



AAT

Audit and Assurance

Pocket Notes

These Pocket Notes support study for the following AAT qualifications:

AAT Diploma in Professional Accounting – Level 4

AAT Diploma in Business Skills – Level 4

AAT Diploma in Professional Accounting at SCQF Level 8



British library cataloguing-in-publication data

A catalogue record for this book is available from the British Library.

Published by:
Kaplan Publishing UK
Unit 2 The Business Centre
Molly Millars Lane
Wokingham
Berkshire
RG41 2QZ

ISBN 978-1-83996-085-7

© Kaplan Financial Limited, 2021

Printed and bound in Great Britain.

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Preface

These Pocket Notes contain the key points you need to know for the exam, presented in a unique visual way that makes revision easy and effective.

Written by experienced lecturers and authors, these Pocket Notes break down content into manageable chunks to maximise your concentration.

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A guide to the assessment

- Overview of the assessment.
- The keys to success in audit and assurance.

Overview of the Assessment

Audit and assurance (AUDT) is an optional unit.

AUDT is assessed by means of a computer based assessment. The CBA will last for 2.5 hours and consist of 6 tasks. Each task will have a number of requirements, a mix of shorter style questions (eg. choose 1 correct option from 4 choices, select true or false, complete the statement using words from a picklist) and some extended writing requirements. The extended writing requirements will appear within tasks 3, 4 and 6.

There are 6 independent tasks, no set number of requirements overall.

- Task 1 (10 marks) Conceptual and regulatory framework, corporate governance and internal audit
- Task 2 (15 marks) Professional ethics
- Task 3 (25 marks) Planning

- Task 4 (20 marks) Sufficient appropriate evidence
- Task 5 (15 marks) Sufficient appropriate evidence
- Task 6 (15 marks) Reporting and audit opinions

In any one assessment, learners may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

Learning outcomes & weighting

1. Demonstrate an understanding of the audit and assurance frame work	10%
2. Demonstrate the importance of professional ethics	15%
3. Evaluate the planning process for audit and assurance	25%
4. Evaluate procedures for obtaining sufficient and appropriate evidence	35%
5. Review and report findings	15%
Total	100%

When you have completed Audit and Assurance, you should be competent in planning and performing an audit and in drafting related reports. While you would not be expected to take full responsibility for an audit, you should be able to carry out audit tests and document your findings to a point where those sections of the audit file are ready for review by a more senior member of the audit team.

Throughout your assessment you must demonstrate knowledge of best auditing practices as set out in International Standards on Auditing (UK and Ireland). These Pocket Notes are based on the mandatory procedures contained in these Standards.

Pass mark

To pass a unit assessment, students need to achieve a mark of 70% or more.

This unit contributes 10% of the total amount required for the Professional Diploma in Accounting qualification.

The keys to success in audit and assurance

Studying for this Unit

It is not enough simply to learn a list of the financial statement assertions (completeness, existence, etc). You must be able to devise and carry out audit tests which would test each assertion in a given scenario.

The AAT constantly stress the worth of being able to 'do' as well as to 'know how to'. The assessment is designed to enable you to demonstrate practical relevant competence, rather than an ability to rote-learn lists of facts.