

INSTRUCTIONS TO SUPERVISOR LICENSEE/EMPLOYER

You are being asked to certify public accounting experience, or the equivalent, for an employee or former employee who is applying for a CPA Certificate. Please read the information below carefully. Please discuss your evaluation and response with the applicant. If you have any questions as you complete the forms, please call the Board office, (503) 378-2262.

WHAT IS QUALIFYING EXPERIENCE?

Qualifying experience assures that an applicant, if certified, could competently practice public accounting by performing the types of work normally expected of CPAs. Generally, applicants will develop the core competencies while performing three general types of work: (1) attest and assurance engagements (see below), (2) engagements performed under other professional standards (see below), or (3) working in industry or government.

These activities include (but are not limited to):

Attest and Assurance Engagements

- financial statement audits
- financial statement reviews
- financial statement compilations
- perform financial information
- financial forecasts and projections
- compliance attestations
- reporting on an entity's internal controls
- agreed-upon procedures
- examinations of prospective financial statements

Engagements Performed Under Other Professional Standards

- tax advisory services
- tax return preparation
- personal financial planning
- management advisory services
- business valuation engagements
- services under other professional standards that might be developed in the future

It is not essential that an applicant have experience in each type of service outlined above. It is essential that an applicant develop each of the seven core competencies that CPAs apply to any of the above services. The seven core competencies outlined in the Board's rules are listed on the Competency Evaluation Chart which is enclosed. The Competency Evaluation Worksheet, enclosed, has outlined evidence considerations for each competency.

Board licensees, in their roles as supervisor licensee and employers, have the primary role of evaluation of whether applicants have demonstrated these competencies. You will use the Competency Evaluation Worksheet and Chart to communicate your evaluation to the Board. If you want to include additional information about an applicant's competencies, please feel free to submit it.

Applicants will not necessarily meet all of the core competencies while employed by a supervisor licensee. In many cases, especially with the first supervisor licensee, applicants are simply meeting the time requirement needed to apply.

HOW MUCH EXPERIENCE MUST APPLICANTS HAVE?

All applicants, regardless of whether their experience is in public accounting or in work considered equivalent, need experience working under the direct supervision of a CPA to qualify. Applicants who qualified for the CPA Exam before January 1, 2000 are required to have two years of experience, whereas applicants who qualified for the exam after January 1, 2000 are required to have one year experience. The Board believes it will take the before mentioned time with a variety of diverse experience to achieve the seven core competencies

that the public expects of CPAs. This timeline represents the **minimum** time, an applicant must demonstrate the seven core competencies to the satisfaction of their supervisor licensee; which may take more than two years. Applicants will vary in the amount of time they require to gain sufficient experience to achieve the required competencies.

HOW STRONG DOES AN APPLICANT HAVE TO BE AT EACH COMPETENCY?

An applicant should be able to independently demonstrate the requirements of the evidence considerations found on the *Competency Evaluation Worksheet* for each core competency, *with a minimum of supervision*. This does not mean that an applicant must perform work without supervision. Rather, the applicant should be able to perform core competencies independently and with minimal guidance. Further, the applicant should know when and where to get further expertise and counsel as needed. You should only “sign-off” on a particular competency once you are comfortable that an applicant can adequately perform the requirements of the particular competency *with a minimum of supervision*.

BROAD BASED EXPERIENCE

The applicant must obtain sufficient experience in the Board’s seven core competencies to convince the supervisor licensee that he or she can perform engagements in a professional manner and convince the supervisor licensee he or she will seek assistance, guidance and/or reject engagements that are beyond the applicant’s expertise. An applicant does not have to obtain specific engagement experience in all possible types of accounting engagements. An applicant must have the professional ethics and understanding of the standards gained from his or her engagement experience to seek assistance in situations beyond his or her knowledge base so that the accepted engagements shall be prepared in a professionally acceptable manner. The Board’s Qualifications Committee believes this experience may also include CPE courses, volunteer work, and/or experience not focused on one segment, i.e. inventory.

FORMS

COMPETENCY EVALUATION WORKSHEET

This worksheet shows the evidence considerations for each competency. The evidence considerations should be used to evaluate whether an applicant has achieved the associated competency. They are especially important when an applicant has experience in engagements under other professional standards or experience equivalent to but not in public accountancy. They should be used in counseling an applicant during their qualifying experience.

You must check if the applicant has accomplished each evidence consideration or if this evidence consideration is not applicable. The applicant does not necessarily have to accomplish all of the evidence considerations in order to have achieved the competency. The evidence considerations are to be used as guidelines, which mean not all the worksheet will be marked yes. Be sure to fully explain how the applicant achieved each competency. This form must be completed and submitted to the Board office before a certificate can be issued.

CERTIFICATE OF EXPERIENCE

This form is your certification of an applicant’s time spent as your employee. This form may only be signed by a CPA or a licensed PA who has been licensed for at least consecutive five years prior to serving as a supervisor licensee and actively licensed during supervision. The supervisor licensee must provide a copy of the supervisor licensee’s job description. Provide a description of supervision including, level of supervision, frequency, length of time of supervision and description of work supervised.

COMPETENCY EVALUATION CHART

This form is your certification as to the overall competence of the applicant. Checking "Yes" means that the applicant has the ability to perform and review engagements demonstrating the CPA competencies, with a minimum of supervision. Checking "No" means an applicant may have obtained experience in a specific competency, but is not yet competent to perform it independently; or that an applicant has not yet received that experience.

For each competency you must check either "Yes" or "No" under "Does the applicant meet the competency?" You must also check how the applicant has achieved each competency, i.e. attest or assurance engagements, other professional standards, or other. If the applicant achieved a competency under attest or assurance and other professional standards, then mark both categories.

If checking "Yes" under "Attest or Assurance Engagements," you must state the date of your last peer review. Provide a description of any activities, including, level of supervision, frequency of interaction and average period of time per week of supervision and description of work supervised.

If checking "Yes" under "Other Professional Standards," you must answer the following questions on a separate sheet:

1. How did the applicant achieve the competencies?
2. What standards were used and complied with by the applicant?
3. What peer review assurance program did the applicant follow?
4. Was a peer review conducted? If so, submit a copy of the report.
5. Summarize the applicant's experience, cite any professional standards used.
6. Provide a description of any activities, including, level of supervision, frequency of interaction and average period of time per week of supervision and description of work supervised.

Each competency must be separately discussed, including experience examples and standards used. Please remember to respond by competency.

If checking "Yes" under "Other," you must answer the following questions on a separate sheet:

1. How did the applicant achieve the competencies?
2. What standards were used and complied with by the applicant?
3. What peer review assurance program did the applicant follow?
4. Was a peer review conducted? If so, submit a copy of the report.
5. Summarize the applicant's experience, cite any professional standards used.
6. Provide a description of any activities, including, level of supervision, frequency of interaction and average period of time per week of supervision and description of work supervised.

Each competency must be separately discussed, including experience examples and professional standards used. Please remember to respond by competency. All applications under "Other" must be reviewed by the Qualifications Committee. The supervisor licensee and/or applicant may be requested to appear before the Qualifications Committee. For the next regularly scheduled meeting, please call Heather Shepherd at the Board office at (503) 378-2262.

If you check "No," you must explain on a separate sheet what evidence leads you to believe that the applicant has not achieved that competency. A supervisor licensee's responsibility is

to fairly evaluate an applicant's experience. If that evaluation leads you to believe the applicant has not achieved the competency, you must check "No."

SIGNING THE FORMS

Who may sign?

The Certificate of Experience must be signed by the applicant's supervisor licensee. In order to qualify as a supervisor licensee you must have held an active CPA or PA license and be licensed for at least five consecutive years prior to serving as a supervisor licensee. Out-of-state CPAs must sign in accordance with Oregon rules and provide all requested information regarding their license.

Responsibility Associated with Signing

Any licensee certifying to an applicant's experience must carefully review the forms and evaluate and judge each applicant's experience. The signer is certifying, under penalty of perjury, that the applicant has demonstrated satisfactory knowledge of current practice and pronouncements of the profession.

The Board may require an explanation of any representation made on the forms and/or may inspect the documentation relating to an applicant's fulfillment of the experience requirement. The Board expects that the documentation supporting affirmative answers on the forms consists of a record of engagements in which the applicant actually demonstrated the core competencies with actual supporting work papers.