

# **ACA MASTERS**

#### Data Analytics Software (DAS) Guidance and Advance Information (AI) Analysis

The exam technique guidance set out below is our favoured approach when the question requires you to use the Explore module to identify audit risks or justify why a particular balance has been identified as an audit risk.

We have included the most obvious audit risks from the AI and 11m dataset, as well as some of the audit procedures which could be performed to address those risks.

We have also applied our technical notes to topics which appear relevant to Llama Ltd.

Please ensure that you use the exam paper information and 12m data as much as possible and do not rely exclusively on the AI.

In addition to this document and our CR materials, you may find it useful to bring in a copy of the TB download for the 11m.

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AI Risk **Procedures** Leases: There is a risk that liabilities and assets are understated Obtain lease contract to assess if Llama has right to control because there are no lease liabilities/ROU assets on the SFP. the building, the building is specified in the lease and the Expenses are potentially understated because no finance lease is more than 12 months. expense or depr charge on ROU assets in the PL and rent Obtain lease contract to determine if lease is less than 12 and legal fees related to the leases have been recorded in PL instead (account 7100). This is not in accordance with months and obtain documentation showing that IFRS16 exemption election has been made. IFRS16. Also, the related disclosures will not have been included in the notes to the FS. (Re)calculate implicit interest rate to be used in lease calculation. Review correspondence between lessor and Llama to identify any dismantling/removal costs that should be provided for and capitalised as part of ROU asset.

# LEASES (IFRS 16)

#### Lease:

- An identifiable asset (building) specified in the lease
- · Llama obtains substantially all the economic benefits from the building
- Llama has the right to direct how the building is used throughout the period of use (control)

#### Not a lease:

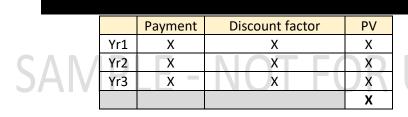


# **Lease Liability**

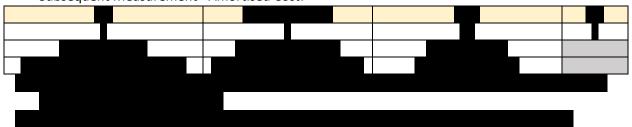
**Initial Recognition** 

- Liability initially measured at:
  - Future payments discounted to PV

Payments include:



Subsequent Measurement - Amortised Cost:



# Right-of-Use (ROU) Asset

