



International Administration of the Uniform CPA Examination

NASBA Annual Meeting

November 2009

Phoenix, AZ

Craig N. Mills, AICPA

Ken L. Bishop, NASBA

How Did This Get Started?



- Some states requested NASBA to explore international administration
- NASBA formed a committee to investigate
- The Committee was expanded to be a joint NASBA-AICPA committee
- The Committee realized that there were additional reasons to consider international administration

Organizing Principles



- Many accounting credentials are seeking influence internationally
- A small number of designations will be influential
- The US CPA to be one of the influential designations
- Current demand for CPA Exam can be leveraged to increase influence while improving the candidate experience

Process to Date



- Business Plan developed and discussed
 - NASBA Exam Conference
 - AICPA Council
 - BOE and CLEC Meetings
 - NASBA ED and Regional Meetings
 - NASBA and AICPA Boards of Directors
 - Individual State Visits
- Numerous changes and modifications as the process unfolded

Use the Domestic Process



- State-based licensure
- Candidates apply through state boards
- No designation contingency
- Expected increased volume could lower cost of domestic administrations
- Compensating controls for unique international conditions

Benefits to All States



- Potential reduction in cost of the domestic program
- Improvements to AICPA and NASBA infrastructure
- Better protection of the public interest –
 - Fewer unlicensed candidates holding out as a CPA without a license
 - Licensees commit to a code of ethics and a system of discipline
 - Candidates commit to CPE and lifelong learning

Informed Consent



- Testing at international locations is a privilege. In order to take advantage of the privilege:
- Candidates will have to agree to certain conditions, including agreeing to become licensed after passing the Exam, and abiding by certain security policies.

Key Elements - Candidate Informed Consent



- Obtain and retain license within defined period.
- Not to use CPA in any form not approved by the state
- Provide all requested information to NASBA
- Agree to retest or accept a refund if NASBA and AICPA question the validity of the score

Key Elements for States



- Uniform passing letter
- Provide license and disciplinary status to NASBA
- Require retest or refund if scores are questioned

Business Planning Conclusions



- Business model appears viable
- Demand appears to be real
- Program can be initiated with limited investment
- Preliminary financial analysis indicates cost to candidate will be lower than current expense to test

Important Issues



- Quality of CPE obtained internationally
- Equivalency of education
- Verification of experience
- Procedures to improve licensure and renewal rates
- Support of disciplinary process

Current Activities



- State visits continue
- NASBA and AICPA Boards approved term sheet which will be the basis of a contract
- Implementation planning underway
 - Start small to control costs and contain security risks
 - Pilot educational processes
 - Address legal matters



Thank You!