



CHARTERED  
ACCOUNTANTS  
IRELAND



# Competency Statement Strategic Pathway

Strategic Pathway

Syllabus & Competency Statement 2024 / 2025

Acquiring and Demonstrating Competency as a Chartered Accountant

# CHARTERED ACCOUNTANTS HOUSE

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**Chartered Accountants Ireland 2024**

## Introduction

The amalgamation of the Institute of Chartered Accountants Ireland with CPA Ireland on 1st September 2024 created the largest professional accountancy body on the island of Ireland with one combined designation to reflect membership of the enlarged organisation.

In their role as Recognised Accountancy Bodies, both Institutes were subject to the oversight of the Irish Auditing and Accounting Supervisory Authority (IAASA). The result was that the syllabus of CPA Ireland at Foundation and Professional levels was readily mapped to equivalent subjects at CAP1 & CAP2 of the Chartered Accountants Ireland syllabus facilitating direct substitution.

In order to minimise the disruption to CPA Ireland final level students, who are most advanced in their studies, it has been deemed appropriate to continue to run the CPA Ireland Strategic Level exams for a period of up to three years. This has been reflected in the regulator approved examination regulations and ensures that the interests of learners are protected.

### Strategic Pathway

Membership of the Institute of Chartered Accountants Ireland is permitted to those who have completed the CA “Route to Membership” and attained the competencies required of an entry-level Chartered Accountant. This document sets out the Vision Statement for a Newly Qualified Chartered Accountant. Completion of the requirements of the Strategic Pathway will satisfy the educational demands implicit in that statement.

### Eligibility

Access to this route is only available to those students who satisfied the requirements for sitting Strategic Level examinations (under the rules imposed by CPA Ireland) immediately following the results of the August 2024 sitting of the CPA examinations. A maximum of three years is available to complete the Strategic Pathway. Where a student has already spent some time (say a year) on their Strategic Pathway studies the time available will be reduced accordingly.

### Duration

The final sitting of examinations available under this ‘Strategic Pathway’ will take place in August 2027. No further sittings will be available from that date. It is the responsibility of the student to ensure that they complete their studies by August 2027.

# Vision Statement – Newly Qualified Chartered Accountant

## *A newly qualified chartered accountant:*

- behaves with absolute integrity and professionalism;
- has exceptional financial reporting competence, a strong technical foundation in related disciplines and broad business acumen;
- communicates effectively;
- takes a questioning approach;
- recognises his/her own limitations and consults accordingly; and
- commits to a career of life-long learning.

## The CA Route to Membership

Recognition has been given to the fact that the acquisition and demonstration of the specified competencies may be met in different ways. Therefore, the CA Route to Membership typically involves a number of elements:

- **Academic study** (or equivalent) including appropriate assessment and coursework at undergraduate, and in some cases postgraduate, level;
- **Work experience** within a recognised training organisation which provides students with feedback on their ability to apply formal learning to work situations and acquire defined competencies. Further information on the work experience element of the CA Route to Membership can be found on the Institute’s website at <https://www.charteredaccountants.ie/Current-Student/>.
- **Professional education** programme, provided by the Institute through its Student Services Department or alternative approved education providers, which seeks to enhance further the competencies acquired in the workplace.
- The **assessment process**, including CAP1, CAP2 and the Final Admitting Examination (FAE) or Strategic Pathway, which examines students on their achievement of specified knowledge and skills, as identified in each of the Competency Statements.

These elements are integrated during the training period to allow the student CA to acquire, develop and demonstrate the required CA competencies.

The term “**competency**” is used throughout this document. Readers should understand the term to mean the ability to apply knowledge, understanding and skills in performing to the standards required in employment.

## Strategic Pathway

Students develop the required competencies through an integrated process of practical training and education, both of which have an assessment component. The adequate demonstration of competence on the job is formally attested to by training supervisors/mentors through the sign-off requirement in the training regime. The education element is assessed through computer- based examinations with remote invigilation. The academic requirements of the Strategic Pathway are satisfied by the completion of:

### *Two compulsory subjects:*

- Advanced Financial Reporting; and
- Strategy & Leadership

### *Plus Any Two of the following optional subjects:*

- Advanced Tax Strategy
- Advanced Audit & Assurance
- Strategic Corporate Finance
- Data Analytics for Finance

Assessment at the Strategic Pathway Examinations will be by online, open book examinations for all subjects. Provided all prerequisite requirements have been satisfied, Strategic Pathway examinations may be attempted in any order.

## Cumulative Principle – Strategic Compulsory and Elective subjects

Students who have obtained exemptions from earlier subjects should note that the awarding of an exemption carries the explicit assumption that the candidate has covered the material from prior levels and is at an appropriate standard to commence the Strategic Pathway. All students are advised to review the syllabus from prior levels accordingly to check that they are familiar with the prescribed material.

## Electives

Students on the Strategic Pathway can tailor the qualification to their chosen career path. In addition to two mandatory subjects, Advanced Financial Reporting and Strategy & Leadership, they choose two from four elective subjects. Students not intending to qualify for a practising certificate may choose to sit and pass any two of the four elective subjects.

All students intending to apply for a Practising Certificate after qualification must sit and pass the Advanced Tax Strategy subject and any one of the other three elective subjects. All students wishing to apply for a Practising Certificate with Audit Qualification after qualification must sit and pass both the Advanced Audit & Assurance and Advanced Tax Strategy elective subjects. There are other requirements that must be satisfied in order to obtain a practising certificate details of which can be obtained from members services..

Students wishing to pursue a career in industry, in most instances, will elect for the Data Analytics for Finance and Strategic Corporate Finance subjects in addition to the two mandatory subjects

## Other Information

Unlike most university examinations, professional examination papers are set without recourse to the subject lecturers. All examination candidates should be mindful of this and take particular note of the briefings from previous examinations, as the examination teams use these to feedback any areas of concern or priority. These points should help to inform candidates' preparation for future examinations. The briefings can be downloaded from the examinations section of the website.

## Progression through the Examination Process

There will be two diets of examinations each year, in April and August. Students may attempt up to 4 exams per diet. There is no lower limit.

The total time allowed for each student to complete all required examinations is based on the level at which they enter the examination system. The final sitting of examinations under this pathway will occur in August 2027. There will be no facility to extend studies under this route after that date. It is the student's responsibility to ensure that they complete all examinations within this deadline.

Should students wish to attempt examinations from the next examination level, they may do so, however, they must also register to sit the remaining subjects in their current exam level in the same exam sitting. All remaining Professional level equivalent examinations must be applied for if attempting a subject(s) from the Strategic level.

Students may not attempt a subject from a higher level if the prerequisite subject have not been completed or exempted. The list of prerequisite subjects is shown in the table below.

Level / Subject	Prerequisite
<b>Strategic Level</b>	
Advanced Financial Reporting	Professional – Financial Reporting*
Strategy & Leadership	No Prerequisite
Advanced Tax Strategy (Elective)	Professional – Advanced Taxation*
Advanced Audit & Assurance (Elective)	Professional – Audit & Assurance*
Strategic Corporate Finance (Elective)	Professional – Managerial Finance*
Data Analytics for Finance (Elective)	Professional – Performance Management*

\* Students will now need to complete the appropriate CAP1/CAP2 equivalent subject.

## Competency Levels

Each topic in each subject is assigned a competency level. Three levels are defined, and these are referenced to the intellectual skills listed in the International Education Standard 3 issued by the International Federation of Accountants (IFAC). Questions and case-study scenarios in the examinations are framed so as to examine the learning outcomes with reference to real working environments.

The Competency Levels are shown below in ascending order:

1. Knowledge and Understanding (Ability to locate and acquire knowledge).
2. Application and Analysis (The ability to apply knowledge and understanding effectively to the analysis of complex and unfamiliar situations).
3. Synthesis and Evaluation (The ability to integrate knowledge with sound judgment in the critical evaluation of situations to develop creative solutions).

In general, Synthesis and Evaluation predominates for subjects at the Strategic level, with students having progressed through Knowledge and Understanding, and Application and Analysis in the previous examinations. This is not an absolute, as higher-level competencies are also required for some topics in the earlier stages of the syllabus and lower levels for some topics at the Strategic stage.

The above progression is reflected in the competency levels demonstrated in the workplace and assessed through the training process. Students apply their knowledge and skills through a learning process which blends formal study with supervised training. This results in the demonstration of greater competency at work, leading to exposure to more complex tasks which develop critical analysis and judgment skills.

## New Legislation - The Six Months Rule

Questions involving the knowledge and application of new legislation are not asked within six months of enactment of the relevant legislation. Unless advised in the Examinable Material Document this rule also applies to the publication by the Institute of technical pronouncements on accounting, auditing and taxation.

## Examinable Material Document

The Examinable Material Document showing which technical standards are examinable at each level in Accounting and Auditing is located at the end of this document.

## Open Book Exams

All the examinations on the Strategic Pathway are 'open book'. Candidates may use printed/written materials during the examination.

## Case Studies

At the Strategic examination levels examiners test students on their ability to:

1. Present well-structured written reports
2. Critically analyse problems and suggest appropriate solutions
3. Evaluate alternative courses of action and make recommendations
4. Integrate knowledge across different subject areas.

# Strategic Pathway: ADVANCED FINANCIAL REPORTING

## Aim

The aim of this module is to ensure that students apply the appropriate judgement and technical ability in the preparation and interpretation of financial reports for complex business entities. Students must also be able to evaluate and communicate the impact of current issues and developments in financial reporting to those who may not have in-depth theoretical and technical expertise in this domain.

## Advanced Financial Reporting as an Integral Part of the Syllabus

By using a case study approach Advanced Financial Reporting develops the knowledge and technical skills acquired in Financial Accounting and Financial Reporting and is a mandatory module at the Strategic Pathway level.

## Minimum Intended Learning Outcomes

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

- Critically appraise given scenarios for ethical dilemmas. Select and justify responses to each that uphold the ethics of the profession
- Assess complex financial accounting transactions and events. Interpret and apply the relevant accounting standards using professional judgment to determine the appropriate accounting treatment of those events and transactions
- Construct financial statements in accordance with Irish Law, International Financial Reporting Standards (IFRS) and interpretations adopted by the IASB
- Interpret corporate reports to evaluate, and prepare commentary on, an entity's performance
- Advise the circumstances under which, and the advantages of an entity adopting local GAAP (FRS 100 – 102, FRS 105), and the key differences between local GAAP and IFRS
- Critically evaluate the current issues in corporate reporting, including Sustainability Reporting, and proposals to address them



## Indicative Syllabus

		COMPETENCY LEVELS
Ethics & Professional Behaviour	<ul style="list-style-type: none"> <li>CPA Ireland Code of Ethics</li> <li>IFAC's Code of Ethics</li> </ul>	3 3
Local GAAP	<ul style="list-style-type: none"> <li>Local GAAP, FRS 100-102, FRS 105</li> </ul>	2
International Financial Reporting Standards	<ul style="list-style-type: none"> <li>Development of IFRS</li> <li>Application of IFRS</li> </ul>	3 3
Preparation of Financial Statements	<ul style="list-style-type: none"> <li>Single entity financial statements</li> <li>Group financial statements</li> </ul>	3 3
Performance Evaluation	<ul style="list-style-type: none"> <li>Critical appraisal of corporate reports</li> <li>Ratio analysis and report writing</li> </ul>	3 3
Sustainability Reporting	<ul style="list-style-type: none"> <li>Sustainability reporting landscape and role of accountant</li> <li>Developing an organisational reporting strategy</li> <li>Reflecting sustainability impacts in financial statements</li> <li>Determining materiality &amp; external disclosures</li> </ul>	1 1 1 1
Current Issues in Corporate Reporting	<ul style="list-style-type: none"> <li>Conceptual framework for financial reporting</li> <li>Impact of IFRS on quality of corporate reporting</li> <li>Integrated Reporting</li> <li>Impact of new and / or revised accounting standards</li> </ul>	2 2 1 2

## Learning Guide

### 1. Ethics and professional behaviour

- Interpret and apply the CPA Ireland code of Ethics
- Interpret and apply IFAC's Code of Ethics – published by the IESBA

### 2. Local GAAP

- Advise circumstances under which organisations may, or must, apply Local GAAP
- Discuss the advantages of an entity adopting Local GAAP (FRS 100-102, FRS 105)
- Identify and discuss the key accounting and presentation differences between Local GAAP and IFRS
- FRS 101 – the differences between FRS 101 and IFRS with particular reference to the scope of this standard
- FRS 102 – the key differences between accounting treatments examinable under IFRS and the equivalent elements of FRS 102. (Sections 12, 31 and 34 are excluded)

### 3. International Financial Reporting Standards

- Review and discuss the development of IFRS
- Discuss the circumstances under which organisations may, or must, apply IFRS
- Interpret and apply IFRS and interpretations adopted by the IASB, selecting the appropriate accounting treatment for transactions and events

#### **4. Preparation of financial statements**

- a) Prepare financial statements for single entities, groups and associated undertakings, including overseas subsidiary undertakings, in accordance with IFRS, company law and EU law, including the following:
    - i. Statement of Profit or Loss and other Comprehensive Income
    - ii. Statement of Financial Position
    - iii. Statement of Changes of Equity
    - iv. Statement of Cash Flows
  - b) Appraise and apply the acquisition method of accounting and related disclosure requirements in financial statements and notes
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#### **5. Performance evaluation**

- a) Critically evaluate and analyse financial statements
  - b) Perform and report ratio analysis of financial statements
  - c) Compose detailed reports, tailored to the technical understanding of the various user groups
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#### **6. Sustainability Reporting**

- a) Explore and discuss the sustainability reporting landscape and the role of the accountant
  - b) Describe an approach to developing an organisational reporting strategy
  - c) Discuss methods of reflecting sustainability impacts in financial statements & narrative for investors
  - d) Review and discuss how to determine materiality & external disclosures
  - e) Consider the issues around the reliability and quality of external assurance
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#### **7. Current issues in corporate reporting**

- a) Critically evaluate the main accounting issues currently in the field of Financial Reporting
  - b) Critically review the Conceptual Framework for Financial Reporting
  - c) Discuss the impact of IFRS on the quality of corporate reporting
  - d) Review and evaluate the concept of Integrated Reporting
  - e) Evaluate and discuss the impact of new and or revised accounting standards
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### **Learning Resources**

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#### **Core Texts**

C. Connolly / International Financial Accounting and Reporting 6th ed. / CAI 2018 / ISBN-13: 978-1912350025  
Elliott and Elliott, Financial Accounting and Reporting, 2022 Pearson (20th Edition) ISBN-13: 978-1292401065

#### **Manuals**

Griffith College, CPA Advanced Financial Reporting - latest edition

#### **Supplementary Texts and Journals**

Cases and Solutions in International Financial Reporting Standards (5th Edition) ICAI, ISBN:978-1-912350-01-8  
Melville / International Financial Reporting / 8th Edition/ Pearson 2022 / ISBN-13: 978-12922439426  
CPA Student News eBulletin.  
Sustainability Framework 2.0, Professional Accountants as Integrators IFAC, March 2011 (Updated 2023)

**Useful Websites (as of date of publication)**

[www.charteredaccountants.ie](http://www.charteredaccountants.ie) - Chartered Accountants Ireland

[www.cpaireland.ie](http://www.cpaireland.ie) - CPA Ireland

[www.iaasa.ie](http://www.iaasa.ie) - Irish Auditing and Accounting Supervisory Authority [www.ifac.org](http://www.ifac.org) - The International Federation of Accountants

[www.ifrs.org](http://www.ifrs.org) - The International Financial Reporting Standards Foundation

[www.iasplus.com/en/standards](http://www.iasplus.com/en/standards) – Deloitte: Summaries of International Financial Reporting Standards (IFRS)

[www.accountancyeurope.eu](http://www.accountancyeurope.eu) - The European Federation of Accountants

[www.efrag.org](http://www.efrag.org) - The European Financial Reporting Advisory Group

[www.frc.org.uk](http://www.frc.org.uk) - The Financial Reporting Council

[www.frc.org.uk/about-the-frc/structure-of-the-frc/audit-and-assurance-council](http://www.frc.org.uk/about-the-frc/structure-of-the-frc/audit-and-assurance-council) - FRC- Audit and Assurance Council

[www.frc.org.uk/about-the-frc/structure-of-the-frc/conduct-committee](http://www.frc.org.uk/about-the-frc/structure-of-the-frc/conduct-committee) - FRC-Conduct Committee

[www.accountingnet.ie](http://www.accountingnet.ie) - Irish Accounting and Business Portal.

**Examination Approach**

This examination paper, which uses a case-study format, is the final test of students' ability to understand and apply the theory of financial reporting to a number of practical accounting issues. The case-study is designed to test students' ability to digest a considerable amount of detailed information about the affairs of a single company or group of companies. From that data, students are required to prepare a number of primary statements i.e., published or consolidated financial statements. A substantial narrative element is included requiring students to prepare both internal and external reports.

The assessment is designed to weight the marks mainly towards the presentational element of both the narrative and computational parts of the case study. There is a considerable portion of marks available for the display of sound technical judgement. The case-study includes a range of current technical issues requiring, in many situations, substantial adjustments to the draft figures provided in the question. Students are expected to demonstrate a strong technical understanding of how to solve external financial reporting issues and display sound professional judgement and ethical sensitivity. They are also required to write reports or memoranda tailored to the technical skills and understanding of various user groups in order to assess their presentation and communication skills.

**Examination Format**

This examination is unseen, open book and 4 hours in duration. Each exam will also have an additional 20-minute reading time.

All exam papers at the Strategic Level will be prepared in accordance with the following format:

Section A: 80 marks. All questions are compulsory. There will be no multi-choice questions at this level.

Section B: 20 marks. This section will contain a number of optional questions. The exact number and mark weighting of these questions will vary at the discretion of the subject examination team.

The individual subject examination team will decide upon the exact question style considered most appropriate to their specific subject. This format will be followed in subsequent exams. Should a change to the exam format be deemed appropriate this will be notified, in advance, in the annual Educator's Briefing. Please refer to the CPA Ireland website for latest Educators Briefing.

# Strategic Pathway: STRATEGY & LEADERSHIP

## Aim

The aim of this module is to develop students' ability to contribute effectively to the strategic management of enterprises through the objective analysis of business situations, the critical evaluation of strategic options and the implementation of change programmes.

## Strategy & Leadership as an Integral Part of the Syllabus

Strategy & Leadership integrates and expands the knowledge and skills acquired in many of the subjects at the earlier examination levels. This subject provides a framework for future leaders to analyse, develop and implement strategies for entrepreneurial activities in both growing and established entities.

## Minimum Intended Learning Outcomes

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

- Critically apply the key stages in the strategic management process: strategic position, strategic choice and strategic implementation
- Evaluate the role of strategic and organisational leadership in developing and implementing strategic choices
- Develop strategic change programmes that enable the effective implementation of strategic decisions
- Design appropriate competitive strategies and business models to support both existing organisations and entrepreneurial start-ups
- Effectively integrate theories and concepts from strategic management with related disciplines such as Finance, HR, Marketing, Operations and I.S. to solve business problems in complex and diverse situations
- Build a persuasive business case
- Evaluate what is required at an individual, team and organisational level to manage complex projects successfully
- Communicate effectively to a variety of audiences

## Indicative Syllabus

		COMPETENCY LEVELS
Introduction – The concept of Strategy	<ul style="list-style-type: none"> <li>The characteristics of strategic decisions</li> <li>Levels of strategy</li> <li>The vocabulary of strategy - mission, visions, goals and objectives</li> <li>Strategic Management - strategic position, strategic choice, strategy in action</li> <li>Matching strategy and structure</li> <li>Strategic management and operational management perspectives on strategy - deliberate and emergent strategy</li> </ul>	2 2 2 2 2 2
The Strategic Position	<ul style="list-style-type: none"> <li>Environmental analysis - the macro environment, industry/sector/market analysis, opportunities and threats</li> <li>Resources and Capability - strategic capability, critical success factors, assessing resources, identifying core competencies, benchmarking, assessing strengths and weaknesses</li> <li>Stakeholders and Governance - corporate governance, stakeholder analysis, identifying stakeholder expectations, business ethics, cultural considerations</li> <li>The Marketing Dimension</li> </ul>	3 3 3 3
Strategic Choice	<ul style="list-style-type: none"> <li>Corporate Level - Corporate diversification, role of the corporate centre, corporate core competencies, portfolio manager, synergy manager, parental developer, corporate portfolio - growth/share matrix, directional policy matrix, relatedness matrix</li> <li>Business Level: Bases of competitive advantage, sustaining competitive advantage, game theory, competition and collaboration, value innovation, business ecosystems, business case development, supporting the entrepreneur and new venture creation</li> <li>Strategy Development: directions, methods, success criteria</li> </ul>	3 3 3
Leadership	<ul style="list-style-type: none"> <li>The nature of leadership</li> <li>Qualities and characteristics of effective leaders</li> <li>Organisational leadership theories</li> <li>The importance of strategic leadership and the senior management team</li> <li>The role of leadership in the change management process</li> <li>The role of leadership in business ethics and social responsibility</li> </ul>	3 3 3 3 3 3
Strategy Implementation Structure and Processes	<ul style="list-style-type: none"> <li>Organisation structure</li> <li>Planning and control systems (incl. ERP &amp; balanced scorecard, market mechanisms, social / cultural process)</li> </ul>	2 2
Strategy Implementation: Managing Strategic Change	<ul style="list-style-type: none"> <li>The nature of organisational change</li> <li>The change situation</li> <li>Identifying and managing resistance to change</li> <li>Change levers</li> <li>Use a change management model as a framework to manage a change programme</li> </ul>	2 2 2 2 2
Strategy Implementation: Project Management	<ul style="list-style-type: none"> <li>Project objective and scope</li> <li>Project teams, sponsors and responsibilities</li> <li>Project timeline and milestones</li> <li>Project reporting procedures</li> <li>Project evaluation</li> </ul>	2 2 2 2 2
Enterprise Risk Management	<ul style="list-style-type: none"> <li>Nature &amp; impact of risk</li> <li>Identification, assessment and measurement of risk</li> <li>Managing, monitoring, mitigating risk</li> <li>Reporting Risks</li> </ul>	2 2 2 2
Sustainability Reporting	<ul style="list-style-type: none"> <li>Defining sustainability and the business case</li> <li>Vision &amp; leadership</li> <li>Stakeholder engagement</li> <li>Goals &amp; target setting</li> <li>Integration with risk management</li> </ul>	2 2 2 2 2

## Learning Guide

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### 1. Introduction: The Concept of Strategy

- a) Explain the nature of strategic management
  - b) Describe the characteristics of strategic decisions
  - c) Explain the levels of strategy: corporate, business and operational
  - d) Explain the meaning of mission, aims, goals and objectives and advise on how to effectively develop these in an organisation
  - e) Describe the stages of strategic management: strategic position, strategic choice and strategic implementation
  - f) Assess and apply the relevant ethical, political and social considerations to an organisation's strategy
  - g) Contrast strategic management and operational management
  - h) Explain the different perspectives on strategy, in particular deliberate v emergent strategies
  - i) Explain the benefits and criticisms of the formalised strategic management process
- 

### 2. The Strategic Position

- a) Analyse the macro-environment of an organisation, and identify the key macro-environmental trends
  - b) Analyse the industry/sector/market of an organisation, and identify the main competitive forces
  - c) Identify the opportunities and threats facing an organisation
  - d) Assess the resources and capabilities of an organisation, including:
    - Assessing threshold and distinctive resources
    - Evaluating core competencies
    - Applying the VRIO framework
    - Identifying critical success factors
    - Utilising benchmarking
  - e) Assess the strengths and weaknesses of an organisation
  - f) Advise how corporate strategy and purpose may be influenced by the following:
    - Corporate governance
    - Stakeholder expectations and mapping
    - Business ethics
    - Organisational culture
  - g) The Marketing Dimension
    - Describe the role of marketing concepts in developing and supporting strategy
    - Explain how organisations can identify marketing opportunities
    - Advise organisations on market segmentation and on developing effective marketing mix strategies, including the use of digital marketing
- 

### 3. Strategic Choice

#### Strategic Choice: Corporate Level Strategy

- a) Describe the rationale for corporate diversification
- b) Assess the potential opportunities and risks of related and unrelated corporate diversification
- c) Identify and evaluate the role of the corporate parent: whether a portfolio manager, a synergy manager, or a parental developer
- d) Assess the corporate core competencies of an organisation
- e) Evaluate corporate level strategies, using the following portfolio matrices:
  - BCG Growth/Share Matrix
  - Directional Policy Matrix

**Strategic Choice: Business Level Strategy**

- f) Identify and critically evaluate the bases of competitive advantage available to an organisation
  - Cost leadership; differentiation; focus and hybrid
- g) Advise an organisation how to create a sustainable competitive advantage
- h) Describe and evaluate an organisation's business model
- i) Explain how game theory can contribute to strategic planning and decision making
- j) Describe how organisations can use cooperative strategies to achieve advantage or reduce competition
- k) Describe how entrepreneurial relationships such as business ecosystems and corporate venturing can support innovation and entrepreneurship and new venture creation

**Strategic Choice: Growth Strategies**

- l) Describe the nature of organic development, and advise an organisation how to develop a persuasive business case
  - Both for entrepreneurial start-ups and business expansion
- m) Explain the M&A process and evaluate the key issues in each stage of the process
- n) Assess the usefulness of strategic alliances and advise how to improve the likelihood of their effectiveness
- o) Identify and evaluate a suitable strategic growth strategy for an organisation in the context of its resources and its opportunities

**Strategic Choice: Strategy Development**

- p) Describe and evaluate the directions of growth available to an organisation
- q) Identify success criteria appropriate for strategic decisions
- r) Recommend and justify the most appropriate strategy based on these criteria
- s) Assess how cognitive biases may influence the strategic decision-making process

**4. Leadership**

- a) Explain the nature of leadership
- b) Describe the qualities and characteristics of effective leaders
- c) Apply organisational leadership theories, including:
  - Trait theory; Managerial Grid; Path-Goal Theory; Hersey and Blanchard's Situational Theory, and Transformational and Transactional Theory
- d) Evaluate the importance of strategic leadership and the key actions associated with the senior management team
  - Contrast strategic, visionary and managerial leadership styles
- e) Describe how leaders can use theories of motivation to improve organisational productivity, including:
  - Equity Theory; Expectancy Theory, and Goal Setting Theory

**5. Strategy Implementation: Structure, Processes and Culture**

- a) Explain and assess the key elements of organisational design, including:
  - Structural differentiation and integration
  - Locus of decision-making
  - Coordination and control processes and mechanisms
- b) Assess the main types of organisation structure, in particular in terms of their relative advantages and disadvantages
- c) Describe the planning and control systems used within organisations, including:
  - Balanced Scorecard and ERP, market mechanisms and social/cultural processes
- d) Explain the nature of organisational culture and its influence in strategy implementation
- e) Describe the elements of organisational culture and how these may be identified and evaluated
- f) Advise an organisation how to manage and change the culture of the organisation

## **6. Strategy Implementation: Managing Strategic Change**

- a) Explain the nature of organisational change
  - b) Analyse the change situation facing an organisation and evaluate the drivers of organisational change
  - c) Identify the reasons for resistance to organisational change and advise how to manage organisational resistance to change
  - d) Explain and advise how to use organisational levers to manage a strategic change programme
  - e) Explain the importance of organisational leadership in managing strategic change
  - f) Apply a change management model as a framework to manage a change programme
    - Kotter's Eight Step Model
    - Lewin's Three Stage Model
- 

## **7. Strategy Implementation: Project Management**

- a) Describe the phases in a project and explain the terms objectives and scope in relation to project management
  - b) Describe the roles and responsibilities of a:
    - Project Manager
    - Project Sponsor
    - Project Team
  - c) Describe how project timelines and milestones are used in project planning and control
  - d) Explain how critical path analysis can be used to manage the critical activities and resources of a project (no calculations required).
  - e) Explain the appropriate project reporting procedures that should be in place for a project
  - f) Recommend how to effectively review a project on completion
- 

## **8. Enterprise Risk Management**

- a) Describe the nature and impact of risk
  - b) Explain and apply methods for
    - Identification, assessment and measurement of risk
    - Managing, monitoring, mitigating risk
    - Reporting risks
- 

## **9. Sustainability Reporting**

- a) Describe sustainability in the context of an organisation's strategy and the business case for incorporating it into the strategy
  - b) Explain the role and importance of the following in developing an effective sustainability strategy and reporting framework:
    - Vision and leadership
    - Stakeholder engagement
    - Goals and target setting
    - Integration with risk management
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## Learning Resources

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### Core Texts

Gerry Johnson, Richard Whittington, Patrick Regnér, Kevan Scholes, and Duncan Angwin, Exploring Strategy, Pearson Education; 12th Edition (Dec 2019) ISBN-13: 978-1292282459  
 Peter G Northouse Leadership: Theory and Practice SAGE Publications Inc.; Ninth Edition (International Student Edition) February 2021 - ISBN-13:978-11071834473  
 Kotler Philip, Kevin Lane Keller, Marketing Management, Global edition/16th Edition (2021) Pearson, ISBN-13:978-1292404936  
 Gunnigle G., Heraty N., Morley M., Human Resource Management in Ireland, 5th. Edition, (2017), Institute Of Public Administration (2017) ISBN-13: 978-1910393178

### Supplementary Texts and Journals

Sustainability Framework 2.0, Professional Accountants as Integrators IFAC, March 2011 (Updated 2023)

### Useful Websites (as of date of publication)

[www.charteredaccountants.ie](http://www.charteredaccountants.ie) - Chartered Accountants Ireland  
[www.cpaireland.ie](http://www.cpaireland.ie) - CPA Ireland  
[www.marketingteacher.com](http://www.marketingteacher.com) - Marketing Teacher 2000 – 2007.  
[www.strategy-business.com](http://www.strategy-business.com) - Strategy + Business.  
[www.strategyanalytics.com](http://www.strategyanalytics.com) - Strategy Analytics

## Examination Approach

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Strategic management is the main focus of the paper. Students are expected to demonstrate a thorough understanding of the processes involved in reviewing competitiveness and evaluating long-term options and the relevant marketing strategies. Individual related business topics are selected for detailed assessment on a planned basis each year, throughout a cycle of examinations (typically three years).

Students are expected to demonstrate strategic thinking and creativity through their ability to analyse business scenarios critically, carry out SWOT analyses and identify/justify innovative strategic options. In addition to understanding business in an Irish context, students should display a global outlook and an awareness of the importance of business ethics and social responsibility in organisations.

A thorough understanding of currently recognised theories and concepts relevant to the above areas and the ability to apply appropriate analytical techniques and business models effectively is essential. Equally important is the capacity for synthesis, demonstrated particularly by integrating areas such as marketing, knowledge management, project management, financial control and organisation behaviour. The ability to communicate clearly and succinctly is an overriding requirement. The marking scheme strongly favours the demonstration of critical analysis, judgment and innovation, rather than the mere identification of concepts and models or descriptive writing about these.

## Examination Format

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This examination is unseen, open book and 4 hours in duration. Each exam will also have an additional 20- minute reading time. All exam papers at the Strategic Level will be prepared in accordance with the following format:

Section A: 80 marks. All questions are compulsory. There will be no multi-choice questions at this level.  
 Section B: 20 marks. This section will contain a number of optional questions. The exact number and mark weighting of these questions will vary at the discretion of the subject examination team.

The individual subject examination team will decide upon the exact question style considered most appropriate to their specific subject. This format will be followed in subsequent exams. Should a change to the exam format be deemed appropriate this will be notified, in advance, in the annual Educator's Briefing. Please refer to the CPA Ireland website for latest Educators Briefing.

# Strategic Pathway: ADVANCED TAX STRATEGY

## Aim

The aim of this module is to ensure that students understand and can apply the principles and practice of Advanced Tax Strategy and are able to identify and resolve practical taxation problems in a manner that is compliant with tax law and the ethics of the profession. Students are expected to interpret and apply relevant case law and to advise on the most tax efficient structures.

## Advanced Tax Strategy as an Integral Part of the Syllabus

Advanced Tax Strategy develops the students' knowledge and competence in tax acquired in Taxation and Advanced Taxation. There are also links to Advanced Financial Reporting, Advanced Audit & Assurance, Strategy & Leadership and Strategic Corporate Finance.

## Minimum Intended Learning Outcomes

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

- Appraise given scenarios and integrate tax knowledge across various tax heads to develop relevant tax compliance and planning advice for individuals, employers and corporate clients
- Advise on Revenue Powers and the scope of a Revenue Audit to ensure client / management compliance
- Advise on tax efficient investments or expenditure appropriate to clients' or employers' current and expected financial circumstances to legitimately optimise exposure to tax
- Assess all requests for advice, to ensure compliance with all relevant legislation and the Institute's Code of Ethics.
- Discuss the current issues in tax policy both nationally and internationally.

## Indicative Syllabus

		COMPETENCY LEVELS
Income Tax	• Residence and domicile	3
	• Schedule D - Cases I, II, III, IV and V	3
	• Schedule E	3
	• Schedule F	3
	• Withholding Taxes	3
	• Charges	3
	• Exemptions	3
	• Employment and Investment Incentive Scheme (EIS) and Start up Refunds for Entrepreneurs (SURE)	3
	• Employee incentive schemes	2
	• Special Assignee relief programme	1
	• Foreign Earnings deduction	3
	• Double taxation relief available to individuals	2
	• Income Tax position of trustees and beneficiaries of Irish trusts	2
	• Research and Development credit surrender for key employees	2
• Anti-Avoidance	3	
Corporation Tax	• Adjustments, capital allowances & changes to accounting periods	3
	• Close companies & distributions	3
	• Losses, including Cases I, III, IV, V losses, terminal losses and capital losses	3
	• Groups, including annual payments and losses for Groups / Consortia	3
	• Corporation Tax Reliefs, including tax incentives, R&D Tax Reliefs, Holding Company Regime	3
	• Exemption for start-up companies	3
	• Company Residence and treatment of branches	3
	• Tax treaties with other countries	3
	• Double Taxation Relief, Unilateral credit relief for tax on foreign activities	3
	• Anti-avoidance	2
Capital Gains Tax	• Computation of Capital Gains Tax liabilities for both individuals and companies	3
	• Share Valuations	3
	• Capital Gains Tax Reliefs	3
	• Transfer of business to company	3
	• Development land	3
	• Wasting Assets and chattels	3
	• Acquisition by a company of its own shares	3
	• Group Transfers	3
	• Clearance Certificates/Withholding tax	3
	• Anti-avoidance	2
	• Capital Gains Tax and trusts	3
• Negligible value claims	2	
VAT	• General principles of VAT	3
	• Supplies of goods	3
	• Supplies of services	3
	• Exemptions	3
	• Amount on which tax is chargeable	3
	• VAT rates, self-supplies	3
	• VAT on property	2
	• EU VAT legislation/regulations	2
	• International Transactions	2
• Anti-avoidance	2	
Capital Acquisitions Tax	• Principles of CAT including territorial scope	3
	• Exemptions from CAT	3
	• CAT Reliefs	3
	• Interaction with CGT	3
	• The use and taxing of Discretionary Trusts	2
	• Anti-avoidance	2

		COMPETENCY LEVELS
Stamp Duty	<ul style="list-style-type: none"> <li>Principles of Stamp Duty</li> <li>Stamp Duty with respect to property transactions</li> <li>Stamp duty on transfers to young, trained farmers</li> <li>Anti-avoidance</li> </ul>	1 1 1 1
Revenue Powers and Revenue Audit	<ul style="list-style-type: none"> <li>The Code of Practice &amp; Customer Service Charter</li> <li>Production of accounts, books and records</li> <li>Information from third parties</li> <li>Sub-contractors</li> <li>Statements of affairs</li> <li>Retention of records</li> <li>Information for tax authorities in other territories</li> <li>Mandatory disclosure</li> <li>Prosecution policy within the Revenue</li> <li>Penalties and Interest</li> </ul>	3 3 3 3 3 3 3 3 3 3
Tax policy development & current issues, national & international	<ul style="list-style-type: none"> <li>Finance act and budget changes</li> <li>The potential impact of changes in the international tax environment on Irish tax policy.</li> <li>Transfer Pricing</li> <li>The OECD Model treaty, the progressive income tax systems in the OECD and Ireland's progressivity</li> <li>The potential impact of recent and planned changes in tax policy on Individuals and corporations.</li> <li>Effect of taxation on determinants of economic growth</li> <li>Responding to aggressive tax planning</li> <li>Base Erosion and Profit Shifting</li> <li>Country by country reporting</li> <li>Common Consolidated Corporate Tax Base (CCTB)</li> </ul>	2 1 1 2 1 1 1 1 1 1

## Learning Guide

### 1. Income Tax

- Demonstrate knowledge of the concepts of residence and domicile and assess the implications of residence and domicile for income tax.
- Explain and assess the income tax liability for an individual with Schedule D (cases I, II, III, IV and/or V), Schedule E and/or Schedule F income.
- Explain, apply and calculate withholding taxes to include dividend withholding tax (DWT), professional services withholding taxes (PSWT) and Relevant Contracts Tax (RCT).
- Explain and apply the relief available for charges in income.
- Demonstrate an ability to evaluate the exemptions available from income tax.
- Explain and assess the tax relief available for a new company to include the Employment and Investment Incentive Scheme (EIS) and Start up Refunds for Entrepreneurs (SURE).
- Discuss and apply the income tax relief available under employee incentive schemes including Approved Profit-Sharing Schemes (APSS), Save As You Earn Schemes (SAYE) and the Key Employee Engagement Programme (KEEP).
- Demonstrate an ability to discuss and apply the special assignee relief programme (SARP) and the foreign earnings deduction (FED).
- Demonstrate an ability to assess the double taxation relief (DTR) available to individuals with overseas income and demonstrate an ability to calculate the taxation relief available to include DTR, cross border relief and split year relief.
- Demonstrate an ability to assess the income tax position of trustees and beneficiaries of Irish trusts.
- Discuss and apply the criteria for the surrender of R&D tax credit for key employees.
- Determine the anti-avoidance provisions for income tax.

## 2. Corporation Tax

- a) Evaluate the adjustments required to the accounting profits for tax purposes, including the claiming of capital allowances, and assess the impact of changes to accounting periods.
  - b) Determine the close company rules, including definitions (such as meaning of participator) and assess the effect of close company status.
  - c) Examine in the meaning of a distribution and assess the types of transactions classed as distributions, their calculation and determine the distributions upon which dividend withholding tax applies.
  - d) Evaluate the availability of corporate loss relief to include the utilisation of losses by companies for Cases I, III, IV, V losses, terminal losses and capital losses.
  - e) Demonstrate knowledge of corporate groups, including annual payments and an ability to assess the availability of corporation tax group relief and consortium relief.
  - f) Discuss and assess the criteria for various corporation tax reliefs, including tax incentives such as R&D tax relief, the knowledge development box, relief for specified intangible assets and the holding company regime/ participation exemption.
  - g) Discuss and assess the criteria for the exemption for start-up companies.
  - h) Demonstrate an ability to conclude on the residence position for a company and the tax treatment of branches.
  - i) Discuss and assess the main provisions of tax treaties with other countries.
  - j) Demonstrate an ability to conclude on the double taxation relief and unilateral credit relief available for tax suffered on foreign activities.
  - k) Determine the anti-avoidance provisions for corporation tax.
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## 3. Capital Gains Tax

- a) Calculate and explain the CGT computation for individuals and the computation of chargeable gains for companies.
  - b) Discuss and apply the CGT rules for wasting assets and chattels.
  - c) Assess and calculate the CGT treatment of development land and share disposals (including share valuation rules).
  - d) Explain and conclude on the availability of common CGT reliefs, including, inter alia:
    - Principal private residence relief
    - Relief for disposals of land and buildings acquired between 7/12/11 and 31/12/14
    - Relief for the transfer of site to child
    - Relief for the transfer of a business to a company
    - Retirement relief
    - Entrepreneur relief
    - Acquisition by a company of its own shares
    - Group Transfers
    - Paper for paper relief
    - Reconstruction relief
  - e) Assess and explain the Section 980 TCA 1997 withholding tax provisions and the availability of CG50 clearance certificates.
  - f) Determine the CGT implications of the use of trusts, to include discretionary trusts.
  - g) Discuss and apply the appropriate treatment of capital losses including the relief available for negligible value claims.
  - h) Determine the anti-avoidance provisions and valuation rules for CGT.
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## 5. Capital Acquisitions Tax

- a) Discuss and apply the principles of CAT including territorial scope of CAT.
  - b) Discuss and apply the general exemptions from CAT including significant buildings and works of art.
  - c) Analyse and conclude on the availability of Agricultural Relief and Business Property Relief to include Favourite Nephew/Niece relief.
  - d) Analyse and conclude on the availability of the CGT/CAT offset.
  - e) Determine the CAT implications of the use of trusts, to include discretionary trusts.
  - f) Determine the anti-avoidance provisions and valuation rules for CAT.
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## 6. VAT

- a) Demonstrate an ability to discuss the general principles of VAT including an ability to conclude on the VAT rates appropriate to a particular transaction and the amount on which VAT is chargeable.
  - b) Demonstrate an ability to discuss and apply the VAT rules in respect of the supply of goods and services, to include the VAT rules and regulations that apply to:
    - Exempt and partially exempt businesses
    - Self-supplies
    - The transfer of going concern provisions
    - VAT group registration
  - c) Analyse the VAT implications of the VAT on property rules.
  - d) Demonstrate awareness of EU VAT legislation/regulations and their impact on Irish domestic legislation.
  - e) Analyse the VAT implications of international transactions including imports and exports.
  - f) Determine the VAT anti-avoidance measures in place.
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## 7. Stamp Duty

- b) Recognise the rates of stamp duty that apply to stampable transactions including property transactions.
  - c) Recognise and explain the stamp duty reliefs available including:
    - Relief for transfers between associated companies.
    - Reconstruction / amalgamation relief.
    - Transfers of certain land between relatives.
    - Transfers to young, trained farmers.
  - d) Explain the self-assessment system for stamp duty to include an understanding of the penalties, surcharges and interest that can be imposed.
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## 8. Revenue Powers and Revenue Audit

- a) Discuss and apply the Code of Practice for Revenue Audit and other Compliance Interventions, the Customer Service Charter and the role of Special Investigations.
  - b) Determine Revenue's requirements regarding the production of accounts, books and records, including the retention of records and the preparation of a statement of affairs.
  - c) Determine Revenue's ability and power to obtain the particulars of transactions from certain persons including information from third parties, such as financial institutions.
  - d) Determine the supervision and monitoring of sub-contractors for relevant contracts tax purposes.
  - e) Discuss the exchange of taxpayer information by tax administrations, including Revenue.
  - f) Discuss the mandatory disclosure regime.
  - g) Discuss Revenue's prosecution policy.
  - h) Discuss Revenue's policy in respect of penalties and interest.
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## 9. Tax Policy Development and Current Issues

- a) Analyse the changes to tax policy proposed in the most recent Finance Act and Budget. (Knowledge is limited to the most recent examinable Finance Act)
- b) Determine the potential impact of changes in the international tax environment on Irish tax policy.

- c) Discuss the transfer pricing rules and advise on their impact for companies.
- d) Discuss the main provisions of the OECD Model treaty and demonstrate awareness of the progressive income tax systems in the OECD and Ireland's progressivity.
- e) Determine the potential impact of recent and planned changes in tax policy on individuals and corporations.
- f) Discuss the effect of taxation on the determinants of economic growth.
- g) Discuss the national and international response in challenging aggressive tax planning.
- h) Discuss the OECD's Base Erosion and Profit Shifting project, to include knowledge of the rules for Country-by-Country reporting.
- i) Discuss the impact of the Common Consolidated Corporate Tax Base (CCCTB) proposals.

## Learning Resources

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### Core Texts

Advanced Tax Strategy by Paula Byrne, (Latest Edition) Griffith College

### Supplementary Texts and Journals

Fennell and Shanahan / Taxation Summary Finance Act/2022 / Irish Taxation Institute. Irish Taxation: Law & Practice 2023/2024 / Irish Taxation Institute

Revenue Statements of Practice & Tax Briefings. Accountancy Plus.

CPA Student News eBulletin

### Useful Websites (as of date of publication)

[www.charteredaccountants.ie](http://www.charteredaccountants.ie) - Chartered Accountants Ireland

[www.cpaireland.ie](http://www.cpaireland.ie) - CPA Ireland

[www.revenue.ie](http://www.revenue.ie) - The Revenue Commissioners' website

[www.taxworld.ie](http://www.taxworld.ie) - Taxworld

[www.taxinstitute.ie](http://www.taxinstitute.ie) - Irish Tax Institute

## Examination Approach

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This subject should be approached on the basis that it is the final subject in taxation and is mandatory for those students wishing to satisfy the requirements to obtain a practising certificate, post qualification. The examination paper is equally balanced between tax planning and tax computation. Marks are awarded for structured and rationally based conclusions. Students are expected to select and integrate relevant syllabus material from Advanced Taxation and other subjects where this is appropriate to the analysis and solution of the case-study.

Students are required to analyse complex tax issues and integrate their learning across different tax heads. They should apply that learning to provide the optimal tax planning guidance within the legal and ethical frameworks. Overall, students are expected to demonstrate a high level of intellectual, technical, personal and communications skills including analytical, numeracy, ethical sensitivity, and report writing competencies.

## Examination Format

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This examination is unseen, open book and 4 hours in duration. Each exam will also have an additional 20- minute reading time. All exam papers at the Strategic Level will be prepared in accordance with the following format:

**Section A:** 80 marks. All questions are compulsory. There will be no multi-choice questions at this level.

**Section B:** 20 marks. This section will contain a number of optional questions. The exact number and mark weighting of these questions will vary at the discretion of the subject examination team.

The individual subject examination team will decide upon the exact question style considered most appropriate to their specific subject. This format will be followed in subsequent exams. Should a change to the exam format be deemed appropriate this will be notified, in advance, in the annual Educator's Briefing. Please refer to the CPA Ireland website for latest Educators Briefing.

# Strategic Pathway: ADVANCED AUDIT AND ASSURANCE

## Aim

The aim of this module is to prepare students to demonstrate the knowledge, skills, competencies and professional scepticism necessary to carry out the audit of an entity and undertake assurance engagements, having due regard to the Institute's and profession's ethical standards in a changing and complex business environment.

## Advanced Tax Strategy as an Integral Part of the Syllabus

The study of Audit & Assurance at the previous level is a prerequisite for the study of Advanced Audit & Assurance. Other modules in the domains of management accounting, financial accounting, law and taxation are also essential prerequisites for the study of Advanced Audit and Assurance.

## Minimum Intended Learning Outcomes

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

- Demonstrate the ability to exercise appropriate judgement in the application of legal, regulatory, professional and ethical requirements to audit and assurance services
- Critically evaluate financial statements, analyse and interpret data, and utilise information to assess audit risk; devise audit strategy, design, plan and execute the audit and/or assurance service
- Determine the application of International Standards on Auditing (Ireland), International Standards on Quality Control (ISQC) (Ireland) and other technical pronouncements related to audit and assurance services
- Evaluate the evidence-based conclusions from audit and assurance procedures to communicate effectively to various stakeholders choosing appropriate report formats
- Critique current issues and developments relating to audit and assurance services.



## Indicative Syllabus

		COMPETENCY LEVELS
The legal, regulatory, professional and ethical framework of auditing	• Companies Act / Orders, EU Directives & Company Law	3
	• Irish & London Stock Exchange listed companies	2
	• Auditing Standards – IASB, IAASB & IAASA	3
	• Case law, legal liabilities & obligations	2
	• Anti-money laundering	2
	• Corporate governance frameworks	2
	• CPA Code of Ethics and the Ethical Standard for Auditors (Ireland) 2017	3
	• Professional negligence & indemnity	3
Risk Assessment, audit planning and execution	• New engagements and acceptance procedures	3
	• Planning, conducting and documenting an audit	3
	• Review of financial statements, analysis and interpretation of data and other information	3
	• Materiality and risk assessment	3
	• Quality control, professional scepticism and practice management	3
	• Evaluation and testing controls (see below)	3
	• Substantive testing	3
	• Using the work of others	3
	• Laws and regulations	3
• Fraud and error	3	
Internal Controls and Financial Systems	• Control environment and control procedures	3
	• Internal controls & internal control systems	3
	• Computer control environment	2
	• Continuous control monitoring	2
Completion and Reporting	• Subsequent events and going concern	3
	• Final review and matters arising	3
	• Key concepts – opinion, true & fair view/ fair presentation, materiality & statutory requirements	3
	• Auditor's report	3
	• Modified reports	3
	• Limitations on scope/ Disagreement	3
	• Emphasis of matter / other matters / KAMs	3
• Auditor's responsibility	3	
Special Audits & Other Engagements	• Engagement, planning, execution and reporting	2
	• Professional practice considerations	2
Performance Evaluation	• Corporate reports and extended stakeholder reports e.g., sustainability, governance and environmental reports	2
	• Performance management reports and KPIs	2
Current Issues	• Current developments in the audit and assurance environment	2
	• Auditing new technologies e.g., Artificial Intelligence (AI) and Blockchain	1

## Learning Guide

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### 1. The legal, regulatory, professional and ethical framework of auditing

- a) Demonstrate an in-depth understanding of the Companies Act / Orders and relevant EU directives and other company law legislation affecting the auditor
  - b) Explain the responsibilities imposed on auditors of Irish Stock Exchange (ISEQ) and London Stock Exchange listed companies and describe the auditor's legal responsibilities to shareholders
  - c) Demonstrate an in-depth understanding of Auditing standards and other technical pronouncements issued by the IASB, IAASB and IAASA
  - d) Describe the implications for the auditing process of relevant case law decisions and explain how other legal liabilities and obligations affects auditors and accountants in providing audit and assurance services
  - e) Define money-laundering; advise how auditors and accountants can meet their obligations under anti-money laundering legislation; demonstrate an ability to recognise suspicious transactions and describe how these transactions should be reported
  - f) Appraise and critique the implications of corporate governance frameworks on the accounting and audit profession
  - g) Explain and describe with examples, the fundamental principles of the CPA Code of Ethics and the Ethical Standard for Auditors (Ireland) 2017 and determine how they apply to audit and assurance services and the profession, including the impact of provision of non-audit services and the need for professional scepticism
  - h) Illustrate the situations whereby auditors and accountants may have professional liability and explain professional indemnity, misconduct, negligence and the code of confidentiality.
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### 2. Risk Assessment, audit planning and execution

- a) Explain the procedures to be undertaken before acceptance of a new or recurring engagement and recognise when an engagement should be refused
  - b) Describe the strategic design and planning of an audit and explain how the audit strategy is derived from the result of planning procedures. Discuss the importance of knowledge and understanding of the client's business and the importance of audit documentation in this process.
  - c) Demonstrate the ability to critically review financial statements and other relevant information to plan the audit and assess risk. Identify, formulate and explain analytical procedures, data analysis and interpretation. Describe how technology can assist the auditor with this process and identify any risks associated with reliance on data reports, AI generated information and algorithmic processes.
  - d) Consider materiality and performance materiality and illustrate how these concepts are applied in auditing. Explain how materiality and risk are related and evaluate business and audit risk, including the risk of material misstatement in an audit/assurance engagement. Consider other risk factors that may impact on the assurance engagement.
  - e) Explain the principles of quality control and evaluate the quality control procedures to ensure good practice management. Describe the importance of professional scepticism throughout the audit and assurance engagement.
  - f) Design and evaluate tests of controls and assess their role in gathering audit evidence
  - g) Design and implement tests of substance on specific audit areas within the financial statements and evaluate their importance in gathering audit evidence
  - h) Explain why and how the auditor may use the work of others
  - i) Consider the impact of non-compliance with laws and regulations for the audit and assurance engagement
  - j) Recognise and contrast the characteristics of fraud and error and explain with examples, the responsibility of auditors for detecting and reporting material misstatement due to fraud and error
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### 3. Internal Controls and Financial Systems

- a) Describe how the control environment and control procedures operate within a business
  - b) Explain effective internal controls and discuss the limitations on the effectiveness of internal controls
  - c) Ascertain and understand internal control systems through use of narrative notes, flowcharts, checklists, questionnaires and walk-through tests
  - d) Evaluate and assess accounting and internal control systems and the subsequent impact on audit work
  - e) Define internal audit and ascertain and describe the situations when an auditor can/cannot place reliance on internal controls and/or internal audit
  - f) Understand the principles and control procedures in a computer environment, including system analysis, design considerations and continuous control monitoring
  - g) Understand that continuous audits are usually technology-driven and operate in real-time and recognise the importance of computer assisted audit techniques for continuous audit. Outline the 7-steps in continuous audit
  - h) Assess the uses of computer-assisted audit techniques and the impact of data analytics, artificial intelligence (AI) and blockchain for the audit of internal controls and financial systems
  - i) Identify the risks associated with reliance on technologically generated reports and outline the need to exercise professional scepticism in questioning the underlying assumptions and algorithms
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### 4. Completion and Reporting

- a) Design audit procedures to identify subsequent events and assess the impact on the financial statements
  - b) Evaluate the going concern indicators for an engagement and design audit procedures to gather evidence of going concern issues and their potential impact on the business, financial statements and the audit report
  - c) Ascertain the remaining evidence to be gathered before the audit conclusion can be reached e.g., solicitor's confirmation, review of provisions and contingencies, written representations etc.
  - d) Conclude on the results of audit procedures performed and evidence gathered; identify adjustments and evaluate the impact on the final financial report of unadjusted errors.
  - e) Explain the importance of analytical procedures throughout the audit and apply final analytical procedures and disclosure checks to the final financial statements
  - f) Formulate any matters arising from the final review which may have an impact on the audit report
  - g) Describe key concepts such as: audit opinion, true and fair view/fair presentation, materiality, statutory requirements, key audit matters (KAM) etc.
  - h) Determine the form and content of an unmodified auditor's report and outline the elements comprising the report
  - i) Advise on modifications to the auditor's report and when they are justified, differentiating between matters that do not affect the auditor's opinion, and those that do affect the auditor's opinion providing examples of circumstances giving rise to modified reports
  - j) Recognise and contrast limitations on scope and disagreements with management and the impact of each on the modified audit report
  - k) Recognise when it is appropriate to use emphasis of matter paragraph, other matter paragraph and KAM disclosure
  - l) Explain the auditor's responsibility for their opinion and their responsibility before and after the date of the auditor's report
  - m) Explain the auditor's responsibility for other information in documents (e.g., Annual Report) containing audited financial statements
  - n) Describe other types of assurance report
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## 5. Special audits and other engagements

- a) Describe the relevant engagement planning, execution (including internal control implications), reporting and professional practice considerations concerning:
    - Group audits, small business audits (including small business exemption), not-for-profit audits, first time audits
    - Prospectuses and other offering documents (investment circulars): historical year-end financial statements, interim financial statements, and future oriented information
    - Other types of historical financial assurance engagements: financial statements review engagement (Accountant's Report), financial statements compilation engagements (Compilation Report), audit or review of specific financial information (e.g., sales figures for retail park leases), compliance with agreements (e.g., loan covenants), agreed-upon procedures
    - Assurance on internal controls in service organisations (e.g., data holding and or processing company)
    - Other types of audits: value for money/operational, social and environmental, due diligence, health and safety, forensic (fraud identification, analysis and assessment)
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## 6. Performance evaluation

- a) Critique corporate reports and extended stakeholder reports e.g., Corporate Social Responsibility Report (CSR), Environmental, Social and Governance Report (ESG), and other forms of sustainability and environmental reports
  - b) Clarify the importance of ratio analysis and the use of Key Performance Indicators (KPIs) in performance management reports
  - c) Recognise potential for bias in performance management reports
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## 7. Current issues

- a) Discuss the current issues and developments relating to practice management, audit and assurance services, including audit expectations and developments in the regulation of audits
  - b) Discuss the impact of emerging technologies on the audit itself and the accounting profession e.g., Artificial Intelligence (AI), Automated Accounting technology, Blockchain technology, Cloud computing, Data Analytics and the use of Big Data, Machine Learning (ML) and Robotic Process Automation (RPA)
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## Learning Resources

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### Core Texts

The Audit Process, Principles, Practice & Cases 8th Edition/Gray, Manson and Crawford / Cengage 2024 / ISBN: 9781473786929

Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities /2018 / IFAC / ISBN 978-1-60815-353-4 Published in two volumes, with Companion Manual, freely available for download from:

[www.ifac.org/knowledge-gateway/preparing-future-ready-professionals/publications/guide-using-international-standards-auditing-audits-small-and-medium-sized-entities](http://www.ifac.org/knowledge-gateway/preparing-future-ready-professionals/publications/guide-using-international-standards-auditing-audits-small-and-medium-sized-entities)

### Technical Material

1. Assurance and Quality Control Standards
  - International Standards on Auditing (Ireland)
  - International Standards on Review Engagements (ISAE's)
  - ISQM (Ireland) Irish Audit Quality Standards. These are available from the Irish Auditing and Accounting Supervisory Authority [www.iaasa.ie](http://www.iaasa.ie).

## 2. Financial Accounting and Reporting Standards

- International Financial Reporting Standards (IFRSs) EU Endorsed are available from the European Commission on <https://op.europa.eu/en/publication-detail/-/publication/1e1688e8-f9a6-11e7-b8f5-01aa75ed71a1/language-en/format-PDF/source-130716561>
- The International Standards on Auditing Ireland are available from the Irish Auditing and Accounting Supervisory Authority [www.iaasa.ie](http://www.iaasa.ie).

## 3. Ethical Standards

- Ethical Standard for Auditors (Ireland) 2022 are available from Irish Auditing and Accounting Supervisory Authority [www.iaasa.ie](http://www.iaasa.ie).
- CPA – Code of Ethics, available from the CPA website at [www.cpaireland.ie](http://www.cpaireland.ie)

## 4. Examinable Material Document at the end of this document

### Supplementary Texts

Principles of External Auditing 4th Edition / Porter, Hatherly, Simon / Wiley 2014 / ISBN-13: 978- 0470974452

External Auditing and Assurance: An Irish Textbook 4th Edition by Christine Nangle Revised/2022 / ICAI Cosserat / Modern Auditing / Wiley / 4th Edition 2016 /ISBN-13: 978-1118962824

AccountancyPlus

CPA Students' eBulletin

Emerging Technologies, Risk, and the Auditor's Focus

by Julie Bell Lindsay, Anita Doutt, and Catherine Ide, Center for Audit Quality, Harvard Law School, July 2019

Three Technologies That Will Change The Face Of Auditing Forbes, July 2018

### Useful Websites (as of date of publication)

[www.charteredaccountants.ie](http://www.charteredaccountants.ie) - Chartered Accountants Ireland

[www.cpaireland.ie](http://www.cpaireland.ie) - CPA Ireland

[www.iaasa.ie](http://www.iaasa.ie) - Irish Auditing and Accounting Supervisory Authority

[www.frc.org.uk/about-the-frc/structure-of-the-frc/audit-and-assurance-council](http://www.frc.org.uk/about-the-frc/structure-of-the-frc/audit-and-assurance-council) - FRC - Audit and Assurance Council

[www.frc.org.uk/about-the-frc/structure-of-the-frc/corporate-reporting-council](http://www.frc.org.uk/about-the-frc/structure-of-the-frc/corporate-reporting-council) - FRC Corporate Reporting Council

[www.ifac.org/auditing-assurance](http://www.ifac.org/auditing-assurance) – International Auditing & Assurance Standards Board

## Examination Approach

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The subject should be approached on the basis that it is a final professional stage examination. It builds on the knowledge gained at earlier studies in relation to the core auditing issues. Questions require students to write reports, which must be tailored to the technical knowledge of the target audience. Students are also presented with the opportunity to demonstrate professional judgement and ethical sensitivity.

Particular attention must be paid to the interaction between the various elements of the syllabus and other subjects studied. Students are expected to select and integrate relevant syllabus material from Audit Practice and Assurance Services and other subjects as appropriate. They must also be able to appraise and defend the audit function and its impact on financial statements and the maintenance of standards.

## Examination Format

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This examination is unseen, open book and 4 hours in duration. Each exam will also have an additional 20- minute reading time. All exam papers at the Strategic Level will be prepared in accordance with the following format:

**Section A:** 80 marks. All questions are compulsory. There will be no multi-choice questions at this level.

**Section B:** 20 marks. This section will contain a number of optional questions. The exact number and mark weighting of these questions will vary at the discretion of the subject examination team.

The individual subject examination team will decide upon the exact question style considered most appropriate to their specific subject. This format will be followed in subsequent exams. Should a change to the exam format be deemed appropriate this will be notified, in advance, in the annual Educator's Briefing. Please refer to the CPA Ireland website for latest Educators Briefing.

# Strategic Pathway: DATA ANALYTICS FOR FINANCE

## Aim

The aim of this module is to provide a comprehensive understanding of the theory and practice of data analysis in the Accounting and wider business domains. Students who complete this course should develop the skills to apply and interpret data-based initiatives that address real-world problems across many financial activities such as financial accounting, management accounting, taxation, auditing and corporate finance. The course will leverage the wide use of Data Analytics software tools, such as Excel, R and Python among accounting practitioners and develop students understanding of the Data Analysis functions and complement this with other analytics tools.

## Data Analytics for Finance as an Integral Part of the Syllabus

The study of Management Accounting at Foundation Level and Performance Management at Professional are prerequisites for the study of Data Analytics for Finance. Statistical techniques introduced in earlier papers are applied to the methods of Data Analytics.

## Minimum Intended Learning Outcomes

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

- Discuss the strategic processes, benefits and challenges of applying Data Analysis techniques to improve decision making for competitive advantage.
- Apply statistical techniques, including regression analysis and time series analysis, to business datasets and interpret results for various user groups.
- Describe the key concepts underpinning various supervised and unsupervised machine learning methods
- Evaluate the benefits and risks of utilising machine learning techniques in a variety of business financial activities.
- Interpret outputs from a variety of Data Analytics software tools, such as Excel, R and Python, and discuss the risks in making business recommendations from these outputs.
- Assess data protection, data privacy and other ethical issues associated with the utilisation of large corporate datasets.

## Indicative Syllabus

		COMPETENCY LEVELS
Strategic Data Management in Finance	• Challenges in Human Decision Making	3
	• Data Analytics Processes - Introduction to Process Models	3
	• Financial Big Data for Competitive Advantage	3
	• Strategic Data Management in Finance	3
	• Management Challenges in Data Driven Environments	3
	• Developing a Data Driven Culture	2
Exploratory Data Analysis	• Data Preparation – Normalization, Binning, Sampling	3
	• Descriptive Statistics	3
	• Data Quality Issues - Missing Values, Outliers	3
	• Visualizing Relationships Between Features	3
	• Measuring Covariance and Correlation	3
	• Data Distributions and Confidence Intervals	3
Statistics for Big data	• Effect size, Statistical power and sample size	
	• Effect of Variation	3
	• Hypothesis testing	3
	• Interpret outputs from statistical software to analyse patterns in accounting data for signaling unexpected fluctuations e.g., Fraud Analysis, detecting anomaly transactions etc.	3
Dimension reduction	• Factor Analysis	3
	• Principal Component Analysis (PCA)	3
	• Interpret outputs from statistical software to analyse reasons behind fluctuations in accounting data e.g., defining cost drivers in Activity Based Costing etc.	3
Regression and Big Data	• Simple Linear Regression	3
	• Correlation Coefficient	3
	• Calculation of Regression parameters	3
	• Overfitting - The Variance/Bias Trade-off	3
	• Collinearity	3
	• Regression Model accuracy	3
	• Residual Analysis	3
	• Interpret outputs from statistical software to interpret relationships in accounting data e.g., Price/Revenue relationship, comparing performance of different products, regions etc.	3
Forecasting Techniques and Application	• Time Series basics	3
	• Decomposition of Time Series	3
	• Seasonality, Linear Trend models	3
	• Smoothing models	3
	• Interpret outputs from statistical software to support prediction of accounting data e.g., Forecasting Revenue/Margin, Predicting Going Concern status, What-if analysis etc.	3

		COMPETENCY LEVELS
Machine Learning	<ul style="list-style-type: none"> <li>• Supervised Learning               <ul style="list-style-type: none"> <li>- Classification</li> <li>- Tree-Based Methods</li> <li>- Decision Trees</li> <li>- Logistic Regression</li> <li>- K-Nearest neighbors</li> <li>- Applications in Finance</li> <li>- Interpretation of software model output</li> <li>- Neural Networks</li> <li>- Support Vector Machines</li> </ul> </li> <li>• Unsupervised Learning               <ul style="list-style-type: none"> <li>- Measuring Similarity</li> <li>- Clustering</li> <li>- Applications in Finance</li> </ul> </li> <li>• Evaluate ML techniques for analysis of high-volume accounting data               <ul style="list-style-type: none"> <li>- Classifying fraud risk factors in accounting transactions</li> <li>- Profiling customer buying and payment performance based on known or unknown attributes</li> <li>- Clustering accounting data for internal control procedure</li> </ul> </li> </ul>	3
		3
		3
Model Evaluation	<ul style="list-style-type: none"> <li>• Misclassification Rate on a Hold-out Test Set</li> <li>• ROC Curves</li> <li>• Confusion Matrix – Accuracy, Precision, Recall</li> </ul>	3 3 3
Data Ethics & Legal Considerations	<ul style="list-style-type: none"> <li>• Data Ethics in Finance</li> <li>• Data Legislation GDPR</li> <li>• Data and Statistical reporting</li> </ul>	2 2 2

## Learning Guide

### 1. Strategic Data Management in Finance

- a) Identify and discuss the challenges in Human Decision Making, particularly relating to large datasets.
- b) Discuss the benefits and challenges of utilising Process Models to manage Finance Data Analysis projects
- c) Identify and discuss the strategic benefits to be derived from Financial Big Data
- d) Identify and discuss the management challenges in leveraging the benefits of Big Data for strategic competitive advantage
- e) Use of Artificial Intelligence (AI) in data analytics.

### 2. Exploratory Data Analysis

- a) Discuss the process of data cleaning and preparation – e.g., Normalization, Binning, Sampling
- b) Apply and Evaluate key descriptive statistics, including Covariance and Correlation, in a data set for large business datasets
- c) Discuss solutions to overcome data quality issues in Data Analysis projects - missing values, outliers etc.
- d) Apply and Evaluate methods for visualizing relationships between features

### 3. Statistics for Big data

- a) Explain relationships between sample size, effect size, statistical power
- b) Describe and Evaluate measures of variation for large datasets
- c) Describe hypothesis testing and evaluate outputs from hypothesis tests performed using software such as Excel, R and Python etc.
- d) Interpret outputs from statistical software to analyse patterns in accounting data for signaling unexpected fluctuations - fraud analysis, detection of anomaly transactions etc.



#### 4. Dimension reduction

- a) Explain PCA and factor analysis and discuss its uses in the analysis of large financial datasets
  - b) Interpret outputs from statistical software to analyse reasons behind fluctuations in accounting data e.g., defining cost drivers in Activity Based Costing etc.
- 

#### 5. Regression and Big Data

- a) Apply simple linear regression to find the line of best fit
  - b) Calculate and explain the relevance of the Correlation Coefficient
  - c) Calculate regression parameters, describing the significance of each
  - d) Explain what is meant by overfitting and how the Variance/Bias Trade-off can be used to overcome this issue
  - e) Discuss the role of regression analysis in Financial Data Analysis and Forecasting
  - f) Interpret software outputs, including ANOVA and ANCOVA, to evaluate regression models
  - g) Interpret model accuracy from analysis of model residuals using tabular and graphical residuals plots
  - h) Interpret outputs from statistical software to interpret relationships in accounting data e.g., Price/Revenue relationship, comparing performance of different products, regions etc.
- 

#### 6. Forecasting Techniques and Application

- a) Apply techniques to decompose additive and multiplicative time series and extract components such as trend, seasonality etc.
  - b) Discuss the role of time series analysis in Financial Data Analysis and Forecasting
  - c) Interpret outputs from statistical software to support prediction of accounting data e.g., Forecasting Revenue/ Margin, Predicting Going Concern status, What-if analysis etc.
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#### 7. Machine Learning

- a) Explain the fundamental techniques that underpin a range of Supervised Learning techniques such as Classification, Tree-Based Methods, Decision Trees, Logistic Regression, K-Nearest neighbours,
  - b) Explain the fundamental techniques that underpin a range of Unsupervised Learning techniques such as Clustering, Neural Networks, Support Vector Machines
  - c) Discuss the benefits and challenges of applying machine learning techniques in the financial domain e.g., for classifying fraud risk factors in accounting transactions, profiling customer buying, and payment performance based on known or unknown attributes, clustering accounting data for internal control procedure
- 

#### 8. Model Evaluation

- a) Understand the application of ROC Curves in the evaluate of Machine Learning models
  - b) Explain concepts such as model Accuracy, Precision, Recall
  - c) Interpret Confusion Matrix and ROC curve outputs to evaluate the performance of a model
- 

#### 9. Data Ethics & Legal Considerations

- a) Identify and discuss the ethical issues surrounding the use of data analytics in finance
- b) Demonstrate an understanding of Data Legislation GDPR and its impact on data analytics
- c) Discuss the societal impacts of the increasing use of Data Analysis techniques in Finance and Business

## Recommended Reading

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*The books identified below indicate the focus of this course.*

Excel Data Analysis - Modelling and Simulation

Author Hector Guerrero

Currently available to download at <https://link.springer.com/book/10.1007%2F978-3-030-01279-3>

Shah C / A Hands - On Introduction to Data Science/ Cambridge University Press/2021/ISBN: 978-1108472449

Lane D/ Introduction to Statistics 203/ Open Textbook Library/

<https://open.umn.edu/opentextbooks/textbooks/459>

Winston W / Microsoft Excel Data Analysis and Business Modeling (Office 2021 and Microsoft 365) (Business Skills) 7th Edition / Microsoft Press 2021 / ISBN: 978-0137613663

Pinder J / Introduction to Business Analytics Using Simulation 2nd Edition / Academic Press 2022 / ISBN: 978-0323917179

Lutz M / Learning Python 5ed: Powerful Object-Oriented Programming / O'Reilly 2013 / ISBN: 978-1449355739

Wickham G / R for Data Science: Import, Tidy, Transform, Visualize, and Model Data / O'Reilly 2017 / ISBN: 978-1491910399

Python for Data Analysis - 3rd Edition

Author Wes McKinney ISBN-13: 9781491957660

Grus, J., 2019. Data science from scratch: first principles with python. O'Reilly Media / ISBN: 978-1492041139

## Examination Approach

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The examination paper will be a “loosely-stitched” case study. Specifically, the paper will begin with a case description of an organisation (including relevant details appropriate to the case and to the questions, e.g., nature of the business activity, strategies, and control systems). This introductory information will be kept reasonably short (typically less than 500 words). Candidates will be subsequently provided with additional information as appropriate (in the introductions to each of the individual questions). All of the individual questions on the paper will be about this same organisation, in accordance with the integrative nature of the case.

## Examination Format

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This examination is unseen, open book and 4 hours in duration. Each exam will also have an additional 20-minute reading time. All exam papers at the Strategic Level will be prepared in accordance with the following format:

**Section A:** 80 marks. All questions are compulsory. There will be no multi-choice questions at this level.

**Section B:** 20 marks. This section will contain a number of optional questions. The exact number and mark weighting of these questions will vary at the discretion of the subject examination team.

The individual subject examination team will decide upon the exact question style considered most appropriate to their specific subject. This format will be followed in subsequent exams. Should a change to the exam format be deemed appropriate this will be notified, in advance, in the annual Educator’s Briefing. Please refer to the CPA Ireland website for latest Educators Briefing.

# Strategic Pathway: STRATEGIC CORPORATE FINANCE

## Aim

The aim of this module is to develop students' critical understanding of the key responsibilities and financing decisions facing today's strategic financial manager. Students should be able to develop detailed business plans, to assess potential financial risks, and to advise on suitable risk management strategies for entrepreneurial activities as well as established organisations.

## Strategic Corporate Finance as an Integral Part of the Syllabus

Strategic Corporate Finance develops the financial management knowledge and skills acquired by students in Managerial Finance and other disciplines acquired in the earlier examination stages.

Strategic Corporate Finance requires students to integrate and expand that knowledge so as to provide a framework for strategic financial management analysis and decisions

## Minimum Intended Learning Outcomes

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

- Evaluate the financial objectives of an organisation and explain how they are determined and interrelate with the non-financial objectives and stakeholder interests.
- Discuss the legal regulations and the professional and ethical considerations facing financial managers.
- Value shares / businesses in the context of a proposed merger, acquisition or management buyout.
- Analyse the factors associated with corporate failure in order to predict its likelihood and to provide advice on actions that will prevent its occurrence.
- Evaluate and advise as to the optimum capital gearing structure, term structure and dividend policy for an organisation.
- Advise as to appropriate exchange risk and interest rate risk management strategies and discuss the use of derivatives in long-term risk management.
- Discuss the relevance of portfolio theory and the Capital Asset Pricing Model for financial managers.
- Prepare a business plan for an organisation, given prescribed information.
- Evaluate the financial management of an organisation over a period of time relative to its competitors and industry norms.

## Indicative Syllabus

		COMPETENCY LEVELS
The Financial Environment	• Financial objectives in strategy	3
	• Stakeholders	3
	• Corporate social responsibility	3
	• Agency Theory	3
	• Professional, regulatory and legal framework	3
	• Monetary regulation	3
	• Treasury management	3
	• The Efficient Market Hypothesis	3
Mergers and Acquisitions	• Mergers and acquisitions – overview	3
	• M&A procedures	3
	• Valuation of an organisation	3
	• Value gaps	3
	• Financing mergers and takeovers	3
	• Defence tactics	3
	• Legal and financial due diligence	3
	• Management buy outs	3
• Privatisation of quoted companies	3	
Sources of Finance	• Equity and debt financing	3
	• Short, medium and long-term funding	3
	• Gearing structure	3
	• Modigliani and Miller's theory of corporate financing	3
	• Capital structures	3
	• Dividend policies	3
Financial Risk Management	• Key financial risks	2
	• Currency risk	2
	• Foreign exchange markets	2
	• Foreign exchange and interest rates	2
	• Forward exchange contracts	2
	• Money market hedges	2
	• Exchange rate risk management strategies	2
	• Interest rate risk management strategies	2
• Long-term exposure to foreign currency risk	2	
Cost of Capital	• Risk and return	3
	• Weighted average cost of capital	3
	• Portfolio diversification	3
	• Portfolio theory	3
	• Capital asset pricing model	3
Financial Analysis and Business Planning	• Long-term business planning	3
	• Capital investment appraisal	3
	• Business plan evaluation	3
	• Assessment of financial position	3
	• Competition and industry norms	3
	• Key financial management indicators	3
	• Benchmarking	3
Fintech	• The future of fintech	2
	• Data monetization	2
	• Crypto technologies	2
	• Regulation	2

## Learning Guide

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### 1. The financial environment

- a) Summarise financial objectives within the strategic planning process
  - b) Identify key stakeholders of organisations and examine the interests of each stakeholder group
  - c) Discuss Corporate Social Responsibility and assess its relationship to the objective of maximising shareholder wealth
  - d) Explain agency theory and evaluate its relevance to financial managers
  - e) Outline the professional, regulatory and legal framework relevant to financial management including: The City Code and stock exchange requirements, money laundering, directors' responsibilities
  - f) Examine monetary regulation in the US and EU and its effect on Capital Markets
  - g) Identify and discuss the key activities undertaken by treasury managers
  - h) Summarise the advantages and disadvantages of centralised treasury management.
  - i) Evaluate the Efficient Market Hypothesis and compare various forms of efficiency
- 

### 2. Mergers and Acquisitions

- a) Describe organic and acquisitive corporate growth
  - b) Critically analyse proposed mergers and acquisitions
  - c) Describe procedures to be complied with during an acquisition
  - d) Establish the valuation of an organisation in the context of a potential takeover using the earnings and asset-based methodologies, and market-based multiples
  - e) Summarise the significance of Value Gaps and the information efficiency of capital markets
  - f) Propose methods of financing mergers and takeovers, including cash, debt, equity and hybrids.
  - g) Appraise defence tactics used during a potential hostile takeover
  - h) Explain the role of legal and financial due diligence during a merger/acquisition
  - i) Discuss the benefits and risks associated with Management Buy Outs (MBOs) and evaluate the sources of finance for MBOs
  - j) Explain the advantages and disadvantages of management buy-ins (MBIs)
  - k) Summarise the arguments for and against a quoted company going private
- 

### 3. Sources of Finance

- a) Compare and contrast equity and debt financing. Explain the attractions and risks associated with each
  - b) Identify the sources of short-term, medium-term and long-term funding
  - c) Summarize Modigliani and Miller's theory of corporate financing in perfect capital markets
  - d) Generalise the optimum capital structure of a firm in an imperfect market
  - e) Explain Modigliani and Miller's theory of dividend irrelevance in perfect capital markets
  - f) Illustrate the signaling and the clientele approaches to dividend policy
  - g) Discuss the influence of taxation on dividend policy
  - h) Assess and summarize other key considerations in financing including the Pecking Order Theory (Myers and Majluf), agency costs, and financial distress and bankruptcy costs
  - i) Analyse various dividend payment policies including cash and stock dividends, and the use of share repurchase schemes
-

#### **4. Financial Risk Management**

- a) Evaluate the key financial risks facing an organisation including exchange rate (currency) risk and interest rate risk
  - b) Identify different currency risks including transaction, translation and economic exposure
  - c) Discuss strategies to mitigate currency risks including the use of money market instruments, financial derivatives, and other methods including netting, leading and lagging
  - d) Show the workings of the foreign exchange markets
  - e) Discuss the relationship between foreign exchange rates, interest rates, and inflation in different countries
  - f) Explain various ways of managing interest rate risk including the use of options, swaps, forwards, futures and swaptions.
  - g) Appraise long-term economic exposure of a firm to foreign currency risk and evaluate steps to mitigate such exposure
- 

#### **5. Cost of Capital**

- a) Interpret risk and return and discuss the relationship between risk and return
  - b) Discuss the factors impacting on the cost of equity capital
  - c) Calculate the Weighted Average Cost of Capital (WACC) and discuss its uses and limitations
  - d) Discuss portfolio theory and examine different risk-return profiles arising from various combinations for asset allocation and explain the relevance of the efficient frontier approach
  - e) Explain the Capital Asset Pricing Model (CAPM) and discuss its assumptions, applications, and limitations
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#### **6. Financial Analysis and Business Planning**

- a) Prepare long-term business plans from prescribed information
  - b) Appraise capital investment options using NPV, IRR and Payback criteria
  - c) Evaluate business plans from the perspective of an equity investor or provider of debt
  - d) Evaluate an organisation's current financial position
  - e) Compare and evaluate the financial management of an organisation with that of competitors and industry norms
  - f) Prepare, evaluate, and discuss key financial management indicators based on the published financial statements of an organisation
  - g) Benchmark selected financial KPIs against companies in the same industry sector
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#### **7. Emerging Technologies in Finance**

- a) Define Fintech and describe the evolution of fintech; recognise the potential impact of Fintech on financial intermediation (savings and credit) and digital currencies
  - b) Discuss the potential impact of Fintech on payments, clearing and settlement services, and money creation
  - c) Contrast TechFin from FinTech and describe opportunities and regulatory challenges brought about by data-driven finance
  - d) Appraise blockchain (Distributed Ledger) technology and its types including public and private systems
  - e) Recognise the potential application of DL technology in various business issues including smart contracts and supply chain management
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## Learning Resources

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### Core Texts

Arnold / Corporate Financial Management 6th Edition/ Pearson 2019 / ISBN-13: 978 12922140445.  
 Berk, J. and DeMarzo, P. (2023). Corporate Finance, Global Edition. 6th edition. Pearson International Content.

### Manuals

Griffith College, CPA Strategic Pathway Level - Strategic Corporate Finance (Latest edition)

### Supplementary Texts and Journals

Power, Walsh and O Meara 3rd ed / Financial Management / An Irish Text, Gill and Mc Millan / 2009 / ISBN- 13: 978-0717145546

Pilbeam / Finance and Financial Markets / 4th edition McMillan 2018 / ISBN-13: 978-1137515629. CPA Students' eBulletin

Harvard Business Review

Investment International

Accounting & Business

Accountancy Plus

Arner, D., Barberis, J., and Buckley, R., 2019. The Evolution of Fintech: A New Post-Crisis Paradigm? Available at SSRN: <https://ssrn.com/abstract=2676553>

Pilkington, M., 2015. "Blockchain Technology: Principles and Applications". Available at SSRN: [ssrn.com/abstract=2662660](https://ssrn.com/abstract=2662660)

Thakor, A., 2020. Fintech and banking: What do we know? Journal of Financial Intermediation 41, 100833.

Zetzsche, D., Buckley, R., Arner, D., Barberis, J., 2017. From FinTech to TechFin: The Regulatory Challenges of Data-Driven Finance. Available at SSRN: <https://ssrn.com/abstract=2959925>

## Examination Approach

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This examination uses a case-study approach to test students' ability to apply technical skills, critical analysis, and demonstrate synthesis and decision-making. It also tests communication skills and familiarity with contemporary business issues. Questions require students to write reports, which must be tailored to the technical knowledge of the target audience. Students are also presented with the opportunity to demonstrate professional judgement and ethical sensitivity.

## Examination Format

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This examination is unseen, open book and 4 hours in duration. Each exam will also have an additional 20-minute reading time. All exam papers at the Strategic Level will be prepared in accordance with the following format:

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# EXAMINABLE MATERIAL DOCUMENT

## International Financial Reporting Standards

		Financial Accounting	Financial Reporting	Advanced Financial Reporting	Audit & Assurance	Advanced Audit & Assurance
		COMPETENCY LEVEL				
Conceptual Framework for Financial Reporting		1	2	3	2	3
IAS 1	Presentation of Financial Statements	1	2	3	2	2
IAS 2	Inventories	2	2	3	2	2
IAS 7	Statement of Cash Flows	1 (i)	2	3	N/A	1
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1	2	3	2	2
IAS 10	Events After the Reporting Period	2	2	3	2	2
IAS 12	Income Taxes	N/A	2(ii)	3	N/A	2
IAS 16	Property, Plant and equipment	2	2	3	2	3
IAS 19	Employee Benefits	N/A	N/A	2	N/A	N/A
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	2	2	3	N/A	1
IAS 21	The Effects of Changes in Foreign exchange Rates	N/A	2	3(iv)	N/A	2
IAS 23	Borrowing Costs	N/A	2	3	2	2
IAS 24	Related Party Disclosures	N/A	N/A	3	N/A	2
IAS 27	Separate Financial Statements	N/A	2	3 (iv),(v)	N/A	2
IAS 28	Investments in Associates and Joint ventures	N/A	2	3	N/A	2
IAS 32	Financial Instruments: Presentation	N/A	1	2	N/A	1
IAS 33	Earnings per Share	N/A	2 (vi)	3	N/A	2
IAS 34	Interim Financial Reporting	N/A	1	1	N/A	2
IAS 36	Impairment of Assets	N/A	1	3	1	2
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	2	2 (v)	3	1	2
IAS 38	Intangible Assets	2	2	3	2	2
IAS 39	Financial Instruments: Recognition and Measurement	N/A	1 (vii)	2 (vii)	N/A	1 (vii)
IAS 40	Investment Property	N/A	2	3	1	2
IAS 41	Agriculture	N/A	1	1	N/A	N/A



## International Financial Reporting Standards

		Financial Accounting	Financial Reporting	Advanced Financial Reporting	Audit & Assurance	Advanced Audit & Assurance
		COMPETENCY LEVEL				
Conceptual Framework for Financial Reporting		1	2	3	2	3
IFRS 1	First-time Adoption of International Financial Reporting Standards	N/A	2	3	2	2
IFRS 2	Share-based Payment	N/A	N/A	2	N/A	N/A
IFRS 3	Business Combinations	N/A	2	3	2	1
IFRS 5	Non-current Assets held for Sale and Discontinued Operations	N/A	2	3	N/A	2
IFRS 7	Financial Instruments: Disclosures	N/A	1	2	N/A	1
IFRS 8	Operating Segments	N/A	2	2	N/A	2
IFRS 9	Financial Instruments	N/A	1	2	N/A	1
IFRS 10	Consolidated Financial Statements	N/A	2 (v)	3 (iv), (v)	N/A	2
IFRS 11	Joint Arrangements	N/A	1	3	1	2
IFRS 12	Disclosure of Interests in Other Entities	N/A	1	2	N/A	2
IFRS 13	Fair Value measurement	N/A	2	3	N/A	2
IFRS 15	Revenue from Contracts with Customers	N/A	2	3	2	2
IFRS 16	Leases	N/A	2	3	N/A	2
IFRS 17	Insurance Contracts	N/A	N/A	N/A (viii)	N/A	N/A
	Irish and UK GAAP					
FRS 100	Application of Financial Reporting Requirements	N/A	N/A	1	N/A	N/A
FRS 101	Reduced Disclosure Framework	N/A	N/A	1	N/A	N/A
FRS 102	Financial Reporting Standard Applicable in the UK and ROI	N/A	N/A	1	N/A	N/A
FRS 104	Interim Financial Reporting	N/A	N/A	1	N/A	N/A
FRS 105	The Financial Reporting Standards applicable to the Micro-entities Regime	N/A	N/A	1	N/A	N/A

### Notes:

- (i) Cash flow statements for groups will be examined at Professional and Strategic Levels only.
- (ii) Deferred tax not included.
- (iii) Examinable for Individual transactions.
- (iv) Closing rate method of foreign currency consolidation only, examinable.
- (v) Piecemeal acquisition or disposal and sub subsidiaries not included.
- (vi) Basic earnings per share only, examinable.
- (vii) Questions may be answered with reference to IFRS 9 where relevant.
- (viii) Insurance contracts represent special types of accounts which are not examined on this syllabus.

IFRS PRACTICE STATEMENT	Advanced Financial Reporting	Advanced Audit & Assurance
Management Commentary (Dec 2010)	2	1
Making Materiality Judgements (Sept 2017)	2	2

Statements of Insolvency Practice		Corporate Law
		COMPETENCY LEVEL
SIP 1B	A receiver's responsibility for the mortgagor's records – Republic of Ireland	1
SIP 2B	A liquidator's investigations into the affairs of an insolvent company – Republic of Ireland	1
SIP 7B	Officeholders' preparation of insolvency receipts and payments accounts – Republic of Ireland	1
SIP 8B	Planning and organisation of creditors' meetings – Republic of Ireland	1
SIP 9B	Remuneration of insolvency officeholders – Republic of Ireland	1
SIP 10B	Proxies - Republic of Ireland	1
SIP 11B	The handling of funds in formal insolvency appointments - Republic of Ireland	1
SIP 13B	Acquisition of assets of insolvent companies by directors and connected persons - Republic of Ireland	1
SIP 14B	A receiver's responsibility to preferential creditors – Republic of Ireland	1
SIP 15B	Dealing with employee claims - Republic of Ireland	1
SIP 19B	Appointment as examiner under the Companies (Amendment) Act 2014 - Republic of Ireland	1

Ethics		Audit & Assurance	Advanced Audit & Assurance
CPA - Code of ethics	August 2022	2	3
Ethical Standard for Auditors (Ireland) 2020		2	3

International Standards on Auditing (Ireland)		Audit & Assurance	Advanced Audit & Assurance
		COMPETENCY LEVEL	
ISQM 1	Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements	2	3
ISQM 2	Engagement Quality Reviews	2	3
200	Overall objectives of the independent auditor and the conduct of an audit in accordance with International Standards on Auditing (Ireland)	2	3
210	Agreeing the terms of audit engagements	2	3
220	Quality control for an audit of financial statements	2	3
230	Audit Documentation	2	3
240	The auditor's responsibilities relating to fraud in an audit of financial statements	2	3
250A	Consideration of laws and regulations in an audit of financial statements	2	3
250B	The auditor's right and duty to report to regulators of public interest entities and regulators of other entities in the financial sector	2	3
260	Communication with those charged with governance	2	3
265	Communicating deficiencies in internal control to those charged with governance and management	2	3
300	Planning an audit of financial statements	2	3
315	Identifying and assessing risks of material misstatement through understanding the entity and its environment	2	3
320	Materiality in planning and performing an audit	2	3
330	The auditor's responses to assessed risks	2	3
402	Audit considerations relating to an entity using a service organisation	2	3

International Standards on Auditing (Ireland)		Audit & Assurance	Advanced Audit & Assurance
		COMPETENCY LEVEL	
450	Evaluation of misstatements identified during the audit	2	3
500	Audit evidence	2	3
501	Audit evidence - specific considerations for selected items	2	3
505	External confirmations	2	3
510	Initial audit engagements - opening balances	2	3
520	Analytical procedures	2	3
530	Audit sampling	2	3
540	Consideration of laws and regulations in an audit of financial statements	2	3
550	Related parties	2	3
560	Subsequent events	2	3
570	Going concern	2	3
580	Written representations	2	3
600	Special considerations - audits of group financial statements (including the work of component auditors)	2	3
610	Using the work of internal auditors	2	3
620	Using the work of internal auditors	2	3
700	Forming an opinion and reporting on financial statements	2	3
701	Communicating key Audit matters in the Independent Auditor's Report	2	3
705	Modifications to the opinion in the independent auditor's report	2	3
706	Emphasis of matter paragraphs and other matter paragraphs in the independent auditor's report	2	3
710	Comparative information - corresponding figures and comparative financial statements	2	3
720	The auditor's responsibilities relating to other information	2	3

## Companies Act

### Companies Act 2014

Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended

N.B. It is essential to check the Institute's website ([www.cpairland.ie](http://www.cpairland.ie)) for the most recent Examinable Material Document (EMD). An updated EMD is published each November for the following two exam diets. April and August respectively.



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