

CPA Evolution

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Becker+



CPA Evolution

Evolving initial CPA licensure requirements to build a future-ready profession for a rapidly changing marketplace

The CPA Evolution model, launching January 1, 2024, will bring significant changes to the CPA Exam.



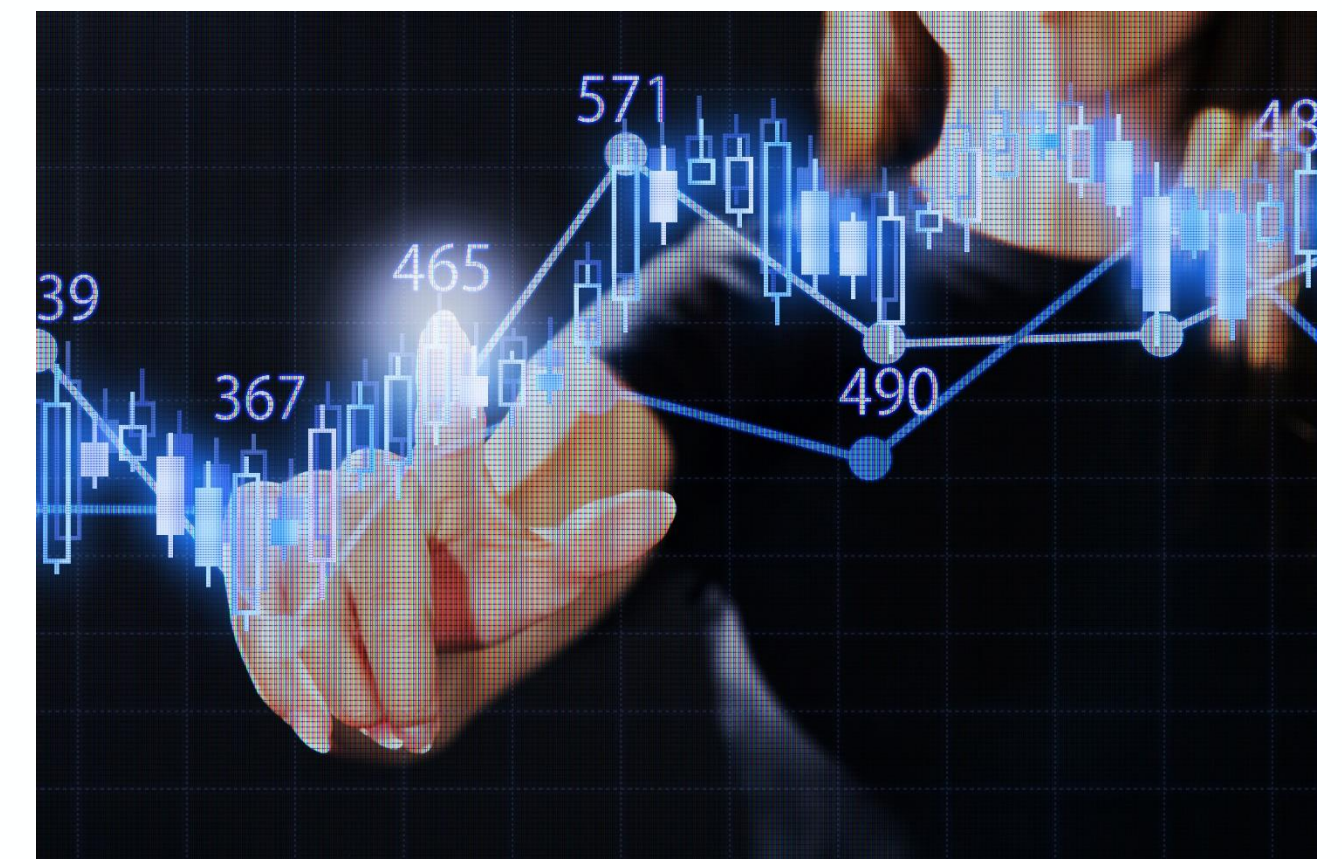
Looking for more information?

Visit our CPA Evolution Hub

<https://www.becker.com/cpa-evolution>

CPA Evolution | Why is the CPA Exam Changing?

- As more traditional accounting tasks become more automated, the role of the accountant shifts toward leveraging data and being fluent in tools for analyzing that data.
- Firms are hiring individuals with non-accounting backgrounds who have special competencies related to technology.
- College and university accounting departments are not sufficiently teaching technology-focused skills.



CPA Evolution | Why is the CPA Exam Changing?

RESULT:

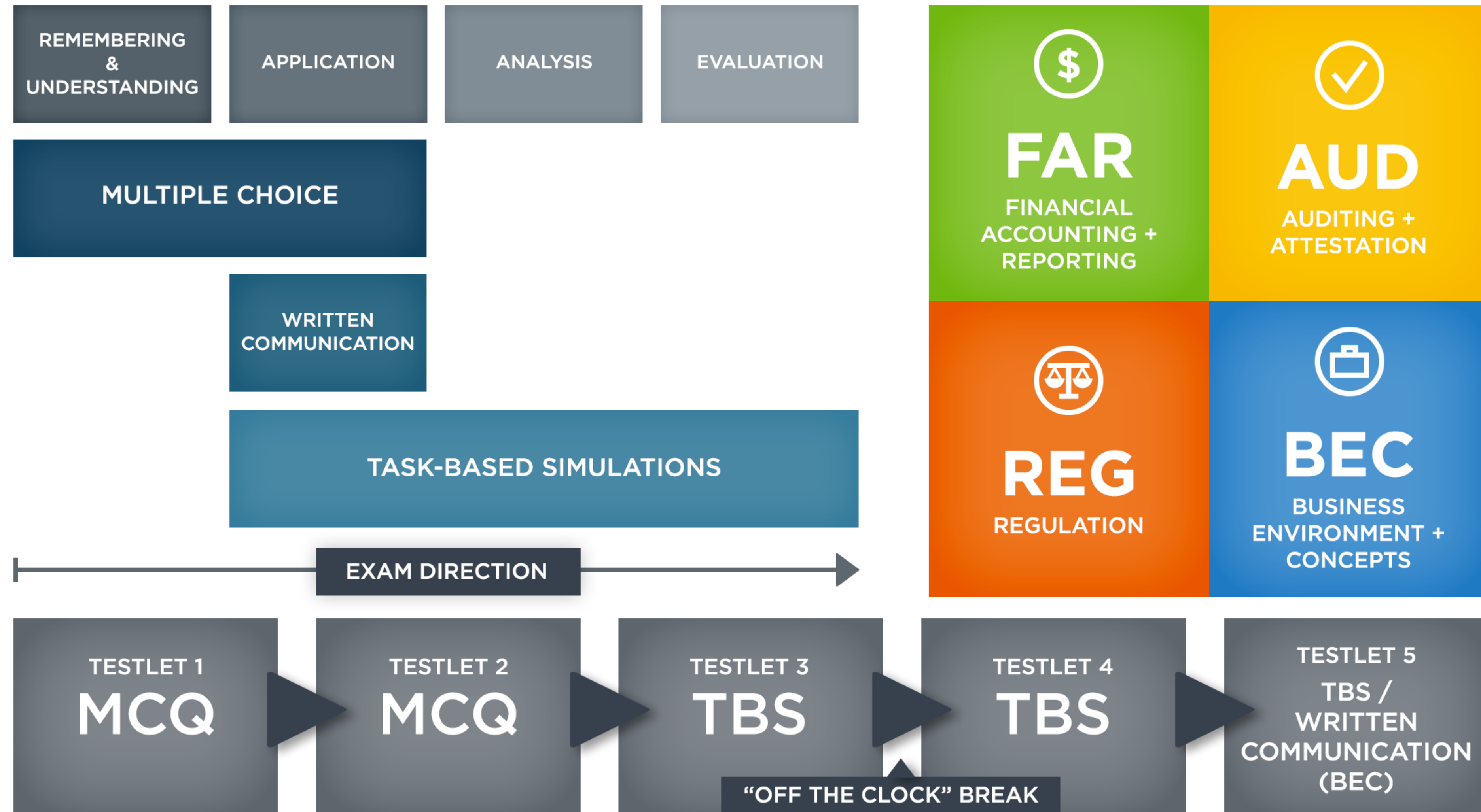
Individuals with accounting degrees have become less relevant to CPA firms. Firms need professionals who can bridge this skills gap.

IDEAL:

To have accountants who are competent in the skills of the future



CPA Evolution | Current Exam Structure

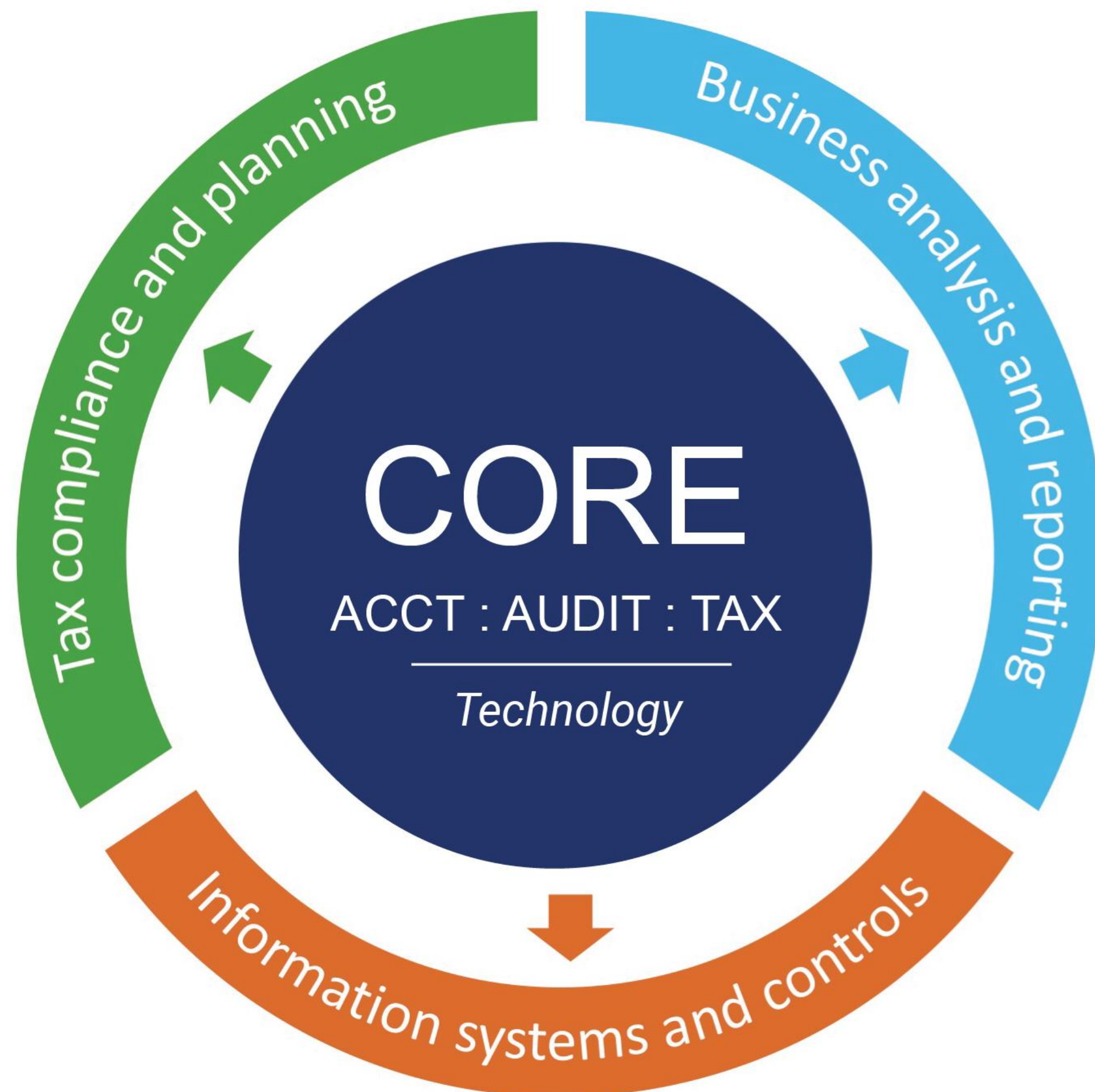


CPA Evolution | What stays the same

What Stays the Same:

- Must pass 4 exams to become a CPA
- Each exam is a 4-hour exam
- Each exam will still contain testlets of MCQs and TBSs
- The 4 exams may be taken in any order
- Passing score is 75

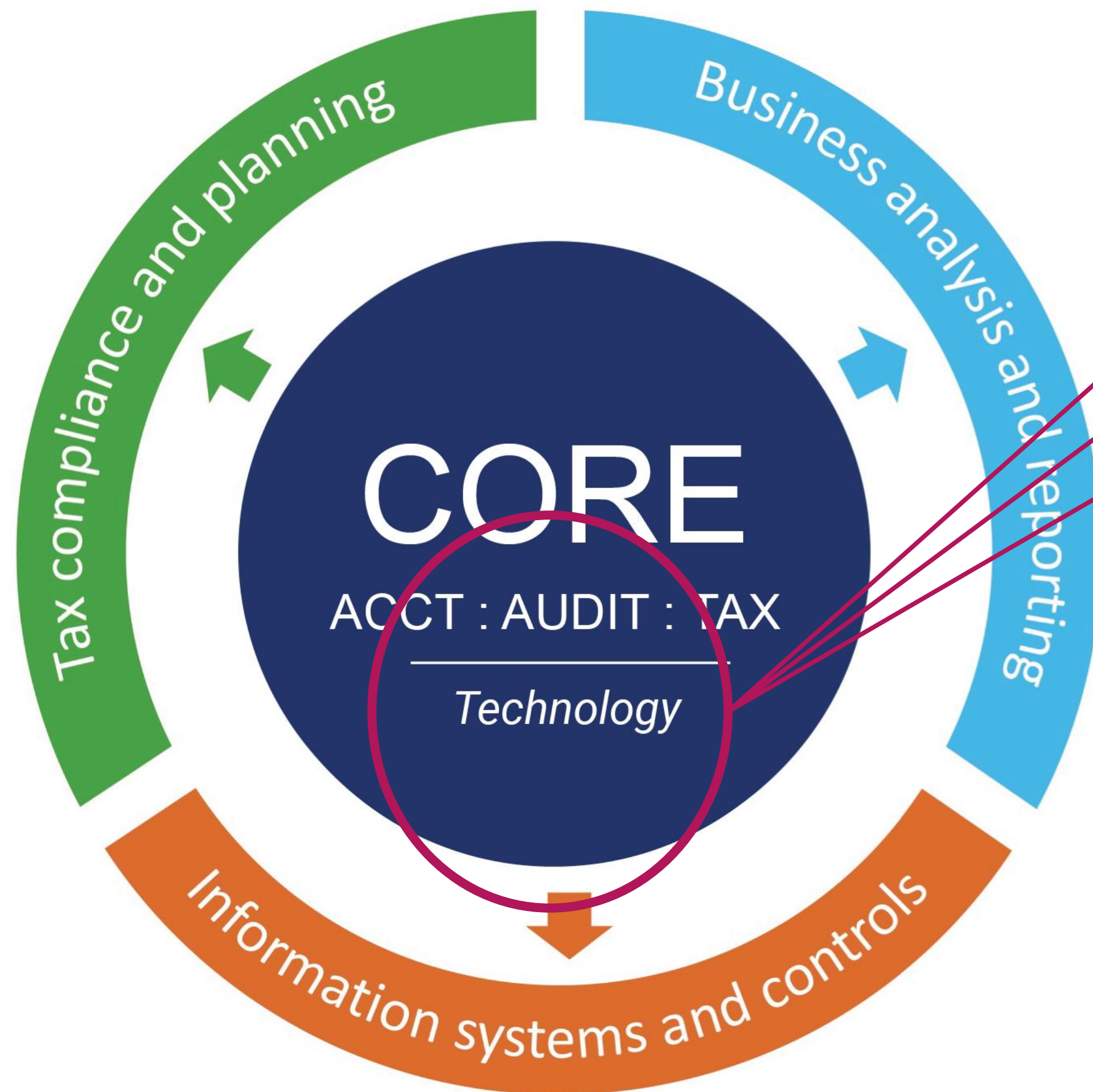
CPA Evolution | New Exam Structure



CORE (3 Parts):

1. Financial Acct & Reporting (**FAR**)
2. Audit (**AUD**)
3. Tax (**REG**)

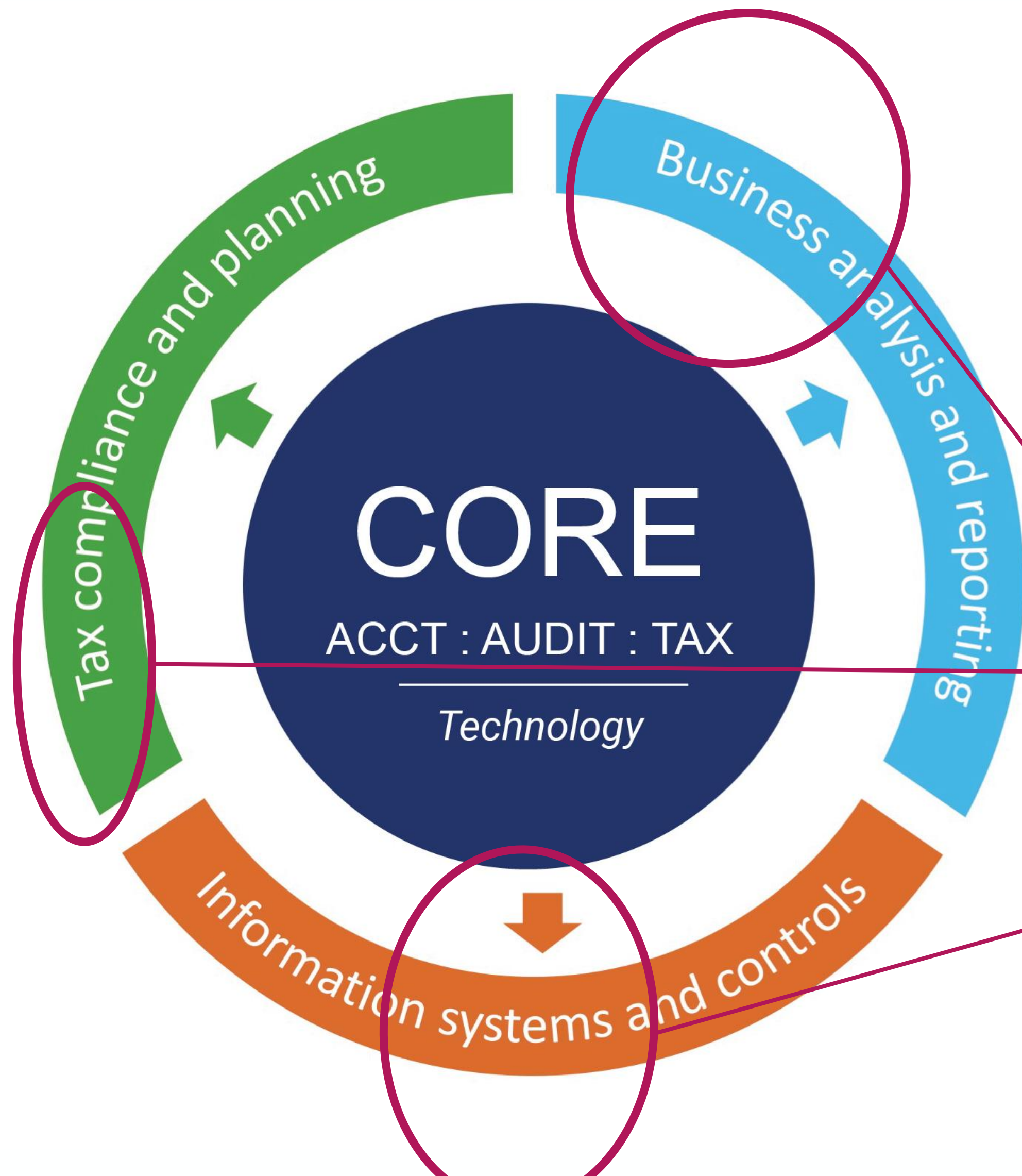
CPA Evolution | New Exam Structure



CORE (3 Parts):

1. Financial Acct & Reporting (**FAR**) & **IT**
2. Audit (**AUD**) & **IT**
3. Tax (**REG**) & **IT**

CPA Evolution | New Exam Structure



CORE (3 Parts):

1. Financial Acct & Reporting (**FAR**) & **IT**
2. Audit (**AUD**) & **IT**
3. Tax (**REG**) & **IT**

DISCIPLINE (1 Part):

1. Tax Compliance & Planning, **or**
2. Business Analysis & Reporting, **or**
3. Information Systems & Controls

CPA Evolution | New Exam Structure

Introductory/Intermediate Concepts

CORE (3 Parts):

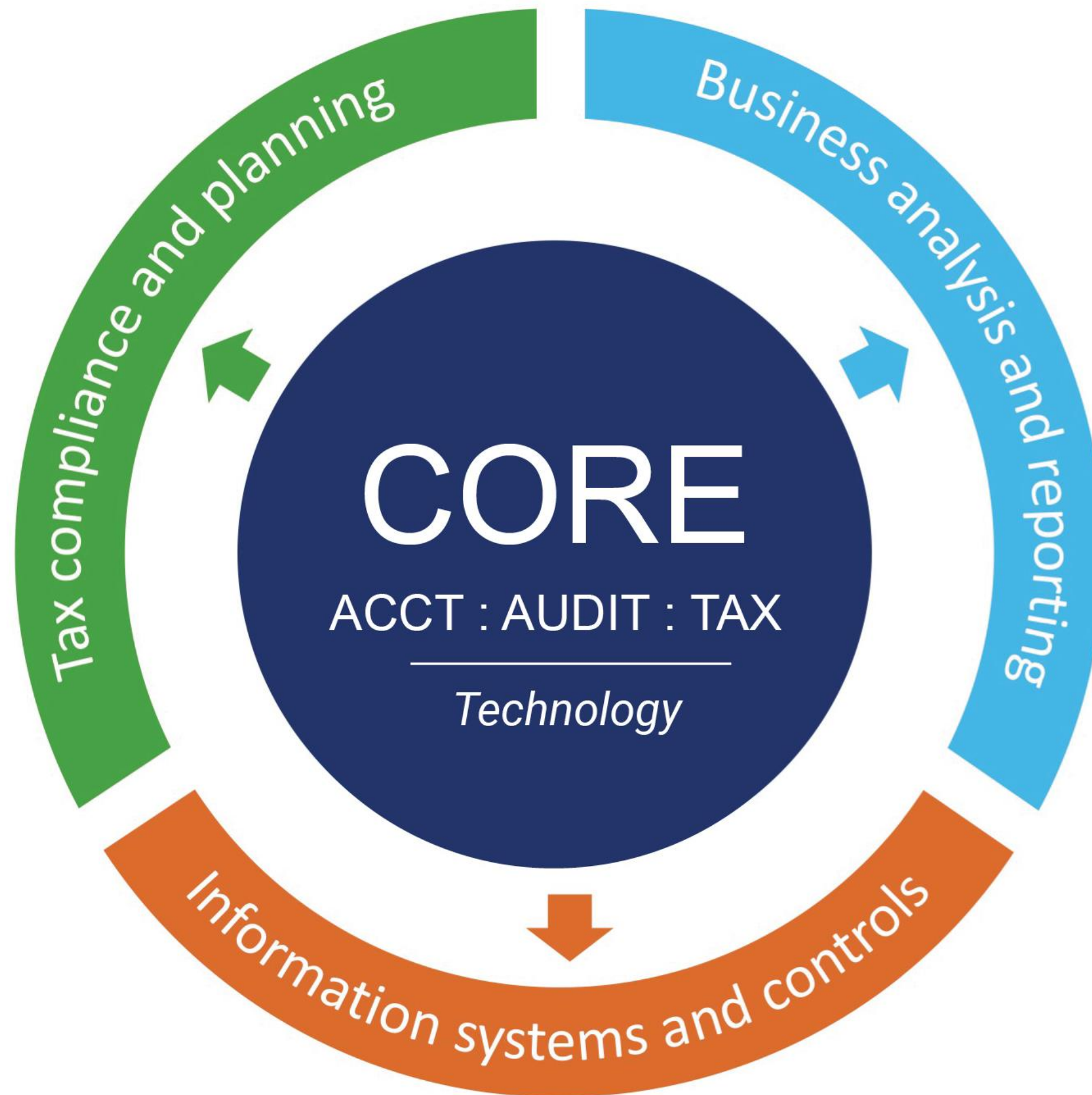
1. Financial Acct & Reporting (FAR) & IT
2. Audit (AUD) & IT
3. Tax (REG) & IT

Advanced Concepts

DISCIPLINE (1 Part):

1. Tax Compliance & Planning, **or**
2. Business Analysis & Reporting, **or**
3. Information Systems & Controls

CPA Evolution | Understanding the New Exam Structure



Candidates must complete all 3 parts of the CORE.

Candidates must complete 1 DISCIPLINE of their choice.

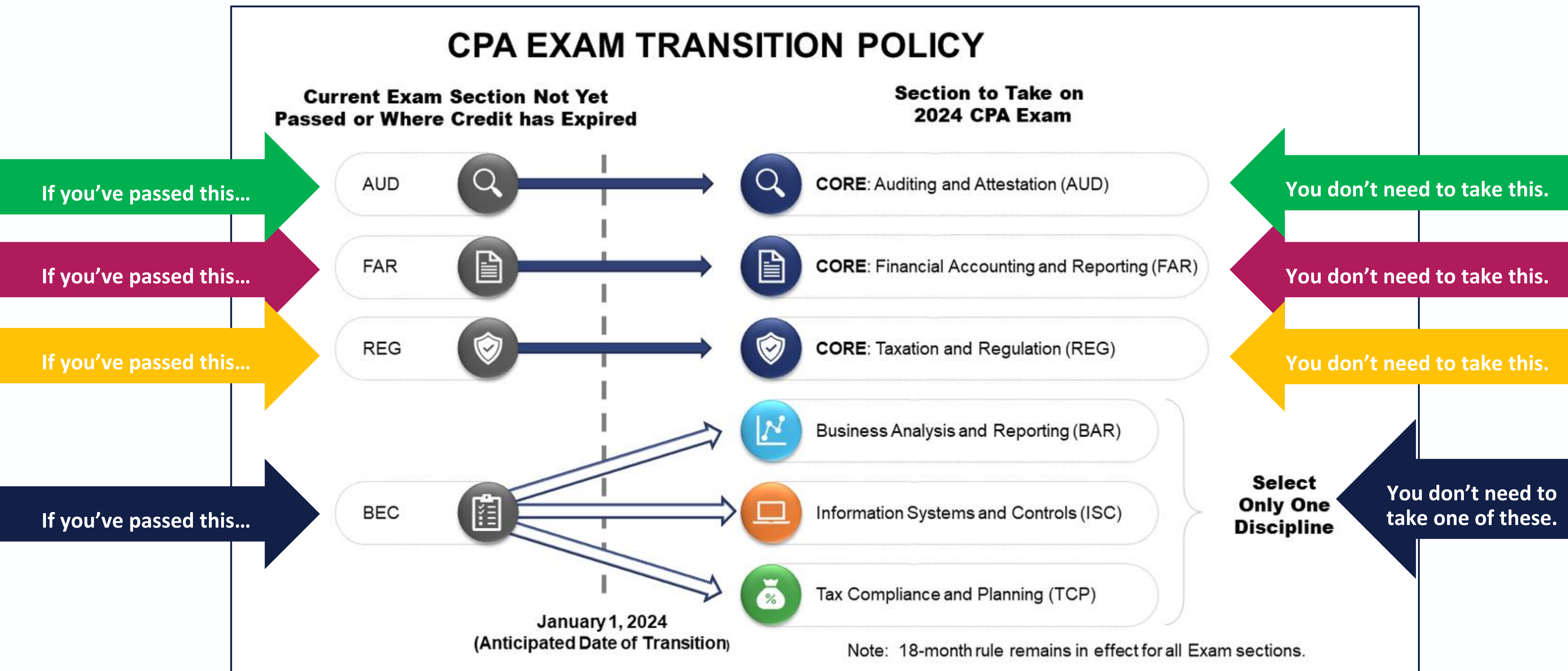
The Discipline selected has no bearing on the license or the candidate's future career options.

These 4 parts may be completed in any order.

CPA Evolution | Timeline

- ✚ **October 1, 2023 - November 15, 2023** – Various jurisdictions will **stop** accepting BEC exam applications
 - ✚ Differs by jurisdiction
 - ✚ Earlier dates for first-time applicants, later dates for returning applicants
- ✚ **November 1, 2023 – December 1, 2023** - NASBA will **start** processing applications for the new discipline exam sections: Business Analysis and Reporting (BAR), Tax Compliance and Planning (TCP) and Information Systems and Controls (ISC)
- ✚ **December 15, 2023** - last day of testing in 2023 for ALL sections (AUD, BEC, FAR and REG)
- ✚ **January 10, 2024** - Testing of the new exam will start

CPA Evolution | Transition Policy



CPA Evolution | NASBA Credit Extension Policy

Candidates with exam credits on Jan 1, 2024, will have those credits extended to June 30, 2025



CPA Evolution | Testing and Score Release Schedule

Tentative 2024 Testing and Score Release Schedule*

| Quarter | Core Exam Dates | Core Score Release Dates | Discipline Exam Dates | Discipline Score Release Dates |
|---------|-----------------|--------------------------|-----------------------|--------------------------------|
| Q1 2024 | Jan 10 – Mar 26 | Jun 4 | Jan 10 – Feb 6 | Apr 24 |
| Q2 2024 | Apr 1 – Jun 25 | July 31 | Apr 20 – May 19 | Jun 28 |
| Q3 2024 | Jul 1 – Sep 25 | Nov 1 | July 1 – 31 | Sep 3 |
| Q4 2024 | Oct 1 – Dec 26 | Early Feb 2025 | Oct 1 – 31 | Dec 3 |

- + There will be 5 “black-out dates” each quarter for the Core Exams - no exams can be taken.
- + Testing for the discipline sections of the exam (BAR, TCP and ISC) will only be available for a month of each calendar quarter.
- + There will be a limited number of score release dates because the AICPA will need more time to evaluate and score the new exams.

CPA Evolution | Model Rule Changes

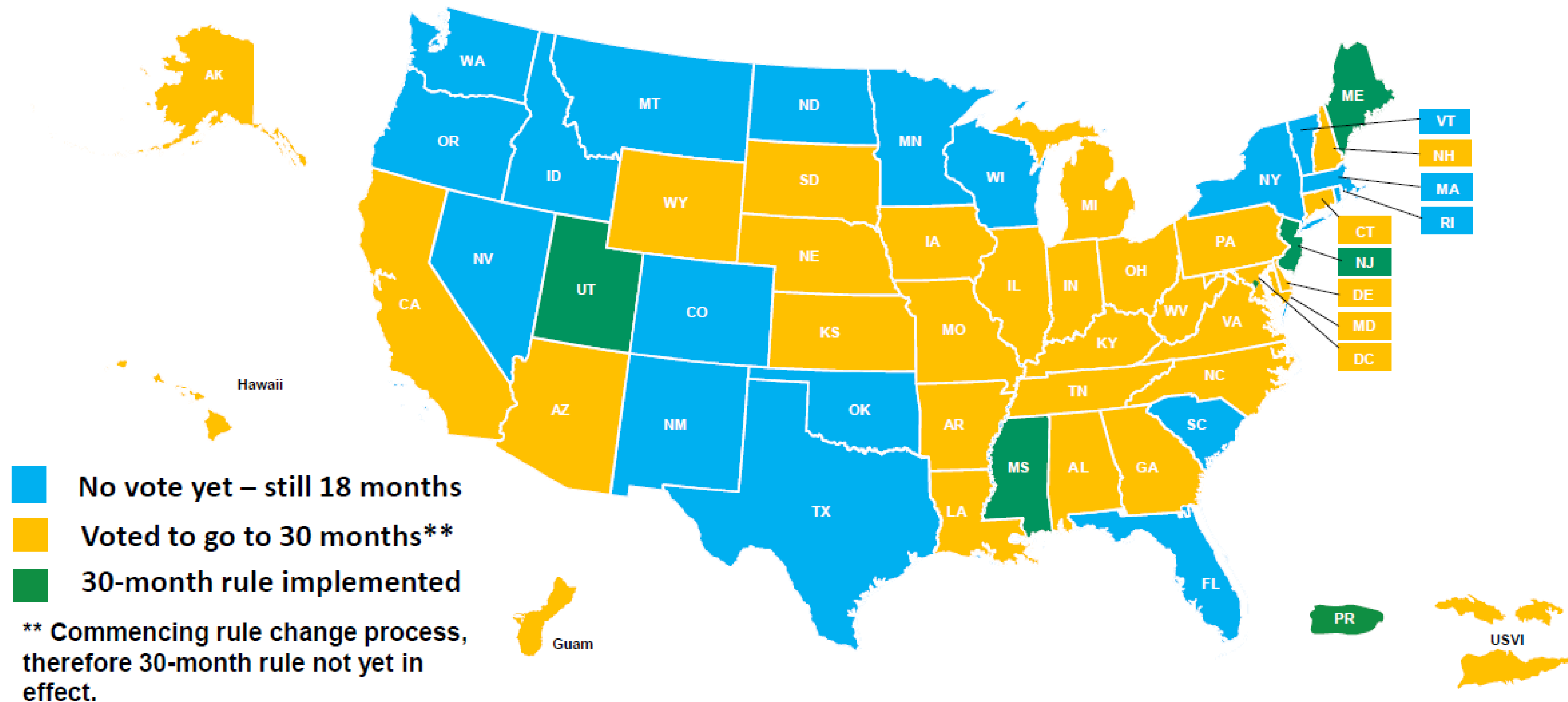
NASBA Board approved two model rule changes on April 21, 2023.

Note that these rules must be adopted by the individual states/jurisdictions before they become effective.

- Shift start date of credit period to date the passing score was released by NASBA to the candidate or the Board
- 18-month credit retention period changed to 30 months

A decorative graphic consisting of several plus signs in yellow, white, teal, and magenta scattered across a dark blue background.

Status of Credit Period Decisions by Jurisdiction As of 9/7/2023



Deep Dive: New Exam Structure



CPA Evolution | New Exam Structure

Passing score on a
scale of 0-99

75

Exam can be taken in
ANY STATE
or jurisdiction

30*
months

Time to pass all four parts

* 30 months has not yet been adopted by
all state boards. Candidates should check
with their state boards.



Financial

4 hours



Audit

4 hours



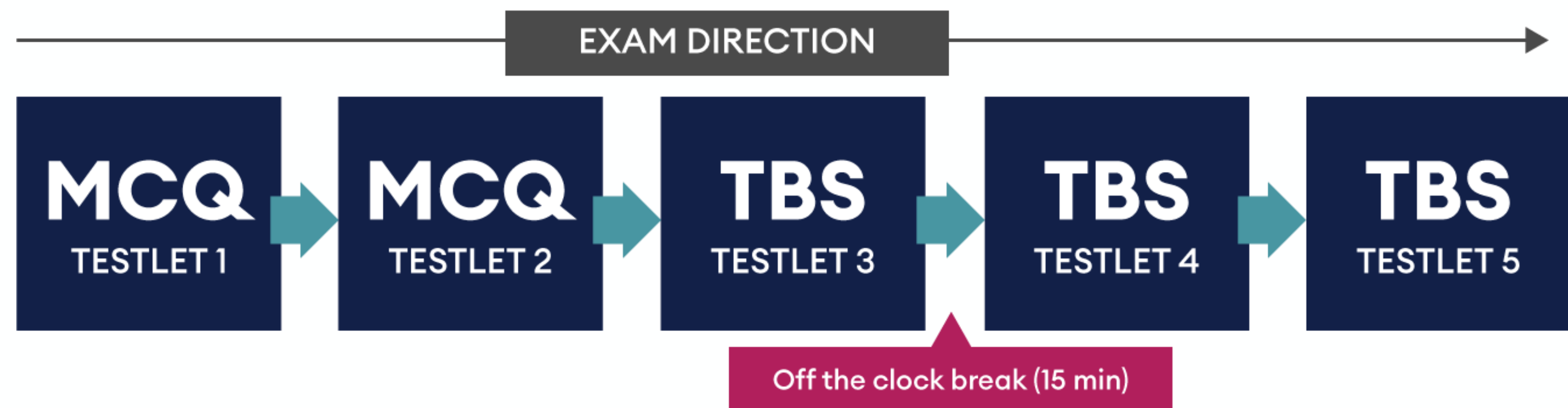
Regulation

4 hours



Discipline

4 hours



Core Sections

Exam structure | Financial Accounting & Reporting (FAR)

| | | | Skill level | | | |
|-----------------|-------------------------------|----------------|-----------------------------|-------------|----------|------------|
| Content covered | | Scoring weight | Remembering & understanding | Application | Analysis | Evaluation |
| I | Financial Reporting | 30-40% | + | + | + | |
| II | Select Balance Sheet Accounts | 30-40% | + | + | + | |
| III | Select Transactions | 25-35% | + | + | + | |

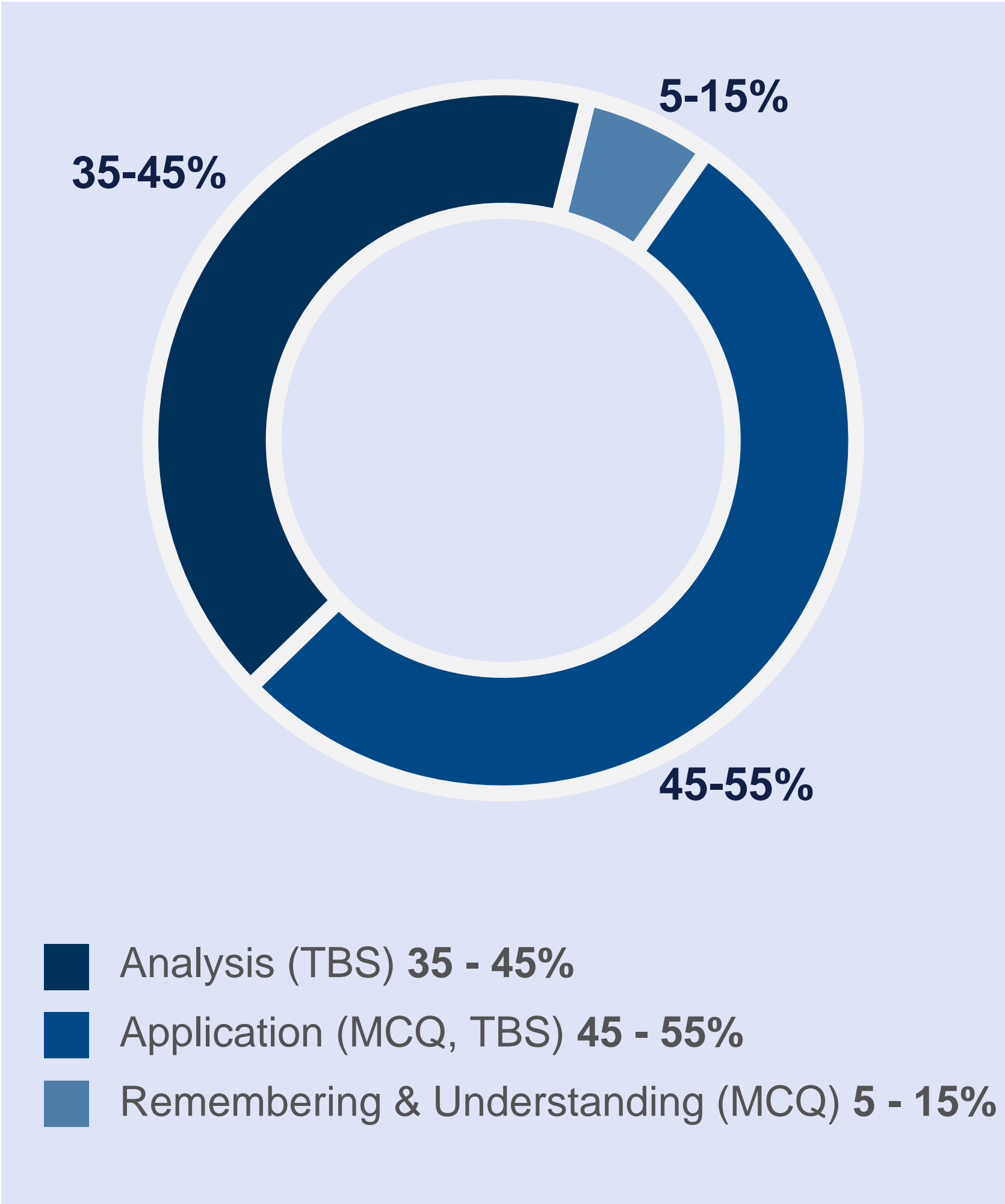
| Question type | # |
|---------------------------------|----|
| Multiple-choice Questions (MCQ) | 50 |
| Task-based Simulations (TBS) | 7 |

Expected study time

80-100

HOURS

With a foundation of intermediate and advanced accounting classes



Exam structure | Auditing & Attestation (AUD)

| | | | Skill level | | | |
|-----------------|--|----------------|-----------------------------|-------------|----------|------------|
| Content covered | | Scoring weight | Remembering & understanding | Application | Analysis | Evaluation |
| I | Ethics, Professional Responsibilities and General Principles | 15-25% | + | + | | |
| II | Assessing Risk and Developing a Planned Response | 25-35% | + | + | + | + |
| III | Performing Further Procedures and Obtaining Evidence | 30-40% | + | + | + | + |
| IV | Forming Conclusions and Reporting | 10-20% | + | + | | |

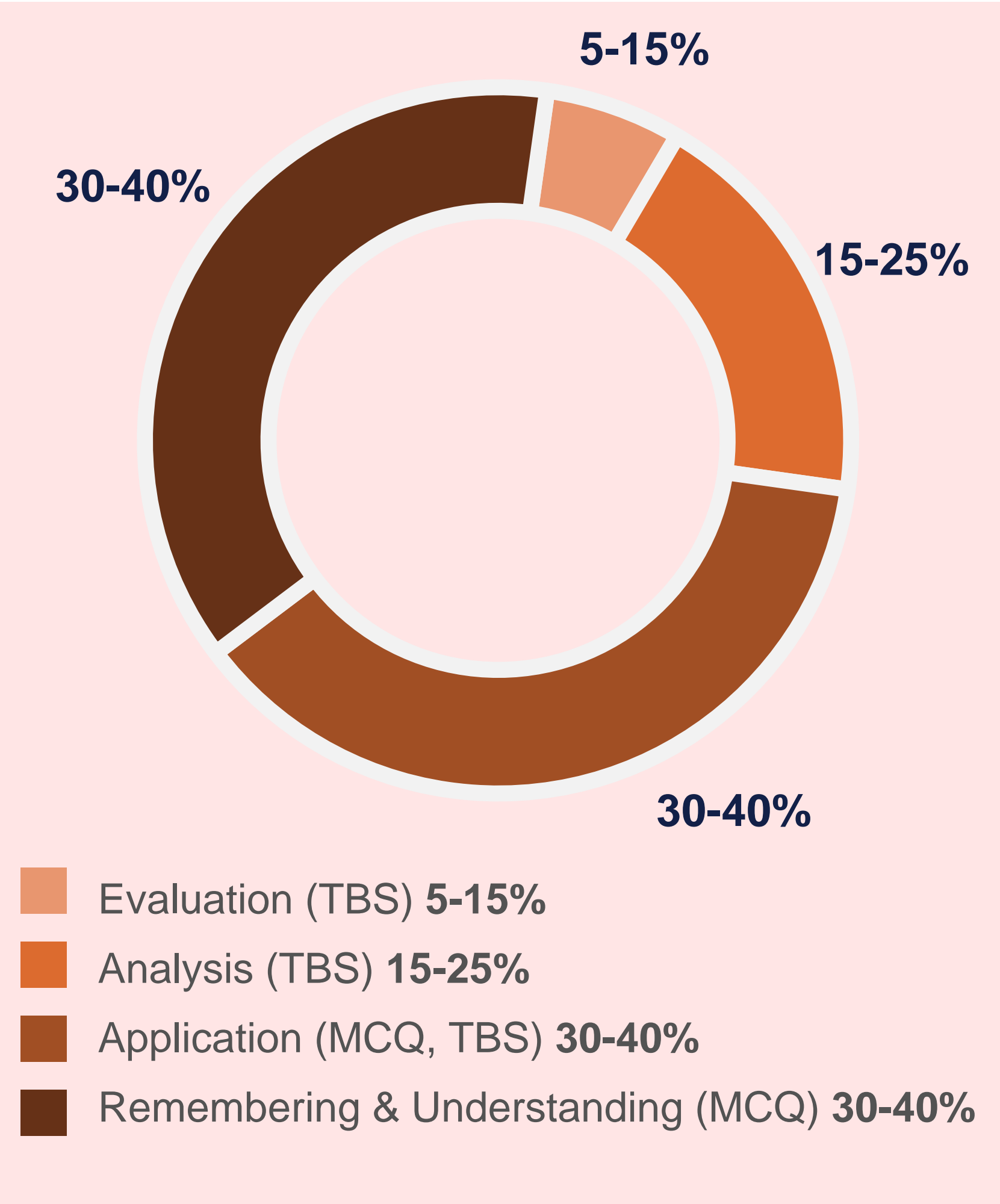
| Question type | # |
|---------------------------------|----|
| Multiple-choice Questions (MCQ) | 78 |
| Task-based Simulations (TBS) | 7 |

Expected study time

80-100

HOURS

With a foundation of auditing and advanced auditing classes



Exam structure | Taxation and Regulation (REG)

| | | | Skill level | | | |
|-----------------|--|----------------|-----------------------------|-------------|----------|------------|
| Content covered | | Scoring weight | Remembering & understanding | Application | Analysis | Evaluation |
| I | Ethics, Professional Responsibilities and Federal Tax Procedures | 10-20% | + | + | | |
| II | Business Law | 15-25% | + | + | | |
| III | Federal Taxation of Property Transactions | 5-15% | | + | + | |
| IV | Federal Taxation of Individuals | 22-32% | + | + | + | |
| V | Federal Taxation of Entities (including tax preparation) | 23-33% | + | + | + | |

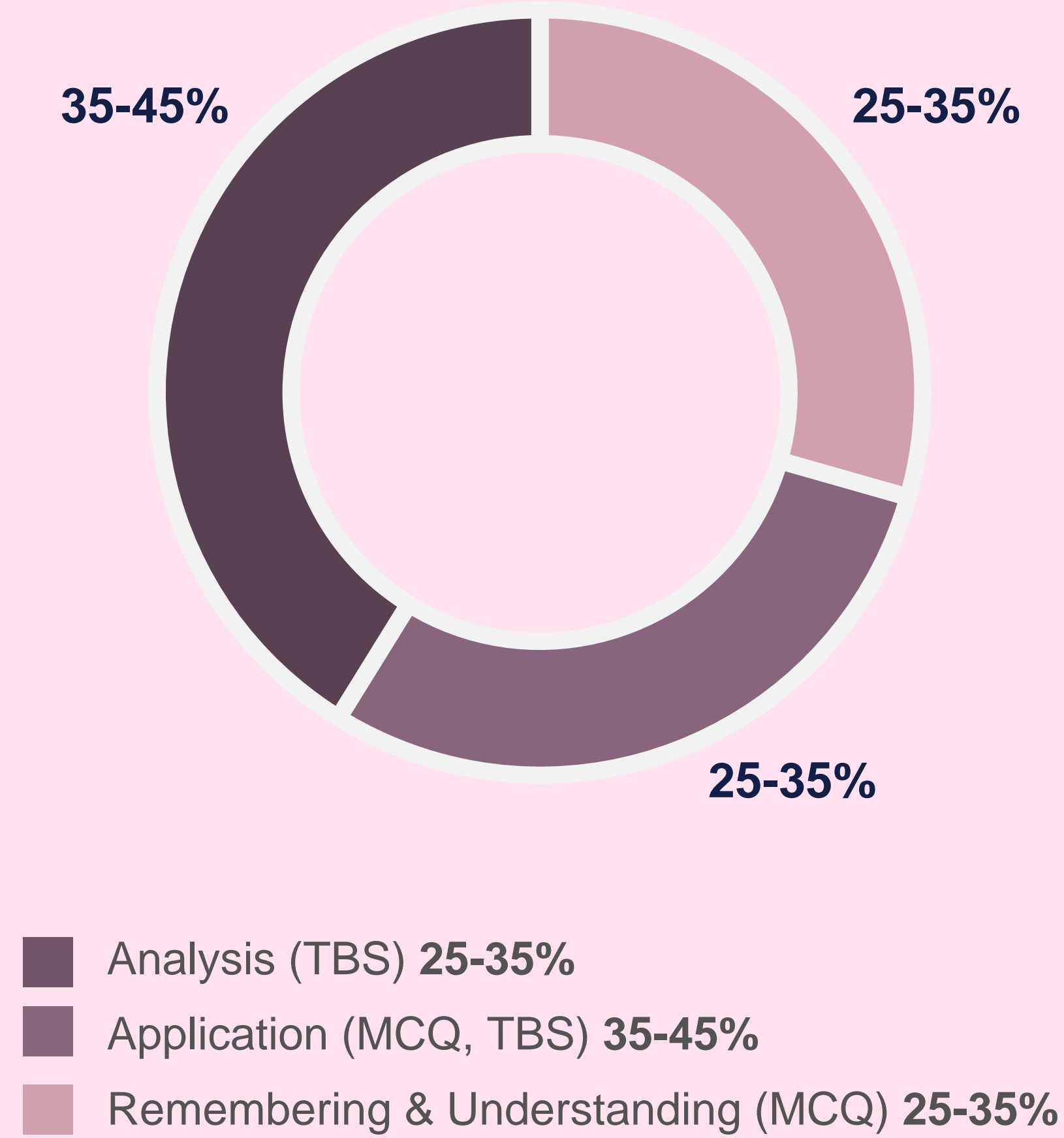
| Question type | # |
|---------------------------------|----|
| Multiple-choice Questions (MCQ) | 72 |
| Task-based Simulations (TBS) | 8 |

Expected study time

80-100

HOURS

With a foundation of federal taxation and business law



Discipline Sections

Exam structure | Business Analysis & Reporting (BAR)

| | | | Skill level | | | |
|-----------------|------------------------------------|----------------|-----------------------------|-------------|----------|------------|
| Content covered | | Scoring weight | Remembering & understanding | Application | Analysis | Evaluation |
| I | Business Analysis | 40-50% | + | + | + | |
| II | Technical Accounting and Reporting | 35-45% | + | + | + | |
| III | State and Local Governments | 10-20% | + | + | | |

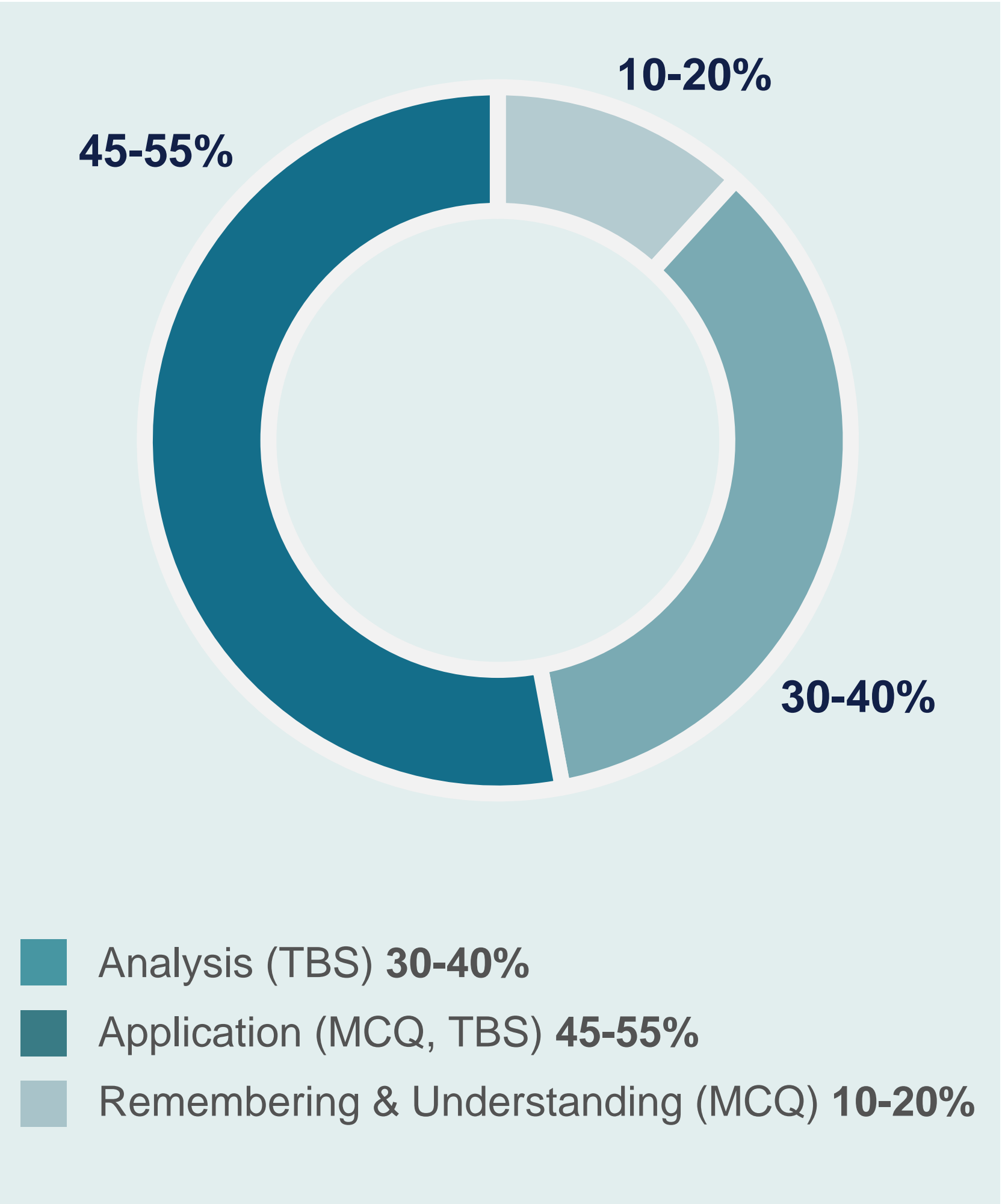
| Question type | # |
|---------------------------------|----|
| Multiple-choice Questions (MCQ) | 50 |
| Task-based Simulations (TBS) | 7 |

Expected study time

100-120

HOURS

With a foundation of economics...



Exam structure

|

Information Systems & Controls (ISC)

| | | | Skill level | | | |
|-----------------|---|----------------|-----------------------------|-------------|----------|------------|
| Content covered | | Scoring weight | Remembering & understanding | Application | Analysis | Evaluation |
| I | Information Systems and Data Management | 35-45% | + | + | + | |
| II | Security, Confidentiality and Privacy | 35-45% | + | + | + | |
| III | Considerations for System and Organization Controls (SOC) Engagements | 15-25% | + | + | | |

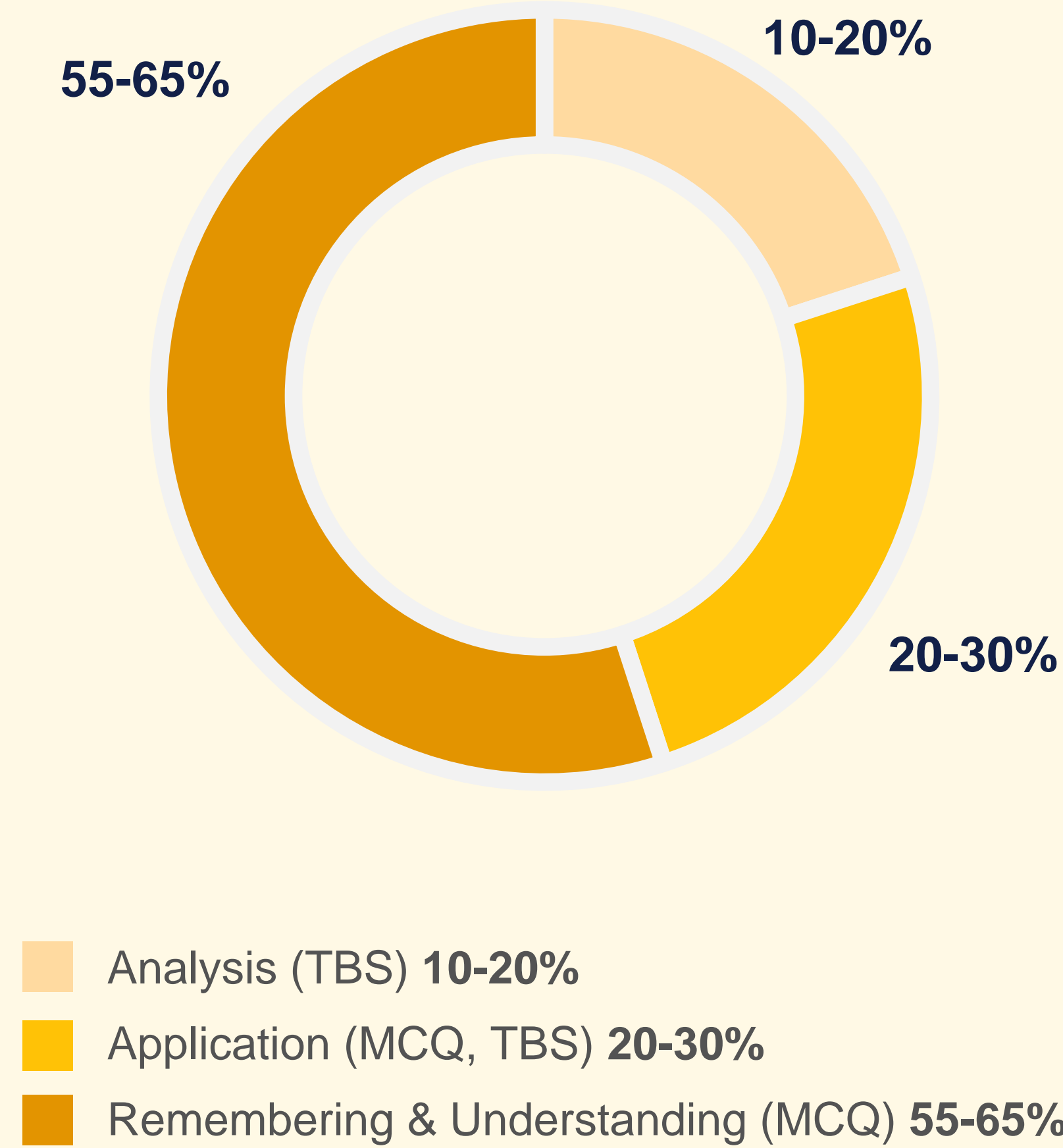
| Question type | # |
|---------------------------------|----|
| Multiple-choice Questions (MCQ) | 82 |
| Task-based Simulations (TBS) | 6 |

Expected study time

60-80

HOURS

With a foundation of information system...



Exam structure | Tax Compliance & Planning (TCP)

| | | | Skill level | | | |
|-----------------|---|----------------|-----------------------------|-------------|----------|------------|
| Content covered | | Scoring weight | Remembering & understanding | Application | Analysis | Evaluation |
| I | Tax Compliance and Planning for Individuals and Personal Financial Planning | 30-40% | ✚ | ✚ | ✚ | |
| II | Entity Tax Compliance | 30-40% | ✚ | ✚ | ✚ | |
| III | Entity Tax Planning | 10-20% | | ✚ | ✚ | |
| IV | Property Transactions (disposition of assets) | 10-20% | ✚ | ✚ | ✚ | |

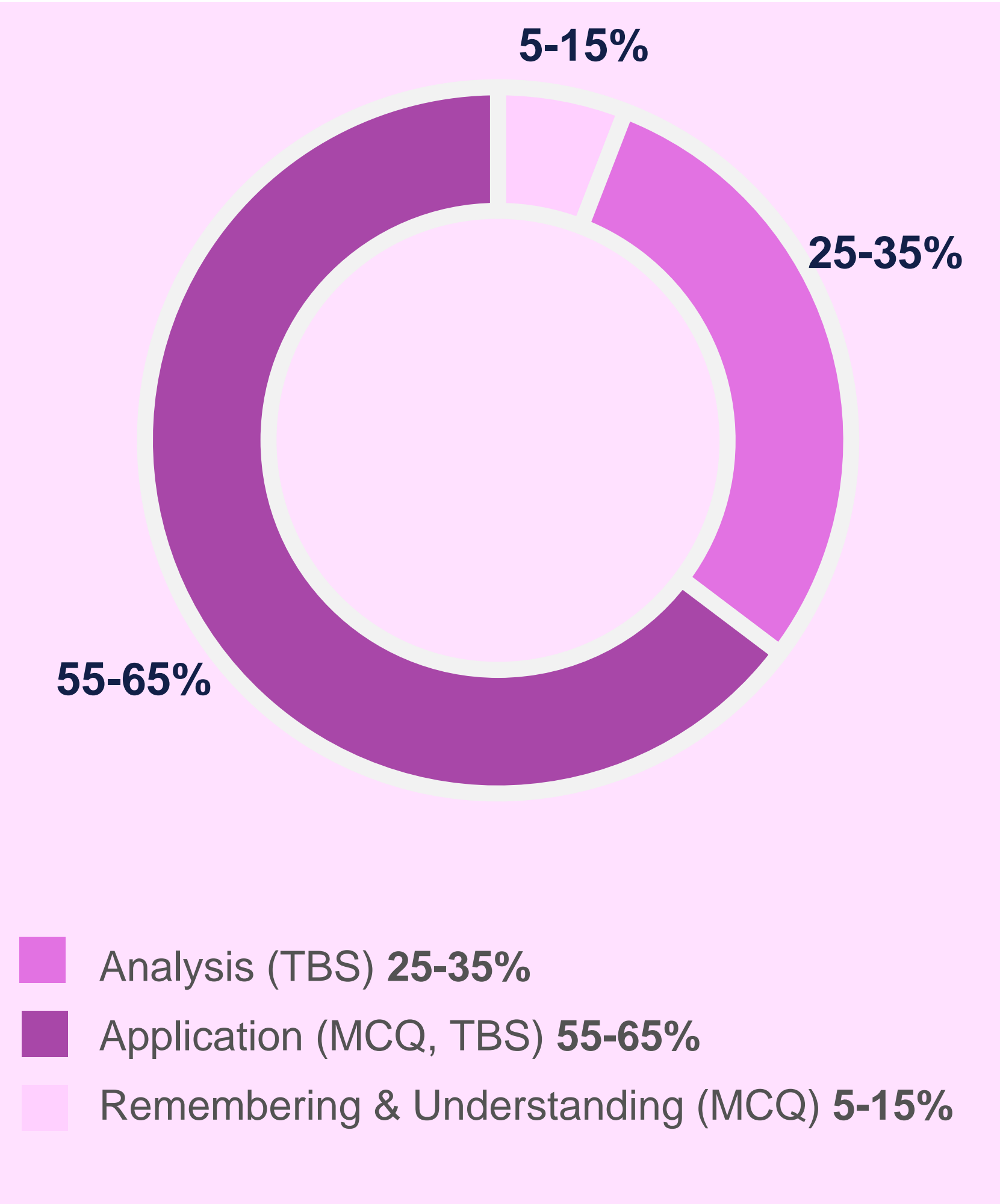
| Question type | # |
|---------------------------------|----|
| Multiple-choice Questions (MCQ) | 68 |
| Task-based Simulations (TBS) | 7 |

Expected study time

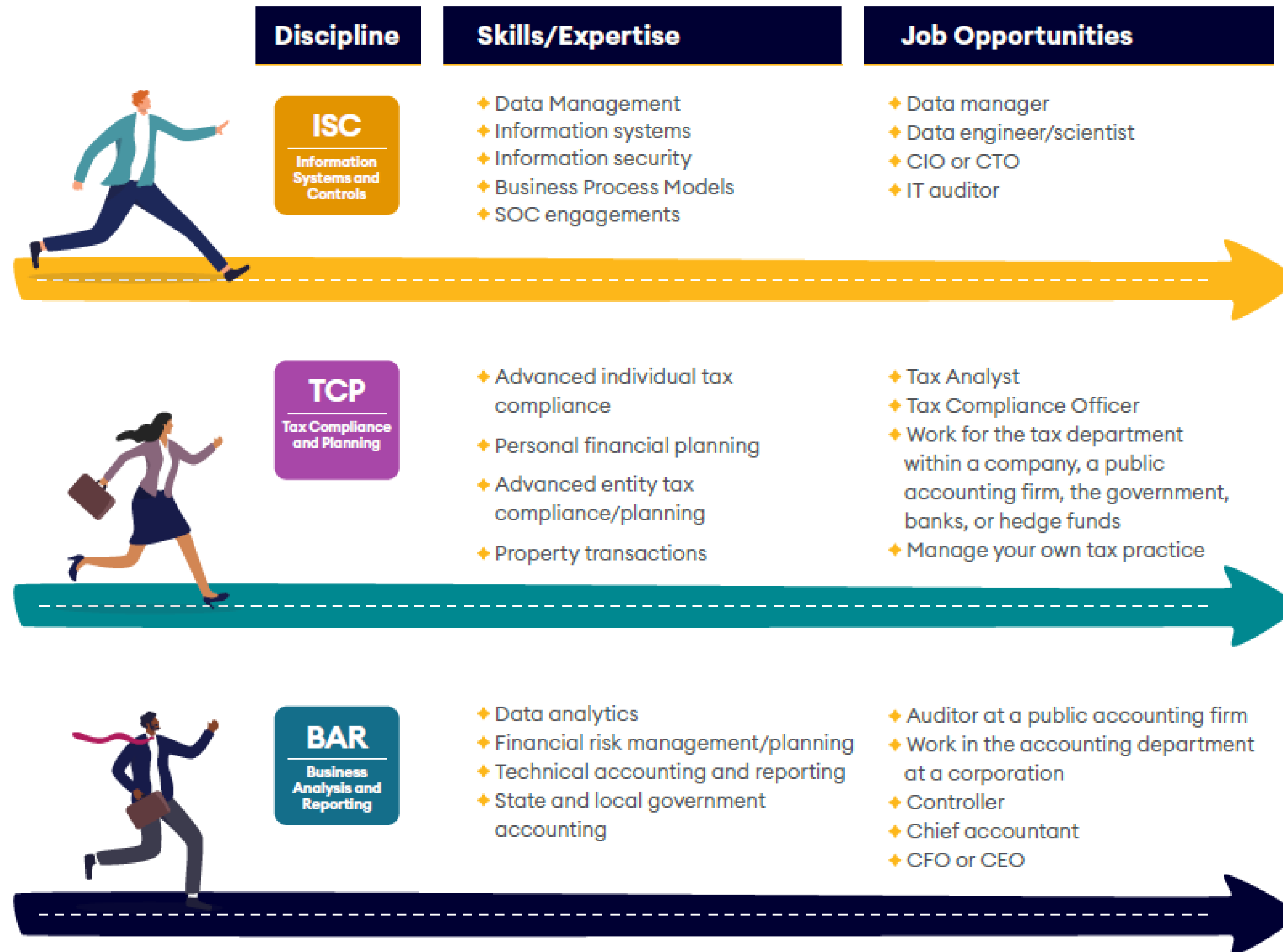
60-80

HOURS

With a foundation of tax...



CPA Evolution | Selecting a Discipline



2024 Exam | Suggested Study Plans

- There is no “right” or “wrong” order for taking the exam, but we do have a recommended order to help make the exam journey less stressful.
- The order differs based on the Discipline selected.
- In general, FAR is the best exam to take first because it strengthens the foundation in financial accounting which will help on all exams.

If **BAR** is the discipline you select:



If **ISC** is the Discipline you select:



If **TCP** is the Discipline you select:



**“We cannot direct the wind,
but we can adjust the sails.”**

- Dolly Parton

CPA Evolution | Becker Updates

Over \$2 million invested in updates to Becker CPA Review Course

Improved MCQ practice experience to match the look and feel of the CPA Exam

Updated Practice Test experience

Addition of Spread JS, which replaces Microsoft Excel in the CPA Exam in January 2024

Release of Becker's updated materials to reflect CPA Evolution on October 3

Additional National Instructors

Redesigned shortened lecture videos



Kelly Pope,
PhD, CPA



Michael Potenza,
CPA, JD



Michelle Moshe,
CPA, DipIFR

Guidance for Success | Exam Day Readiness

94%

CPA Exam sections passed

Our Exam Day ReadySM students report passing 94% of their CPA Exam sections.*

**Exam Day
Ready**

=

80%+



80%+



50%+

Lecture videos
watched

Becker questions, including
both multiple-choice
questions (MCQ) and task-
based simulations (TBS)
answered correctly

Minimum score on the three
simulated exams per section
(12 in the total course).

Managing the Change

Change is hard. Let Becker help.

Becker Continuing Professional Education Courses:

Change Management

Trends in Change Management – 2023

Change Management: Cultivating a Culture that Embraces Change

**Contact Laura Copley at lcopley@becker.com for
complimentary access to Becker's CPE catalog.**

Questions?

Becker⁺



Thanks & Contacts

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