

Comments on Candidate Performance on Assurance Elective (Sept 2017)

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 the AO, as the number of candidates who did not address the AO was higher than expected. Specifically:

- Audit procedures for non-routine financial reporting issues (e.g. business acquisition and government grant)
- Assurance requirements related to the reliance on an internal audit department.

The candidates performed well when it came to addressing control weakness. They were also able to provide relevant procedures to test controls and in relation to non-traditional audit engagements; however, they struggled to provide relevant procedures for the non-routine accounting issues.

Candidates' analysis of the financial reporting issues overall was a bit weaker than expected. Candidates often did not 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 business acquisitions. In some cases, candidates provided generic procedures that did not address the material financial reporting issues based on the facts of the case, and therefore wasted time that could have been spent on the more significant issues. In addition, candidates sometimes provided discussion on things that were not asked for. For example, a significant number of candidates discussed an audit plan even though they were not asked to; as a result, this discussion added no value.

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

Identification: Generally well done by most candidates. However, some candidates seemed to avoid the more difficult requireds.

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 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.

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

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

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