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 Examination.

Protecting the Public Interest

An individual seeking licensure as a CPA in any of the 55 U.S. boards of accountancy (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 Examination.

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

The Uniform CPA Examination 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 Examination 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 Examination is not sufficient — in itself — to qualify for licensure.

CPAs are the only accounting professionals who are licensed. CPA licenses are issued by boards of accountancy in the 55 jurisdictions — there is no national CPA licensure process in the United States.
Eligibility: 3 + 1 E’s to Becoming a CPA

- Education
- Experience
- Ethics (Some States)
- Examination

CPA Credential in High Demand

+13%
CFOs who are CPAs have increased 13 percent since 2006.

Employers rate the CPA as the most desirable credential.

CPAs report strong entry-level demand and solid salary growth.

Source: 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 Examination. 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.

As a central repository for all CPA Examination candidate information, NASBA’s National Candidate Database is a global tracking system for CPA Examination candidates. With the ability to track a candidate’s history, from initial application to storing the candidate’s grades, the National Candidate Database is a powerful tool for managing testing information. 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 body. The Exam helps them meet their regularity responsibilities.

The CPA Exam is a Collaborative Effort
The Board of Examiners (BOE)

The AICPA Board of Examiners (BOE), a senior AICPA committee, is the body that sets policy for the Uniform CPA Examination 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 Examination, ensures that the CPA Examination is consonant with newly licensed knowledge and skill requirements of CPAs and represents the CPA Examination to state boards of accountancy and the profession.

The 18-member BOE is comprised of CPAs, state board regulators, psychometricians and educators. It represents a cross-section of the CPA profession, with members from the Big 4, 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. It is responsible for communicating state board concerns to the BOE and keeping the state boards advised of BOE activities and decisions. SBC membership is comprised of state board of accountancy members/chairs or executive directors.

The Content Committee — The committee is responsible for the monitoring of examination content in accordance with BOE guidelines and policies. Membership in the committee and its four subcommittees — one subcommittee for each of the four examination 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 psychometric procedures, measurement theories, computer-based testing and legal issues relevant to licensure examinations.
Board of Examiners (BOE) Committee Structure

Board of Examiners

State Board Committee

Content Committee

Psychometric Oversight Committee

Audit Subcommittee

Financial Accounting and Reporting Subcommittee

Business Environment and Concepts Subcommittee

Regulation Subcommittee
The CPA profession is continuously evolving as technological innovations rapidly develop, the complexity of global and U.S. markets continue to grow and there is an impact on laws and regulations. The AICPA is leading the development of the next version of the CPA Exam to ensure alignment with the changing profession. The steps to achieving the next version encompass extensive research and analysis to understand what should be tested as well as incorporating advancements in technology to enhance how it should be tested.

Assessing the knowledge and skills of candidates who seek to obtain the CPA license and enter the profession is the primary function of the Exam. To determine which skills and knowledge areas are the most relevant and aligned with the evolving profession, the AICPA periodically conducts a comprehensive research project known as a Practice Analysis.
The Practice Analysis uses interviews, focus groups, surveys, an invitation to comment and an exposure draft of proposed changes to gather information from CPAs representing the various areas of expertise within the profession. The AICPA is working collaboratively with NASBA and Prometric to gain additional input and guidance throughout the process. The BOE also provides oversight through a sponsor group and a sponsor advisory group, half of whom are state board representatives. 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 Exam.

Simultaneously, as the profession continues to evolve and embrace new technology, increasing the Exam’s technological capabilities will provide for an enhanced candidate testing experience and allow more options to test higher order skills. These advancements will be the most significant set of changes to the Exam since the advent of computerized testing in 2004.

The blueprint for the next version of the CPA Exam will be announced in 2016, one year prior to launch in 2017. The next version of the Exam will demonstrate our continued commitment to leading the profession amidst evolving business needs, candidate experiences and technological capabilities.

From Research to Launch

**Exploration:** Surveys, focus groups, interviews, and other qualitative research methods will be used to understand the activities performed by newly licensed CPAs and identify the knowledge and skills to be tested. An Invitation to Comment will also be distributed during this phase.

**Confirmation:** A survey will be administered to a large sample of CPAs with relevant experience to confirm the findings from the first phase.

**Design:** Test specifications such as content and skill areas, test structure and design will be determined.

**Exposure:** An exposure draft of proposed changes will be developed and stakeholders will be invited to comment.

**Finalize Blueprint:** The blueprint for the next version of the CPA Exam will be finalized. The findings of the Practice Analysis, or the skills and knowledge that will be tested on the Exam, will be included in this blueprint.

**Announce the next version of the CPA Exam in 2016 and launch in 2017.**
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 Uniform CPA Exam, which uses the boards of accountancy licensure process and the current examination structure.

The licensure 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 by signing the informed consent form within three years. 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.

More than 22,400 sections registered internationally from August 2011 to December 2013

IQEX

The AICPA 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 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 who can test in Brazil
- IQEX MRA countries, Exam administration in the U.S.
Administration of the CPA Exam

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Complete Application for CPA Exam</th>
<th>Receive Notice to Schedule</th>
<th>Schedule Appointment to Test</th>
<th>Sit for the CPA Exam</th>
<th>Join the CPA Profession</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Boards</td>
<td>Application Fees, Eligibility &amp; Approval Process</td>
<td>Distribute Scores to CPA Candidates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NASBA</td>
<td>Notice to Schedule to Candidates</td>
<td>National Candidate Database</td>
<td>Distribute Scores to CPA Candidates</td>
<td></td>
<td></td>
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<tr>
<td>Prometric</td>
<td>Schedule CPA Candidate</td>
<td>Administer CPA Exam and Transmit Scoring Data to the AICPA</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>AICPA</td>
<td>Develop CPA Exam Content</td>
<td>Send CPA Exam Content to Prometric</td>
<td>Score the CPA Exams</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The content of the Uniform CPA Examination 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 first key area of expertise is accounting. Individuals who draft, review and finalize test materials are experienced CPAs. A second area of expertise is in the science of testing, called psychometrics. At each stage in the test development process, psychometricians are involved in the design, development and implementation of test materials. These include test specifications, test questions and data analysis. A third area of expertise is in test development. Experts in the design and development of test questions are involved in the process.

The CPA Exam is comprised 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 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 Rate (%)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td><strong>AUD</strong></td>
<td>46.89</td>
<td>45.87</td>
</tr>
<tr>
<td><strong>BEC</strong></td>
<td>52.83</td>
<td>55.83</td>
</tr>
<tr>
<td><strong>FAR</strong></td>
<td>47.97</td>
<td>48.32</td>
</tr>
<tr>
<td><strong>REG</strong></td>
<td>48.15</td>
<td>48.48</td>
</tr>
</tbody>
</table>

### Score Reporting Timeline (Domestic & International)

<table>
<thead>
<tr>
<th>Day in Testing Window*</th>
<th>Target Release Date Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Day 1 - 20</strong></td>
<td>11 business days following day 20 of the testing window</td>
</tr>
<tr>
<td><strong>Day 21 - 45</strong></td>
<td>6 business days following day 45 of the testing window</td>
</tr>
<tr>
<td><strong>Day 46 - Close of Window</strong></td>
<td>6 business days following the close of the testing window</td>
</tr>
<tr>
<td><strong>After Close of Window</strong></td>
<td>6 business days after receiving all scoring data for the testing window</td>
</tr>
</tbody>
</table>
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 bi-annually 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
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

**prometric.com**
- Scheduling
- Test center locations and hours

**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

**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.