

Comments on Candidate Performance on the December 2018 Assurance Elective

Most candidates addressed or at least attempted to address all of the directed assessment opportunities (AOs). However, there were a few exceptions where candidates seemed to struggle or avoid an AO. Specifically, there were a number of candidates that did not address the financial reporting issues related to not-for-profit organizations (e.g., endowment contributions, donated materials and services).

The candidates performed well when it came to preparing an audit planning memo (risk, approach, and materiality). They were also able to provide relevant procedures for the more common audit areas and adequately explain them.

Candidates' analysis of the financial reporting issues overall was a bit weaker than expected. Candidates often didn't refer to the relevant Handbook sections before performing their analysis, and as a result, the discussions often jumped to a conclusion on the accounting treatment without being sufficiently analyzed. Candidates struggled with the more difficult issues, such as not-for-profit accounting issues. Candidates should focus on improving their technical knowledge of the more complex accounting issues found in the CPA Competency Map.

We did not see evidence of time constraints on this exam. Candidates seemed to be able to properly manage their time in order to be able to respond to all of the requireds in the case.

There were no undirected requireds on this exam but candidates should be reminded that they will not always be explicitly directed to all of the requireds.

Candidates generally performed well on the non-audit and non-financial reporting issues on this exam and were able to adequately incorporate specific case facts in their analysis to support their conclusion.

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, or spend less time addressing, 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.