



NEWSLETTER

NAGPUR BRANCH OF WIRC
OF ICAI

JUNE
2018



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Chairman's Message



Dear Colleagues,

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

I not only subscribe to these words personally but also endorse the same for all of us collectively. It is with this frame of mind that The Nagpur Branch in the last month has performed with this frame of mind that our professional 'Leadership and Influence' should be our core motto in professional lives of our fellow colleagues. The need of the hour is to hold the element of 'Leadership and Influence' very high while exploring new professional horizons and paradigms with our time tested tradition of professional

excellence, ethics and integrity in the service of our nation.

As a team we have been working with our best capabilities for ensuring that the members of our branch reap the benefits of the strong institution so as to assume the great role, power and potential of the accountancy profession has in our country.

All Vidharbha Conclave: *I am glad to share that the All Vidharbha Conclave which was organized by Nagpur Branch of WIRC of ICAI jointly with Akola & Amravati Branches of ICAI was truly successful in delivering to the expectations of the members. It was a welcome gesture to have the company of the charismatic Chairman of WIRC CA. Sandeep KC Jain along with Secretary CA. Purushottam Khandelwal in this conference. The presence of Shri hansraj Ahir, Hon'ble Union Minister, Minister of State Affairs and Shri Anil Sole, Member of Legislative Council was a the icing on the cake.*

Residential Refresher Course at Rupin Pass : *The tradition which started in the year 2016 continued this year too with 22 members of Nagpur Branch attending the Residential Refresher Course at the majestic Himalaya's in North. The member undertook a 9 day long trek at Rupin Pass wherein along with professional updates the members were also acquainted with the beauties of nature our country has.*

GST Course for Beginners: *The Branch once again successfully organized 6 day long GST Course for Beginners with experts faculties from Nagpur. It has been almost one year since the GST Act was introduced however the members are still willing to undergo training programs with respect to GST which was evident from this course which was attended by senior & young members equally. The Branch is fortunate to have such faculties who trained the members in this self developed course on GST.*

International Yoga Day : *It was the 4th International Day of Yoga on 21st June 2018 and the members along with students of the Orange city ensured that this day of pride for all Indians is celebrated with learning the essentials of Yoga through a unique 3 hour session wherein Mrs. Anuska Karira along with her experienced team guided the members through Dance Meditation, Silent Meditation & Diet Happiness.*

Weekly Study Circle Meetings: *Study Circle Meetings have proved to be a good platform for members to learn and understand various tricky issues related to our profession. We are glad to continue these weekly Study Circle Meetings for the Members with varied topics on professional interest.*

Further we continued our Super CA Series and various event of WICASA which has been duly appreciated by members and student fraternity at large. I am sure in the coming days the branch shall ensure that continuity is maintained in our activities.

I am sure by the time you read this, the Institute would have entered its 70th Year of glory for which I must congratulate each and every member and student of this great institution who have kept changing in tune with times for the good of our profession and society at large. Lets us all imbibe the spirit of 'Leadership and influence' and be professionals of all seasons and leaders of change.

Yours friendly,
CA Umang V Agrawal
Chairman

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Joint Editor's Message



Dear Professional Colleagues,

Let me first of all wish you a very happy monsoon and pleasant rainy days.

The month of June always makes beginning for hectic work journey and festive session also which almost continues till the month of October and this very year the same has arrived with an additional compliance of GST while finalization of books of accounts and audits. GST has been very courageous and important move of the Indian government which is indeed a need of these days and much beneficial for economy and businesses. Keeping aside some technical glitches and implementation issues, it has been an appreciable reform.

The number of programs, seminars and workshop have been organized by our branch during last few months on GST issue which shall help the members to provide a quality output in the process of finalization and it is very

promising to share that the response from the members of profession a, industry and students have been so active that we really felt inspired and motivated to organize such seminars on more frequent basis.

I am pleased to inform that the Nagpur Branch has been successfully organizing useful and effective programs on Understanding GST and Income Tax Returns, Seminars on Strengthening Internal Controls of Business, Seminar on Practice Development exclusively for Women Members. In addition, the month of June and July shall be full of social and recreational activities like Cyclathon.

In the upcoming days the branch has planned various seminar on Accounting Standards & Wealth Creations for CA's and ISA Course. The members are requested to take maximum benefits of all events.

Point to Ponder: "The Only way you survive is you continuously transform into something else..."

Happy learning and keep sharing.

For any suggestions and comments, please note that I am just an email away.

CA. Prateek Rajesh Gupta
Joint Editor
Nagpur Branch of ICAI.



Dear Professional Colleague,

After enjoying summers and advent of rainy season, it's time to fasten our seat belts and gear up for a hectic professional season. Apart from regular filing of GST returns, the dates for filing returns under various other laws are approaching, as in the coming months we are required to schedule our timing for filing income tax returns as well.

Nagpur branch is always enthusiastic in arranging different programs, which includes professional as well as social programs. In June month the Branch organised Seminar on Understanding GST And Income Tax Returns, in which various intricate issues of both the revenue acts were discussed threadbare. The trade mark event of Nagpur Branch, The Residential Refresher Course, was organized along with a trek to Rupin Pass in serene Himalayas, in which members participated very enthusiastically.

The Editorial team is making all the efforts to cover various interesting and relevant topics which are not otherwise not regularly read by the members as we are sure that such articles will be useful for all of us in enhancing our knowledge and skills. IT Management for a smart CA office is one such topic covered in this issue. Suggestions from members are welcome to help us improve on and deliver relevant and required contents for our Profession as a whole.

Happy Reading

CA. Aayush Sanjay Agrawal
Joint Editor
Nagpur Branch of ICAI



Internal Financial Controls: A Practical Approach



CA. Yash Budhwani

Introduction:

The 2013 Companies Act marks a major step towards raising the bar on corporate governance in India. The Companies Act has re-emphasised the importance of a robust internal controls environment by introducing the term 'Internal Financial Controls', and by casting specific responsibilities on the Board, Audit committee, Management as well as the Auditors

Internal Financial Control Framework:

Internal Financial Controls Framework (IFC) has needed to be developed keeping in mind the requirements of the Companies Act, 2013. The framework should focus on financial controls' effectiveness through a continuous cycle of self-assessment and independent credence based on various internal financial control elements.

Internal Financial Controls Framework considers a holistic approach by focusing on two levels i.e.

- Entity level
- Process level

The framework and approach is in alignment with globally accepted guidelines such as COSO 2013.

Test of Controls:

Entity Level Controls:

These are the controls which are need to be tested on an entity level basis where we are require to test that whether the design and implementation of controls are effective through testing the operating effectiveness of the same.

Process Level Controls:

These are the controls which are need to be tested for each processes like Revenue, Procurement, Inventory, Payroll, Treasury, Fixed Asset, Financial Reporting, Taxation etc. where we are require to test whether the controls are operating effectively and whether the same are designed and implemented properly.

Process Understanding:

The first job as a Statutory Auditor needs to understand the various processes for various areas where controls are implemented by the entity.

For Example:

Practical Approach:

While performing Statutory Audit we should obtain the Risk Control Matrix or the Control Checklist which the entity has maintained then we have to identify the controls which has impact on the Financial Statements, for such identified controls we have to test whether these controls are effective through testing that whether the risk specified is compensated through implementation of the relevant control as specified in Risk control Matrix.



Internal Financial Controls: A Practical Approach

Sample Risk Control Matrix:

Control Id	Process	Sub Process	Risk Identified	Control Implemented
O2C-1	Order to Collection	Revenue	Mismatch of Purchase order, Sales order and Invoice details lead to loss of revenue.	Three ways match is implemented through the system where the sales order is prepared only on the basis of Purchase order and the same is authorised through release matrix in SAP system, invoice is replicated through sales order.

Considering the level of Risk and frequency of occurrence of control we have select the sample size of the transactions for which we have to test the controls.

Level of Risk:

- High
- Low

Frequency of occurrence:

- Recurring
- Weekly
- Monthly
- Quarterly
- Annually

Evidence is required to be obtained and documented for each controls

Determination of Risk of Material Misstatement:

The Risk of Material Misstatement (ROMM) is determined on the basis of effectiveness of controls which are tested if the controls are weak the ROMM will be high and in case of controls are effective and strong the ROMM is high depending on the same the Materiality is fixed as per SA 320.

Conclusion:

Internal Financial Controls are important aspect from auditor's perspective as it will help to determine the Risk of Material Misstatement and to determine the Materiality level above which the testing needs to be performed. While reporting the auditor needs to comment on the Internal Financial Controls of the entity in the separate paragraph as prescribed by SA 700(Revised) and also Companies Act 2013 mandates to report on internal financial controls of the company hence it is important for the Statutory Auditor to test the Internal Financial Controls.



IT Management for a Smart CA Office

Era of "smart" has started. Be it a phone, road, city or person, everything is being developed as smart. So, how can our CAs office be spared from this concept.

This article highlights the smart practices and techniques to be followed for managing the Information Technology related resources in our offices.

Comfortable Furniture:

Computer tables having external keyboard slots are hardly manufactured nowadays. Position of laptop is fixed, so to carry on with our work and adjust the level only option left is adjusting the height of our chair. To make our neck comfortable we try to keep the neck and computer screen at same level, in that case we need to raise our hands to the keyboard above a certain level which is not that comfortable for us. Or else neck needs to be bent to keep keyboard-hand level comfortable. So, either neck pain or strain on the hand is definitely guaranteed. Best solution would be to get a table customised to your needs.

Laptops having small screen (below 14 inch) are in demand. They are sleek, shiny and comfortable to carry around. People end up straining their eyes specially when due to long working hours. A smart solution would be to connect the laptop to an external monitor.

Intelligent Network:

Concealed / Covered LAN cable is found in almost every office. Networking via wi-fi router is a common scenario. But the mockery of the concept of networking is observed, when pen-drives are used to transfer files between computers. During our audit, we do not miss an opportunity of qualifying system audit report when some open USB port is found or any pen-drive is found plugged. But a different scale is used for weighing when it comes to our own office. Shared drive is a must for offices with 4+ computers.

Server-Client setup is found in large firms. Windows Server is not a necessity (Windows 10 Pro has many such capabilities). Also, it is not necessary to buy a big tower (generally seen in Companies) with costly configuration for Server Machine. High-end configuration for server is required for heavy computing requirement. Software like Word, Excel, Tally, Taxation software etc run on local machine, and just fetch data from server. So even a mediocre computer too can be used as a server.

Network Printer:

Normally printer is physically connected to some PC and then shared over network. A smart option to this is available in the market. Network printer connects wirelessly to the wi-fi router. So, no need to keep printer-attached PC turned on until office is closed, thereby saving electricity. This type of printer comes with scanner attached. It is a budget deal and Rs 12,000 investment is nothing compared to its benefits.

Cloud Storage:

The age-old concept of fixed office is now slowly becoming obsolete. Chartered Accountants and their staff are often working at client's place or even from their home, hotels, airports etc and they always need access to the files on their office computers. Everyone is familiar with popular cloud storage services like Dropbox, Google Drive, OneDrive. These solutions are best suited for sync and backup. We need to install Dropbox in all PCs and map common account to every PC. But this solution has one downside. All the files of the mapped account

CA. Dhananjay Gokhale



IT Management for a Smart CA Office

get downloaded in hard-disk of all PCs, leading to data duplication.

A smart solution is made available by cloud storage provider pCloud (www.pcloud.com). This solution stores files of single mapped account on their cloud server only. It creates a virtual hard-disk on the mapped PC, which functions like a normal drive but does not actually occupy physical space of hard-disk. The free version comes with 10GB storage and 30 days file history (if file gets deleted accidentally). Google Drive Suite (in paid version) offers similar functionality – "Google Drive Stream".

Only downside to this real cloud storage is requirement of internet connectivity, even for reading file. But thanks to reliable internet connectivity by Jio, Idea, Airtel etc, just tether it from your smartphone, and you are done.

Piracy Free Office:

Just imagine, one of your employee files ITR of his few friends without informing you and pockets fee received from him. So, installing of pirated MS-Office is very similar to above example with Microsoft in employer's position, we in the employee's. Theft remains theft, be it in any form. IPC does not have any special exclusion for theft of software too.

Legal MS-Office is very cheap now-a-days (thanks to our own Satya Nadella). Office 365 comes with a price of around Rs 4,600 [5 machine X 1 year]. So, it roughly comes to Rs 920 per machine for a year. Also, Office 365 receives fixes and improvement each month.

Fruitful Backup:

"Backup a day, keeps tension away"

Backup is still a monthly exercise in almost every office. Everyday numerous files are created and edited. So, in case your hard-disk fails, recovering the files from a month-old backup is losing a month's work.

External portable hard-drive is most preferred choice of backup in many offices. But keep in mind, that external hard disk is more prone to head crash than internal computer hard-disk due to jerks of handling. Also, portability invites higher probability of misplacing or theft. The practise of storing it outside office premises is found only in Information System Audit booklet, it is rarely followed.

Day-end sync to Google Drive is the most feasible practise. But problem is, it syncs data on real-time basis, leading to unnecessary hindrance to our working. Manual sync is not made available by any of these cloud providers. So, a smart desi way of achieving this is suggested. Close the Google Drive when PC is started in morning (option available on right-clicking its icon in taskbar). Before turning off PC in evening, re-launch it (from Start Menu), give it 5 minutes to sync the mapped folder, and then turn off the PC.

Conclusion

The solutions discussed above require very little investment and efforts. The fruits these efforts reap are visible almost immediately.

Views and techniques discussed in this article are purely based on author's personal experience and observations.

Glimpse of Past Events

All Vidharbha Conclave



Members inaugurating the All Vidharbha Conclave



Felicitation of Shri Hansraj Ahir



*Shri Hansraj Ahir,
Honble Minister of State (Home), Government of India*



Shri Anil Sole



Joint meeting with Trade & Industry



Interactive meet with students

Glimpse of Past Events

All Vidharbha Conclave - Speakers



CA. Uttamprakash Agrawal



CA. Mitesh Katira



CA. P Rajendra Kumar



CA. Snehal Shah



CA. Sudhakar Saraswatula



CA. Sushrut Chitale



Glimpse of Past Events

Ek Shaam CA ke Naam



Glimpse of Past Events

Seminar on Practice Development for Women



Women Empowerment Seminar for Professional Enrichment



CA. Varun Vijaywargiya



CA. Swaroopa Wazalwar

Inauguration Intensive Course on GST



Study Circle Meeting By CA Ritesh Mehta





Advertisements

ACCOUNTS EXECUTIVE

For maintaining Accounts of Manufacturing concern. C.A. Inter/Final with minimum 2 years experience in Manufacturing Firm with GST, EXCISE, TDS, IT & ROC related works.

Contact immediately:-

Universal Agro Chemical Industries,
904, B-Wing, Lokmat Bhawan, Nagpur.
E-Mail:- subho.moy@rediffmail.com

VACANCIES

- **AUDIT MANAGERS** (CA Inter or equivalent with Articleship completed)
- **ARTICLE ASSISTANTS** (IPCC / Graduate Passed)

For Carrying out Bank Audit (Concurrent Audit, Revenue Audit and Commission Audit), Company & Society Audit (Statutory as well as income tax, Sales Tax & GST Audit), Income tax, Sales tax & GST Audit of Individual and Returns filing, Company formation, Annual Filing & other ROC related works.

Good exposure possible for the right candidate.

Stipend as per rules of the ICAI. More stipend for needy & hardworking student.

Contact Immediately
CA Raunak Chandak

C/o Raunak Madhu Chandak & Associates, Chartered Accountants
Ashirwad Complex, 314, Ramdaspath, opp. Kalpana Appartment, Central Bazar Road, Nagpur-10 Phone No.
0712-2420054, 9881140001, 9552155555.

REQUIREMENT

We are mid - sized dynamic and tech savvy firm having state of the art facility in Nagpur, providing opportunity to our articles and associates in various industries and domains, after completion of the training we have been proud that the articles have joined multinational companies and are successful in their practices.

Currently we have opening for articles/audit assistants in following areas:-

- Direct Taxation • Goods and Services Taxation (GST) • Company Law
- Information Technology • Transfer Pricing • Assurance Services + Valuations
- Bank Audit • Trust Audit • Internal Audit • Project Finance

We would like to you Email your resumes at mchandak08@anailcom
and explore the opportunities.

We wish you all the best for your future and feverous and have a successful career.
Stipend as per rules of the ICAI. More stipend for needy & hardworking student.

C/o M. Chandak & Co. CA Mahesh Chandak, Chartered Accountants
Ashirwad Complex, 4th floor, Block no.402, Ramdaspath- 440010
Contact Details :-9552155555/ 9860065031



CA Connect

Nagpur Branch of WIRC of ICAI acknowledges the contribution being extended by the members of the city for continuous activities for the benefit of members. However we are also aware that it is the responsibility of the Branch to mediate the gap amongst the members and create a platform for networking amongst the members so that sharing of work can be done effectively. Hence we are starting with a dedicated section in the monthly newsletter wherein members who are in need of any professional assignment may put in their request whereas the members who are in need of professionals for various assignment may also give details of their requirements so that members at large can be benefited. Requesting the members to be a part of 'CA Connect' networking platform and take maximum benefit of the same.

Those who wish to outsource assignments on part time basis may kindly mail the details of their Firm and a brief of the Work they wish to outsource to Nagpur Branch [nagpur@icai.org] in the below mentioned format :

Firm Name	Description of Assignment	Name of Contact person	Contact Details	
			Email	Mobile

Those who seek assignments on part time basis may kindly mail the details of their details to Nagpur Branch [nagpur@icai.org] in the below mentioned format :

Name	Contact Details		Type of Assignment Sought
	Email	Mobile	

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