

# Accountancy News

April 2002

## **Exam Grading:**

The Uniform CPA Examination is administered by the Board of Examiners of the American Institute of CPAs (AICPA) and the responsibility of grading each examination paper in a fair and uniform manner falls to the AICPA's Advisory Grading Service.

Throughout the grading process, the grading of all papers is subject to very high quality controls. Therefore, although candidates may request a review of their papers, grade changes rarely occur. To establish a grading base, the grading guides are applied to a sample of papers just after the examination is administered. As a result of the sample grading, the content committee may approve modifications to the grading guides. Grading guides for the machine-gradable objective questions are analyzed during sample grading. If a substantial number of candidates select an answer different from the answer indicated by the grading guide, the question is submitted for review to a panel of independent experts in the field of knowledge tested.

For essay questions and problems, additional acceptable concepts may be identified from candidates' answers. Also, other approaches to the questions and additional interpretations of data and statements presented in the essay questions and problems are evaluated. If the alternative approaches and interpretations are judged to be acceptable by the content committee, the grade guide is adjusted. After sample grading is complete, the content committee approves the final grading bases.

The only identifying information available to the advisory grading service is the candidate identification number that appears on candidates examination papers. To ensure accurate and timely grading, it is critical that candidates accurately write and bubble in their candidate identification number on exam papers. Candidate anonymity is preserved throughout the grading process as graders have no access to personal information about a candidate. A candidate's grade on the examination is based solely on the candidate's answers to the current examination. Objective questions are machine-graded and only the blackened response is considered by the optical scanner. To ensure accuracy, randomly selected objective answer sheets are manually verified.

Essay questions are graded by a staff of CPAs and attorneys specifically engaged for this purpose. Graders are assigned to individual essay questions or problems and then intensively trained to apply the grading guide consistently. Therefore, graders are proficient both in the subject matter and in the evaluation of candidates' answers. The graders evaluate a candidate's writing skills, which 5% of the total points available is allocated to. The following elements are considered: coherent organization, conciseness, clarity, use of standard English, responsiveness to the requirements of the question and appropriateness for the reader.

Papers generally undergo two reviews to ensure fairness and give candidates every possible consideration. During the first review, obvious passes and obvious failures are subjected to cursory reviews. Marginal papers receive an intensive review by experienced graders. Scores are corrected for any scoring errors. The graders who make the extensive reviews have had years of experience grading the CPA exam. They have also participated in the development of the grading bases and have access to item analysis for objective questions identifying concepts as discriminating (those included by most candidates passing the exam) or as rudimentary (those included by candidates both passing and failing the exam). An important indicator of the competence of the candidate is whether grade points were earned chiefly from discriminating concepts or from rudimentary concepts.

At the conclusion of the grading process, the advisory grading service reports the grades to each board of accountancy which is responsible for issuing the official grades. Once candidates have received their grades, they may ask for their papers to be reviewed. The AICPA advisory grading service reviews a candidate's paper by manually verifying the accuracy of the objective answer scores, independently verifying the original scoring of essays or problem solutions by a qualified individual who did not participate in the original grading of that paper and recomputing the total score. Candidates should note that this is a review, not a re-grade.

## Changing a Firm Address

Changing your address on your individual permit does NOT change the address on your firm registration. Individual licensee records and firm registration records are in different databases. If you want both records changed, you must state that you want both records changed in your written request for address change.

### DISCIPLINARY ACTIONS

This is a brief description of action taken by the Board for violations of ORS Chapter 673 and OAR Chapter 801. This report is condensed and may not include all the facts set forth in the Board order. Readers should contact the Board if they would like further information.

**Robert Russell, CPA, #4974** - On February 6, 2002 the Board issued a Final Order assessing \$2,000 civil penalty, 16 additional hours of continuing professional education courses in auditing standards and reporting and an additional peer review by December 31, 2002 for failure to comply with applicable generally accepted auditing standards.

**David H. Jensen, #6949** - On February 25, 2002 the Board issued a Final Order assessing \$3,000 civil penalty and revocation for false representations on appraisal reports and in public testimony that he was a licensed Oregon Real Estate Appraiser when his State Appraiser License was expired.

**David H. Jensen, #6949** - On March 1, 2002 the Board issued a Final Order assessing \$1,000 civil penalty for failure to respond to Board communication.

## 2002 Meeting Schedule

### Board Meetings:

May 18-20 - Hood River

July 15 - Portland

October 20-21 - to be determined

December 16 - Salem

***Interested?*** The Board is currently seeking committee volunteers for the Peer Review Oversight Committee, the Continuing Professional Education Committee (CPE), Qualifications Committee and the Complaints Committee. Each committee meets approximately one-half day every other month, with occasional assignments to committee members in addition to preparation for committee meetings.

If you are interested, please contact the Board office for a *Committee Interest Form* or visit our website at [www.boa.state.or.us](http://www.boa.state.or.us) under "About the Board". Please submit a current resume with the interest form.

**Newsletters:** The *Accountancy News* is published every two months. It is posted on the web site ([www.boa.state.or.us](http://www.boa.state.or.us)). Licensees who would like to receive the newsletter by US mail or e-mail should contact Kimberly Bennett at the Board office, 503.378.4181 x24 or [kimberly.bennett@state.or.us](mailto:kimberly.bennett@state.or.us).