

PROTECTING THE PUBLIC INTEREST

The Uniform CPA Examination

2015 Edition

The Uniform CPA Examination protects the public interest by helping to ensure that only qualified individuals become licensed as U.S. Certified Public Accountants (CPAs). Individuals seeking to qualify as CPAs — the only licensing qualification in accounting in the United States — are required to pass the CPA Exam.

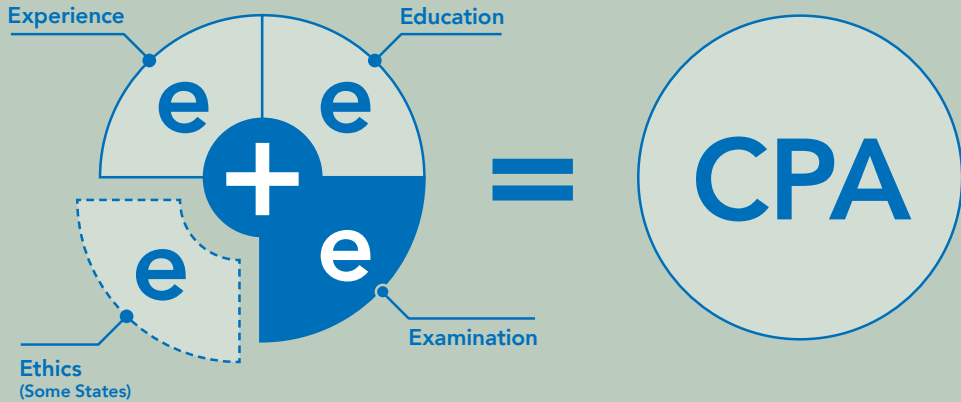
Protecting the Public Interest

An individual seeking licensure as a CPA in any of the 55 U.S. accountancy jurisdictions (the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam and the Commonwealth of Northern Mariana Islands) must pass the CPA Exam. CPA licenses are issued by boards of these jurisdictions — there is no national CPA licensure process in the United States.

The purpose of the Exam is to provide reasonable assurance to the 55 jurisdictions that those who pass the CPA Exam possess the level of technical knowledge and the skills necessary for initial licensure. The public interest is protected when only qualified individuals are admitted into the profession.

The CPA Exam is one of the “Three E’s” — Education, Examination and Experience — that constitute the requirements for CPA licensure. Of these three requirements, only the CPA Exam is uniform and accepted for CPA licensure by all U.S. jurisdictions. Education and experience requirements may vary from one jurisdiction to another. As a result, passing the CPA Exam is not sufficient — in itself — to qualify for licensure.

Eligibility: 3 + 1 E's to Becoming a CPA



CPA Credential in High Demand



“One of the largest single blocks of above-average paying jobs in the country.”

— *TIME Business & Money* (January 2014)

97%

Investors satisfied with CPA performance.

— Applied Research & Consulting, LLC



Employers rate the CPA as the most desirable credential.

— *The Wall Street Journal*, 8/13/13

The NASBA, AICPA, Prometric (NAP) Partnership

The National Association of State Boards of Accountancy (NASBA), the AICPA and Prometric collaborate closely to deliver the Exam.

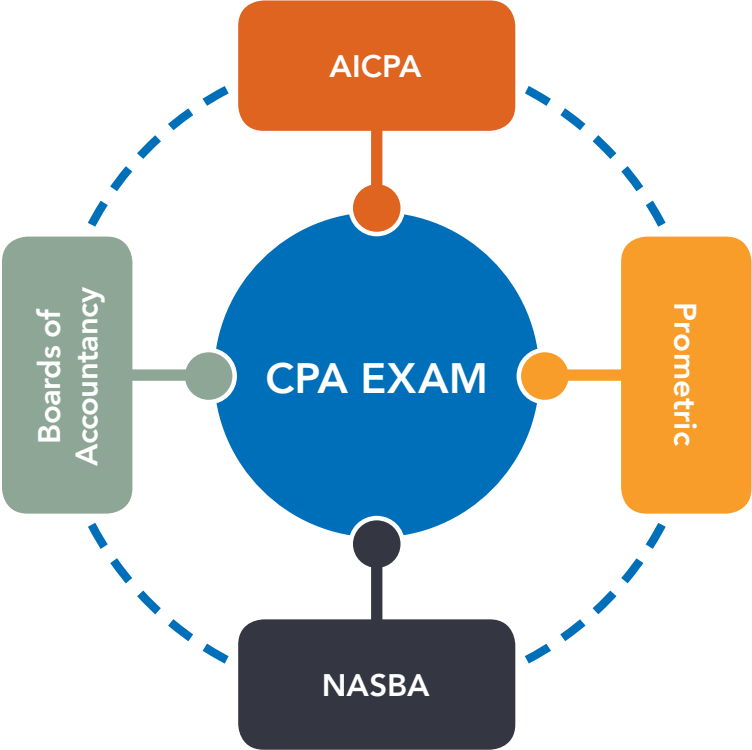
The AICPA is responsible for the development and scoring of a valid, legally defensible examination. NASBA serves as the forum for the nation's boards of accountancy and works with boards of accountancy and candidates on eligibility and score reporting.

NASBA is responsible for the National Candidate Database, which was created to help NASBA, boards of accountancy, the AICPA and the testing centers protect the personal data provided by candidates during application and examination processes.

Prometric is responsible for the delivery of the Exam to approved test centers, scheduling test appointments, test administration and returning results to the AICPA for scoring.

The boards of accountancy are the licensing bodies. The Exam helps them meet their regulatory responsibilities.

The CPA Exam Is a Collaborative Effort



The Board of Examiners (BOE)

The AICPA Board of Examiners (BOE), a senior AICPA committee, sets policy for the CPA Exam in accordance with legal and psychometric standards as they apply to licensure examinations. In addition, the BOE oversees the development and scoring of the CPA Exam, ensures that the CPA Exam is consonant with the knowledge and skill requirements of newly licensed CPAs and represents the CPA Exam to state boards of accountancy and the profession.

The 18-member BOE consists of CPAs, state board regulators, psychometricians and educators. It represents a cross-section of the CPA profession, with members from accounting firms, industry, academia and government.

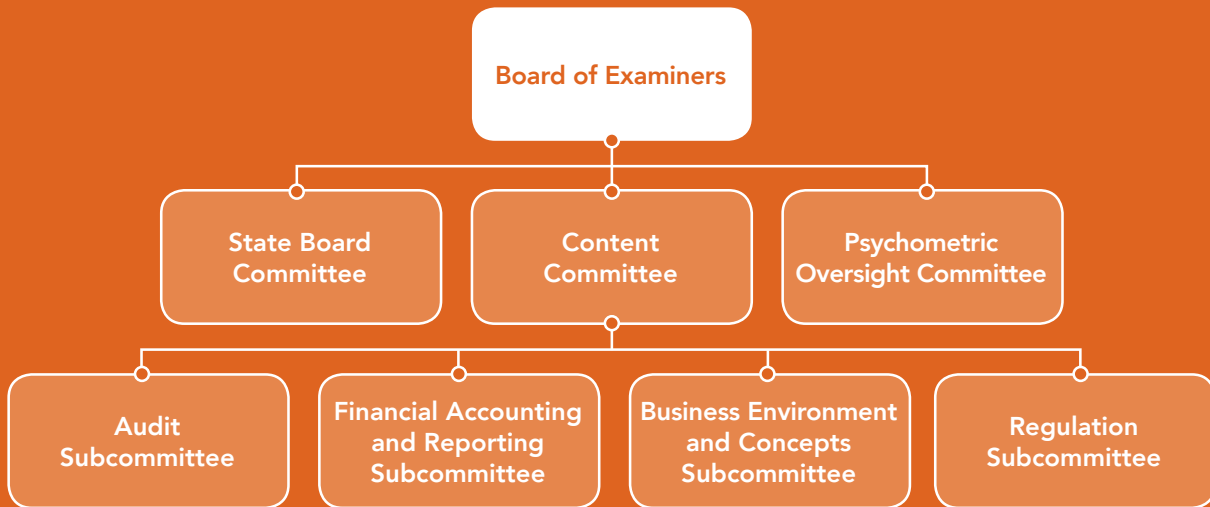
The BOE Committee Structure

The State Board Committee (SBC) — The SBC serves as a communication link between the BOE and the 55 boards of accountancy. SBC membership consists of state board of accountancy members/chairs and executive directors.

The Content Committee — The committee is responsible for the monitoring of Exam content in accordance with BOE guidelines and policies. Membership in the committee and its four subcommittees — one subcommittee for each of the four Exam sections — is limited to CPAs.

The Psychometric Oversight Committee (POC) — The POC directs and evaluates examination research and oversees the application of psychometric procedures in accordance with standards applicable to licensure and certification examinations. Members of the POC are psychometricians with expertise in measurement theories, computer-based testing and legal issues relevant to licensure examinations.

Board of Examiners (BOE) Committee Structure



Volunteer Opportunities

If you are interested in submitting a volunteer application for any of the above governance groups or have questions regarding volunteering at the AICPA, please contact VolunteerServices@aicpa.org.

The Next Version of the CPA Exam



The business world is continuously changing, and the accounting profession is evolving. Preliminary research indicates that to meet the changing needs of the profession in protecting the public interest, newly licensed CPAs must possess and demonstrate additional higher-order skills. To maintain relevance

with the changing profession, the AICPA conducted extensive research in 2014 and is leading the development of the next version of the CPA Exam through a process known as a Practice Analysis. Changes to the Exam's outline will be announced in 2016, and the next version will be launched in 2017.

The Board of Examiners (BOE) provides oversight for the Practice Analysis project through a sponsor group and a sponsor advisory group. To ensure wide representation from the CPA profession, the BOE is comprised of CPAs from firms, business, industry and academia, as well as over 50% representation from the boards of accountancy. As a part of this collaborative process, the AICPA is also working closely with NASBA, the boards of accountancy and Prometric. This process is part of the AICPA's commitment to all the boards of accountancy, NASBA and the profession to ensure a valid and legally defensible CPA Exam.

From Research to Launch

2014

Significant research milestones were completed in 2014, including interviews, focus groups, large-scale surveys, and the distribution of an [Invitation to Comment](#) to gather information from stakeholders. These research tools were used to determine what content should be tested — and how.

2015

Research results will be shared with the public, and an Exposure Draft will be issued in September 2015.

2016

The outline for the next version of the CPA Exam will be announced.

2017

Launch

Updates regarding the next version of the CPA Exam can be found at aicpa.org/NextCPAExam.

International Delivery of the CPA Exam

The AICPA and NASBA — in consultation with boards of accountancy, the BOE and other major stakeholders — spent two years studying an international examination delivery program. The result is the international administration of the CPA Exam, which uses the boards of accountancy licensure process and the current Exam structure.

The examination process for international candidates follows the same general path as CPA candidates in the United States. The primary difference for international candidates is the addition of an informed consent agreement. Candidates who pass the Exam agree to obtain a certificate/license through a participating state board of accountancy within three years of passing the Exam.

International locations were evaluated and chosen on a set of criteria:

- 1 Volume demand as demonstrated by candidates from those countries taking the Exam in the United States
- 2 Ability to deliver the Exam without legal obstacles
- 3 Security threat to the Exam (both physical security at test center and intellectual property security of Exam content) assessed at levels equivalent to those presented domestically
- 4 Existence of established Prometric test centers

In August 2011, the administration of the Exam was launched internationally in Bahrain, Japan, Kuwait, Lebanon and the United Arab Emirates, marking the first time that candidates sat for the Exam outside of the United States. In February 2012, the Exam was further expanded to South America and administered in Brazil.



Administration of the CPA Exam and IQEX

- 54 boards of accountancy jurisdictions (testing not available in CNMI)
- International CPA Exam delivery

- Citizens and long-term residents can test in Bahrain, Kuwait, Lebanon and the UAE
- Citizens and long-term residents can test in Brazil

- ▨ IQEX MRA countries, Exam administration in the U.S.

More than

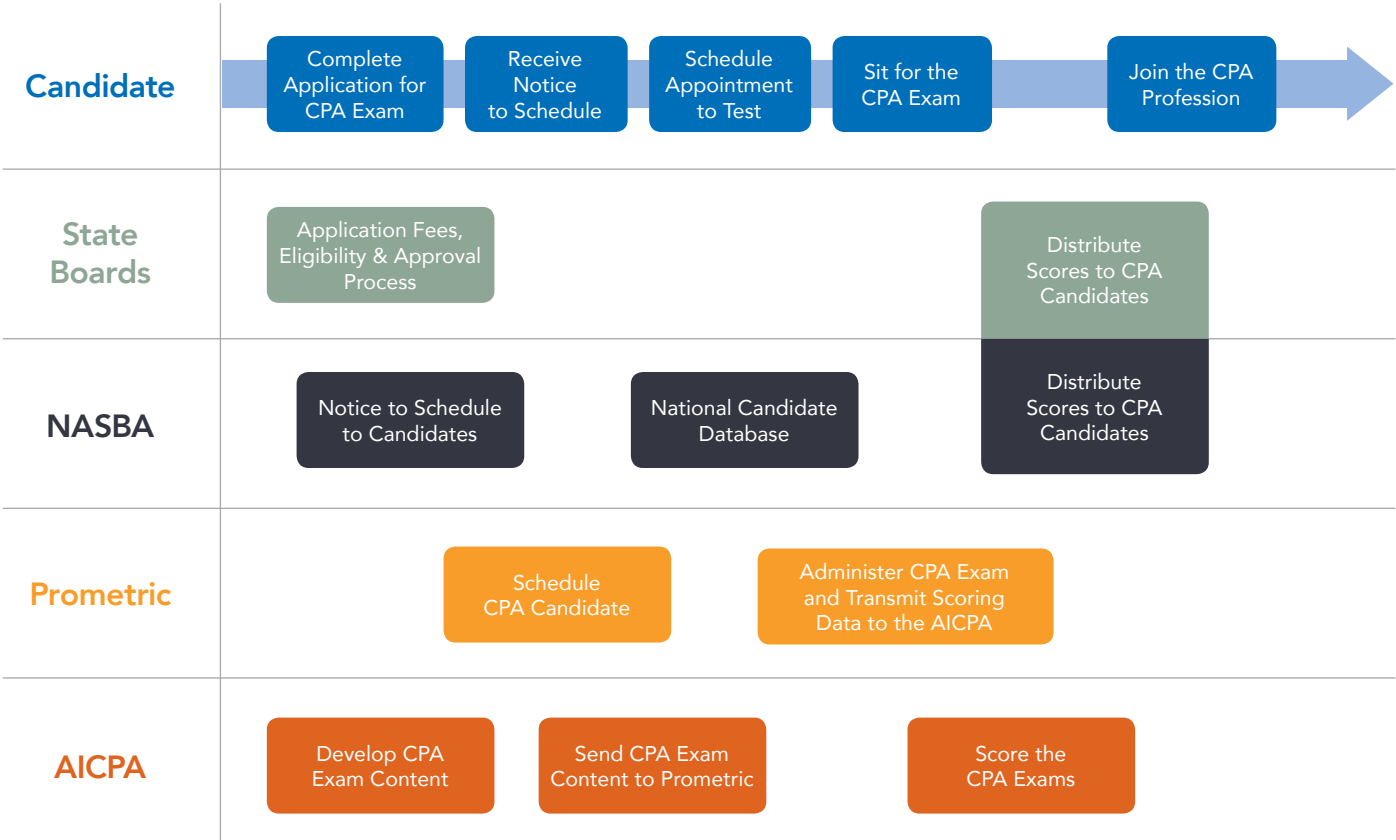
38,600

sections registered internationally
from August 2011 to December 2014



The AICPA, in a joint effort with NASBA, also developed the International Qualification Examination (IQEX), which is designed to facilitate the U.S. CPA qualification process for those accounting professionals from other countries whose professional bodies have entered into reciprocity agreements with the U.S. accounting profession. The U.S. accounting profession has mutual recognition agreements in effect with the professional bodies of Australia, Canada, Hong Kong, Ireland, Mexico and New Zealand. In November 2012, the IQEX transitioned to a new format that uses an administration of the Uniform CPA Examination's Regulation section as the required examination.

Administration of the CPA Exam



Content

The CPA Exam is developed through an extensive and integrated process. At each step in the process, expertise in various disciplines is applied to ensure that the test materials are accurate and appropriate for use on the CPA Exam.

The CPA Exam consists of four sections: Auditing and Attestation (AUD), Business Environment and Concepts (BEC), Financial Accounting and Reporting (FAR) and Regulation (REG). These four sections represent a total of 14 hours of testing. All four sections contain multiple-choice questions (MCQs). AUD, FAR and REG sections have an additional portion for task-based simulation (TBS) questions; BEC has a portion for written communication questions, but no TBS questions.

CPA Policy on New Pronouncements

Accounting and auditing pronouncements are eligible to be tested on the Uniform CPA Examination in the testing window beginning six months after a pronouncement's effective date, unless early application is permitted. When early application is permitted, the new pronouncement is eligible to be tested in the window beginning six months after the issuance date. In this case, both the old and new pronouncements may be tested until the old pronouncement is superseded.

Changes in the federal taxation area, the Internal Revenue Code and federal taxation regulations may be included in the testing window beginning six months after the change's effective date or enactment date, whichever is later.

For all other subjects covered in the Regulation (REG) and Business Environment and Concepts (BEC) sections, materials eligible to be tested include federal laws in the window beginning six months after their effective date, and uniform accountancy acts in the window beginning one year after their adoption by a simple majority of the jurisdictions.

Content Specification Outline by Area

AUD

- Engagement Acceptance and Understanding the Assignment
- Understanding the Entity and Its Environment (including Internal Control)
- Performing Audit Procedures and Evaluating Evidence
- Evaluating Audit Findings, Communications and Reporting
- Accounting and Review Services Engagements
- Professional Responsibilities

FAR

- Conceptual Framework, Standards, Standard Setting and Presentation of Financial Statements
- Financial Statement Accounts
- Specific Transactions, Events and Disclosures
- Governmental Accounting and Reporting
- Not-for-Profit Accounting and Reporting

REG

- Ethics, Professional and Legal Responsibilities
- Business Law
- Federal Tax Process, Procedures, Accounting and Planning
- Federal Taxation of Property Transactions
- Federal Taxation of Individuals
- Federal Taxation of Entities

BEC

- Corporate Governance
- Economic Concepts and Analysis
- Financial Management
- Information Systems and Communications
- Strategic Planning
- Operations Management

CPA Exam Pass Rates (%)

	2013	2014
AUD	45.87	46.35
BEC	55.83	55.46
FAR	48.32	47.60
REG	48.48	49.41

Score Reporting Timeline (Domestic & International)

Day in Testing Window*	Target Release Date Timeline
Day 1 - 20	11 business days following day 20 of the testing window
Day 21 - 45	6 business days following day 45 of the testing window
Day 46 - Close of Window	6 business days following the close of the testing window
After Close of Window	6 business days after receiving all scoring data for the testing window

*Records received by AICPA

Scoring

The BOE determines the passing score, which is 75 on a 0-99 scale. Like most other significant BOE decisions, the passing score decision is supported by a strong collaborative effort among the Exam's partners — NASBA, state boards of accountancy and several consultant psychometricians.

In setting the passing score, the BOE considered many factors, including standard-setting study results, historical

trends, any changes in CPA Examination content and input from the academic community and the profession. The passing score is the basis of the pass or fail decision recommended to boards of accountancy on the advisory score report.

Score Release

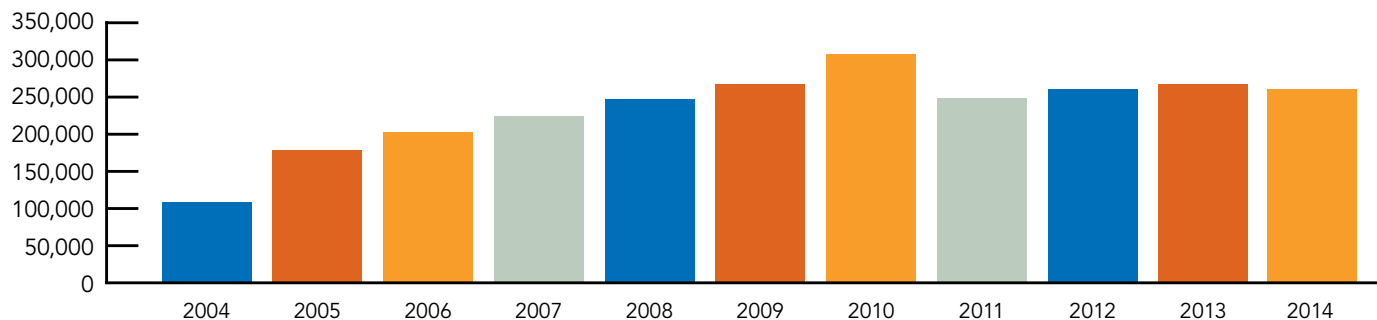
A general score release timeline is posted twice a year at aicpa.org/cpa-exam and on the AICPA Insights blog at blog.aicpa.org. The target release dates indicate when

scores for the CPA Exam will be released by NASBA to state boards of accountancy. Please be advised some boards of accountancy require at least one day beyond the published dates listed in the table to process and release Exam scores.

Candidates can test during the first two months of each quarter, or testing window, that is during the months of January and February; April and May; July and August; and October and November.

Global Volume Chart

Total Volume



Board of Examiners

Frederick Niswander
(Chair)

Barry Berkowitz
Allan Cohen
Michael Daggett
Stephen Del Vecchio

Damon Desue
Kadriye Ercikan
Russ Friedewald

Bucky Glover
Jeffrey Hoops
Kristine Hull
Gary Lubin

Leslie Mostow
Roberta Newhouse
Gina Pruitt
Mark D. Shermis
Amy Sutherland
Thomas Winkler

State Board Committee

Roberta Newhouse
(Chair)

Jimmy Corley
Mark Crocker

David de Silva
James Gottfried
Pam Ivey
Ying Sa
Willie Sims

Resources for Candidates

aicpa.org/cpa-exam

- Content and Skills Specification Outlines
- Score release information
- Sample test and tutorial
- International FAQs

thiswaytocpa.com

- Tips for candidates
- State board requirements
- Candidate planning tools
- List of approved review course providers

nasba.org

- *Candidate Bulletin*
- Licensure and state board requirements
- Maintains the National Candidate Database
- Provides online score reporting for majority of states

- Issues payment coupons and Notices to Schedule
- Guam and International Testing Information

prometric.com

- Scheduling
- Test center locations and hours

uscpaexam.jp

- Japanese website on the CPA Exam and licensure

This booklet was created to give an overview of the Uniform CPA Examination and its components through the initiative of the State Board Committee (SBC) of the AICPA Board of Examiners, which oversees the Exam's development, scoring and administration.

