



# The Experience Requirement for CPA Licensure

*A Historical and State-by-State Review*

*By Jack Armitage*

**T**he licensure of public accountants enables the profession to declare to society CPAs' desire to serve the public. The first licensure of CPAs in the United States occurred in 1896 in New York (Philip H. Siegel and John T. Rigsby, "Institutionalization and Structuring of Certified Public Accountants: An Analysis of the Development of Education and Experience Requirements for Certified Public Accountants," *Journal of Management History*, vol. 4, no. 2, 1998, pp. 81–93).

Other states soon added public accountancy laws, with nearly all states setting requirements for CPAs by the early 1920s.

All U.S. jurisdictions that license CPAs now have some form of experience requirement for licensure. According to Sandra K. Schneider, "Licensing [is] needed to protect the public from the untrained, the unqualified, and the incompetent" ("Influences on State Professional Licensure Policy," *Public Administration Review*, vol. 47, no. 6, 1987, pp. 479–484). But because state

law rather than federal statute regulates the profession of public accounting, much variation exists in the requirements to become a licensed CPA. The length and type of practical experience required, for example, differs greatly across jurisdictions. It was not until the 1950s and 1960s that the profession began to seriously address the issues and purpose of experience and education requirements for practicing accountants (Wayne G. Bremser, Vincent C. Brenner, and Paul E. Dascher, "The Feasibility of Professional Schools: An Empirical Study," *Accounting Review*, vol. 52, no. 2, 1977, pp. 465–473).

More recently, this requirement has been the subject of scrutiny and change. In concert with the requirements for increased academic preparation that have arisen over the past two decades, many jurisdictions have reduced the duration of experience or broadened the type of qualifying experience needed to become a licensed CPA. Although U.S. jurisdictions agree that the overall goal is to produce competent professional accountants, less agreement exists as to the proper mix of education and practical experience necessary to achieve that goal.

Many questions must be considered when determining the appropriate experience requirement: What is the purpose of an experience requirement? Is the knowledge obtained in an academic accounting program sufficient preparation for licensure, without any practical experience, or is practical experience sufficient in itself (or a partial substitute for academic training)? If a period of practical experience is required, should the focus be on only public accounting or should a broader range of employment be acceptable? How long a period is appropriate?

This discussion examines the experience requirement necessary to become a licensed CPA in the United States and makes recommendations about experience requirements in order to safeguard the public interest. The following sections review the historical development of the experience requirement, the purpose of the experience requirement, the AICPA's and International Federation of Accountants' (IFAC) current position regarding experience requirements for licensure, and the current rules in effect in the 55 jurisdictions involved in CPA licensing. The conclusion covers the potential experience models that could be followed, including a discussion of the advan-

tages and disadvantages of several different approaches to experience requirements.

### Historical Overview

Determining the appropriate types and extent of practical experience needed to become a licensed CPA is not a simple issue. It is helpful to look at the historical development of the requirement in order to better understand the role of experience in a professional's development.

Experience requirements evolved during the late 19th century, when the practice of public accounting was just beginning in the United States. The early years of the U.S. auditing profession were heavily influenced by the existing English system of apprenticeships; although that system was not adopted, the first U.S. public accountants did obtain much of their knowledge from practical experience. Given the development of free public schools in the United States and the subsequent expansion in the number and quality of universities, academic preparation in accounting and auditing soon became part of the foundation for becoming a licensed CPA. This development might have also resulted from the desire of the accountancy profession's founders to more closely follow the direction of the legal, engineering, and medical professions, as well as the fact that some of the profession's founders served as both college professors and partners in firms (William C. Bruschi, "Issues Surrounding Qualifying Experience Requirements," *Journal of Accountancy*, March 1969, pp. 47–54).

By 1915, 26 jurisdictions required a high school diploma to become a CPA; however, because most of the pre-World War I population did not have that level of education, many jurisdictions began to substitute practical experience. The American Institute of Accountants (AIA, the forerunner to the AICPA) began to push to legitimize the experience requirement as the primary entrance mechanism to the profession. In 1916, the AIA increased its experience requirement for membership to five years (Siegel and Rigsby 1998).

During the middle of the 20th century, the profession moved to more formal education as preparation for becoming a professional accountant; however, significant variation developed among jurisdictions on the appropriate mix of academic and practical preparation. Donald P. Perry, chairman of the AICPA Board of Examiners in 1951, called

for uniform education and experience requirements (John L. Carey, *The Rise of the Accounting Profession: To Responsibility and Authority*, 1937–1969, vol. 2, New York: AICPA, 1970). As a result, the Commission on Standards of Education and Experience for Certified Public Accountants was created. It recommended the elimination of experience as a prerequisite for admission to the profession. The commission indicated that it did not disagree with the value of experience, only with it being required for licensure, because the commission believed the development of a meaningful experience requirement was impossible.

The AICPA followed up on the commission's report by creating a special committee headed by George Bailey to recommend action on the report to the AICPA Council. Despite agreeing with many of the recommendations of the commission's report, the committee was in substantial disagreement with the elimination of the experience requirement for licensure. It concluded that experience, primarily in the area of third-party reliability, was essential for certification (G. D. Bailey, W. H. Holm, C. A. Moyer, J. C. Petter et al., "Education and Experience for CPAs," *Journal of Accountancy*, 1959, pp. 67–71).

In 1961, the AICPA created the Committee on Qualifying Experience to draft a statement defining acceptable experience. The AICPA established the following parameters for the committee to work within:

- The experience requirement should include at least two years of experience, with a bachelor's degree.
- A reduction of the experience requirement of at least one year would be allowed if education extended beyond the bachelor's degree.
- The experience should be under the guidance of a licensed CPA.
- Some of the experience should be in the area of third-party reliance.
- At least one year of the experience must be in public practice.

The committee provided a detailed definition of the tasks that should be included in such experience. Many states adopted this definition for their own requirements; however, the AICPA never formally adopted the report (Patrick H. Heaston, "Toward a Meaningful Experience Requirement for the Licensure of Certified Public Accountants: A Delphi Approach," PhD dissertation, University of Nebraska, 1982).

Later in the same decade, the AICPA established the Committee on Education and Experience Requirements for CPAs to readdress these issues. This committee issued many recommendations, one of which suggested that no experience requirement exist if at least five years of college study were completed—this being, in the committee’s view, the minimum needed to obtain the common body of knowledge necessary for a CPA (“Report of the Committee on Education and Experience Requirements for CPAs” [i.e., the Beamer Committee Report], AICPA, 1969).

In 1971, the American Accounting Association (AAA) created a committee to examine the AICPA’s 1969 report. The purpose of the AAA committee was to evaluate the AICPA’s report and issue recommendations to colleges and universities. The AAA committee stated that it valued experience and that an experience requirement should be in place for those who wish to obtain a license to practice; however, the AAA recommended that colleges and universities begin offering internships as a substitute for experience, in the event that the experience requirements were eliminated (“Report of the Committee to Examine the 1969 Report of the AICPA Committee on Education and Experience Requirements for CPAs,” *Accounting Review*, XLVII, 1972, pp. 237–257).

Two noteworthy contemporary PhD dissertations studied the reimplementation for the elimination of the experience requirement. James C. Harper surveyed CPAs in Utah and found that more than 90% of respondents sided against the elimination of the experience requirement (“The Relationship between Demographic Attributes and Opinions of Certified Public Accountants on Education and Experience Requirements Controversies,” University of Utah, 1975). When analyzed by type of respondent—public practice, government, industry, and education—all groups were strongly against the elimination of the experience requirement. Sidney B. Johnson found in a survey of CPA firm partners and members of state boards of accountancy that about 83% disagreed with the recommended elimination of the experience requirement (“An Investigation of the Recommendations Made by the Committee on Education and Experience Requirements of the American Institute of Certified Public Accountants,” Mississippi State University, 1978).

In 1984, the AICPA, working with the National Association of State Boards of Accountancy (NASBA), created the Model Public Accountancy Bill. In 1992, it was renamed the Uniform Accountancy Act (UAA); in August 2011, the most recent revision (the sixth edition) of this document was released. The UAA addresses all aspects of the public accounting profession, including the recommended experience requirement. According to the UAA, an applicant for licensure should have one year of experience that was verified by a current license holder; this experience can be gained through a variety of employment situations (UAA fifth edition, 2007).

### **The Role of the Experience Requirement**

What value does an experience requirement bring to the profession? As stated by Bruschi, “personal participation in activities results in the accumulation of knowledge and the development of skills and judgment that cannot be readily obtained in any other way. People learn by doing.” In a survey of accounting educators, nearly half strongly agreed that experience should be required for licensure (Quinton Booker, Bobbie W. Daniels, and Yvonne Ellis, “Education and Experience Requirements to Become a CPA: An Examination of Educators’ Views,” *The CPA Journal*, August 2013, pp. 61–66).

But that is not the only issue regarding an experience requirement. Before considering its advantages or disadvantages, one must determine its purpose—that is, can it demonstrate the attainment of knowledge, skills, or professional judgment needed by a practicing CPA? In addition, one must consider whether awarding a CPA license represents acknowledgement that candidates have attained the minimum level of broad-based accounting knowledge or that candidates are qualified to conduct an audit on their own. These two positions are not the same.

Another important purpose of the licensing of CPAs is to allow only competent individuals who will do quality work to enter the profession. The effectiveness of licensing as a control mechanism is an empirical question that has not been widely studied. One study did find that neither the length of the experience requirement nor graduate education was associated with quality audits (Gary Colbert and Dennis Murray, “State Accountancy Regulations, Audit Firm Size,

and Auditor Quality: An Empirical Investigation,” *Journal of Regulatory Economics*, vol. 16, no. 3, 1999, pp. 267–285).

Another way to examine the importance and purpose of the experience requirement is to focus on the benefits that it can provide to others (e.g., employers or mentors), rather than the benefits it provides to an accountant or auditor (International Education Practice Statement [IEPS] 3, *Practical Experience Requirements—Initial Professional Development for Professional Accountants*). An experience requirement benefits employers by providing them with the assurance that their new employees possess a level of knowledge and skills sufficient to meet the licensing standards. Moreover, mentors benefit by better developing their own knowledge and skills (including interpersonal skills) when they provide both positive and negative feedback to trainees. This work could also contribute to a mentor’s continuing professional education (CPE) requirements. The relationship between trainee and mentor also improves the profession, which better serves the public interest.

Developing appropriate experience requirements can follow different approaches—for example, input-based, output-based, or a combination of both (IEPS 3). Input-based approaches designate a period of practical experience deemed to be adequate for a trainee to achieve competence. Output-based approaches require a trainee to demonstrate achievement of competencies attained by some output measure, such as an examination.

Input-based approaches are much more common because they are easier to administer. The trainee completes the required time period, the supervising CPA signs off on the attainment of the experience, and the requirement is completed. Output-based approaches are more challenging to administer, and an appropriate examination or other measurement device must be developed. The advantages of output-based approaches, however, are that a very competent trainee can meet the requirement more quickly and that all trainees must demonstrate they have achieved the minimum competence level; this is not demonstrated under an input-based approach.

An appropriate experience requirement is intertwined with the educational require-

## EXHIBIT

### Experience Requirements by Jurisdiction

Jurisdiction	Experience Requirement
Alabama	1 year public or 2 years industry, business, government, or college teaching
Alaska	2–4.5 years, depending upon education and type of experience
Arizona	1 year experience in the practice of accounting
Arkansas	1 year public, industry, government, academia
California	1 year public, private, or government, with 150 semester hours of education or 2 years public, private, or government with 120 semester hours of education
Commonwealth of the Northern Mariana Islands (CNMI)	1 year public
Colorado	1 year public, industry, government, or academia
Connecticut	2 years public, government, or industry
Delaware	1 year public, government, industry, or academia
District of Columbia	1 year public, government, industry, or academia
Florida	1 year public, academia, industry, or government
Georgia	1 year public or 1 year industry, business, academia, or government that is satisfactory to the board
Guam	2 years public, government, industry, or academia, or 1 year with 150 semester hours of education
Hawaii	1,500 hours conducting audits or 2 years public, private, government, or education
Idaho	1 year public, government, industry, or academia
Illinois	1 year public, government, industry, or academia
Indiana	2 years public, government, industry, or academia
Iowa	1 year public, government, industry, or academia
Kansas	1 year public, government, industry, or academia
Kentucky	1 year public, government, industry, or academia
Louisiana	1 year public, government, industry, or academia
Maine	2 years public or 3 years Maine Revenue Services
Maryland	1 year in an appropriate profession approved by the board
Massachusetts	1 year public, including 1,000 hours in report function on full disclosure financial statements, or 3 years government
Michigan	1 year public, government, industry, or academia
Minnesota	1 year public, government, industry, or academia
Mississippi	1 year of meaningful experience under supervision of a CPA
Missouri	1 year public, government, industry, or academia
Montana	1 year public, private, government, or academia
Nebraska	2 years public or 3 years private, government, or academia
Nevada	2 years public or a length of time sufficient in the opinion of the board in internal auditing or governmental accounting and auditing
New Hampshire	2 years with bachelor's degree or 1 year with master's degree of public, government, or private accounting
New Jersey	1 year public or its equivalent as determined by the board
New Mexico	1 year public, government, industry, or academia
New York	1 year with 150 semester hours (for candidates grandfathered in under prior law, 2 years with 120 semester hours); experience may be earned through employment in public, government, private, or an educational institution

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ment needed to enter the profession. Candidates must demonstrate that they have attained the common body of knowledge needed in the profession and that they have developed the professional skills, values, ethics, and attitudes required to work competently in the profession. Students can gain most of this knowledge and some of these skills, values, ethics, and attitudes during their time in the classroom. The important question is: which knowledge, skills, values, ethics, and attitudes are better learned during a time of practical experience? The two models for entry into a profession are 1) education requirements only or 2) a combination of education and practical experience.

### Current Views on Experience Requirements

**AICPA.** The UAA expresses the AICPA and NASBA's views on the appropriate experience requirement. It calls for a one-year, broad-based experience requirement for initial licensure; a current license holder must be able to verify this experience. The type of acceptable experience is broadly defined as experience in all accounting-related fields of employment (e.g., public accounting, industry, education, government).

In May 2010, the AICPA Council proposed a change in AICPA membership that would allow any persons who have passed the CPA exam to be eligible for AICPA membership if they meet the UAA criteria for licensure (including the experience requirement definition), even if they do not meet the licensing requirements in their own state (Jeannie Patton, "Ballot Measure Would Modernize and Align AICPA Membership Admission Requirements with UAA Guidelines," *Journal of Accountancy*, August 2010). This proposal was approved by a vote of the membership in October 2010.

**IFAC.** The federation addressed the role that experience should play in the licensing of professional accountants in its International Education Standards (IES) and IEPs. These pronouncements are issued by the International Accounting Education Standards Board (IAESB) and serve as standards for the education and training of professional accountants for the IFAC member bodies. Because IFAC member bodies represent diverse cultural, linguistic, educational, legal, and social systems, and because of the wide variety of functions that accountants perform, IAESB pronouncements are

intended to serve a wide audience and, thus, are not equally relevant.

IES 5, *Practical Experience Requirements*, prescribes guidelines on practical experience for professional accountants. It should be noted that the term "professional accountants" encompasses the broad range of activities that all accountants are involved with, whereas the term "audit professionals" is more narrowly focused and refers to those involved in the audit of historical financial statements (IES 8, *Competence Requirements for Audit Professionals*). IES 5 states that the period of practical experience must be long enough to permit candidates to demonstrate that they have gained the professional knowledge; skills; and values, ethics, and attitudes required to perform their work with professional competence. To accomplish this goal, the standard prescribes a minimum of three years of practical experience. This period may be reduced by up to 12 months for an education requirement beyond the undergraduate level.

According to IES 8, the practical experience needed by an audit professional may come during or after qualification as a professional accountant and may include some of the experience required for qualifying as a professional accountant. This standard prescribes that an audit professional normally needs at least three years of practical experience; two of these years should be spent in the auditing of historical financial statements under the guidance of an engagement partner.

The IEPs provide additional guidance needed by IFAC member bodies to implement the IESs. IEPS 3 indicates that practical experience may be obtained concurrently or after the trainee's formal accounting education. It also indicates that education programs that include a significant proportion of practical application may substitute for a portion of the practical experience requirement. IEPS 3 also addresses the role that mentoring plays in this process, as well as methods for documenting and assessing practical experience.

### Current Experience Requirements

Currently, the most common experience requirement in the United States is one year. This length reflects the changes that have been occurring over the last 100 years. In the early part of the 20th century, the most common experience requirement was three years; however, wide

variation existed, with some jurisdictions requiring up to six years and others having no requirement (Philip H. Siegel and John T. Rigsby, "An Analysis of the Development of Education and Experience Requirements for CPAs," *Research in Accounting Regulation*, vol. 3, 1989, pp. 45–68). In the 1950s and 1960s, most jurisdictions revised their experience requirements down to two years. Upon the adoption of the UAA, many states reduced their experience requirements down to one year. But significant variation still exists in the type of experience required.

There are 55 U.S. jurisdictions that license CPAs: the 50 states, the Commonwealth of the Northern Mariana Islands, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. Based on a review of board of accountancy websites, 37 jurisdictions have an experience requirement of one year; 12 have a minimum of one year, but in certain cases require more than one year; 5 require a minimum of two years or more in certain cases; and 1 requires three years. In jurisdictions where the length of experience varies, it depends upon the type of entity at which the experience was obtained or the number of semester hours of education attained. Only 9 jurisdictions require that experience be obtained solely in a public accounting firm or accept public accounting or governmental auditing. Most jurisdictions allow experience to be obtained in public accounting, industry, government, or academia.

Some jurisdictions require different lengths of experience depending on the level of education attained by the candidate (e.g., attaining 150 semester credit hours or holding a master's degree) and on the type of experience (e.g., public accounting versus experience obtained in industry, government, or education). A few jurisdictions allow the accountancy board to determine whether the experience is acceptable on a case-by-case basis. Many of the jurisdictions that accept experience from fields outside public accounting require a longer experience period than when the experience is in public accounting. Jurisdictions that differentiate the length of the experience requirement require a shorter period of experience for candidates who have completed additional education. Regardless of the type of experience, all jurisdictions require that it be obtained under the supervision of a licensed CPA.

One additional area of difference between jurisdictions is that six jurisdictions follow a two-tier system of licensing. These jurisdictions separate passing the CPA exam from licensing. A candidate who passes the CPA exam is awarded a CPA certificate that shows attainment of the minimum knowledge to pass the exam; however, in order to receive a license to practice public accounting, a candidate must meet the experience requirement.

The length of the experience requirement for the state of New York depends upon the number of semester credit hours obtained in the candidate's educational program. The experience requirement is one year of full-time accounting work experi-

ence in public practice, government, private industry, or education under the direction of a licensed CPA, if the candidate has completed at least 150 semester hours in a baccalaureate or higher program. (For candidates grandfathered in under prior law, the experience requirement is two years of full-time accounting work experience if the candidate has completed at least 120 semester hours in a baccalaureate or higher program.) The *Exhibit* summarizes the experience requirements for the 55 previously mentioned jurisdictions.

### Comparing Experience Models

The question remains: which amount and type of practical experience best pre-

pares candidates to become CPAs, both protecting the public interest and providing a steady supply of qualified and trained accountants and auditors?

One model for licensure is to separate licensing of accountants and auditors, based on IFAC's approach. This would allow experience in a broad range of accounting activities—including corporate accounting, governmental accounting, and accounting education—to qualify for licensure as a certified accountant. Candidates choosing to work in public accounting could meet an additional experience requirement of working in a public accounting firm that focused primarily on third-party assurance. This approach would make the experience

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## EXHIBIT

### Experience Requirements by Jurisdiction

Jurisdiction	Experience Requirement
North Carolina	1 year under supervision of licensed CPA, 4 years experience in the field of accounting, or 4 years teaching accounting in a 4-year college
North Dakota	1 year public, government, industry, or academia
Ohio	1 year public, government, business, or academia
Oklahoma	1 year public, government, industry, or academia
Oregon	1 year public, or 1 year experience in industry, government, or other services (reviewed on a case-by-case basis by the board)
Pennsylvania	1 year public, government, industry, or academia
Puerto Rico	1 year public, industry, or academia
Rhode Island	1 year public, government, industry, or education
South Carolina	1 year public, government, or private; 5 years teaching accounting
South Dakota	1 year public, government, industry, or academia
Tennessee	1 year public, government, industry, or academia; 2 years experience in preparation of financial statements or reports on financial statements, to sign reports on financial statements
Texas	If candidates have 150 semester hours, 1 year work experience under supervision of CPA, otherwise, 2 years under supervision of CPA
Utah	1 year public, government, industry, academia
Vermont	1 year public with 150 semester hours of education or 2 years public with 120 hours
Virgin Islands	3 years public or government auditor
Virginia	1 year public, academia, government, or industry providing relevant services (as determined by the board)
Washington	1 year public, government, industry, or academia
West Virginia	1 year public, government, industry, not-for-profit, or academia
Wisconsin	1 year public or its equivalent as determined by the board; industry, government, or teaching accounting may be considered equivalent
Wyoming	1 year public, government, industry, or academia

requirement relevant to the type of work the accountant or auditor would be conducting in the future.

Although this dual licensing approach has some significant advantages, it might be difficult to implement in the United States. Because CPA licensing did not develop with this dual approach, adopting it now would require significant changes in existing laws in all jurisdictions; thus, the chances of it being adopted nationwide must be considered remote. If this approach were adopted and only partially implemented, it could complicate the licensing issue even more and make mobility across all jurisdictions more difficult. In addition, because a dual approach would require a candidate to become both a certified accountant and a certified auditor, it is unlikely that the required experience could be achieved in fewer than two or three years—significantly longer than the one year that most jurisdictions currently require.

Another model that could be followed is the two-tier approach, similar to the method that a few jurisdictions currently follow. As already mentioned, this model awards a CPA certificate to candidates who meet the education requirements and pass the CPA exam, and it requires an additional experience requirement with a public accounting firm from candidates who want to work in public accounting. This model achieves some of the benefits of a dual approach, but in a way that could be practically implemented in the United States. This would also make it easier for the public and employers to differentiate between someone who has only passed the CPA exam and someone who holds a CPA license.

A third model for CPA licensure is greater reliance on educational preparation, rather than the current combination of education and practical experience. Under this model, there would be no experience requirement for a candidate who holds a graduate degree in accounting. This approach focuses on the question of what the requirements for entering the profession should mean: do they mean that a person has achieved the level of knowledge required by the profession, or do they mean that the person demonstrates a level of competency in the field of public accounting? If the educational view of achievement of knowledge is held, then no experience requirement is needed to show that a person has reached this requirement. Following this model does not necessari-

ly mean that the candidate would receive no practical experience. Graduate academic accounting programs could incorporate more practical experience and training through cases that force students to apply the hands-on skills used by practicing CPAs. Furthermore, internships could be made a required part of the curriculum, as well as involving practicing CPAs in curriculum design, guest lectures, and case evaluations. State boards could regulate this process by defining in their regulations the courses, subject areas, skills, and internships necessary to qualify.

A final approach that could be followed is the UAA model. The UAA recommends that candidates complete 150 semester hours of education in accounting and one year of experience in virtually any area of accounting practice that is verified by a current license holder. This model retains the practical experience requirement but focuses on the purpose of experience for entry into the profession. Under this model, the experience requirement exists to show that the candidate has demonstrated the ability to work in a professional accounting field (broadly defined), but it does not demonstrate that the candidate has the ability to work in public accounting or as a sole practitioner.

Some might believe that a CPA license should not be granted until a candidate has demonstrated the ability to conduct a third-party assurance engagement independently. It can be argued that certainly one year—and probably even two years—does not provide the breadth of experience necessary to conduct a third-party assurance engagement entirely independently because of the heavy use of judgment required in assurance engagements. If a CPA license is intended to show the achievement of the necessary knowledge and demonstrated ability to work as a professional accountant, however, the UAA model is an excellent approach.

### **An Effective Approach**

When the profession was first established, experience played a significant role in licensing CPAs; however, as the number of academic accounting programs began to increase, more emphasis was placed on education and less was given to practical experience. Jurisdictions maintained experience requirements even as educational requirements increased. The

adoption of the concepts in the UAA had a significant effect on the experience requirement to become a CPA; many jurisdictions have broadened the type of acceptable experience to include experience outside public accounting firms.

In the author's view, the following are the two primary questions that regulatory bodies in every jurisdiction must address, with respect to the experience model:

- Should CPAs be given a license that would allow them to provide attest services to be relied upon by third parties, although they have no experience in attest work?
- Should CPAs be given a license that would allow them to open their own CPA firm immediately after completing the experience requirement and begin offering attest services?

In order for the experience requirement to be effective, the required experience must prepare a CPA to provide quality service and protect the public interest. Clearly, there is a different threat to the public interest posed by attestation services that involve reports relied upon by third parties and other services provided by CPAs that will only be relied upon by the CPA's client. The experience requirements that jurisdictions adopt need to reflect this difference.

In the author's opinion, one way to address this issue would be requiring a CPA firm license in order for a CPA firm to operate in a jurisdiction. Then, a requirement for firm licensing could require at least one owner of the firm to possess a license that allows the CPA to provide public accounting third-party reliance services. Another way to address the issue would be to have a two-tier licensing system, whereby the attest license and the nonattest license would have different experience requirements. For an attest license, the experience requirement might include at least one year of experience in providing attest work to be relied upon by third parties, supervised by an attest-licensed CPA. Either approach would address the significant obstacles that many CPAs see against broadening the type of qualifying experience required to become a licensed CPA, while adequately safeguarding the public interest. □

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