



The Institute of Chartered Accountants of India
Taxation Audits Quality Review Board

ACTIVITY REPORT 2022-23



भारत 2023 INDIA

वैश्वदेव कुटुम्बकम्

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Azadi Ka
Amrit Mahotsav



CA. (Dr.) Debashis Mitra
President, ICAI



CA. Aniket Sunil Talati
Vice-President, ICAI



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CA. Hani Jain
Ms. Nandita Banerjee
Ms. Kajal Gautam





INITIATIVES TOWARDS PARTNER IN NATION BUILDING

Taxation Audits Quality Review Board was constituted in the year 2018-19. The reviews carried out by the Board ensures that the members exercise greater diligence while certifying the various reports prescribed under direct and indirect taxation and in the long-run would improve the overall reporting and certification done by them.

Conduct of 3 Tier Review

1st Level – Review by Technical Reviewers

2nd Level – Review by Taxation Audits Quality Review Groups

3rd Level – Review by Taxation Audits Quality Review Board

100 reports each were been selected for review during the year 2018-19 and 2020-21 respectively (Total 200) out of which:

Reports reviewed by



Technical Reviewers



Taxation Audits Quality Review Groups



Taxation Audits Quality Review Board

During the year 2022-23, 80 reports have been reviewed by the Board so far.

Based on the review:

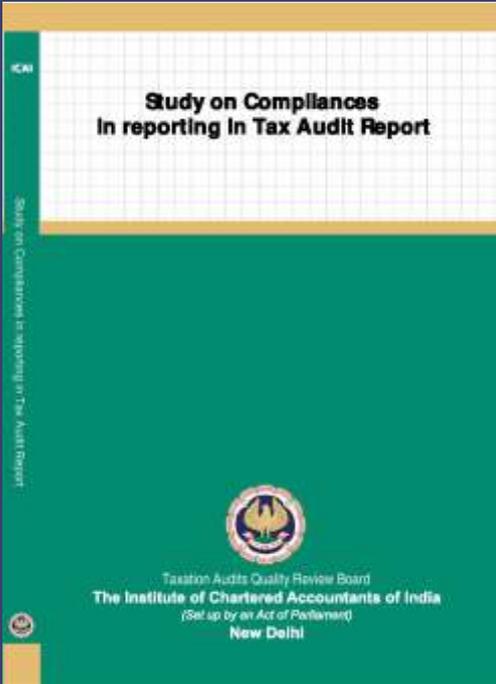
- Advisories being issued to Members
- Suggestions have been identified-
 - ➔ For changes in the e-filing utility of the Tax Audit Report and conveyed to Direct Taxes Committee of ICAI to be forwarded to CBDT for appropriate action at their end
 - ➔ Incorporated in the latest edition of the Guidance Note on Tax Audit (edition 2022)
- Identified commonly found irregularities for
 - ➔ Creating awareness amongst the members through various means.

The steps taken are expected to improve the quality of tax audit conducted by the members.



CREATING AWARENESS

RELEASE OF PUBLICATION



To guide the members of the Institute in enhancing and improving the quality of tax audits conducted by them, the Board released a publication on **'Study on Compliances in reporting in Tax Audit Report'**.



SEMINARS/ WEBINARS



A Full Day Seminar on Tax Audit was hosted by TAQRB along with the Bilaspur Branch of CIRC of ICAI



A virtual seminar on **Common Non Compliances & Issues in Tax Audit u/s 44AB** was hosted by TAQRB along with the **Siliguri Branch** of EIRC of ICAI



A Full Day Seminar on Tax Audit was hosted by TAQRB along with the Vadodara Branch of WIRC of ICAI



Live Webinar on **'Practical Aspects of Tax Audit under Income-tax Act, 1961'** along with the Direct Taxes Committee (DTC) of ICAI.

TRAINING PROGRAMMES

Organised an Orientation programme for Taxation Audits Quality Review Group members on 01.08.2022.



LAUNCH OF WEB PORTAL OF THE BOARD



Features of the Web portal

1

Systematic identification of common non-compliances on the basis of Tax Audit reports by using rule-based analytics.

2

Automation of various workflows of TAQRB between various review levels including empanelment of Technical Reviewers.

3

Maintenance of repository of non-compliances observed by the Board.

4

Monitoring the progress of review work.

5

Maintenance of the database of TAQRGs as well as TRs.

6

Making available Publications of TAQRB, TAQRB's articles in Journal; details of seminars/webcasts of TAQRB, Did you know series, etc.

LAUNCH OF OFFICIAL TWITTER HANDLE OF THE BOARD

The official Twitter handle of the Board was launched on 1st July, 2022 on the occasion of the Chartered Accountant's Day 2022 as [@Taqrbciai](https://twitter.com/Taqrbciai). The Board also launched the 'Did you Know' series on it, to apprise the members of the compliances to be taken care of.

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Clause 1 of Form No. - 3CD

DID YOU KNOW? 2 Name at the end of the financial year has to be stated if any change in name has taken place after the close of the financial year but before signing of an audit report.

- As per Para 20.1 of the Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961 (2022 edition), under clause 1 the name of the assessee whose accounts are being audited under section 44AB should be given as specified in PAN and in case there is a different Trade name, the same should be reported. However, if the tax audit is in respect of a branch, name of such branch should be mentioned along with the name of the assessee. In case of change in the name of the assessee, if the change has taken place during the financial year, name at the end of the financial year should be stated. However, if the change in name has taken place after the close of the financial year but before signing of tax audit report, name as at the year ending date should be mentioned. In either case, fact of name change should be suitably clarified.

Please visit at Link: <https://www.icai.org/post/taxation-audit-quality-review-board>



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Form No. - 3CA / 3CB (Observations/Qualifications Para)

DID YOU KNOW? 1 In the form of principles laid out in SA 700 reporting it to be done in Form No. 3CA/3CB in the case may be.

- As per Para 13.10 of the Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961 (2022 edition), the respective responsibilities of the assessor and the tax auditor as required in terms of the principles laid out in SA 700 are to be provided in the space provided for giving observations, etc., under clause (2) of Form No. 3CA or Clause (3) of Form No. 3CB as the case may be.
- The illustrative paragraphs on Assessor's responsibility and Tax Auditor's responsibility in respect of Form No. 3CB have been given in Para 13.11 of the Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961 (2022 edition). The same may be suitably reworded to meet the situation envisaged in Form No. 3CA.

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Clause 4 of Form No. - 3CD

DID YOU KNOW? 3 Some important points to be kept in mind while reporting in Clause 4 of Form No. 3CD

- All Registration number or identification number as per the relevant law are required to be reported. In some cases, PAN based registration numbers did not match with the PAN reported under clause 1 of Form No. 3CD.
- As per Para 2.2 of Implementation Guide w.r.t. Notification No. 22/2018 dated 28.07.2018 effective from 28.8.2018, wherever liability to pay goods and service tax is only under the reverse charge mechanism, the fact of being liable needs to be answered in the affirmative, with the clarification that such liability is only under the reverse charge mechanism. (Business extracts)

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Clause 8 of Form No. 3CD

DID YOU KNOW? 4 Reporting under clause 8 of Form No. 3CD needs your specific attention.

- As per Para 20.15 of the Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961 (2022 edition), where a person is required by or under any other law to get his accounts audited, say a company, a society etc. then audit under section 44AB is conducted under proviso to section 44AB and under clause (a) or (b) of that section.

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Clause 10(a) of Form No. - 3CD

DID YOU KNOW? 5 Principal line of each business activity has to be reported under clause 10(a) of Form No. 3CD

- Principal line of each business is to be determined and reported under the clause (Para 22.1 and 23.2 of the Guidance Note on Tax Audit (2022 edition)).
- Nature of each type of service sector and sub-sector should be broadly stated.
- Assigned code is to be mentioned against the main area of business activity.

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OTHER ACTIVITIES

Participation in **21st World Congress of Accountants** from 18th November, 2022 to 21st November, 2022 through ICAI pavilion. Publications were distributed to participants on winning the quiz organized by the Board.



For the inaugural of the Iconic Week under '**Azadi ka Amrit Mahotsav**' organized by the Ministry of Finance, nominations to attend the same was sought from all the Taxation Committees of ICAI. The same was attended by the representative from all the Taxation Committees of ICAI.



During the celebration of Iconic Week under '**Azadi ka Amrit Mahotsav**' organized by the Ministry of Finance, one of the events planned during the week was conducting **Cyclothon** covering historic monuments in the city. For the same volunteers were sought from ICAI. More than 100 participants volunteered from ICAI.



MEMBERS OF THE 25TH COUNCIL OF ICAI



CA. (Dr.) Debashis Mitra
President, ICAI



CA. Aniket Sunil Talati
Vice-President, ICAI



CA. (Dr.) Rajkumar
Satyanarayan Adukia



CA. Piyush
Sohanraji Chhajed



CA. Chandrashekhar
Vasant Chitale



CA. Vishal Doshi



CA. Durgesh Kumar
Kabra



CA. Dheeraj Kumar
Khandelwal



CA. Purushottamlal
Hukamichand Khandelwal



CA. Mangesh
Pandurang Kinare



CA. (Ms.) Priti
Paras Savla



CA. Umesh
Ramnarayan Sharma



CA. Dayaniwas
Sharma



CA. Sridhar
Muppala



CA. Prasanna
Kumar D



CA. Rajendra
Kumar P



CA. Cotha
S. Srinivas



CA. (Ms.) Sripriya
Kumar



CA. Ranjeet Kumar
Agarwal



CA. Sushil
Kumar Goyal



CA. Rohit
Ruwatia Agarwal



CA. Abhay
Kumar Chhajed



CA. Anuj Goyal



CA. Gyan
Chandra Misra



CA. Prakash
Sharma



CA. (Ms.) Kemisha
Soni



CA. Sanjay
Kumar Agarwal



CA. (Dr.) Raj
Chawla



CA. Hans Raj Chugh



CA. Pramod Jain



CA. Charanjot
Singh Nanda



CA. (Dr.) Sanjeev
Kumar Singhal

Government Nominees



Shri Sanjay
Kumar



Shri Ritvik
Ranjanam Pandey



Shri Manoj
Pandey



Shri Deepak Kapoor



Shri Rakesh Jain



Dr. P. C. Jain



Adv. Vijay
Kumar Jhalani



Shri Chandra
Wadhwa