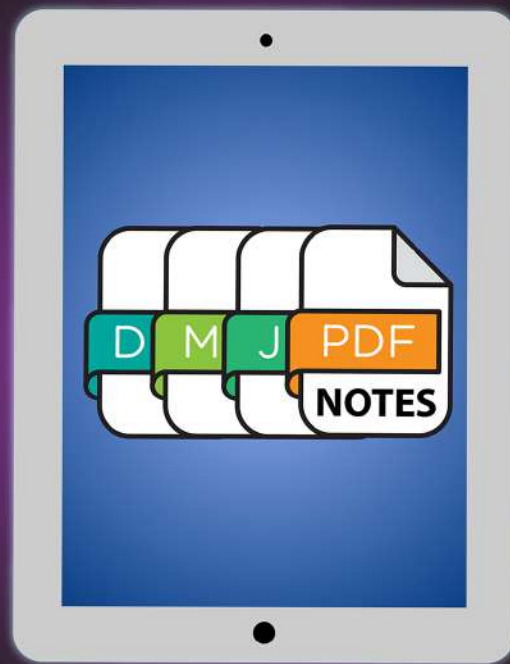




IndigoLearn

INDIGOLEARN.COM



*Prepare for CA EXAMS
LIKE NEVER BEFORE*

1Fin by Indigolearn

#StudentFirst



Download our APP - 1FIN





IndigoLearn

CA Inter

Auditing and Assurance



Paper-6

Amendments 2021

Chapter	Topic	Old	New-additions	Pg. No.	Specific comments
Ch-1	Nature, Objective and scope of audit				
1	Meaning and definition of auditing	-	Example 1	1.2	MCQ's removed , 4 true and false added , 4 practical questions added
2	Objectives of Audit	-	Example 2	1.3	
3.1	Aspects to be covered in audit	-	(i) Example 3	1.5	
5	Advantages of audit of FS	-	(i) illustration 1	1.9	
6	Inherent limitations of Audit	-	(ii) Example 4	1.11	
7	Auditing and data processing	-	Illustration 4	1.17	
10.2.3	Safeguard to independence	-	(5) Example 5	1.28	
10.2.4	Professional skepticism	-	Illustration 5	1.29	
11	Precondition for an audit	-	illustration 6	1.33	
	Practical Questions				
Ch-2	Audit Strategy, Audit Planning and Audit Programme				
1	Audit planning	-	(a) (b)	2.2	MCQ's removed , 2 true and false added , 2 practical questions added
1.1	Audit plan to conduct an effective audit	SA 300 Planning para	-	2.2	
2.2	Establishing overall audit strategy	-	(d) Example	2.5	
5.1	Additional consideration in Initial Audit engagement	-	Topic added	2.10	
12	Audit planning and materiality	-	2,3,4, para + Example	2.22	
	Practical Questions				
Ch-3	Audit documentation and Audit Evidence				
1.1	Definition of Audit documentation	-	Para	3.2	
1.2	Objective of auditor	-	para	3.3	
1.4	Purpose of audit documentation	-	Illustration 1	3.3	
1.5	Form, content and extent of audit documentation	-	4 bullet additions	3.4	

1.6	Example of audit documentation	-	Last para added	3.5
1.7	timely preparation of Audit documentation	-	Added	3.5
1.8	Audit file	-	Flow chart added + Illustration 2	3.5
1.12	Ownership of audit documentation	-	Illustration 3	3.9
2.2	definition of Audit evidence	-	Flow chart added + Illustration 4	3.10
2.3	Objective of the auditor	-	Added	3.11
2.4	Information to be used as Audit Evidence	-	Added	3.11
2.5	Inconsistency in or doubt over reliability of Audit evidence	-	Added	3.12
2.6	Sufficiency and appropriateness of AE	-	1st bullet added	3.12
2.7	Sufficiency and appropriateness of AE	-	Illustration 5	3.14
2.4	Audit procedures to obtain AE	Risk assessment procedures para	-	3.10
2.11	Audit procedures	-	Illustration 6	3.18
2.11	Audit procedures	-	Risk assessment procedures para	3.21
2.11	Audit procedures	-	Flow chart below Test of controls	3.21
2.11	Audit procedures	-	Flow chart below substantive procedures	3.24
2.12	Types of Audit evidence	-	Depending upon nature	3.35
2.12	Types of Audit evidence	-	Illustration 7	3.36
3	Written representation	-	Introduction added+flow chart	3.39
3.2	the objectives of the auditor WR	-	Flow chart added	3.40
3.5	Information provided and completeness of transactions	-	Added	3.42
3.6	Date of period covered by WR	-	Added	3.43
3.7	Form of WR	-	Added	3.43

MCQ's removed , 4

3.8	Doubt as to the reliability of Wrand requested WR not provided	-	Added	3.43
3.9	Requested WR not provided	-	Added	3.44
4.8	Illustration 10	-	Written representation para added	3.49
4.9	Segment Information	-	Added	3.50
5	External confirmation	-	Introduction added	3.51
5.1	Objective of auditor	-	Added	3.51
5.2	Definition of External confirmation	-	Illustration 11	3.52
5.5	Selecting the appropriate party	-	Added	3.53
5.7	Follow-up of confirmation requests	-	Added	3.54
5.9	Results of the external confirmation Procedures	-	Added	3.55
5.10	Negative confirmations	-	Added	3.56
5.11	Evaluating the evidence obtained	-	Added	3.56
6	Initial Audit ehgagement	-	introduction added	3.56
6.4	Relevant information in the predecessor Auditor's report	-	Added	3.58
6.6	Consistency of Accounting poloicies	-	Added	3.59
6.7	Modification to the opinion in the predecessor auditor's report	-	Added	3.59
7	Meaning of related party	-	Introduction added	3.59
7.3	The identity of the entity's Related Parties	-	Added	3.61
8	Concept of true and fair	-	Illustration 13	3.64
9	Auditor and subsequent events	-	Definition added	3.65
9.3	WR with respect to subsequent events	-	Introduction added	3.67
10	Auditor and going concern assumption	-	Introduction added	3.68
10.1	Objective of the auditor regarding GC	-	Changed	3.69

true and false added , 12 pratical questions added

10.3	Risk assessment procedures and related activities	-	Added	3.70	
10.4	Remaining alert Throughout the audit for audit evidence about events or conditions	-	Added	3.70	
	II Implications for the Auditor's Report	-	Added	3.73	
	Practical Questions				
Ch-4	Risk Assessment and Internal Control				
1	Audit risk	-	Example added	4.2	
	Control risk	-	Exenteded explanation and example	4.3	
1.6	Detection Risk	-	Example added	4.7	
1.6	Detection Risk	-	Illustration 2	4.8	
2.2	Understanding of the entity - continuous process	-	Illustration 4	4.13	
3	Internal Control	-	Illustration 7	4.16	
4	Evaluation of Internal control by the auditor	-	Illustration 8&9	4.30	
4.4	Flowchart	-	Illustration 10&11	4.34	
7	Audit risk	-	Illustration 12	4.41	
8	Documenting the risk	-	Illustration 13	4.42	
9.1	Applicability of provisions of internal audit	-	Illustration 14&15	4.43	
9.3.1	The objectives and scope of internal audit functions	-	Illustration 16	4.46	
9.3.1	The objectives and scope of internal audit functions	-	Activities relating to Internal Control	4.46	
10	Basis of standards on Internal audit issued by ICAI	-	SIA's notified by council changed	4.47	
11	Basis of internal financial control and reporting requirement	-	Illustration 17	4.48	
11	Basis of internal financial control and reporting requirement	-	Clause e of Sub sec 5	4.48	

MCQ's removed , 3 true and false added , 5 pratical questions added

Ch-5	Fraud and responsibilities of the auditor in this regard				
5	Fraud Reporting	-	Reporting CARO 2020 changed from 2016	5.23	MCQ's removed , 6 true and false added , 6 practical questions added
	Practical Questions				
Ch-6	Audit in an automated environment				
5	Internal Financial Control as per regulatory requirement	-	Table	6.16	MCQ's removed , 5 true and false added , 6 practical questions added
	Practical Questions				
Ch-7	Audit Sampling				
2	Meaning of audit sampling	-	Scope added	7.3	MCQ's removed , 6 true and false added , 2 practical questions added
2	Meaning of audit sampling	-	Sampling unit	7.4	
2	Meaning of audit sampling	-	Sample must be representative	7.4	
3.1	Statistical sampling - more scientific	-	1 point added and example	7.6	
3.3	appropriateness of sampling approaches	-	6th point added	7.10	
3.3	appropriateness of sampling approaches	-	Sampling Process	7.10	
4.5	Sampling/Non-Sampling Risk	-	reasons given under 2 points & flow chart	7.21	
5	Performing Audit procedure	-	Added last point (example)	7.23	
	Important terms to make the understanding better	-	added	7.26	
	Practical Questions				
Ch-8	Analytical Procedures				
1	Meaning of analytical Procedures	-	Illustration 1&2	8.2	
	Meaning of analytical Procedures	-	Example	8.4	
1.1	SA - 520 "Analytical Procedures"	-	Scope and objective added	8.5	
2.3	Analytical procedure in planning audit	-	Example	8.9	

3.1	Factors to be considered for substantive audit procedures	-	Flow chart	8.9	MCQ's removed , 3 true and false added , 3 practical questions added
	source	-	Example	8.10	
3.2	Techniques available as substantive analytical procedures	-			
	trend analysis	-	Example	8.12	
	Ratio analysis	-	Example	8.12	
	Reasonableness test	-	Example	8.13	
3.3	Analytical procedures used as Substantive test	-	Flow chart	8.13	
7	Amount of difference of recorded amounts from expected values that is acceptable	-	Added	8.17	
	Practical Questions				
Ch-9	Audit of items of Financial Statements				
1	Income statement captions comprising revenue and expense bills	-	added 1 point in every example in the table	9.3-9.4	MCQ's removed , 6 true and false added , 3 practical questions added
2	Balance sheet captions comprising assets, liabilities and equity balances	-	Added few extra points	9.5-9.7	
3.1	share capital	-	point 5,6,7 under audit procedures in table	9.8-9.9	
	shares issued at discount	-	limits modification	9.11	
	Reduction in capita;	-	point 3 & 10	9.12-9.13	
3.3	Borrowings	-	1 point added	9.19	
	Borrowings	-	(f) added	9.21	
3.4	Trade receivables	-	two para's added below image	9.25	
		-	1 point added	9.25	
3.6	Inventories	-	2 point added	9.38	
3.7	Tangible assets comprising Land, Building, Property etc	-	Introduction added	9.41-9.42	
3.9	Trade payables and other current liabilities	-	1 point added wrt CARO 2020	9.58	

3.9	Trade payables and other current liabilities	-	Few points added in between	9.61	
3.11	Provisions and contingencies	-	point added	9.67	
4	Statement of P&L - Captions	-	Occurrence 2 & 3 points added	9.71	
4	Statement of P&L - Captions	-	Measurement- eg in 1st point and 2nd point added	9.72-9.73	
4.3	Purchases		Completeness & measurement 3 point added	9.79	
	Practical Questions				
Ch-10 The Company Audit					
2	Appointment of Auditor	-	Flow chart changes	10.10	MCQ's removed , 10 true and false added , 10 practical questions added
2.2	Appointment of subsequent auditor	-	(ii) added	10.13	
2.2.2	Appointment of subsequent auditors in case of government company	-	2nd para added	10.13	
3.2	Manner of rotation of auditor by the companies on expiry of the term	-	para in bold added	10.22	
4	Provisions relating to Audit Committee	-	para in bold added	10.22-10.23	
6	Removal of Auditors	-	para in bold added	10.26	
9	Duties of Auditor	-	para in bold added (From 2(j) Further..)	10.37	
	Duty to report on frauds	Last para before example deleted	para related to CARO 2020 added	10.38	
10	CARO	2016 replaced	2020	10.39-10.49	
	Practical Questions				
Ch-11 Audit Report					
1	Forming an opinion and reporting on the FS	-	Introduction para added	11.3	
1.5	Definitions	-	Added	11.6	
3	Auditor's Report	-	flowchart added	11.8	
	2. Address	-	Illustration 1&2 added	11.9	

	3. Auditor's Opinion	-	Illustration 3 added	11.10
	opinion	-	added	11.10
	4. Basis for opinion	-	Illustration 4 added	11.11
	5. Going concern	-	5 points added	11.12
	7. Responsibilities for the FS	-	Illustration 5 added	11.15
	8. Auditor's responsibilities for the audit of FS	-	2 flow charts added	11.16& 11.17
	b (v) & c	-	Added	11.18
	9. Location of the description of the auditor's responsibilities for the audit of FS	-	Illustration 6	11.19
	12. Place of signature	-	Heading changed	11.20
	13. Date of the Auditor's Report	-	Illustration 7	11.21
	Auditor's Report prescribed by law or regulation	-	Introduction para added	11.22
4	5.3 Types of modification	-	Illustration 9	11.32
	Adverse opinion	-	Illustration 10	11.33
	Disclaimer of opinion	-	Illustration 11	11.34
5.5	Consequence of an inability...	-	Added+Illustration 12	11.35-11.37
5.6	Form an content of Auditor's report..	-	Added	11.37& 11.38
5.7	Basis for opinion	-	7 points added	11.39
5.8	Description of auditor's responsibilities..	-	added	11.40
5.9	Consideration when the auditor disclaims..	-	added	11.40
5.10	Communication with TCWG	-	added+Illustration 13	11.41
6	EMP and OMP in Auditor's Report	-	Introduction para added	11.41
6.2.1	Seprate section for emphasis of matter paragraph	-	examples	11.43
6.3	The inclusion of EMP in AR does not affect opinion	-	Added+Illustration 14	11.44
6.5	Communication with TCWG	-	Added	11.45
7.6	Communication with TCWG	-	Added+Example	11.47

MCQ's removed , 2 true and false added , 10 pratical questions added

	Auditor's Report on the FS - A Bird's eye view	-	Added	11.48- 11.49	
8.1	The nature of the comparitive information	-	Objectives added	11.50	
8.2	Audit procedures regarding comparative statements	-	last 2 points added	11.51	
8.4	Comparitive FS	-	Prior period FS audited by a predecessor auditor & Not audited	11.53	
	Practical Questions				
Ch-12	Audit of Banks				
	Intorduction	-	Added	12.2	
2-6	types of banks added	-	Added	12.3	
1	understanding of accounting system in banks	-	Information added in the text box and 2-3 lines added at the end	12.7	
2	Bank Audit approach	-	engagement team discussion and advantages added	12.9- 12.10	
10.4	Duty to report on frauds under the companies act 2013	-	Flow chart added	12.15	
12	Advances	-	types of advances added	12.22	MCQ's removed , 2 true and false added , 3 pratical questions added
12.3.1	Sector wise	-	Added	12.23- 12.24	
12.6	Prudential norms on income recognition	-	(ii) Out of order example added	12.27	
12.6	(vi) Advances under consortium	-	Note added	12.30	
12.6	Prudential norms on income recognition	-	(vi) drawing power allocation replaced with (v) Government guaranteed advances	12.29	
13	Computation of drawing power	-	1&2 points added	12.32- 12.33	
15.2.1	Audit approach and procedures	-	Flow chart added	12.47	
	Practical Question				

Ch-13	Audit of different types of entities				
	Chapter overview	-	Flow chart added	13.2	MCQ's removed , 5 true and false added , 5 practical questions added
1.1	Background	-	Para in bold added	13.3	
5.1	Basics of LLP Audit	-	Introduction added with 4 points & advantages	13.34	
	Auditor's duty regarding audit of llp	-	Point 2 added	13.36	
13.4	Rights and duties of co-operative auditor	deleted	-	13.58-13.59	
13.4	Form of Audit Report	-	(a)-(f) added	13.63	
	Summary	-	Points to be kept in mind wrt audit of cooperative societies & Expenditure audit	13.72	
	Practical Questions				

Our Approach

We go to great lengths to ensure that we deliver a quality learning experience to our students. Right from pedagogy design to faculty selection, video recording and animation, at every stage our goal is to ensure that the final output is the BEST and it meets the requirements of the learners. It is our laser sharp focus on maintaining HIGH QUALITY and setting new benchmarks in the CA education domain, that make our efforts stand out and help our students to succeed in their examinations.

A Glimpse of our e-learning modules



START LEARNING TODAY

- 1 Go to <https://www.indigolearn.com> and click on Sign Up
- 2 Choose your courses & pay online
- 3 Start Learning Instantly



Download our
APP 1FIN



IndigoLearn

<https://www.indigolearn.com> | support@indigolearn.com | +91 9640 11111 0