

ACA Syllabus and Technical Knowledge Grids

Professional Level Audit and Assurance

FOR EXAMS IN 2022

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ACA overview

The ICAEW chartered accountancy qualification, the ACA, is one of the most advanced learning and professional development programmes available. Its integrated components provide an in-depth understanding across accountancy, finance and business. Combined, these components help build the technical knowledge, professional skills and practical experience needed to become an ICAEW Chartered Accountant.

Each component is designed to complement each other, which means that students can put theory into practice and can understand and apply what they learn to their day-to-day work.

The four components are:



ICAEW constantly reviews the content of the ACA qualification to reflect real life business challenges. Today's most urgent business challenges range from sustainability, to rapid changes in technology and the role of ethics in the profession. We work closely with employers, tuition providers, academics and examiners to ensure that the ACA equips the chartered accountants of the future with the skills and knowledge they need to meet these challenges and to be successful.

THE ACA QUALIFICATION AND SUSTAINABILITY

Finance and accounting professionals need to move beyond simply measuring and reporting the impact of climate change, environmental regulation, supply chain pressure and rising energy costs. They must focus on understanding those implications and integrating them into financial management and business planning. ICAEW has been at the forefront of this movement over the past decade and has adapted the ACA qualification to reflect that. We see its role as not simply integrating knowledge and understanding the broader implications of environmental, social and governance issues into organisations, but also seeding this thinking into the mindset of our members.

Our syllabus and ethical and professional development framework contribute toward creating ICAEW Chartered Accountants who recognise that sustainability is at the core of what they do and are capable of actively using their business skills to analyse how to make the new sustainable economy work for their business.

THE ACA QUALIFICATION AND TECHNOLOGY

Rapid growth in technology has automated many compliance elements of accountancy. But, with technology also comes complexity and risk. Accountants need to adapt and develop new skills to manage these technological changes such as data analytics, automation and cyber security.

While there are many new technology capabilities that have broad application across the business and consumer environment, four trends have the greatest potential to transform the accountancy profession: **A**rtificial intelligence, **B**lockchain, **C**yber security and **D**ata (ABCD of technology).

These and other innovations are likely to have a significant impact on the way that accountants access, move and manage business finances. Technology can provide information more quickly and often more accurately than humans, but it cannot replicate human intelligence and quality decision making. Therefore, chartered accountants hold a key role in data analytics, in validating the source of the data, interpreting and analysing the outputs. Technology provides opportunities for chartered accountants to use their professional skills to add value to their clients and/or the businesses in which they work.

As routine and compliance work reduces, there is greater focus on the development of skills which equip professionals to work with the outputs of automated processes, with other specialists, and in a changing world.

We believe that skills such as analysis, interpretation, professional scepticism, communication, collaboration, adaptability, resilience, and commerciality are essential for tomorrow's business leaders; these are imbedded throughout the ACA exams and professional development framework.

THE ACA QUALIFICATION AND ETHICS

Culture and values are central to long-term success. How a business adopts an ethical approach towards its staff, shareholders, customers and regulators, as well as within its own operations, has a bigger impact than any performance measure or operational improvement.

Demonstrating a clear commitment to ethical behaviour is one of the main drivers of better performance; it delivers an advantage when recruiting, it adds value to a brand, and it instils trust and confidence in partners, suppliers and others that the organisation is well run and resilient.

Achieving that is not a matter of simple knowledge. Few ethical challenges will have simple right and wrong responses. They require technical understanding, rigorous appraisal and skilful handling. Accountants must have the necessary skills to apply professional judgement in a given situation, taking into account what has been learned as an ACA student about their ethical responsibilities as a Chartered Accountant.

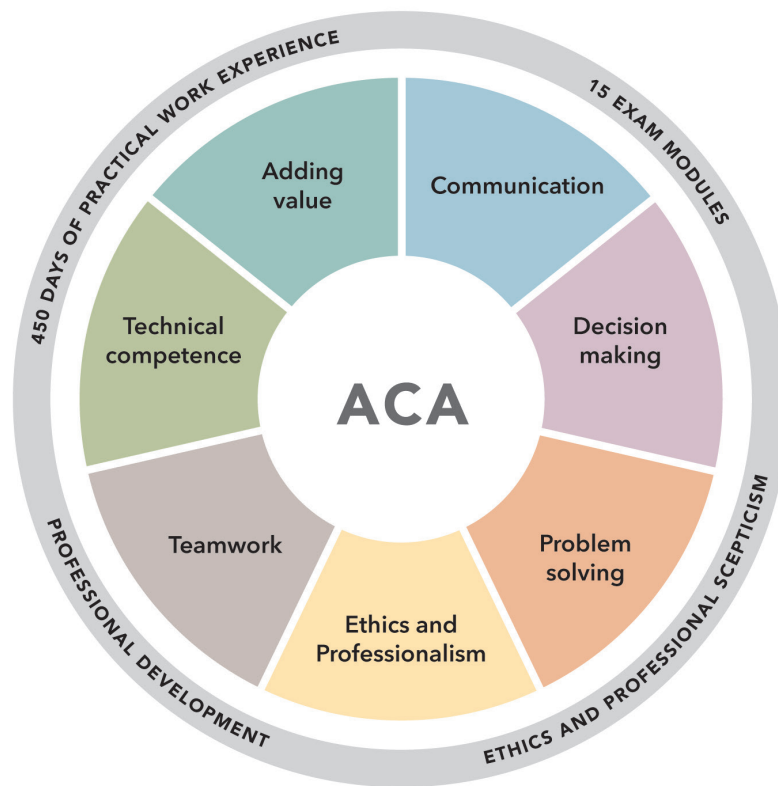
There will be unique ethical challenges throughout any Chartered Accountant's process of learning and career. They serve a variety of masters: senior management, external stakeholders, regulators; and above all the public interest responsibility of their profession. Because of the rigorous and effective training (and continued professional development) chartered accountants can speak up and take a lead.

None of this can happen without one critical element: professionalism. That goes beyond merely knowing the Code of Ethics: it means embodying the right behaviours and having the ability and willingness to push back against those who might compromise the integrity of the business.

That confidence comes from a qualification that prioritises not only technical knowledge of the ethical framework but also challenges accountants with scenarios that accurately reflect the ethical dilemmas a Chartered Accountant may face in business.

ACA components

PROFESSIONAL DEVELOPMENT



ICAEW Chartered Accountants are known for their professionalism and expertise. Professional development prepares students to successfully handle a variety of different situations that they encounter throughout their career. The ACA qualification improves students' ability and performance in seven key areas:

- Adding value - add value to the organisation, team or role in order to achieve objectives
- Communication - communicate effectively at all levels, using oral, written and presentational skills to achieve positive outcomes
- Decision making - gather, interpret and evaluate data to make effective decisions
- Ethics and professionalism - behave ethically and sustainably while respecting others to uphold the values of the organisation and the accountancy profession
- Problem solving - analyse a problem, generate options and make recommendations to arrive at appropriate solutions
- Teamwork - work collaboratively as a member or leader of a team to achieve shared goals
- Technical competence - seek, learn and use technology and technical information to support the achievement of organisation or team goals

ETHICS AND PROFESSIONAL SCEPTICISM

Ethics is more than just knowing the rules around integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. It's about identifying ethical dilemmas, understanding the implications, making judgements and behaving appropriately as well as using professional scepticism to build business trust. We integrate ethics throughout the ACA qualification to develop students' ethical capabilities to make suitable decisions. We embed ethics into the ACA and develop students' ethical capabilities in three ways:

1. **ICAEW Code of Ethics** - this online programme gives students a fundamental underpinning in ethics. It ensures knowledge of the ICAEW Code of Ethics, its fundamental principles and the ability to apply safeguards to ethical threats. It encourages questioning and engaging ethical thinking in a wide range of applications.
2. **Integration of ethical issues into all 15 ACA exams** - students are assessed on their understanding of, and reaction to, ethical dilemmas within the context of the subject matter of each module. Progression is made from identification of issues to judgements on perspectives, conflicts and responsibilities.
3. **Practical application** - having learnt the ethical principles and requirements via the Ethics Learning Programme, applying them in context within the ACA exams, students develop and apply ethical skills and behaviours within their daily work experience supported by their regular employer reviews and the professional development framework.

Professional scepticism is a key professional skill that supports effective decision making. Chartered Accountants must take an enquiring, questioning approach, not always accepting information at face value. We embed the requirement to apply professional scepticism within exam questions; students can expect to have to apply this skill in one or more of the following ways:

- Obtain and understand information relevant for making reliable judgements based on facts and circumstances known to them
- Make informed challenges of views developed by others

- Be sensitive to the integrity of information, including the source of information and the appropriateness of its presentation
- Withhold judgement pending thoughtful consideration of all known and relevant available information
- Be alert to potential bias or other impediments to the proper exercise of professional judgement

THREE TO FIVE YEARS' PRACTICAL WORK EXPERIENCE

Practical work experience is done as part of a training agreement with an authorised training employer or principal. Students need to complete 450 days, which normally takes between three and five years. The knowledge, skills and experience they gain as part of their training are invaluable, giving them the opportunity to put what they're learning into practice. Experience can be completed in at least one of the following six categories:

1. Accounting
2. Audit and assurance (audit is not compulsory)
3. Financial management
4. Information technology
5. Insolvency
6. Taxation

Student practical work experience should:

- include responsibility levels that increase in depth and scope as the student progresses through their training;
- be recorded throughout their training agreement; and
- expose them to as many different practical assignments, finance functions and/or clients in as many different sectors as possible.

15 ACCOUNTANCY, FINANCE AND BUSINESS EXAMS

Students gain in-depth knowledge across a broad range of topics in accountancy, finance and business. The exams are designed to complement their practical work experience, so they constantly progress through the qualification.

There are 15 exams over three levels - Certificate, Professional and Advanced. They can be taken in any order, except for the Case Study which has to be attempted last, within the final year of an ACA training agreement and once all other exams have been taken or received credit.



CERTIFICATE LEVEL

There are six exams at this level that introduce the fundamentals of accountancy, finance and business. Students may be eligible for credit for some exams if they have studied a qualification we recognise. Find out more at [icaew.com/cpl](https://www.icaew.com/cpl).

The Certificate Level exams are each 1.5 hours long, have a 55% pass mark, and can be sat throughout the year.

PROFESSIONAL LEVEL

The next six exams build on the fundamentals and test students' understanding and ability to use technical knowledge in real-life scenarios. The exams can be taken in March, June, September and December. Please note, the Business Planning alternative exams for banking and insurance are available at the June, September and December sittings.

The Professional Level exams are 2.5 hours long, except for Financial Accounting and Reporting which is 3 hours long. Each exam has a 55% pass mark.

Prescribed texts are permitted for Audit and Assurance, Finance Accounting and Reporting and Tax Compliance, with the Business Planning exams being open book.

The Professional Level exams are flexible and can be taken in any order to fit with a student's

day-to-day work. The Business Planning and Business Strategy and Technology exams in particular help students to progress to the Advanced Level.

Alternative exams are available for the Business Planning and Financial Accounting and Reporting modules.

The Business Planning exams provide students with the opportunity to gain subject- and sector-specific knowledge while studying for the ACA. The suite of Business Planning exams is based on the same syllabus structure and skills frameworks, and will give students the opportunity to demonstrate their learning and use this in the context of taxation, banking or insurance. There are three to choose from - Business Planning: Taxation, Business Planning: Banking, and Business Planning: Insurance. Students will need to sit one of the Business Planning exams.

Alternative financial reporting exams are also available for Financial Accounting and Reporting. Students can choose between two different contexts, either UK GAAP or IFRS Standards. This means that students can study the financial reporting framework most beneficial to their employer and clients. Students will need to sit one version of the Financial Accounting and Reporting exam.

ADVANCED LEVEL

The Corporate Reporting and Strategic Business Management exams test students' understanding and strategic decision-making at a senior level. They present real-life scenarios, with increased complexity and implications from the Professional Level exams.

The Case Study tests all the knowledge, skills and experience gained so far. It presents a complex business issue which challenges students' ability to problem solve, identify the ethical implications and provide an effective solution.

The Advanced Level exams can be taken in July and November. They are fully open book, so they replicate a real-life scenario where all the resources are at their fingertips.

The Corporate Reporting and Strategic Business Management exams are 3.5 hours long. The Case Study exam is 4 hours long. Each has a 50% pass mark.

An authorised training employer or principal will guide their students on the exams which are right for them. If a student is studying the ACA independently, they should consider their future ambitions when selecting which exams to sit.

For more information, guidance and support on exams, visit the exam resources area on our website at [icaew.com/cbe](https://www.icaew.com/cbe).

FLEXIBILITY

There are no regulations stipulating the order in which students must attempt the exams, allowing employers to design training programmes according to business needs. The exception to this rule is the Case Study, which must be the last exam attempted and when a student has entered their final year of training.

Students will be permitted a maximum of four attempts at each Certificate and Professional Level exam, and unlimited attempts at the Advanced Level exams.

CREDIT FOR PRIOR LEARNING (CPL)

Students with previous qualifications may be eligible to apply for CPL for up to 12 modules at the Certificate and Professional Levels. CPL is not available at the Advanced Level. For more information, visit [icaew.com/cpl](https://www.icaew.com/cpl).

PERMITTED TEXTS

For some Professional Level exams, students are permitted to use certain publications during the exam.

The Professional Level Business Planning exams and Advanced Level exams are open book, so students can use any material and texts during their exam. Students will have access to their personal ICAEW Bookshelf, containing their copies of the digital learning materials, including any highlights and notes that they have made during their study. Students may also take in any hard copy materials, subject to practical space restrictions.

Details of the specific permitted texts, and how materials can be accessed within exams can be found at [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).





DATA ANALYTICS SOFTWARE

Chartered Accountants are increasingly using more advanced approaches to interrogate client data. To respond to this, ICAEW has incorporated data analytics software within the Audit and Assurance and Corporate Reporting modules. Embedding data analytic techniques within our exams ensures that we continue to reflect the current and future workplace and will also help to develop students' judgement, professional scepticism and critical thinking skills.

In the Audit and Assurance and Corporate Reporting exams, students will be provided with a dataset including thousands of transactions. They will be expected to use their data analytic skills to interrogate the data and identify areas of concern or items which warrant further investigation.

Skills progression through the ACA exams

The complete set of professional skills that ICAEW Chartered Accountants are required to develop during their training are detailed in the seven key areas of skills covered in the previous section on professional development. A subsection of these skills are embedded in the 15 modules and assessed in exams. The following skills are present throughout the 15 accountancy, finance and business modules:

SKILL		OVERALL
Assimilating and using information		Understand a business or accounting situation, prioritise by determining key drivers, issues and requirements and identify any relevant information.
Structuring problems and solutions		Structure information from various sources into suitable formats for analysis and provide creative and pragmatic solutions in a business environment.
Applying judgement		Apply professional scepticism and critical thinking to identify faults, gaps, inconsistencies and interactions from a range of relevant information sources and relate issues to a business environment.
Concluding, recommending and communicating		Apply technical knowledge, skills and experience to support reasoning and conclusion and formulate opinions, advice, plans, solutions, options and reservations based on valid evidence and communicate clearer in a manner suitable for the recipient.

The level of skill required to pass each exam increases as ACA trainees progress upwards through each Level of the ACA qualification. The skills progression embedded throughout the ACA qualification ensures ACA trainees develop the knowledge and skills to successfully operate in the modern workplace and which are expected by today's forward thinking employers.

Skills	Certificate Level		Professional Level		Advanced Level	
	Assurance, Business, Technology & Finance, Law	Principles of Taxation, Management Information, Accounting	Financial Accounting & Reporting, Audit & Assurance, Financial Management, Tax Compliance	Business Planning and Business Strategy & Technology	Corporate Reporting and Strategic Business Management	Case Study

 **Assimilating and using information**

Understanding the situation and the requirements	Objective testing	Objective testing and simple scenarios	Scenarios		Complex scenarios	Unstructured complex business scenarios
Identifying and using relevant information	Information as provided		Single information source provided	Several information sources provided	Multiple information sources provided	Multiple information sources including own research
Identifying and prioritising key issues	Issues given		Issues included in scenarios		Issues included in complex scenarios	Issues included in unstructured complex scenarios

 **Structuring problems and solutions**

Structuring data	Specified techniques		Specified techniques	Techniques inferred by nature of problem	Techniques inferred by nature of problem	Unspecified techniques
Developing solutions	Highly specified tasks	Specified problems	Specified problems		Specified and implicit problems	Defined output but unspecified problems

 **Applying judgement**

Applying professional scepticism and critical thinking	Objective testing		Specified requirement in simple scenario	Specified requirement in scenario	Specified requirement in complex scenario	Underlying requirement within complex scenario
Relating issues to the broader business environment, including ethical issues	Objective testing	Objective testing and Issues in simple scenarios	Issues in scenarios		Issues in complex scenarios	Issues in complex, unstructured scenarios

 **Concluding, recommending and communicating**

Concluding and recommending	Objective testing	Not assessed	Specified conclusions and recommendations in simple scenarios		Specified conclusions and reasoned recommendations in complex scenarios	Conclusions and recommendations supported by own evidence
Communicating	Prescribed exam format		Exam requirements, including some professional presentation		Professional presentations including reasoned recommendations	Professional report with appendices

PROFESSIONAL SKILLS ASSESSED IN THE ACA EXAMS

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements	Identify and use relevant information	Identify and prioritise key issues and stay on task
<ul style="list-style-type: none"> • Demonstrate understanding of the business context • Recognise new and complex ideas within a scenario • Identify the needs of customers and clients • Explain different stakeholder perspectives and interests • Identify risks within a scenario • Identify elements of uncertainty within a scenario • Identify ethical issues including public interest and sustainability issues within a scenario 	<ul style="list-style-type: none"> • Interpret information provided in various formats • Evaluate the relevance of information provided • Use multiple information sources • Filter information provided to identify critical facts 	<ul style="list-style-type: none"> • Identify business and financial issues from a scenario • Prioritise key issues • Work effectively within time constraints • Operate to a brief in a given scenario

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data	Develop solutions
<ul style="list-style-type: none"> • Structure information from various sources into suitable formats for analysis • Identify any information gaps • Frame questions to clarify information • Use a range of data types and sources to inform analysis and decision-making • Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes • Present analysis in accordance with instructions and criteria 	<ul style="list-style-type: none"> • Identify and apply relevant technical knowledge and skills to analyse a specific problem • Use structured information to identify evidence-based solutions • Identify creative and pragmatic solutions in a business environment • Identify opportunities to add value • Identify and anticipate problems that may result from a decision • Identify a range of possible solutions based on analysis • Identify ethical dimensions of possible solutions • Select appropriate courses of action using an ethical framework • Identify the solution which is the best fit with acceptance criteria and objectives • Define objectives and acceptance criteria for solutions

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking	Relate issues to the environment
<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence • Identify assumptions or faults in arguments • Identify gaps in evidence • Identify inconsistencies and contradictory information • Assess interaction of information from different sources • Exercise ethical judgement 	<ul style="list-style-type: none"> • Appreciate when more expert help is required • Identify related issues in scenarios • Assess different stakeholder perspectives when evaluating options • Retain an overview of the business issue or scenario • Appraise corporate responsibility and sustainability issues • Appraise the effects of alternative future scenarios • Appraise ethical, public interest and regulatory issues

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions	Recommendations	Communication
<ul style="list-style-type: none"> • Apply technical knowledge to support reasoning and conclusions • Apply professional experience and evidence to support reasoning • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations 	<ul style="list-style-type: none"> • Present recommendations in accordance with instructions and defined criteria • Make recommendations in situations where risks and uncertainty exist • Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence • Make evidence-based recommendations which can be justified by reference to supporting data and other information • Develop recommendations which combine different technical skills in a practical situation 	<ul style="list-style-type: none"> • Present a basic or routine memorandum or briefing note in writing in a clear and concise style • Present analysis and recommendations in accordance with instructions • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient • Prepare the advice, report, or notes required in a clear and concise style

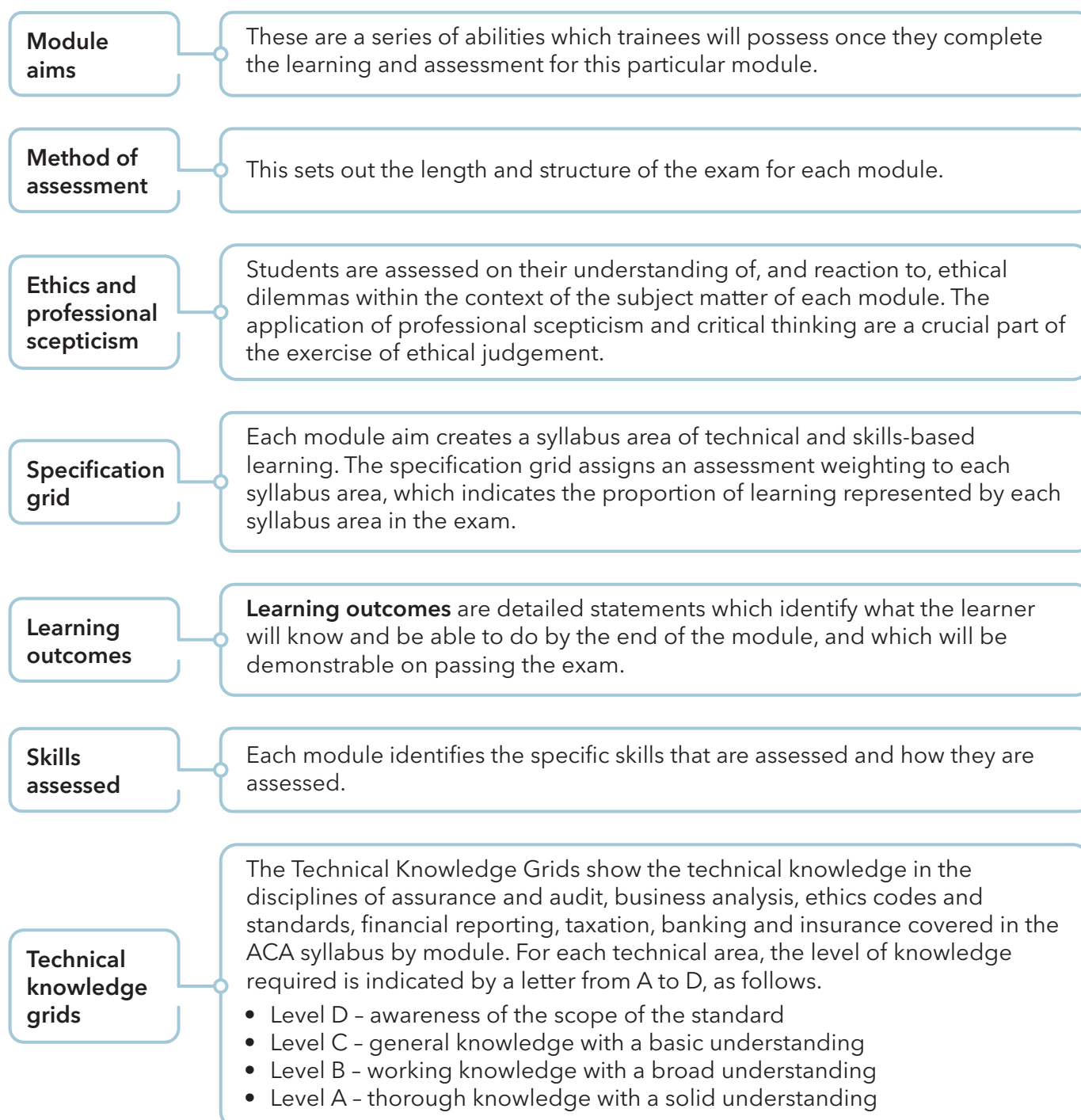
ACA Syllabus

The ACA syllabus is updated annually. The aim of the annual update is to ensure that the syllabus remains fit for purpose and can include amendments to cater for technical changes, clarification of learning outcomes, and inclusion of new areas of knowledge impacting ICAEW Chartered Accountants. The process includes consultation with all key stakeholder groups and covers the skills, learning outcomes, and technical knowledge grids of each module.

This document presents the learning outcomes for each of the ACA exams. The learning outcomes in each exam should be read in conjunction with the relevant technical knowledge grids and, where applicable, the skills development grid.

UNDERSTANDING THE SYLLABUS FOR EACH MODULE

Each module has the following syllabus components:



Professional Level

Audit and Assurance

MODULE AIM

To develop students' understanding of the critical aspects of managing an assurance engagement (including audit engagements): acceptance, planning, managing, concluding and reporting.

On completion of this module, students will be able to:

- understand and advise on the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement;
- understand the processes involved in accepting and managing assurance engagements;
- understand how quality assurance processes mitigate risks;
- plan assurance engagements in accordance with the terms of the engagements and appropriate standards; and
- conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
1 Legal and other professional regulations, ethics, accepting and managing engagements and current issues	35%
2 Planning and performing engagements	40%
3 Concluding and reporting on engagements	25%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

For clarity, learning outcomes applicable to all types of assurance engagements (including audit) are separated from those that are relevant only to audit engagements.

METHOD OF ASSESSMENT

The Audit and Assurance exam is 2.5 hours long. The exam will consist of six short-form questions and three longer questions. The exam will test each of the three syllabus areas in accordance with the weightings set out in the specification grid and students may use the permitted text(s) as detailed on the ICAEW website; icaew.com/permittedtexts.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethical thinking is fundamental to the conduct of a sound audit. A specific weighting given to legal and other professional regulations, ethics, accepting and managing engagements and current issues is shown in the table below. In addition to this a separate learning outcome covers planning and performing engagements and the potential risks involved. Students will also be required to demonstrate the crucial role of professional scepticism in the judgement they apply.

1 LEGAL AND OTHER PROFESSIONAL REGULATIONS, ETHICS, ACCEPTING AND MANAGING ENGAGEMENTS AND CURRENT ISSUES

Students will be able to understand and advise on the regulatory, professional and ethical issues relevant to those accepting, managing and carrying out assurance engagements. Students will be able to understand the processes involved in accepting and managing assurance engagements and how quality assurance processes mitigate the risks to those conducting the engagement.

In the assessment, students may be required to:

ALL ASSURANCE ENGAGEMENTS

- a. identify and advise upon the legal, professional and ethical issues that may arise before accepting or during a specified assurance engagement;
- b. discuss the issues which underlie the agreement of the scope and terms of an assurance engagement (new or continuing);
- c. recognise the professional and ethical issues that may arise during an assurance engagement, explain the relevance and importance of these issues and evaluate the relative merits of different standpoints taken in debate;
- d. identify the sources of liability (including professional negligence) arising from an assurance engagement and their impact upon the conduct of the engagement;
- e. judge when to raise legal and ethical matters arising from assurance work with senior colleagues for review and possible referral to external parties, including reporting suspicions of money laundering;
- f. formulate the approach suitable for management of the assurance engagement;
- g. explain the principles and purposes of quality control of assurance engagements;
- h. demonstrate how quality control processes improve the quality of assurance work;
- i. describe how quality can be monitored and controlled through procedures external to the organisation;
- j. discuss the purposes and consequences of UK laws and other regulatory requirements surrounding assurance work;

- k. describe the role of the national and international standards;
- l. explain, in non-technical language, significant current issues being dealt with by the accountancy profession, government bodies, the national standard-setting body and the IAASB;
- m. explain, using appropriate examples, the main ways in which national legislation, including GDPR, affects assurance;

AUDIT ENGAGEMENTS

- n. explain the main ways in which national legislation and other regulations affect the scope and nature of the audit and the appointment and removal of auditors (including the relationship between the law and auditing standards); and
- o. describe the principal causes of audit failure and their effects and the gap between outcomes delivered by audit engagements and the expectations of users of auditor's reports.

2 PLANNING AND PERFORMING ENGAGEMENTS

Students will be able to plan and perform assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, students may be required to:

ALL ASSURANCE ENGAGEMENTS

- a. explain, in the context of a given scenario, why it is important to have an understanding of the business when planning an engagement;
- b. identify ways of gaining an understanding of a client's business;
- c. recognise the circumstances under which it may be necessary to bring in expertise (including expertise in technology) from other parties to support assurance processes;
- d. identify the risks arising from, or affecting, a given set of business processes (including risks associated with an entity's use of emerging technology, cyber security and GDPR) and circumstances and assess their implications for the engagement;
- e. identify the risks arising from error, fraud and non-compliance with law and other

- regulations, including GDPR, and assess their implications for the engagement;
- f. assess significant business risks (including risks associated with going concern, climate change, technological advances, cyber security and GDPR) identified for their potential impact upon an organisation, in particular their potential impact on performance measurement;
 - g. identify the components of risk for a specified assurance engagement;
 - h. assess the impact of risk and materiality on the engagement plan of assurance procedures to be performed on historical and prospective information, including the nature, timing and extent of assurance procedures, for a given organisation;
 - i. discuss the benefits and limitations of analytical procedures (including data analytics) at the planning stage;
 - j. determine an approach appropriate for an engagement for a specified organisation which addresses:
 - possible reliance on controls (including those within IT systems)
 - use of technology during an assurance engagement (including data analytics and results of data analytics routines, data visualisations generated by audit software, AI and automated tools)
 - the organisation's adoption of technological advances, including cloud computing
 - using the work of internal audit
 - using the work of other experts
 - using the work of another auditor
 - probable extent of tests of controls and of substantive procedures, including analytical procedures and data analytics
 - the nature and extent of client-generated information, including reliability of clients' reports and underlying system-generated data
 - the probable number, timing, staffing and location of assurance visits
 - the assurance of entities' published sustainability and corporate responsibility report; and
 - the financial statement implications of climate change;
 - k. analyse and interpret data extracted from an organisation's accounting records and

reflected in data analytics software to identify trends and risks of misstatement;

AUDIT ENGAGEMENTS

- l. identify the components of audit risk for a specified audit engagement, including the breakdown of audit risk into inherent risk, control risk and detection risk;
- m. outline the aspects of law and regulation which are relevant to statutory audit;
- n. discuss the differences between the audit of a non-specialised profit-oriented entity and the audit of a given specialised profit-oriented entity;
- o. discuss the differences between the audit of a non-specialised profit-oriented entity and the audit of a given not-for-profit entity;
- p. specify and explain the steps necessary to plan, perform, conclude and report on the audit of the financial statements of a non-specialised profit-oriented entity in accordance with the terms of the engagement including appropriate auditing standards; and
- q. evaluate the impact of risk and materiality in preparing the audit plan, including the nature, timing and extent of audit procedures.

3 CONCLUDING AND REPORTING ON ENGAGEMENTS

Students will be able to conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, students may be required to:

ALL ASSURANCE ENGAGEMENTS

- a. describe the nature and timing of specific procedures designed to identify subsequent events that may require adjustment or disclosure in relation to the matters being reported on;
- b. describe the nature and timing of specific procedures designed to identify the appropriateness of the going concern assumption, including compliance with relevant legal and regulatory requirements;
- c. evaluate quantitatively and qualitatively, the results and conclusions obtained from assurance procedures including analytical procedures and data analytics where appropriate;

- d. draw conclusions on the ability to report on an assurance engagement which are consistent with the results of the assurance work;
- e. draft suitable extracts for an assurance report (including any report to the management issued as part of the engagement) in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon;
- f. advise on reports to be issued to those responsible for governance in accordance with International Standards on Auditing, legislation, regulation and codes of corporate governance;
- g. judge when to refer reporting matters for specialist help;

AUDIT ENGAGEMENTS

- h. draw conclusions on the ability to report on an audit engagement, including the opinion for a statutory audit, which are consistent with the results of the audit work;
- i. explain the elements (both explicit and implicit) of the auditor's report issued in accordance with the International Standards on Auditing and statutory requirements and recommend the nature of an audit opinion to be given in such a report; and
- j. draft suitable extracts for an auditor's report (and any report to the management issued as part of the engagement) in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements	Identify and use relevant information	Identify and prioritise key issues and stay on task
<ul style="list-style-type: none">Identify the needs of customers and clientsExplain different stakeholder perspectives and interestsIdentify risks within a scenarioIdentify elements of uncertainty within a scenarioIdentify ethical issues including public interest and sustainability issues within a scenario	<ul style="list-style-type: none">Interpret information provided in various formatsEvaluate the relevance of information providedFilter information provided to identify critical facts	<ul style="list-style-type: none">Identify business and financial issues from a scenarioWork effectively within time constraintsOperate to a brief in a given scenario

HOW SKILLS ARE ASSESSED:

students may be required to demonstrate:

- the regulatory, professional and ethical issues relevant to accepting, carrying out and managing assurance engagements; and
- how quality assurance processes mitigate risks.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data	Develop solutions
<ul style="list-style-type: none">Identify any information gapsFrame questions to clarify informationUse a range of data types and sources to inform analysis and decision makingStructure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causesPresent analysis in accordance with instructions and criteria	<ul style="list-style-type: none">Identify and apply relevant technical knowledge and skills to analyse a specific problemUse structured information to identify evidence-based solutionsIdentify creative and pragmatic solutions in a business environmentIdentify opportunities to add valueIdentify ethical dimensions of possible solutionsSelect appropriate courses of action using an ethical framework

HOW SKILLS ARE ASSESSED:

requirements will include planning assurance engagements in accordance with the terms of engagement and appropriate standards, taking account of:

- managing audit and other assurance engagements;
- reliance on controls;
- reliance on the work of internal audit or other experts;

- reliance on the work of another auditor;
- extent of tests of control and of substantive procedures, including analytical procedures;
- use of analytical procedures including data analytic routines to identify the risk of misstatement; and
- number, timing, staffing and location of assurance visits.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking	Relate issues to the environment
<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence • Identify assumptions or faults in arguments • Identify gaps in evidence • Identify inconsistencies and contradictory information • Assess interaction of information from different sources • Exercise ethical judgement 	<ul style="list-style-type: none"> • Appreciate when more expert help is required • Identify related issues in scenarios • Assess different stakeholder perspectives when evaluating options • Retain an overview of the business issue or scenario • Appraise the effects of alternative future scenarios • Appraise ethical, public interest and regulatory issues

HOW SKILLS ARE ASSESSED:

students may be required to:

- identify significant business or audit risks from a given scenario, explain their impact on the financial statements, and recommend audit procedures to mitigate the risk of a material error. Requirements will test the ability of students to filter those issues which are more relevant than others in a given scenario.
- distinguish the quality of data or evidence to be tested in two potential ways. (i) Students will need to distinguish between data generated from within an organisation and that generated by a third party, the latter being less susceptible to management bias; and (ii) students will need to appreciate the effect on the quality of evidence that bias caused by specific factors can have eg, where profits are used to determine a bonus payment to be made to the company's management.
- identify the impact of specific economic and political factors on a set of financial statements eg, in the context of dealing with customers or suppliers from overseas that (i) political instability may cause problems which prevent the customer or supplier from trading, ultimately leading to going concern issues for the audited entity; and (ii) economic factors may cause exchange rate fluctuations leading to the risk of misstated balances in the financial statements.
- evaluate the effect of uncertain future events when describing the procedures to be performed in carrying out an examination of a company's financial forecasts.
- assess the materiality of a particular matter (eg, an unadjusted error) in the context of a set of financial statements or other financial information. This assessment should then inform the students judgement as to whether or not to modify the opinion given in a statutory auditor's report or modify the conclusion in a non-audit assurance report.
- judge the potential independence risks involved in accepting or continuing an audit or other assurance engagement, and the procedures to mitigate those risks; and consideration of the required steps upon the discovery of fraud/money laundering.
- display the ability to present a structured argument to a client eg, in situations where management is questioning the extent of audit work performed.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions	Recommendations	Communication
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions• Apply professional experience and evidence to support reasoning• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria• Make recommendations in situations where risks and uncertainty exist• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence• Make evidence-based recommendations which can be justified by reference to supporting data and other information• Develop recommendations which combine different technical skills in a practical situation	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style• Present analysis and recommendations in accordance with instructions• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient• Prepare the advice, report, or notes required in a clear and concise style

HOW SKILLS ARE ASSESSED:

students may be required to:

- advise on the regulatory, professional and ethical issues in carrying out an assurance engagement;
 - conclude and report on assurance engagements, including determining whether to modify a report with or without a modified opinion/conclusion; and
 - identify deficiencies in financial information systems, their potential consequences and recommendations for improvement.
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Technical knowledge

The tables contained in this section show the technical knowledge in the disciplines of financial reporting, audit and assurance, business analysis, ethics and taxation covered in the ACA syllabus by module.

For each individual standard the level of knowledge required in the relevant Certificate and Professional Level module and at the Advanced Level is shown.

The knowledge levels are defined as follows:

LEVEL D

An awareness of the scope of the standard.

LEVEL C

A general knowledge with a basic understanding of the subject matter and training in its application thereof sufficient to identify significant issues and evaluate their potential implications or impact.

LEVEL B

A working knowledge with a broad understanding of the subject matter and a level of experience in the application thereof sufficient to apply the subject matter in straightforward circumstances.

LEVEL A

A thorough knowledge with a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by chartered accountants.

KEY TO OTHER SYMBOLS:

→ The knowledge level reached is assumed to be continued

Assurance and Audit

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
The International Auditing and Assurance Standards Board		D	C
The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board		C	A
The Authority Attaching to Practice Statements Issued by the International Auditing and Assurance Standards Board			A
Discussion Papers			C
Working Procedures			C
International Standards on Auditing (UK)			
200 (Updated January 2020) <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK)</i>	B	A	→
210 (Revised June 2016) (Updated July 2017) <i>Agreeing the Terms of Audit Engagements</i>		B	→
220 (Revised November 2019) <i>Quality Control for an Audit of Financial Statements</i>		B	→
230 (Updated January 2020) <i>Audit Documentation</i>	C	B	A
240 (Revised June 2016) (Updated January 2020) <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	C	B	A
250 A (Revised November 2019) <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>		B	A
250 B (Revised November 2019) <i>The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector</i>			C
260 (Revised November 2019) (Updated January 2020) <i>Communication with Those Charged with Governance</i>		B	A
265 <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>		B	A
300 (Revised June 2016) <i>Planning an Audit of Financial Statements</i>	B	A	→
315 (Revised July 2020) <i>Identifying and Assessing the Risks of Material Misstatement Through Understanding of the Entity and its Environment</i>	B	A	→
320 (Revised June 2016) <i>Materiality in Planning and Performing an Audit</i>	C	A	→
330 (Revised July 2017) <i>The Auditor's Responses to Assessed Risks</i>	C	B	A
402 <i>Audit Considerations Relating to an Entity Using a Service Organisation</i>		C	B
450 (Revised June 2016) (Updated July 2017) <i>Evaluation of Misstatements Identified during the Audit</i>	C	A	
500 (Updated January 2020) <i>Audit Evidence</i>	B	A	→
501 <i>Audit Evidence - Specific Considerations for Selected Items</i>		B	A
505 (Updated July 2017) <i>External Confirmations</i>	B	B	A
510 (Revised June 2016) <i>Initial Audit Engagements - Opening Balances</i>	C	B	A
520 <i>Analytical Procedures</i>	B	A	A
530 <i>Audit Sampling</i>	B	B	A
540 (Revised December 2018) <i>Auditing Accounting Estimates, and Related Disclosures</i>	C	B	A
550 <i>Related Parties</i>	C	B	A
560 <i>Subsequent Events</i>		B	A
570 (Revised September 2019) <i>Going Concern</i>		A	→
580 <i>Written Representations</i> (Updated January 2020)	C	B	A
600 (Revised November 2019) <i>Special Considerations - Audits of Group Financial Statements (including the Work of Component Auditors)</i>		C	A

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
610 (Revised June 2013) <i>Using the Work of Internal Auditors</i>	C	B	A
620 (Revised November 2019) <i>Using the Work of an Auditor's Expert</i>		B	A
700 (Revised January 2020) <i>Forming an Opinion and Reporting on Financial Statements</i>	B	A	→
701 (Revised January 2020) <i>Communicating Key Audit Matters in the Independent Auditor's Report</i>		B	A
705 (Revised June 2016) <i>Modifications to the Opinion in the Independent Auditor's Report</i>		A	→
706 (Revised June 2016) <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i>		A	→
710 <i>Comparative Information - Corresponding Figures and Comparative Financial Statements</i>		B	A
720 (Revised November 2019) <i>The Auditor's Responsibility Relating to Other Information</i>		B	A
800 (Revised) <i>Special Considerations - Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks</i>		B	A
805 (Revised) <i>Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or items of a Financial Statement</i>		B	A
International Standards on Auditing			
810 (Revised) <i>Engagements to Report on Summary Financial Statements</i>			B
International Auditing Practice Note (IAPN)			
1000 <i>Special Considerations in Auditing Financial Instruments</i>			B
International Standards on Review Engagements (ISREs)			
2400 (Revised) <i>Engagements to Review Historical Financial Statements</i>		C	B
International Standards on Review Engagements (UK & Ireland)			
2410 <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i>		C	B
International Standards on Assurance Engagements (ISAEs)			
3000 (Revised) <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>		C	B
3400 <i>The Examination of Prospective Financial Information</i>		C	A
3402 <i>Assurance Reports on Controls at a Service Organisation</i>		C	B
3410 <i>Assurance Engagements on Greenhouse Gas Statements</i>		C	→
International Standards on Related Services (ISRSs)			
4400 <i>Engagements to Perform Agreed-upon Procedures Regarding Financial Information</i>			B
4410 (Revised) <i>Compilation Engagements</i>			B
Other Standards			
ISQC (UK)1 (Revised November 2019) <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i>		C	B
Other Guidance			
Bulletin (March 2020): <i>Illustrative Auditor's Reports on UK Private Sector Financial Statements</i>		B	B
FRC Briefing Paper <i>Professional Scepticism - establishing a common understanding and reaffirming its central role in delivering audit quality</i>		B	B

Ethics Codes and Standards

ETHICS CODES AND STANDARDS	LEVEL	MODULES
IESBA Code of Ethics for Professional Accountants (parts 1, 2 and 3 and Glossary) ICAEW Code of Ethics	Certificate Level	
	C/D	Accounting
	B	Assurance
	C/D	Business, Technology and Finance
	D	Law
	C	Management Information
	C	Principles of Taxation
	Professional Level	
	A	Audit and Assurance
	B	Business Strategy and Technology
	B	Financial Accounting and Reporting
	B/C	Financial Management
	B	Tax Compliance
	B	Business Planning
	Advanced Level	
	A	Corporate Reporting
	A	Strategic Business Management
	A	Case Study
	FRC Revised Ethical Standard (December 2019)	B
A		Audit and Assurance
Advanced Level		
A		Corporate Reporting
A		Strategic Business Management
A	Case Study	