

Accounting Learning Standards¹

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1 How can I use this document?

This document sets out the learning standards² for accounting that define what can be expected of Bachelor and Master level graduates in the discipline, in terms of what they know, understand and can do at the end of their studies.

You may want to read this document if you are:

- involved in the design, delivery and review of programs of study in accounting or related subjects
- a prospective student thinking about studying accounting, or a current accounting student, to find out what may be involved
- an employer or professional accounting body, to find out about the knowledge and skills generally expected of a graduate in accounting

² Learning standards are sometimes known as threshold learning outcomes or learning and teaching academic standards.

2 Background

In December 2010 the Australian Government Office for Learning and Teaching (formerly Learning and Teaching Council (ALTC)) published the first learning standards for bachelor, entry and advanced coursework master degrees in accounting.³

The process to develop the learning standards involved considerable engagement with academics, practitioners and representatives of peak bodies including the Accounting and Finance Association of Australia and New Zealand (AFAANZ), CPA Australia (CPAA) and Chartered Accountants Australia and New Zealand ((CAANZ) formerly Institute of Chartered Accountants in Australia) before endorsement by the Australian Business Deans Council (ABDC).

As five years has elapsed since the standards were first developed, and they have been subjected to intensive use and interrogation via the *Achievement Matters: External Peer Review of Accounting Learning Standards* project,⁴ it is timely for their review. The ABDC agreed that responsibility for the review should reside with AFAANZ and that ABDC would be asked to endorse any changes before they become applicable. AFAANZ invited Professor Phil Hancock who was the Chair of the original working party which drafted the initial learning standards to lead a review. He is also joint leader of *Achievement Matters*).

Working Party

- Professor Phil Hancock (University of Western Australia) (Chair) – Joint leader *Achievement Matters* (2011-), Chair Working Party (2010), Chair ABDC L&T Network (2010-2014).
- Associate Professor Mark Freeman (University of Sydney) - Joint leader *Achievement Matters* (2011-), ALTC Discipline Scholar (2009-2010), ABDC Scholar (2011-14).
- Professor Kim Watty (Deakin University) - Chair ABDC L&T Network (2015-); Team member *Achievement Matters* (2011-).
- Associate Professor Jac Birt (UQ) - Executive AFAANZ (2011-).
- Associate Professor Jon Tyler (University of Technology, Sydney) – Participant *Achievement Matters* (2012 -), Deputy Head of School.

The working party met over October and November 2015. The proposed revisions to the Accounting Learning Standards were then circulated to all accounting schools/departments and professional bodies for comment by 31 January 2016. A total of eight formal responses were received. Working party members fielded a number of informal queries and received a number of informal endorsements for the proposed changes. The working party considered the formal responses in February 2016 and made some changes to the standards. The revised standards were then presented at the AFAANZ conference on the Gold Coast and have been on the AFAANZ web site with invitations to comment by 31 July 2016. Some further revisions were made and the final proposed standards are outlined in the table at the end of this document.

In making the proposed changes the working party considered the following:

³ <http://www.olt.gov.au/resource-accounting-ltas-statement-altc-2010>

⁴ <http://achievementmatters.com.au>

- The learnings from the *Achievement Matters* project. There have been ten national workshops interrogating assessment design and benchmarking student work against the 2010 learning standards and several research papers published about the experience (Watty et al., 2014; O’Connell et al., 2015)⁵. There was general consensus from the 35 project team participants (from 18 different institutions) that the learning standard that previously covered both communication and teamwork should be separated into two standards.
- The current and future environment for accounting graduates. The working party considered the implications of recent reports.⁶
- Changes to the regulatory environment. Three changes are worth noting:
 - establishment of Tertiary Education Quality and Standards Agency (2011) and new higher education standards legislation (2011, 2015);
 - revisions to the *Australian Qualifications Framework* (AQF, 2011, 2013); and
 - revisions to *International Education Standards* (IES) (International Accounting Education Standards Board (IAESB), 2015) and *Professional Accreditation Guidelines Australia and New Zealand* (CPA Australia, 2015).
- At the time the learning standards were originally developed the national regulator (Tertiary Education Quality and Standards Agency (TEQSA) had not been established. Nor had the national process for quality assurance of learning outcomes which was first legislated in 2011 and revised in 2015. The *Higher Education Standards Framework (Threshold Standards) Act (2015)* requires degrees offered by all higher education providers to meet the AQF specifications⁷ and regular external benchmarking of learning outcomes.⁸ At the time the learning standards were developed the AQF was still being drafted and the Level 9 Master (Coursework) degrees required only the majority of the AQF learning outcomes for a Level 9 award to be met. When the final AQF was released in 2011, the requirement for Level 9 awards was amended so that all the Level 9 learning outcomes are met. Hence the working party recommended the Master (Entry) level standards need to be rescinded as they are not AQF compliant.

3 Nature and extent of Accounting

Accounting is concerned with the provision, analysis and communication of information to a broad range of internal and external stakeholders for a variety of resource allocation decisions and compliance purposes for example, regulation and governance. Accounting practices undertaken to assist resource allocation decisions and compliance include, but are not restricted to:

- recording and summarising transactions and other economic events
- application and interpretation of accounting standards in the preparation of financial statements

⁵ Watty, K., Freeman, M., Howieson, B., Hancock, P., Abraham, A., DeLange, P., & O’Connell, B. (2014) Social moderation, assessment and assuring standards for accounting graduates” *Assessment and Evaluation in Higher Education*. Vol 39, Issue 4, pp461-478

O’Connell, B., DeLange, P., Freeman, M., Hancock, P., Abraham, A., Howieson, B., & Watty, K. (2016) Does calibration reduce variability in the assessment of accounting learning outcomes? *Assessment and Evaluation in Higher Education*, Vol 41, Issue 3, pp 331-349

⁶ See *Future of Work* (Committee for Economic Development of Australia, 2015), *Data Driven: What students need to succeed in a rapidly changing business world* (PwC, 2015); *Shaping the future of accounting in business education in Australia* (CPA Australia, 2015).

⁷ See 1.5.3 https://www.comlaw.gov.au/Details/F2015L01639/Html/Text#_Toc428368852

⁸ See 5.3.4(b) https://www.comlaw.gov.au/Details/F2015L01639/Html/Text#_Toc428368868

- analysis of the operations of business (for example, performance measurement; management control; decision analysis)
- financial analysis and projection (for example, analysis of historical trends for budgeting; analysis of financial ratios for budgeting or raising funds; analysis of cash flow from operations; analysis of financial risks in light of operating in an uncertain future economic climate).

Accounting can be applied at different levels, including to individuals, (private, public and not-for-profit) organisations, markets, society and the environment. Accounting practice is not conducted in isolation but is informed by various perspectives including social, ethical, economic, sustainability, regulatory and global. The body of accounting knowledge is informed by relevant research, scholarship and professional practice and application. Topics included in the body of accounting knowledge are financial accounting (including accounting systems and processes, professional and regulatory processes, theoretical financial accounting issues), management accounting (including organisational functioning and theoretical management accounting issues), and a selection of auditing and assurance, finance, economics, quantitative methods, information systems, commercial law, corporation law and taxation law.

This statement assumes that a degree-level award involves the consideration of both theoretical and technical aspects. It does not, however, make any assumption about the relative weighting of these aspects. While programs may differ between higher education providers, they cannot be considered a degree level if they neglect either theoretical or technical aspects of accounting. In the case of joint programs or double majors, the scope, depth and balance of concepts and application should not result in a neglect of either the theoretical or the technical aspects of accounting.

Many accounting degrees prepare accounting graduates to work effectively as an accounting professional. This includes being able to manage and interact with various accounting and business contexts, think reflectively and conceptually about financial and other information, work collaboratively with accountants and other users to make informed judgements and justify such advice to others. In addition to analysing, projecting, judging, solving and communicating accounting advice and ideas, graduates are able to execute tasks effectively, knowing when to seek assistance from a supervisor or a colleague, as well as be able to reflect and learn from experiences.

3.1 Graduate careers

Graduates of bachelor and master degrees typically pursue a career in a range of roles, organisations and sectors. The roles include financial accountant, management accountant, tax accountant, management consultant, financial adviser or auditor. Organisations vary in size and are located in the private, public or not-for-profit sectors. Some level of supervision and guidance would normally be expected, particularly in entry-level roles.

The study of accounting is itself a rewarding and intellectual pursuit. Many graduates from accounting degrees become associate members of a professional accounting body with the intention of subsequently undertaking further professional study to pursue full membership. Membership of a professional body is valued by employers and is a common entry pathway to an accounting career. Some students consider an Australian accounting degree as a pathway for entry to an overseas professional accounting body. Accounting degrees provide a useful introduction to fields such as commerce, industry and finance for employment in the private, public or not-for profit sectors. Given multiple student motivations and employer needs, it is to be expected that universities and higher education providers pursue different missions reflecting their various market niches.

3.2 Relationship to profession and accreditation

Australian accounting degrees typically take an Australian perspective, particularly in relation to accounting practices as well as current accounting regulations, rules and accounting standards (based on International Financial Reporting Standards), and commercial, corporation and taxation law.

Although many bachelor and master degrees prepare graduates for entry to a professional body, this statement is not predicated on the content and learning outcomes prescribed or implied by professional accounting bodies.

Completion of a bachelor or master degree in accounting is not a necessary nor sufficient condition for membership of a professional accounting body. Professional accounting bodies have their own requirements for graduates in addition to the completion of an accredited degree. They also have obligations as member organisations of the International Federation of Accountants and the International Accounting Education Standards Board.

3.3 Relationship to providers

A diverse range of public and private universities and higher education providers award accounting bachelor and master degrees in Australia. These include public and private vocational education providers as well as public and private universities. These learning standards recognise that many universities and higher education providers seek to differentiate their program by attracting and extending students to enhance their employment opportunities by requiring attainment levels beyond any national threshold. For example, programs consistent with a particular provider's mission might prevent their students from graduating unless they can demonstrate learning outcomes well above the learning standard and/or across a greater number of learning outcomes than the number of learning standards specified in this statement.

4 Learning standards

Standard	Bachelor	Master
Judgement	Exercise judgement under supervision to provide possible solutions to routine accounting problems in straightforward contexts using where appropriate social, ethical, economic, regulatory, sustainability, governance and/or global perspectives.	Exercise judgement under minimal supervision to provide possible solutions to emerging and/or advanced accounting problems in complex contexts using where appropriate social, ethical, economic, regulatory, sustainability, governance and/or global perspectives.
Knowledge	Integrate theoretical and technical accounting knowledge in a business context.	Integrate advanced theoretical and technical accounting knowledge in a business context.
Critical analysis and problem solving skills	Critically apply theoretical and technical accounting knowledge and skills to provide possible solutions to routine business issues.	Critically apply advanced theoretical and technical accounting knowledge and skills to provide possible solutions to emerging and/or advanced business issues.
Communication	Justify and communicate accounting advice and ideas in straightforward contexts to influence specialists and non-specialists.	Justify and communicate accounting advice and ideas in complex contexts to influence specialists and non-specialists.
Teamwork	Contribute accounting expertise to a diverse team collaboratively providing possible solutions to a routine business problem in a straightforward context.	Contribute accounting expertise in a leadership capacity to a diverse team collaboratively providing possible solutions to an emerging and/or advanced business problem in a complex context.
Self-Management	Reflect on performance feedback to identify and action learning opportunities and self-improvements.	Seek and reflect on performance feedback to identify and action learning opportunities and self-improvements and initiate this process for others.

5 Notes on learning standards

The revised accounting learning standards are below. While the examples provided are from a financial accounting perspective, we reiterate that the examples are non-exhaustive and their inclusion should not be taken to imply any importance to that area of accounting as examples could have been used from management accounting or auditing. The appendix summarises the major changes to the previous learning standards.

Judgement	
Bachelor	<p>Exercise judgement under supervision to provide possible solutions to routine accounting problems in straightforward contexts using where appropriate social, ethical, economic, regulatory, sustainability, governance and/or global perspectives</p> <p>Commentary</p> <p>The Bachelor graduate needs to be adaptive to change, for example, to new government policy, and be able to utilise the most recent information from varying sources which could include new legislation, media reports and web-based resources.</p> <p>Example</p> <p>The Bachelor graduate can critically evaluate the financial and non-financial information available to judge the strength of a loan application in the current business environment, in this case for a domestic investment. This might include comparing the financial ratios to a competitor and weighing the financial ratios against various non-financial perspectives. The latter could include events such as new management (governance), employment practices (social), past management decisions to choose favourable accounting treatments (ethical), new government investment incentives (economic), changes to accounting standards (regulatory) or concerns about sustainability leading to imposed costs on carbon emissions (sustainability, global and economic).</p>
Master	<p>Exercise judgement under minimal supervision to provide possible solutions to emerging and/or advanced accounting problems in complex contexts using where appropriate social, ethical, economic, regulatory, sustainability, governance and/or global perspectives.</p> <p>Commentary</p>

The Master graduate needs to be adaptive to change, for example, to new government policy, and be able to utilise the most recent information from varying sources which could include new legislation, media reports and web-based resources.

Example

In addition to the outcomes identified for Bachelor graduates, the coursework Master graduate would incorporate advanced accounting knowledge in their judgement. By way of illustration this could include the use of financial distress prediction models in the financial analysis applying to an overseas investment with additional ethical, economic and/or regulatory risk. The Master graduate would identify and justify the appropriate financial distress model and would assess the impact of any assumptions and limitations when applied to such financial analysis.

Knowledge	
Bachelor	<p>Integrate theoretical and technical accounting knowledge in a business context.</p> <p>Example</p> <p>The Bachelor graduate can integrate their theoretical and technical knowledge of financial statements and footnotes to select the correct data, calculate a set of ratios, compare these to other organisations and comment on these ratios in the context of the current business environment. This analysis could be used to assist clients in the for-profit or not-for-profit sectors develop a loan application or rights issue.</p>
Master	<p>Integrate advanced theoretical and technical accounting knowledge in a business context.</p> <p>Example</p> <p>In addition to the outcomes identified for Bachelor graduates, the Master graduate would be able to gather financial data about a range of the organisation's competitors. The data can be used in the assessment of a potential rights issue and/or to assess the company's financial risk through for example a financial distress prediction model (e.g. Altman's Z Score) and appropriately include such information in the loan application.</p>

Critical analysis and problem solving skills	
Bachelor	<p>Critically apply theoretical and technical accounting knowledge and skills to provide possible solutions to routine business issues.</p> <p>Commentary</p> <p>The Bachelor graduate needs to be able to use analytical tools in identifying and solving business problems and to ensure professional scepticism and ethical values are used when considering alternatives.</p> <p>Example</p> <p>The Bachelor graduate can synthesise trends in the client's profitability, solvency and liquidity ratios in the current business environment and compare the client to other organisations. The analysis may be used to assist in a loan application or rights issue.</p>
Master	<p>Critically apply advanced theoretical and technical accounting knowledge and skills to provide possible solutions to emerging and/or advanced business issues.</p> <p>Commentary</p> <p>The Master graduate needs to be able to use analytical tools in identifying and solving business problems and to ensure professional scepticism and ethical values are used when considering alternatives.</p> <p>Example</p> <p>In addition to the outcomes identified for Bachelor graduates, the Master graduate can incorporate large amounts of relevant data and financial indicators of distress to synthesise an accurate financial picture for a loan application or rights issue in the current business environment.</p>

Communication	
Bachelor	<p>Justify and communicate accounting advice and ideas in straightforward contexts to influence specialists and non-specialists.</p> <p>Commentary</p> <p>In communicating ideas the Bachelor graduate must have strong verbal and written skills that present information in a logical, understandable and compelling format when being shared with various stakeholders.</p> <p>Example</p> <p>This requires the Bachelor graduate being able to obtain the necessary financial and non-financial information to develop and advocate a loan application or the price of shares for a rights issue. It might also involve being able to accompany a supervisor to a board meeting or bank to justify the amount requested in the loan application or the share price in a rights issue. For example, they might play a role as a specialist preparing the loan application along with non-specialist peers playing other roles in an extended integrated business simulation.</p>
Master	<p>Justify and communicate accounting advice and ideas in complex contexts to influence specialists and non-specialists.</p> <p>Commentary</p> <p>In communicating ideas the Master graduate must have strong verbal and written skills that present information in a logical, understandable and compelling format when being shared with various stakeholders.</p> <p>Example</p> <p>In addition to the outcomes identified for Bachelor graduates, the Master graduate would play a critical role in the conversations with colleagues or in presentations to boards or banks using their advanced knowledge. This could be a management buyout where financial distress prediction information has been included or it could be to use the knowledge to suggest strategies to increase the asking price in a rights issue.</p>

Teamwork	
Bachelor	<p>Contribute accounting expertise to a diverse team collaboratively providing possible solutions to a routine business problem in a straightforward context.</p> <p>Commentary</p> <p>The Bachelor graduate needs to be able to work with a team that may have members that come from varying (disciplinary) perspectives or cultural backgrounds. A good team member is usually a good listener and considers other views, before determining a final outcome.</p> <p>Example</p> <p>The Bachelor graduate might work collaboratively with colleagues in accounting to analyse the financial statements of a single segment company operating totally in Australia as part of preparing a loan application.</p>
Master	<p>Contribute accounting expertise in a leadership capacity to a diverse team collaboratively providing possible solutions to an emerging and/or advanced business problem in a complex context.</p> <p>Commentary</p> <p>The Master graduate needs to be able to work with a team that may have members that come from varying disciplines or cultural backgrounds. A good team member is usually a good listener and considers other views, before determining a final outcome.</p> <p>Example</p> <p>In addition to the outcomes identified for Bachelor graduates, the Master graduate might assume a leadership role in a multi-disciplinary team which could be an in-depth analysis of a consolidated economic entity, where the head office is in the USA and with operating segments in many countries including Australia as part of preparing a loan application. The Master graduate might need to collaborate with colleagues in finance, legal and other professions.</p>
Self-Management	

Bachelor	<p>Reflect on performance feedback to identify and action learning opportunities and self-improvements.</p> <p>Commentary</p> <p>The Bachelor graduate should have the capacity to take responsibility for their own development and to keep abreast of the changing environment. They need to be able to set priorities and be aware of resource limitations and tight deadlines which must be met.</p> <p>Example</p> <p>The Bachelor graduate might work independently to investigate industry benchmarks to compare the company's key financial ratios to inform the client's loan application. Often a graduate would work collaboratively with others and they should reflect on their experience and any feedback from colleagues, clients and supervisor during their performance review and discuss appropriate developmental support for making improvements.</p>
Master	<p>Seek and reflect on performance feedback to identify and action learning opportunities and self-improvements and initiate this process for others.</p> <p>Commentary</p> <p>The Master graduate should have the capacity to take responsibility for their own development and to keep abreast of the changing environment. They need to be able to set priorities and be aware of resource limitations and tight deadlines which must be met.</p> <p>Example</p> <p>In addition to outcomes identified for Bachelor graduates, the Master graduate might work independently to investigate additional information about the country, industry, or other contextual drivers of change in which the loan application for the investment opportunity is to be located. In addition the Master graduate would be expected to use their initiative to seek any feedback from the client (and any colleagues) and decide if their approach to interacting with future clients and colleagues needs to be changed.</p>

Appendix

1) Summary of main changes:

- Removal of the Master Entry level from the learning standards as they are not compliant with the AQF as published in 2013.
- Separation of the learning standards for teamwork and communication as the Achievement Matters project team concluded it was difficult to evidence and assess both learning outcomes when combined into one learning standard.
- Renaming of *Application skills* to *Critical analysis and problem solving skills* to reflect the importance of such skills for accounting graduates.
- Reference to auditing and assurance, finance, economics, quantitative methods, information systems, commercial law, corporation law and taxation law has been removed from the knowledge learning standard and replaced with in a business context. The reason is that these are accounting learning standards and not learning standards for admission to any professional accounting bodies. Accounting bodies have requirements that candidates must meet for admission and will include knowledge in a number of subjects beyond accounting such as auditing and assurance, finance, economics, quantitative methods, information systems, commercial law, corporation law and taxation law.
- Reference to sustainability and governance has been added to the judgement learning standards recognising the importance of both perspectives for accountants in formulating a judgement on many business issues today.
- In the first edition of the learning standards reference was made to “solve problems” and this has been replaced with “providing solutions to” as there are often a number of solutions for a particular business problem. Furthermore “accounting problems” have been replaced with “business issues” as it is implicit that students are using accounting knowledge and the use of business issues recognises the breadth of issues accountants face.
- In the communication learning standard the word “influence” has been added to reflect a higher level expectation for graduates as evidenced from recent research such as *Shaping the future of accounting in business education in Australia* (CPA Australia, 2015).
- Reference to accountants and non-accountants has been replaced with specialists and non-specialists which is consistent with the terms used in other learning standards. Given the learning standards are in accounting the reference to specialists is to accounting specialists.
- In the new learning standard on teamwork the expectation for a Master level graduate is that they are able to demonstrate some leadership capacity when working in teams. This does not mean they will necessarily be the leader but that they will at times demonstrate leadership capacity.

2) Membership of the original Accounting Learning Outcomes Working Party

- Professor Tyrone Carlin, The University of Sydney
- Professor Phil Hancock, The University of Western Australia (Chair)
- Associate Professor Jenny Kent, Charles Sturt University
- Dr Paul Myers, RMIT University
- Associate Professor Julie Walker, The University of Queensland

In attendance: Associate Professor Mark Freeman (Australian Learning and Teaching Council Discipline Scholar)

Glossary

Accounting

Accounting is concerned with the provision, analysis and communication of information to a broad range of internal and external stakeholders for a variety of resource allocation decisions and compliance purposes, for example, regulation and governance

Accounting knowledge

The body of accounting knowledge includes financial accounting (including accounting systems and processes, professional and regulatory processes, theoretical financial accounting issues), management accounting (including organisational functioning and theoretical management accounting issues).

Advanced

Knowledge and/or skills refers to the depth and specificity

Applied see Technical

Autonomy

Ability to apply knowledge and/or skills with appropriate degrees of independence for the level of the qualification

Basic

Basic knowledge/skills include those that form a starting point or basis for development of learning or work

Broad

Broad knowledge/skills include those that cover a general, wide range of area learning or work

Coherent

Knowledge and/or skills including those that are logically ordered, sound and/or integrated

Complex

Many competing qualitative perspectives and/or quantitative perspectives characterised by considerable data items, with some possibly missing, many variables and known relationships between most of them

Comprehensive

Knowledge and/or skills covering a complete area or field of work or learning

Diverse

Can be in terms of age, gender, culture, expertise, experience or discipline area.

Field

Refers to the main focus of work activities and/or a learning program

Integrated

Combines two or more kinds of knowledge and concepts, for example technical and theoretical

Levels

An indication of the relative complexity and/or depth of achievement and the autonomy required to demonstrate that achievement

Major

A set of units of study within an award program combined to form a specialisation

Mastery

Demonstrates comprehensive knowledge and understanding of their field of work or learning

Problem

A defined task, undertaking and/or application that requires the use of theoretical and/or technical knowledge, cognitive skills, technical skills and/or generic skills

Profession

A disciplined group of individuals who ascribe to high ethical standards and uphold themselves to, and are accepted by, the public as having relevant disciplinary knowledge and skills in a widely recognised, organised body of knowledge derived from education and training at a high level, and who are prepared to exercise the knowledge and skills in the interest of the general public. While authority to practice in a profession may or may not be regulated by legislation, practice as an 'accountant' is not regulated by legislation in Australia.

Responsibility

Refers to the degree of accountability in applying knowledge and/or skills in work and/or learning contexts for the level of qualification

Routine

A regular or typical course of procedure with defined and identified boundaries that can be applied to a work practice, task or problem

Skills

Refer to what a graduate can do. Skills can be described in terms of kinds and complexity. Skills include cognitive skills, technical skills, creative skills and generic skills

Specialised see Advanced

Specialisation see Major

Straightforward

Few qualitative perspectives and/or quantitative perspectives characterised by considerable data items over multiple variables and known relationships between them

Systematic

Knowledge and/or skills are those that are coherent and well-ordered

Task see Problem

Technical

Operational or applied knowledge and skills necessary to perform certain work and learning activities

Theoretical

Relating to or based on theory