

Issue 22 • April 2014



INDIA BRIEFING

From Dezan Shira & Associates

An Introduction to India's Audit Process

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Introduction



Dear Friends and Clients,

The beginning of India's annual audit season marks the close of the business year, and is often a busy time for companies with operations in the country. As we sail through the basics of audit, we will provide readers with a flavor of India's annual audit process and offer important tips for the smooth navigation of its audit regulations and accounting standards.

In this issue of India Briefing Magazine, we begin by explaining the two most common types of audit in India, statutory and internal audits, and outline the standard steps and procedures an Indian auditor will follow in each. Because India's accounting standards differ slightly from the widely accepted IFRS and IAS protocols, it is extremely important for foreign invested enterprises to maintain an awareness of these discrepancies and prepare for annual audit in a timely and organized manner. By providing an overview of these accounting differences, as well as the documents and receipts typically requested during an annual audit, it is our hope that this issue of India Briefing will enable readers to become significantly more comfortable with pre-audit preparations, and ultimately find the audit process as a whole easier to follow and understand.

Finally, while foreign invested enterprises may approach India's audit season with some degree of apprehension, an audit report can be an invaluable tool for both the detection and avoidance of fraud. By discussing fraud detection and avoidance, we will seek to highlight the subtle differences between error and fraud while touching upon risk management strategies. Effective audit professionals will seek to obtain an eagle's-eye view of a company's accounts and activities so as to enable the early detection of fraud by management, and we strongly recommend our readers consider conducting interim audits to further mitigate the risk of fraud.

Best Regards,

Gunjan Sinha
Country Manager
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For Reference

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Alphonso Doss
Oil on canvas, 1987, 106.7 X 83.8 cm
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This Month's Cover Art

An Introduction to India's Audit Process

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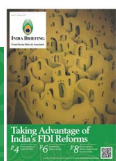
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