

Explain the five elements of an assurance engagement. (5 marks)

Examiners Report

This 20-mark question was based on Panda Co (Panda) and tested candidates' knowledge of assurance engagements, subsequent events and audit reports.

Part (a) for 5 marks required an explanation of the five elements of an assurance engagement. This question was unrelated to the scenario and was knowledge based. Performance was mixed on this question, in that many candidates either scored full marks or no marks.

Those candidates who were able to identify the elements occasionally failed to score full marks due to a failure to fully explain the element, for example stating "suitable criteria" and then giving an example of accounting standards, rather than explaining that the suitable criteria are the benchmark for comparing the subject matter against.

Some candidates did not understand what was required and focused on the different opinions and positive/negative assurance or on the content of an audit report.