

Comments on Candidate Performance on Assurance Elective (July 2018)

Most candidates addressed or at least attempted to address all of the directed AOs. However, there were a few exceptions where candidates seemed to struggle and appeared to avoid procedures to address the reliance on an external expert, as the number of candidates who did not address this AO was higher than expected. This was surprising given the clear direction in the case. Candidates are reminded that they should address all the requireds presented to them.

Overall, the candidates performed well on the assurance AOs. Generally, they were able to address audit planning, audit procedures, and control weaknesses in sufficient depth and breadth. However, candidates seemed to struggle with the financial reporting AOs. In particular, their analysis often lacked references to the appropriate Handbook criteria, and candidates tended to jump to the conclusion of the appropriate accounting treatment without first using case facts to support why a particular treatment was appropriate. This was pervasive amongst most of the financial reporting AOs. Candidates should ensure that for each issue, regardless of how simple or complex it is, they discuss the appropriate Handbook guidance, and then apply the Handbook using case facts and come to a supported conclusion once they have identified the issue. In addition, candidates struggled with the more complex accounting issues, often quoting incorrect Handbook criteria or concluding incorrectly. Candidates should focus on improving their technical knowledge of the more complex accounting issues found in the CPA Competency Map.

Comments on Skills

CPA Mindset: Most candidates took the correct role and approached the requireds from the appropriate perspective, demonstrating the attitudes and behaviours of a CPA.

Assess the Situation: Generally, well done by most candidates. Most candidates demonstrated the ability to understand the issues, hone in on individual features, and plan their work. However, some candidates seemed to avoid the more difficult requireds.

Analyze Major Issue(s): Candidates varied widely in their analysis of the major issues. Some candidates provided a very superficial analysis that would not be useful for the client, while others provided more thorough analysis tied to relevant Handbook sections. Superficial analysis was particularly evident in the more difficult accounting issues. In general, candidates seemed to be able to analyze issues better for the assurance AOs as compared to the financial reporting AOs.

Conclude and Advise: Most candidates attempted to conclude and advise on issues in a manner consistent with their analysis.

Communicate: Nearly all candidates adequately communicated within their response. Language used was appropriate and clear.