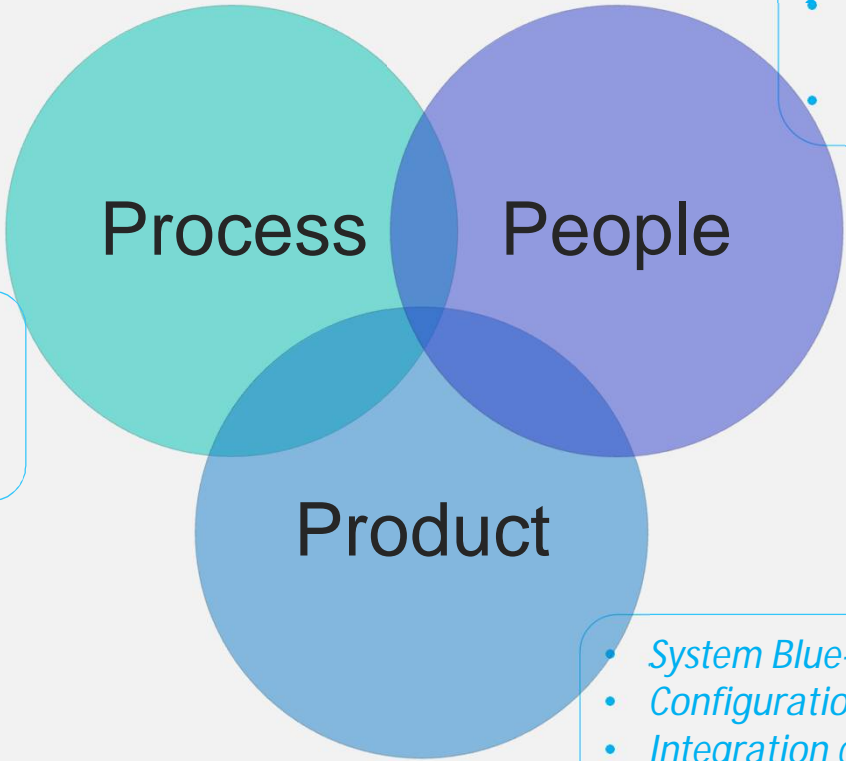# GST – Enablers

Process

People

Product

All relevant process and policies will have to be re-designed to accommodate the GST Compliance

- GST Project team (both Internal & External)
- Change Management work-shops for transition
- GST skill set enhancement

- System Blue-printing & documenting the change
- Configuration changes
- Integration changes
- Reporting Changes

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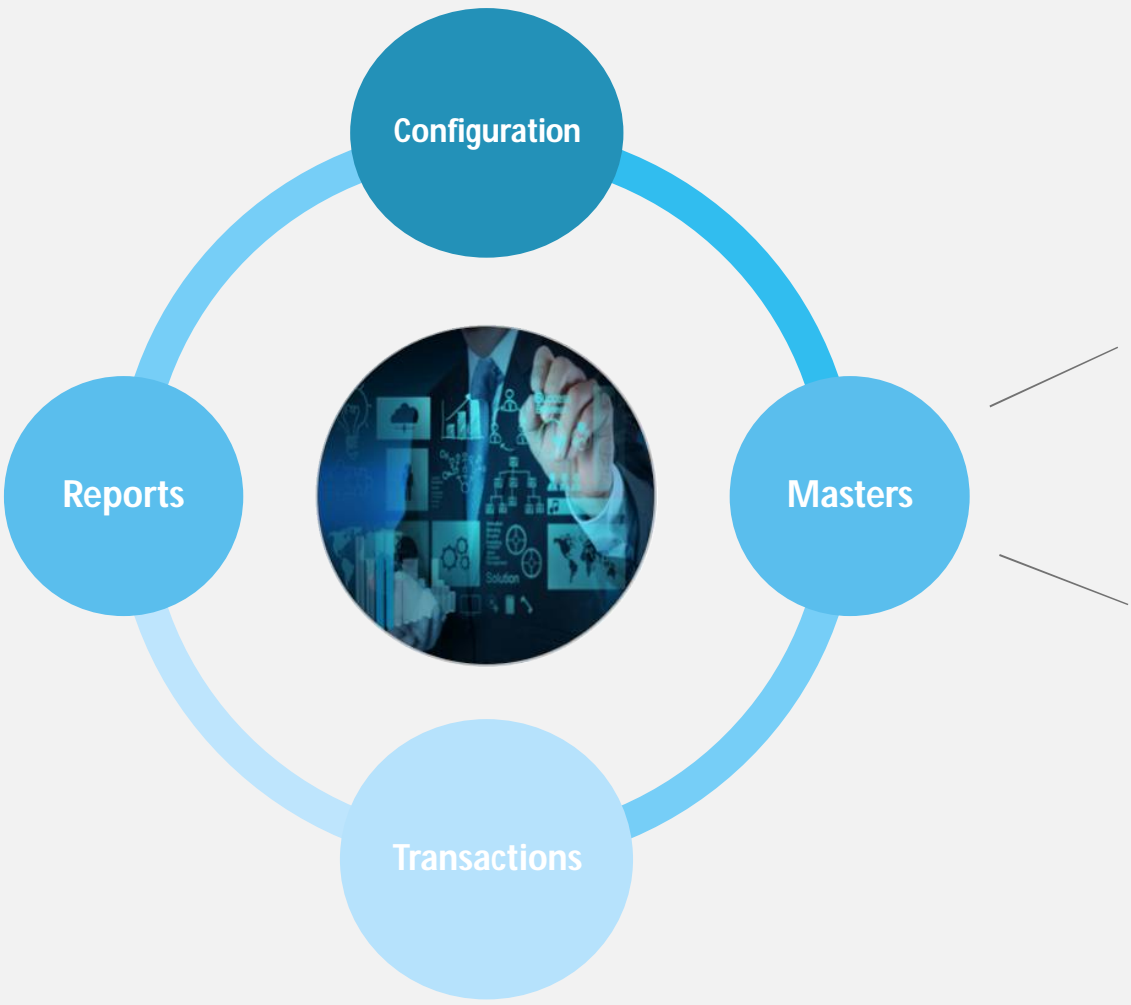
Product - Typical Application Architecture
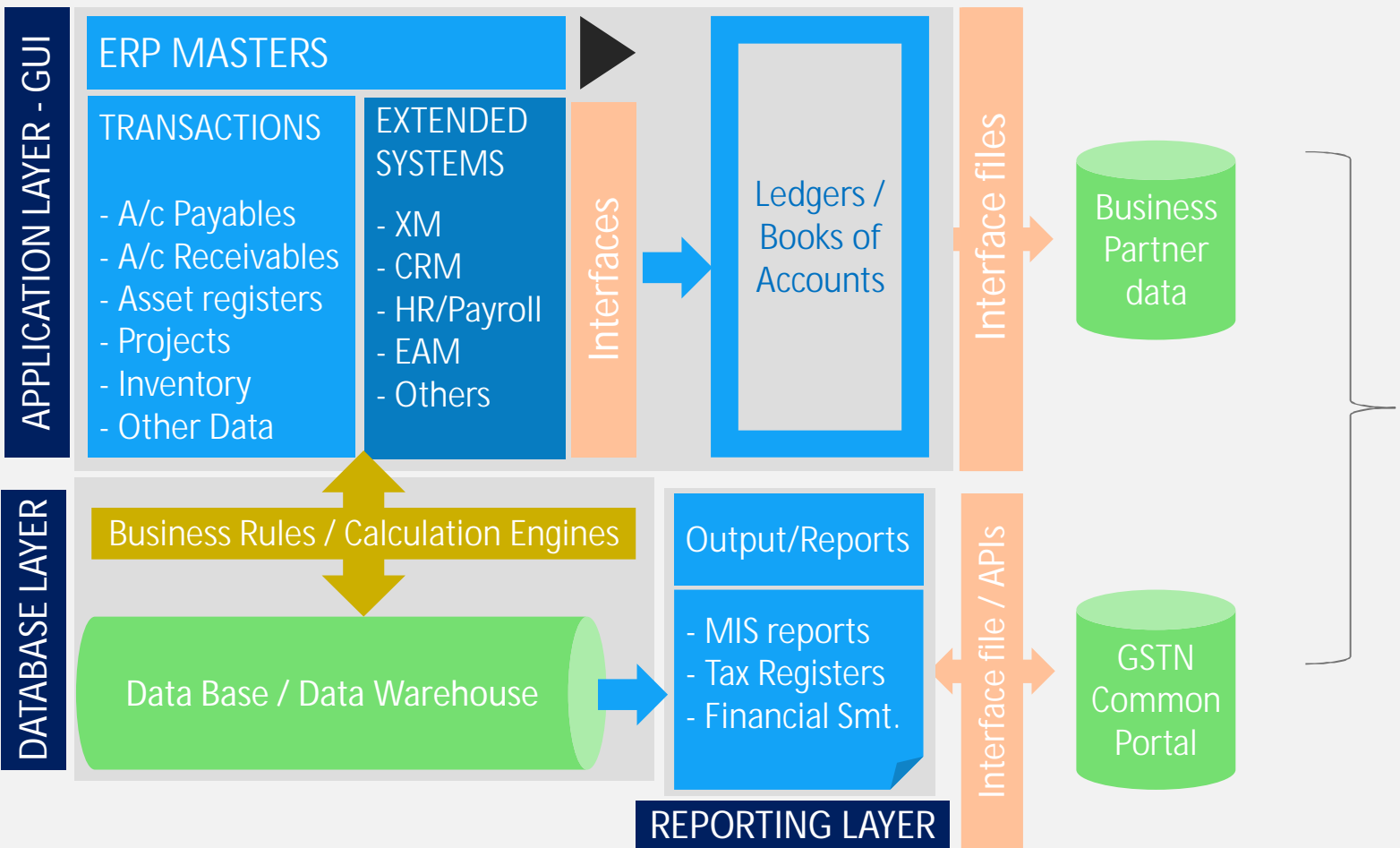
System changes - CMTR

Configuration · **Reports** · **Masters** · **Transactions**

Track Change
- ✓ Chart of Accounts
- ✓ Vendor Master data
- ✓ Material Master data
- ✓ Customer Master data
- ✓ Service Master data
- ✓ Tax Masters
- ✓ Tax Codes / Registers
- ✓ GL Groupings
- ✓ Distribution Channels / Sales Area

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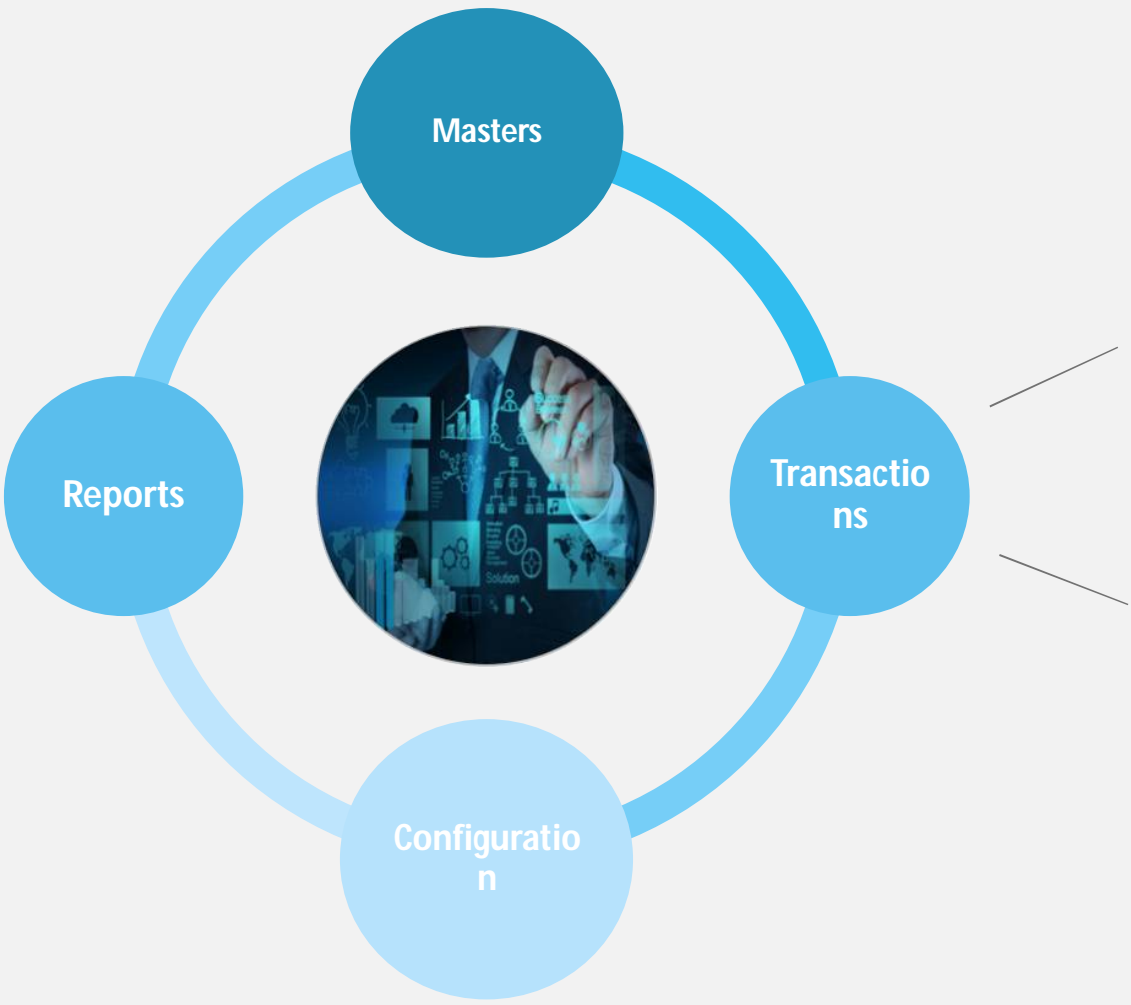# System changes - CMTR

Masters

Reports

Configuration

Transactions
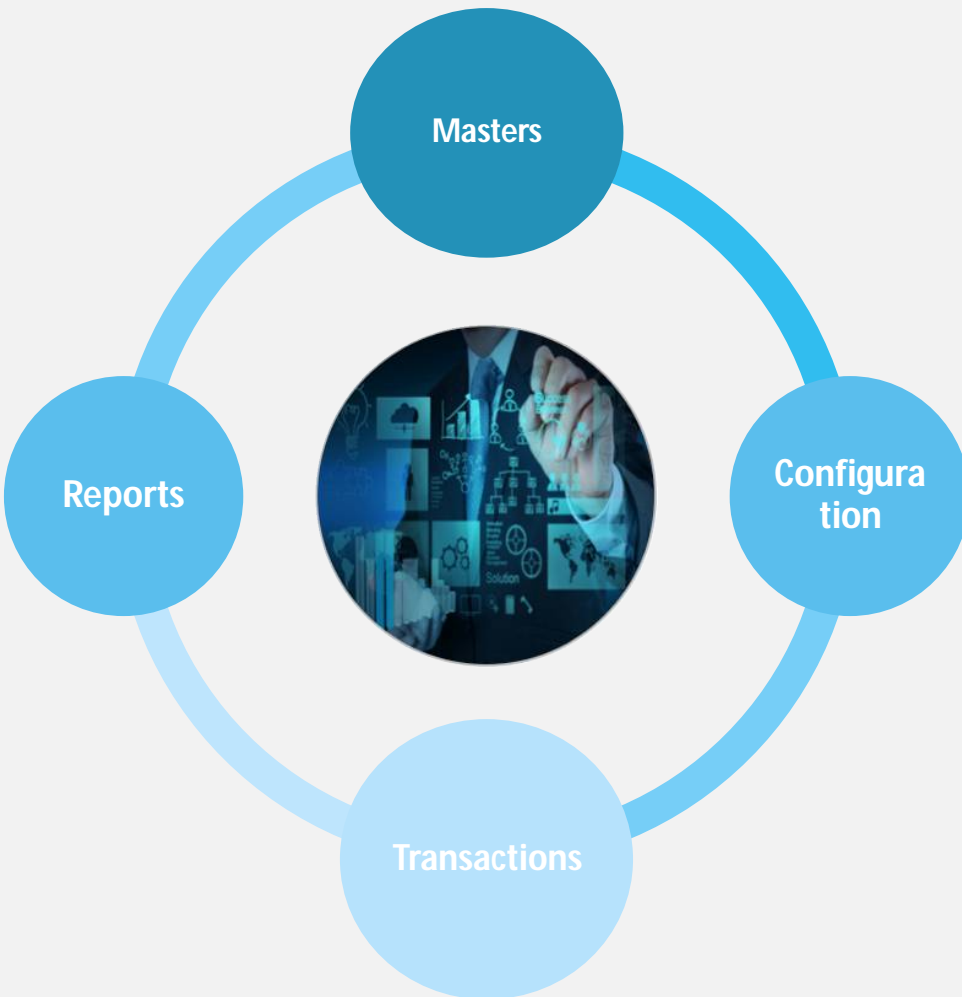
Track Change

- ✓ ERP version
- ✓ Tax Registrations
- ✓ Account Assignments
- ✓ New Fields/Components
- ✓ TAX codes
- ✓ Pricing structure
- ✓ Business rules
- ✓ Document numbering
- ✓ Tax Postings
- ✓ Info records
- ✓ Scheduling Agreements / Contracts
- ✓ Interfaces
- ✓ Tax Credit Utilizations / Adjustments / Sequencing
- ✓ Transition effects

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System changes - CMTR

Masters

Reports

Transactions

Configuration

Track Change
- ✓ Purchase Order
- ✓ Sales Order
- ✓ Place of Supply
- ✓ Additional Fields
- ✓ Invoicing / Billing
- ✓ Bill Passing
- ✓ Debit Notes / Credit Notes
- ✓ Billing Schedules
- ✓ Interfaces and Integration Entries

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System changes - CMTR

Masters

Transactions

Reports

Configuration
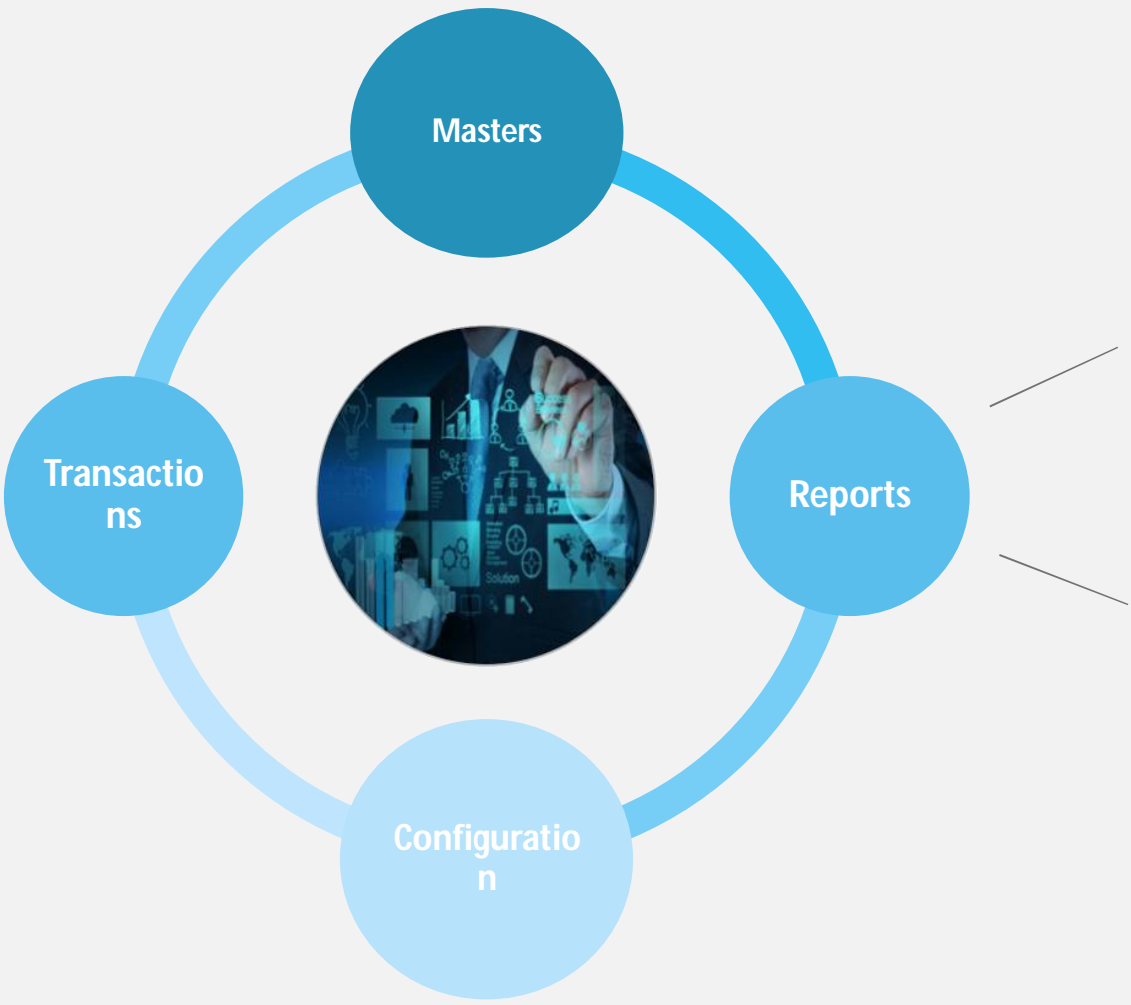
Track Change

✓ Tax Registers
✓ MIS Reports
✓ Financial Statements
✓ Compliance Reports
✓ Reconciliation Statements
✓ ITC Ledgers, Tax Ledgers
✓ Supplier Data Mismatch

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Module Level Changes due to GST

Finance	Procurement	Sales & Distribution	Masters	Reporting
☐ General Ledgers	☐ Purchase Orders	☐ Sales Order	☐ Material	☐ Tax Registers
☐ A/c. Receivables	☐ Invoicing	☐ Invoicing	☐ Services	☐ MIS Reports
☐ A/c. Payables	☐ Debit/Credit notes	☐ Pricing conditions	☐ Customers	☐ Compliance reports
☐ Invoicing / Billing	☐ Pricing Conditions	☐ Info records	☐ Vendors	☐ Stat Reports
☐ Voucher	☐ Info Records	☐ Debit/Credit notes	☐ Chart of a/c.	☐ Interfaces
		☐ Sales Area	☐ GL's	

TAXINN Migration
Procurement

✓ Configure TAXINN Procedure ✓ Use TAXINJ condition in TAXINN ✓ Revisit Tax G/L account maintenance(OB40)

TAXINN Migration
Sales & Distribution

• Carryout 'Update Prices'   🔲 Update
  • If a billing document is created in TAXINJ set up but not yet released to accounting
  • If a billing cancellation is required for the documents posted TAXINJ set up

Tax Configuration and Computation- Proposed Solution

Tax Procedure – New Condition Types

Credit Input Reconciliations

Suppliers to upload their Sales data (GSTRN 1)

- Invoice No
- Invoice Date
- Place of Supply
- HSN / SAC code
- Gross Value
- GST Value

GSTN Portal

Customers to download Sales data (GSTRN 2)

Match the receipts in ERP

Modify GSTRN2 based on the reconciliation

Upload the exceptions on to the GSTN Portal. (Unregistered Suppliers)

Data Reconciliation
- Identify exceptions – Invoice in GSTN not in our ERP
  - Goods in Transit
  - Value Mismatch
  - Material not Received
- Material received not uploaded by supplier

✓ System should help to reconcile and do Reco
✓ System should be able to trigger emails to supplier for mismatch and get the same corrected

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Typical GST Project – Indicative timeliness

GST Implementation Indicative Timelines

| Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |

GEAR UP → **STEP UP** → **TRANSIT TO LIVE** →

GEAR UP	STEP UP		TRANSIT TO LIVE
Awareness Workshops	Requirement Gathering	Transition Strategy	Go-Live
Project Teams	Scenario Analysis	Configuration	Transitions
Impact Assessment	IT systems & Controls	User Acceptance Testing	Review Changes in Law
Implementation Blueprinting	Process documentation	Cut-over activities	Tax Compliances
	Review Contracts / Agreements	Documentation Formats	

← **Review Meets, Documentation, Change Management** →

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Typical GST Project Team

Roles & Responsibilities

Project Sponsor (CEO / MD)

- Responsible for implementation of GST

Steering Committee

- Review program information at executive level, resolves issues/makes decisions, confirm direction, provide leadership
- Monthly / fortnight meeting to review progress

PMO

- Monitor cross-team progress and issues
- Identify topics for Steering Committee meetings
- Weekly / Fortnightly Meeting

Project Team

- Regular interaction with all stakeholders, working areas, progress including milestones
- Regular / weekly meetings, as required

Project Sponsor

Steering Committee

Leadership Team (CXO)	External Subject Matter Expert

PMO

Respective HOD's	External Project Manager

Project Team

Business Process Owners	External Project Team

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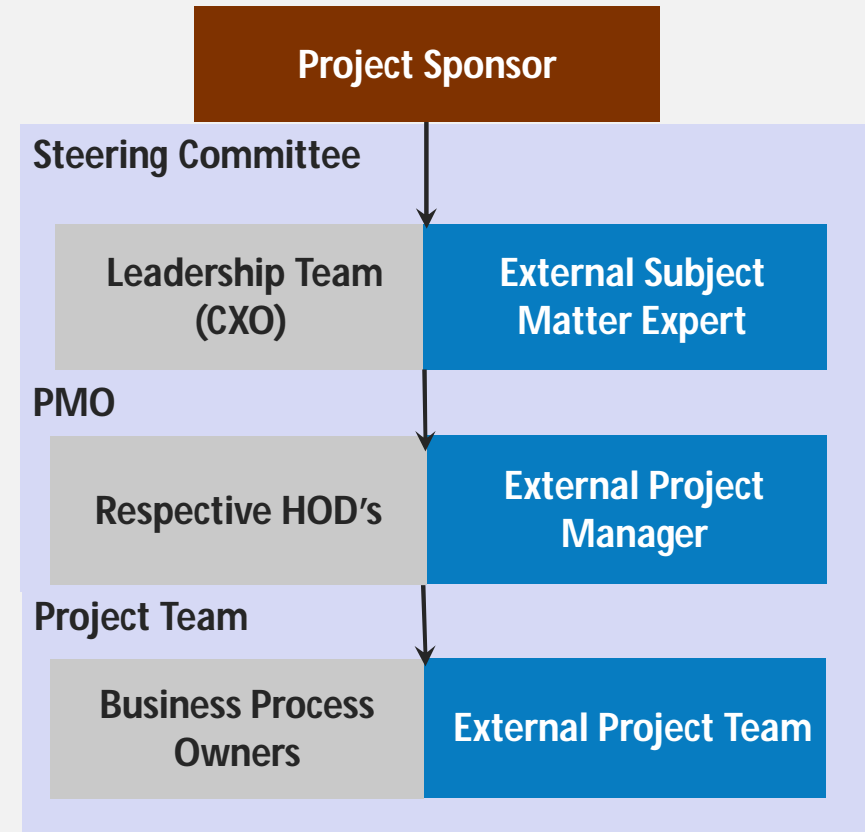
Key Takeaway

Broad level changes

New Fields	New Disclosures and presentation information would need the data fields for capturing the information. For e.g. HSN Codes, Place of Supply
Changes to the COA	Changes to chart of Accounts will be eminent
Configuration changes	There will be changes in business rules and general configuration in the system. E.g. Tax Masters to be used instead of Tax Codes in SAP (TAXINN)
Interface changes	Data coming from other systems will undergo a change
Reporting changes	Reporting will change a lot to generate new reports related to GST and Reconciliations
Process Redesign	Process would need to be re-designed For e.g state-wise registration (service companies), change in Supply-chain
System Scalability & Architecture	While the new design is being accepted, the long-term vision and the dynamically changing requirements needs to be considered
Risk Management and Governance	It is necessary to also check the current Enterprise Risk Management Matrix and make required changes, due to process re-designing
Change of Software?	If the existing system is inadequate for GST reporting and accounting, it may be necessary to implement a new solution

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GST – Journey to Destination

Check Accounting, Regulatory and Reporting Impact

- ✓ Create checklist and apply and assess the impact of each of these to current accounting processes and policies, Reporting – MIS / Regulatory
- ✓ Identify accounting & disclosure requirements
- ✓ Identify accounting changes and process changes
- ✓ Identify 'Need-to-have' and 'Nice-to-have'. This will change from company to company. Plug and Play may not work.
- ✓ Documentation must be accurate and auditable

Changes to Systems and Processes

- ✓ Review internal business processes and support applications, integrations etc. within the current IT environment
- ✓ Identify and list out the data & information gaps for transition
- ✓ Evaluate needed changes to configuration of Masters and Data entry, Reports, integrations & other controls for the transition
- ✓ Quantify the magnitude of changes to IT systems and decide whether - new systems or amend existing systems / ROI
- ✓ Engage the IT team—appropriately design & modify data collection processes

GST Project

Involvement of People

- ✓ Form dedicated teams (Core and Steering) for GST project to make it timely successful. Team may comprise of both Internal staff and External consultants
- ✓ Develop communication rhythm for all stakeholders — Employees, Business Partners, Bankers, Auditors & investors for smooth transition and necessary support
- ✓ Budget for necessary technical & functional training
- ✓ Ramp up the existing people skill-set by organizing Change management and GST workshops

Check Business & Others Impacts

- ✓ Identify changes to current SOP documents, Business Blueprints, process manuals
- ✓ Identify changes that may be required in existing contracts or legal documents
- ✓ Assess the need to modify SOD, Access controls etc.
- ✓ Identify need to re-define organization KPI's & people KRA's
- ✓ Plan for cutover exercise, migration strategy etc.
- ✓ Tight Project Management – Dedicated PM, track progress, UAT and sign offs and finally implement the changes

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GST – Some food for thought

➢ Back dated entries control vis a vis return filing date (No revised return allowed)

➢ Errors in returns and respective controls

➢ Contractual vs Fair Value (IND-AS)

➢ Home-grown applications

➢ ITC / Tax / Cash Ledgers periodic reco

FOOD FOR THOUGHT
Learn, discuss, engage and eat.

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GST – Some food for thought

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(No revised return allowed)

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Opprotunities for Practising CA in Technology

- ✓ Setting up the revised process of the organisation
- ✓ Manage the implementation, be part of the project team
- ✓ Undertake change management workshops
- ✓ Undertake/Manage testing of changes
- ✓ Modify or Design SOP's or BBP's
- ✓ Audit of the changes done for process, systems, controls, etc...
- ✓ If it comes to procuring new software; evaluation, designing RFP, managing its implementation, testing, etc...