CPA Exam 2017: The Next Version of the Uniform CPA Examination

Joe Maslott, CPA, CGMA
Sr. Technical Manager, Content Management
Exam Launch

April 1
2017
Practice Analysis
Research Project Timeline

- **2013**: Set Strategic Direction
  - Board of Examiners Strategy Discussion and Planning
  - Practice Analysis Alignment With Strategic Plan

- **2014**: Exploration
  - Interviews, Focus Groups
  - Confirmation
  - Invitation to Comment
  - Survey

- **2015**: Design Draft of Exam Blueprint and Structure
  - Exposure
  - Exposure Draft
  - Approve & Finalize Exam Blueprint and Structure

- **2016**: Announce Next Version of the CPA Exam

- **2017**: Launch Next Version of the CPA Exam
Our Governance

Board of Examiners

State Board Committee

Content Committee

Psychometric Oversight Committee

Audit Subcommittee (AUD)

Business Environment and Concepts Subcommittee (BEC)

Financial Accounting and Reporting Subcommittee (FAR)

Regulation Subcommittee (REG)
Newly Licensed - Eligibility

*Certain states require a separate ethics assessment in addition to what is tested on the Exam.
Newly Licensed

One who has:
Fulfilled applicable jurisdiction requirements
Knowledge and skills typically possessed by a person with two years experience

Definition has remained consistent as basis for testing

AICPA / BOE aware many candidates first sit as students / upon graduation
Should not / cannot impact standard established in terms of required knowledge and skills necessary for licensure
Practice Analysis Accomplishments

Maintained alignment with the profession

Focused on the knowledge and skills required of newly licensed CPAs

Ensured validity and reliability
Shift from Memorization to Critical Thinking
Critical Thinking
Analytical Ability
Problem Solving
Professional Skepticism
Communication Skills
Document Review Simulation

To revise the draft press release, click on each segment of underlined text below and select the needed correction, if any, from the list provided. If the underlined text is already correct in the context of the draft press release, select [Original text] from the list. If removal of the entire underlined text is the best revision to the draft press release as a whole, select [Delete text] from the list.

**Graystack Corp. Reports Second Quarter Year 9 Results**

Newtown, NY – August 2, year 9 – Graystack Corp. today reported financial results for its second quarter and six months ended June 30, year 9. Amounts are expressed in thousands, except per share amounts.

Net revenues for the second quarter of year 9 increased $1,331, or 7.9%, to $18,254.

*Choose an option below:*

- [Original text] Net revenues for the second quarter of year 9 decreased $1,331, or 8.5%, to $18,254.
- [Delete Text]
  - Net revenues for the second quarter of year 9 decreased $1,331, or 8.5%, to $32,498.
  - Net revenues for the second quarter of year 9 decreased $1,331, or 7.3%, to $18,254.
  - Net revenues for the second quarter of year 9 increased $1,331, or 7.9%, to $32,498.
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Exam Design
### Skill Allocation – Next Exam

<table>
<thead>
<tr>
<th>Section</th>
<th>Skill Allocation</th>
<th>Increased assessment of higher order skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing and Attestation (AUD)</td>
<td>5 – 15% Evaluation</td>
<td>Increased assessment of higher order skills</td>
</tr>
<tr>
<td>Business Environment and Concepts (BEC)</td>
<td>15 – 25% Analysis</td>
<td></td>
</tr>
<tr>
<td>Financial Accounting and Reporting (FAR)</td>
<td>20 – 30% Analysis</td>
<td></td>
</tr>
<tr>
<td>Regulation (REG)</td>
<td>25 – 35% Analysis</td>
<td></td>
</tr>
</tbody>
</table>

- **5 – 15% Evaluation**
- **15 – 25% Analysis**
- **20 – 30% Analysis**
- **25 – 35% Analysis**
- **30 – 40% Application**
- **50 – 60% Application**
- **50 – 60% Application**
- **34 – 44% Application**

- **30 – 40% Remembering and Understanding**
- **15 – 25% Remembering and Understanding**
- **10 – 20% Remembering and Understanding**
- **25 – 35% Remembering and Understanding**

**Note:** Higher order skills increased in the next exam.
<table>
<thead>
<tr>
<th>Exam Section</th>
<th>Current Exam</th>
<th>Next Exam</th>
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<tbody>
<tr>
<td>Auditing and Attestation (AUD)</td>
<td>90 MCQs (60%) 7 TBSs (40%)</td>
<td>72 MCQs (50%) 9 TBSs (50%)</td>
</tr>
<tr>
<td>Business Environment and Concepts (BEC)</td>
<td>72 MCQs (85%) 3 Written Responses (15%)</td>
<td>62 MCQs (50%) 5 TBSs (35%) 3 Written Responses (15%)</td>
</tr>
<tr>
<td>Financial Accounting and Reporting (FAR)</td>
<td>90 MCQs (60%) 7 TBSs (40%)</td>
<td>66 MCQs (50%) 9 TBSs (50%)</td>
</tr>
<tr>
<td>Regulation (REG)</td>
<td>72 MCQs (60%) 6 TBSs (40%)</td>
<td>76 MCQs (50%) 9 TBSs (50%)</td>
</tr>
</tbody>
</table>

*MCQ = Multiple-Choice Question  
TBS = Task-Based Simulation
Exam Blueprints
## AUDITING AND ATTESTATION (AUD)

### Summary Blueprint

<table>
<thead>
<tr>
<th>Content Area Allocation</th>
<th>Weight</th>
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<tbody>
<tr>
<td>I. Ethics, Professional Responsibilities, and General Principles</td>
<td>15%–25%</td>
</tr>
<tr>
<td>II. Assessing Risk and Developing a Planned Response</td>
<td>20%–30%</td>
</tr>
<tr>
<td>III. Performing Further Procedures and Obtaining Evidence</td>
<td>30%–40%</td>
</tr>
<tr>
<td>IV. Forming Conclusions and Reporting</td>
<td>15%–25%</td>
</tr>
</tbody>
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</table>
A. UNDERSTAND

Conclude on the sufficiency and appropriateness of evidence obtained during the audit engagement for an issuer or nonissuer.

B. SAMPLING TECHNIQUES

- Use sampling techniques to extrapolate the characteristics of a population from a sample of items tested.

| 1. Analytical procedures | ✓ | Determine the suitability of substantive analytical procedures to provide evidence to support an identified assertion.  
   | ✓ | Develop an expectation of recorded amounts or ratios when performing analytical procedures in an audit or non-audit engagement and determine whether the expectation is sufficiently precise to identify a misstatement in the entity’s financial statements or disclosures.  
   | ✓ | Perform analytical procedures during engagement planning for an audit or non-audit engagement.  
   | ✓ | Perform analytical procedures near the end of an audit engagement that assist the auditor when forming an overall conclusion about whether the financial statements are consistent with the auditor's understanding of the entity.  
   | ✓ | Evaluate the reliability of data from which an expectation of recorded amounts or ratios is developed when performing analytical procedures in an audit or non-audit engagement.  
   | ✓ | Evaluate the significance of the differences of recorded amounts from expected values when performing analytical procedures in an audit or non-audit engagement. |
Testing Time / Breaks
Testing Time / Breaks

Total testing time is 16 hours
1 hour added to BEC and REG
4 sections – 4 hours each

15-minute standardized break
Does not count against time

Optional, timed breaks still allowed
Exam Structure
Exam Structure with Breaks

**AUD**
- Testlet 1: 36 MCQs
- Testlet 2: 36 MCQs
- Testlet 3: 2 TBSs
- Testlet 4: 4 TBSs
- Testlet 5: 3 TBSs

**BEC**
- Testlet 1: 31 MCQs
- Testlet 2: 31 MCQs
- Testlet 3: 2 TBSs
- Testlet 4: 4 TBSs
- Testlet 5: 3 TBSs

**FAR**
- Testlet 1: 33 MCQs
- Testlet 2: 33 MCQs
- Testlet 3: 2 TBSs
- Testlet 4: 4 TBSs
- Testlet 5: 3 TBSs

**REG**
- Testlet 1: 38 MCQs
- Testlet 2: 38 MCQs
- Testlet 3: 2 TBSs
- Testlet 4: 4 TBSs
- Testlet 5: 3 TBSs

OPTIONAL BREAKS
Exam Administration
Testing Windows

As of Q2 2016, 40 additional days added to each window

Testing offered quarterly:
• January 1 – March 10
• April 1 – May 31*
• July 1 – September 10
• October 1 – December 10

*testing will close on May 31 during the Exam launch window in 2017
Standard Setting & Score Release

2017 Q2 (4/1 – 5/31)
Standard Setting: 10 Weeks*
Score Release: August 14

2017 Q3 (7/1 – 9/10)
Standard Setting: 10 Days
Score Release: September 22

2017 Q4 (10/1 – 12/10)
Standard Setting: 10 Days
Score Release: December 22

*passing score to be set during this time
Transition

Candidates may pass a combination of the current version of the Exam and the next version of the Exam to qualify for licensure.
Exam Fees

Cost increase in 2016
Result of extra hour for BEC and REG

Consult NASBA and local state board of accountancy for information
Beyond the Launch
User Experience Redesign

Coming in 2018

Refreshed user experience

Modernized design

Optimized for 23” HD monitors

Enhanced ADA support
Microsoft Excel

Excel to be added in 2018
When supporting software is available

Not testing Excel skills
Future Candidate Assessment

Expanding professional skepticism & judgment into audit simulations

Expanding data analytics & analysis skills *(including Excel or other tools)*

Enhancing communication, analysis and interpretation in simulations with open-ended cases
Exam Resources
The Next Version of the Uniform CPA Examination

Coming in April 2017

Next Version of the CPA Exam
The next version of the CPA Exam will launch April 1, 2017. Read more about the next Exam, what went into developing it and why the Exam continues to evolve.

Frequently Asked Questions
Get answers to some of the most frequently asked questions about the new Exam.

Next Exam Blueprints
New section blueprints will replace the current Content Specification Outline and Skill Specification Outline (CSO/SSO), and will provide greater clarity in the presentation of content, skills and related representative tasks that may be tested on the Exam.

Next Exam Focuses on Higher Order Skills
On April 1, 2017, the AICPA will launch the next version of the Uniform CPA Examination (Exam), a non-section-based format.

Next Exam: At a Glance

aicpao.org/nextcpaexam
Thank You