

## **Comments on Candidate Performance on Assurance Elective (December 2017)**

Most candidates did a good job of understanding the situations presented. Most of them addressed, tried to analyze and discuss the directed requirements within both cases. However, an unexpected portion of candidates did not address one or more AOs, even though all AOs were very directed in the simulations. Candidates should be reminded that they should always address the significant issues presented in the simulation.

Overall, the candidates performed well on the assurance AOs. Generally, they were able to address audit planning, audit procedures, and system/control weaknesses in sufficient depth and breadth. However, candidates seemed to struggle with the financial reporting AOs. In particular, their analysis was often lacking 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 all financial reporting AOs. Candidates should ensure that for each issue, regardless of how simple or complex it is, they should identify the issue, discuss the appropriate Handbook guidance, and then apply the Handbook using case facts and come to a supported conclusion. 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 in the competency map.

### **Comments on Skills**

**Identification:** Generally most candidates were able to identify the issues. However, some candidates seemed to avoid the more difficult requires. Some candidates seemed to use a templated approach to address the requires and as a result, did not address the real required that was asked for in the simulation. These candidates wasted time discussing issues that were not relevant.

**Analysis:** Candidates varied widely in their analysis of the issues. Some candidates provided a very superficial analysis that would not be useful for the client while others provided a rich analysis. Most times, candidates' discussion of technical Handbook guidance when discussing financial reporting issues was lacking. They either did not provide any Handbook guidance at all to support their recommended accounting treatment, or they used the incorrect Handbook guidance. In addition, candidates often jumped to a conclusion right away, without any analysis.

**Integration:** Candidates generally did a good job applying the case facts to their analysis. However, on the more complicated topics, a greater number of candidates struggled to integrate case facts into their discussions.

**Conclusion:** Most candidates attempted to conclude and these were consistent with their analysis.

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