

Chartered Accountants Program broader entry requirements

Background

From September 2007, graduates from non-accounting backgrounds will be able to enrol in the Chartered Accountants Program, Australia's premier postgraduate accounting professional qualification.

Graduates with non-accounting degrees who want to enrol in the Chartered Accountants Program will need to have a sponsoring employer and successfully pass an entrance examination before they can enrol. The purpose of the examination is to ensure that applicants have the required level of prerequisite accounting knowledge to undertake and complete the Program.

Frequently asked questions

Why is the Institute making this change?

There are a number of reasons why the Institute has broadened the entry requirements into the Program:

- > This change has been made to address the need for talent at a time when there is a skills shortage. Discussions with key stakeholders highlighted the need for the Institute to assist them in meeting their recruitment targets. With the number of domestic students completing accounting degrees not meeting demand, the pool of potential employees is decreasing
- > Attracting high quality candidates from other disciplines means that the profession and organisations will benefit from the diverse range of experience and skills this new source of employees bring
- > This change is part of the strategy to strengthen and support the growth of the profession and the Institute.

Who will benefit?

This initiative benefits:

- > **Individuals** – who are talented and motivated because it offers an alternative pathway into the accounting profession. It also benefits individuals who have extensive on the job training and experience, and those who are planning a career change into the accounting profession
- > **Employers** – to facilitate access to a larger, more diverse pool of potential employees with degrees from other disciplines
- > **The profession** – to address the skills shortage, and attract new practitioners, who are dynamic, motivated individuals possessing a range of skills and experience.

How can a graduate with a non-accounting degree enter the Chartered Accountants Program?

A graduate with a non-accounting degree will have the opportunity to sit an entrance examination to assess their eligibility for the Chartered Accountants Program.

Two outcomes are possible from this entrance exam:

- 1) If the graduate passes all components of the exam, they are eligible to commence the Chartered Accountants Program
- 2) Alternatively, if the graduate is unsuccessful in some or all exam components, they will be required to undertake additional training.

Additional training can take a number of forms depending on the individual and their sponsoring employer. One current avenue is available through university conversion courses where specific subjects may fill any knowledge gaps that were identified through the entrance exam.

This entrance exam together with, in some cases conversion course study, will ensure the graduate has the required level of core knowledge to undertake the Program. It will ensure that the high standard of the Program is maintained.

Who is eligible to sit for the entrance examination?

To be eligible to sit the entrance examination applicants must meet all the following criteria. They must have:

- > An Australian non-accounting or comparable overseas degree
 - > Employer sponsorship from an Institute accredited organisation*
 - > Undertaken accounting-related work experience and some on-the-job training
 - > A genuine interest in pursuing a career in the Chartered Accounting profession.
- * An accredited organisation has met the Institute's requirement to have employees in work experience mentored by a Chartered Accountant.

What is the structure of the entrance examination?

The examination will be multiple-choice and cover the following six required knowledge areas for non-accounting graduates:

Financial accounting

Non-accounting graduates sitting for the exam will need to demonstrate an:

- > Understanding of the form and function of financial statements and how financial transactions are recorded
- > Awareness of financial accounting and financial analysis issues within Australian and international contexts.

Management accounting

Non-accounting graduates sitting for the exam will need to demonstrate an understanding of developments in management accounting, including:

- > Budgeting
- > Product and service costing
- > Control and performance evaluation.

They will need to demonstrate this knowledge by applying relevant numerical and analytical skills, and demonstrating current theoretical knowledge in the application of these skills.

Finance

Non-accounting graduates sitting for the exam will need to demonstrate an understanding of the business finance and treasury function (in terms of fundamental capital, investment, funding, and risk decision concepts) including:

- > The analysis and management of an entity's financial position
- > Recent developments in the Australian and international financial/treasury scene.



Chartered Accountants Program broader entry requirements

Auditing

Non-accounting graduates sitting for the exam will need to demonstrate an understanding of the nature and purpose of auditing including:

- > The accountability of external auditors under statutory and professional requirements
- > The conduct of an audit according to regulatory and professional requirements
- > How to apply this understanding to current issues.

Commercial and corporations Law

Non-accounting graduates sitting for the exam will need to demonstrate an understanding of:

- > General legal knowledge of the business environment
- > The responsibilities and risks that arise in business with particular regard to the law relating to corporate entities.

Taxation

Non-accounting graduates sitting for the exam will need to demonstrate an understanding of:

- > Taxation compliance within statutory and professional requirements and the ability to apply this understanding to current issues.

When will the first entrance examination be offered?

The first exam will be held in April 2007. It is anticipated that the entrance examination will be offered twice a year thereafter at centres around Australia (dates and venues will be available on the Institute's website from early 2007).

How can a graduate register or book for the entrance examination?

They can't. The graduate's employer will do this following completion of any training. The employer will assess the readiness of the individual and register them for the entrance examination. Details about how employers can register their employees for the examination will be made available closer to the date.

What will the cost of the exam be?

The cost of the exam will be advised in early 2007.

Will a graduate have to complete the entire entrance examination if they have successfully completed some accounting subjects at university?

In general, a pass in a subject/s from an accredited university will be accepted. However, as each non-accounting graduate's circumstances are likely to be different Institute staff will advise on a case-by-case-basis which subjects qualify for exemption from part/s of the entrance exam.

Employers will submit an application form providing academic results and the Institute's qualifications team will assess the application and advise which part/s of the exam they may be exempt from.

The cost of the assessment service will be advised in early 2007.

Please refer to the list of approved subjects at [accredited universities \(charteredaccountants.com.au/graddipca](http://charteredaccountants.com.au/graddipca) > Academic Entry Requirements > Accredited tertiary courses) for more information.

How does a graduate make the final decision about attempting the entrance examination?

The support and sponsorship of the employer is essential for an employee who would like to take the entrance examination.

Following are some suggested answers to common questions that a graduate might ask before sitting the entrance exam.

Question	Possible action
What do I do if I feel unsure about a topic?	You need to establish whether you know enough about the topic to attempt the examination. To do this you might: <ul style="list-style-type: none"> > Review available texts > Review relevant regulations or legislation > Discuss the topic with a manager, supervisor or colleague at work.
What do I do if I don't know a topic at all?	Decide how you can acquire sufficient knowledge of the topic to attempt the examination. This is best done in consultation with your employer. It might involve: <ul style="list-style-type: none"> > Identifying and undertaking a relevant course of study > Identifying and reading relevant texts, regulations or legislation > Receiving on -the job training and mentoring.
How do I decide whether I should attempt the examination or not?	<ul style="list-style-type: none"> > Assess your current education and knowledge and pay particular attention to the topics you are unsure of or that you do not know well > Carefully consider how you might fill any knowledge gaps you have identified. We recommend that you consider your level of knowledge in all the topic areas, and only attempt the examination if you consider that you currently have a satisfactory level of knowledge, or can acquire that knowledge prior to the examination.



Chartered Accountants Program broader entry requirements

Will graduates have examples of test papers available to practice for the exam?

No. Graduates will receive detailed information about the required knowledge areas and a booklet with sample questions to indicate the style of question they will encounter.

The Institute is working with employers to commission the development of a training package to prepare candidates for the entrance exam. Details about the training package will be made available in early 2007.

What if a graduate fails the entrance exam?

If a graduate is unsuccessful in some or all of the exam components, they will be provided with a report that identifies the areas where they will need further development.

They then have the option to either undertake an accredited conversion course or complete employer training to fill the gaps in knowledge.

How will a graduate know which accredited conversion course subjects they need to undertake, and which institution offers them?

Institute staff will advise graduates what options they have. If the Institute recommends that a graduate undertakes university conversion subjects, we will also provide a list of those accredited courses.

Once a graduate has successfully completed the conversion course do they have to re-sit the entrance examination?

No, the graduate needs to provide the university transcript for the subject/s successfully completed.

Once a graduate has successfully completed in-house training (after failing the exam) will they have to re-sit the entrance exam?

Yes.

Is the Institute making it easier for people to enter the Chartered Accountants Program?

While more people are now eligible to enrol in the Chartered Accountants Program it is not easier to enter the Program and so the standard of the Program is not lowered. All non-accounting graduates who enter the Program will be required to pass the entrance examination which tests the knowledge and understanding of the core accounting areas, or complete accredited conversion subjects. This level of knowledge is critical to a person's ability to undertake and successfully complete the Chartered Accountants Program so as not to disadvantage them or those already studying in the Program.

In addition, graduates will also need to meet the three years' work experience requirements in order to apply for membership into the Institute of Chartered Accountants.

Will the quality of candidates completing the Chartered Accountants Program decrease?

No. All candidates will need to demonstrate a level of knowledge to enter the Program, which is assessed through the entrance exam. Then, like all other candidates undertaking the Program, they will have to pass all five modules.

Why should the Institute still encourage university students to complete accounting degrees?

The best and fastest way into the Chartered Accountants Program is still through an accredited business/commerce degree with an accounting major. This ensures that graduates have a thorough understanding of all core knowledge areas and eliminates the need for them to sit the entrance exam and in all likelihood undertake additional study adding to the time it takes to enter the Chartered Accountants Program.

How long will it take to qualify as a Chartered Accountant?

Candidates enrolling into the Program will need to have a minimum of 26 weeks' prerequisite qualifying work experience with a recognised Chartered Accountant mentor. Please read the [service entry requirements \(charteredaccountants.com.au/graddipca > Service Entry Requirements\)](#) for more information about the eligibility and requirements for enrolment into the Program.

If a graduate does not have the required work experience they will need to obtain this before they are eligible to enrol into the Program. They can gain this work experience while preparing for the entrance exam.

The Chartered Accountants Program takes approximately 22 months to complete. Candidates need to have three years' mentored work experience before they can apply to become a member of the Institute. This includes the 26 weeks' prerequisite qualifying work experience.

Which undergraduate degrees are acceptable for enrolment in the examination?

Any Australian or comparable overseas degree.

If a graduate holds a degree from another country are they eligible to enrol?

Yes. A graduate can enrol if their overseas degree has been formally assessed by the Institute as being comparable to an Australian bachelor's degree. For more information regarding the assessment of overseas qualifications please visit [Migration Assessment \(charteredaccountants.com.au/graddipca > Academic Entry Requirements > Assessment of non-accredited degrees\)](#) on the Institute's website.

Is this broader entry process the same as the model the Institute's UK counterpart uses?

While the Institute and the Institute of Chartered Accountants in England and Wales (ICAEW) share the same objective, to enable non-accounting graduates to enrol in a postgraduate accounting program, they differ in their method of delivery and the length of time it takes. The ICAEW offers graduates an intensive course to bring their accounting core knowledge up to the required level. In the Institute's case, the onus is on the employer to provide the training, from a range of methods and timeframes to suit individual training needs.

I got my non-accounting degree years ago and now want to move into the accounting profession. Will my degree still be recognised?

Yes, if it is an Australian or comparable overseas degree. No time limit applies with regard to when the qualification was awarded.

Who can I speak to if I have further questions about this change?

For more information contact the Institute's Service Centre on (ph) 1300 137 322.

