

CPA Evolution – NASBA and the AICPA’s Guiding Principles

- The CPA profession must adapt quickly due to the technological disruptions in areas such as data analytics, robotics, artificial intelligence, and more. As such, the competencies, services and attitudes of CPAs need to continually evolve in order to protect the public interest.
- The CPA profession and state boards of accountancy recognize that technological and analytical expertise are essential to performing assurance work, as well as the other services that are currently, or will be in the future, core to professional accounting.
- The CPA profession and state boards of accountancy acknowledge that sustaining the profession and continued public protection require rethinking initial licensure requirements.
- The profession, and therefore entry into the profession, must be redesigned to attract individuals with technological and analytical expertise. This includes non-CPA professionals whose technology and analytics skills are critical to the performance of assurance and other core services, as well as non-accounting major students. All must demonstrate minimum required competencies necessary to perform professional accounting services as a CPA.
- The changes must be rapid, transformational and substantive without negatively impacting candidates currently in the pipeline.

In addition, NASBA and AICPA volunteer leadership have developed the following specific concepts that support the guiding principles.

We need a degree of flexibility in the education requirements in order to best position the profession for the future.

- This means candidates with different degrees would all be required to have education around a common core of both accounting and technology, as well as elective coursework that aligns with the work they are interested in performing as a CPA.
- The existing accounting graduate would need a greater understanding of technology, and the existing technology graduate would need a greater understanding of accounting.
- This may necessitate reducing educational requirements on certain existing concepts and adding educational requirements on other concepts.

We need an exam that tests a common core of accounting and technology, and that allows candidates to demonstrate knowledge in their chosen area of study and interest.

- One examination would serve all candidates, with variations allowed within exam sections that correspond to area of study and interest.
- Using the current exam structure, significantly modify the breadth and depth of the exam based on future looking practice analyses.
- Certain advanced and unique accounting and auditing concepts currently required for licensure are applicable to only a segment of practicing CPAs, while knowledge of systems controls and emerging technologies is increasingly relevant.

CPA Evolution – Feedback Form

We're seeking your feedback on five guiding principles on which we believe any new licensure model should be based. Tell us:

- Are these principles directionally correct?
- Would they help put the profession in a continued position of strength and relevance while protecting the public interest?

Name: Sharon Bryson

Title: Chief Executive Officer

Organization: North Carolina Association of CPAs

Comments:

Guiding Principle #1

- Is this principle directionally correct? *Yes*
- Would this help put the profession in a continued position of strength and relevance while protecting the public interest?
 - *The NCACPA Board of Directors agrees that this type of education/understanding is foundational and is a must for the profession.*

Guiding Principle #2

- Is this principle directionally correct? *Yes*
- Would this help put the profession in a continued position of strength and relevance while protecting the public interest?
 - *The NCACPA Board of Directors agrees that technological and analytical expertise will continue to be more essential to performing assurance work.*

Guiding Principle #3

- Is this principle directionally correct? *Yes*
- Would this help put the profession in a continued position of strength and relevance while protecting the public interest?
 - *The NCACPA Board of Directors agrees that initial licensure requirements should be re-evaluated.*

Guiding Principle #4

- Is this principle directionally correct? *Undetermined*
- Would this help put the profession in a continued position of strength and relevance while protecting the public interest?

The NCACPA Board of Directors would like to share the following feedback regarding Guiding Principle #4:

- *The second sentence in Principle #4 creates the greatest uncertainty. There are questions as to why a non-accounting major with technology and analytics skills would be interested in becoming a licensed CPA when they have numerous other professional opportunities. Is there a demand for such? We believe these same individuals have the opportunity for various IT-centric certifications. This reference to non-accounting majors seems to be more of a tactical statement as opposed to a strategic direction.*
- *We would like to understand the business case for non-accounting individuals to become CPAs within business and industry, as the case for public accounting (i.e. ownership % necessary to remain a public accounting firm) is clearer and more defined.*
- *What research has been done around “expanding and/or rebranding the brand” of a CPA to a technologist, that would illustrate a market demand for this change? Example: Accounting students must take business law, because at some point business law was deemed to be important. The profession changed the education and Exam to account for this market demand, but the profession did not aggressively attempt to attract attorneys to become CPAs.*
- *We believe that a data scientist (as an example) may seek to become a CPA because of the trusted advisor sentiment this certification conveys to clients.*

Guiding Principle #5

- Is this principle directionally correct? Yes
- Would this help put the profession in a continued position of strength and relevance while protecting the public interest?
 - *The NCACPA Board of Directors agrees that changes must be rapid, transformational, and substantive without negatively impacting candidates currently in the pipeline.*