

Global Learning Providers' Conference February 2015

P7 Advanced 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 11-12 February 2015.

Syllabus coverage/paper production

- **What sources are used by the examining team for current issues?**

There is no one specific source – current issues tend to stem from real world issues on forums, what is being talked about in the profession and what is on the IAASB website.

- **Will the significant proposed amendments to audit reports be in scope?**

The cut-off date for examinable documents is 1 September each year with those documents being examinable from 1 September the following year. For the exam year commencing September 2015, the cut-off date was 1 September 2014, therefore, the exposure draft in relation to suggested changes to audit reports is examinable from September 15.

- **Are the exam papers set by a panel?**

There has always been an examining team and input from other external panel members and ACCA's Qualifications team. With the move to four sessions the examiner will still have a key role but there will be other people involved in producing the papers and maintaining the rigour and quality of the P7 exam. This will not affect the style or wording of the questions – the panel works closely together and the professional standard and rigour will be maintained.

Topic specific

- **On a planning question that asks for procedures and a finalisation question that asks for evidence, candidates struggle to differentiate between the two – does it matter if they put evidence for procedures?**

Candidates can find it difficult to differentiate between these two requirements but essentially one is asking for the work to be carried out and the other the results of

that work. As long as candidates are clear in their explanations then they can usually address the requirement well.

Candidates should be reminded that when they are asked for procedures they should think about and explain the type of testing that should be performed in order to gather sufficient appropriate evidence over the highlighted area.

- **Do candidates understand what professional marks are for and is there any advice on what they are awarded for?**

Candidates seem to have a good appreciation of the professional marks and many use an appropriate structure for their answer.

Sometimes candidates lose professional marks as they have not considered the overall flow and clarity of their answer. Candidates should be reminded to prioritise and group their points and use headings where appropriate. It is clear in P7 what the professional marks are for and by the time they reach this paper most candidates know what is expected of them.

- **In a question where the answer needs to discuss an auditing or accounting standard, do they have to mention the name and number of the standard?**

There are no marks specifically available in P7 for noting standard numbers. Candidates are awarded marks for their ability to apply the requirements of the standards and for their comprehension and ability to form judgments and recommendations in light of those requirements.

Memorising a list of standards is not a useful way for candidates to spend their time and is not a valuable skill as an auditor.

- **In a question asking to critically appraise an audit report – are candidates expected to give an opinion on the type of report?**

There is an expectation for candidates to draw a conclusion and be able to justify their answer. The ability to assess the evidence and form a conclusion is a key skill that needs to be demonstrated at this level.

In some questions where a degree of judgement is required, particularly in terms of materiality, then it might be acceptable to discuss the available options depending on whether a matter is material or material and pervasive. Where there are more options available then the marking will reflect that.

Credit will be limited if they give the wrong opinion and candidates should be advised not to simply discuss every possible modification available to the auditor.

Technical articles

- **Are we likely to see an article before the public sector and performance information is examined?**

Possibly – many new syllabus areas tend to have articles on them.

- **P7 is the biggest syllabus and there is detailed knowledge of accounting standards – will the article that tries to distinguish the key accounting standards be updated?**

Articles are reviewed periodically and updated as appropriate. We will ensure we review this article in due course.

- **How do we recognise that articles have been updated?**

Articles are no longer dated but they are structured on the website showing the most recent first.