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Documentation and Review Controls in Tax Compliance and Audit Work: A Practice-Based Case Study of a Chartered Accountancy Firm

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A B S T R A C T

Documentation gaps, unreconciled differences and uneven supervisory review are recurring risks in routine tax and audit work, yet small Indian Chartered Accountancy (CA) firms are rarely studied from the inside. This paper reports a descriptive single-firm case study of a partnership CA firm in Maharashtra, based on supervised participation and observation by two MBA trainees who worked on the same assignments at the firm between 21 May and 21 August 2026. It asks what documentation and reconciliation difficulties occurred in the assignments examined, how exceptions were identified, reviewed and resolved, and what improvements the observations support. The unit of analysis is the documented exception, tagged to a workflow stage. Evidence comes from an ITR tracker and the authors' working notes. Observations were coded into four categories: incomplete documents, timing differences, duplicate entries and review corrections. Across 115 recorded exceptions (28 tax, 40 GST and 47 audit), incomplete or missing documents were the most frequent category (35), followed by timing differences (26), review corrections (25), pending items (17) and duplicate entries (12). The study is limited by its single-firm design, the trainees' dual role as participants and observers, and reliance on counts recorded by the trainees themselves, although the supervising CA checked the working figures. Five proposed improvements are described, each with a pilot and an evaluation measure; none has been implemented or tested.

Keywords: Documentation; Reconciliation; Supervisory review; Tax compliance; Audit evidence; Case study

1. Introduction and research problem

1.1 Background

Chartered Accountancy firms handle a steady flow of client documents that end up as tax returns, GST filings and audit working papers. In India, income-tax returns are prepared and filed through the Income Tax Department's e-filing system, while GST policy is recommended by the GST Council, a constitutional body, and the GST portal run by the Goods and Services Tax Network (GSTN) is the technology platform on which registration, returns and payments are handled (Comptroller and Auditor General of India, 2019; GST Council, n.d.). The professional work of the firm sits between these systems and the client: collecting documents, checking them, reconciling records and having the result reviewed.

1.2 Research problem

A figure in a return or a working paper is only as defensible as the documents behind it and the review it has passed through. During the training period the authors repeatedly met three kinds of difficulty: source documents that were missing or late, records that did not agree when compared, and work that needed correction after review. How often these occurred, and how well the firm's routines caught and resolved them, has not been examined systematically for a small Indian CA firm. This paper examines them in a structured way, using records and observations from supervised assignments.

1.3 Contribution

The paper offers a descriptive, practice-based account from a single firm, a coding of recurring documentation, reconciliation and review difficulties, and a set of proposed improvements that are framed for testing rather than presented as proven.

2. Literature review and research gap

2.1 Audit documentation and evidence

The Institute of Chartered Accountants of India (ICAI) issues Standard on Auditing (SA) 230, which deals with the auditor's responsibility to prepare audit documentation for an audit of financial statements (ICAI, n.d.-b). The accompanying implementation guide describes documentation as the record

of procedures performed, relevant evidence obtained and conclusions reached, and explains that it evidences the work done and compliance with standards (ICAI, n.d.-a). The standard is written for audits of financial statements, so its direct applicability to the engagement examined here depends on the engagement type, which is in person.

2.2 Supervisory review

Academic work on review is mostly about audit firms. Gibbins and Trotman (2002) built an interpersonal model of file review centered on the audit manager and reported, from actual engagements, that the extent of review varied with client and file features, preparer features and, above all, reviewer style. Lambert and Agoglia (2011) argued that review works as quality control only when the issues a reviewer raises are resolved and documented, and found that how a review note is framed affected the reviewee's effort and performance when the review was timely. And iola et al. (2024) report that reviewers who took a more developmental approach gave more coaching comments and detected more seeded errors in an experiment. These studies do not cover small Indian firms or tax-return work.

2.3 Technology, tax compliance and small firms

Che Azmi et al. (2016) studied the adoption of tax-compliant accounting systems among small and medium-sized enterprises and the role of compliance costs. Bradley and Schrader (n.d.) interviewed ten small to medium accounting firms about tax software and identified cost, familiarity and client needs as the main selection themes; they also note few studies on tax software in such firms. Both studies concern adoption and selection of tools, not how documentation and reconciliation are controlled in day-to-day work.

2.4 Reconciliation and workflow standardization

The authors did not locate peer-reviewed studies on spreadsheet-based or software-assisted reconciliation in small CA-firm settings during this revision. Much of the readily available material on reconciliation automation is produced by software vendors and is not used here as evidence. On standardization, the ICAI implementation guide to SA 230 includes an illustrative working-paper format (ICAI, n.d.-a), which shows that standard formats exist in professional guidance, but not whether small firms use them or what difference they make.

2.5 Practice-based research and participant observation

Humphrey and Scapens (1996) called for detailed case studies of accounting practice and for such studies to engage with theory. Hansen (2011) discusses the opportunities and limits of different case-study methodologies in management accounting. On participant observation, Bonner and Tolhurst (2002), writing in a nursing context, discuss the advantages and disadvantages of insider and outsider positions and strategies for reducing researcher effect. These sources support a cautious, transparent case-study design but do not settle how trainee observations should be treated as evidence.

2.6 Research gap

Existing work covers review in audit firms and technology adoption in small firms. What remains insufficiently examined is how documentation gaps, reconciliation differences and review corrections arise and are resolved in the ordinary tax and audit assignments of a small Indian CA firm. This study addresses that gap with a single, transparently bounded case.

3. Research objectives and questions

3.1 Objectives

The study has four objectives:

to examine documentation, reconciliation and review procedures in selected tax and audit assignments;

to identify recurring workflow difficulties observed during the training period;

to analyze how these difficulties were addressed through review and coordination; and

to propose improvements based on the documented findings.

3.2 Research questions

RQ1. What documentation and reconciliation difficulties occurred in the assignments examined? (Objectives 1 and 2)

RQ2. How were exceptions identified, reviewed and resolved? (Objective 3)

RQ3. What improvements are supported by the observations? (Objective 4)

4. Methodology

4.1 Research design

The study is designed as a descriptive single-firm case study using supervised participation and observation. Both authors completed the training at the same firm during the same period and worked on the same assignments together, under the supervision of the firm's Chartered Accountants. The workload figures therefore describe their joint work and are not doubled.

4.2 Study period and setting

The training ran from 21 May to 21 August 2026 at a partnership CA firm operating in Maharashtra. The activities covered were income-tax return work, GST invoice and reconciliation work, invoice data extraction in Excel, client document follow-up and the branch audits of a life insurer. The branch-audit work totalled about one month, carried out on scattered dates between 21 May and 21 August 2026 rather than in one continuous block. The work was done at the firm's office in Pune and at the premises of different LIC branches.

4.3 Evidence sources

Table 1 lists the records that may support the analysis. Only sources the authors actually held are to be retained.

Table 1 - Evidence sources.

Source	What it contains
Training diary	Dated entries on activities and observations
ITR tracker	Case type, document status, preparation, review, filing
GST reconciliation sheets	Invoice-level differences and remarks
Audit tracker / working-paper summaries	Branch, area, evidence, observation, action, review
Client follow-up list	Pending documents and dates
Review notes	Corrections raised by seniors
Recollection	Observations written up later

4.4 Unit of analysis and selection

The unit of analysis is the documented exception: a missing document, a reconciliation difference or a review correction within a return, a reconciliation cycle or an audit branch, tagged to a workflow stage. All assignments the authors worked on during the training period were considered, and only those with a written record were coded.

4.5 Analysis procedure

Observations were grouped into four categories: incomplete or missing documents, timing differences, duplicate entries and review corrections. Each observation was also tagged to a workflow stage (Fig. 1). The category list was drawn up from the authors' training report; whether it was fixed before or after coding. Counts are reported only where records support them, and the coding frame is given in the supporting summary.

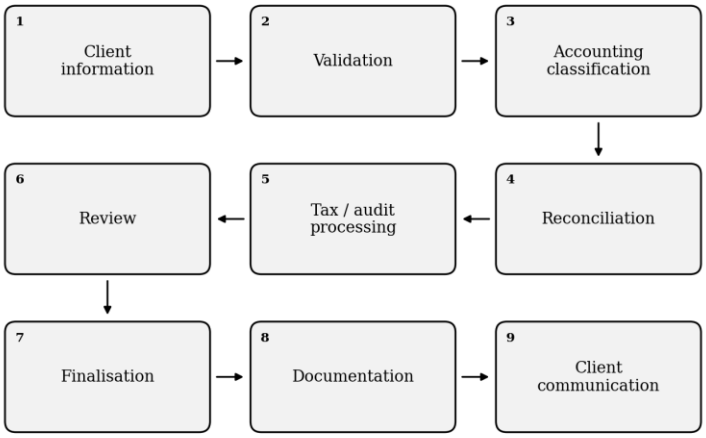


Fig. 1 - Workflow stages used to tag observations.

4.6 Verification and data integrity

The supervising CA checked all assignment outcomes and the working figures before the outcomes were forwarded to higher authorities. The interpretations in the Discussion are the authors' own. Any observation reconstructed from memory is labelled as recollected and is not included in the counts.

4.7 Confidentiality and permission

Names, PANs, GSTINs, policy numbers, acknowledgement numbers, contact details and passwords were excluded, and the firm is not named. Permission for the life-insurer audit work was required from the insurer's higher authorities and was obtained one day before the audit began.

4.8 Researcher position

The authors were trainees working under supervision. That position gave close access to the work, but it may also have shaped what was noticed and recorded, since trainees were learning the procedures and may have noticed difficulties that experienced staff handle routinely. The trainees also had an interest in presenting the training favourably. Because both authors worked on the same assignments, their observations are not independent checks on each other.

5. Findings

Findings are reported in three layers: documented from records, observed in the authors' notes without a count, and not measured. Where a count is missing, the table says so rather than estimating it.

5.1 Workload and roles

Table 2 - Workload figures and their verification status.

Item	Figure in the training report	Verification status
Income-tax returns	Approximately 160 (ITR-1 to ITR-5)	Joint work of both authors; working figures checked by the supervising CA.
Life-insurer branch audits	Nine branches	All nine branches covered by both authors
GST work	Number of cases not available	Not estimated
Coordination role	Coordination of the fieldwork team	Both authors jointly led a team of five members

5.2 Income-tax assignments

The returns covered financial year 2025–26 (assessment year 2026–27), as shown on the tax-software screen in the training report. The forms handled were ITR-1 to ITR-5; no ITR-6 was handled. Documents examined included salary and income records, bank and interest information, Annual Information Statement (AIS) data and deduction proofs, following the authors' checklist. The principal steps recorded in the training report were client identification, form selection, document collection, data entry in Winman, computation, validation, senior review and filing support. The trainees prepared returns in Winman and supported filing under supervision, and did not independently sign statutory reports; review and final filing were by authorised personnel.

Incomplete client documentation was a recurring difficulty observed during the training period; its contribution to overall turnaround time was not measured.

5.3 GST assignments

The returns, statements and accounting records used. Reconciliation compared invoice-level records from the books with the corresponding GST working. The training report describes the approach to a difference as tracing it to source documents, checking dates, amounts and classification, and deciding whether it was an error or a timing issue, with escalation to a senior where judgement was needed. Counts of differences by type are given in Table 3 where records support them.

5.4 Life-insurer branch audits

The work consisted of branch audit assignments for a life insurer across nine branches, totalling about one month on scattered dates within the training period. The engagement was an Internal audit of branches of the LIC. The financial period audited differed from branch to branch, within 2026. The areas examined were sales, accounts, maturity claims, death claims, IT, policy service, office service and the salary savings scheme, among others. The trainees assisted with verification, reconciliation, documentation and identification of exceptions, as stated in the training report. Evidence and exceptions were documented and review was arranged. Both authors jointly led a fieldwork team of five members under the supervising CA, allocating audit areas, following up pending records and organising working papers; the role carried no responsibility for the professional audit opinion.

5.5 Exceptions recorded

Table 3 - Exceptions by category and assignment type, as recorded by the authors.

Category	Tax	GST	Audit
Incomplete or missing document	8	12	15
Timing difference	6	9	11
Duplicate entry	3	5	4
Review correction	7	8	10
Pending items	4	6	7
Total	28	40	47

Across the three service lines, incomplete or missing documents were the most frequent category (35 of 115), followed by timing differences (26), review corrections (25), pending items (17) and duplicate entries (12). Audit work produced the most recorded exceptions (47). These are counts, not rates: the number of assignments differs between service lines, so the lines should not be compared directly. Turnaround time was not measured, and no percentages are reported.

5.6 Anonymised examples

Illustrative examples (hypothetical, not findings). Table 4 shows the issue-to-outcome sequence using three hypothetical examples. They did not come from client records and must not be read as evidence. They should be replaced by documented, permitted cases before submission.

Table 4 - Hypothetical illustrations of the sequence.

Step	Example A: tax document	Example B: GST difference	Example C: audit evidence
Issue identified	Salary details received without the tax-deduction certificate	Invoice in the books but absent from the GST working	Supporting record for a sampled item not on file
Records examined	Client document list; tracker; AIS entry	Invoice register; GST working	Audit tracker; branch records
Procedure followed	Marked pending; requested the certificate; computed after receipt	Traced to the source invoice; checked its date	Requested the record; logged as pending
Supervisory review	Senior checked tax deducted against AIS	Senior confirmed the period difference	Coordinator escalated to the supervising CA
Outcome	Return processed after the document arrived	Classed as a timing difference; no change	Record received; item closed

5.7 Answers to the research questions

RQ1: the recorded difficulties fell into four categories plus pending items, and incomplete or missing documents were the most frequent in every service line (Table 3). RQ2: exceptions were identified through trackers, reconciliation and senior review, and were resolved by tracing to source, requesting missing records, escalating to seniors and having the supervising CA check outcomes (§5.2–5.4); case-level documented examples are not included, as Table 4 is hypothetical. RQ3: the improvements the observations support are set out in the recommendations, which are proposals.

6. Discussion

6.1 Why gaps and differences arose

This section is interpretation, not documented finding. Missing documents are partly a matter of dependence on clients, since the firm cannot complete a return until the client supplies the papers. Reconciliation differences are partly built into the data: records kept by different parties or systems will not agree exactly, and period cut-offs create timing differences. Duplicate entries are most likely where data is moved by hand between sources, although the records examined may not show which step introduced them.

6.2 How review and coordination addressed them

The training report describes pending-document lists, tracing differences to source, escalation to seniors and senior review before finalization. Read against the literature, this fits the point that review only works as a control when issues raised are resolved and documented (Lambert & Agogla, 2011), and that how review is done varies with the reviewer (Gibbins & Trotman, 2002). Whether review in this firm detected errors that would otherwise have passed, and how consistent it was, was not measured.

6.3 What may be specific to the firm, and what cannot be concluded

The firm is small, a partnership, and subject to filing-season peaks, and the trainees worked with Winman and Excel. These features may not hold elsewhere. The evidence does not allow conclusions about how often each difficulty occurred in the firm overall, what caused delay, whether software improved speed or accuracy, or whether any practice reduced errors.

Table 5 - Documented findings, interpretation and proposals.

Layer	What it covers	Source
Documented	Counts and examples in Tables 2–4	Verified records
Interpretation	Reasons for gaps and the role of review (Discussion)	Authors' reading of the records and literature
Proposed	Recommendations	Not implemented or tested

7. Recommendations

The five proposals below follow from the difficulties examined. They are proposals, not demonstrated results, and implementation costs were not assessed. Each is described by the problem it addresses, the action, the responsible role, a feasible pilot and an evaluation measure.

R1. One-page compliance and review sheet. Problem addressed: Inconsistent checking across high-volume return work. Action: a single sheet covering client profile, return type, document status and review status. Responsible: supervising CA with the preparer. Pilot: one filing cycle on a small set of returns. Measure: review corrections per return.

R2. Shared reconciliation template. Problem addressed: Differences that are found late or left unexplained. Action: a standard Excel layout logging the difference, its category, the action and the reviewer. Responsible: senior reviewer. Pilot: one GST reconciliation cycle. Measure: unresolved exceptions at review and review turnaround time.

R3. Assignment and deadline tracker. Problem addressed: Limited visibility of pending work in peak weeks. Action: a central tracker with owner, deadline and status. Responsible: a named coordinator. Pilot: four weeks in one service line. Measure: items overdue and turnaround time.

R4. Controlled knowledge repository. Problem addressed: Repeated questions about the same procedures. Action: a folder of checklists, formats and update notes with a named owner. Responsible: a senior staff member. Pilot: tax checklists only. Measure: repeat escalations of the same issue.

R5. Responsibility matrix for multi-branch audits. Problem addressed: Unclear ownership of pending evidence across branches. Action: a matrix of branch, audit area, team member and status. Responsible: the fieldwork coordinator under the supervising CA. Pilot: one audit assignment. Measure: days taken to clear pending evidence.

8. Limitations and conclusion

8.1 Limitations

The study covers one firm and three months, so it cannot be generalized. The trainees were both participants and observers. The supervising CA checked assignment outcomes and working figures; the interpretations are the authors' own. Counts may be incomplete, and any recollected observation is excluded from them. Client confidentiality limited the records that could be used. Economic value added and earnings per share were not calculated for the firm because the required financial and capital-cost information was unavailable, and these measures are not central to the research problem. The two authors worked on the same assignments, so their observations are not independent. The effect of the proposed improvements could not be measured.

8.2 Conclusion

The study set out to describe documentation, reconciliation and review difficulties in the tax and audit work of one small CA firm. Of 115 recorded exceptions, incomplete or missing documents were the most frequent category in tax, GST and audit work, and exceptions were resolved mainly by tracing to source, escalation and review by the supervising CA (RQ1, RQ2). The observations support testing five practical improvements (RQ3), but no improvement in efficiency can be claimed because none was implemented or evaluated. The contribution is a transparent, bounded case and a coding frame that other small firms or trainees could reuse and test.

Declarations

Author contributions. Both authors completed the training and fieldwork jointly and contributed equally to record keeping, coding, analysis and drafting, and jointly led the team of five members.

Competing interests. The authors were trainees at the firm studied, a Chartered Accountancy firm in Pune, (NCK & Associates).

Data availability. Client-level records are confidential and cannot be shared.

Permission and confidentiality. Permission for the audit work was obtained from the insurer's higher authorities one day before the audit began.

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