

Greetings!!!

Goods & Services Tax (GST) is a comprehensive, destination - based indirect tax levied on manufacture, sale and consumption of goods & services as well as on import of goods & services, except zero-rated and exempt supplies.

GST is a trust-based taxation regime wherein a taxpayer is required to self-assess his tax liability, pay taxes and file returns. Thus, to ensure whether the taxpayer has correctly self-assessed his/her tax liability, a robust audit mechanism is a must. Various measures are taken by the government for proper implementation of GST and audit is one amongst them.

GST is a leap step towards streamlining of indirect taxes in India with 'One Market - One Tax' motto. It eliminates cascading effects. GST is the biggest tax reform witnessed by India after independence. The GST law has created ample opportunities, from tax planning to tax management, for Cost and Management Accountants. Further, the law has also given the scope to certify the GSTR 9C or prepare necessary cost records in support of anti-profiteering measures, but all these activities are very much challenging. Cost and Management Accountants should ensure that they conduct the GST audit and complete the GST audit along with the cost audit. This will facilitate the concerned organization to avail all the input credit of the relevant financial year and ensure that the consumption and inventory values are more accurate. On the other hand, he/she will also ensure that there is no revenue loss to the exchequer. GST audit requires significant preparation from both Auditor & Auditee. Each & every transaction appearing in the audited financial statements, as well as supply made without considerations, also need to be analysed to access GST implications.

Every Registered Person under GST whose turnover exceeds the specified limit (presently INR 2 Crores) shall get his accounts "audited" and shall submit a copy of "audited annual accounts" along with a certified reconciliation statement as well as other documents which may be prescribed. GST Audit should be made either by a Cost and Management Accountant or a Chartered Accountant and shall include reconciliation between Audited Financial Statements and Turnover declared in the annual return.

Audit under GST involves examination of records, returns and other documents maintained by a GST registered person. It also ensures the correctness of turnover declared, taxes paid, refund claimed, input tax credit availed and assess other such compliances under GST Act to be checked by an authorized expert.

GSTR 9 form is an annual return to be filed once in a year by the registered taxpayers under GST including those registered under composition levy scheme. It consists of details regarding the supplies made and received during the year under different tax heads i.e. CGST, SGST and IGST.

CMAs could take utmost care in reporting a matter as an 'observation' or a 'qualification' while certifying Form GSTR 9C. They will carefully perform their duty to serve the nation and make India fraud and corruption free.

Special Audit provides a lawful and legal way for the GST officers to take the assistance of a CMA/CA to determine tax liabilities in complex cases. The professional expertise of a CMA/CA will be of great significance in ensuring that the interest of revenue is safeguarded at all times.

Implementation of GST has made business easy and GST audit increases it manifold. GST audit helps in ease of doing business by facilitating in the correct recording of transactions, flawless reconciliations, proper credit availment, timely tax payment and error-free return filing. Thus, it helps in saving interest and penalties, ensures smooth running of the business.

This issue presents a good number of articles on the cover story theme '*GST Audit: Emerging Scope for CMAs*' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.

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