



441 G St. N.W.
Washington, DC 20548

September 30, 2022

Mr. Barry Berkowitz, Chair
Ms. Audrey Katcher, Incoming Chair
Board of Examiners
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707-8110

GAO’s Response to the AICPA’s Exposure Draft, *Maintaining the Relevance of the Uniform CPA Examination – Aligning the Exam with the CPA Evolution Licensure Model*, June 2022

This letter provides GAO’s response to the American Institute of Certified Public Accountants’ (AICPA) exposure draft entitled *Maintaining the Relevance of the Uniform CPA Examination – Aligning the Exam with the CPA Evolution Licensure Model*.

GAO promulgates generally accepted government auditing standards (GAGAS), which provide professional standards for auditors of government entities in the United States.¹ GAGAS provides a framework for conducting high-quality audits of government awards with competence, integrity, objectivity, and independence.

We are pleased to see that the AICPA incorporated into the Core Exam Blueprints changes we proposed in our 2020 comment letter. In particular, the AICPA’s inclusion of core governmental concepts such as fund accounting and single audits will greatly aid newly licensed certified public accountants (nICPA) entering the government sector.

However, there are two areas that we strongly urge the AICPA to address in the Core Exam Blueprints: (1) a discussion of federal accounting standards and their standard setter and (2) *Standards for Internal Control in the Federal Government*.

GAO strongly encourages the AICPA to include content on the Federal Accounting Standards Advisory Board (FASAB) and Statements of Federal Financial Accounting Standards (SFFAS). This should include content related to federal accounting standards issued by FASAB, which the AICPA has recognized as generally accepted accounting principles for federal reporting entities since 1999. The blueprints already contain content related to the Government Accounting Standards Board and the standards it issues. The AICPA should consider adding similar content related to FASAB in the same sections.

GAO also strongly encourages the AICPA to include content on *Standards for Internal Control in the Federal Government* (Green Book). As a standard that many federal entities, as well as state, local, and not-for-profit organizations, are required to follow as part of receiving federal funds, it is important for nICPAs to be aware of the Green Book. Auditors in the government sector also use the Green Book as part of financial statement audits, single audits, and performance audits.

¹GAO, *Government Auditing Standards: 2018 Revision Technical Update April 2021*, [GAO-21-368G](#) (Washington, D.C.: April 2021).

The AICPA requested responses to certain questions. Our responses follow.

Responses to Request for Comments

1. Do the Core Exam Blueprints include the knowledge and skills required of all nCPAs to protect the public interest? If not:

- a. Is there content missing from the Core Exam Blueprints? If so, please explain what content you believe should be added, including examples of how this is affecting nCPA practice.
- b. Is there content included in the Core Exam Blueprints that is not relevant to nCPA practice that should be removed? If so, please provide the details of what content you believe should be removed and why it should not be considered nCPA practice.

As stated above, GAO believes the AICPA should consider including content on federal governmental accounting and internal control standards, such as SFFAS and the Green Book, in the governmental sections of the Core Exam Blueprints. We did not note any content that should be removed.

2. Do each of the Discipline Exam Blueprints include the knowledge and skills required of an nCPA to protect the public interest? If not:

- c. Is there content missing from the Discipline Exam Blueprints? If so, please explain what content you believe should be added, including examples of how this is affecting nCPA practice.
- d. Is there content included in the Discipline Exam Blueprints that is not relevant to nCPA practice that should be removed? If so, please provide the details of what content you believe should be removed and why it should not be considered nCPA practice.

GAO did not note any content missing from the Discipline Exam Blueprints or any content currently included that should be removed.

Thank you for the opportunity to comment on these important issues. If you have questions about this letter or would like to discuss any of the matters it addresses, please contact me at (202) 512-3133 or dalkinj@gao.gov.

Sincerely yours,



James R. Dalkin
Director
Financial Management and Assurance