



Special Audit

Agenda

Provisions

1

2

Audit
Planning

Reporting

3

4

Q & A

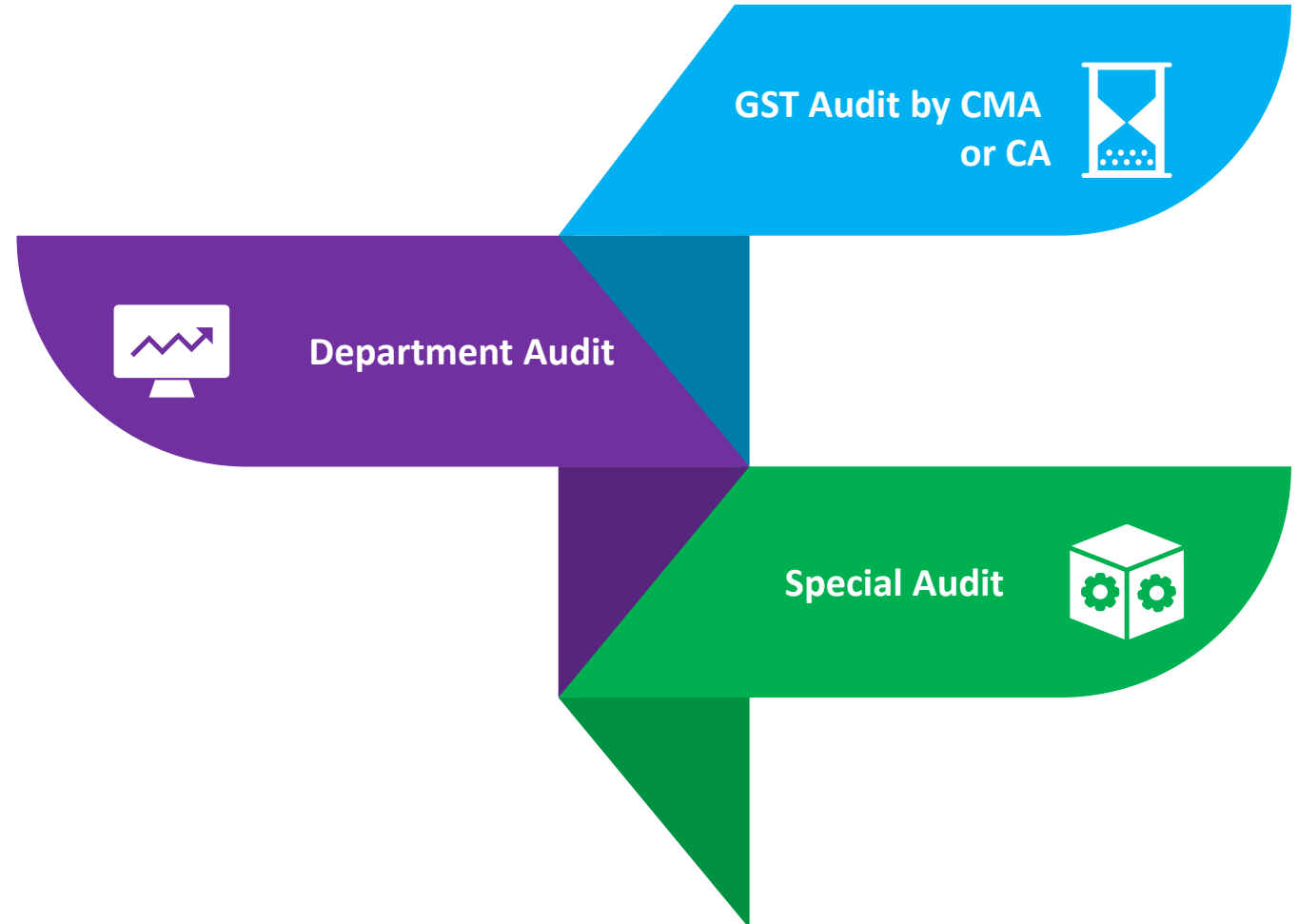


Types of Audit

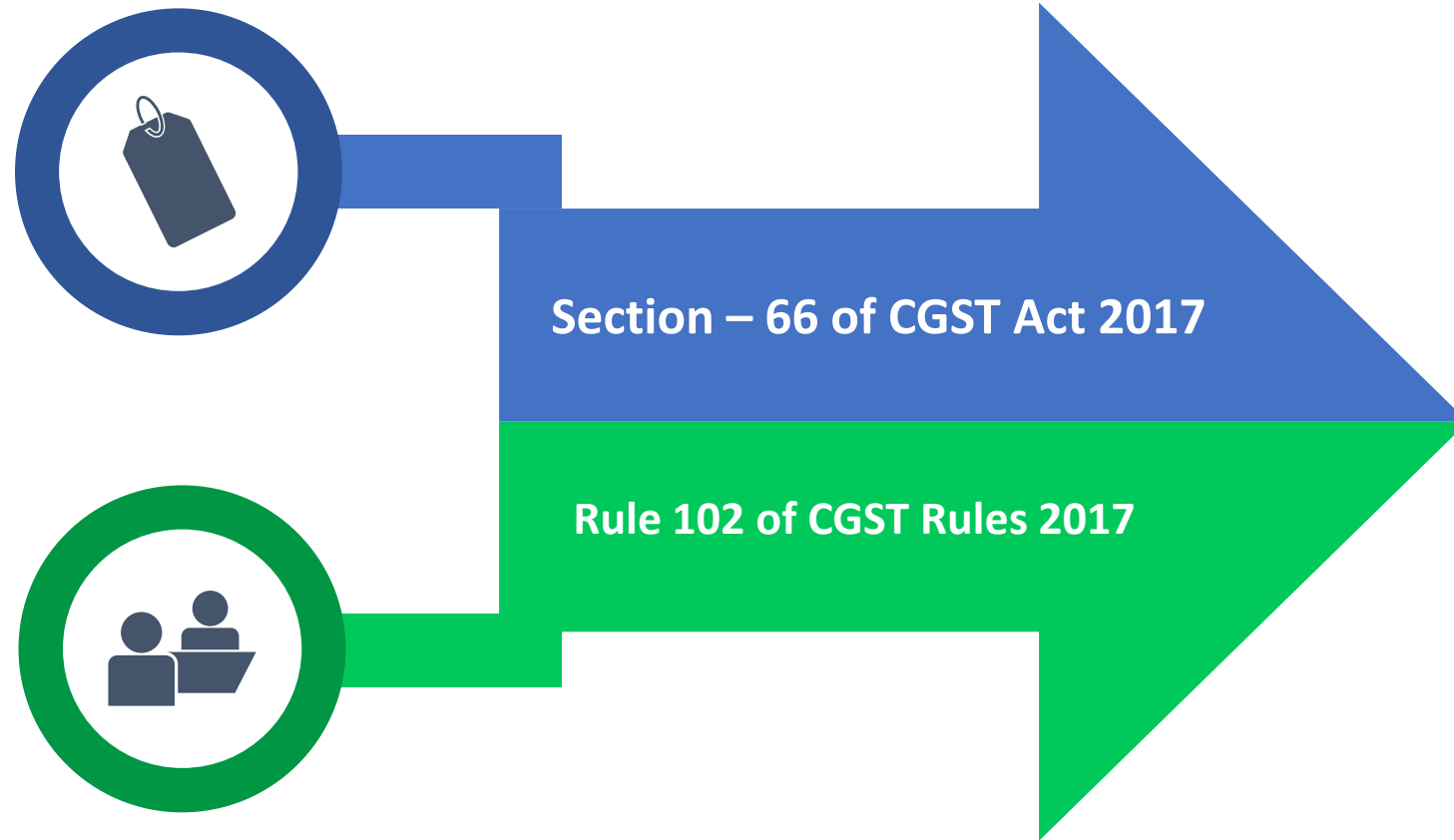
GST Audit u/s – 35 of CGST Act

Department Audit – u/s 65 of GST Act

Special Audit – u/s 66 of CGST Act



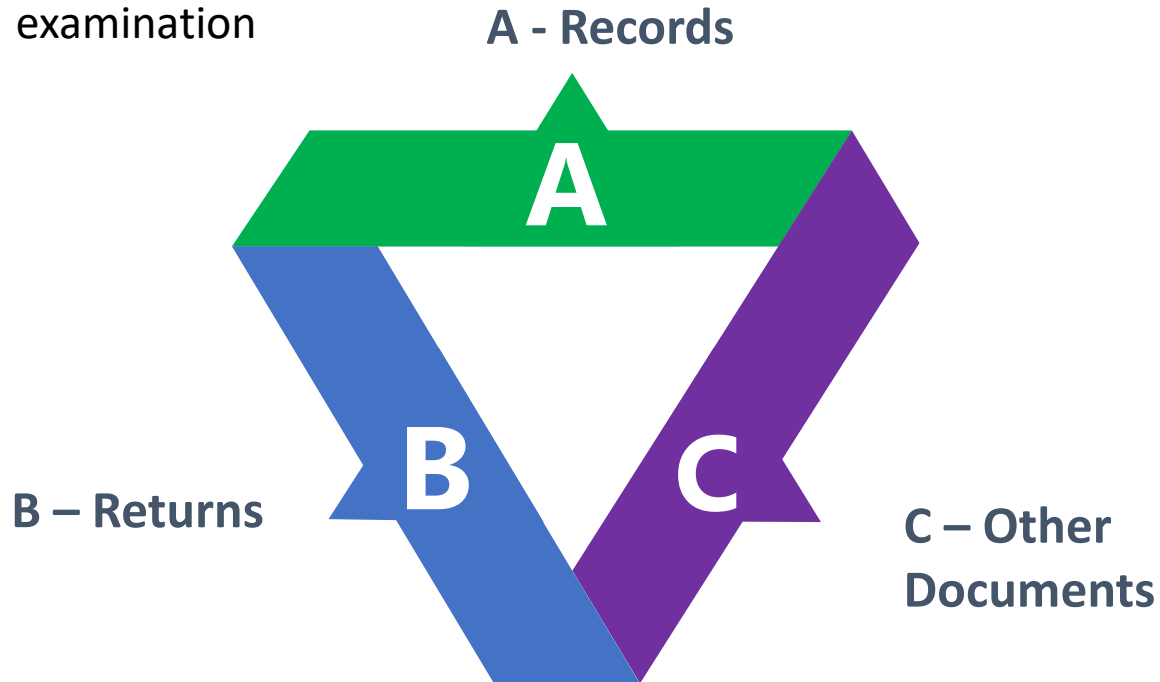
Provisions



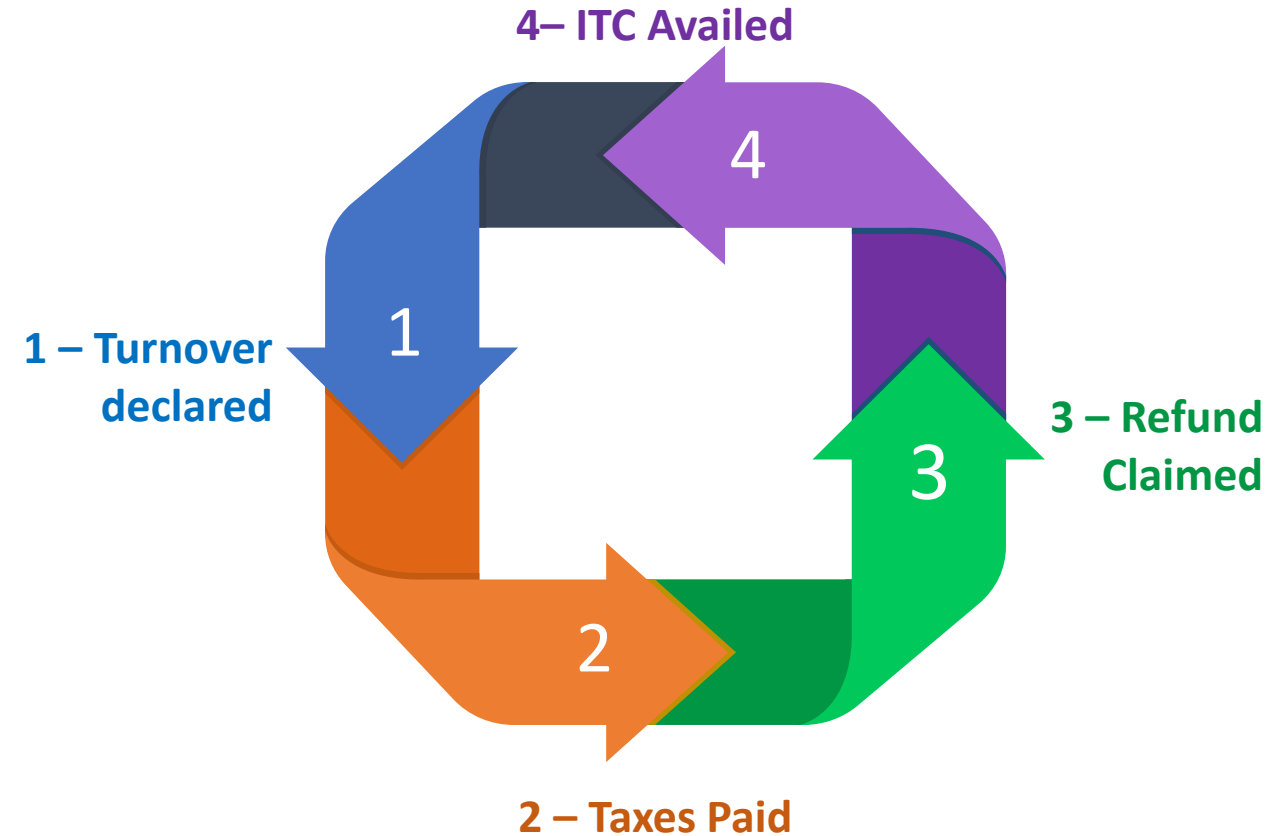


Audit – Section 2(13)

Audit Means examination



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



To **assess his compliance** with the **provisions of this Act** or the rules made thereunder

Special Audit – Section 66

1

During Scrutiny or inquiry or investigation an officer not below the rank of AC on authorization by Commissioner will ask for a CMA/CA to verify records

2

Submit the report with in 90 days and can be extended by another 90 days by AC

3

Special audit will not have any impact on any other proceedings under this Act or any other Act

4

Opportunity will be provided to the registered person for any material gathered during the audit

5

Remuneration for the audit will be approved by Commissioner

6

If any material discrepancy is found proceedings can be initiated under Section 73 or 74

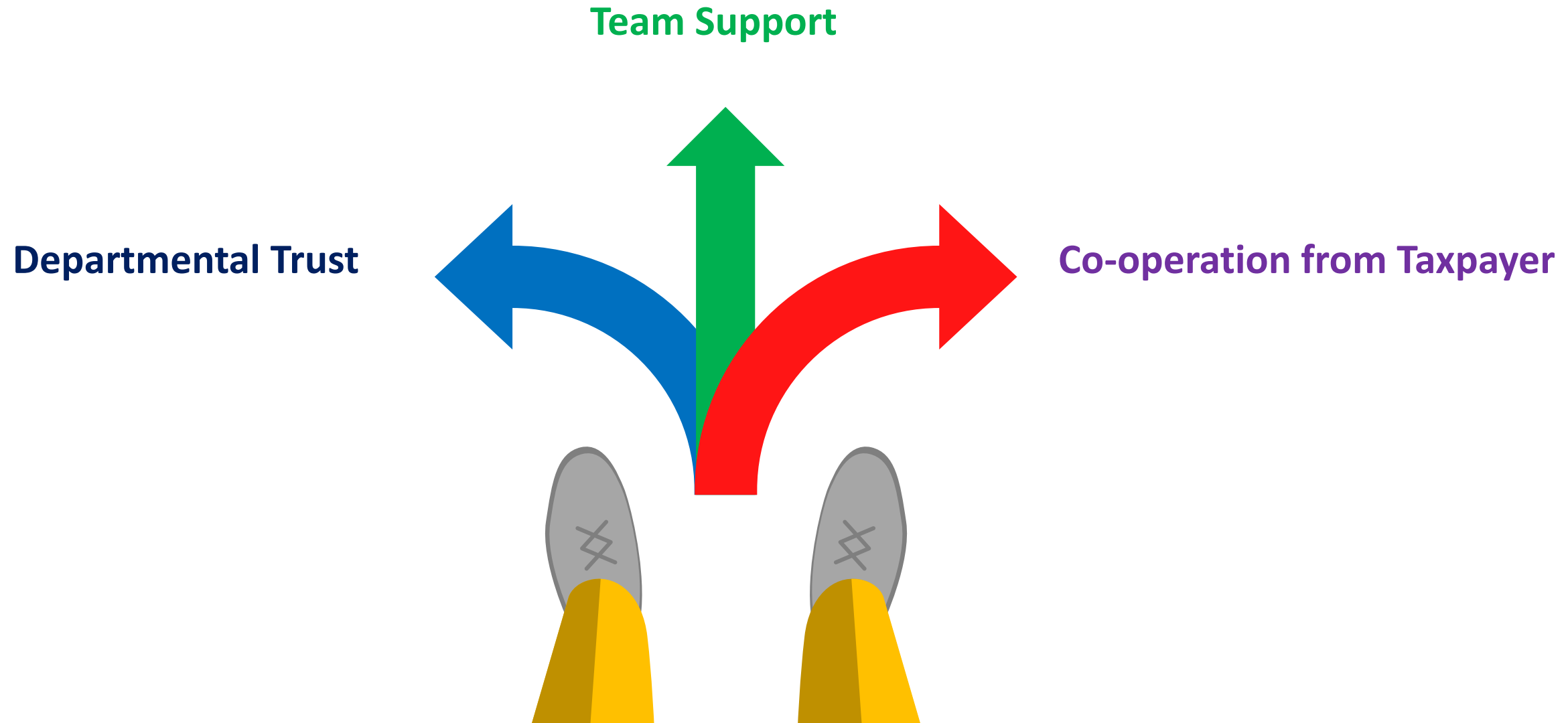


Special Audit – Rule 102

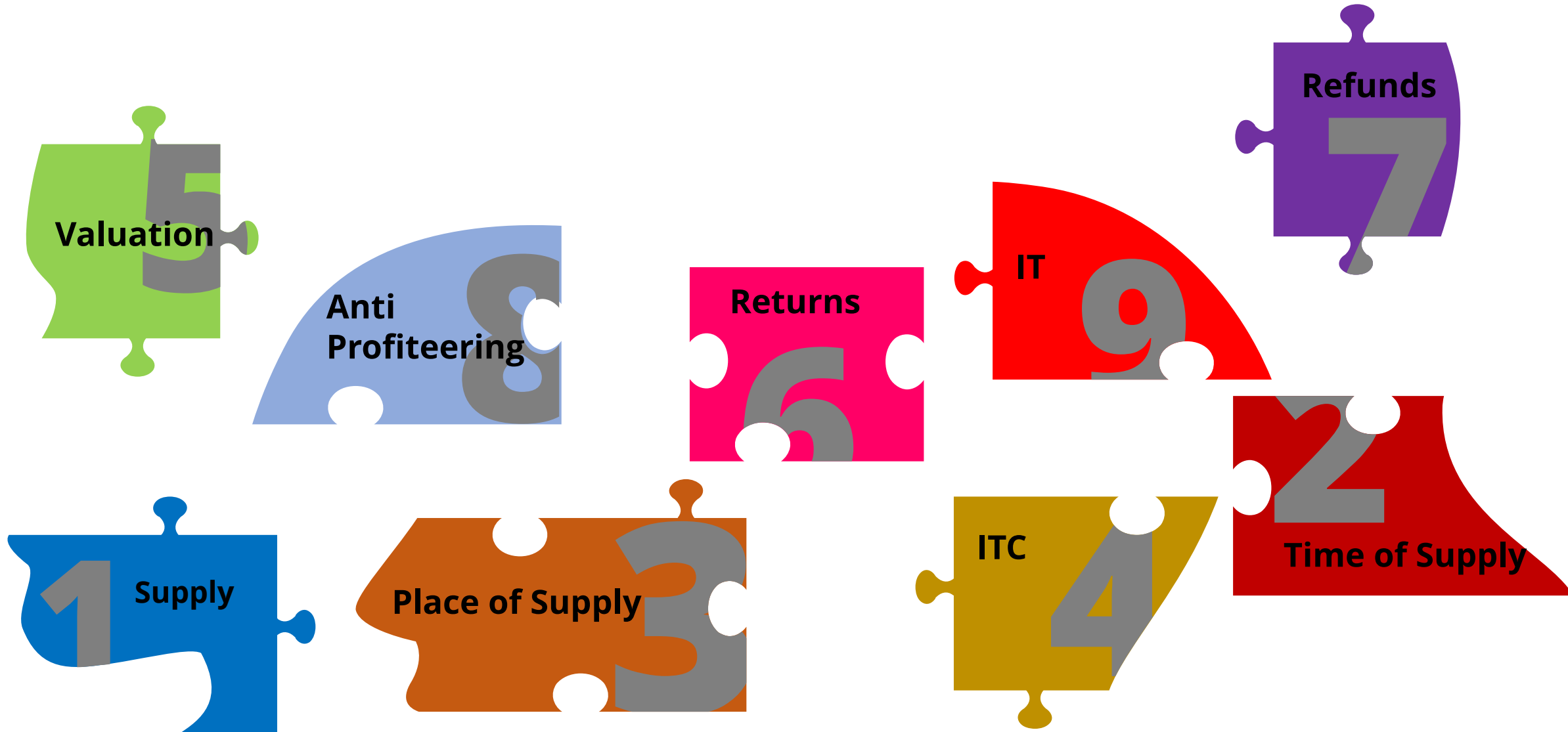




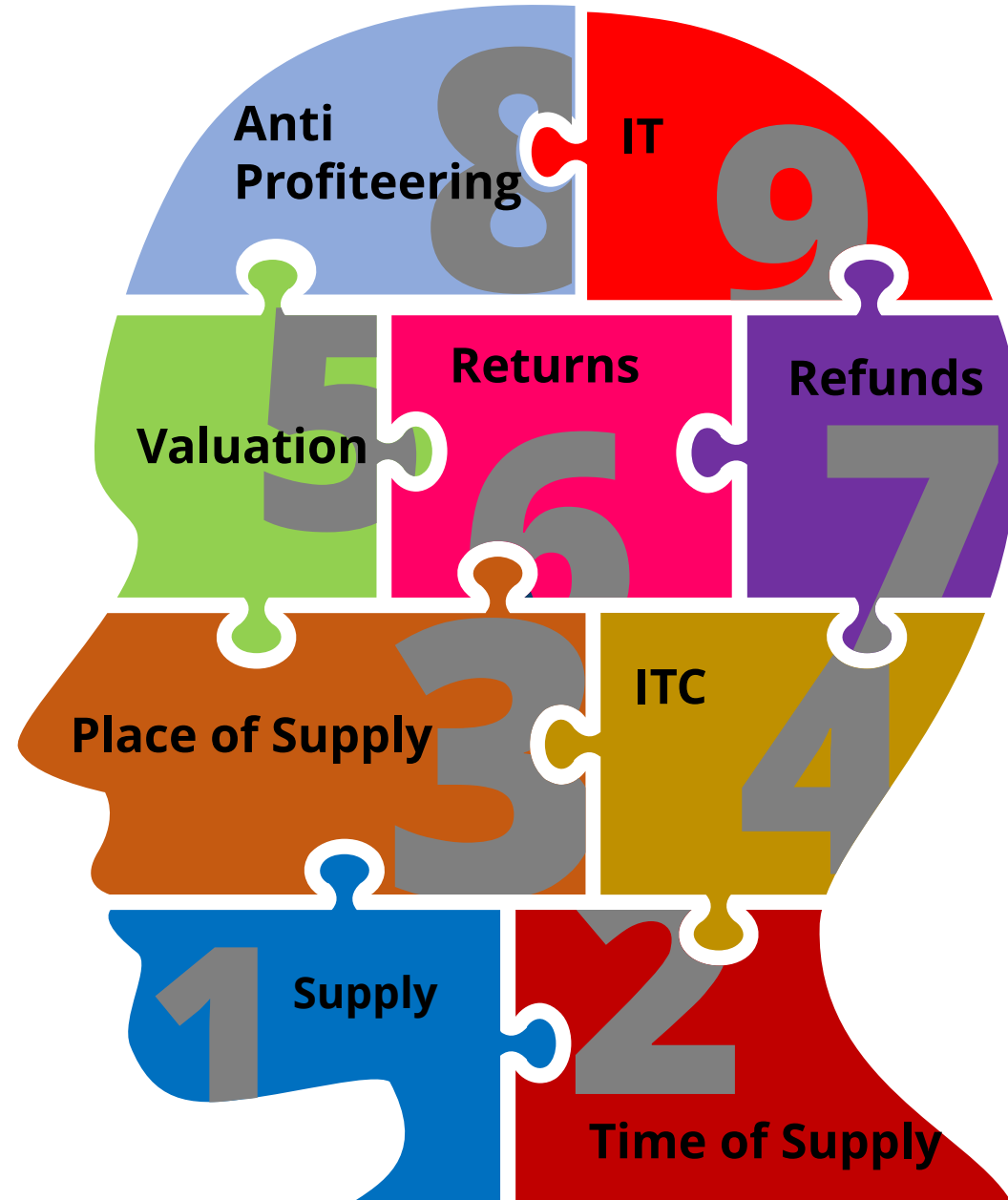
Special Audit – Challenges



Special Audit – Coverage



Special Audit – Coverage



Special Audit – Coverage

Section 37 - 48

Verify if returns are filed within the due dates and interest if paid as per the provisions if not along with late fee .



Rules 46 - 55

Verify if relevant documents are issued for all the transactions as per the provisions .



Section 16 & 17

Verify if Input tax credit is claimed as per Provisions – eligibility / blocked / restricted .



Section 7

Supply – all transaction are classified as supply as per GST



Section 12, 13 & 14

Verify if the tax invoice is issued as per provisions of Time of Supply

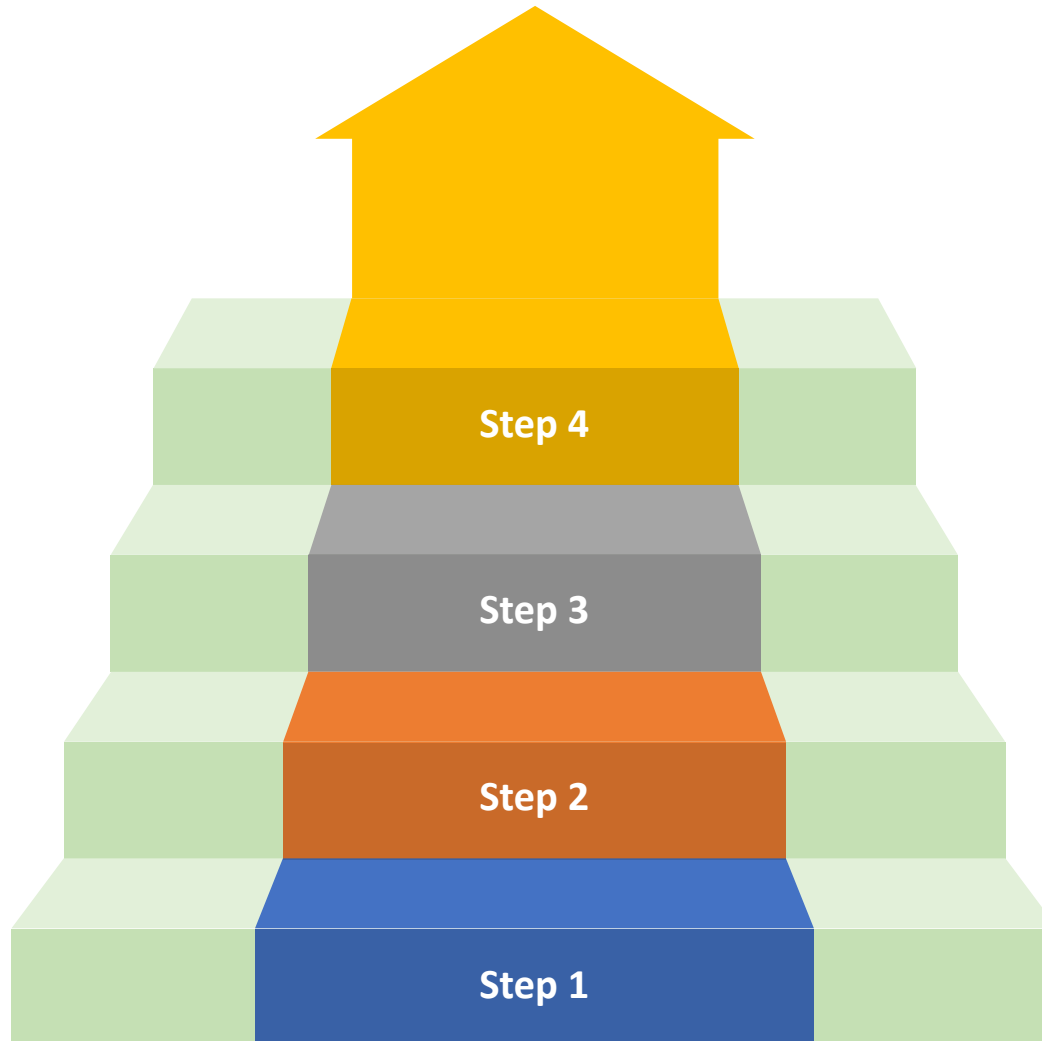


Section 10 to 14 IGST Act

Verify if the provisions of place of supply are followed or not



Special Audit – Process



Depute Team and Complete the Audit

Take the Taxpayer in to Confidence

Understand the Requirements

Identify the Need of the Department

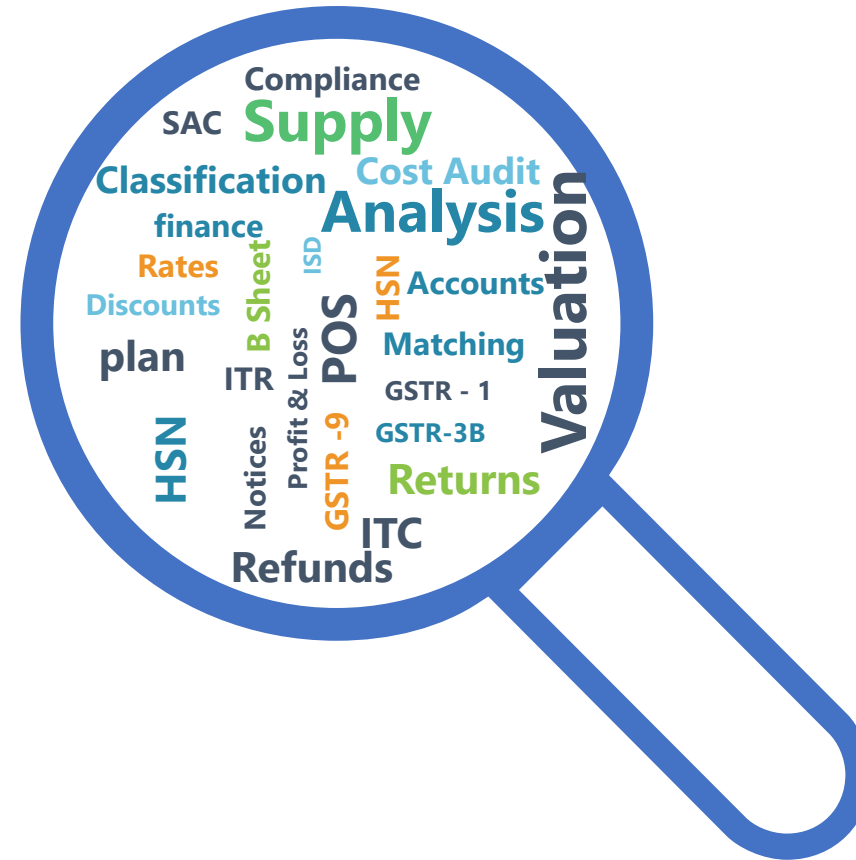


Audit Universe

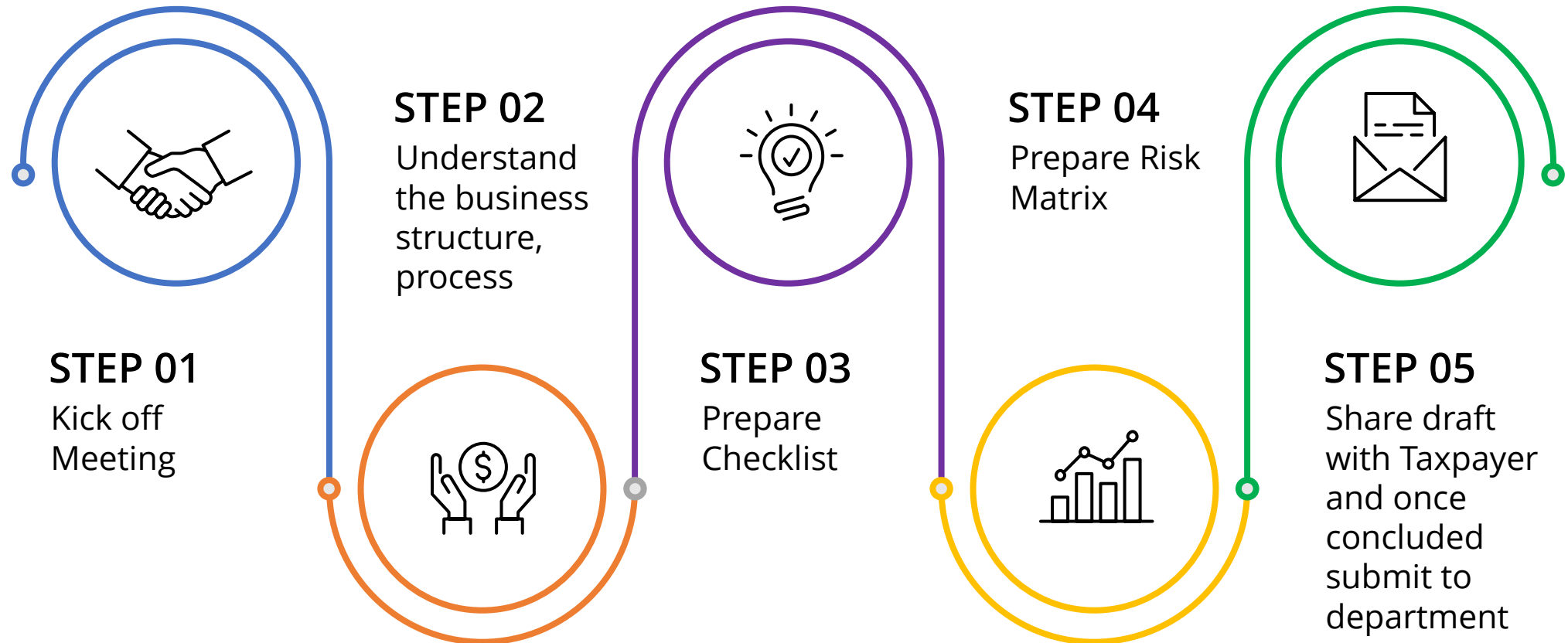
Preparation Steps



Audit Universe

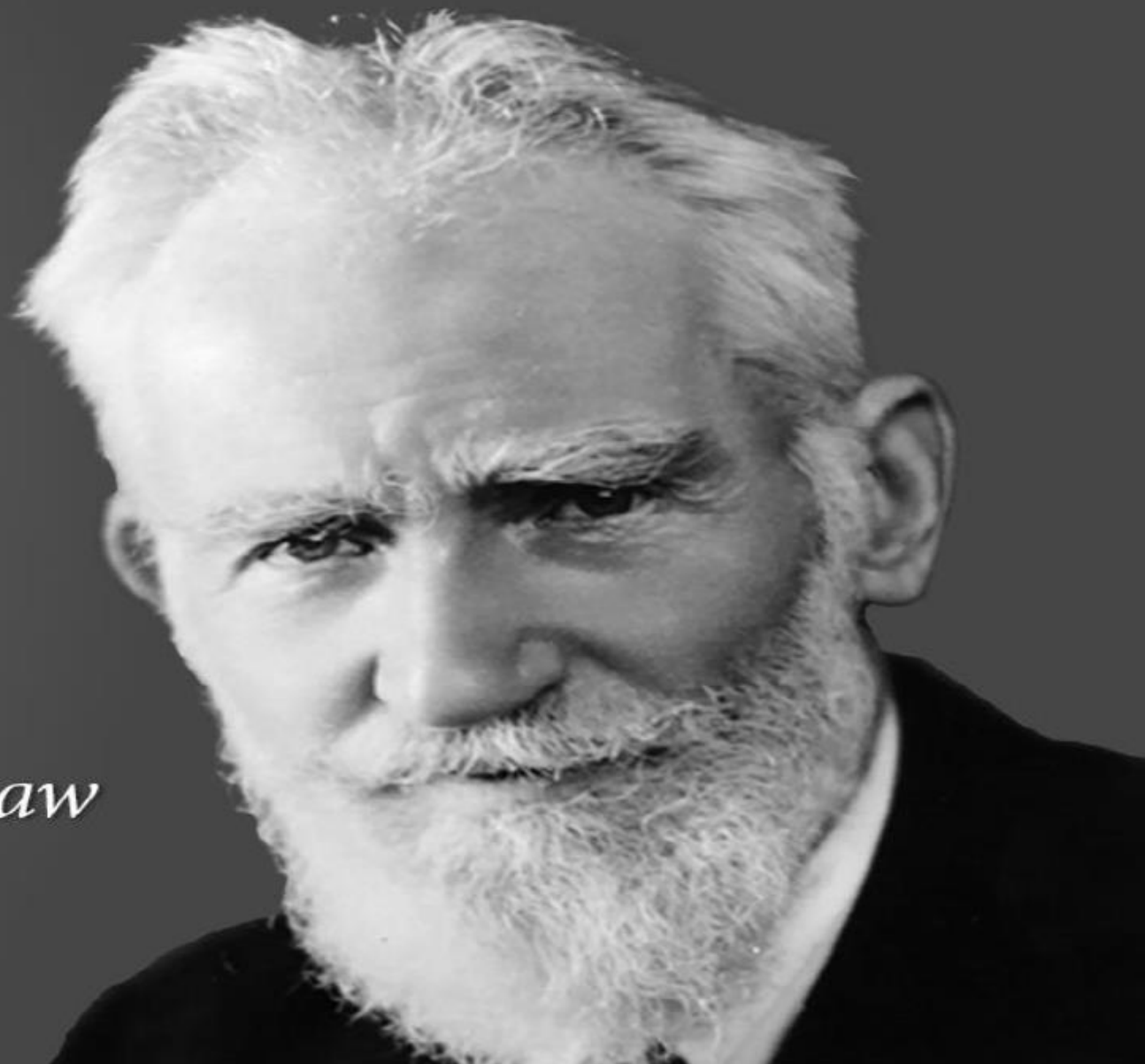


Special Audit – Methodology

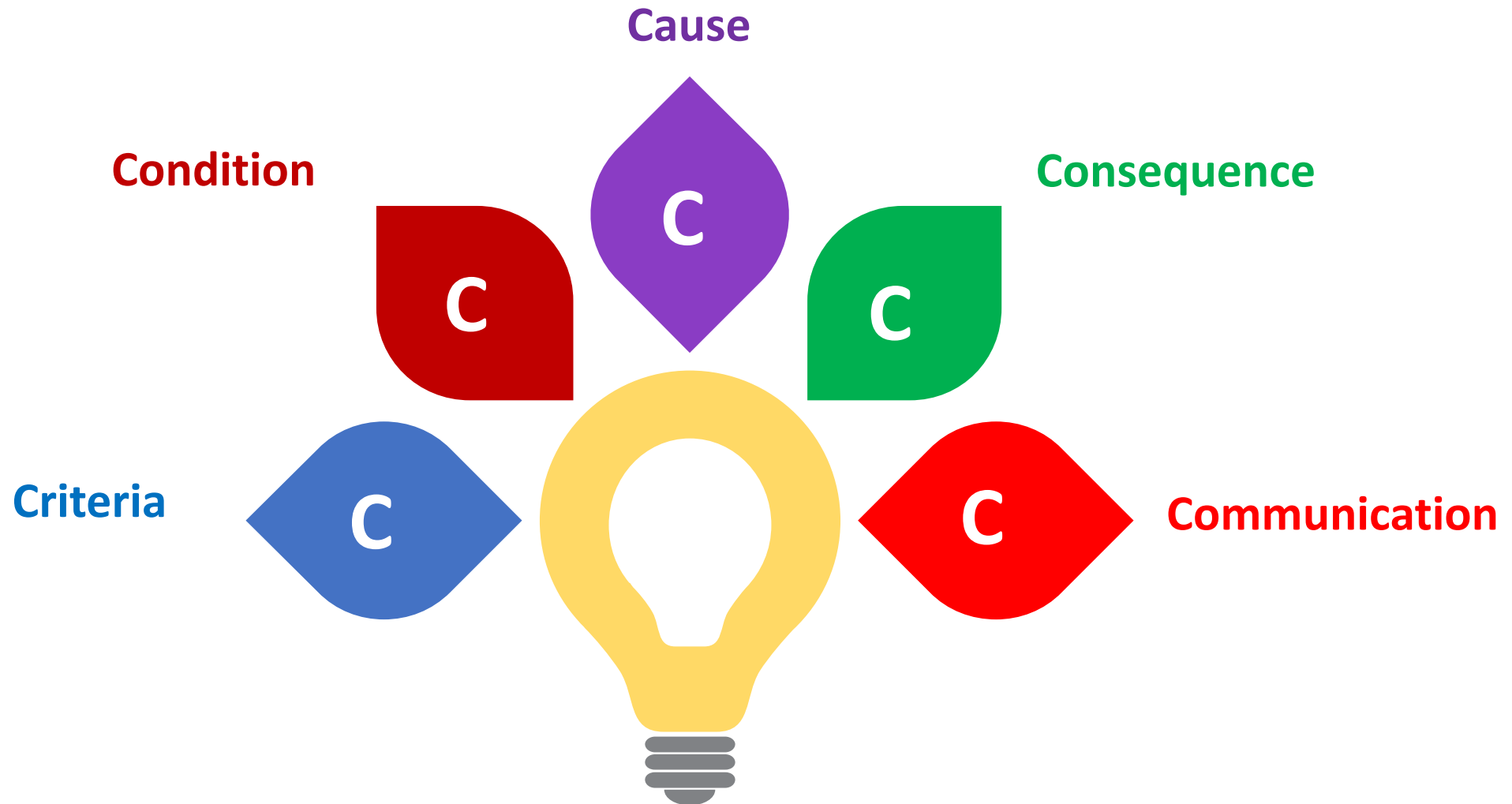


“The single biggest
problem in
communication is
the illusion that
it has taken place.”

~ George Bernard Shaw



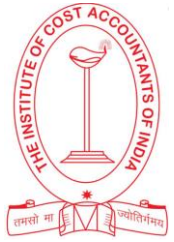
5 C's of Special Audit Report



Submission of Report

Special Audit Report – Essentials

Accurate	Objective	Clear	Concise	Constructive	Complete	Timely
Free from errors and distortions and faithful to the underlying facts	Fair, impartial, and unbiased and is a result of a fair-minded and balanced assessment of all relevant facts and circumstances	Easily understood and logical, avoiding unnecessary technical language and providing all significant and relevant information	To the point, avoid unnecessary elaboration, superfluous detail, redundancy, repetitiveness and wordiness	Helpful to the auditee /client and the organization and leads to improvements where needed	Lacking nothing that is essential to the target audience and includes all significant and relevant information and observations to support recommendations and conclusions	Opportune and expedient, depending on the significance of the issue, allowing management to take appropriate corrective action



Submission of Report

Special Audit – Executive Summary Sample

Sr. No.	Audit Observation	Action Plan	Risk Rating
1			●
2			●
3			●
4			●
5			●
6			●

Risk Rating

● High

● Medium

● Low

“If you talk to a man in
a language he understands,
that goes to his head.
If you talk to him in his
language, that goes to
his heart.”

Nelson Mandela



