

Syllabus 2021



Ready to Face the
Future of Accounting

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Introduction

We are excited to present the new CPA Ireland new syllabus for 2021, which has been developed in the context of the finance function of the future. We undertook vast amounts of research both desk based, consultative and most recently through participation and representation on the IFAC International Forum for Accountancy Education Directors. We consulted with many stakeholders including academia, industry, peer profession and global education forums.

The key attribute the marketplace now seeks in a professional accountant is the ability to influence business at a strategic level and to apply the latest technological developments in the business environment. This syllabus has been revised to address the impact of emerging and disruptive technologies through the introduction of these topics across various subjects on the syllabus and through the introduction of a new elective at our final level – Data Analytics for Finance.

CPA Ireland are very proud to announce that we are introducing Sustainability Reporting on both of our final level compulsory subjects, Advanced Financial Reporting and Strategy and Leadership. It is our ambition that our students will be pioneers in the drive to increase sustainability reporting among corporates.

In recognition of the diverse range of rewarding and exciting career opportunities available to professional accountants, this syllabus provides students with options in the final level of studies, to tailor the CPA Ireland qualification to their chosen career paths. Selecting from a number of pre-qualification specialisms, those students who intend working in public practice can specialise in areas such as auditing and tax while those with a preference for industry focus on data analytics and corporate finance.

This competency based syllabus positions newly qualified Certified Public Accountants (CPAs) as team players with all the essential technical skills and capacity to operate at a strategic level, capable of understanding and contributing towards every facet of business including entrepreneurial activity, practice and public service. The CPA Ireland syllabus balances an appropriate emphasis on strategy, ethics and governance with the fundamental components of auditing, taxation, finance and performance reporting.

The CPA Ireland syllabus, a rigorous training process and a commitment to life-long learning are all designed to ensure that CPAs will retain and enhance their valued position in the market place and continue to contribute to the development of business, society at large and the accountancy profession both nationally and internationally.

Thank you for your interest in this syllabus. Should you require any further information, the Institute shall be pleased to assist you.



Deirdre McDonnell

CPA Director; Education & Training,
CPA Ireland

The CPA Ireland Examination System

The path towards a CPA Ireland Qualification

The CPA Ireland qualification is competency-based. Competency-based education requires candidates to perform tasks and roles to standards expected in the workplace. Both this syllabus of examination and the CPA Ireland education and training programme are underpinned by the CPA Ireland Competency Profile, which has resulted from the Institute's research into what will make accountants effective at strategic level in business and in practice into the future. The Profile specifies two dimensions: the range of knowledge/skills needed by CPAs and the depth of expertise required. It also defines the personal attributes essential for the delivery of professional services to the highest standards.

Prior to qualification, these knowledge, skills and attributes are acquired by CPA Ireland students through a syllabus of examinations and a defined training regime. Post-qualification, further development occurs through a mandatory Continuing Professional Development (CPD) programme and exposure to more complex work situations.

This approach is of increased relevance because in the evolving business environment there are ever more demanding expectations of what is required from a professional accountant. These arise, in part, from the rapidly changing business landscape, business innovation, advances in technology, greater exposure to ethical challenges, complex regulation, increased volume and complexity of standards, globalisation, commitment to lifelong learning, and more diverse education and learning opportunities.

All Certified Public Accountants, regardless of when qualified, will be distinguishable by their ethical values, professionalism and ability to work effectively with people. Such behavioural attributes fall into three categories:

1. Professionalism and Personal ethical Standards (covering the areas of values and objectivity).
2. Sensitivity to Business Needs (covering how CPAs view and interact with the business environment).
3. Interpersonal effectiveness (covering how CPAs work with others to add value).

In summary, the effectiveness of Certified Public Accountants is achieved through the integration of a robust education and examination process with a rigorous, supervised training programme.

Integration with the Training Process

The integration and interdependence of learning across subjects is explicitly highlighted within the syllabus. For each subject the aim, integration with other subjects, indicative syllabus and detailed learning guides are provided.

The Competency Profile for Newly Qualified Accountants details the competencies required of an entry level Certified Public Accountant. Many of the competencies required of an entry-level accountant are assessed through the examination process. Other competencies, by their nature, may be evaluated only in the work place through a supervised training regime. These may include non-technical competencies such as team working, leadership, effective communication skills and problem-solving capabilities.

The development of professional values, ethics and attitudes is an intrinsic and visible part of the education and training processes.

Recognition

This syllabus complies with the examination requirements of the European Union governing the approval of persons responsible for carrying out the statutory audits of accounting documents. The CPA Ireland qualification is also included in the Mutual Recognition Directive, giving CPAs access to the profession in other EU member states subject to an aptitude test in local law, taxation and language. CPA Ireland is a founding member of the International Federation of Accountants (IFAC) and the CPA Ireland syllabus supports the educational Standards & Guidelines issued by IFAC.

The Institute also has mutual recognition agreements with CPA Australia, the Institute of Chartered Accountants India, CPA Canada, the Association of National Accountants of Nigeria (ANAN), the South African institute of Professional Accountants, the Institute of Chartered Accountants of Sri Lanka and the Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan).

CPA Ireland has also signed memorandums of understanding with CIMA, CPA Sri Lanka, CPA Russia, CPA Bulgaria, CPA Belarus the Lithuanian Chamber of Auditors and the Arab Institute of Certified Public Accountants Iraq (ARICPA Iraq).

CPA Ireland is also a Prescribed Accounting Body (PAB) and a Recognised Accountancy Body (RAB) under the supervisory remit of the Irish Auditing & Accounting Supervisory Authority (IAASA).

CPA Ireland is also statutorily recognised as an approved body of auditors in New Zealand.

Assessment Methods

CPA Ireland 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 at all levels.

Examination Structure

There are 3 levels of examinations:

■ CPA Foundation Level

■ CPA Professional Level

■ CPA Strategic Level

Assessment at the CPA Foundation and Professional levels will be 3 hour closed book examinations. At the CPA Strategic Level the examinations will be open-book and 3.5 hours duration.

Electives (Strategic Level)

CPA Ireland students at Strategic Level can tailor the qualification to their chosen career path. In addition to two mandatory subjects shown in Figure 1, 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 electives subjects. All students wishing 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 are available on the CPA Ireland website www.cpaireland.ie.

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.

The subjects at each level are shown in Figure 1

Figure 1

Level	Subject	Subject	Subject	Subject	Subject	Subject
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting*	Strategy & Leadership*	Advanced Tax Strategy~	Advanced Audit & Assurance~	Data Analytics for Finance~	Strategic Corporate Finance~

* Mandatory

~ Elective (students must complete 2 out of 4 electives)

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 time allowed is shown in Figure 2.

Figure 2

Entry Level	Time Allowed
CPA - Foundation	9 Years
CPA - Professional	7 Years
CPA - Strategic	3 Years

Students must attempt exams in order by examination level, but there are no restrictions on the order of subjects you may take within an examination level.

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. E.g. all remaining examinations at Foundation level must be applied for if attempting a subject(s) from the Professional level. All remaining Professional level 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(s) from lower level(s) have not been completed or exempted. The full list of prerequisite subjects is shown in Figure 3.

Figure 3

Level / Subject	Prerequisite
Foundation Level	
CPA - Foundation	No prerequisite
CPA - Professional	No prerequisite
CPA - Foundation	No prerequisite
CPA - Professional	No prerequisite
Professional Level	
Financial Reporting	Foundation - Financial Accounting
Performance Management	Foundation - Management Accounting
Audit & Assurance	No prerequisite
Advanced Taxation	Foundation - Taxation
Managerial Finance	No Prerequisite
Corporate Law	No Prerequisite
Strategic Level	
*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

Gap Year

Students, subject to satisfying the Examination Regulations requirements, may take a gap year between examination levels.

Exemptions

Exemptions from some of the Institute's examinations may be granted to applicants who have already passed equivalent examinations. These are granted on a subject-for-subject basis. Details are available on the Institute's website www.cpaireland.ie.

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 CPA Strategic level, with students having progressed through Knowledge and Understanding, and Application and Analysis in the previous levels of the syllabus. 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 CPA 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.

Booklists and Study Materials

Suggested reading material is listed for each subject. A wide range of appropriate reading and web-based material available in all subjects has been carefully considered. The list of learning resources will be updated when necessary and students will be informed of such amendments. Students are advised to acquire the recommended books which will be invaluable during study and will form the basis of a personal library after qualification. The value of a wide reading of books, journals, web-based research and Technical Standards as a further extension of knowledge is emphasised, as the learning resource list is not intended to be exhaustive. It is important to obtain the latest editions, where recommended. At Strategic examination stages there is a requirement to demonstrate knowledge of relevant current developments. The syllabus does not necessarily set the boundary of knowledge required, students are expected to read widely from the financial press, periodicals, Accountancy Plus, (the official journal of the Institute), Student News e-Bulletins, web-based resources and other professional journals.

Past Examination Papers and Suggested Solutions

The Institute publishes past examination papers and suggested solutions on the CPA Ireland website. These are freely available for download.

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 on pages 84 to 89.

Special Types of Accounts

Questions requiring specialised detailed knowledge regarding the accounts of insurance companies, shipping companies and building societies will not be set.

Case Law

Students are expected to have an understanding of and the ability to apply, as appropriate, the decisions of case law in the relevant subjects.

Examination Regulations

Please refer to the CPA Ireland Examination Regulations for specific information about use of calculators in the examinations. This document also outlines the supporting information provided – such as formula sheets etc.

Open Book Exams

All the examinations at the CPA Strategic Level are 'open book'. Candidates may use printed/written materials during the examination. The Examination Regulations contain additional information on the conduct of open book exams.

Taxation

Students are expected to demonstrate in papers, other than the stated taxation papers, the implications of taxation in such matters as investment appraisal, preparation of accounts etc. They are not required to memorise the various taxation allowances, which are provided (as necessary) during 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.

Students may expect questions presented in case-study format to test these important skills and competencies.

Amendments to the Syllabus

The Institute reserves the right to decide on amendments to the syllabus between annual publication dates. Such amendments will be published in Accountancy Plus (the official journal of the Institute) and on the CPA Ireland website.

Examination Regulations

The examination regulations for students are set out on the Institute's website www.cpaireland.ie. All students must read, understand and abide by these. Clarification on any aspect of these regulations may be obtained from the Institute's Examinations Executive.

How the Institute communicates with students

To help students achieve their full potential, the Institute operates an "Open Door" policy in dealing with queries and specific problems encountered by students. Annually, a representative from the Institute visits students attending courses in the approved centres of education. These visits give students an opportunity to communicate their views directly to the Institute. Online forums are also held for students who may be preparing for examinations via e-Learning. Post-examination feedback is sought from students twice yearly, through the online ExamView process and reviewed by the Education and Training Committee before examination results are finalised.

At the commencement of each academic year, the Institute operates a process (the Educators Briefing) through which examiners give feedback to approved CPA Educators on examination performance issues and outline the education priorities for the coming year. A summary of these is then published on the CPA website. The Institute believes that this is an important channel of communication and an effective way to give direction and support to all approved educators.

An annual Educators' Conference is also held. Approved CPA educators are invited to attend, along with examiners, moderators, members of the Institute's Education and Training Committee and representatives from the Education and Training Department. The main purpose is to align the education and examination processes so as to facilitate the development of the CPA Ireland student.

SYLLABUS 2021

CPA FOUNDATION

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CPA FOUNDATION: FINANCIAL ACCOUNTING

Aim

The aim of this module is that students will understand the role, function and basic principles of financial accounting and master the rules of double-entry book-keeping. They will develop the ability to prepare and interpret the financial statements for specified reporting entities in accordance with current Irish generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS).

Financial Accounting as an Integral Part of the Syllabus

Financial Accounting is a prerequisite for the study of Financial Reporting. The concepts and principles learnt in this subject are an essential foundation for the later studies of Financial Reporting, Advanced Financial Reporting, Audit & Assurance and Advanced Audit & Assurance.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Discuss the conceptual and regulatory frameworks applicable to financial reporting
- Identify the users of financial statements and explain their requirements
- Record financial transactions using double entry bookkeeping
- Apply financial accounting control techniques
- Prepare financial statements for sole traders, partnerships and single entity businesses in accordance with current standards
- Prepare and present statements of cash flow and interpret and reconcile movements in cash balances
- Interpret financial statements and provide informed commentary tailored to the technical understanding of specified user groups.

Indicative Syllabus

		Competency Level
The Conceptual & Regulatory Frameworks Applicable to Financial Reporting	<ul style="list-style-type: none"> Terminology, concepts, conventions & conceptual framework Users of financial accounts Regulatory framework CPA Ireland code of ethics 	1 1 1 1
Double Entry Bookkeeping	<ul style="list-style-type: none"> Sources of information Books of prime entry and ledger accounts Capital & revenue expenditure Journals, accruals & prepayments Issue & allotment of shares 	2 2 2 2 2
Accounting Treatment of the Following:	<ul style="list-style-type: none"> Non-current assets – property, plant and equipment and intangibles (excluding complex revaluations) Events after the reporting period Provisions & contingencies Inventories Changes in foreign exchange rates, (for individual companies and transactions only) Revenue recognition Accounting for government grants & assistance 	2 2 2 2 2 2 2
Financial Accounting Control Techniques	<ul style="list-style-type: none"> Trial balance Control accounts Reconciliation – bank, cash & control accounts Suspense accounts 	2 2 2 2
Financial Statements for Sole Traders, Partnerships & Single Entity Business	<ul style="list-style-type: none"> Financial statements for single entity business excluding SOCE Partnership accounts Clubs & society accounts Incomplete records Differences between IFRS & local GAAP (FRS 100 to 105) 	2 2 2 2 1
Statements of Cash Flow	<ul style="list-style-type: none"> Statements of Cash Flow for single entities Construction, interpretation and reconciliation 	2 2
Interpretation of Accounts	<ul style="list-style-type: none"> Financial statements analysis for specific user groups Ratio analysis 	2 2

Learning Guide

The Conceptual and Regulatory Frameworks applicable to Financial Reporting

- Discuss accounting terminology, concepts, conventions and the conceptual framework for financial reporting. Advise stakeholders of the purpose and limitations of accounting information
 - Identify the users of financial accounts, statements and their requirements. Discuss the role of the accountant, in the context of the accounting profession
 - Discuss the regulatory framework of financial reporting, legislation, local and international GAAP, the role of IAASA, IASB, FRC and IFRSF
 - Record financial transactions and events in accordance with the CPA Ireland code of ethics
-

Double Entry Bookkeeping

- Identify the sources of information for the preparation of accounting records and statements
 - Record transactions appropriately in the books of prime entry and ledger accounts
 - Allocate expenditure between capital and revenue
 - Prepare journals and discuss their use in recording accruals and prepayments and other adjustments
 - Record the transactions for the issue and allotment of shares
-

Accounting Treatment

- Apply the correct accounting treatment for the following:
 - Non-current assets – property, plant and equipment and intangibles (excluding complex revaluations) in accordance with IAS 16 and IAS 38
 - Events after the reporting period, in accordance with IAS 10
 - Provisions, contingent liabilities and contingent assets in accordance with IAS 37
 - Inventories, in accordance with IAS 2
 - Changes in foreign exchange rates, (for individual companies and transactions only) in accordance with IAS 21
 - Revenue from contracts with customers in accordance with IFRS 15
 - Accounting for government grants and disclosure of government assistance in accordance with IAS 20 (Examinable for Individual transactions)
 - Review IAS8 Accounting Policies, Changes in Accounting Estimates and Errors and discuss its application in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors
-

Financial Accounting Control Techniques

- Extract a trial balance. Discuss common errors in trial balances, how they are identified and corrected
 - Prepare control accounts and discuss their purpose
 - Prepare contra entries and explain their use
 - Reconcile control and ledger accounts correcting any errors identified
 - Reconcile bank statements and cash accounts
 - Discuss the use of suspense accounts. Record entries into and out of suspense accounts
-

Financial Statements for Sole Traders, Partnerships and Single Entity Businesses

- Prepare financial statements (excluding SOCE) for single entity businesses in accordance with IFRS
 - Prepare financial statements (excluding SOCE) for single entity businesses for internal use
 - Prepare partnership accounts
 - Prepare accounts for clubs and societies
 - Prepare accounts from incomplete records
 - Discuss where local GAAP (UK & Ireland) FRS100-FRS102 may be applied
 - Discuss key differences between IFRS and Local GAAP (FRS 100 to 102)
-

Statements of Cash Flow

- Prepare statements of cash flow in accordance with IAS 7 (Cash flow statements for groups will be examined at Professional and Strategic levels only)
 - Reconcile movements in cash balances in statements of cash flow, correcting any errors identified
 - Analyse statements of cash flow providing relevant commentary tailored to the technical understanding of specified user groups
-

Interpretation of Accounts

- Analyse financial statements to provide relevant commentary tailored to the technical understanding of specified user groups
 - Calculate key accounting ratios relating to Profitability, Liquidity, Efficiency, Position
 - Discuss the usefulness of ratio analysis as a tool for the interpretation of financial statements
-

International Financial Reporting Standards

See Examinable Material Document on pages 84 - 89 for details of the International Reporting Standards etc. applicable to this examination.

Companies Act

See Examinable Material Document on pages 84 - 89 for details of the Companies Act applicable to this examination.

Learning Resources

Core Texts

Sangster A / Frank Wood's Business Accounting Vols 1 and 2 14th Revised Edition / Pearson 2018 / ISBN-13: 98-1292208626 / ISBN-13: 978-1292209173

Connolly / International Financial Accounting and Reporting 6th edition (2018). / CAI 2018 / ISBN: 978-1-912350-02-5

Manuals

Griffith College CPA Foundation Level Financial Accounting – Latest edition

Supplementary Texts and Journals

Accountancy Plus

CPA Student News e-Bulletin

Useful Websites (as at date of publication)

www.cpaireland.ie - CPA Ireland

www.iaasa.ie - Irish Auditing and Accounting Supervisory Authority

www.ifac.org - The International Federation of Accountants

www.ifrs.org - The International Financial Reporting Standards Foundation

www.iasplus.com/en/standards - Deloitte : Summaries of International Financial Reporting Standards (IFRS)

www.frc.org.uk - The Financial Reporting Council

www.frc.org.uk/about-the-frc/structure-of-the-frc/conduct-committee - FRC-Conduct Committee

www.accountingnet.ie - Irish Accounting and Business Portal

CPA FOUNDATION: MANAGEMENT ACCOUNTING

Aim

On completion of this module, students will be able to draw evidence-based conclusions from management accounting and costing data and communicate these effectively to specialists and non-specialists. The tools of management accounting are key to unlocking value from real-time data from which insightful information on past performance is obtained; current trends identified, and future outcomes are modelled, enabling optimal decision-making.

Management Accounting as an Integral Part of the Syllabus

This module is a necessary prerequisite for the subsequent study of Performance Management and Data Analytics for Finance.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Discuss the role of management accounting in providing relevant information for decision making purposes
- Apply a range of costing techniques and analyse the results
- Prepare and interpret information for decision-making
- Discuss budgeting in the context of planning and control and prepare cash and functional budgets
- Assess and interpret organisational performance using variance analysis
- Present qualitative and quantitative information for decision-making and analysis in a form appropriate to the intended decision-maker.

Indicative Syllabus

		Competency Level
Role of Management Accounting for Decision Making	<ul style="list-style-type: none"> Nature & scope of management accounting Relationship between management & financial accounting Role of the management accountant & ethical considerations Drivers of management accounting change 	1 1 1 1
Cost Classifications, Accumulation & Assignment. Costing Systems & Cost Reporting	<ul style="list-style-type: none"> Cost classifications Accounting for materials Accounting for labour Accounting for overheads Job, batch & service costing Process costing Marginal / variable costing Lean manufacturing & throughput accounting Activity based costing (ABC) Comparison of absorption and activity-based costing 	2 2 2 2 2 2 2 2 2 2
Statistics and Data Analytics Techniques	<ul style="list-style-type: none"> Sampling and statistical inference Mean, median, mode, and standard deviation. Moving averages and regression analysis. 	2 2 2
Information for Decision Making	<ul style="list-style-type: none"> Cost behaviour patterns Relevant, sunk, committed & opportunity costs Break-even, cost volume profit analysis, contribution Margin of safety Sensitivity analysis Decision making with a single limiting factor Qualitative factors relevant to decision making 	2 2 2 2 2 2 2
Planning & Control	<ul style="list-style-type: none"> Organisational planning & management control systems The role of budgeting Functional budgets Behavioural & motivational issues in budgeting 	1 2 2 1
Analysing Performance	<ul style="list-style-type: none"> Setting standard costs Use of standard costs & variance analysis Revenue, cost and resource variances 	2 2 2

Learning Guide

The role of management accounting in providing relevant information for decision making

- Discuss the nature and scope of management accounting
 - Explain the relationship between management accounting and financial accounting
 - Outline and explain the role of the Management Accountant including the recognition of ethical issues as they arise
 - Identify and explain the drivers of management accounting change
-

Cost classifications, accumulation and assignment. Costing systems and cost reporting

- Define and illustrate cost objects and assign costs to them. Define and distinguish between variable costs, semi variable costs and fixed costs
 - Explain and apply accounting for materials: inventory valuation approaches (FIFO; LIFO and AVCO); EOQ and JIT
 - Describe and apply accounting for labour: remuneration methods; incentive schemes; productivity
 - Describe and apply accounting for overheads using absorption costing
 - Understand and apply job, batch and service costing.
 - Explain and apply process costing for single products, using equivalent units calculations under both FIFO and Weighted Average systems; process costing ledger accounts
 - Explain and apply marginal / variable costing and the importance of contribution for decision-making
 - Explain and apply lean manufacturing and throughput accounting
 - Discuss and apply Activity Based Costing (ABC)
 - Critically compare absorption costing and ABC
-

Statistics and Data Analytics Techniques

- Explain the concept of statistical inference and the relationship to sample size and sampling methods
 - Calculate the mean, median, mode, and standard deviation of a data set
 - Describe the characteristics of a normal distribution
 - Create a scatter diagram depicting a set of data
 - Using Linear Regression derive the line of best fit and explain the limitations of this method
 - Explain the concepts of Correlation Coefficient and Coefficient of Determination
-

Information for decision-making

- Analyse and explain cost behaviour patterns and identify fixed/variable elements in a cost using High/ Low method, scatter-graphs and regression analysis
 - Identify and explain relevant, sunk, committed and opportunity costs
 - Apply break-even, cost volume profit analysis & contribution analysis.
 - Explain and calculate margin of safety
 - Explain and apply sensitivity analysis
 - Explain and perform decision making with a single limiting factor
 - Identify the Qualitative factors relevant to decision making
-

Planning and control

- Explain how planning and management control mechanisms might assist organisations in their decision making
 - Discuss the role of budgeting including alternative budgeting systems (fixed, flexible, incremental and zero based budgeting (ZBB) and apply to budget preparation scenarios.
 - Explain and prepare functional Budgets
 - Analyse and discuss behavioural and motivational issues in budgetary processes
-

Analysing performance

- Discuss setting standard costs
 - Explain and apply standard costs and variance analysis
 - Calculate and interpret revenue, cost and resource variances
-

Learning Resources

Core Texts

Burns, Quinn, Warren, Oliveira / Management Accounting / McGraw-Hill Education / Europe, Middle East & Africa; UK edition (2013) ISBN-13: 978-0077121617

Supplementary Reading

Drury / Cost and Management Accounting 9th Edition / Cengage 2018 / ISBN 9781473749054

CPA FOUNDATION: TAXATION

Aim

The aim of this module is to provide students with a knowledge of the administration of the taxation system in Ireland. It introduces students to the application of Irish taxation legislation to individuals and companies in a compliant and ethical manner.

Taxation as an Integral Part of the Syllabus

Taxation is an essential module for the later study of Advanced Taxation and Advanced Tax Strategy. Knowledge gained from this module will also be relevant in the further study of Audit & Assurance, Advanced Audit & Assurance, Managerial Finance, Financial Reporting and Advanced Financial Reporting.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Discuss the role of tax in Irish Society, the underpinning legislative process, and the role and powers of the Revenue Commissioners (Revenue) in tax administration
- Describe the principle of self-assessment as applied in the Irish tax system, and the role of the Revenue Online Service (ROS) in supporting Revenue and its customers
- Prepare income tax computations and returns
- Prepare capital gains tax computations and returns
- Prepare corporation tax computations and returns
- Discuss the operation of VAT and prepare returns.

Indicative Syllabus

		Competency Level
Tax Management	• Tax – its role in society, policy, legislation	1
	• Tax management – the Revenue Commissioners, their role, audit, code of practice, appeals, ROS	1
	• Tax compliance, evasion vs avoidance, self-assessment	1
	• Ethics	1
Income Tax	• Tax Credits, Allowances and Reliefs, Charges	2
	• Computation of Income Tax	2
	• PRSI and USC	2
	• Administration of Income Tax	1
Capital Gains Tax	• Basic principles and basis of assessment for CGT, Residence implications, married couples	1
	• Computation of CGT, indexation, enhancement expenditure, market value	2
	• CGT Reliefs, Exemptions, Deductions, Allowances	2
	• CGT for specific asset types	2
	• Administration of CGT	1
	• Losses, CGT and Death	2
Corporation Tax	• Basis of assessment	1
	• Computation of CT	2
	• Administration of CT	1
	• Close Companies	1
	• Treatment of Capital Allowances, Charges, Dividends	2
VAT	• Principles of VAT	1
	• Multiple and composite supplies, two-thirds rule	2
	• VAT Administration	1
	• Operation of VAT	2
	• Supply	2

Learning Guide

Tax Management

- Describe the role of the taxation system and tax policy in Ireland
 - Describe the process involved in the enactment of tax legislation
 - Outline the structure and role of the Revenue Commissioners
 - Distinguish between tax evasion and avoidance
 - Define direct and indirect taxes and describe the difference between them
 - Outline the responsibilities and rights of taxpayers in relation to tax compliance, and describe the role of the Revenue Commissioners in relation to tax compliance
 - Outline the key elements of the self-assessment system
 - Describe the processes involved in Revenue Audits
 - Outline the principal elements of the Revenue Charter and Code of Practice
 - Describe the tax appeals process
 - Recognise ethical dilemmas for tax payers, their agents and advisors
 - Describe the key functions of ROS.
-

Income Tax

- Outline the various Income Tax schedules
 - Define the requirements for residence, ordinary residence and domicile, and explain their impact on liability to tax
 - Calculate income tax liabilities for individuals
 - Describe the various methods of taxation of married couples
 - Demonstrate how married couples are taxed in year of marriage, year of separation and year of death
 - Discuss and apply the principles of PRSI and USC
 - Define tax credits and distinguish between refundable and non-refundable credits; describe allowances, reliefs and charges and illustrate how they are applied
 - Define the basis of assessment for Schedule D Case I/II incomes, outline allowable deductions, and calculate tax adjusted profits, including treatment of losses
 - Define basis periods for Schedule D Case I/II incomes where businesses commence, cease, or are short-lived, and calculate income tax for each scenario
 - Describe the rules for availing of Capital Allowances, and calculate allowances which may be claimed
 - Define the basis of assessment for tax on income under Schedule D Case III
 - Define the basis of assessment for tax on income under Schedule D Case IV
 - Define the basis of assessment for tax on income under Schedule D Case V, outline the allowable deductions, and calculate taxable profits, including treatment of losses
 - Define the basis of assessment for tax on income under Schedule E, outline the allowable expenses regime, describe and apply Benefit in Kind rules, and list exempt benefits
 - Outline employers obligations in relation to deducting PAYE tax from employees, and describe the process in such deductions
 - Differentiate between employment and self-employment for tax purposes, and discuss the implications of both.
 - Distinguish between Contracts for Service and Contracts of Service
 - Define the basis of assessment for tax on income under Schedule F
 - Describe the various requirements for filing and paying income tax, and identify the consequences for non-compliance
 - Outline the principles and processes of withholding taxes from dividends paid, professional services payments and deposit interest paid.
-

Capital Gains Tax (CGT)

- Describe the activities to which Capital Gains Tax applies, together with the underlying principles, and the basis of assessment
 - Calculate capital gains or losses, and appropriate CGT
 - Outline the principles of indexation and illustrate its workings
 - Define enhancement expenditure and its role in CGT calculation
 - Explain the impact of residency on liability to CGT
 - Describe the various requirements for filing and paying Capital Gains Tax and identify the consequences for non-compliance
 - Identify the treatment of married couples for CGT purposes
 - Apply the specific rules relating to disposal of Principal Private Residences
 - Outline and apply the specific rules for CGT liability on disposal of specific assets i.e Shares, Development Land, Chattels
 - State the rules relating to a taxpayers death and their liability to CGT
 - Outline the circumstances where market value is substituted for actual value in CGT calculations
-

Learning Guide contd.

Corporation Tax (CT)

- Describe the various requirements for filing and paying corporation tax, and identify the consequences for non-compliance
 - Define and apply the requirements for companies to be resident for tax purposes
 - Explain the impact of residence on liability to corporation tax
 - Define the basis of assessment for CT
 - Outline allowable deductions; calculate tax adjusted profits and tax on other income sources
 - Illustrate how dividends should be treated by companies for tax purposes
 - Describe the rules for availing of Capital Allowances, and calculate allowances which may be claimed
 - Define a Close Company
 - Outline the restrictions that apply to directors of close companies
-

Value Added Tax (VAT)

- Outline the basic principles of VAT, and list VAT rates
 - Describe the circumstances which give rise to a charge to VAT
 - Explain what is meant by exempt supplies and apply the treatment for tax purposes
 - Distinguish between multiple and composite supplies, and show how they are treated for VAT purposes, including supplies under the two-thirds rule
 - Define the rules for registration for VAT
 - Discuss how the VAT system operates
 - Define and apply the rules specific to the supply of goods
 - Define and apply the rules specific to the supply of services
 - Define the meaning of and rules relating to input credits, and show how they operate within the VAT system
 - Describe the rules for accounting for VAT on (a) cash basis and (b) invoice basis, and illustrate how they are applied in practice
 - Describe the various requirements for accounting for and paying VAT, and identify the consequences for non-compliance.
-

Learning Resources

Core Texts

TBD

Useful Websites

www.cpaireland.ie – CPA Ireland

www.revenue.ie – The Revenue Commissioners

www.taxinstitute.ie

CPA FOUNDATION: MANAGEMENT FUNDAMENTALS

Aim

The aim of this module is to introduce learners to management theory and practice with reference to concepts, functions and the integration of activities. The role of business ethics will permeate the module including in the use of technology and marketing strategies.

Management Fundamentals as an Integral Part of the Syllabus

Management Fundamentals is an essential module for the study of modules on Management Accounting, Strategy & Leadership and Auditing.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Describe organisational structures and entrepreneurship in the evolving business landscape
- Discuss key management functions including strategic planning
- Explain the theories of motivation and leadership and their application in the workplace
- Describe how marketing and sales activities contribute to the attainment of an organisation's strategic objectives
- Describe the role of information technology in organisations
- Explain the principles of ethical behaviour and corporate social responsibility in a business context.
- Describe the various market structures
- Discuss the global forces that influence the open Irish economy
- Explain economic concepts in the context of the consumer and business behaviour

Indicative Syllabus

		Competency Level
Organisational Structures & the Business Environment	• The business landscape	1
	• Challenges & opportunities	1
	• Types of business	1
	• Organisation structures	1
	• Economics	1
Entrepreneurship & Small Business	• Types and traits of entrepreneurs	1
	• Franchising / buying in	1
	• Technology, social media, mobile marketing	1
	• Financing options	1
	• Supports	1
Planning, Organising & Controlling	• Production of goods & services	1
	• Transition to a service based economy	1
	• Production Management	1
	• Operations planning & control	1
	• Supply chain management	1
	• HRM	1
Motivation & Leadership	• Motivational theories & their application	1
	• Leadership traits	1
	• Role of leadership & corporate culture	1
	• Teams in the workplace	1
Marketing & Sales	• Evolution of marketing	1
	• Marketing environment, consumer behaviour & market research	2
	• Product development	2
	• Branding strategies	2
	• Pricing strategies	2
	• Promotion, sales & distribution	2
Information Technology in Business	• Management information systems	2
	• Decision support systems	2
	• MIS including cloud solutions	2
	• Information security	2
Ethics & Corporate Social Responsibility	• Ethical systems, moral relativism, situational and Judeo-Christian ethics	1
	• Personal ethics & the business environment	1
	• Corporate ethics	1
	• CPA Ireland's code of ethics	1
	• Recovering from ethical lapse	1
	• Corporate Social Responsibility	1

Learning Guide

Organisational Structures and the Business Environment

- Define business and explain factors of production
 - Explain how competition, social environment, globalization and technological changes challenge and provide opportunities to business owners
 - Identify and describe types of business
 - Describe various types of organisation structures
 - Define economics and describe different types of economic systems
 - Explain the principles of supply and demand and describe factors that affect these principles
 - Describe the various degrees of business competition
 - Understand the stages of the business cycle and explain how government uses fiscal and monetary policy to control the business cycle
 - Describe various types of fiscal and monetary policies
 - Graphical and pictorial presentation of economic and related data. Compilation and interpretation and use of bar charts, histograms, pie charts, frequency distributions, graphs and tables
-

Entrepreneurship and Small Business

- Explore and describe the reasons to start a small business
 - Discuss the role of technology, social media and mobile marketing in entrepreneurship and small business
 - Explain the traits of an effective entrepreneur and differentiate between the types of entrepreneurs
 - Summarise the advantages and disadvantages of franchising and buying existing businesses
 - Compare the potential benefits and drawbacks of each major source of small business financing
 - Discuss resources available to diminish the potential for small business failure
-

Planning, Organising and Controlling

- Explain the importance of manufacturing and production
 - Discuss transition to a service-based economy
 - Describe production management and discuss common production processes that are used by business
 - Describe how operations are controlled and quality standards achieved in a firm
 - Define supply chain management and describe how it helps companies create and deliver goods and services effectively
 - Describe the processes involved in human resource management
-

Motivation and Leadership

- Understand the main theories of motivation and how they have changed the work environment
 - Identify the various leadership styles and traits and explain how they affect business
 - Describe the role of leadership and how it affects corporate culture
 - Explain the best ways to create, manage and participate in teams
 - Identify and describe team working skills.
-

Marketing and Sales

- Describe how marketing has evolved over time and outline the benefits and criticisms of marketing
 - Understand the marketing environment. Describe the marketing research process and elements of a good marketing plan.
 - Compare customer behaviour in a business to business market to a business to consumer market
 - Describe the elements of a marketing mix for a product and a service)
 - Define the product life cycle for new product development. Discuss modification of existing products and product lines
 - Explain benefits of branding for buyers and sellers and discuss some branding strategies
 - Describe some pricing objectives and discuss approaches to pricing strategies
 - Describe the elements of a promotional mix. Outline the steps involved in the selling process
 - Describe marketing intermediaries and their role in the distribution channel
-

Learning Guide contd.

Information Technology in Business

- Explain how the online environment helps market a business and describe types of business transactions that are supported by online commerce
 - List the functions of key IT personnel in a business and describe how businesses transform data into useful business intelligence
 - Define and describe information systems
 - Understand the security challenges that arise with the increased use of technology in business
 - Outline the ethical considerations in IT
-

Ethics and Corporate Social Responsibility

- Describe ethics and the systems of ethical conduct
 - Explain how personal ethics plays a role in the workplace
 - Analyse the ways in which a company's policies and decisions affects its achievement of corporate social responsibilities
 - Understand CPA Ireland's code of ethics
 - Describe some strategies for how a company can recover from an ethical lapse
 - Identify ways in which companies can apply ethical standards to create new business opportunities
-

Learning Resources

Suggested Texts

Better Business plus Pearson MyLab Business with Pearson eText, Global Edition (2018)
Solomon, Poatsy, Martin, ISBN-10: 1292218320, ISBN-13:9781292218328, Pearson (2018)

CPA Ireland resource – CPA code of ethics – selected sections

SYLLABUS 2021

CPA PROFESSIONAL

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CPA PROFESSIONAL: FINANCIAL REPORTING

Aim

The aim of this module is to ensure that students understand the context of financial reporting and develop the technical knowledge to be able to produce financial statements for single and group entities in accordance with current International Financial Reporting Standards and national and EU legislation.

Financial Reporting as an Integral Part of the syllabus

This module builds on the concepts covered and skills developed in Financial Accounting. It provides the context to further develop the breadth and depth of these technical skills and is an essential underpinning for further studies in Advanced Corporate Reporting and Advanced Audit & Assurance.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Prepare financial statements, including relevant notes and disclosures, for individual companies and groups (including subsidiaries, associates, and joint arrangements).
- Interpret financial statements and prepare reports tailored to specified user groups' technical knowledge and understanding.
- Discuss the circumstances under which organisations must apply appropriate accounting standards.
- Appraise financial reporting standards (International Financial Reporting Standards and Irish GAAP, FRS 100, 101, 102, 104 and 105) and discuss developments in corporate reporting.
- Discuss the ethical, conceptual and regulatory frameworks applicable to corporate reporting.
- Discuss emerging and disruptive technologies in corporate reporting.

Indicative Syllabus

		Competency Level
The Legal, ethical and regulatory context for financial reporting	<ul style="list-style-type: none"> Regulatory framework CPA Ireland Code of Ethics 	2 2
Single entity financial statements	<ul style="list-style-type: none"> Preparation and presentation of financial statements for companies Compliance with Companies Act 2014 Compliance with Standards of International Accounting Practice 	2 2 2
Group Accounts and Business Combinations	<ul style="list-style-type: none"> Preparation and presentation of financial statements for companies Goodwill at acquisition 	3 3
IFRS, Irish GAAP and current developments	<ul style="list-style-type: none"> Local GAAP FRS 100-102 FRS 105 	1 1 1
Interpretation of financial statements	<ul style="list-style-type: none"> Ratio analysis Cash flow analysis Interpretation of accounts and the preparation of reports thereon 	3 3 3
Emerging & disruptive technologies	<ul style="list-style-type: none"> Blockchain Machine Learning Artificial Intelligence 	1 1 1

Learning Guide

The Legal, ethical and regulatory context for financial reporting

- Discuss the regulatory framework of financial reporting, legislation, local and international GAAP, the role of IAASA, IASB, FRC and IFRSF
 - Prepare financial reports and statements in accordance with the CPA Ireland Code of Ethics
-

Single entity financial statements

- Prepare and present financial statements of companies in accordance with current international financial reporting standards and national and EU legislation, including:
 - Statements of Profit or Loss and Other Comprehensive Income
 - Statements of Financial Position
 - Statements of Changes in Equity
 - Statements of Cash Flow
 - Prepare notes to financial statements in accordance with current international financial reporting standards and national and EU legislation
-

Group Accounts and Business Combinations

- Prepare and present financial statements for groups of companies, including subsidiaries, associates, and joint arrangements, in accordance with current international financial reporting standards and national and EU legislation, including:
 - Consolidated statements of financial position
 - Consolidated statements of profit or loss and other comprehensive income
 - Reserve reconciliations
 - Consolidated statements of cash flow
 - Acquisition of subsidiaries and associates during the year (excluding foreign subsidiaries and associated).
 - Apply the correct accounting treatment of goodwill at acquisition (Sub-subsidiaries are not included)
-

IFRS, Irish GAAP and current developments

- Discuss the circumstances under which organisations may, or must apply IFRS and / or local UK and Irish GAAP, demonstrating an understanding of the key accounting and presentation differences between them if Local GAAP were applied.
 - Apply the correct accounting treatment in accordance with the appropriate FRSs, IFRSs and IASs referring to the Examinable Material Document for this subject on pages 84 - 89, noting the competency level applicable under each heading.
 - FRS100 – outline the differences between FRS100 and IFRS with particular reference to: scope, terminology used and format of accounts
 - FRS101 – outline the differences between FRS101 and IFRS with particular reference to the scope of this standard
 - FRS102 – outline the key differences between accounting treatments examinable at this stage under IFRS and the equivalent elements of FRS102 (Sections 12,31 & 34 are excluded).
 - FRS104 – Interim Financial Reporting. Discuss the circumstances under which FRS104 should be applied and the intended use of FRS104
 - FRS 105 – Micro Entities. Discuss the qualifying conditions for companies, LLPs and partnerships to apply the micro-entities regime. Outline the scope of FRS105.
-

Interpretation of financial statements

- Discuss, apply and report on the following:
 - Ratio analysis
 - Cash flow analysis
 - Interpret financial statements and prepare reports tailored to each user group's technical knowledge and understanding of such statements.
-

Learning Guide contd.

Emerging & disruptive technologies in corporate reporting

- Discuss Blockchain and its potential impact on the accounting function, including:
 - Maintaining and reconciling ledgers
 - Certainty over ownership and management of assets
 - Discuss Machine Learning & Artificial Intelligence and its potential impact on the accounting function, including examples of applications:
 - Machine learning to code accounting entries, improve accuracy
 - Machine learning based predictive models to forecast revenues
 - Machine learning to improve access to, and analysis of data, such as emails etc.
 - Robotic Process Automation (RPA) allowing machines to complete repetitive time consuming tasks in business processes such as document analysis & handling in accounts
-

International Financial Reporting Standards

See Examinable Material Document on pages 84 - 89 for details of the International Financial Reporting Standards etc. applicable to this examination.

Companies Act

See Examinable Material Document on pages 84 - 89 for details of the Companies Act applicable to this examination.

Learning Resources

Core Texts

C. Connolly / International Financial Accounting and Reporting 6th ed. / CAI 2018 / ISBN-13: 978-1912350025

Elliott and Elliott, Financial Accounting and Reporting, 2019 Pearson (19th Edition) ISBN-13: 978-1292255996

Manuals

Griffith College, CPA Financial Reporting - latest edition

Supplementary Texts and Journals

Melville / International Financial Reporting / 7th Edition/ Pearson 2019 / ISBN-13: 978-1292293127

CPA Student News eBulletin.

Accountancy Plus

Useful Websites

www.cpaireland.ie - CPA Ireland

www.iaasa.ie - Irish Auditing and Accounting Supervisory Authority

www.ifac.org - The International Federation of Accountants

www.ifrs.org - The International Financial Reporting Standards Foundation

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

www.accountancyeurope.eu - The European Federation of Accountants

www.efrag.org - The European Financial Reporting Advisory Group

www.frc.org.uk - The Financial Reporting Council

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 - FRC-Conduct Committee

www.accountingnet.ie - Irish Accounting and Business Portal

CPA PROFESSIONAL: PERFORMANCE MANAGEMENT

Aim

The aim of this module is to ensure that students have the necessary management accounting expertise and competence to conduct a critical, strategic analysis of unfamiliar business situations. This includes the ability to select, integrate and apply the appropriate techniques and approaches in order to identify problems, opportunities and recommend strategic solutions.

Performance Management as an Integral Part of the syllabus

This module builds on the learning from the domains of statistics, economics, management accounting and finance. Performance Management requires students to integrate and expand that technical knowledge so as to provide a framework for strategic analysis of business issues.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Select and apply performance management techniques to given business situations to develop relevant options for the decision maker(s)
- Propose relevant performance management techniques for a given organisation assessing the strategic advantages or adverse side effects arising from their implementation
- Identify performance management structures that can be applied to improved performance management in an organisation
- Assess the impact of existing, or proposed, performance structures on organisational performance, behaviours, and work practices and make suggestions for improvements
- Describe and interpret analytical models in a performance management context
- Identify and discuss emerging developments relevant to an organisation's performance management systems and discuss the impact on the role of the management accountant.

Indicative Syllabus

		Competency Level
Advanced Decision Making	• Pricing decisions	3
	• Target & lifecycle costing	2
	• Profitability analysis	3
	• Theory of constraints, throughput and backflush accounting	2
	• Activity based management & analysis	2
	• Measuring and managing uncertainty	3
	• Multiple limiting factors / constraints	2
	• Process improvement	2
Planning & Control	• Budgetary control systems	3
	• Alternative approaches to budgeting	3
	• Control of engineered, committed and discretionary costs	3
	• Advanced variance analysis	3
	• Standard costing and variance analysis in modern manufacturing	3
	• Scenario planning	3
Analytics in performance measurement	• Business analytics	1
	• Predictive analytics: regression analysis and software tools	1
	• Predictive analytics: model evaluation	2
	• Data visualisation	1
Divisional Performance Evaluation	• Divisional profitability: return on investment and residual income	3
	• Economic and managerial performance evaluation	3
	• Economic value added	2
	• Value-based management	3
	• Transfer pricing	3
	• Transfer pricing and taxation	2
Performance Measurement Systems	• Mission statements, objectives, strategies and goals	3
	• Performance measurement in modern manufacturing environments	3
	• Alternative competitive strategies	3
	• Monitoring the external environment	3
	• Financial and non-financial performance measurement	3
	• Benchmarking	2
	• Performance measurement models	3
	• Incentive schemes	2
Emerging and disruptive technologies	• Technologies such as blockchain, artificial intelligence and Internet of Things	1

Learning Guide

Advanced decision making

- Understand the importance of costs in pricing decisions, price-setting and price-taking firms. Understand and apply short and long-term pricing including strategic considerations and pricing policy, revenue management, profit optimisation, services pricing, product mix and pricing.
 - Explain and apply target costing as a pricing mechanism, understand target costing in a cost management and value creation context
 - Explain the stages of lifecycle, illustrate the allocation of costs to various stages of lifecycle including committed costs and disposal/de-commissioning/environmental costs.
 - Analyse product, service, segment or customer profitability including the incorporation of activity-based costing; evaluate decisions on making or buying products, ceasing products/services/activities, in-sourcing and outsourcing - including use of contribution analysis.
 - Explain key elements of the theory of constraints
 - Understand the concept of throughput accounting
 - Calculate and apply the throughput accounting ratio and throughput contribution per factory hour
 - Understand and apply backflush accounting entries in a just-in-time environment.
 - Identify business activities (activity analysis) and interpret the use of activity-based techniques (including activity-based costing) in broader management.
 - Understand risk attitudes; apply risk appraisal techniques including expected values, maximax/maximin/regret criteria, decision trees and sensitivity analysis.
 - Understand and formulate linear programming models
 - Determine solutions to linear programming models using the graphical method; understand the use of spreadsheets to solve linear programming models.
 - Describe general concepts of continuous improvement (Kanban), techniques such as business process engineering Total Quality Management, Lean Management and Six Sigma.
-

Planning and control

- Understanding budgeting and how is it used as a means of planning and control within organisations through the identification of the various purposes of budgetary control systems.
 - Distinguish between the alternative approaches to budgeting including incremental, zero-based, activity based, rolling budgets and 'beyond' budgeting techniques.
 - Compare and contrast these alternative approaches and critique the benefits and drawbacks of each.
 - Explain how the control of engineered, committed and discretionary costs impacts on the budgeting process.
 - Demonstrate the ability to understand, apply and interpret advanced variance analysis, including – sales mix and quantity variances, sales market size and sales market share variances; material mix and yield variances; labour mix and yield variances and planning and operational variances.
 - Understand and apply the learning curve effect in the calculation of variances
 - Appreciate controllable and non-controllable variances as applicable to individuals and/or departments/segments within organisations.
 - Examine the factors that influence the decision to investigate variances and outline the various techniques that can be adopted in making such decisions.
 - Critically appraise the use of standard costing and variance analysis as applied to modern manufacturing.
 - Describe and apply what is meant by scenario planning e.g. 'what if' analysis
-

Analytics in performance measurement

- Define business analytics (1)
 - Explain data sources, internal and external, which may be useful in a forecasting and performance management context (1)
 - Describe multiple regression analysis and the use of statistical software in a forecasting and performance management context (1)
 - Understand and evaluate the assumptions underlying multiple regression analysis - linear relationship, multivariate normality, multicollinearity, auto-correlation, homoscedasticity (2)
 - Evaluate statistical model outputs including the coefficient of determination (r^2), t-value and p-value (2)
 - Define data visualisation (1)
 - Describe visualisation tools within spreadsheets and other tools such as Tableau (1).
-

Learning Guide contd.

Divisional performance evaluation

- Understanding differences between divisional and non-divisional organisational structures and the resultant approach to performance evaluation
- Explain the various types of responsibility centres – investment, profit, revenue, cost and understand the best metrics of assessing performance within each
- Apply and interpret the key measures of divisional profitability - return on investment and residual income and critically evaluate the benefits and drawbacks of each.
 - Understand such measures in the context of overall divisional performance.
- Understand the challenges associated with allocating costs to divisions and consider the impact this has on divisional performance evaluation (controllable v non controllable costs)
- Recognise the importance of the distinction between economic and managerial performance evaluation
- Understand and apply the economic value added technique of performance evaluation
- Explain the principles underlying value-based management
- Understand options available to establish transfer prices within an organisation (e.g. cost-plus, market based, negotiated and dual prices), and demonstrate an ability to apply these in given scenarios.
 - Critically evaluate the appropriateness of each option as a measure of divisional evaluation considering factors such as goal congruence, divisional autonomy and sub-optimisation.
- Outline the connections between transfer pricing options adopted by organisations and the taxation implications arising thereon.

Performance measurement systems

- Define the meaning of a performance measurement system
- Explain the importance of an organisations mission statements, objectives, strategies and goals in developing an effective performance measurement system.
- Describe and evaluate performance measurement in modern manufacturing environments including Just-in-time (JIT), Total Quality Management (TQM), and lean manufacturing.
- Understand and describe alternative competitive strategies available to an organisation, providing critical analysis as to the applicability in a given scenario
- Outline and explain how an organisation may monitor its external environment - including the use of competitor accounting
- Outline, with examples, what is meant by financial and non-financial performance measurement, demonstrate an ability to interpret the results and draw conclusions thereon
 - Understand the concept of external benchmarking as a method of performance measurement.
- Understand and describe the various performance measurement models, including the balanced scorecard, providing critical analysis on the benefits and drawbacks of the models.
- Document the nature of incentive schemes that could be adopted by an organisation and evaluate their effectiveness as a method of assisting in performance measurement.

Emerging and disruptive technologies

- Discuss emerging and disruptive technologies – concepts such as machine learning, artificial intelligence, internet of things, blockchain and robotics and their use in/effect on performance measurement and performance management.
-

Learning Resources

Core Texts

Drury / Management & Cost Accounting 10ed / Cengage 2018 / ISBN-13: 978-1473748873

W. Seal, C. Rohde, R. H. Garrison & E. W. Noreen / Management Accounting / McGraw-Hill 6th ed 2018 / ISBN-13: 978-0077185534.

C. T. Horngren / A. Bhimani, S. M. Datar & M. Rajan / Management and Costing Accounting / 7th ed 2019 Pearson/ ISBN-13: 978 1292232669.

Additional texts

Evans / Business Analytics, 2ed Global / Pearson 2017 / ISBN-13: 978-1-292-09544-8

Camm et al. / Business Analytics, 3ed/Cengage 2019 / ISBN-13: 978-1-337-40642-0

CPA PROFESSIONAL: ADVANCED TAXATION

Aim

The aim of this module is to provide students with a detailed knowledge of the administration of the taxation system in Ireland. It develops students' ability to apply Irish taxation legislation to individuals and companies in a compliant and ethical manner.

Advanced Taxation as an Integral Part of the syllabus

Advanced Taxation is a prerequisite for the later study of Advanced Tax Strategy. Knowledge gained from this subject will also be relevant in the further study of Audit & Assurance, Advanced Audit & Assurance, Managerial Finance, Financial Reporting and Advanced Financial Reporting.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Discuss how the Irish tax system is administered, Revenue Audits are carried out, and the powers of the Revenue Commissioners in this regard
- Assess the income tax liabilities, including PRSI and Universal Social Charge, of individuals and correctly apply all relevant, credits, reliefs, allowances, and withholding taxes
- Assess the capital gains tax liabilities of individuals having applied all relevant reliefs and exemptions
- Assess the tax liabilities of corporate tax payers taking due account of allowances, distributions, reliefs and withholding taxes
- Discuss the operation of VAT and apply the VAT legislation to individual transactions

Indicative Syllabus

		Competency Level
Taxation in Ireland	<ul style="list-style-type: none"> • Scope of Irish Taxation • Revenue Charter & Code of practice • Taxpayers rights & obligations • Role of the accountant • Ethical issues • Tax evasion / avoidance 	2 2 2 2 2 2
Income Tax	<ul style="list-style-type: none"> • Basis of assessment • Calculation of tax • Schedule D Case I & II income • Farm tax • Capital allowances • Loss relief • Withholding taxes • PRSI & USC • Tax on interest received, rental income, short-term lease premiums, dividends • Schedule D, E & F income • Filing requirements, payment & non-compliance consequences • Double taxation – investment income 	2 2 2 2 2 2 2 2 2 2 2 1
Capital Gains Tax	<ul style="list-style-type: none"> • Scope and basis of assessment • Calculation of tax • Non-compliance consequences • Share transactions • Reliefs from capital gains taxes • Development land 	2 2 2 2 2 2
Corporation Tax	<ul style="list-style-type: none"> • Basis of assessment • Calculation of tax • Badges of trade • Capital allowance • Chargeable gains • Loss relief • Tax on interest, foreign income, Irish rental income, dividends received • Withholding taxes • Close companies and distributions 	2 2 2 2 2 2 2 2 2
VAT	<ul style="list-style-type: none"> • Basis of assessment • Calculation of tax • Returns & payments 	2 2 2
Capital Acquisitions Tax & Stamp Duty	<ul style="list-style-type: none"> • Basic principles of CAT • Exemptions & reliefs • Administration & payments • Basic principles of stamp duty 	1 2 1 1

Learning Guide

The purpose & administration of taxation in Ireland

- Outline the scope of Irish: Income Tax, Capital Gains Tax, Corporation Tax, Value Added Tax, Professional Services Withholding Tax, Relevant Contracts Tax, Local Property Tax, Capital Acquisitions Tax and Stamp Duty
 - Explain the structure and administration of direct and indirect taxation, compliance obligations for taxpayers and list the interest and penalties for non-compliance
 - Describe the Code of Practice for Revenue Audit and other Compliance Interventions and the Revenue Customer Service Charter
 - Outline taxpayers' rights and obligations in the event of a dispute with Revenue
 - Discuss ethical issues and compliance with the CPA Ireland ethical code.
 - Distinguish between tax avoidance and tax evasion and discuss accountants' responsibilities in this context.
-

Income Tax

- Determine an individual's income chargeable to Irish Income Tax
 - Compute tax adjusted profit for Schedule D Case I & II income:
 - Apply basis periods and determine assessable profits for continuing businesses and business in commencement or cessation, including short lived business
 - Calculate income tax on farm income using the income averaging basis
 - Apply general stock relief for farmers
 - Apply income tax credits and reliefs
 - Calculate capital allowances on qualifying assets
 - Define loss relief available and calculate relief
 - Calculate withholding taxes
 - Calculate Professional Services Withholding Tax and Relevant Contracts Tax
 - Calculate charges to PRSI and USC
 - Calculate Local Property Tax
 - Determine and assess income tax on:
 - Interest received
 - Rental income
 - Short-term lease premiums
 - Irish dividend income including shares received in lieu of dividends
 - Calculate income tax liability, having applied all relevant reliefs, allowances, and credits, arising from Schedule D, E, and F income
 - Outline filing requirements, methods of payment & consequences for non-compliance.
 - Explain the scope and basis of assessment of Schedule E (employment) income
 - Determine the taxable status; employed or self-employed, & outline taxation treatment arising
 - Calculate Schedule E income tax, applying relevant reliefs, allowances, and credits
 - Define and apply tax treatment of termination of employment
-

Capital Gains Tax

- Outline territorial scope and basis of assessment of Capital Gains Tax, self-assessment requirements & consequences of non-compliance
 - Calculate capital gains and losses, considering allowable acquisition, enhancement, incidental costs, and indexation relief
 - Calculate capital gains tax arising from share transactions including bonus and rights issues
 - Apply reliefs from Capital Gains Tax, including; principle private residence, transfer of a business to a company, entrepreneur relief, land or building transfers, retirement, chattels, indexation and marginal relief
 - Calculate capital Gains Tax on development land applying indexation relief, as appropriate.
-

Learning Guide contd.

Corporation Tax

- Outline the scope of Corporation Tax, self- assessment requirements, methods of payment and consequences of non-compliance
 - Define tax residence, apply basis of assessment & determine accounting periods for assessment
 - Define and apply badges of trade
 - Calculate tax adjusted profit and capital allowances, including treatment of distributions
 - Calculate chargeable gains
 - Calculate losses having applied loss relief (terminal loss relief is excluded)
 - Assess & calculate tax on:
 - Interest
 - Foreign income
 - Irish rental income
 - Dividends received
 - Calculate withholding taxes
 - Calculate a company's taxable income, applying relevant relief & allowances to determine tax payable.
 - Define the close company rules, including definitions (such as meaning of participator) and understand and apply the effect of close company status.
-

VAT

- Define the operation and scope of VAT including; registration requirements, maintenance of VAT records, goods and services chargeable to VAT, place of supply of goods & services, invoicing for VAT, VAT rates, deduction and payment requirements & consequences of non-compliance
 - Recognise VAT exempt and zero-rated supplies
 - Understand and distinguish between multiple supply and composite supply
 - Define and apply the two-thirds rule and package rule
 - Define non-deductible inputs
 - Distinguish between and apply invoice basis and money received basis (cash basis) of accounting for VAT
 - Explain VAT treatment of transactions within the EU, intra-Community acquisition and intra-Community supply, and calculation of VAT arising
 - Calculate VAT payable or receivable arising from transactions in a period
-

Capital Acquisitions Tax & Stamp Duty

- Describe the activities to which Capital Acquisitions Tax applies, together with the underlying principles and the basis of assessment
 - Calculate CAT applying basic reliefs and exemptions
 - Outline the system of administration and payments for CAT
 - Outline the basic principles of stamp duty
-

Learning Resources

Core Texts

Irish Taxation Intermediate, Finance Act 2019, Paula Byrne ISBN: 978-1-9993047-5-1

Irish Taxation: Law & Practice 2018/2019 / Irish Taxation Institute 2018 / ISBN13 9781842604953.

Supplementary Texts and Journals

Tom Conlan / Students' Taxation Handbook latest edition/ McKeon Murray / Elm House, Leopardstown Office Park, Dublin18. Tel: 353 1 2959090TBD

CPA PROFESSIONAL: CORPORATE LAW

Aim

On completion of this module students will have a knowledge of Irish Law, its application and relevance to a member of the profession as a provider of auditing services, advisor or accountant within an organisation.

Corporate Law as an Integral Part of the syllabus

The legal principles learnt in this subject will be relevant to students throughout their professional accountancy studies. In particular, this syllabus is an essential co-requisite for the study of Financial Reporting, Advanced Taxation, Audit & Assurance and Managerial Finance, and is an essential component for the further study of Advanced Financial Reporting, Advanced Audit & Assurance, and Advanced Tax Strategy.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Discuss the main sources of Irish law
- Explain and apply the laws of contract, tort, sale of goods and services and data protection
- Interpret the law of agency, distinguishing between principal and agent and their respective rights and duties
- Demonstrate the application of elements of company and partnership law in relation to how business entities and partnerships are formed, structured and regulated, as well as their commercial relationships including the various classifications of company capital and the rules governing its maintenance and distribution
- Advise on the role of company officers, including the appointment, dismissal and duties of: directors, the auditor, and the company secretary
- Discuss the appointment, rights and duties of receivers, liquidators and examiners and outline the implications of their appointment on key stakeholders.
- Interpret and advise on law of employment, including rights and duties of employers and employees.

Indicative Syllabus

		Competency Level
Sources of Law	<ul style="list-style-type: none"> • The sources of law • The legal system in operation • EU law 	1 1 1
Law of Contract, Tort, Sale of Goods & Services, Employment & Data Protection	<ul style="list-style-type: none"> • Formation of a contract • Formalities of a contract • Discharge of a contract and remedies • Principles of tort • Consumer rights • General data protection regulation 	2 2 2 2 2 2
Law of Agency	<ul style="list-style-type: none"> • Agency relationships, duties and liability 	2
Company Formations & Partnerships	<ul style="list-style-type: none"> • Business organisations • Partnerships • Company formations • Membership of a company • Share capital • Borrowings 	2 2 2 2 2 2
Company Law - Officers & Meetings	<ul style="list-style-type: none"> • Directorships • Company secretary & auditor • Proper books of account, annual returns, company accounts • Company meetings • Office of the Director of Corporate Enforcement 	2 2 1 1 1
Examinerships, Receiverships & Liquidations	<ul style="list-style-type: none"> • Liquidations • Receiverships • Examinerships 	2 2 2
Law of Employment	<ul style="list-style-type: none"> • Contracts of employment • Rights and duties of employers and employees • Termination, dismissal and redundancy • Leave – rights and entitlements 	2 2 2 2

Learning Guide

Sources of Law

- Discuss the main sources of Irish law; common law and equity, judicial precedent and case law, statute law. Describe the role of the Constitution of Ireland. Recount development of Irish company law and EU law
 - Explain the legal system in operation in Ireland – doctrine of separation of powers, basic institutions of the State, the requirements of natural and Constitutional justice, structure of the courts, civil and criminal divisions, solicitor/ barrister relationship, functions of the Attorney General and the Director of Public Prosecutions, interpretation of statutes
 - Outline EU Law – the treaties, institutions, decisions, recommendations, and opinions of the Union. Distinguish between regulations and directives.
-

Laws of contract, tort, sale of goods and services and data protection

- Describe and illustrate the formation of a contract, including electronic contracts, – capacity, offer (versus invitation to treat), acceptance, intention to create legal relations, consideration, content, terms, representations, and exclusion clauses
 - Understand and apply the formalities of a contract to include contract terms and electronic contracts
 - Discuss and demonstrate the performance of a contract, discharge and remedies for breach of contract
 - Describe principles of tort, negligence including professional negligence, passing off, remedies and defences
 - Advise on consumer rights under the sale of goods and supply of services legislation with reference to the Consumer Protection Act 2007
 - Discuss and apply the General Data Protection Regulation - outline the rules for processing and storing data, the principles of data protection and the rules regarding providing access to data.
-

The Law of Agency

- Demonstrate an understanding of the creation and termination of agency relationship, as well as authority, rights and duties of agents and principals
-

Company formations, partnerships and their commercial relationships

- Describe the various forms of business organisations: sole traders, partnerships (limited, unlimited), companies (private, public, limited, unlimited, limited by guarantee, and designated activity companies)
 - Discuss the separate legal personality of the company, the veil of incorporation, ultra vires rule and designated activity and public limited companies, liability of a company in respect of unauthorised or irregular transactions, in both tort and criminal law. The doctrine of apparent authority and the rule in Royal British Bank v. Turquand.
 - Describe partnership agreements. Discuss the formation, termination and dissolution of partnerships. Outline partners' rights, liabilities and authority.
 - Describe and outline company formation, registration and associated documents. Discuss the advantages and disadvantages of incorporation, the veil of incorporation
 - Advise on membership of a company – becoming a member, capacity to be a member, register of members, disclosure of interests in shares, rights and duties of a shareholder.
 - Describe share capital, different classes of shares, capital, variation of rights of classes of shareholders, including, flotation of a company. Explain nominal value of a share, share premium, discounts, allotment of shares, bonus and rights issue. Describe and explain the introduction to capital maintenance.
 - Understand and explain calls, liens, forfeiture and surrender of shares. Discuss transfer and transmission of shares and share agreements. Explain the process and rules around dividends and distribution of profits.
 - Discuss borrowings, loan capital and debentures. Describe fixed and floating charges & distribution of assets
-

Company Law – officers and meetings

- Advise on the formalities to be a director, duties, powers and responsibilities of directors, disqualification, restriction, and authority. Corporate offences and money laundering
 - Advise on the formalities to be a company secretary or auditor, duties, powers and responsibilities. The removal of an auditor.
 - Discuss the maintenance of proper books of account, annual returns and company accounts
 - Describe procedures for: company meetings including; notice, agenda, voting rights, quorum and records, as well as the distinction between AGM's and EGM's. Explain majority and minority rights.
 - Outline the role of the Office of the Director of Corporate Enforcement.
 - Discuss investigation of a company's affairs and liability arising from investigations.
-

Learning Guide contd.

Examinerships, receiverships and liquidations

- Describe and assess the effects of a liquidation. Outline the formalities to be a liquidator, duties, powers and responsibilities, including accounts of a liquidator. Outline the various types of winding up, compulsory and voluntary winding up. Explain the order of payments of debts and charges on liquidation.
 - Describe and assess the effects of a receivership. Outline the formalities to be a receiver, rights, duties and powers of a receiver, including accounts of a receiver.
 - Describe and assess the effects of an examinership on shareholders, directors, creditors and employees, including potential liability to these. Outline the formalities to be an examiner, duties, powers and responsibilities, including the accounts of an examiner
-

Law of Employment

- Describe, contrast and illustrate formation and terms of a contract of employment, contract of service and contract for services.
 - Discuss rights and duties of employers and employees.
 - Explain and distinguish between termination and unfair, constructive and wrongful dismissal and redundancy,
 - Outline rights and entitlements for maternity, paternity, adoptive and parental leave and force majeure.
-

Companies Act 2014

See Examinable Material Document, on pages 84 to 89 for details of the Companies Act applicable for this examination.

Learning Resources

Core Texts

TBD

Manuals

Griffith College – Corporate Law (Latest Edition)

Supplementary Texts and Journals

Office of the Director of Corporate Enforcement / Books 1 to 7 (setting out the principal duties and powers of companies, company directors, company secretaries, members and shareholders, auditors, creditors, liquidators, receivers and examiners), free to download from: www.odce.ie/publications/companylawguidance/informationbooks.aspx

Regan / Employment Law in Ireland 2nd Revised Edition/ Bloomsbury/ 2017 / ISBN-13: 9781847663764

Forde / Employment Law / Thomson Round Hall 2009 / 3rd ed/ ISBN-13: 978-1858005522

Useful Websites (as of date of publication)

www.ise.ie - Irish Stock Exchange.

www.irishstatutebook.ie - Irish Statute Book – Office of the Attorney General.

www.cro.ie - Companies Registration Office.

www.odce.ie - Office of the Director of Corporate Enforcement.

www.clrg.org - Company Law Review Group.

CPA PROFESSIONAL: AUDIT & ASSURANCE

Aim

The aim of this module is to introduce students to the concepts and principles of the audit process and to develop their understanding of its application in the context of the legal, regulatory and ethical framework of the profession, including the governance requirements applicable to business entities.

Integration of this module with the rest of the syllabus

Audit & Assurance is an essential foundation subject for the subsequent study of Advanced Audit & Assurance at the Strategic Level. It is also an essential component for the study of Advanced Financial Reporting. In carrying out the audit of an entity's financial statements, there is a critical need to identify the source, and test the treatment of financial statement items (period transactions and year-end balances) and disclosures, to ensure compliance with IFRS. Corporate Law, Taxation and Advanced Taxation will increase students' awareness of other matters an auditor must consider in the audit process.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Appraise the audit and assurance environment, including stakeholder expectations of audit and assurance
- Interpret the UK Corporate Governance Code and related Irish Stock Exchange requirements with respect to the role and responsibilities of shareholders, directors and auditors
- Devise an audit strategy and develop an audit plan
- Evaluate internal controls and provide appropriate recommendations to overcome weaknesses or potential weaknesses identified
- Apply the International Standards of Auditing to execution of audit engagements
- Prepare an audit report, modified or unmodified as appropriate, having formed an opinion based on the audit work and relevant evidence
- Identify ethical issues and discuss, escalate or resolve these as appropriate within the Institute's ethical framework, demonstrating integrity, objectivity, independence and professional scepticism.

Indicative Syllabus

		Competency Level
The Audit and Assurance Environment	• The legal, ethical and regulatory environment of auditing	2
	• The responsibilities and statutory rights of directors and auditors	2
	• Companies Act 2014, Company Law Enforcement Act (2001), Criminal Justice Acts, EU Directives	2
	• Relevant International Standards on Auditing (ISAs)	2
	• Relevant International Accounting Standards (IFRS/IAS)	2
	• Auditor responsibilities in relation to money laundering	2
	• Fraud and the entity's compliance with laws and regulations	2
	• Professional scepticism	2
	• Pre-appointment procedures, client assessment and engagement letter	2
	• Emerging technologies and their effect on the role of the auditor	1
Corporate Governance	• Definitions of Corporate Governance	2
	• Agency theory	2
	• The role of the board	2
	• Remuneration, transparency and accountability	2
	• Compliance culture	2
	• Corporate regulation in Ireland	2
	• UK Corporate Governance Code	2
	• Sarbanes-Oxley Act	2
• Emerging issues and developments in Corporate Governance	2	
Audit Strategy and Planning	• Materiality	2
	• Audit risk	2
	• Audit strategies	2
	• Knowledge of the entity and its environment	2
	• Nature, extent and timing of audit procedures	2
	• Audit planning, audit programmes and working papers	2
	• Audit supervision and review	2
Audit Execution, Internal Controls and Risk Management	• Entity's control environment	2
	• Continuous audit	1
	• Responsibilities of auditors and management	2
	• Internal controls	2
	• Tests of control for major systems	2
	• Risk of material misstatement	2
	• Audit programmes for tests of control	2
	• Final assessment of control risk	2
• Management letter reporting and assessment of impact on control risk	2	
Audit Execution – Substantive Procedures	• Application of specific substantive procedures	2
	• Validation procedures	2
	• IFRS/IAS concerning above	2
	• Misstatements / aggregation / assessment / impact on audit reporting	2
Audit Execution – Computer Information Systems (CIS) Auditing	• Entity's computer systems and controls	2
	• Computer assisted audit techniques	2

Indicative Syllabus contd.

		Competency Level
Audit Execution – Other Considerations	• Sampling methods	2
	• Analytical review	2
	• Going concern	2
	• Subsequent events	2
	• Accounting estimates	2
	• Commitments and contingencies	2
	• Management representation letters	2
	• Use of experts	2
Audit Reporting	• Reporting on audited Financial Statements	2
	• Audit opinion	2
	• True and fair view	2
	• Materiality	2
	• Statutory requirements	2
	• Auditor's report, key audit matters	2
	• Modified reports	2
	• Professional scepticism	2

Learning Guide

The Audit and Assurance Environment

- Demonstrate an understanding of the legal, ethical and regulatory environment of auditing: CPA Code of Ethics, IFAC Code of Ethics, Ethical Standard for Auditors (Ireland) 2017
- Explain and discuss the responsibilities and statutory rights of directors, auditors and those charged with governance with respect to statutory audit: Companies Act 2014, Company Law Enforcement Act (2001), Criminal Justice Acts, other relative laws, EU Directives
- Explain the relationship between International Standards on Auditing (ISAs) and other technical pronouncements issued by IAASA and other standard setters
- Demonstrate the ability to review the audit implications of International Accounting Standards (IFRS/IAS)
- Define Money Laundering and demonstrate the responsibility of the auditor in relation to money laundering and fraud
- Understand the auditor's responsibility in relation to fraud and describe the client entity's responsibilities in relation to compliance with laws and regulations
- Demonstrate an understanding of the ability to consider the application of professional scepticism
- Explain the process of pre-appointment procedures, client assessment and engagement letters
- Understand the impact of emerging technologies and the effect they may have on the role of the auditor 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)

Corporate Governance

- Understand and discuss the concepts, objectives, relevance and importance of Corporate Governance
- Assess the role of agency theory in Corporate Governance
- Discuss the role of the board, demonstrating an understanding of the roles, duties and responsibilities of directors
- Assess whether the board have acted in good faith in relation to remuneration, transparency and accountability
- Recognise the importance of compliance culture – in particular analysing the structures, roles and requirements of committees within the board, such as the audit committee, remuneration committee and risk committee
- Describe the provisions of corporate regulation in Ireland – including the role of the Companies Registration Office (CRO), the Office of the Director of Corporate Enforcement (ODCE), the Irish Stock Exchange (ISE), the Financial Regulator, the Irish Auditing and Accounting Standards Authority (IAASA)
- Discuss the provisions of UK Corporate Governance Code (2018) and related FRC/ISE guidelines, making reference to specific sections of the Code and evaluating deficiencies within a given scenario and making recommendations to improve the structures currently in place
- Understand the Sarbanes-Oxley Act and its role to help protect investors from fraudulent activities of corporations
- Understand the emerging issues and developments in Corporate Governance and the implications on the accounting and auditing profession

Learning Guide contd.

Audit Strategy and Planning

- Define and explain the concepts of materiality and performance materiality (nature, determination, impact and use) and the calculation of materiality levels
 - Explain audit risk and its components: inherent, control and detection risk
 - Identify and explain audit strategies, including designing auditing strategies
 - Explain how auditors obtain an initial understanding of the entity and its environment during audit planning, including the nature and purpose of analytical procedures, and the computation and interpretation of key ratios used in analytical procedures
 - Understand the nature, extent and timing of audit procedures in relation to planned audit strategies
 - Recognise and design audit planning memos, audit programmes and working papers
 - Explain the purpose of audit supervision and reviews
-

Audit Execution - Internal Controls and Risk Management

- Evaluate and assess an entity's control environment, recognising why an auditor needs to obtain an understanding of the internal controls relevant to the audit
 - Understand the application of a continuous audit which examines accounting practices, risk controls, compliance, information technology systems, and business procedures on an ongoing basis
 - Understand and differentiate between the auditor's and management respective responsibilities in relation to internal controls and risk management
 - Describe and explain components of internal controls: the control environment, the information system, the entity's risk assessment, control activities and monitoring of controls. Discuss internal control descriptions, assessments and identify limitations within an entity's control environment
 - Evaluate tests of control for major systems: sales, purchases, payroll, cash receipts, inventory, receivables, payables and non-current assets including deficiencies in internal controls. Discuss the limitations of internal controls for major systems
 - Recognise the risk of material misstatement and the responsibility of auditors for detecting and reporting material misstatement due to fraud and error
 - Design an audit programme for tests of control in relation to: sales, purchases, payroll, cash receipts, inventory, receivables, payables and non-current assets
 - Discuss the factors to be taken into account on the final assessment of control risk
 - Understand the requirement for auditors to communicate with those charged with governance by way of management letter reporting, highlighting deficiencies and providing recommendations for resolving these deficiencies to management and assessing any impact on control risk
-

Audit Execution – Substantive Procedures

- Apply specific substantive procedures to test assertions relating to classes of transactions and events, account balances, presentation and disclosure
 - Validate procedures, applied in the audit of statements of financial positions
 - Validate procedures applied in the audit of statements of profit or loss and other comprehensive income account
 - Explain the significance of misstatements and aggregation, and assess the impact it may have on audit reporting
-

Audit Execution – Computer Information Systems (CIS) Auditing

- Describe the entity's computer systems controls including key computer system general controls and key computer system application controls:
 - Computer systems: general applications of e-commerce and impact on control and audit work, key computer processes, including data organisation and access, network and electronic transfers and transaction processing modes, key computer system hardware and software, including XBRL
 - Key computer system general controls: design and implementation, data integrity, privacy and security, system program changes, system access and disaster recovery plans
 - Key computer system application controls: transactions input, processing and output, master file changes
 - Describe the relevant Computer Assisted Audit Techniques (CAATS):
 - Nature (computer software including expert systems and test data)
 - Purpose (testing, administration)
 - Application and related audit concerns (integrity and security of CAATs, audit planning considerations)
 - Exercise professional scepticism around data reports, reliance on artificial intelligence generated reports, questioning the underlying algorithms
-

Learning Guide contd.

Audit Execution - Other Considerations

- Define audit sampling methods, explain the need for sampling and identify and discuss the differences between statistical and non-statistical sampling
 - Discuss and give examples of how analytical reviews are used as substantive procedures. Compute and interpret analytical procedures to obtain audit evidence
 - Define and discuss the going concern concept and its impact throughout various stages of the audit which includes identifying and explaining potential going concern indicators along with the reporting implications of such findings explaining the responsibilities of auditors and management regarding going concern
 - Explain and discuss the purpose of subsequent events and relevant procedures undertaken during a subsequent events review explaining the responsibilities of auditors regarding subsequent events
 - Discuss the procedures surrounding the audit of accounting estimates and the difficulties associated with the audit and review of accounting estimates
 - Explain and identify the audit procedures to obtain sufficient and appropriate evidence in relation to commitments and contingencies
 - Exercise professional scepticism and recognise bias and potential gaps in evidence. Identify contradictory evidence and unsupported statements
 - Discuss the purpose and procedures for obtaining management representation letters
 - Discuss the extent to which external auditors can rely on the work of experts which includes the work on an internal audit
-

Audit Reporting

- Identify and describe elements contained in the auditor's report on audited financial statements
 - Describe key concepts and elements of an audit report such as: the responsibility of the auditor and the management of the company, the opinion of the auditor, basis of the opinion, true and fair view/ fair presentation, materiality, statutory requirements, key audit matters (KAM)
 - Advise on modifications to the auditor's report (unmodified and modified) 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
 - Apply professional scepticism to the integrity of the information provided and exercise a questioning mind throughout the audit engagement process
-

Learning Resources

Core Texts

External Auditing and Assurance: An Irish Textbook 3rd Edition by Martin Nolan and Christine Nangle Revised/2018 / ICAI / ISBN 978-1-912350-03-2

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

Technical Material

1. Auditing and Quality Control Standards

International Standards on Auditing (Ireland)

ISQC (Ireland) Quaility control for firms that perform audits and reviews of financial statements and related services engagements.

These are available from the Irish Auditing and Accounting Supervisory Authority www.iaasa.ie

Learning Resources contd.

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.

3. Ethical Standards

APB Ethical Standards (ESs) are available from the Auditing Practices Board website www.frc.org.uk/apb

CPA – Code of Ethics, available from the CPA website at www.cpaireland.ie

4. Examinable Material Document

See pages 84 - 89

Supplementary Texts

Auditing, 11th Edition / Millichamp and Taylor / Cengage 2018 / ISBN: 9781473749306

The Audit Process, Principles, Practice & Cases 7th Edition / Gray, Manson and Crawford / Cengage 2019 / ISBN-13: 978-1408081709

AccountancyPlus

CPA Students News eBulletin

CPA PROFESSIONAL: MANAGERIAL FINANCE

Aim

The aim of this module is to ensure that students understand the context of financial management and the role of the financial manager. They will develop skills advising decision-makers on the optimal business finance solutions available to them.

Integration of this module with the rest of the syllabus

This module builds on the concepts covered and skills developed in the domains of economics, statistics, financial management and taxation. Students will further develop their skills in qualitative and quantitative analysis, report writing and integrate their learning with that from modules in other domains, such as financial reporting, economics, management accounting. This module is an essential underpinning to the further studies in Strategic Financial Management.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

- Discuss the financial environment and the role of financial management in supporting the development and attainment of organisations' financial policy
- Advise organisations on their short, medium and long-term financing decisions having assessed their options
- Evaluate competing investment proposals and advise organisations of the optimum choice
- Analyse the working capital management options available to organisations
- Analyse reasons for and advise on actions to prevent corporate failure.
- Assess company valuations for organisations and/or clients
- Advise on risk and recommend appropriate risk management strategies for interest rates and foreign currencies.
- Explain emerging technologies (Fintech, Blockchain and Cryptocurrency) and their impact on the role of the financial manager

Indicative Syllabus

		Competency Level
The Financial Environment	• Role of the financial manager	3
	• Financial objectives of profit and not-for-profit entities	3
	• The relationship between financial management, management accounting and financial reporting	3
	• Interests and influence of key stakeholder groups	3
	• Role of the financial services sector	3
	• Ethics and corporate governance issues in finance	3
Cost of Capital	• Cost of equity, dividend growth and Capital Asset Pricing Model (CAPM)	2
	• Weighted Average Cost of Capital (WACC)	2
	• Systematic and unsystematic risk	2
	• Portfolio theory	2
	• Dividend decisions	2
Sources of Finance	• Internally generated funds	2
	• Debt and equity markets	2
	• Banks and other financial institutions	2
	• Determinants of capital structure	2
	• Institutional investors	2
	• Venture capital	2
	• Government (Government Agencies) funding	2
	• Angel finance	2
	• Crowd-funding	2
	• The treasury function	2
Investment Appraisal	• Investment Appraisal techniques	3
	• Capital rationing	3
	• Effects of inflation	2
	• Effects of taxation	2
	• Risk, uncertainty, probability and sensitivity analysis	2
	• Time value of money	3
• Relevant cash flows	3	
Working Capital	• Working capital management strategies	2
	• The operating cycle	2
	• Management of cash, payables, receivables and inventory	2
	• Cash budgets and cash flow forecasts	2
	• Overtrading, evidence, causes and remedies	2
	• Inventory management	2
Corporate Failure	• Symptoms & causes of corporate failure	3
	• Avoidance of corporate failure	3
	• Working capital management	3
	• Over-trading	3
Company Valuations	• Valuation models - Asset basis, earnings basis, discounted cash flow, dividend yield, dividend growth	2

Indicative Syllabus contd.

		Competency Level
Risk Management	• Interest rate risks	2
	• Interest rate risk management	2
	• Currency risks	2
	• Currency risk management techniques	2
Emerging Technologies in Finance	• Dis – Intermediation and Fintech	1
	• Blockchain	1
	• Cryptocurrency	1

Learning Guide

The financial environment

- Explain the role of the financial manager and their interest in risk and return allied to the time value of money
- Evaluate the financial objectives of profit and not-for-profit entities vis a vis long term objectives
- Discuss the significance of the over-riding objective of long term shareholder wealth maximisation
- Explain the relationship between financial management, management accounting and financial reporting
- Appraise the interests of key stakeholder groups and their influence upon the role of the financial manager
- Describe the role of the financial services sector and the regulatory environment
- Discuss ethics and corporate governance issues in finance allied to the relationship between corporate social responsibility and shareholder wealth.

Cost of Capital

- Explain the significance of the concept of Cost of Capital in managerial finance in the areas of Investments, Finance, Dividends and their interrelationships with the role of the financial manager
- Discuss the trade-offs between debt and equity in the financing structure and the consequent variables affecting the cost of capital
- Calculate the cost of capital with equity and debt related elements
- Examine the Capital Asset Pricing model (CAPM) and its application in the area of Cost of Capital and in the wider domain of managerial finance
- Evaluate Weighted Average Cost of Capital (WACC), focusing on calculations and interpretation of the results
- Explain systematic risk and unsystematic risk with the concept of beta
- Examine portfolio diversification with balancing risk mitigation and returns generation
- Explain Portfolio theory and its application in practical managerial finance
- Calculate the risk and return of a two asset portfolio
- Identify the factors affecting dividend decisions that impact upon cost of capital

Sources of Finance

- Compare and contrast equity and debt financing, focusing on the attractions/returns and risks associated with each
- Identify the sources of short-term, medium-term and long-term funding
- Explain the nature and importance of internally generated funds, focusing on equity and preference shares
- Examine the role of banks and other financial institutions
- Evaluate the determinants of capital structure
- Outline the nature and role of capital markets, types of share capital including; rights issues, convertibles, warrants, and other instruments
- Summarise the role of Institutional investors and their concerns
- Examine other types of finance including Venture Capital financing, Government finance, angel finance, crowd funding, and emerging finance vehicles focusing on benefits and risks
- Identify the key activities undertaken by the treasury function in managerial finance
- Explain the relevance and irrelevance arguments of dividends as proposed by Modigliani and Miller (Irrelevance) and Litner and Gordon (Relevance)
- Evaluate dividend policy options and their theoretical and practical implications
- Examine the role of dividends and the trade-off decisions between finance, dividends and investments

Learning Guide contd.

Investment Appraisal

- Examine the time value of money and the net present value concept (NPV) as used with investment decisions
 - Apply investment appraisal techniques both time value based and NPV based including payback, discounted cash flow and internal rate of return calculations.
 - Compare and contrast time value based and non-time value based techniques focusing on benefits and risks associated with each
 - Explain and exemplify the concept of 'relevant cash flows'
 - Evaluate non-financial factors/qualitative factors relevant to investment decisions
 - Explain the two types of capital rationing – soft and hard – allied to their implications for investment decisions
 - Examine the effects of taxation and inflation on investment decisions.
-

Working capital

- Explore effective working capital management strategies and corporate survival
 - Evaluate the elements of the operating cycle, focusing on cash conversion strategies
 - Examine debt and creditor management techniques including: credit evaluation, terms of credit, settlement discounts, debt collection techniques, factoring and invoice discounting
 - Apply cash budgets and cash flow forecasting techniques
 - Summarise inventory management techniques, including EOQ and JIT
-

Corporate Failure

- Examine the symptoms and causes of corporate failure, and combine various financial ratios to predict corporate failure; propose recommendations to avoid such failures.
 - Illustrate the nature, scope and elements of working capital and the importance of effective working capital management to corporate survival; and compare and contrast aggressive, neutral, and conservative working capital management strategies.
 - Explain overtrading and assess its symptoms, causes and remedies
-

Company valuations

- Apply methods of valuing a business, among these being asset bases; earnings bases; discounted cash flow; dividend yield and dividend growth
 - Explain the inter-relationship between company valuation and cost of capital
-

Risk management

- Evaluate interest rate risks and interest rate risk management techniques
 - Appraise currency risks and currency risk management techniques
-

Emerging Technologies in Finance

- Explain key concepts and under-pinnings of emerging technologies in the areas of managerial finance covering Dis – Intermediation, Fintech, Blockchain (Distributed Ledger technology) and Cryptocurrency
 - Discuss current and future applications of these emerging technologies in the area of managerial finance as the technologies evolve.
 - Explain threats and opportunities from these emerging technologies for the financial manager and the finance function in global organisations.
-

Learning Resources

Core Texts

Arnold, G. and Lewis D. (2019) *Corporate Financial Management*, 6th Ed, Pearson ISBN-13: 978 12922140445.

Manuals

Griffith College, CPA Professional Managerial Finance - Latest edition

Supplementary Texts and Journals

Power, Walsh and O' Meara. (2009) *Financial Management - An Irish Text*, 3rd Ed, Gill & Mc Millan ISBN-13: 978-0717145546

Watson. D and Head A. (2019) *Corporate Finance Principles and Practice*, 8th Ed, Pearson ISBN 978-1292244310

Ward AM. (2014) *Finance Theory and Practice*, 3rd Ed, Chartered Accountants Ireland

Berk. J and De Marzo P (2020) *Corporate Finance*, 5th Ed, Pearson

Gates M (2017) *Blockchain: Ultimate guide to understanding blockchain, bitcoin, cryptocurrencies, smart contracts and the future of money*. Copyrighted material – Paperback

Sarmah S, (2018) *Understanding Blockchain technology*, Available at Computer Science and Engineering 2018, 8(2): 23-29

CPA Students' eBulletin Recommended Journals Financial Director, Harvard Business Review, Investment International. Accounting and Business. Accountancy Plus.

Useful Websites

www.investopedia.com

www.ft.com

www.cpaireland.ie - CPA Ireland

www.bloomberg.com/europe - Bloomberg

SYLLABUS 2021

CPA STRATEGIC

Advanced Financial Reporting	55
Strategy & Leadership	59
Advanced Tax Strategy	64
Advanced Audit & Assurance	70
Data Analytics for Finance	75
Strategic Corporate Finance	80

CPA STRATEGIC: 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 CPA Strategic level of the CPA Ireland qualification process.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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

Learning Guide

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
-

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
-

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
-

Preparation of financial statements

- 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:
 - Statement of Profit or Loss and other Comprehensive Income
 - Statement of Financial Position
 - Statement of Changes of Equity
 - Statement of Cash Flows
 - Appraise and apply the acquisition method of accounting and related disclosure requirements in financial statements and notes
-

Performance evaluation

- Critically evaluate and analyse financial statements
 - Perform and report ratio analysis of financial statements
 - Compose detailed reports, tailored to the technical understanding of the various user groups
-

Sustainability Reporting

- Explore and discuss the sustainability reporting landscape and the role of the accountant
 - Describe an approach to developing an organisational reporting strategy
 - Discuss methods of reflecting sustainability impacts in financial statements & narrative for investors
 - Review and discuss how to determine materiality & external disclosures
 - Consider the issues around the reliability and quality of external assurance
-

Current issues in corporate reporting

- Critically evaluate the main accounting issues currently in the field of Financial Reporting
 - Critically review the Conceptual Framework for Financial Reporting
 - Discuss the impact of IFRS on the quality of corporate reporting
 - Review and evaluate the concept of Integrated Reporting
 - Evaluate and discuss the impact of new and or revised accounting standards
-

Learning Resources

Core Texts

C. Connolly / International Financial Accounting and Reporting 6th ed. / CAI 2018 / ISBN-13: 978-1912350025

Elliott and Elliott, Financial Accounting and Reporting, 2019 Pearson (19th Edition) ISBN-13: 978-1292255996

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 / 7th Edition/ Pearson 2019 / ISBN-13: 978-1292293127

CPA Student News eBulletin.

AccountancyPlus.

Useful Websites (as of date of publication)

www.cpaireland.ie - CPA Ireland

www.iaasa.ie - Irish Auditing and Accounting Supervisory Authority

www.ifac.org - The International Federation of Accountants

www.ifrs.org - The International Financial Reporting Standards Foundation

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

www.accountancyeurope.eu - The European Federation of Accountants

www.efrag.org - The European Financial Reporting Advisory Group

www.frc.org.uk - The Financial Reporting Council

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 - FRC-Conduct Committee

www.accountingnet.ie - Irish Accounting and Business Portal.

CPA STRATEGIC: 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.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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
- Integrate effectively 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 Level
Introduction – The concept of Strategy	• The characteristics of strategic decisions	2
	• Levels of strategy	2
	• The vocabulary of strategy - mission, visions, goals and objectives	2
	• Strategic Management - strategic position, strategic choice, strategy in action	2
	• Matching strategy and structure	2
	• Strategic management and operational management perspectives on strategy - deliberate and emergent strategy	2
The Strategic Position	• Environmental analysis - the macro environment, industry/sector/market analysis, opportunities and threats	3
	• Resources and Capability - strategic capability, critical success factors, assessing resources, identifying core competencies, benchmarking, assessing strengths and weaknesses	3
	• Stakeholders and Governance - corporate governance, stakeholder analysis, identifying stakeholder expectations, business ethics, cultural considerations	3
	• The Marketing Dimension	3
Strategic Choice	• 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	3
	• 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	3
	• Strategy Development: directions, methods, success criteria	3
Leadership	• The nature of leadership	3
	• Qualities and characteristics of effective leaders	3
	• Organisational leadership theories	3
	• The importance of strategic leadership and the senior management team	3
	• The role of leadership in the change management process	3
	• The role of leadership in business ethics and social responsibility	3
Strategy Implemen- tation – Structure and Processes	• Organisation structure	2
	• Planning and control systems (incl. ERP & balanced scorecard, market mechanisms, social / cultural process)	2
Strategy Implemen- tation: Managing Strategic Change	• The nature of organisational change	2
	• The change situation	2
	• Identifying and managing resistance to change	2
	• Change levers	2
	• Use a change management model as a framework to manage a change programme	2

Indicative Syllabus contd.

		Competency Level
Strategy Implementation: Project Management	• Project objective and scope	2
	• Project teams, sponsors and responsibilities	2
	• Project timeline and milestones	2
	• Project reporting procedures	2
	• Project evaluation	2
Enterprise Risk Management	• Nature & impact of risk	2
	• Identification, assessment and measurement of risk	2
	• Managing, monitoring, mitigating risk	2
	• Reporting Risks	2
Sustainability Reporting	• Defining sustainability and the business case	2
	• Vision & leadership	2
	• Stakeholder engagement	2
	• Goals & target setting	2
	• Integration with risk management	2

Learning Guide

Introduction: The Concept of Strategy

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

The Strategic Position

- Analyse the macro-environment of an organisation, and identify the key macro-environmental trends
- Analyse the industry/sector/market of an organisation, and identify the main competitive forces
- Identify the opportunities and threats facing an organisation
- 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
- Assess the strengths and weaknesses of an organisation
- Advise how corporate strategy and purpose may be influenced by the following:
 - Corporate governance
 - Stakeholder expectations and mapping
 - Business ethics
 - Organisational culture
- 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

Learning Guide contd.

Strategic Choice

Strategic Choice: Corporate Level Strategy

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

Strategic Choice: Business Level Strategy

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

Strategic Choice: Growth Strategies

- 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
- Explain the M&A process and evaluate the key issues in each stage of the process
- Assess the usefulness of strategic alliances and advise how to improve the likelihood of their effectiveness
- Identify and evaluate a suitable strategic growth strategy for an organisation in the context of its resources and its opportunities

Strategic Choice: Strategy Development

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

Leadership

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

Strategy Implementation: Structure, Processes and Culture

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

Learning Guide contd.

Strategy Implementation: Managing Strategic Change

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

Strategy Implementation: Project Management

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

Enterprise Risk Management

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

Sustainability Reporting

- Describe sustainability in the context of an organisation's strategy and the business case for incorporating it into the strategy
 - 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
-

Learning Resources

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.; Eighth Edition (International Student Edition) 23 April 2018 - ISBN-13:978-1544331942

Kotler Philip, Kevin Lane Keller, **Marketing Management**, Global edition/15th Edition (2014) Pearson, ISBN-13:978-0133856460

Gunnigle G., Heraty N., Morley M., **Human Resource Management in Ireland**, 5th. Edition, (2017), Institute Of Public Administration (2017) ISBN-13: 978-1910393178

Useful Websites (as of date of publication)

www.cpaireland.ie - CPA Ireland

www.marketingteacher.com - Marketing Teacher 2000 – 2007.

www.strategy-business.com - Strategy + Business.

www.strategyanalytics.com - Strategy Analytics

CPA STRATEGIC: 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.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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 Level
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
• 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

Indicative Syllabus contd.

		Competency Level
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	
Stamp Duty	• Principles of Stamp Duty	1
	• Stamp Duty with respect to property transactions	1
	• Stamp duty on transfers to young trained farmers	1
	• Anti-avoidance	1
Revenue Powers and Revenue Audit	• The Code of Practice & Customer Service Charter	3
	• Production of accounts, books and records	3
	• Information from third parties	3
	• Sub-contractors	3
	• Statements of affairs	3
	• Retention of records	3
	• Information for tax authorities in other territories	3
	• Mandatory disclosure	3
	• Prosecution policy within the Revenue	3
• Penalties and Interest	3	
Tax policy development & current issues, national & international	• Finance act and budget changes	2
	• The potential impact of changes in the international tax environment on Irish tax policy.	1
	• Transfer Pricing	1
	• The OECD Model treaty, the progressive income tax systems in the OECD and Ireland's progressivity	2
	• The potential impact of recent and planned changes in tax policy on Individuals and corporations.	1
	• Effect of taxation on determinants of economic growth	1
	• Responding to aggressive tax planning	1
	• Base Erosion and Profit Shifting	1
	• Country by country reporting	1
	• Common Consolidated Corporate Tax Base (CCTB)	1

Learning Guide

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.
-

Corporation Tax

- 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.
 - Determine the close company rules, including definitions (such as meaning of participator) and assess the effect of close company status.
 - 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.
 - 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.
 - Demonstrate knowledge of corporate groups, including annual payments and an ability to assess the availability of corporation tax group relief and consortium relief.
 - 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.
 - Discuss and assess the criteria for the exemption for start-up companies.
 - Demonstrate an ability to conclude on the residence position for a company and the tax treatment of branches.
 - Discuss and assess the main provisions of tax treaties with other countries.
 - Demonstrate an ability to conclude on the double taxation relief and unilateral credit relief available for tax suffered on foreign activities.
 - Determine the anti-avoidance provisions for corporation tax.
-

Capital Gains Tax

- Calculate and explain the CGT computation for individuals and the computation of chargeable gains for companies.
 - Discuss and apply the CGT rules for wasting assets and chattels.
 - Assess and calculate the CGT treatment of development land and share disposals (including share valuation rules).
 - 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
-

Learning Guide

Capital Gains Tax contd.

- Assess and explain the Section 980 TCA 1997 withholding tax provisions and the availability of CG50 clearance certificates.
 - Determine the CGT implications of the use of trusts, to include discretionary trusts.
 - Discuss and apply the appropriate treatment of capital losses including the relief available for negligible value claims.
 - Determine the anti-avoidance provisions and valuation rules for CGT.
-

Capital Acquisitions Tax

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

VAT

- 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.
 - 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
 - Analyse the VAT implications of the VAT on property rules.
 - Demonstrate awareness of EU VAT legislation/regulations and their impact on Irish domestic legislation.
 - Analyse the VAT implications of international transactions including imports and exports.
 - Determine the VAT anti-avoidance measures in place.
-

Stamp Duty

- Examine the general principles regarding the scope of charge to stamp duty.
 - Recognise the rates of stamp duty that apply to stampable transactions including property transactions.
 - 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.
 - Explain the self-assessment system for stamp duty to include an understanding of the penalties, surcharges and interest that can be imposed.
-

Revenue Powers and Revenue Audit

- Discuss and apply the Code of Practice for Revenue Audit and other Compliance Interventions, the Customer Service Charter and the role of Special Investigations.
 - 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.
 - Determine Revenue's ability and power to obtain the particulars of transactions from certain persons including information from third parties, such as financial institutions.
 - Determine the supervision and monitoring of sub-contractors for relevant contracts tax purposes.
 - Discuss the exchange of taxpayer information by tax administrations, including Revenue.
 - Discuss the mandatory disclosure regime.
 - Discuss Revenue's prosecution policy.
 - Discuss Revenue's policy in respect of penalties and interest.
-

Learning Guide

Tax Policy Development and Current Issues

- 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)
 - Determine the potential impact of changes in the international tax environment on Irish tax policy.
 - Discuss the transfer pricing rules and advise on their impact for companies.
 - 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.
 - Determine the potential impact of recent and planned changes in tax policy on individuals and corporations.
 - Discuss the effect of taxation on the determinants of economic growth.
 - Discuss the national and international response in challenging aggressive tax planning.
 - Discuss the OECD's Base Erosion and Profit Shifting project, to include knowledge of the rules for Country-by-Country reporting.
 - Discuss the impact of the Common Consolidated Corporate Tax Base (CCCTB) proposals.
-

Learning Resources

Core Texts

Irish Taxation Advanced, Finance Act 2019, Paula Byrne ISBN: 978-1-9993047-4-4

Supplementary Texts

Martyn and Shanahan / Taxation Summary Finance Act/2019 / Irish Taxation Institute.

Irish Taxation: Law & Practice 2020/2021 / Irish Taxation Institute

Revenue Statements of Practice & Tax Briefings.

Accountancy Plus.

CPA Student News eBulletin

Useful Websites (as of date of publication)

www.cpaireland.ie - CPA Ireland

www.revenue.ie - The Revenue Commissioners' website

www.taxworld.ie - Taxworld

www.taxinstitute.ie - Irish Tax Institute

CPA STRATEGIC: 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 Audit and Assurance 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.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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 Level
The legal, regulatory, professional and ethical framework of auditing	<ul style="list-style-type: none"> • Companies Act / Orders, EU Directives & Company Law • Irish & London Stock Exchange listed companies • Auditing Standards – IASB, IAASB & IAASA • Case law, legal liabilities & obligations • Anti-money laundering • Corporate governance frameworks • CPA Code of Ethics and the Ethical Standard for Auditors (Ireland) 2017 • Professional negligence & indemnity 	3 2 3 2 2 2 3 3
Risk Assessment, audit planning and execution	<ul style="list-style-type: none"> • New engagements and acceptance procedures • Planning, conducting and documenting an audit • Review of financial statements, analysis and interpretation of data and other information • Materiality and risk assessment • Quality control, professional scepticism and practice management • Evaluation and testing controls (see below) • Substantive testing • Using the work of others • Laws and regulations • Fraud and error 	3 3 3 3 3 3 3 3 3 3
Internal Controls and Financial Systems	<ul style="list-style-type: none"> • Control environment and control procedures • Internal controls & internal control systems • Computer control environment • Continuous control monitoring 	3 3 2 2
Completion and Reporting	<ul style="list-style-type: none"> • Subsequent events and going concern • Final review and matters arising • Key concepts – opinion, true & fair view/ fair presentation, materiality & statutory requirements • Auditor's report • Modified reports • Limitations on scope/ Disagreement • Emphasis of matter / other matters / KAMs • Auditor's responsibility 	3 3 3 3 3 3 3 3
Special Audits & Other Engagements	<ul style="list-style-type: none"> • Engagement, planning, execution and reporting • Professional practice considerations 	2 2
Performance Evaluation	<ul style="list-style-type: none"> • Corporate reports and extended stakeholder reports e.g. sustainability, governance and environmental reports • Performance management reports and KPIs 	2 2
Current Issues	<ul style="list-style-type: none"> • Current developments in the audit and assurance environment • Auditing new technologies e.g. Artificial Intelligence (AI) and Blockchain 	2 1

Learning Guide

The legal, regulatory, professional and ethical framework of auditing

- Demonstrate an in-depth understanding of the Companies Act / Orders and relevant EU directives and other company law legislation affecting the auditor
 - 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
 - Demonstrate an in-depth understanding of Auditing standards and other technical pronouncements issued by the IASB, IAASB and IAASA
 - 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
 - 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
 - Appraise and critique the implications of corporate governance frameworks on the accounting and audit profession
 - 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
 - Illustrate the situations whereby auditors and accountants may have professional liability and explain professional indemnity, misconduct, negligence and the code of confidentiality.
-

Risk Assessment, audit planning and execution

- Explain the procedures to be undertaken before acceptance of a new or recurring engagement and recognise when an engagement should be refused
 - 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.
 - 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.
 - 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.
 - 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.
 - Design and evaluate tests of controls and assess their role in gathering audit evidence
 - Design and implement tests of substance on specific audit areas within the financial statements and evaluate their importance in gathering audit evidence
 - Explain why and how the auditor may use the work of others
 - Consider the impact of non-compliance with laws and regulations for the audit and assurance engagement
 - 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
-

Internal Controls and Financial Systems

- Describe how the control environment and control procedures operate within a business
 - Explain effective internal controls and discuss the limitations on the effectiveness of internal controls
 - Ascertain and understand internal control systems through use of narrative notes, flowcharts, checklists, questionnaires and walk-through tests
 - Evaluate and assess accounting and internal control systems and the subsequent impact on audit work
 - Define internal audit and ascertain and describe the situations when an auditor can/cannot place reliance on internal controls and/or internal audit
 - Understand the principles and control procedures in a computer environment, including system analysis, design considerations and continuous control monitoring
 - 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
 - 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
 - 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
-

Learning Guide contd.

Completion and Reporting

- Design audit procedures to identify subsequent events and assess the impact on the financial statements
 - 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
 - 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.
 - 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.
 - Explain the importance of analytical procedures throughout the audit and apply final analytical procedures and disclosure checks to the final financial statements
 - Formulate any matters arising from the final review which may have an impact on the audit report
 - Describe key concepts such as: audit opinion, true and fair view/fair presentation, materiality, statutory requirements, key audit matters (KAM) etc.
 - Determine the form and content of an unmodified auditor's report and outline the elements comprising the report
 - 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
 - Recognise and contrast limitations on scope and disagreements with management and the impact of each on the modified audit report
 - Recognise when it is appropriate to use emphasis of matter paragraph, other matter paragraph and KAM disclosure
 - Explain the auditor's responsibility for their opinion and their responsibility before and after the date of the auditor's report
 - Explain the auditor's responsibility for other information in documents (e.g. Annual Report) containing audited financial statements
 - Describe other types of assurance report
-

Special audits and other engagements

- 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)
-

Performance evaluation

- 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
 - Clarify the importance of ratio analysis and the use of Key Performance Indicators (KPIs) in performance management reports
 - Recognise potential for bias in performance management reports
-

Current issues

- Discuss the current issues and developments relating to practice management, audit and assurance services, including audit expectations and developments in the regulation of audits
 - 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)
-

Learning Resources

Core Texts

The Audit Process, Principles, Practice & Cases 7th Edition/Gray, Manson and Crawford / Cengage 2019 / ISBN: 9781473760189

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

Technical Material

1. Assurance and Quality Control Standards

- International Standards on Auditing (Ireland)
- International Standards on Review Engagements (ISAE's)
- ISQC (Ireland) Quality control for firms that perform audits and reviews of financial statements and related services engagements. These are available from the Irish Auditing and Accounting Supervisory Authority 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.

3. Ethical Standards

- Ethical Standard for Auditors (Ireland) 2017 are available from Irish Auditing and Accounting Supervisory Authority www.iaasa.ie.
- CPA – Code of Ethics, available from the CPA website at www.cpaireland.ie

4. Examinable Material Document on pages 84 - 89 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 3rd Edition by Martin Nolan and Christine Nangle Revised/2018 / ICAI / ISBN 978-1-912350-03-2

Cosserat / Modern Auditing / Wiley / 4th Edition 2016 /ISBN-13: 978-1118962824

AccountancyPlus

CPA Students' eBulletin

Useful Websites (as of date of publication)

www.cpaireland.ie - CPA Ireland.

www.iaasa.ie - Irish Auditing and Accounting Supervisory Authority.

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 - FRC Corporate Reporting Council

www.ifac.org/auditing-assurance – International Auditing & Assurance Standards Board

CPA STRATEGIC: 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 Excel among accounting practitioners and develop students understanding of the Excel Data Analysis functions.

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.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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 and time series, to business datasets and interpret statistical results for various user groups.
- Describe the key concepts underpinning various supervised and unsupervised machine learning techniques
- 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
- Evaluate the benefits and risks of utilising machine learning techniques in a variety of business financial activities.
- Assess data protection, data privacy and other ethical issues associated with the utilisation of large corporate datasets

Indicative Syllabus

		Competency Level
Strategic Data Management in Finance	• Challenges in Human Decision Making	3
	• Data Analytics Processes - Introduction to CRISP/DM	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	3
	• Effect of Variation	3
	• Hypothesis testing	3
	• Interpret outputs from statistical software to analyse patterns in accounting data for signalling 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

Indicative Syllabus contd.

		Competency Level
Machine Learning	<ul style="list-style-type: none"> Supervised Learning <ul style="list-style-type: none"> Classification Tree-Based Methods Decision Trees Logistic Regression K-Nearest neighbours Applications in Finance Interpretation of software model output 	3
	<ul style="list-style-type: none"> Unsupervised Learning <ul style="list-style-type: none"> Measuring Similarity Clustering Neural Networks Support Vector Machines Applications in Finance 	3
	<ul style="list-style-type: none"> Evaluate ML techniques for analysis of high-volume accounting data <ul style="list-style-type: none"> 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 	3
Model Evaluation	<ul style="list-style-type: none"> Misclassification Rate on a Hold-out Test Set 	3
	<ul style="list-style-type: none"> ROC Curves 	3
	<ul style="list-style-type: none"> Confusion Matrix – Accuracy, Precision, Recall 	3
Data Ethics & Legal Considerations	<ul style="list-style-type: none"> Data Ethics in Finance 	2
	<ul style="list-style-type: none"> Data Legislation GDPR 	2
	<ul style="list-style-type: none"> Data and Statistical reporting 	2

Learning Guide

Strategic Data Management in Finance

- Identify and discuss the challenges in Human Decision Making, particularly relating to large datasets.
- Discuss the benefits and challenges of utilising CRISP/DM to manage Finance Data Analysis projects
- Identify and discuss the strategic benefits to be derived from Financial Big Data
- Identify and discuss the management challenges in leveraging the benefits of Big Data for strategic competitive advantage

Exploratory Data Analysis

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

Statistics for Big data

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

Learning Guide contd.

Dimension reduction

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

Regression and Big Data

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

Forecasting Techniques and Application

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

Machine Learning

- 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,
 - Explain the fundamental techniques that underpin a range of Unsupervised Learning techniques such as Clustering, Neural Networks, Support Vector Machines
 - 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
-

Model Evaluation

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

Data Ethics & Legal Considerations

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

Recommended Reading

The books identified below indicate the focus of this course. These books are indicative only. They are currently available free of charge from Springer's website

Excel Data Analysis - Modelling and Simulation

Author Hector Guerrero

Currently available to download free at

<https://link.springer.com/book/10.1007%2F978-3-030-01279-3>

Statistical Analysis and Data Display - An Intermediate Course with Examples in R

Authors - Richard M. Heiberger, Burt Holland

Currently available to download free at

<https://link.springer.com/book/10.1007%2F978-1-4939-2122-5>

The Data Science Design Manual

Authors - Steven S. Skiena

Currently available to download free at

<https://link.springer.com/book/10.1007%2F978-3-319-55444-0>

CPA STRATEGIC: 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

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

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 Level
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

The financial environment

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

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

Sources of Finance

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

Financial Risk Management

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

Learning Guide contd.

Cost of Capital

- Interpret risk and return and discuss the relationship between risk and return
- Discuss the factors impacting on the cost of equity capital
- Calculate the Weighted Average Cost of Capital (WACC) and discuss its uses and limitations
- 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
- Explain the Capital Asset Pricing Model (CAPM) and discuss its assumptions, applications, and limitations

Financial Analysis and Business Planning

- Prepare long-term business plans from prescribed information
- Appraise capital investment options using NPV, IRR and Payback criteria
- Evaluate business plans from the perspective of an equity investor or provider of debt
- Evaluate an organisation's current financial position
- Compare and evaluate the financial management of an organisation with that of competitors and industry norms
- Prepare, evaluate, and discuss key financial management indicators based on the published financial statements of an organisation
- Benchmark selected financial KPIs against companies in the same industry sector

Emerging Technologies in Finance

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

Learning Resources

Core Texts

Arnold / Corporate Financial Management 6th Edition/ Pearson 2019 / ISBN-13: 978 12922140445.

Manuals

Griffith College, CPA Strategic 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

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

Zetsche, 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>

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
AS 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	2	2
IAS 21	The Effects of Changes in Foreign exchange Rates	2(iii)	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	2	2	3	2	2
IFRS 16	Leases	N/A	2	3	N/A	2
FRS 100	Application of Financial Reporting Requirements	1	1	1	N/A	N/A
FRS 101	Reduced Disclosure Framework	1	1	1	N/A	N/A
FRS 102	Financial Reporting Standard Applicable in the UK and ROI	1	1	1	N/A	N/A
FRS 104	Interim Financial Reporting	1	1	1	N/A	N/A
FRS 105	The Financial Reporting Standards applicable to the Micro-entities Regime	1	1	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.

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		Advanced Financial Reporting
		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

Auditing Guidelines & Practice Notes			Advanced Financial Reporting	Advanced Audit & Assurance
			Competency Level	
PN 25	Attendance at Stocktaking	Feb 2011	2	3
PN 26	(Revised) guidance on Smaller Entity Audit Documentation		1	2
Ethics			Audit & Assurance	Advanced Audit & Assurance
			Competency Level	
CPA - Code of ethics		June 2019	2	3
Ethical Standard for Auditors (Ireland) 2017			2	3
International Standards on Auditing (Ireland)			Audit & Assurance	Advanced Audit & Assurance
			Competency Level	
International Standard on Quality Control (Ireland) 1			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	Auditing, accounting estimates, including fair value accounting estimates, and related disclosures	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 an auditor's expert	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 (Accounting) Act 2017

Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 - 2013.

E.I. No 312 of 2016 - European Union (Statutory Audit) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No. 537/2014 Regulations 2016).

N.B. It is essential to check the Institute's website (www.cpaireland.ie) for the most recent Examinable Material Document (EMD). An updated EMD is published each November for the following year's examinations.

CPA IRELAND

CPA Ireland is one of the main Irish accountancy bodies representing 5,000 members and students.

The CPA designation is the most commonly used designation worldwide for professional accountants and the CPA Ireland qualification enjoys wide international recognition. Its current membership operates in public practice, Industry, financial services and the public sector and CPAs work in 48 countries around the world.

CPA Ireland is active in the profession at national and international level participating in the Consultative Committee of Accountancy Bodies – Ireland – CCAB (I) and together with other leading accountancy bodies CPA Ireland was a founding member of the International Federation of Accountants (IFAC) – the worldwide body. CPA Ireland is also a member of the Federation des Experts Comptables Europeens (FEE), the representative body for the main accountancy bodies in 37 European countries.

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