



# *Audit & Assurance*

## *Tutor Conference 2019*

### WORKSHOP NOTES

**Examiner top tip** – What students have on their screen is what the examiners mark. Examiners cannot expand/integrate cells. They get a 'pdf' type version of the exam to mark (non-interactive), so make sure everything students want to be marked is visible in their answers.

**Q. What are the rules on students using their own calculators in the exam?**

A. Students can bring their own however, the calculator must not be capable of being programmed to hold alphabetical or numerical data. Further detail on this subject can be found on the ICAEW website (<https://www.icaew.com/learning-and-development/icaew-cfab/cfab-students/study-and-exam-resources/calculators>) and in the ICAEW exam support brochure for tutors on advanced and professional level exams (p17 of CBE guidance doc).

**Q. What structure to candidates' answers would you recommend as markers? Would you prefer paragraphs or sentences broken up by separate lines?**

A. As markers we prefer bullet points. It's better for the student: new sentence, new line. There is an increased risk of points being overlooked if candidates include many in one sentence.

**Q. Any differences in performance for listed / unlisted companies in reporting questions?**

A. Students don't always appreciate the differences in guidance between listed and unlisted companies.

**Q. In planning question, would students get credit if they stated for each area of audit risk that is material and therefore risky?**

A. Yes, if appropriate, a calculation of materiality will be awarded marks.

**Q. In some questions in the QB, marks are given for stating that a going concern disclosure issue could be pervasive, appears contrary to guidance.**

A. As per para 23 of ISA 570 if adequate disclosure of a material uncertainty is not made in the financial statements, the auditor shall express a qualified opinion or an adverse opinion depending on whether it is material but not pervasive or material and pervasive.

**Q. Dec18 Q3.2; is there a mark for stating specific ISA number?**

A. No, as long as candidates state “it is an ISA requirement”.

**Q. Dec 18 Q3.2 “alternative procedures must be undertaken” gets credit?**

A Yes because this is stated in the standard. Additional marks were available for being specific about the nature of the additional procedures.

**Q. Dec18 Q3.2 mark capping. If a student scored 7/9 for “why identified” would this get them full marks for requirement (ie 7 marks), even if they don’t do additional procedures/issue 3?**

A. Yes, although this didn’t tend to happen, as students found this question difficult.

**Q. Are UK ISAs and international ISAs examinable – i.e., credit in Dec18 Q3.3 for mentioning both?**

A. The A&A syllabus is based on UK ISAs but in this instance the UK requirement is referred to in a footnote in ISA 570 so that is why credit is given for either.

## **GENERAL COMMENTS**

- Tutors commented that an increase of non-audit report questions in syllabus area 4 might be a reason for decline in performance in this syllabus area.
- Students failing on knowledge elements – knowledge of the open book needs to be improved.
- Marks earned on the final question results have fallen which may indicate timing issues.
- Candidates often struggle with non-audit report questions. They should be reminded that the principles of modification are the same and can be applied in the same way.
- September sitting – highest pass rate – non-attempts low.
- December sitting – lowest pass rate – non-attempts high.
- Different perspective of money laundering questions causing confusion and inconsistency in answers. Standards of answers to questions on the firm’s responsibilities for training, due diligence procedures and documenting procedures tends to be lower than on those questions requiring the identification of and reporting on suspected money laundering.
- Students to be encouraged to attempt all the questions to get the first few easy marks. If they then have time they can revisit the question to try for more marks.
- Some questions call for students to ‘review’ a junior’s work – tutors commented that a higher skillset is required for this when someone is just starting out and may have only been in the profession for less than a year.

- Day books have been removed from the KAC syllabus but there are still references to them in the A&A Learning Materials – an A&A errata sheet has been issued and is on the website.
- All scripts with 53/54 marks are second marked by either the examiners or the moderator.
- Some candidates leave huge gaps between answers and it is not always clear which parts of the answer pertains to which question part. It is important to clearly label the question part being answered.
- Not necessary to answer questions in order or in columns. Candidates should add headings, labels etc to ensure it is clear which part of the question is being answered.
- Questions on formatting – both word processing and excel modes of the CBE software are fine to use but if using excel mode for a lot of text then students need to be cautious of hidden text in cells.
- Knowledge of KAS is assumed in PLAA and therefore can be examined.