

## AAA Education Committee

9009 Town Center Parkway, Lakewood Ranch, FL 34202

P: 941.921.7747 | F: 941.923.4093

E: info@aaahq.org



### Overview

The American Accounting Association's (AAA's) Education Committee recognizes that developing a new CPA Exam consistent with the CPA Evolution framework is a monumental undertaking. Because students who will sit for the new exam in 2024 are already in our classrooms, we appreciate this early work to provide academia with some guidance regarding the new exam. While university accounting curricula and the CPA exam have some overlapping objectives, they serve two very different overall purposes. The former prepares students for life-long learning; the latter assesses if a candidate has the knowledge and skills for the first year or two in the CPA profession. Attempting to serve both serves neither well. The American Accounting Association's Education Committee does *not* endorse the *CPA Evolution Model Curriculum (CPAEMC)* as a model for universities to follow for their accounting curricula or even the portion of their curriculum focused on public accounting. We do, however, look forward to the AICPA's *Blueprint* so that accounting faculty can consider information from an important stakeholder as they consider curricular revisions.

The CPAEMC is divided into parts and sections that correspond to proposed parts of the new CPA exam that launches in January 2024. A curriculum is more than the sum of its parts, however. It is also more than an exam, albeit an important exam. It is within a holistic context that our comments are based. Our concerns regarding the CPAEMC are summarized as follows:

- The CPAEMC has a uniform content, like the Uniform CPA Exam. Accounting programs all have differing missions, however, with differing curricula to serve those missions. A uniform curriculum will not serve these different missions. It is for this reason that the AAA has not developed a model curriculum.
- Curricula are designed to provide a foundation for our students for their lives. The CPA exam is focused on the first few years of a candidate's public accounting career. This difference in perspective leads to missing critical foundational knowledge and skills in the proposed curriculum.
- The CPAEMC is missing important knowledge and skills even if it were solely to be used to prepare candidates for their first few years in public accounting.
- The CPAEMC's core curriculum is based on the three core parts of the new CPA Exam. The core is heavily skewed toward lower-level thinking skills that essentially entail memorizing many facts and is very light on critical thinking. A university curriculum is oriented toward building creative and critical thinking skills. This is a major concern.
- The CPAEMC has major flaws that would adversely impact the very schools that it seeks to assist the most: under-resourced schools.
- The CPAEMC could adversely impact the diversity of teaching resources upon which we currently rely.

The following addresses each of these points more fully.

### One-Size Fits All Issue

Guidance to assist with preparing students to pass an entrance exam into the profession is not equivalent to a curriculum to prepare them for a career in accounting, be it public accounting, accountancy in general or other career paths. Although the preface to the CPAEMC document indicates that it should not be viewed as a one size fits all approach, the guidance is not designed to be adaptable. It is highly

prescriptive—down to the amount of class time that should be spent on topics. It is very easy to infer by both labelling it as a Model Curriculum and having a rigid structure that it is one size fits all. Giving flexibility regarding how to organize it into coursework changes the packaging for schools, but the content remains the same. In its current form, the guidance is a one size fits all in terms of content.

### **Important Knowledge and Competencies Relevant to Success *in the First Few Years in Public Accounting* Are Overlooked or Substantially Minimized**

Universities design curricula to meet the needs of their students and stakeholders to fulfill our missions. Thus, while there are commonalities across accounting curricula, they all differ. Let us assume for a moment that there are universities whose students all plan to have careers in public accounting. The preface to the CPAEMC indicates that “it was developed to assist faculty who want to prepare their students for the CPA profession”<sup>1</sup> (AICPA & NASBA 2021). It would appear that the CPAEMC would be a good fit for schools that would have a mission dedicated to preparing students for the CPA profession.

The proposed CPAEMC, however, excludes important competencies for which the profession has consistently been an advocate for decades. The AICPA’s Pre-Certification Core Competencies include accounting, business and professional competencies. Business competencies are largely excluded from the CPAEMC.<sup>2</sup> Professional competencies, for example, are either not included or have minimal roles.<sup>3</sup>

In addition, if the CPAEMC is intended to be a curriculum rather than a list of exam topics, is the AICPA signaling that business and professional competencies are no longer as relevant for public accounting? Or, is the AICPA signaling that these competencies be developed outside the accounting curriculum? Or, does the AICPA assume that these competencies will be included in accounting curricula in addition to CPAEMC? This is quite unclear. For example, Vien (2021) indicates that the CPAEMC is a “recommended blueprint for an accounting program designed to help educators prepare graduates for the changing demands of the CPA profession.” This seems to imply that this is an all-inclusive curriculum rather than guidelines to prepare students for an exam for entrance into the profession that may, or may not, assess all the knowledge and competencies required in the first few years of that career.

An example of minimized or deleted knowledge is managerial accounting. At an August 2021 AAA session, the response to attendees regarding this change was that content is based on a practice analysis of what candidates need to know during their first few years in public accounting. But, the stated goal of the CPAEMC is “to prepare students for the CPA profession” (AICPA & NASBA 2021). There is a difference between an exam designed to assess what practice determines as the knowledge and skills needed to enter a profession versus what is needed for a career in that profession. Curricula prepare students for their careers.

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<sup>1</sup> In an August 5, 2021, session of the AAA meeting, the goal of the CPAEMC was articulated in a different way: the learning objectives prepare students to become newly licensed CPAs. This is quite different from the goal articulated in the preface to the CPAEMC. The former implies a goal of preparing students to pass the CPA exam rather than to prepare them for the profession. This is a subtle, but very important difference. The CPA exam assesses the body and knowledge and competencies needed in the first few years in the profession that the AICPA chooses to assess; this is a subset of what is needed to prepare students for the profession.

<sup>2</sup> The AICPA CPA exam body indicated at the 2021 AAA meeting that some elements of the current BCA section are proposed for incorporation into the Evolution exam. But, this information is excluded from the CPAEMC. While many schools might help students achieve these learning outcomes outside of the accounting department’s curriculum, this is not always the case. If the goal is to help universities with their curricular redesigns, the faculty need a more holistic view of what the new exam might assess rather than solely the “accounting” portion. Universities design their curricula in a holistic fashion incorporating the knowledge that students attain outside their department; they also need a holistic view of what practice wants students to learn.

<sup>3</sup> For example, if one were to read solely the module titles, one would infer that communication skills are no longer a suggested part of the curriculum. The CPAEMC defines learning objections related to communication skills for only one of seven topics under accounting data analytics (part I, section 1, module 8, topic 6), for which the 6-12 hours are allotted. Because the CPAEMC is framed as a “model curriculum”, one might infer that 6-12 hours in an analytics context is sufficient to develop communication skills to support a career in public accounting.

## **Important Knowledge and Competencies Relevant to *Career Success and Life-Long Learning* Are Overlooked or Substantially Minimized**

In contemplating a potential unintended consequence of the CPAEMC, let us pose the following hypothetical. Assume that 20 years ago, a model curriculum was developed based upon what the profession needed entry level accountants to know and do at that time. Assume that all schools used that curriculum. Given the dynamic nature of accounting, business and society over that time, would the accounting profession's current leadership be well served with a university education solely directed toward what they needed to know and do for the first two years of their careers?

Universities focus on curricula that will provide a foundation for life-long learning that will serve students regardless of where their career paths lead. Businesses want their team members to be able to adapt to the ever-changing environment. Important content, competencies and thinking process development are severely limited or omitted in the CPAEMC. Perhaps a practice analysis indicates that what is omitted is not needed for the first two years in the profession. But, students tend to have only one undergraduate degree and curriculum. An exam will change over time, but a university education has to stand the test of time. Will the accounting profession's leaders of tomorrow be well-served with a foundation based on a curriculum designed for passing an exam to assess if a candidate has a substantial, but incomplete, set of the knowledge and competencies needed in the first year or two of a career in public accounting?

### **Building Professional Thought Processes**

In the keynote to the CPA Evolution June 2021 webinar, the AICPA provided a futurist to discuss a world of increasing uncertainty and complexity. He indicated that the value of discrete answers diminishes in a world of uncertainty. Because discrete answers are so readily available at one's fingertips, the ability to differentiate what you don't know from what you could know to reduce uncertainty is a highly valued skill. In other words, having better questions will be a key to success in the future. In her preamble to the CPA Evolution Exam, Sue Coffey, the CEO of Public Accounting for the AICPA, displayed a list of needed skills. All of them either were higher-level thinking skills or required higher-level thinking skills to execute. These presentations were not surprising to many academic audience members. This is a constant theme from our advisory boards and other interactions with practice. It is clear that from the view of the profession that higher-level thinking skills are critical for a candidate's success in the profession. Academia agrees, and much innovation in accounting education has occurred to meet this need.

The profession needs to have candidates who have well-developed higher-order thinking skills. But, an examination of the learning objectives in the core reveals that the learning objectives are heavily skewed toward lower-level thinking skills: remembering and understanding. This issue is most acute in audit and tax where well over half of the learning outcomes are lower-level thinking skills. During the June webinar as well as during a session at the AAA meetings, some presenters indicated that decisions regarding the core versus discipline content were based on Bloom's Taxonomy with more of the lower-level thinking placed in the core and higher-level thinking placed in the disciplines.

This presents issues on at least two counts. First, there is a difference between a curriculum that builds knowledge and competencies over time versus an exam that assesses a defined set of knowledge and skills at the end of students' formal education. While being mindful of building students' skills over a curriculum is important and Bloom's taxonomy can be used to help guide that process, the exam assesses knowledge and competencies at the end of that process. For the purposes of the CPA exam, this decision rule results in focusing three out of four exam parts toward lower-level thinking skills at a time when the

accounting profession and business as a whole is advocating for higher level thinking skills to form judgements for decisions.

Second, by skewing the core exams toward lower-level thinking skills, it skews a large proportion of the CPAEMC toward lower-level thinking skills. As a result, we may be attracting people who have a high degree of comfort with them (and perhaps less comfort with high-order skills) and repelling the very candidates that the profession wants to attract.

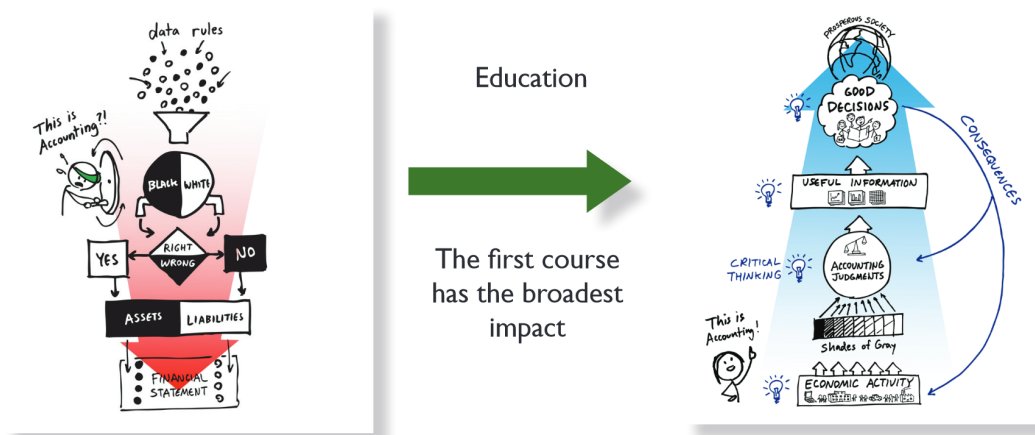


Figure 3. Our goal is to shift the perception toward the reality.

Figure from (Pathways Commission 2014, 15)

Indeed, in an effort to increase the number of students pursuing an accounting career, the Pathways Commission, a joint endeavor of the AAA and AICPA, recommended shifting the view of the profession from one that is focused on black/white and right/wrong rules to that of a profession that enables “informed decision-making” using judgements “to increase social prosperity” (Pathways Commission 2014, 15). (Please see the Figure above). This Pathways recommendation was focused on the *first courses* in accounting. Yet, 75% of the CPAEMC is skewed toward right/wrong rules and remembering facts that would be learned in courses that tend to occur during the junior, senior and perhaps graduate years. Focusing the core exam on learning outcomes that require lower-level thinking skills may have the unintended consequence of pushing accounting curricula more toward discrete facts rather than building thinking skills that will allow candidates to form sound judgements for decision-making. This is counter to what the profession previously requested and has the potential to repel the very students the profession wishes to attract. This unintended consequence results from the difference between indicating the outcomes to be assessed at the end of a candidate’s formal education versus what educators would do during the course of a curriculum to develop these outcomes.

### Potential Adverse Impact on Students Attending Under-Resourced Schools

If the CPAEMC is intended to be especially helpful for those schools that might be under-resourced and might have difficulty undergoing curriculum revisions without guidance (Vien 2021), it might have inadvertent adverse consequences for students from these schools. We have previously indicated that essential core competencies are minimized or eliminated from the CPAEMC. Most importantly, one of the consistent themes from practice is that technology has removed some of the rote tasks from an entry-level accountant’s work. Rote tasks have been replaced by tasks that require more developed critical and creative thinking skills. We previously indicated that the CPAEMC is skewed toward lower-level

thinking skills and the potential adverse outcomes of disproportionate representation of those skills. In addition, critical and creative thinking skill development is minimal in the CPAEMC. Advisory board, practitioner panels and other interactions with practice consistently indicate how essential critical thinking skill development is for not only the CPA profession, but for entry level professionals. If a low-resourced school is looking for curriculum guidance, a “model curriculum” would appear to be just what it needs. The CPAEMC would push it toward rote memorization of rules and knowledge. But, professional competencies and critical thinking development would be sorely lacking and impair its students’ ability to succeed in the profession. This unintended consequence will actually widen rather than reduce the gap between those students who attend well-resourced versus under-resourced schools, a poor outcome for both the profession and society.

### **Potential Adverse Impact on Resources**

While the CPAEMC was intended as a tool for educators, labelling the project as a “Model Curriculum” might have the unintended consequence of drying up publisher’s resources for areas excluded or minimized in the CPAEMC. As we have indicated the CPAEMC is skewed toward topics and competencies that the CPA exam might assess rather than the body of knowledge and competencies that those entering public accounting might need for their careers. This could cause publishers to place pressures on faculty producing resources to conform to the lists in the CPAEMC and reduce the diversity in resource materials that schools rely on to meet their missions for their students. This could also adversely impact the willingness of publishers to undertake more innovative resources, especially those that focus on developing the competencies that the profession needs but are not assessed on the exam.

### **Concluding Remarks**

The potential unintended deleterious consequences of the CPAEMC are significant. The AAA’s Education Committee cannot recommend it as a model for curricular development. The CPAEMC is constructed under the premise that a curriculum designed to prepare students to pass an exam that assesses the knowledge and skills needed for the first few years in the public accounting profession is equivalent to a curriculum that is focused on building the knowledge and competencies needed for a student’s lifetime. While curricula for these two goals intersect, there are significant differences. Even though the preamble to the CPAEMC states that it is *an* example, far too many will interpret the proposed “model curriculum” to be *the* roadmap that accounting programs should use.

Many accounting programs have missions that include educating students for a career in public accounting along with other potential career paths relevant to their missions. For these schools, some guidance similar to the *Blueprints* regarding the projected content of the new CPA would be very helpful as they modify their curriculum. Just as a roadmap for an exam cannot be used as guidance for a curriculum, the CPAEMC probably isn’t congruent with what will ultimately be the content of the new CPA exam. Thus, guidelines about potential changes to the new exam would take a different form than the CPAEMC in order to be more complete.<sup>4</sup> Since decisions regarding what the exam will assess are under the purview of the AICPA’s Board of Examiners, we cannot predict what those substantive

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<sup>4</sup> The CPAEMC is focused on the accounting portion of the curriculum. From AICPA sessions at the 2021 AAA meetings, it appears that some of the current BCA would be incorporated into parts of the new exam. Faculty need to know if this is true, and, if possible, what components would be incorporated in the exam. In addition, it appears that the CPA examiners have a different decision rule for deciding what is in the core versus what would be in the discipline exams. They are looking for the tasks that *all* candidates would be doing for core inclusion with more specialized tasks in the disciplines. The CPAEMC placed knowledge allocated topics for the core versus discipline according to the level of thinking required. These two decision rules could very well lead to a different allocation of topics and skills between the core and discipline exams. Thus, the current document may not be helpful to those for whom knowing what is in the core versus the discipline is important.

differences might entail. But, many programs could be led astray if they use the current CPAEMC as a quasi-*Blueprint*.

This is an exciting time for both the profession and academia. Our two organizations have a long history of collaboration to meet the needs of the profession. The AAA includes practitioners into its structures; the AICPA reaches out to academics who participate in many of its committees. But, these interactions are different from using the full networks of talented individuals who comprise both organizations. There are many potential opportunities for the two organizations to partner to meet the challenges of these dynamic times. We look forward to working with you so that our students and your future professionals have the foundation for successful lives.

This comment letter was developed by the AAA's Education Committee and does not represent the position of the AAA.

Beth Kern  
Vice President-Education  
Chair of the AAA Education Committee

Allen Blay  
Florida State University

Nerissa Brown  
University of Illinois at Urbana-Champaign

Bryan Cloyd  
Lehigh University

Jill Mitchell  
Northern Virginia Community College

Jon Pyzoha  
Miami University

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