CHAPTER 6 – CERTIFIED PUBLIC ACCOUNTANT EXAMINATION

001 Time and Place for Filing Applications

001.01 Applications to take the Certified Public Accountant Examination must be made on a form provided by the Board or its designee and filed with the Board or its designee.

001.02 An application will not be considered filed until the application fee and examination fee required by these Rules and all required supporting documents have been received. Supporting documents shall include proof of identity as determined by the Board and specified on the application form, official transcripts, proof ~~that~~ the Candidate has satisfied the education requirement, and disclosure of any conduct as outlined in 002.02.

001.03 The Board or its designee will forward notification of eligibility for the computer-based examination to NASBA's National Candidate Database.

002 Character and Fitness Standards

002.01 Purpose. The primary purpose of character and fitness screening for taking the Uniform CPA exam and licensure is to assure the protection of the public. The CPA licensing process is incomplete if only testing for competence is undertaken. The public is adequately protected only by a system that evaluates character and fitness as those elements relate to the character of the applicant and to the practice of public accountancy.

002.02 Causes for denial to sit for CPA examination or licensure. The revelation or discovery of any of the following facts from any jurisdiction shall be grounds for denial to sit for the CPA exam or issuance of a Board certificate or an initial permit to practice public accountancy:

1. A civil judgment, criminal conviction or civil penalty an element of which judgment, conviction, or penalty involves dishonesty, fraud, deceit, or misrepresentation;
2. violation of a court order;
3. denial of professional licensure or disciplinary action by a professional regulatory agency or professional organization;
4. conviction of a felony.

002.03 Denial to sit for the Uniform CPA Examination and licensure. The Board may refuse to allow a person to sit for the Uniform CPA Examination or to issue a Board certificate or an initial permit on the grounds of failure to meet the standards as outlined in Subsection 002. If a person is found to be ineligible to sit for the Uniform CPA Examination or to be issued a Board certificate or an initial permit the person shall have the right to a hearing before the Board.

002.04 USE OF INFORMATION. Upon appeal by applicant of a denial under Subsection 002.02, the Board will determine whether the present character and fitness of an applicant qualify the applicant to practice public accountancy, despite the existence of a cause under Subsection 002.02. In making this determination, the following factors should be considered in assigning weight and significance to prior conduct:

1. the applicant's age at the time of the conduct;
2. the recency of the conduct;
3. the reliability of the information concerning the conduct;

4. the seriousness of the conduct;
5. the factors underlying the conduct;
6. the cumulative effect of the conduct or information;
7. the evidence of rehabilitation;
8. the applicant's positive social contributions since the conduct;
9. the applicant's candor in the application process;
10. the materiality of any omissions or misrepresentations.

003 Time and Place of Examinations

003.01 Eligible Candidates shall independently contact the Board or a test center operator identified by the Board to schedule the time and place for the examination at an approved test site.

004 Conduct of Examinations

004.01 The Board may make use of the uniform certified public accountants examination prepared by the American Institute of Certified Public Accountants (AICPA) or another nationally recognized organization. The Board may also make use of the advisory grading service provided by the AICPA or another nationally recognized organization.

004.02 The candidate may be photographed <u>or other biometric identification taken</u> by the test administrator at each appearance for the examination. ~~The test administrator may collect a fee for processing of the photograph from the candidate.~~ The candidate will be required to provide proof of identification.

004.03 Cheating by a Candidate in applying for, taking or subsequent to the examination will be deemed to invalidate any grade otherwise earned by a Candidate on any Test Section of the examination, and may warrant summary expulsion from the test site and disqualification from taking the examination for a specified period of time.

004.03A For purposes of this Rule, the following actions or attempted activities, among others, may be considered cheating:

(1) Falsifying or misrepresenting educational credentials or other information required for admission to the examination;

(2) Communication between Candidates inside or outside the test site or copying another Candidate's answers while the examination is in progress;

(3) Communication with others inside or outside the test site while the examination is in progress;

(4) Substitution of another person to sit in the test site in the stead of a Candidate;

(5) Reference to crib sheets, textbooks or other material or electronic media (other than that provided to the Candidate as part of the examination) inside or outside the test site while the examination is in progress.

(6) Violating the nondisclosure prohibitions of the examination or aiding or abetting another in doing so<u>, or otherwise participating in the collection of Test Items for use, redistribution or sale.</u>

(7) Retaking or attempting to retake a Test Section by an individual holding a valid Certificate or by a Candidate who has unexpired credit for having already passed the same Test Section, unless the individual has been directed to retake a Test Section pursuant to Board order or unless the individual has been expressly authorized by the Board to participate in a "secret shopper" program.

04.03B In any case where it appears ~~that~~ cheating has occurred or is occurring, the Board or its representatives may either summarily expel the Candidate involved from the examination or move the Candidate to a position in the Test Center away from other examinees where the Candidate can be watched more closely.

004.03C In any case where the Board or its representative believes ~~that~~ it has evidence ~~that~~ a Candidate has cheated on the examination, including those cases where the Candidate has been expelled from the examination, the Board shall conduct an investigation and may conduct a hearing following the examination session for the purpose of determining whether or not there was cheating, and if so, what remedy should be applied. In such proceedings, the Board shall decide:

(1) Whether the Candidate shall be given credit for any portion of the examination completed in that session; and

(2) Whether the Candidate shall be barred from taking the examination and if so, for what period of time.

004.03D In any case where the Board or its representative permits a Candidate to continue taking the examination, it may, depending on the circumstances:

(1) Admonish the Candidate;

(2) Seat the Candidate in a segregated location ~~for the rest of the examination~~;

(3) Keep a record of the Candidate's seat location and identifying information, and the names and identifying information of the candidates in close proximity of the Candidate; and/or

(4) ~~Prior to the introduction of a computer-based examination, notify the AICPA of the circumstances, furnishing the Candidates' identification number, so that after the initial grading is completed, the Candidate's papers can be compared for unusual similarities with the papers of others who may have been involved.~~

~~Upon introduction of a computer-based examination, the Board or its designee shall n~~ Notify the National Candidate Database and the AICPA and/or the Test Center of the circumstances, so ~~that~~ the Candidate may be more closely monitored in future examination sessions.

004.03E In any case where a candidate is refused credit for a Test Section taken, or is disqualified from taking other sections, the Board or its designee shall give the candidate a statement containing its findings, the evidence upon which the findings are based, and a notice of the right of the candidate to a formal hearing by the Board, with rights of appeal, pursuant to the Administrative Procedure Act.

004.03F In any case in which the Candidate is refused credit for any Test Section of an examination taken, disqualified from taking any Test Section, or barred from taking the examination in the future, the Board will provide to the Board of Accountancy of any other state to which the Candidate may apply for the examination information as to the Board's findings and actions taken.

004.03G Notwithstanding any other provisions under these rules, the Board may postpone scheduled examinations, the release of grades, or the issuance of certificates due to a breach of examination security, unauthorized acquisition or disclosure of the contents of an examination; suspected or actual negligence, errors, omissions, or irregularities in conducting an examination; or for any other reasonable cause or unforeseen circumstance.

004.04 All supplies necessary for the examination will be furnished by the Board or its designee. All supplies furnished by the Board or the test administrator shall remain the administrator's property and must be returned whether used or not.

004.05 The Board or its designee will communicate to each candidate the decisions reached by the Board in his or her case, and shall state the grade received by the candidate on each Test Section. In no event will any information concerning a candidate's answers be given to anyone other than the candidate himself nor will any of the candidate's examination be accessible for inspection except as otherwise provided for in these regulations.

004.06 Candidates may request ~~that the Advisory Grading Service review their grades~~ a score review to ensure that their examination was ~~graded~~ scored consistent with the ~~grading~~ scoring guides, and/or they may request a score appeal to review their incorrect responses ~~permission to review their Examination~~ under the auspices of the Board of Accountancy ~~to ensure that acceptable answers were given credit~~.

~~**004.06A** Candidates wishing a review by the Advisory Grading Service must submit a written request to the Board or its designee, which will forward the request to the administering agency, if any.~~

~~**004.06B** Candidates requesting to review their answers on sections of the CPA Examination they have failed should file an application and the appropriate fee (to be determined by the Board) with the Board or its designee within 30 days of the Grade Release Date. Appointments for review will be scheduled within 60 days of the date the Board or its designee receives the application.~~

~~Candidates will be permitted to inspect a copy of the questions and their answers only in a secure facility and in the presence of a Board member or the Board's designated representative. Unless otherwise superseded by law or regulation, the candidate must enter the review site alone. Candidates may not bring aids or similar material with them into the review site. However, they will be provided with an appropriate way to record their comments if they believe their exam has been mis-graded. These comments will be placed in the candidate's file. The comments should be specific and include, where appropriate, citation of sources or other supporting evidence. Candidates may provide additional evidence within seven (7) days of the review, but may not leave the review session with notes or any materials provided at the session.~~

~~Candidates found divulging specific Examination content after reviewing their questions and answers are subject to penalties including, but not limited to, disqualification from taking the CPA Examination and denial of certification.~~

~~The Board will evaluate failing candidates' notes at its next regularly scheduled meeting. The Board may seek the advice of the administering agency, if any, in evaluating the notes. If the Board determines that the grading was incorrect and that correction of the grading would result in a passing grade, the Board will endorse the grading change and notify the candidate. The board will notify the administering agency, if any, of any grade changes it makes.~~

~~**004.07** Examination candidates and others involved with the CPA Examination will not be permitted to convey to any other person or organization information about specific questions appearing on the Examination or possible answers to those questions. Candidates, Board members, employees and all other individuals having access to Examination materials will be required to sign~~

~~a statement attesting that they will not violate examination security before being allowed access to examination materials. Penalties for breaches in confidentiality will be established by the Board~~

005 Examination Subjects and Requirements

005.01 The examination shall test the knowledge and skills required for performance as an entry-level certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the Board may require.

005.02 A Candidate shall be required to pass all Test Sections of the examination in order to qualify for certification. Upon receipt of advisory grades from the examination provider, the Board will review and may adopt the examination grades and will report the official results to the Candidate. ~~Prior to the implementation of a computer-based examination, a passing grade for each test section shall be 75. Upon implementation of a computer-based examination, t~~ The Candidate must, on each test section, attain the uniform passing grade established through a psychometrically acceptable standard-setting procedure.

005.03 A Candidate shall be required to pass all sections of the examination in order to qualify for certification.

~~**005.03A** Prior to the implementation of a computer-based examination, if at a given sitting of the examination a Candidate passes two or more but not all sections, then the Candidate shall be given credit for those sections that the Candidate has passed and need not sit for reexamination in those sections, provided that:~~

~~(1) at that sitting, the Candidate wrote all sections of the examination for which the Candidate does not have credit;~~

~~(2) the Candidate attained a minimum grade of 50 on each section taken at that sitting;~~

~~(3) the Candidate passes the remaining sections of the examination within five consecutive examinations given after the one at which the first sections were passed;~~

~~(4) at each subsequent sitting at which the Candidate seeks to pass any additional sections, the Candidate sits for all sections for which the Candidate does not have credit; and~~

~~(5) in order to receive credit for passing additional sections in any such subsequent sitting, the Candidate attains a minimum grade of 50 on sections taken at that sitting.~~

005.03~~B~~ A ~~Upon the implementation of a computer-based examination, a~~ A Candidate may take the required Test Sections individually and in any order. Credit for any Test Section(s) passed shall be valid for eighteen months from the actual date the Candidate took that Test Section (regardless of the date on which the testing candidate receives actual notice of the passing grade), without having to attain a minimum score on any failed Test Section(s) and without regard to whether the Candidate has taken other Test Sections.

1) Candidates must pass all four Test Sections of the Uniform CPA Examination within a rolling eighteen-month period, which begins on the date ~~that~~ the first Test Section(s) passed is taken.

2) Candidates cannot retake a failed Test Section(s) in the same examination window. An examination window refers to a three-month period in which Candidates have an opportunity to take the CPA examination (comprised of two months in which the examination is available to be taken and one month in which the examination will not be

offered while routine maintenance is performed and the item bank is refreshed). Thus, Candidates will be able to test two out of three months within an examination window.

3) In the event all four Test Sections of the Uniform CPA Examination are not passed within the rolling eighteen-month period, credit for any Test Section(s) passed outside the eighteen-month period will expire and that Test Section(s) must be retaken.

~~**005.03C** Candidates having earned conditional credits on the paper-and-pencil examination, as of the launch date of the computer-based Uniform CPA Examination, will retain conditional credits for the corresponding Test Sections of the computer-based CPA examination as follows:~~

~~**Paper-and-Pencil Examination**~~	~~**Computer-Based Examination**~~
~~Auditing~~	~~Auditing and Attestation~~
~~Financial and Accounting and Reporting (FARE)~~	~~Financial Accounting and Reporting~~
~~Accounting and Reporting (ARE)~~	~~Regulation~~
~~Business Law and Professional Responsibilities (LPR)~~	~~Business Environment and Concepts~~

~~(1) `Candidates who have attained conditional status as of the launch date of the computer-based Uniform CPA Examination will be allowed a transition period to complete any remaining Test Sections of the CPA examination. The transition is the maximum number of opportunities that Candidates who have conditioned under the paper-and-pencil examination have remaining, at the launch of the computer-based CPA examination, to complete all remaining Test Sections, or the number of remaining opportunities under the paper-and-pencil examination, multiplied by six months, whichever is first exhausted.~~

~~(2) If a previously conditioned Candidate does not pass all remaining Test Sections during the transition period, conditional credits earned under the paper-and-pencil examination will expire and the Candidate will lose credit for the Test Sections earned under the paper-and-pencil examination. However, any Test Section(s) passed during the transition period is subject to the conditioning provisions of the computer-based examination as indicated in the aforementioned conditioning recommendation, except that a previously conditioned Candidate will not lose conditional credit for a Test Section of the computer-based examination that is passed during the transition period, even though more than eighteen months may have elapsed from the date the Test Section is passed, until the end of the transition period.~~

005.03~~D~~ **B** A Candidate shall retain credit for any and all Test Sections of an examination passed in another state provided the Candidate meets the requirements of Nebraska for granting credit.

005.03~~E~~ **C** Notwithstanding the requirements of subsections 005.03A, 005.03B, ~~005.03C and 005.03D~~, upon showing that the credit was lost by reason of circumstances beyond the Candidate's control, the Board may, on a case-by-case basis, extend the transition period.

005.03~~F~~ **D** A Candidate shall be deemed to have passed the Uniform CPA Examination once the Candidate holds at the same time valid credit for passing each of the four Test Sections of the examination. For purposes of this section, credit for passing a Test Section of the computer-based examination is valid from the actual date of the Testing

Event for that Test Section, regardless of the date the Candidate actually receives notice of the passing grade.

006 Ethics Examination. All successful candidates for the CPA examination seeking certification shall pass an examination in professional ethics~~.~~ as approved by the Board.

007 Examination Fee. The Candidate shall, for each Test Section scheduled by the Candidate to the Board or its designee, pay a Candidate Testing Fee that includes the actual fees charged by the AICPA, National Association of State Boards of Accountancy (NASBA), and the Test Delivery Service Provider, as well as reasonable application fees established by the Board.

A candidate who fails to appear for the examination shall forfeit all fees charged for both the application and the examination unless the Candidate notifies the Board or its designee in writing within 30 days after the examination with an acceptable reason for failing to sit for the examination as scheduled. Acceptable reasons for not sitting shall include a documented illness verified by a medical doctor, death in the immediate family, call to active military service, or any other reason that the Board determines to be unavoidable. Each refunded examination application fee shall be subject to a 25 percent processing fee.

008 Reciprocal Fee. Applications for a Nebraska CPA certificate by reciprocity shall be accompanied by the fee established by the Board.