

# The Uniform CPA Examination Alert

Winter/Spring 2007

## The New Diagnostic Report: A Likely Success Story

After months of intensive effort and much anticipation, a new diagnostic report became available in the last quarter of 2006. The first to receive it were the candidates who took the examination in the October/November 2006 testing window. It will take another two or three testing windows to establish whether the new report is successful in meeting candidate needs and expectations. However, initial indications are that it is being very well received.

According to Krista Breithaupt, Director of Psychometrics and Research, "If the new report proves to be successful – and I think that's very likely – it will be because of candidate involvement in the report development process. It was important to try to understand how candidates view and interpret examination performance, and to obtain their preferences with respect to report text and format. Without such input, a report that is helpful to users could not have been developed."

## The Re-design Process

The re-design of the diagnostic report involved months of sample report reviews by various individuals and groups – including candidates, accountancy board members and staff, and review course providers – and almost continuous revision of report versions in response to comments.

Candidates were consulted about diagnostic report versions in six focus group sessions – two held in February 2006 in Boston, and four more in June 2006 – two of them in St. Louis and two in Houston. In independent sessions, participants in all four June focus groups indicated preference for the same report version, and this is the version that was subsequently approved for implementation.

Accountancy board members and staff contributed to the development of the new diagnostic report by commenting on the reports con-

*(continued on page 5)*

## Also In This Issue

Candidate Focus Groups: Round Two . . . . .	p. 2
Candidate Scoring Issues . . . . .	p. 3
Talking to....Colleen K. Conrad . . . . .	p. 4
Practice Analysis Update . . . . .	p. 6
Meet New BOE Members . . . . .	p. 7
Landmark Meeting of CPA Examination Content Experts . . . . .	p. 8
Examination Passing Rates . . . . .	p. 8
The State Board Committee Holds Inaugural Meeting . . . . .	p. 8
Upcoming Events . . . . .	p. 10



## The Executive Director's Desk Update from Craig N. Mills

*Executive Director of the CPA Examination*

Just some of the newsworthy CPA Examination events of last year were: the development of a new diagnostic report, the launch of a practice analysis effort and the formation of the Practice Analysis Oversight Group (PAOG), the establishment of the State Board Committee, the conduct of candidate focus groups, the implementation of Simulation Version 1.5 software, and the introduction of new sample tests and tutorial. Work on these initiatives sponsored by the AICPA Board of Examiners (BOE) was carried out, of course, in addition to our standard examination development and scoring responsibilities. It's been a busy year for the Examinations Team, as you will agree. This issue contains updates on a few of the current projects – some completed and some still in progress.

An interview with Colleen K. Conrad, the new Chair of the BOE, provides a glimpse into the work and structure of the BOE. As a former Chair of the Missouri State Board of Accountancy and member of the BOE for the past six years, Colleen Conrad brings a unique perspective to her role as Chair as well as knowledge of both regulatory and BOE issues. Also, as is our tradition, new BOE members beginning their tenure in the current year are introduced in the "Meet New BOE Members" segment.

Candidate focus groups were held last July to find out if and how candidate attitudes toward the examination have changed since focus groups were last held in 2004. Two articles in this issue provide information about 2006 focus group findings - one a general overview and the other a summary of candidate scoring issues.

The new diagnostic report became available toward the end of last year and appears to be meeting candidate needs – at least in the early stages of its use – as described in an article about its development and implementation. Another major initiative, the new practice analysis, was launched last summer and is now well under way. A practice analysis update is provided with details about work completed thus far and plans for the future, including a project timeline.

*(continued on page 2)*

## ■ Candidate Focus Groups: Round Two

As a follow-up to the focus groups convened two years ago, the AICPA sponsored eight candidate focus groups in July 2006 to discover whether candidate attitudes toward the Uniform CPA Examination have changed and, if so, to determine what candidates now like – or don't like – about the process, and whether there are any new issues that concern them. As in 2004, the purpose of the 2006 focus groups was to elicit information of importance to all three Computer-Based Testing (CBT) partner organizations: the AICPA, NASBA, and Prometric.

To provide a neutral environment for the focus group discussions, a consulting firm was engaged to conduct the 2006 focus groups. Two sessions were held in each of four locations: New York City; Alexandria, Virginia; Columbus, Ohio; and Portland, Oregon. A total of eighty-two candidates participated in the 2006 sessions. Candidate participants were chosen from among those who took at least one examination section in or after October 2005. Both those who passed and those who failed the sections they took were included in the focus groups.

The eighty-two focus group participants may not have been representative of CPA examinees in general, and the focus group results are not meant to be definitive. The findings are interesting and helpful, however, simply as a reflection of the attitudes and views held by some candidates.

### Overall Focus Group Results

In general, the results of the 2006 focus groups show that candidates fully accept CBT as the most desirable method of examination delivery. They like the ease of scheduling examination sessions, they find the test center environment pleasant, and, yes, they even like simulations – or at least they like the simulation concept, if not necessarily the specific simulations they completed. On the whole, they find the CPA Examination difficult but fair.

The 2006 focus group participants would like initial applications to be processed faster, scores to be reported earlier, and the diagnostic information to be more helpful. They would also like better computer equipment at test centers, and software that is similar to the software they are accustomed to using. Familiarity seems to be the key to their hardware and software requests. They would like the computer environment at test centers to be just like the environment in their homes or offices.

The new diagnostic report made available beginning in the last quarter of 2006 is expected to address candidate diagnostic information concerns, especially because this report was developed with considerable input from candidates. Faster application processing and faster scoring are also being addressed. However, faster scoring raises several

complex quality control and security issues that will need to be resolved before changes in the scoring timeline can be made. These issues are currently under review.

### The Biggest Challenge

The fact that important examination information appears not to reach candidates is perhaps the most troubling focus group result. For example, some candidates who took the examination in or after April 2006 were unaware that Simulation Version 1.5 had been implemented, despite the fact that this change was announced well in advance, and new sample tests and tutorial were posted on the CPA Examination website so that candidates could become familiar with the new functionality. This focus group finding is supported by evidence from other sources that Simulation Version 1.5 caught a number of candidates by surprise.

Focus group results also show that while candidates would like more information about the scoring of the CPA Examination, they are not familiar with the materials that are currently available to them. Anecdotal evidence suggests that candidates do not seek examination information from the Candidate Bulletin, state board websites, or the CPA Examination website but that they rely instead on friends and review course providers to keep them informed about all aspects of the examination process.

Addressing this information gap is very important, says Craig Mills, Executive Director of Examinations: "We need to work together with our CBT partners to find new and more effective ways to reach candidates with examination information. Poorly informed candidates are at a disadvantage in the examination process, and we must do everything we can to ensure that the information candidates need is not just made available to them – but that it is actually brought to their attention."

### The Biggest Change

By far the biggest change between 2004 and 2006 appears to have occurred in the level of candidate expectations. Most of the 2004 focus group participants had taken the examination in the paper-and-pencil format, and were delighted with the improved testing environment and flexibility offered by CBT. The 2006 candidates have little memory of the paper-and-pencil examination. Because the CBT environment is the only one most of them have experienced, the base for their expectations is the CBT – not the pre-CBT – examination process. Not surprisingly, the expectations of the 2006 candidates are higher than were the expectations of the 2004 focus group participants. 📧

---

### The Director's Desk *(continued from page 1)*

Two BOE committees made history in recent months. The new State Board Committee was formed and held its inaugural meeting. The Content Committee met jointly with all of its subcommittees for the first time. Accounts of these exceptional events are provided together with information about both committees.

I think you will find the articles in this issue informative and helpful. However, we are always happy to address new topics. If you have suggestions for future articles or comments about *The CPA Alert*, please contact me at [cmills@aicpa.org](mailto:cmills@aicpa.org). 📧

## Candidate Scoring Issues

The 2006 focus group results show that Uniform CPA Examination candidates consider scoring and score reporting to be among their most important concerns. They wish they could receive their scores faster than they do now, and wonder why some scores are reported earlier than others. They ask how the examination is scored, what causes scoring delays, and why scores cannot be produced quickly – or even instantly – in a computer-based environment.

The answers to most of the questions raised in focus group sessions are already available to candidates in previously published materials. The remaining issues are discussed in this article.

### Basic Scoring Information

To obtain a general understanding of CPA Examination scoring, candidates should read “How is the CPA Exam Scored?”, an article that appeared in the Fall 2006 issue of this publication. The article provides a non-technical overview of the scoring process. Another source of helpful scoring information, as well as responses to some of the questions candidates continue to ask, is available in “Talking to...Krista Breithaupt, AICPA Director of Psychometrics and Research,” an article that appeared in the Summer/Fall 2005 issue.

Previous issues of *The Uniform CPA Examination Alert* are available on the CPA Examination website, [www.cpa-exam.org](http://www.cpa-exam.org), under Newsletters and Updates.

### Scoring on a “Curve”?

Participants in the 2006 focus groups requested more information about how the CPA Examination is curved. (*Is the curving done by region? Is it national? Is it in your state?*) The impression that the examination is scored on a curve and, in addition, that curving causes delays in score release (*Are they waiting to curve it?*) is surprising because the CPA Examination is NOT curved.

The CPA Examination is a criterion-referenced examination which means that it rests upon pre-determined standards. Every candidate's performance is measured separately to determine whether the candidate demonstrates sufficient knowledge to meet the standards represented by the passing score. Every candidate is judged against the same standards, and every score is an independent result.

Sufficient knowledge for practice as a CPA entering the profession is determined through a formal standard-setting process. The minimum knowledge needed to pass a section is expressed by a score of 75. The scoring calculation determines where the candidate's performance falls on a scale of 0-99. This calculation is made for every candidate without reference to the performance of other candidates, and regardless of where or when the candidate took the examination.

Curving just doesn't happen on the CPA Examination. In theory, if all candidates were well prepared, they would all pass the examination and, conversely, if all were poorly prepared, all would fail. Every candidate's performance stands entirely on its own merit.

### What May Affect the Scoring Timeline?

Simulations appearing on the examination for the first time require review and analysis before they may be scored. This analysis cannot begin, however, until a new simulation has been completed by a sufficient number of candidates. If relatively few candidates take the examination at the beginning of a testing window, it is necessary to wait until enough responses accumulate to begin the quality assurance and review steps required for all new test content. Current test-taking patterns show that most candidates take the examination at the end – not at the beginning – of the testing window. Such patterns tend to slow down the scoring process.

At the end of the scoring cycle, the written communication responses of candidates who earned failing scores of 72 and higher are submitted for an additional review by independent readers. If the additional review results in a different written communication score than previously granted, the candidate is always given the higher of the two scores. It takes about one week following the conclusion of scoring to obtain independent reviews.

### Preliminary MCQ Results

In order to get an idea of how well they performed, candidates have asked that their raw scores on multiple-choice questions (MCQs) be made available immediately after the examination. It is their impression that preliminary MCQ raw scores would be sufficient to indicate whether they passed or failed an examination section. Unfortunately, this impression is incorrect.

Candidates pass or fail on the basis of the entire examination for each section, and one part of the examination is not enough to predict the outcome. Knowing how many MCQs they answered correctly – without also knowing and understanding the statistical properties of each question – would be misleading. (Given two candidates who answer the same high number of MCQs correctly, it is entirely possible for one candidate to pass and the other to fail.)

Candidate scores belong to the state boards of accountancy. The AICPA could not release MCQ raw scores – or any scores – to candidates without routing them through NASBA and the accountancy boards. 📧

## Talking to....Colleen K. Conrad, CPA, Chair, AICPA Board of Examiners (BOE)



**You are the first Chair of the BOE to have state board experience and, for the first time, the majority of the BOE members also have regulatory backgrounds. What do you think about this?**

I am delighted that the BOE regulatory perspective is stronger than ever. One of the main responsibilities of the BOE is to represent the CPA

Examination to state boards and, for that reason, it's very important for the BOE to maintain strong ties with the regulatory community. Of course, the BOE has long had members with regulatory backgrounds but I think the fact that this membership has now grown to a majority will enable the BOE to establish more productive relationships with state boards who are, after all, the customers of the CPA Examination. State boards use the CPA Examination as one of three important measures to ensure that candidates for CPA licensure meet minimum knowledge and skill thresholds. (The other two measures are minimum education and experience requirements.)

On a personal level, I am very happy to be the first BOE Chair with a state board background. My experience as member and Chair of the Missouri State Board of Accountancy has given me insight into state board issues as well as an understanding of state board responsibilities with respect to the CPA Examination. I know this background will be helpful to me in my new role as the BOE Chair, and am pleased that it also earns me the distinction of being the first ex-state board Chair to head the BOE.

**A new State Board Committee has just been added to the BOE Committee network. Why was it formed and what will be its purpose?**

The State Board Committee was established in response to a recommendation from the BOE Structure Task Force which was formed in September 2005 to review the composition of the BOE and its committees and subcommittees. In making its recommendation, the Task Force noted that the BOE did not currently have a direct link to state boards, and suggested that a new committee consisting solely of current or recent state board members and Executive Directors be established to serve as liaison on examination issues for state boards, their national organization, the National Association of State Boards of Accountancy (NASBA) and the BOE.

In my opinion, the new State Board Committee is a crucial addition to the BOE committee network because it will further enhance the BOE's awareness of state board issues and, at the same time, provide a direct conduit for BOE concerns and decisions to be communicated to state boards and NASBA. I am convinced that the Committee will not only improve communication between the BOE and the state boards and

NASBA, but that it will also have a beneficial influence on the examination policy-making process.

**Did the Structure Task Force recommend any other changes to the BOE?**

Yes. The Structure Task Force considered a variety of issues, including the optimal distribution of BOE member expertise, BOE member independence, the BOE appointment process and terms of service. The Task Force issued eight recommendations, all of which were accepted by the BOE at its May 2006 meeting.

**Are these the most important BOE changes to be made since 2000, when you first became a member?**

No, probably not. The BOE underwent several significant structural changes in recent years in response to changing priorities. Don't forget that between 2000 and 2004, the main focus was on preparing for computer-based testing (CBT), and between 2004 and 2005 on CBT implementation and stabilization. At the time the examination was computerized, the content and sections of the examination were also updated and revised. Now that CBT, in its current format, has stabilized and gained total acceptance, the BOE priorities will be adjusted to continue to improve the examination and meet the needs of state boards of accountancy as the profession evolves.

During the preparation for CBT phase, the BOE committee structure included a Computerization Implementation Committee and an Operations Committee, both of which no longer need to exist. Current issues require different emphases and competencies, and the BOE structure has been adjusted to reflect current needs.

**What does the BOE structure look like now?**

The BOE currently has three committees – the Content Committee, the Psychometric Oversight Committee (POC) and the State Board Committee. The Content Committee is responsible for examination content, its development and technical accuracy. It has eight subcommittees, one for each of the four CPA Examination sections, three simulation development subcommittees for the sections that include simulations, and one subcommittee for IQEX (International Uniform Certified Public Accountant Qualification Examination).

The POC is responsible for the psychometric integrity of the CPA Examination, oversight of psychometric research, and acts in an advisory capacity to the BOE on all psychometric matters. As I have mentioned before, the State Board Committee is responsible for representing state board concerns to the BOE as well as BOE concerns to state boards. In recent months, the BOE has also formed the Practice Analysis Oversight Group (PAOG) to direct the new practice analysis which is now under way.

**What are the current BOE priorities and how were they established?**

BOE priorities are determined at the strategic planning session which is part of every January meeting. For 2006, the top BOE priorities were: producing a new diagnostic report, initiating a new practice analysis, and investigating improvements in the scoring timeline. A new diagnostic

*(continued on next page)*

## Talking to....Colleen K. Conrad, CPA, Chair, AICPA Board of Examiners (BOE) *(continued from page 4)*

report has been developed with considerable input from candidates and state boards, and has just made a successful debut. The practice analysis project is in its survey development phase, with data collection scheduled to take place in May 2007. A report to the BOE on the investigation into the scoring timeline was presented at the January 2007 meeting.

### What do you hope to see during your tenure as Chair of the BOE?

I would like to see the practice analysis successfully completed so that new Content and Skill Specification Outlines (CSOs/SSOs) can be developed and the CPA Examination brought up-to-date to reflect current practice. A practice analysis is essential to maintain the validity as well as the reputation of the CPA Examination and should be conducted every five to seven years.

Beyond that, I would like to see improvements in the scoring timeline if that can happen without compromising examination security or quality standards. Improvements in customer service are another area that need to be addressed, as is the number of candidates taking the examination. In view of rising accounting enrollments, more candidates should

be taking the examination than are taking it at present. We need to find out whether this trend can be reversed.

In addition to specific improvements, I would like to make certain that we live up to the BOE responsibilities – representing the CPA Examination to the state boards and the profession and overseeing the development and scoring of the examination. This means ensuring that high standards continue to be met throughout the examination process, working collaboratively with all stakeholders, and foreseeing any challenges that may lie ahead. The BOE is the custodian of the reputation of the CPA Examination and we must be sure to safeguard this precious asset.

### Your tasks sound daunting. Are they?

They probably would be if I were to try to tackle them all by myself. Fortunately, however, the current members of the BOE and the AICPA Examinations Team have the expertise as well as the dedication to accomplish a great deal. I know I can count on their commitment and support. 🍷

## The New Diagnostic Report: A Likely Success Story *(continued from page 1)*

sidered in the February focus group sessions and candidate reactions to them. Review course providers also commented on February focus group results and, in addition, discussed diagnostic report variants at a June 2006 meeting.

In July 2006, the AICPA Board of Examiners (BOE) approved the format for the new diagnostic report at the recommendation of its Psychometric Oversight Committee (POC). At the same time, the BOE agreed with the recommendation of the Diagnostic Report Project Team that the new report be implemented in the last quarter of 2006.

### The 2006 Diagnostic Report Team

The diagnostic report project was sponsored by the BOE and carried out in an AICPA/NASBA collaborative effort. The AICPA was responsible for the design of the new report, report layout, and psychometric support to the project. NASBA was responsible for implementing and deploying the new report for state boards using the standard format. (The few state boards using nonstandard format were responsible for their own report implementation within established guidelines.)

Project leadership was provided by two members of the BOE - David Landsittel and David Harrison – and, on behalf of the AICPA, Craig N. Mills, Executive Director of Examinations and Noel Albertson, Director of Systems, Compliance, and Project Management. Acting as Executive Advisors were Lorraine P. Sachs, NASBA Executive Vice President, and Krista Breithaupt, AICPA Director of Psychometrics and Research. Serving as psychometric advisor was Ron Hambleton, Chair of the POC and member of the BOE.

In terms of project management, Ed Barnicott, CPA Examination Enterprise Project Manager, coordinated activities between the AICPA and NASBA. Erin Farrell acted as project manager at the AICPA and Chris Mays as project manager at NASBA.

### Contributors

Many individuals contributed time and effort to the diagnostic report project. Accountancy board members and staff provided thoughtful analyses of each diagnostic report sample, and many defended their selections with conviction and insight. The Texas and Missouri accountancy boards served as hosts for the June candidate focus groups, thereby contributing greatly to the diagnostic report project. The cooperation of the Executive Directors, William Treacy and Ken Bishop, respectively, and the assistance of Donna Hiller of the Texas board staff and Julie Morff of the Missouri board staff made it possible for the candidate focus groups to be held in Houston and St. Louis.

Dr. Ronald Hambleton, Chair of the Psychometric Oversight Committee (POC), led the Boston focus groups, and Dean Goodman, a doctoral candidate at the University of Massachusetts, Amherst, led the focus groups in June. Their expertise and leadership were essential to the success of the focus group sessions, and to the diagnostic redesign project as a whole.

Of course, the candidates themselves – and especially the focus group participants – provided the most important input of all. As potential users of the new diagnostic report, they contributed insight into how candidates view examination performance and what they expect from a diagnostic report. The report re-design project would not have had any chance of success without their views.

### Diagnostic Report Future

The 2006 diagnostic report redesign project ended with the release of the new report to candidates. However, the report will continue to be monitored to determine whether it is meeting candidate needs. Depending on how clear and useful candidates find it to be, a revision could be considered within the next two years. 🍷

## Practice Analysis Update

In the six months since the AICPA Board of Examiners (BOE) authorized the conduct of a new practice analysis, the project has taken shape and gained momentum. The Practice Analysis Oversight Group (PAOG) was formed as soon as the project was launched. Since then, the Psychometric Oversight Committee (POC) has completed work on the recommended practice analysis research design, and the Content Committee has been actively involved in every step leading to the development of new practice analysis surveys. CPAs have responded enthusiastically to invitations to serve as subject matter experts, and have generously contributed many hours of their time to work on survey development. In short, the project has gotten off to an excellent start.

### Current Status

Planning and preparing for data collection have been the main activities during the past few months. The development of new surveys has gone through several phases, beginning with an online update of the previously used Knowledge and Skill and Task surveys by volunteer subject matter experts as well as the Content Committee and subcommittee members with examination content responsibilities. The results of this review were then compiled and consolidated by CPAs on the Examinations Team staff. The second update took place in mid-December at a meeting of a group of volunteer subject matter experts who participated in the first review, Examinations Team staff, and representatives of the PAOG. The next step will be final survey review and approval by the PAOG and the Content Committee.

Considerable time and effort are being expended on the development of new surveys because good surveys are essential to the success of the practice analysis. As Lawrence Field, Chair of the PAOG, says “The data we collect will only be valuable if we ask the right questions. In order to get an accurate picture of the responsibilities of entry-level CPAs in the workplace, we must be sure that our questions cover tasks in various professional settings and that they encompass new and emerging topics in professional practice. Such comprehensive surveys can only be developed with the help of subject matter experts representative of all areas of practice, and we are delighted to have obtained this expertise from volunteer CPAs. We are very grateful for their generous assistance and support.”

### The Practice Analysis Timeline

According to the practice analysis timeline approved by the BOE at its October 2006 meeting, data collection surveys are to be finalized early in 2007 and administered nationally in May. Survey response analysis will follow and new Content and Skills Specification Outlines (CSOs) will be drafted in the latter half of 2007. An exposure draft of all CSOs will be circulated in May 2008 with a comment period of three months. The final practice analysis report is expected to be issued in December 2008.

The practice analysis timeline was designed with the traditional busy season in mind. The project is lengthy, and its success depends on the good will of CPAs in completing surveys, responding to data collection requests, and providing comments on the exposure draft of new CSOs.

To make it easier to obtain this essential input, the busy season was excluded from the practice analysis timeline.

### Importance of the Practice Analysis

When conducted in accordance with best practices and *Standards for Educational and Psychological Testing* (NCME, APA, and AERA, 1999), a practice analysis provides a way to evaluate the knowledge, skills, and tasks required of entry-level professionals, determine the resources required for assessment, and develop a blueprint documenting the content, skills, and length of the examinations. Test questions are developed in accordance with the blueprint, and this chain of evidence forms the basis for content validity and legal defensibility of the examinations.

The practice analysis is the foundation of the CPA Examination, just as it is the foundation of all licensing examinations that assess job components. The practice analysis process must be repeated periodically to ensure that the examination is updated to reflect current practice so that it remains relevant to the profession. The last CPA Examination practice analysis was completed in 2001.

### The Practice Analysis Oversight Group (PAOG)

The PAOG is a special committee of the BOE, formed specifically to oversee the practice analysis project. It consists of eleven members reflecting broad stakeholder representation. PAOG members were selected to ensure that the practice analysis is performed according to best practices, and that it involves a representative sample of CPA Examination stakeholders.

The PAOG includes representatives of the BOE Psychometric Oversight Committee (POC) and Content Committee. In addition to fulfilling oversight responsibilities, these committees work directly on the project as their members have the expertise required to carry out the practice analysis. The Content Committee is responsible for survey content and for the new CSOs. The POC is responsible for research design and methodology, and will provide expertise in high-stakes testing methodology during all phases of the practice analysis project.

The PAOG statement of intent reads as follows: “To ensure that the 2008 practice analysis is developed utilizing professionally sound processes, including best practices, which result in a valid and legally defensible Uniform CPA Examination.”

Current members of the PAOG are: Lawrence Field, Chair (Member of the BOE), Linda Biek (Executive Director of the Tennessee Board of Accountancy), Ken Clark (Member of the BOE), Gary Fish (Past Chairman, Illinois Board of Examiners), Michael Henderson (Member of the State Board Committee), John Katzenmeyer (Member of NASBA Board of Directors) Nina Kavich (Member of the BOE), Ron Nielsen (Chair of the Content Committee), Barbara Plake (Member of the POC), D. Gerald Searfoss (Member of the Content Committee), and Janice Wilson-Marcum (Member of NASBA's CPA Licensing Examinations Committee). 🐼

## Meet New BOE Members

**O. Whitfield Broome, Jr., Ph.D., CPA**, who has served previously on the AICPA Board of Examiners (1980-1982), is Kaulback Professor of Commerce and Professor of Law at the University of Virginia, where he has taught undergraduate and graduate accounting and finance courses since 1967. At present, Dr. Broome teaches financial accounting in a master's program as well as a course on analyzing financial statements in the Law School. He has served as Director of Graduate Studies and Associate Dean for Academic Affairs, taught in executive development programs in the U.S., Europe and Asia, and held visiting faculty appointments at the University of Texas at Austin, Duke University, Tulane University, and Lancaster University (England).



Dr. Broome is currently a member of the Virginia Board of Accountancy. He has served as chair of the CPA Examination Review Board (ERB) (1986-1987), and member of NASBA's Examinations Committee (1995-2000 and 2004-2006). He has also held several professional appointments in financial planning, including that of Director of the International Board of Standards and Practices for Certified Financial Planners (1989-1991). His business experience includes six years as Executive Director and Trustee of the Institute of Chartered Financial Analysts (1978-1984).

**Kenneth E. Clark, CPA, CMA, CFM, Esq.** is Vice President and Controller for Maryville Technologies, where he is responsible for all accounting, product fulfillment, vendor contract negotiations, and tax and compliance functions. His consulting and work experience have been in taxation, management accounting and process evaluation/improvement in start-up and turn-around circumstances.

Mr. Clark's background includes nineteen years in industry, eight years in public accounting, four years of teaching at Southeast Missouri State University, and four years of law practice with a firm in Cape Girardeau. He has also held adjunct teaching appointments at Maryville, Washington, and St. Louis Universities.



Mr. Clark has been a member of the Missouri State Board of Accountancy since 2004 and currently serves as its President. He has contributed significantly to Uniform CPA Examination content development, having served as a member of the Content Committee (2004-2006), Simulation Development Subcommittee (2002-2003), and the Business Environment and Concepts (BEC) Subcommittee (2003-2006). Mr. Clark holds B.S. (Mathematics), B.S.B.A. (Management), J.D., M.B.A. and LL.M. in Taxation degrees.

**Lisa (Wilkins) Johnson, CPA, CITP, CISA, CISM** of TWM Associates, Inc. is responsible for a variety of risk assessment Information Technology (IT) audits and reviews, Federal Information Security Management Act (FISMA) support, Presidential Decision Directive (PDD) support, as well as certification and accreditation (C & A) reviews. She also manages financial arrangements and coordinates budget, legal, audit, contractual and tax matters for TWM. Her expertise ranges from common user information systems to dedicated special-purpose systems requiring specialized security features and procedures.



Ms. Johnson has more than twenty years of experience in information security and audit in various government and business environments. She has provided lead technical support for the Federal Communications Commission (FCC) and the U.S House of Representatives, among several other government entities. She has held the positions of Director, International Treasury at Sprint/Global One, Banking Operations Manager and Senior EDP Auditor at Mobil Corporation, and Computer Audit and Audit Manager at Ernst and Young, LLP. Ms. Johnson holds an undergraduate degree in accounting and computer science and an M.S. in management information systems.

**Barbara R. Porter, M.Ed.** is the Executive Director of the Idaho State Board of Accountancy, a position she has held for the past ten years. As Executive Director, she is responsible for managing the Board's activities in regulating the professional conduct of Idaho CPA's through the enforcement of statutes and adoption of rules governing CPA qualifications and professional ethics. Ms. Porter's previous positions for the Idaho state government have included Division Administrator of the state's Insurance Management Program,



Administrator of Internal Operations in two agencies, and Financial Management Analyst in the Governor's Budget Office.

Ms. Porter is currently a member of the NASBA CBT Administration Committee. She has been a member since its inception as a Task Force, working with fellow Executive Directors to address the issues of converting from a paper-and-pencil to a computer-based examination. Ms. Porter served as the 2002-2003 Chair of the NASBA Executive Directors Committee. In the fall of 2006, she was appointed to the newly-formed NASBA CPA Mobility Task Force. She holds an undergraduate degree in biology and a master's degree in adult education. 📖

## Landmark Meeting of CPA Examination Content Experts

For the first time in the AICPA Board of Examiners (BOE) committee history, a joint meeting of the Content Committee and all of its subcommittees was held in Phoenix, AZ from November 29 to December 1, 2006. The meeting proved to be highly successful, and may well mark the beginning of a new tradition.

According to Ron Nielsen, Chair of the Content Committee, “The joint meeting was an excellent opportunity for all of us to consider the CPA Examination as a whole – its mission, governance, and structure – in order to place content development work in a larger context. It was also a good opportunity to discuss policy and procedural issues, bring everyone up-to-date on current examination projects, and to hold workshops and subcommittee meetings. Basically, it was three days of very hard but enjoyable work. We accomplished a great deal and can expect a more cohesive and efficient item development process as a result.”

Item development refers to the creation, review, and approval of new CPA Examination questions, both multiple-choice questions (MCQs) and simulations. New questions need to be written on a regular basis – and in large numbers – in order to maintain the quality and vitality of the examination. The BOE Content Committee and its subcommittees are at the forefront of this large and very important effort. Content Committee and subcommittee members are CPAs in various areas of practice, accounting faculty, and, in some cases, attorneys – all of them volunteers.

There are eight subcommittees under the jurisdiction of the Content Committee: one for the development of MCQs for each of the four examination sections, one for the development of simulations for each

of the three sections that have simulations, and one for the content of IQEX (International Uniform Certified Public Accountant Qualification Examination). Content subcommittees meet regularly to review or create new examination items.

The November meeting consisted of joint sessions, separate meetings of content subcommittees and both group and separate meetings of simulation development subcommittees. CPE credit was awarded for some of the sessions, including a presentation by Glenn Helms on new Audit Risk Assessment Standards. Presentations on the mission of the Uniform CPA Examination, its governance, innovative testing technologies, and the practice analysis provided participants with an understanding of the current examination environment and the issues likely to affect its future. These sessions also yielded CPE credit.

Colleen Conrad, Chair of the BOE, attended the November meeting, as did Craig N. Mills, AICPA Executive Director of Examinations and Examinations Team content development staff. Barton Baldwin and Phil Gleason represented the Examination Review Board (ERB).

During the three-day meeting, subcommittees completed the review of a total of 761 new examination questions, “an excellent achievement,” according to Lesa Davis, Senior Manager, Professional Relevance and Quality. “I am always impressed by the hard work and dedication of the CPA volunteers serving on content subcommittees. The CPA Examination content development effort is successful only because of their generous contributions of time and effort and their professional commitment.”

## Uniform CPA Examination Passing Rates

2006					
Section	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	2006 Cumulative
AUD	40.59	43.52	46.70	44.27	44.01
BEC	41.88	43.36	46.27	43.21	43.81
FAR	42.19	42.88	47.31	44.78	44.54
REG	39.26	41.99	45.19	41.96	42.33

## The State Board Committee Holds Inaugural Meeting

The State Board Committee of the AICPA Board of Examiners (BOE) met for the first time on January 4 and 5, 2007 at the AICPA offices in Ewing, NJ. This was a long-awaited and significant event because the new State Board Committee is unique in terms of its role, membership, and purpose.

The role of the State Board Committee is to strengthen the BOE regulatory perspective as well as state board awareness of BOE issues. As its Chair, Douglas Warren, says: “We are the information and education link between the BOE and the regulatory community. Our job will be to facilitate the exchange and understanding of issues from both points of view, and to promote collaboration. It is important for the BOE, as the policy-making body for the Uniform CPA Examination, and the state boards, as the examination’s “users,” to work closely together on matters affecting the future of the examination.”

The State Board Committee was formed as a result of a recommendation from the BOE Structure Task Force, which also specified that members of the committee should be individuals with a current understanding of legislative and licensing issues. In accordance with this directive, the State Board Committee members are present or former accountancy board members or Chairs, and accountancy board Executive Directors. As Douglas Warren points out, “State Board Committee members are highly regarded individuals in state board leadership. They were recommended for membership by their peers for their knowledge, experience, objectivity, and known professional commitment.”



State Board Committee members at the January 2007 meeting.

**Seated (left to right):** Joanne Vician, Executive Director, Illinois Board of Examiners; Janice L. Gray, Chair, Oklahoma Accountancy Board. **Standing (left to right):** Ron Rotaru, Executive Director, Accountancy Board of Ohio; Michael A. Henderson, Executive Director, State Board of CPAs of Louisiana; Ruben Davila, Member, California Board of Accountancy; Roger Reinhart, Past Chair, Minnesota State Board of Accountancy, Douglas E. Warren, Chair, State Board Committee, and Chair, Tennessee State Board of Accountancy.

### New On the CPA Examination Website – [www.cpa-exam.org](http://www.cpa-exam.org)

- Seventeen AICPA Technical Reports written in support of the computer-based CPA Examination and published between 2000 and 2004. The reports can be found under Learning Resources/Psychometrics/AICPA Technical Reports.
- New diagnostic report FAQs and report samples, available under FAQs.
- Uniform CPA Examination passing rates for 2006, available under Learning Resources/Psychometrics. (Passing rates will be posted every quarter from now on.)

American Institute of Certified Public Accountants  
PARKWAY CORPORATE CENTER  
1230 PARKWAY AVENUE  
EWING, NJ 08628-3018

NON-PROFIT  
ORG.  
U.S. POSTAGE  
**PAID**  
AICPA

# The Uniform CPA Examination Alert

Winter/Spring 2007

## *Upcoming Events*

March 2-3, 2007  
AICPA Content Committee  
(Chicago, IL)  
Contact: Lesa Davis  
(609) 671-2934

March 11-14, 2007  
NASBA – 25th Annual Conference  
for Executive Directors and State  
Board Staff  
(Las Vegas, NV)  
Contact: Lori Curd  
(615) 880-4241

April 7-8, 2007  
TRIO  
(Chicago, IL)  
Contact: Krista Breithaupt  
(609) 671-2908

April 17, 2007  
AICPA/Review Course Providers  
(New York, NY)  
Contact: Craig N. Mills  
(609) 671-2913

April 18-20, 2007  
AICPA Auditing Subcommittee  
(Atlanta, GA)  
Contact: Joe Maslott  
(609) 671-2078

May 3-4, 2007  
AICPA Psychometric Oversight Committee  
(Ewing, NJ)  
Contact: Krista Breithaupt  
(609) 671-2908

May 18, 2007  
AICPA REG Subcommittee  
(Web/Teleconference)  
Contact: Stephen Petti  
(609) 671-2050

May 31 – June 1, 2007  
AICPA Board of Examiners  
(Chicago, IL)  
Contact: Craig Mills  
(609) 671-2913