

**PERFORMANCE ANALYSIS REPORT**  
**2008 UFE**

## CANDIDATE NUMBER

Enclosed is your performance analysis report on the 2008 Uniform Evaluation. Section A contains an indicator by indicator analysis of your performance by simulation. Section B contains a detailed indicator by indicator analysis of your performance by competency area, and Section C of the report contains a summary of the reviewers' general findings and an analysis of your performance by essential professional skill.

The report analyzes your performance on primary indicators only. The Board distinguishes between the mission-critical issues and other relevant issues by classifying them as primary indicators and secondary indicators of competence respectively. To attain a pass standing, candidates must address the issues in the simulations that are considered mission-critical. Your answer must therefore be appropriately focused on the primary indicators.

We encourage you to read this report in conjunction with the 2008 UFE report.

### Section A

Section A reports the reviewer's findings by indicator by simulation. The checklist is designed to help you identify which of the commonly exhibited weaknesses displayed by the candidate population you personally exhibited, on an indicator by indicator basis. The information will allow you to see where you missed a primary indicator completely or where you fell short of the requirements on certain indicators.

If you did not address an indicator at all, the box "Did not address this indicator" will be marked with an "x" by the reviewer. If you addressed the indicator but did not demonstrate any of the flaws listed, the boxes will be left blank by the reviewer. If you did demonstrate a flaw that box will be marked with an "X" by the reviewer.

### Section B

Section B reports the reviewers' findings by competency area. The information in this section allows you to further analyze the information you received indicating your standings by competency area ("green/yellow/red"). It allows you to gain a better understanding of the weaknesses that contributed to the standing you received.

The information in Section B is a re-sorting, by competency area, of the reviewers' indicator by indicator comments which are found in Section A. The checklist of points under each indicator heading is made up of the tendencies exhibited by the candidate population based on the Board of Evaluator's expectations at Competent. The check list questions are designed to highlight your major weaknesses on each indicator. To help you understand which of those weaknesses you in particular exhibited, "X"s are made by the reviewers in the relevant boxes. Displaying many of the identified weaknesses may have prevented you from being assessed as Competent. By focusing on the areas where there are several "X"s and by examining the reviewers' comments by competency area, you will be able to identify what elements of a "competent" response you were missing.

Beside each box, you will notice a word. This word represents the "sorting" category that is used to present the reviewers' findings by professional skill in Section C of your report.

### Section C

Section C of the report is designed to help you identify your major weaknesses in essential areas such as communication, organization and other exam writing skills, and in several "professional skill" categories, such as your ability to analyze alternatives. Each of the reviewers answered the same general questions and the findings are summarized for you. Where they were able, reviewers have made recommendations for improvement.

In addition, the reviewers' indicator specific comments are sorted into professional skill groupings. Each of the groupings is clearly defined so that you know which of the essential professional skills that underlies a professional response requires further development. For example, "justification" is defined as "Did not provide adequate support or did not explain your position clearly."

# SECTION A - FINDINGS BY INDICATOR BY SIMULATION

## Paper I – Recyclo Limited

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### Primary Indicators

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#### Comp - Primary #1 (FIN)

The candidate prepares an analysis of the options for the landfill and the landfill equipment.

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not recognize the need to compare the lease vs. buy option.

identification

Your quantitative analysis of the lease vs. buy option was incomplete.

justification

*In your analysis of the equipment options your calculation of the costs relating to the lease option was well done but your analysis of the purchase option was incomplete. You considered the initial cost and tax shield of purchasing but omitted both the maintenance costs and salvage value. This resulted in an invalid comparison and a decision which was based on an incomplete analysis.*

You did not recognize the need to compare the landfill vs. Wasteville option.

identification

Your quantitative analysis of the landfill vs. Wasteville option was incomplete.

justification

*Your quantitative analysis of the landfill purchase did not consider enough of the relevant elements such as the lease payments related to the equipment needed to run the landfill, the equipment buyout of \$200,000, restoration costs of \$500,000, and the landfill salvage value. In addition, your analysis of Wasteville would have been stronger if you had considered the accelerated depreciation caused by the additional distance to Wasteville. These omissions resulted in an incomplete analysis and invalid comparison. This might indicate a need to read the case with more care to ensure that you are accurately interpreting and incorporating case facts.*

You did not prepare a reasonable qualitative analysis.

justification

*Your qualitative discussion of the landfill and landfill equipment options did not address enough of the relevant factors. In order to provide Janique with a complete assessment of the options it was necessary to consider qualitative factors which might impact her ultimate decision. Some of these factors included Recyclo's lack of experience operating a landfill, possible environmental risks, ability to control the process, and the difference between the length of the City contract term and the equipment lease term. In your response, you identified the lease term as an opportunity to upgrade equipment after 5 years but did not see the more relevant issue of the lease term being different from the City Pickup Program.*

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

*You appropriately recognized the importance of analyzing the landfill options before you could determine a bid price. You appropriately recognized the importance of performing a lease versus buy analysis in order to determine the cost of purchasing the landfill. Your analysis also appropriately included both quantitative and qualitative considerations which was necessary in order for Janique to make an informed decision. However, each of these areas was lacking depth. Your quantitative analysis lacked depth due to the omission of several of the elements which impact the cost of each option over the six years. In addition, you did not provide any qualitative discussion in your written response - only one point added into your exhibit conclusion. To create balance in your response, you need to have both quantitative and qualitative discussion. Good qualitative factors are those that cannot be quantified but are relevant to the decision at hand. In addition, your exhibits for the lease versus buy analysis and the landfill purchase option were not well organized. Instead of using one column for each of the six years as you did for the Wasteville option, you used one column which included the total of six years for each item line by line (e.g. maintenance payments for six years NPVd were 53,962). Using separate columns for each year allows the reader to see the cost of individual components for each year and how those amounts roll into totals which are then present valued for the final result. This is more useful and better organized.*

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#### Comp - Primary #2 (MDM)

The candidate assesses the garbage and recycling information tracking systems and provides a recommendation.

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

YOU DID NOT ADDRESS THIS INDICATOR.	<input type="checkbox"/>	identification
You did not recognize the manual system as an alternative.	<input type="checkbox"/>	identification
You did not sufficiently discuss the deficiencies/limitations in the manual system.	<input type="checkbox"/>	justification
You did not recognize DTL as an alternative.	<input type="checkbox"/>	identification
You did not sufficiently analyze the pros and cons of the DTL alternative.	<input type="checkbox"/>	justification
You did not recognize PSI as an alternative.	<input type="checkbox"/>	identification
You did not sufficiently analyze the pros and cons of the PSI alternative.	<input type="checkbox"/>	justification

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

*Your analysis on the two automated decisions was well done. You explained the implications of the features of the two automated systems and considered very briefly the manual system. While the manual system was likely not appropriate it would have improved your response to explain more fully why this was the case. It would have also given your response more depth if you provided more explanation of the implication of each feature of DTL and PSI to Recyclo in light of the concerns that residents have raised.*

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### **Comp - Primary #3 (MDM)**

**The candidate prepares the preliminary quantitative bid for the City's Pickup Program contract.**

YOU DID NOT ADDRESS THIS INDICATOR.	<input type="checkbox"/>	identification
You did not include revenues in your quantitative bid analysis.	<input type="checkbox"/>	identification
You included revenues in your bid analysis but the amounts were not reasonable / lacked depth.	<input type="checkbox"/>	justification
You did not include capital outflows in your bid analysis.	<input type="checkbox"/>	identification
You included capital outflows in your bid analysis but the amounts were not reasonable / lacked depth.	<input type="checkbox"/>	justification
You did not include annual costs in your bid analysis.	<input type="checkbox"/>	identification
You included annual costs in your bid analysis but the amounts were not reasonable / lacked depth.	<input type="checkbox"/>	justification
Your quantitative bid analysis was missing significant items or contained significant errors.	<input type="checkbox"/>	justification

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

*Your quantitative analysis of the bid amount included most of the significant items incorporating the information you were provided in the case. You appropriately calculated a per residence amount including a markup of 20% which is what Janique had requested. You demonstrated your competence in this area. Well done!*

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### **Comp - Primary #4 (GOV)**

**The candidate assesses the opportunities and risks to Recyclo of winning the contract.**

YOU DID NOT ADDRESS THIS INDICATOR.	<input type="checkbox"/>	identification
You did not discuss the risks / opportunities in sufficient breadth.	<input type="checkbox"/>	justification
You did not discuss the risks / opportunities in sufficient depth.	<input type="checkbox"/>	justification
Your analysis did not have an appropriate balance between the risks and opportunities.	<input type="checkbox"/>	identification

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

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

*Although this was not a directed required, it is always important that you balance quantitative analysis with qualitative considerations. Once you have determined the per residence bid, you should also bring to Janique's attention issues which would be relevant to her overall decision. Your discussion of the qualitative factors surrounding the investment decision considered both risks and opportunities in sufficient breadth and depth. This provided information for Janique that was useful in her decision making. Your response would have been even stronger had you considered more of the opportunities such as the available excess capacity, Recyclo's recycling experience, the ability to recycle more material than the City or the premium price Recyclo receives for cleaner by-product.*

### **Comp - Primary #5 (PM)**

**The candidate identifies non-financial measures that could be used to report on the efficiency and effectiveness of the Pickup Program.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not attempt to develop any relevant non-financial measures.

identification

You attempted to develop non-financial measures but the measures that you developed were not relevant or were not sufficient.

technical

*While you clearly attempted to provide measures, some of the measures you suggested were not relevant. For instance, one of your measures was "number of complaint resolutions per month". However, this does not reflect whether Recyclo is improving from the City program. The number of complaints resolved could increase each month which suggests improvement, but if the overall number of complaints is going up by a greater degree than those being resolved then Recyclo would actually be doing worse. Therefore, the overall number of complaints received is a more relevant measure - which you did suggest also.*

You attempted to develop non-financial measures but you did not adequately demonstrate an understanding of the measures (i.e. no depth was demonstrated).

justification

*You provided some good measures in your bid proposal which is great. However, you did not demonstrate an adequate understanding of those measures because you did not provide sufficient discussion. For example, for the customer survey you state that Recyclo would make sure the satisfaction does not fall below 6 on the 10 point scale. This is a great start as it gives a benchmark - albeit an arbitrary one. However, you do not indicate how often you would do this or what you would measure.*

*Likewise, for the number of complaints each month you state that Recyclo would ensure the number "does not fall below a certain number each month." Success, in fact, would be a monthly decline in the number of complaints. Also, for this measure you do not give a benchmark or state where you would get the information such as call logs.*

Your discussion focused on non-financial measures relevant to Recyclo for internal purposes but not measures that would be relevant to the City.

technical

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

*You clearly understood the need to provide measures to show that Recyclo was improving upon the complaints of residents. You simply did not provide enough measures to demonstrate your competence. There were numerous complaints from which more measures could have been developed which you did not address. In addition, for the measures you did consider, you did not provide sufficient discussion of those measures to demonstrate your competence in this area. This might indicate an area of technical weakness that you need to address.*

### **Comp - Primary #6 (AS)**

**The candidate provides a description of the controls built into the proposed Pickup Program to address the significant concerns raised by City residents.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You suggested controls in an attempt to address the concerns raised by the City residents but the controls you recommended were not valid / practical.

justification

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

- You suggested controls in an attempt to address the concerns raised by the City residents but the controls you recommended were not well explained.  justification
- You suggested one or two valid controls in an attempt to address the concerns raised by the City residents but you did not recommend enough controls to address the major concerns.  justification
- You suggested valid controls however those suggested did not go beyond those offered by the selected automated system.  justification
- The candidate focused on the control issues at Recyclo and not the City.  identification

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

*You demonstrated your competence in assurance by providing relevant controls to address the problems with the recycling program based on the City's experience. Your explanations of the controls were in appropriate depth and the controls were complete and would prevent/detect the problems from recurring. Well done. Your response would have been even stronger had you considered more weaknesses in the City's program such as neighbours leaving garbage on someone else's lawn, missed pickups, or complaint resolution. A good way to achieve depth would be to try to provide one control for each weakness or resident concern listed. This would help add breadth to your response.*

### **Comp - Primary #7 (PM)**

**The candidate addresses the significant accounting and reporting issues related to the contract.**

- YOU DID NOT ADDRESS THIS INDICATOR.  identification
- You did not address the significant new accounting issues faced by Recyclo as a result of winning the contract.  identification
- You addressed one or two significant new accounting issues however there were many additional significant issues that were not addressed.  identification
- You addressed the significant new accounting issues however the analysis contained technical errors.  technical
- You addressed the significant new accounting issues however the analysis lacked depth.  technical

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

*You provided an in-depth discussion of the various accounting issues related the Pickup Program. For example, you provided an in-depth discussion of the \$500,000 asset retirement obligation related to the landfill, the \$100,000 tire removal costs and the alternative accounting treatments for the government grant. This is great as the issues you identified were the significant issues in the case. You also discussed whether the removal of the tire operations should be considered discontinued operations. Well done!*

*As a suggestion for improvement, try to rank issues in your discussion from most important to least. In your response, discontinued operations were the second issue discussed even though it was the least important. Ranking issues from most to least important makes your response more professional, and is a good time management tool in the event you are pressed for time.*

### **Comp - Primary #8 (PQ)**

**The candidate integrates their analyses and concludes on whether Recyclo should bid on the contract.**

- YOU DID NOT ADDRESS THIS INDICATOR.  identification
- Your decision regarding the "landfill vs. Wasterville" decision was not integrated within the bid analysis.  integration
- Your information tracking system decision was not integrated within the bid analysis.  integration
- Even though you recommended that Recyclo should implement the DTL system, you did not integrate the cost of this system in your bid analysis. The cost of the IT system would have a significant impact on Recyclo's bid price for the City contract.*
- You did not demonstrate an understanding that the tracking system you selected would address many of the concerns raised by the City residents.  integration

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

You failed to adequately integrate within your overall response.

X

integration

*Several decisions to be made in the response to this simulation required insightful integration. For example, the decision of which IT system to implement could impact the tracking of non-financial measures required by the City. Controls suggested resolving customer concerns are also highly correlated with these non-financial measures. In addition, the calculation of the bid price also provided opportunities to integrate various aspects of the simulation.*

You did not provide a recommendation on whether to submit a bid for the City contract.

recommendation

You did not provide a well supported conclusion integrating all aspects of your analysis.

recommendation

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

*Your response included a very well supported conclusion on whether or not Recyclo should submit a bid to the City. Well done! Your response would have benefited from additional integration of various decisions within your response such as the impact of the tracking system and controls on the non-financial measures. You should always remember to step back and consider how the different aspects of your response are related. In this case, the automated system provides many of the controls which could improve customer satisfaction which would lead to the contract's continuation. Likewise, this improved satisfaction is something we can measure and again, lead to our contract extension. Be sure to tie areas together where you can. This creates a professional response.*

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

### **Overall Comments**

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#### **Communication**

Was the response well organized with a logical flow?

Y

*Your response was not well organized. In preparing the bid it was necessary to make some preliminary decisions and then include the results in the bid calculations. It appeared from your response that you did not address the issues in a logical manner and thus your response was not well organized.*

*Your exhibits for the lease versus buy analysis and the landfill purchase option were not well organized. Instead of using one column for each of the six years as you did for the Wasteville option, you used one column which included the total of six years for each item line by line (e.g. maintenance payment for six years NPVd was 53,962). Using separate columns for each year allows the reader to see the cost of individual components for each year and how those amounts roll into totals which are then present valued for the final result. This is more useful and better organized.*

Did the candidate understand their role?

Y

*It appears you understood your role - you responded to the requests from Janique relating to the bid and the implications for Recyclo's financial statements if the bid was successful.*

Was the response easy to read and understand?

N

*Your response was typed and generally easy to read. However, your response contained numerous spelling/typo errors. These types of errors disrupt the flow of your response for the reader. Each time the reader must stop to decipher a word or words it distracts from the thought you are trying to convey. You should be sure to allocate time in your planning for review of your response to ensure you minimize these types of errors.*

*You might also consider the use of different font sizes, underlining or bold font to further help separate the different sections of your response. Also, allowing a space in between different points, and between headings and your first sentence, would also help separate thoughts within your response for the reader.*

*Be careful with the use of point form. Several discussions in your response did not go beyond identification or repetition of case facts. Consider whether this writing technique is resulting in discussions which lack depth or justifications.*

*In terms of your exhibits, they were generally easy to follow (see note regarding organization). However, it would be helpful if you put the notes to your exhibits below the numerical analysis with reference to the relevant line rather than putting the explanations beside the exhibit.*

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#### **Prioritizing and Ranking**

Did the response appear appropriately focused on the primaries? (vs the secondaries)

Y

*There were no secondary indicators in this question.*

Did the response appear balanced?

Y

*You covered all of the major issues. It did not appear that you spent more time on any particular issue. However, your response was quite short (6 pages of written material). In order to provide enough depth and breadth of coverage you should try to expand your response. For example, there were several areas of your response where you did not go beyond case facts - your response would be strengthened by adding more depth to your analysis - answering the "so what?" question.*

*In terms of balance between your quantitative and qualitative analysis, your response for the City proposal considered both which is good. For the landfill options and lease versus buy analysis, you did not provide sufficient qualitative analysis. It is important to provide both types of analysis in order to provide good balance in your response.*

# SECTION A - FINDINGS BY INDICATOR BY SIMULATION

## II-1 – Ball Construction Corp

### Primary Indicators

#### II-1 Primary #1 (PM)

**The candidate discusses the accounting adjustments required by the audit findings.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not identify a sufficient number of the GAAP adjustments required as a result of the audit findings.

identification

Your response lacked depth when discussing why the adjustments were required; you did not provide adequate depth/analysis to support your conclusion with respect to the appropriate accounting treatment (poor link to case facts).

justification

*When you addressed the employee housing loans you noted that "it is clear that most of the employee housing loans are long-term," but you never explained why.*

*When you addressed the foundation inventory, you noted several additional procedures that could be done to gather additional information/evidence about this inventory but you did not use the case facts that were already available to at least do a preliminary assessment of this accounting issue.*

You discussed some of the accounting issues, however, some of your discussions were technically weak or incorrect.

technical

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

*While you did address an adequate number of accounting issues and you did a good job addressing the intangible asset issue your other accounting issue discussions typically lacked depth as you did not sufficiently incorporate case facts into your discussion.*

#### II-1 Primary #2 (AS)

**The candidate summarizes the audit findings in terms of unadjusted differences and advises the partner regarding the overall effect on the financial statements and the audit report.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not attempt to summarize the overall impact of the adjustments on the financial statements.

identification

You did not discuss the overall impact of the adjustments on the audit report.

justification

*You recognized that the accounting adjustments would have an impact on the covenants. However, you were requested to 'summarize how these issues will impact our audit report'. A careful reading of the simulation is essential to ensure that all of the partner's requests are addressed. In this case, you were expected to recognize that a going concern note would be required and if the CFO refuses to include this disclosure, we would be unable to offer a clean opinion in our audit report, or that it would have no impact on our report if he agrees to make the necessary disclosures. There was information provided in the simulation with respect to the CFO and his opinions which indicates that he would likely be very reluctant to make this disclosure.*

You did not provide a clear, supported conclusion with respect to the impact of the adjustments on the audit report.

recommendation

Your conclusions were either inconsistent with your analysis or technically incorrect.

technical

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

*The partner specifically asked you to "summarize how these issues will impact our audit report." This request was not addressed.*

#### II-1 Primary #3 (AS)

**The candidate raises the issues to include in the management letter to the client.**

## SECTION A - FINDINGS BY INDICATOR BY SIMULATION

YOU DID NOT ADDRESS THIS INDICATOR.

identification

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

identification

You did not provide adequate explanations for the issues you identified.

justification

*You noted that not having the costing reports approved can lead to: "wrong amounts claimed as costs.", but you never explained why this was a problem or how approving the costing reports would prevent this. For example, you could have explained that this would have an impact on the company, as they could be relying on erroneous reports when making decisions about the costing or progress of their construction projects. As a result, they may make inappropriate decisions that could impact their profitability, or they may delay taking needed action and this may also ultimately cost them money.. Similarly on your discussion of journal entries you said: "all journal entries must be approved," but you never explained why.*

You provided recommendations without first explaining the nature of the problem to the client.

justification

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

*While you appropriately addressed the segregation of duties issues, you need to be consistent that when discussing control weaknesses, you need to motivate the client to make changes. Therefore you must always clearly explain to the client what impact the control weakness will have on their operations first. You may want to ask yourself - will a failure to correct control weaknesses such as failing to review the costing reports result in a loss of money, assets or reduction in management effectiveness? If so, clearly explain how.*

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### II-1 Primary #4 (PQ)

**The candidate discusses why some of BC's strategies and the actions of the CFO may have been detrimental to BC.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not identify a sufficient number of areas where the actions taken by the company and by the CFO may have been detrimental to BC.

identification

You did not identify the management strategies and CFO actions as issues with respect to the management of the company.

identification

You recognized some of the questionable decisions made by management, but you did not discuss the overall impact to the company with respect to these strategies.

justification

You recognized some of the CFO's questionable actions, but you did not identify the overall impact of these actions on BC.

justification

*You noted that we should question the CFO's integrity. However, you did not address the overall impact of these actions on Ball Construction.*

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

*There were facts presented in the simulation that indicated that management, and the CFO in particular, were making questionable decisions. While these issues were not directed, you were expected to recognize the pervasive impact that these decisions had on Ball Construction. While you seemed to recognize some of these issues, you did not address them as 'pervasive' issues, but rather how they would impact us as auditors.*

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

### **Overall Comments**

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#### **Communication**

Was the response well organized with a logical flow?

Y

*Your response was presented in a logical flow.*

Did the candidate understand their role?

N

*Perhaps you did not totally understand your role. You did write a half page on assessing audit risk. The partner had mentioned that the audit work was over and that he was comfortable with the amount of field work performed.*

Was the response easy to read and understand?

Y

*Your response was easy to read and understand.*

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#### **Prioritizing and Ranking**

Did the response appear appropriately focused on the primaries? (vs the secondaries)

N

*There were no secondary indicators for this simulation. However you did spend unnecessary time assessing audit risk when we were already at the end of the audit.*

Did the response appear balanced?

N

*It did not appear that your response was appropriately weighted as you spent some time unnecessarily preparing audit procedures for the foundation inventory and assessing audit risk.*

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

### **II-2 – Netway Solution Inc.**

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#### **Primary Indicators**

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##### **II-2 Primary #1 (AS)**

**The candidate discusses the risk areas associated with the due diligence.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not recognize that your client required a due diligence engagement, and that it needed to focus on the asset values of WI.

identification

You did not identify procedures for a sufficient number of risk areas associated with the due diligence engagement.

identification

You focused on low priority balance sheet items rather than the risk areas associated with the due diligence engagement (asset values).

identification

The procedures you proposed were insufficiently supported.

justification

The procedures you proposed would not have provided adequate information to allow the user to know what exactly should be done, or were not useful or valid (did not cover off the risk).

technical

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

*You demonstrated your competence on this assurance indicator. You addressed some of the major risk areas regarding Claudette's acquisition of WI and you discussed useful due diligence procedures. Always make sure that you clearly link your discussion of the risk areas to specific case facts and explain how this will address the needs of the user (in this case, Claudette).*

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##### **II-2 Primary #2 (MDM)**

**The candidate assesses the software in use at NetWay and at WI as to their future suitability and provides recommendations for improvement.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not identify a sufficient number of strengths/weaknesses of the software in use at NetWay or WI.

identification

You compared and contrasted the two software systems instead of evaluating each of them with respect to their current and future use by NetWay or WI.

identification

You identified weaknesses relative to the software in use at NetWay or WI, but you did not make recommendations for improvement.

recommendation

You addressed some of the strengths/weaknesses of the systems, but your discussions lacked support.

justification

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

*You did a good job of demonstrating your competence on this management decision making indicator. You adequately evaluated each computer system and discussed their suitability for potential future use.*

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##### **II-2 Primary #3 (TAX)**

**The candidate discusses tax issues associated with NetWay's purchase of WI.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

## SECTION A - FINDINGS BY INDICATOR BY SIMULATION

You did not identify a sufficient number of relevant tax issues (deemed year end, non or net capital losses, QSBC, bonus, SBD)

identification

*You identified a few of the important tax issues in this scenario, including the expiry of net capital losses upon an acquisition of control and the unpaid bonus. For each issue, you demonstrated you understood the technical issue. However, as there were several other important tax issues resulting from the acquisition of WI including deemed year-end, non capital losses and QSBC, you were required to identify and correctly discuss more of these in order to demonstrate your competence in this area.*

You did not discuss the relevant tax issues in sufficient depth, or you focused on the less important issues.

justification

*It appears that you prioritized the minor tax issues of the bonus and the secondary issue of whether the installers should be considered employees or contractors; however, you were required to address the acquisition of control issues and the tax impact to Shawn and Scott of whether WI qualified as a QSBC or not, in more depth to demonstrate your competence on this indicator.*

*You correctly identified the loss of net capital losses on an acquisition of control, however you needed to go further and discuss the election available on the land to trigger a capital gain which would result in the net capital loss not being lost.*

You did not explain the tax treatment correctly, either for WI or for Shawn and Scott.

technical

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

*According to the purchase agreement, Claudette was required to pay all the income tax that may occur as a result of the transaction, therefore you should have discussed the sellers' tax issues (i.e. whether WI was a QSBC) in order to demonstrate your competence in this area. Make sure you always inform your client of every item that could impact his decision. Also, ensure that you explain all of the issues that you identify in sufficient depth so that the client has access to all of the essential information in order to make a sound decision.*

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### II-2 Primary #4 (PQ)

**The candidate discusses the risks associated with the WI purchase that NetWay may not have considered and suggests changes to agreement.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not identify a sufficient number of risks/opportunities, or potential changes to the agreement.

identification

You did not provide sufficient support when explaining the risks, opportunities or potential changes to the agreement, associated with the purchase of WI.

justification

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

*It appears that you did not identify this indicator as a primary issue in the scenario. Although this pervasive indicator was not directed to in the question, numerous case facts (e.g. Claudette appears nervous about the acquisition, Shawn and Scott's two year involvement, WI's high debt load, the difference between NetWay's and WI's business activities) should have resulted in you putting priority on this issue.*

## SECTION A - FINDINGS BY INDICATOR BY SIMULATION

### Overall Comments

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#### Communication

Was the response well organized with a logical flow?

Y

*Your response was well organized by primary indicator. Each section was well identified.*

Did the candidate understand their role?

Y

*You understood your role of advising Claudette with respect to the acquisition of WI.*

Was the response easy to read and understand?

Y

*Your typed response was easy to read and understand.*

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#### Prioritizing and Ranking

Did the response appear appropriately focused on the primaries? (vs the secondaries)

N

*In your tax discussion, it appears that you prioritized the employee vs. contractor issue, which was a secondary issue, to the primary issues of the tax implications to Claudette and WI of the transaction.*

Did the response appear balanced?

Y

*You devoted an appropriate amount of time to each indicator, with the exception of the pervasive indicator which you did not appear to recognize as a primary issue in the simulation.*

## SECTION A - FINDINGS BY INDICATOR BY SIMULATION

### II-3 – Foreign Infants Adoption Inc.

#### Primary Indicators

##### II-3 Primary #1 (PM)

**The candidate discusses the relevant accounting issues for FIA.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not discuss a sufficient number of the accounting issues.

identification

You discussed some of the accounting issues, but did not provide sufficient support to your analysis.

justification

*You provided quite a brief discussion of revenue recognition which adequately explained why the client's current method was not in accordance with GAAP. You did not provide a lot of support or discussion around your recommended method (defer until adoption complete). Specifically, you didn't discuss what point in the process would represent actual completion (completion of travel vs. completion of post-adoption report), nor did you recognize the long-term nature of the contracts and discuss the associated revenue recognition options (% completion in particular). Your discussion of the Sudan liability correctly concluded that the fees should not have been recognized as revenue but as a deferred revenue liability. However, this did not add anything to your revenue discussion and you did not address the possibility of a refund liability. Finally, your response recommended a translation method for the Chinese operations (actual or average rate for expenses) but did not discuss the options (current or temporal methods) or support the recommendation using relevant case facts.*

The treatment you proposed for one or more of the accounting issues was not appropriate.

technical

Your accounting discussion was focused on some of the more minor accounting issues.

identification

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

*Your response on this indicator was lacking in depth. You identified a number of the accounting issues but did not provide sufficient support and analysis in your discussions.*

##### II-3 Primary #2 (AS)

**The candidate prepares the initial planning memo requested by Kate Horne.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You only addressed general planning issues - the specific high risk areas for the audit engagement were not discussed.

identification

Your general planning discussion was invalid, incomplete or did not incorporate sufficient relevant case facts.

justification

Your discussion of the specific high risk areas of the audit was invalid, incomplete or did not incorporate sufficient relevant case facts.

justification

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

*Your audit planning memo was adequate, providing a sufficient discussion of the general planning issues and addressing some of the key risk areas. Your recommendations were based on case facts and were reasonable.*

##### II-3 Primary #3 (PQ)

**The candidate discusses the impact on FIA of the new requirement to put the fees in trust and the profitability of the flat fee.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

You identified that FIA was subject to a new requirement to hold cash in trust, but did not sufficiently discuss the impact of this requirement on FIA.

justification

You identified that detailed cost tracking was important, but did not sufficiently discuss why this was important for FIA.

justification

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

*There were two high-level issues in this indicator that you could have identified and discussed, but you did not deal with either. It is always important to step back and think about the big picture how different parts of the case might add up to reveal a bigger issue. In this case, FIA's not holding sufficient money in trust for its clients could result in it losing its ability to carry on business. This issue was absolutely critical. The issue of charging a flat fee when costs actually vary by country was also important, as this could result in FIA becoming unprofitable.*

## **Overall Comments**

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### **Communication**

Was the response well organized with a logical flow?

Y

*Your paper was well organized and logical. Your use of headings made your paper easy to follow and issues were appropriately separated from each other for discussion and analysis.*

Did the candidate understand their role?

Y

*You appear to have understood your role as you prepared an audit planning memo for FIA. However, as part of your role, you should have also brought some of the more critical underlying issues to FIA's attention, such as the potential impact on FIA of being in breach of the CIC requirement. While this was not an explicit required, a discussion of these issues would be part of a complete response.*

Was the response easy to read and understand?

Y

*Your response was typed and easy to read. Your use of paragraphs and point form was appropriate, and your language was clear and easy to understand.*

---

### **Prioritizing and Ranking**

Did the response appear appropriately focused on the primaries? (vs the secondaries)

Y

*Your response focused on the primary indicators. You did not address the secondary indicator.*

Did the response appear balanced?

N

*Your response was weighted a bit heavily toward assurance as you used only a little more than a page in covering three accounting issues (and over 2 full pages on assurance). You did not address the pervasive indicator.*

# SECTION A - FINDINGS BY INDICATOR BY SIMULATION

## III-1 – Financial Plan

### Primary Indicators

#### III-1 Primary #1 (FIN)

The candidate analyzes the financial position of Jim and Karen Thuroid, concluding that their current retirement goals are unattainable.

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not perform a financial analysis of current situation (e.g.cash-flow analysis).

identification

Your analysis (quantitative and/or qualitative) did not consider any of the other potential sources of retirement funds provided in the simulation.

integration

*You could have also considered that Jim and Karen will be entitled, at age 60, to receive CPP/QPP and at age 65, old age security.*

You did not attempt to calculate the present value of Jim and Karen financial needs at retirement.

technical

*The goal of Jim and Karen was to get an annual income of \$80,500, starting at age 55 (70% x \$115,000), for 30 years. You had to calculate the present value in 10 years of a yearly income of \$80,500 for a 30 year period. Instead you took the savings over 10 years and the assets that you had and determine what type of income you could get from those assets and added it to Jim's pension and compared the total to their goal of \$80,500*

You did not link the expected cash flows for the next 10 years with the expected cash requirements at retirement.

integration

You did not conclude on whether Jim's and Karen's retirement goals are attainable.

recommendation

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

*You were on the right track; however, your analysis of their retirement needs compared to resources available was weak. You needed to determine the total amount they needed in retirement, and compare it to how much was available.*

#### III-1 Primary #2 (FIN)

The candidate recommends ways to help Jim and Karen reach their goals.

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not identify the major ways or a sufficient number of ways to help Jim and Karen to reach their goals.

identification

*You did identify a couple of ways to help Karen and Jim. You recommended delaying retirement and delaying the purchase of the cottage. You needed to identify more ways in order to demonstrate your competence. There were many other ways you could have suggested, such as debt consolidation, buying RESPs, charging FMV rent, reviewing discretionary spending, reducing impulse spending, etc.*

Some of the ways you identified to help Jim and Karen were not valid.

technical

You identified many ways to help Jim and Karen, but you did not discuss them in sufficient depth.

justification

You did not recognize that delaying retirement or modifying their retirement goals were the only real viable solutions for Jim and Karen.

integration

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

*You were on the right track and provided some good advice; however, you needed to discuss more ways to help them reach their goals.*

#### III-1 Primary #3 (TAX)

The candidate reviews the calculation of rental loss included on the 2007 tax return.

## SECTION A - FINDINGS BY INDICATOR BY SIMULATION

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not recalculate the rental loss included in the 2007 tax return.

identification

*You should have recognized that the major issue associated with the 2007 tax return was the calculation of the rental loss and addressed it accordingly.*

You did not identify a sufficient number of issues regarding the rental loss.

identification

*There were several issues you could have identified, for example the impact of claiming CCA on the principal residence exemption, the CCA claim would be denied since it increases a loss, the return should be amended, the revenue should be at FMV, only rental related expenses should be deducted, etc. You only identified a couple and this was not sufficient to demonstrate competence. Your entire discussion of the rental loss was 4.5 lines of the response. You didn't seem to consider this a primary indicator or you may have run out of time.*

You recalculated the rental loss that was included on the 2007 tax return but you did not discuss the potential errors in sufficient depth.

justification

Your discussion of the issues regarding the rental loss was technically incorrect or you recommended an inappropriate tax treatment.

technical

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

*You didn't spend much of your discussion on this indicator. It was a brief section at the end of your response and it seemed like you considered it a secondary indicator.*

---

### III-1 Primary #4 (TAX)

**The candidate advises Jim and Karen on tax planning opportunities.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not identify a sufficient number of tax planning opportunities for Jim and Karen.

identification

*You did not identify a sufficient number of tax planning opportunities, and therefore you were unable to demonstrate competency in tax planning. Your entire response for this section was five lines. You briefly discussed incorporation and RRSP contributions.*

You identified several tax planning opportunities for Jim and Karen, but you did not discuss them in sufficient depth.

justification

*Your entire response for this section was five lines. You briefly discussed incorporation and RRSP contributions; however, you did not provide enough details for your discussion to be useful to the client. You suggested that Jim and Karen should make use of unused RRSP contribution room but did not communicate how this was going to be possible given their cash constraints and how this was going to benefit them financially (income splitting in the future, bigger refund today improves cash flow providing funds for additional contributions).*

*Your discussion of incorporation did not provide sufficient depth as to be meaningful to the reader. You should provide a few benefits that would be meaningful to the client. Given the current situation, this would generally include the Small Business Deduction, income splitting and Capital Gains Exemption on Shares of a Qualifying Small Business Corporation.*

Your discussion of the tax planning opportunities is technically incorrect or you recommended inappropriate planning steps

technical

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

*You didn't spend much of your discussion on this indicator. It was a brief section near the end of your response and it seemed like you considered it a secondary indicator.*

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

### **Overall Comments**

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#### **Communication**

Was the response well organized with a logical flow?

Y

*You did seem to focus on one indicator at a time and have a plan for the flow of your response since you had a good progression from one discussion to the next*

Did the candidate understand their role?

N

*While you did address all the indicators, you didn't discuss the tax planning, rental loss, and achievement of financial goals in enough depth for your report to be useful to the Thurolds'.*

Was the response easy to read and understand?

Y

*Your response was mostly paragraphs and it may have been easier to read if it were in point form and used more bullets and headings to separate the discussions. However, if you use point form you need to make sure that you still clearly communicate your full thoughts.*

---

#### **Prioritizing and Ranking**

Did the response appear appropriately focused on the primaries? (vs the secondaries)

Y

*There were no secondary indicators for this simulation.*

Did the response appear balanced?

N

*You seemed to focus more on the retirement planning than on the other indicators since most of the qualitative discussion focused on this indicator.*

## SECTION A - FINDINGS BY INDICATOR BY SIMULATION

### III-2 – Super Sports Ltd.

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#### Primary Indicators

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##### III-2 Primary #1 (PM)

**The candidate evaluates the claims that SSL's financial statements are not in accordance with GAAP.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not discuss a sufficient number of the claims that SSL's financial statements were not in accordance with GAAP.

identification

Although you attempted a discussion, you did not address the issues from a GAAP perspective.

identification

You discussed some of the claims that SSL's financial statements were not in accordance with GAAP, but your discussions were generally weak or unsupported.

justification

You discussed some of the claims that SSL's financial statements were not in accordance with GAAP, but some of your discussions were technically incorrect.

technical

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

*You did quite a good job on the performance measurement indicator. Your analysis of the accounting issues raised/suggestions made by Jill were very well done. You identified and analyzed the issues while demonstrating your accounting (Handbook) knowledge in the context of simulation facts. Overall, well done!*

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##### III-2 Primary #2 (AS)

**The candidate evaluates the claims that SSL's auditor did not comply with GAAS.**

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not discuss a sufficient number of the assurance issues raised by Jill with respect to the audit performed.

identification

You discussed some of the assurance issues raised by Jill, but your discussions were weak (e.g. poorly explained, not supported with simulation facts, etc)

justification

You discussed some of the assurance issues raised by Jill, but your discussions were technically incorrect from a GAAS perspective.

technical

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

*You did a fairly good job on the assurance indicator. Your response covered several of the issues noted by Jill and provided arguments refuting her claims. You did so with a good understanding and use of simulation facts while demonstrating your assurance knowledge. Note you did not discuss the F&F audit work, audit work on goodwill/intangible, reliance placed on questionable management issues. Well done!*

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

### **Overall Comments**

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#### **Communication**

Was the response well organized with a logical flow?

Y

*Your response was well organized. Your response was appropriately divided into separate accounting and assurance sections addressing the issues and criticisms raised by Jill. Issues were well identified with headings. Well done!*

Did the candidate understand their role?

Y

*Generally speaking, it appeared that you understood your role in reporting to Thomas and Toffler via the partner. Your response addressed both the accounting and assurance issues and criticisms raised by Jill.*

Was the response easy to read and understand?

Y

*Your response was easy to read and understand. You made good use of headings and made clear recommendations based on the discussions. Your thoughts were well articulated.*

---

#### **Prioritizing and Ranking**

Did the response appear appropriately focused on the primaries? (vs the secondaries)

Y

*This simulation did not have any secondary indicators to address.*

Did the response appear balanced?

Y

*Generally speaking, your response was well balanced and covered the primary indicators. You did not place undue emphasis on issues other than those suggested by the required and the role. Well Done!*

# SECTION A - FINDINGS BY INDICATOR BY SIMULATION

## III-3 – Far West Camp

### Primary Indicators

#### III-3 Primary #1 (MDM)

The candidate evaluates the financial information provided and prepares a cash budget.

YOU DID NOT ADDRESS THIS INDICATOR.

identification

You did not prepare a revised cash budget for Far West Camp.

identification

You did not adequately explain some of the adjustments you made in your revised cash budget.

justification

You did not make a sufficient number of the necessary adjustments to the cash flows provided in the simulation.

identification

*Your cash budget did not contain a sufficient number of adjustments for the missing outflows. The simulation presented a number of outflows missing from the presented financial information, such as early bird discount 10%, and additional gala costs \$4.5K. Additionally, you could include estimates for the audit fee and additional damages.*

Some of the adjustments you made to the cash budget provided in the simulation were technically incorrect (ex. in kind, revenues, expenses, etc...).

technical

#### III-3 Primary #2 (AS)

The candidate addresses George's need to report on the sponsorship criteria.

YOU DID NOT ADDRESS THIS INDICATOR.

identification

Your explanation of the different reports available was technically incorrect or invalid.

technical

*You indicated that the S8500 report provided a "lower level of assurance than the S5805 report"; however, it provides "negative assurance".*

You did not provide sufficient depth when explaining which report will meet George's needs (i.e. you did not use case facts to support your discussion).

justification

*You presented a list of reporting options available to meet the sponsor criteria, and recommended one of the reports listed. George had hoped that one report could be completed that would address all of the sponsorship criteria; however you did not provide a discussion on whether or not there was one report that could meet all of the sponsors' needs.*

You did not provide George with advice on his reporting options, instead you identified procedures that could be performed.

identification

You did not provide a recommendation to George addressing his need to report on the sponsorship criteria.

recommendation

You did not adequately discuss the independence issues raised by George.

identification

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

*George asked you for advice on the report required to certify that the sponsorship criteria have been met. However, you only provided a generic description of some of the reporting options available. You should have attempted to explain to George how each of the reports would address the specific sponsorship criteria provided in the simulation. Based on this analysis, a recommendation should have been made to George on which report would be best, as opposed to recommending based solely on cost, as you did. Or, you could have explained to George the difficulty of one report meeting all of the sponsors' needs.*

#### III-3 Primary #3 (GOV)

The candidate discusses the risks associated with the race and suggests ways to manage them.

YOU DID NOT ADDRESS THIS INDICATOR.

identification

## **SECTION A - FINDINGS BY INDICATOR BY SIMULATION**

You have not recognized a sufficient number of risks related to the race.	<input type="checkbox"/>	identification
You have only identified risks related to the race without suggesting ways to manage them.	<input type="checkbox"/>	recommendation
You have only suggested ways to manage the risks without first discussing the nature of the risk and why it must be addressed.	<input type="checkbox"/>	justification
You did not adequately integrate case facts into your risk discussion.	<input type="checkbox"/>	integration

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

*You performed well on this indicator. You identified a sufficient number of risks associated with the race event, discussed their implications on the race and presented logical suggestions to manage these risks.*

## **Overall Comments**

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### **Communication**

Was the response well organized with a logical flow? <i>Your response was well organized with a logical flow. You used headings to separate the various issues making your response easy to follow.</i>	<input type="checkbox" value="Y"/>
Did the candidate understand their role? <i>You understood your role which was evident by the presentation of a cash flow budget, a discussion of the reporting options available, and good coverage of the risks associated with the race event.</i>	<input type="checkbox" value="Y"/>
Was the response easy to read and understand? <i>Your response was easy to read and understand.</i>	<input type="checkbox" value="Y"/>

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### **Prioritizing and Ranking**

Did the response appear appropriately focused on the primaries? (vs the secondaries) <i>There were no secondary indicators on this simulation.</i>	<input type="checkbox" value="Y"/>
Did the response appear balanced? <i>Your response was adequately balanced as it appears you spent an adequate amount of time on each of the three indicators.</i>	<input type="checkbox" value="Y"/>

## SECTION B - FINDINGS BY COMPETENCY AREA

### Assurance (GREEN)

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#### **II-1 Primary #2 (AS)**

**The candidate summarizes the audit findings in terms of unadjusted differences and advises the partner regarding the overall effect on the financial statements and the audit report.**

You did not discuss the overall impact of the adjustments on the audit report.

justification

*You recognized that the accounting adjustments would have an impact on the covenants. However, you were requested to 'summarize how these issues will impact our audit report'. A careful reading of the simulation is essential to ensure that all of the partner's requests are addressed. In this case, you were expected to recognize that a going concern note would be required and if the CFO refuses to include this disclosure, we would be unable to offer a clean opinion in our audit report, or that it would have no impact on our report if he agrees to make the necessary disclosures. There was information provided in the simulation with respect to the CFO and his opinions which indicates that he would likely be very reluctant to make this disclosure.*

---

#### **II-1 Primary #3 (AS)**

**The candidate raises the issues to include in the management letter to the client.**

You did not provide adequate explanations for the issues you identified.

justification

*You noted that not having the costing reports approved can lead to: "wrong amounts claimed as costs.", but you never explained why this was a problem or how approving the costing reports would prevent this. For example, you could have explained that this would have an impact on the company, as they could be relying on erroneous reports when making decisions about the costing or progress of their construction projects. As a result, they may make inappropriate decisions that could impact their profitability, or they may delay taking needed action and this may also ultimately cost them money.. Similarly on your discussion of journal entries you said: "all journal entries must be approved," but you never explained why.*

---

#### **III-3 Primary #2 (AS)**

**The candidate addresses George's need to report on the sponsorship criteria.**

Your explanation of the different reports available was technically incorrect or invalid.

technical

*You indicated that the S8500 report provided a "lower level of assurance than the S5805 report"; however, it provides "negative assurance".*

You did not provide sufficient depth when explaining which report will meet George's needs (i.e. you did not use case facts to support your discussion).

justification

*You presented a list of reporting options available to meet the sponsor criteria, and recommended one of the reports listed. George had hoped that one report could be completed that would address all of the sponsorship criteria; however you did not provide a discussion on whether or not there was one report that could meet all of the sponsors' needs.*

Your performance in this area was good and you clearly met the Board's standard.

## SECTION B - FINDINGS BY COMPETENCY AREA

### Finance (YELLOW)

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#### **Comp - Primary #1 (FIN)**

**The candidate prepares an analysis of the options for the landfill and the landfill equipment.**

Your quantitative analysis of the lease vs. buy option was incomplete.

justification

*In your analysis of the equipment options your calculation of the costs relating to the lease option was well done but your analysis of the purchase option was incomplete. You considered the initial cost and tax shield of purchasing but omitted both the maintenance costs and salvage value. This resulted in an invalid comparison and a decision which was based on an incomplete analysis.*

Your quantitative analysis of the landfill vs. Wasteville option was incomplete.

justification

*Your quantitative analysis of the landfill purchase did not consider enough of the relevant elements such as the lease payments related to the equipment needed to run the landfill, the equipment buyout of \$200,000, restoration costs of \$500,000, and the landfill salvage value. In addition, your analysis of Wasteville would have been stronger if you had considered the accelerated depreciation caused by the additional distance to Wasteville. These omissions resulted in an incomplete analysis and invalid comparison. This might indicate a need to read the case with more care to ensure that you are accurately interpreting and incorporating case facts.*

You did not prepare a reasonable qualitative analysis.

justification

*Your qualitative discussion of the landfill and landfill equipment options did not address enough of the relevant factors. In order to provide Janique with a complete assessment of the options it was necessary to consider qualitative factors which might impact her ultimate decision. Some of these factors included Recyclo's lack of experience operating a landfill, possible environmental risks, ability to control the process, and the difference between the length of the City contract term and the equipment lease term. In your response, you identified the lease term as an opportunity to upgrade equipment after 5 years but did not see the more relevant issue of the lease term being different from the City Pickup Program.*

---

#### **III-1 Primary #1 (FIN)**

**The candidate analyzes the financial position of Jim and Karen Thuroid, concluding that their current retirement goals are unattainable.**

Your analysis (quantitative and/or qualitative) did not consider any of the other potential sources of retirement funds provided in the simulation.

integration

*You could have also considered that Jim and Karen will be entitled, at age 60, to receive CPP/QPP and at age 65, old age security.*

You did not attempt to calculate the present value of Jim and Karen financial needs at retirement.

technical

*The goal of Jim and Karen was to get an annual income of \$80,500, starting at age 55 (70% x \$115,000), for 30 years. You had to calculate the present value in 10 years of a yearly income of \$80,500 for a 30 year period. Instead you took the savings over 10 years and the assets that you had and determine what type of income you could get from those assets and added it to Jim's pension and compared the total to their goal of \$80,500*

## **SECTION B - FINDINGS BY COMPETENCY AREA**

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### **III-1 Primary #2 (FIN)**

**The candidate recommends ways to help Jim and Karen reach their goals.**

You did not identify the major ways or a sufficient number of ways to help Jim and Karen to reach their goals.

identification

*You did identify a couple of ways to help Karen and Jim. You recommended delaying retirement and delaying the purchase of the cottage. You needed to identify more ways in order to demonstrate your competence. There were many other ways you could have suggested, such as debt consolidation, buying RESPs, charging FMV rent, reviewing discretionary spending, reducing impulse spending, etc.*

## **Governance, Strategy and Risk Management (GREEN)**

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Your performance in this area was good and you clearly met the Board's standard.

## **Management Decision-Making (GREEN)**

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### **III-3 Primary #1 (MDM)**

**The candidate evaluates the financial information provided and prepares a cash budget.**

You did not make a sufficient number of the necessary adjustments to the cash flows provided in the simulation.

identification

*Your cash budget did not contain a sufficient number of adjustments for the missing outflows. The simulation presented a number of outflows missing from the presented financial information, such as early bird discount 10%, and additional gala costs \$4.5K. Additionally, you could include estimates for the audit fee and additional damages.*

Your performance in this area was good and you clearly met the Board's standard.

## SECTION B - FINDINGS BY COMPETENCY AREA

### Performance measurement (YELLOW)

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#### **Comp - Primary #5 (PM)**

**The candidate identifies non-financial measures that could be used to report on the efficiency and effectiveness of the Pickup Program.**

You attempted to develop non-financial measures but the measures that you developed were not relevant or were not sufficient.

technical

*While you clearly attempted to provide measures, some of the measures you suggested were not relevant. For instance, one of your measures was "number of complaint resolutions per month". However, this does not reflect whether Recyclo is improving from the City program. The number of complaints resolved could increase each month which suggests improvement, but if the overall number of complaints is going up by a greater degree than those being resolved then Recyclo would actually be doing worse. Therefore, the overall number of complaints received is a more relevant measure - which you did suggest also.*

You attempted to develop non-financial measures but you did not adequately demonstrate an understanding of the measures (i.e. no depth was demonstrated).

justification

*You provided some good measures in your bid proposal which is great. However, you did not demonstrate an adequate understanding of those measures because you did not provide sufficient discussion. For example, for the customer survey you state that Recyclo would make sure the satisfaction does not fall below 6 on the 10 point scale. This is a great start as it gives a benchmark - albeit an arbitrary one. However, you do not indicate how often you would do this or what you would measure.*

*Likewise, for the number of complaints each month you state that Recyclo would ensure the number "does not fall below a certain number each month." Success, in fact, would be a monthly decline in the number of complaints. Also, for this measure you do not give a benchmark or state where you would get the information such as call logs.*

---

#### **II-1 Primary #1 (PM)**

**The candidate discusses the accounting adjustments required by the audit findings.**

Your response lacked depth when discussing why the adjustments were required; you did not provide adequate depth/analysis to support your conclusion with respect to the appropriate accounting treatment (poor link to case facts).

justification

*When you addressed the employee housing loans you noted that "it is clear that most of the employee housing loans are long-term," but you never explained why.*

*When you addressed the foundation inventory, you noted several additional procedures that could be done to gather additional information/evidence about this inventory but you did not use the case facts that were already available to at least do a preliminary assessment of this accounting issue.*

## SECTION B - FINDINGS BY COMPETENCY AREA

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### II-3 Primary #1 (PM)

The candidate discusses the relevant accounting issues for FIA.

You discussed some of the accounting issues, but did not provide sufficient support to your analysis.

justification

*You provided quite a brief discussion of revenue recognition which adequately explained why the client's current method was not in accordance with GAAP. You did not provide a lot of support or discussion around your recommended method (defer until adoption complete). Specifically, you didn't discuss what point in the process would represent actual completion (completion of travel vs. completion of post-adoption report), nor did you recognize the long-term nature of the contracts and discuss the associated revenue recognition options (% completion in particular). Your discussion of the Sudan liability correctly concluded that the fees should not have been recognized as revenue but as a deferred revenue liability. However, this did not add anything to your revenue discussion and you did not address the possibility of a refund liability. Finally, your response recommended a translation method for the Chinese operations (actual or average rate for expenses) but did not discuss the options (current or temporal methods) or support the recommendation using relevant case facts.*

## SECTION B - FINDINGS BY COMPETENCY AREA

### Taxation (RED)

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#### **II-2 Primary #3 (TAX)**

**The candidate discusses tax issues associated with NetWay's purchase of WI.**

You did not identify a sufficient number of relevant tax issues (deemed year end, non or net capital losses, QSBC, bonus, SBD)

identification

*You identified a few of the important tax issues in this scenario, including the expiry of net capital losses upon an acquisition of control and the unpaid bonus. For each issue, you demonstrated you understood the technical issue. However, as there were several other important tax issues resulting from the acquisition of WI including deemed year-end, non capital losses and QSBC, you were required to identify and correctly discuss more of these in order to demonstrate your competence in this area.*

You did not discuss the relevant tax issues in sufficient depth, or you focused on the less important issues.

justification

*It appears that you prioritized the minor tax issues of the bonus and the secondary issue of whether the installers should be considered employees or contractors; however, you were required to address the acquisition of control issues and the tax impact to Shawn and Scott of whether WI qualified as a QSBC or not, in more depth to demonstrate your competence on this indicator.  
You correctly identified the loss of net capital losses on an acquisition of control, however you needed to go further and discuss the election available on the land to trigger a capital gain which would result in the net capital loss not being lost.*

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#### **III-1 Primary #3 (TAX)**

**The candidate reviews the calculation of rental loss included on the 2007 tax return.**

You did not recalculate the rental loss included in the 2007 tax return.

identification

*You should have recognized that the major issue associated with the 2007 tax return was the calculation of the rental loss and addressed it accordingly.*

You did not identify a sufficient number of issues regarding the rental loss.

identification

*There were several issues you could have identified, for example the impact of claiming CCA on the principal residence exemption, the CCA claim would be denied since it increases a loss, the return should be amended, the revenue should be at FMV, only rental related expenses should be deducted, etc. You only identified a couple and this was not sufficient to demonstrate competence. Your entire discussion of the rental loss was 4.5 lines of the response. You didn't seem to consider this a primary indicator or you may have run out of time.*

## SECTION B - FINDINGS BY COMPETENCY AREA

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### III-1 Primary #4 (TAX)

**The candidate advises Jim and Karen on tax planning opportunities.**

You did not identify a sufficient number of tax planning opportunities for Jim and Karen.

identification

*You did not identify a sufficient number of tax planning opportunities, and therefore you were unable to demonstrate competency in tax planning. Your entire response for this section was five lines. You briefly discussed incorporation and RRSP contributions.*

You identified several tax planning opportunities for Jim and Karen, but you did not discuss them in sufficient depth.

justification

*Your entire response for this section was five lines. You briefly discussed incorporation and RRSP contributions; however, you did not provide enough details for your discussion to be useful to the client. You suggested that Jim and Karen should make use of unused RRSP contribution room but did not communicate how this was going to be possible given their cash constraints and how this was going to benefit them financially (income splitting in the future, bigger refund today improves cash flow providing funds for additional contributions).*

*Your discussion of incorporation did not provide sufficient depth as to be meaningful to the reader. You should provide a few benefits that would be meaningful to the client. Given the current situation, this would generally include the Small Business Deduction, income splitting and Capital Gains Exemption on Shares of a Qualifying Small Business Corporation.*

## SECTION C - SUMMARY OF GENERAL FINDINGS

### Communication

Was the response well organized with a logical flow?

Y	Y	Y	Y	Y	Y	Y
---	---	---	---	---	---	---

*Comp - Your response was not well organized. In preparing the bid it was necessary to make some preliminary decisions and then include the results in the bid calculations. It appeared from your response that you did not address the issues in a logical manner and thus your response was not well organized.*

*Your exhibits for the lease versus buy analysis and the landfill purchase option were not well organized. Instead of using one column for each of the six years as you did for the Wasteville option, you used one column which included the total of six years for each item line by line (e.g. maintenance payment for six years NPVd was 53,962). Using separate columns for each year allows the reader to see the cost of individual components for each year and how those amounts roll into totals which are then present valued for the final result. This is more useful and better organized.*

*II-1 Your response was presented in a logical flow.*

*II-2 Your response was well organized by primary indicator. Each section was well identified.*

*II-3 Your paper was well organized and logical. Your use of headings made your paper easy to follow and issues were appropriately separated from each other for discussion and analysis.*

*III-1 You did seem to focus on one indicator at a time and have a plan for the flow of your response since you had a good progression from one discussion to the next*

*III-2 Your response was well organized. Your response was appropriately divided into separate accounting and assurance sections addressing the issues and criticisms raised by Jill. Issues were well identified with headings. Well done!*

*III-3 Your response was well organized with a logical flow. You used headings to separate the various issues making your response easy to follow.*

Did the candidate understand their role?

Y	N	Y	Y	N	Y	Y
---	---	---	---	---	---	---

*Comp - It appears you understood your role - you responded to the requests from Janique relating to the bid and the implications for Recyclo's financial statements if the bid was successful.*

*II-1 Perhaps you did not totally understand your role. You did write a half page on assessing audit risk. The partner had mentioned that the audit work was over and that he was comfortable with the amount of field work performed.*

*II-2 You understood your role of advising Claudette with respect to the acquisition of WI.*

*II-3 You appear to have understood your role as you prepared an audit planning memo for FIA. However, as part of your role, you should have also brought some of the more critical underlying issues to FIA's attention, such as the potential impact on FIA of being in breach of the CIC requirement. While this was not an explicit required, a discussion of these issues would be part of a complete response.*

*III-1 While you did address all the indicators, you didn't discuss the tax planning, rental loss, and achievement of financial goals in enough depth for your report to be useful to the Thurolds'.*

*III-2 Generally speaking, it appeared that you understood your role in reporting to Thomas and Toffler via the partner. Your response addressed both the accounting and assurance issues and criticisms raised by Jill.*

*III-3 You understood your role which was evident by the presentation of a cash flow budget, a discussion of the reporting options available, and good coverage of the risks associated with the race event.*

## **SECTION C - SUMMARY OF GENERAL FINDINGS**

COMP II-1 II-2 II-3 III-1 III-2 III-3

**Was the response easy to read and understand?**

N	Y	Y	Y	Y	Y	Y
---	---	---	---	---	---	---

*Comp - Your response was typed and generally easy to read. However, your response contained numerous spelling/typo errors. These types of errors disrupt the flow of your response for the reader. Each time the reader must stop to decipher a word or words it distracts from the thought you are trying to convey. You should be sure to allocate time in your planning for review of your response to ensure you minimize these types of errors.*

*You might also consider the use of different font sizes, underlining or bold font to further help separate the different sections of your response. Also, allowing a space in between different points, and between headings and your first sentence, would also help separate thoughts within your response for the reader.*

*Be careful with the use of point form. Several discussions in your response did not go beyond identification or repetition of case facts. Consider whether this writing technique is resulting in discussions which lack depth or justifications.*

*In terms of your exhibits, they were generally easy to follow (see note regarding organization). However, it would be helpful if you put the notes to your exhibits below the numerical analysis with reference to the relevant line rather than putting the explanations beside the exhibit.*

*II-1 Your response was easy to read and understand.*

*II-2 Your typed response was easy to read and understand.*

*II-3 Your response was typed and easy to read. Your use of paragraphs and point form was appropriate, and your language was clear and easy to understand.*

*III-1 Your response was mostly paragraphs and it may have been easier to read if it were in point form and used more bullets and headings to separate the discussions. However, if you use point form you need to make sure that you still clearly communicate your full thoughts.*

*III-2 Your response was easy to read and understand. You made good use of headings and made clear recommendations based on the discussions. Your thoughts were well articulated.*

*III-3 Your response was easy to read and understand.*

---

### **Prioritizing and Ranking**

**Did the response appear appropriately focused on the primaries? (vs the secondaries)**

Y	N	N	Y	Y	Y	Y
---	---	---	---	---	---	---

*Comp - There were no secondary indicators in this question.*

*II-1 There were no secondary indicators for this simulation. However you did spend unnecessary time assessing audit risk when we were already at the end of the audit.*

*II-2 In your tax discussion, it appears that you prioritized the employee vs. contractor issue, which was a secondary issue, to the primary issues of the tax implications to Claudette and WI of the transaction.*

*II-3 Your response focused on the primary indicators. You did not address the secondary indicator.*

*III-1 There were no secondary indicators for this simulation.*

*III-2 This simulation did not have any secondary indicators to address.*

*III-3 There were no secondary indicators on this simulation.*

## **SECTION C - SUMMARY OF GENERAL FINDINGS**

COMP II-1 II-2 II-3 III-1 III-2 III-3

### **Did the response appear balanced?**

Y	N	Y	N	N	Y	Y
---	---	---	---	---	---	---

*Comp - You covered all of the major issues. It did not appear that you spent more time on any particular issue. However, your response was quite short (6 pages of written material). In order to provide enough depth and breadth of coverage you should try to expand your response. For example, there were several areas of your response where you did not go beyond case facts - your response would be strengthened by adding more depth to your analysis - answering the "so what?" question.*

*In terms of balance between your quantitative and qualitative analysis, your response for the City proposal considered both which is good. For the landfill options and lease versus buy analysis, you did not provide sufficient qualitative analysis. It is important to provide both types of analysis in order to provide good balance in your response.*

*II-1 It did not appear that your response was appropriately weighted as you spent some time unnecessarily preparing audit procedures for the foundation inventory and assessing audit risk.*

*II-2 You devoted an appropriate amount of time to each indicator, with the exception of the pervasive indicator which you did not appear to recognize as a primary issue in the simulation.*

*II-3 Your response was weighted a bit heavily toward assurance as you used only a little more than a page in covering three accounting issues (and over 2 full pages on assurance). You did not address the pervasive indicator.*

*III-1 You seemed to focus more on the retirement planning than on the other indicators since most of the qualitative discussion focused on this indicator.*

*III-2 Generally speaking, your response was well balanced and covered the primary indicators. You did not place undue emphasis on issues other than those suggested by the required and the role. Well Done!*

*III-3 Your response was adequately balanced as it appears you spent an adequate amount of time on each of the three indicators.*

## SUMMARY OF PROFESSIONAL SKILLS FINDINGS

Reference  
to section A

Reference  
to section B

### Summary of "Identification":

Did not identify issue that was directed to or an underlying issue of the client's real need.

Where "YOU DID NOT ADDRESS THIS INDICATOR" is listed, it means that you missed addressing a primary indicator completely. This is considered a significant weakness.

You did not identify a sufficient number of relevant tax issues (deemed year end, non or net capital losses, QSBC, bonus, SBD)

X

II-2PI#3

TAX

*You identified a few of the important tax issues in this scenario, including the expiry of net capital losses upon an acquisition of control and the unpaid bonus. For each issue, you demonstrated you understood the technical issue. However, as there were several other important tax issues resulting from the acquisition of WI including deemed year-end, non capital losses and QSBC, you were required to identify and correctly discuss more of these in order to demonstrate your competence in this area.*

YOU DID NOT ADDRESS THIS INDICATOR.

X

II-2PI#4

PQ

YOU DID NOT ADDRESS THIS INDICATOR.

X

II-3PI#3

PQ

You did not identify the major ways or a sufficient number of ways to help Jim and Karen to reach their goals.

X

III-1PI#2

FIN

*You did identify a couple of ways to help Karen and Jim. You recommended delaying retirement and delaying the purchase of the cottage. You needed to identify more ways in order to demonstrate your competence. There were many other ways you could have suggested, such as debt consolidation, buying RESPs, charging FMV rent, reviewing discretionary spending, reducing impulse spending, etc.*

You did not recalculate the rental loss included in the 2007 tax return.

X

III-1PI#3

TAX

*You should have recognized that the major issue associated with the 2007 tax return was the calculation of the rental loss and addressed it accordingly.*

You did not identify a sufficient number of issues regarding the rental loss.

X

III-1PI#3

TAX

*There were several issues you could have identified, for example the impact of claiming CCA on the principal residence exemption, the CCA claim would be denied since it increases a loss, the return should be amended, the revenue should be at FMV, only rental related expenses should be deducted, etc. You only identified a couple and this was not sufficient to demonstrate competence. Your entire discussion of the rental loss was 4.5 lines of the response. You didn't seem to consider this a primary indicator or you may have run out of time.*

You did not identify a sufficient number of tax planning opportunities for Jim and Karen.

X

III-1PI#4

TAX

*You did not identify a sufficient number of tax planning opportunities, and therefore you were unable to demonstrate competency in tax planning. Your entire response for this section was five lines. You briefly discussed incorporation and RRSP contributions.*

You did not make a sufficient number of the necessary adjustments to the cash flows provided in the simulation.

X

III-3PI#1

MDM

*Your cash budget did not contain a sufficient number of adjustments for the missing outflows. The simulation presented a number of outflows missing from the presented financial information, such as early bird discount 10%, and additional gala costs \$4.5K. Additionally, you could include estimates for the audit fee and additional damages.*

## SUMMARY OF PROFESSIONAL SKILLS FINDINGS

Reference  
to section A

Reference  
to section B

### Summary of "Integration":

**Did not make the link between different areas of the response or between case facts and the response or there was no link between theory and case facts.**

Your information tracking system decision was not integrated within the bid analysis.

X

I-1PI#8

PQ

*Even though you recommended that Recyclo should implement the DTL system, you did not integrate the cost of this system in your bid analysis. The cost of the IT system would have a significant impact on Recyclo's bid price for the City contract.*

You failed to adequately integrate within your overall response.

X

I-1PI#8

PQ

*Several decisions to be made in the response to this simulation required insightful integration. For example, the decision of which IT system to implement could impact the tracking of non-financial measures required by the City. Controls suggested resolving customer concerns are also highly correlated with these non-financial measures. In addition, the calculation of the bid price also provided opportunities to integrate various aspects of the simulation.*

Your analysis (quantitative and/or qualitative) did not consider any of the other potential sources of retirement funds provided in the simulation.

X

III-1PI#1

FIN

*You could have also considered that Jim and Karen will be entitled, at age 60, to receive CPP/QPP and at age 65, old age security.*

## SUMMARY OF PROFESSIONAL SKILLS FINDINGS

Reference  
to section A

Reference  
to section B

### Summary of "Justification":

#### Did not provide adequate support or did not explain your position clearly.

Your quantitative analysis of the lease vs. buy option was incomplete.

X

I-1PI#1

FIN

*In your analysis of the equipment options your calculation of the costs relating to the lease option was well done but your analysis of the purchase option was incomplete. You considered the initial cost and tax shield of purchasing but omitted both the maintenance costs and salvage value. This resulted in an invalid comparison and a decision which was based on an incomplete analysis.*

Your quantitative analysis of the landfill vs. Wasteville option was incomplete.

X

I-1PI#1

FIN

*Your quantitative analysis of the landfill purchase did not consider enough of the relevant elements such as the lease payments related to the equipment needed to run the landfill, the equipment buyout of \$200,000, restoration costs of \$500,000, and the landfill salvage value. In addition, your analysis of Wasteville would have been stronger if you had considered the accelerated depreciation caused by the additional distance to Wasteville. These omissions resulted in an incomplete analysis and invalid comparison. This might indicate a need to read the case with more care to ensure that you are accurately interpreting and incorporating case facts.*

You did not prepare a reasonable qualitative analysis.

X

I-1PI#1

FIN

*Your qualitative discussion of the landfill and landfill equipment options did not address enough of the relevant factors. In order to provide Janique with a complete assessment of the options it was necessary to consider qualitative factors which might impact her ultimate decision. Some of these factors included Recyclo's lack of experience operating a landfill, possible environmental risks, ability to control the process, and the difference between the length of the City contract term and the equipment lease term. In your response, you identified the lease term as an opportunity to upgrade equipment after 5 years but did not see the more relevant issue of the lease term being different from the City Pickup Program.*

You attempted to develop non-financial measures but you did not adequately demonstrate an understanding of the measures (i.e. no depth was demonstrated).

X

I-1PI#5

PM

*You provided some good measures in your bid proposal which is great. However, you did not demonstrate an adequate understanding of those measures because you did not provide sufficient discussion. For example, for the customer survey you state that Recyclo would make sure the satisfaction does not fall below 6 on the 10 point scale. This is a great start as it gives a benchmark - albeit an arbitrary one. However, you do not indicate how often you would do this or what you would measure.*

*Likewise, for the number of complaints each month you state that Recyclo would ensure the number "does not fall below a certain number each month." Success, in fact, would be a monthly decline in the number of complaints. Also, for this measure you do not give a benchmark or state where you would get the information such as call logs.*

Your response lacked depth when discussing why the adjustments were required; you did not provide adequate depth/analysis to support your conclusion with respect to the appropriate accounting treatment (poor link to case facts).

X

II-1PI#1

PM

*When you addressed the employee housing loans you noted that "it is clear that most of the employee housing loans are long-term," but you never explained why.*

*When you addressed the foundation inventory, you noted several additional procedures that could be done to gather additional information/evidence about this inventory but you did not use the case facts that were already available to at least do a preliminary assessment of this accounting issue.*

## SUMMARY OF PROFESSIONAL SKILLS FINDINGS

	Reference to section A	Reference to section B
<p>You did not discuss the overall impact of the adjustments on the audit report.</p> <p><i>You recognized that the accounting adjustments would have an impact on the covenants. However, you were requested to 'summarize how these issues will impact our audit report'. A careful reading of the simulation is essential to ensure that all of the partner's requests are addressed. In this case, you were expected to recognize that a going concern note would be required and if the CFO refuses to include this disclosure, we would be unable to offer a clean opinion in our audit report, or that it would have no impact on our report if he agrees to make the necessary disclosures. There was information provided in the simulation with respect to the CFO and his opinions which indicates that he would likely be very reluctant to make this disclosure.</i></p>	<input checked="" type="checkbox"/>	II-1PI#2  AS
<p>You did not provide adequate explanations for the issues you identified.</p> <p><i>You noted that not having the costing reports approved can lead to: "wrong amounts claimed as costs.", but you never explained why this was a problem or how approving the costing reports would prevent this. For example, you could have explained that this would have an impact on the company, as they could be relying on erroneous reports when making decisions about the costing or progress of their construction projects. As a result, they may make inappropriate decisions that could impact their profitability, or they may delay taking needed action and this may also ultimately cost them money.. Similarly on your discussion of journal entries you said: "all journal entries must be approved," but you never explained why.</i></p>	<input checked="" type="checkbox"/>	II-1PI#3  AS
<p>You recognized some of the CFO's questionable actions, but you did not identify the overall impact of these actions on BC.</p> <p><i>You noted that we should question the CFO's integrity. However, you did not address the overall impact of these actions on Ball Construction.</i></p>	<input checked="" type="checkbox"/>	II-1PI#4  PQ
<p>You did not discuss the relevant tax issues in sufficient depth, or you focused on the less important issues.</p> <p><i>It appears that you prioritized the minor tax issues of the bonus and the secondary issue of whether the installers should be considered employees or contractors; however, you were required to address the acquisition of control issues and the tax impact to Shawn and Scott of whether WI qualified as a QSBC or not, in more depth to demonstrate your competence on this indicator.</i></p> <p><i>You correctly identified the loss of net capital losses on an acquisition of control, however you needed to go further and discuss the election available on the land to trigger a capital gain which would result in the net capital loss not being lost.</i></p>	<input checked="" type="checkbox"/>	II-2PI#3  TAX
<p>You discussed some of the accounting issues, but did not provide sufficient support to your analysis.</p> <p><i>You provided quite a brief discussion of revenue recognition which adequately explained why the client's current method was not in accordance with GAAP. You did not provide a lot of support or discussion around your recommended method (defer until adoption complete). Specifically, you didn't discuss what point in the process would represent actual completion (completion of travel vs. completion of post-adoption report), nor did you recognize the long-term nature of the contracts and discuss the associated revenue recognition options (% completion in particular). Your discussion of the Sudan liability correctly concluded that the fees should not have been recognized as revenue but as a deferred revenue liability. However, this did not add anything to your revenue discussion and you did not address the possibility of a refund liability. Finally, your response recommended a translation method for the Chinese operations (actual or average rate for expenses) but did not discuss the options (current or temporal methods) or support the recommendation using relevant case facts.</i></p>	<input checked="" type="checkbox"/>	II-3PI#1  PM

## SUMMARY OF PROFESSIONAL SKILLS FINDINGS

	Reference to section A	Reference to section B
<p>You identified several tax planning opportunities for Jim and Karen, but you did not discuss them in sufficient depth.</p> <p><i>Your entire response for this section was five lines. You briefly discussed incorporation and RRSP contributions; however, you did not provide enough details for your discussion to be useful to the client. You suggested that Jim and Karen should make use of unused RRSP contribution room but did not communicate how this was going to be possible given their cash constraints and how this was going to benefit them financially (income splitting in the future, bigger refund today improves cash flow providing funds for additional contributions).</i></p> <p><i>Your discussion of incorporation did not provide sufficient depth as to be meaningful to the reader. You should provide a few benefits that would be meaningful to the client. Given the current situation, this would generally include the Small Business Deduction, income splitting and Capital Gains Exemption on Shares of a Qualifying Small Business Corporation.</i></p>	X	III-1PI#4 TAX
<p>You did not provide sufficient depth when explaining which report will meet George's needs (i.e. you did not use case facts to support your discussion).</p> <p><i>You presented a list of reporting options available to meet the sponsor criteria, and recommended one of the reports listed. George had hoped that one report could be completed that would address all of the sponsorship criteria; however you did not provide a discussion on whether or not there was one report that could meet all of the sponsors' needs.</i></p>	X	III-3PI#2 AS

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### Summary of "Technical":

#### Showed technical weaknesses or failed to demonstrate technical knowledge.

<p>You attempted to develop non-financial measures but the measures that you developed were not relevant or were not sufficient.</p> <p><i>While you clearly attempted to provide measures, some of the measures you suggested were not relevant. For instance, one of your measures was "number of complaint resolutions per month". However, this does not reflect whether Recyclo is improving from the City program. The number of complaints resolved could increase each month which suggests improvement, but if the overall number of complaints is going up by a greater degree than those being resolved then Recyclo would actually be doing worse. Therefore, the overall number of complaints received is a more relevant measure - which you did suggest also.</i></p>	X	I-1PI#5 PM
<p>You did not attempt to calculate the present value of Jim and Karen financial needs at retirement.</p> <p><i>The goal of Jim and Karen was to get an annual income of \$80,500, starting at age 55 (70% x \$115,000), for 30 years. You had to calculate the present value in 10 years of a yearly income of \$80,500 for a 30 year period. Instead you took the savings over 10 years and the assets that you had and determine what type of income you could get from those assets and added it to Jim's pension and compared the total to their goal of \$80,500</i></p>	X	III-1PI#1 FIN
<p>Your explanation of the different reports available was technically incorrect or invalid.</p> <p><i>You indicated that the S8500 report provided a "lower level of assurance than the S5805 report"; however, it provides "negative assurance".</i></p>	X	III-3PI#2 AS