



TIMES ARE CHANGING...

YOUR GUIDE TO THE LATEST EVOLUTION OF THE ACA

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THE ACA IS EVOLVING

Over the last two years, we have been working with stakeholders around the world, including members, employers, tuition providers, universities and students, to evolve the ICAEW chartered accountancy qualification, the ACA. The response has been incredibly positive. It remains highly valued, respected and recognised across all sectors.

We appreciate that, to meet the needs of a challenging and rapidly changing economic environment, the ACA may need to evolve in some areas. We received over 1,700 responses during the consultation, and as a result, we have made changes which are detailed in this document.

We aim to make the transition from the existing to the evolved qualification as efficient and smooth as possible. To clearly illustrate the areas which have evolved, and how they may affect your organisation and your students, we have focused this document on the changes only.

The changes detailed in this document are effective from July 2013.

Further information is available online at icaew.com/acaevolution

Students who register from 1 July 2013 will be enrolled onto the evolved ACA qualification.

If you have a question relating to the changes, email us at acaevolution@icaew.com or visit icaew.com/acaevolution for the latest information.

Mark Protherough

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ACA EVOLUTION: KEY CHANGES AT A GLANCE

PROFESSIONAL DEVELOPMENT AND PRACTICAL WORK EXPERIENCE

- **Professional development** is the new term for initial professional development (IPD).
- **Practical work experience** is the new term for technical work experience (TWE).
- A new **online training file** will be issued to new students when they register. This will be used to record and maintain their professional development, ethics, practical work experience and audit experience (where relevant).
- Employers can choose whether current students transfer over to the online system or continue to complete paper-based records.
- A **single employer sign-off** will be required at the end of the student's training period. However, six-monthly reviews must still take place.
- The current system for professional development has been reviewed and **seven ladders** will replace the three levels. Where a student starts and how fast they progress up each ladder is flexible and is managed by their employer.

ETHICS AND PROFESSIONAL SCEPTICISM

This will be covered in three ways:

1. **Knowledge of the ICAEW Code of Ethics** – a new online learning programme based on the ICAEW Code of Ethics.
2. **Practical applications of ethical conduct and decision making** – new scenarios with ethical dilemmas will enable students to practise ethical skills before applying them in the workplace and their professional development.
3. **Integration of ethics** – examined in context within all 15 modules.

NEW BOOKKEEPING ACCOUNTS AND PREPARATION PROGRAMME

An **optional and free bookkeeping programme**, to help build a student's ability and confidence, will be available online. It covers the process of recording transactions from source documents through to preparing financial statements – essential skills for ACA students across all types of roles in a variety of sectors.

NEW STUDENT INDUCTION PROGRAMME

A new **web-based induction programme** will help students to understand the profession, the role of accountants and the context that they work in. It will also introduce students to ICAEW and highlight the resources and support available to them as they progress through the ACA and their career.

15 ACCOUNTANCY, FINANCE AND BUSINESS MODULES

There are still 15 modules over three levels. The technical rigour has been maintained, and increased in the core areas of financial accounting and reporting and taxation, which will now be examined at an earlier stage.

CERTIFICATE LEVEL

- **Certificate Level** is the new term for the Professional Stage knowledge modules.
- **Accounting module**: from 1 August 2013, 40% of the assessment will be a case study-style question which assesses the production of primary financial statements.

PROFESSIONAL LEVEL

- **Professional Level** is the new term for the Professional Stage application modules.
- **Financial Management module**: the exam will no longer include objective test questions.
- **Financial Accounting and Reporting** is a new module which will replace the Financial Accounting and Financial Reporting modules. It has a three-hour exam to allow comprehensive coverage of the syllabus.
- **Business Planning: Taxation** and **Tax Compliance** are new modules.

ADVANCED LEVEL

- **Advanced Level** is the new term for the Advanced Stage.
- **Corporate Reporting** will replace the Business Reporting module.
- **Strategic Business Management** will replace the Business Change module.
- **Students will have the option to attempt the Case Study before the final year of their training agreement.** Available from July 2014.

LEARNING MATERIAL RELEASE DATES

- **April 2013** – new and updated Certificate and Professional Level modules.
- **October 2013** – Advanced Level Corporate Reporting and Strategic Business Management modules.
- **December 2013** – Advanced Level Case Study.

CREDIT FOR PRIOR LEARNING (CPL)/ EXEMPTIONS

- Up to 12 credits are still available for professional qualifications.
- Up to eight credits are still available for academic qualifications – in some specific cases up to 12 may be available.

THE CHANGES EXPLAINED

BUILDING TECHNICAL KNOWLEDGE, PROFESSIONAL SKILLS AND PRACTICAL EXPERIENCE

The components of the existing ACA (technical work experience, initial professional development, structured training in ethics and exams) have always been connected, although sometimes viewed in isolation. To enhance the holistic approach of the qualification, we have modified how they fit together and impact each other. The increased integration will benefit students' understanding and progression through their training, building the knowledge, skills and experience required to become an ICAEW Chartered Accountant.

Progression through all the elements of the ACA simultaneously will enable students to be more successful in the workplace and in their exams.



PROFESSIONAL DEVELOPMENT, ETHICS AND WORK EXPERIENCE

The administration and processes for recording and monitoring professional development, ethics and practical work experience will be online and more efficient for employers and students.

PROFESSIONAL DEVELOPMENT

The overall approach to professional development has been retained. Professional development is an essential element to prepare students for a variety of situations they will encounter during their career.

We have restructured the current system and have replaced the three levels with seven ladders which a student will progress and work their way through. Each ladder represents a theme, or related set of skills. Where a student starts and how fast they progress up each ladder is flexible and will be managed by employers with their students. The seven ladders are:

- communication
- team working
- decision making
- consideration
- adding value
- problem solving
- technical competence.

There are seven or eight steps within each ladder that represent a skill. Students must demonstrate each skill by providing an example from their practical work experience. Guidance will be given to show the type of skill required, and a sample response will also be provided. The seven ladders, with their themes and skill steps, are displayed on pages 7–10.

Many of the skills within each ladder are linked to the Case Study (CS) and ethics (E), so we recommend that all steps within each ladder are completed before a student attempts the Case Study exam. When a student has attempted all ACA exams, and has only the Case Study to attempt, an employer can review that student's professional development progress to evaluate whether they are ready to take the final exam.

This new approach emphasises professional development to ensure that organisational needs and the needs of students are met throughout the training agreement.

Many authorised training employers have their own career progression and appraisal systems which are accredited; this will continue.

Students will record their professional development via an online training file. The content of the file will be specific to their employer's professional development accreditation status. There will be four types of accreditation available:

1. employer uses 100% ICAEW scheme;
2. employer has professional development accreditation;
3. employer has professional development and ethics accreditation; and
4. employer has ethics accreditation.

Employers can choose to transfer their current students over to the new online system, but they will also be able to continue using their paper-based records.

THE SEVEN PROFESSIONAL DEVELOPMENT LADDERS



1
Communication



2
Team working



3
Decision making



4
Consideration



5
Adding value



6
Problem solving



7
Technical competence

PROFESSIONAL DEVELOPMENT – EXAMPLE GUIDANCE FOR STUDENTS

Many of the skills within each ladder are linked to the Case Study and ethics. Where each skill is linked to the Case Study and/or ethics, CS (Case Study) and E (ethics) are shown in the left hand column of each table on pages 7–10.

1 COMMUNICATION

GOAL: The ability to communicate effectively at all levels, using oral, written and presentational skills

	How were you able to...	Guidance on specific examples
8 CS	... negotiate successfully?	Negotiating with peers, seniors and clients, clearly and fairly, in order to influence outcomes beneficially for the organisation.
7 CS	... use available resources to present information formally to a group?	Presenting formally and in an appropriate style, in order to persuade an internal or external audience.
6 E, CS	... question the views of more senior members of the organisation?	Using the power of logical argument. May involve handling adverse or unwelcome decisions.
5	... demonstrate good report-writing skills?	Communicating in pure, formal and logical written form.
4 E	... use persuasion to change another's point of view, while demonstrating an understanding of their views?	Appreciating both sides, being forceful and persuasive, rather than passive. Empathising with colleagues and customers. Managing adversarial situations.
3	... share information and knowledge that helped others succeed?	Informal mentoring and coaching. Oral presentation skills.
2 E	... show an appreciation of both sides of an argument?	Keeping an open mind. Demonstrating listening skills. Handling difficult decisions. Showing diplomacy and compromise.
1 E	... appreciate the point at which assistance is required?	Knowing when help is required and where to find it. Seeking opportunities for learning.

2 TEAM WORKING

GOAL: The ability to operate successfully as a member or leader of a team

	How were you able to...	Guidance on specific examples
7 E, CS	... successfully manage a project involving others?	Planning, managing and controlling an effective team to employer's standards. Meeting performance objectives within time constraints. Achieving successful outcomes.
6 CS	... use your authority to set and prioritise tasks for others?	Setting, planning and reviewing objectives with time constraints. Demonstrating best practice. Supervising. Taking difficult decisions and seeing issues as part of more complex wholes.
5 E	... demonstrate an understanding of the impact of pressure on others?	Relating to and supporting other people. Being aware of your surroundings and the issues of others.
4	... allocate resources in order to make a project work?	Budgeting and planning both time and costs. Deciding priorities, to meet deadlines. Handling pressure.
3 E	... show that you valued the contribution of other team members?	Motivating, encouraging, training, developing, promoting teamwork and building relationships. Also learning from your colleagues.
2 E	... use a team structure to meet performance objectives?	Putting a team together or making an existing group work more effectively. Collaborating with peers and operating to a brief in a structured situation.
1 E	... share your knowledge for the benefit of others?	Working with your peers and assisting colleagues with creative thinking.

3 DECISION MAKING

GOAL: The ability to gather and interpret data in order to make good decisions

	How were you able to...	Guidance on specific examples
8 CS	... analyse and use data in order to predict future outcomes?	Assessing and using data from multiple sources, including research and current conditions to predict the future for planning, budgeting, forecasting and other purposes.
7 E, CS	... decide between two or more strategic outcomes?	Being decisive and using independent thought within an ethical framework. Supporting reasoning with evidence, professional experience, technical knowledge and the consideration of alternative views.
6 CS	... evaluate risk in order to ensure that data was reliable and control was maintained?	Using sensitivity analysis to give assurance of data integrity. Using a sceptical and critical approach to data in order to identify control measures, monitoring processes and potential improvements.
5 E	... stand your ground and maintain your position under pressure?	Taking decisions and carrying them through. Handling pressure. Standing up for yourself.
4	... use software to manipulate data in order to make it more understandable?	Using, for example, Excel, graphs, PowerPoint and databases to make data more understandable or to draw statistical conclusions.
3 E	... show how data can be used to aid decision making?	Making choices backed up by incontrovertible data. Documenting decisions and actions in defined situations. Consideration of costs and benefits.
2	... demonstrate understanding of the need for data back-up and recovery?	Appreciating the importance of availability and continuity of IT resources. Understanding security and processing integrity.
1 E	... accumulate data to enable others to make decisions?	Understanding the needs of others. Appreciating relevance and importance of data.

4 CONSIDERATION

GOAL: The ability to operate effectively and sustainably while respecting the views, rights and values of others

	How were you able to...	Guidance on specific examples
8 E, CS	... uphold the reputation of the organisation for which you work?	Behaving according to the ICAEW Code of Ethics and promoting ethical behaviour within the organisation. Demonstrating pride in the organisation and representing it with respect.
7 E, CS	... succeed by considering issues rather than personalities?	Overcoming personal prejudices in order to get the job done. Exercising ethical judgement. Showing an even-handed and tolerant approach in difficult circumstances for the sake of the business.
6 E, CS	... show that you appreciate the ethos and culture of your profession?	Demonstrating professionalism and a realistic perspective. What does being an ICAEW Chartered Accountant mean to you?
5 E	... identify an ethical conflict or breach and report it to an appropriate person?	Recognising what constitutes an ethical conflict or breach. Confronting unethical actions. Knowing how to ask for assistance, reporting issues upwards where necessary.
4 E	... show that you accommodated the views, cultural or personal circumstances of others?	Adapting normal actions and attitudes in order to respect different beliefs including age, sex, race and culture.
3 E	... demonstrate an awareness of social or environmental responsibility?	Sustainability. Understanding your impact on the environment, not just in terms of waste or energy but also socially. Voluntary work. Appreciating the impact of your actions on others.
2 E	... demonstrate the ethical principle of confidentiality?	Understanding confidentiality conflicts at work. Demonstrating professionalism and control.
1 E	... keep abreast of professional developments?	Maintaining an awareness of what's going on around you in ICAEW.

5 ADDING VALUE

GOAL: The ability to add value to the organisation

	How were you able to...	Guidance on specific examples
7 E, CS	... lead by example and be a role model?	Achieving something, autonomously, of which you were proud, and which others followed. Actively seeking opportunities to add value.
6 CS	... use creativity to solve a problem or create an opportunity?	Finding a creative solution to a problem. Using an open-minded and adaptable approach to find a new or better way of doing something.
5 CS	... propose a cost-saving or revenue-generating action?	Saving money or growing the business through actions, systems, equipment and people.
4 CS	... show an understanding of both internal and external customer needs?	Showing good business awareness by providing a service internally or externally, in practical or complex situations. Adapting to business circumstances.
3	... demonstrate your commitment to continuous learning?	Showing the desire to learn more each year. Contributing to career and personal development discussions.
2	... exceed the expectations of your employer/client?	Achieving something more than was expected, with little guidance. Understanding employer's needs and visions and appreciating its culture.
1 E	... show independence, commitment and multi-tasking skills?	Working independently, completing tasks on time, coping with change, preparing fully, going the extra mile.

6 PROBLEM SOLVING

GOAL: The ability to make recommendations in order to solve problems

	How were you able to...	Guidance on specific examples
7 CS	... solve a problem in a way that exceeded the expectations of the organisation?	Taking recommendations to a conclusion by solving a difficult problem. Working within timescale, cost and other resource constraints to create a desired outcome.
6 E, CS	... make well thought-out recommendations that indicated the best solution given the existing constraints?	Taking the reactions of other parties into account. Using technical knowledge, professional experience, evidence and analysis to support recommendations.
5 CS	... demonstrate prioritisation and avoid procrastination?	Not deferring problems without good reason. Managing time, desk and workload. Evaluating what is important. Handling difficult tasks quickly and efficiently.
4	... use risk/probability analysis to evaluate different options?	Using probability and weighting to rank potential solutions. Identifying associated risk and uncertainty. Being adaptable in the face of change.
3 E	... analyse a problem and identify all options?	Defining the problem after evaluating the business objectives. Persevering in enquiry to ensure completeness, all within an ethical framework.
2	... use your practical experience to help others?	Learning through situations and practical experience and sharing that knowledge.
1	... express a view that was appreciated by others?	Using independent thought and spirit.

7 TECHNICAL COMPETENCE

GOAL: The ability to seek, learn and use technical information for the good of the organisation

	How were you able to...	Guidance on specific examples
7 CS	... solve a complex technical problem?	Overcoming a difficult technical issue using analytical and technical tools and information from multiple sources. May involve e-business systems (ERP, CRM, etc).
6 CS	... use technical expertise to offer useful strategic advice?	Acting as technical helpdesk for others. Using a specialisation to help others progress.
5	... show proficiency in a range of software applications?	Using more complex applications (PowerPoint, Publisher, databases, Networks, anti-virus, utilities and other bespoke applications).
4	... use research tools to create a positive outcome?	Searching via internet or other sources to expand technical knowledge and solve a problem.
3	... relate a practical issue to your examination studies?	Keeping exam studies 'real' by linking proactively to practical situations.
2	... improve your effectiveness through the use of IT resources?	Using basic IT to improve speed, accuracy and presentation. Understanding accounting packages, operating systems, basic spreadsheet, word processing and email software (Excel, Word, Outlook).
1 E	... demonstrate an awareness of regulatory requirements?	Investigating and researching regulatory requirements. Documenting procedures.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethics has always been at the centre of the ACA qualification. As part of evolving the ACA, students will continue to develop their ethical capabilities as they progress through the qualification. Students will still be required to complete all ethical requirements before their employer completes their final ACA training sign off at the end of the training agreement period.

Employers will continue to discuss their students' progress in ethics at each six-monthly review; students will log their ethics progress in their online training file, which will be discussed during the review.

In the latest evolution of the ACA, the development of ethics and professional scepticism will be covered in three ways.

1. Knowledge of the ICAEW Code of Ethics – a new online learning programme based on the ICAEW Code of Ethics will ensure that all students understand the ICAEW ethical framework, are able to identify ethical principles relating to a scenario and advise on appropriate ways of addressing an ethical threat. The programme will include six modules (as listed below) and a devolved assessment.

- Introduction to the ICAEW Code of Ethics.
- The fundamental ethical principles.
- Threats and safeguards to the fundamental ethical principles.

- Conflicts of interest.
- Considerations for professional accountants in practice.
- Considerations for professional accountants in business.

The devolved assessment is a tool to help employers assess their students' ethical progress. We recommend that students gain approval from their employer before they attempt it. The assessment is 60 minutes long. It has 30 multiple choice questions and a recommended target score of 70%. Each attempt at the assessment will be recorded on a student's online training file. The assessment is taken online and students have an unlimited number of attempts.

Students will log their ethics progress within their online training file and this will be discussed with their employer at each six-monthly review. Students should aim to complete the ethics learning programme and the assessment before they attempt the Case Study.

Students will be able to access the ethics learning programme and the assessment within their online training file. Employers will be able to access the programme from the employer area of our website.

2. Practical applications of ethical conduct and decision making – new scenarios linked to each module of the new ethics learning programme will be available for students and employers in the form of five webinars.

The webinars contain scenarios with ethical dilemmas. They have been designed to help develop ethics and professional scepticism skills and to facilitate ethical discussions within the workplace, either in groups or at each six-monthly review. The scenarios enable students to practise what they have already learnt within the ethics learning programme. The webinars will be available to view within the student and employer areas of our website.

Ethical elements of professional development also give students the ability to apply what they have learnt from the learning programme and webinars to their daily practical work experience.

3. Integration of ethics – examined in context within all 15 modules.

Transition from STE

Employers and students using the existing structured training in ethics (STE) programme can choose to continue and complete the STE programme until they complete their ACA training or transfer to the new system from July 2013. If students transfer onto the new system, any sign-offs already recorded for the STE programme will form part of the evidence that an employer can use to enable them to sign off the ethics and professional scepticism element of the ACA.

For more information on ethics visit icaew.com/acaevolution

PRACTICAL WORK EXPERIENCE

The number of required practical work experience days is still 450 days.

Students will record work experience using an online training file, rather than paper-based records. This will enable employers to easily track students' progress.

AUDIT EXPERIENCE

Students will still be able to record their audit experience if they want to obtain the Audit Qualification. They will record eligible days using an online training file, rather than paper-based records. Students should always discuss the recording of audit experience with their employer before logging it within the online training file.

NEW BOOKKEEPING PROGRAMME

A free optional bookkeeping programme, to help build a student's ability and confidence, will be available online.

This new interactive programme will help students to better understand the key accounting processes which are at the heart of every organisation's finance function. The programme will complement the learning materials and the skills learnt in the Certificate Level Accounting

module, and it will help students to develop their financial reporting and systems knowledge which can be used at all levels of the ACA.

The programme will take students through the complete process of producing a set of financial statements. It will replicate a real-life scenario involving accounting systems found in the workplace. Students will work through the process of producing a set of financial statements from raw documents and transactional data. The programme will be of particular use to students who are infrequently exposed to their client's detailed bookkeeping and accounts preparation processes.

Students will be able to access the programme within the ACA student resources area of our website. A paper-based version will also be available for employers and tuition providers to facilitate group training.

The programme is optional; students will not have to complete it as part of the ACA qualification.

ONLINE TRAINING FILE

A new online training file will be issued to new students when they register. This will be used to record and maintain professional development, ethics, practical work experience and audit experience (where relevant).

It is the student's responsibility to update their records online. Employers can also choose to transfer their current students over to the new online system, but they will also be able to continue using their paper-based records.

REVIEW PROCESS – SINGLE SIGN-OFF

The review process has been made more efficient. We will only require a single sign-off at the end of a student's training agreement to sign off their practical work experience, professional development, ethics, and to confirm that they are fit and proper to be admitted to ICAEW membership.

The system will also allow employers to manage the review process by accessing students' records online. Six-monthly reviews must still take place. Employers are able to choose to sign off practical work experience records online every six months. Students will need to confirm that their file is accurate and honestly presented after each six-monthly review, when they record their practical work experience. Each six-month period is then locked and stored within the online training file.

Where students need to document their audit experience, six-monthly feedback and online approval will also be required by the employer.

Guidance will be given to students as they work through the file, removing any uncertainty about what training records are required.

15 ACCOUNTANCY, FINANCE AND BUSINESS MODULES

The recent consultation on the ACA supported the flexibility and modular approach of the current exam structure. It also emphasised that a unitary qualification should remain to ensure consistency and provide students with an excellent level of technical ability and in-depth knowledge across a broad range of topics in accountancy, finance and business. We are maintaining 15 modules with exams over three levels.

SYLLABUS

The syllabus is updated annually to ensure that it remains technically accurate and up to date. Every five to six years we carry out a detailed review as part of the full review of the qualification.

In evolving the qualification nothing has been removed. The technical components of accounting, financial reporting, management accounting, strategic decision making, law, taxation, audit and assurance and business analysis have not only been preserved, but have been refocused. We have ensured that the technical rigour has been maintained, and increased in the core areas of financial accounting and reporting and taxation, which will now be examined at an earlier stage.

ACA MODULES – THE CHANGES

There are still 15 modules with exams over three levels – the names of the levels are changing:

- Certificate Level is the new term for the Professional Stage knowledge modules
- Professional Level is the new term for the Professional Stage application modules
- Advanced Level is the new term for the Advanced Stage

See Figure 1 on page 13.

CERTIFICATE LEVEL

The modules at this level continue to introduce students to the fundamentals of accountancy, finance and business.

The only change at this level is to the Accounting assessment, where the preparation of financial statements will be assessed by a case study-style question representing 40% of the computer-based assessment. From 1 August 2013, students will be asked to prepare an income statement and a statement of financial position from extracts of a trial balance, or a statement of cash flow from an income statement and statements of financial position.

This new style question will enable students to use their knowledge, skills and experience within the workplace at an earlier stage in their training. To help students prepare for this assessment, example questions will be available in the learning materials and within the ACA student resources area of our website. A sample e-assessment will also be available within the ACA student resources area of our website.

PROFESSIONAL LEVEL

This level continues to build on the fundamentals that students learn at the Certificate Level and tests their understanding and ability to use technical knowledge in real-life scenarios.

The key changes at this level are as follows.

- The portion of the Financial Management exam which consisted of objective test questions has been replaced with written questions. This makes it consistent with the other exams for Professional Level modules.
- Financial Accounting and Financial Reporting have merged to produce a new module – Financial Accounting and Reporting. This new module will have a three-hour exam to allow comprehensive coverage of the syllabus.
- Two new modules have been introduced – Business Planning: Taxation and Tax Compliance.

The Audit and Assurance and Business Strategy modules remain unchanged.

The new **Financial Accounting and Reporting module** will provide students with a rigorous technical test of their financial reporting abilities and will ask them to use accounting standards in a variety of scenarios.

The new **Tax Compliance module** will cover the technical tax rules and the use of those rules.

The new **Business Planning: Taxation module** will cover the planning aspects of UK tax in relation to business transactions. Students will need to understand, analyse and demonstrate the skills required to make decisions and communicate them appropriately. They will need to use their technical knowledge and professional skills to identify and resolve tax issues and to advise on tax-efficient strategies for businesses and individuals.

Figure 1 – evolved exam structure of the ACA



PROFESSIONAL LEVEL CONTINUED

Business Planning: Taxation will serve as the main link through to the Advanced Level, where the strategic elements of tax continue to be examined. It will introduce some of the skills required at the Advanced Level, namely, the use of an integrated scenario, and testing of communication, judgement and evaluation skills in the exam questions.

Professional Level exams remain paper-based and can be taken in March, June, September and December. Each exam will be 2.5 hours long, except the Financial Accounting and Reporting exam which will be 3 hours long. The pass mark for each Professional Level exam is 55%. The first exam session for the Professional Level will take place in September 2013.

AAT members and AAT-ACA Fast Track students

AAT-ACA Fast Track students will no longer complete the AAT Financial Accounting Top-Up module. AAT members and AAT-ACA Fast Track students will continue to receive credits for up to five Certificate Level modules.

AAT-ACA Fast Track students can also benefit from the new bookkeeping programme (page 11).

ADVANCED LEVEL

This level continues to test students' understanding and strategic decision-making at a senior level. The Case Study remains unchanged; the key change at this level is that the two technical integration modules have been replaced with Corporate Reporting and Strategic Business Management modules.

The new **Corporate Reporting module** will examine the elements of audit and corporate reporting currently covered in the existing technical integration modules. This module will enable students to apply technical knowledge, analytical techniques and professional skills to resolve compliance and business issues that arise in the context of the preparation and evaluation of corporate reports and from providing audit services.

Students will be required to use technical knowledge and professional judgement to identify, explain and evaluate alternatives and to determine the appropriate solutions to compliance issues, giving due consideration to the needs of clients and other stakeholders. The commercial context and impact of recommendations and ethical issues also need to be considered in making such judgements.

The new **Strategic Business Management module** will also examine content from the existing technical integration modules. This module will require students to demonstrate business and ethical awareness at strategic, operational and transactional levels. They will need to apply technical knowledge, including strategic analysis, risk management, corporate governance, financial management, corporate reporting and assurance. Business awareness will also need to be demonstrated at strategic, operational and transactional levels.

CASE STUDY

The Case Study remains unchanged, and continues to assess all knowledge covered in previous modules to ensure that students can provide advice on complex business issues in the form of a written report.

The objective of the Case Study is to assess students' understanding of complex business issues and the ability to analyse financial and non-financial data, exercise professional and ethical judgement, and develop conclusions and recommendations. Success in the Case Study requires an integration of the technical knowledge and skills acquired from all of the ACA modules, in addition to practical work experience and professional development.

Students will have the option to attempt the Case Study before the final year of their training agreement. However, this is only applicable to students sitting the Advanced Level from July 2014. Students must have attempted all the other exams and should be close to completing professional development, ethics and professional scepticism, and practical work experience before attempting the Case Study.

Employers can decide when students are ready to sit the Case Study. We will provide clear guidance within professional development in relation to the levels of experience and skills needed before a student attempts this exam.

Advanced Level exams remain paper-based and can be taken in July and November. The Corporate Reporting and Strategic Business Management exams will be 3.5 hours long and the Case Study will be 4 hours long; each has a 50% pass mark. The Strategic Business Management exam will consist of two scenario-based questions, forming a stepping stone to the Case Study. The first Advanced Level exam session will take place in July 2014.

An overview of what is covered in each module of the ACA exam structure is shown in figure 2 on page 16.

The detailed syllabus documents for the Certificate, Professional and Advanced Levels can be found at icaew.com/acaevolution

Figure 2 – an overview of what is covered in each module of the ACA exam structure from July 2013

ADVANCED LEVEL

* Credit for prior learning is available

CORPORATE REPORTING

- applying technical and analytical techniques to resolve compliance and business issues that arise from providing auditing services and preparing and evaluating corporate reports
- applying technical knowledge and professional judgement to determine alternative solutions to corporate reporting issues, considering client and stakeholder needs
- considering commercial impact and ethical issues arising from recommendations on compliance and business issues
- professional ethics

STRATEGIC BUSINESS MANAGEMENT

- demonstrating business and ethical awareness at strategic, operating and transactional levels
- demonstrating quantitative and qualitative skills to solve business problems and make realistic recommendations
- applying technical knowledge, including strategic analysis, risk management, corporate governance, financial management, corporate reporting and assurance
- requires use of technical knowledge and professional judgement to apply appropriate models, analyse data from multiple sources and develop appropriate solutions
- professional ethics

CASE STUDY

- requires demonstration of knowledge, skills and practical application from multiple areas of the syllabus
- tests professional skills in the context of a specific business issue
- demands ability to analyse financial and non-financial information
- requires demonstration of professional and ethical judgement
- development of conclusions and recommendations required
- relates to how students will be expected to work
- professional ethics

PROFESSIONAL LEVEL

BUSINESS PLANNING: TAXATION *

- professional ethics and law
- taxation of corporate entities and unincorporated businesses including partnerships
- personal taxation

TAX COMPLIANCE *

- professional ethics and law
- capital gains, income, inheritance and corporation tax
- national insurance contributions
- VAT and stamp taxes

BUSINESS STRATEGY *

- strategic analysis
- strategic choice
- implementation and monitoring of strategy
- professional ethics

FINANCIAL ACCOUNTING AND REPORTING *

- accounting and reporting concepts and ethics
- single entity financial statements
- consolidated financial statements
- professional ethics

FINANCIAL MANAGEMENT *

- financing options
- managing financial risk
- investment decisions and valuation
- professional ethics

AUDIT AND ASSURANCE *

- legal and other professional regulations, ethics and current issues
- accepting and managing engagements
- planning engagements
- concluding and reporting on engagements
- professional ethics

CERTIFICATE LEVEL

ACCOUNTING *

- maintaining financial records
- adjustments to accounting records and financial statements
- preparing financial statements
- professional ethics

ASSURANCE *

- concept, process and need for assurance
- internal controls
- gathering evidence on an assurance engagement
- professional ethics

BUSINESS AND FINANCE *

- business objectives and functions
- business and organisational structures
- the role of finance and the accountancy profession
- governance, sustainability, corporate responsibility and ethics
- the external environment
- professional ethics

LAW *

- impact of civil and criminal law on business and professional services
- company and insolvency law
- impact of law in the professional context
- professional ethics

MANAGEMENT INFORMATION *

- costing and pricing
- budgeting and forecasting
- performance management
- management decision-making
- professional ethics

PRINCIPLES OF TAXATION *

- the objectives and types of tax
- ethics and administration
- income tax and national insurance contributions
- capital gains tax and corporation tax on chargeable gains
- corporate tax
- VAT
- professional ethics

OPEN BOOKS

For the Professional Level exams in Financial Accounting and Reporting, Tax Compliance and Audit and Assurance students will still be permitted to use specified texts in the exams to refer to standards and current legislation.

For the three Advanced Level exams (Corporate Reporting, Strategic Business Management and the Case Study) and the Professional Level Business Planning: Taxation exam, students may take any reference material into the exam hall, subject to practical space restrictions.

LEARNING MATERIALS

Learning materials are available for new and updated modules from the following dates:

- April 2013 – new and updated Certificate and Professional Level modules.
- October 2013 – Advanced Level Corporate Reporting and Strategic Business Management modules.
- December 2013 – Advanced Level Case Study.

SAMPLE PAPERS

The sample papers for the new Professional and Advanced Level modules will be available within the ACA student resources area of our website.

NUMBER OF ATTEMPTS FOR EXAMS

The number of attempts for the Certificate and Professional Level exams remains at a maximum of four for each module.

Employers are still able to guide students on the number of attempts they would like them to take per exam and can review each student's exam progress online.

CREDIT FOR PRIOR LEARNING

Credit for prior learning (CPL) / exemptions are still available. Up to 12 credits are available for professional qualifications. Up to eight credits are available for academic qualifications – in some specific cases 12 may be available.

Credit is not given for the Advanced Level to ensure that all students are examined on a wide range of technical and professional skills, including ethics.

The process for applying for CPL will remain the same; employers will be able to choose whether they allow students to apply for all or some of the available credits. Employers may prefer their students to take the exams so that they can get used to the method of studying, exam preparation and work/life balance while studying for a subject they are already familiar with.

Members of accountancy bodies that we have reciprocal agreements with, for example, the Institute of Chartered Accountants of Scotland and the Institute of Chartered Accountants of Australia, continue to benefit from full reciprocity. For more information on reciprocity go to icaew.com/join

TRANSITIONAL ARRANGEMENTS

We have developed a range of real-life scenarios to help identify how the upcoming changes to the ACA may affect your students and their exams.

Parallel running will be available for four exam sittings for the Professional Stage application modules and three exam sittings for the Advanced Stage. Key dates are listed on page 23.

	MODULE	UPCOMING CHANGES
PROFESSIONAL STAGE KNOWLEDGE MODULES	Accounting	There are no major syllabus changes to these modules
	Assurance	
	Business and Finance	
	Law	
	Management Information	
	Principles of Taxation	
PROFESSIONAL STAGE APPLICATION MODULES	Business Strategy	There are no major syllabus changes to these modules
	Financial Management	
	Audit and Assurance	
	Financial Accounting	We will run these modules in parallel with the new modules:
	AAT Financial Accounting Top-Up	
	Financial Reporting	
	Taxation	
ADVANCED STAGE	Business Change	We will run these modules in parallel with the new modules:
	Business Reporting	
	Case Study	There are no major syllabus changes to this module

TRANSITIONAL GUIDANCE FOR STUDENTS

1. Financial Reporting and Taxation

Where a student has passed Financial Accounting/AAT Financial Accounting Top-Up and has Financial Reporting and Taxation to sit they can either:

- a) sit the existing modules of:
- Financial Reporting • Taxation
 - Business Change • Business Reporting

or ...

- b) sit the new modules of:
- Financial Accounting and Reporting
 - Tax Compliance • Business Planning: Taxation
 - Corporate Reporting • Strategic Business Management

2. Financial Accounting/AAT Financial Accounting Top-Up and Financial Reporting

Where a student has passed Taxation and has Financial Accounting/AAT Financial Accounting Top-Up and Financial Reporting to sit they can either:

- a) sit the existing modules of:
- Financial Accounting/AAT Financial Accounting Top-Up
 - Financial Reporting
 - Business Change • Business Reporting

or ...

- b) sit the new modules of:
- Financial Accounting and Reporting
 - Business Planning: Taxation
 - Corporate Reporting • Strategic Business Management

3. Financial Accounting/AAT Financial Accounting Top-Up, Financial Reporting and Taxation

Where a student needs to sit Financial Accounting/AAT Financial Accounting Top-Up, Financial Reporting and Taxation they can either:

- a) sit the existing modules of:
- Financial Accounting/AAT Financial Accounting Top-Up
 - Financial Reporting • Taxation
 - Business Change • Business Reporting

or ...

b) sit the new modules of:

- Financial Accounting and Reporting
- Tax Compliance • Business Planning: Taxation
- Corporate Reporting • Strategic Business Management

4. Financial Accounting/AAT Financial Accounting Top-Up

Where a student has passed Taxation and Financial Reporting and has Financial Accounting/AAT Financial Accounting Top-Up to sit they can either:

a) sit the existing modules:

- Financial Accounting/AAT Financial Accounting Top-Up
- Business Change • Business Reporting

or ...

b) sit the new modules:

- Financial Accounting and Reporting
- Business Planning: Taxation
- Corporate Reporting • Strategic Business Management

5. Financial Reporting

Where a student has passed Financial Accounting/AAT Financial Accounting Top-Up and Taxation and has Financial Reporting to sit they can either:

a) sit the existing modules:

- Financial Reporting
- Business Change • Business Reporting

or ...

b) sit the new modules:

- Financial Accounting and Reporting
- Business Planning: Taxation
- Corporate Reporting • Strategic Business Management

6. Financial Accounting/AAT Financial Accounting Top-Up and Taxation

Where a student has passed Financial Reporting and has Financial Accounting/AAT Financial Accounting Top-Up and Taxation to sit they can either:

a) sit the existing modules:

- Financial Accounting/AAT Financial Accounting Top-Up
- Taxation
- Business Change • Business Reporting

or ...

b) sit the new modules:

- Financial Accounting and Reporting
- Tax Compliance • Business Planning: Taxation
- Corporate Reporting • Strategic Business Management

7. Taxation

Where a student has passed Financial Accounting/AAT Financial Accounting Top-Up and Financial Reporting and has Taxation to sit they can either:

a) sit the existing modules:

- Taxation
- Business Change • Business Reporting

or ...

b) sit the new modules:

- Tax Compliance • Business Planning: Taxation
- Corporate Reporting • Strategic Business Management

8. Business Reporting and Business Change

Where a student has passed the Professional Stage modules and has Business Reporting and Business Change to sit they can either:

a) sit the existing modules:

- Business Change • Business Reporting

or ...

b) sit the new modules:

- Business Planning: Taxation
- Corporate Reporting • Strategic Business Management

9. Business Reporting

Where a student has passed Business Change and has Business Reporting to sit they can either:

a) sit the existing module:

- Business Reporting

or ...

b) sit the new module:

- Corporate Reporting

10. Business Change

Where a student has passed Business Reporting and has Business Change to sit they can either:

a) sit the existing module:

- Business Change

or ...

b) sit the new module:

- Strategic Business Management

If you have a question about transitional arrangements, please email us at acaevolution@icaew.com

ACCESSIBILITY AND SUSTAINABILITY

Through the ACA evolution, we continue to develop entry points to the accountancy and finance profession and emphasise sustainability.

ACCESSIBILITY

We are committed to maintaining the quality, integrity and rigour of the ACA so it remains highly valued, respected and recognised across all sectors. Access to the profession is very important to us and in the latest evolution of the ACA, quality has been maintained while ensuring that individuals who have the potential to become members are able to do so, irrespective of their background.

We continue to develop a wide range of entry points to the profession for graduates, school leavers and holders of other professional accountancy qualifications by:

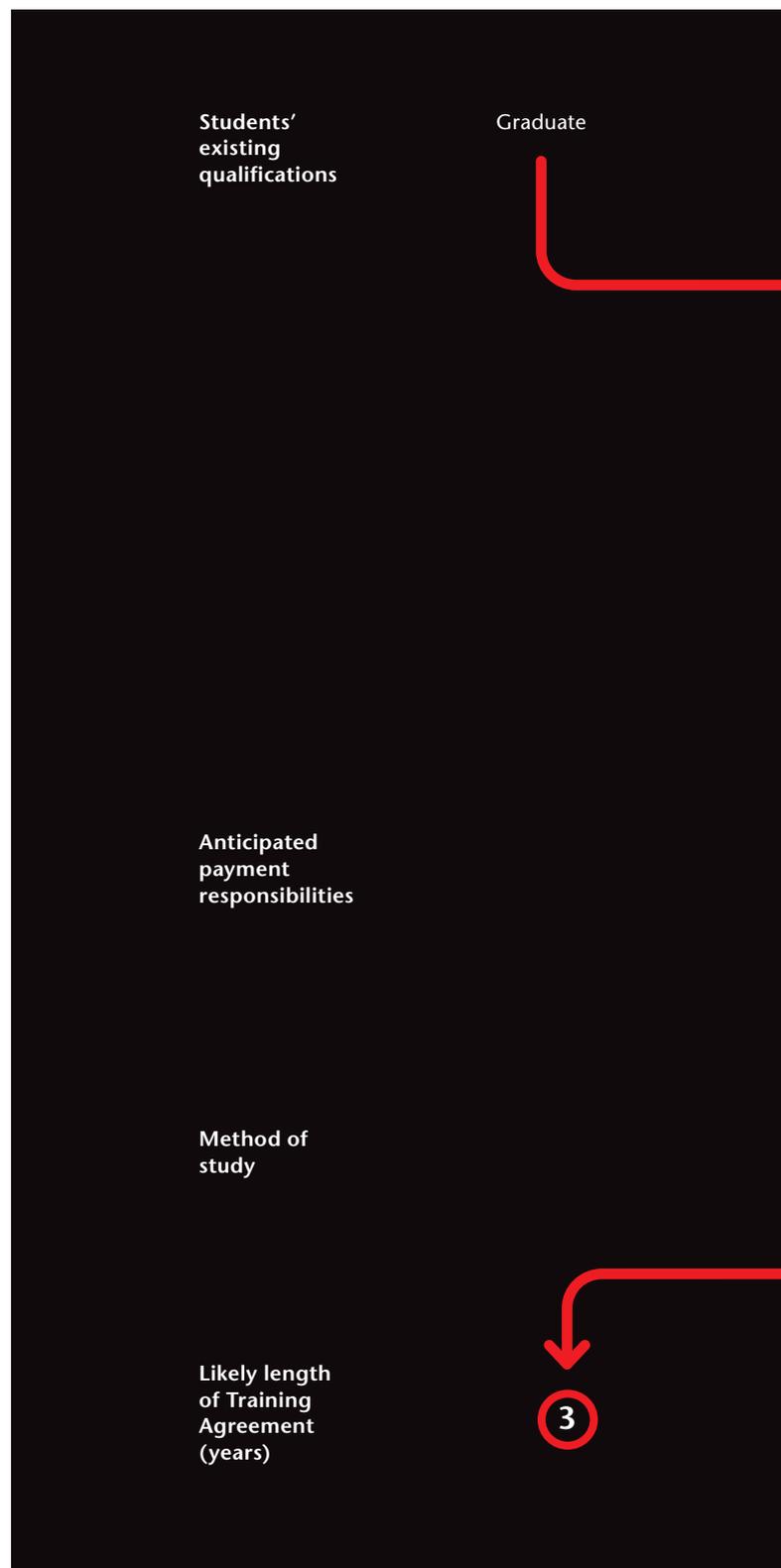
- working with our Partners in Learning to develop more online and flexible tuition models, giving employers and students greater choice than ever before;
- continuing to develop a variety of strategic degree partnerships which embed the ACA alongside a degree; and
- developing more entry routes such as the Higher Apprenticeship in Assurance/Audit and the ICAEW Certificate in Finance, Accounting and Business.

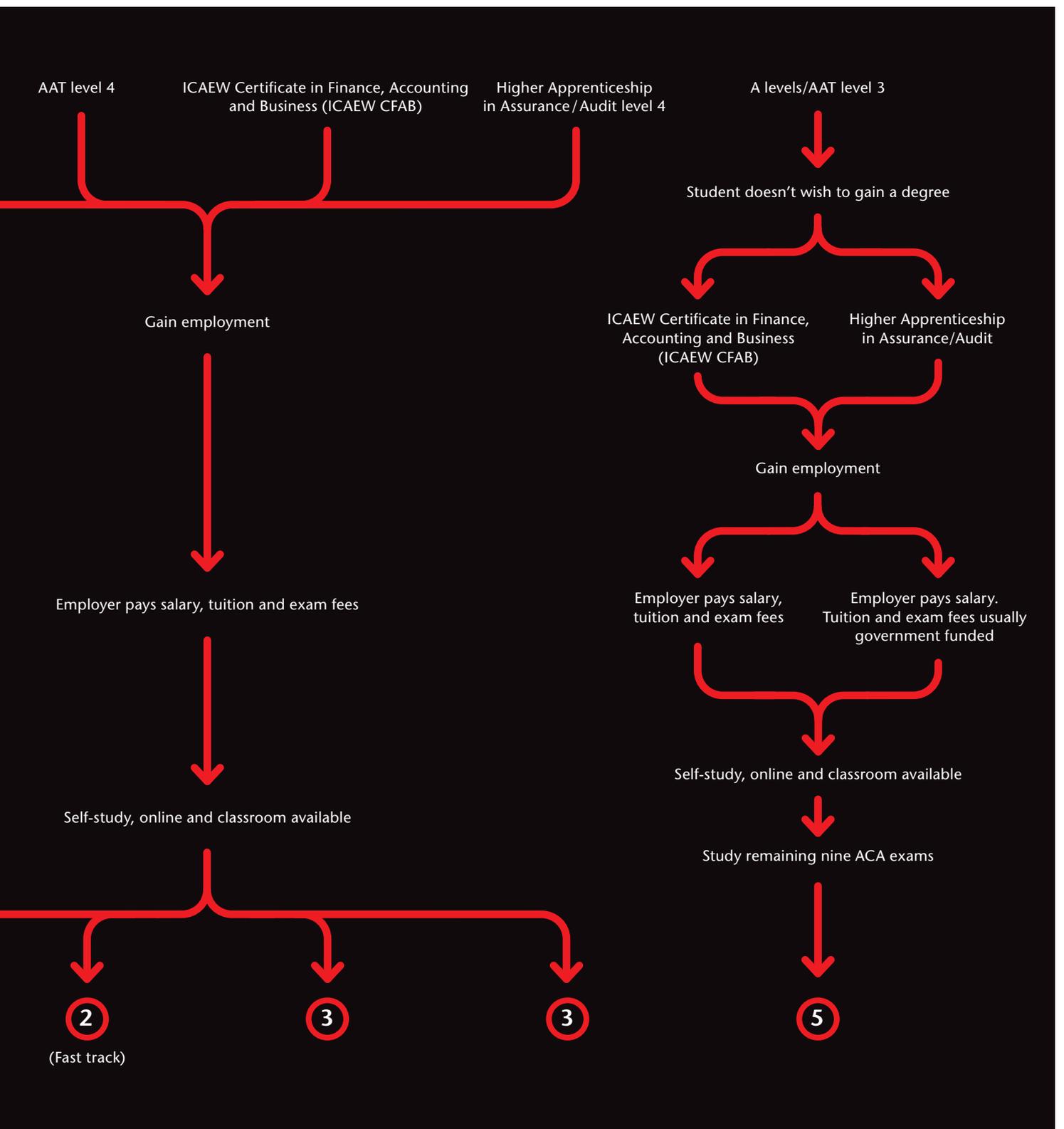
We continue to promote a career in the accountancy profession in schools and universities, to encourage and support ICAEW Chartered Accountants of the future.

To find out more about the routes into chartered accountancy, see opposite or go to [icaew.com/careers](https://www.icaew.com/careers)

SUSTAINABILITY

Sustainability is covered throughout the ACA exam syllabus. Feedback from the consultation suggested that this should be extended further where possible through scenarios, examples and illustrations in the learning materials and reflected within the approach to achieving the qualification.





NEW STUDENT RESOURCE: INDUCTION PROGRAMME

A new web-based programme will be available to help students understand the role of accountants and the context that they work in. It will also introduce students to ICAEW and highlight the resources and support available to them as they progress through the ACA and their career.

Students will continue to receive the *ACA student training guide* online and face-to-face inductions where possible.

In addition to this new resource, we also provide the following resources for students throughout their ACA training.

STUDENT SUPPORT TEAM

T +44 (0)1908 248 250
E studentsupport@icaew.com

STUDENT WEBSITE

The ACA student area of our website includes information, guidance and resources to help students as they progress through the ACA.

icaew.com/studentresources

FREQUENTLY ASKED QUESTIONS

The student area of our website includes frequently asked questions on key topics including ACA training agreements, exams, credit for prior learning/exemptions, professional development, practical work experience, six-monthly reviews and more.

ACA STUDENT WEBINARS

We run free monthly webinars for ACA students around the world. These cover technical and professional skills development topics (linked to the professional development competencies).

Recent webinars have included:

- exam technique
- strategic time management
- memory skills
- assertiveness and influence
- Excel skills
- building personal resilience.

Students can register for upcoming webinars and listen to previous recordings by visiting the student area of our website.

EXAM WEBINARS

These special recordings can help students understand what is being asked of them in the exams.

These recordings are available in the relevant exam module tabs in the exam resources section on the student area of our website.

KEEP UP TO DATE

VITAL is our magazine for ACA students. Posted four times a year, *VITAL* keeps students up to date on our latest resources, examiners' feedback and study guidance. The latest edition and past issues are available to download within the student area of our website.

In addition to *VITAL*, students receive ICAEW's monthly official member magazine, *economia*.

We also send regular e-newsletters with the latest information, regulation changes and reminders about key dates and exam entry deadlines.

ONLINE STUDENT COMMUNITY

The online student community allows students to ask questions, gain study and exam advice from fellow ACA students and access our free webinars. There are also Ask a Tutor sessions to help students with key technical topics and exam papers.

icaew.com/studentcommunity

If you have a question relating to the upcoming changes to the ACA or you would like more detail, email us at acaevolution@icaew.com or visit icaew.com/acaevolution for the latest information.

KEY DATES

2013

April	Learning materials for the updated Certificate Level Accounting module available Learning materials for the new and updated Professional Level modules available
July	Students who register from 1 July will be enrolled onto the evolved ACA qualification
August	Certificate Level Accounting assessment available
September	Parallel running – Professional Level exams (first session) and Professional Stage application module exams
October	Learning materials for the new Advanced Level Corporate Reporting and Strategic Business Management modules available
November	Advanced Stage exams only
December	Parallel running – Professional Level exams and Professional Stage application module exams including the AAT Financial Accounting Top-Up exam Learning materials for the Advanced Level Case Study available

2014

March	Parallel running – Professional Level exams and Professional Stage application module exams including the AAT Financial Accounting Top-Up exam
June	Parallel running – Professional Level exams and Professional Stage application module exams including the AAT Financial Accounting Top-Up exam (final session)
July	Parallel running – Advanced Level exams (first session) and Advanced Stage exams
September	Professional Level exams only
November	Parallel running – Advanced Level exams and Advanced Stage exams
December	Professional Level exams only

2015

March	Professional Level exams only
June	Professional Level exams only
July	Parallel running – Advanced Level exams and Advanced Stage exams (final session)
September	Professional Level exams only
November	Advanced Level exams only
December	Professional Level exams only

ICAEW is a world leading professional membership organisation that promotes, develops and supports over 140,000 chartered accountants worldwide. We provide qualifications and professional development, share our knowledge, insight and technical expertise, and protect the quality and integrity of the accountancy and finance profession.

As leaders in accountancy, finance and business our members have the knowledge, skills and commitment to maintain the highest professional standards and integrity. Together we contribute to the success of individuals, organisations, communities and economies around the world.

Because of us, people can do business with confidence.

ICAEW is a founder member of Chartered Accountants Worldwide and the Global Accounting Alliance.

www.charteredaccountantsworldwide.com
www.globalaccountingalliance.com



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