

December 4, 2024

Dan Vuckovich, CPA, Chair, NASBA UAA Committee
National Association of State Boards of Accountancy
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Thomas Neill, CPA, Chair, AICPA UAA Committee
American Institute of CPAs
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RE: CPA Competency-Based Experience Pathway

Dear Joint UAA Committee members:

The North Carolina Association of Certified Public Accountants (NCACPA), representing more than 12,000 members in public practice, industry, government, and education, welcomes the opportunity to respond to the request for comment on the exposure draft referenced above.

NCACPA supports consideration of alternative pathways to licensure. The accounting talent pipeline is a top concern of our membership, including leaders in public accounting firms, businesses, government entities, and nonprofit organizations. NCACPA has long been committed to identifying and enacting solutions to attract and retain the next generation of CPAs. An alternative pathway is seen as one lever, alongside others, to ensure qualified talent is attracted to the profession and the public maintains access to qualified CPAs.

While we commend the work the AICPA and NASBA have invested in evaluating additional potential pathways to licensure and the presented proposal, we do not support the proposal as presented. We have identified several fundamental concerns, including:

- **The framework created to support the Competency-Based Experience proposal is unnecessarily complex.** Within the proposal there are several completely new constructs, including:
 - A competency-based experience framework developed by a national accounting organization;
 - A reporting regime for evaluating, submitting, and monitoring completion of the competency-based experience; and
 - A new tier of “CPA Evaluator,” which will require new evaluation and monitoring.All of these will require greater administrative overhead effort and costs for candidates, accounting firms of all sizes (but particularly impactful for smaller firms), private industry, and state boards. We do not believe these added complexities are necessary to support an alternative pathway and in fact may create additional new barriers.
- **The professional and technical competencies outlined in the Exposure Draft are ambiguous, unclear, and subjective.** While certainly developed with thoughtful consideration of desired traits for future accounting professionals, the competencies lack

an objective and standardized methodology for evaluation. This ambiguity renders the framework insufficient as a method for establishing completion of minimum requirements for licensure. Further, the technical competencies in the framework are silent on new and emerging areas of practice that are likely to be of high interest to future CPAs, including (but not limited to) Environment, Social, Governance assurance and reporting, Consulting Advisory Services, data analysis, as well as the utilization of developing technologies such as cloud computing, blockchain, and generative AI.^{1,2}

- **The proposal lacks specifics about the voluntary tracking system to be developed by NASBA.** NASBA's offer to develop and maintain a new system is a concern as the current CPA exam score reporting system administered by NASBA is the subject of frequent negative feedback from CPA candidates due to delays and instability.
- **Absent from the proposal is an explanation of the method of funding of these additional administrative costs by the organization(s) managing them.** We fear that these costs may, directly or indirectly, end up being borne by CPA licensure candidates. The high cost of the CPA Exam has already been identified as another significant barrier to licensure by the National Pipeline Advisory Group (NPAG)³.
- **The evaluation of prospective licensees by experienced licensees may be seen as anti-competitive.** We have concerns that the current proposal, which requires licensed CPAs (market participants) to certify obtainment of skill levels as a requirement for entry into the profession (overseen by state boards of accountancy that are led by CPAs), could be identified as a market entry barrier and thus subject to anti-trust suits.
- **An alternative pathway needs to be coupled with automatic practice privilege regulations in order to ensure minimal disruption to the continued free-flowing movement of people and services through this period of transition.** North Carolina is one of four states that has such language enshrined in statute⁴ and has not experienced issues with how it has been administered since its enactment in 2009. The competency-based experience pathway and accompanying changes proposed to the Uniform Accountancy Act (UAA) template is only one of several alternative pathways currently being evaluated by various states. The concept of automatic mobility needs to be included in these proposals to ensure continued stability and credibility in the profession.

NCACPA requests the AICPA and NASBA UAA Committees reconsider the approach outlined in the Exposure Draft and delay the release of any future exposure drafts related to this topic - keeping the desired success of future alternative pathway candidates as the central focus. NCACPA supports continued efforts by all stakeholders evaluating current and alternative pathways to licensure to help alleviate the talent shortage and make the process more equitable

¹ EY Americas, "How Gen Z insights are shaping the accounting profession of the future", November 2, 2023.

² AICPA Assurance Services Executive Committee Update Presentation, October 2024.

³ National Pipeline Advisory Group, "Accounting Talent Strategy Report", July 31, 2024.

⁴ North Carolina General Statutes § 93-10. Practice privileges.

by examining the three pillars of the credential—education, experience, and the exam—and the interplay between them. These efforts should be centered on maintaining license mobility and preserving the integrity of the licensure in the market while avoiding new barriers and complexity.

Thank you for the opportunity to submit these comments. We welcome the opportunity to continue exploring alternative pathways to licensure. Please direct any questions or concerns to NCACPA Director of Advocacy Robert Broome, CAE, at rbroome@ncacpa.org or (919) 481-5160.

Signed,



Courtney Knoll, PhD, CPA
Chair



Mark P. Soticheck II, CPA, CGMA
CEO

cc: AICPA Leadership and Board of Directors
NASBA Leadership and Board of Directors
NCACPA Board of Directors