

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
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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.