TAX AUDIT

A PROPRIETARY TAX-TECHNOLOGY SOLUTION BY BDO INDIA

2023

BDO

Our **Technology Products and Solutions** are built to address the comprehensive tax needs of clients & businesses. In response to changing regulatory environments and growing business needs, our suite of products combines the experience of tax advisory through proprietary applications and products developed by the firm's in-house technology team.

COMPLIANCE & RECONCILIATION

- E-invoice
- GST Audit
- TDS/TCS Credit
- Tax Calendar
- Related Party
- Vendor Compliance & Automation
- E-way Bill
- Remittance
- TDS on Expense
- Enable GST
- Income Tax Return
- ITC Reconciliation
- Dividend Tax
- Tax Audit
- GSP – GST Suvidha Provider
- E-Customs

LITIGATIONS & ASSESSMENTS

- Tax Litigation
- Corporate Tax
- Tax Research

TECHNOLOGY PRODUCTS AND SOLUTIONS

ANALYTICS

- GST Analytics
- Vendor Analytics
- Sales Analytics
- Corporate Tax Analytics
- Finance Analytics
- Tax Data Lake

AUTOMATION & INTEGRATIONS

- Business Process Automation
- Accounts Payable Automation
- ERP Connectors

A CLOUD-BASED SOLUTION FOR TAX AUDIT COMPLIANCE

Tax audit is an annual compliance requirement that an entity is required to comply with in the Format of Form 3CD before the filing of the income tax return. Preparation of Form 3CD is a time-consuming process and requires critical analysis of the books of accounts and financial statements by applying various tax logics to ensure compliance w.r.t provisions of the Income Tax Law and then reporting the compliance information in predefined formats provided by the tax department. Due to the volume, complexity and data coming from varied sources, the preparation of form 3CD becomes tedious and challenging, thereby resulting in delayed compliances.

Additionally, an auditor's sign-off is required in a predefined format before uploading Form 3CD. Therefore, the management is required to share the necessary details over email or through physical files for review and verification.

Our 'Tax Audit' solution is a comprehensive web-based solution that assists businesses in managing the reporting requirement of tax audit compliance. The solution helps in automating data collation and processing to highlight the reportable transactions under each sub-clause of Form 3CD through direct integration with ERP which in turn helps in eliminating the process of manual data entry and reduces the hours on manual procedures.

It also eliminates the need to share sensitive information over email, as the auditor would now be able to access the information through the tool. The Tax Audit solution also helps taxpayers to avoid penalties and fines by ensuring that compliances are adhered to timely.

CURRENT CHALLENGES FACED BY ORGANISATIONS WHILE COMPILING DATA FOR TAX AUDIT COMPLIANCE

- **Voluminous Data**: Dealing with large volumes of data can pose challenges in processing, analysis and ensuring accuracy.
- **Unstructured and Complex data**: Data in tax audits is often unstructured and complex, making it difficult to extract meaningful insights and comply with reporting requirements.
- **Data from Multiple Sources**: Integrating data from multiple sources can be challenging due to differences in formats, systems, and data compatibility.
- **Manual Documentation**: Manual preparation of tax audit reports for each clause using spreadsheets and Excel files can be time-consuming, prone to errors, and difficult to manage.
- **Data Sharing Issues**: Sharing data with the auditor through spreadsheets and PDFs can lead to version control issues, security concerns, and delays in communication. Sending sensitive information and data over email poses risks in terms of data security, privacy, and the potential for information loss or miscommunication.
- **Complex Data**: The volume and complexity of data from varied sources make preparing Form 3CD a time-consuming and challenging process, requiring substantial effort and resources.
- **Requires Management Time and Efforts**: Ensuring compliance with the provisions of income tax laws requires a detailed analysis of accounts and financial statements, adding complexity and increasing the management burden.

WHY BDO'S TAX AUDIT SOLUTION

CLOUD BASED SOLUTION

A web-based platform accessible from anywhere, enabling automation of the reporting requirement of Form 3CD.

TAX LOGICS

Critical analysis of books of accounts and financial statements and information available through IT Portal/ Traces or any third-party websites facilitated through inbuilt tax logics, ensuring accurate compliance with tax laws.

MAKER TO CHECKER WORKFLOW

Smooth flow of information from the maker to the checker level, allowing for comprehensive review and verification of data.

PENALTY AVOIDANCE

Assistance to taxpayers in avoiding penalties and fines by ensuring compliance with income tax annual filings.

ERP DATA EXTRACTION AUTOMATION

Seamless integration with ERP systems for automated data extraction, saving time and efforts in data collection.

DIGITAL REPOSITORY

Centralises storage of working papers, supporting documents, and other relevant files, facilitating easy access and retrieval.

AUDIT PREPAREDNESS

Enhanced readiness for audits through proactive features that streamline the audit process and ensure compliance.

REPORTS, DASHBOARDS AND ANALYTICS

Generation of comprehensive reports and customisable dashboards for easy monitoring and analysis of tax audit compliance. Summary dashboards and quick statistics to track the status and completeness of clauses, providing insights at a glance.

SECURE INFORMATION EXCHANGE

Elimination of the need to send sensitive information and documents to the auditor over email, ensuring data security and confidentiality.

DATA INTEGRITY AND CONTROL

Maintaining data integrity and control over the flow of information, ensuring accuracy and reliability in reporting.

INTEGRATION CAPABILITIES

Integration with ERP, third-party APIs, and other BDO solutions, enabling data collation from varied sources for a comprehensive view.

HISTORICAL DATA STORAGE

Storage of historical data and working documents to effectively manage litigation and reference information on past audits.

MASTER DATA MANAGEMENT

Efficient management of master data, ensuring accuracy and consistency throughout the tax audit process.

COMPLIANCE, AUDIT & ASSESSMENT READINESS

Ensuring preparedness for compliance requirements, audits, and assessments by adhering to standardized processes.

WORKFLOW AND DOCUMENT MANAGEMENT

Managing digital workflows and effective digitisation of documents, facilitating collaboration, tracking progress, and ensuring timely completion.

CLAUSE-WISE REPORT GENERATION

Generates clause-wise reports in the format required by the government utility, ensuring accurate and standardised reporting.

ABOUT BDO GLOBAL : BDO is a leading professional services organisation and are global leaders of the mid-tier, with a presence in 160+ countries and over 111,300 people working out of more than 1,800 offices. We endeavor to deliver an exceptional client experience through a tailored solutions approach, while partnering with our employees and clients globally.

ABOUT BDO IN INDIA : BDO in India offers Assurance, Tax, Advisory, Business Services & Outsourcing and Digital Services for both domestic and international clients across industries. The team at BDO in India consists of over 5,500 professionals led by more than 270 partners and directors operating out of 16 offices, across 11 key cities.

CONTACT US

For any content related queries, you may write in to technologysales@bdo.in or get in touch with,

SHASHIDHAR JAYARAMAN
Chief Business Officer
Tax Tech & Outsourcing
shashidharjayaraman@bdo.in

KASHYAP TRIVEDI
Chief Product & Strategy Officer
BITS
kashyaptrivedi@bdo.in

PARIJAT PARIMAL
Partner & Sales Lead Large Accounts
BITS
parijatparimal@bdo.in

NIKHIL DHARIWAL
Associate Partner
BITS
nikhildhariwal@bdo.in

For any other queries or feedback, kindly write to us at marketing@bdo.in

Ahmedabad | Bengaluru | Chandigarh | Chennai | Goa | Hyderabad | Kochi | Kolkata | Mumbai | Delhi | Pune