

Chapter 6

The Uniform Accountancy Act and CPA Evolution: What the New Regime Means for Accountancy

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ABSTRACT

This chapter explores evolution implications, evaluates their impact, and sets the stage for future research. Academic programs, CPA candidates, and potential employers are contemplating the significant implications of evolution. Those implications are wide and impactful for the academy, recruiters, and ultimately, CPA candidates and the future CPA pipeline. The evolution exam requires a common core in audit, regulation, financial accounting, and reporting with technology and business concepts embedded and one required discipline of business analysis and reporting or information systems and controls or tax compliance and planning. For the first time in history, the CPA candidate will bring a different knowledge set to the exam. The reason for this is that a candidate will choose a discipline compared the identical candidate knowledge requirement that currently exists since the CPA exam was offered. That change, in addition to the knowledge requirement for technology application, has broad implications for the academy and the profession. These issues are explored in this chapter.

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INTRODUCTION

On October 13, 2020, the Board of Directors of the National Association of State Boards of Accountancy (NASBA) approved amendments to the Uniform Accountancy Act (UAA) Model Rules that pertain to the education requirements for those wishing to obtain licensure in the accounting profession as a certified public accountant (CPA) (NASBA, 2020). The Model Rules provide guidance for students, educators, and regulators on the education needed to enter the evolving CPA profession in the years ahead. The amendments to the Model Rules were developed jointly by the CPA Evolution (Evolution) initiative sponsored by the American Institute of Certified Public Accountants (AICPA) and the NASBA Uniform Accountancy Act Committee (the Committee).

In June 2021, AICPA and NASBA released the Model Curriculum (MC), which was a six-month endeavor providing education content guidance to academics as programs recalibrate curriculum to align with Evolution. The MC was later updated in November 2021 and the AICPA released the proposed blueprints for the Evolution CPA exam in June 2022.¹ The UAA provides guiding principles for the MC and licensing jurisdictions that also regulate education requirements to sit for the CPA exam and for licensure. Beginning in January 2024, Evolution reformats the CPA exam to a core knowledge representing three exam parts covering accounting, audit, and tax, which includes digital acumen. Candidates select a fourth part in one of three disciplines: Business analysis and reporting (BAR), Information systems and controls (ISC), and Tax compliance and planning (TCP).

Unless jurisdictions prohibit otherwise, the discipline-based exam may be taken before the core exams. The MC guidance for discipline-based content assumes the core knowledge as a prerequisite, which implies that graduate courses in a 150-hour licensure program would most likely deliver discipline content. If jurisdictions maintain 120-hour sit requirements, candidates will need to exercise caution when considering sitting for discipline exam in advance of the core exams.

This article explores Evolution implications, evaluates its impact, and sets the stage for future research. Academic programs, CPA candidates, and potential employers are contemplating the significant implications of Evolution. Those implications are wide and impactful for the academy, recruiters, and ultimately, CPA candidates and the future CPA pipeline.

HIGHLIGHTS OF UAA MODEL RULES

Degree Requirements

Several jurisdictions do not require applicants desiring to sit for the Uniform CPA examination to have obtained a bachelor's degree – 120 credit hours is sufficient, and

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