



December 4, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee
American Institute of CPAs
1345 Sixth Avenue, 17th Floor
New York, NY 10105

Nicola Neilon, CPA, Chair, NASBA UAA Committee
National Association of State Boards of Accountancy
150 Fourth Avenue North, Suite 700
Nashville, TN 37219

RE: CPA Competency-Based Experience Pathway

Dear Committee Members:

The Tennessee Society of Certified Public Accountants (TSCPA) appreciates the opportunity to comment on the CPA Competency-Based Experience Pathway Exposure Draft issued on September 12, 2024. We commend NASBA, AICPA, and all stakeholders for their continued efforts to address the accounting profession's talent shortage and to remove the time and cost barriers to licensure.

TSCPA has engaged with firm leaders, our governing bodies, and members from various sectors of the profession to discuss the proposed competency-based pathway. Through these discussions, recurring themes have emerged, highlighting significant concerns. The proposed pathway is overly complex, fundamentally subjective, and not in the profession's best interest.

Competency Framework

The example performance indicators do not accurately represent the work new staff are expected to perform in their first year. Depending on the size and type of the firm or company, it could take candidates several years to perform at the level outlined. Furthermore, many of the professional competencies, as defined, represent skills that CPAs develop and refine continuously throughout their careers and should not be evaluated as a "check the box" task.

CPA Evaluator

The ability of a CPA evaluator to effectively assess competencies will vary depending on the type and size of their firm or organization and their length of experience in the profession. Serving as a CPA evaluator is a significant responsibility that requires a high level of professional judgment, knowledge, and experience across many areas. We believe three years of post-licensure experience is insufficient for an individual to effectively develop the necessary skills to serve in this role. Moreover, the role of the CPA evaluator introduces subjectivity and potential unconscious bias, posing risks to the profession. This process could inadvertently create competitive advantages for certain firms or organizations, leading to unintended consequences.

Risks and Burdens to Employers

Employers already face numerous challenges, including resource shortages and evolving regulatory demands. The proposed pathway will burden many employers, particularly small and mid-sized firms, governmental entities, and private companies, that may lack the capacity to oversee and administer the competency framework. While larger organizations may adapt their existing employee evaluation processes to accommodate the framework, small organizations will face challenges in implementing and managing it effectively. This could lead to firms seeking alternative professionals with differing credentials and business skills to perform work traditionally handled by aspiring CPAs.

Additionally, the competency framework could expose organizations and individual CPA evaluators to legal and regulatory risks and may deter some professionals from participating in the program.

Conclusion

TSCPA recognizes the critical need for alternative pathways to attract and retain talent within the accounting profession. However, we do not believe the CPA Competency-Based Experience Pathway aligns with the profession's best interests. Effective solutions should be practical, consistent, and equitable, minimizing risks, burdens, and barriers for employers and candidates.

We appreciate the opportunity to provide feedback and remain committed to collaborating with all stakeholders to support a thriving accounting profession. Please contact us at the TSCPA office at (615) 377-3825 for further discussion on any of the points mentioned in this letter.

Sincerely,

Kelly S. Crow

Kelly Crow, CPA
2024-2025 TSCPA Chair

Kara Fitzgerald

Kara Fitzgerald, CPA
TSCPA President and CEO