

Global Learning Providers' Conference 2017**F8 Audit and Assurance**

This document summarises the Question and Answer discussion which took place in the examiner's workshop at the Global Learning Providers' Conference on 26-27 April 2017.

- **The last paper based exam that was published in September 16 had dates such as 20X5, is there any way ACCA could revert to actual dates for paper based exams given that dates are important in audit?**

This is a policy that is being applied across the board for all exams. In the CBE bank there is a large volume of questions which needs to be reviewed and updated. It is therefore not possible to update all of these questions for the date. For audit it is important for candidates to understand where they are in the process and we therefore ensure that the importance of the date is understood in the question. So unfortunately while ACCA can't go back to using actual dates we will endeavour to use dates that will make sense to a candidate. The question will always state where the candidate is in the process and make it clear if events happened before or after the reporting date for the year under audit.

- **The pass rate dropped in March 17 from 44% to 38% - is this the start of a trend?**

It was noticed across the board that performance in March 17 was poorer and so F8 was not the only exam with a lower pass rate. Therefore we don't think this is the start of a trend. Candidates however are still getting accustomed with the new format.

- **Following the significant changes to audit reporting, how much detail should be taught to F8 candidates regarding emphasis of matter paragraphs and key audit matters?**

Candidates are expected to have an awareness of both of these areas of audit reporting, and should understand the content, purpose and placement of each of these. Candidates may be asked to identify circumstances when each of these sections would be required in the context of the scenario provided and may be asked about what sort of things would go into an Emphasis of Matter paragraph or Key Audit Matter. The coverage in F8 does not go as far as in P7 where they would be expected to be able to carry out a detailed critique of auditor's reports.

- **Are candidates able to use abbreviations for the sections of the auditor's report for example refer to a material uncertainty relating to going concern as a MURGC in their answers?**

The first time a section of the auditor's report is included in their answer candidates must write it out in full to demonstrate appropriate knowledge. This is vital as marks are awarded for the correct modification required to an auditor's report and therefore candidates must show a marker that they understand the relevant modifications required.

- **Is the determination of key audit matters too difficult for F8 candidates?**

Advice to tutors is to keep it simple and to make sure that candidates have a good understanding of the purpose of key audit matters and the content of ISA 701

Communicating Key Audit Matters in the Independent Auditor's Report. It is important to remind candidates that in many questions on reporting there will also be marks for materiality, and the nature of the problem as well as for the impact on the audit opinion and report and to ensure that they are covering the full spectrum in their answer to maximise marks.

- **If a question on non-adjusting events after the reporting date required the “impact on the auditor’s report” should key audit matters be considered?**

For any reporting question if a candidate is asked to consider the impact on the auditor’s report then all relevant reporting standards should be considered, bearing in mind that ISA 701 is only required for listed entities.

- **Do candidates still need to know the content of an unmodified report? Could there be a question like the one set in December 2013?**

Candidates are expected to have good knowledge of ISA 700 Forming an Opinion and Reporting on Financial Statements and therefore the contents of an unmodified report could be a part of a question.

- **Would there ever be an OT question on the order of items in the auditor’s report?**

Possibly, especially where the order is specified in the ISAs.

- **Do candidates lose marks for spelling mistakes in the exam?**

No - as has always been the case candidates are not penalised for spelling or grammar mistakes.

- **Has the examining team seen any real-life examples of the new for ISA auditor’s report issued by companies?**

The effective date of the new reporting standards was for audits of financial statements for periods ending on or after 15 December 2016. Therefore there are now some early examples in the public domain and the examining team may update technical articles for examples once available.