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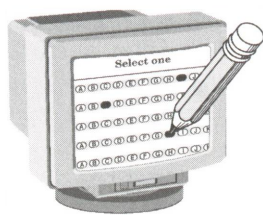
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CIC Alert

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Content of the Uniform CPA Examination: An Update

Background

Based on the increasing complexity of the accounting profession and the business world as a whole, the Board of Examiners appointed the Examination Content Oversight Task Force (COTF) in October 1996. The charge of the COTF was threefold:

1. Provide reasonable assurance that the exam content protects the public interest by reflecting the knowledge and skills needed by entry-level CPAs to practice competently.
2. Revise the content specification outlines—the blueprint of the knowledge and skills needed by entry-level CPAs.
3. Develop a process to keep the content current.

To obtain feedback from interested parties, in 1997 the COTF issued *Invitation to Comment—Updating the Uniform CPA Examination Content Specifications*.

In response to the comments received from the *Invitation to Comment*, the COTF issued *Status Report—Updating the Uniform CPA Examination Content Specifications*, in which it discussed the responses it received and its plans to update the content of the exam. The COTF also appointed working groups whose charter was to focus on specific content areas and methodologies.

Practice Analysis—A Proven Methodology

Since the early 1980s, the AICPA Board of Examiners has used practice analysis methodology as a framework for determining the content of the Uniform CPA Examination. The most recent full-scale practice analysis was completed in 1991.

The practice analysis is a complex, multifaceted research approach that obtains real-world feedback on entry-level skills and competencies. It is a way to pinpoint key aspects of a profession and may use several methods to gather information about professional practice, particularly:

- Types of practice engagements.

- Work activities and specific tasks that define engagements.
- Knowledge and skills required to carry out the activities and tasks.

Interviews, diaries, direct observation, review of laws, professional literature research, and broad surveys of professionals are some of the methods used to analyze

professional practice. Information gathered is evaluated, summarized, and used to develop content specifications for a licensure examination. The content specifications, in turn, are used for guiding examination development to assess the knowledge and skills members of the profession need at the entry level to protect the public interest.

Based on the previous success of practice analysis methodology, the working groups chose to use it to pinpoint content specifications in three key areas:

- Information Technology
- General Business Knowledge
- Integrated Knowledge and Cognitive Skills to be Tested Across the Exam

From the Desk of Anat Kendal

On behalf of the CIC, I am pleased to provide you with this overview of the processes underway to review, reform, and update the content of the Uniform CPA Examination. Together, computerization of the exam and updating of the content will ensure the creation of an effective, real-world licensure exam that is sufficiently flexible to meet the challenges of the next century.

As always, I urge you to be forthcoming with your questions and comments.

Anat Kendal
Director, Exam Reformation and
Computerization

Information Technology Practice Analysis—Completed

Because of the importance of information technology (IT) both in terms of how CPAs work and their ultimate work product, a practice analysis was deemed essential to formulate and adapt IT content specifications in a timely and empirically sound fashion. The IT Practice Analysis identified IT skills and competencies that CPAs need to perform auditing and other attestation engagements. The changes will be reflected in the November 1999 Uniform CPA Examination and are outlined in the 15th Edition of *Information for Uniform CPA Examination Candidates* as follows:

- Minor revisions in the Auditing Content Specifications, including additional suggested references.
- An Appendix listing IT topics CPAs need to understand to perform attest and audit engagements in a computerized environment.
- Sample IT questions.

OCT-1999

General Business Knowledge Practice Analysis— In Progress

A practice analysis is currently in progress in the area of general business knowledge. An outline has been developed incorporating economics, finance, business law, and managerial accounting topics. Notably, a sample of CPAs in business and industry will be included in the research methodology for the first time. The goal is to receive input on entry-level competencies and protection of the public interest from this substantial segment of the profession.

Full-Scope Practice Analysis—To Begin This Spring

The COTF has been assessing the integrated knowledge and higher-level cognitive skills that can and should be tested on a licensure examination for accountants. It has identified a number of areas, including analytical, communications, and research skills, that are both necessary for protection of the public interest and feasible to test in either a pencil and paper or computerized environment. This selection will be validated by empirical evidence gathered through a full-scope national practice analysis—a process anticipated to begin in May 1999.

Content and Computerization

The content specifications recommended by the COTF will be viable in both pencil and paper and computer-based environments. Some changes, such as IT content, will be incorporated well before the 2003 launch date for a computerized exam. However, it is the opinion of both the COTF and the CIC that a computerized exam will provide greatly enhanced opportunities for testing the integrated knowledge and higher-level cognitive skills that will be reflected in the changes to the exam content. Consequently, the COTF and the CIC believe the public interest will best be served by an examination that, in terms of both content and delivery, keeps pace with changes in technology and the profession.

Input and Feedback

Your feedback is especially vital at this juncture. Please forward your questions, comments, and recommendations on the exam content to Anat Kendal, Director (akendal@aicpa.org) or to Ahava Goldman, Senior Technical Manager (agoldman@aicpa.org).

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The Joint AICPA/NASBA Computerization Implementation Committee (CIC) issues the *CIC Alert* periodically. If you would like additional copies, or have questions or comments on this newsletter, contact Anat Kendal by writing to: American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza Three, Jersey City, NJ 07311-3881; by calling 201-938-3555; or by e-mailing akendal@aicpa.org.

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