, skills and related representative tasks that will be tested on the Exam.
- Blueprints apprise educators about the knowledge and skills candidates will need to function as newly licensed CPAs.

### Exam Time/Standardized Break

- Total Exam testing time increases from 14 to 16 hours (four sections – four hours each)
  - Important to provide sufficient testing time for candidates, specifically in relation to the increased use of TBSs
  - Increase of one hour each to BEC and REG
  - AUD and FAR were evaluated to have sufficient time at four hours each.
- With the launch of the next Exam, one standardized 15-minute break will be offered to candidates during each section.
  - Standardized break does not count against testing time

- o Standardized break will be offered approximately midway through each section
  - o Candidate may decline the break
- Optional breaks between testlets, which do count against candidates' testing time, will continue in the next Exam consistent with current practice.

### Item Distribution

Section	Multiple Choice Questions (MCQ)	Task-Based Simulations (TBSs)	Written Responses
AUD	72	8 – 9	N/A
BEC	62	4 – 5	3
FAR	66	8 – 9	N/A
REG	76	8 – 9	N/A

- Scoring weights for AUD, FAR and REG will be approximately 50% MCQ/50% TBS.
- Scoring weights for BEC will be approximately 50% MCQ, 35% TBS and 15% Written Response.

## Exam Administration

Changes to the design of the Exam will impact elements of its administration.

### Transition Policy

- State boards of accountancy, NASBA and the AICPA have agreed that any combination of passing current Exam sections and passing next Exam sections (within the 18-month window following passing one section) will count toward licensure.

### Cost

- Implementation of the Exam in 2017 will necessitate a cost increase resulting from the additional hour in candidate seat time for each of the BEC and REG sections.
- Information on Exam fees is available from the National Association of State Boards of Accountancy (NASBA) and boards of accountancy.

### 10-Day Extension of Test Window

- Responding to candidate feedback requesting additional days of testing, the AICPA, NASBA, and Prometric (test delivery partner) will extend each quarter's testing time by 10 days into the traditional dark months – additional 40 testing days added annually.
- The 10-day extension will be implemented in 2016 Q2 – a fortuitous time, as candidates are predicted to accelerate their testing in 2016 in advance of the launch of the next Exam in 2017.
- The extension will not be available during the first test window when the Exam launches in 2017 Q2 due to time required for analyzing score validity and accuracy.

## Standard Setting/Score Release

Any time the Exam undergoes significant changes, candidate performance must be statistically validated. Scoring validity/accuracy is essential to the Exam remaining legally defensible. Consistent with Exam launches in the past, there will be a delay in the release of scores following the close of the initial testing window (second quarter of 2017). Scores will be released once, approximately 10 weeks after the close of the testing window. For the third and fourth quarters of 2017, scores for all candidates will be released once, approximately 10 days after the close of each testing window. The delay in score releases for the Q2, Q3 and Q4 testing windows provides sufficient time to statistically validate candidate performance on the next Exam. After the score hold of the first three testing windows of the next Exam, the existing average 20-day score release timeline will be restored.

Test Window	AICPA / Board of Examiners Review Exam Performance Data / Set Passing Score	Approximate Release Date of Candidate Scores
2017 Q2	10 weeks*	August 14
2017 Q3	10 days	September 22
2017 Q4	10 days	December 22

*\*New passing score will be set during this timeframe*

## Score Reporting

- The design and content of the candidate's score report have not yet been determined.

For other questions related to the content of the Exam, please visit the AICPA [website](#).

For other questions related to the administration of the Exam, please visit the NASBA [website](#).

## Top 10 Next Exam Talking Points



The next Exam launches on **April 1, 2017**.



In-depth, inclusive **research informed changes** to the next Exam.



Testing time moves from **14 to 16 hours**.



There will be a **greater focus on testing higher-order cognitive skills**.



The Exam **remains structured by the four sections** of AUD, BEC, FAR and REG.



**More informative blueprints** replace CSOs/SSOs.



One **15-minute break per section will be introduced** that won't count against testing time.



Responsive to candidate feedback, **each quarter of testing will be extended by 10 days**.



Candidates **may pass a combination** of the current version of the Exam and the next version to qualify for licensure.



The Exam remains **adherent to psychometric and testing standards**.