

ADDITIONS TO AGENDA
SOUTH DAKOTA BOARD OF ACCOUNTANCY
BOARD MEETING,
July 21, 2017

A=Action
D=Discussion
I=Information

A-Addition to Certificate.....	2
D-Addition to AICPA, Board of Examiners Meeting Highlights June 1-2, 2017...	3-6
A-Addition to Executive Session.....	Spt. Pkt.

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES
BOARD COPY**

Issued Through July 19, 2017

Number	Name	Date Issued	Location
3327	Anna Louise O'Neill	07/19/17	Tempe, AZ
3328	Janet Kay Kuivenhoven	07/19/17	Firesteel, SD



Association
of International
Certified Professional
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AICPA BOARD OF EXAMINERS (BOE) MEETING HIGHLIGHTS JUNE 01 - 02, 2017

Participants

BOE Members: Diego Baca, Barry Berkowitz, Helen Brown-Liburd, Michael Daggett (Chair), Jeanne Dee, Evan DeFord, Jeff Hoops, Shelly Holzman, Audrey Katcher, Roberta Newhouse, Gina Pruitt, Mark Shermis, Ola Smith, Amy Sutherland, Dan Sweetwood, Michael Watts, Tom Weirich, Jim Wollack

AICPA Staff: Michael Decker (Staff Liaison), Noel Albertson, Rich Gallagher, John Mattar, and Robin Stackhouse. A number of additional AICPA staff members were able to be in attendance since the meeting was held in Philadelphia, which is quite close in proximity to the AICPA's offices in Ewing, NJ. Among those present were Taryn Bauer, Jennifer Bukowski, Michael Cannon, Elizabeth Forman, Niall Hennessy, Michael Horan, Randi Lockhart, Debbi Luhman, Paul Schields, Joshua Stopek, Robert Tangen, Shebba Toussaint and Joel White.

NASBA–AICPA–Prometric Enterprise Project Manager: Bill Emmer

NASBA ERB Staff: Sheena Murphy

Roberta Newhouse, Chair of the State Board Committee (SBC), reported on the prior day's meeting, where the following topics were discussed: the AICPA's Peer Review whitepaper and the boards' responses, the re-evaluation of CPE-requirements, firm mobility, and non-CPA ownership of firms' regulations.

There seems to be confusion regarding the pending candidate score-holds due to the need for standard setting with the launch of the update Exam in April 2017. Some states are expecting candidates to call in requesting extensions, some states are expecting NASBA to contact the candidates, and some states will proactively contact candidates. In addition, there does not appear to be a consistent approach to 18-month extensions for candidates impacted by the score hold. The AICPA Examinations Team agreed to alert NASBA regarding the confusion.

The SBC enjoyed a presentation by the Examinations Team on the MCQ (multiple-choice question) and TBS (task-based simulation) item development process. The process by which item writers and reviewers are recruited, trained, and supported was also reviewed. The SBC continues to be impressed by the rigor of the process and suggests that these types of presentations be shared with more state boards.

Jim Wollack, Chair of the Psychometric Oversight Committee (POC), reported on the POC's collaboration with the AICPA's psychometric staff and external consultants and everyone's collective approval of the project plan to conduct the standard setting process in setting the new cut score for the Next Version of the Exam scheduled to launch on April 1, 2017.



The POC also discussed content area subscore reporting and continues to support the AICPA's research. It is possible that the reliability of subscores will increase with the updated Exam due to the new test designs. Research is also underway to evaluate ways of providing more helpful feedback to candidates.

Development of some kind of candidate self-assessment or diagnostic exams was also discussed. A request for a most easy-to-read one-pager on how the Exam is scored was also requested.

Amy Sutherland, Chair of the Content Committee (CC), reported that the CC and its section subcommittees, in collaboration with the AICPA staff, have developed the necessary items and that the item inventory for all of the sections has stabilized.

The new FAR standards in revenue recognition, leases, and NFP are creating item development and obsolescence challenges

Future practice analysis and the annual blueprint review process were all discussed as we plan for the future.

The CC is also looking forward to the new user experience (UX) software to be launched April 1, 2018.

Noel Albertson, AICPA Director of Project and Technology Delivery, noted that the BOE Launch Sponsor Group continues to track the launch of the UX software with a November 2017 Go Live launch confirmation. Any decisions and therefore announcements, regarding any required score holds for 18Q1 will be decided in late July and early August. From there, final decisions on score holds through 2018 will be made 5-6 months prior to each window. Each of these decisions will also include an updated estimate of score holds for remaining windows in 2018.

Paul Schields, AICPA Senior Manager of Finance, shared with the BOE the projections of 240,000 sections for 2017, investments in research, staffing, and the updated software and our plan to meet the contract breakeven in 2024.

Michael Horan, AICPA Senior Manager of Communications, shared with the BOE our plans for score hold communications, new software launch communications, the 2017 Exam Bulletin, communications with the Review Course Providers, and pipeline support messaging.

Sheena Murphy, NASBA's Director of the Examination Review Board (ERB), shared with the BOE the successful review of the NASBA, AICPA, and Prometric enterprise, which will be reported to the State Boards at the upcoming NASBA regional conferences. The emphasis in 2017 was on documentation and quality control.

Richard Gallagher, AICPA Senior Director of Content, led a panel discussion with the following Exam content experts:

- Michael Cannon, Senior Manager of Content



- Rob Tangen, Senior Manager, BEC
- Jen Bukowski, Senior Manager, AUD
- Debbi Luhman, Senior Manager, REG
- Randi Lockhart, Senior Manager, FAR
- Henrietta Eve, Lead Manager, Product Management
- Josh Stopek, Senior Manager, Research

The comments and discussion included:

- The blueprints were a key success of the updated Exam, helping the team understand the target skill and providing item writers a powerful guide for item development.
- Exams team staff now have the processes, technology, and expertise to accelerate item development with no loss of quality.
- Work continues on ensuring consistency across all four sections of the Exam.
- The changes to AUDit were successful as the Exam section matches the lifecycle of an audit engagement, matches the clarified Audit standards, evaluation-level skills are assessed.
- This sets the state for ongoing research with Villanova and Rutgers Universities and their work on audit data analytics.
- Research and other initiatives include:
 - Field testing example evaluation-level questions
 - Visiting the field, schools, firm trainings, focus groups, etc.
 - Observing Firm trainings of staff and audit bootcamps: What's going on with data analytics on the ground?
 - PCAOB is coming out with its revised audit reporting model, which may bring more performance-oriented information into the report

Michael Decker, AICPA Vice President of Examinations, and Jeff Hoops, Incoming Chair of the BOE, led the BOE in strategic planning discussions as the BOE and the BOE's Strategic Planning Sponsor Group are preparing the BOE's 2017 Strategic Plan.

As we think about the future requirements of the Exam, and changes to the Exam, we look back at the original assumptions that were made about the Exam and administration design back in 2004 when the Exam was computerized and what, if any, assumptions are no longer applicable.

The BOE's strategic planning discussion included:

1. Operational excellence and ensuring the CPA remains a premier accounting credential
 - What is the profession demanding now?
2. Enhancing accessibility to meet ever-increasing ADA requirements
 - How do we shift from being reactionary to staying in front of these requirements?
 - How can we change item development to design ADA accessibility into the items?
3. Research continues into assessing professional skepticism, audit data analytics, increased assessment of higher-order skills
4. Candidate Pipeline
 - Complete research into the candidates that drop-out of the pipeline
 - Continue to promote the value of the CPA and consider a single-page, plain English, "value of the CPA" communication



5. Globalization

- Complete research into administration of the Exam in India, China, and Germany / Europe

AICPA staff and the BOE will complete an updated Strategic Plan in 2016 – 2017.

Noel Albertson, AICPA Director of Project and Technology Delivery, and Henrietta Eve, AICPA Lead Manager, Product Development, demonstrated the new 2018 test delivery software (UX release) with the BOE. One objective was to pay attention to the entire candidate experience, brand, and software usability as this is an important candidate touchpoint to the profession. We want the experience to represent the profession as modern and serious.

The software was developed with the future in mind, as the software is built in a web architecture with platform independence to enable future evolution to cloud-based or mobile, as needed by the program.

Representatives from the Psychometric Oversight Committee (POC) wanted to know more about the newer software features and a follow-up conference call will be scheduled with the entire POC to review the new software.

Joel White, AICPA Senior Director of iARC (Internal Audit, Risk, and Compliance) and Taryn Bauer, AICPA Senior Manager of Examinations Compliance, updated the BOE on our recent SOC 2 audit success, our ongoing processes for internal risk mitigation and compliance, and our exploring of assessing the Examination's processes on the new cybersecurity standard.

John Mattar, AICPA Director of Psychometrics, shared with the BOE the successful, albeit preliminary, results with the April 1st launch of the Exam. The items selected are performing well and the section timing is as expected. Training of the BOE in the standard setting process continued as we prepare for the BOE Standard Setting meeting, August 3 – 4, 2017. It is a very complex process and we want to ensure the BOE is prepared for setting the cutscore in August.