KAPLAN PROFESSIONAL AWARDS

**Examiner's Report**

**Exam Name and Code: Corporate Reporting, Data and Assurance (CRDA A/2026)**

**Date of exam: 23rd July 2026**

| **<u>Paper performance overview</u>**<br>**A high-level overview of areas in which candidates performed well and areas in which their performance was weaker.** |
|---|
| Performance this sitting was excellent.<br><br>The financial reporting elements of the paper were the key strengths, although many candidates lacked depth in their discussion of FR treatment in question 2.<br><br>Disappointingly, the engagement with, and use of the Data Analytics Software, Inflo, was lacking, with several candidates seemingly not evidencing accessing it at all, or making cursory points, which were unclear.<br><br>It was evident that little preparation had been undertaken in terms of the functionality of the software. Most did not interrogate the relevant accounts in enough depth, with only a small minority identifying the key significant unusual transactions.<br>As a result, the marks on this part of the exam were the lowest.<br><br>The completion and reporting areas of the syllabus, overall, were answered well. |

| Question 1 performance (include each syllabus area covered) |
| --- |
| The syllabus areas covered in this question were: 2a, 2c, 2d, 2e<br><br><u>Question 1.1</u><br>Candidates were asked to explain the financial reporting treatment for an investment that had been made within the scenario, including supporting calculations.<br><br>● This part was very well answered with candidates clearly stating the investment would meet the criteria to be treated as an associate. Some explanations were a little brief, which limited marks.<br>● The vast majority of candidates also included relevant calculations for the investment in associate, with a minority failing to correctly apply the group share to intercompany adjustments.<br><br><u>Question 1.2</u><br>This part was the full preparation of a consolidated statement of financial position.<br><br>● Very well answered by candidates, with all securing a pass for this question and a large number of students obtaining more than three quarters of the marks available.<br>● The areas that challenged candidates the most were the adjustments to the consolidated statement of financial position; most commonly not including adjustments for intercompany goods in transit, unrealised profit calculations, revaluation adjustment and fair value depreciation calculations.<br>● Several candidates also incorrectly calculated the non-controlling interest.<br><br><u>Question 1.3</u><br>● Most candidates managed to make a number of valid points regarding how the equity section of the Consolidated Statement of Financial Position reflects ownership. |
| **Question 2 performance (include each syllabus area covered)** |
| The syllabus areas covered in this question were: 1a, 1c, 3,h, 3i, 3j, 5a, 5b<br><br><u>Question 2.1</u><br>A typical ‘explain’ the financial reporting treatment requirement, including supporting calculations.<br><br>It was pleasing to see that most candidates ‘explained’ the financial reporting treatments and did not just do calculations, although some elements were fairly brief with lack of depth.<br><br>Issue 1 – This was explained well, with candidates demonstrating knowledge of the IFRS, however some did struggle with application to the scenario and a number didn’t correctly identify when the asset qualified as held for sale. Most appreciated the general accounting requirements of held for sale assets and that the extra repairs could not be capitalised however.<br><br>Issue 2- Generally well done with some good lease accounting discussion, although some did just prepare a lease table with little commentary. Stronger candidates appreciated the need to discount the restoration cost to present value and calculated it accordingly, however very few mentioned this would be added to the ROU asset. |

Issue 3 – This was more challenging for candidates, with only a few students fully explaining the IAS 23 criteria to gain the full marks available. The calculation of a weighted average cost of the loans was done well.

A small minority of students did not attempt to explain the accounting treatment for all three issues.

<u>Question 2.2</u>
This requirement asked candidates to set out audit procedures for issue 2.

- This question was well answered, with a high number of students obtaining maximum marks.

<u>Question 2.3</u>
- It was pleasing to see that the 'Sustainability' element of this question was generally well answered. Candidates were good at explaining the ESG impacts and the dependencies and why they might be relevant to the company and the auditor.

<u>Question 2.4</u>
Ethics
- The vast majority of students secured maximum marks for correctly identifying the relevant ethical issues and the actions which should be taken to address them.
- A small minority of students focused on the ethical issues associated with the sustainability reporting / greenwashing rather than the accounting issues discussed in the question requirement.

**Question 3 performance (include each syllabus area covered)**

The syllabus areas covered in this question were: 3c, 3d, 5b

<u>Question 3.1</u>
Candidates were asked to discuss the auditor responsibilities relating to ISA (UK) 250 Consideration of Laws and Regulations in an Audit of Financial Statements.

- This question was less well answered by candidates. Many did not specifically apply their answers to the scenario circumstances and the auditors' specific responsibilities regarding potential non-compliance.

<u>Question 3.2</u>
This part of the question candidates should have been prepared for as it was a 'typical' risk and procedures requirement, utilising the data analytical software, Inflo.
- The majority of students scored under half of the marks available for this part of the question.
- Very few students considered the audit risks/procedures surrounding specific inventory holding arrangements.
- Few students specifically identified legal and regulatory non-compliance as an audit risk.
- Whilst there was evidence of accessing and using Inflo, it was clear that candidates mainly relied upon using 'elevated risk' in the Heat Map and not interrogating the actual relevant accounts. As a result, most of the significant unusual transactions were missed.

- Many appeared to have no appreciation of how inventory was accounted for by looking at the transactions and made comments that were not relevant, or all related to the opening inventory balance as opposed to the transactions undertaken during the year and the journals at the year end.

| **Question 4 performance (include each syllabus area covered)** |
| --- |

The syllabus areas covered in this question were: 4b, 4c, 4g

Question 4.1

This reporting question required candidates to consider the deficiencies, consequences and recommendations as part of an internal audit assignment.

- This was generally very well answered– with the vast majority of candidates achieving a pass mark for this question and several excellent responses also, with maximum marks awarded commonly.
- Some candidates offered several consequences and recommendations with lots of detail for each of the three observations which whilst excellent was often far in excess of the marks available.
- Weaker candidates however, failed to identify the specific risk / consequence for some of the deficiencies and/or did not fully explain the impact of the consequence e.g. impact on profit.

Question 4.2

This was a ‘typical’ Audit Report implications requirement.

- Reasonably well answered with many generally securing a high level of the marks available. A key omission from many candidates’ scripts was a mention of the basis for qualified opinion paragraph and that it should quantify the effect in the financial statements.
- A minority of students stated incorrectly that the misstatement was either immaterial or that an adverse opinion should be issued.
- Not all candidates included materiality calculations for the amount of the specific misstatement.

| **Summary and helpful hints** |
| --- |

The use of Inflo data analytics will continue to feature in the Corporate Reporting, Data and Assurance exam and it is therefore imperative that candidates familiarise themselves with this and access it during the exam. It is important that candidates can interrogate the account balances given and understand the journal transactions they identify.

Overall, the presentation of answers was strong. Candidates are reminded to remove any ‘irrelevant’ balances from their proformas before finalising, to ensure presentation marks can be awarded.

Candidates need to remember that they have permitted texts within the exam and should have a high familiarity of it, which can support them in answering questions and any other requirement that is focused on knowledge of the IFRSs / ISAs.