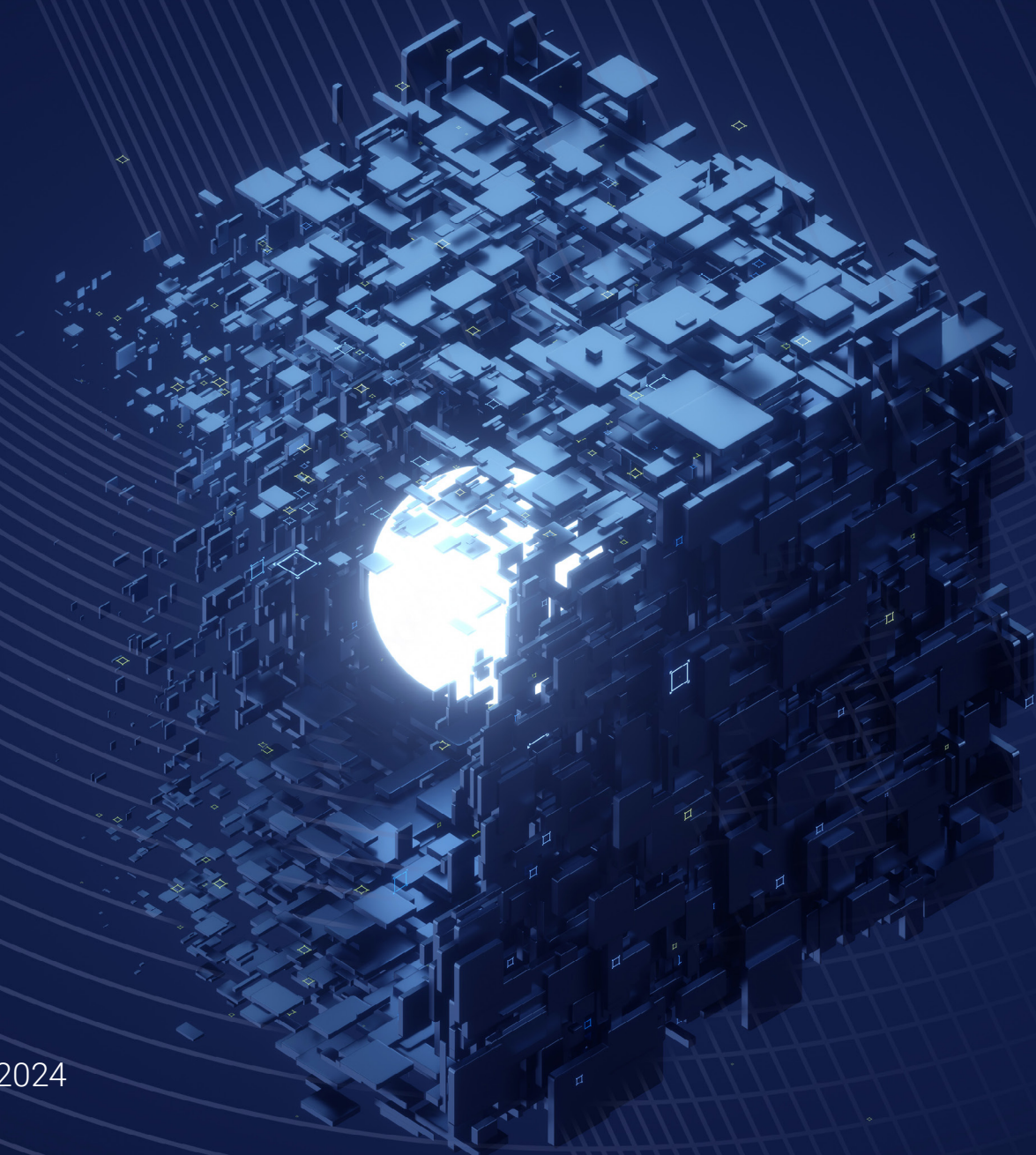




NASBA

CPA Evolution:

*New CPA
Licensure Model*



Coming January 2024

Background

The [CPA Evolution initiative](#) aims to transform the CPA licensure model to recognize the rapidly changing skills and competencies the practice of accounting requires today and will require in the future. It is a joint effort of the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs® (AICPA®).

Based on the feedback received from over 3,000 stakeholders, NASBA and the AICPA developed a new model for CPA licensure, which will go into effect in January 2024. The AICPA Governing Council and the NASBA Board of Directors both voted to support advancing the CPA Evolution initiative.

The changing profession

Stakeholder feedback, results of the most recent Uniform CPA Examination® (CPA Exam). Practice Analysis and other research show that the body of knowledge required of newly licensed CPAs is growing rapidly.

Additionally, procedures that licensed CPAs historically perform are being automated, offshored or performed by paraprofessionals. Now, entry-level CPAs are handling procedures that require deeper critical thinking, problem-solving and professional judgment. Responsibilities that were traditionally assigned to more experienced professionals are being pushed down to the staff level. As a result, newly licensed CPAs need to know more than ever before to meet the needs of practice. To protect the public, the CPA licensure model must reflect these changes.

The examination and education requirements of our current model do not cover all of the knowledge CPAs need in today's professional environment. As the knowledge required of newly licensed CPAs continues to increase over time, we could:

- Stretch the examination and education requirements to cover a greater range of material with less depth, which would water down the requirements for licensure;
- Expand the number of examination and curriculum hours as the body of knowledge continues to grow, which would increase barriers to entry for the profession and ultimately prove unsustainable;
- Or find an alternative solution.

Body of knowledge for newly licensed CPAs growing rapidly

Compared to 1980, today there are:

3X As many pages in the Internal Revenue Code

4X As many accounting standards

5X As many auditing standards

Demands of practice require deeper skill sets

- Critical thinking
- Professional judgment/skepticism
- Problem-solving
- Understanding of business systems, controls, risk
- Data management and analysis
- SOC engagements

Stakeholder engagement

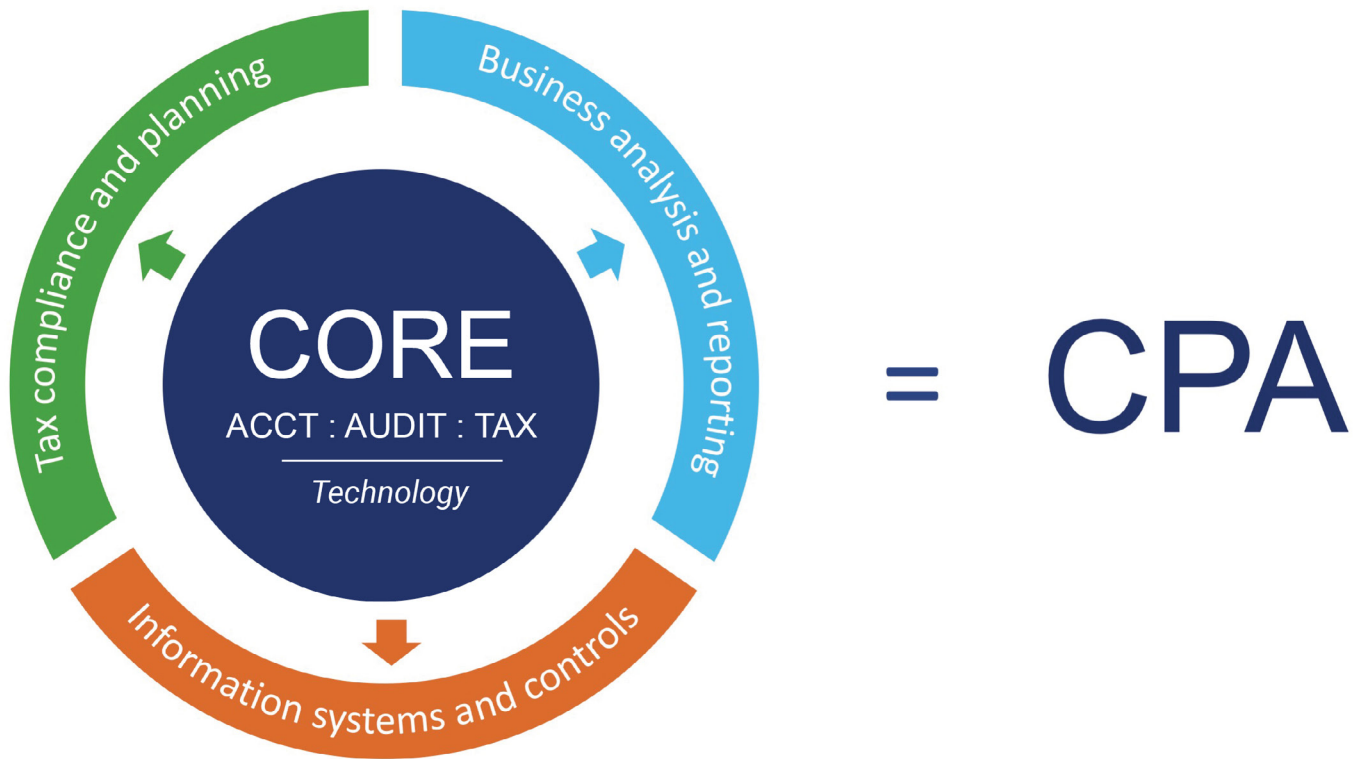
Over three years, NASBA and the AICPA talked to more than 3,000 stakeholders from across the profession to gather input on how to transform CPA licensure. Here is some of the feedback we received:

- The profession agrees with the need to change the CPA licensure model
- Newly licensed CPAs should all demonstrate strong common core competencies
- The new CPA licensure model should position CPAs for the future
- The new CPA licensure model should protect the public interest

Stakeholders we talked to:

- AICPA Council
- Boards of Accountancy
- State CPA societies
- Firms of all sizes
- Academia
- Volunteer committees
- Federal regulators
- Students
- Technology experts
- CPAs in business and industry





New CPA licensure model: Expected to launch in 2024

In Fall 2019, NASBA and the AICPA carefully reviewed all of the feedback received, studied other professions' licensure models and considered multiple options for updates to the CPA licensure model before developing the approach presented in the above image. We have begun planning for the launch of a new CPA Exam in January 2024.

We believe this approach is responsive to stakeholder input while still propelling the profession into the future. The new model is a core + disciplines licensure model. The model starts with a deep and strong core in accounting, auditing and tax, with a recognition of the impact technology has on each. All candidates will be required to complete the core sections. Then, each candidate will choose a discipline in which to

demonstrate more skills and knowledge. Regardless of chosen discipline, this model leads to full CPA licensure, with rights and privileges consistent with any other CPA. The discipline selected for testing does not mean the CPA is limited to that practice area.

This model:

- Enhances public protection by producing candidates who have the deep knowledge necessary to perform high-quality work, meeting the needs of organizations, firms and the public
- Is responsive to feedback, as it builds accounting, auditing, tax and technology knowledge requirements into a robust common core
- Reflects the realities of practice, requiring deeper proven knowledge in one of three disciplines that are pillars of the profession
- Is adaptive and flexible, helping to future-proof the CPA as the profession continues to evolve
- Results in one CPA license



What's next

With a multi-year effort underway to implement the licensure model, the goal is to launch a new CPA Exam in January 2024.

To help colleges and universities prepare students for the demands of professional practice and future CPA Exam changes, educators and practitioners are guiding the development of an [AICPA-NASBA model curriculum](#) aligned with the CPA Evolution model. The team plans to publish the curriculum in June 2021. For educator-specific inquiries, contact the AICPA Academic team at academics@aicpa.org.

Through their [Academic Resource Hub](#) (ARH), the team provides access to Faculty Hour webcasts and an educator database that contains a variety of content for use in the classroom, including cases, simulations, videos, articles and more.

The AICPA Examinations team began a new practice analysis to develop a CPA Evolution-aligned CPA Exam, which will be announced in January 2023. In the coming months, the team will periodically share details about the development of proposed content and topics to be included in the core and discipline sections of the CPA Exam as well as solicit stakeholder feedback.

For more information, visit [EvolutionofCPA.org](https://www.aicpa.org/evolutionofcpa)
or contact Feedback@EvolutionofCPA.org.



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