

December 4, 2006

Dear Accountancy Board Colleagues and Fellow CPAs:

As Chair of the Practice Analysis Oversight Group (PAOG), I am writing to inform you about progress on the practice analysis project. Several months have passed since the new Uniform CPA Examination practice analysis was authorized by the AICPA Board of Examiners (BOE), and I would like to give you some sense of how the project has crystallized, what has been accomplished thus far, and what needs to be accomplished in the future.

As you know, the practice analysis forms the foundation for the CPA Examination and is required of all licensure testing programs that assess important components of a job. Adhering to standards and practices developed by experts in educational, licensing and certification testing, the practice analysis provides a way to evaluate the knowledge, tasks and skills required of CPAs entering the profession, determine the feasibility and resources required for assessment, and develop a blueprint documenting the content, skills, length and time of the examinations. Test questions are developed in accordance with the blueprint, and this chain of evidence forms the basis for content validity and legal defensibility of the examination. The practice analysis process must be repeated periodically to ensure the continued relevance of the examination to the profession.

This is a good time to provide a practice analysis update because the BOE has just recently approved the timeline for the new practice analysis at its October 13 – 14, 2006 meeting. This timeline calls for the data collection surveys to be finalized early in 2007 and then distributed electronically to a national sample of CPAs in May 2007. The survey responses will be analyzed to provide for the development of the new Content and Skills Specification Outlines (CSOs/SSOs) which will be completed in the latter half of 2007. An exposure draft of all CSOs/SSOs will be circulated in May 2008 with a comment period of three months. The final practice analysis report is expected to be issued in December 2008.

The practice analysis timeline was designed to respect the traditional busy season. The project is lengthy and complex, and its success depends on the good will of CPA practitioners in completing surveys, participating in focus groups, responding to data collection requests, and providing comments on the exposure draft of new CSOs/SSOs. To make it easier to obtain this essential input, the busy season has been excluded from the practice analysis timeline.

As you will see from the attached roster, the PAOG reflects broad stakeholder representation as well as the expertise needed to ensure the success of the practice analysis. All of us on the PAOG are generally informed about all practice analysis activities, but we rely on the Psychometric Oversight Committee (POC) and the Content Committee (both represented on the PAOG) to provide the specialized knowledge the project requires, and to explain the technical aspects of the work to us laypeople so that we may, in turn, report on the soundness of the project to all stakeholders.

Planning and preparing for data collection have been the main activities during the past few months, and both the POC and the Content Committee have played major roles in practice analysis work from the outset. The POC is responsible for research design and methodology, and will oversee research in support of the project as it progresses through all of its phases. The Content Committee is ultimately responsible

for survey content and the new CSOs/SSOs. In the meantime, the Content Committee is very much involved in reviews leading up to the finalization of survey instruments.

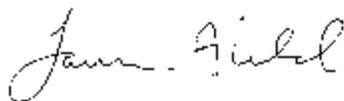
We are well on the way to developing the new surveys. Volunteer subject matter experts as well as the Content Committee and subcommittee members with examination content responsibilities recently completed the first update of the old Knowledge and Skill, and Task surveys. To carry out this assignment (which was conducted online), they were asked to indicate whether individual survey statements should be retained, removed, or revised, in addition to specifying which new knowledge, skill, or task statements should be included.

Following the review by volunteer subject matter experts, CPAs on the Examinations Team staff considered the reviewers' responses and prepared them for further review. Additional recommendations regarding the content of new surveys will be made in mid-December at a meeting of a group of volunteer reviewers who updated the surveys, Examinations Team staff, and representatives of the PAOG.

These are just some highlights of the work on the practice analysis project since its inception. I expect to write to you periodically to provide status reports and to share with you any issues that may arise. Meanwhile, if you have questions about the practice analysis, please direct them to PracticeAnalysis@aicpa.org

We ask for your support for this important project designed to ensure that the CPA Examination reflects current practice in protection of the public interest.

Sincerely,



Lawrence Field, CPA
Chair, Practice Analysis Oversight Group (PAOG)

Attachment: PAOG Roster

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