

Professional Level Audit and Assurance PiL Tutor Conference 2024 Highlights

2 February 2024, ICAEW, London

Agenda Overview

1. **2023 Candidate Performance:** Examination of pass rates, qualitative feedback highlighting areas of strength and need for improvement.
2. **Syllabus and Learning Materials Updates:** Details on exam format changes, syllabus weightings, and updates to learning materials.
3. **Use of Data Analytics Software:** Emphasis on the importance of Data Analytics Software (DAS) in exams, with increased marks available.
4. **Focus on... Reporting and Sustainability:** Insight into candidate performance on reporting questions and the integration of sustainability into the curriculum.

2023 Candidate Performance

- **Pass Rate Analysis:** A slight variation in pass rates across different sittings, with June showing better performance.
- **Qualitative Feedback:** Strengths in identifying controls, ethical threats, and sustainability issues. Challenges include the use of basic functions in Inflo, non-attempt of DAS questions, and understanding of sampling and materiality.

Syllabus and Learning Materials Updates

- **Exam Format and Contents:** Introduction of increased marks for the DAS question and continued examinability of current issues.
- **Learning Outcomes:** Adjustments to focus more on sustainability impacts on the audit process.
- **Open Book:** Latest versions included, but minimal substantive change.
- **Workbook, Question Bank and Mock Exam Revisions:** Inclusion of significant sustainability content (in chapters 1-3, 7, 8, 10, 12 and 13 of the Workbook, Question Bank questions 73.4/82.3/87.2, Mock exams 1 and 2). New chapter 11 of the Workbook emphasising revision and design of audit procedures as these are important to the paper. Reduction in the overall number of questions in the Question Bank to improve study manageability for candidates.

Use of Data Analytics Software (DAS)

- **New Approach:** DAS questions will now contribute more significantly to the overall marks (15-20 marks in 2024 papers), encouraging candidates to develop proficiency in various DAS modules.
- **Study Recommendations:** Early and focused practice on DAS skills, understanding of all examinable modules, and adherence to instructions. Dedicated tuition class time to this area.
- **Addressing DAS issues:** A minority of candidates miss out the DAS question – this will be a very risky strategy with the extended marks in 2024. Some candidates do not follow

instructions (eg, not identifying **all** relevant transactions as requested, not then explaining in enough detail which were the unusual ones, or not creating the requested monetary expectation in the December 2023 paper). The indications that a transaction is suspicious identified in the examiners' 2021 article are still relevant. A minority of candidates do not seem to switch to 'Account View' in the 'Explore' module in Inflo to make use of ledger account transaction detail, so this should be emphasised. Similarly, many candidates focus only on the Heat Map. Specific requirements from past papers are included on the slides to illustrate the issues.

Focus on... Reporting and Sustainability

- **Reporting:** Candidates perform well in reports to those charged with governance covering recommendations, and auditor's report modifications for limitation on scope and material misstatement issues. However, the significant number of other areas listed on the slides are often not done so well. Sample strong and weaker candidate answers from a past paper are included on the slides to illustrate the issues.
- **Sustainability:** The main focus in 2024 papers will be the effects of sustainability in the entity/audit/auditor. Increased content on sustainability in learning materials, highlighting the importance of understanding its effects on audits and reporting.

Q&A

- **Questions from attendees:** Separate summary document of questions asked and answers provided is available.

Key Takeaways

- DAS question will now be 15-20 marks.
- Candidates must ensure they have covered the DAS learning materials.
- Sustainability impact on the entity/audit/auditor has been embedded across the syllabus.
- Candidates should ensure they are able to deal with the whole range of reporting scenarios, rather than just the basic modifications.