

ACCA

A photograph of a boat on the ocean, viewed from a distance, with a white rectangular overlay in the center. The overlay contains the text 'Useful tips' in a large, bold, white font, and 'from the AAA Examining Team' in a smaller, white font below it. The background is a vast, blue ocean under a clear sky.

Useful tips

from the AAA Examining Team

Think Ahead

The Examining Team are often asked about common errors that students make during the Advanced Audit and Assurance exam. Here is a quick summary of the common pitfalls and errors made by candidates, and how you can avoid them!

1 READ THE QUESTION

It is obvious but read the question requirement carefully. Make sure you address the key points and don't assume that the questions are always the same.

This is a particular issue for completion questions where many students are assuming that the question is asking for the identification of the matters and possible procedures to resolve them.

If presented with a table of audit adjustments to take to management, don't say the audit adjustments are incorrect – your job is to explain to the client the reasons why they need to change them.

Examining Team recommends (ETR):

Read the question carefully. Ensure sufficient question practice. You need to be familiar with the different styles of question (and read the [Examiner's Report](#) on those published questions for useful insight!)

2 ANSWER THE REQUIREMENT IN RELATION TO THE SPECIFIC SCENARIO

Generic, rote learnt answers gain minimal credit. The Examining Team are looking for answers which are relevant to the both the requirement (see point 1 above) and the specific scenario.

With the introduction of the new [professional skills](#) in September 2022, 20% of the available marks are for students to demonstrate that they can apply their knowledge to the information and the requirement. Rote learnt points which are not applied to the question will gain insufficient credit in the exam.

ETR:

Revise your auditing knowledge and financial reporting knowledge. Read the scenario and consider where issues can arise, reference figures from the extracts or explain why, in **this specific case**, something is a particular risk.

3 INADEQUATE FINANCIAL REPORTING KNOWLEDGE

The AAA exam requires candidates to have sufficient financial reporting knowledge to pass the Strategic Business Reporting (SBR) exam, therefore, it is highly recommended that the SBR is taken before attempting AAA.

In order to identify and explain risks arising from the scenario, candidates must have a solid understanding of financial reporting standards. Students often struggle with reporting standards for financial instruments, revenue, leases and more complex areas of provisions (eg restructuring provisions).

ETR:

Ensure that knowledge of relevant financial reporting standards is robust. Take a look at the [examinable documents](#) for your exam to make sure you are confident with the key issues. Consider taking the SBR exam before AAA so that you have the solid understanding of financial reporting.

4 UNDERSTAND THE DIFFERENCE BETWEEN FRAUD AND MONEY LAUNDERING

Students need to understand the difference in fraud and money laundering. It is essential that you know the difference in what the auditor should do if either is discovered during the course of an engagement.

ETR:

Revise legislation and professional requirements of ACCA auditors. The **examinable documents** includes the ACCA money laundering guidance which students should be familiar with in the exam.

5 THE RIGHT RULES FOR THE RIGHT EXAM

Using local legislation to answer international questions is not given any credit. For example, if you are taking the international exam, do not state UK specific ethics rules or Malaysian company law. The Examining Team, although global in nature, will not necessarily have the knowledge sufficient to give credit for these points.

ETR:

Ensure that you are aware of what rules, standards and legislation apply to your exam. AAA currently has international, UK, Irish and Singapore adapted exams, but check what you need to know for the right exam.

6 REVISE REPORTING!

A common complaint is the 'scatter knowledge' approach to answering a reporting question. This is where an answer contains all the possible options in the hope that something is correct. If you are asked to 'evaluate' or 'justify' a suitable opinion, then the Examining Team is looking for a definitive answer with brief justification.

ETR:

Revise reporting knowledge! Justify the audit opinion being given. Conclude on the audit opinion, don't 'sit on the fence' and offer different opinions.

On the subject of assessing whether misstatements are pervasive, the Examining Team will be wanting to see a suitable justification rather than stating 'it is not pervasive'. A sentence explaining perhaps 'the misstatements are solely limited to one area of the financial statements...' or 'the issues regarding the lack of controls and the resulting material misstatements across several significant areas of the financial statements indicate that these are pervasive to the financial statements'.

7 AUDIT PROCEDURES

Audit procedures need both a source and a purpose: What is it that you want to test and why is this the case. Stating 'Review the receivables report' will gain minimal credit, tell the Examining Team why you are reviewing that report and what you are trying to ascertain, eg 'review the receivables report for invoices falling due over 90 days and discuss whether these debts are recoverable with the accounts clerk'.

ETR:

Ensure that the proposed audit procedures meet the assertion being tested – if valuation of inventory is the requirement, then tailor your responses accordingly.

Consider also whether it is appropriate to 'check the board minutes' – what are you looking for and what purpose will it serve for audit evidence?

8 EXPLAIN (DON'T JUST STATE AN ISSUE)

If you identify a risk or an ethical issue, don't just state it. The Examining Team are looking for an explanation as to why you think it is a risk or an issue.

ETR:

Explain why you think something is an issue, a risk, or justify your conclusion. The Examining Team are keen to hear your reasons why and demonstrate a depth of understanding as well as good knowledge of auditing and financial reporting. Remember those professional marks (see point 2!)

9 TIMEKEEPING

The Examining Team are working hard to try and ensure that the exams are fair and equitable, however, it is noticeable that many students are spending too long on Section A questions at the expense of writing full responses in Section B.

ETR:

Keep an eye on the time, try not to overrun too much. Calculate how long you should spend on each question and stick to it!

The introduction of **professional skills** will allow students more time to gain those technical marks, but do try and plan your time carefully.

10 REVISE, PRACTICE, REVIEW!

ACCA publish **technical articles** and lots of study support to help you pass. However, it is essential that students revise the knowledge, practice exam standard questions and read the comments in the **examiner's report** alongside the **published exams**. Review your attempts at questions and consider where you are going wrong.

Good luck in your exams!

Written by a member of AAA examining team