

## **Announcement**

### **Sub. : Internal Auditor not to undertake Goods and Service Tax (GST) Audit simultaneously**

We have received enquiries from the members at large and other stakeholders as to whether an internal auditor of an entity can also undertake GST Audit of the same entity as required under the Central Goods and Service Act, 2017.

The Council of the Institute, while considering the issue at its 378<sup>th</sup> Meeting held on 26<sup>th</sup> and 27<sup>th</sup> September, 2018, noted its earlier decision taken at its 281st Meeting held from 3<sup>rd</sup> to 5<sup>th</sup> October, 2008, that internal auditor of an assessee, whether working with the organization or independently practising Chartered Accountant being an individual chartered accountant or a firm of chartered accountants, cannot be appointed as his Tax auditor (under the Income Tax Act, 1961).

Upon consideration, the Council has decided that based on the conflict in roles as statutory and internal auditor simultaneously, the bar on internal auditor of an entity to accept tax audit (under Income Tax Act, 1961) will also be applicable to GST Audit (under the Central Goods and Service Act, 2017).

Accordingly, it is clarified that an Internal Auditor of an entity cannot undertake GST Audit of the same entity.

28.9.2018