

Scope of Work :- The Special Audit shall be conducted by the Special Auditor under Section 66 of Jammu and Kashmir Goods and Service Tax Act, 2017. He shall examine and audit the records & books of accounts of the registered person. He shall check and verify the compliance of the provisions of JKGST Act, CGST Act & IGST Act, 2017 and Rules made there under by the registered person including the correctness of turnover declared, input tax credit availed, taxes paid, refund claimed etc. and detect the tax evasion, if any, by the registered person. He shall submit his report within the prescribed period as per the provisions of the Act. In case the registered person does not accept the findings of the Special Audit and consequent tax liability, interest etc. & contests the same by way of appeal, the auditor will render all required assistance/advice in the matter to protect the interest of the government in such appeals.

Duties and obligations :- The person/Firm so nominated to act as special auditor shall have the following duties and obligations :-

- i. The audit shall be conducted as per the Terms of Reference & within the prescribed time limit.
- ii. The auditor may be required to visit the offices including branch office/head office of GST registered person to conduct the Audit of GST and to call for and examine the required documents.
- iii. The Audit shall be conducted in coordination with the departmental officers. In other words, the departmental officer may also join the audit team of the nominated CA/ICWA to conduct the audit.
- iv. The auditor, within the period specified by the Commissioner, State Taxes J&K, shall submit a report of such audit duly signed and certified by him. The audit report shall provide full details of audit, including the audit plan, details of documents verified, result of verification, short levy/wrong availment of Input Tax credit etc. duly quantified and with their observations. Duly authenticated copies of sample documents shall also be enclosed with audit report for taking further action by the department.
- v. The nominated person/firm should not have represented or advised in any manner the registered person whose audit is ordered by the department in any area like maintenance of accounts, auditing, tax consultancy, any other consultancy, representation etc. and therefore should not be in conflict of interest position. This aspect would be verified while assigning a particular registered person for audit and a certificate in this regard would be submitted before accepting the special audit.
- vi. Maintain confidentiality in all respect related to special audit assigned to him and should not disclose/share any sensitive/confidential information/documents etc. to the registered person/any outsider.
- vii. On receipt of audit report, department may call the auditor for seeking any clarification or ask them to complete audit, if it is found that particular area has not been examined properly.
- viii. In case the registered person does not accept the findings of the Special Audit and consequent tax liability, interest etc. and contests the same by way of appeal, the auditor will render all required assistance/advice in the matter to protect the interest of the government in such appeals.
- ix. The empanelled Chartered Accountants and the Cost Accountants shall give an undertaking at the time of allotment of units that they will not take up Statutory Audit of the said units allocated to them for special audit and also during the period they are on the panel of Delhi State GST.
- x. The auditor will not associate any junior staff for the Audit purpose except with due approval of such person with equivalent qualification & experience by the Department in writing.

Schedule of Fees: The Chartered Accountants/ Chartered Accountant firms/Cost Accountants/ Cost Accountant firms would be entitled to a fees as per the CBIC guidelines. The amount of such fees payable is as indicated below:-

S.No	Aggregate Turnover (Rs.) in UT of Jammu and Kashmir	Rate of Audit Fee (Rs.)(+ GST, as applicable)
1.	Up to Rs.10 crore	15,000
2.	Rs.10 crores to Rs.100 crore	25,000
3.	Rs.100 crores to Rs.200 crore	35,000
4.	Rs.200 crore and above	50,000

The payment of fee to the extent of 80% will be released on satisfactory conclusion of Special Audit and after issuance of information of findings upon Special Audit in Form GSTADT-04 to the registered person. Rest 20% of the fee will be released either on discharge of statutory liabilities towards tax, interest etc., determined on the basis of Special Audit report, if any, by the registered person or after rendering of all required assistance/advice by the auditor during the first stage appeal in case the registered person prefers to contests the findings of Special Audit, whichever is earlier.

General:-

- (i) It is the sole discretion of the Commissioner, State Taxes Department Jammu and Kashmir, to select any of the Chartered Accountants/Cost Accountants from the panel for conducting the Special Audit.
- (ii) This office reserves the right to remove name of any of the Chartered Accountants/Cost Accountants from the panel so made, after making enquiries as deemed fit and such decision would be final.
- (iii) This office also reserves the right to cancel/withdraw the expression of interest without assigning any reason whatsoever.

PROFORMA FOR APPLICATION FOR EMPANELMENT AS SPECIAL AUDITOR IN STATE TAXES
DEPARTMENT JAMMU AND KASHMIR

S. No.	Information/Details sought	
1.	Name and address of the person/ firm. In case of firm, please also provide total number of partners and names of partners who will be engaged in this assignment	
2.	PAN – Permanent Account Number	
3.	Date of Birth (in case of individual) and date of incorporation (in case of firm)	
4.	Address for correspondence including contact No./Mobile No. and E-mail ID	
5.	Membership No. of Institute of Chartered Accountants of India/Institute of Cost Accountants of India along with date of becoming member of the institute	
6.	Whether empanelled (during last seven years) with Department of Income Tax, Department of Customs & Central Excise, Department of Service Tax, Department of Value Added Tax, Department of Goods & Services Tax	
7.	Average annual turnover in last three financial years	
8.	No. of Audit Assignments of Internal/Statutory/Forensic Audit of Corporate/PSUs entities, except Bank Branch Audit, for which the audit has been done in the last 5 years.	
9.	Staff strength (excluding typist, stenographers, computer operators, secretaries and subordinate staff etc.) Consisting of Audit and Article clerks with the knowledge in book-keeping and accountancy and are engaged in outdoor audit.	
10.	Whether any investigation/inquiry/disciplinary proceeding is pending in the records of relevant Institute like Institute of Chartered Accountants of India, the Institute of Cost Accountants of India, the Northern India Regional Council of Chartered Accountants of India and the Northern India Regional Council of Institute of Cost Accountants of India /CBIC/Govt. of UT of J&K against any applicant/proprietor/partner/employee of the firm (Give details)	

Expression of Interest (EOIs) For Empanelment of Chartered Accountants/Chartered Accountant firms/Cost Accountants/Cost Accountant firms for Special Audit

Annexure – B

CHECKLIST OF DOCUMENTS TO BE SCANNED & UPLOADED ALONG WITH “EOI ” ON E-PORTAL

S.No.	Item Description	Yes/No	Remarks
1	Copy of PAN		
2	Copy of Aadhar Card/ Voter ID/Passport etc. mentioning address		
3	Copy of certificate of registration with Institute of Chartered Accountants of India/Institute of CostAccountants of India		
4	Certificate of Practice issued by the Institute ofChartered Accountants of India/Institute of Cost Accountants of India showing experience of at leastfive years of practice		
5	Copy of order/letter of empanelment with theDepartment(s):- 1. Department of Income Tax 2. Department of Customs and Central Excise 3. Department of Service Tax 4. Department of Value Added Tax 5. Department of Goods & Services Tax		
6	Copies of full Income tax returns & Financial Accounts for the last three financial years.		
7	Copy of order of Audit Assignments ofInternal/Statutory/Forensic Audit of Corporate/PSUs entities, except Bank Branch Audit.		
8	Details of staff engaged (excluding typist, stenographers, computer operators, secretaries and subordinate staff etc.) consisting of audit and article clerks with the knowledge in book-keeping and accountancy and are engaged in outdoor audit providing their names, educational qualification, date of engagement, contact details etc. in Annexure-C		
9	Brief approach paper (not exceeding 3000 words)as mentioned at point No. 2 (Selection Procedure) sub-point (f) in Annexure-D		
10.	Verification/Declaration as in Annexure-E		

Note:- In case, any of the above documents is not available, then applicant may specify so on a separate paper, duly signed and upload the same against the said document.

Expression of Interest (EOIs) For Empanelment of Chartered Accountants/Chartered Accountant firms/Cost Accountants/Cost Accountant firms for Special Audit

ANNEXURE –C

S.No.	Name of Staff engaged	Educational qualification	Date of Engagement	Contact details

Expression of Interest (EOIs) For Empanelment of Chartered Accountants/Chartered Accountant firms/Cost Accountants/Cost Accountant firms for Special Audit

ANNEXURE-D

S. No.	Information sought	Details to be furnished
1.	Challenges in the special audit of registered person under Goods & Services Tax Act, 2017.	
2.	Technical parameters/approach to assess Compliance of various provisions of the GST Act, 2017 by the registered person.	
3.	Proposed methodologies to analyze & evaluate compliance on technical parameters.	
4.	Proposed work plan for responding to the Scope of work.	
5.	Proposed solutions/methodology for a special audit for ensuring time bound determination of statutory liabilities of registered person.	
6.	Proposed innovations in analysis audit and follow up action for successful conclusion of such special audit through discharge of financial liabilities by registered person.	