

An Inquiry with Registered Accounting Professionals on GST

Koustubha.k
Navya.H.S

1st M. Com, 2nd Sem, K H Srinivasa Institute of Post Graduate Studies, LB and SBS College Sagar
1st M.Com, 2nd Sem, K H Srinivasa Institute of Post Graduate Studies, LB and SBS College Sagar

Abstract

Accounting professionals are the main pillar for calculating tax. Accountants and auditors prepare and examine financial records. They ensure that financial records are accurate and that taxes are paid by tax payers or assessee. It is the duty of the auditor to convey the rules and regulations to the assessee. If the auditor will not properly communicate the policies regarding tax the assessee won't get the proper information about the tax. GST offers tax and finance professionals multiple opportunities to grow their client list. GST is both a challenge and opportunity for tax and accounting professionals. This paper tells us what are all the challenges and opportunity faced by the auditors or tax consultancy while calculating the GST.

Key words: Auditors, Assessee, GST, Challenges, Financial records.

Introduction

Auditors, tax consultants and chartered accountants are called accounting professionals. Auditors and tax consultants are important to increase revenue to the government. Auditors and tax consultants are doing the work like chartered accountant that means they are doing the work relating to verifying the books and records maintained by the tax payer or assessee.

Audit means the examination of records, returns and other documents maintained or furnished by the registered person under the GST Acts or the rules made under there under or under any other law for the time being in force **to verify the correctness, tax paid, refund claimed and input tax credit availed**, and to assess his compliance with the provision of the GST Acts or the rules made thereunder. Accountant and auditors prepare and examine financial records. They ensure that financial records are accurate and that taxes are paid properly and on time. Accountants and auditors assess the financial operation and work to help ensure that the organizations run effectively or not. Tax consultants are the experts in providing commercially-focused tax advice and tax services to a wide range of clients who operate in all sectors of the economy. Tax consultants work continually to help ensure that their clients make the best business decisions in the light of fiscal change and development. They monitor and anticipate changes to tax legislation and respond quickly with advice specific to their client's particular commercial requirement. Accounting professionals are facing so many problems like lack of clarity on GST provisions; categorization of goods and services in various cases is still unclear.

Research Methodology

For the purpose of study data has been collected from primary and secondary sources. Primary data collected with the help of a well-structured interview schedule prepared for the purpose snowball sampling method is used with 20 sample size. And secondary data collected through various journals.

Objective of Study

The study has been conducted for following objectives

- To know the perception of the auditors towards GST.
- To provide remedies by the accounting professional towards GST.

Table 1 – Experience experience of Chartered Accountants and Tax Consultant.

| Experience | Chartered Accountant | Tax consultant | Total |
|----------------|----------------------|----------------|-----------|
| Below 5 years | 8 | 4 | 12 |
| 5 – 10 years | 6 | 1 | 7 |
| 10 – 15 years | 0 | 0 | 0 |
| Above 15 years | 1 | 0 | 1 |
| Total | 15 | 5 | 20 |

Source: Primary Data

Table 2 – Perception Accounting Professionals regarding GST calculations and filing.

| Statements | SA | | Agree | | Neutral | | Dissatisfied | | SDA | |
|--|------|----|-------|----|---------|----|--------------|----|------|----|
| | Freq | % | Freq | % | Freq | % | Freq | % | Freq | % |
| GST is suitable tax | 11 | 55 | 7 | 35 | 2 | 10 | 0 | 0 | 0 | 0 |
| GST is better compared to VAT | 6 | 30 | 12 | 60 | 2 | 10 | 0 | 0 | 0 | 0 |
| Calculating tax in GST is rigid | 4 | 20 | 2 | 10 | 3 | 15 | 10 | 50 | 1 | 5 |
| GST is easier | 2 | 10 | 7 | 35 | 6 | 30 | 2 | 10 | 3 | 15 |
| GST is time consuming | 3 | 15 | 7 | 35 | 4 | 20 | 3 | 15 | 3 | 15 |

Table 3 - Impacts on GST

| Statements | Yes | No |
|--|-----|----|
| GST has given support to manufacturer | 16 | 4 |
| GST has given support to assessee to reduce tax burden | 15 | 5 |
| GST is concerned with economic development | 19 | 1 |
| GST is burden to the assessee | 4 | 16 |
| GST increased revenue of auditor | 11 | 9 |
| Clients are increased because of GST | 11 | 9 |
| Need more human resource for GST filing | 13 | 7 |

Source: Primary Data

Table 3 shows the opinion of Accounting Professionals about GST and its impact on different aspects.

Table 4 - Suggestions

| Statements | Yes | No |
|---|-----|----|
| GST awareness towards assessee through | | |
| ➤ Workshop | 16 | 0 |
| ➤ Campaign | 7 | 6 |
| Can you suggest any changes to the existing laws | | |
| ➤ Reduce complexity calculating GST | 6 | 8 |
| ➤ To reduce the GST procedure in a simple manner | 15 | 2 |
| Is GST helpful for assessee | | |
| ➤ To reduce tax burden | 12 | 4 |
| ➤ Uniform tax in India | 19 | 1 |

Source: Primary Data

Table 4 shows the opinion of Chartered Accountants and Tax Consultants about awareness, suggestions and helpfulness regarding GST in India.

Findings

- Majority of Chartered Accountants working between 1 - 10 years and Tax Consultants working from less than 5 years. Its shows that young generation have interest towards accounting field.
- Majority of Chartered Accountants strongly agreed that GST is suitable for Indian Context.
- Most of the Tax Consultants agreed that GST is better compare to VAT.
- Most of the Accounting Professionals opined that GST is easier but time consuming.
- Clients increased for Chartered Accountants because of GST application.
- GST creating employment for Commerce students, by demanding more HR for filing process.
- Accounting Professionals said that GST reduced the tax burden of the assessee.
- Tax Consultants suggested that awareness of GST can be improved by giving workshops to public.
- Accounting Professionals are given the suggestions to reduce the rigidity of calculating GST.

Conclusion

In the view of accounting professional GST is a good tax reform in the tax structure. But when it is implemented in the middle of the year it creates a lot of confusions among the accounting professionals and as well as clients. Most of the accounting professionals have the opinion that the GST has create more burden on the small business enterprises. It also creates more burdens to the accounting professionals in filing the returns and the responsibility of the accounting professionals is also increased. The implementation of GST will be favorable to the economy in the long term. It is difficult to the accounting professionals to handle the clients in the matter of GST as there is no clarity about GST now also. It is suggested that the GST council has to provide more information towards GST to the public by conducting various workshops.

Reference

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