





Statutory provisions of audit trail under Companies Act, 2013 and its effect on Companies:

Provided that for the financial year commencing on or after the 1st day of April, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording an -

- audit trail of each and every transaction
- creating an edit log of each change made in books of account along with the date when such changes were made; and
- Ensuring that the audit trail cannot be disabled.

Further by MCA notification dated 31.03.2022, another substitution was made in proviso to sub-rule (1), for the figures, letters and words "1st day of April, 2022" the following has been substituted "1st day of April, 2023".

By this notification(s) it has being made mandatory from 1st April, 2023 for every company to add on the feature of audit trail in their accounting software in which it maintains its books of account. The feature of Audit trail should have an edit log which shall record each and every transaction along with modifications made at any point of time.

https://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_24032021.pdf

<https://files.caclub.in/wp-content/uploads/mca-notification-dt-31-03-2022-audit-trail-requirement-deferred-to-01-04-2023.pdf>

ICAI issued Audit working Templates as on 21-06-2023

Audit documentation (audit working papers) is considered the backbone of an audit. The work that the auditor performs, the explanations given to the auditor, the conclusions arrived at by the auditor, all are evidenced by audit working papers. Standard on Auditing (SA) 230, "Audit Documentation" prescribes the basic principles of audit documentation. These principles need to be followed by auditors while complying with requirements of SA 230 and specific documentation requirements of other Standards on Auditing.

Various types of information should be included in audit work papers, such as audit plan, audit procedures performed, the results of those procedures, and the conclusions arrived at by the auditor besides documenting professional judgment and the reasons for that judgment of the auditor. There are some key advantages of having proper audit file. First and foremost, audit work papers provide evidence of the work carried out and the basis for the auditor's opinion.

Audit Working Paper Templates

These templates attempt to help in the manner that the audit work papers are consistently structured and formatted, making it easier for the professional or audit firms carrying audits to organize and document the procedures performed. This will help in bringing consistency and make it easier for auditors to prepare audit file. This can also help auditors in saving time by providing a structure for the audit work papers and be more efficient and reduce the time required

<https://resource.cdn.icai.org/75000aasb60542a.pdf>



Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961 (Revised 2023) ICAI announcement dated 4th September 2023

<https://resource.cdn.icai.org/75812dte61332.pdf>

As per Section 44AB of the Income Tax Act an assessee is required to get the accounts of his business/profession audited if the total sales, turnover or gross receipts exceed the prescribed limits. For proper understanding and guidance of members of ICAI with respect to the recent changes in the provisions of Tax Audit as also to provide clarity on various aspects, ICAI has published the revised Guidance Note (GN) on Tax Audit. This publication has been specifically revised keeping in view the amendments made up to Finance Act, 2023 and Tax Audit forms applicable as on date (Form No. 3CA/3CB/3CD). This GN aims to address the situations faced by the Chartered Accountants while conducting audit by offering clear explanations that will help in streamlining the Tax Audit process. Additionally, it emphasizes the importance of maintaining accurate records and the significance of a proactive approach in meeting statutory obligations and compliance Standards.

Guidance Note on Financial Statement of Limited Liability Partnership

In June 2022, the Accounting Standards Board of ICAI has issued the Technical Guide on Financial Statements of Limited Liability Partnerships (LLPs) to deal with applicability of Accounting Standards to the LLPs and recommending formats of the financial statements for the LLPs. The Accounting Standards Board has now prescribed the formats for the presentation of the financial statements of LLPs in the form of Guidance Note, which were earlier issued as a part of Technical Guide. The objective is to standardise the formats of financial statements for these entities and to enhance the quality and comprehensiveness of the financial reporting by these entities.

<https://resource.cdn.icai.org/75517asb61093-b.pdf>

Excel file containing Illustrative Formats - https://www.icai.org/post.html?post_id=15771

Effective Date:

This Guidance Note is effective for financial statements covering periods beginning on or after April 1, 2024. The Technical Guide on Financial Statements of Limited Liability Partnerships stands superseded by this Guidance Note.



Technical guide on internal audit of pharmaceutical industry Revised 2023. ICAI has announced dated 4th September 2023

This technical guide aims to provide comprehensive information and guidance to internal auditors working in the domestic pharmaceutical industry. It aims to equip internal auditors with the knowledge necessary to effectively assess and evaluate the risk management and internal control systems, management processes and compliance frameworks specific to the pharmaceutical sector. The guide focuses on critical areas of concern and provides practical insights to enhance the efficiency, effectiveness and transparency of internal audit activities within pharmaceutical organisations.

<https://resource.cdn.icai.org/76499biama617440iapi.pdf>