



Perspectives on the Uniform CPA Examination

NASBA Annual Meeting

November 2009

Phoenix, AZ

Douglas E. Warren, CPA

AICPA Board of Examiners (BOE) 2009-2010



- I am happy to address you as the new BOE Chair.
 - Second chair with a State Board background
- Colleen Conrad leaves behind big shoes to fill.

Our Topics Today



- Facts and Trends – The Current Examination
- Board of Examiners Update
- State Board Committee Update

BOE Trends

CPA Examination: the Present



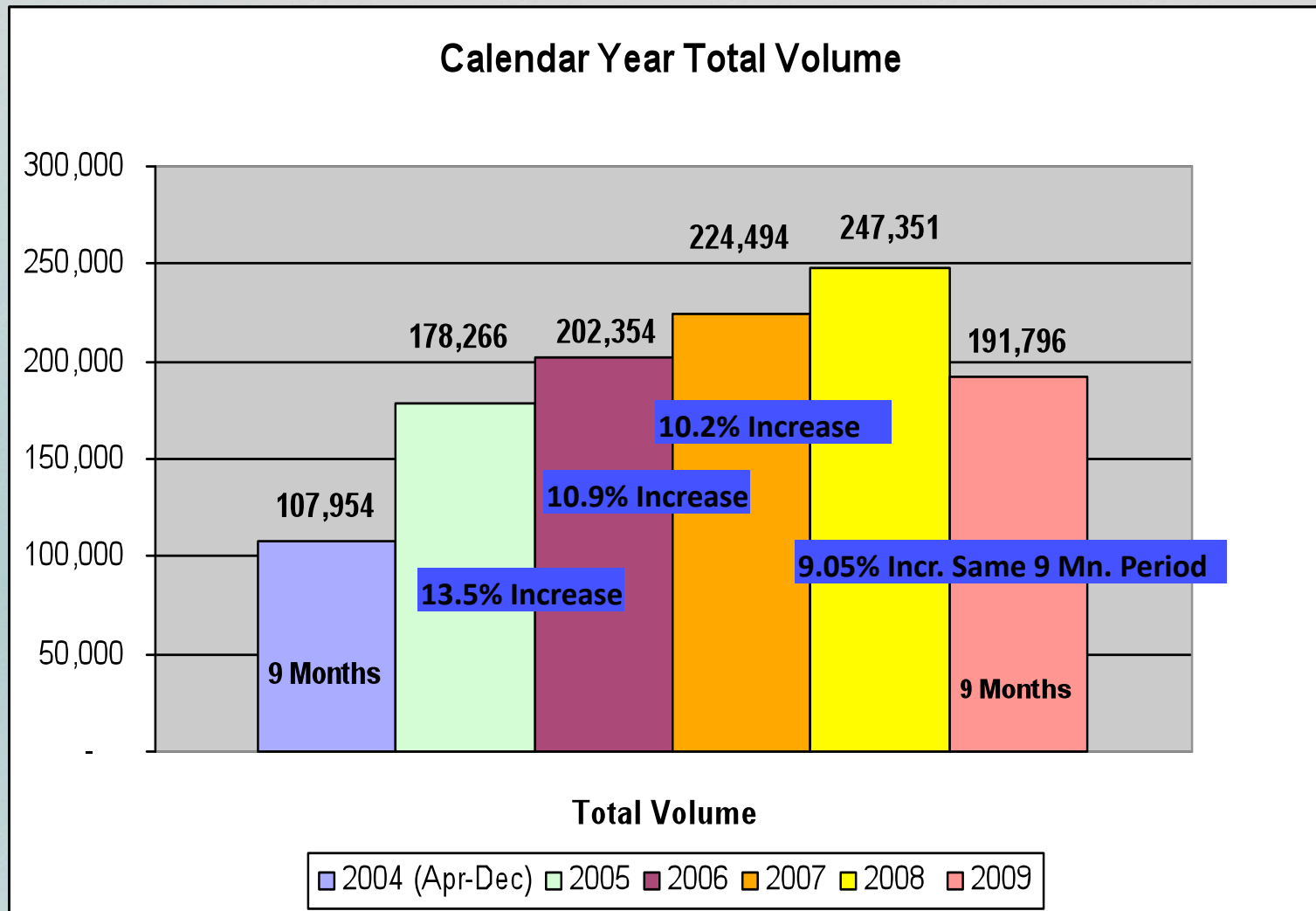
- The millionth CPA Examination section was administered in July 2009!
 - Over the past 5+ years, NASBA, AICPA and Prometric have established an excellent track record of quality and service.

Volume Trends



- Since CBT launch in April 2004, the number of examinees has been increasing.
 - In 2008, over **85,000** took the examination – more than the estimated number who tested in the last pre-CBT year.
 - Growth has continued in 2009, albeit at a lower rate.
 - Volume in the current quarter is trending at the same level as last year.

Annual Volume Growth



Total Volume & Growth % over PY Same Period



	Jan/Feb	Apr/May	Jul/Aug	Oct/Nov
2004		23,136	39,880	44,938
2005	34,714	41,404 (78.9% Incr.)	49,082 (23.1% Incr.)	53,066 (18.1% Incr.)
2006	40,670 (17.2% Incr.)	47,128 (13.8% Incr.)	54,549 (11.1% Incr.)	60,007 (13.1% Incr.)
2007	45,786 (12.6% Incr.)	51,050 (8.3% Incr.)	63,216 (15.9% Incr.)	64,442 (7.4% Incr.)
2008	49,997 (9.2% Incr.)	56,666 (11.0% Incr.)	69,214 (9.67% Incr.)	71,474 (10.91% Incr.)
2009 (as of 9/23)	56,347 (12.70% Incr.)	60,423 (6.6% Incr.)	75,026 (8.4% Incr.)	49,951 (0% Incr.)

Passing Rates



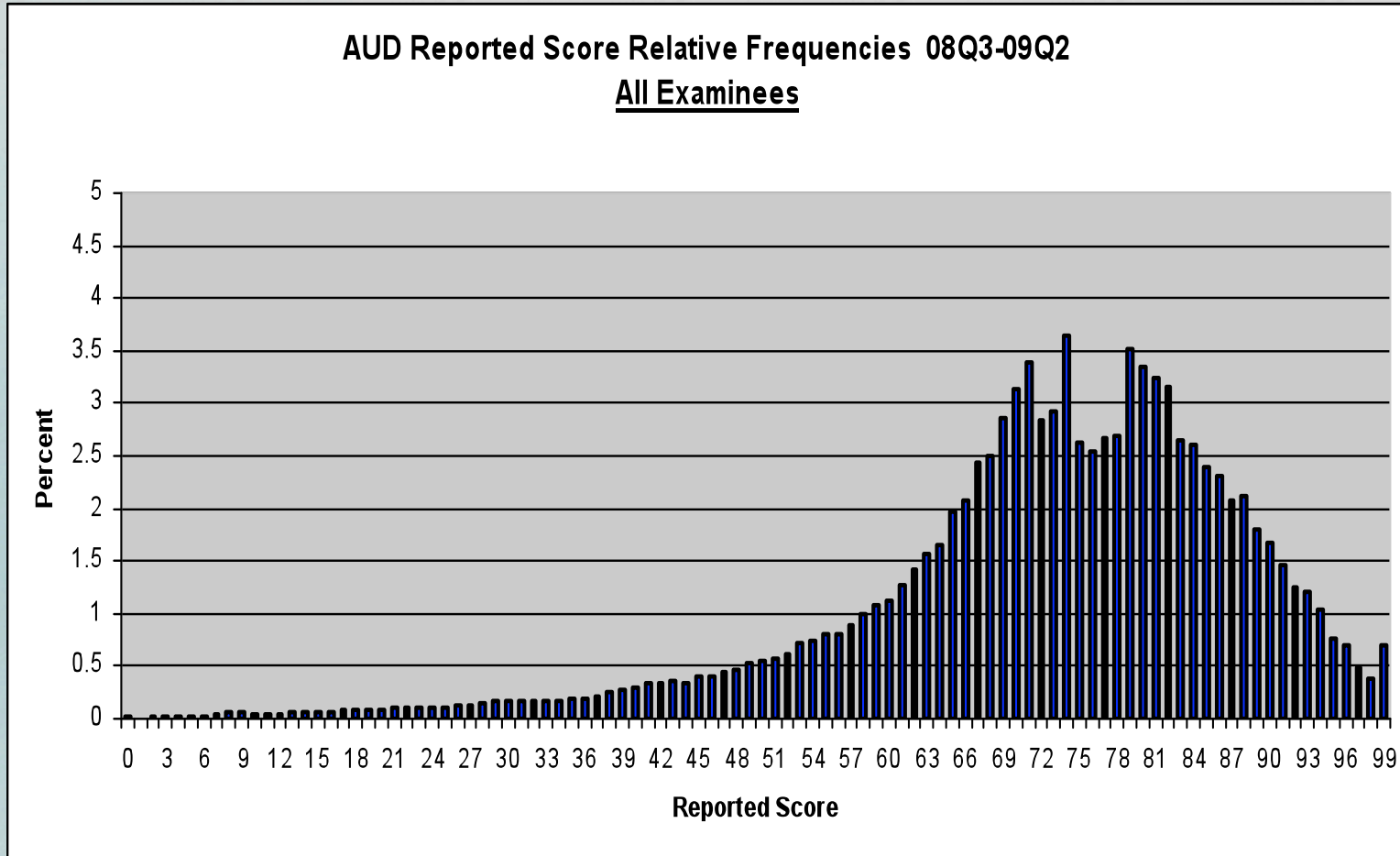
	2004	2005	2006	2007	2008	2009
	Apr- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Dec	Jan- Sep
AUD	42.54%	43.62%	44.01%	47.57%	49.10%	50.47%
BEC	44.61%	44.16%	43.81%	46.56%	47.49%	49.39%
FAR	42.09%	43.11%	44.54%	48.15%	49.21%	49.38%
REG	40.67%	40.61%	42.33%	47.03%	48.74%	51.09%

**The Uniform CPA Examination Reported Score
Summary Statistics
for Passing Examinees 08Q3 - 09Q2**



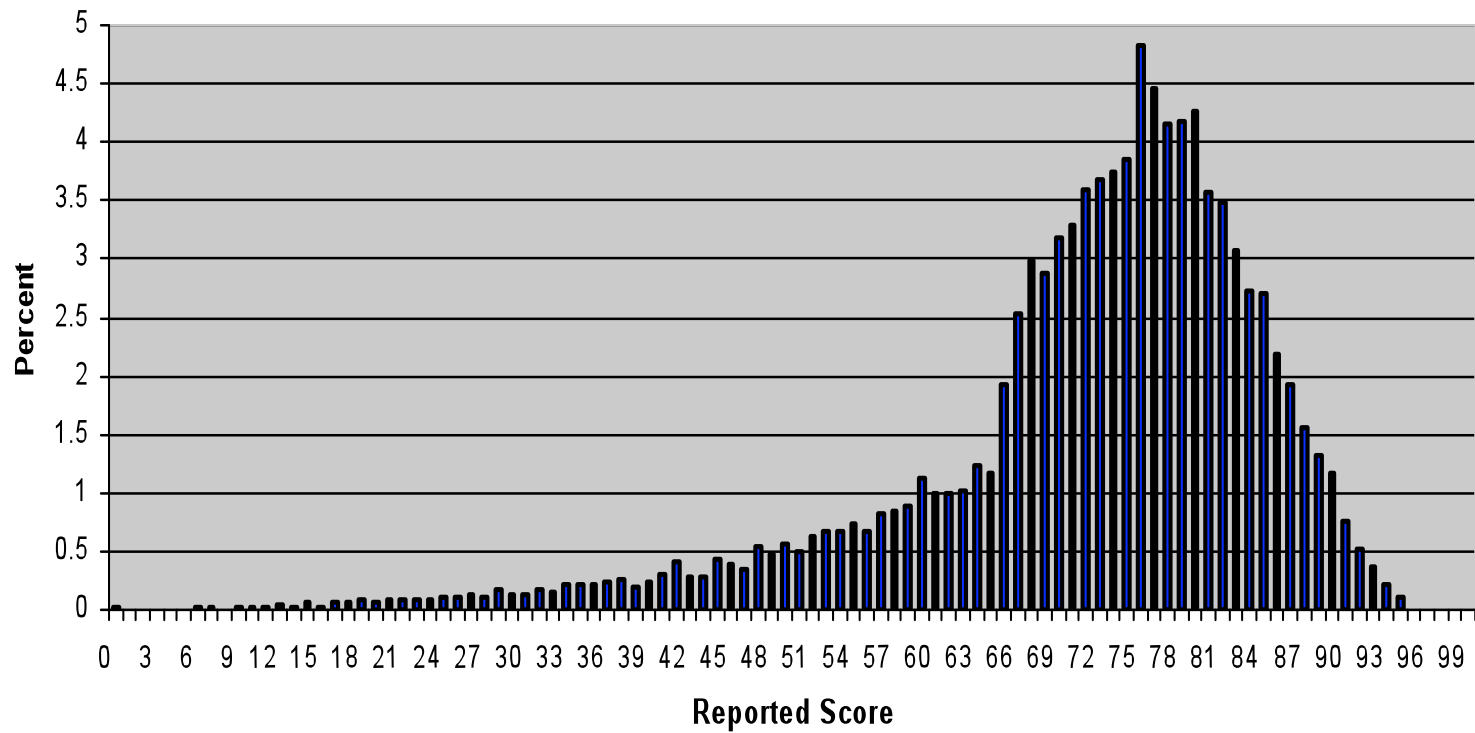
Section	N Pass	Mean	Std Dev	Minimum	Median
AUD	29,150	83.85	6.06	75	83
BEC	30,691	80.81	4.43	75	80
FAR	27,542	82.36	5.54	75	81
REG	29,210	83.07	5.80	75	82

AUD Reported Score Relative Frequencies 08Q3-09Q2 All Examinees

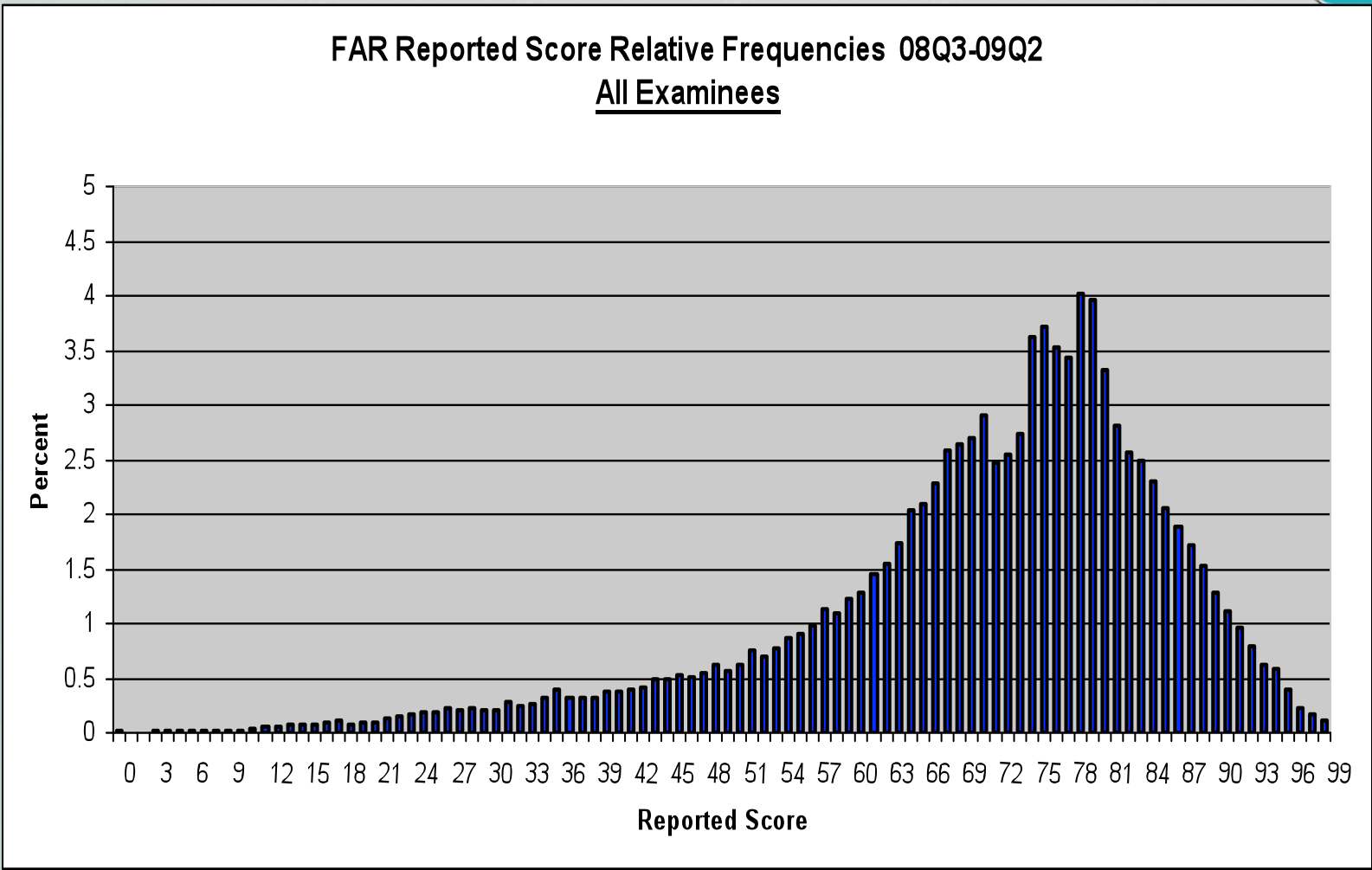


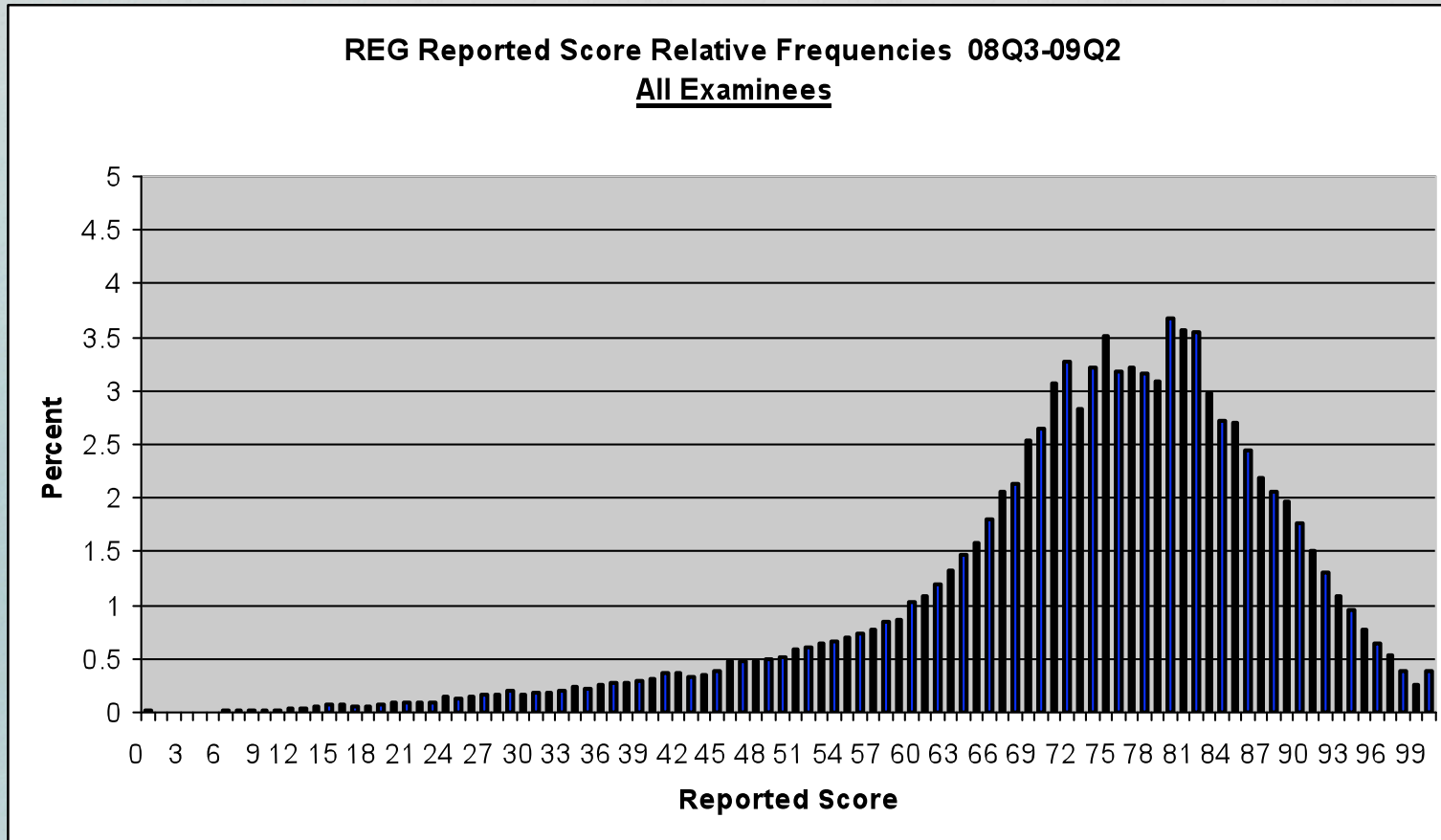


BEC Reported Score Relative Frequencies 08Q3-09Q2 All Examinees



FAR Reported Score Relative Frequencies 08Q3-09Q2 All Examinees





BOE Update

BOE Membership



- New BOE members were appointed effective October 22nd.
 - Recommendations from State Boards
 - Recommendations from CLEC
 - AICPA volunteers
- BOE Executive Committee considered all recommendations and identified finalists
- All Executive Committee recommendations were accepted

Retiring BOE Members



- **Michael Daggett, CPA,**
- **Fritz Drasgow, Ph.D.,** psychometrician
- **Lisa Johnson, CPA,**
- **Barbara Porter, ED** of the Idaho Board

New BOE Members – 2009-2010



- **Ken D. Askelson, CPA**, business/industry representative
- **Gary L. Fish, CPA**, Professor Emeritus of Accounting, State Board Experience
- **Gary M. Lubin, CPA**, business/industry representative
- **Barbara S. Plake, Ph.D.**, psychometrician
- **Viki A. Windfeldt**, ED of the Nevada Board

Continuing BOE Members



- **Douglas E. Warren,
Chair**
- **Colleen K. Conrad,
Past Chair**
- **W. Whitfield Broome**
- **Ken Clark**
- **Ruben Davila**
- **James Calvin Flagg**
- Suzanne Lane
- **Wendy Perez**
- Richard Piluso
- John Roemer
- **Sharon Walters**

Recent BOE Decisions



- **January 1, 2011** – CBT-e launch date and the date of implementation of new CSOs/SSOs (with IFRS)
 - **Section Lengths under CBT-e:**
 - AUD to be shortened by 30 minutes (to 4 hrs.)
 - BEC to be lengthened by 30 minutes (to 3 hrs.)
- Total testing time for 4 sections to remain the same – 14 hours**

BOE Decisions: Weighting



		AUD	BEC	FAR	REG
MCQs	Current	70%	100%	70%	70%
	New	60%	80%	60%	80%
Sims	Current	20%	0%	20%	20%
	New	40%	0%	40%	40%
Writing	Current	10%	0%	10%	10%
	New	0%	15%	0%	0%
CSO/SSO Targets					
Knowledge and Understanding		50-60%	80-90%	50-60%	50-60%
Application		40-50%	10-20%	40-50%	40-50%

IFRS Update



- Staff Advisory Group provided guidance on IFRS in the workplace, impact on CSOs, and identified question developers
- IFRS is entry level
- CPA's will need to be bilingual.
 - Exam will remain predominantly US GAAP
- Several hundred questions already written

State Board Committee Update

SBC Members 2009-2010



- O. Whitfield Broome, Chair (VA)
- James Abbott (ND)
- Pamela Douglass (VT)
- Donald Driftmier (CA)
- Lamar Harris (AL)
- Doreen Johnson-Frost (MN)
- Lawrence Samuel (VA)

Retiring SBC Members



- Thank you to SBC members who have completed their terms of service:
 - **Michael Henderson (LA)**
 - **Roger Reinhart (MN)**
 - **Joanne Vician (IL)**
 - **Douglas E. Warren (TN)**

SBC's Western Regional CPA Examination Forum



- In December 2008, SBC sponsored a Southeast Regional CPA Examination Forum in Atlanta.
- SBC plans to hold another forum – this time for Western state board representatives – in the fall of 2009

Thank you!



- It has been a pleasure to speak to you today.