

December 3, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee
American Institute of Certified Public Accountants
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Nicola Neilon, CPA, Chair, NASBA UAA Committee
National Association of State Boards of Accountancy
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RE: Comments of the New York State Society of Certified Public Accountants on AICPA and NASBA Exposure Draft on Proposed CPA Competency-Based Experience Pathway

Dear Chairs Neill and Neilon:

The New York State Society of Certified Public Accountants (NYCPA), representing more than 19,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the Exposure Draft on the proposed CPA Competency-Based Experience Pathway that has been prepared by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) (the “Pathway Exposure Draft”).¹ In reviewing the Pathway Exposure Draft, we are very mindful of the need to balance the public trust that has been placed in our great profession with a future-oriented mindset that takes into account the pipeline challenges that our profession faces. Against this context, we are particularly concerned with both the level of subjectivity that the Pathway Exposure Draft would require in the assessment of professional competencies, and the magnitude of the resources that CPA firms (both large and small) would need to devote to this assessment (which would place smaller firms at a significant competitive disadvantage in attracting talent). For these reasons, we respectfully recommend that the Pathway Exposure Draft be substantially modified to eliminate its competency-based approach and instead focus on additional alternative pathways, which may include a pathway that is premised on coupling 120 credit hours with two years of qualifying work experience.

¹ The Pathway Exposure Draft is set forth at the following link: [Exposure draft: Proposed “CPA Competency-Based Experience Pathway” | Certifications | AICPA & CIMA](#)

Discussion

The Pathway Exposure Draft sets forth a “New Pathway” under which CPA candidates could meet initial licensing requirements by exhibiting their competency in specific professional and technical areas. The professional competencies are set forth below, and the candidate is required to exhibit **all seven professional competencies** to satisfy the New Pathway:

- Ethical behavior
- Critical thinking and professional skepticism
- Communication
- Collaboration, teamwork and leadership
- Self-management and continuous learning
- Business acumen
- Technology mindset²

While the Society commends the AICPA and NASBA for their initiative in preparing the Pathway Exposure Draft, we have substantial concerns with the implementation of a pathway that is based on Competency-Based Experience. At its essence, the proposed process for evaluation of candidates is highly subjective (particularly with respect to the seven professional competencies) and would place an undue burden on both the CPA candidates and the CPA Evaluators. We anticipate that significant training would be required to permit the CPA Evaluators to develop the requisite skills to render an unbiased evaluation that meets specified criteria. Not all firms will have the resources available to devote to the training of their CPA Evaluators. It is therefore foreseeable that this would place smaller firms at a significant competitive disadvantage vis-à-vis larger firms in the recruitment of talent.

We are moreover concerned that the dynamics of the workplace will lead to ethical dilemmas as a result of the proposed competency-based pathway’s reliance on subjective evaluations in certifying candidates’ competencies. We question, for example, whether it would be realistic to expect a CPA Evaluator who currently works at the same firm as a candidate to negatively assess the candidate’s competency in collaboration, teamwork and leadership in light of the workplace consequences that could ensue if such

² In addition, under the New Pathway, the candidate is required to exhibit technical competency ***in one of the following three areas of technical competency:***

- Audit and assurance
- Tax
- Business and financial reporting

In addition to the Competency-Based Experience described above, candidates under the New Pathway would also still be required to earn a bachelor’s degree in accounting, complete one year of general qualifying experience, and pass the CPA exam.

negative assessment came to light. Similarly, the potential liability of CPA Evaluators for the subsequent acts of candidates they endorse raises additional process and legal questions.

These concerns, and the potentially uncomfortable workplace dynamics that they could produce, may well serve to create barriers that deter young professionals from entering the field of accounting. Further, it may damage CPA mobility between states that permit the New Pathway and those that do not.

It seems to be an implicit assumption of the Pathway Exposure Draft that the 150-credit hours requirement is a significant contributor to candidates not entering the profession or pursuing a CPA license. We believe that there is no better training for young accountants to become highly competent CPAs than for them to work under the supervision of seasoned CPAs. The Pathway Exposure Draft seems to be getting at that. However, a less subjective approach would be more effective in accomplishing this objective.

We urge the AICPA and NASBA to recognize the financial drain that is imposed upon candidates who require a fifth year of education in order to be eligible for licensure. The CPA exam is itself a highly effective gatekeeper for ascertaining technical competency. So that raises the question – *what are we as a profession doing by subjecting young professionals to barriers that discourage their entry into the profession and ultimately hinder their pursuit of the CPA license?*


We believe an alternative pathway that both maintains the public trust and makes the process less daunting to students *does indeed exist* in the form of an approach that would be centered upon the establishment of a 120-credit hours requirement coupled with two years of qualifying work experience. We would accordingly very much welcome the AICPA's and NASBA's development of a pathway (working together with both the various state boards of accountancy and the state CPA societies) that focuses on this approach.

For any questions or concerns, please contact our government relations manager Jovan C. Richards at jrichards@nysscpcpa.org or (212) 719-8392.

Respectfully submitted,



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Kevin O'Leary
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