



spearhead services

P R I V A T E L I M I T E D



Limited Review Internal Audit Scope



Broad Scope of Internal Audit

- ◆ Verify compliance of relevant provisions and procedural aspects under the various Indian statutes viz., Service Tax Act, Income Tax Act, Companies Act, VAT Acts CST Act and labour laws.
- ◆ More fully verify compliance not limited to returns, documents filed, assessments completed, status of pending assessments, appeals, litigations etc., which may result in a contingent liability.
- ◆ Report the findings, recommendations and corrective action if any.
- ◆ Review of procedural and internal control aspects on the Sales to Cash channel including but not limited to Sales accounting, AR management/accounting, cash accounting etc.,
- ◆ ***Detailed scope more fully set out in the following slides.***



Scope of Audit under the VAT Acts , CST Act , Service Tax Act and Labour Laws

- ◆ Verifying the process of compiling data for used for preparation of returns
- ◆ Verification of source data.
- ◆ Verification of filing of monthly/half yearly/annual returns and validate the usage of relevant forms in force
- ◆ Verification of the retrials accounting, payment and related compliances.
- ◆ Verification on payment of tax liability before the due dates and acknowledged copy in possession of the company
- ◆ Validating the computation of tax liability, adoption of correct rates, and the input credits, if any
- ◆ Checking status on collection of statutory forms for all open assessment years
- ◆ Fully verify documents filed, assessment completed, status of pending assessment, appeals, litigation at various level to assess any liability could arise to the company
- ◆ Verification on the filing of relevant forms with the statutory authorities in respect of the labour laws.



Scope of audit - Income Tax Act

- ◆ Verification of tax deduction at source (other than TDS on salaries) on payments made.
- ◆ Review of process adopted for compiling data for preparation of returns
- ◆ Verify the quarterly returns filed on line
- ◆ Validate the applicability of the correct rate of tax for withholding
- ◆ Review if there any issues raised by the Income Tax Department in this regard
- ◆ Review the errors or discrepancies which may have arisen during filing and whether the same has been rectified



Scope of Audit - Companies Act

- ◆ Check all statutory registers are in place and updated
- ◆ Check on the upkeep of Minutes books – Board Meetings, General meetings.
- ◆ Review the contents of the minutes to ensure there are no discrepancies or inconsistency
- ◆ Verify on the circular resolutions being passed and included for ratification
- ◆ Verify whether all filings, forms & returns are filed with the Registrar of Companies within the stipulated time
- ◆ Focus on statutory requirement on conducting AGM and other procedural aspects



Sales to Cash Procedure Audit

Verification of samples and procedural aspects on the below;

- Purchase Orders received from the distributors
- Invoices / credit notes raised
- Other sales related documentation
- Money flow from AR collections
- Accounting scheme and flow of all of the above



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EXCELLENCE IN WORK THROUGH
EMPOWERMENT
EXUBERANCE
AND TEAMWORK.

