

STRICTLY CONFIDENTIAL

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN MALAWI

DECEMBER 2019 EXAMINATIONS

CA LEVEL 1 (KNOWLEDGE)

P5 - ASSURANCE

EXAMINER'S REPORT

GENERAL COMMENTS

Candidates' performance was generally good. They demonstrated that they had prepared well for the paper, though some struggled to respond to some questions due to:

1. Failure to answer specific question requirements
2. Failure to apply knowledge gained to question requirements
3. Failure to explain or elaborate points in detail
4. Lack of knowledge on certain areas of the syllabus
5. Illegible handwriting

COMMENTS ON INDIVIDUAL QUESTIONS

Question one:

The first part of the question was on assurance engagement while the second part was on prospective financial information (PFI).

Candidates addressed assurance engagement items satisfactorily but failed to provide precise responses to PFI planning objectives.

Question two:

This question was on audit risk and substantive procedures.

Many candidates failed to address this question. Both audit risks and substantive procedures proved very difficult to candidates. The same areas were poorly done at the June 2019 semester. Tutors need to emphasize the significance of these two very important issues in assurance engagements since practitioners identify risks then substantive procedures.

Candidates need to know that these are practical areas in assurance engagements, therefore they will always be featured in this practical paper.

Question three:

The question was on corporate governance and environmental auditing.

Many candidates responded well to corporate governance items/questions. Most candidates failed to respond properly to environmental auditing items. Their responses indicated that they did not prepare well for this topic (environmental auditing).

Question Four:

The question was on internal controls and auditor's liabilities.

Most candidates did well in internal controls. Auditor's liabilities' requirements were not properly addressed by many students and they lost marks because they provided general requirements rather than those specific to criminal liabilities as demanded by the question.

Question Five:

The question was on IFAC fundamental principles, threats to independence and professionalism and ethics. Candidates performed extremely well on fundamental principles but failed miserably to address items on ethics giving an indication that tutors do not teach this topic or students do not understand it.

Conclusion

As seen in the detailed analysis of every question, this paper proved to be well balanced with both theory and practical issues. Candidates did well on theoretical items but failed miserably on practical items. Candidates demonstrated lack of understanding on some areas of the syllabus as highlighted. Tuition providers should emphasize practical aspects of the module and ensure thorough syllabus coverage if candidates are to do better in this module.

