

Edit Log- Audit Trail in TallyPrime

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15/04/2023



Q1

As per MCA Circular Maintaining Audit Trail for books in electronic form is applicable for ?

1. All Companies which are listed in Stock exchange
2. All Companies having Turnover more than 10 CR
3. All Companies including Section 8 companies and Foreign companies in India
4. None of the above



Q2

Sangeeta , Director of with Vertical Shipping Pvt Ltd , has instructed the team that from 1st April 2023 – No deletion of transaction is allowed, Is she correct in her understanding

1. Yes , Vouchers cannot be deleted
2. NO, Only Trail of vouchers which are deleted should be available.



Q3

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Q4

Preservation of the Audit Trail is required for :-

1. 15 Years from the end of financial year
2. 8 Years from the end of financial year
3. Forever
4. Only till the audit is complete



Q5

In compliance with Rule 11(g) the auditor is expected to check whether the audit trail is enabled for such transactions which result in a change to the books of account:

- a) what data was changed
- b) who made those changes and when
- c) that the audit trails have been preserved from April 1, 2021
- d) a and b only
- e) a, b and c only



Q6

Vinod, a data entry operator at Wintech Solutions Pvt Ltd while making a receipt entry, to save time, always selects On account for the debtors, thus management never gets ageing of the debtors , the solution to above problem is

1. Train vinod to select bill wise details appropriately
2. Restrict Vinod to select – “On Account” in transactions
3. Both 1 and 2
4. Disallow vinod to enter receipt transactions

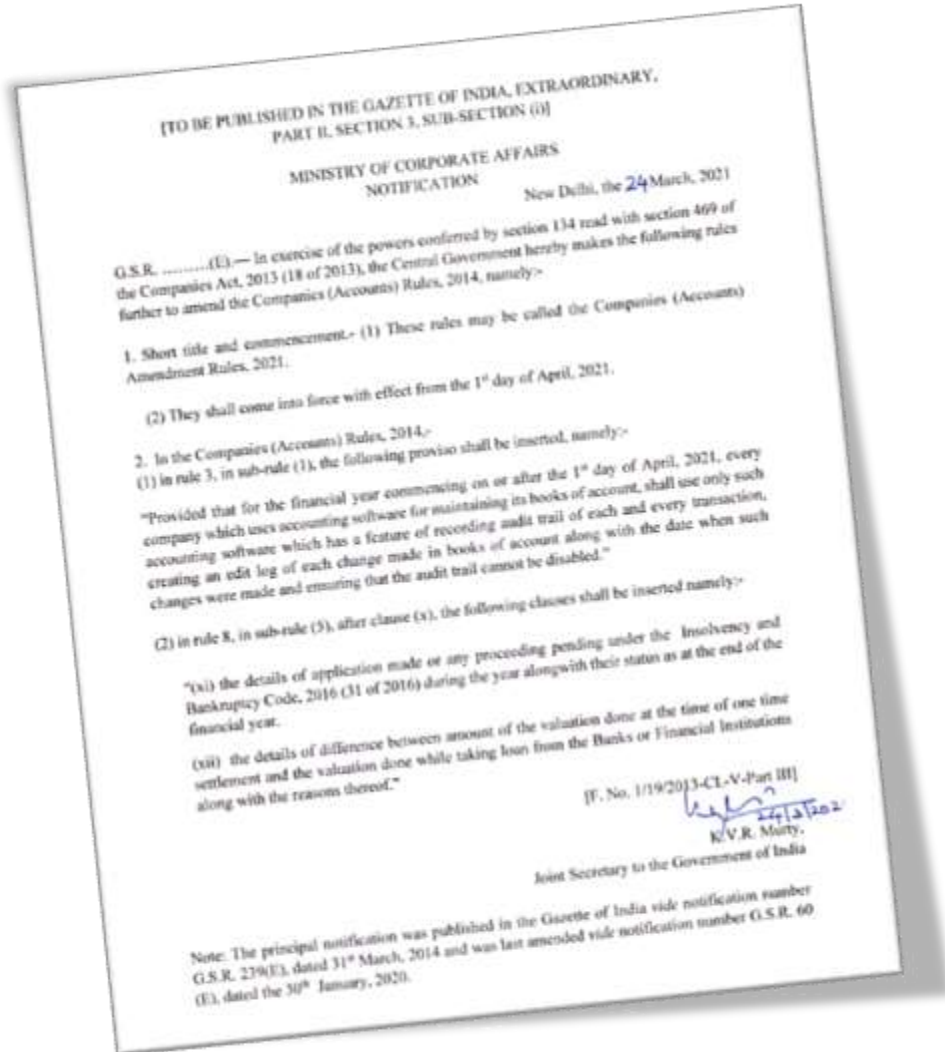


TallyPrime

Edit Log

Flow of Today's Discussion

- Basics of MCA Requirements
- TallyPrime – Edit Log – Walk Through
- Prerequisites before updating the software
- Common Questions
- Q n A and The Way Forward



“According to The Ministry of Company Affairs (MCA) notification dated March 24, 2021 (Companies (Accounts) Amendment Rules, 2021), every company that uses accounting software to maintain its books of account shall use only Accounting Software that has a feature of recording an.....

Audit Trail of each and every transaction,
Creating an edit log of each change made in books of account along with the date when such changes were made.

Ensuring that the audit trail cannot be disabled.

The MCA has later announced that the above amendments will take effect on April 1, 2023


Proviso to Rule 3 (1) of Companies (Accounts) Rules, 2014, for the financial year beginning on or after April 1, 2021*, every company that uses accounting software to maintain its books of account shall use only Accounting Software that has a feature of recording an:

- Audit Trail of **each and every transaction**,
- Creating an edit log of **each change made in books of account** along with the **date when such changes** were made.
- Ensuring that the audit trail **cannot be disabled**.


** Subsequently deferred twice and now applicable from April 1, 2023*

Clause (g) of Rule 11 of Companies (Audit and Auditors) Rules, 2014 (the “Audit Rules”) read with sub-section 3 of Section 143 of the Companies Act, 2013 (“the 2013 Act” or “the Act”) requires the auditors’ report to state whether the company, has used such accounting software for maintaining its **books of accounts**:

- ✓ which has a feature of recording audit trail (edit log) facility and the same has been operated **throughout the year** for **all transactions recorded** in the software and
- ✓ the audit trail feature has **not been tampered** with and
- ✓ the audit trail has been **preserved** by the company as per the statutory requirements for record retention



Auditors to exercise their professional judgement while reporting on such matters



Globally, no similar reporting obligation exists



TallyPrime

Edit Log

- ✓ The product will ensure you are fully compliant from day 1 without needing to change the way you operate
- ✓ All you need to do is upgrade to TallyPrime Edit Log, and It'll take care of the rest
- ✓ You'll get the flexibility to operate both TallyPrime and TallyPrime Edit Log as per your business needs



TallyPrime

— Edit Log



Experience Audit Trail (Edit log) from Release 2.1 onwards...



TallyPrime

Edit Log

Prerequisites

- ✓ Users from Tally.ERP9 should ensure 64 Bit machine
- ✓ Enable and activate user security details
- ✓ Check Data size
- ✓ Free Hard Disk Space
- ✓ Ram available
- ✓ Check the Method of Voucher Numbering – Manual auto numbering
- ✓ Split Data for the previous period , if required.



Can the user compare selected versions?

The user will be able to compare selected version with the immediate previous version. That is the most natural way to compare. However, users will be able to press + and - on the keyboard to move up and down the previous and later version records.

Will the user be able to disable the Edit Log capability in the Tally Prime Edit Log product?

The MCA notification clearly states that an accounting software with Audit Trail capability should NOT have any option to disable it. Therefore, it is an in-built capability available in the TallyPrime Edit Log product.

For the users who do not fall under the purview of the MCA rule, will use TallyPrime product and you may choose to enable the 'Edit Log' capability for internal purposes.



Will data size gets impacted by having the edit log for each and every modification of transition?

Yes, data size is expected to increase marginally, keeping in mind that the version history for each and every change needs to be maintained for each and every transaction



Easily track the edit log of modifications done to the masters
(Ledger, Ledger Group, Stock Items)



Product Demo



Flexibility to filter report basis altered/deleted transactions



Product Demo



Track Edit Log for company data migrated from previous version/releases



Product Demo



Will data be compatible with the previous release after moving to TallyPrime Edit Log?

No. It will be compatible with TallyPrime Edit Log Release only, since the data versioning will have started from this release onwards, therefore the said data will no longer be compatible with earlier releases.

Will the edit log data be retained when the company is split?

Yes, it will be retained in both the companies which are created after Split. This activity will be recorded in the Edit Log report at Company-level as well.



Can Edit log data be completely removed or deleted record-by-record?

Edit log data is reliable and MCA compliant only if it is maintained from the applicable date. Thereby, there will be no need to remove the edit log data logged so far. There is no option to remove/erase the edit log data from TallyPrime Edit Log 2.1.

However, the businesses that don't fall under the purview of the MCA rule can enable or disable the edit log feature as per their needs. Therefore, they can remove/erase the edit log data from TallyPrime 2.1.

Will the edit log associated with the transactions and masters can be exchanged via sync or import?

The Edit log data will not get exchanged via sync or import. The edit log will be logged only for an on-premise data. Users may sync/import the data to Tally from any third-party software, so Tally cannot provide a reliable edit log for such masters/transactions in Tally. The data exchanged will show the status as created due to 'Sync' or 'Import' accordingly.



What all information gets captured in the Edit Log?

1. *Version history of all the vouchers, masters (Ledgers, Ledger groups, Stock items) will be tracked*
2. *Various activity types at the Master/Voucher/Company Data level viz., Created/Altered/Deleted/Resaved/Cancelled/Optional/Import/Migrated/Synced/Split/Repair will be tracked.*
3. *It will be shown to the user at the voucher, master, and the Reports (Daybook, Ledger vouchers) level.*

Can customization reports be built accessing edit log data?

Yes, new reports can be built using Edit Log data. However, you will not be able to modify the Edit Log report provided by Tally in Transactions and Masters.



Can edit log be viewed from browser or mobile reports?

No, the current scope is restricted to Edit Log availability on the computer system only.

Will the edit log data be backed up and restored?

Yes, Edit Log data will be backed up and restored along with the entire data. So, if you want to shift to a new system, you can do so without any worry.



TallyPrime Edit Log & TallyPrime



Product Demo

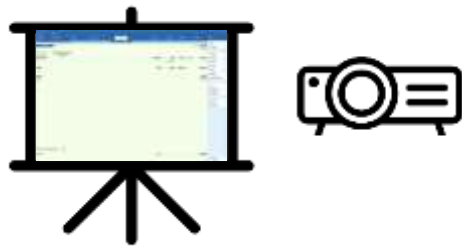


What will happen to the existing Edit Log data once we disable the Edit Log feature in TallyPrime?

It will be retained, however, the log will not be created for the time it was kept disabled, however, once you reenables the earlier logs will be shown to the user



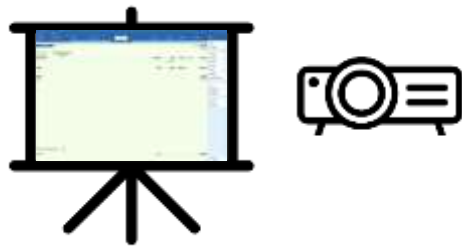
Flexibility to use TallyPrime Edit Log on TallyPrime



Product Demo



Flexibility to use a single license for TallyPrime Edit Log & TallyPrime



Product Demo



Can the same data be allowed to access simultaneously by two different products TallyPrime and TallyPrime Edit Log?

No, as TallyPrime and TallyPrime Edit log are different products, user will not be able to access same data simultaneously. If the user tries to do it, it will ask user to migrate the data to make it compatible to their respective version.

Will TallyPrime Edit Log be available on AWS?

Yes, it is be available on AWS

So, the businesses for whom the Ministry of Corporate Affairs (MCA) Audit Trail (Edit Log) rule comes into effect, our recommendation is to use TallyPrime Edit Log Release 2.1 only going forward to ensure you are compliant with Audit Trail (Edit Log) related compliance requirements.



Will modification done in the fields added through customization in voucher and master
Will Tally Prime Server serve both the product?
be treated as altered?

Yes, it will work for both product. However, please ensure to upgrade to Latest Release of TallyPrime Server

Yes, it will be considered as an alteration and captured in Edit Log with the TDL names used in the customization.



Q&A

The way forward



Thankyou

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Link for quiz

<https://community.tallysolutions.com/quiz>