

ACA Syllabus and Technical Knowledge Grids

Advanced Level Corporate Reporting

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

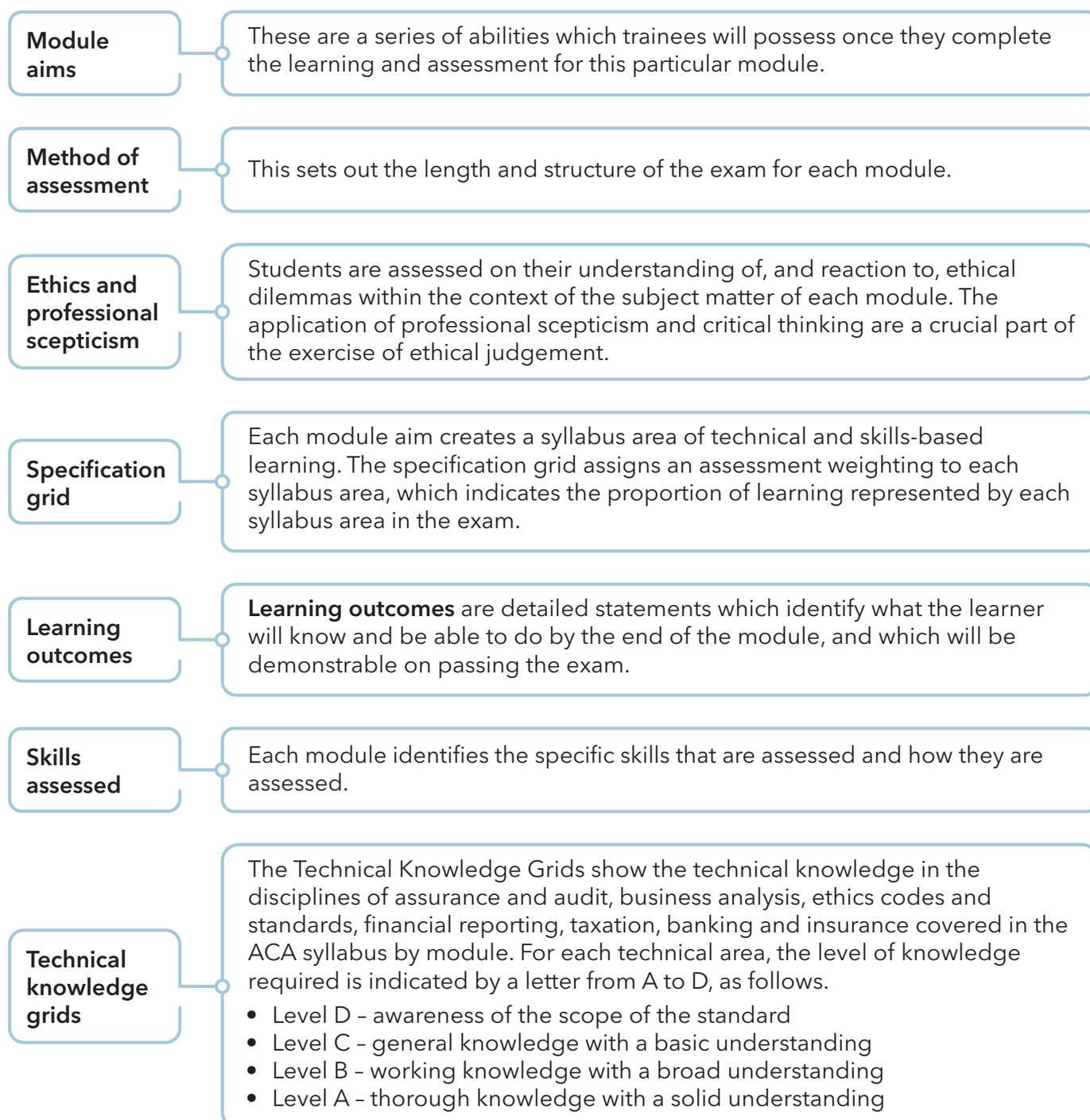
ACA Syllabus

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:



Advanced Level

Corporate Reporting

MODULE AIM

To 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 will also need to be considered in making such judgements.

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

- formulate, implement and evaluate corporate reporting policies for single entities and groups of varying sizes and in a variety of industries. They will be able to discern and formulate the appropriate financial reporting treatment for complex transactions and complex scenarios. Students will be able to evaluate and apply technical knowledge from individual accounting standards and apply professional skills to integrate knowledge where several accounting standards are simultaneously applicable and interact.
- analyse, interpret, evaluate and compare financial statements of entities both over time and across a range of industries.
- explain the processes involved in planning an audit, evaluate internal controls, appraise risk including analysing quantitative and qualitative data, and gather evidence including using data analytics to draw conclusions in accordance with the terms of the engagement. In addition, they will be able to perform a range of assurance engagements and related tasks.
- evaluate corporate reporting policies, estimates and disclosures in a scenario in order to be able to assess whether they are in compliance with accounting standards

and are appropriate in the context of audit objectives.

- identify and explain ethical issues. Where ethical dilemmas arise, students will be able to recommend and justify and determine appropriate actions and ethical safeguards to mitigate threats.

PRIOR KNOWLEDGE

This module assumes and develops the knowledge and skills acquired in the Financial Accounting and Reporting module and in the Audit and Assurance module.

Background knowledge based upon the strategic elements of the Business Planning modules, Business Strategy and Technology and Financial Management modules will also be required in evaluating the business and financial risks of reporting entities.

REGULATION

The regulations relating to auditing and corporate reporting will have international application and are therefore based upon IFRS Standards and ISAs (UK). Knowledge of specific national standards will not be tested.

METHOD OF ASSESSMENT

The Corporate Reporting exam is 3.5 hours long. Each exam will contain questions requiring integration of knowledge and skills, including ethics. The exam will consist of three questions. Ethical issues and problems could appear in any of the three questions.

One question will require students to use data analytics software to assist in preparing the answer, and for that question Advance Information will be released before the Corporate Reporting exam. The Advance Information will comprise two parts:

- a dataset of 11 months' financial data for the company that students will see in the exam; and
- a document with background information and the scenario.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held

there, during the exam. Students will also be permitted to take any written or printed material into the exam, subject to practical space restrictions. To see the recommended text(s) for this exam, go to icaew.com/permittertexts.

ETHICS AND PROFESSIONAL SCEPTICISM

At the Advanced Level students will be expected to demonstrate the higher skills of sound, discerning business judgement and critical evaluation. The use of professional scepticism in a complex scenario is a necessary skill for the trusted business professional. The ethical

implications of complex scenarios will be both at the organisational level and at the personal level for individuals. Professional scepticism and ethical judgement are paramount whether the accountant be in public practice or in business. The importance of ethical practice is reflected in ethics being covered in its own specific syllabus area as well as featuring in the integrated learning outcomes. Social responsibility, sustainability and environmental matters, identifying earnings manipulation and creative accounting are included as these areas require higher skills of judgement and evaluation. The ethical codes referenced will be those issued by IESBA and ICAEW.

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 be within the ranges of weightings below, but some variations may occur in individual examinations to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
Corporate Reporting - Compliance Corporate Reporting - Financial statement analysis	55-65%
Audit and Assurance	30-40%
Ethics	5-10%

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

CORPORATE REPORTING - COMPLIANCE

Students will be able to formulate, implement and evaluate accounting and reporting policies for single entities and groups of varying sizes and in a variety of industries. They will be able to discern and formulate the appropriate financial reporting treatment for complex transactions and complex scenarios. Students will be able to evaluate and apply technical knowledge from individual accounting standards and apply professional skills to integrate knowledge where several accounting standards are simultaneously applicable and interact.

In the assessment, students may be required to:

1 PRINCIPLES

- explain and appraise the impact of accounting principles and bases of

measurement in corporate reporting, for example fair value measurement;

- appraise corporate reporting regulations, and related legal requirements, with respect to presentation, disclosure, recognition and measurement;
- explain and appraise accounting standards that relate to the impact of changes in accounting policies and estimates;
- explain and evaluate the impact of underlying assumptions on financial statements; and
- identify and explain current and emerging issues in corporate reporting.

2 REPORTING PERFORMANCE

- explain how different methods of recognising and measuring assets and liabilities can affect reported financial performance;

- b. explain and appraise accounting standards that relate to reporting performance: in respect of presentation of financial statements; revenue; operating segments; continuing and discontinued operations; EPS; interim reporting;
- c. formulate and evaluate accounting and reporting policies for single entities and groups of varying sizes and in a variety of industries; and
- d. calculate and disclose, from financial and other qualitative data, the amounts to be included in an entity's financial statements according to legal requirements, applicable financial reporting standards and accounting and reporting policies.

3 ASSETS AND NON-FINANCIAL LIABILITIES

- a. explain and evaluate how different methods of recognising and measuring assets and liabilities can affect reported financial position, and explain the role of data analytics in financial asset and liability valuation; and
- b. explain and appraise accounting standards that relate to assets and non-financial liabilities for example: property, plant and equipment; intangible assets, held-for-sales assets; inventories; investment properties; provisions and contingencies.

4 FINANCING

- a. determine and calculate how different methods for recognising, measuring and classifying financial assets and financial liabilities can impact upon reported performance and position;
- b. appraise and evaluate cash flow measures and disclosures in single entities and groups;
- c. evaluate the impact of accounting policies and choice in respect of financing decisions for example hedge accounting and fair values; and
- d. explain and appraise accounting standards that relate to an entity's financing activities which include: financial instruments; leasing; cash flows; borrowing costs; and government grants.

5 EMPLOYEE REMUNERATION

- a. explain how different methods of providing remuneration for employees may impact upon reported performance and position; and

- b. explain and appraise accounting standards that relate to employee remuneration which include different forms of short-term and long-term employee compensation; retirement benefits; and share-based payment.

6 GROUPS

- a. analyse and evaluate the criteria used to determine whether and how different types of investment are recognised and measured as business combinations; and
- b. calculate and produce, from financial and other data, the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinued interests (which include situations when acquisitions occur in stages and in partial disposals) in subsidiaries, associates and joint ventures.

7 REPORTING TRANSACTIONS AND BALANCES IN FOREIGN CURRENCIES AND OPERATIONS

- a. determine and calculate how exchange rate variations are recognised and measured and how they can impact on reported performance, position and cash flows of single entities and groups; and
- b. demonstrate, explain and appraise how foreign exchange transactions are measured and how the financial statements of foreign operations are translated.

8 TAXATION

- a. explain, determine and calculate how current and deferred tax is recognised and appraise accounting standards that relate to current tax and deferred tax.

CORPORATE REPORTING - FINANCIAL STATEMENT ANALYSIS

Students will be able to analyse, interpret, evaluate and compare financial statements of entities both over time and across a range of industries.

In the assessment, students may be required to:

9 FINANCIAL STATEMENT ANALYSIS

- a. appraise the nature and validity of financial and non-financial information included in published financial statements including how these correlate with an understanding of the entity;
- b. evaluate and appraise the nature and validity of information disclosed in annual

reports, including integrated reporting and other voluntary disclosures, including those relating to natural capital sustainability and climate change;

- c. appraise the limitations of financial analysis;
- d. analyse and evaluate the performance, position, liquidity, efficiency and solvency of an entity through the use of ratios and similar forms of analysis including using quantitative and qualitative data;
- e. interpret the potentially complex economic environment in which an entity operates and its strategy based upon financial and operational information contained within the annual report (for example: financial and business reviews, reports on operations by management, corporate governance disclosures, Task Force on Climate-related Financial Disclosures (TCFD), financial summaries);
- f. appraise the significance of inconsistencies and omissions in reported information in evaluating performance using audit data analytics platforms;
- g. compare the performance and position of different entities allowing for inconsistencies in the recognition and measurement criteria in the financial statement information provided;
- h. evaluate the performance of an entity using accounting information extracted to an audit data analytics platform using appropriate data analysis tools to interpret and present conclusions;
- i. construct adjustments to reported earnings in order to determine underlying earnings and compare the performance of an entity over time;
- j. analyse and evaluate business risks and assess their implications for corporate reporting;
- k. analyse and evaluate financial risks (for example financing, currency and interest rate risks) and assess their implications for corporate reporting; and
- l. compare and appraise the significance of accruals basis and cash flow reporting.

AUDIT AND ASSURANCE

Students will be able to explain the processes involved in planning an audit, evaluating internal controls, appraising risk including analysing quantitative and qualitative data,

gathering evidence and drawing conclusions in accordance with the terms of the engagement. In addition, they will be able to perform a range of assurance engagements and related tasks.

In the assessment, students may be required to:

10 PROFESSIONAL PRACTICE

- a. appraise and explain the role and context of auditing;
- b. explain the nature and purpose of quality assurance (both at the level of the firm and the individual audit) and assess how it can contribute to risk management; and
- c. evaluate and explain current and emerging issues in auditing including developments in the use of technology (eg, impact of Task Force on Climate-related Financial Disclosures, big data, data analytics and artificial intelligence).

11 PLANNING

- a. identify the components of risk and how these components may interrelate;
- b. appraise the entity and the, potentially complex, economic environment within which it operates as a means of identifying and evaluating the risk of material misstatement;
- c. identify and appraise the risks, including analysing qualitative and quantitative data using audit data analytics software, arising from, or affecting, a potentially complex set of business processes and circumstances and assess their implications for the engagement;
- d. identify significant business risks (including those arising from cyber security and technological advances including cloud computing, cryptocurrencies and robotic process automations) and assess their potential impact upon the financial statements and the audit engagement;
- e. evaluate the impact of risk and materiality in preparing the audit plan, for example the nature, timing and extent of audit procedures;
- f. determine analytical procedures, where appropriate using appropriate data analysis tools, at the planning stage using technical knowledge of corporate reporting, data analytics software and skills of financial statement analysis;

- g. evaluate the components of audit risk for a specified scenario using data analytics software when appropriate, including the interactions of inherent risk, control risk and detection risk, considering their complementary and compensatory nature;
- h. interrogate an organisation's accounting records using audit data analytics software to identify audit risks and communicate with the audit team;
- i. show professional scepticism in assessing the risk of material misstatement, having regard to the reliability of management;
- j. evaluate, where appropriate, the need for, and extent of reliance to be placed on expertise from other parties to support audit processes including when to challenge the extent and working practices of other parties; and
- k. develop and appraise, based upon planning procedures, an appropriate audit strategy and detailed audit plan or extracts.

12 INTERNAL CONTROL SYSTEMS

- a. analyse and evaluate the control environment for an entity based on an understanding of the entity, its operations and its processes;
- b. evaluate an entity's processes for identifying, assessing and responding to business and operating risks as they impact on the financial statements;
- c. appraise an entity's accounting information systems and related business processes relevant to corporate reporting and communication including virtual arrangements and cloud computing;
- d. analyse and evaluate strengths and weaknesses of preventative and detective control mechanisms and processes, highlighting control weaknesses; including weaknesses related to cyber security and corporate data controls;
- e. evaluate controls relating to information technology and e-commerce; including controls associated with cyber security and corporate data security;
- f. explain and appraise the entity's system for monitoring and modifying internal control systems; and
- g. devise, explain and evaluate tests of controls.

13 CORPORATE GOVERNANCE

- a. explain and appraise the nature and consequences of corporate governance and accountability mechanisms in controlling the operating and financial activities of entities of differing sizes, structures and industries;
- b. explain and appraise the rights and responsibilities of the board, board committees (eg, audit and risk committees), those charged with governance and individual executive and non-executive directors, with respect to the preparation and audit of financial statements;
- c. explain and appraise the rights and responsibilities of stakeholder groups (eg, executive management, bondholders, government, securities exchanges, employees, public interest groups, financial and other regulators, institutional and individual shareholders) with respect to the preparation and audit of financial statements;
- d. evaluate and appraise appropriate corporate governance mechanisms;
- e. explain and evaluate the nature and consequence of relevant corporate governance codes and set out the required compliance disclosures;
- f. explain the principles, practices and disclosures of corporate governance;
- g. explain the respective responsibilities of those charged with governance and auditors for corporate risk management and risk reporting;
- h. explain the respective responsibilities of those charged with governance and auditors in respect of internal control systems;
- i. explain and evaluate the role and requirement for effective two-way communication between those charged with governance and auditors; and
- j. describe and explain the roles and purposes of meetings of boards and of shareholders.

14 AUDIT EVIDENCE

- a. explain and evaluate the relationship between audit risk and audit evidence;
- b. determine, design and develop audit objectives for each financial statement assertion;
- c. justify and conclude for a particular scenario what comprises sufficient, appropriate audit evidence;

- d. design and determine audit procedures in a range of circumstances and scenarios, for example identifying an appropriate mix of tests of controls, analytical procedures and tests of details;
- e. apply professional scepticism to the process of gathering audit evidence and evaluating its reliability including the use of client-generated information and external market information using audit data analytics software;
- f. demonstrate and explain, in the application of audit procedures, how relevant ISAs affect audit risk and the evaluation of audit evidence;
- g. evaluate, applying professional judgement, whether the quantity and quality of evidence gathered from various audit procedures, including interpreting and extrapolating the results of sampling using appropriate data analysis tools and analytical procedures, is sufficient to draw reasonable conclusions;
- h. produce appropriate audit documentation; and
- i. recognise and prioritise using professional judgement audit issues arising whilst gathering assurance evidence that should be referred to a senior colleague or other specialist.

15 REPORTING AND CONCLUDING

- a. appraise the appropriateness of the going concern basis of accounting and evaluate relevant going concern disclosures;
- b. appraise and assess the significance of events after the reporting period;
- c. evaluate, quantitatively and qualitatively, using analytical procedures and appropriate data analysis tools, the results and conclusions obtained from audit procedures;
- d. conclude and justify on the nature of the report on an audit engagement, and formulate an opinion for a statutory audit, which are consistent with the results of the audit evidence gathered; and
- e. compose suitable extracts for reports (for example any report to the management or those charged with governance issued as part of the engagement).

16 ASSURANCE ENGAGEMENTS

- a. explain the nature of a range of different assurance engagements;

- b. evaluate the evidence necessary to report at the appropriate level of assurance;
- c. evaluate risk in relation to the nature of the assurance engagement and the entity or process for a given scenario; and
- d. design and determine procedures necessary to attain the relevant assurance objectives in a potentially complex scenario.

17 OTHER ENGAGEMENTS

- a. evaluate the role of internal audit and design appropriate procedures to achieve the planned objectives;
- b. appraise and explain the nature and purposes of forensic audit and prepare and plan procedures required to achieve a range of differing objectives;
- c. explain the roles and responsibilities that auditors may have with respect to a variety of different types of information and design procedures sufficient to achieve agreed objectives; and
- d. explain the nature and purposes of due diligence procedures (for example: financial, commercial, operational, legal, tax, human resources) and plan procedures required to achieve a range of differing financial objectives.

AUDIT AND CORPORATE REPORTING – INTEGRATED LEARNING OUTCOMES

Students will be able to evaluate corporate reporting policies, estimates and disclosures in a scenario in order to be able to assess whether they are in compliance with accounting standards and are appropriate in the context of audit objectives.

In the assessment, students may be required to:

18 INTEGRATED LEARNING OUTCOMES

- a. explain and evaluate corporate reporting and assurance issues in respect of social responsibility, sustainability and environmental matters for a range of stakeholders;
- b. evaluate accounting policies choices and estimates, identifying issues of earnings manipulation and creative accounting; and
- c. appraise corporate reporting policies, estimates and measurements for single entities and groups in the context of an audit.

ETHICS

Students will be able to identify and explain ethical issues. Where ethical dilemmas arise, they will be able to recommend, justify and determine appropriate actions and ethical safeguards to mitigate threats.

In the assessment, students may be required, in the context of corporate reporting and auditing, to:

19 ETHICS

- a. identify and explain ethical issues in reporting, assurance and business scenarios;
- b. explain and appraise the relevance, importance and consequences of ethical issues;
- c. evaluate the impact of ethics on a reporting entity, relating to the actions of stakeholders;
- d. recommend and justify appropriate actions where ethical and professional conduct issues arise in a given scenario; and
- e. design and evaluate appropriate safeguards to mitigate threats and provide resolutions to ethical problems.

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">• Demonstrate understanding of the business context• Identify and understand the requirements• 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

HOW SKILLS ARE ASSESSED:

students may be required to:

- have a detailed knowledge and understanding of relevant regulations in financial reporting, auditing and ethics, which will need to be related to practical business scenarios and applied to any data provided. The data provided will focus on technical compliance and understanding;
- respond to instructions from a line manager, a client request or from other senior personnel. The requests may be specific, or they may be more general requiring interpretation and judgement to be applied by the student;
- evaluate the quality and relevance of information provided in the context of a particular assignment;
- evaluate inconsistencies in information provided from multiple sources;
- use different sources and types of evidence to confirm, or question, financial statement assertions applying professional scepticism; and
- evaluate the ethical implications of making information available including confidentiality and transparency.

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

HOW SKILLS ARE ASSESSED:

students may be required 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;
- structure problems and solutions in scenario based questions which may be presented in the following forms:
 - Mini case - using an audit data analytics platform in the context of auditing but with significant corporate reporting emphasis. This may be technical, compliance or interpretive (for example including analytical procedures).
 - Financial statement analysis - including technical aspects of corporate reporting.
 - Technical question on aspects of audit and corporate reporting (which may include assurance, internal audit).
- consider ethical problems in reporting, assurance and business scenarios;
- formulate, evaluate and implement accounting and reporting policies;
- measure and recognise assets and obligations on reported financial performance;
- assess the impact and interaction of applicable accounting principles, bases and standards;
- evaluate the impact of remuneration policies on reported performance; and
- evaluate reporting issues in relation to group scenarios and overseas activities.

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 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 and always appropriately challenge and critically review the expert's work• Identify related issues in scenarios• Assess different stakeholder perspectives when evaluating options• Appraise corporate responsibility and sustainability issues• Appraise the effects of alternative future scenarios• Appraise ethical, public interest and regulatory issues

HOW SKILLS ARE ASSESSED:

students may 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 will also need to be considered in making such judgements; and
- demonstrate judgement in the following ways:
 - selecting between technical choices;
 - filtering data to identify critical elements;
 - prioritising information, issues or tasks;
 - identifying omissions in the information;
 - evaluating inconsistencies in information;
 - distinguishing between the various qualities of the data provided;
 - evaluating the impact of economic and political factors;
 - evaluating the effects of known events;
 - evaluating the appropriateness of accounting policy choice and estimation selection;
 - evaluating options;
 - comparing the effects of a range of estimates, outcomes or financial treatments;
 - assessing the materiality of errors;
 - exercising ethical judgement;
 - identifying key linkages; and
 - drawing appropriate conclusions from data provided to satisfy specified objectives and assessing the materiality of errors and omissions.

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:

- draw conclusions from data, facts, calculations, judgments and own analysis;
 - draw conclusions from complex assurance engagements;
 - identify weaknesses in financial information systems and their potential consequences;
 - distinguish between the qualities of data provided or other evidence generated;
 - develop risk management solutions in an audit and corporate reporting environment;
 - create report/memorandum in response to a specific technical issue and in accordance with client requirements;
 - draft reasoned, practicable advice that is clear and concise, supported by calculations or analysis of technical/business issues identified;
 - use judgement to select the most appropriate audit procedures in the context of risks identified;
 - justify a specific recommended action when a variety of options are available; and
 - explain the limitations of their conclusions or recommendations.
-

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

Business Analysis

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
STRATEGIC ANALYSIS					
Environmental and market analysis tools					
PESTEL analysis		C		A	→
Porter's five forces		C		A	→
Product life cycle		C		A	→
Boston consulting group matrix		C		A	→
Prices and markets		C		A	→
Competitor analysis		C		A	→
Positional and other analysis tools					
Resource audit		C		A	→
Resource-based strategy		C		A	→
Value chain analysis		C		A	→
SWOT analysis		C		A	→
Gap analysis		C		A	→
Marketing analysis		C		A	→
Competitive advantage		C		A	→
Benchmarking		C		A	→
Directional policy matrix					B
Business process analysis				B	A
Strategic risk analysis				A	→
Balanced scorecard		C		A	→
STRATEGIC CHOICE					
Strategy formulation, evaluation and choice		C		A	→
Business risk management		C		A	→
Financial analysis and data analysis				A	→
Stakeholder analysis		C		A	→
Objectives and stakeholders' preferences		C		A	→
Corporate responsibility, sustainability and climate change		C		B	A
STRATEGIC IMPLEMENTATION					
Business plans		C		A	→
Organisational structure		C		A	→
Information management		C		B	A
Change management				A	→
Project management					A
BUSINESS MANAGEMENT					
Performance management				C	A
Strategic marketing and brand management				B	A
Corporate governance		C		B	A
Information strategy				B	A
Human resource management		C		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

COST ANALYSIS FOR DECISION MAKING

Costing

Cost classification	A			→	→
Costing systems - direct, marginal, absorption	B			→	→
Activity based costing (ABC)	C			→	B
Break even analysis	B			→	A
Multi-product break even analysis					B
Budgeting and performance management	B			→	A

Pricing

Pricing decisions	B			A	→
Transfer pricing	B			A	→
Decision making techniques					
Expected values				B	A
Relevant cash flows				B	A
Sensitivity analysis				B	A

BUSINESS AND SHAREHOLDER VALUE

Valuation Techniques

Income - dividend yield			B		A
Income - P/E			B		A
Income - discounted cash flow			B		A
Asset based measures			B		A
Options approach					B

Shareholder value

Value based management (VBM)					B
Value drivers			B		A
Shareholder value analysis (SVA)			B		A
Short and long term growth rates and terminal values					A
Economic profit					A
Cash flow return on investment (CFROI)					A
Total shareholder return (TSR)					A
Market value added (MVA)					A

INVESTMENT APPRAISAL AND RISK ANALYSIS

Project appraisal

NPV	B		A		→
IRR	B		A		→
Payback	B		A		→
Relevant cash flows			A		→
Tax and inflation			A		→
Replacement analysis			A		→
Capital rationing			A		→
Adjusted present value (APV)			A		→

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

Assessing risk

Project appraisal and sensitivity analysis			B		A
Project appraisal and simulation			B		A
Expected values			B		A
Scenario planning					A
Gap analysis				B	→
Continuous vs event risk				B	→

FINANCIAL ANALYSIS

Cost of capital

Cost of equity			B		A
Cost of debt			B		A
Cost of preference shares			B		A
Cost of bank loans			B		A
Weighted average cost of capital (WACC)			B		A
Effective interest rates					A
Splitting convertibles into equity and debt elements					A
Equity instruments					A

Portfolio theory and CAPM

Portfolio theory			B		A
CAPM			B		A
APT and MCPM					A
CAPM and cost of capital			B		A
International cost of capital					A

Bonds and fixed interest securities

Bond pricing using NPV					A
Yields to maturity					A
Duration and price volatility					A
Convexity					A
Term structure of interest rates					A
Corporate borrowing and default risk					A

SOURCES OF FINANCE AND FINANCING ARRANGEMENTS

Short, medium and long term sources of finance		C			A
Green finance		C	B		A
Loan agreement conditions (warranties; covenants; guarantees)			B		A
Raising capital		C			A
Gearing and capital structure			A		→
Loan agreements and covenants			A		→
Dividend policy			A		→
Financing reconstructions (eg, group reconstruction, spin off, purchase of own shares, use of distributable profits)			B		A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
Treasury and working capital management	C				A
Small and medium company financing					B
History of finance					C

FINANCIAL ENGINEERING

Futures, options and swaps

Options			B		A
Interest rate futures			B		A
Interest rate options			B		A
Interest forward rate agreements (FRAs)			B		A
Interest rate swaps			B		A

Foreign exchange

Currency forward contracts			B		A
Currency money market cover			B		A
Currency options			B		A
Currency swaps			B		A
Operational techniques for managing currency risk			B		A
Theoretical determinants of foreign exchange rates			B		A

Option value

Value of a call and put option			C		B
Black Scholes option pricing model					B
Binomial option pricing model					B
Real options			C		B

Ethics Codes and Standards

ETHICS CODES AND STANDARDS	LEVEL	MODULES
<p>IESBA Code of Ethics for Professional Accountants (parts 1, 2 and 3 and Glossary)</p> <p>ICAEW Code of Ethics</p>	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	Assurance
	A	Audit and Assurance
	Advanced Level	
	A	Corporate Reporting
	A	Strategic Business Management
	A	Case Study

Financial Reporting – IFRS Standards

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
Preface to International Financial Reporting Standards		A	A
Conceptual Framework for Financial Reporting	B	A	A
IAS 1, <i>Presentation of Financial Statements</i>	A	A	A
IAS 2, <i>Inventories</i>	B	A	A
IAS 7, <i>Statement of Cash Flows</i>	B	A	A
IAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	B	A	A
IAS 10, <i>Events after the Reporting Period</i>		A	A
IAS 12, <i>Income Taxes</i>		C	A
IAS 16, <i>Property, Plant and Equipment</i>	B	A	A
IAS 19, <i>Employee Benefits</i>		-	A
IAS 20, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>		A	A
IAS 21, <i>The Effects of Changes in Foreign Exchange Rates</i>		C	A
IAS 23, <i>Borrowing Costs</i>		A	A
IAS 24, <i>Related Party Disclosures</i>		B	A
IAS 26, <i>Accounting and Reporting by Retirement Benefit Plans</i>		-	D
IAS 27, <i>Separate Financial Statements</i>		B	A
IAS 28, <i>Investments in Associates and Joint Ventures</i>		B	A
IAS 29, <i>Financial Reporting in Hyperinflationary Economics</i>		-	D
IAS 32, <i>Financial Instruments: Presentation</i>		B	A
IAS 33, <i>Earnings Per Share</i>		C	A
IAS 34, <i>Interim Financial Reporting</i>		-	A
IAS 36, <i>Impairment of Assets</i>		B	A
IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	C	A	A
IAS 38, <i>Intangible Assets</i>	C	A	A
IAS 39, <i>Financial Instruments: Recognition and Measurement (Hedging only)</i> (Note 1)		-	A
IAS 40, <i>Investment Property</i> (Note 1)		-	A
IAS 41, <i>Agriculture</i>		-	D
IFRS 1, <i>First-time Adoption of IFRS</i>		-	C
IFRS 2, <i>Share-based Payment</i>		-	A
IFRS 3, <i>Business Combinations</i>		B	A
IFRS 4, <i>Insurance Contracts</i> (Note 1)		-	D
IFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>		B	A
IFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>		-	D
IFRS 7, <i>Financial Instruments: Disclosures</i>		C	A
IFRS 8, <i>Operating Segments</i>		-	A
IFRS 9, <i>Financial Instruments</i> (Note 1)		C	A
IFRS 10, <i>Consolidated Financial Statements</i>		B	A
IFRS 11, <i>Joint Arrangements</i>		B	A
IFRS 12, <i>Disclosure of Interests in Other Entities</i>		B	A
IFRS 13, <i>Fair Value Measurement</i>		C	A
IFRS 14, <i>Regulatory Deferral Accounts</i>		-	C

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
IFRS 15, <i>Revenue from Contracts with Customers</i>	C	B	A
IFRS 16, <i>Leases</i>		B	A
IFRS 17, <i>Insurance Contracts</i> (Note 1)		-	C
IFRS for SMEs		-	A

Note 1: Business Planning Banking and Business Planning: Insurance cover IAS 39 and IFRS 9 in more detail than in the Financial Accounting and Reporting syllabus at Professional Level. Business Planning: Insurance also covers IFRS 4, IFRS 17 and IAS 40 which are not part of the Financial Accounting and Reporting syllabus at Professional Level.