



Azadi Ka Amrit Mahotsav Activity

“Sky High- Symposium - 61 Virtual Program” conducted by Women & Young Members Excellence Committee of ICAI on 12th July 2023

ICAI
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

Women & Young Members Excellence Committee
Organises

SKY HIGH-SYMPIOSIUM-61
Virtual Programme

- Internal Audit of Manufacturing Units
- Assessment, Demand Proceedings under GST and reply to SCN

for **Women & Young Members** Every Wednesday

12th July, 2023 | 04:00 PM to 06:00 PM

FEES NIL

Registration and participation link:
<https://live.icai.org/wymec/12072023>

Questions related to the topic may be sent in advance at wymec@icai.in or LIVE at the time of Program itself at the same link

Welcome Address
CA. Priti Savla
Chairperson, WYMEC, SRSB & Vice Chairperson, VSB

Introductory Remarks
CA. Abhay Chhajed
Chairman, CCLEA&NPO & Vice Chairman, WYMEC & ASB

Speakers
CA. Mayuri Desai
CA. Pooja Khatod

Co-ordinators
CA. Hena Shah
CA. Sonal Jain
CA. Neha Vikam
CA. Neepa Thakker

As part of country wide Azadi ka Amrit Mahotsav initiatives, envisaged by Government of India, to commemorate and celebrate 75 years of India's Independence, the Women & Young Members Excellence Committee (WYMEC) of ICAI organized "Sky High- Symposium -61 Virtual Program" on 12th July 2023.

CA. Mayuri Desai and CA. Pooja Khatod were speakers of the said program. Coordinators for the day were CA. Hena Shah, CA. Sonal Jain, CA. Neha Vikam and CA. Neepa Thakker.

The program covered discussion on "Internal Audit of Manufacturing Units". Deliberations were made on Meaning of Internal Audit, Requirements for Effectiveness of Internal Audit, Overview, Scope, Types and Categories of Internal Audit in the Company, etc.

INTERNAL AUDIT

Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system.

Downloaded by CA Mayur Desai via the Practitioner on 22/06/2024, 12:00:14 PM IST

Requirements for Effectiveness of Internal Audit

Unrestricted Access

Internal audits should be conducted with complete and unrestricted access to personnel, property and records, as appropriate for the performance of audit activities.

Competent personnel

The internal audit activity needs professional staff who, collectively have the requisite expertise and competencies to carry out the full range of audits required by the mandate.

Confidentiality

- The internal auditor shall at all times preserve the utmost confidentiality of all information obtained during the audit work.
- The internal auditor shall keep confidential information secure from others.

Skill and competence

- The internal auditor shall have sound knowledge, good interpersonal skills, practical experience and technical qualifications in certain areas and other competence necessary to perform a quality audit.

System and process focus

- An internal auditor shall adopt a system and process focused methodology in conducting audit procedures.

Scope of an Internal Auditor in the Company

- 01

Reliability and validity of reports

➤ Internal auditing is concerned with reporting to management in accordance with predetermined policies, procedures and performance standards.
- 02

Compliance with established policies and procedures

➤ Internal auditing ascertains the reliability of financial and operating reports prepared throughout the enterprise.
➤ It also gives assurance to the management of the validity of the reports and documents.
- 03

Evaluating of accounting and administrative control

➤ Internal auditing ensures an accurate and reliable framework for accounting control, standard costing, budgetary control and all other administrative controls.
- 04

Protection of assets

➤ Internal auditing besides ensuring proper accounting and custody of company's asset's, is also concerned with the protection of the assets.

Various Types and Categories of Internal Audit in the Company

• This audit evaluates the compliance with applicable laws, regulations, policies and procedures.
• Failure of these regulations can have a direct effect on the financial well-being of the company.

• Performance Audit is done in order to evaluate if the organization meets the requirements set by management in order to accomplish the goals and plans as established by the Board of Directors.

• This audit evaluates the impact of a company's operations on the environment.
• It may also assess the company's compliance with environmental legislation and

• Operational Audit assess the organization's control mechanisms for their overall efficiency and reliability.

The program also covered Session on “Assessment, Demand Proceedings under GST and Reply to SCN”. Topics discussed were Section 60- Provisional Assessment, Rule 99: Forms under Scrutiny of Returns, Section 62- Assessment of Non- Filers of Return, Section 63- Assessment of Unregistered Person, Demand under section 73 & 74, Section 161- Rectification of Errors apparent on the face of record, Is SCN mandatory to issue, etc.

Section 60- Provisional Assessment

- Where the taxable person is unable to determine the value of goods or services or both or determine the classification of goods and services the rate of tax applicable there to, he may request the proper officer in writing giving reasons for payment of tax on provisional basis.
- **The proper officer shall pass an order, within a period not later than ninety days from the date of receipt of such request.



Section 63: Assessment of Unregistered Person

- Where a taxable person fails to obtain registration even though liable or whose registration has been cancelled but was liable to pay tax the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgment for the relevant tax periods.
- Order can be issued within 5 years from the date of furnishing Annual Return for the FY to which the tax not paid relates.
- But opportunity Of being heard must be given before passing an order ,like v/s 62 notice v/s 46 was given as opportunity



Chapter XV- Demands Under Section 73 & 74

- Proceedings on the basis of
 1. Inspection of Survey.
 2. Scrutiny of Returns.
 3. Summary Assessments.
 4. Audit.
 5. Special Audit.

Section 73- Bonafide Taxpayer

Section 74- Mala fide Taxpayer



Section 161- Rectification Of errors apparent on the face of record.

- Any authority, who has passed or issued any decision or order or notice or certificate or any other document, may rectify any error which is apparent on the face of record in such decision or order or notice or certificate or any other document, either on its own motion or where such error is brought to its notice by any officer appointed under this Act or an officer appointed under the State Goods and Services Tax Act or an officer appointed under the Union Territory Goods and Services Tax Act or by the affected person within a period of three months from the date of issue of such decision or order or notice or certificate or any other document, as the case may be:
- Maximum Period for rectification is 6 months from the date of issue of such decision or order or notice or certificate or any other document
- Exception- Rectification can be made anytime in cases where it is purely in the nature of correction of a clerical or arithmetical error, arising from any accidental slip or omission:
- Provided also that where such rectification adversely affects any person, the principles of natural justice shall be followed by the authority carrying out such rectification.
- ** If the order which is sought to be rectified is rejected, then Taxpayer ideally should get the benefit of Extended period of 3 months from the date of Rejection of order for filing appeal, but now portal is



The program concluded by giving Vote of Thanks to the Speakers and the participants.

Glimpses of the Virtual Program held on 12th July 2023



