

The Uniform CPA Examination Alert

Spring 2009

New Content and Skill Specification Outlines for the Uniform CPA Examination

In a decision of great importance to the Uniform CPA Examination, the AICPA Board of Examiners (BOE) approved new Content and Skill Specification Outlines (CSOs/SSOs) at its October 17-18, 2008 meeting. A product of the practice analysis conducted over the past two years, the newly approved CSOs/SSOs are updated statements of the knowledge and skills to be measured by the CPA Examination. They will constitute the new CPA Examination blueprint.

The main purpose of CSOs/SSOs – for any licensure examination – is to ensure that the testing of entry-level knowledge and skills that are important to the protection of the public interest is consistent across examination administrations. This means that the Uniform CPA Examination CSOs/SSOs are used to determine what kinds of questions should be included on the CPA Examination so that every version of the examination reflects the required distribution and balance of knowledge and skill components. Another important purpose of the CSOs/SSOs is to provide candidates preparing for the examination with information about the subject matter that is eligible to be tested.

The newly approved CSOs/SSOs were developed with input from state boards of accountancy, standard-setting bodies, NASBA committees, accounting firms, state CPA societies, academic community, and literally thousands of individual contributors – most of them CPAs but also psychometricians and other testing experts.

“We are delighted that this has been a truly collaborative effort, involving all segments of the profession with significant contributions from the regulatory and psychometric perspectives,” says Colleen Conrad, Chair of the BOE. “The new CSOs/SSOs are important not only to the CPA Examination but also to the profession as a whole as they represent the knowledge and skills of future entry-level CPAs.”

(continued on page 4)

Also In This Issue

News From SBC.	p. 2
CBT-e Update.	p. 3
From the CPA Examination Glossary	p. 3
Talking to....Richard Devore, Ed.D., Simulation Development Leader for the Uniform CPA Examination . . .	p. 5
Meet New BOE Members	p. 8
To Readers of the <i>CPA Alert</i>	p. 9
CPA Volunteers Needed to Write Questions for the Uniform CPA Examination	p. 9
Acknowledgments	p. 9
Upcoming Events.	p. 10



The Vice President's Desk Update from Craig N. Mills Vice President – Examinations

It's been a great year for the CPA Examination! The forward-looking decisions of 2008 – the approval of the CBT-e initiative and of the new Content and Skill Specifications – will have an important impact on the examination in years to come. The current examination, meanwhile, demonstrated its operational stability throughout the year. In July, a new research task format was introduced and became an immediate hit with candidates. And there was more good news – the number of examinees continued to grow. The growth rate in 2008, while not as significant as in previous years, continued to reflect a positive upward trend.

The new approved Uniform CPA Examination Content and Skill Specification Outlines (CSOs/SSOs) are now available on the CPA Examination website together with Exposure Draft responses and the 2008 Practice Analysis technical report. The CSOs/SSOs are based on professional judgment of entry-level responsibilities, defined as the knowledge and skills typically required of CPAs with up to two years of experience. It is important to note this basis for the content of the examination. The CPA Examination is not based on college curricula, as is sometimes assumed.

The process by which the CSOs/SSOs were developed in collaboration with the professional and regulatory communities is described in an article in this issue. The article also highlights some of the differences between the current and the new CSOs/SSOs. In addition, it provides information about the scheduled 2009 CSO/SSO update, which will include more detail about the testing of International Financial Reporting Standards (IFRS). This is important information – for future examinees as well as other CPA Examination constituencies.

How to enhance the testing of skills on the CPA Examination is the subject of a major initiative in Examinations. The research project began two years ago in concert with the practice analysis study and is now focused on the development of new simulation formats designed to test a wider range of skills than previously tested. In the interview article in this issue, Dick DeVore, the test development expert on the Examinations Team who is heading this important project, tells all about skill testing research and the development of new task formats. It's an exciting glimpse into the CPA Examination's future.

(continued on page 2)

News From SBC

Southeast Regional CPA Examination Forum

The State Board Committee (SBC) of the AICPA Board of Examiners (BOE) held a Southeast Regional CPA Examination Forum on December 8, 2008 in Atlanta, GA. The Forum participants were accountancy board representatives – board Chairs or members and Executive Directors – from seven states: Alabama, Georgia, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. The Forum topic was the CPA Examination – its current status and plans for its future.

“We decided to hold the Forum to provide state boards with the latest information about the CPA Examination but also – and most importantly – to learn from state boards what their concerns are and what they think about examination projects and priorities,” says Douglas E. Warren, Chair of SBC. “We thought a meeting with a small group of state board representatives in an informal setting would be the right format for such an exchange of views.”

The Forum agenda allowed sufficient time for the discussion of any issues participants might wish to raise. Presentations were given by Mr. Warren, Craig N. Mills, AICPA Executive Director of Examinations, and William Montemarano, AICPA Director of Examinations Strategy. Michael T. Daggett, Vice-Chair of the SBC and SBC member Lamar Harris were also in attendance.

Mr. Warren spoke about the BOE, its committee structure and current initiatives, as well as the role of SBC as facilitator in the relationship between the BOE and the state boards. Dr. Mills reviewed CPA Examination status and trends – the continuing increases in numbers of

examinees, the operational stability of the examination, candidate testing patterns and behaviors, and the result of cohort studies currently being conducted to follow groups of candidates through the entire examination process. Mr. Montemarano spoke about the recently issued SEC Roadmap regarding the potential use of International Financial Reporting Standards (IFRS) by U.S. companies and the process of integrating IFRS into the CPA Examination.

State board representatives declared the Forum a success, indicating that they enjoyed the chance to raise questions and exchange views about the CPA Examination. The other participants – Dr. Mills and Mr. Montemarano on behalf of the AICPA Examinations Team, and Mr. Warren and Mr. Daggett on behalf of the SBC – were very pleased to have the opportunity to meet with state board representatives and gain a better understanding of their concerns. As Mr. Warren said, “From our point of view, the Forum was a great success as it raised our awareness of state board issues. We’re very grateful to state board representatives for joining us to share their insights and views.”

The SBC was formed two years ago to establish a direct link between state boards and the BOE. Its charge is to keep the BOE informed of state board concerns and, conversely, to keep state boards informed of BOE actions and decisions. The SBC has been very active in facilitating effective communications. The Forum is the latest example of SBC’s outreach to state boards.

The Vice President’s Desk *(continued from page 1)*

Work on CBT-e – the collection of projects that will eventually transform and strengthen the examination – began immediately upon approval by the AICPA Board of Examiners (BOE) last spring. At this early stage, the focus is mainly on the technical changes that must be made to lay the foundation for the improvements to come. The CBT-e update article in this issue provides more information about the status of CBT-e and the work in progress.

In its role as communication intermediary between the state boards and the BOE, the State Board Committee (SBC) held its first CPA Examination Forum in December, bringing together state board representatives from the Southeastern states for an exchange of views about the CPA Examination. The Forum proved to be highly successful and will serve as a model for similar events in the future. For a description of the Forum, please see the article in the “News from SBC” series.

At the beginning of every year, the BOE is pleased to welcome new members to replace those whose terms of service expire. Joining the BOE this year are four outstanding members of their professions, three of them CPAs and one a psychometrician. Read about them in the “Meet New BOE Members” article. They exemplify remarkable professional commitment and we are very grateful for their willingness to devote their time and expertise to BOE initiatives. At the same time, we wish to express appreciation for the significant contributions made by the BOE members who have just completed their terms: Lawrence Field, CPA; David Harrison, CPA; and Philip Livingston, CPA.

The coming year promises to be as busy and eventful as was 2008. We will, of course, keep you informed as the CPA Examination continues to meet its goals. Meanwhile, I invite you to contact me at cmills@aicpa.org with comments about the *CPA Alert* or the work of the Examinations Team.

Congratulations, Dr. Mills!

Craig N. Mills, Ed.D. has just been promoted to AICPA Vice President of Examinations in recognition of his leadership and contribution to the profession. A prominent psychometrician and pioneer in the computerization of examinations, Dr. Mills was the creative force behind the transition of the CPA Examination from the paper-and-pencil to a computerized format. His vision is responsible for CBT-e, the current initiative that promises many improvements in the next CPA Examination release. Prior to joining the AICPA, Dr. Mills directed the computerization of the GRE General Test - the first admission test to be computerized - for the Educational Testing Service.

Congratulations, Dr. Mills, from the AICPA Examinations Team and AICPA colleagues.

CBT-e Update

Just a few months after receiving approval from the AICPA Board of Examiners (BOE), the CBT-e initiative is well under way but its end product – a new CPA Examination release – is not yet in view. CBT-e is a major effort consisting of many different projects that will eventually coalesce to bring significant changes to the CPA Examination. Meanwhile, work is going on simultaneously on separate CBT-e psychometric, operational, and systems components.

“It’s not yet time to ask ‘Are we there yet?’ because we’re still far from reaching our goals,” says Ken Clark, Chair of the CBT-e Sponsor Group. “We are on schedule and have made good progress on the CBT-e program but much more work must be done before examination improvements can be implemented.”

CBT-e Organizational Structure

Work on CBT-e projects is being carried out by the AICPA Examinations Team under the supervision of the CBT-e Sponsor Group which consists of four BOE members who have expertise in the areas that are important to the success of CBT-e. The Sponsors are actively involved in CBT-e work. They receive periodic detailed reports from Examinations staff and meet with staff by conference call on a regular basis. In October, CBT-e Sponsors traveled to the AICPA to review every facet of CBT-e activity in a day-long meeting.

In Examinations, the CBT-e routine involves weekly “stand-up” meetings at which staff with CBT-e responsibilities provide status reports on their projects. These have proved to be good opportunities for identifying potential issues, raising questions, and keeping everyone informed. Many projects are dependent on others, and such interdependencies are best coordinated when the latest information is communicated to all.

The CBT-e effort has been organized into six phases. The first phase has been completed and the focus now is on phases two and three, although some work is already in progress on the later phases. There are 120 milestones to be met over the course of the six phases. Of the 120 total, 35 milestones have been attained, 19 are expected to be met within the next few months, and 66 still remain to be carried out. Much of the current activity is focused on systems and other infrastructure changes needed to support CBT-e improvements.

Spreadsheet Improvements

Among the many projects now in progress is one that will be visible to candidates at test centers – an enhanced spreadsheet. The spreadsheet being developed will have additional functionality and will more closely resemble the commercial product with which candidates are familiar.

Information About CBT-e

CBT-e is a collection of projects that will bring major changes to the CPA Examination, including the introduction of short Task-Based Simulations (TBS) to replace simulations in the current format, the concentration of written communication testing in the Business Environment and Concepts (BEC) section, and the implementation of new Content And Skill Specifications (CSOs/SSOs). A full description of CBT-e is available in the Fall 2008 issue of this publication. All previous *CPA Alert* issues are posted on the CPA Examination website, www.cpa-exam.org under Newsletters and Updates.

From the CPA Examination Glossary

CBT	Computer-based testing	MST	Multistage Adaptive Test – the delivery model for Multiple-Choice Questions on the CPA Examination. Candidates are first presented with a testlet of moderate difficulty. Subsequent testlets – at the same or slightly more difficult level – are then selected automatically, based on the examinee’s performance on the previous testlet.
CBT-e	Computer-based testing – evolution		
CSOs/SSOs	Content Specification Outlines/Skill Specification Outlines – statements of knowledge and skills to be measured by the CPA Examination.		
CSO Organization	Content Specification Outlines for each CPA Examination section are organized by Area, Group, and Topic – from the general to the specific category of content eligible to be tested. (An Area is divided into several Groups, and each Group can be divided into several Topics.)	Pretest Questions	Questions that appear on the examination but are not included in the portion of the test that is used for calculating scores. The purpose of including pretest questions on the examination is to obtain item performance statistics.

New Content and Skill Specification Outlines for the Uniform CPA Examination *(continued from page 1)*

The 2008 Practice Analysis

In June 2006, the BOE authorized the conduct of a new practice analysis – a study that must be undertaken periodically to maintain the validity and legal defensibility of the CPA Examination and to ensure that the examination continues to reflect entry-level practice in order to remain relevant to the profession. In conjunction with this decision, the BOE formed the Practice Analysis Oversight Group (PAOG) to lead the effort and oversee the transparency of the process. PAOG members were chosen to provide broad stakeholder representation as well as the expertise needed to ensure the success of the project. The responsibilities of PAOG members included keeping their constituencies informed of progress on the practice analysis.

The practice analysis study was carried out by the AICPA Examinations Team, under the leadership of the PAOG and the direction of two BOE committees – the Content Committee and Psychometric Oversight Committee (POC). The Content Committee’s responsibility was the technical integrity of examination content. The POC responsibilities were research design and methodology, and data analysis oversight.

In the first phase of the practice analysis, surveys to elicit data on the workplace responsibilities of entry-level CPAs were developed by a panel of subject matter experts for review by the PAOG and, ultimately, Content Committee approval. It is important to note that the surveys were based on workplace responsibilities – not college curricula.

The data collection phase was a two-step process, the first to identify the target group – supervisors of entry-level CPAs – and the second to invite those who met required criteria to complete the practice analysis survey. The AICPA membership database and a supplementary source of non-member data provided voluntarily by state boards of accountancy were used to identify CPAs for inclusion in the survey outreach.

In September 2007, when survey data were analyzed and compiled, the Content Committee and its subcommittees met for an in-depth review, discussion, and analysis of survey results. Drafts of the new CSOs/SSOs were discussed, revised, and then revised again. The Content Committee approved a final draft in December 2007 and presented it to the BOE for consideration. In March 2008, after requesting changes, the BOE approved a version of the new CSOs/SSOs for exposure.

The Exposure Draft

In order to obtain input from examination stakeholders on the proposed CSOs/SSOs, the BOE authorized the release of an Exposure Draft for comment between May 1 and July 31, 2008. Fifty Exposure Draft responses were received – ten of them from state boards of accountancy and five from state CPA societies. The remaining comments came from Big 4 firms (KPMG and Deloitte), organizations – PCAOB, AAA, FSA, PcEEC – review course providers, educators, and CPAs working in accounting as well as business and industry.

Finalization of the CSOs/SSOs

All Exposure Draft responses were reviewed by CPAs on the Examinations Team who developed consensus positions on needed revisions and submitted recommendations to the Content Committee. At its meeting in September 2008, the Content Committee made decisions on the basis of its review of the Exposure Draft comments. The

resulting CSO/SSO draft was presented to the BOE in October with detailed explanations of the rationale behind every suggested change. The BOE approved the final version on October 17, 2008.

The Approved Content Specification Outlines (CSOs)

The newly approved CSOs reflect changes in content, organization and structure, and in the weights assigned to Content Areas as a measure of the extent of their coverage on the examination.

Among the many changes – both large and small – the new CSOs indicate that the testing of ethics and independence will move from the Regulation (REG) section to the Auditing and Attestation (AUD) section. (However, topics related to ethics and responsibilities in tax practice will continue to be tested in REG.) Also, business structure topics currently included in the Business Environment and Concepts (BEC) section will be tested, in the future, in the business law area of REG. New topics will be added to BEC, including corporate governance, and redefined information systems topics will be presented in BEC from the perspective of management of a business entity.

The new CSOs require careful review as they differ considerably from the CSOs now in effect. The following tables provide a quick overview of the comparison between the new and the current CSOs.

The Testing of International Financial Reporting Standards (IFRS)

The new CSOs include IFRS on the list of the study materials for the FAR section. However, additional guidance on the testing of IFRS will be included in an update of the CSOs to be issued in 2009.

Auditing and Attestation (AUD)		
Area	Current CSOs	New CSOs
Area I	Plan the Engagement (22-28%)	Auditing and Attestation: Engagement Acceptance and Understanding the Assignment (12-16%)
Area II	Internal Control (12-18%)	Auditing and Attestation: Understanding the Entity and Its Environment (including Internal Control) (16-20%)
Area III	Obtain and Document Information (32-38%)	Auditing and Attestation: Performing Audit Procedures and Evaluating Evidence (16-20%)
Area IV	Review and Evaluate Work Performed (8-12%)	Auditing and Attestation: Evaluating Audit Findings, Communications and Reporting (16-20%)
Area V	Communications and Reporting (12-18%)	Accounting and Review Service Engagements (12-16%)
Area VI	N/A	Professional Responsibilities (including Ethics and Independence) (16-20%)

(continued on page 7)

— Talking to....Richard DeVore, Ed.D., Simulation Development Leader for the Uniform CPA Examination

What does a Simulation Development Leader do?

It's a research job focused on simulation design and development. Unlike multiple-choice questions which are not well suited to complex skill assessment, simulations provide numerous opportunities for testing what candidates can do with acquired knowledge and skills. How candidates analyze and apply knowledge in performing tasks typical of the entry-level work environment can best be tested using simulations.

It is the combination of test development and CPA expertise that allows the Examinations Team to create new tasks for the examination – tasks that are grounded in what new CPAs must do in practice. Our goal is to assess the same kinds of skills and application of knowledge that are normally required from entry-level CPAs in the workplace.

The assessment opportunities that simulations provide are unlimited. CPAs and Test Developers on the Examinations Team are constantly exploring new simulation design options in an effort to elicit ever more assessment accuracy from the CPA Examination.

Were you involved in developing the simulations now on the CPA Examination?

Yes, I was, but as you know, simulations in the current format are scheduled to be replaced by shorter task-based simulations (TBS) as part of the improvements that CBT-e will bring. At the time of the launch of computer-based testing (CBT), simulations were new and untried. We've learned a lot since then and TBS build on that experience. Sharply focused and compact, TBS will contribute to faster score reporting, cost reductions, and examination security. TBS are a good example of the kind of simulation evolution that we strive to bring about.

You are now heading a research effort that will result in enhancing the testing of skills on the CPA Examination. Why and how did this project get started?

We began this project because, according to measurement research, professional licensure examinations – like the CPA Examination – are better able to protect the public if they focus not only on the knowledge but also the skills needed by professionals. The just-approved Skill Specification Outlines (SSOs)– developed on the basis of practice analysis results – identify and define the skills needed by entry-level CPAs.

Skills have always been tested on the CPA Examination but we want to improve our skill testing approach in order to increase the value of what is already a powerful licensure examination. To do this, we intend to use research in cognitive science as a guide to the development of new simulations.

And before you ask – yes, skills can be and are tested in both multiple-choice questions and simulations. However, some skills are better suited to be tested in the simulation rather than the multiple-choice format.



How is your research related to the skill statements in the new Skill Specification Outlines?

Under the guidance of cognitive scientists, we were able to organize the skill statements in the new Skill Specification Outlines (SSOs) into hierarchically related sub-groupings. These categories will allow test developers to focus on the skill areas that content experts believe to be most important to entry-level CPA practice.

Who are cognitive scientists and what do they do?

They are researchers who devote their careers to the study of human perception and learning processes. More specifically, the cognitive scientists we are working with are known for their work on skill acquisition and behavior – or the study of what an individual is able to do with information presented in a variety of forms and formats.

How were skills defined and analyzed for the Skill Specification Outlines?

First, groups of CPA practitioners identified the skills that are essential to CPA practice. Then, other larger groups of practitioners reviewed the identified skills and indicated which of them are of particular importance to entry-level CPAs. Skill statements were then analyzed by teams of content experts working with cognitive scientists to determine where they belong in the hierarchy of cognitive abilities.

What is your focus in seeking new ways to assess research skills?

We are now developing research tasks that involve not only searching authoritative literature, but also making use of the findings. At the time CBT was launched in 2004, not all students were being instructed in research skills as part of their curricula. This has now changed. Research courses

(continued on page 6)

Talking to....Richard DeVore, Ed.D., Simulation Development Leader for the Uniform CPA Examination *(continued from page 5)*

are available at many institutions. In our national survey of entry-level practice last year, we recognized that the time has come to expand the testing of research skills.

We are also using content experts to guide us in identifying the ways in which entry-level practitioners are finding and using information. This is leading us to explore research topics outside the scope of authoritative literature. We plan to field-test this type of research task with students in accounting programs. If successfully tested, we could introduce research tasks that rely on alternative databases, exhibits and resources.

Our consideration of other sources reflects the recognition that CPAs must often rely on a variety of information and data sources. Some of the resources we have been exploring include Thomas, the Library of Congress record of legislation, the U.S. Tax Court database of tax court rulings, and information databases, such as financial reports submitted to the SEC in XBRL format. No decisions have as yet been made concerning these resources but their use is being explored.

What new question formats are you developing?

We're working on many exciting possibilities. Practice analysis results show that broadly defined communication skills – beyond what is now tested on the examination – are necessary for success as a CPA. As a result, we are investigating tasks that require listening and, more generally, those that tap dimensions of communication other than writing. Examples of other communication items might be the creation and interpretation of graphic displays, diagrams, flow charts, e-mail and voice mail messages.

As new tasks are developed, we hope to leverage the power of the computer to a greater extent. The potential exists to allow candidates to use pivot tables to analyze data, to search for information using XBRL tools, and to drill down into presented data through hyperlinks to find and use source documents.

How do you ensure that skill assessments are geared to entry-level practice?

Our work is based on the findings of the recent practice analysis, which identified the tasks that entry-level individuals perform and the skills they need to perform them in order to practice competently. Since practice analysis data were obtained through a national survey of supervisors of entry-level CPAs, we know we can rely on these findings. The AICPA Board of Examiners (BOE) recently approved the Content and Skill Specification Outlines (CSOs/SSOs) for the future version of the CPA Examination.

In addition, all tasks and items included on the examination are vetted by subcommittees consisting of content experts who are familiar with the abilities of entry-level CPAs and the requirements they must meet in the workplace. This process winnows out any tasks that are inappropriate for our target population.

What are other constraints in creating new task formats?

We need to capture examination-relevant performance data that can be reliably transmitted for test delivery and may be scored by automated

means. The tasks must reflect the content and skill distribution of the CSO and SSO examination blueprint and fit within available examination time limits. The cost-to-benefit ratio is also very important for any new task type – we want to spend our resources on the development of new tasks that will add the most value to current measurement.

How do you go about testing new task formats?

That is a long and rigorous process. First, new tasks are tested internally by CPAs on our staff. Then they undergo usability testing by local accounting students to ensure that the computerized representation is clear and easy to manage. Next, they go through reviews by committees and subject matter experts. After that, they are pretested in a university pretesting program. Finally, they are pretested on the operational examination. Responses to pretest questions on the operational examination are analyzed for quality but are not counted in the candidate's score.

At any point in this process, the new format may be accepted, improved, or rejected. By the time any new task format actually counts in a candidate's score, we are quite sure that the format is transparent and that the information we are gathering is about the candidate's knowledge and skills – and not dependent on the candidate's familiarity with the computerized presentation selected for the examination.

When should candidates expect to see the results of your research on the examination?

Some of our new task formats are similar to the tasks already in use on the examination. Such tasks already appear as part of the simulations in the current test. However, many others require software changes that will take time to create and test. Tasks of this type will probably begin to appear after CBT-e changes are implemented. As research into the development of new tasks is an ongoing effort, candidates should expect to see new task types introduced on a regular basis in the future.

Why is the development of new tasks an ongoing effort? Won't you be able to stop creating new tasks when the skill assessment project is finished?

No, continuing research is essential. The validity of a testing program depends on maintaining a clear link between changes in testing technologies and changes in the profession being served by the examination. Testing theories and systems are constantly evolving, and bring opportunities for better assessment. Meanwhile, changes in the CPA profession and the business world demand that new content and skills be incorporated in the examination, often requiring the use of different testing tools. Continuing research is the only way to keep pace with new developments and ensure the consistent delivery of a CPA Examination that is relevant to the profession.

Business Environment and Concepts (BEC)		
Area	Current CSOs	New CSOs
Area I	Business Structure (17-23%)	Corporate Governance (16-20%)
Area II	Economic Concepts (8-12%)	Economic Concepts and Analysis (16-20%)
Area III	Financial Management (17-23%)	Financial Management (19-23%)
Area IV	Information Technology (22-28%)	Information Systems and Communication (15-19%)
Area V	Planning and Measurement (22-28%)	Strategic Planning (10-14%)
Area VI	N/A	Operations Management (12-16%)

Financial Accounting and Reporting (FAR)		
Area	Current CSOs	New CSOs
Area I	Concepts and Standards for Financial Statements (17-23%)	Conceptual Framework, Standards, Standard Setting and Presentation of Financial Statements (17-23%)
Area II	Typical Items in Financial Statements (27-33%)	Financial Statement Accounts: Recognition, Measurement, Valuation, Calculation, Presentation, and Disclosures (27-33%)
Area III	Specific Types of Transactions (27-33%)	Specific Transactions, Events and Disclosures (27-33%)
Area IV	Governmental Accounting and Reporting (8-12%)	Governmental Accounting and Reporting (8-12%)
Area V	Not-for-Profit Accounting and Reporting (8-12%)	Not-for-Profit (Nongovernmental) Accounting and Reporting (8-12%)

Regulation (REG)		
Area	Current CSOs	New CSOs
Area I	Ethics and Professional and Legal Responsibilities (15-20%)	Ethics, Professional and Legal Responsibilities (15-19%)
Area II	Business Law (20-25%)	Business Law (17-21%)
Area III	Federal Tax Procedures and Accounting Issues (8-12%)	Federal Tax Process, Procedures, Accounting and Planning (11-15%)
Area IV	Federal Taxation of Property Transactions (8-12%)	Federal Taxation of Property Transactions (12-16%)
Area V	Federal Taxation of Individuals (12-18%)	Federal Taxation of Individuals (13-19%)
Area VI	Federal Taxation of Entities (22-28%)	Federal Taxation of Entities (18-24%)

The momentum toward the acceptance IFRS in the U.S. has intensified since the practice analysis data were collected more than a year ago. “We are in the process of assessing the extent to which IFRS have become part of the workplace responsibilities of entry-level CPAs,” says William Montemarano, Director of Examinations Strategy. “As soon as this assessment is completed, the results will be incorporated into the new CSOs/SSOs.”

The Approved Skill Specification Outlines (SSOs)

The newly approved SSOs are the product of a special effort focused on enhancing the assessment of skills on the CPA Examination. In an initially separate project from the practice analysis, subject matter experts and cognitive scientists worked together to identify and categorize the skills essential to CPA practice and, further, to determine which skills relate to the tasks entry-level CPAs perform in the workplace. Their findings were eventually integrated with practice analysis results to produce the new SSOs which include detailed skill definitions.

Implementation Date for the New CSOs/SSOs

The implementation date for the new CSOs/SSOs will be announced at the time the update of the CSOs/SSOs – containing additional language about the testing of IFRS – is issued in 2009. The implementation date will be set so as to allow candidates ample time to become familiar with the new CSOs/SSOs before they go into effect as the new CPA Examination blueprint.

An Open and Transparent Process

Throughout the conduct of the 2008 Practice Analysis, status reports and documents were posted on the CPA Examination website, www.cpa-exam.org to keep CPA Examination stakeholders and the profession informed of progress. In keeping with this policy of transparency, the following final practice analysis documents are now available on the CPA Examination website, under Learning Resources/Practice Analysis.

- The 2008 Practice Analysis Technical Report, issued by the Practice Analysis Oversight Group (PAOG), provides a detailed description of the practice analysis process and includes the collected practice analysis survey data.
- The Exposure Draft: *Proposed Content and Skill Specifications for the Uniform CPA Examination*.
- All comments received in response to the Exposure Draft (included in the Exposure Draft tab).
- The newly approved CSOs/SSOs.

Meet New BOE Members



Suzanne Lane, Ph.D., is Professor of Research Methodology at the University of Pittsburgh. Her psychometric research focuses on measurement and testing, in particular validity and technical issues related to large-scale assessment and accountability programs. Dr. Lane is the author of numerous publications. Her articles have appeared in several educational measurement journals, including the *Journal of Educational Measurement*, *Applied Measurement in Education*, and *Educational Assessment*.

A past President of the National Council on Measurement in Education (NCME) and past Vice President of the Measurement and Research Methodology Division of the American Educational Research Association (AERA), Dr. Lane has also served on the Joint Committee for the revision of the *Standards for Educational and Psychological Measurement* (AERA, APA, NCME, 1999). She is currently serving on the Management Committee for the next edition of the Standards. Dr. Lane has been a technical advisor for several testing organizations, including ETS and The College Board, as well as for several states – among them New York, New Jersey, and Pennsylvania.



Wendy S. Perez, CPA, is a Partner at Ernst & Young with extensive experience in tax issues, such as planning for international expansion, mergers and acquisitions, due diligence, and corporate tax planning and compliance. Her expertise also includes financial statement accounting for income taxes, stock-based compensation, purchase accounting and tax SOX 404 internal design and remediation. In addition, Ms. Perez is an experienced lecturer on Accounting for Income Taxes who has given many presentations to the High Technology Tax Institute, Tax Executives Institute as well as tax conferences. For several years, Ms. Perez was in charge of Ernst and Young's Pacific Northwest Area Tax Accounting and Risk Advisory Practice. She is currently Ernst and Young's Pacific Northwest area tax resource for International Financial Reporting Standards (IFRS).

Ms. Perez served a three-year term on the California Board of Accountancy, one year as its President (2003-2004) and two years as a member. She is an active member of the California Society of CPAs, the American Institute of CPAs (AICPA), and the National Association of State Boards of Accountancy (NASBA). She also serves on the San Jose State University Tax Advisory Board.



Richard E. Piluso, CPA, past Vice-President of Internal Audit at the Loews Corporation in New York, is now retired after twenty-eight years of service. He was employed by Amerada Hess Corporation and Deloitte & Touche, LLP prior to joining the Loews Corporation.

Known for his dedication and commitment to the profession, Mr. Piluso has served in several capacities on boards and committees of the American Institute of CPAs (AICPA) and the New York State Society of CPAs (NYSSCPA). He is the recipient of the Gold Medal for Distinguished Service, the highest AICPA award, as well as the Outstanding CPA in Industry in 1998 award from the NYSSCPA. At present, Mr. Piluso serves as Secretary/Treasurer and Chairman of the Finance Committee of the NYSSCPA and is a member of its Board of Directors and Executive Committee. He has just been appointed to a three-year term on the AICPA Council. In the past, Mr. Piluso served as Chairman of the Finance Committee of the Board of Directors of the AICPA. In addition to contributing to the profession, Mr. Piluso volunteers his time to charities, currently serving as a member of the Board of Directors of City Meals on Wheels (an organization dedicated to feeding the homebound elderly), and member of the Board of Trustees of the Central Atlantic States YMCA Youth in Government programs.

(continued on page 9)

Meet New BOE Members *(continued from page 8)*



John Roemer, CPA, is Partner in PricewaterhouseCoopers' New York Financial Services insurance practice. He recently served as International Financial Reporting Standards (IFRS) Champion for the Firm's U.S. Insurance Industry, a role that included the development and delivery of IFRS training courses and the coordination of information on emerging IFRS issues in the insurance industry. His client experience includes life/health, property/casualty, and reinsurance companies, as well as insurance brokers and industry organizations.

Mr. Roemer has worked in the PricewaterhouseCoopers practice offices in Paris, New York, Philadelphia, and Birmingham (AL) as well as in the Firm's National office. He spent five years in the Paris office, where he provided audit and advisory services on U.S. GAAP, SEC, independence and IFRS issues, and also assisted a major reinsurance company with the adoption of U.S. GAAP at a newly-acquired European subsidiary. His responsibilities in the National office included consulting on technical accounting and auditing issues and monitoring the activities of standard-setting bodies. At one point in his career, Mr. Roemer also served as Systems and Process Assurance partner, focusing primarily on risk assessment and control services.

To Readers of the *CPA Alert*:

Beginning with the next issue, *The Uniform CPA Examination Alert* will be available in electronic format only. No other changes will be made – the *CPA Alert* will continue to have the same professional look and cover the same important topics.

You will probably not miss printed copies as the vast majority of readers download the *CPA Alert* from the CPA Examination website, www.cpa-exam.org (More than 160,000 copies of the Fall 2008 issue were downloaded during the last quarter of 2008.). As the demand for the *Alert* has grown, the demand for printed copies has decreased, suggesting that the decision to discontinue printed copies is not likely to prove inconvenient.

Thank you very much for your support. The *CPA Alert* will continue to be issued regularly with news of CPA Examination developments.

Editorial Staff

CPA Volunteers Needed to Write Questions for the Uniform CPA Examination

The AICPA Examinations Team is looking for volunteers to write multiple-choice questions for the CPA Examination. To qualify, volunteers must have a current CPA license, a minimum of three years of experience as licensed CPAs, and expertise in one or more areas covered by the examination. In addition, any of the following kinds of experience is highly desirable – supervision of entry-level CPAs or familiarity with the workplace responsibilities of entry-level CPAs or teaching accounting students. AICPA membership is required. Affiliation with any CPA Examination review course is **not** permitted.

Volunteers are given question writing training by ACT or PES (AICPA's official vendors for multiple-choice questions). A small honorarium is paid for each question accepted by the AICPA. To apply, send an e-mail stating your background and expertise to Timothy Habick at thabick@aicpa.org.

Make an important contribution to the profession! Volunteer today!

Acknowledgments

The AICPA acknowledges the sources of authoritative literature used on the Uniform CPA Examination. They are:

- *Internal Revenue Code*, Treasury Regulations, and IRS Publications provided courtesy of Thomson/RIA, 395 Hudson Street, New York, NY 10014.
- *FASB Original Pronouncements* provided courtesy of the Financial Accounting Standards Board, 401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116
- *AICPA Professional Standards* provided courtesy of the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036.

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The Uniform CPA Examination Alert

Spring 2009

Upcoming Events

March 15-18, 2009
NASBA - 27th Annual Meeting for
State Boards and Staff
(Jacksonville, FL)
Contact: Lori Curd
(615) 880-4241

March 26-27, 2009
AICPA BEC Subcommittee Meeting
(Phoenix, AZ)
Contact: Jim Pischel
(609) 671-2065

April 8, 2009
AICPA/Review Course Providers
(New York, NY)
Contact: Martin Crabtree
(609) 671-2917

April 17, 2009
AICPA IQEX Committee Meeting
(Nashville, TN)
Contact: Stephen Petti
(609) 671-2050

May 4-5, 2009
AICPA Content Committee Meeting
(Philadelphia, PA)
Contact: Elaine Rodeck
(609) 671-2059

May 7-8, 2009
AICPA Psychometric Oversight
Committee Meeting
(Princeton, NJ)
Contact: John Mattar
(609) 671-2077

May 15-16, 2009
AICPA Board of Examiners Meeting
(TBA)
Contact: Martin Crabtree
(609) 671-2917