FAQs > Audit

Generic

1. How many different levels of officers are involved in Audit process?

There are 4 different levels of officers involved in audit process: L1 officer, L2 officer, L3 officer and L4 officer.

2. List different level of officer involved in Audit process and their responsibilities?

There are 4 different level of officers, which are involved in audit process.

Officer	Designation	Working Zone	Ranking/Level of Authority	Responsibilities Regarding Audit Requests
L1	State Commissioner	HQ level	1st	• Initiate new audit request (Suo Moto) • Approve request initiated by L2/L3 (HQ) • Reject request initiated by L2/L3 • Approve requests initiated by other agencies • Submit approved requests to Business Intelligence (BI) for data upload
L2	Audit Head	Zonal level	2nd	• Initiate new audit request • Approve request initiated by L3 + Submit to L1 • Reject request initiated by L3
L3	Audit Officer	Zonal level	3rd	• Initiate new audit request • Issue notices • Supports in audit
L4	Junior Audit Officer	Zonal level	4th	• Initiate new audit request (This functionality will be enabled soon) • Issue notices • Supports in audit

3. Which documents gets verified by auditor in audit?

Audit is verification of the original records, returns and other documents kept with the taxpayer at the business premises (including all Additional Place of business) and correlating them with the information furnished by the taxpayer on the GST Portal in his returns/ statements to verify the correctness of turnover.

4. How many days' notice is being given to taxpayer for submission of documents and records before the audit is conducted?

A notice of at least 15 days is given to taxpayer in advance for submission of documents and records and before visiting the business premises.

5. What is the duration in which audit needs to be completed?

Audit needs to be completed within a period of three months from the date of commencement. However, auditor can take a further extension of maximum six months, if required, with prior approval of the Audit Commissioner.

6. When does audit process gets closed?

The Audit teams during the audit or on the completion of audit, informs the taxpayer about any discrepancy identified in turnover declared / exemptions claimed / ITC claimed or Tax Paid along with the additional tax liability or any other irregularity (if any) along with reason that has arisen out of their findings. When the taxpayer has accepted and done the needful for correction of the tax shortfall/ irregularity, the work item pertaining to audit would get closed and final audit report shall be issued.

7. In which case adjudication process gets triggered?

If the taxpayer disagrees with tax liability/ irregularity, the final audit report showing deficiency is submitted to jurisdictional authority, which may eventually get converted into Show Cause Notice (SCN) and the adjudication process is triggered.

8. What activities does audit team perform?

Audit teams conducts desk review and checks records and documents submitted by the taxpayer. They may even visit the business premises of the taxpayer, if required.

9. Request for audit are sorted in which sequence on portal by default?

Request for audit are sorted from latest to oldest on portal. No other sorting option is enabled.

10. BI module maintains the data for how many years?

BI module maintains the data for current year and last two years.

11. Where does Audit officer examines audit documents?

Audit officer can examine audit documents of taxpayer's original records either in the office of the Tax Official or at the business premises of the taxpayer.

12. Who sends notices/report to be issued to taxpayer?

All the notices/report which gets issued to taxpayer will only be issued by L3 officer.

13. Does L4 officer has the authority to sends notices/report to be issued to taxpayer?

No, L4 officer does not have the authority to sends notices/report to be issued to taxpayer.

14. How many files can be uploaded as supporting documents for an audit case?

Four files can be uploaded together as supporting documents for an audit case.

15. What format of files is supported while uploading the supporting documents for an audit case?

JPEG or PDF format of the files are supported while uploading the supporting documents for an audit case.

16. What is the maximum size of the files allowed while uploading the supporting documents for an audit case?

Size of each file can be of maximum 5 MB while uploading the supporting documents for an audit case.

17. Which officer has highest authority among L1, L2, L3 and L4 officers?

L1 officer has highest authority, followed by L2, L3 and so on.

Selecting and Initiating the case:

18. Audit cases can be selected for last how many years?

Audit cases can be selected for <5 years.

19. Audit selection is based on which all parameters?

Audit selection is based on Risk Parameters/Reasons, Ratio Analysis and Trend Analysis.

20. How is audit selection done?

Audit selection has to be carried out by:
• On Suo Moto selection by tax-officer
• On the basis of Risk parameters for which data will be fetched from Business Intelligence Module
• On recommendation by lower officers of Audit
• On recommendations by other modules like Assessment and Enforcement

21. Who forms the audit team?

State Commissioner forms audit team containing Audit Head, Audit Lead and Audit Team Members. Audit Head (L2) will be allocated by the State Commissioner (L1) and Audit Team Leader (L3) and Audit Team Member (L4) will be assigned by either State Commissioner (L1) or Audit Head (L2).

22. Can L1 officer select the case for audit himself?

Yes, L1 office can himself select the case for audit and pass it for BI upload.

23. Can the changes be done to the request once the case is initiated for audit?

No, changes cannot be done to the request once the case is initiated for audit.

24. Recommendation for audit are received at HQ level, BI module, Suo Moto and other wings. Who is the deciding authority that which all cases will be selected for audit?

L1 officer is the deciding authority to approve the requests initiated at HQ level, BI module, Suo Moto and other wings.

Approving/Rejecting the Case:

25. Which officer has final authority to approve any audit case among L1, L2, L3 and L4 officers?

L1 officer has final authority to approve any audit case initiated by L2/L3/L4 officers.

26. Does L4 or L3 or L2 officer have authority to approve case for audit?

L4 or L3 or L2 officers can initiate the case for audit and share the recommendation with L1 officer, post approval from their upper level officer, however, L1 officer has final authority to approve the audit case.

27. A request for audit is received by upper level officer from the lower level officer for approval. Can he make any changes to the request?

No, the respective officer cannot make any changes. He can either approve the request and pass it to next level officer or Rejects the request by mentioning the reason for rejection.

28. If the request initiated for audit gets rejected by upper level of officer, if there any action to be performed by lower level officer?

No, there is no action to be performed by the respective officer if the initiated audit case gets rejected. If the officer needs to initiate the same case again for audit, he needs to initiate the same case for audit as a new request.

29. A request initiated for audit gets rejected by upper level of officer, can the same requested be re-initiated?

No, the same request cannot be re-initiated. The respective officer has to initiate the same case again as a new request and send it for approval to the upper-level officer.

30. How many characters can be used to write remarks by L2 officer while forwarding the request to L1 officer for approval?

L2 officer can write description of 1000 characters while forwarding the request to L1 officer for approval. However, he can't upload any document.

31. After approving the case for audit, L1 officer sends it to which agency to get the required data for that case?

Post approval, L1 officer sends it to Business Intelligence (BI) module to get the required data for that case.

Assigning/Modifying the Case:

32. Does the audit officer gets a notification if a case is assigned to him?

Yes, the audit officer gets a notification if a case is assigned to him.

33. Can we change the Audit Head/Team Lead/Team Member name together for multiple cases?

No, we cannot change the Audit Head/Team Lead/Team Member name together for multiple cases.

34. Can L1 officer assign the cases only to Audit heads or he can assign the cases directly to Audit officers or Junior Audit Officers as well directly?

L1 officer can assign the cases not only to Audit heads but also to Audit officers or Junior Audit Officers as well directly.

35. Can L2 officer assign the cases to another audit head?

No, L2 officer cannot assign the cases to another Audit heads as they fall in same hierarchy.

Closing/Dropping the Case

36. Can the request be deleted once the case is initiated for audit?

No, the request cannot be deleted once the case is initiated for audit.

37. Does L2 officer has authority to close the case without audit?

Yes, L2 officer has authority to close the case without audit. However, L1 officer will get a notification the same.

38. What is the duration after which the case gets automatically dropped?

If L1 officer do not take any action, the case will be automatically dropped after 6 months.

39. If the case is dropped, can it be re-initiated again?

No, the same request cannot be re-initiated. The respective officer has to initiate the same case again as a new request and send it for approval to the upper-level officer.