



Azadi Ka Amrit Mahotsav Activity

“Sky High- Symposium -16 Virtual CPE Meeting (VCM)” conducted by Women Members Empowerment Committee of ICAI on 27th July 2022

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

Women Members Empowerment Committee Organises

Azadi Ka Amrit Mahotsav

Sky High - Symposium -16
Virtual CPE Meeting (VCM)
for Women by Women Every Wednesday

27th July, 2022
5.00 PM to 7.00 PM

FEES NIL

2 CPE Hours (Structured)

Registration and participation link:
<https://live.icai.org/wmec/vcm/27072022/>

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

Audit, Review Documentation
CA. Preya Lunawat

Latest Amendments in GST
CA. Annapurna Kabra

Co-ordinators
CA. Anita Pangaonkar, CA. Rupali Bothara, CA. Hiral Mehta

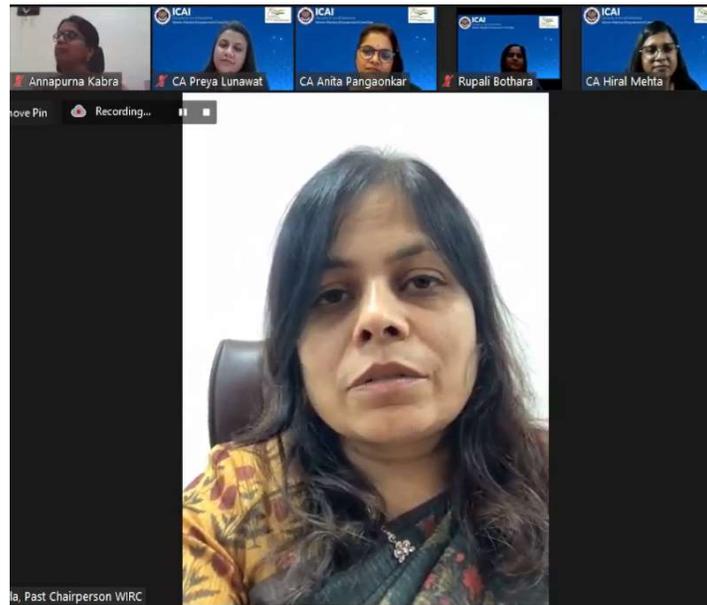
CA. Sripriya Kumar
Chairperson, WMEC & CL&CGC
Vice-Chairperson, IBC Committee

CA. Priti Savla
Vice-Chairperson, WMEC, CL&CGC,
Sustainability Reporting Standards Board

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 Members Empowerment Committee (WMEC) of ICAI organized “Sky High- Symposium -16 Virtual CPE Meeting (VCM)” on 27th July 2022.

CA. Preya Lunawat and CA. Annapurna Kabra were speakers of the said VCM. Coordinators for the day were CA. Anita Pangaonkar, CA. Rupali Bothara and CA. Hiral Mehta.

The program was conducted by CA. Priti Savla- Vice-Chairperson, WMEC.



The VCM covered discussion on “Audit, Review Documentation”. Deliberations were made on Audit Documentation, Need for Audit Documentation, Purpose & Parameters of Audit Documentation, Audit Documentation Flow, List of Working paper Documents for Limited review, Audit File, Ownership of Audit Documentation, etc.

What Is Audit Documentation?

Audit Documentation refers to the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached. (terms such as “working papers” or “work papers” are also sometimes used.)

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graph TD
    A[record of audit procedures performed] --> B[relevant audit evidence obtained]
    B --> C[conclusions the auditor reached]
  
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Need For Audit Documentation

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graph TD
    A[Audit Documentation] --> B[Laws and Regulations]
    A --> C[SA 230: Audit Documentation]
    A --> D[Other SA]
  
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Purpose of Audit Documentation

- Assisting the engagement team to plan and perform the audit.
- Assisting members of the engagement team to **direct and supervise** the audit work, and to discharge their review responsibilities.
- Enabling the engagement team to be **accountable** for its work.
- Retaining a record of matters of continuing significance to **future audits**.
- Enabling the conduct of **internal and external reviews and inspections**

Parameters of Audit Documentation

- Timeliness** • Before reaching audit conclusion
- Extent** • Sufficient for experienced auditor

Audit Documentation Flow

- Stage 1: Preliminary Activities
- Stage 2: Post Appointment Formalities
- Stage 3: In house Audit Procedures
- Stage 4: Field Audit Procedures



List of Working paper Documents for Limited Review

- Engagement Letter
- Communication with TCWG
- Audit Requirement
- Audit Programme
- Audit Schedule
- Sampling and Materiality Note
- Final Signed Trial Balance
- Comparative Statement with reason for material variations



Audit File

- ❑ An appropriate time limit within which to complete the assembly of the final audit file is ordinarily not more than 60 days after the date of the auditor's report.
- ❑ The auditor may consider it helpful to prepare and retain as part of the audit documentation a summary (sometimes known as a completion memorandum).
- ❑ Audit documentation may be recorded on paper or on electronic or other media.



Ownership of Audit Documentation

- ❑ Standard on Quality Control (SQC) 1 provides that, unless otherwise specified by law or regulation, audit documentation is the property of the auditor.
- ❑ He may at his discretion, make portions of, or extracts from, audit documentation available to clients, provided such disclosure does not undermine the validity of the work performed, or, in the case of assurance engagements, the independence of the auditor or of his personnel.



The VCM also covered Session on “Latest Amendments in GST”. Topics discussed were Transitional Credit, Changes in form GSTR 3B, Furnishing of information regarding Interstate Supplies made to unregistered persons, CTP and UIN holders, Interest under section 50, Computation of Interest, Perquisites, Refund Amendments, Utilization of Credit Balance, Changes in Tax rates, Branded replaced to Pre-packed and labelled products, E-Invoice Declarations, etc.

Transitional Credit

Union of India Vs Filco Trade Private Limited (TS-369- SC-2022-GST)

- GSTN portal to be activated for Trans-1 and Trans-2
- For Sept 2022 and October 2022
- Without technical glitch
- Transitional credit to be reflected in Electronic Credit ledger
- Appropriate guidelines are awaited



Changes in Form GSTR 3B

- Changes will impact the manner in which the ITC is being reported in the monthly returns
- Taxpayer should report the credit in the monthly returns based on the entries appearing in **Form GSTR 2B** and not based on the balance in their ITC register.
- A detailed Circular to explain the new credit disclosure mechanism has been issued [Circular No. 170/02/2022-GST]
- The manner of availing the credit in Form GSTR 3B once the revised tables are updated on the GST Portal are as follows



1. Furnishing of information regarding interstate supplies made to unregistered persons, composition taxable persons and UN holders. (Circular: 170/02/2022-GST)

Table 3.2 of Form GSTR 3B is required to be furnished place of supply even though such supplies are forming part of Table 3.1 of Form GSTR 3B.

Particulars	Form GSTR 3B	Form GSTR 1
Supply to unregistered person	Table 3.2 of Form GSTR 3B	Table 7B or Table 5 or Table 9/10 of Form GSTR 1
Supply to Composition Scheme Person/UN holders	Table 3.2 of Form GSTR 3B	Table 4A or 4C or 9 of Form GSTR 1
Amendment details	Table 3.2 of Form GSTR 3B	Table 9 or Table 10 of Form GSTR 1 or any entry in Table 11 of Form GSTR 1

Annapurna Kabra

- Interest under section 50- Retrospective Amendment effective from July 1, 2017 (Rule 68B and Section 50)
- Interest at rate of 18%
- Interest would not be applicable on outward liability discharged by utilizing the input tax credit provided the liability is disclosed in the return for the tax period to which the liability pertains to.
- Any liability declared in the subsequent tax period will not enjoy this benefit and interest will have to be paid on entire liability irrespective of whether this has been discharged by utilizing the credit or by discharging the cash.
- Except when such returns is furnished after initiation of proceedings u/s 73 or 74 of CGST Act

Annapurna Kabra

Computation of Interest

Section 50(3) Notified Retrospectively

- Applicable in case of ITC wrongly availed and utilized
- Section 50(1) applicable only in case of short payment / non payment of tax
- Computation Mechanism prescribed for calculation of interest
 - Excess Credit Balance – No interest
 - Credit Balance below the wrongly availed ITC – Interest from the date of utilization only to the extent of utilization
 - Utilization linked to Date of Filing of Return or debit to DRD 13 as the case may be

Month	Incorrect Credit Availed	Balance in EC	Interest Applicable
1	100	500	No
2		200	No
3		90	Only on Rs 10

Annapurna Kabra

Prerequisites:

- Prerequisites provided to employee based on the Employment Contract will not be subject to GST
- No clarification on recoveries from employees
- Prerequisite given outside the Employment contract
- Prerequisite as detailed in Employment contract
- Prerequisite- Income Tax Act?
- Can agreement be altered with employees retrospectively/prospectively?

Annapurna Kabra

Refund Amendments.

- Clarification on scope of Inverted Duty Structure – Change in Rate + Concessional Rate
- Rule 89(4) Value of Export of Goods**
 - FOB Value as per Shipping Bill or Invoice Value whichever is lower
 - Table 9A introduced in Statement 3 to report FOB Value
 - Reduction in export value leads to reduction in refund
- Rule 88B Recovery of Erroneous Refund**
 - Form PMT 03A introduced for enabling re-credit of erroneous refund debited from Electronic Cash Ledger
- Clarification issued in case of refund on account of **Deemed Exports**

Annapurna Kabra

Utilization of Credit Balance

- Section 49(4) – The amount available in the Electronic Credit Ledger may be used for making any payment towards output tax under this Act
- Clarification – Electronic Credit Ledger can be used for payment of
 - any self-assessed liability
 - liability arising as a consequence of any proceeding
- Electronic Credit Ledger cannot be used for payment of
 - any ITC liability
 - any erroneous refund sanctioned by Cash
 - payment of any interest / penalty / late fee etc
- Can credit be utilized for discharging GST liability arrived at the time of filing GSTR 9 / 9C?
- Can credit be utilized for pre-deposit at the time of filing appeal?

Annapurna Kabra

Change in Tax Rates

- Accommodation Services**
 - Clinical establishments- Room Rent > Rs 5,000 (except ICU and the likes)
 - Concept of composite supply
 - Hotel Accommodation less than Rs 1,000 liable to tax
 - GST on hotels/PG is different from hotel accommodation
 - Residential dwelling to registered person – Liable to tax under RCM
 - Whether input tax credit is eligible?
- Goods Transport Agency – Complete overhaul of rate structure**
 - Definition of Consignment Note added
 - Option to pay taxes under FCM / RCM at the beginning of the year
 - FCM – Option to charge 5% w/G ITC or 12% with ITC
 - Submission of Annexure V by August 16 for FY 2022-2023
 - Invoice to carry declaration
 - Exemption of Rs 750 and Rs 1,500 withdrawn

Annapurna Kabra

E- Invoice Declarations

- Suppliers with turnover exceeding Rs 20 Crores (notified limit) and not required to generate E-Invoices are required to provide a declaration on the invoice to state that they are not required to generate E-invoices –
- Example SEZ Units, Goods Transport Operator, B2C Supplies
- "We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule."

Annapurna Kabra

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

Glimpses of the Virtual CPE Meeting held on 27th July 2022

