

Diploma in Governance, Risk and Taxation (International)

For teaching being rolled out from February 2022 onwards

Version September 2021

This qualification is awarded through CIPFA's Royal Charter

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1. Introduction

The Chartered Institute of Public Finance and Accountancy (CIPFA) is a UK-based international accountancy membership and standard-setting body. We are the only such body globally dedicated to public financial management and hold Chartered Status.

Our educational and advisory services support our members, students and other public finance professionals throughout their careers – helping them add value to their teams and the organisations for which they work.

The work of a Chartered Public Finance Accountant is both more complex and more critical to the public sector than at any point in our history. Digital technologies, highly charged political contexts, regulatory reform, climate change, increased service demand and the dramatic arrival of the COVID-19 pandemic – these are all impacting how public financial management, reporting and audit are conducted now and in the future.

At the heart of our mission to build trust by strengthening public financial management is CIPFA's professional accountancy qualification.

This CIPFA Diploma in Governance, Risk and Taxation is the next step to taking a lead in a career in finance and provides access to further study and career progression.

2. Availability

This qualification is available for approved UK and International Accredited Training Providers (ATPs).

There are four assessment windows per year. Two main sittings following tuition opportunities and two retake opportunities.

3. Support and resources to help teaching and learning

We've worked with experienced teachers to provide you with a range of resources that will help you confidently plan, teach and prepare for exams.

To enable your students to show their breadth of knowledge and understanding, we've created a simple and straightforward structure and layout.

Further information on teaching and learning resources and solutions can be found www.cipfa.org/qualifications/students/cipfa-education-and-training-centre.

4. Qualification information

This Qualification Specification contains what you need to know about the structure, assessment approach and delivery content for the CIPFA Diploma in Governance, Risk and Taxation.

4.1 Qualification objectives

The objective of the CIPFA Diploma in Governance, Risk and Taxation qualification is to provide students with the knowledge and skills required to advance within accounting and finance in an organisation.

The knowledge and skills acquisition offered through achievement of this qualification supports a wide range of transferable skills that can be applied to many different finance and accounting contexts.

This qualification has been developed in partnership with industry experts and employers. It will provide students with a nationally recognised qualification in professional accounting and audit and is suitable for those students:

- Aspiring to lead teams and processes in finance, risk and taxation
- That wish to progress and/or specialise in the CIPFA Diploma in either Public Financial Management Reporting and Business Change (International) or Public Financial Management Reporting and Advanced Audit (International)

4.2 Progression

Successful completion of the CIPFA Diploma in Governance, Risk and Taxation provides students with the opportunity for a wide range of academic progression including progression to either the CIPFA Diploma in Public Financial Management, Reporting and Advanced Audit or the Diploma in Public Financial Management, Reporting and Business Change.

While the majority of students will start their accountancy qualification at the CIPFA Certificate in Management and Financial Accounting of the Professional Accountancy Qualification (PAQ), some may enter directly onto other levels depending on their circumstances such as prior learning, experience or level at which they are currently working.

The CIPFA Diploma in Governance, Risk and Taxation has been developed with career progression and professional recognition in mind.

This qualification offers a recognised milestone qualification for those progressing their careers.

4.3 Qualification structure

This qualification can only be offered by ATPs. No part of this qualification may be altered by ATPs since it will compromise the integrity of our qualification and its respective assessment.

ATPs may not amend learning outcomes, assessment criteria, assessment approach, module or qualification titling or any other regulated guidance. To do so will deem the students' achievement null and void and ATPs may be subject to sanctions by CIPFA.

Qualification Title	CIPFA Diploma in Governance, Risk and Taxation
Start date	02/2022
Total Qualification Time (TQT)	455
Guided Learning Hours (GLH)	156
Credit value	45
Assessment	Externally set, externally marked
Overall grading type	Pass or Not Yet Achieved
Language of assessment	English

5. Total Qualification Time (TQT)

Total Qualification Time (TQT) is the number of notional hours it is estimated that a candidate will take to demonstrate the level of attainment necessary to achieve this qualification from start to finish and includes guided learning hours, self-study, preparation and assessment.

Guided Learning Hours (GLH) is defined as the hours that a teacher, lecturer or other member of staff is available to provide immediate teaching support or supervision to a student working towards a qualification.

The GLH for this qualification are estimated at 156 hours which includes final assessment and the TQT is estimated at 455 hours.

6. Credit value

Credit value is defined as being the number of credits that may be awarded to a student for the successful achievement of the learning outcomes of a module.

One credit is equal to ten hours of TQT.

7. Achieving this qualification

There are two core mandatory modules that comprise this qualification and one mandatory option module. All must be successfully achieved (mastery) to be awarded the CIPFA Diploma in Governance, Risk and Taxation.

Modules	Total Module Time (TMT)	GLH (approx. hours)	Assessment time (hours)	Credit value
Governance and risk management	149	36	3	15
Business reporting	153	60	3	15
Tax and law (International)	153	60	3	15
Totals	455	156	9	45

If the complete qualification is not achieved, credit can be issued in the form of a statement of stand-alone module credit for those modules that have been passed. This will be subject to the currency of the existing qualification.

7.1 Partial and full achievement of this qualification

All modules that comprise the qualification must be successfully completed within a ten-year period for candidates to be awarded the full qualification.

Students successful in one or two modules only will be awarded module credit certificates. Students can take the modules in any order.

8. Delivering this qualification

CIPFA do not specify the mode of delivery for this qualification, therefore CIPFA ATPs are free to deliver this qualification using any mode of delivery that meets the needs of their students. However, CIPFA ATPs should consider the students' complete learning journey when designing the delivery and formative assessment of programmes.

CIPFA ATPs must ensure that the chosen mode of delivery does not unlawfully or unfairly discriminate, whether directly or indirectly, or bias students and ensure that equality of opportunity is built into all teaching and learning.

GLH which are listed in each module provides ATPs with the expected number of hours of teacher supervised or direct study time likely to be required to deliver the qualification.

9. Language of the assessment

The assessments are delivered and assessed in English. If a student is not from a majority English-speaking country they should provide evidence to their ATP of English language competency in order to be able to access the demands of this qualification and its respective assessment.

For students to achieve success in our qualifications, which are taught and assessed in English, it is essential that they have an appropriate level of English language skills.

The following clarifies the requirements for all ATPs when accepting students onto our qualifications. Those students who have not undertaken their final two years of schooling in English can demonstrate capability in English at a standard equivalent to the levels identified below:

- Common European Framework of Reference (CEFR) level B2
- Pearson Test of English Academic (PTE Academic) 51
- IELTS 5.5; Reading and Writing must be at 5.5

ATPs must determine what evidence will be necessary to prove individual student proficiency prior to registering them with CIPFA.

10. Level equivalencies

This qualification represents the practical knowledge, skills, capabilities and competences that are equivalent in level to the following qualifications:

- Degree apprenticeship
- Degree with honours – for example Bachelor of the Arts (BA) honours, Bachelor of Science (BSc) honours
- Graduate certificate
- Graduate diploma
- Level 6 award
- Level 6 certificate
- Level 6 diploma
- Level 6 NVQ
- Ordinary degree without honours

Source: www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels

11. Entry guidance

This qualification is designed for students aged 18 plus.

The minimum requirements for studying CIPFA's Professional Qualification at all levels are as follows:

- Three GCSEs, grades A–C (or grades 4 and up), and two A-Levels, grades A–C, or accepted equivalent.
- Scottish, Northern and Southern Ireland equivalents are also accepted. Subjects must include Maths and English at either level.
- BTEC and SCOTVEC national diplomas are also accepted.
- The minimum vocational requirement is NVQ/GNVQ level 3 or Scottish equivalent.

If you do not meet the academic requirements, you may still study if you are 21 or over, have your employer's support and have met the equivalent learning and skills to be able to access the demands of the qualification, either formally or through on the job experience. It is expected that this non-qualification route to entry would at a minimum require more than three years' relevant work experience.

Further details can be found here:

www.cipfa.org/join/graduate-entry/minimum-entry-requirements

11.1 Graduate entry route

Holders of all relevant university degrees can study to become Chartered Accountants with CIPFA and may formally apply to CIPFA for Chartered Public Finance Accountant (CPFA) status.

11.2 Recognition of Prior Learning (RPL) and exemptions

1. If you have a finance or accountancy related degree, or have passed certain professional body examinations, you may be entitled to exemptions.

Full details can be found here:

www.cipfa.org/qualifications/students/exemptions

2. Fully qualified accountants - Members of other professional accountancy bodies may be entitled to exemptions to become fully qualified CPFAs.

The number of exemptions will depend on the standing of your qualification and your relevant professional experience in the public sector.

Full details can be found here:

www.cipfa.org/join/joining-from-another-membership-organisation

3. Accelerated route for senior finance professionals

Senior executives in roles with significant financial responsibilities can take our accelerated route to the CIPFA professional accounting qualification in two years.

Further details can be found here:

www.cipfa.org/join/senior-finance-professionals

4. Students who have successfully completed the L7 Accountancy Apprenticeship with CIPFA may apply for relevant exemptions.

Further details can be found here:

www.cipfa.org/qualifications/exemptions

Please also refer to our *Recognition of Prior Learning and Exemptions Policy* <https://www.cipfa.org/qualifications/student-policies-procedures-and-forms>

12. Assessment

All modules within this qualification are externally set and marked by CIPFA. Students sit their assessments via an online examination platform.

All modules must achieve a pass mark of 50%. There are no merit or distinction grades, only Not Yet Achieved, or Pass.

The CIPFA Diploma in Governance, Risk and Taxation is comprised of three modules.

For further information on how each module is assessed, please see the detailed table below:

Module	Assessment	Marks available	Pass mark	Exam duration
Governance and Risk Management	15 Multiple Choice Questions (MCQs)	30	50	3 hours
	6 Objective questions	30		
	Scenario based questions	40		
Business Reporting	7 objective questions	35	50	3 hours
	Preparation of single and consolidated accounts	65		
Tax and Law (International)	15 Multiple Choice Questions (MCQs)	30	50	3 hours
	6 Objective questions	30		
	Scenario computational	40		

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Tax and Law (International)	15 multiple choice questions	30	50	3 hours
	6 objective questions	30		
	Scenario computational	40		

13. Resits

If a student fails a module, they will be able to resit the module they failed in the following assessment window.

CIPFA do not cap the number of times a student is able to resit a module.

Students will always receive a new assessment paper when resitting a module in line with CIPFA's policies and procedures.

All students have ten years in which to complete the PAQ. For apprentices, funding considerations will need to be taken into account in respect of available time to complete the PAQ.

14. Equality, diversity and bias

CIPFA expects all staff and Subject Matter Experts (SMEs) to have due regard to our Equality and Diversity Policy [\[insert link\]](#) and the requirements of the Equality Act 2010 in relation to our qualifications.

We develop and revise our qualifications to avoid, where possible, any features that might disadvantage students because of any protected characteristics.

If a specific qualification requires a feature that might disadvantage a particular group this will be clarified in the qualification specification.

Our assessments are developed by Subject Matter Experts (SMEs) and follow a rigorous process of quality assurance and evaluation, including ensuring that they do not represent bias, whether actual or unconscious.

CIPFA ATPs must ensure that the chosen mode of delivery does not unlawfully or unfairly discriminate, whether directly or indirectly, and that equality of opportunity is promoted.

Where it is reasonable and practicable to do so, ATPs must take steps to address identified inequalities or barriers that may arise throughout the duration of the programme delivery.

15. Module structure

Level – this positions the level of the module within the Regulated Qualifications Framework (RQF).

Credit value – is the value given to the module and the credit value is equal to the Total Qualification Time (TQT) divided by ten and rounded to the nearest whole number.

Total Module Time (TMT) – is the average amount of time it will take to complete the module. This includes guided learning hours, practical and work-based learning, assessment preparation time and assessment time.

Module purpose and aim – gives a summary of the purpose of the module.

What you will learn – details the knowledge and skills a learner will cover.

Learning outcomes – set out what a learner will know, understand or be able to do as a result of successful completion, including the standard required to achieve via assessment.

Assessment criteria – set out the assessment requirements for the module.

Indicative content – provides guidance on current curriculum coverage required to achieve the learning outcomes and assessment criteria. It is advised that students cover all of the indicative content throughout the duration of their studies, for success in their synoptic exams.



Modules

Governance and Risk Management

Core mandatory

Credit value	15
Module Guided Learning Hours (GLH)	36
Total Module Time (TMT)	149

Module purpose and aim

The Governance and Risk Management module covers the essential principles and practices involved in the effective governance of business and public sector organisations. The module is of relevance to each of the steward, enabler and innovator, and business partner and leader roles that the finance professional performs in modern public and private sector organisations.

Students are firstly introduced to the broad scope of governance, including the key principles typically contained in governance codes and the requirements of ethical behaviour. A key aspect of any organisation's governance arrangements is its approach to risk management, including the role of internal control systems and internal audit and this part of the module also includes an introduction to the counter fraud measures associated with good governance. Students are also introduced to the key considerations in, and the different options for, designing an organisation's structure and managing human resources effectively. The module also covers the main features of performance management systems, the sources of information for them and the importance of balancing financial and non-financial performance measures as part of the effective strategic governance of organisations.

The Governance and Risk Management module has links with all other modules of the qualification. In particular it has strong linkages with the Strategy Development, Audit and Assurance, Financial Management and the Implementing Business Change modules. Further, the specific governance challenges associated with public sector organisations are explored in more detail in the Strategic Public Financial Management module.

Assessment weighting across the learning outcomes

Syllabus area	Learning outcome	Weighting
Principles of good governance and ethical conduct	Understand the principles of good governance and ethical conduct to private and public sector organisations	30%
Risk management and internal control systems	Understand the features of effective organisational risk management systems	30%
Organisational structure and human resource management	Understand the types of organisational configuration that can be used as part of effective governance arrangements	20%
Performance management	Understand the features of performance management systems in the effective governance of organisations	20%

Modules	Assessment	Marks available	Pass mark
Governance and Risk Management	15 multiple choice questions	30	50
	6 objective questions	30	
	Scenario based questions	40	

Learning outcomes and assessment criteria

LO1	Understand the principles of good governance and ethical conduct to private and public sector organisations
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AC1.1	Evaluate the overarching principles of governance
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AC1.2	Evaluate good governance principles and practices contained in corporate governance codes
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AC1.3	Assess the main provisions of governance in the public services
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AC1.4	Evaluate the principles of ethical behaviour
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Indicative Content

Overarching principles of governance

- Types of organisation, ownership models, impact on governance
- Definition and purposes of governance
- Agency concept in governance
- Stakeholders and governance relationships
- Models of corporate governance
- Principles of good governance
- Rules and principles-based, voluntary and statutory approaches to governance
- Governance as inhibitor or enabler
- Risks to effective governance and appropriate responses
- Features of governance failures

Good governance principles and practices

- Global governance principles – OECD and ICGN
- The UK Code of Corporate Governance – the 2018 UK Corporate Governance Code
- Role of the Board
- Division of responsibilities
- Governance roles – Chair, CEO, directors, including non-executives and Senior Independent Director
- Roles of committees – remuneration, nominations, audit
- Board composition, development, succession and evaluation
- Engagement with shareholders, employees and other stakeholders
- Remuneration
- Whistleblowing procedures and legal context
- Codes of conduct

- Equality and diversity
- Board reporting
- Data protection and privacy procedures and legal context

Main provisions of governance in the public services

- Characteristics of public sector organisations and decision making – implications for governance
- CIPFA/IFAC's code – International Framework: Good Governance in the Public Sector principles
- UK Committee on Standards in Public Life – the Nolan principles
- Governance in the public sector: role of governing body, appointed and elected governors, executives and non-executives, engaging with stakeholders, responsibility, accountability and transparency, including Freedom of Information legal context
- Examples of sectoral codes of governance in the public sector – UK central government, local government, NHS and charity examples
- Examples of government administration codes – UK Civil Service and Ministerial Codes

Principles of ethical behaviour

- Good governance and ethics: business ethics, professional ethics
- Corporate codes of ethics
- Ethical decision-making framework – American Accounting Association and Tucker 5 question models
- Conflicts of interest in organisations
- Consequences of unethical behaviour by organisations

LO2	Understand the features of effective organisational risk management systems
AC2.1	Evaluate the main features of an organisational risk management system
AC2.2	Compare the types of cyber risk facing organisations and the implications for risk management practices
AC2.3	Investigate the nature of fraud and the mechanisms to counter it
AC2.4	Explain the principles of effective organisational internal control systems
AC2.5	Analyse the role of audit in relation to internal control in organisations

Indicative Content

Main features of an organisational risk management system

- Definition of risk and the consequences of risk
- Types and sources of risks, sector and industry-specific risks
- Nature of risk management frameworks and systems
- Risk appetites
- Dynamics of risk
- Risk assessment models, including the ALARP principle
- Risk clustering
- Related and correlated risks
- Role of risk registers and heat maps
- Assurance mapping
- 4Ts risk management model
- Assumption Based Communication Dynamics risk management model
- Risk culture and embedding risk management
- Risk maturity and how to measure it
- Ethical dilemmas in risk management
- UK Treasury Orange Book on risk management

Types of cyber risk facing organisations and the implications for risk management practices

- Cyber security and nature of associated risks
- Threats to cyber security: malware, application attacks, hackers, phishing, data leakage
- Organisational impact of cyber security breaches
- Cyber security processes
- Cyber risk management tools

Nature of fraud and the mechanisms to counter it

- Fraud, bribery and corruption, and legal context
- Types of fraud and the circumstances under which it is likeliest to arise
- Implications of fraud for organisations
- Features of effective counter fraud strategies – anti-fraud culture, tone from the top, prevention, deterrence, investigation, sanctions, redress
- CIPFA Code of Practice on Managing the Risk of Fraud and Corruption
- Nature and stages of money laundering, including legal context
- Methods of preventing and detecting money laundering
- Role of the Financial Action Task Force
- Insider trading, including legal context

Principles of effective organisational internal control systems

- Nature and importance of, and responsibilities for, internal control systems in organisations
- Treadway Commission COSO Internal Control framework
- Typical internal control weaknesses and compliance failures

Role of audit in relation to internal control in organisations

- Relevance of internal audit to public and private sector organisations
- Independence of internal audit
- Contribution of internal audit to organisational governance arrangements
- Internal audit reporting and role of the audit committee
- Organisation and staffing of internal audit including outsourced, shared services and internal management options

LO3	Understand the types of organisational configuration that can be used as part of effective governance arrangements
AC3.1	Evaluate the different organisational configurations
AC3.2	Assess the importance of effective human resource management practices as part of good governance of organisations

Indicative Content

Different organisational configurations

- Mintzberg's components of the organisation
- Considerations when configuring an organisation: layers of management, span of control, allocation of decision-making responsibilities, grouping of activities, responsibility, authority and accountability, vertical and horizontal relationships, differentiation and integration, centralisation and decentralisation
- Simple (entrepreneurial) structures
- Functional structures
- Divisional structures
- Matrix structures
- Hybrid/intermediate structures
- Corporate group structures
- Organic versus mechanistic approaches, bureaucracy and post-bureaucracy
- Boundaryless structures – network, virtual, hollow and modular organisations
- Role of, and structural options for, finance departments/functions in organisations

Importance of effective human resource management practices as part of good governance of organisations

- Recruitment and selection of employees – stages, methods
- Diversity and equality policies and practices
- Job design
- Delegation and empowerment
- Learning and development
- Performance appraisal
- Talent management

LO4 Understand the features of performance management systems in the effective governance of organisations

AC4.1 Explain the sources of performance management information for organisations

AC4.2 Explain performance measures for different types of organisations

Indicative Content

Sources of performance management information for organisations

- Role of information systems in performance management, including impact of different organisation structures
- Internal and external sources of performance information, including the role of benchmarking
- Management information systems, including the role of Enterprise Resource Planning Systems and Strategic Enterprise Management Systems
- Nature of big data and data analytics and its application to performance management
- Risks and challenges with big data, including ethical and governance issues

Performance measures for different types of organisations

- Hierarchy of organisational objectives and performance indicators and targets, application of SMART criteria
- Performance dashboards, including design considerations
- Organisational stance on corporate social responsibility and performance measurement implications
- Financial performance measures for business organisations – profitability, gearing and liquidity
- Role and types of non-financial performance measures
- Performance measurement issues for public sector bodies, including the 3 E's (plus equity) framework, outputs versus outcomes
- The balanced scorecard approach, including the public sector version
- The performance pyramid
- The building blocks model
- Sustainability and environmental reporting and performance measures, including impact of United Nations Sustainable Development Goals
- Baldrige performance excellence model

Business Reporting

Core mandatory

Credit value	15
Module Guided Learning Hours (GLH)	60
Total Module Time (TMT)	153

Module purpose and aim

The Business Reporting module develops and extends the knowledge and skills learned in Financial Accounting: ie recording financial transactions and preparing limited company financial statements. These are central to the stewardship role performed by finance professionals in modern organisations, and also contribute to the business partner role.

The International Financial Reporting Standards (IFRS) that are studied in Business Reporting are listed in the annex of examinable standards. The annex specifies the level of knowledge that candidates are required to attain for each standard. This ranges from a basic knowledge of the main requirements (level C) to the ability to demonstrate a solid understanding of the standard and apply the main requirements (level A). For standards set at level B, the student is not required to have the same depth or breadth of knowledge of the standard as for level A, but some limited application of the standard's main requirements may still be required.

Students study the regulatory framework for company accounting in detail within the Business Reporting module. The module covers the application of the requirements of examinable IFRSs to the preparation of financial statements for companies; firstly, for single-entity companies, and secondly, in the context of groups (subsidiaries and associates).

Business Reporting students are also required to explain how financial information has been determined and to demonstrate how accounting concepts and the requirements of IFRSs are applied to transactions and events. The final topic in the syllabus, the analysis and interpretation of financial statements, requires students to analyse the content of financial statements and use these to advise users and aid decision making.

Assessment weighting across the learning outcomes

Syllabus area	Learning outcome	Weighting
IFRS regulatory framework	Understand the IFRS regulatory framework	15%
Single-entity financial statements	Be able to apply the requirements of examinable IFRSs to prepare financial statements for single-entity companies	30%
Consolidated financial statements	Be able to apply the requirements of examinable IFRSs to prepare consolidated financial statements for companies	35%
Analysis and interpretation of financial statements	Be able to interpret company financial statements	20%

Module	Assessment	Marks available	Pass mark
Business Reporting	7 objective questions	35	50
	Preparation of single and consolidated accounts	65	

Learning outcomes and assessment criteria

LO1 Understand the IFRS regulatory framework

AC1.1 Explain the role of the International Accounting Standards Board (IASB), the standard-setting process, and the status of IFRSs and other IASB pronouncements

AC1.2 Analyse the nature and benefits of the global harmonisation of financial reporting standards

Indicative Content

Role of the IASB, the standard-setting process, and the status of IFRSs and other IASB pronouncements

- Objectives and membership of IASB
- Process of setting IFRSs
- Role of other pronouncements – exposure drafts, interpretations, practice statements
- Conceptual framework – objectives, assumptions, qualitative characteristics, elements of financial statements, recognition, measurement, capital maintenance

Nature and benefits of the global harmonisation of financial reporting standards

- National and international financial reporting
- Development of common conceptual frameworks
- Advantages and disadvantages of convergence of national and international standards

LO2	Be able to apply the requirements of examinable IFRSs to prepare financial statements for single-entity companies
AC2.1	Define the main requirements of examinable IFRSs
AC2.2	Justify the information to be disclosed in financial statements, including the application of relevant standards to transactions and events
AC2.3	Prepare financial statements and relevant disclosure notes in accordance with the requirements of examinable standards

Indicative Content

Main requirements of examinable IFRSs

- Prescribed accounting treatments and disclosures
- Fair presentation of accounts

Information to be disclosed in financial statements, including the application of relevant standards to transactions and events

- Quantitative disclosures
- Qualitative disclosures
- Challenges
- Sources of information
- Timing considerations
- Standards

Financial statements and relevant disclosure notes in accordance with the requirements of examinable standards

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows – indirect and direct methods

LO3 Be able to apply the requirements of examinable IFRSs to prepare consolidated financial statements for companies

AC3.1 Evaluate the principles underlying the preparation of consolidated financial statements

AC3.2 Prepare a consolidated statement of financial position and a consolidated statement of comprehensive income for a simple group

Indicative Content

Principles of underlying the preparation of consolidated financial statements

- Reasons for preparing consolidated statements
- Control and significant influence
- Processes and adjustments required to prepare consolidated statements
- Analysis of consolidated statements

Preparation of a consolidated statement of financial position and a consolidated statement of comprehensive income for a simple group

- Company with a single subsidiary:
 - Goodwill – definition, process for determining goodwill, negative goodwill
 - Steps involved in preparing consolidated statement of financial position
 - Dealing with intra-group trading and balances
 - Accounting for unrealised profit
 - Fair value adjustments
 - Steps involved in preparing consolidated statement of comprehensive income
 - Accounting for dividends
- Accounting for an associate:
 - Definition of significant influence
 - Treatment of associate in company's own financial statements
 - Principles of treatment of associate in consolidated statements – equity method
 - Transactions between company and its associate – trading, dividends
 - Treatment of unrealised profits

LO4	Be able to interpret company financial statements
AC4.1	Discuss the scope and limitations of published financial information in meeting the needs of a variety of users
AC4.2	Calculate and apply ratios to address the needs of relevant users of financial statements
AC4.3	Interpret financial statements and other information to prepare relevant analysis for specified users

Indicative Content

Scope and limitations of published financial information in meeting the needs of a variety of users

- Limitations of income statement, statement of financial position, statement of cash flows, other financial information
- Limitations of comparisons between years and between organisations
- Focus of different users/user groups in using financial statements and related information to make decisions

Calculation and application of ratios to address the needs of relevant users of financial statements

- Ratios on profitability, short-term liquidity, long-term solvency, efficiency, investment decisions
- Other relevant indicators of financial performance
- Interpreting cash flow information

Financial statements and other information, and prepare relevant analysis for specified users

- Use of ratios to prepare appropriate analysis and interpretation
- Developing reports for users with relevant recommendations for action
- Explaining limitations
- Combining information from different sources and of different types (including non-financial)
- Role of integrated reporting (IR)
- Relating information to the company's context, circumstances, objectives
- Green accounting
- Sustainability accounting

Tax and Law (International)

Option

Credit value	15
Module Guided Learning Hours (MLH)	60
Total Module Time (TMT)	153

Module purpose and aim

The Tax and Law module (International) introduces students to the underlying principles of legal and taxation systems, including the use of public private partnerships to deliver public services. As an international module, the syllabus does not cover the detail of one single country's legal or tax system; rather, students will study key concepts and will develop the ability to critically analyse different forms of legal and taxation systems. The module covers key international aspects of law and taxation, including the role of supranational bodies in setting policies and the importance of international co-operation in addressing corruption. Students will analyse the potential contribution of tax and law to the achievement of the UN's Sustainable Development Goals, including, but not limited to, action on climate change.

Assessment weighting across the learning outcomes

Syllabus area	Learning outcome	Weighting
Law and policymaking structures	Understand the key drivers and structures in public policy-making processes including the connections and power relations between them	30%
Theory, principles and rules of taxation	Understand the theory, principles and rules that underpins taxation and how they are applied	30%
Taxation and finance for sustainability	Analyse the role of climate-related finance initiatives, taxation and the Platform for Collaboration on Tax in affecting action on climate change and achievement of the UN's SDGs	15%
Public private partnerships	Understand the legal framework behind public private partnerships (PPPs), the characteristics of different types of PPP and the advantages and disadvantages of PPPs	10%
Asset recovery/illicit financial flows	Analyse international efforts to address money laundering and corruption	15%

Learning outcomes and assessment criteria

LO1	Understand the key drivers and structures in national public policy-making processes including the connections and power relations between them
AC1.1	Analyse the network of organisations making up the state
AC1.2	Evaluate the role of legislature
AC1.3	Define the main concepts relating to the different forms of state and governmental structures
AC1.4	Discuss key constitutional theories in relation to national public policy-making processes
AC1.5	Examine the nature and sources of national law
AC1.6	Explain the nature of public administration law and judicial review of administrative actions
AC1.7	Evaluate the need for international policy making
AC1.8	Explain and justify the role of international bodies and their influence on national legislation and regulation
AC1.9	Understand the nature of an international treaty

Indicative Content

Network of organisations making up the state

- Multi-level governance
- Central government
- Central government representatives
- Regional governments
- Local authorities

Role of legislature

- Structure
- Functions
- Committees
- Role in authoritarian states

Main concepts relating to the different forms of state and governmental structures

- Democracy vs authoritarian rule
- Federal systems vs unitary states
- Centralised vs decentralised systems
- Presidential vs prime ministerial systems
- Parliamentary systems

Key constitutional theories

- Classification of constitutions
 - codified/uncodified
 - federal/unitary
 - flexible/inflexible and strengths and weaknesses of each
- Constitutional theory on the role of the legislature, the executive, and the judiciary
- Link between constitutions and governance

Nature and sources of national law

- Civil and criminal law
- Sharia, Islamic law
- Sources of law: common law and equity, case law and precedent, interpretation of statutes by the court, primary and delegated legislation
- Conventions and treaties, including human rights law

Nature of public administration law and judicial review of administrative actions

- The nature of public administration and administrators
- Public bodies, tribunals, boards, commissions
- Judicial review

Need for international policy making

- Globalisation
- The need for international co-operation
- International treaties and how they are ratified

Role of international bodies and their influence on national legislation and regulation

- Inter-governmental and non-governmental drivers
- Regional Economic Communities, including the European Union and African Union
- United Nations/World Bank
- World Trade Organisation
- Organisation for Economic Co-operation and Development(OECD)
- International Monetary Fund

Diploma in Governance, Risk and Taxation (International)

- Structure
- Function and vision
- Membership
- Impact on national policy making and legislature

Understand the nature of an international treaty

- Different types of international treaty
- International conventions
- How treaties are written, amended and withdrawn
- Case study – the Paris Agreement

LO2	Understand the theory, principles and rules that underpins taxation and how they are applied
AC2.1	Explain relevant economic and political ideologies
AC2.2	Discuss the main principles of taxation theory
AC2.3	Compare alternative global approaches to taxation
AC2.4	Discuss the ethical issues that underpin a fair tax system
AC2.5	Discuss the operational aspects of local taxes
AC2.6	Compare the administration of tax and the penalties as imposed by HMRC and the IRS
AC2.7	Assess the impact of international aspects of taxation on individuals
AC2.8	Assess the impact of international aspects of taxation on businesses
AC2.9	Assess the international impact of VAT

Indicative Content

Economic and political ideologies

- Command economies
- Free market economies
- Mixed market economies
- Left-wing versus right-wing ideology, links to taxation

Main principles of taxation theory

- Functions of taxation
- Types of taxation
- Characteristics of a good tax system (equity, certainty, convenience etc)

Compare alternative global approaches to taxation

- Tax system in different countries
- Identify and explain differences in approach to taxation
- International tax systems

Ethical issues that underpin a fair tax system

- Tax planning, tax avoidance and tax evasion
- Ethical behaviour within taxation
- Powers and responsibilities of tax authorities (using HMRC and IRS as examples)

Operational aspects of local taxes

- Legislation of local taxation, including a selection of nations
- Objectives of local taxation
- Domestic and business taxes

Administration of tax and the penalties as imposed by HMRC and the IRS

- Principles of administration of corporation taxes, illustrated by examples from HMRC and the IRS
- Principles of administration of income and personal taxes, illustrated by examples from HMRC and the IRS
- Principles of administration of VAT, GST and other sales taxes, illustrated by examples from HMRC and the IRS

Impact of international aspects of taxation on individuals

- Residence and domicile for individuals including ethical considerations
- Double tax treaties – OECD model

Impact of international aspects of taxation on businesses

- Residence for companies including ethical considerations
- Base erosion and profit shifting (BEPS)
- Double tax treaties (OECD model)

International impact of VAT

- Transactions across national boundaries

LO3	Taxation and finance for sustainability
AC3.1	Analyse the effectiveness of environmental taxes, duties, levies and tax credits in contributing to action on climate change
AC3.2	Evaluate the work of the Platform for Collaboration on Tax and its contribution to the achievement of the United Nations' Sustainable Development Goals
AC3.3	Analyse the contribution made by innovations in finance to sustainability and action on climate change.

Indicative Content

Analyse the effectiveness of environmental taxes, levies and tax credits in contributing to action on climate change

- Environmental tax initiatives from a range of countries eg levies on plastic bags, tax credits or incentives for renewable energy, duty on fossil fuels
 - Analysis of why taxes, incentives, duties have been applied as they have (eg link to marginal social benefit/cost, ease of administration, higher duties on goods with inelastic demand etc)
 - Analysis of effectiveness of tax in changing behaviour, making international comparisons of the relative success of different systems

Evaluate the work of the Platform for Collaboration on Tax (PCT) and its contribution to the achievement of the United Nations' Sustainable Development Goals

- Brief introduction to/revision of the United Nations' Sustainable Development Goals
- Role of the PCT
- Key lessons from PCT conferences
 - Critical analysis of PCT's contribution to the achievement of the Sustainable Development Goals, including consideration of any perceived missed opportunities

Analyse the contribution made by innovations in finance to sustainability and action on climate change

- Green bonds
- UNFCCC and climate finance

LO4 Public Private Partnerships (PPP)

AC4.1 Understand the characteristics of different types of PPP

AC4.2 Understand the legal framework behind PPPs

AC4.3 Analyse the advantages and disadvantages of using PPPs to provide public services

Indicative Content

Understand the characteristics of different types of PPP

- Discussion of a range of different types of PPP eg
 - Build-operate-transfer
 - Build-own-operate
 - Management contracts
 - Operations and maintenance
- Ownership
- Government payments to private partners

Understand the legal framework behind PPPs

- Case study: PPPs and PFI in the UK – analysis of the legal framework used to establish, then withdraw, PFI arrangements

Advantages and disadvantages of using PPPs

- Advantages
- Disadvantages
- Short term vs long term

LO5	Asset recovery/illicit financial flows
AC5.1	Understand the different types of corruption
AC5.2	Explain and analyse international approaches to addressing corrupt behaviour
AC5.3	Understand international anti-money laundering requirements, in particular the role of the accountant in anti-money laundering activity

Indicative Content

Different types of corruption

- Eg
 - Bribery
 - Embezzlement
 - Trading in influence
 - Nepotism
 - Etc
- Consideration of different causes of corruption and how these might differ internationally

Explain and analyse international approaches to addressing corrupt behaviour

- Corruption prevention activities vs detection
- Examples of efforts to address corruption in different countries
- Global anti-corruption measures
 - UNCAC Chapter 2
- Critical analysis of the effectiveness of international anti-corruption activity

Understand international anti-money laundering requirements, in particular the role of the accountant in anti-money laundering activity

- Definition of money laundering
- Indicators of money laundering
- Financial Action Task Force recommendations as relevant to accountants including
 - Record keeping
 - Due diligence
 - Reporting of suspicious transactions
 - Tipping off and confidentiality



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