

NEW YORK STATE BOARD FOR PUBLIC ACCOUNTANCY

October 23, 2024

Meeting Agenda New York State Education Department Board Meeting

89 Washington Ave, Room 217, Albany
1411 Broadway 10th Floor, Regents Room, NYC
100 Chestnut Street, Suite 1200, Rochester
333 West Washington Street, Suite 500, Syracuse
8321 Main Street, Williamsville

10:00 a.m. Motion to move to Executive Session

10:30 a.m. Motion to move to Public Session

• Review and approval of minutes of the July 24, 2024 Board Meeting Minutes	Pages 2 – 5
• Board Member Update - Welcome and Farewell	
• Peer Review Oversight Committee – Annual Report	Pages 6 - 18
• Board office update	
• Education Committee <u>Committee Report</u> <ul style="list-style-type: none">○ Recommendation for application deadline for old CPA150 cutoff○ NASBA’s update on Professional Licensure Task Force – CPA Competency Experience Pathway – Guidelines and Uniform Accountancy Act Exposure Draft○ Inventory of Registered Programs for CPA150E	Page 19 Pages 19 – 52 Page 20
• Examination Committee <u>Committee Report</u> <ul style="list-style-type: none">• Score Release and Exam Statistics• Prometric test center – NYC Mega Center• Updated Form 3 – Certification of Out-of-State Licensure and Examination Grades• Extension Requests○ Exam Review Board Survey	Pages 53; 55 – 59 Page 54 Pages 54; 60 - 61 Page 55 Pages 62 - 63
• Practice Committee – No activities	
• Ad Hoc Education and Practice Committee	
• NASBA <ul style="list-style-type: none">○ NASBA Annual Meeting – Oct 2024	Pages 64 - 68
• New Business	
• Upcoming Meeting Date – January 29, 2025 – Authorized Video Locations	

NEW YORK STATE BOARD FOR PUBLIC ACCOUNTANCY

July 24, 2024

Meeting Minutes New York State Education Department Board Meeting

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1411 Broadway, 10th Floor, Regents Room, NYC
100 Chestnut Street, Suite 1200, Rochester
8321 Main Street, Williamsville

Chair Ms. Cohen called the meeting to order at 10:00 a.m.

<u>The following members were present:</u>	
Charles Abraham, CPA (NYC)	John Lauchert, CPA (Albany)
Anthony Bracco, CPA (NYC)	Danilsa Lopez, CPA (NYC)
Alexander Buchholz, CPA (NYC)	Joseph Maffia, CPA (NYC)
Elizabeth Bush, CPA (Rochester)	Maria Moran, CPA (Albany)
Ann Burstein Cohen, CPA (Buffalo)	Charles Pezzino, CPA (Buffalo)
Crisy Geerholt (Albany)	Kevin Richards, CPA (NYC)
Gretchen Guenther-Collins, CPA (Albany)	Thomas Sciametta, CPA (NYC)
Rose Hu, CPA (Buffalo)	James Schnell, CPA (Rochester)
Brian Krist, Esq (NYC)	Shelly Taleporos, CPA (Albany)
<u>Members absent:</u> Carney AuYeung, CPA Anthony Basile, CPA	

Others in attendance:

Jennifer Winters, Executive Secretary, NYSED (NYC)
Julie McLoughlin, NYSED (Albany)
D. Edward Martin, CPA - Extended Board Member (NYC)

Public Session only:

Casey Fenton, Ostroff Associates, Inc. (Albany)
Ruth Singleton, NYSSCPA (NYC)
Calvin Harris, NYSSCPA (NYC)
Debra Cutler, Cutler Forensics (NYC)

The Board moved into Executive Session at 10:00 a.m., based on a motion made by Ms. Moran and seconded by Mr. Lauchert. The Board discussed the disciplinary processes for restorations, ex parte communication, and continuing education approval. The Board reviewed the disciplinary cases.

Executive Session adjourned at 10:43 a.m. based on a motion made by Ms. Hu and seconded by Mr. Abraham. The Chair moved the Board into Public Session at 10:50 a.m. based on a motion by Ms. Moran and seconded by Ms. Hu.

Review and Approval of Minutes

Based on a motion made by Ms. Moran and seconded by Mr. Krist, the Board unanimously approved the minutes of the April 25th, 2024, Board meeting.

Board Member Update

Although Ms. AuYeung was unable to attend her last meeting, Ms. Winters thanked her for her service and noted that she will continue to participate in the disciplinary cases as an extended board member. Ms. Cohen thanked Ms. AuYeung for her assistance with the vast number of disciplinary cases. Ms. Winters noted that a new board member was appointed by the Regents at their July meeting with an August 1st effective date and will be introduced at the October meeting. There are still board member position openings, so please forward any names to Ms. Winters.

Board Office and Office of Professions Update

Ms. Winters reported that one of the two staff for the Education Program Assistant 1 position has left and taken a promotion. The position will be posted, and recruitment will be conducted. Ms. Winters announced that Ms. McLoughlin was promoted to the Associate in Professional Education position. The Board congratulated Ms. McLoughlin and noted that this was a well-deserved promotion.

Due to the staffing changes, a backlog of applications has remained steady with applications being processed from the end of June.

In following up to the report from last meeting with the new Deputy and Assistant Commissioner for the Office of the Professions, Ms. Winters reported that there is a new Executive Coordinator position for the Executive Secretaries.

As a follow up to the prior meeting, Ms. Winters noted that with the recent passage of the NYS Budget it extended the Public Officers Open Meetings Law to allow open meetings at remote locations. The open meeting locations can only be those that are posted on the agenda.

Firm Registration – Ms. Winters reported that the board office staff are assisting the Division of Professional Licensing Services' Professional Corporations Unit to contact the firms that have expired registrations. The board staff have sent a letter to the firms to have the firm re-registered to current or properly close the firm. The initial project was initiated by the lack of mailing of the firm forms during COVID. There have been approximately 2600 firm mailings thus far that were for firms not registered prior to July 2021. There are an additional 1800 firm mailings for firms not registered from August 2021 to 2024.

Regulatory Update – No regulatory updates were noted other than an inquiry from a higher education institution to change the education requirements for licensure.

Education Committee

Ms. Hu reported that as a result of the new business item from last meeting, the Education Committee met to discuss the inquiries about the deadline date of August 1, 2027 and meeting the licensure requirements. The Education Committee discussed the transition details and made a recommendation to modify the website to add a deadline for submission of the application materials for the applicant to become licensed prior to August 1, 2027. The suggested proposal should allow enough time for processing and notifies the applicants to submit the application materials in advance. Focusing on the regulatory language that indicates the individual must be licensed prior to August 1, 2027, it is unlikely someone can be reviewed and approved for licensure in one day, for example.

Based on a motion by Ms. Moran and seconded by Ms. Taleporos, the board unanimously approved the Education Committee's recommendation to add the additional website language regarding the submission of materials by May 1, 2027.

Ms. Hu reported that the Education Committee is continuing to monitor the NASBA's Professional Licensure Task Force Concept exposure proposal of the Equivalent Licensure Model for professional licensure called the Structured Professional Program (SPP). No further information or developments have been made available to the State Boards since the last Board meeting. Ms. Hu noted that NASBA anticipates releasing Uniform Accountancy Act language in September. The Education Committee will be prepared to convene, as necessary, to review and analyze the proposed language.

Other areas for monitoring are other states that are proposing a 120 semester hours and 2 years experience pathway separate from the SPP.

If the SPP or 120 semester hours and 2 years experience pathway, moves forward the matters for consideration by the Board with recommendations to the Department for consideration:

- Impacts on practice privilege / mobility. Including licensees from other states practicing in New York. Likewise, NY licensees practicing in other states. Disruption to mobility will cause more disruption of services to the public. The profession would be going backwards with adopting models that "undo" mobility / practice privilege.
- Impacts on endorsement applicants if states begin changing the pathways to licensure. Disruption to the endorsement pathway would require increased monitoring of states adoption of certain pathways for endorsement eligibility.
- Impacts on NASBA being the sole entity to create, determine, evaluate the experience under the SPP.
- Impacts on NASBA's determinations of substantial equivalency if a state does not opt into the SPP and creates their own alternative model or version of SPP.

Ms. Hu reported that the AICPA released a draft report from the National Pipeline Advisory Group and reviewed a few topics of concern associated with licensure. Ms. Hu noted that the Education and Exam Committees will continue to monitor the developments when the final report is released.

Ms. Cohen updated the board regarding the Experience, Learn, and Earn initiative that was launched. There are 34 individuals participating in the initiative in the Spring, 98 individuals were registered in the Summer. Ms. Hu noted that there is a focus of business courses as the Tulane School of Professional Advancement does not have accounting course work. Ms. Cohen reported that additional firms across several states are anticipated to participate in the Fall session.

Ms. Winters updated the board regarding the proposals that have been submitted regarding the 150E education requirements. She noted that there were a few more programs approved by the Board, and several others under review, however, no new programs have been posted to the website listing as they need to go through final review and approval by the Professional Education Program Review team. This will be a continuing item and will be reported on at the next meeting.

Examination Committee

Mr. Abraham reported on the implementation of the new exam and the changes to the systems required to accept the new exam sections.

Per reference of the analysis in the board packet, Mr. Abraham made note of the data regarding the new discipline sections and in particular highlighted the pass rates. The Board commented on the higher pass

rate of the Taxation Compliance and Planning section.

Mr. Abraham reported on the NYC Mega Center closure due to the flooding. There will be temporary test center sites opened during the closure.

Mr. Abraham noted that the CPA examination is now offered in the Philippines.

Since the previous board meeting Mr. Abraham provided a report on the examination extension requests.

Mr. Abraham noted that the exam fees have increased per the letter from NASBA.

Practice Committee

Mr. Bracco reported that the non-CPA ownership legislation was effective. Ms. Winters noted the firm form changes that were made per the Division of Professional Licensing Services (DPLS) and the website changes included in the board packet.

Mr. Bracco reported on the scope of practice determination for an inactive request by the sub-committee.

NASBA

Ms. Winters and Ms. Cohen provided a brief recap of the Eastern Regional Meeting which had been mentioned several times during the meeting.

Ms. Winters, Ms. Cohen, and Ms. Moran are awaiting their approval to attend the NASBA Annual meeting held in October 2024.

Ms. Cohen stated that NASBA will be providing a virtual presentation on Private Equity ownership on August 8th and encouraged the Board to attend.

The next board meeting will be held on October 23, 2024, board meeting will be held at several public locations via video conference.

With no new business, the public session adjourned at 12:21 p.m. based on a motion made by Mr. Maffia and seconded by Mr. Pezzino.

Respectfully submitted,

Jennifer B. Winters, CPA
Executive Secretary

2023

NEW YORK STATE

PEER REVIEW OVERSIGHT COMMITTEE

ANNUAL REPORT

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I. Message from the Committee

The timing of this year's report covers the time period January 1, 2023 to December 31, 2023. The Pennsylvania Institute of CPAs (PICPA), the administering entity (AE) for most New York firms, continued remote operations for most of the year. PICPA continued its policy of providing limited information as part of adhering to Chapter 3 of the AICPA Peer Review Standards. Peer Review Oversight Committee (PROC) staff continued to find sources of information to allow the PROC to continue to monitor firms.

As reported in the 2021 and 2022 reports, the changes to the Commissioner's Regulations and the Board of Regents Rules were adopted by the Regents, which allowed the PROC to make significantly more referrals to the Office of Professional Discipline throughout 2023. These changes have provided the PROC with additional tools to improve firm compliance with the Mandatory Peer Review Program.

The Peer Review Integrated Management Program (PRIMA) data and utilization issues continued, and as a result, posted information by AEs is not timely, and in some cases inaccurate. PROC staff continue to submit "tickets" to the AICPA and PICPA to correct information in PRIMA.

During 2023, with recent rules and regulations, the PROC continued to monitor the administering entity (PICPA), other AEs, and firms to continue to improve the quality of assurance services in New York State.

II. Background

In 2009, the NYS Legislature passed significant changes to laws that regulate Public Accounting in New York. The legislature required the implementation of the Mandatory Quality Review Program (MQRP). The program became effective for firms registering on or after January 1, 2012. Firms in the MQRP are required to undergo a peer review once every three years as a condition of their firm registration renewal. The purpose of the MQRP is to promote quality in the attest services provided by CPAs. The 2009 law required firms with three or more CPAs, providing attest services, to participate in the MQRP.

In the fall of 2017, the NYS Legislature revised the MQRP law. The new legislation repealed the small firm exemption and, therefore, all firms that provide attest services are required to participate in the peer review program. The changes to the law also included a name change of the program from the Mandatory Quality Review Program to "Mandatory Peer Review Program" (MPRP) and the committee from the Quality Review Oversight Committee to the Peer Review Oversight Committee (PROC).

The New York State definition of attest is in the Education Law as follows:
"Attest" means providing the following public accountancy services which all require the independence of licensees:

- a. any audit to be performed in accordance with generally accepted auditing standards or other similar standards, developed by a federal governmental agency, commission or board or a recognized international or national professional accountancy organization, that are acceptable to the department in accordance with the commissioner's regulations;
- b. any review of a financial statement to be performed in accordance with standards, developed by a federal governmental agency, commission or board or a recognized international or national professional accountancy organization, that are acceptable to the department in accordance with the commissioner's regulations;
- c. any examination to be performed in accordance with attestation standards developed by a federal governmental agency, commission or board or a recognized international or national professional accountancy organization, that are acceptable to the department in accordance with the commissioner's regulations; or
- d. any engagement to be performed in accordance with the auditing standards of the public company accounting oversight board.

III. PROC Regulatory Authority and Responsibilities

The PROC derives its regulatory authority from Section 70.10 of the Regulations of the Commissioner (Regulations). In November 2021 the Regulations were permanently amended by the Board of Regents. The purpose of the PROC includes approving and monitoring the Sponsoring Organization, informing, and reporting matters concerning peer review to the Department, assessing, and reporting on the effectiveness of the program, and reviewing individual peer review reports for compliance. Following the amendments to the Regulations, the PROC has the responsibility to:

- receive and approve administration plans from entities applying to be sponsoring organizations;
- monitor sponsoring organizations to provide reasonable assurance that the sponsoring organization is conducting the peer review program in accordance with the peer review standards;
- inform the Department of any issues and/or problems relating to the peer review program which may require the Department's intervention;
- annually report to the Department as to whether each sponsoring organization meets the standards necessary to continue as an approved sponsoring organization;
- annually assess the effectiveness of the peer review program;
- annually report to the Department on any recommended modifications to the peer review program;
- review each peer review report submitted by a firm, as part of its registration or renewal of its registration, to determine whether the firm is complying with applicable professional standards.
- where applicable, the PROC may refer firms that are not in compliance with applicable standards to the Office of Professional Discipline pursuant to Education Law section 6510; and
- ensure that any documents received from a firm or reviewer remain confidential and not constitute a public record, unless such document is admitted into evidence in a hearing held by the Department.

Additionally, a new subdivision (j) of the Board of Regents Rules Part 29, Unprofessional Conduct, Section 29.10, Special Provisions for the Profession for Public Accountancy (Rules) was adopted as it relates to the Mandatory Peer Review Program.

The Rules define unprofessional conduct as follows:

- failure to cooperate with the peer review process;
- making a false, fraudulent, misleading or deceptive statement, as part of, or in support of, a firm's peer review reporting;
- a firm's termination or expulsion from the peer review program;
- failure of a firm and its licensees to follow the peer review process and complete any remedial actions required;
- failure of a firm to provide access to its peer review information, as required by subdivision (j) of section 70.10 of the Regulations of the Commissioner.

IV. PROC Recognized Peer Review Program Providers

The American Institute of Certified Public Accountants (AICPA) is currently the only Peer Review Program Provider (sponsoring organization) that is acceptable to the PROC. The PROC accepts all AICPA approved organizations (administering entities) that are authorized to administer the AICPA Peer Review Program. The AICPA's Peer Review Board (PRB) is responsible for maintaining, furthering, and governing the activities of the AICPA's Peer Review Program, including the issuance of peer review standards, and peer review guidance. The Peer Review Program provides for a triennial review of a firm's accounting and auditing practice. The review is performed by a peer reviewer who is unaffiliated with the firm being reviewed. The goal of the program is to monitor and enhance quality, and conformity with professional standards.

There are two types of peer reviews. System reviews are designed for firms that perform audits or other attest engagements. Engagement reviews are for firms that do not perform audits but perform other engagements such as compilations and/or reviews. Firms can receive a rating of pass, pass with deficiency, or fail. Firms that receive ratings of pass with deficiency or fail must perform corrective actions.

Entities that are currently acceptable to administer the peer review program in New York State are:

- Pennsylvania Institute of CPAs (PICPA) – As of March 15, 2018, PICPA administers the AICPA Peer Review Program for the majority of New York firms. Prior to this date, the New York State Society of CPAs (NYSSCPA) administered the peer review program for most NY firms. As the administering entity, PICPA is responsible for ensuring that peer reviews are performed in accordance with the AICPA's Standards. The PICPA Peer Review Committee (PRC) monitors the administration, acceptance, and completion of peer reviews.
- National Peer Review Committee (NPRC) -The AICPA also administers a peer review program through the National Peer Review Committee for firms required to be registered with and/or inspected by the Public Company Accounting Oversight Board (PCAOB) or perform audits of non-Securities and Exchange Commission (SEC) issuers pursuant to the standards of the PCAOB.
- Other State Societies and Organizations - New York registered accountancy firms are allowed to have their peer review administered by an AICPA approved administering entity in another state. The AICPA maintains the listing of the administering entities assigned to each state.

V. Committee Members and Staff

The PROC consists of six members who are appointed by the NYS Board of Regents for five-year terms and may serve up to two terms. At least five members must be licensed CPAs and the sixth member may be a public member or a licensed CPA. Additionally, PROC members cannot be members of the State Board for Public Accountancy or one of its committees.

During 2023 we had several member changes. Ms. MacKrell completed her second, five-year term. Mr. Iles assumed the role of the Vice Chair after Ms. MacKrell. The Committee welcomed Mr. Neyman as a new member in 2023.

Licensed members must be certified public accountants licensed in New York State and hold current registrations with the Department. If a public member is appointed to the PROC, he or she must have received or used the services provided by CPAs.

<u>Member Name:</u>	<u>Member Term:</u>
David Iles, CPA Vice Chair	Oct 1, 2020 – Sep 30, 2025 (Second term)
Mary MacKrell, CPA Vice Chair	Mar 1, 2018 – Feb 28, 2023 (Second term)
Mitchell Mertz, CPA	Jun 1, 2021 – May 31, 2026 (First term)
Andrew Neyman	May 1, 2023 – Apr 30, 2028 (First term)
David Pitcher, CPA	Dec 1, 2019 – Nov 30, 2024 (First term)
Grace Singer, CPA	Feb 1, 2019 – Jan 31, 2024 (First term)
Frank S. Venezia, CPA Chair	Apr 1, 2020 – Mar 31, 2025 (Second term*)

*Frank Venezia served an initial 3-year term at the inception of the program. This is his second, 5-year term.

Staff of the PROC – The PROC has three staff members, the Executive Secretary and Auditor 1 and 2 who support its efforts in effectively carrying out its duties and responsibilities. The Executive Secretary, Jennifer Winters, is the lead staff liaison for the members. The Auditor 2 position was filled with Thomas Cordell in August 2019. The Auditor 1, Philip Jesmonth, has been in the position since November 2015.

The volunteer members of the PROC rely on the support of the staff to conduct its meetings and handle routine firm matters related to peer review. The staff review the firms' annual statement on peer review compliance, compile the information on the firms that are monitored, and communicate outstanding matters with the firms on behalf of the volunteer PROC members.

VI. Statistics: This year's report includes the calendar year, note the timing of the reported data for prior years*. The following statistics were obtained from the PRIMA system.

	Jan 1, 2020 to Dec 31, 2020				Jan 1, 2021 to Dec 31, 2021				Jan 1, 2022 to Dec 31, 2022				Jan 1, 2023 to Dec 31, 2023						
	NYSSCPA/ PICPA		NPRC		PICPA		NPRC		PICPA		NPRC		PICPA		NPRC				
<u>System Reviews</u>																			
Pass	202	65%	25	86%	196	75%	36	95%	143	63%	19	76%	157	69%	20	87%			
Pass with deficiencies	55	18%	1	4%	45	17%	2	5%	46	20%	2	8%	38	17%	2	9%			
Fail	53	17%	3	10%	20	8%	0	0%	39	17%	4	16%	33	14%	1	4%			
Subtotal – System	310		29		261		38		228		25		228		23				
<u>Engagement Reviews</u>																			
Pass	86	78%				162	88%				137	85%				110	84%		
Pass with deficiencies	16	14%				13	7%				17	11%				12	9%		
Fail	9	8%				9	5%				7	4%				9	7%		
Subtotal – Engagement	111					184					161					131			
Total System & Engagement	450				483				414				382						

VII. Meetings, Accomplishments and Advocacy Efforts

Following are the meetings, accomplishments, and advocacy efforts in 2023.

a. Committee Meetings - The PROC holds meetings to conduct business and report to the Department regarding the effectiveness of the mandatory peer review program. Minutes from each public meeting are available upon request.

Since the last annual report was issued, the PROC has held the following meetings in 2023:

- February 1st
- May 17th
- August 9th
- October 24th

On July 26, 2023, the Chair of the PROC attended the State Board for Public Accountancy's Board meeting to present its 2022 Annual Report.

b. Oversight Reports from the AICPA on the Administering Entities (AE) - The Committee reviewed the AICPA Oversight Reports on the Administering Entities.

c. Oversight of the Peer Review Committee (PRC) and Report Acceptance Body (RAB) of PICPA - To continue the Committee's monitoring of the sponsoring organization, Ms. Singer attended a PRC meeting on May 23, 2023, and Mr. Pitcher attended a RAB meeting on July 20, 2023.

The PROC members who attended these meetings unanimously agreed the program is run by dedicated professionals in accordance with the AICPA standards. Based on the report from the members who attended the meetings, the PROC agreed that the PRC is well informed and engaged in the process and the RAB meetings are organized and well run. The conclusion regarding the PRC oversight by the PROC members was that the peer review program was administered in accordance with the AICPA standards.

d. Guidance – In 2023, the PROC made recommendations to the Department to modify the Frequently Asked Questions on the website for additional clarity and guidance on the Mandatory Peer Review Program.

e. PCAOB - At the February meeting the Committee reviewed and discussed the PCAOB's report on a Firm's System of Quality Control and other Amendments to PCAOB Standards, Rules, and Forms. At the May meeting the Committee briefly reviewed the PCAOB annual report.

f. AICPA Peer Review Board (PRB) Open Meetings - The PROC monitors the AICPA's PRB's public sessions throughout the year. PROC members and staff attend these meetings via teleconference and report back to the full PROC. The sessions are informative and allow for an exchange of ideas and practices across state lines. The following PRB meetings were attended in 2023:

- February 8th
- May 3rd
- November 16th

Committee members Iles, Pitcher, and Singer attended the AICPA Peer Review Conference in August 2023. At the Committee's October meeting they provided a recap of the conference.

g. Monitoring of Firms in Peer Review - The PROC monitors firms throughout the remediation phase of their peer review, where applicable. Firms are informed by letter that the PROC is monitoring their remediation progress and are required to acknowledge receipt of the letter. Remediation is considered complete when the peer review is accepted as complete by the respective Peer Review Committee. The PROC also monitors the firms that have dropped out of the program and those that are terminated by the program. The determination to monitor, continue to monitor, or remove from monitoring is done at the PROC meetings in executive session.

System and Engagement Reviews that have a rating of fail or pass with deficiencies are monitored by the PROC. During 2023, the PROC has monitored 227 firms, including firms that have been carried over from the prior year. During this time, 115 of these firms had their peer reviews accepted as complete, while 112 firms are still being actively monitored.

h. As part of the changes to the regulations previously mentioned, the PROC has increased the number of referrals to the Office of Professional Discipline.

i. The Committee drafted an outline of PROC monitoring and review procedures that was added to the members only Sharepoint site.

VIII. Recommendations

The PROC recommends that the Department continue its monitoring effort of the Mandatory Peer Review Program.

IX. Conclusions

Based on its oversight activities, the PROC concluded that the Pennsylvania Institute of Certified Public Accountants has been an effective administrator as it performs the majority of the peer reviews of New York public accountancy firms that are subject to the Mandatory Peer Review Program's (MPRP). The PROC has established a monitoring and oversight role utilizing the Facilitated State Board Access system; however, the AICPA's Chapter 3 of the AICPA Peer Review Standards continue to impede our monitoring and oversight efforts. The lack of cooperation and transparency by the AICPA makes it difficult to obtain timely information about the status of a firm's peer review during our monitoring efforts. This is especially true when a firm is not in compliance with the three-year peer review cycle that is required of the MPRP in the New York State Education Law. The PROC continues to express concern with the transparency issues that continue to impede our mission to protect the public interest in New York State.

Education Committee Report

The Education Committee met on October 7, 2024

Item #1

Follow up to previous recommendation to include the deadline for submission of application materials to meet the old 150 semester hour education requirements. Department accepted the recommendation and posted a slightly different version.

Education Requirements

The Form 2 - Certification of Professional Education and/or transcripts must be submitted directly by the educational institution that you attended to the address listed on the Form 2.

150-Semester Hour Pathway

Prior to August 1, 2027: 150-Semester Hour Pathway

This pathway will be phased out on August 1, 2027 and applicants must complete the licensing process (including Education, Examination, and Experience Requirements) before this date. In order to ensure timely review of the application and a license to be issued, all materials for licensure should be submitted by May 1, 2027.

Applicants who do not complete the licensing process by August 1, 2027 will need to comply with the 150E-semester hour pathway outlined below.

Item #2

The NASBA initiative CPA Competency Experience Pathway was released along with the Uniform Accountancy Act (formerly known as Structured Professional Program). See supplemental information for background information.

The initiative (initiative) has a due date of December 6, 2024 for comments and the Uniform Accountancy Act model rules language has a deadline of December 31, 2024. The Education Committee met and prepared a draft comment letter for the Board consideration. See attached for discussion and consideration to submit to NASBA.

Matters for consideration in monitoring the developments include:

- Impacts on practice privilege / mobility. Including licensees from other states practicing in New York. Likewise, NY licensees practicing in other states. Disruption to mobility will cause more disruption of services to the public. The profession would be going backwards with adopting models that “undo” mobility / practice privilege.

- Impacts on endorsement applicants if states begin changing the pathways to licensure. Disruption to the endorsement pathway would require increased monitoring of states adoption of certain pathways for endorsement eligibility.
- Impacts on NASBA being the sole entity to create, determine, evaluate the experience under the initiative.
- Impacts on NASBA's determinations of substantial equivalency if a state does not opt into the initiative and creates their own alternative model or version of the competency experience model.

Some items will be assessed by the Ad Hoc Education and Practice committee members.

Item 3

Inventory of registered programs for the revised CPA150E requirements:

- 11 registered on website, 1 sent for final approval
- 15 additional under review with 5 that replied and are pending a re-review
- 3 new programs pending initial review



NASBA

Exposure Draft

CPA Competency-Based Experience Pathway

Issued September 12, 2024

Comments are requested by December 6, 2024

Contents

1	Explanatory Memorandum
3	Comment Period Guide
5	Introduction to the CPA Competency-Based Experience Pathway
12	Appendix

Explanatory Memorandum

Introduction

This memorandum summarizes a proposed solution to help CPA candidates meet the requirements for initial licensure. Jointly developed by the American Institute of CPAs (AICPA) and National Association of State Boards of Accountancy (NASBA), the “CPA Competency-Based Experience Pathway” (Pathway) aims to provide flexibility for candidates without compromising the rigor needed to protect the public. This additional option would not replace existing pathways to licensure, but instead respond to market changes and expand opportunities for the next generation of accountants.

Under this Pathway, CPA candidates could meet initial licensing requirements by exhibiting their competency in specific professional and technical areas. For example, professional competencies include ethical behavior, critical thinking skills, and effective communication. Technical competencies include options in audit and assurance services, tax engagements, and financial reporting. **These candidates would still be required to earn a bachelor’s degree, complete one year of general experience, and pass the CPA Exam.**

EQUIVALENT TO 150 HOURS

Bachelor’s degree	Master’s degree	1 year experience	CPA Exam
Bachelor’s degree	Up to 30 credits	1 year experience	CPA Exam
Bachelor’s degree	Competency-Based Experience Pathway	1 year experience	CPA Exam

The draft Pathway is still in development and requires further evaluation and input from across the profession. We invite you to review the proposal, consider the questions on page 3, and **submit your feedback through [this form](#)**.

Background

Why are AICPA and NASBA exposing this proposal?

AICPA and NASBA believe that a strong pipeline of accounting talent is essential for a robust economy. An ample number of CPAs is also critical to protecting the public. Along with an aging workforce with many CPAs nearing retirement age, there is a need for CPAs with evolving competencies and experiences. Recent years have also seen a steady decline in the number of

accounting graduates and new candidates taking the CPA Exam. The importance of a strong talent pool has led AICPA, NASBA, and other key stakeholders from across the accounting profession to examine root causes of the recent decline in entrants and consider potential initiatives that could address talent challenges.

With this solution, AICPA and NASBA are seeking to address the financial and time constraints some individuals face in completing the education needed post-bachelor's degree to achieve CPA licensure. The Pathway outlined in this proposal would facilitate and supplement an additional pathway to licensure that is responsive to those challenges.

How was this proposal developed?

In November 2023, the [Professional Licensure Task Force](#) (PLTF) was established by NASBA's chair to consider new concepts for CPA licensure that may be included in the Uniform Accountancy Act (UAA) to update the current licensure model. The task force included representatives from NASBA's board of directors, board of accountancy members and executive directors, state CPA society board members and executive leadership, AICPA executive leadership, and NASBA executive leadership. The task force's primary focus was to develop an equivalent pathway to be included in the UAA that focused on enhanced experience for licensure.

Concurrently, AICPA was reviewing various competency models and researching the competencies needed by newly licensed CPAs. In July 2024, the AICPA Council-designated, multistakeholder [National Pipeline Advisory Group](#) (NPAG) recommended moving toward a competency-based CPA licensure model. This pathway represents a first step toward NPAG's goal by incorporating competency-based concepts into the licensure path. Currently, candidates develop or enhance these competencies by either earning a master's or bachelor's degree and up to 30 additional credit hours at an institute of higher learning.

With certain boards of accountancy and state CPA societies evaluating additional pathways with educational requirements at a bachelor's degree or 120 semester credit hours, the AICPA & NASBA UAA Committee elected to pursue equivalent pathways to licensure that could preserve mobility for CPA licensees.

The AICPA and NASBA boards of directors, seeking alignment of these initiatives, agreed to review existing data and develop a potential experience framework for comment. The proposal is based on the [AICPA Foundational Competencies Framework for Aspiring CPAs](#), a Global Accounting Alliance (GAA) competency framework, feedback from firms, on-transcript firm models, and feedback from various stakeholders. Thank you to the NPAG-PLTF and NPAG Substantial Equivalency working groups, which contributed to ongoing conversations about the proposed framework.

How would the main provisions differ from current UAA guidance?

This proposal identifies model competencies that would be exhibited by a candidate during work experience prior to being granted CPA licensure. The proposal also describes how a candidate, the candidate's employer, and boards of accountancy could implement this pathway. Another key goal

includes creating an evergreen framework that can be adapted to the evolution of the profession, as well as regulatory updates at the state level.

How would this pathway be integrated into the UAA?

The UAA is jointly developed by AICPA and NASBA. Changes are approved by the boards of directors of both organizations. The AICPA and NASBA UAA Committee is exploring potential updates that could facilitate adoption of a competency-based pathway. Individual boards of accountancy would determine whether this particular pathway should become an additional option for initial licensure in their jurisdiction.

Who would be affected by this proposal?

This proposal would affect CPA candidates, entities hiring and overseeing candidates' work, and boards of accountancy. More broadly, it would have an impact on the entire accounting ecosystem, including universities and colleges.

When would the amendments be effective?

Adoption and implementation will vary by jurisdiction because some boards of accountancy may need to update their laws and/or rules.

Comment Period Guide

The comment period for this exposure draft ends December 6, 2024.

Respondents are asked to comment on the proposed pathway. Comments are most helpful when they refer to specific paragraphs or sections, include the rationale for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the exposure draft, it would be helpful for the joint committee to be made aware of this viewpoint as well.

Responses should be submitted through [this form](#) by December 6, 2024.

Questions for consideration and comments

1. Is the proposed pathway understandable?
2. Is the proposed framework relevant and applicable to the work of candidates applying for licensure?
3. Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?
4. Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

5. Is it clear that the performance indicators and tasks are *examples* of what a candidate may do to exhibit the competencies, and that candidates may use different performance indicators or tasks to adequately exhibit the competencies?
6. Component 1 discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?
7. Component 2 outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficient?
8. Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?
9. Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?
10. Component 3(b) proposes a maximum of five years to complete the Pathway. Should there be a maximum time frame?
11. Component 3(c) proposes credit for prior work experience. Should there be a maximum time frame for this lookback period?
12. What type of legislative support and time would state boards of accountancy need to implement the framework?
13. What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?
14. If the Pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?
15. Would your board utilize a NASBA electronic tracking system if developed? If not, would your board create its own reporting mechanism?
16. Provide any other comments that you may have.

Introduction to the CPA Competency-Based Experience Pathway

The UAA outlines the education requirements and experience requirements (pathways) for CPA licensure in Sections 5(c) and 5(f), respectively. The UAA Model Rules explaining the provisions of these sections are found in Articles 5 and 6.

The CPA Competency-Based Experience Pathway (the Pathway) would serve as an additional potential pathway that may be prescribed in a revised UAA Section 5. Each pathway is designed to allow a licensure Candidate to obtain the minimum qualification needed to be a CPA and would therefore be sufficient for licensure purposes. This document is intended to describe the pathway that allows for licensure with a bachelor's degree, combined with evidence of competencies exhibited through relevant work experience, and other requirements for licensure detailed in the "Pathway Requirements" section that follows. The Pathway represents an approach to licensure that ensures Candidates build upon the content knowledge and skills obtained during the required education for licensure. Candidates following the Pathway enhance their skills through work experience, either in one or multiple industries and on a paid or voluntary basis. The Pathway uses a model competency framework to guide the "competency-based experience," and the framework could be used by a licensed CPA for certification of exhibited competencies. (See appendixes A and B for the CPA Competency-Based Experience Pathway Framework [the Framework] and the CPA Competency-Based Experience Certification Form).

Pathway Requirements for Licensure

The Pathway has Education, Competency-Based Experience, General Experience, and the CPA Exam requirements (and Ethics, if applicable) for licensure. These requirements — other than education — should be completed in the order specified, if any, by the Candidate's board of accountancy.

A. Education:

1. Candidates must complete a bachelor's degree, fulfilling state board education requirements for accounting and business courses, prior to completing other requirements for licensure under the Pathway.

B. Competency-Based Experience:

1. Competency-Based Experience may consist of providing any type of services or advice using accounting, attestation, compilation, management advisory, financial advisory, tax, or consulting skills. The applicants shall have their experience certified to the board of accountancy by a licensee as defined in the UAA (called a CPA Evaluator).

2. Acceptable Competency-Based Experience shall include employment or volunteer¹ work in industry, government, academia, or public practice. The board of accountancy shall consider such factors as the complexity and diversity of the work.
3. One year of Competency-Based Experience shall consist of full- or part-time employment over a period of no less than 1 and no more than 5 years and includes no fewer than 2,000 hours of performance of services described previously in B(1). These 2,000 hours of performance may be earned in a period of less than one year, but the Candidate will not have met this requirement until completion of at least 1 year of employment. See General Experience requirement C(2) below for guidance when a Candidate needs more than 1 year or more than 2,000 hours of performance to complete the Competency-Based Experience.
4. Internship credit earned toward the bachelor's degree will not be allowed for Competency-Based Experience hours.
5. Candidates work with CPA Evaluators to ensure that the Candidates exhibit the competencies outlined in the Framework.
6. After a minimum of one year as described in requirement B above, a Candidate's competencies are certified by a CPA Evaluator using the Competency-Based Experience Certification Form (see appendix B), or on a board-approved form, either via a national tracking system developed by NASBA or per a specific board of accountancy process for submission to the relevant board of accountancy.

C. General Experience:

1. Candidates must complete one additional year of general experience as required in Section 5(f) of the UAA and outlined in UAA Model Rule 6-2.
2. If a Candidate requires more than 1 year or 2,000 hours to complete the Competency-Based Experience requirement, then the additional hours (over 2,000) and time (over 1 year) would be applied to the General Experience requirement (that is, Competency-Based Experience must equal a minimum of 2,000 hours and a minimum of 1 year; combined Competency-Based and General Experience must equal a minimum of 4,000 hours and a minimum of 2 years of combined Competency-Based Experience and General Experience).

D. The CPA Exam:

1. Completion of the CPA Exam is required for licensure.
2. The CPA Exam will remain focused on assessing the knowledge and skills required of an individual with one to two years of experience to ensure public protection, as outlined in the Uniform CPA Examination Blueprints.

¹ The terms *employer* and *employment* are used to comprise the entity in which a Candidate completes experience, regardless of whether experience is gained under employment or with an associated entity with whom the Candidate volunteers.

The remainder of the document describes the Competency-Based Experience requirement of the Pathway.

Components of Competency-Based Experience

The components of the Competency-Based Experience requirement form the Pathway to licensure from defining the competencies being evaluated to the reporting by the CPA Evaluator to the Candidate's board of accountancy. These components are as follows:

1. Defined competencies
2. A process for evaluating and certifying competencies
3. Timing and transition provisions
4. Tracking and reporting

1. Defined Competencies

The CPA Competency-Based Experience Framework (the Framework) defines the competencies to meet the Competency-Based Experience requirement. The Framework is a model that boards of accountancy can adapt as needed for use by Candidates and employers to ensure the Candidates have the opportunities necessary to exhibit the identified competencies. It incorporates elements from the AICPA Foundational Competencies Framework, the Global Accounting Alliance Competency Framework, and other relevant sources.

Structure of the Competency Framework

The Framework identifies competencies to be exhibited during a minimum of one year of Competency-Based Experience. *Competency*, as defined in the Framework, is an identified set of knowledge, skills, abilities, and behaviors to be exhibited by a Candidate. Competencies are classified as either professional or technical, and each competency has associated performance indicators or tasks providing examples of how Candidates typically exhibit the competencies in practice. These indicators or tasks are for example purposes and are not exhaustive, and certain indicators provided may apply to more than one competency. In practice, Candidates may exhibit competencies through other performance indicators and tasks. These indicators or tasks are representative of a base level of performance that would be expected of a Candidate.

Candidates build upon the content knowledge and skills obtained in education and develop the professional and technical competencies required to promote public protection. The professional and technical competencies are blended in practice. They are applied jointly and in context by the Candidate under the guidance of a CPA.

Professional Competencies

The professional competencies in the Framework are necessary in the accounting profession, regardless of career path.

The professional competencies include the following:

- Ethical behavior
- Critical thinking and professional skepticism
- Communication
- Collaboration, teamwork, and leadership
- Self-management and continuous learning
- Business acumen
- Technology mindset

Candidates should look to professional competencies as the tools needed to effectively manage themselves while undertaking technical accounting tasks. Many professional competencies, such as ethical behavior, are foundational and are pervasive and integral to all tasks completed by a CPA. Others may apply only in specific situations or need to be adapted depending on the context. The Candidate must exhibit all seven professional competencies.

Technical Competencies

The technical competencies in the Framework include both accountancy-specific and broad business knowledge and skills expected to be performed during employment work in industry, government, academia, or public practice. The technical competencies have been organized by area of practice. Candidates are required to exhibit only one technical competency. However, it is possible that more than one technical competency is exhibited based on the Candidate's employment. The CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies, in combination, are sufficient, in the aggregate, for licensure under the Pathway.

The three technical competencies include the following:

- Audit and assurance
- Tax
- Business and financial reporting

Candidates apply the content knowledge and skills obtained in education and develop the required technical competencies in the area or areas in which they practice. The technical competencies are exhibited in tandem with the professional competencies.

Candidates must apply their educational knowledge and develop technical skills in their practice area(s) while exhibiting professional competencies.

See appendix A for the complete Framework, including the defined competencies and example performance indicators and tasks.

2. Process for evaluating and certifying competencies

This section details the responsibilities for Candidates and CPA Evaluators related to expectations and completing the Competency-Based Experience requirement.

See appendix B for related CPA Competency-Based Experience Certification Form.

- a) The Candidate and the Candidate's employer work together to identify a CPA Evaluator or series of Evaluators, if necessary, depending on the nature of the Candidate's employment.
- b) The CPA Evaluator(s) uses the CPA Competency-Based Experience Certification Form (see appendix B), or board-approved form, to certify that the Candidate has exhibited the competencies as defined in the Framework, the number of hours certified, and the time frame in which the hours were completed.
- c) The CPA Evaluator should use due care and professional judgment based on their experience with the Candidate or understanding of the Candidate's experience.
- d) A Candidate may have multiple CPA Evaluators depending on the specific circumstances. For instance:
 - i. If a CPA Evaluator is no longer available to serve as the Candidate's Evaluator, the Candidate must identify another CPA Evaluator to document the Candidate's Competency-Based Experience. The employer should assist the Candidate where practical.
 - ii. If a CPA is not present in an employer, the Candidate takes the initiative to request a licensed CPA to become their CPA Evaluator.
 - iii. If a Candidate is no longer with the same employer that has provided a CPA Evaluator(s), the Candidate must identify a CPA Evaluator within the new entity and would be responsible for ensuring the new CPA Evaluator understands the Candidate's progress in completing their Competency-Based Experience requirement.
 - iv. When a CPA Evaluator certifies competencies based on less than full completion of the one-year requirement, the Evaluator must base their certification only on the time frame of which they have sufficient evidence of and experience with the Candidate's work experience. If a Candidate did not exhibit competency within this time frame, the CPA Evaluator may select "N/A" to indicate that the competency did not apply to this portion of the Candidate's certification.
- e) The CPA Evaluator is a licensed CPA in good standing with a minimum of 3 years of post-licensure experience.
- f) If the licensee has agreed to serve as a CPA Evaluator but refuses to certify a qualified Candidate to the board of accountancy, the board of accountancy may request the CPA Evaluator to provide in writing or in person the basis for such refusal.

- g) The board of accountancy may require any CPA Evaluator who has certified a Candidate's experience to substantiate the certification.

3. Timing and transition provisions

This section details the length, timing, and transition consideration for the Competency-Based Experience requirement.

- a) The one-year minimum requirement is defined consistently with UAA rules related to the one-year general experience requirement.
- b) The Candidate will have five years to complete the one-year Competency-Based Experience requirement. This is to allow for part-time work, life changes, or other unknown events that could occur.
- c) Credit for prior work experience is acceptable. The CPA Evaluator must use professional judgment to determine if there is sufficient evidence of and if they have had sufficient exposure to the Candidate's experience to certify the competencies. Boards of accountancy have flexibility to craft rules for the Competency-Based Experience requirement to align with current experience rules under current pathways.
- d) Transition provisions are acceptable. Boards of accountancy have flexibility to craft rules for the Competency-Based Experience requirement to align with current experience rules under current pathways.

4. Tracking and reporting

This section details considerations for tracking the Competency-Based Experience requirement and the creation of a voluntary national tracking system.

- a) Boards of accountancy should maintain a process for managing the documentation for this process, either electronically or manually. Documentation includes the CPA Competency-Based Experience Certification Form (appendix B) or a board-approved form.
- b) Periodic reporting of Candidate progress is not required, but boards of accountancy have the ability to require it per board rules.
- c) NASBA is willing to develop a voluntary tracking system that boards of accountancy could use to manage the tracking requirements of the Pathway. Boards of accountancy may elect to use or not use this tracking system.
 - i. The CPA Evaluator and Candidate would be electronically connected when submitting the Candidate's CPA Competency-Based Experience Certification Form (appendix B) or a board-approved form.
 - ii. The NASBA tracking system would require final evaluation of the competencies by the end of the Competency-Based Experience period as a minimum standard.

- iii. The tracking system would include Framework competencies. Upon the documented completion of the Competency-Based Experience requirement, a final report would be made available to the respective board of accountancy.

Appendix A: CPA Competency-Based Experience Pathway Framework

Professional competencies (All required)	Example performance indicators
Ethical behavior CPAs must act ethically and behave with integrity at all times, consistently modeling and promoting ethical practices as an individual or as part of an organization.	<ul style="list-style-type: none"> Adhere to professional codes of ethics, professional standards, laws, and regulations, demonstrating ethical business practices, such as avoiding conflicts of interest or reporting illegal or unethical behavior to appropriate parties. Demonstrate a commitment to maintain objectivity and independence when responding to ethical issues. Raise potential ethical issues or illegal behavior to supervisors or appropriate professional or regulatory body.
Critical thinking and professional skepticism CPAs must think critically when performing all tasks. They must research, investigate, and analyze issues, problems, and questions. They must also apply professional judgment to the evaluation of data and any information from a variety of sources and perspectives.	<ul style="list-style-type: none"> Investigate cognitive biases and other impediments to decision making. Develop and apply professional skepticism using processes and procedures that reduce cognitive biases and other impediments to decision making. Identify and articulate issues, problems, and questions. Access, manage, analyze, and evaluate quantitative and qualitative information from multiple sources and perspectives relevant to issues, problems, and questions. Exhibit a curiosity to embrace unfamiliar topics and opportunities for development and growth. Consider available solutions and decisions to issues, problems, and questions. Seek advice from experienced professionals or experts in complex and unique situations. Develop conclusions supported by logic and critical thinking processes.
Communication CPAs must effectively convey information and ideas to individuals and groups in a variety of situations in a focused way using verbal, nonverbal, written, and graphic techniques and skills.	<ul style="list-style-type: none"> Document work in ways that can be easily reviewed, understood, and reperformed by other CPAs. Exhibit active listening to verify understanding of information provided. Engage and communicate clearly and concisely using accounting terminology and plain language, as appropriate. Prepare and deliver presentations, reports, and other documents to supervisors, clients, and stakeholders using a variety of technology and media, including visualizations. Clearly present a position supported by sufficient and appropriate evidence. Ensure that communication respects the data requirements of supervisors, clients, and stakeholders and adheres to privacy, confidentiality, and legal requirements.
Collaboration, teamwork, and leadership CPAs must work effectively between and among teams, peers, supervisors, clients, and other stakeholders to meet organizational goals.	<ul style="list-style-type: none"> Serve as both an effective team member and leader, as appropriate. Identify the interests and needs of stakeholders and effectively explain them to others. Consider and use different interpersonal methods for addressing the needs of different team members, clients, stakeholders, and situations. Contribute to team planning, performance, and goal attainment. Participate appropriately, respectfully, and effectively in team, client, customer, or stakeholder meetings.
Self-management and continuous learning CPAs must plan and manage personal development and appreciate how strengths and weaknesses may affect work, learning, and meeting goals. These skills relate to upskilling for new engagements, industries, technologies, and requirements and ensure a willingness to	<ul style="list-style-type: none"> Maintain self-awareness to be cognizant of how your behaviors affect others. Exhibit social awareness to respond to the needs of others. Build relationships to achieve common goals. Plan and allocate time and resources to achieve professional commitments. Critically review work and interactions to ensure they meet organization and quality standards. Proactively seek advice and feedback from supervisors and team members, responding to positive and negative feedback.

identify where learning and expertise are needed.	<ul style="list-style-type: none"> Identify skills, experiences, and knowledge that represent areas for professional improvement and recommend strategies for professional development, paying particular attention to areas relevant to individual needs. Adapt to ongoing challenges and changes in the context of being a professional.
Business acumen CPAs must understand how a business fits within the broader context of an industry and the geopolitical environment so they can optimize opportunities, minimize risks, and execute planned objectives.	<ul style="list-style-type: none"> Perform research to identify the impact of trends, issues, technologies, and the legal environment emerging in the business environment and explain their relevance to clients and organizations. Identify risks and opportunities arising from industry and global environments. Understand how strategies, goals, and objectives of a team or entity are developed. Review and understand team and entity strategies, goals, and objectives. Understand and use key performance indicators to measure results of progress toward strategies, goals, and objectives.
Technology mindset CPAs must use technology and data ethically as an enabler to optimize decision making and to promote business efficiencies and controls.	<ul style="list-style-type: none"> Identify and compare available tools to recommend options, needs, and constraints. Leverage relevant technologies to facilitate data analyses that support organizational goals. Understand frameworks for systems of efficient and effective controls for both operations and analyses and reporting. Identify and understand the impact of emerging technologies on the organization, performance, clients, and stakeholders. Conduct data analysis activities and techniques. Identify opportunities where data visualization can help in analysis and communication of results. Perform data cleaning and preparation activities, addressing quality issues.

Technical competencies (Only one required)	Example tasks
Audit and assurance CPAs participate in assurance engagements, including audit, attestation, and accounting and review services or work internal to an organization such as internal audit. These services are performed across many clients and industries and under multiple regulatory environments. By the end of their experience, a Candidate must have sufficient experience in audit- and assurance-related tasks based on the nature and scope of the specific engagements on which they work.	<ul style="list-style-type: none"> Perform research with a focus on reviewing and using source materials (for example, relevant accounting standards, industry news, and related contextual information) to address a challenging issue relevant in an assurance task. Explore relevant external and internal factors that may affect risk and suggest responses to address those risks. Analyze a business process to document (for example, flow charts, process diagrams, narratives) the flow of relevant data from initiation through reporting and disclosure. This includes documenting and determining the effect of the relevant automated and manual controls the accountant intends to test within the business process on identified risk. Design procedures to (1) assess the operating effectiveness of relevant automated and manual controls and (2) test relevant assertions for each significant class of transactions or accounts within a business process. This includes verifying that the procedures comply with the requirements in the appropriate professional standards. Apply data analytic techniques to structured and unstructured datasets to identify transactions or events that may have higher risk and design procedures to test those transactions or events. Perform a test of details to identify potential misstatements based on the application of the appropriate financial accounting and reporting framework. This includes applying appropriate sampling techniques to identify the population of items to be tested as well as materiality at the appropriate level and concluding on the sufficiency and appropriateness of evidence obtained.

- Apply data analytic techniques to structured and unstructured datasets to complete analytical procedures and design and perform follow-up procedures to obtain sufficient appropriate evidence to explain fluctuations and/or variances. This includes performing procedures to validate the completeness and accuracy of the datasets obtained as well as appropriately selecting and using the tools or applications to complete the analytic techniques.
- Perform tests of the operating effectiveness of internal controls to identify and evaluate exceptions. This includes applying appropriate sampling techniques to identify the population of items to be tested as well as concluding on the operating effectiveness of the controls and the sufficiency and appropriateness of evidence obtained.
- Determine the effect of deficiencies or uncorrected misstatements identified during an engagement. This includes researching and documenting how deficiencies or uncorrected misstatements do not comply with the requirements of the appropriate professional standards.
- Prepare relevant statements in accordance with financial accounting and reporting frameworks as allowed by professional standards.

Tax

CPAs participate in tax engagements, including tax preparation and planning. These services are performed across many clients, both individual and entities, industries, and under multiple systems, including federal, state, and local laws and regulations. By the end of their experience, a Candidate is expected to perform tax-related tasks based on the nature and scope of the specific engagements on which they work.

- Participate in preparation of materials and supporting documentation to respond to federal, state, and local tax authority notices, proceedings, audits, and other administrative issues.
- Perform research with a focus on reviewing and using primary source materials (for example, Internal Revenue Code, Treasury Regulations) and secondary source materials (for example, industry journals, interpretive guidance, editorial materials, internal research memos) to complete a range of tasks, including identifying issues, analyzing facts, and determining appropriate responses with supportable evidence and citations. This includes researching the implications of new or proposed laws and regulations on client situations.
- Collect and review information and data provided by clients to ensure that it is complete and accurate and substantiates client and accountant calculations, schedules, and positions with an understanding of how automated calculations, checks, diagnostic tools, and other system processes may highlight or cause errors in other parts of the tax preparation process.
- Prepare and review tax calculations and schedules for clients (both individual and entity) for routine and nonroutine transactions and scenarios in accordance with federal, state, and local tax laws and regulations. This includes considering relevant factors in tax calculations, compliance, and tax planning, such as specific tax rates, tax brackets, limitations indexed to inflation, and other specific and relevant factors (for example, reference rates).
- Analyze the implications and tax treatment of various transactions, data, and scenarios on client tax outcomes (for example, gross income, taxable income, tax liability, estimated taxes), in relation to individual or entity strategy and planning and personal or organizational constraints.
- Participate in the analysis and evaluation of proposed tax planning scenarios for individual and entity clients, understanding the implications of different scenarios, entity structures, and decisions on applicability of different tax treatment, in relation to individual or entity strategy and planning and personal or organizational constraints.
- Review individual tax returns to identify tax planning and financial planning opportunities to better serve the individual (for example, minimize tax liability, take all available tax deductions, plan for retirement, plan education funding for dependents).
- Prepare, extract, and review tax schedules, reports, and filings (whether manual or automated) to perform quality control or analyze and meet tax planning, cash flow, operational, decision-making, and other engagement needs. This includes

considering diagnostic tools and automated validation checks highlighting potential errors and anomalies.

Business and financial reporting, including financial, not-for-profit, and governmental
CPAs participate in recording transactions, as well as preparing and analyzing financial reports, fluctuation analyses, and projections. These tasks are performed across many entity types, including for-profits, not-for-profits, as well as federal, state, and local governments, reporting under generally accepted reporting standards as defined by FASB, IFRS, GASB, and FASAB. By the end of their experience, a Candidate is expected to perform tasks based on the nature, size, and scope of the specific entity or entities and industries in which they work.

- Prepare periodic reconciliations, roll-forwards, and analyses for accounts affected by recurring and routine transactions that are automated (for example, sales and accounts receivable, purchases and accounts payable, payroll) as part of the financial statement close process to ensure the balances recognized in the trial balance are complete and accurate and comply with the relevant accounting and reporting standards. This includes preparing adjusting journal entries to correct any identified errors or discrepancies and preparing sufficient documentation and support that demonstrates the work was completed in accordance with the entity's policies and procedures.
- Prepare analyses and journal entries for routine manual transactions as part of the financial statement close process. This includes extracting and transforming relevant data to determine the amounts to be recognized and preparing sufficient documentation and support that demonstrates the work was completed in accordance with the entity's policies and procedures.
- Participate in determining the appropriate accounting policies for nonroutine transactions. This includes reviewing contracts, agreements, and other source documents to identify key terms, researching the relevant accounting and reporting standards, and documenting an accounting position based on that research.
- Participate in the development, maintenance, and implementation of policies and procedures that establish sufficient internal controls over financial reporting.
- Perform analytical procedures and ratio analysis of both financial and nonfinancial data to identify fluctuations and variances (current period versus prior period, actual versus budget) that require further investigation and to measure the entity's progress in achieving strategic objectives or meeting key performance indicators. This includes drafting commentary that sufficiently explains variances or deviations from expectations.
- Prepare analyses, budgets, and forecasts for ongoing operations (that is, monthly, quarterly, annual financial forecasts) and for proposed transactions (for example, capital investment, research and development, expansion, reorganization). This includes considering the impact of external factors (for example, economic, environmental, financial reporting framework, government policy, industry, regulatory, supply chain, technology) and internal factors (for example, ownership and governance structure, investment and financing plans, selection of accounting policies) on the entity.
- Participate in the preparation and review of financial statements and regulatory filings. This includes verifying that reported amounts agree with underlying source data (that is, trial balance, sub-ledgers, management reports) and that qualitative commentary is consistent with the reported amounts.
- Participate in the allocation of expenses between program expenses and general and administrative expenses or the classification of restricted and nonrestricted revenues.
- Participate in the analysis of or balancing of transfers between funds.

Note: Candidates are required to exhibit only ONE technical competency. However, Candidates may exhibit multiple technical competencies if they work in more than one area of practice. In this case, the CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies are sufficient for licensure under the Pathway.

Appendix B: Draft CPA Competency-Based Experience Certification Form

Note: This document will be integrated into the tracking app developed by NASBA.

Each CPA Evaluator should use this to document the Candidate's exhibition of competencies for licensure with a board of accountancy under the Competency-Based Experience Pathway. Exhibition of competency means that the Candidate has had the opportunity to display the competency, as defined below, in the course of their work experience, such as when completing performance indicators and tasks set forth in the CPA Competency-Based Experience Pathway Framework.

Candidate Name: _____

Candidate Address: _____

Candidate Email: _____

Candidate ID/Position: _____

The certification on this form applies to the following time frame:

Beginning date: _____ Ending date: _____

Evaluation key

Yes: The Candidate's experience was applicable to this competency, and the Candidate did exhibit the competency.

No: The Candidate's experience was applicable to this competency, and the Candidate did not exhibit the competency.

NA: The Candidate's experience was not applicable to or measured for this competency, or I do not have sufficient evidence to certify this competency.

Professional competencies

By the conclusion of the Competency-Based Experience, the Candidate must exhibit all seven professional competencies.

Professional competency 1

Ethical behavior

CPAs must act ethically and behave with integrity at all times, consistently modeling and promoting ethical practices as an individual or as part of an organization.

Did the Candidate exhibit the **ethical behavior** competency?

Yes No

☐ ☐

Professional competency 2

Critical thinking and professional skepticism

CPAs must think critically when performing all tasks. They must research, investigate, and analyze issues, problems, and questions. They must also apply professional judgment to the evaluation of data and any information from a variety of sources and perspectives.

Did the Candidate exhibit the **critical thinking and professional skepticism** competency?

Yes No NA

☐ ☐ ☐

Professional competency 3

Communication

CPAs must effectively convey information and ideas to individuals and groups in a variety of situations in a focused way using verbal, nonverbal, written, and graphical techniques and skills.

Yes No NA

Did the Candidate exhibit the **communication** competency?

☐ ☐ ☐

Professional competency 4

Collaboration, teamwork, and leadership

CPAs must work effectively between and among teams, peers, supervisors, clients, and other stakeholders to meet organizational goals.

Yes No NA

Did the Candidate exhibit the **collaboration, teamwork, and leadership** competency?

☐ ☐ ☐

Professional competency 5

Self-management and continuous learning

CPAs must plan and manage personal development and appreciate how strengths and weaknesses may affect work, learning, and meeting goals. These skills relate to upskilling for new engagements, industries, technologies, and requirements and ensure a willingness to identify where learning and expertise are needed.

Yes No NA

Did the Candidate exhibit the **self-management and continuous learning** competency?

☐ ☐ ☐

Professional competency 6

Business acumen

CPAs must understand how a business fits within the broader context of an industry and the geopolitical environment so that they can optimize opportunities, minimize risks, and execute planned objectives.

Yes No NA

Did the Candidate exhibit the **business acumen** competency?

☐ ☐ ☐

Professional competency 7

Technology mindset

CPAs must use technology and data ethically as an enabler to optimize decision making and to promote business efficiencies and controls.

Yes No NA

Did the Candidate exhibit the **technology mindset** competency?

☐ ☐ ☐

Technical Competencies

Candidates are required to exhibit only one technical competency. However, Candidates may exhibit multiple technical competencies if they work in more than one area of practice. In this case, the CPA Evaluator should use professional judgment to evaluate if the exhibited technical competencies, in combination, are sufficient for licensure under the Pathway.

Technical competency 1

Audit and assurance

CPAs participate in assurance engagements, including audit, attestation, and accounting and review services, or work internal to an organization such as internal audit. These services are performed across many clients and industries and under multiple regulatory environments. By the end of their experience, a Candidate must have sufficient experience in audit- and assurance-related tasks, such as those detailed in the Framework based on the nature and scope of the specific engagements on which they work.

Yes No NA

Did the Candidate exhibit the **audit and assurance** competency as defined by the framework?

☐ ☐ ☐

AICPA[®]

NASBA

Technical competency 2**Tax**

CPAs participate in tax engagements, including tax preparation and planning. These services are performed across many clients, both individual and entities, industries, and under multiple systems, including federal, state and local laws, and regulations. By the end of their experience, a Candidate is expected to perform the types of tasks detailed in the Framework, based on the nature and scope of the specific engagements on which they work.

Yes No NA

Did the Candidate exhibit the **tax competency** as defined in the Framework?

☐ ☐ ☐

Technical competency 3**Business and financial reporting**

CPAs participate in recording transactions, as well as preparing and analyzing financial reports, fluctuation analyses, and projections. These tasks are performed across many entity types, including for-profits, not-for-profits, as well as federal, state, and local governments, reporting under generally accepted reporting standards as defined by FASB, IFRS, GASB, and FASAB. By the end of their experience, a Candidate is expected to perform the types of tasks detailed in the Framework, based on the nature, size, and scope of the specific entity or entities and industries in which they work.

Yes No NA

Did the Candidate exhibit the **reporting competency** as defined in the Framework?

☐ ☐ ☐

Certification of CPA Evaluator

During the course of the Competency-Based Experience, the Candidate exhibited the professional and technical competencies as defined in the CPA Competency-Based Experience Pathway Framework.

The Candidate has completed _____ hours of the required minimum of 2,000 hours of Competency-Based Experience working hours.

I hereby certify that the Candidate has been supervised or employed by me or my organization for the period indicated herein and, in the course of such employment, has obtained the experience indicated on this Certificate of Experience.

I hereby certify that I have met the CPA Evaluator requirements as defined in the Competency-Based Experience Framework.

Organization Name: _____

Organization Address: _____

Contact Name: _____

Contact Title: _____

Contact Email & Phone: _____

CPA Evaluator Name: _____

CPA Evaluator License Number: _____

State and Date of Issuance: _____

CPA Evaluator Signature: _____

Date: _____

Exposure Draft

Issued September 30, 2024

Joint AICPA/NASBA UAA Committee Exposure

Amendments to UAA Section 5: Education requirements to sit for the CPA Exam and education requirements for a certificate; UAA Section 23: Substantial Equivalency for individuals licensed through a non-substantially equivalent pathway

NASBA UAA Committee Exposure

UAA Model Rules Article 3: Definition of the CPA Competency-Based Experience Pathway and Article 6: experience requirements for a certificate under the CPA Competency-Based Experience Pathway

Uniform Accountancy Act Eighth Edition - January 2018

Published jointly by the

**American Institute of Certified Public Accountants
1345 6th Avenue 27th Floor, New York, NY 10105**

and

**National Association of State Boards of Accountancy
150 4th Avenue, North, Nashville, TN 37219**

Comments must be received by December 30, 2024.

Please [click here](#) to submit your comments.

EXPOSURE DRAFT OF CHANGES

Overview

Model Act

In September 2024, the boards of directors of the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) each approved for exposure changes to the Uniform Accountancy Act (UAA) that would:

- Specify the education required to sit for the Uniform CPA Examination;
- Define the requirements for an additional pathway for licensure as a CPA;
- Retain mobility for those licensed under a pathway defined in the UAA; and
- Provide a mechanism for those who are licensed under a pathway that is not defined in the UAA but who later meet the mobility requirements defined in the UAA.

Model Rules

Separately, the NASBA board of directors approved for exposure UAA Model Rule changes updating the definitions to reflect the additional pathway for licensure and the experience required for the issuance of an initial certificate under the proposed additional pathway.

Comments on the proposal are requested via [this form](#) by **December 30, 2024**.

Uniform Accountancy Act Background

The AICPA and NASBA have worked together since 1984 to produce the Uniform Accountancy Act (UAA), also referred to as the Model Act, and UAA Model Rules to serve as reference documents for all U.S. states and jurisdictions as they update their own statutes and regulations. These evergreen documents are regularly reviewed and updated by the Joint AICPA/NASBA UAA Committee. The UAA Model Act is subject to the final approval of the two organizations' boards of directors, while the Model Rules are subject to the final approval of NASBA's board of directors.

Additional Licensure Pathway: Competency-Based Experience Pathway

AICPA and NASBA believe that a strong pipeline of accounting talent is essential for a robust economy and public protection. Along with an aging workforce with many CPAs nearing retirement age, recent years have also seen a steady decline in the number of accounting graduates and new candidates taking the CPA Exam. At the same time, there is a need for CPAs with evolving competencies and experiences. The importance of a strong talent pool has led AICPA, NASBA, and other key stakeholders from across the accounting profession to examine the root causes of the recent decline in entrants and consider potential initiatives that could address talent challenges.

With the concurrent exposure draft, [CPA Competency-Based Experience Pathway](#) ("pathway"), AICPA and NASBA are seeking to address the financial and time constraints some individuals face in completing the education needed post-bachelor's degree to achieve CPA licensure. The pathway would provide an additional pathway to licensure that is responsive to those challenges.

The AICPA/NASBA UAA Committee elected to pursue equivalent pathways to licensure that

could preserve mobility for CPA licensees amid a changing market and regulatory environment.

The proposed additional pathway identifies model competencies that would be exhibited by a candidate during work experience prior to being granted CPA licensure. The proposed pathway framework also describes how a candidate, the candidate's employer, and boards of accountancy could implement this pathway. Another key goal includes creating evergreen standards that can be adapted as the profession evolves, as well as regulatory updates at the state level.

It is anticipated that if adopted, the model framework and competencies would be included as an evergreen appendix to the UAA Model Act.

In addition to the UAA Model Act amendments, the Model Rules would be updated by:

- Adding a definition of the Competency-Based Experience Pathway.
- Updating the experience required for an initial certificate to include the completion of the Competency-Based Experience Pathway.

Substantial Equivalency

The exposure would also amend Section 23 Substantial Equivalency by acknowledging that a board of accountancy or NASBA's National Qualification Appraisal Service (NQAS) may verify, once a new pathway to licensure is established by a jurisdiction, that a jurisdiction's licensure requirements are in substantial equivalence with the CPA licensure requirements of the UAA. Section 23 also acknowledges that licensees shall be presumed to have met the qualifications of substantial equivalency if the individual was issued an original certificate under the education, examination, and experience rules contained in 5(c)2, or their equivalent, which were in effect at the time of issuance.

The amendments also provide a process for boards of accountancy in jurisdictions that have adopted licensure pathways not substantially equivalent to the UAA, to identify those CPAs licensed through these pathways by providing licensure information to a national licensee database.

Should a jurisdiction enact legislation that includes one or more pathways that are not substantially equivalent to the UAA, the amendments provide a process for boards of accountancy to identify in a national licensee database the pathway used to license CPAs and to verify whether the CPA meets the licensure requirements defined in the UAA. This will allow for easier determination of a CPA's eligibility to practice through mobility with a practice permit.

In addition, the amendments provide a way for CPAs licensed through a pathway, not substantially equivalent to the UAA, to later have their post-licensure credentials reevaluated to determine if the CPA meets one of the licensure pathways defined in the UAA. Thereby, allowing the CPA to practice in another jurisdiction with a practice privilege.

The AICPA, NASBA, and the Joint UAA Committee welcome comments on the proposal.

Thomas Neill, CPA
Chair, AICPA UAA Committee

Nicola Neilon, CPA
Chair, NASBA UAA Committee

The base documents are the January 2018 edition of the UAA
(pertinent parts) and April 2023 edition of the UAA Model Rules.
Additions are shown in single underlined text, and deletions are shown in ~~single strike-through~~ text.

UAA – 8th Edition, January 2018

SECTION 5
QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC
ACCOUNTANT

- (c) (1) The education requirement for a certificate, which must be met before an applicant is eligible to apply for the examination prescribed in subsection (d), shall be at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule to be appropriate.

(2) The education requirement for a certificate shall be met through any of the following pathways:

(A) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(B) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(C) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration, or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2).

Comment: In situations where the Candidate is enrolled in a dual degree five- year accounting program where the bachelor's degree is conferred after the completion of the master's degree, the candidate is eligible to sit for the CPA Exam upon the completion of the bachelor's degree requirements and the accounting concentration.

- (f) ~~An applicant for initial issuance of a certificate under this Section shall show that the applicant has had one year of experience. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through~~

~~employment in government, industry, academia or public practice.~~

(1) The experience required in section 5(c)2(A) and 5(c)2(B) shall include one year providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through employment in government, industry, academia, or public practice.

(2) The experience required in section 5(c)2(C) shall include two years of experience:

(A) At least one year of competency-based experience performed in accordance with a competency framework developed by a national accounting organization and administered in accordance with Board rule, and

(B) The remainder of experience as set forth in section 5(f)(1).

Comment: In meeting the two-year experience requirement, the Candidate works with a CPA Evaluator to ensure the Candidate demonstrates the competencies outlined in the CPA Competency-Based Experience Pathway, which was approved by the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs (AICPA) boards of directors is included as an appendix to the UAA Model Act. In addition to demonstrating the competencies in the Framework, the Candidate must also complete one additional year of general relevant, supervised or verified, work experience. A candidate may apply additional competency-based experience toward the general experience requirement.

The board of accountancy may specify any reasonable approach to meeting the competency-based experience requirement using as a guideline the Competency-Based Experience Pathway jointly approved by NASBA and the AICPA.

SECTION 23 SUBSTANTIAL EQUIVALENCY

- (a) (1) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7. Notwithstanding any other provision of law, an individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (2).
- (2) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or NASBA Qualifications Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if the individual was issued an original certificate under the education, examination and experience rules contained in 5(c)2, or their equivalent, which were in effect at the time of issuance and the issuing board of accountancy has identified the individual's applicable licensure pathway in a national licensee database which reports the individual has met licensure requirements substantially equivalent to obtain those provided under Section 23(a)(3).

Comment: Subsection 23(a)(3) is intended to seamlessly facilitate substantial equivalency and mobility whenever the Uniform Accountancy Act is modified to establish equivalent pathways to licensure. Individuals who have met any of the recognized equivalent pathways would be allowed to practice under interstate mobility without the need to obtain a separate certificate or permit to practice in any other jurisdiction.

NASBA has created a national licensee database that is provided at no cost to the boards of accountancy. That database may be used by boards of accountancy to satisfy the requirements defined in section 23(a)(2). NASBA has also created

CPAverify.org, a public facing database, that provides limited licensure information to the public regarding U.S. licensed CPAs. This database is available free to the public

- (23) **An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if such individual obtains from the board of accountancy or the NASBA National Qualification Appraisal Service verification that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act., including:**

(A) Having met the education requirement for a certificate through any of the following pathways:

(i) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(ii) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(iii) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2), and

(B) Having passed the examination required for licensure as defined in section (5)(d), and

(C) Having met the experience requirement required for licensure as defined in section 5(f).

~~Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirement in Section 5(c) for purposes of this Section 23 (a)(2). Notwithstanding any other provision of law, an individual who offers or renders~~

professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (3).

Comment: Board verification may include an update of the national licensing database that the individual has met the licensing requirements set forth in section 23(a)(3).

(34) ...

(45) ...

UAA Model Rules – January 2024

ARTICLE 3
DEFINITIONS

Rule 3–11 - CPA Competency-Based Experience Pathway.

“CPA Competency-Based Experience Pathway (“the Pathway”) means a twelve-month experience program performed in accordance with generally accepted standards developed and administered by a joint committee established and maintained by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants.

ARTICLE 6
ISSUANCE OF CERTIFICATES AND RENEWAL OF CERTIFICATES
AND REGISTRATIONS, CONTINUING PROFESSIONAL EDUCATION
AND RECIPROCITY

Rule 6-2 - Experience required for initial certificate.

(a) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(1) of the Act shall meet the requirements of this rule.

(1) Experience may consist of providing any type of services or advice using accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills.

(2) The applicants shall have their experience verified to the Board by a licensee as defined in the Act or an individual licensed in another state. Acceptable experience shall include employment in industry, government, academia or public practice. The Board shall look at such factors as the complexity and diversity of the work.

(3) One year of experience shall consist of full or part-time employment that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services described in subsection (a) above.

(b) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(2) of the Act shall include one year of work experience as defined in Rule 6-2(a) and the completion of the CPA Competency-Based Experience Pathway.



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

STATE BOARD FOR PUBLIC ACCOUNTANCY and
PEER REVIEW OVERSIGHT COMMITTEE
89 WASHINGTON AVENUE
ALBANY, NY 12234
Tel. (518) 474-3817, EXT. 160
Fax (518) 474-6375
E-mail: cpabd@nysed.gov

National Association State Boards of Accountancy
Professional Licensure Task Force
150 Fourth Avenue North
Suite 700
Nashville, TN 37219

Attn: Stephanie Saunders, CPA
Chair, National Association of State Boards of Accountancy

Submitted via survey links

Re: Uniform Accountancy Act Additional Licensure Pathway: Competency-Based Experience Pathway and
Supplemental CPA Competency-Based Experience Pathway Exposure Draft

Dear Ms. Saunders:

The New York State Board for Public Accountancy (Board) appreciates the opportunity to offer comment to the concept exposure draft to the equivalent education requirements for licensure. The Board advises the New York State Board of Regents (Regents) on regulatory, licensing, and disciplinary matters related to the practice of the profession of public accountancy in New York State.

OVERVIEW

The Board has had the opportunity to review the proposed pathway and provides its comments below. We stress the importance of uniformity. We believe it is in the best interest of the profession, exam candidates, and future licensure applicants to maintain uniformity amongst the State Boards on the education rules. In addition, it is in the best interest of protecting the public to have clarity and uniformity on licensure requirements for Certified Public Accountants. To achieve uniformity, the Board requests that this initiative be tabled for a more thoughtful, thorough, and comprehensive solution to the pipeline issues.

We offer the following specific comments:

SPECIFIC COMMENTS

Oversight Concerns

The New York Board is under the auspices of the New York State Education Department (SED) whereby all professional education programs that lead to licensure are registered through the SED. Any changes to the education requirements for licensure must be approved by the governing Board of Regents through the regulatory process. Currently the regulation for professional licensure clearly requires 150 semester hours of qualifying transcript education earned from an institution of Higher Education that is accredited by an organization acceptable to the board.

The proposed requirement for a pathway that contains a bachelor's degree with an extra year of experience, even one that is designed to test competencies, will not satisfy the education requirement in New York State. This model does not provide an accredited institution overseeing the competency development and assessment, and no credit is provided to demonstrate education accomplishment. A check-off sheet from a CPA evaluator attesting to competencies will not

substitute for the missing 30 credit hours. Therefore, the applicant will not meet the 150-hour standard which is the only education standard in New York State.

Regulatory Concerns

The New York Board regulation for professional education was modified in 2022 to incorporate the more robust 150 semester hour changes that were adopted by the UAA in late 2020. This correlated to the CPA Evolution Exam changes that reflected increased need for technology skills, higher level critical thinking, and analysis skillsets. The implementation date for those changes is 2027, five years from the adoption of our regulations to allow schools and universities ample time to modify their educational programs incorporating the updates needed and are reflective of the AICPA Exam Blueprints and Model Curriculum. Within the changes to modify to the CPA Evolution education requirements, the regulations were amended to completely phase out the previous 120-semester hour and 2-year pathway.

Likewise, the regulations for professional education require specifically 150 semester hours in a program. Additionally, the definition of a unit of credit within the SED's regulation means that it is a unit of academic award applicable towards a degree offered by a Higher Education institution. With this, the proposed UAA language does not satisfy these elements. Further, if this type of initiative is offered in other states, it would not be considered substantially equivalent to New York's standards for initial licensure, endorsement, or mobility.

Delegation of Authority

The Regents are responsible in the Education Law for approval of experience for New York State licensure applicants. While New York will not participate in this alternative pathway initiative, we cannot fathom delegating our regulatory responsibility to the National Association of State Boards of Accountancy to approve an applicant's experience for licensure. It is a concern that NASBA currently offers this service whereby NASBA facilitates locating a CPA who is willing to sign off on an applicant's experience though they are not a direct supervisor of the applicant. Further, it was noted the dichotomy that this type of more rigorous experience review would be a service provided for free by NASBA. However, with the aforementioned experience reviews under the existing 150 semester hour pathway applicants pay NASBA, \$600 if domestic and \$800 if foreign to search for an "evaluator" for the one year of experience requirement under the existing 150-semester hour pathway.

Mobility and Substantial Equivalency

The disruption to mobility and substantial equivalency that this proposal will cause cannot be stressed enough. As New York is one of the states with the most licensed Certified Public Accountants in the country, we are very concerned with an initiative that cannot be accepted for mobility and substantial equivalency. Organizations in New York State employ a significant quantity of Certified Public Accountants, and there are also licensees being continuously transferred from other states to New York by their employers. The Board is extremely concerned with this initiative's resulting disruption to mobility and substantial equivalency, and its impact on individual CPAs who wish to practice in New York, on employers seeking qualified candidates, and on the public in need of public accounting services.

Public Perception and Pipeline

There is grave concern that this complex initiative will cause more confusion amongst incoming and prospective accounting students, CPA exam candidates, licensed CPAs, firm owners, and the public as a whole. While NASBA and the AICPA appear to be earnestly working at the pipeline issues, this proposal is misguided and misdirected. There appears to be refusal to call this pathway what it actually is: a 120-semester hour and 2 years' experience pathway. It is a grave mistake to window dress and create a pathway that replaces education (in the technology and other higher-level skills that were so vehemently promoted as necessary in CPA Evolution) with experience. The cognitive dissonance on this is concerning.

We understand the argument that a CPA candidate may be able to obtain a license “easier” with 120 semester hours and 2 years of experience. However, the end result will increase the burden to the practicing CPAs and firm owners. We strongly discourage the idea of this pathway as it will not be substantially equivalent to the 150-semester hour pathway and will therefore have the consequence of reverting to a time whereby licensed CPAs must obtain multiple licenses, incur additional licensing fees, and take additional Continuing Professional Education, including ethics components to fulfill multiple diverse state licensure requirements.

Undue Burden

Burdening the applicants, the firms, the CPA supervisors, the state boards with a “made up” equated credit pathway is just not acceptable to any of the interested parties. The applicants will be confused by the requirements set forth as each state considers adopting the competency-based experience pathway and will likely be less prepared for the CPA exam under CPA Evolution. And for the part of firms, the onus would be on them to create and establish some type of training for their supervisors to properly assess competency -- placing an undue burden on the firms. The CPA supervisors will have an undue burden of assessing all the competencies outlined in the Appendix A of the concept exposure document.

Additionally, the state boards will have an undue burden of legally defending the equated competency pathway, since the 30 equated credits from an organization that is not an accredited Higher Education institution is subject to neither an independent review body nor an oversight mechanism. The state boards will also have an undue burden of changing its regulations, forms, website, review of content, databases to report this pathway in the Accountancy Licensure Database, etc.

And finally, there would be an undue burden for the state board, licensees, and all who are vested in clarity on how CPAs uphold public trust, to defend the decrease in education with substituted experience while having so recently adopted regulations and communicated the needs for greater education to prepare CPA candidates for the evolving nature of our profession and work. It is indefensible.

Future Initiatives

The Board cannot stress uniformity enough and we feel that this initiative should not be pursued as currently presented. An experiential learning program should only be pursued if it is through an accredited degree granting institution of Higher Education in order to meet the 150-semester hour pathway. We are aware of several programs from various firms and institutions of Higher Education. Those initiatives should be explored further.

NASBA and the AICPA have recently established the Experience, Learn, and Earn (ELE) program which is designed to enable candidates with less than 150 hours to earn additional career-enhancing credit hours at a very reasonable cost (often subsidized) while employed. We question why more effort is not invested in expanding out this program to help qualified candidates, and we encourage expansion to include more educational institutions and additional coursework options, as well as further adoption by more firms across the country.

Furthermore, it would behoove NASBA and AICPA to acknowledge that this pathway is in essence a 120-semester hour pathway and 2-years of experience. This is particularly evident in that several states are pursuing a “traditional” 120 semester hour and 2 years’ experience pathway. A competency assessment as equated credit in the 150 pathway will only add to the confusion as noted above.

We believe that NASBA's continual changing criteria and creating initiatives is damaging and inhibiting the very pipeline issues they are purporting to address. It seems clear from the groundswell of divergent movement now in State Boards that the existing 150-semester hour requirement with one year of experience requirement and a separate pathway of 120-semester hour and two-years’ experience requirement is being sought after. As proposed, this competency pathway will contain challenges in implementation and the result in a confusing system with divergent movements from State Boards. It would seem to be in everyone's best interest that NASBA not only call this what it is,

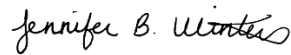
a 120-semester hour with two-years' experience pathway but move to codify it as just that. The education decisions for specifics should be left to the State Boards to determine what those criteria should be, and licensure requirements would be closer to uniform between states, minimizing mobility issues.

As stated in our previous letter, the Education Committee of the Board wants to encourage the pipeline task force to consider potential initiatives that are defensible in demonstrating upholding public trust; able to be defined in a regulatory manner to ensure uniformity; and contain valid professional education that is within the current accreditation body model.

The Board supports the idea of exploring ways to increase the pipeline, however, with so many initiatives being proposed, the Education Committee of the Board is concerned that by continuing with such ideas, it may cause more uncertainty for the profession. We encourage that the three-legged stool of education, exam, and experience remain robust and distinct. The three critical "e's" for licensure continue to include professional education from a properly accredited Higher Education institution, the professional experience requirement, and the Uniform CPA Examination that together are the three essential components in maintaining a trusted CPA licensure framework that protects the public and garners the trust of stakeholders. We strongly discourage initiatives like the CPA Competency-Based Experience Pathway that comingles the professional education with experience and that will disrupt mobility and substantial equivalency.

Proposed changes provide an opportunity for valuable dialogue among all stakeholders. We respectfully request that responses to proposed changes, be it in the form of a survey or a letter, be conspicuously posted on the NASBA website. We thank NASBA for providing us the opportunity to review and comment on the concept exposure draft for the alternative pathway for licensure in the CPA Competency-Based Experience Pathway.

Sincerely,



Jennifer Winters, CPA
Executive Secretary
NY State Board for Public Accountancy

Examination Committee Report

ITEM 1 - Data on new sections and passing scores from May to September.

Core Sections

A total of 5676 core sections were taken in this time period.

AUD = Auditing and Attestation

FAR = Financial Accounting and Reporting

REG = Taxation and Regulation

AUD	1853	P	794	43%
		F	1059	57%
FAR	2131	P	803	38%
		F	1328	62%
REG	1692	P	1078	64%
		F	614	36%

Discipline Sections

A total of 917 discipline sections were taken in this time period.

BAR = Business Analysis and Reporting

ISC = Information Systems and Controls

TCP = Taxation Compliance and Planning

BAR	375	P	155	41%
		F	220	59%
ISC	245	P	133	54%
		F	112	46%
TCP	297	P	210	71%
		F	87	29%

ITEM 2

Prometric test center in New York City, the Mega Center, was flooded in June as previously reported at the July board meeting. The damage was more extensive than originally thought. It will remain closed through at least early December 2024. Prometric has indicated that they will expand additional appointments by dates and hours. The alternative test sites that were previously reported at the July meeting will continue to be used as well.

ITEM 3

Certification of Out-of-State Licensure and Examination Grades (Form 3) was updated to reflect the revised exam sections. (See attached).

ITEM 4

Report on examination extension requests since the last board meeting:

There were 14 examination extension requests from Jul to Sep 2024 where a final decision was made. This number excludes requests that were made but lacked the required supporting documentation. The review of the cases is noted below.

Approvals: Extension requests approved:

Reason	# of Requests	# of Committee Reviews
Medical	1	1
Totals	1	1

Disapprovals: Extension requests that were not approved:

Reason	# of Requests	# of Committee Reviews
Medical	3	
COVID (AKA Credit Relief)	4	
Credit Relief and Mega Center Closure	1	
No Basis	1	
Reinstatement of expired credit (from 2012)	1	
Totals	10	

Quarterly Candidate Performance: Overall Performance - All Jurisdictions

Year/Quarter

2024-Q1

Jurisdiction

All

Period: 2024-Q1

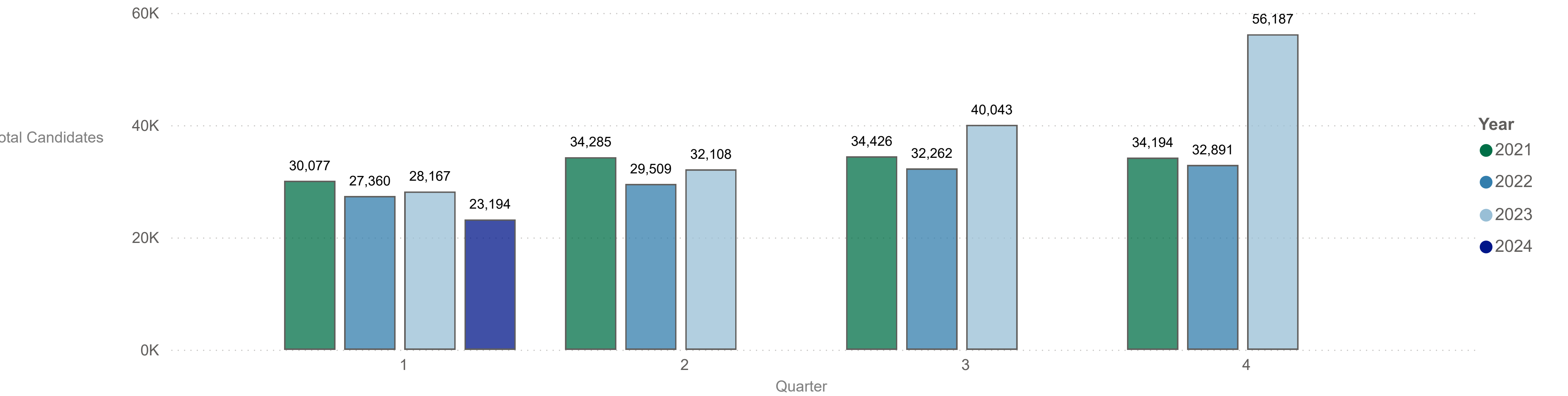
Jurisdiction: All Jurisdictions

	Exam Type								
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	23,194	15,567	8,435	8,184	9,294	7,124	702	379	687
Sections	26,370	17,432	8,938	8,184	9,294	7,124	702	379	687
% Pass	49.7%	56.0%	37.5%	44.6%	41.9%	63.3%	42.9%	50.7%	82.2%
Average Score	70.7	72.2	67.8	70.7	66.5	75.0	70.8	73.9	81.8
Average Age	29.0	27.9	31.1	28.8	28.7	28.9	31.8	30.2	32.2

	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	10,492	11,097	1,605	16,222	3,258	3,714	4,108	1,285	448	256	523	5,812	3,874	2,760	2,133	8,187
Sections	11,815	12,695	1,860	18,448	3,690	4,232	4,730	1,409	499	284	624	6,795	4,220	3,094	2,406	9,220
% Pass	46.4%	52.7%	50.6%	48.8%	53.1%	50.8%	50.4%	52.8%	34.9%	36.6%	67.5%	56.6%	44.9%	47.6%	49.2%	46.6%
Average Score	69.6	71.8	70.6	70.4	72.1	70.9	69.0	72.0	67.3	66.7	75.9	72.8	69.4	70.0	70.7	69.7
Average Age	29.4	28.7	28.1	28.6	29.0	30.8	26.9	28.7	30.6	30.3	20.6	22.6	24.4	26.5	28.5	37.4

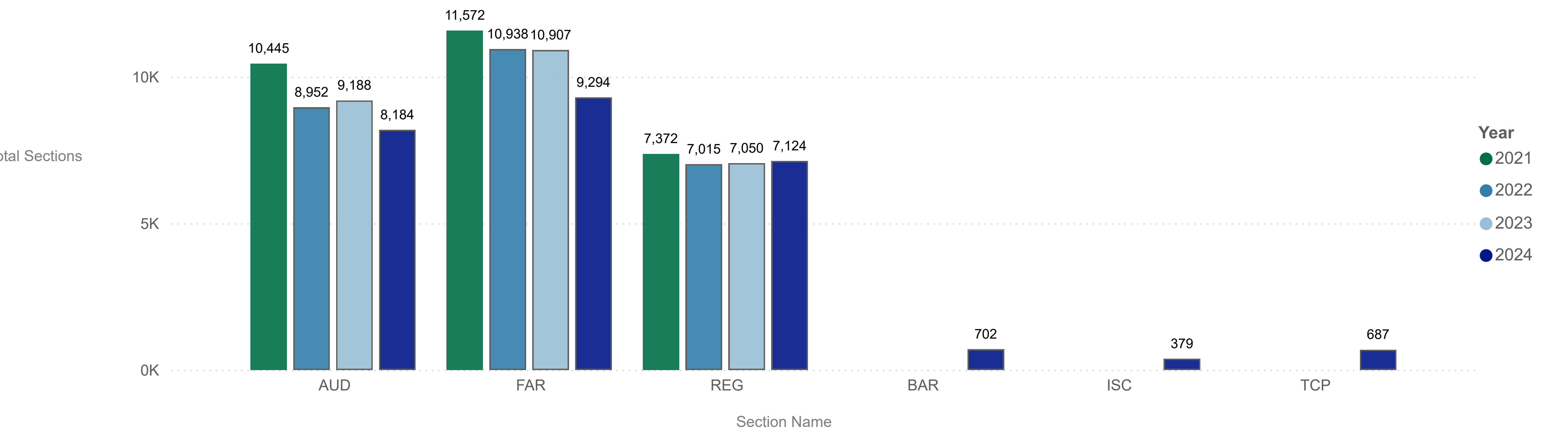
Total Candidates by Quarter

Number of unique candidates per quarter who have taken at least one section of the Examination.



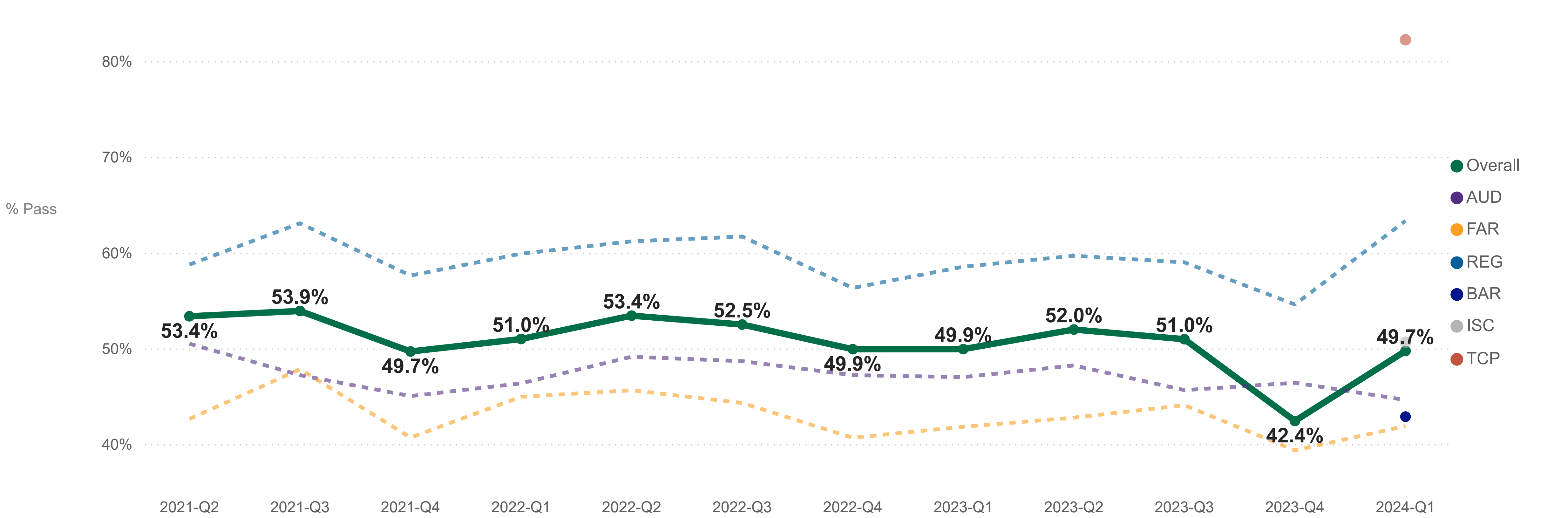
Total Sections by Section Type*

The total of Examination sections for which candidates received scores in the current quarter and the same quarter over the past 4 years.



% Pass

The percentage of sections that were passed in each quarter for the past three years. AUD, FAR and REG after 2023 represent the new core sections.



Year-Quarter	Overall Pass Rate	AUD	FAR	REG	BAR	ISC	TCP
2024-Q1	49.7%	44.6%	41.9%	63.3%	42.9%	50.7%	82.2%
2023-Q4	42.4%	46.4%	39.4%	54.6%	-	-	-
2023-Q3	51.0%	45.6%	44.1%	59.0%	-	-	-
2023-Q2	52.0%	48.2%	42.8%	59.7%	-	-	-
2023-Q1	49.9%	47.0%	41.8%	58.5%	-	-	-
2022-Q4	49.9%	47.2%	40.7%	56.3%	-	-	-
2022-Q3	52.5%	48.7%	44.3%	61.7%	-	-	-
2022-Q2	53.4%	49.1%	45.6%	61.2%	-	-	-
2022-Q1	51.0%	46.4%	45.0%	59.9%	-	-	-
2021-Q4	49.7%	45.0%	40.7%	57.6%	-	-	-
2021-Q3	53.9%	47.2%	47.8%	63.1%	-	-	-
2021-Q2	53.4%	50.5%	42.6%	58.8%	-	-	-

Quarterly Candidate Performance Report: Overall Performance - First Time (FT)

Year/Quarter

Jurisdiction

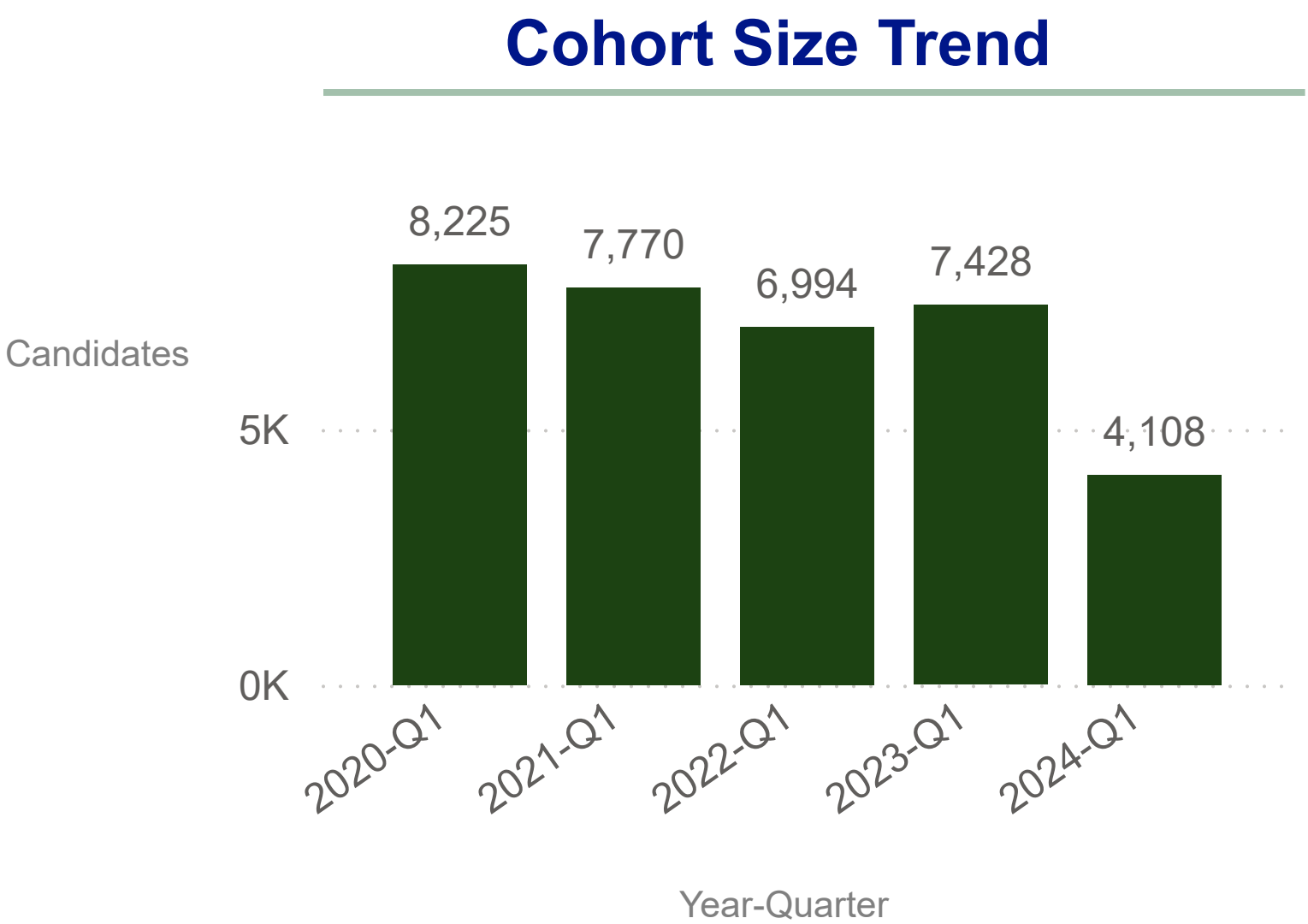
Period: 2024-Q1

Jurisdiction: All Jurisdictions

2024-Q1

All

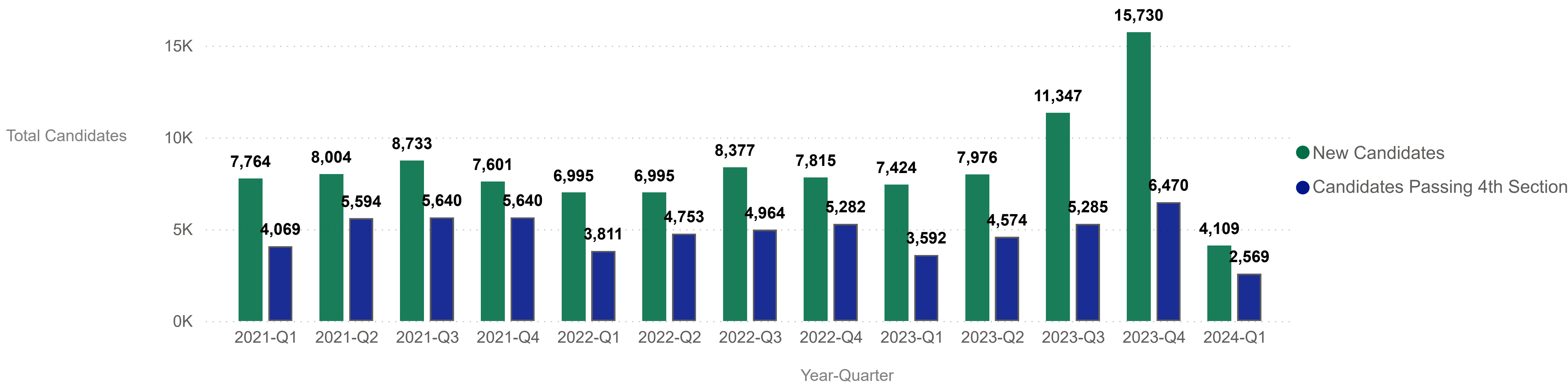
	Exam Type			Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	15,567	15,567	-	4,792	5,938	4,934	702	379	687
Sections	17,432	17,432	-	4,792	5,938	4,934	702	379	687
% Pass	56.0%	56.0%	-	49.5%	50.1%	68.0%	42.9%	50.7%	82.2%
Average Score	72.2	72.2	-	71.3	68.6	76.3	70.8	73.9	81.8
Average Age	27.9	27.9	-	27.2	27.2	28.0	31.8	30.2	32.2



	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	6,883	7,515	1,169	10,848	2,194	2,525	4,108	725	173	87	491	4,969	2,499	1,712	1,290	4,655
Sections	7,647	8,467	1,318	12,186	2,456	2,790	4,730	759	183	92	581	5,773	2,686	1,870	1,410	5,104
% Pass	52.4%	59.3%	55.8%	54.8%	61.2%	56.7%	50.4%	60.3%	33.9%	47.8%	69.6%	59.7%	50.1%	53.7%	55.2%	54.4%
Average Score	70.9	73.5	71.8	71.9	74.1	72.3	69.0	74.6	67.5	70.0	76.3	73.5	70.4	71.4	72.4	71.6
Average Age	28.3	27.7	27.4	27.5	27.5	29.8	26.9	28.8	31.5	30.4	20.7	22.5	24.4	26.5	28.5	37.0

New Candidates vs. Candidates Passing Final Section

The number of new unique candidates taking their very first Examination section versus the total number of unique candidates who passed their fourth and final section in a quarter.



Degree Type

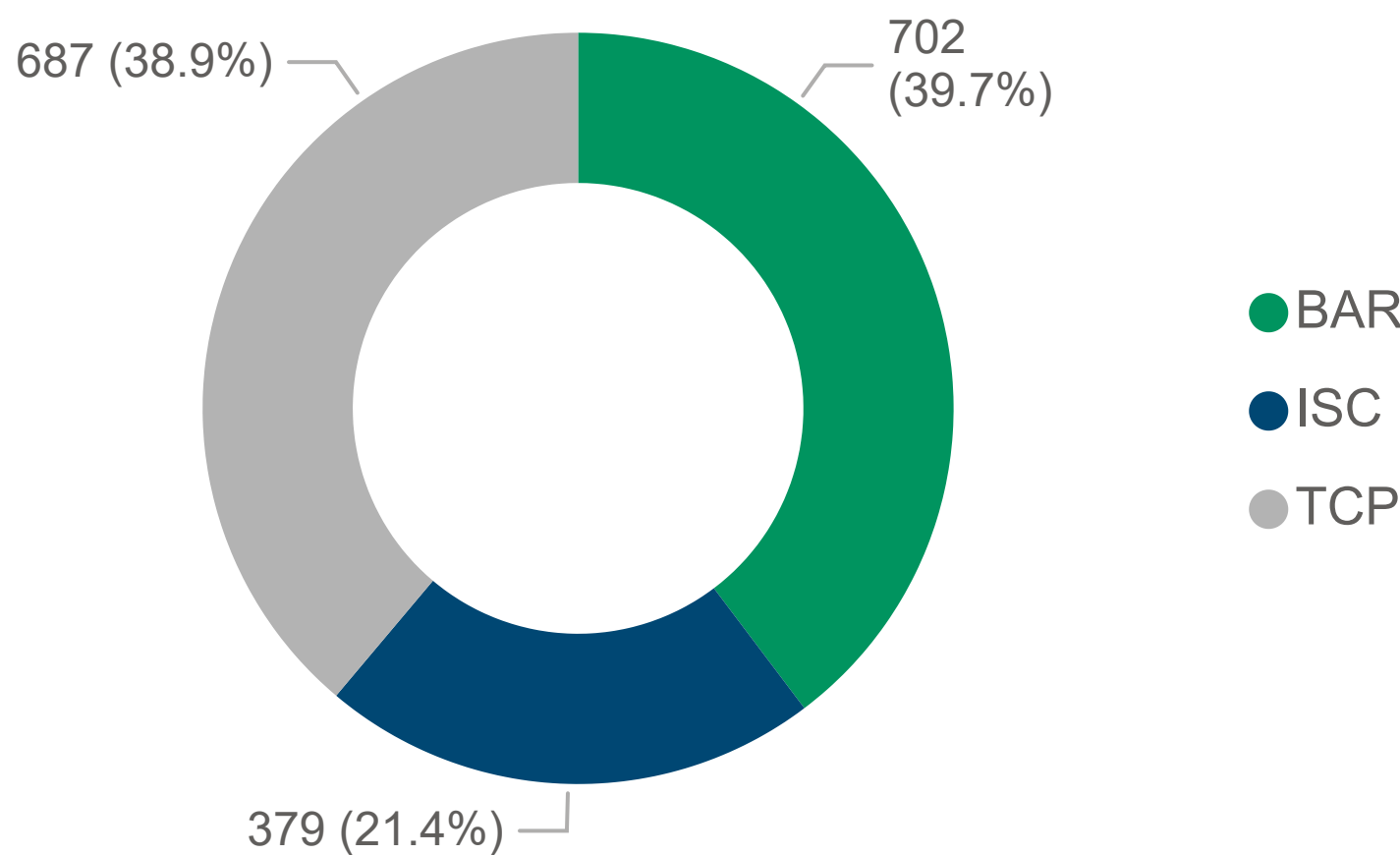
Highest degree listed for a candidate.

	Candidates	% Total
Bachelor's Degree	13,857	59.7%
Advanced Degree	4,731	20.4%
Enrolled / Other	4,606	19.9%

NOTE: Degree Type and Disciplines data includes both FT and RE candidates.

Disciplines

Breakdown of what percentage of candidates are taking which discipline.



Notes:

- The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
- The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
- Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
- A cohort is the year in which a candidate enters the CPA Exam pipeline. The candidate's cohort is determined by the very first section attempt on the CPA Examination.
- The CPA Exam introduced a new Exam on January 1, 2024. AUD, FAR, and REG after 2023 represent the new core sections.

Quarterly Candidate Performance: Jurisdiction Summary

Year/Quarter

2024-Q1

▼

Jurisdiction

All

▼

Period: 2024-Q1

Jurisdiction: All Jurisdictions

Overall Statistics by Jurisdiction

This table is a summary of examination data for each Jurisdiction with fifteen* or more candidates.

Jurisdiction	Candidates Total	Sections Total	Sections FT	Sections RE	Average Pass Rate	Average Score	Average Age
Alabama	278	375	294	81	54.4%	72.1	25.9
Alaska	768	864	551	313	53.1%	71.9	31.1
Arizona	326	354	236	118	47.5%	69.5	29.3
Arkansas	164	180	114	66	42.2%	69.2	28.2
California	3,291	3,743	2,448	1,295	47.0%	69.5	29.9
Colorado	322	370	233	137	55.7%	73.0	30.1
Connecticut	224	248	150	98	43.1%	69.9	28.7
Delaware	43	50	26	24	42.0%	69.6	34.2
District of Columbia	58	68	38	30	48.5%	71.0	28.4
Florida	949	1,055	722	333	51.3%	72.3	29.2
Georgia	593	678	425	253	48.2%	70.2	29.7
Guam	1,017	1,145	795	350	51.1%	71.2	29.6
Hawaii	71	86	45	41	47.7%	69.9	29.2
Idaho	90	95	68	27	47.4%	70.7	29.7
Illinois	1,108	1,272	874	398	51.7%	71.0	27.5
Indiana	248	269	172	97	52.0%	70.7	28.7
Iowa	183	252	207	45	56.7%	73.1	24.9
Kansas	45	50	29	21	32.0%	69.6	29.7
Kentucky	164	178	120	58	51.7%	71.1	28.4
Louisiana	185	207	136	71	43.0%	68.0	29.0
Maine	274	331	198	133	52.0%	70.4	33.2
Maryland	259	289	162	127	41.5%	67.2	30.7
Massachusetts	498	561	370	191	46.3%	70.4	26.6
Michigan	417	463	300	163	49.2%	70.1	28.0
Minnesota	215	228	150	78	51.3%	71.1	27.4
Mississippi	163	178	133	45	37.6%	67.3	26.0
Missouri	360	421	316	105	50.1%	71.1	26.1
Montana	466	565	404	161	54.0%	72.0	29.3
Nebraska	58	62	47	15	61.3%	73.8	26.4
Nevada	131	147	100	47	47.6%	70.1	29.6
New Hampshire	130	143	72	71	42.7%	68.3	33.2
New Jersey	539	595	347	248	43.2%	68.3	28.6
New Mexico	59	63	42	21	55.6%	71.6	34.1
New York	2,505	2,789	1,716	1,073	48.8%	70.3	28.4
North Carolina	559	639	449	190	49.6%	70.3	27.2
North Dakota	131	145	92	53	51.0%	69.9	29.7
Ohio	531	587	362	225	47.2%	70.5	27.4
Oklahoma	186	212	136	76	46.7%	69.8	30.8
Oregon	135	148	99	49	50.0%	70.2	32.8
Pennsylvania	760	834	535	299	47.6%	70.2	28.3
Puerto Rico	135	141	64	77	35.5%	67.5	29.3
Rhode Island	28	35	22	13	45.7%	67.0	29.7
South Carolina	181	200	141	59	48.0%	70.4	28.0
South Dakota	32	33	20	13	57.6%	72.2	30.3
Tennessee	391	433	282	151	46.9%	70.2	29.1
Texas	1,850	2,243	1,622	621	55.3%	72.6	28.1
Utah	219	247	169	78	54.7%	72.2	30.0
Vermont	61	85	57	28	60.0%	73.5	28.4
Virginia	649	728	475	253	46.8%	70.4	30.0
Washington	881	994	673	321	54.8%	72.3	32.1
West Virginia	44	49	29	20	51.0%	70.5	28.8
Wisconsin	199	220	143	77	59.5%	75.0	26.4
Wyoming	21	23	22	1	60.9%	73.0	29.6

* 30 or more candidates is the cutoff for the annual performance report.

Quarterly Candidate Performance: Overall Performance - All Jurisdictions

Year/Quarter

2024-Q1

Jurisdiction

New York

Period: 2024-Q1

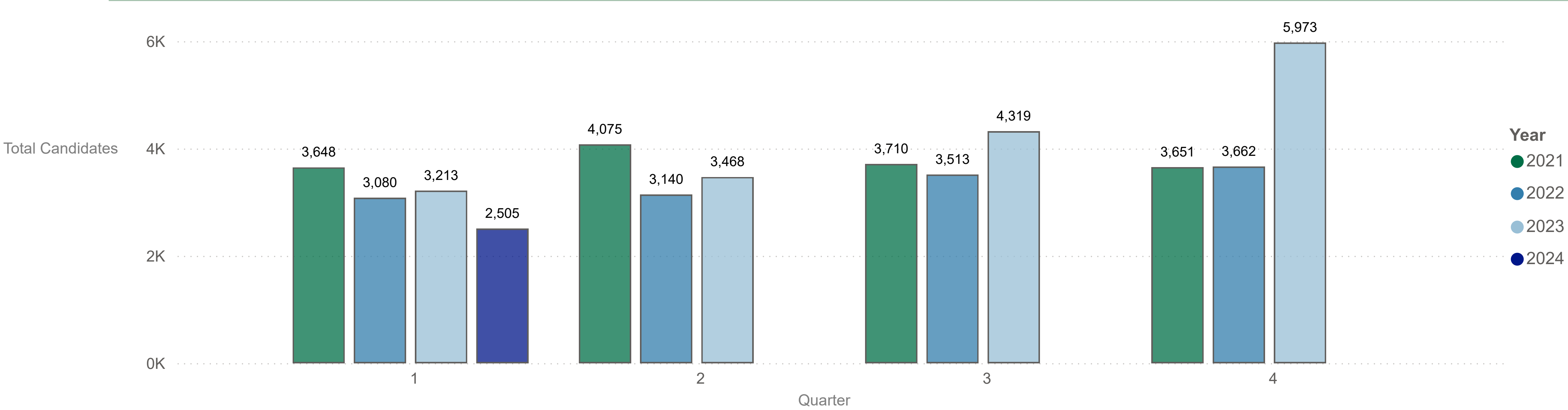
Jurisdiction: **New York**

										Jurisdiction Ranking		
▲		Exam Type		Exam Section						27	29	
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP	Overall Pass Rate	Overall Avg. Score	
	Candidates	2,505	1,592	1,014	900	909	747	116	45	72		
	Sections	2,789	1,716	1,073	900	909	747	116	45	72		
	% Pass	48.8%	55.2%	38.7%	44.3%	38.7%	64.1%	45.7%	44.4%	81.9%		
	Average Score	70.3	72.1	67.6	69.9	65.7	75.0	71.9	72.5	81.8		
	Average Age	28.4	27.2	30.3	28.0	28.0	28.5	30.8	29.7	32.2	28	25
											Core Pass Rate	Discipline Pass Rate

▲	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	1,086	1,332	87	1,483	598	424	329	154	63	19	59	660	415	328	242	807
Sections	1,193	1,495	101	1,650	665	474	362	167	71	20	68	731	449	363	266	909
% Pass	47.0%	50.4%	47.5%	48.2%	52.9%	45.4%	48.1%	54.5%	25.4%	30.0%	73.2%	54.4%	43.4%	47.1%	45.9%	46.6%
Average Score	69.7	70.8	71.3	70.1	71.7	69.4	67.1	71.3	66.0	61.8	77.6	71.8	68.5	69.7	69.7	70.0
Average Age	28.6	28.4	26.5	28.0	27.6	30.9	27.1	28.0	28.5	28.5	20.1	22.5	24.4	26.5	28.5	36.4

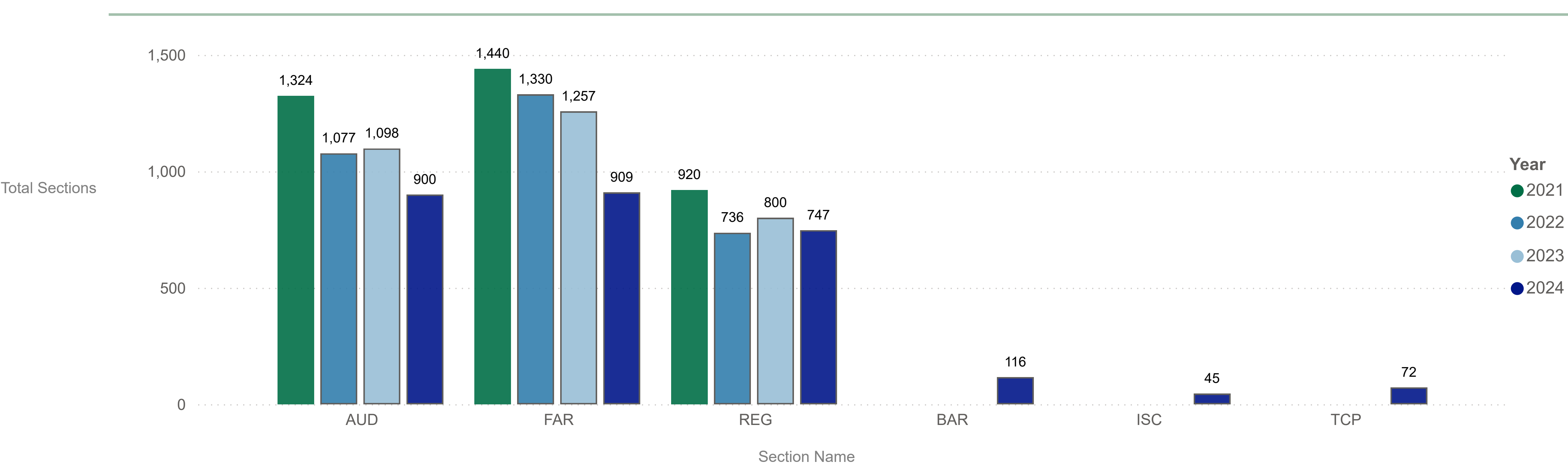
Total Candidates by Quarter

Number of unique candidates per quarter who have taken at least one section of the Examination.



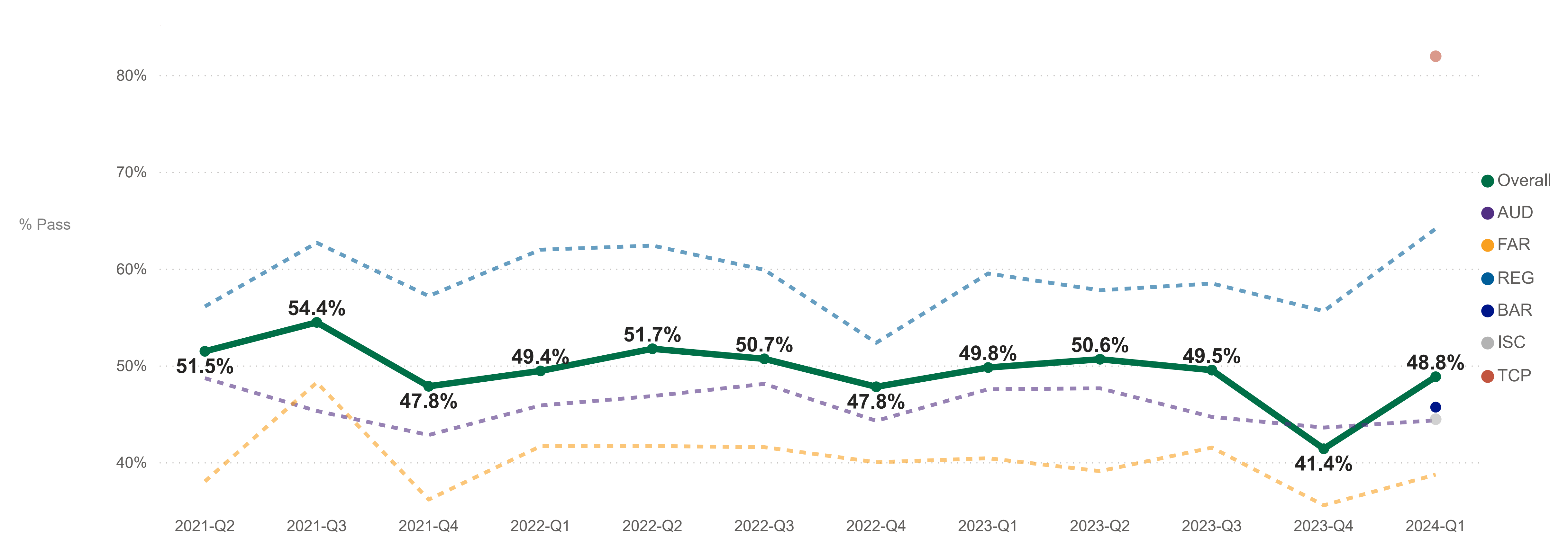
Total Sections by Section Type*

The total of Examination sections for which candidates received scores in the current quarter and the same quarter over the past 4 years.



% Pass

The percentage of sections that were passed in each quarter for the past three years. AUD, FAR and REG after 2023 represent the new core sections.



Year-Quarter	Overall Pass Rate	AUD	FAR	REG	BAR	ISC	TCP
2024-Q1	48.8%	44.3%	38.7%	64.1%	45.7%	44.4%	81.9%
2023-Q4	41.4%	43.6%	35.5%	55.6%	-	-	-
2023-Q3	49.5%	44.7%	41.5%	58.5%	-	-	-
2023-Q2	50.6%	47.6%	39.1%	57.8%	-	-	-
2023-Q1	49.8%	47.5%	40.4%	59.5%	-	-	-
2022-Q4	47.8%	44.3%	40.0%	52.3%	-	-	-
2022-Q3	50.7%	48.1%	41.6%	59.9%	-	-	-
2022-Q2	51.7%	46.8%	41.7%	62.4%	-	-	-
2022-Q1	49.4%	45.9%	41.7%	62.0%	-	-	-
2021-Q4	47.8%	42.8%	36.1%	57.2%	-	-	-
2021-Q3	54.4%	45.3%	48.2%	62.7%	-	-	-
2021-Q2	51.5%	48.7%	38.0%	56.1%	-	-	-

Quarterly Candidate Performance Report: Overall Performance - First Time (FT)

Year/Quarter

Jurisdiction

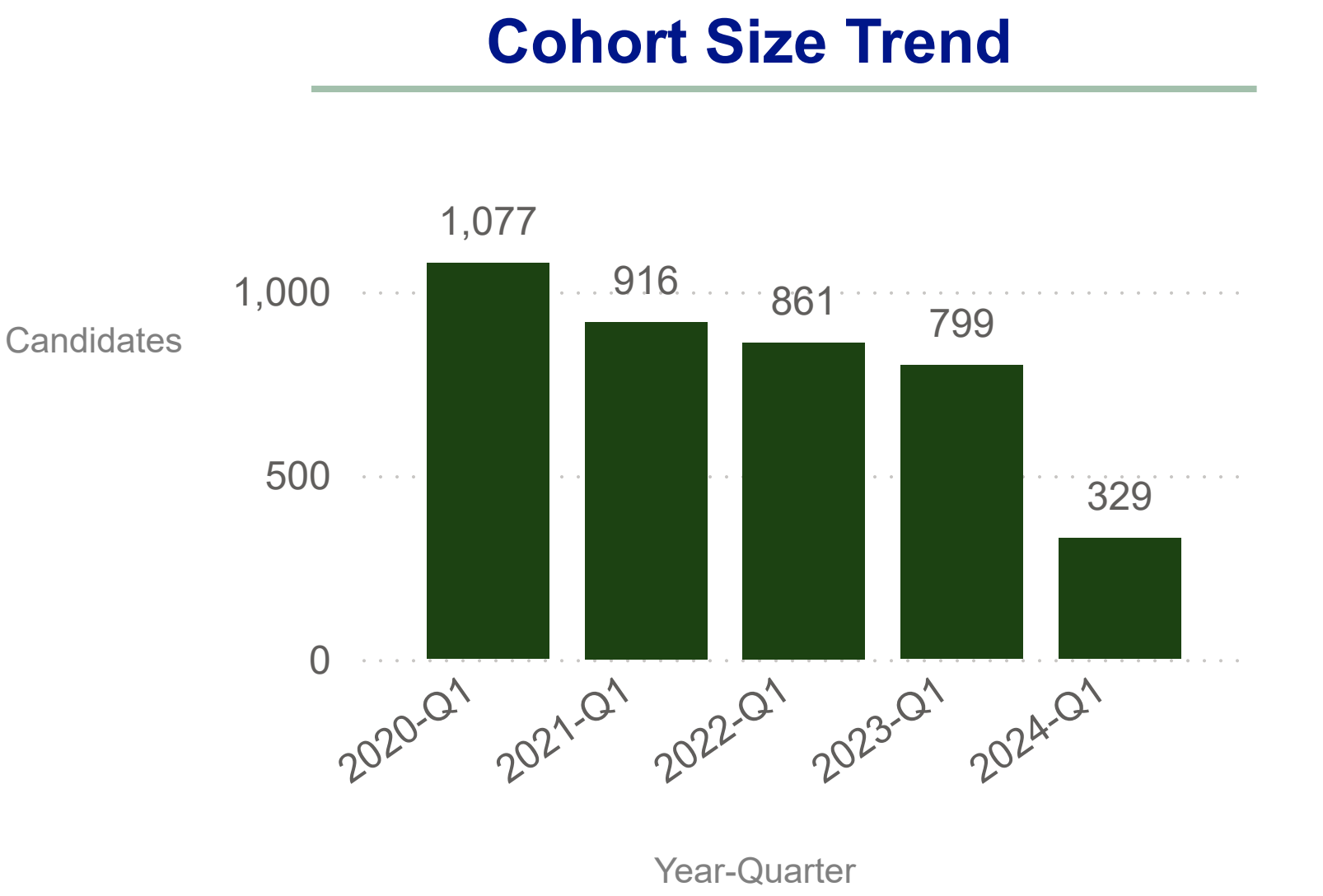
Period: 2024-Q1

Jurisdiction: New York

2024-Q1

New York

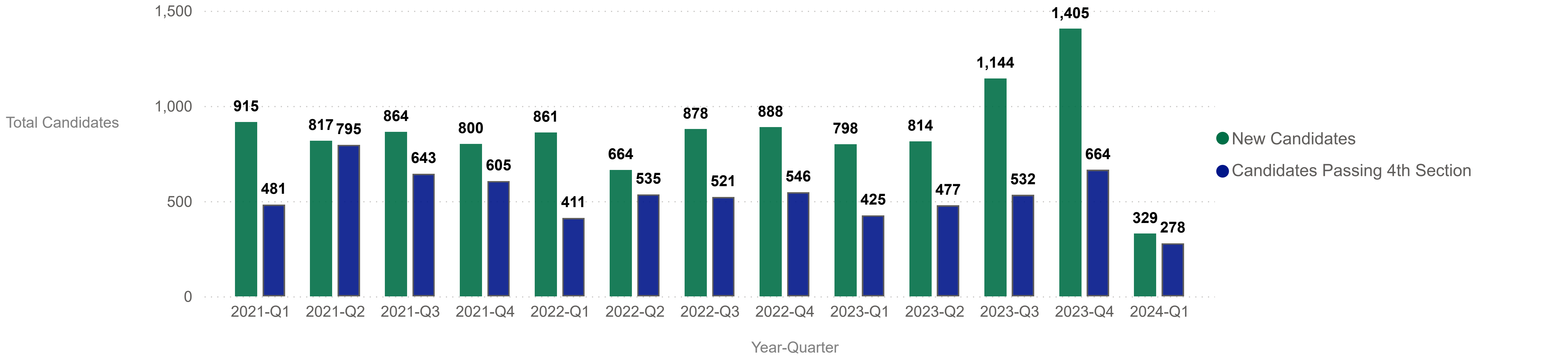
	Exam Type			Exam Section					
	Overall	FT	RE	AUD	FAR	REG	BAR	ISC	TCP
Candidates	1,592	1,592	-	489	506	488	116	45	72
Sections	1,716	1,716	-	489	506	488	116	45	72
% Pass	55.2%	55.2%	-	48.3%	48.2%	68.6%	45.7%	44.4%	81.9%
Average Score	72.1	72.1	-	70.2	68.3	76.5	71.9	72.5	81.8
Average Age	27.2	27.2	-	26.4	26.2	27.1	30.8	29.7	32.2



	Gender			Residency			Cohort Year				Age at Time of Examination					
	F	M	U	In-State	Out-of-State	Int'l	2024	2023	2022	2021	<22	22-23	24-25	26-27	28-29	30+
Candidates	649	870	73	933	388	271	329	96	25	3	54	532	266	192	139	411
Sections	699	935	82	1,001	420	295	362	98	26	3	63	577	283	203	147	442
% Pass	54.5%	56.5%	46.3%	54.4%	60.0%	50.8%	48.1%	64.3%	15.4%	33.3%	78.1%	58.1%	48.1%	54.2%	50.3%	54.8%
Average Score	71.7	72.5	71.2	71.5	74.0	71.2	67.1	75.2	64.0	-	79.0	72.8	69.3	71.9	71.8	72.1
Average Age	27.3	27.2	25.7	26.8	26.0	30.1	27.1	27.4	28.9	-	20.7	22.5	24.4	26.5	28.5	35.9

New Candidates vs. Candidates Passing Final Section

The number of new unique candidates taking their very first Examination section versus the total number of unique candidates who passed their fourth and final section in a quarter.



Degree Type

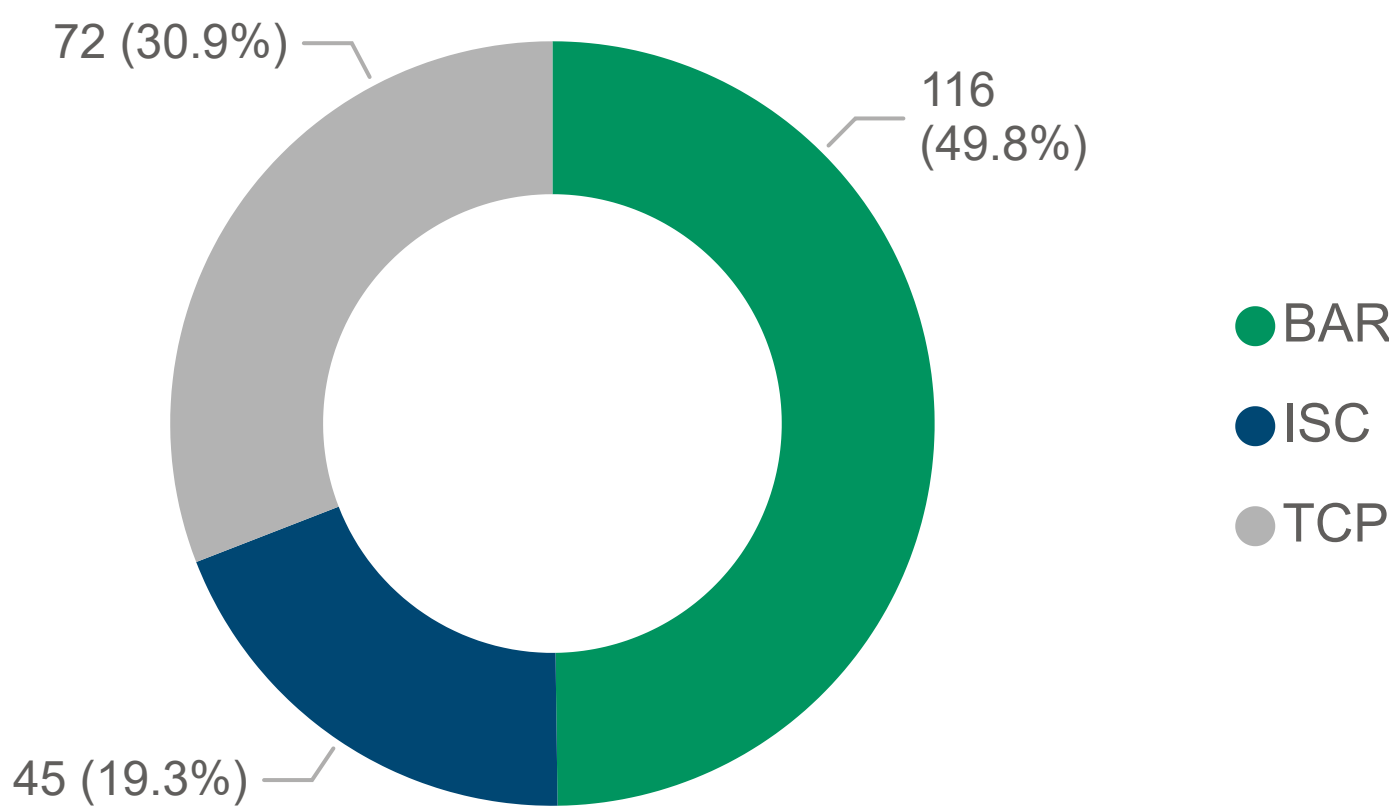
Highest degree listed for a candidate.

	Candidates	% Total
Bachelor's Degree	1,471	58.7%
Advanced Degree	464	18.5%
Enrolled / Other	570	22.8%

NOTE: Degree Type and Disciplines data includes both FT and RE candidates.

Disciplines

Breakdown of what percentage of candidates are taking which discipline.



Notes:

- The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
- The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
- Some jurisdictions do not require candidates to report certain demographic data nor complete surveys gathering such data on a voluntary basis.
- A cohort is the year in which a candidate enters the CPA Exam pipeline. The candidate's cohort is determined by the very first section attempt on the CPA Examination.
- The CPA Exam introduced a new Exam on January 1, 2024. AUD, FAR, and REG after 2023 represent the new core sections.

Applicant Instructions

- ## Section I: Applicant Information

6. New York State DMV ID Number
(Driver or Non-Driver ID)
- | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
- (Leave this blank if you do not have a New York State DMV ID Number)

Section II: Certification of Grades and Licensure

Instructions to Licensing Authority: The properly authorized officer of the jurisdiction that has licensing authority for examination grades and/or licensing must complete Part A and B, sign and date the certification and return the entire form **directly** to the Office of the Professions at the address at the end of the form. **This form will not be accepted if returned by the applicant.** A complete history of the applicant's examination sittings, by section, is essential. (If the reported grade is different from an initial grade, indicate by asterisk and explain below the reason for change in grade.)

Name of the applicant _____

(see Section I, item 3)

Part A - Certification of Examination Grades

☐ Not applicable. Applicant did not sit for the examination in this jurisdiction.

This is to certify that the applicant named on this form sat _____ times for the certified public accountancy examination(s) in the jurisdiction of _____. The grades were as follows:

Examination Sections	Date & Grade	Date & Grade	Date & Grade	Date & Grade
Core: Auditing & Attestation (AUD)				
Core: Financial Accounting and Reporting (FAR)				
Core: Taxation and Regulation (REG)				
Business Environment & Concepts				
Discipline: Business Analysis and Reporting (BAR)				
Discipline: Information Systems and Controls (ISC)				
Discipline: Tax Compliance and Planning (TCP)				

Has the applicant received an extension of credit for any exam section?

☐ Yes ☐ No

If the answer is "yes", attach a complete explanation with any supporting documentation.

The passing grade in this jurisdiction is _____ percent.

Part B - Certification of Licensure

☐ Not applicable. Applicant is not licensed in this jurisdiction.

The applicant holds (check one): ☐ an original license ☐ a license issued by endorsement or reciprocity

License Number _____ Date issued _____
mo. day yr.

1. Is the applicant currently registered to practice in your jurisdiction? ☐ Yes ☐ No
2. Has the applicant been subject to any disciplinary action? ☐ Yes ☐ No
3. Are any charges pending against this license? ☐ Yes ☐ No

If the answer to either 2 or 3 is "yes", attach a complete explanation with any supporting documentation.

Certification

I certify that to the best of my knowledge and belief the foregoing is a true statement of the record of the applicant named on this form. I further certify that, other than those listed above, this licensing authority has never taken any disciplinary action against this person and that, in so far as the licensing authority has knowledge, there have been no charges preferred nor has any information been presented relating to any question of unprofessional or immoral conduct except as noted in Part B, questions 2 and 3.

Signature _____

Date _____

Return Directly: By email to DPLSVerif@nysed.gov (Note: **ONLY** verifications of licensure, certification and examination from other licensing authorities located in the U.S. may be submitted via email), Or, to the New York State Education Department, Office of the Professions, Division of Professional Licensing Services, Public Accountancy Unit, 89 Washington Avenue, Albany, NY 12234-1000.

CPA Examination Review Board - State Board Survey (Exam Year 2023-2024)

COMPLETE

Started:

Tuesday, September 03, 2024 9:14:31 AM

Last Modified:

Friday, September 13, 2024 3:58:47 PM

Time Spent:

Over a week

Email:

jennifer.winters@nysed.gov

Page 1: Instructions & Respondent Information

Q1

Respondent Information:

Name:

Jennifer Winters

Title:

Executive Secretary

State/Board:

NY

Page 2: Exam Topics and Scoring

Q2

The Practice Analysis (Conducted by the AICPA as the foundational “blueprint” for the 2024 CPA Evolution Exam):

Yes (2-Very important)

Q3

Quality/Accuracy of Exam scoring/reporting: Please provide your thoughts on this area and its level of importance.

Yes (2-Very important)

Q4

Timeliness of score reporting: Please provide your thoughts on this area and its level of importance.

Yes (1-Primary importance)

Comments (please specify):

We are encouraged to see that the core sections in 2025 will move back to continuous testing. We highly encourage the same for the discipline sections in the later months of 2025. Extensive withholding of the exam sections would seem to be contradictory in assisting with the pipeline issues.

Q5

Number/type/frequency of Exam sections/topics tested: Please provide your thoughts on this area and its level of importance.

Yes (3-Moderately important)

Q6

Specific content tested on the Exam: Please provide your thoughts on this area and its level of importance.

Yes (2-Very important)

Q7

Difficulty of the Exam: Please provide your thoughts on this area and its level of importance.

Yes (2-Very important)

Q8

Skills tested on the Exam: Please provide your thoughts on this area and its level of importance.

Yes (2-Very important)

Page 3: Communication with Exam Candidates

Q9

Customer Care: Please provide your thoughts on this area and its level of importance.

Yes (2-Very important)

Q10

Specific issues/questions raised by candidates: Please provide your thoughts on this area and its level of importance.

Yes (2-Very important)

Comments (please specify):

The number one concern the board office receives is the frequency of the exam.

Q11

Security of candidate Information: Please provide your thoughts on the area and its level of importance.

Yes (2-Very important)

Page 4: Deployment of the Exam

Q12

Physical security and environment at test centers during Exam: Please provide your thoughts on the area and its level of importance.

Yes (2-Very important)

Page 5: General

Q13

The future value of the CPA brand: Please provide your thoughts on the area and its level of importance.

Yes (2-Very important)

Comments (please specify):

The board believes this is one of the key areas of focus to rebrand the CPA profession to assist with the pipeline.

Q14

Let us know if your board would like to meet with the CPA Examination Review Board (ERB) to discuss any issues or concerns related to the CPA Exam.

No

Q15

Please share any suggestions you may have to garner more state board participation in the CPA Examination Review Board's annual state board survey as the ERB would love to have 100% state board participation in future surveys.

The ERB should have coordinated with the Regional Directors and sent a reminder through them on the recent regional calls. The ERB should also send a reminder through the Executive Directors committee as there is a monthly call with the EDs.

Q16

Please provide any additional comments below.

Alternative education models currently being developed are inconsistent with the higher level knowledge base needed for the discipline sections and may discourage candidates from completing the exam.

NASBA

MISSION DRIVEN - MEMBER FOCUSED

NASBA Annual Meeting Innovate, Collaborate, Succeed

Sunday, October 27, 2024

8:00 a.m. – 2:00 p.m.	Golf Outing	
3:00 – 5:00 p.m.	Registration	Bonnet Creek Foyer
3:30 – 5:30 p.m.	CPT Ethics Workshop Ethics: Every Choice has a Consequence Chuck Gallagher, CSP Business Ethics Expert	Bonnet Creek VII-IX
6:00 – 8:00 p.m.	Welcome Reception	Waterside Patio & Green

Monday, October 28, 2024

7:30 – 8:30 a.m.	Communications Breakfast	La Luce
8:00 – 9:00 a.m.	Breakfast (All Welcome)	Bonnet Creek VII-IX
9:00 – 11:00 a.m.	Opening Plenary Session	Bonnet Creek I-VI
9:00 – 9:20 a.m.	Call to Order and Introductions Stephanie M. Saunders, CPA 2023-2024 Chair, NASBA	
9:20 – 9:30 a.m.	Welcome to Orlando Brent Sparkman, CPA Chair, Florida Board of Public Accountancy	
9:30 – 10:30 a.m.	Private Equity Investment in Public Accounting Firms Matthew Boshier, Esq. Hunton Andrews Kurth LLP	
10:30 – 10:45 a.m.	A Year in Review: Report from NASBA Chair Stephanie M. Saunders, CPA 2023-2024 Chair, NASBA	
10:45 – 11:00 a.m.	The Latest Developments from the AICPA: A Report from the AICPA Chair Carla McCall, CPA 2024-2025 Chair, AICPA	

Monday, October 28, 2024

11:00 – 11:15 a.m.	BREAK	
11:15 a.m. – 12:30 p.m.	The Hero Effect® - Being Your Best When It Matters the Most Kevin Brown, Keynote Address	Bonnet Creek VII-IX
12:30 – 1:30 p.m.	Luncheon	Bonnet Creek VII-IX
1:45 – 4:30 p.m.	Afternoon Plenary Session	Bonnet Creek I-VI
1:45 – 2:45 p.m.	UAA & Competency-Based Experience Pathway Update Nicola Neilon, CPA Chair, NASBA Uniform Accountancy Act Committee Kent A. Absec Vice President, State Board Relations, NASBA	
2:45 – 3:00 p.m.	BREAK	
3:00 – 4:00 p.m.	The Future of the Accounting Profession Barry C. Melancon CPA, CGMA President & CEO, AICPA	Bonnet Creek I-VI
4:00 – 4:30 p.m.	Growth in Ethics: A Report from the NASBA Center for the Public Trust Sedrik Newbern President, NASBA Center for the Public Trust Chief Ethics Officer, NASBA	
4:30 – 5:30 p.m.	CPT Fundraiser Event	Signature Island

Tuesday, October 29, 2024

7:30– 8:00 a.m.	Regional Breakfasts	
8:00 – 9:30 a.m.	Regional Breakout Meetings	
8:00 – 9:30 a.m.	Breakfast for Other Attendees	Bonnet Creek VII-IX

Tuesday, October 29, 2024

9:40 am – 12:00 p.m.

Morning Plenary Session

Bonnet Creek I-VI

9:40 – 11:15 a.m.

Annual Business Meeting

Minutes of the 116th Annual Meeting

Nicola Neilon, CPA

Secretary

NASBA Awards

W. Michael Fritz, CPA

Chair, NASBA Awards Committee

Election of NASBA Board Members

Richard N. Reisig, CPA

Chair, NASBA Nominating Committee

Bylaws Committee Report

Jason D. Peery, CPA

Bylaws Committee Chair

Administration & Finance Committee Report

J. Andy Bonner, Jr., CPA, CGMA

Treasurer

Audit Committee Report

Laurie A. Warwick, CPA

Chair, NASBA Audit Committee

11:15 a.m. – 12:00 p.m.

The State of NASBA

Daniel J. Dustin, CPA

President and CEO, NASBA

12:00 – 12:15 p.m.

First Meeting of 2024-25 NASBA Board of Directors

Julliard Complex – 5th Floor

12:15 – 1:30 p.m.

Luncheon

Bonnet Creek VII-IX

1:30 – 4:00 p.m.

Afternoon Plenary Session

Bonnet Creek I-VI

1:30 – 2:30 p.m.

Inaugural Presentations

Acknowledgements & Gratitude

Stephanie M. Saunders, CPA

2023-2024 Chair, NASBA

Inaugural Address

Maria E. Caldwell, CPA

2024-2025 Chair, NASBA

Tuesday, October 29, 2024 continued

2:30 – 3:00 p.m.	Audit Talent and Artificial Intelligence Christina Ho, CPA Member, PCAOB	
3:00 – 3:15 p.m.	BREAK	Bonnet Creek Foyer
3:15 – 3:45 p.m.	The CPA Exam: A Report on Progress Colleen K. Conrad, CPA Executive Vice President and COO, NASBA Michael A. Decker Vice President – CPA Examination and Pipeline – Public Accounting, AICPA	Bonnet Creek I-VI
3:45 – 4:15 p.m.	Experience Learn and Earn (ELE) Kent A. Absec Vice President, State Board Relations, NASBA Lindsey Yopp Lead Manager - CPA Pipeline, AICPA	
4:15 p.m.	RECESS	
6:30 p.m.	NASBA Luau Extravaganza	Sea World's Discovery Cove

Wednesday, October 30, 2024

8:00 – 9:15 a.m.	State Board President & Chair Breakfast Meeting Moderator: Maria E. Caldwell, CPA 2024-2025 Chair, NASBA	La Luce
8:00 – 9:15 a.m.	Executive Director & State Board Staff Breakfast Meeting Moderator: Nancy Glynn, CPA Executive Director, Virginia Board of Accountancy 2024-2025 Chair, NASBA Executive Directors Committee	Zeta Bar
8:00 – 9:15 a.m.	Breakfast (All Welcome)	Bonnet Creek VII-IX
9:15 – 11:50 a.m.	Morning Plenary Session	Bonnet Creek VII-IX
9:15 – 10:15 a.m.	AI Revolution: Unlocking the Future of Tomorrow Chuck Gallagher, CSP Business Ethics Expert, AI Keynote	

Wednesday, October 30, 2024 continued

10:15 – 10:45 a.m.	A Deeper Look: Texas Candidate Exam Performance by Large & Small Accounting Programs Charles R. Thomas, Jr., PhD, CMA, CGMA (inactive), CPA Professor, Tarleton State University
10:45 – 11:15 a.m.	Legislative Trends Affecting Boards of Accountancy: What You Need to Know John W. Johnson Vice President, Legislative and Governmental Affairs, NASBA
11:15 – 11:30 a.m.	Relying on the CPA Exam: A Report from the CPA Examination Review Board Faye D. Miller, CPA Chair, CPA Examination Review Board
11:30 – 11:45 a.m.	Questions for NASBA Leadership Maria E. Caldwell, CPA 2024-2025 Chair, NASBA Daniel J. Dustin, CPA President and CEO, NASBA
11:45 – 11:50 a.m.	Closing Remarks on the 2024 Annual Meeting Invitation to 2025 Annual Maria E. Caldwell, CPA 2024-2025 Chair, NASBA
11:50 a.m. – 12:00 p.m.	Final Recap
12:00 p.m.	ADJOURN