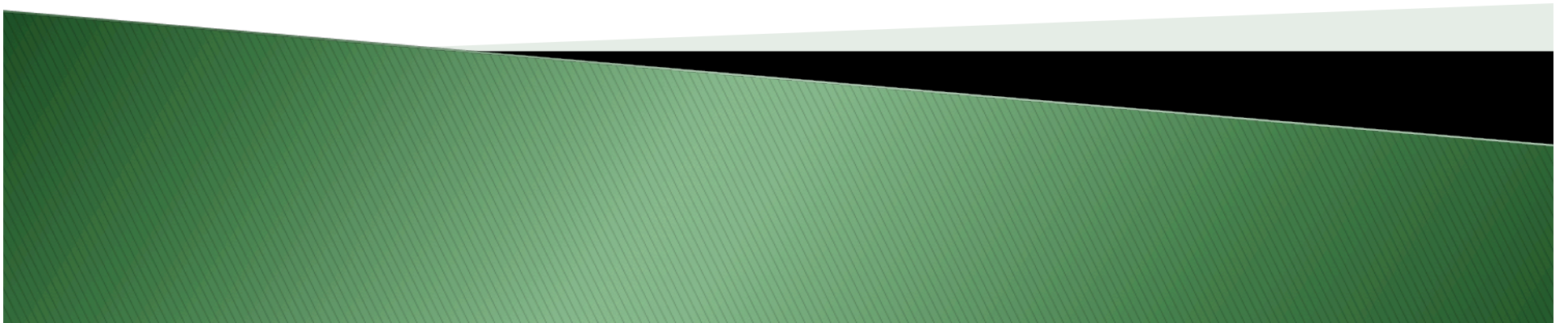
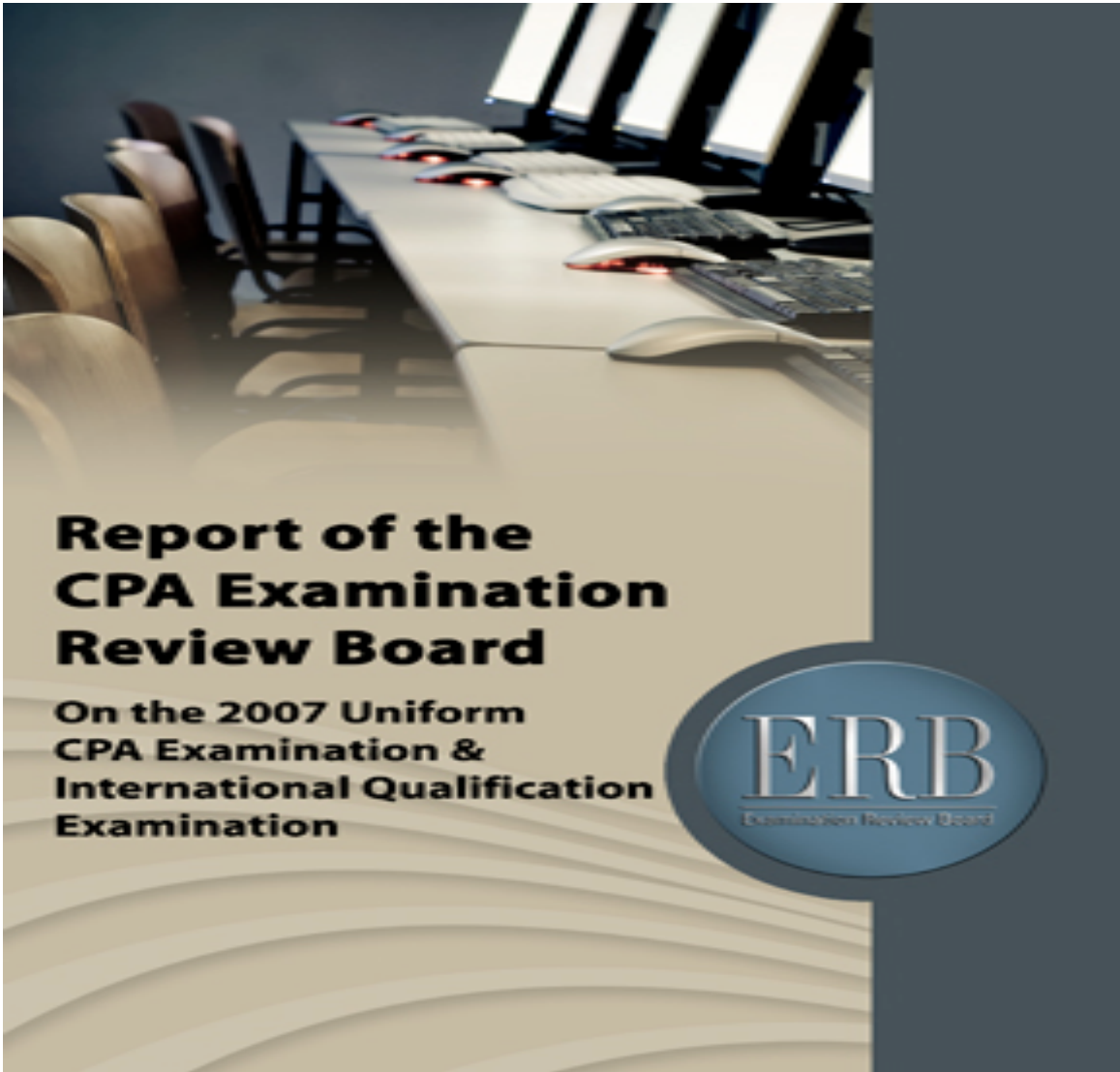




June 2008 Regional Meetings





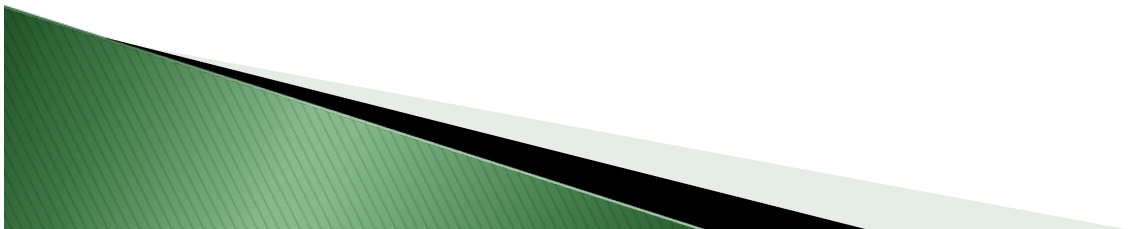
Report of the CPA Examination Review Board

**On the 2007 Uniform
CPA Examination &
International Qualification
Examination**

ERB
Examination Review Board

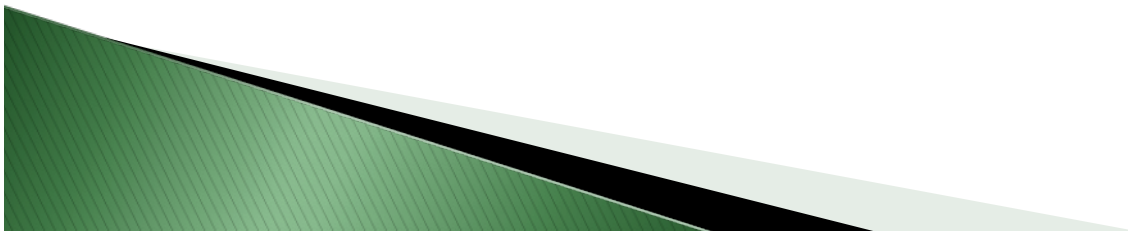
Opinion

Boards of Accountancy May Rely on the 2007 Uniform CPA Examination and the International Qualification Examination in Carrying out Their Licensing Responsibilities.



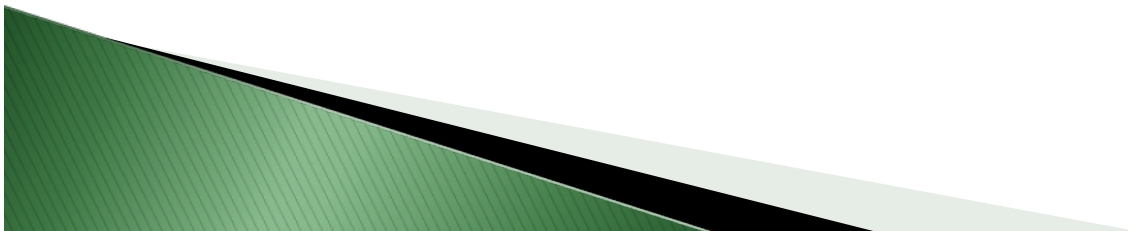
ERB Named in CBT Contract

- ▶ Provide an Independent Annual Review
- ▶ Report Addressed to Member Board
- ▶ Member Boards our “Clients”



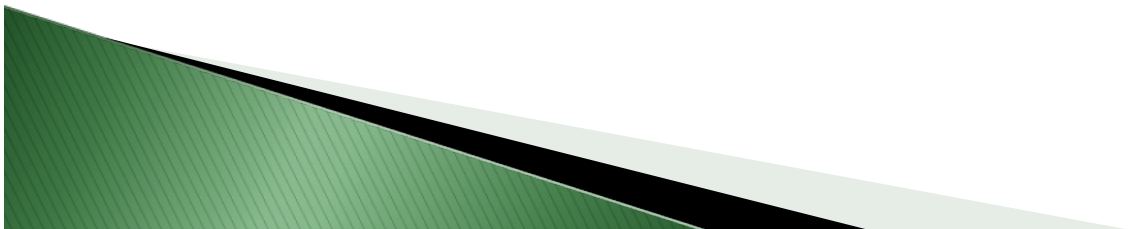
ERB Consultants

- ▶ Dr. Steven Downing Psychometrician
- ▶ Michael Harnish IT Consultant



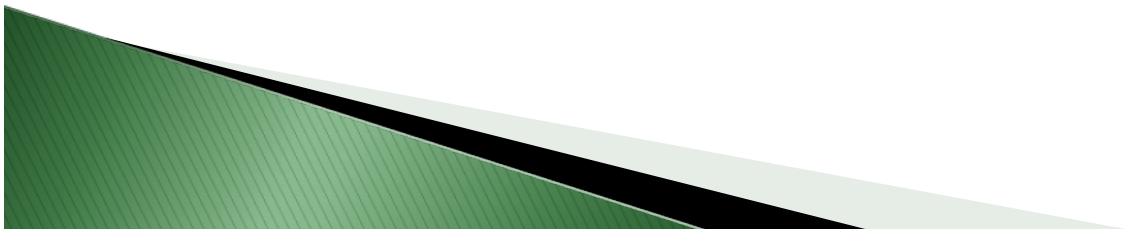
Review of Entire Examination Process

- ▶ Item Development to Score Release
- ▶ Panel Wrapping to Administration to Candidates
- ▶ Authorizations to Test to Training on the Gateway System
- ▶ On-site Visits to Ewing, Nashville and Baltimore
- ▶ Random, Surprise Visits to Test Centers



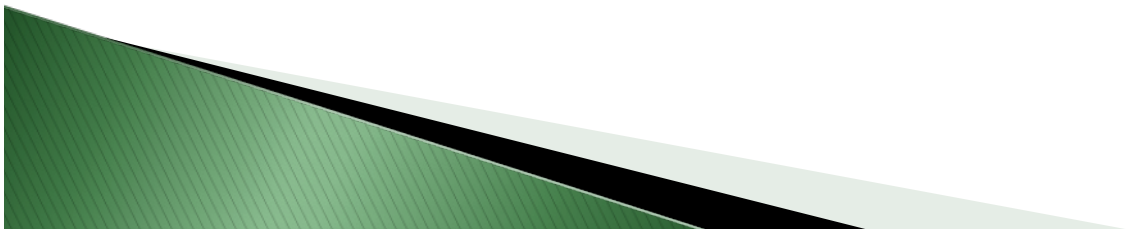
Management Letter

- ▶ Provided NASBA CPA Licensing Examinations Committee (CLEC) with Management Letter that Contained 40 Recommendations.
- ▶ CLEC to Distribute Matrix with Findings



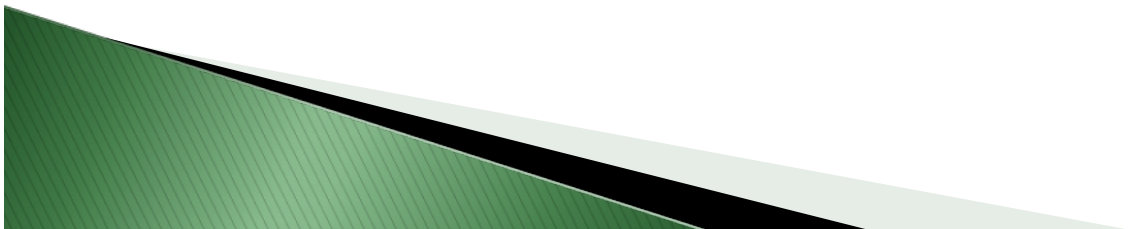
Three Audit Teams

- ▶ An Audit Team/Subcommittee Appointed to Review Each Party to the Contract
 - NASBA
 - AICPA
 - Prometric
- ▶ Consultants Worked with Each Team



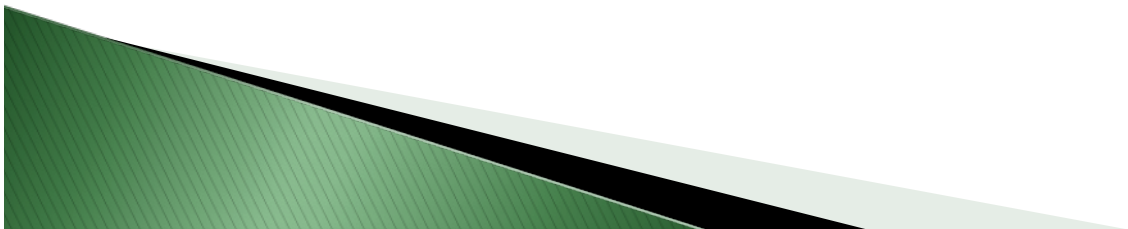
NASBA

- ▶ Selected a Random Sample of Candidates and Traced Their Progress Through the Gateway System
- ▶ Reviewed Personnel Files for Background Checks on All Staff With Secure Access to the Gateway System
- ▶ Corresponded Directly with All State Boards



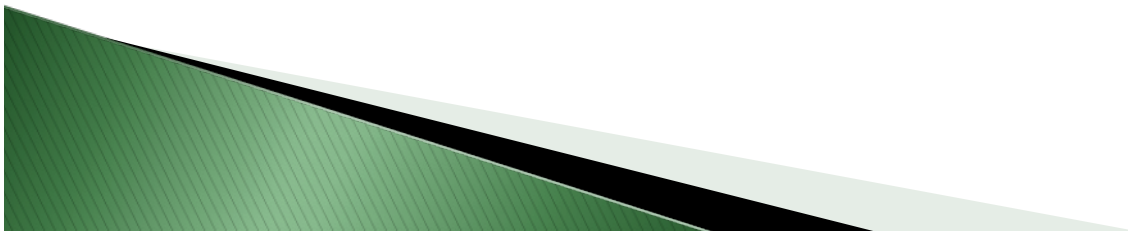
Prometric

- ▶ Review and Analyze Security Measures
- ▶ Systems Procedures
- ▶ Process for Transfer of Data
- ▶ Wrapping Testlets
- ▶ Center Problem Reports (CPRs)



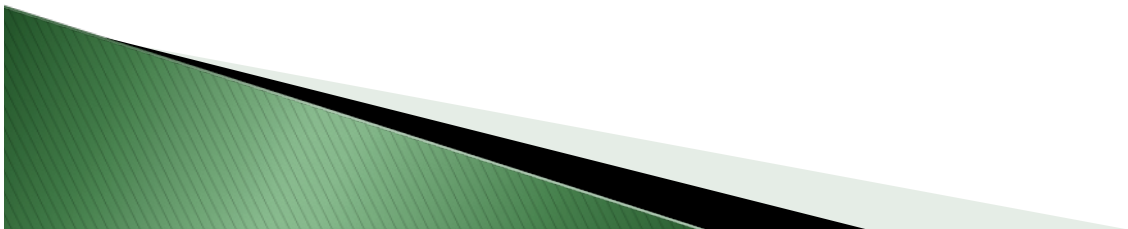
AICPA

- ▶ Test Development
- ▶ Practice Analysis
- ▶ Item Writing
- ▶ Security
- ▶ Personnel Policies
- ▶ Quality Assurance



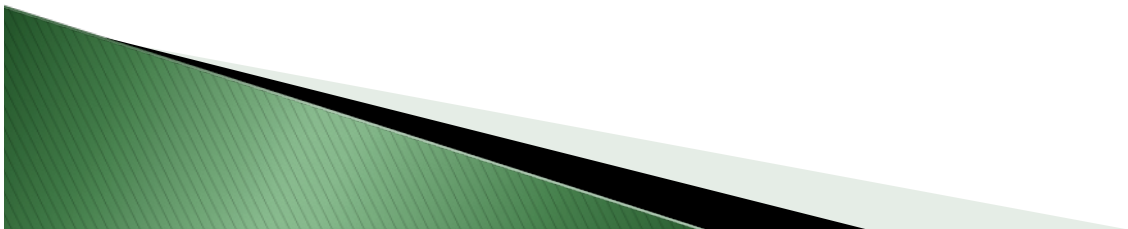
AICPA

- ▶ Communications with Vendors
- ▶ Score Change Notification
- ▶ Back Up Procedures
- ▶ Policy Documentation
- ▶ IQEX



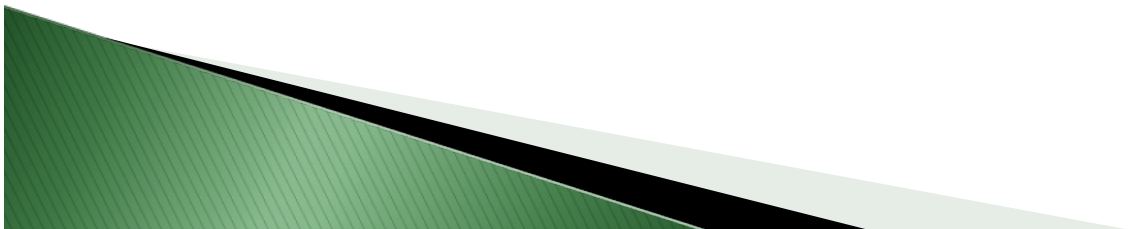
Cost Audit

- ▶ ERB Conducts an Audit of Fees Charged to Candidates Each Time There is an Increase in Fees
- ▶ Reports on 2007 Cost Audits in Regional Binder



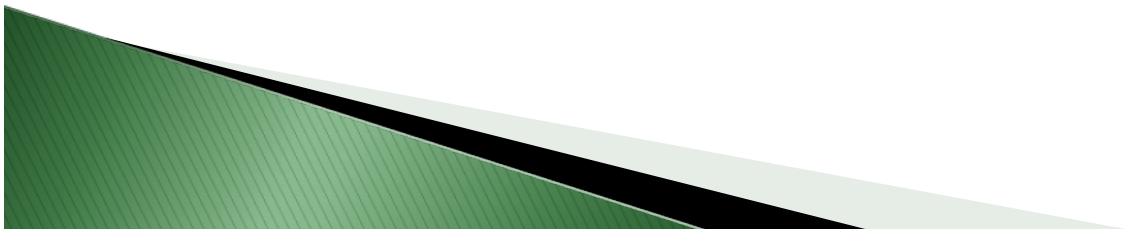
Contractual Obligation

- ▶ CBT Contract Allows for NASBA and the AICPA to Break-Even
- ▶ Projections of Future Costs and Candidate Volume
- ▶ Costs to Develop the Various Systems
- ▶ Operating Costs



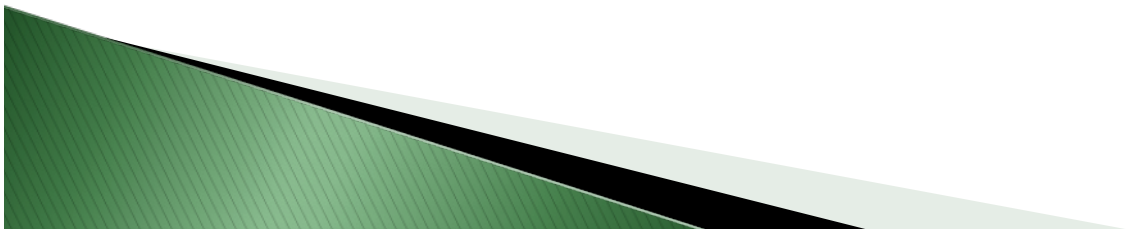
NASBA

- ▶ Review Conducted by ERB Team
- ▶ Examined Purchase Invoices for:
 - Equipment
 - Consultants
 - Systems Designers



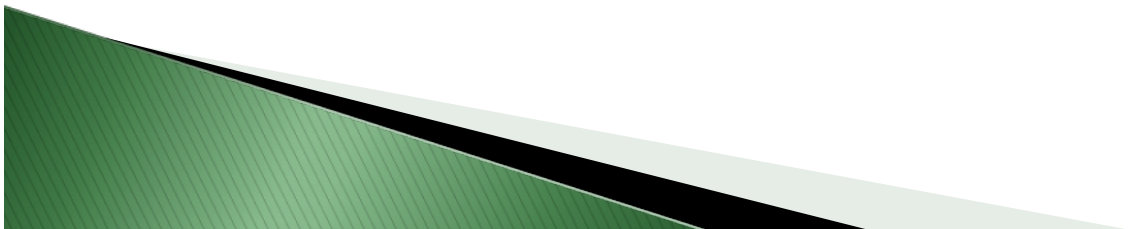
NASBA

- ▶ Reviewed the Direct Internal Costs for
 - Payroll
 - Rent
 - Postage
 - Printing



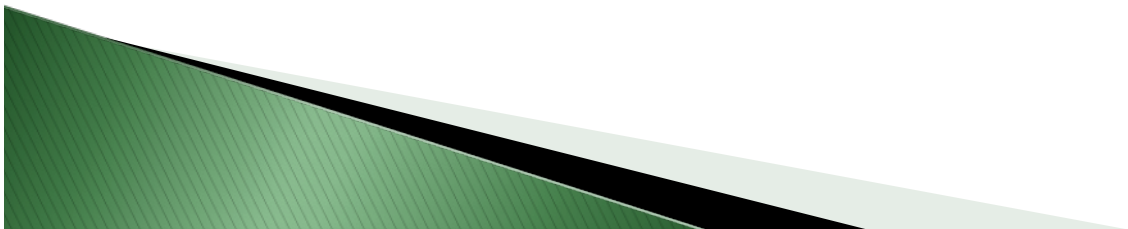
NASBA

- ▶ Reviewed Allocations of Administrative Costs for:
 - Payroll
 - Rent



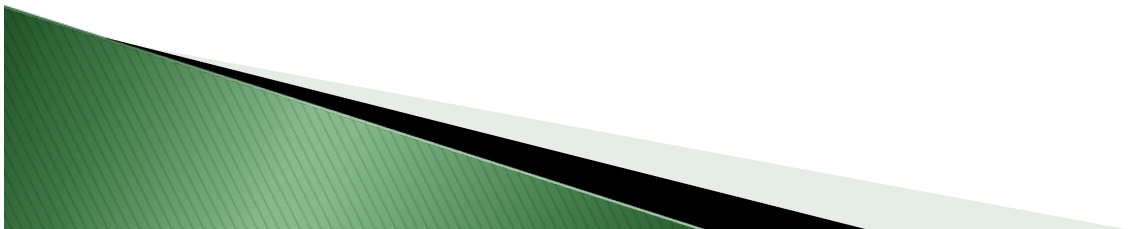
AICPA

- ▶ Required a Different Approach
- ▶ Assisted by a New York CPA Firm



AICPA

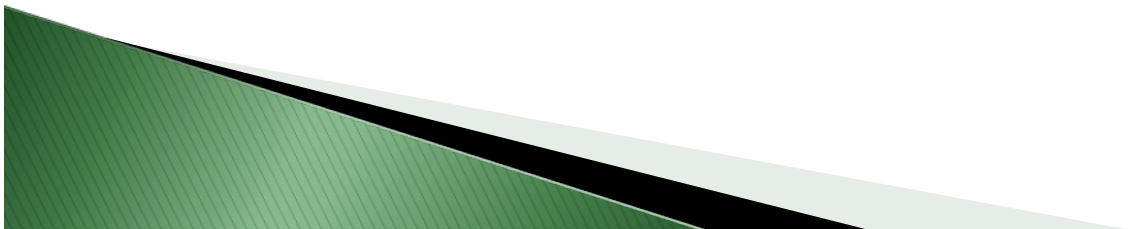
- ▶ Compared Projected Expenses with Historical Operational Expenses
- ▶ Evaluated the Reasonableness of Changes/Variations of Projected Costs With Historical Costs



Opinion

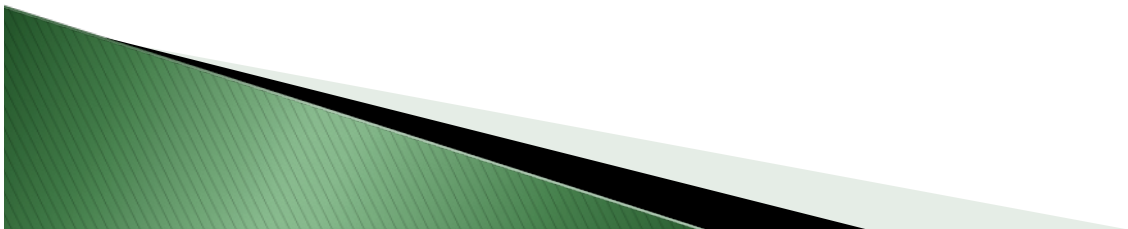
We Did Not Note Any Material Exceptions to the AICPA or NASBA CBT Development, One-time and Operational Expenses.

Therefore, the Fee Increases Are Justified.



ERB Members

- ▶ Immediate Past Chair Asa Hord
- ▶ Vice Chair Don Howard
- ▶ Charlie Chewning
- ▶ Phil Gleason
- ▶ Will Pugh
- ▶ Donnie Roland



ERB Members

- ▶ Chuck Talbert
- ▶ David Vaudt
- ▶ Sandy Wilson
- ▶ Rob Zunich
- ▶ Staff Liaison --Lisa Axisa

