

ICAEW's Level 7 Accountancy Professional Apprenticeship: Project Report - August 2021



PURPOSE OF THIS REPORT

There have now been five sessions of the ICAEW's Project Report. The first cohort comprised only 85, the most recent 1,201 applications (a 23% increase on the previous session). It is anticipated that the number of applications may increase further from autumn 2021 onwards.

This report provides feedback on the most recent ICAEW Project Report exam session (August 2021). It is written with the aim of helping future applicants better prepare their submissions. Because most of the exam's requirements do not change at each session, much of the information is combined with information from previous reports – this is because the feedback remains similar. By including previous feedback, the intention is to provide a comprehensive standalone document.

Questions 3 and 4 of the Project Report vary from session to session – at this session:

- Question 3 examined **Business Insight**; and
- Question 4 **Flexibility**.

Please note that the **Guidance Notes** for this exam were slightly updated after the previous session, to reflect a revision to how feedback will be provided to failing candidates. These can be found at [icaew.com/level7](https://www.icaew.com/level7). Please take care to always refer to the latest version of the Guidance Notes and the **exam template**.

SUMMARY

Candidates again seemed generally well prepared and addressed the requirements of the exam well. They are congratulated for doing so. This is especially heartening given the difficulties that many will have faced dealing with the COVID pandemic both at work and in their private lives. It was a genuine delight to see the breadth and depth of experience that the candidates have already picked up over the course of their training contracts. Our markers also reported that they found the submissions genuinely interesting to read.

Most candidates scored high marks with the average being 80% (slightly higher than the previous session's 79%). However, there was again quite a range of marks with the highest being 98% and the lowest 52%. This range demonstrates that answers can vary significantly in their quality, and that our assessment process is very capable of distinguishing between them. This shows why candidates should not take passing this exam as a formality. If candidates wish to score high marks they should pay close attention to all of the supporting material that is available to them and address all of the requirements to the best of their ability.

Passing requires thorough preparation and close attention to the exam requirements. Candidates that do not address the exam's requirements properly will score much lower marks than those that do.

Identifying what went well, or could have been improved, is good practice in the world of work. Therefore, it is hoped that candidates will find this exam good practice for the self-evaluation of their work that will be expected throughout their careers.

General Observations

Candidates generally answered the requirements very well. Pass rates and average marks reflect this. It is assumed that candidates are benefiting from professional tutoring on how best to complete the exam. Tutor firms are to be congratulated for their continued excellent contribution to preparing candidates for the exam.

Candidates were almost universally good at writing their answers in a way that made it clear what their **personal involvement** was in each situation, which is a necessary requirement to pass. It is, however, worth re-emphasising the importance of this. If a candidate is not crystal clear what they did in each situation, they will

not score good marks. Describing what “*the firm*” or “*the team*” did is not what is required in this exam. This is an examination of each candidate’s experience – therefore, it is essential that this is what is described in the answers.

Selecting a **good situation** for each answer is also a necessary (but not sufficient) requirement. Describing what “*the firm tends to do*” or what “*their general approach is*” will not satisfy the requirement to describe a situation, and will necessarily adversely affect candidates’ marks.

There was generally a good standard of English and grammar used. Ten marks are available for **well-presented answers**. Therefore, candidates are advised to have their submissions independently proof read before they are submitted for assessment.

Candidates continue to be strongly advised to:

- Make full **use of the guidance** that can be found at [icaew.com/level7](https://www.icaew.com/level7).
- Make sure they **use the appropriate template** for the session of the exam that they are submitting – noting that some of the questions vary at each session!
- Answer **all** of the questions.
- Make sure you have **removed all review comments** and accepted ‘track changes’.
- Anonymise their submissions so as to respect client or colleague confidentiality.
- Use different situations for each of their answers, so as to provide examiners with strong evidence of their experience of each of the skills and behaviours being assessed.
- Use the most **appropriate examples** that they can from their experience. These should be examples drawn from their work experience and should not be trivial in nature.
- Make sure they **answer the right question** (noting that some questions will vary at each session).
- Be clear which of the ethics or professional scepticism questions they are answering, given that candidates should answer just one of these.
- Write about a **specific situation** as opposed to a general or theoretical one.
- **Use sub-headings** to structure their answers. This also aids the marker’s assessment of candidates’ submissions.
- Get someone to **review their answers** before submitting them for assessment.
- Make sure they talk about **what they did**, throughout their answers.
- Avoid using too much jargon or textbook material.
- Not feel that they need to try and demonstrate their technical prowess, this not being a technical exam.
- Spell-check their submissions.
- Apply **good grammar** to their submissions, including appropriate use of **commas**.
- Make sure they don’t simply ‘cut and paste’ text from their training records. It is very likely that they will need to tailor the information to the specific requirements of each question.
- Put the right information under each sub-heading of their answers.
- Read the ‘top tips’ at [icaew.com/level7](https://www.icaew.com/level7) and apply them!

Structuring answers

There is quite a lot of supporting information available at [icaew.com/level7](https://www.icaew.com/level7) which candidates are strongly encouraged to read. This includes a webinar from the lead examiner, which suggests that candidates structure their answers around the different parts (or sub-requirements) of each question, using sub-headings. This approach should make it easier to ensure each of the sub-requirements is covered and also aids the marking of candidates' answers.

Possible subheadings could be (for Question 1a 'Continuous Improvement'):

Description of the situation
How I demonstrated Continuous Improvement
Evaluation of my effectiveness
Description of the lessons that I learnt

If candidates do use subheadings, they are strongly advised to make sure that each subsection of their answers do properly relate to the subheadings.

Whilst it is not compulsory to structure answers with sub-headings, it is advised as it focusses candidates on addressing each of the sub-requirements of questions.

How submissions are marked

Markers will assess each candidate's submission against each question's five sub-requirements, namely:

1. How well candidates have described what they did in the situation (referred to as **personal involvement**);
2. How well candidates have described a specific situation (referred to as the **situation**);
3. How well candidates have described what they did to evidence competence in the specific skill or behaviour (referred to as the **competence**);
4. How well candidates have described how they evaluated the outcome of their work in the specific situation (referred to as the **evaluation**);
5. How well candidates have described what lessons they have learnt (referred to as **lessons learnt**).

If candidates structure their answers to address each of these sub-requirements, it should help create an answer that provides the appropriate evidence to pass each question. As discussed, earlier, a good way to do this is by the use of sub-headings. The first sub-requirement, however, pervades everything that a candidate writes so it is not recommended that a separate section of an answer is submitted for this.

Based on how each of these five sub-requirements are individually scored, a final mark is derived for each question using a sophisticated rules-based system.

Candidates should be aware that the first two 'sub-requirements' are of such importance that poor scores for these will limit their ability to score well overall, irrespective of how good the rest of their answer is.

Specific observations about the separate parts of each question

Situation

The descriptions of the situations were again occasionally a little too brief. Whilst examiners do not want long descriptions, an extra sentence would often have been helpful to properly describe the scenarios.

This sub-requirement refers to "*action*". This should be interpreted as "*what did you do which demonstrated the skill/behaviour?*".

Situations should be of an appropriate level for a newly qualifying accountant. A few situations were trivial (e.g. having a coffee with a client) and did not, therefore, score highly.

Candidates should make sure that they describe a specific situation that they experienced, as opposed to a generic approach that tends to be applied at work. For example, discussing the firm's general approach to ethics will not score as highly as describing the application of an ethical approach to a specific situation.

Skill or Behaviour

It is important that answers are specific to the skill or behaviour being examined. Candidates should relate the skill or behaviour to the specific situation.

Evaluation

Candidates are reminded that as well as discussing what could have gone better, it is also appropriate to note what went well. Noting what went well, and could therefore be repeated in a similar situation, is a useful activity both in the context of this exam but also in the world of work.

The evaluation should not just describe what happened, but should be a description of the candidate 'stepping back' to consider what went well and what could have gone better.

The best answers tended to have three distinct components: (1) a statement describing the extent to which the candidate considered themselves to have been effective (or otherwise); (2) a discussion of what went well; and (3) a discussion of things that could have gone better. These stronger answers tended to be balanced and honest and were well-focused on the specific situation.

Lessons Learnt

Some of the lessons learnt were again too general or overlapped with the evaluation. It would often have been better if they had been written in a way that was more specific and more related to the situation.

Even if things went mainly well, candidates should be able to identify something to apply in a similar situation in the future. For example, *"things went so well that I shared my experience with colleagues by way of a report so that they could also benefit from my experience"*.

There continues to be a bit of confusion by candidates as to what is meant by an 'evaluation' and 'lessons learnt'. There is clearly a relationship between these two - however, they are subtly different. To illustrate this, consider when a project finishes. Good practice would be to write down all the things that went well, and all the things that could have been improved. The next activity would then be to decide which of these were the most important. This is what is meant by 'an evaluation'.

In terms of lessons learnt, it would be likely that you would strive to do something to address the most important things that went badly with an improvement plan whilst retaining the most important things that went well.

It could even be the case that a lesson learnt could be a synthesis of both what went well and what could have been improved. For example, in implementing a new accounting software package we might observe in evaluating the project that costs overran and that it took longer than anticipated to train the end users. We might also have observed that our most experienced users of the software quickly identified short-cuts to using it. A lesson learnt could be to involve experienced users in the training of future roll-outs of the software as they would be better at explaining how to make best use of the software than external trainers.

Candidates should also describe their thought process for how they arrived at their 'lessons learnt', (this is a vital aspect of the whole experience of an apprentice) rather than assuming that it is 'self-evident' from what they have previously written.

Feedback on specific questions

Q1a – Continuous Improvement

Candidates are again strongly advised to refer to how this behaviour is defined in this exam, as opposed to interpreting that meaning, themselves. The definition is: *"Take responsibility for their own professional development by seeking out opportunities that enhance their knowledge, skills and experience"*. Therefore, to answer this question well candidates are advised to focus on situations where they did things to improve their skills or way of doing things. Examples are given in the published guidance notes.

Candidates should resist merely describing what their firms do to ensure trainees continually improve i.e. sending them on training courses. The answer needs to be described from the perspective of the candidate, ideally giving an indication of the how they sought out opportunities.

Q1b – Building Relationships

Building effective relations with colleagues is an incredibly important skill. Absent such relationships it will be hard to produce high-quality work and be truly effective. Candidates are advised to read the example situations in the published guidance document in considering situations from their work experience to use to answer this question.

Q2 (i) – Ethics & Integrity

Poor answers tend to describe generic approaches to ethics and integrity – for example “*My firms approach to ethics is...*”. To answer this question well, candidates should describe a specific situation that they had to deal with. Candidates are reminded that situations involving ethics and integrity will often have an element of dilemma about them i.e. some form of initial uncertainty about how best to proceed.

Candidates should not worry if they are unable to identify a very ‘exciting’ or ‘dramatic’ situation to describe. Often ethical dilemmas entail everyday situations which nonetheless are important within the context of that particular time. For example, if a candidate felt under undue pressure to conclude on a matter in a certain way to please a senior colleague or a client.

Q2 (ii) – Professional Scepticism

The application of professional scepticism is, arguably, one of the most important traits of a good accountant – the ability to apply a questioning mind to a situation and to not just accept ‘facts’ at their face value.

Candidates should demonstrate how they applied their own scepticism, as opposed to writing about fulfilling a task to satisfy a manager’s or someone else’s professional scepticism. Candidates will be likely to be highly rewarded for describing seemingly everyday forms of professional scepticism – such as questioning the source of data, cross checking information and querying whether someone has an ulterior motive in how they seek to present information.

Candidates are advised not to merely restate the Level 7 Project Report “appropriate criteria checklist” i.e. questioned data / assumptions or considered the potential motives of others. Candidates should provide tailored evidence relevant to the specific situation that they have selected, for example what data the candidate questioned, and why they selected it to be questioned.

An evaluation of one’s effectiveness is very important when professional scepticism has been applied, so as to reflect and learn. Therefore, it is encouraging to read how candidates have questioned both client and their own firm’s actions, and also challenged whether their own actions were effective.

Q3 – Business Insight

Candidates seemed to find this a harder question to answer well, compared with the exam’s other questions. It is important that candidates are guided by what is meant by business insight in the context of the Project Report, as opposed to interpreting its meaning themselves. Therefore, they are advised to refer to the definition and example situations to guide them in addressing this skill, namely:

Definition

“Influence the impact of business decisions on relevant and affected communities based on an appreciation of different organisations and the environments in which they operate”

Example situations

- Showed understanding of objectives
- Showed understanding of different work environments
- Identified and evaluated significant risks
- Implemented a decision effectively
- Took into account the position of other parties

- Identified a solution taking account of constraints
- Developed recommendations for a complex problem

Q4 – Flexibility

Being able to adapt to changing circumstances is a core skill of a successful professional. It was, therefore, encouraging to see so many good answers to this question.

A common theme for the answers was dealing with heavy workloads and the need to juggle commitments. A number of candidates described how they increased their working hours e.g. starting earlier and finishing later, working over a weekend etc. This is an understandable reaction to busy times. However, in the lessons learnt parts of the answers there were seldom descriptions of how to deal with this from the perspective of a potentially negative impact on 'work life' balance, which was a little worrying in terms of maintaining a sustainable career. Referring to such trade-offs would have been a perfectly reasonable thing to have addressed in this sub-requirement.

Whilst most of the answers to this question described relevant situations, candidates are reminded that they may find it helpful to refer to the document 'Project Report – a guide for students'. This document includes some example situations for this behaviour, which are also set out, below:

- Adapted approach as circumstances changed
- Managed conflicting priorities
- Recognised different cultures and values and acted accordingly
- Showed resilience and creativity.