

# GST AUDIT

## HOW TO ACHIEVE MORE FROM GST AUDIT EXERCISE CONSIDERING EXTENDED TIMELINES



### DID YOU KNOW??

“~60% of GST AUDIT can be automated”

### WHAT is GST Audit?



An annual reconciliation of your state wise books with your annual GST declaration (Annual returns) under GST law, being duly certified by a chartered or cost accountant

### TYPES of GST Audit?



#### Audit under GST

**Annual** Audit by CA / Cost Accountant

Audit by Tax Authorities

**General** Audit

**Special** Audit

### ELIGIBILITY for GST Audit?



Entities whose aggregate turnover exceeds **INR 5 crore**<sup>1</sup> during FY 18-19 are mandated to comply with GST Audit. For other financial years the turnover limit is **INR 2 crores**. For FY 18-19, due date extended<sup>2</sup> to **30 Sep 2020**

### ROLE of Company & Auditor?



- **Company:** prepare the reconciliation statement
- **GST Auditor:** review, validate and certify the reconciliation

### KEY ACTIONS in GST Audit?



- State wise bifurcation of data
- Reconciliation with consolidated financial statements
- Review and Validation of disclosures
- Certification of Report
- Timely submission of forms

Legal Reference

1: Relaxation provided in the 39<sup>th</sup> Council Meeting

2: Notification No. 41/2020 – Central Tax dated 05 May 2020

## DIFFERENTIATORS PROPOSED BY TMSL IN GST AUDIT PROCESS

### PILLAR 1 - AUTOMATION

- **Audit tool - Companies** having GST auditor can use the tool and reengineer scope of work. **Consultants** handling large audits can use audit tool for high efficiencies
- **Automated solution for validation:** Tax validation to be done using logic based automated solution
- **Digital application for preparing reports and/ or reconciliations:** Preparation of audit report or identifying figures that need reconciliations using digital application (either through our preferred partner or customized for your requirements)



### PILLAR 2 – MANAGED SERVICES

- **Data collation and liaising support: Acting as representative of the Company for GST audit by providing** Liaising services, data collation, supporting in preparing audit reports/ reviews, etc.
- **Advisory support** – for critical positions and exposures highlighted by the GST auditor
- **MIS and dashboard reporting** for different stakeholders on outcomes of GST Audit



### PILLAR 3 – PROCESS OPTIMIZATION

- **Digital advisory:** Identifying and implementing automated check for concurrent audit for the subsequent period
- **Process review and re-designing**
- **Health check:** Support in identifying areas of improvements and savings over and above audit exposures.

#### DISCLAIMER

The above content is from an informative or knowledge perspective and not any legal perspective, basis the law and regulations prevailing as on the date of this publication.

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