

YOUR PERFORMANCE ANALYSIS REPORT
September 2023 Common Final
Examination (CFE)

DAY 2 AND DAY 3

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

Candidate Number

Enclosed is your performance analysis report for the September 2023 Common Final Examination (CFE). This report analyzes your performance on Day 2 and Day 3 only. Day 1 is reported on separately.

Section A of the report contains an analysis by assessment opportunity (AO) of your performance for each simulation. **Section B** contains a detailed analysis of your performance by competency area, and **Section C** contains a summary of the reviewers' general findings and an analysis of your performance by essential CPA enabling skills, following the CPA Way.

This report is intended to highlight areas in need of improvement, not just to explain why you failed the examination. Where the reviewers were able to, they provided recommendations for improvements, whether or not you met the passing profile requirements set by the Board of Examiners for the various levels of the fair pass model. This means that you may have received several comments on an area where you met (but barely) the minimum standard.

You are encouraged to read this report in conjunction with your transcript and the Board of Examiners' Report on the September 2023 CFE.

Section A: Assessment By Simulation

Section A reports the reviewers' findings by AO for each of the Day 2 and Day 3 simulations. The checklist is designed to help you identify which of the commonly exhibited weaknesses displayed by the candidate population you personally exhibited while writing each simulation. This information allows you to see where you missed a mission-critical AO completely or where you fell short of the entry-level requirements.

To help you understand which of the weaknesses you, in particular, exhibited, reviewers have marked Xs in the relevant boxes. If you did not address an AO at all, the box labelled "You did not address this assessment opportunity" will be marked with an X. If you addressed the AO and did not demonstrate any of the weaknesses listed, the boxes will be blank. If you did demonstrate a weakness, the box next to the weakness will be marked with an X and a comment will be included.

Section B: Assessment By Competency Area

The information in Section B is a re-sorting, first by technical competency area, and then by CPA enabling skill, of the weaknesses noted in Section A. The information presented in Section B allows you to identify whether you exhibited more technical weakness in one area than another.

Keep in mind that the checklist of points under each AO in Section A is made up of the tendencies exhibited by the candidate population based on the Board of Examiners' expectations for a competent response. By focusing on the areas in which there are several Xs, and by examining the reviewers' comments by competency area rather than by simulation, you will be able to identify which technical elements of a "competent" response you were lacking. Seeing the AO-by-AO weaknesses sorted by competency area will allow you to gain a better understanding of which technical area was weakest and the nature of the errors that contributed to the standing you received.

Beside each box, you will notice a "skill" description. This skill represents the sorting category that is

used to present the reviewers' findings by the enabling skills portion of Section C of your report.

Section C: General Findings and CPA Enabling Skills

Section C of the report is designed to help you identify your major weaknesses in essential areas such as communication, role playing, ranking of issues, and other exam writing skills, as well as present you with a re-sorting of the Section A results by the CPA enabling skill.

For the General Findings sub-section, each of the reviewers has answered the same general questions, and their findings are summarized for you. Any questions that have a "NO" response are highlighted. These are the general areas in which you demonstrated weakness.

The CPA Enabling Skills sub-section is a re-sorting of the reviewers' specific AO-by-AO comments from Section A by CPA enabling skills grouping (following the CPA Way). Each grouping is clearly defined so that you know in which of the essential CPA enabling skills that underlie a professional response you require further development. The groupings used consist of the following:

1. Assess the Situation
 1. Define the issues correctly
 2. Identify any underlying issues
 3. Rank the issues (i.e., identify the mission-critical issues)

2. Analyze Major Issue(s) - Qualitative
 1. Technical (applies *CPA Handbook* or *Tax Act* correctly, uses correct techniques i.e. cash flow, net present value, etc.)
 2. Link theory to case facts (i.e., go beyond just stating the rules and consider the particular case facts in the analysis)
 3. Evaluate the alternatives (pros and cons, implications of different options, validity of options, etc.)

3. Analyze Major Issue(s) - Quantitative
 1. Applies the technique correctly
 2. Calculates accurately
 3. Explain assumptions clearly

4. Analyze Major Issue(s) - Integrate situation
 1. Integrate the situational assessment into analyses
 2. Integrate analysis of one issue into another, from one competency area to another, etc.

5. Conclude and Advise
 1. Make a logical/practical choice – one that flows from the analysis
 2. Display good judgment considering the decision factors identified
 3. See the bigger picture and consider impact of one analysis on the overall conclusion

6. Communication: Provide clear explanations (viewpoint and "thinking pattern" are evident)

7. Ethics: Exhibit professionalism, identify the need for a specialist; know professional limitations and responsibilities

Section A: Assessment By Simulation

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Day 2 Bold Plant Foods (BPF)

Assessment Opportunity #1 (MA)

The candidate calculates the chick'n nugget product costs using both a weighted average and FIFO method, discusses the advantages and disadvantages of the methods, and recommends which method to use going forward.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your quantitative analysis contained technical errors.

Analyze Major Issue(s)
- Quantitative

While you recognized the need to determine the work-in-progress inventory balance on January 31, 2023, and the cost of goods manufactured in January, your calculation under the weighted average method contained technical errors. For example, you incorrectly calculated a pro-rated percentage for completed units instead of determining equivalent units and did not consider the units started and completed in January or the different completion rates on January 31st. As a result, your calculations were inaccurate, and you were not able to provide a helpful quantitative assessment. Also, your calculation under the FIFO method contained technical errors. For example, you incorrectly calculated a pro-rated percentage for completed units instead of determining equivalent units, did not consider the units started and completed in January, and did not consider the different completion rates on January 31st. As a result, your calculations were inaccurate, and you were not able to provide a helpful quantitative assessment.

Your discussion of the qualitative considerations of switching to FIFO lacked depth.

Analyze Major Issue(s)
- Qualitative

While you recognized the need to discuss the qualitative considerations of switching to FIFO, your analysis lacked depth. For example, you said: "the FIFO method incurred a lower cost than the weighted-average method." This was not appropriate because the total cost under both methods is the same. You did not discuss the simplicity of the weighted average costing method or the complexity of the FIFO costing method. Your discussion would have been stronger if you had explained the differences between the two costing methods in terms of their ability to reflect the volatility of Bold's input prices.

You did not provide a conclusion that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

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While you attempted to calculate the chick'n nugget product costs using both the weighted average and FIFO methods, and discuss the advantages and disadvantages of the methods, your analysis contained technical errors and therefore you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #2 (MA)

The candidate prepares a break-even analysis for the new product, with and without Pythagoras.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your calculation of quote #1793 contained technical errors.

Analyze Major Issue(s)
- Quantitative

You did not demonstrate an understanding of a break-even calculation.

Analyze Major Issue(s)
- Quantitative

You did not demonstrate an understanding of the indifference point calculation.

Analyze Major Issue(s)
- Quantitative

Your discussion of whether or not to use the new machine lacked depth.

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Your response to this assessment opportunity was sufficient, having prepared a break-even analysis with and without the new machine.

Assessment Opportunity #3 (MA)

The candidate calculates and explains the sales variances.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not calculate a sufficient number of requested variances.

Analyze Major Issue(s)
- Quantitative

Your variance calculations contained technical errors.

Analyze Major Issue(s)
- Quantitative

Your discussion of the causes of the variances lacked depth.

Analyze Major Issue(s)
- Qualitative

Your discussion of the impact of the variances on profit lacked depth.

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Your response on this assessment opportunity was sufficient, having provided a reasonable calculation and explanation of the sales variances.

Assessment Opportunity #4 (MA)

The candidate discusses the accounting treatment for the goodwill impairment related to the turk'y division.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion of the accounting treatment for the goodwill impairment contained technical errors.

Analyze Major Issue(s)
- Qualitative

Your discussion of the accounting treatment for the goodwill impairment lacked depth.

Analyze Major Issue(s)
- Qualitative

You did not provide a conclusion on the goodwill impairment that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Your response on this assessment opportunity was sufficient, having included a valid discussion of the accounting treatment for the goodwill impairment related to the turk'y division.

Assessment Opportunity #5 (FR)

The candidate discusses the accounting treatment for the recognition of the note payable from the supplier.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion of the accounting treatment for the note payable contained technical errors.

Analyze Major Issue(s)
- Qualitative

Your discussion of the accounting treatment for the note payable lacked depth.

Analyze Major Issue(s)
- Qualitative

While you attempted to analyze the accounting treatment for the note payable with the relevant CPA Canada Handbook section, ASPE 3856 – Financial Instruments, you did not seem to understand the guidance in relation to the situation. For example, when discussing the note payable your analysis noted that the note payable should be recorded at \$2.0M, however the presence of a below-market interest rate should have triggered you to recognize the need to calculate the fair value of the note payable using Bold's typical 6.5% (prime 5.0% + 1.5%) interest rate in a present value calculation. Ensure you read the simulation and plan your response carefully and refer to the Handbook guidance provided when you are unsure or unfamiliar with the accounting issues that are being presented.

You did not provide a conclusion on the accounting treatment for the note payable that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to discuss the accounting treatment of the note payable, your discussion lacked depth, and as such, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #6 (FR)

The candidate discusses the accounting treatment for two subsequent events.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion of the accounting treatment for the subsequent events contained technical errors.

Analyze Major Issue(s)
- Qualitative

While you attempted to discuss the accounting treatment for the grant issue and employee termination issue, you did not discuss the issue using the relevant CPA Canada Handbook guidance. The accounting discussion should have included a discussion of the criteria of CPA Canada Handbook, ASPE 3820 – Subsequent events. Instead, your analysis attempted to discuss the issue solely using 3800 – Government assistance and 3290 - Contingencies which was inappropriate because your grant discussion focused on the recognition of the revenue, rather than determining if the conditions that existed at year-end would be deemed adjusting events and the lawsuit would be considered a subsequent event and would also need to be assessed using 3820 – Subsequent events using case facts such as Frieda being disgruntled to determine if facts and circumstances existed at year-end. Ensure you read the simulation and plan your response carefully and refer to the Handbook guidance provided when you are unsure or unfamiliar with the accounting issues that are being presented.

Your discussion of the accounting treatment for the subsequent events lacked depth.

Analyze Major Issue(s)
- Qualitative

Your discussion of the accounting treatment for the subsequent event issues lacked breadth.

Analyze Major Issue(s)
- Qualitative

You did not provide a valid conclusion on the accounting treatment for the subsequent events.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to discuss the accounting treatment for the subsequent events, your analysis contained technical errors and lacked depth; therefore, you were unable to demonstrate competence on this assessment opportunity.

Overall Comments

Was the response well organized with a logical flow?

Yes

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For the Common section, you provided good structure while responding to the requests. For example, your structure of listing the Handbook criteria, applying case facts to each of the criteria, and forming a conclusion ensured you had a good format for achieving sufficient depth in your discussions.

Did the candidate understand their role?

Yes

Not applicable for the Common section of the Day 2 response.

Was the response easy to read and understand?

Yes

For the Common section, your response was written efficiently and was easy to read and understand. You used complete paragraphs which allowed you to provide thoughts that were complete and clear.

Did the candidate focus their response on the appropriate issues?

Yes

For the Common section of your response, you did a good job focusing on the significant requests and issues and your response did not contain any unrelated issues.

Did the response appear balanced?

Yes

The Common section of your response was well balanced and you seem to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 2 Bold Plant Foods (BPF)

Assessment Opportunity #7 (AS)

The candidate discusses the accounting treatment for the related party transaction.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion of the accounting treatment for the related party transaction lacked depth.

Analyze Major Issue(s)
- Qualitative

You recognized that the related party transaction with M2G required a discussion and analysis of the appropriate accounting treatment. In your discussion, you identified the relevant standards from the CPA Canada Handbook, ASPE 3840, but you did not clearly apply or link the guidance to the case facts that were available. For example, after providing the Handbook guidance, you said "Since significant influence applies, it is a related party." This is not sufficient because you needed to integrate case facts into your analysis of the handbook. A better response would have discussed that Treadstone owns 60% of Bold, creating control over Bold, and Treadstone also owns 40% of M2G, creating significant influence over M2G, which supports that M2G and Bold are related parties. You may find it helpful to address each criterion from the Handbook individually by describing the case facts that support your conclusion.

Your discussion of the accounting treatment for the related party transaction contained technical errors.

Analyze Major Issue(s)
- Qualitative

You did not provide a conclusion in your discussion of the accounting treatment for the related party transaction that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you attempted to discuss the accounting treatment for the related party transaction with M2G, your discussion was not in sufficient depth to demonstrate competence on this assessment opportunity.

Assessment Opportunity #8 (AS)

The candidate discusses fraud risk factors at both the overall financial statement level and specific to revenue, and describes the auditor's expected response to each of the risk factors.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion of the fraud risk factors lacked breadth.

Assess the Situation

While you recognized the need to discuss fraud risk factors, you only discussed the risk factors, and did not attempt to discuss the auditor's expected response to the risk factors you identified. In order to provide a complete discussion, candidates were expected to discuss fraud risk factors at both the overall financial statement level and specific to revenue, and describe the auditor's expected response to each of the risk factors. As you only provided a discussion of fraud risk factors, your response was of limited use.

Your discussion of the fraud risk factors lacked depth.

Analyze Major Issue(s)
- Qualitative

Your discussion of risk factors was not always focused specifically on the most significant fraud risks identified.

Analyze Major Issue(s)
- Integrate Situation

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

While you discussed some fraud risk factors, you did not discuss the auditor's expected response to these risk factors. Therefore, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #9 (AS)

The candidate discusses the audit procedures the external auditors will likely perform for the financial reporting issues identified by Juliette and Kayla.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not provide sufficient coverage of the financial reporting issues.

Assess the Situation

Your discussion of the audit procedures for the financial reporting issues lacked depth.

Analyze Major Issue(s)
- Qualitative

You provided some audit procedures, but they were not always sufficiently specific. For the procedure to be a useful audit procedure, it should have articulated what evidence was to be obtained and what the auditor would be using it for. For example, related to the procedure to address the note payable from the supplier, you said "Test the completeness and valuation of the note payable. Inquire with the supplier on the terms of the note payable and the existence of it. Compare the valuation of the note payable to other notes payable in the market to compare the interest rates charged are accurate." This was not sufficiently specific because your discussion was missing an explanation of the work to be performed. A better response would have explained that the work to be performed would be to obtain the purchase contract for the equipment and the note payable agreement to verify that the note payable is \$2M, and that the interest rate is 2%, to support the calculation of the present value of the note payable. Also, related to the procedure to address the grant, you said "Test the existence of the grant and the valuation of it. Inquire with the government on the existence of the grant and if Bold was approved for it. Vouch the eligible expenses to the invoice to determine that the grant amounts can be recorded against them and that it would be accurate." This was not sufficiently specific because your discussion was missing an explanation of the work to be performed. A better response would have explained that the work to be performed would be to obtain the grant application to determine the conditions to see the nature of expenses which qualify, and verify against actual invoices for the expenses claimed. Also, related to the procedure to address the related party transaction with M2G, you said "Test the valuation of the PP&E. Inquire with the independent appraiser on the valuation of the PP&E's carrying amount. Review the ownership agreement to determine if this is a related party transaction and the existence of these terms." This was not sufficiently specific because your discussion was missing an explanation of the work to be performed. A better response would have explained that the work to be performed would be to obtain the exchange agreement to verify the manufacturing equipment was purchased for \$100,000, and the independent appraisal to verify the manufacturing equipment was valued at \$150,000, to assess whether the exchange amount is supported by independent evidence.

The audit procedures you provided for the financial reporting issues were not always effective.

Analyze Major Issue(s)
- Qualitative

The audit procedures you provided for the financial reporting issues were not always focused specifically on the most significant risks identified.

Analyze Major Issue(s)
- Integrate Situation

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You provided a valid and well explained audit procedure related to the impairment of goodwill related to the Turk'y division. However, some of your other procedures were not sufficiently specific, and therefore you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #10 (AS)

The candidate discusses internal control weaknesses in Bold's purchases and payables process, and provides recommendations to address them.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not identify a sufficient number of valid internal control weaknesses.

Assess the Situation

You attempted to discuss some valid internal control weaknesses, including the fact that Juliette, Simon, the controller, or any department manager can initiate a purchase; and the AP clerk only makes note of the discount payment date in their calendar. Some of the discussions you provided did not address valid control weaknesses. For example, you said "W: Only the AP clerk analyzes the invoice before entering it into the system, with no check from the controller unless asked for. I: Risks that AP clerks enter fictitious invoices into the system or incorrect invoices. R: The controller should review all invoices entered into the system to determine if they are accurate." which was not appropriate because the issue was that the AP clerk was able to authorize the electronic transfer of payments. As such, you did not discuss a sufficient number of unique issues. There were several other weaknesses that could have been addressed, including the fact that Juliette, Simon, the controller, or any department manager can initiate a purchase; the purchaser signs the supplier invoice to indicate that the goods have been received; the controller follows up on any discrepancies between the contract and the invoice; there is no comparison of the invoice to the actual goods received; the AP clerk only makes note of the discount payment date in their calendar; the AP clerk authorizes electronic payments in the system. While candidates were not expected to discuss all of the internal control weaknesses, they were expected to address a reasonable number of them.

Your discussion of the internal control weaknesses lacked depth.

Analyze Major Issue(s)
- Qualitative

You discussed some internal control weaknesses, but your discussions sometimes lacked depth as you did not always sufficiently explain the repercussions of the deficiency in internal control. For example, when discussing that one day prior to the discount payment date, the AP clerk changes the payment date, and the payment is made by EFT on that day, you said "W: The AP clerk manually enters the discount payment dates and payments made by EFT. I: There are risks that the clerk enters discounts for payments that are not required. R: The system should automatically determine discount payment date and note it in the financials so that the system recorded the discount automatically if paid in the proper period." This is not sufficient because the implication is not that they are entering discounts for payments that are not required, but rather missing the discounts since it is a manual process. A better response would have explained that the AP clerk may enter the discount payment date incorrectly in their calendar or may forget to review their calendar on a given day, causing Bold to miss out on the discount.

You did not always provide recommendations to address the internal control weaknesses that were practical or effective.

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You did not explain the implication of some of the other internal control weaknesses you identified in sufficient depth to demonstrate that you fully understood the deficiency. As a result, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #11 (AS)

The candidate reviews the sample data report from the equipment subledger for anomalies, and recommends additional audit procedures to be performed.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion of the sample data report from the equipment subledger lacked breadth.

Assess the Situation

Your discussion of the sample data report from the equipment subledger lacked depth.

Analyze Major Issue(s)
- Qualitative

You provided some additional audit procedures to be performed on the anomalies in the sample data report from the equipment subledger, but they were not always sufficiently specific. For the procedure to be a useful audit procedure, it should have articulated what evidence was to be obtained and what the auditor would be using it for. For example, as a procedure to address OF5681 which did not meet the capitalization threshold of \$3,000, you said "Review the listing to determine if the assets meet the threshold listed." This was not sufficiently specific because your discussion was missing an explanation of the evidence to be obtained. A better response would have explained that the evidence to be obtained would be the invoice for the addition. You provided some audit procedures, but they did not always effectively address the anomaly. For example, as a procedure to address CM3118's 2022 amortization being incorrect, you said "Recalculate the depreciation expenses to determine if these amounts are accurate." This was not a sufficient procedure because the proposed procedure is only to recalculate the amounts. To obtain sufficient, appropriate audit evidence, the procedure would need to include obtaining reliable external documentation. A better response would have explained that the procedure to be performed would be to obtain the invoice to determine the amount and the date the asset was put in service, review supporting documentation on the useful life such as available industry data on average useful lives of the equipment, and recalculate the amount of amortization required.

Your discussion of the sample data report from the equipment subledger was not always focused specifically on the most significant anomalies presented.

Analyze Major Issue(s)
- Integrate Situation

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You provided some additional audit procedures to be performed on the equipment subledger, but they were not always focused on the specific anomalies presented in the report. For example, you said "Observe assets to determine if any are impaired and should be adjusted before calculating depreciation.", but this was too generic because it is a standard procedure that is performed on property, plant and equipment, and it did not address any of the specific anomalies presented in the case. As your discussion of audit procedures were not linked to the specific anomalies presented in the sample data report from the equipment subledger, your response was of limited use.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You provided a reasonable discussion that OF5681 was capitalized despite it being less than the \$3,000 capitalization threshold, MP1990 had too much amortization taken resulting in the net carrying amount to be lower than the residual amount, and some assets (MP6664, OF8115, and OF3343) show months in service of less than 12 months but are not included in the 2022 additions column. However, some of your other discussions were not in sufficient depth or did not always appropriately address the anomalies presented. Therefore, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #12 (AS)

The candidate recommends audit procedures to verify that Gretta complies with the provincial regulations.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not provide sufficient coverage of the provincial regulations.

Assess the Situation

Your discussion of the provincial regulations was not always focused specifically on recommending audit procedures to verify that Gretta is in compliance.

Analyze Major Issue(s)
- Integrate Situation

Your discussion of the audit procedures to verify compliance with the provincial regulations lacked depth.

Analyze Major Issue(s)
- Qualitative

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You provided some audit procedures to verify Gretta's compliance with the provincial regulations, but they were not always sufficiently specific. For the procedure to be a useful audit procedure, it should have articulated what document was to be obtained and what the auditor would be looking at it for. For example, related to the procedure to address the regulation that at all times, at least one staff member preparing food in the MFSE must hold a valid Food Handler Certificate, you said "Inquire with the staff to determine if there are any of them that holds the valid Food Handler Certificate." This was not sufficiently specific because your discussion was missing an explanation of the evidence to be obtained. A better response would have explained that the evidence to be obtained would be the daily schedules and the list of employees who have Food Handler Certificates. Also, related to the procedure to address the regulation that the refrigerators and freezers must be checked every 12 hours to ensure they are maintained within the appropriate temperature range, you said "Inspect the refrigerator to determine if the temperature was maintained between -2 oC and +2 oC. Inspect the freezer to determine if it was maintained at or below -18 oC. Review supporting documentation from Gretta that states if any deviations occurred." This was not sufficiently specific because your discussion was missing an explanation of the evidence to be obtained. A better response would have explained that the evidence to be obtained would be the records of the temperature checks performed for each refrigerator and freezer.

The audit procedures you provided to verify compliance with the provincial regulations were not always practical and/or effective.



Analyze Major Issue(s)
- Qualitative

You provided some audit procedures, but they did not always effectively test the provincial regulation you were trying to address and/or were not always practical. For example, related to the procedure to address the regulation that all employees are aware of the requirements and guidelines of the Mobile Food Handling Establishments Regulations, and acknowledge this at least annually, you said "Inquire with employees if they are aware of the requirements and guidelines of the MFSE regulations." This was not a sufficient procedure because the proposed procedure is only to inquire with employees. To obtain sufficient, appropriate audit evidence, the procedure would need to include obtaining reliable external documentation to support compliance with the provincial regulation. A better response would have explained that we could select a sample of employee files and verify that there is a document, signed within the last 12 months, indicating that the employee has read and understood the requirements and guidelines of the Mobile Food Handling Establishments Regulations. Also, related to the procedure to address the regulation that MFSE employees are to be trained every six months in the proper handling and preparation of food to ensure food safety, you said "Observe employees to determine if they are doing the proper handling and preparation of food to ensure food safety. View the videos used by MFSE to determine if they are standardized." This was not an effective procedure because there would be no evidence that the employees have received the training just based on observation. A better response would have explained that we could select a sample of employees from the employee list and obtain their most recent training certificate to verify they completed the training within the last six months.

The audit procedures you provided to verify compliance with the provincial regulations were not always focused specifically on the most significant risks identified.



Analyze Major Issue(s)
- Integrate Situation

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to provide some audit procedures to verify Gretta's compliance with the provincial regulations; however, some of your procedures were not sufficiently specific or were impractical. Therefore, you were unable to demonstrate competence on this assessment opportunity.

Assessment Opportunity #13 (AS)

The candidate comments on the 2023 preliminary internal audit plan.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion of the 2023 preliminary internal audit plan lacked breadth.

Assess the Situation

Your discussion of the 2023 preliminary internal audit plan lacked depth.

Analyze Major Issue(s)
- Qualitative

You commented on some of the issues in the 2023 draft internal audit plan, but your discussions were not always sufficiently specific. For the discussion to be useful, it should have explained why the current plan is inappropriate and recommended how the internal audit plan should be revised. For example, related to the statement that internal audit will assess expenses and related processes that have not been tested in the last five years, you said "The internal audit only reviewed departments where there was no change in management or little staff turnover, however, that is not appropriate. The ones that should be reviewed are the ones with several changes as they will be the ones with higher risks of material misstatement." This was not sufficiently specific because your discussion was missing a recommendation of how the internal audit plan should be revised. A better response would have recommended that areas should be selected based on other relevant criteria, such as where there has been a change in senior management or staff turnover, to ensure that policies and procedures are still being consistently followed throughout the year. Also, related to the statement that the turk'y division will not be tested, you said "The turk'y division was not tested since it was acquired in the last five years, but all divisions and processes should be tested on a yearly basis." This was not sufficiently specific because your discussion was missing an explanation of why the current plan is ineffective. A better response would have explained that the turk'y division should be part of the internal audit plan because, under the previous owners, there likely were different policies and procedures. Also, related to the sample size and selection for the software licence agreements and lease agreements, you said "Only 10 customers were selected and they were only new customers and for a specific division, the chick'n one. There should be a more representative sample made with selections from several divisions." This was not sufficiently specific because your discussion was missing an explanation of why the current plan is insufficient. A better response would have explained that only testing only one agreement out of 16 may not be representative of the total population.

Your discussion of the 2023 preliminary internal audit plan contained technical errors.

Analyze Major Issue(s)
- Qualitative

While you recognized the need to discuss the 2023 draft internal audit plan, you provided a calculation and discussion of materiality in the context of an external audit plan, when you said "Only expense accounts that are higher than materiality were tested, when some expenses accounts could be aggregated to be over materiality and have errors." This was not appropriate because materiality is set by the external auditor and is not relevant in the internal audit planning process. A better response would have recommended that internal audit should have a significantly lower threshold for what they choose to examine, and that there are many other relevant criteria that need to be considered in selecting the areas for internal audit testing, such as risk of fraud or errors.

Your discussion of the 2023 preliminary internal audit plan did not always appropriately address the significant risks and/or issues presented.

Analyze Major Issue(s)
- Integrate Situation

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You provided a reasonable discussion of some valid issues in the draft internal audit plan, including that the sample selection for revenues only considered new customers in the chick'n division which is not representative of all revenue streams, and that the samples for repairs and maintenance will be selected by the senior manager of each department which is subject to bias. However, some of your other discussions were not sufficiently specific or contained technical errors. Therefore, you were unable to demonstrate competence on this assessment opportunity.

Overall Comments

Yes

Was the response well organized with a logical flow?

For the Assurance section, your response was well organized and easy to follow. You used headings appropriately and separated your discussions by each issue addressed, which was a logical way to respond to this case.

Did the candidate understand their role?

Yes

For the Assurance section, you appeared to have understood your role and addressed all the requests appropriately.

Was the response easy to read and understand?

No

For the Assurance section of your response, point form was used and this sometimes limited the depth of your discussions. For example, you wrote: "Inquire with employees if they are aware of the requirements and guidelines of the MFSE regulations." This was an insufficient discussion because you did not provide both the evidence to be obtained and the work to be performed in your audit procedure. You should ensure that you always provide a complete discussion to clearly present your thoughts, even when using point form.

Did the candidate focus their response on the appropriate issues?

Yes

For the Assurance section of your response, you did a good job focusing on the significant requests and issues and your response did not contain any unrelated issues.

Did the response appear balanced?

No

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The Assurance section of your response was heavily weighted on the related party transaction with Meals 2 Go. This appeared to have limited the time you had to address the other issues. For example, you spent 1.5 pages on the related party transaction with Meals 2 Go but only half a page on procedures for Gretta. There were a lot of issues to cover in this section and good time management was required. It was essential for you to plan your time in order to ensure you were able to address all of the issues in sufficient depth.

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Assessment Opportunity #1 (FR)

The candidate discusses the accounting treatment for the new arrangement with ToolMania.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not discuss whether the transaction had commercial substance as part of your analysis.

Analyze Major Issue(s)
- Qualitative

You did not discuss how to measure the non-monetary transaction as part of your analysis.

Analyze Major Issue(s)
- Qualitative

Your discussion of the accounting treatment for the non-monetary transaction lacked depth.

Analyze Major Issue(s)
- Qualitative

Although you attempted an analysis of the accounting treatment for DH's new arrangement with ToolMania, your discussion did not explain the financial reporting issue in enough depth. For example, in your discussion of measurement, you stated, "Since none of the criteria above are met, it will not be recorded at the carrying value and will be traded based on the fair values given or received. Since both are known, the fair value of the asset given up will be used, which is \$12,000 annually, for a total of \$36,000." Although you identified when an entity is able to reliably determine the fair value of both the asset received and the asset given up, the fair value of the asset given up is used to measure the asset received unless the fair value of the asset received is more reliably measurable, you did not analyze the reliability of the fair values. Instead, your analysis jumped right to a conclusion that both assets are reliably measurable and therefore the fair value of the advertising should be used. You were expected to integrate case facts and discuss the reliability of both fair values. In Appendix II, the case had noted that the total retail value of the tools is \$50,000 and is marked up by retailers by 25% when selling to the general public and therefore would cost \$40,000 ($\$50,000 / 1.25$) if purchased directly from ToolMania. Meanwhile, while ToolMania normally pays retailers \$12,000 annually to display a sign in their tool aisles, the annual cost to have a sign displayed depends on the location and type of business. Since DH is not a retailer like the ones ToolMania usually displays signs in, nor does DH likely operate in the same locations as these retailers, the value of the advertising is more difficult to determine than the value of the tools. Therefore, the fair value of the asset received is more reliable and fair value of the tools received (\$40,000) should be used to measure the transaction.

Your discussion of the accounting treatment for the non-monetary transaction contained technical errors.

Analyze Major Issue(s)
- Qualitative

You did not provide a recommendation on the accounting treatment for the non-monetary transaction that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to discuss the accounting treatment for the non-monetary transaction, and you provided some analysis in this area. However, your analysis lacked depth because you did not sufficiently incorporate the relevant case facts as support for the accounting treatment. In order to provide Sami with an adequate understanding of the accounting treatment, and to demonstrate your understanding of the financial reporting concepts in this case, you were expected to provide a more complete and supported discussion.

Assessment Opportunity #2 (TAX)

The candidate calculates federal corporate taxes payable.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not include a sufficient number of components in your calculation of taxes payable.

Assess the Situation

Your discussion of the components of your taxes payable calculation lacked depth.

Analyze Major Issue(s)
- Qualitative

Your calculation of taxes payable contained technical errors.

Analyze Major Issue(s)
- Quantitative

You did not apply a reasonable tax rate when calculating taxes payable.

Analyze Major Issue(s)
- Quantitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

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Overall, your response on this assessment opportunity was well done. You performed a calculation of DH's federal corporate income taxes payable, incorporating a sufficient number of elements, and a reasonable federal corporate tax rate. Your calculations demonstrated a good technical understanding of corporate income tax, and provided useful information to Sami.

Assessment Opportunity #3 (TAX)

The candidate discusses the taxable benefits.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not address a sufficient number of taxable benefits.

Assess the Situation

Your discussion of the taxable benefits lacked depth.

Analyze Major Issue(s)
- Qualitative

Your discussion of the taxable benefits contained technical errors.

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You discussed the tax consequences of several of the benefits provided by DH to the employees. This analysis would have provided Sami with valuable tax advice and would have helped him in understanding the tax consequences of each of the benefits from the employees' perspective.

Assessment Opportunity #4 (AS)

The candidate discusses the audit plan.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion did not provide sufficient coverage of the areas to be discussed.

Assess the Situation

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Your discussion of the risk assessment lacked depth.

Analyze Major Issue(s)
- Qualitative

Your discussion of the materiality lacked depth.

Analyze Major Issue(s)
- Qualitative

Although you addressed materiality for DH, your discussion did not provide sufficient depth when explaining where the materiality figure was coming from and how it was determined for DH. It was important to include sufficient explanations to give Sami more complete information and also to demonstrate your understanding of the assurance concepts in this case. For example, you did not identify case specific users and define their needs in selecting materiality. You stated: "the materiality was calculated. Based on the information given, they used 4% of the company's net income. Based on usual rates, usually 3% to 7% of net income can be used as a materiality base for for-profit companies, which applies in this case." A more in-depth discussion would have incorporated case facts to discuss the users and user-specific needs such as the lender, who wants to ensure that the amount they lend DH, including any interest, can be repaid.

Your discussion of the audit approach lacked depth.

Analyze Major Issue(s)
- Qualitative

Although you addressed the audit approach for DH, your discussion did not provide sufficient depth when explaining the audit approach and how it was determined for DH. It was important to integrate case facts to help support why each approach was selected by the auditors. Your response was: "Combined approach for payroll and substantive for others. This entails that payroll controls are assessed as operating effectively, but they are not operating well for the other departments." A stronger response would have integrated the case facts suggesting that DH uses an external payroll provider, which likely has reliable controls, and the auditor may have obtained a report such as a service organization audit report and has deemed the controls effective which helped the auditor reduce the necessary substantive testing over DH's payroll to support the recommendation of using a combined approach for the payroll cycle. For the other cycles, you could have integrated the case facts related to the weaknesses in the control environment, such as the lack of expertise and oversight in the financial reporting, and the lack of segregation of duties in both the financial reporting and administrative duties to support the recommendation of using a substantive approach these cycles.

Your discussion of the ways to lower the audit fee lacked depth.

Analyze Major Issue(s)
- Qualitative

Your discussion of the audit plan contained technical errors.

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to discuss the questions regarding the auditor's audit plan including the questions regarding the risk assessment by the auditor, where the materiality figure is coming from and how it is determined, the audit approach, and suggestions on how to lower the audit fee in the future. However, you did not always provide sufficient depth in your analysis. It is important to consider your user, and in this case, it was important to provide complete explanations of the issues to help Sami understand the audit plan.

Assessment Opportunity #5 (MA)

The candidate analyzes the solar power project and provides a recommendation.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not provide both a quantitative and qualitative analysis of the two options.

Assess the Situation

You did not include a sufficient number of elements in your quantitative analysis of the two options.

Assess the Situation

You did not identify a sufficient number of relevant qualitative factors in your analysis of the two options.

Assess the Situation

Your quantitative analysis contained technical errors.

Analyze Major Issue(s)
- Quantitative

Your discussion of the qualitative factors lacked depth.

Analyze Major Issue(s)
- Qualitative

You recognized the need to address the qualitative considerations when choosing between renting the roof space to StarPower or renting the panels from StarPower, but your discussion lacked depth. Specifically, while you attempted to talk about the price stability under Option 1, you did not contrast between the options to explain why this was a relevant decision making factor. You noted that under Option 1, DH would have a "guaranteed price that does not vary based on the market." It was not clear why this was an advantage over Option 2. For example, you could have contrasted with Option 2 to explain that there is price volatility in Option 2. A better response would have stated that future changes in prices would impact the market rates in Option 2 and therefore would impact revenues, and that an increase in rate would be an advantage for Option 2 over Option 1 while a decrease in rate would be a disadvantage if DH is relying on the expected electricity sales revenue.

You did not provide a recommendation that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to address the request made regarding the options for converting DH's facility to be solar powered. You provided a good quantitative analysis of the two options. However, your discussion of the qualitative considerations lacked depth as you did not always explain how the points you brought up were relevant in the decision. It is important to consider your audience, and Sami would require not just an identification of factors in the decision, but also an explanation on how they are relevant in their situation and why they should be considered when determining the best course of action. Ensure you allocate enough time to discuss the key requirements of the case in enough depth, in order to demonstrate your understanding of management accounting concepts in each case.

Assessment Opportunity #6 (STRAT & GOV)

The candidate discusses the company's vision, mission, and values.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion did not provide sufficient coverage of the areas to be discussed.

Assess the Situation

Your discussion of the vision, mission, and values lacked depth.

Analyze Major Issue(s)
- Qualitative

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You attempted to address the vision, mission, and value statements, but some of your discussions did not adequately explain whether they were appropriate for DH. While you did provide some valid improvements to the draft statements, you did not comment on the appropriateness of the current statements, which is what Sami asked you to do. He would not understand why these improvements were needed as you did not explain what was wrong with the existing statements. For example, in addressing the vision, you stated: "Vision "To be the top earning company in the home repair industry" Too vague, should be to be the top home repair and service industry with popular brand recognition in Saskatchewan with quality and effective services and goods." A better response would have explained that when describing DH, Sami focused on being inspired by the environmental benefits of repairing an item versus throwing it out and buying new, and saving customers from buying tools by sharing the needed tools. Therefore, the draft vision statement "to be the top earning company in the home repair industry" was not as appropriate since environmentalism, not profit, is a driving force behind DH and should be incorporated in the vision statement. Similarly, when discussing the values statement, you stated: "Values: respect, teamwork, fast and low-cost service and ingenuity. Should be more in depth, discussing how the employees have these core values and how it can be applied to the business industry itself." A better response would have explained that Sami wanted DH to provide environmental-friendly products and quality customer service and it was unclear as to how the draft value statements of "respect, teamwork, fast and low-cost service and ingenuity" were relevant to DH given that DH's business model does not appear to have employees working in teams, that fast service is in conflict with quality and exceptional service, and that low-cost service may not be appropriate for environmentally-friendly products and services as they are generally more expensive and therefore not appropriate.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to address Sami's request to determine whether the draft vision, mission, and value statements were appropriate for DH. However, your analysis lacked depth as you only indirectly addressed whether the vision, mission, and value statements were appropriate for DH when you provided improvements to the draft statements. Sami asked whether the statements were appropriate for DH, and you should have commented on the appropriateness of the statements rather than just proposing new ones. Ensure that you read the case carefully so that you have a clear and complete understanding of what is being asked, and that you focus on a response that is aimed at providing the type of information requested.

Overall Comments

Yes

Was the response well organized with a logical flow?

Your response was well organized and easy to follow. You used headings and separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Did the candidate understand their role?

No

You did not always appear to have understood your role as an external advisor to DH when addressing the requests made by Sami. For example, you did not always provide Sami with sufficient information to respond to the requests. Specifically, you did not provide sufficient depth in your explanations and analysis of the accounting treatment of the new arrangement with ToolMania, the questions regarding the audit plan, the qualitative aspects of the solar power options, and whether the draft vision, mission, and value statements were appropriate for DH. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and to clearly answer their questions. The lack of depth in (this / these) area(s) of your response meant that you did not fulfill your role.

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Was the response easy to read and understand?

Yes

Your response was written efficiently and was easy to read and understand. You used a mix of paragraphs and point form, and your thoughts were complete and clear.

Did the candidate focus their response on the appropriate issues?

Yes

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

Did the response appear balanced?

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 3-2 Freemont Community Health Centre (Freemont)

Assessment Opportunity #1 (FR)

The candidate discusses the accounting treatment for the government grant and the donation.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not address the accounting treatment for both the government grant and the donation.

Assess the Situation

Your discussion of the accounting issues lacked depth.

Analyze Major Issue(s)
- Qualitative

Although you attempted an analysis of the accounting treatment for the government grant, your discussion did not always explain the financial reporting issues in sufficient depth. In financial reporting areas, it is important not only to reach a conclusion on the appropriate accounting treatment, but to show your understanding of why that treatment is correct based on an application of specific case facts to the relevant standards and criteria. For example, while you did identify the correct accounting standards under ASNPO 4410, you did not explain why the government grant would be considered a restricted contribution in this case. In your response, you copied over the correct standards from the handbook, but then jumped straight to a conclusion, "Based on the above information, since the deferral method is followed, the grant revenues should be deferred and recognised as the asset is amortised. Since the building purchased has a useful life of 40 years, only \$25,000 of the grant should be recognised with the other \$975,000 being deferred revenues," without providing any analysis or discussion related to the standards you had noted. A better response would have used the available case facts to explain that the Nova Scotia Ministry of Health requires that the grant be used towards the cost of the acquisition of the building, therefore it is a restricted contribution as it has externally imposed stipulations. This would have supported why you were referencing the standards relating to restricted contributions.

Your discussion of the accounting issues contained technical errors.

Analyze Major Issue(s)
- Qualitative

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While you attempted to discuss the accounting treatment for the donation, your analysis contained technical errors. Specifically, you did not reference the relevant Handbook standards to support your suggested treatment. You stated, "Since it is an unrestricted contribution, it can be placed in a general fund, which ASNPO 4410 defines as such, A general fund is a self-balancing set of accounts which reports all unrestricted revenue and restricted contributions for which no corresponding restricted fund is presented. The fund balance represents net assets that are not subject to externally imposed restrictions." This was not the correct standards to apply for this issue. A good discussion would have pointed out that 4410.02(c) states that restrictions on contributions can only be externally imposed, and that unrestricted donations are to be recognized as revenue in the current period under 4410.47 and .48. You could have then applied the relevant facts of this case, noting that the donor advised the Centre that they could use the money for anything. Although the Board in this case decided to use the donation to buy equipment, this does not make the donation a restricted contribution for accounting purposes. Therefore, it must be treated as an unrestricted donation, which is recognized in revenue in the current period.

You did not provide a recommendation on the accounting treatment that was consistent with your analysis.

Conclude and Advise

While you provided an analysis of the accounting treatment for the donation, you did not conclude on the appropriate treatment. It is important to consider the user, and you should have provided a conclusion to respond to Neesha's request, instead of leaving it up to her to interpret your analysis and reach her own conclusion about how it should be accounted for. Your analysis ended with a copy/paste of the Handbook: "A general fund is a self-balancing set of accounts which reports all unrestricted revenue and restricted contributions for which no corresponding restricted fund is presented. The fund balance represents net assets that are not subject to externally imposed restrictions."

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to address the accounting treatment for the government grant and donation. However, your analysis lacked depth because you did not always adequately analyze the relevant technical standards you had identified for the government grant in your discussions by applying case facts. In order to provide Neesha with an explanation that would help her understand the accounting issues and to demonstrate your understanding of the financial reporting concepts in this case, you were expected to provide a more complete and supported discussion. In addition, your analysis included technical errors, and therefore you would not have given Neesha an accurate understanding of the financial reporting considerations and the appropriate accounting treatment for the donation. It is important to have a good technical understanding of the financial reporting concepts, as well as a clear understanding of the case facts, so that you can explain these correctly to the client.

Assessment Opportunity #2 (FIN)

The candidate discusses the investment options for the donation.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

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You did not provide both a quantitative and qualitative analysis of the investment options. Assess the Situation

You did not address a sufficient number of considerations when choosing between the investment options. Assess the Situation

Your analysis of the investment options did not consider Tamar's investment objectives. Analyze Major Issue(s)
- Integrate Situation

Your qualitative discussion of the investment options lacked depth. Analyze Major Issue(s)
- Qualitative

You attempted to address the decision factors associated with the investment options, but your discussion lacked depth as you did not always sufficiently explain or support your return assessment. It is important to consider who you are addressing, and in this case, you were providing information to Tamar in order to help her decide where to invest the funds. In order to make that decision, she would need to understand how each option would impact the risk, return, and accessibility of the funds. For example, you discussed the expected returns of the various options, but your analysis lacked depth. Specifically, you attempted to quantitatively compare the rates provided in the case, which included 6% for the GIC, 4.5% for the savings account, 7% for the mutual funds, and 10% for the self-directed strategy. You stated: "Option1: guaranteed return of 6%" and: "Option 2: provide a good rate of return of 7%, which can be used to cover the marketing costs" and: "Option3: Rate of return is the lowest as it is prime rate, 6.5%, less 2%. Return on investment will be 4.5%" and "Option4: Highest rate of return at 10% per year." However, this did not provide enough depth as it did not go beyond case facts. This information was readily available to Tamar, and she could have easily compared the rates herself. In addition, telling her that it was a "good return" was vague, and suggesting that it "could" cover marketing costs was not useful, as she would need a conclusion on whether it would or would not meet the \$70,000 objective. You were expected to provide a more complete analysis by performing calculations to assess the returns over two years and compare whether each option would allow them to meet the \$70,000 objective. She would require a supported conclusion in order to determine which would meet the objectives, taking this into consideration along with the level of risk and other factors.

Your qualitative discussion of the investment options contained technical errors. Analyze Major Issue(s)
- Qualitative

Your quantitative analysis of the investment options contained technical errors. Analyze Major Issue(s)
- Quantitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

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You provided a discussion of some of the considerations when choosing between the investment options. However, your analysis lacked depth since you did not always adequately support your analysis of the return on the funds related to each option as you did not go beyond restating case facts. In order to give Tamar a sufficient understanding of her options, she would require you to go beyond the case facts and determine which of these options align with the Centre's objectives.

Assessment Opportunity #3 (FIN)

The candidate analyzes the financing options for the ambulance.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not provide both a quantitative and qualitative analysis of the financing options.

Assess the Situation

You did not identify a sufficient number of relevant qualitative factors in your analysis of the financing options.

Assess the Situation

You did not provide a quantitative analysis for a sufficient number of the financing options.

Assess the Situation

Your quantitative analysis of the financing options contained technical errors.

Analyze Major Issue(s)
- Quantitative

Your quantitative analysis of the financing options was not internally consistent.

Analyze Major Issue(s)
- Quantitative

Your qualitative analysis of the financing options lacked depth.

Analyze Major Issue(s)
- Qualitative

You did not provide a recommendation that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You provided a good analysis on the comparison of the three financing options for the ambulance. Your analysis included a sufficient number of valid considerations, effectively incorporating the facts provided in the case, and you provided an overall recommendation on which financing option to select. This would have given Tamar the information required to choose the financing option that was best for the organization.

Assessment Opportunity #4 (AS)

The candidate discusses the control weaknesses identified, and provides recommendations.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not identify a sufficient number of relevant control weaknesses.

Assess the Situation

Your discussion of the implications of the control weaknesses lacked depth.

Analyze Major Issue(s)
- Qualitative

Your recommendations of the controls that should be in place were not always practical, effective, or linked to the risks identified.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You identified some of the control weaknesses specified in the case, addressed the key implications of those weaknesses, and provided useful recommendations to address them. This information would have been useful to Tamar in improving the controls in the Centre's accounting processes.

Assessment Opportunity #5 (MA)

The candidate allocates the common costs to the departments for the first quarter.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not allocate a sufficient number of common costs to the departments.

Assess the Situation

Your identification of the basis of allocation for the common costs contained technical errors.

Analyze Major Issue(s)
- Qualitative

Your allocation of the common costs to the departments contained technical errors.

Analyze Major Issue(s)
- Quantitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You provided a reasonable analysis which included an allocation of the common costs to each of the departments. This analysis would have provided Neesha with the information she required.

Assessment Opportunity #6 (STRAT & GOV)

The candidate recommends KPIs to measure the urgent care and family health departments' performance, as well as actions to improve these two departments' performance on those KPIs.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not provide both KPIs and actions to improve performance on those KPIs.

Assess the Situation

You did not identify a sufficient number of relevant KPIs or actions.

Assess the Situation

Your KPIs were either too general, poorly explained, or impractical.

Analyze Major Issue(s)
- Qualitative

You identified some KPIs, but they were not always well explained. Your suggested KPIs should be aimed at achieving performance in the key areas that are important to the business, such as the vision and goals of the Centre. For example, you provided a list of KPIs but did not explain to Tamar why each of these would be a good measure of the Centre's performance. You wrote: "KPIs can include number of repeat customers, number of customers serviced monthly, average patient wait time and revenues." Before implementing your suggestion, she would want to understand why these would be useful. For example, you provided volume-related measures: "revenue" and "number of customers serviced monthly." However, these effectively measure the volume put through by the Centre in terms of total revenue or patients. This was not sufficient as you did not explain the purpose of these measures, and it was not clear why volume would be a good measure of the Centre's performance in this case. In this scenario, it would not likely be their goal to simply increase volume, especially since they are a not-for-profit organization and would not be focused on increasing profits by increasing volume. An increased volume would also mean that more people are ill or injured, which would not be their goal. Similarly, they would not necessarily want to see "repeat customers" as that could mean that the patients had not been properly treated when they had been seen, or are ill or injured again. A better response would have explained this in a way that would make it relevant to the Centre's performance, by noting that higher revenue means that they are seeing more patients, and a higher number of patients seen means that they are providing care to more people and they will be more satisfied and have their concerns addressed. In addition, if they are seeing more patients in a day, they are likely waiting for shorter periods, also improving the quality of the care and patient satisfaction.

Your actions to improve performance were either too general, poorly explained, or impractical.

Analyze Major Issue(s)
- Qualitative

You attempted to address Neesha's request for actions the departments could take to improve their performance on the KPIs, but the actions you suggested were too general and poorly explained. In order for Neesha to adopt your suggestions and take appropriate action, she would need clear and relevant explanations of what the Centre should do. For example, you wrote: "To improve their performances, there could be better training or more experienced staff hired in order to improve services and there could be more ways to reach customers through community outreach." You did not tie this statement to any specific KPIs, and it was unclear what they were intended to improve. Was training intended to improve wait time, revenue, the number of patients, etc.? How? It was not clear how they improvements related to the KPIs you had provided. A better response could have suggested that the Centre could improve performance by increasing revenue per doctor or per employee, which could be done by offering training to staff on the most up-to-date processes and procedures to ensure that they are performing their jobs efficiently while still providing quality care.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

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You attempted to address Neesha's request for key performance indicators that could be used to measure performance. However, your discussion lacked depth as you did not always sufficiently explain the KPIs and actions to Neesha. It is important to consider your audience, and Neesha would require both an identification of the KPI and an explanation on how that KPI would be useful to them in measuring performance, as well as a more complete and relevant explanation of the actions they could take.

Overall Comments

Yes

Was the response well organized with a logical flow?

Your response was generally well organized and easy to follow. You structured your response using headings, which served to organize your response and to clearly indicate what you were addressing. You also used a relevant structure when customizing your response to specific requests. For example, your use of the weakness, implication, recommendation format when analyzing the control weaknesses was useful in ensuring that you provided a complete response that demonstrated an understanding of the implications and ensured that you provided a recommendation to address the weaknesses you had identified.

Did the candidate understand their role?

No

You did not always appear to have understood your role when addressing the requests. For example, you did not always provide Tamar or Neesha with sufficient information to respond to their requests. Specifically, you did not provide sufficient depth in your discussion of the financial reporting of the government grant, in your analysis of the investment options for the \$500,000 donation, and in the KPIs and actions to improve performance on those KPIs. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and allow them to make informed decisions. The lack of depth in these areas of your response meant that you did not fulfill your role, and you should focus on providing more complete analyses in order to sufficiently demonstrate your knowledge in these competency areas, as well as to meet the needs of the users.

Was the response easy to read and understand?

Yes

Your response was generally easy to read and understand. However, you should note that a very concise style of writing was used throughout your response, and while this made your response easy to read and follow, it seemed to sometimes limit the depth of your discussions. For example, when comparing the investment options, for the mutual fund option you wrote: "Provide a good return of 10% and 3% management fees for a net return on investment of 7%." There was no discussion or explanation included about if this was a good or bad factor or how this aligns with their objectives. As another example, you wrote: "For Urgent Care and Family Health, the KPIs can include number of repeat customers, number of customers serviced monthly, average patient wait time and revenues." Again, this provided a list without any development or explanation. While this concise style of writing can be useful in time-constrained situations, you should ensure that you always provide a complete discussion to clearly present your thoughts.

Did the candidate focus their response on the appropriate issues?

Yes

Your response focused on the significant requests and issues in this case, and did not contain discussions of unrelated or irrelevant issues.

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Did the response appear balanced?

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities. In addition, with the exception of the lack of quantitative analysis of the investment options, your response was well-balanced between quantitative and qualitative analysis.

Day 3-3 The Winnington Chalets Inc. (Winnington)

Assessment Opportunity #1 (FIN)

The candidate determines which upgrades should be pursued, given the limited funds and space available.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not analyze a sufficient number of potential upgrades.

Assess the Situation

You did not include a sufficient number of elements in your analysis of potential upgrades.

Assess the Situation

You attempted to calculate the cash flows for some of the upgrade options, but your analysis did not always include a sufficient number of elements to be meaningful to Bhavna. There were multiple items presented in Appendix I and Appendix II that could have been included to provide her with a more complete and accurate representation of the upgrade options. For example, in your calculation of the outdoor pool cash flows, you included the incremental increase in rental revenue of 2% only. You could have also included the gross margin of 62%, the incremental increase of 9% in rental revenues due to the existing renovations and pro-rated the revenue for the summer season. Including more elements in your calculation would have provided Bhavna with more useful and accurate information regarding the cash flows for the outdoor pool option.

Your analysis of the potential upgrades contained technical errors.

Analyze Major Issue(s)
- Quantitative

Although you included some of the relevant elements in your quantitative analysis of the upgrade options, your calculations of the cash flows resulting from the upgrades contained an error. As a result, Bhavna would not have been provided with accurate information to assess the options. For example, your calculation included net income for 1 year for all options except the cafe which was over 3 years. This was incorrect and resulted in a calculation that was not as useful for Bhavna. Appendix II of the case noted that all the upgrade options were expected to last for 15 years. You were expected to calculate cash flows over this period for all options to compare them on an equal and correct basis.

You did not use an appropriate approach to analyze the potential upgrades.

Analyze Major Issue(s)
- Quantitative

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You attempted to assess the potential upgrade options. However, your analysis did not use an appropriate approach. For example, in your analysis for all options you calculated the difference between the capital expenditure and the net income or loss. This approach did not allow you to compare the options to Bhavna's desired hurdle rate of 10%, and therefore did not fulfill her needs. A stronger response could have used, for example, a profitability index, a net present value calculation, or a return on investment calculation. The most useful approaches also incorporated the time value of money, given that the cash flows from the upgrades are expected to be generated over a period of 15 years. This would have provided Bhavna with better information to use in deciding which options to pursue.

Your quantitative analysis was not internally consistent.

Analyze Major Issue(s)
- Quantitative

You did not provide a recommendation that was consistent with your analysis.

Conclude and Advise

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to analyze all of the upgrade options. However, your analysis lacked breadth as it did not always incorporate a sufficient number of elements within your cash flow calculations. The case provided details about several elements for the upgrade options that could have been incorporated into your cash flow projections to provide Bhavna with more accurate and complete information. In addition, your calculation of the cash flows for the potential upgrade options included a technical error. As a result, your calculation would not have provided Bhavna with accurate information to assess which options would be beneficial for Winnington to pursue. Lastly, you did not use an appropriate approach to compare the potential upgrade options. It was important to compare the results to the desired hurdle rate provided by Bhavna to ensure that the upgrade met Winnington's investment criteria, and incorporate the time value of money to compare the cash flows over the full life of the investment. It is important to have a good technical understanding of finance concepts and the case facts, so that you can select the best approach for the quantitative analysis required.

Assessment Opportunity #2 (MA)

The candidate discusses how the data collected in the information system could improve restaurant operations.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not address a sufficient number of operational issues.

Assess the Situation

Your discussion of the operational issues did not consider the existing data collected in the information system.

Analyze Major Issue(s)
- Qualitative

Your discussion of how to improve the operational issues lacked depth.

Analyze Major Issue(s)
- Qualitative

You attempted to address operational issues that Felix had identified in his new role as restaurant manager, but your suggestions did not always adequately explain how the suggested data would resolve the issues identified. Felix would need to know what data to use to implement the recommendation and how the data will be useful, before implementing your suggested improvements. For example, for the operational issue relating to inventory management, Felix stated: "Weekly food orders to suppliers are based on previously set minimum inventory levels, but this sometimes results in food being thrown out because it has expired, whereas other menu items sell out. Felix wonders whether the menu should be changed to better reflect what customers want." Your response stated: "To analyze the amount of weekly food orders needed, they can be looked at by item and sales tax amount and how many tables order it." While it was great that you identified some useful data points, your recommendation was incomplete because you did explain how the data would be used to identify slow moving items or items that are selling out. A better would have further explained to use the data on the description of the items sold and calculate the frequency at which those items are ordered, to determine which are most popular and therefore should have increased quantities ordered.

Your recommendations for improvement were not always practical, effective, or linked to the issues identified.

Conclude and Advise

You addressed some of the operational issues that Felix has identified in his new role as restaurant manager, but your recommendations were not always effective or linked to the underlying cause of the issue. For example, you identified there was an issue related to wait times when you stated: "To analyze the wait list and business, The pre-tax amount, sales tax amount and invoice numbers can be analyzed based on time to see when to adjust for them." It was not clear what was meant by "to see when to adjust for them" and this recommendation did not solve the underlying problem or issue with the wait time. The issue related to allowing guests to redeem the coupons provided only on Fridays, which is already the busiest night of the week even without the coupon. An example of a good suggestion for how to use the data from the sales system would be to use the pre-tax amount to determine which nights are the least busy. This would provide Felix with the information he needs to determine a different night for guests to use the coupon, which would reduce the waitlist on Fridays and increase the number of guests on a night that could presumably handle the additional traffic if it wasn't previously busy.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You recognized the need to discuss the operational issues that Felix identified in his new role as restaurant manager and you attempted several discussions. However, your analysis lacked depth overall as your discussions did not adequately explain how to use the data to resolve the issues. It is important to consider your audience, and Felix would require an explanation of what data from the sales system could be used, and, how to use the data to resolve the issue. You were expected to provide a more complete discussion to help him better understand the recommendations, and to demonstrate your understanding of the management accounting concepts in this case. In addition, your suggestions for improvement were not always effective or linked to the appropriate issue. It is important to consider your audience, and Felix would require clear, specific suggestions for improvements to address the issues he had identified.

Assessment Opportunity #3 (TAX)

The candidate discusses the Canada Revenue Agency (CRA)'s ability to reassess for the disallowed deductions, and the tax implications of the acquisition of control.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not discuss both the CRA's ability to reassess and the implications of the acquisition of control.

Assess the Situation

You did not address a sufficient number of relevant tax issues.

Assess the Situation

Your discussion of the tax issues contained technical errors.

Analyze Major Issue(s)
- Qualitative

You attempted to discuss the CRA's ability to reassess the disallowed deductions and the acquisition of control, but some of your analysis contained technical errors. For example, when discussing how far back the CRA can look, you stated: "The CRA can look back up to 90 days after the notice of assessment of the taxation year to look at the income taxes." This discussion was not technically correct because the number of years used in advising Bhavna was not in line with CRA policies. Instead, you should have explained that for CCPC's, the normal reassessment period is three years from the date of the notice of assessment. Alternatively, you could have recognized that in cases of suspected misrepresentation or fraud, the CRA may reassess any taxation year, even if it has passed these deadlines. When discussing the non-capital losses, you stated: "For the non-capital loss carryforwards, they can only be used if they are used in a similar line of business as the loss business by the company that acquires them. In this case, Paradise Resorts is similar to the business of Winnington Chalets, so these losses can be used." This discussion was not technically correct because you concluded that the non-capital losses could be utilized because the Paradise business was similar to Winnington's, rather than that Winnington was in the same business as it was before. You should have explained that the non-capital losses can only be used if the business that generated the losses is carried on and has a reasonable expectation of profit. You should have also explained that post-acquisition, the non-capital losses can only be used against income from a "same or similar" business, meaning that Winnington must continue to offer the same resort/chalet rental services as before to utilize the non-capital losses.

Your discussion of the tax issues lacked depth.

Analyze Major Issue(s)
- Qualitative

Although you attempted to discuss some of the points related to CRA's ability to reassess the disallowed deductions, you did not always explain the concepts sufficiently to allow Bhavna and Cara to understand the implications of the tax issues. It is important not only to correctly identify the taxation concept or consideration, but also to demonstrate your technical understanding through clear explanations for each of the areas discussed. For example, you recommended to: "Refile the income tax returns with the assessed amounts, which will incur a penalty for the months outstanding of the new taxes payable." To provide added value to Bhavna, you needed to explain that to reduce the amount of potential penalties and interest owing, Paradise could proceed with a voluntary disclosure of the disallowed deductions. Instead of just noting to refile, it was important to explain the voluntary disclosure and the reduction of penalties.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted to provide a discussion of the CRA's ability to reassess for the disallowed deductions and the implications of an acquisition of control. However, your discussions contained technical errors and would not have given Bhavna and Cara an accurate understanding of the CRA's ability to reassess for the disallowed deductions and of the tax implication of the acquisition of control. It is important to have a good technical understanding of the taxation concepts, as well as a clear understanding of the case facts, so that you can provide accurate information. In addition, you did not always provide sufficient depth in your discussions. You were expected to provide a more complete discussion in order to demonstrate your understanding of the taxation concepts in this case. More complete explanations would have provided Bhavna and Cara with useful information in understanding the tax implications of the acquisition of control.

Assessment Opportunity #4 (STRAT & GOV)

The candidate discusses the governance issues, such as whether a new manager should be hired, what the governance structure should be, and how to ease the staff's concerns.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

Your discussion did not provide sufficient coverage of the areas to be discussed.

Assess the Situation

You did not address a sufficient number of relevant governance issues.

Assess the Situation

Your discussion of the governance issues lacked depth.

Analyze Major Issue(s)
- Qualitative

Your discussion did not focus on the significant issues.

Analyze Major Issue(s)
- Qualitative

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

Overall, your response on this assessment opportunity was well done. You discussed the governance issues at Winnington including whether a new manager should be hired, what the governance structure should be and how to ease staff concerns. This analysis would have answered Bhavna's questions and provided her with good information to address the governance issues at Winnington.

Assessment Opportunity #5 (FR)

The candidate explains the differences between ASPE and IFRS for property, plant, and equipment, taxes, and for its lease.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.

Assess the Situation

You did not identify a sufficient number of financial reporting differences.

Assess the Situation

Your discussion of the financial reporting differences contained technical errors.

Analyze Major Issue(s)
- Qualitative

You attempted to address the differences between ASPE and IFRS for all of the financial statement items requested, however your analysis contained a technical error. For example for taxes, you stated: "For ifrs it is current." This was not technically correct because it was inconsistent with the guidance provided in IAS 12. Companies reporting under IFRS are required to use the deferred income taxes method and account for temporary tax differences using IAS 12.

Your discussion of the financial reporting differences lacked depth.

Analyze Major Issue(s)
- Quantitative

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Although you attempted an analysis of the financial reporting differences between ASPE and IFRS, your analysis did not explain the differences in enough depth. For example, the main difference between ASPE and IFRS for leases is that under ASPE 3065, a lease is classified as operating or capital depending on if substantially all of the benefits and risks of ownership are transferred to the company. Under IFRS 16, the company would generally recognize a right of use asset and a lease liability at the commencement of the lease. There are exceptions for short-term and low value leases, but they would not apply to Winnington. In your response, you provided copy and pastes from the handbook and as such did not clearly summarize the differences for Bhavna and Cara. A stronger response would have summarized the difference as note above. Even more depth could have been shown for IFRS by discussing the election to not apply this standard for short-term and low value leases and integrating case facts related to the \$30,000 lease to recognize the exception would not apply.

Your discussion did not focus on the significant financial reporting differences.



Analyze Major Issue(s)
- Qualitative

You identified some of the financial reporting differences between ASPE and IFRS, but you did not always focus your analysis on the most relevant or significant differences for Winnington. For example, the main difference between ASPE and IFRS is that under ASPE 3061, property plant and equipment is recorded at historical cost, depreciated and subject to impairment testing. Under IFRS however, for subsequent measurement, the entity has a choice of either the cost model or the revaluation model. In your analysis you provided a copy and paste of the handbook from ASPE and IFRS related to the recognition of property, plant and equipment and did not provide any analysis or discussion of the actual relevant difference to Winnington as summarized above.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You attempted an analysis of the differences between ASPE and IFRS as requested by Cara. However, your discussion of the differences between ASPE and IFRS included a technical error, and therefore provided Bhavna with inaccurate information. It is important to have a good technical understanding of the financial reporting concepts, as well as a clear understanding of the case facts, so that you can incorporate these correctly in your analysis. In addition, your analysis lacked depth because you did not provide Cara with enough explanation for her to completely understand the differences between the two reporting standards for the items. It is important to consider your user, and in this case, it was important to provide complete explanations of the financial reporting differences to fully answer Cara's questions. Lastly, your analysis sometimes focused on less significant differences in the reporting standards instead of discussing the more relevant case specific differences that would impact Winnington.

Assessment Opportunity #6 (AS)

The candidate provides review procedures that will likely be performed on Winnington's income statement.

YOU DID NOT ADDRESS THIS ASSESSMENT OPPORTUNITY.



Assess the Situation

You did not provide a sufficient number of relevant review procedures to be performed.

Assess the Situation

Your review procedures were either too general, poorly explained, impractical, or did not provide information that was useful in assessing the underlying account.

Analyze Major Issue(s)
- Qualitative

You attempted to suggest review procedures, but they were sometimes too general and not useful in assessing the underlying account. For example, you provided the following review procedure for overall expenses: "Inquire with management on the operating expenses incurred." This procedure was not adequate because it was too general and incomplete. A stronger analysis would have discussed a specific income statement expense and provided enough details to explain how it would be performed including a link to what was recorded in the general ledger. An example of a valid, complete review procedure would be to provide a procedure for a specific expense items such as repairs and maintenance and to pro-rate the two months versus the twelve months, or to compare the two months to the same two months in the prior year, and to inquire with management about any significant variances. You also stated: "Perform analytical procedures to compare rental revenues to other rental properties in the industry. Perform analytical procedures to compare restaurant sales to other restaurants in the industry." While these were both valid procedures, a stronger response would differentiate procedures where applicable. For example, to compare the rental revenue in February and March to the rental revenue in the same months last year and discuss any significant differences with management. Similarly, for restaurant revenue, the practitioner could develop an expectation of restaurant sales in February and March using the rental sales from the same period and compare it to the amount of restaurant revenue recorded in the general ledger. They would then discuss any significant differences with the restaurant manager.

Reviewer's additional comments on strengths/weaknesses and recommendations for improvement:

You recognized the need to provide procedures in order to address Cara's request in understanding the types of review procedures Winnington can expect for the period of two months since the acquisition. However, some of your suggested procedures were too general and therefore did not provide Cara with sufficient information to be useful to her in understanding how the practitioner would assess the underlying balance. It is important to consider the user and their level of knowledge, and to ensure your response is aimed at providing the level of information they will need to have a complete understanding of the review procedures to be performed.

Overall Comments

Yes

Was the response well organized with a logical flow?

Your response was well organized and easy to follow. You used headings and separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Did the candidate understand their role?

No

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You did not always appear to have understood your role when addressing the requests made by Bhavna and Cara. For example, you did not always provide Bhavna and Cara with sufficient information to respond to their requests. Specifically, you did not provide sufficient depth in your explanations and analysis of the data to be used to resolve the restaurant operational issues, the CRA reassessment, the differences between ASPE and IFRS and the review procedures. Your overall role is to provide the users with a sufficient level of information and explanations that will give them an understanding of the issues and to clearly answer their questions. The lack of depth in these areas of your response meant that you did not fulfill your role.

Was the response easy to read and understand?

Yes

Your response was written efficiently and was easy to read and understand. You used complete paragraphs which allowed you to provide thoughts that were complete and clear. Your exhibit was also well done and easy to follow with an exhibit number and a purpose. You made good use of notes in your exhibits to reference the explanations for your adjustments. This was very helpful in understanding your calculations.

Did the candidate focus their response on the appropriate issues?

Yes

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

Did the response appear balanced?

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Section B: Assessment By Competency Area

Section B: Assessment By Competency Area

The weaknesses the reviewers identified for each simulation have been re-sorted and presented here, by competency area, with the depth areas (Financial Reporting and Management Accounting) shown before the breadth areas (Audit and Assurance, Taxation, Strategy and Governance, and Finance). Within each competency area, the weaknesses are listed by enabling skill. The detailed reviewer comments have not been repeated in Section B. Please refer to Section A to see the detailed comments.

Taxation

Day 3-3 The Winnington Chalets Inc. (Winnington)

Assessment Opportunity #3 (TAX)

Your discussion of the tax issues contained technical errors.



Analyze Major Issue
(s) - Qualitative

Your discussion of the tax issues lacked depth.



Analyze Major Issue
(s) - Qualitative

Financial Reporting

Day 2 Bold Plant Foods (BPF)

Assessment Opportunity #5 (FR)

Your discussion of the accounting treatment for the note payable lacked depth.



Analyze Major Issue
(s) - Qualitative

Assessment Opportunity #6 (FR)

Your discussion of the accounting treatment for the subsequent events contained technical errors.



Analyze Major Issue
(s) - Qualitative

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Assessment Opportunity #1 (FR)

Your discussion of the accounting treatment for the non-monetary transaction lacked depth.



Analyze Major Issue
(s) - Qualitative

Day 3-2 Freemont Community Health Centre (Freemont)

Assessment Opportunity #1 (FR)

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- Your discussion of the accounting issues lacked depth.** Analyze Major Issue (s) - Qualitative
- Your discussion of the accounting issues contained technical errors.** Analyze Major Issue (s) - Qualitative
- You did not provide a recommendation on the accounting treatment that was consistent with your analysis.** Conclude and Advise

Day 3-3 The Winnington Chalets Inc. (Winnington)

- Assessment Opportunity #5 (FR)**
Your discussion of the financial reporting differences contained technical errors. Analyze Major Issue (s) - Qualitative
- Your discussion of the financial reporting differences lacked depth.** Analyze Major Issue (s) - Quantitative
- Your discussion did not focus on the significant financial reporting differences.** Analyze Major Issue (s) - Qualitative

Audit and Assurance

Day 2 Bold Plant Foods (BPF)

- Assessment Opportunity #1 (AS)**
Your discussion of the accounting treatment for the related party transaction lacked depth. Analyze Major Issue (s) - Qualitative
- Assessment Opportunity #2 (AS)**
Your discussion of the fraud risk factors lacked breadth. Assess the Situation
- Assessment Opportunity #3 (AS)**
Your discussion of the audit procedures for the financial reporting issues lacked depth. Analyze Major Issue (s) - Qualitative

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Assessment Opportunity #4 (AS)

You did not identify a sufficient number of valid internal control weaknesses.

Assess the Situation

Your discussion of the internal control weaknesses lacked depth.

Analyze Major Issue (s) - Qualitative

Assessment Opportunity #5 (AS)

Your discussion of the sample data report from the equipment subledger lacked depth.

Analyze Major Issue (s) - Qualitative

Your discussion of the sample data report from the equipment subledger was not always focused specifically on the most significant anomalies presented.

Analyze Major Issue (s) - Integrate Situation

Assessment Opportunity #6 (AS)

Your discussion of the audit procedures to verify compliance with the provincial regulations lacked depth.

Analyze Major Issue (s) - Qualitative

The audit procedures you provided to verify compliance with the provincial regulations were not always practical and/or effective.

Analyze Major Issue (s) - Qualitative

Assessment Opportunity #7 (AS)

Your discussion of the 2023 preliminary internal audit plan lacked depth.

Analyze Major Issue (s) - Qualitative

Your discussion of the 2023 preliminary internal audit plan contained technical errors.

Analyze Major Issue (s) - Qualitative

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Assessment Opportunity #4 (AS)

Your discussion of the materiality lacked depth.

Analyze Major Issue (s) - Qualitative

Your discussion of the audit approach lacked depth.

Analyze Major Issue
(s) - Qualitative

Day 3-3 The Winnington Chalets Inc. (Winnington)

Assessment Opportunity #6 (AS)

Your review procedures were either too general, poorly explained, impractical, or did not provide information that was useful in assessing the underlying account.

Analyze Major Issue
(s) - Qualitative

Finance

Day 3-2 Freemont Community Health Centre (Freemont)

Assessment Opportunity #2 (FIN)

Your qualitative discussion of the investment options lacked depth.

Analyze Major Issue
(s) - Qualitative

Day 3-3 The Winnington Chalets Inc. (Winnington)

Assessment Opportunity #1 (FIN)

You did not include a sufficient number of elements in your analysis of potential upgrades.

Assess the Situation

Your analysis of the potential upgrades contained technical errors.

Analyze Major Issue
(s) - Quantitative

You did not use an appropriate approach to analyze the potential upgrades.

Analyze Major Issue
(s) - Quantitative

Strategy and Governance

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Assessment Opportunity #6 (GOV)

Your discussion of the vision, mission, and values lacked depth.

Analyze Major Issue
(s) - Qualitative

Day 3-2 Freemont Community Health Centre (Freemont)

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

Assessment Opportunity #6 (GOV)

Your KPIs were either too general, poorly explained, or impractical.



Analyze Major Issue
(s) - Qualitative

Your actions to improve performance were either too general, poorly explained, or impractical.



Analyze Major Issue
(s) - Qualitative

Management Accounting

Day 2 Bold Plant Foods (BPF)

Assessment Opportunity #1 (MA)

Your quantitative analysis contained technical errors.



Analyze Major Issue
(s) - Quantitative

Your discussion of the qualitative considerations of switching to FIFO lacked depth.



Analyze Major Issue
(s) - Qualitative

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Assessment Opportunity #5 (MA)

Your discussion of the qualitative factors lacked depth.



Analyze Major Issue
(s) - Qualitative

Day 3-3 The Winnington Chalets Inc. (Winnington)

Assessment Opportunity #2 (MA)

Your discussion of how to improve the operational issues lacked depth.



Analyze Major Issue
(s) - Qualitative

Your recommendations for improvement were not always practical, effective, or linked to the issues identified.



Conclude and Advise

Section C: General Findings and CPA Enabling Skills

Section C: General Findings and CPA Enabling Skills

Did the response appear balanced?

Day 2 Bold Plant Foods (BPF)

No

The Assurance section of your response was heavily weighted on the related party transaction with Meals 2 Go. This appeared to have limited the time you had to address the other issues. For example, you spent 1.5 pages on the related party transaction with Meals 2 Go but only half a page on procedures for Gretta. There were a lot of issues to cover in this section and good time management was required. It was essential for you to plan your time in order to ensure you were able to address all of the issues in sufficient depth.

Day 2 Bold Plant Foods (BPF)

Yes

The Common section of your response was well balanced and you seem to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Day 3-2 Freemont Community Health Centre (Freemont)

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities. In addition, with the exception of the lack of quantitative analysis of the investment options, your response was well-balanced between quantitative and qualitative analysis.

Day 3-3 The Winnington Chalets Inc. (Winnington)

Yes

Your response was well balanced, and you seemed to have allocated an appropriate amount of time to each of the assessment opportunities.

Was the response easy to read and understand?

Day 2 Bold Plant Foods (BPF)

No

For the Assurance section of your response, point form was used and this sometimes limited the depth of your discussions. For example, you wrote: "Inquire with employees if they are aware of the requirements and guidelines of the MFSE regulations." This was an insufficient discussion because you did not provide both the evidence to be obtained and the work to be performed in your audit procedure. You should ensure that you always provide a complete discussion to clearly present your thoughts, even when using point form.

Day 2 Bold Plant Foods (BPF)

Yes

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

For the Common section, your response was written efficiently and was easy to read and understand. You used complete paragraphs which allowed you to provide thoughts that were complete and clear.

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Yes

Your response was written efficiently and was easy to read and understand. You used a mix of paragraphs and point form, and your thoughts were complete and clear.

Day 3-2 Freemont Community Health Centre (Freemont)

Yes

Your response was generally easy to read and understand. However, you should note that a very concise style of writing was used throughout your response, and while this made your response easy to read and follow, it seemed to sometimes limit the depth of your discussions. For example, when comparing the investment options, for the mutual fund option you wrote: "Provide a good return of 10% and 3% management fees for a net return on investment of 7%." There was no discussion or explanation included about if this was a good or bad factor or how this aligns with their objectives. As another example, you wrote: "For Urgent Care and Family Health, the KPIs can include number of repeat customers, number of customers serviced monthly, average patient wait time and revenues." Again, this provided a list without any development or explanation. While this concise style of writing can be useful in time-constrained situations, you should ensure that you always provide a complete discussion to clearly present your thoughts.

Day 3-3 The Winnington Chalets Inc. (Winnington)

Yes

Your response was written efficiently and was easy to read and understand. You used complete paragraphs which allowed you to provide thoughts that were complete and clear. Your exhibit was also well done and easy to follow with an exhibit number and a purpose. You made good use of notes in your exhibits to reference the explanations for your adjustments. This was very helpful in understanding your calculations.

Overall Comments

Was the response well organized with a logical flow?

Day 2 Bold Plant Foods (BPF)

Yes

For the Assurance section, your response was well organized and easy to follow. You used headings appropriately and separated your discussions by each issue addressed, which was a logical way to respond to this case.

Day 2 Bold Plant Foods (BPF)

Yes

For the Common section, you provided good structure while responding to the requests. For example, your structure of listing the Handbook criteria, applying case facts to each of the criteria, and forming a conclusion ensured you had a good format for achieving sufficient depth in your discussions.

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Yes

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

Your response was well organized and easy to follow. You used headings and separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Day 3-2 Freemont Community Health Centre (Freemont)

Yes

Your response was generally well organized and easy to follow. You structured your response using headings, which served to organize your response and to clearly indicate what you were addressing. You also used a relevant structure when customizing your response to specific requests. For example, your use of the weakness, implication, recommendation format when analyzing the control weaknesses was useful in ensuring that you provided a complete response that demonstrated an understanding of the implications and ensured that you provided a recommendation to address the weaknesses you had identified.

Day 3-3 The Winnington Chalets Inc. (Winnington)

Yes

Your response was well organized and easy to follow. You used headings and separated your discussions by assessment opportunity, which was a logical way to respond to this case.

Did the candidate understand their role?

Day 2 Bold Plant Foods (BPF)

Yes

For the Assurance section, you appeared to have understood your role and addressed all the requests appropriately.

Day 2 Bold Plant Foods (BPF)

Yes

Not applicable for the Common section of the Day 2 response.

Day 3-1 Do-It-Yourself with Help Inc. (DH)

No

You did not always appear to have understood your role as an external advisor to DH when addressing the requests made by Sami. For example, you did not always provide Sami with sufficient information to respond to the requests. Specifically, you did not provide sufficient depth in your explanations and analysis of the accounting treatment of the new arrangement with ToolMania, the questions regarding the audit plan, the qualitative aspects of the solar power options, and whether the draft vision, mission, and value statements were appropriate for DH. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and to clearly answer their questions. The lack of depth in (this / these) area(s) of your response meant that you did not fulfill your role.

Day 3-2 Freemont Community Health Centre (Freemont)

No

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

You did not always appear to have understood your role when addressing the requests. For example, you did not always provide Tamar or Neesha with sufficient information to respond to their requests. Specifically, you did not provide sufficient depth in your discussion of the financial reporting of the government grant, in your analysis of the investment options for the \$500,000 donation, and in the KPIs and actions to improve performance on those KPIs. Your overall role is to provide the user with a sufficient level of information and explanations that will give them an understanding of the issues and allow them to make informed decisions. The lack of depth in these areas of your response meant that you did not fulfill your role, and you should focus on providing more complete analyses in order to sufficiently demonstrate your knowledge in these competency areas, as well as to meet the needs of the users.

Day 3-3 The Winnington Chalets Inc. (Winnington)

No

You did not always appear to have understood your role when addressing the requests made by Bhavna and Cara. For example, you did not always provide Bhavna and Cara with sufficient information to respond to their requests. Specifically, you did not provide sufficient depth in your explanations and analysis of the data to be used to resolve the restaurant operational issues, the CRA reassessment, the differences between ASPE and IFRS and the review procedures. Your overall role is to provide the users with a sufficient level of information and explanations that will give them an understanding of the issues and to clearly answer their questions. The lack of depth in these areas of your response meant that you did not fulfill your role.

Did the candidate focus their response on the appropriate issues?

Day 2 Bold Plant Foods (BPF)

Yes

For the Assurance section of your response, you did a good job focusing on the significant requests and issues and your response did not contain any unrelated issues.

Day 2 Bold Plant Foods (BPF)

Yes

For the Common section of your response, you did a good job focusing on the significant requests and issues and your response did not contain any unrelated issues.

Day 3-1 Do-It-Yourself with Help Inc. (DH)

Yes

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

Day 3-2 Freemont Community Health Centre (Freemont)

Yes

Your response focused on the significant requests and issues in this case, and did not contain discussions of unrelated or irrelevant issues.

Day 3-3 The Winnington Chalets Inc. (Winnington)

Yes

You did a good job focusing your response on the significant requests and issues in this case, and your response did not contain discussions of unrelated issues.

CPA Enabling Skills

Assess the Situation

Your discussion of the fraud risk factors lacked breadth.



Day 2 Bold Plant
Foods (BPF)
AO #2
AS

You did not identify a sufficient number of valid internal control weaknesses.



Day 2 Bold Plant
Foods (BPF)
AO #4
AS

You did not include a sufficient number of elements in your analysis of potential upgrades.



Day 3-3 The
Winnington Chalets
Inc. (Winnington)
AO #1
FIN

Analyze Major Issue(s) - Quantitative

Your discussion of the financial reporting differences lacked depth.



Day 3-3 The
Winnington Chalets
Inc. (Winnington)
AO #5
FR

Your analysis of the potential upgrades contained technical errors.



Day 3-3 The
Winnington Chalets
Inc. (Winnington)
AO #1
FIN

You did not use an appropriate approach to analyze the potential upgrades.



Day 3-3 The
Winnington Chalets
Inc. (Winnington)
AO #1
FIN

Your quantitative analysis contained technical errors.



Day 2 Bold Plant
Foods (BPF)
AO #1
MA

Analyze Major Issue(s) - Qualitative

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

Your discussion of the tax issues contained technical errors.	<input checked="" type="checkbox"/>	Day 3-3 The Winnington Chalets Inc. (Winnington) AO #3 TAX
Your discussion of the tax issues lacked depth.	<input checked="" type="checkbox"/>	Day 3-3 The Winnington Chalets Inc. (Winnington) AO #3 TAX
Your discussion of the accounting treatment for the note payable lacked depth.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #5 FR
Your discussion of the accounting treatment for the subsequent events contained technical errors.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #6 FR
Your discussion of the accounting treatment for the non-monetary transaction lacked depth.	<input checked="" type="checkbox"/>	Day 3-1 Do-It-Yourself with Help Inc. (DH) AO #1 FR
Your discussion of the accounting issues lacked depth.	<input checked="" type="checkbox"/>	Day 3-2 Freemont Community Health Centre (Freemont) AO #1 FR
Your discussion of the accounting issues contained technical errors.	<input checked="" type="checkbox"/>	Day 3-2 Freemont Community Health Centre (Freemont) AO #1 FR
Your discussion of the financial reporting differences contained technical errors.	<input checked="" type="checkbox"/>	Day 3-3 The Winnington Chalets Inc. (Winnington) AO #5 FR
Your discussion did not focus on the significant financial reporting differences.	<input checked="" type="checkbox"/>	Day 3-3 The Winnington Chalets Inc. (Winnington) AO #5 FR

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

Your discussion of the accounting treatment for the related party transaction lacked depth.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #1 AS
Your discussion of the audit procedures for the financial reporting issues lacked depth.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #3 AS
Your discussion of the internal control weaknesses lacked depth.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #4 AS
Your discussion of the sample data report from the equipment subledger lacked depth.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #5 AS
Your discussion of the audit procedures to verify compliance with the provincial regulations lacked depth.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #6 AS
The audit procedures you provided to verify compliance with the provincial regulations were not always practical and/or effective.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #6 AS
Your discussion of the 2023 preliminary internal audit plan lacked depth.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #7 AS
Your discussion of the 2023 preliminary internal audit plan contained technical errors.	<input checked="" type="checkbox"/>	Day 2 Bold Plant Foods (BPF) AO #7 AS
Your discussion of the materiality lacked depth.	<input checked="" type="checkbox"/>	Day 3-1 Do-It-Yourself with Help Inc. (DH) AO #4 AS
Your discussion of the audit approach lacked depth.	<input checked="" type="checkbox"/>	Day 3-1 Do-It-Yourself with Help Inc. (DH) AO #4 AS

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

Your review procedures were either too general, poorly explained, impractical, or did not provide information that was useful in assessing the underlying account.

Day 3-3 The
Winnington Chalets
Inc. (Winnington)
AO #6
AS

Your qualitative discussion of the investment options lacked depth.

Day 3-2 Freemont
Community Health
Centre (Freemont)
AO #2
FIN

Your discussion of the vision, mission, and values lacked depth.

Day 3-1 Do-It-Yourself
with Help Inc. (DH)
AO #6
GOV

Your KPIs were either too general, poorly explained, or impractical.

Day 3-2 Freemont
Community Health
Centre (Freemont)
AO #6
GOV

Your actions to improve performance were either too general, poorly explained, or impractical.

Day 3-2 Freemont
Community Health
Centre (Freemont)
AO #6
GOV

Your discussion of the qualitative considerations of switching to FIFO lacked depth.

Day 2 Bold Plant
Foods (BPF)
AO #1
MA

Your discussion of the qualitative factors lacked depth.

Day 3-1 Do-It-Yourself
with Help Inc. (DH)
AO #5
MA

Your discussion of how to improve the operational issues lacked depth.

Day 3-3 The
Winnington Chalets
Inc. (Winnington)
AO #2
MA

Analyze Major Issue(s) - Integrate Situation

September 2023 Common Final Examination (CFE)- Day 2 and Day 3

Your discussion of the sample data report from the equipment subledger was not always focused specifically on the most significant anomalies presented.



Day 2 Bold Plant
Foods (BPF)
AO #5
AS

Conclude and Advise

You did not provide a recommendation on the accounting treatment that was consistent with your analysis.



Day 3-2 Freemont
Community Health
Centre (Freemont)
AO #1
FR

Your recommendations for improvement were not always practical, effective, or linked to the issues identified.



Day 3-3 The
Winnington Chalets
Inc. (Winnington)
AO #2
MA