

Documents to be compiled for GST Audit

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Brief Overview of GST Audit provisions and Form GSTR – 9C

Audit: Section 35(5)



(5) Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.

2(13) “audit” means the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder

Part A: Reconciliation Statement

**Reconciliation of
Gross Turnover and
Taxable Turnover**

**Reconciliation of
Tax paid**

**Reconciliation of
Input Tax Credit**

**Auditor's
Recommendation
on additional
liability due to Non-
reconciliation**

Part B: Certification

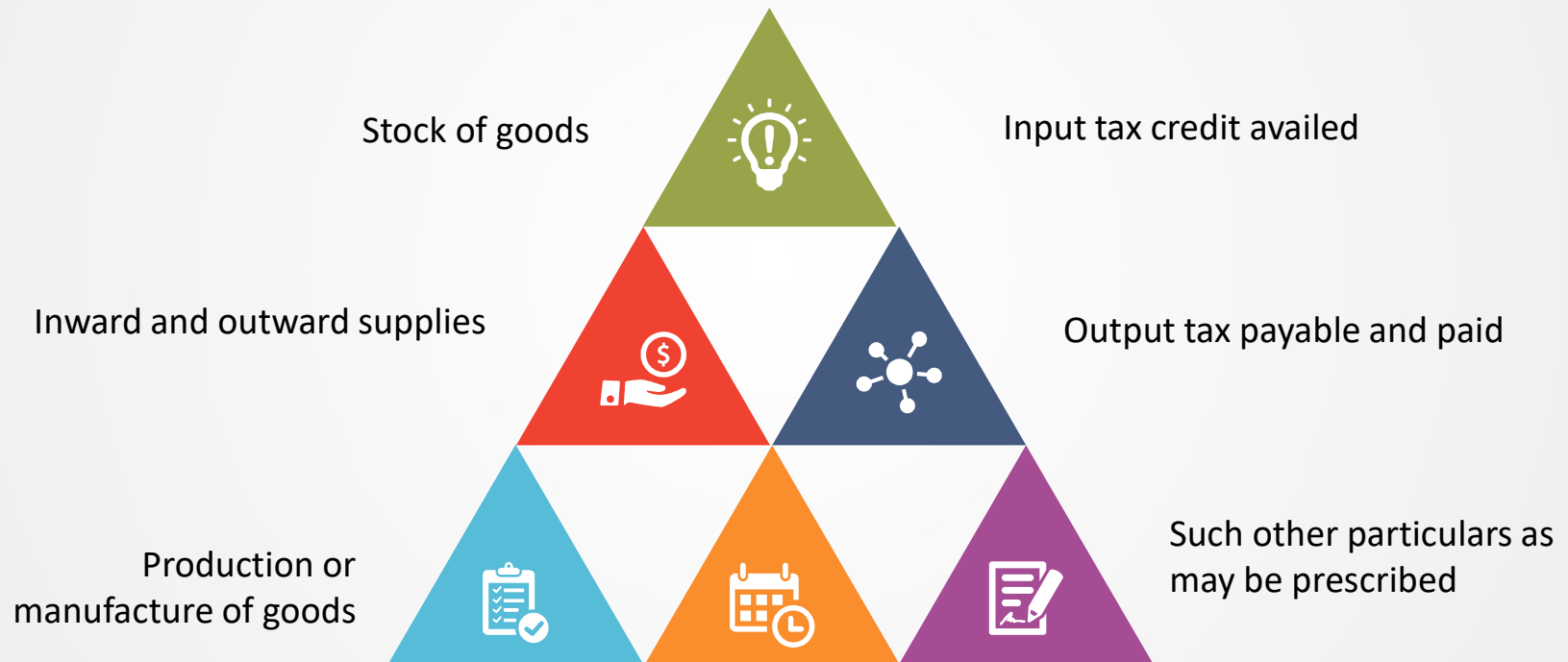
**Certification in cases where the
reconciliation statement (Form GSTR – 9C)
is drawn up by the person who had
conducted the audit**

**Certification in cases where the
reconciliation statement (Form GSTR – 9C)
is drawn up by a person other than the
person who had conducted the audit**

Accounts and Records required for Audit

Section 35 – Accounts and other records

35. (1) Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of—

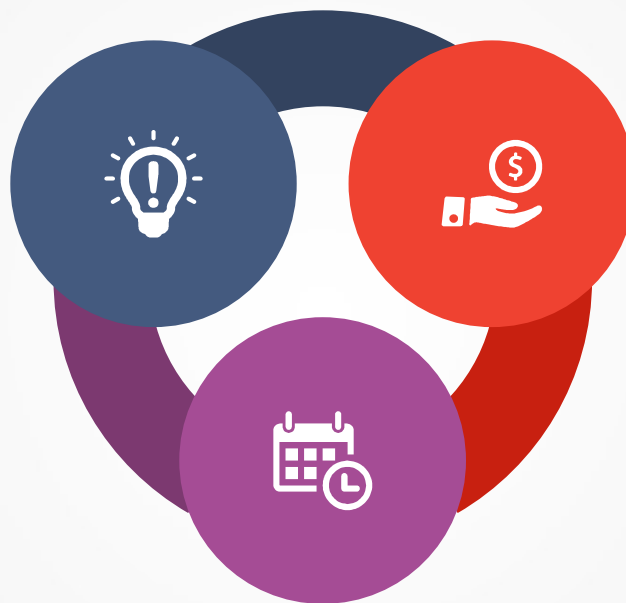


Rule 56 – Maintenance of Accounts by registered persons



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Names and Addresses of suppliers, customers and premises where goods are stored



Agents: Authorizations, receipts and supply of goods and services, accounts and taxes paid

Works Contractors: Contractees, receipts, supplies, consumption (value & quantity), payments, etc.

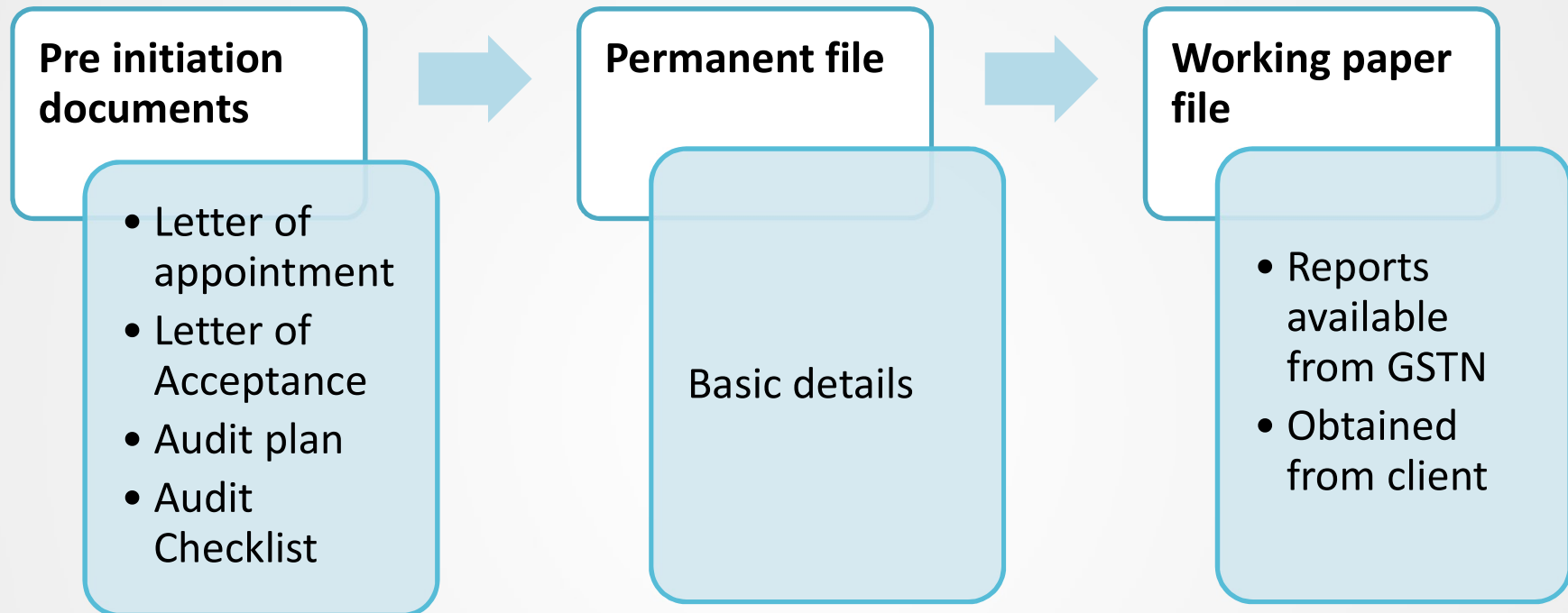
Relevance and Significance of Documentation

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- Auditor would be responsible for factual accuracy
- To obtain absolute level of assurance to verify the correctness of the information furnished in Form 9C
- To serve as an evidence that the audit was planned, performed in accordance with the professional and ethical standards
- To serve as evidence in case of any enquiry or scrutiny by the GST Officials or any other regulatory authority
- To prove that auditor has taken due care and diligence in the performance of his duties in case disciplinary action for professional negligence is initiated against the member

Audit Documentation

Categorization of documents



Please note that the same are not exhaustive and suitable documentation / information would be required to be maintained to have a substantive assurance that the requisite checks and controls have been applied in respect of reconciliation statement collated

Permanent file

- Name, address and contact number of the client
- Brief profile of the client (promoters, directors, partners etc)
- Details of businesses and locations of his branches
- GST Registration numbers along with the details of the concerned persons in charge
- Copies of the registration certificates issued under the GST Laws and / or other allied laws
- A list of products / services being dealt with
- Various notifications and clarifications applicable, copies of important judgments, advance ruling copies and clarification with reference to the client and products in general
- Summary of GST positions adopted (Any tax position related to sector should be specifically mentioned)

Permanent file

- Summary of benefits of exemptions claimed, if any (Product level, location level, Nature of Supply level, etc. if any)
- Copies of the constitution of the organization (Memorandum and Article of Association, Partnership Deed, Addendum to the Deeds, etc)
- Copies of the Application made for Composition Scheme or incentives or subsidies, if any
- Details of software used, and methodology of systems and controls set up in the software
- GST Migration and Implementation Reports
- Any merger / demerger / amalgamation related document

Working paper file – Documents to be obtained from client

General Document Checklist

Previous years signed VAT/GST/Service Tax/ Central Excise Audit Report, if any

Signed Copy of Financial Statements, along with notes, schedules, groupings, segment reports etc.

Consolidated and GSTIN wise trial balance and financial statements of registrations (if any)

List of all accounts and records maintained by the registered person

Statutory Audit Report, Internal Audit or special audit report, Income Tax Audit Report, Cost Audit Report, Branch Auditors Report etc.

Details of Related parties

Copy of LUT, details of job workers location and registration

Steps and measures taken by Company to comply with Anti-Profiteering provisions under GST law, along with back-up working, if any

List of letters and notices received and replies thereof, pending litigations before various authorities and other important unresolved issues, if any.

Working paper file – Documents to be obtained from client

Specific Document Checklist

Audit Checklist – GSTIN wise

GST User ID and passwords

Returns from pre GST Regime - VAT/Excise/ Service Tax

Transaction level details and Ledgers – Sales register, Purchase register, Tax ledgers, etc

Base workings of GST returns

List of products and services along with HSN Classification and rates

Details of Input Tax Credit availed and reversed

- Nature of purchases - Bifurcation of inputs, input services and capital goods along with HSN
- Sample Documents
- Blocked Credits
- Transitional Credit details
- Details of ineligible credits, non GST inward supplies
- Details of transactions booked in current year but claimed in next year
- Details of tax paid under RCM

Working paper file – Documents to be obtained from client

Specific Document Checklist

Sample copies of the following documents under GST Law:

- Tax invoices (including self-invoices for inward supplies liable to reverse charge)
- Credit notes
- Debit notes
- Delivery challans
- Receipt Vouchers
- Payment Vouchers
- E-way Bills with respect to transactions for which invoice / delivery challan shared
- Bill of supply
- Commercial invoice (if any)
- Commercial debit note / Credit note (i.e. credit note / debit note on which no GST impact is given)
- ISD and Job work Documentation

Sample copies in respect of import/ export of goods:

- Bill of Entry along with invoice raised by supplier of goods
- Bill of Lading;
- Shipping Bill / Airway Bill;
- Letter of Undertaking or Bond in case of export without payment of GST

Working paper file – Documents to be obtained from client

Specific Document Checklist

Host of relevant reconciliations –

- BOA v/s 3B
- BOA v/s GSTR1
- 3B v/s1
- Payment vouchers v/s Invoices – Unregistered
- Purchase register v/s 2A
- E-way Bills v/s BOA
- Turnover as in GST Returns v/s BOA

Excel worksheet capturing the reasons for unreconciled differences and the underlying document thereto

Details of advances given, received, adjusted thereof

Export, Import and SEZ details

Refunds claimed, sanctioned and rejected along with workings

Transactions pertaining to the current financial year disclosed in the subsequent admissible period

Details of tax, interest, penalty paid along with payment challans

Opening, closing balances of unbilled revenue, unearned income and details of the same

Working paper file – Documents to be obtained from client

Specific Document Checklist

Aging report of creditors

Details of transactions under Schedule I (transaction with employees and valuation details)

Invoice wise details of transactions not forming a part of revenue but part of GST returns (sale of capital goods, etc)

Management Representation Letter (GSTIN wise)

Working paper file – Documents available from GSTN

Document Checklist

Filed returns and base workings

- GSTR-1
- GSTR-3B
- TRAN-1
- TRAN-2
- GSTR-6 (ISD)
- ITC-04
- ITC-02
- GSTR 2A

Actual date of filing returns

Electronic cash, credit ledger and liability register

Copies of consolidated GSTR 3B, GSTR 1 and GSTR 9

Details of refund status, RFD forms

Questions ?

Thank You