



CPA Evolution Update

June 20, 2023

Agenda

From the May 2023 AICPA Pipeline Acceleration Plan:

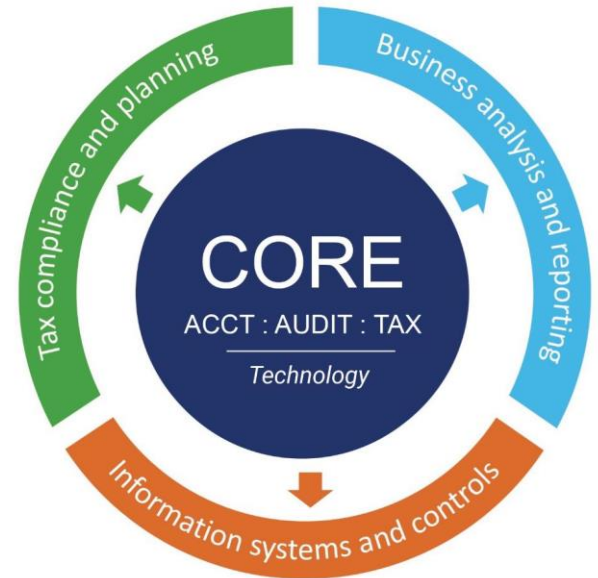
“Considerable attention, discussion, investment, and research is being focused on a range of initiatives at each stage of the CPA pipeline — from the CAQ-led Accounting+ student awareness campaign to CPA Evolution and the launch of the new CPA Exam in January 2024.”

This PowerPoint presentation provides recent survey feedback on the transition to, and adoption of, CPA Evolution, a key Pipeline Acceleration Plan initiative.

CPA Evolution Background

CPA Evolution

- Exponential growth in new rules, concepts, and standards, along with changes in the roles and responsibilities of newly licensed CPAs (nICPAs), have caused the body of knowledge required of nICPAs to grow.
- The CPA Evolution model establishes a foundation of the most important and relevant topics that all nICPAs need to know to protect the public interest while providing an opportunity for candidates to choose one of three Disciplines.



Knowledge and Skills Needed by Newly Licensed CPAs

Digital and data-driven mindset
(including data analytics)

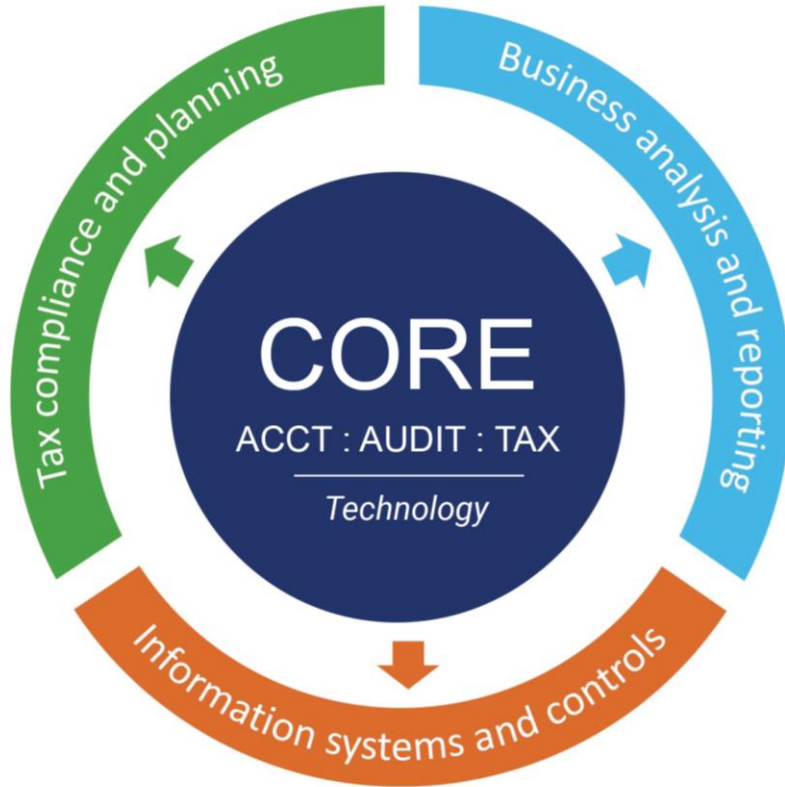
Technical Accounting

IT / Cybersecurity

Critical Thinking &
Problem Solving

Understanding of
Business Processes
and Controls

New Licensure Model: Core and Disciplines



Strong **Core** with accounting, auditing, and taxation/regulation along with a recognition of the impact of technology

Knowledge & skills in (one of) three **Disciplines**

Reflects reality of practice

Adaptive and flexible

One CPA license

Enhances public protection

CPA Evolution Exam launching Jan. 2024

Guiding Principles

- The Core Exam Sections assess the knowledge and skills universal (common) to all nCPAs.
 - Audit (AUD), Tax and Regulation (REG), and Financial Accounting and Reporting (FAR)
- Discipline Exam Sections assess knowledge and skills in the respective Discipline domain applicable to nCPAs.
 - Tax Compliance and Planning (TCP), Business Analysis and Reporting (BAR), and Information Systems and Controls (ISC)

What does the Exam look like?

- Designed for 1 – 2-year level
- No new education or experience requirements to sit for the Exam
- Candidates pass the three Core sections and one Discipline section (max = 4 sections)
- Exam sections can be taken in any order
- No separate time limits to pass Core and Discipline
- Candidates don't have the option to pass additional Disciplines
- Discipline passed will not differentiate the license granted



CPA Exam Blueprints: The Operative Document for all CPA Exam Content

Uniform CPA Examination[®] Blueprints

Approved by the Board of Examiners
American Institute of CPAs
Dec. 1, 2022

Effective date: January 2024



Content Organization &
Weighting



Skill Allocation
& Weighting



Representative
Tasks



References

Focus on Data and Technology

- A focus on understanding how data is structured and information flows through underlying IT systems and business processes.
- Determining methods to transform data to make it useful for decision-making.
- Verifying the completeness and accuracy of source data.
- Using the outputs of automated tools, visualizations, and data analytic techniques to:
 - Assist in risk assessment or to complete planned procedures.
 - Prepare financial statement, account analysis, tax returns, supporting schedules.
 - Identify patterns, trends and correlations to explain an entity's results.

CPA Evolution Student Pulse Survey Results

CPA Evolution Pulse Survey

The CPA Evolution initiative is transforming the Certified Public Accountant (CPA) licensure model, where all candidates will be required to pass three Core Exam sections covering: Auditing and Attestation (AUD); Financial Accounting and Reporting (FAR); and Taxation and Regulation (REG). Each candidate will also choose one Discipline (i.e., Business Analysis and Reporting (BAR), Information Systems and Controls (ISC), or Tax Compliance and Planning (TCP)) to demonstrate knowledge and skills in that particular domain. Regardless of a candidate's chosen Discipline, the CPA Evolution model leads to CPA licensure, with rights, privileges, and responsibilities consistent with the present CPA license.

The CPA Evolution-aligned Uniform CPA Examination® will launch in January 2024.

Thank you for your interest in this survey. This survey will refer to the [Exposure Draft Maintaining the Relevance of the Uniform CPA Examination®](#).

Student pulse survey: How familiar are you with CPA Evolution?

	2023	2022	2021
Very familiar	19%	7%	11%
Somewhat familiar	47%	40%	32%
Not very familiar	18%	30%	29%
Not at all familiar	16%	23%	28%

Student pulse survey: How does CPA Evolution influence your interest in CPA ?

	2023	2022	2021
Significantly increase	13%	9%	0%
Somewhat increase	19%	20%	34%
No change	55%	62%	54%
Somewhat decrease	11%	7%	9%
Significantly decrease	2%	2%	3%

Which discipline are students most likely to select?

- All three disciplines developed under rigorous standards
- Based on their interests and preparation, students may find one discipline more attractive than another
- Students should pursue the discipline that best aligns with their intended area of practice



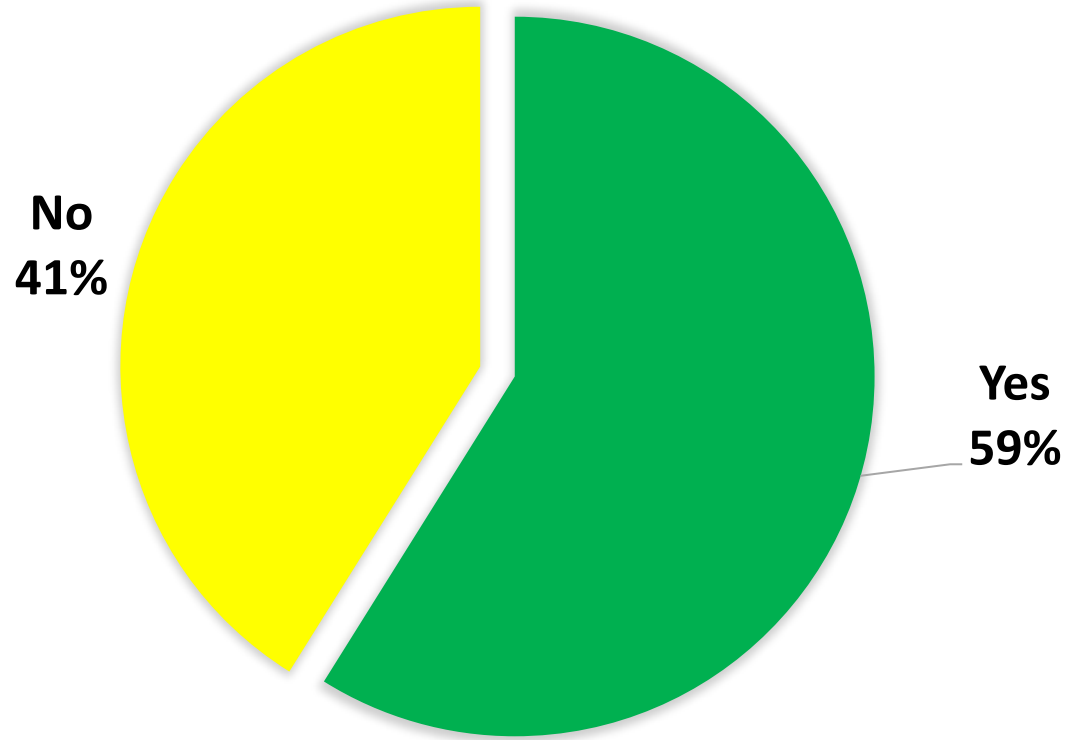
Student pulse survey: Which discipline would you be most likely to select?

	2023	2022	2021
BAR	41%	51%	54%
ISC	19%	21%	24%
TCP	40%	28%	22%

Student pulse survey: Which discipline would you be most likely to select? (Accounting majors with a minor or dual major in tech)

	2023	2022	2021
BAR	30%	46%	38%
ISC	70%	45%	62%
TCP	0%	9%	0%

Faculty pulse survey:
Have you reviewed
the Practice Analysis
Final Report,
including the 2024
CPA Exam
Blueprints?



Faculty pulse survey: Do you expect that alterations to your accounting program based on the CPA Evolution-aligned Exam will cause your accounting program's enrollments to:

	2023	2022
Increase	18%	18%
Stay the same	73%	71%
Decrease	9%	11%

Faculty pulse survey: What percentage of your students will pursue each discipline?

	2023	2022	2021
BAR	58%	53%	43%
ISC	16%	19%	22%
TCP	26%	28%	35%

Faculty pulse survey: Under CPA Evolution, what percentage of your students do you expect to sit for the CPA Evolution-aligned Exam?

	2023	2022
Sit for CPA Exam	60%	58%
Not sit for CPA Exam	40%	42%

Faculty pulse survey: Why might some of your students not sit for the CPA Evolution aligned Exam? (Select the most important reason.)

	2023	2022
Students not interested in a career in public accounting	44%	31%
Not required by prospective employer	16%	16%
Lack of work life balance	10%	2%
Students plan to complete the CPA Exam prior to the Exam changes in 2024	10%	5%
Too difficult to pass CPA exam	8%	10%
Starting salaries for new hires in public accounting	6%	15%
Additional cost of required credit hours for CPA licensure	5%	9%
Cost of review course / CPA Exam preparation	0%	8%
Other	2%	5%

ESG

Student pulse survey: How does working with ESG concepts affect your interest in a career in accounting?

	2023	2022
Significantly increase	16%	14%
Somewhat increase	20%	27%
No change	50%	48%
Somewhat decrease	10%	8%
Significantly decrease	4%	3%

Faculty pulse survey: Will your college or university's accounting program offer courses or coursework related to ESG topics?

	2023	2022
Yes, we will be adding or altering the content presented in existing courses to incorporate ESG Concepts	29%	25%
Not sure	26%	39%
No, we will not be making changes to incorporate ESG	24%	18%
Yes, we currently offer or will be offering courses related to ESG	21%	18%

Faculty pulse survey: In which areas under ESG do you currently offer or plan to offer courses or coursework?

	2023	2022
Social, for example, Diversity, Equity, Inclusion	34%	29%
Governance, for example cybersecurity and executive compensation	30%	33%
Environmental, for example carbon accounting/greenhouse gas emissions	28%	32%
Other	8%	6%

Faculty pulse survey: What challenges does your college or university face in preparing students for ESG?

	2023	2022
Accounting program enrollment will not support creation of new courses	35%	33%
Faculty who are qualified to teach ESG topics are unavailable	24%	19%
Faculty lack the capacity to update the curriculum	21%	23%
Lack of support from your business dean	10%	6%
Textbooks addressing ESG are unavailable	0%	13%
Other	10%	6%



Thank you

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