The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
Guwahati Branch (EIRC)
ICAI Bhawan, 2nd Bye Lane, RG Baruah Road, Manik Nagar, Guwahati-781005

Guwahati@ICAI

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7086029280
guwahati@icai.org
https://guwahati-icai.org

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From the Chairman

Dear Esteemed Members and Students,

The month of August brought with it a demanding professional schedule for our fraternity, particularly with the Income Tax Return filing due date. Amidst these professional commitments, the Guwahati Branch continued its activities through the dedication and support of our Managing Committee members.

I am pleased to share that the Branch remained engaged in initiatives focused on professional outreach, social responsibility, and student development. The celebration of India's 80th Independence Day, the Feed the Hunger social welfare drive, the Corporate Connect Programme on TDS-TCS Compliance, and Career Counselling Programme reflected our commitment to professional excellence and community engagement.

I express my heartfelt gratitude to my fellow Managing Committee members for taking the lead in Branch activities during my absence following the demise of my beloved mother. Their support, teamwork, and commitment ensured the smooth execution of Branch initiatives and have been a great source of strength to me.

As we look ahead, our focus turns towards the National Conference on 28th and 29th November 2026 at the Sri Sri Damodardeva International Auditorium, Guwahati. The conference will provide an opportunity to explore emerging trends, technological advancements, Artificial Intelligence, and the evolving role of Chartered Accountants in shaping the future of business and the economy.

As our profession stands at the threshold of transformation, we must prepare ourselves not merely to adapt to change but to lead it. Through continuous learning, innovation, and collective wisdom, let us build a future-ready profession that creates lasting value for our members, businesses, and society.

I look forward to the enthusiastic participation and wholehearted support of all our members in making this conference a memorable and enriching experience for the entire professional fraternity.

Let us continue to work together with unity, dedication, and a shared vision of strengthening our profession and contributing meaningfully to society.

With sincere gratitude and warm regards,

CA Anjani Kumar Mundhra
Chairman
ICAI, Guwahati Branch

Editor's Desk

Dear Esteemed Members

Greetings from the Guwahati Branch (EIRC) of The Institute of Chartered Accountants of India.

There are moments in a professional journey when it is worth pausing—not to slow down, but to look back and understand how far we have come.

August offers us one such moment. As the year moves forward, our calendars may be filled with deadlines, commitments, and responsibilities. Yet, beyond the numbers, reports, meetings, and schedules, lies something more meaningful—the trust that our profession carries and the difference that our work can make.

Being a Chartered Accountant is not only about precision and proficiency. It is also about responsibility, integrity, perspective, and the confidence to make the right choices when they matter. As the professional landscape continues to change, these values remain constant. Technology may transform the way we work, but it is our judgment, ethics, and commitment that define the value we bring.

Perhaps professional growth is not always about knowing more. Sometimes, it is about seeing better—seeing opportunities where others see challenges, seeing the larger picture beyond a set of numbers, and seeing the responsibility that comes with the knowledge and trust placed in us.

"The true measure of a profession is not merely what it achieves, but the trust it earns along the way."

As we step into the month ahead, let us carry with us not just the ambition to achieve, but also the wisdom to reflect, the courage to adapt, and the responsibility to contribute.

Here's to an August of purpose, perspective, and progress.

With warm regards,
CA Nisha Bansiwal
Editor,
ICAI, Guwahati Branch

CPE Activities

Seminar on Corporate Laws

8th August 2026

A **Seminar on Corporate Laws** was very successfully organized at the Guwahati Branch of ICAI on the 8th of August 2026. The session covered topics like the Disclosure Requirements in CARO and sensitized the audience regarding the heightened requirement of professional diligence in practice, it was deliberated on by CA. Balaji R S. The next topic for discussion taken up by CS Arpan Sengupta was regarding the special compliance framework, exemptions, governance requirements of Small Companies. CA Dhiraj Kumar Jain enlightened the participants regarding the emerging opportunities and practice areas for CA's in practice in the field of insolvency, restructuring, mergers and acquisitions, advisory and representing assignments at NCLT and NCLAT. **CPE Credit: 6 Hours**

ICAI ANNOUNCEMENTS

1.77th Annual Report and Accounts of the Institute for the year 2025-26 - (06-08-2026)

https://www.icai.org/post/77th-annual-report-and-accounts-icai-year-2025-26

2. Announcement - Hosting of Multipurpose Empanelment Form (MEF)-2026-27 - (07-08-2026)

https://www.icai.org/post/mef070826

3. Extension of Last Date to 31st August 2026 for Submission of Feedback on the Chartered Accountancy Scheme of Education and Training. - (18-08-2026)

https://www.icai.org/post/bosa-cret-ex-of-last-date

4. Announcement for Extension of Last Date for Submitting MEF 2026-27 from 29th August to 9th September, 2026 - (28-08-2026)

https://www.icai.org/post/mef280826

Non CPE Activities

80th Independence Day Celebration

15th August 2026

Guwahati Branch (EIRC) of ICAI commemorated the nation's 80th Independence Day on 15th August at the Branch premises with great zeal and professional unity. **CA. Jay Prakash Gupta, Vice Chairman**, hoisted the National Flag alongside Branch representatives and members. The gathering included several Past Chairmen and members across generations, fostering a strong sense of fraternity while honoring the sacrifices of freedom fighters. The celebration concluded with a reaffirmed pledge toward professional integrity, societal upliftment, and national development

Feed The Hunger Drive

15th August 2026

In alignment with the spirit of Independence Day, the Branch organized a social welfare drive titled "Feed the Hunger" on 15th August at New GMC Colony, Fatasil, Ambari. Wholesome meals were distributed to students at a local school serving children from Under-Resourced Communities to extend care beyond professional duties, demonstrating the accounting community's dedication to social responsibility and meaningful community engagement.

21st August 2026

Corporate Connect Program: TDS-TCS Compliance

On 21st August, Guwahati Branch supported a high-impact Corporate Connect Programme on TDS Compliance hosted by the Commissioner of Income Tax (TDS), NER, at the Branch Auditorium. Vice Chairman CA. Jay Prakash Gupta addressed the audience, welcoming the Income Tax Department's proactive stance on stakeholder outreach. Interactive discussions centered around critical TDS/TCS compliance frameworks, procedural Considerations, and emerging statutory updates. The event strengthened the collaborative bridge between the Income Tax Department and the practicing professional fraternity.

CAFY Season 5 & Super Mega Career Counselling Programme

21st August 2026

As part of ICAI's nationwide drive, the Branch participated in CAFY (Career in Accounting & Finance for Youth) – Season 5 on 21st August at Spring Dale International School. The session was conducted by CA. Priyanka Jain, Career Counsellor. Practical guidance on career pathways across Accounting, Finance, Taxation, Tech-integration, and Entrepreneurship with special emphasis on the Chartered Accountancy course and the opportunities associated with the profession were discussed. The session highlighted the CA course structure, global mobility, and long-term career advancement, aiming to motivate and empower younger generation of Accountancy profession.

Article of the Month

Audit Documentation: Standard on Auditing (SA) 230

A Comprehensive Treatise on Principles, Practice, Quality Control, and Statutory Compliance under the Companies Act, 2013

"The skill of an accountant can always be ascertained by an inspection of his working papers."
— Robert H. Montgomery

Introduction and Statutory Architecture of Audit Documentation

Audit documentation is the foundational bedrock of the financial statement audit process. It constitutes the tangible, verifiable trail connecting the preliminary planning stages, risk assessment procedures, detailed field testing, and substantive evaluations conducted by the engagement team to the final independent audit opinion rendered to stakeholders and regulatory authorities.

Standard on Auditing (SA) 230, titled 'Audit Documentation', issued by the ICAI, establishes the mandatory standards and procedural guidelines governing an auditor's professional responsibilities regarding the preparation, assembly, retention, ownership, and maintenance of audit files. The Standard operates on a fundamental premise universally recognized across international auditing jurisdictions: 'Work done but not documented is work not done.' A rigorous audit execution without contemporaneous, well-structured, and cross-referenced documentation leaves the auditor completely vulnerable to regulatory sanctions, professional liability claims, and severe reputational damage.

SA 230 mandates that the auditor prepare documentation on a timely basis that provides a sufficient and appropriate record of the basis for the auditor's report, and substantive evidence that the audit was planned and performed in accordance with SAs and applicable legal and regulatory requirements. This foundational mandate intersects directly with Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements', as well as the overarching provisions of Section 143 of the Companies Act, 2013.

Definitive Concepts, Scope, and Overarching Objectives of SA 230

Regulatory Definition as per SA 230

According to paragraph 6 of SA 230, Audit Documentation is formally defined as:

"Audit Documentation is the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached. The terms 'working papers' or 'workpapers' are also frequently used to describe such documentation."

— SA 230, Paragraph 6(a)

Dual Primary Objectives

Audit documentation fulfills two indispensable primary objectives that anchor the integrity of the audit process:

·1. Evidentiary Basis for the Audit Opinion: It provides an adequate, complete, and robust record of the basis upon which the auditor reached conclusions and formed the audit opinion on the true and fair view of the financial statements.

·2. Proof of Regulatory & Standard Compliance: It provides concrete, demonstrable proof that the audit engagement was planned, directed, supervised, executed, and reviewed in full compliance with the Standards on Auditing (SAs), relevant statutory provisions, applicable financial reporting frameworks, and the ethical standards prescribed by the professional code of conduct.

Secondary and Operational Objectives

Beyond fulfilling its primary evidentiary mandate, audit documentation serves several vital operational and quality assurance purposes:

·***Assisting in Planning and Performance:*** Enables the engagement team to structure an effective audit approach, allocate team resources based on risk assessments, and adjust testing strategies dynamically as risks evolve during the audit cycle.

·***Facilitating Direction, Supervision, and Review:*** Serves as the operational mechanism through which the Engagement Partner, Quality Reviewer, and senior engagement personnel monitor work delegated to assistants, verify the depth of procedures performed, and confirm that all audit queries have been adequately cleared prior to report issuance (in compliance with SA 220 and SQC 1).

·***Establishing Individual Accountability:*** Provides an indisputable record of accountability by identifying the specific individuals who executed each audit procedure and the reviewers who evaluated the evidence, verified the conclusions, and signed off on the respective working papers.

·***Retaining a Continuous Record for Future Engagements:*** Preserves cumulative institutional knowledge regarding the entity's accounting policies, organizational structure, internal control deficiencies, significant accounting estimates, and contractual commitments for subsequent recurring audits.

·***Enabling Quality Reviews and External Regulatory Inspections:*** Provides an accessible, structured trail for Engagement Quality Control Reviews (EQCR), ICAI Peer Review Board inspections, Quality Review Board (QRB) examinations, and NFRA regulatory inquiries under Section 132(4) of the Companies Act, 2013.

Ownership, Custody, and Confidentiality of Working Papers

Legal Ownership:It is a firmly settled legal and professional principle that working papers are the exclusive property of the auditor. This principle was judicially recognized in landmark jurisprudence (e.g., *Chantrey Martin & Co. v. Martin [1953] 2 QB 286*) and is formally codified in ICAI ethical pronouncements and SQC 1. The client has no legal right to demand custody or unfettered access to the auditor's internal working papers, audit programs, sample selection algorithms, or internal review notes.

Auditor's Discretion to Provide Extracts:The auditor may, entirely at their professional discretion, make portions of or extracts from working papers available to the client, provided that such disclosure does not prejudice or undermine the independence, integrity, and validity of the audit work performed. For example, providing a copy of a depreciation calculation schedule or a tax computation sheet to assist the client's accounting team is acceptable, whereas sharing the auditor's fraud risk assessment memos or proprietary sampling methodologies is strictly inappropriate.

Confidentiality and Custody Obligations: Under the Chartered Accountants Act, 1949 (specifically the Code of Ethics), the auditor is bound by a strict duty of professional confidentiality. Working papers must never be disclosed to third parties without specific client authorization, except where there is a legal or professional duty or right to disclose (such as under summons from a court of law, orders from the NFRA, inquiries by the Income Tax Department under Section 131, or peer review mandates by the ICAI).

Regulatory Scrutiny, NFRA Observations, and Consequences of Lapses

The Regulatory Paradigm and NFRA Oversight:The establishment of the National Financial Reporting Authority (NFRA) under Section 132 of the Companies Act, 2013 has fundamentally transformed audit oversight in India. The NFRA Chairperson and inspection teams have repeatedly emphasized that an audit is only as credible as its underlying documentation. NFRA enforcement orders have systematically penalized audit firms and engagement partners where audit files lacked evidence of independent testing, critical inquiry, or supervisory review.

Common Documentation Deficiencies Identified in Regulatory Orders:A review of regulatory orders reveals recurring, critical documentation deficiencies:

·Uncritical Acceptance of Client Data: Treating client-prepared spreadsheets, schedules, and estimates as self-evident audit evidence without performing independent verification, source document tracing, or recalculation.

·Missing Linkage between Risk Assessment and Audit Response: Maintaining generic, boilerplate audit programs that show no connection to the entity-specific risks of material misstatement identified under SA 315, and failing to document responsive substantive testing under SA 330.

·Inadequate Sampling Documentation: Failing to record sample selection parameters, sample sizes, selection criteria, or the evaluation of anomalies, in violation of SA 530.

·Absence of Contemporaneous Review Trails: Failing to record who performed specific audit steps, who reviewed the work, and the exact dates of completion and review, resulting in backdated or unverified working papers.

·Failure to Challenge Management Estimates: Accepting management valuations of goodwill, fair value of unquoted investments, and ECL provisions without documenting independent critical evaluation or sensitivity analyses.

·Post-Report Creation and Alteration: Creating, modifying, or inserting working papers into the audit file after the audit report has been issued—a serious violation that destroys the integrity of the audit file and invites regulatory debarment.

Consequences of Inadequate Audit Documentation

The legal, professional, and disciplinary consequences of failing to maintain robust audit documentation are severe:

·Professional Misconduct: Disciplinary action by the ICAI Disciplinary Directorate under the First and Second Schedules of the Chartered Accountants Act, 1949, leading to reprimands, fines, or cancellation of Certificate of Practice (COP).

·NFRA Penalties and Debarment: Monetary penalties running into millions of rupees and debarment of audit firms and individual engagement partners from performing audits for periods ranging from six months to ten years under Section 132(4).

·Civil and Criminal Liability: Exposure to damages, shareholder class-action suits, and criminal prosecution under Section 447 (fraud) and Section 448 (false statement) of the Companies Act, 2013.

Conclusion:

Audit documentation is the definitive proof of an auditor's professional competence, diligence, skepticism, and integrity. As the auditing profession navigates complex financial instruments, evolving accounting standards, and intense regulatory oversight, meticulous documentation under SA 230 is the auditor's strongest protection and highest professional duty.

To construct an audit without thorough, orderly documentation is akin to constructing a magnificent building with no foundation and neglecting the essential finishing work: what might appear impressive from a distance will inevitably collapse upon rigorous inspection. By adhering strictly to SA 230, maintaining rigorous segregation between Permanent and Current Audit Files, systematically addressing Schedule III and CARO requirements, and respecting statutory assembly and retention timelines, auditors uphold the public trust and safeguard the integrity of the capital markets.

CA. Rahul Sharma
(FCA,MBA(Fin.),LLB,CAIIB,
M.No. 402506

MANAGING COMMITTEE
GUWAHATI BRANCH (EIRC) [2026-27]

CA. ANJANI KUMAR MUNDHRA

Chairman
98640 58996
anjanimundhra@gmail.com

CA. JAY PRAKASH GUPTA

Vice - Chairman and Nominated member EICASA
94355 59687
cajayprakash@gmail.com

CA. PIYUSH BIRMIWAL

Secretary
94350 43943
capiyushbirmiwal@gmail.com

CA. KUMAR VICTOR SAHA

Treasurer
98642 02719
ca.victorsaha@gmail.com

CA. VIKASH KUMAR CHOUDHARY

Chairman, CPE Committee
88224 20619
cavikash.vca@gmail.com

CA. NITIKA BAGARIA

Chairperson EICASA
86381 68340
ca.nitikabagaria@gmail.com

CA. RAGINEE GOYAL

Immediate Past Chairperson
97060 27627
raginee@gmail.com

CA. RAVI KUMAR PATWA

Ex-officio Member
94350 71192
ravipatwa@hotmail.com

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- Write to us on guwahati@icai.org
- Email for submitting articles: newsguwahati.icai@gmail.com
- Visit us on www.guwahati-icai.org for regular updates

EDITORIAL TEAM

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