

**MAY 2017 PROFESSIONAL EXAMINATIONS
AUDIT & ASSURANCE (PAPER 2.3)
CHIEF EXAMINER'S REPORT, QUESTIONS & MARKING SCHEME**

EXAMINER'S GENERAL COMMENTS

In my candid opinion, I expected candidates to perform better in this paper. This is because almost all the questions were within the syllabus requirement of this knowledge level of the Institute's examination. It appeared to me that most students did not prepare adequately for the examination. In fact, it behooves on students at this level to grasp the fundamental principles underpinning Auditing as a course that will assist students to do well at the final level and even during practice.

Candidates who do not prepare adequately in Auditing at this level would have serious problems at the final level of this paper. No wonder the pass rate at the final level of Auditing continues to be low.

STANDARD OF THE PAPER

The standard of the paper was still high and same as the ones previously administered by the Institute. The mark allocation followed the weightings in the syllabus but I realised that three (3) syllabus coverages were merged as one question. For example, question two (2) was made up of coverages C, D and E. The mark allocations however were contrary to the syllabus weightings.

In my opinion, none of the questions were too loaded. However, some of the marks allocated were 'over-generous'. For example, question three (3b) should not be more than ten (10) marks. The marks allocated to this question was twelve (12) which I consider to be too much. Over 56% passed that question which to me should have been higher, if candidates took advantage of the generous marks.

There were no ambiguities/errors/typing problems that adversely affected performance in the examinations. All the five (5) questions were of high standard at the level of examination.

PERFORMANCE OF CANDIDATES

The general performance of candidates in the subject is 60.62%. That is, out of a total number of 386 candidates who wrote the paper 234 passed and 152 failed. The performance therefore, is above average.

Teaching and learning should be intensified so that candidates would be able to perform better at subsequent examinations. Unfortunately, students did not answer questions four (4) and five (5) well even though the topics were within their reach. High performers for this paper was evenly spread across majority of the centres. Candidates at the Liberia Centre failed to shine this time of the examination. Students in that centre need help and encouragement to excel.

Low performances were not concentrated in a particular centre, except Liberia. Low performers could also be found in most of the centres. Teaching and learning in these centres are to be intensified and sustained.

The level of preparedness of some of the candidates were above average which culminated into 60.62% pass rate and 39.38% failures. Students should be encouraged to prepare adequately before confronting the paper in order to pass to boost their confidence.

NOTABLE STRENGTHS AND WEAKNESS OF CANDIDATES

Candidates performed strongly in questions on code of ethics and the Companies Act, 1963 (Act 179) and the purpose of an external audit and its role in the audit of large companies. A whopping 87% of candidates passed in these areas. Sixty-nine (69) percent of candidates passed in areas of Internal audits, Planning and Risk assessment and Internal control. The above depicts specific areas in which strengths were demonstrated by candidates. The strengths were wide spread amongst candidates. The probable reason why the above strengths were obtained may be due to the fact that teaching and learning of those topics were intensified and appreciated by students.

The only areas where the above strengths can be enhanced should be that both teachers and students should continue to perform their roles well. Students should do more exercises for teachers to mark and discuss those assignments in class. Students on their own should do a lot of readings around the subject, including current issues in Auditing.

Even though the weakness rate was few, it was wide-spread and not concentrated in peculiar places alone. Candidates in Liberia and some few regional centres need serious help to overcome this unwanted weakness in future examinations.

The reason for some of these weaknesses comes from lack of qualified professionals to assist students in these areas. It must be noted that Auditing is a technical subject which could only be handled by qualified technical persons. These qualified persons are lacking in most of these examination centres. Again, the Institute's learning materials, to me, has not penetrated enough amongst most students. All these, when available would enhance the basic foundational knowledge of students to confront the paper in future examinations.

Other Weaknesses Include;

- Some candidates still do not write answered question numbers at the appropriate columns provided for that purpose.
- Most candidates do not number the pages in the answer packets even though spaces for that has been provided in the answer packets.
- Some candidates still refused to write the answered questions in the spaces provided in the answer packets.

QUESTION ONE

- a) You are the audit manager of an audit firm where the purpose of an external audit and its role are not well understood. You have been asked to write some material for inclusion in your firm's training materials dealing with these issues in the audit of large companies.

Required:

In your paper explain the purpose of an external audit and its role in the audit of large companies, for inclusion in your firm's training materials. **(10 marks)**

- b) The IFAC international Ethics Standards Board for Accountant (IESBA) Code of Ethics for Professional Accountants set out the five fundamental principles of professional ethics and provides a conceptual framework for applying those principles. Professional Accountants must apply this conceptual framework to identify threats to compliance with the principles, evaluate their significance and apply appropriate safeguards to eliminate or reduce them so that compliance is not compromised.

Required:

Identify **FIVE** major threats identified in the code of ethics giving examples of each.

(5 marks)

- c) Briefly explain **FIVE** duties and **FIVE** rights of an auditor under section 136 of the Companies Act, 1963, (Act 179).

(5 marks)

(Total: 20 marks)

QUESTION TWO

- a) A critical business assessment to ensure corporate objectives are achieved and organizations are run properly is corporate risk. Most often risk are not managed properly in organizations. Engagement of internal auditors to help organizational risks management becomes crucial. Internal controls also go a long way to mitigate risk. Therefore designing and implementing of internal control by corporate organizations are necessary for effective risk management.

Required:

Explain the role of Internal Audit in relation to risk management in an organization.

(5 marks)

- b) Various devices are used by management to ensure that the operations of the business are conducted in an orderly and efficient manner, assets are safeguarded and the accounting records and financial statements are accurate and reliable. These devices include internal audit and internal check.

Required:

Distinguish between *internal audit* and *internal check*.

(5 marks)

- c) As the Chief Finance Manager of a company, design an internal control for the company with respect to;
- i) Cheque payments (10 marks)
 - ii) Bank reconciliation (5 marks)

(Total: 25 marks)

QUESTION THREE

- a) It has become necessary that Audit firms plan their activities well in order to avoid risk and other litigation issues. *ISA 300 Planning an Audit of financial statements*, states that the auditor must plan the audit.

Required:

Explain audit planning (3 marks)

- b) *ISA 320 Materiality in Planning and Performing an Audit* provides guidance on the concept of materiality in planning and performing an audit.

Required:

Define materiality and determine how the level of materiality is assessed. (12 marks)

- c) PharmaCo provides scientific services to a wide range of clients. Typical assignments range from testing food for illegal additives to providing forensic analysis on items used to commit crimes to assist law enforcement officers.

The annual audit is nearly complete. As audit senior you have reported to the engagement partner that PharmaCo is having some financial difficulties. Income has fallen due to the adverse effect of two high-profile court cases by customers who bought drugs from the Company part way through the year. There have been adverse publicity for PharmaCo, and a number of clients have withdrawn their contracts. A senior employee then left PharmaCo, stating lack of investment in new pharmaceutical products and facilities was increasing the risk of incorrect information being provided by the company.

A cash flow forecast prepared internally shows PharmaCo requiring significant additional cash within the next 12 months to maintain even the current level of services. Pharma's auditors have been asked to provide a negative assurance report on this forecast.

Required:

Explain the audit procedures that may be carried out to determine whether or not PharmaCo has the ability to continue as a going concern entity. (10 marks)

(Total: 25 marks)

QUESTION FOUR

- a) *ISA 530 Audit Sampling* states that the objective of the auditor, when using audit sampling, is to provide a reasonable basis for the auditor to draw conclusions about the population from which the sample is selected.

Required:

Explain the difference between *statistical sampling* and *non-statistical sampling* and describe **FOUR** methods of sampling selection. **(8 marks)**

- b) At a meeting to discuss the draft accounts with senior management of Good Old Days Ltd, the external auditors, Gelian Chartered Accountants asked management to confirm the amount of contingent liability of GH¢100million in respect of pending legal suit against the company. The CEO quizzed the chief Accountant to explain how the amount of GH¢100million was arrived at.

Required:

- i) Describe briefly what a contingent liability is giving example where appropriate. **(2 marks)**
- ii) Explain in detail the audit procedures for the verification of contingent liability **(5 marks)**

(Total: 15 marks)

QUESTION FIVE

- a) *ISA 510 Initial audit engagement* provide guidance to auditors on the audit of opening balances when conducting an initial audit engagement. Explain the audit objective and the audit procedures in relation to opening balances. **(10 marks)**
- b) Auditors go through a checklist of procedures before expressing opinion on the financial statements. Explain the audit procedure in relation to the review of the overall financial statements. **(5 marks)**

(Total: 15 marks)

MARKING SCHEME

QUESTION ONE

(a) Purpose and role of external audit

Basic definition

The objective of an audit of financial statements is to enable the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable accounting framework. The opinion is often worded as give a true and fair view.

The nature of the audit is to give reasonable (but not absolute) assurance that the financial statements are free from material misstatement. This should add to the credibility of the financial statements.

Regulatory framework

In a large company, the owners of the business, the shareholders, are unlikely to be involved in the management of the business.

They therefore, depend on the information provided to them by the directors to let them assess the performance of the business and to make decisions such as whether to stay invested in that business or how to cast their votes in respect of the director's appointment.

The directors have a duty of stewardship of the company on behalf of the shareholders and the preparation of annual financial statements is part of their accountability towards the shareholders.

An unmodified audit opinion should reassure the shareholders that the information is free from any significant misstatement, whether due to fraud or error.

Although it is the directors who are responsible for prevention and detection of fraud, the auditors must consider the risks that a material misstatement may arise from fraud, and maintain professional skepticism when carrying out the audit. Because of this an audit may act as a fraud deterrent even though this is not the primary audit objective.

The role of the auditor is that of an independent expert who gathers evidence and issues an opinion that will indicate, to shareholders and other third parties who may use the financial statements, the degree of reliance that should be placed on the information.

Third parties who may benefit from the assurance given in the auditor's report could include lenders, potential investors or potential suppliers. Large companies often raise funds through capital markets and high quality auditing is therefore integral to capital market confidence.

Under the legal framework, and the rules of recognised professional bodies such as the ICAG, there are strict requirements as to who may carry out audits to ensure that only properly qualified people can perform this service.

The ICAG also issues ethical rules to ensure that auditors are genuinely independent. This regulatory framework should maintain the credibility of the role of the audit.

(10 marks)

b)

i) Five Major threats

Compliance with these fundamental principles may potentially be threatened by broad range of circumstances. Many threats fall into the following categories:

➤ **Self-interest threats**

This may occur as result of the financial or other interest of a professional accountant or of an immediate or close family member. Examples of circumstances that may create self-interest include:

- Financial interest in a client or jointly holding a financial interest with a client
- Undue dependence on total fees from a client
- Having a close business relationship with a client
- Concern about the possibility of losing a client
- Potential employment with the client
- Loan to or from an assurance client or any of its directors.

➤ **Self-review threats**

This may occur when a previous judgment needs to be re-evaluated by the accountant originally responsible for that judgment. Example of circumstances that may create self-review threats include, but not limited to:

- The discovery of a significant error during a re-evaluation of the work of the professional accountant
- Reporting on the operation of financial systems after being involved in their design or implementation.
- Having prepared the original data used to generate records that are the subject matter of the engagement
- A member of the assurance team being or having recently been, employed by the client in a position to exert direct and significant influence over the subject matter of the engagement.
- A member of the assurance team being, or having recently been, a director or officer of that client
- Performing a service for a client that directly affects the subject matter of the assurance engagement.

➤ **Advocacy threats**

This may occur when an accountant promotes a position or opinion to the point that subsequent objectivity may be compromised. Examples of circumstances that may create advocacy threats include, but not limited to:

- Promoting shares in a listed entity when that entity is a financial statement audit client.
- Acting as an advocate on behalf of an assurance client in litigation or disputes with third parties.

➤ **Familiarity threats**

This may occur when, because of a close relationship, a professional accountant becomes too sympathetic to the interests of others. Examples of circumstances that may create familiarity threats include, but not limited to:

- A member of the engagement team having a close or immediate family relationship with a director or officer of the client
- A member of the engagement team having a close or immediate family relationship with an employee of the client who is in position to exert direct and significant influence over the subject matter of the engagement.
- A former partner of the firm being a director or officer of the client or an employee in a position to exert direct and significant influence over the subject matter of the engagement.
- Accepting gift or preferential treatment from a client, unless the value is clearly insignificant.
- Long associate of senior personnel with the assurance client.

➤ **Intimidation threats**

This may occur when a professional accountant may be deterred from acting objectively by threats, actual or perceived. Examples of circumstances that may create intimidating threats include, but not limited to:

- Being threatened with dismissal or replacement in relation to a client engagement
- Being threatened with litigation
- Being pressured to reduce inappropriately the extent of work performed in order to reduce fees.

(Mention 0.5 and Explanation 0.5 for any 5) = 5 marks

ii) **Five (5) Duties and five (5) rights of an auditor under section 136 of the Companies Code, 1963Act179).**

1. The primary duty of the auditor is to make report to be laid before shareholders at Annual General meeting
2. To ensure that information in the directors' report is consistent with the account and to report therein.
3. To ensure the proper books of account has been kept and adequate returns from branches not visited by him.
4. Outline in this/her report about directors' remuneration and other officers of the company.

5. To make a statement when removed from office.

Rights/Powers:

1. Right of access at all times to all books, documents and vouchers.

It is an offence punishable by a term of imprisonment, fine or both, if any officer or a company makes a materially false statement either orally or in writing to the Auditor or does not give the auditor the much needed freedom from all sorts of Hindrances when he conducts his audit.

2. The right to demand from the directors and officers such information and explanations as he thinks necessary for the performance of his statutory duties.

3. The right to receive notices to attend and speak on matters that concern him as auditor.

4. The right to apply to the court for directions in relation to any matter arising in connection with the performance of their functions under the Code.

5. Right to ensure that before he/she is removed from office, due process is followed.
(0.5 mark for any 5 duties and 0.5 mark for any 5 rights)=5 marks

(Total: 20 marks)

QUESTION TWO

a)

i) The role of internal audit

The internal audit department has a two-fold role in relation to risk management.

- It monitors the company's overall risk management policy to ensure it operates effectively
- It monitors the strategies implemented to ensure that they continue to operate effectively

As a significant risk management policy in companies is to implement internal controls, internal audit has a key role in assessing systems and testing controls.

- Internal audit may assist in the development of systems. However, its key role will be in monitoring the overall process and in providing assurance that the systems which the departments have designed meet objectives and operate effectively.
- It is important that the internal audit department retains its objectivity towards these aspects of its role, which is another reason why internal audit would not be involved in the assessment of risks and the design of the system.

(1mark each for any five valid point made)=5 marks)

ii)

Internal Audit and Internal Check

- i. **Meaning** – Internal audit is an independent review of operations and records. While internal check is an arrangement of duties allocated in such a manner that the work of one clerk is automatically checked by another.
- ii. **Object** – The object of internal audit is to detect frauds and errors. But the object of internal check is to prevent frauds and errors.
- iii. **Staffing requirement** – Internal audit is carried out by staff especially assigned for it. At times, entities engage the services of professional auditors, to carry out the internal audit, in order to save its cost. On the other hand, for internal check no special staff is required to be engaged.
- iv. **Timing** – Internal audit is a post-mortem analysis and starts after the completion of recording of transactions. But internal check is simultaneous i.e., starts operating the moment a transaction is finalized and continues till all its aspects are recorded.
- v. **Submission of report** – Internal auditor submits his report to the management. While under the system of internal check, the statement relating to the transactions for the whole day is to be submitted by the clerk to departmental heads.

(1mark each for any five valid point made)=5 marks

b).

(i). Controls Over Cheque Payment

- a. Unused cheques should be held in a secure place.
- b. The person who prepares cheques should have no responsibility over purchase ledger or sale ledger.
- c. Cheque should be signed only when evidence of a properly approved transaction is available. Such evidence may take the form of invoices, pay roll, petty cash book etc.
- d. This check should be evidenced by signing of the supporting documentation.
- e. In a large concern, those approving the original document should be independent of those signing cheques.
- f. Cheque signatories should be restricted to the minimum practical number.
- g. Two signatories at least should be required except perhaps for cheque of small amount.
- h. The signing of “Blank” cheques and cheques in favour of the signatories should be prohibited.
- i. Cheques should be crossed before being signed.
- j. Supporting documents should be cancelled as paid to prevent their use to support further cheque payment.
- k. Cheques should preferably be dispatched immediately if not, they should be held in a safe place.

- l. Return cheques should be obtained from the bank and the sample checked against cashbook entries and supporting documentation.

(1 mark each for any ten valid point made) =10 marks

(ii). Controls over bank reconciliation

- a. Bank reconciliation should be prepared at least monthly.
- b. The person responsible for preparation should be independent of the receipts and payment function or alternatively an independent person should check the reconciliation.
- c. If the reconciliation is prepared by an independent person, he should obtain bank statement directly from the bank and hold them until the reconciliation is completed.
- d. The preparation should preferably include checking receipts and payment against items on the bank statement.

(1mark each for any valid point made)=5 marks

(Total: 25 marks)

QUESTION THREE

a)

i)

Definition of audit planning.

Audit planning is defined as the process in which the strategy is designed or conducted to achieve the expected result, which also defines the scope of audit inside the company? The size, nature and the time for the audit plan may vary.

Is a vital area of the audit primarily conducted at the beginning of audit process to ensure that appropriate attention is devoted to important areas, potential problems are promptly identified, work is completed expeditiously and work is properly coordinated. **The audit plan** converts the audit strategy into a more detailed plan and includes the nature, timing and extent of audit procedures to be performed by engagement team members in order to obtain sufficient appropriate audit evidence to reduce audit risk to an acceptably low level.

(3 marks)

ii)

Materiality

ISA 320 Audit Materiality is one of the International Standards on Auditing. It serves to expect the auditor to establish an acceptable materiality level in designing the audit plan. Materiality is the amount by which the Financial Statements must change in order to change the decisions made by users of the Financial Statements.

(2 marks)

- Materiality for the financial statements as a whole (referred to as 'overall materiality') and performance materiality must be determined for all audits.
- In the context of the financial statements, a matter is material if its omission, misstatement, or non-disclosure would reasonably influence the economic decisions of users taken on the basis of the financial statements.
- Performance materiality is a materiality level set by the auditor for particular transactions, account balances and disclosure.
- Ultimately, both overall and performance materiality are determined using the auditors judgement as to how the users will be affected by misstatements for a particular area. However, it is useful to use benchmarks as a starting point, such as 5% of profit before tax, or 1% of total assets.
- When setting performance materiality, the possibility of a number of misstatements with a low value aggregating to high overall value must be considered. This results in it being lower than overall materiality.

(10 marks)

b) Audit procedures on going concern

- Cash flow
- Directors' view going concern
- Other finance
- Interim financial statements
- Lack of non-current assets
- Reliance on senior employee
- Solicitor's letter
- Review order book
- Review bank letter
- Review other events after the reporting period
- Management representation
- Other relevant points

1 mark per procedure (1 for explanation) =10 marks

(Total: 25 marks)

QUESTION FOUR

a) Statistical sampling is any approach to sampling that involves random selection of a sample, and the use of probability theory to evaluate sample results, including measurement of sampling risk.

Non-statistical sampling is where the auditor does not use statistical methods and draws a judgemental opinion about the population. **(2 marks)**

Sample selection methods include the following:

- (i) **Random selection** ensures that all items in the population have an equal chance of selection. It often involves selection of a sample with the use of random number tables or random number generators.
- (ii) **Systematic selection** involves selecting items using a constant interval between sections, the first interval having a random start.
- (iii) **Haphazard selection** may be an alternative to random selection provided auditors are satisfied that the sample is representative of the entire population. It is a selection of a sample without following any particular structured technique and requires care to guard against making a selection which is biased.
- (iv) **Block selection** may be used to check whether certain items have particular characteristics. For example an auditor may use a sample of 50 consecutive cheques to test whether cheques are signed by authorised signatories rather than picking 50 single cheques throughout the year.

(1.5 marks for each point=6 marks)

b)

i) A Contingent liability is a potential liability that may occur, depending on the outcome of an uncertain future event. A contingent liability is recorded in the accounting records if the contingency is probable and the amount of the liability can be reasonably estimated. Contingent liability refers to a liability which will crystallized or occurs on the happening of a particular events. For e.g. pending legal cost.

(2 marks)

ii) The verification procedure for contingent liability are:

- Review the client's system for recording claims and disputes and the procedures for bringing these to the attention of the Board.
- Review the arrangements for instructing solicitors.
- Examine the minutes of the Board on this issues
- Examine bills rendered by solicitors
- Obtain a list of matters referred to solicitors from a director.
- Obtain a written assurance from the appropriate directors that they are not aware of any matter referred to solicitors other than those disclosed.
- If the auditor is at all in doubt he should obtain a direct confirmation from the company's legal adviser.

(Any 5 points for 5 marks)

(Total: 15 marks)

QUESTION FIVE

a)

Objective of ISA 510

In conducting an initial audit engagement, the objective of the auditor with respect to opening balances is to obtain sufficient appropriate audit evidence about whether:

- a) Opening balance contain misstatements that materially affect the current period's financial statements; and
- b) Prior period closing balances have been correctly brought forward or, where appropriate, restated; and
- c) Appropriate accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements, or changes thereto are appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.

(Any 2 points for 4 marks)

Audit Procedures with regard to Opening Balances - ISA 510 (5-9)

The auditor shall read the most recent financial statements, if any, and the predecessor auditor report thereon, if any, for information relevant to opening balances, including disclosures

The auditor shall obtain sufficient appropriate audit evidence about whether the opening balances contain misstatements that materially affect the current period's financial statements by:

- Determining whether the prior period's closing balances have been correctly brought forward to the current period or, when appropriate, have been restated;
- Determining whether the opening balances reflect the application of appropriate accounting policies.

- Where the prior year financial statement were audited, reviewing the predecessor auditor's working papers to obtain evidence regarding the opening balances;
- Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances; or
- Performing specific audit procedures to obtain evidence regarding the opening balances.

- If the auditor obtain audit evidence that the opening balances contain misstatements that could materially affect the current period's financial statements, the auditor shall perform such additional audit procedures as are appropriate in the circumstances to determine the effect on the current period's financial statements. If the auditor concludes that such misstatements exist in the current period's financial statements, the auditor shall communicate the misstatements with the appropriate level of management and those charged with governance.

➤ **Relevant Information in the predecessor Auditor’s Report**

If the prior period’s financial statement were audited by a predecessor auditor and there was a modification to the opinion, the auditor shall evaluate the effect of the matter giving rise to the modification in assessing the risk of material misstatement in the current period’s financial statements in accordance with ISA 315 (Assessing risk of misstatement)

(Any 3 procedures for 6 marks)

(b)

Review of Overall financial statements

The review of the overall financial statements involved the following procedures:.

- a. That the entity use acceptable accounting policies for suitability, consistency and correct application.
- b. Review of the classification, description and adequate disclosure of items in the financial statements
- c. Review of the view given by the financial statements whether it is in accordance with the auditor’s knowledge of the economic circumstances of the business
- d. Review of the financial statements to ensure that the view given thereof will accord with any conclusions to be drawn by reasonable users of the financial statements
- e. Review of post balance sheet events and contingencies to ensure proper reflection of adjusting events and crystallized contingencies and disclosure of material non-adjusting events and possible contingent liabilities
- f. Review of the financial statement for going concern applicability
- g. Review of the financial statement for compliance with accounting standards
- h. Review of the financial statement for compliance with statutory requirements
- i. Final analytical review to ensure that the financial statement as a whole make sense
- j. Review of the director’s report to ensure that it is consistent with the financial information
- k. Review to ensure that issues relating to scope limitations or disagreements have been properly addressed.

(1 mark for any 5) = 5 marks

(Total: 15 marks)

EXAMINER’S COMMENTS

DETAILED QUESTION-BY-QUESTION ANALYSES OF PERFORMANCE

Question One (1)	-	87%
Question Two (2)	-	69%
Question Three (3)	-	56%
Question Four (4)	-	39%
Question Five (5)	-	18%

From the above analysis, it could be observed that questions four (4) and five (5) were badly answered by candidates whilst question three (3) was averagely answered. Candidates however, answered questions one (1) and two (2) very well.

Our group think that the areas covered by questions three (3), four (4) and five (5) should be critically looked at by both teachers and students. The Institute should also play a pivotal role to assist students to overcome their weaknesses. Most candidates appreciate some of the questions that appeared in the examination, especially questions one (1) and two (2). Questions four (4) and five (5) were not properly understood. This resulted in most candidates providing inappropriate answers, hence their abysmal performance in those questions.

Candidates were ill-prepared in areas where questions four (4) and five (5) covered in the examination.

CONCLUSION

In conclusion, I would state the following points that will go a long way to strengthen our examinations.

- More teaching and learning by instructors and students should be continued.
- A lot of mock tests should be conducted prior to the main examinations so that all rough edges could be smoothed.
- Students should practice more past questions on their own.
- The Institute's school should be opened in big towns where the examinations take place to prepare students for the examination. The Institute could also engage Ghanaian Chartered Accountants who are expatriates in Liberia to assist our Liberia students.
- The Institute can encourage the Distance Learning concept to aid students to prepare adequately for the examinations.

We hope this report will be useful to enrich our examinations.