

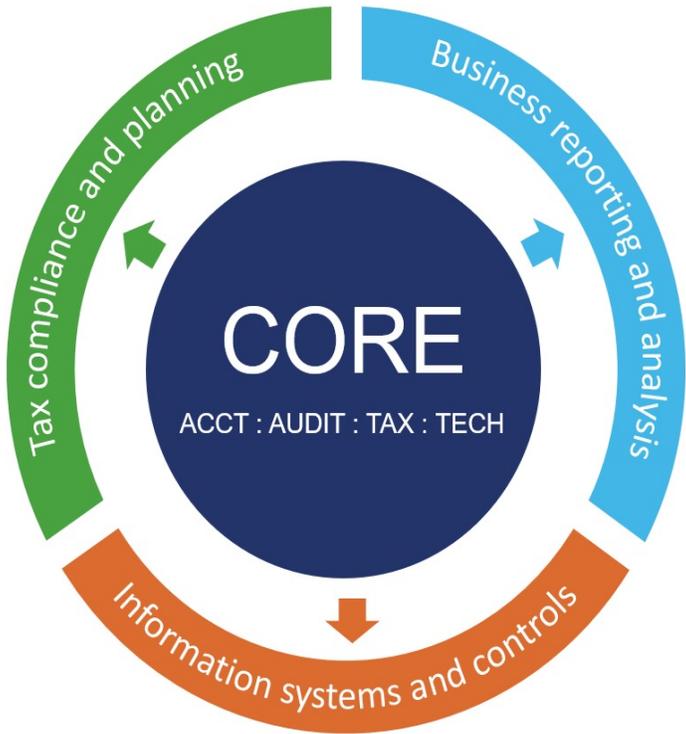
The New CPA Evolution CPA Exam

Kelly Ann Ulto, CPA, MBA
Associate Clinical Professor of Accounting
The Gabelli School of Business
Fordham University
ulto@fordham.edu

Why the change?

- ▶ The focus of the AICPA Board of Examiners is to keep the exam current with the needs of the our profession and in line with the work of a newly licensed CPA.
- ▶ The **CPA Evolution** initiative is transforming the CPA licensure model to recognize the rapidly changing skills and competencies the practice of accounting requires today and will require in the future.
- ▶ The AICPA Governing Council and the NASBA Board of Directors have both voted to support advancing the CPA Evolution initiative.
- ▶ NASBA and the AICPA are moving forward with implementing a new core + discipline CPA licensure model and will launch a new Uniform CPA Exam in 2024.

CPA Evolution



= CPA

The Core Sections, which all candidates must pass, will test concepts newly licensed CPAs are routinely exposed to—think **ESSENTIAL INFORMATION** that you need to know to protect the public interest.

The discipline areas are more defined and specific related to the area. Candidates only have to pass one of these sections and they get to choose which one they want to take. Regardless of a candidate's chosen discipline, the CPA Evolution licensure model leads to the same CPA license for everyone.

2021 Changes to the CPA Exam

▶ AUD

- ▶ More emphasis on business processes and transactions that flow through them. This includes a focus on IT systems and controls, including manual controls.
- ▶ More focus on audit data analytics, including asking candidates to analyze the results of an audit data analytical procedure and identify anomalies.
- ▶ Revised content on how to utilize automated tools and audit data analytics in audit sampling.
- ▶ Additional focus on SOC 1 reports and the difference between SOC 1 and SOC 2 reports.

▶ BEC

- ▶ More focus on the aspects of technology that help facilitate business processes including an added focus on systems development and change management.
- ▶ More focus on working with data, including questions on data governance and data relationships.
- ▶ Focus on the use of SOC reports.
- ▶ *Change to come*—removing the written communication questions.

2021 Changes to the CPA Exam

- ▶ Differences between US GAAP and IFRS are being removed from FAR.
- ▶ Defined benefit pension plans and derivative journal entries are being removed from FAR---*for now*.
- ▶ AMT and estate taxation are being removed from REG.

IQEX exam

The International Qualification Examination (IQEX) is for accounting professionals who are members of non-U.S. professional associations that have entered into mutual recognition agreements recommended by the U.S. International Qualifications Appraisal Board (IQAB) on behalf of the U.S. accounting profession.

IQAB is a joint body of the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA).

