

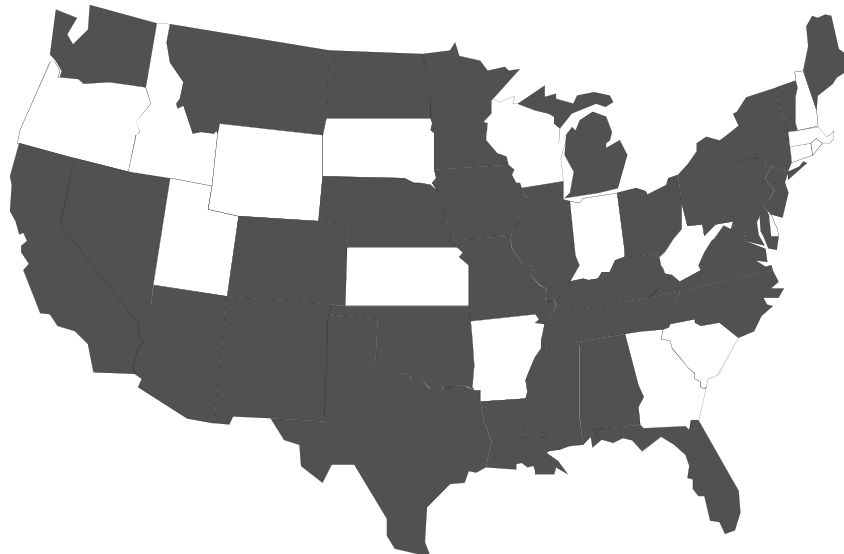


# Board of Examiners Update

Douglas E. Warren CPA CFF CFE FCPA  
Chair, Board of Examiners  
NASBA Regional Meetings, June 2011



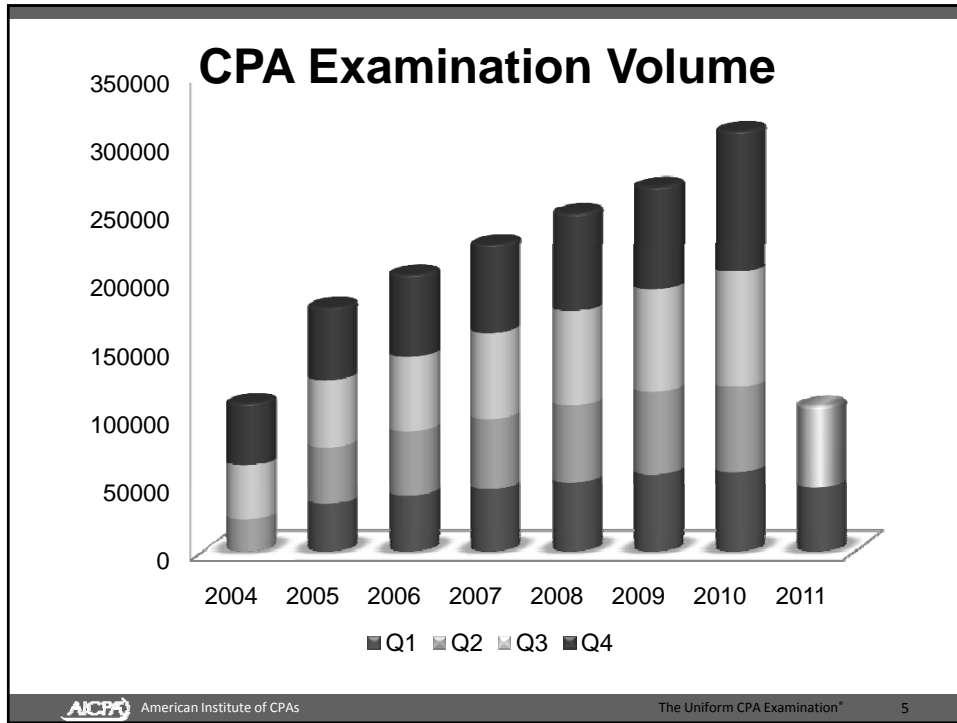
2010-2011 BOE and BOE Committee  
Representation by State



## 2010- 2011 BOE Members with Regulatory Backgrounds

1. Douglas Warren, BOE Chair (Public Accountant – Tennessee)
2. Lawrence Samuel, SBC Chair (Public Accountant – Virginia)
3. Kenneth Clark (Business/Industry – Missouri)
4. Gary Fish (Educator – Illinois)
5. Wendy Perez (Public Accountant – California)
6. Rick Reisig (Public Accountant – Montana)
7. Michael Tham (Public Accountant – Louisiana)
8. Viki Windfeldt (Executive Director – Nevada State Board of Accountancy)

## CBT-e Update



- ### CBT-e is the most significant change to the Exam since CBT in 2004
- **New Content**
  - **New Question Formats**
  - **New Candidate Services**
  - **New Infrastructure**
- AICPA American Institute of CPAs The Uniform CPA Examination®

## CBT-e 11Q1 Results

- 47,000 scheduled sections without error
- 28% survey response rate
- Positive comments about new test (especially new calculator)
- Increased usage of the Sample Test and Tutorial
- No problems associated with the updated Authoritative Literature
- No complaints about IFRS
- No complaints escalated to NASBA or the State Boards
- 5.9% complaint rate on load times
- No other complaints about the test

## Standard Setting & 11Q1 Score Release

- **Passing score set via Standard Setting by the Board of Examiners (BOE) in March, 2011**
  - Standard Setting - process and overview are available online under the Psychometrics and Scoring Section of the CPA Exam website ([www.aicpa.org/cpa-exam](http://www.aicpa.org/cpa-exam))
- **Scores released at the end of March 2011**

## CPA Exam Passing Rates (%)

	2004	2005	2006	2007	2008	2009	2010	2011
	Apr-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-March
AUD	42.54	43.62	44.01	47.57	49.10	49.79	47.80	43.88
BEC	44.61	44.16	43.81	46.56	47.49	48.34	47.29	42.32
FAR	42.09	43.11	44.54	48.15	49.21	48.45	47.81	42.43
REG	40.67	40.61	42.33	47.03	48.74	49.81	50.66	41.28

## CBT-e Score Release Schedule

- **11Q1:** Score released to NASBA in the last two weeks of March due to intensive quality control and data analysis required for the rollout of new exams
- **11Q2-Q3:** Score release to NASBA expected after the window is closed, exact schedule depending on volume of candidates that drives the timeline of key statistical analysis
- **11Q4+:** Score release to NASBA following the first month of testing in a window, with subsequent score releases every two weeks for the remainder of the window

# The Next Step – Ensuring Future Success

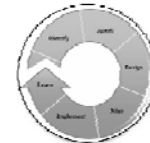
## Changing Professional Landscape

- **PCAOB Risk Assessment Standards**
- **ASB Clarity Project**
- **Ethics Codification Project**
- **Government Auditing Standards (“Yellow Book”)**
- **Dodd-Frank Wall Street Reform and Consumer Protection Act**
- **IFRS – Convergence and Adoptions in the United States**
- **Private Company U.S. GAAP**

## Current Business Environment

- **Unsustainable 24 month Production Lifecycle**
- **Historically significant Content Changes Forthcoming**
- **Inflexible Technology Infrastructure**
- **Increased demand on item development and production, item inventories, compliance, security, and forensics from International deployment places the relevancy and validity of the Exam at risk**

## Process Improvement



- **Reduce the timeline for the introduction of new content from 18 – 24 months to 6 – 9 months in support of the changing profession and Policy**
- **Eliminate redundancy and inefficiency**
- **Reduce the integration costs and technology limitations of the current delivery platform**
- **Drive down the cost per item**
- **Solve current cost and efficiency issues such as committee reviews, monolithic spreadsheet, multiple platform inefficiencies and risks**

*Enables us to administer an exam that meets the changing profession with the same quality with less risk*

# Thank You

Presenter

[www.aicpa.org/cpa-exam](http://www.aicpa.org/cpa-exam)