

# **Practical Aspects relating to Audit Trail Reporting**

# What is Audit Trail

Audit trail is **not defined** in the Act.

As per Implementation Guide issued by ICAI:

- Audit Trail (or Edit Log) is a visible trail of evidence enabling one to trace information contained in statements or reports back to the original input source.
- Audit trails are a chronological record of the changes that have been made to the data. Any change to data including creating new data, updating or deleting data that must be recorded.
- Records maintained as audit trail may include the following information:
  - when changes were made i.e., date and time (timestamp)
  - who made the change i.e., User Id
  - what data was changed i.e., data/transaction reference; success/failure.

# Reference:



The Companies Act 2013



The Companies  
(Accounts) Rules, 2014



The Companies (Audit  
and Auditors) Rules,  
2014



ICAI Implementation Guide  
on Reporting under Rule 11(g)  
of the Companies (Audit and  
Auditors) Rule 2014

# Background

Rule 3 (1) of the Companies (Accounts) Rules 2014 amended by adding a proviso, vide Amendment Rules 2021, as under:

*“(1) The books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India, \*at all times so as to be usable for subsequent reference. Provided that for the financial year commencing on or after the \*\*1st day of April, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording 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 and ensuring that the audit trail cannot be disabled.”*

Note:- proviso inserted by the Companies (Accounts) Amendment Rules, 2021 effective from 01st April, 2021. Applicability deferred two times. Now it is effective from 1<sup>st</sup> April 2023.

# Background

Clause (j) of Sec 143(3) of the Companies Act, 2013 that auditor's report shall also state such other matters as may be prescribed.

Vide Companies (Audit and Auditors) Amendment Rules, 2021, clause (g) was added to Rule 11 of Companies (Audit and Auditors) Rules, 2014:

*“(g) Whether the company, in respect of financial years commencing on or after the 1st April, 2023, has used such accounting software for maintaining its books of account 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.*

# Applicability

- Small Company,
- Section 8 Company
- One Person Company
- Listed Company
- Nidhi Company
- Producer Company
- Foreign companies, including (Branch Office, Liaison Office)

Not applicable to other entities like LLP, Partnership Firm, Sole proprietorship entity, trusts, societies, etc.

# Applicability on CFS?

- Applicable to both ; i.e. report on standalone financial statements and report on consolidated financial statements.
- If components included in CFS are
  - i. either not companies under the Act, or
  - ii. some components are incorporated outside India

# Books of Account

*"Books of Account" as per Section 2(13) of the Act includes records maintained in respect of—*

- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;*
- (ii) all sales and purchases of goods and services by the company;*
- (iii) the assets and liabilities of the company; and*
- (iv) the items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section;*

Therefore, it can be inferred that every software which is integrated with accounting software should have audit trail and edit log feature for each and every transactions In case ,where multiple softwares are used by an entity, viz., one for operations/HR/FA and another for financial accounting

# Place to maintain audit trail & frequency



As per provisions of Rule 3 of the Companies (Accounts) Rules, back-up of books of account and other books and papers of the company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a daily basis



Therefore, it can be inferred that according to this amendment, Companies are required to take backup of the Books of Account and other Book & papers on daily basis, if records are maintained in Electronic mode

# **Retention of Audit trail**

# Audit trail to keep for how many years?

Section 128(5) of the Act, which requires books of account to be preserved by companies for a minimum period of eight years. Accordingly, companies would also be required to retain audit trail for a minimum period of eight years i.e., effective from the date of applicability of the Account Rules (i.e., currently April 1, 2023, onwards)

# What is accounting software

1. Any software that maintains records or transactions that fall under the definition of Books of Account as per the section 2(13) of the Act will be considered as accounting software for this purpose.
2. There maybe multiple software having impact on the books of account
3. For e.g., if sales are recorded in a standalone software and only consolidated entries are recorded monthly into the software used to maintain the general ledger, the sales software should also have the audit trail feature since sales invoices would be covered under Books of Account as defined under section 2(13) of the Act.

# Guidance on Reporting by ICAI

- Globally, no similar reporting obligation exists and accordingly there is no international guidance available
- ICAI has brought out an implementation guide in March 2023 updated in 2024, on Reporting under Clause 11(g) of the Companies (Audit and Auditors) Rules 2014, to enable the auditors to comply with reporting requirements of Rule 11(g)
- Implementation Guide provides principle-based guidance for reporting under the aforesaid Audit Rules
- Auditors are expected to exercise their professional judgement while reporting on such matters

# Management responsibility

The management has a responsibility for effective implementation of the requirements prescribed by account rules. In order to demonstrate that the audit trail feature was functional, operated and was not disabled, a company would have to design and implement specific internal controls (predominantly IT controls) which in turn, would be evaluated by the auditors, as appropriate.

An illustrative list of internal controls which may be required to be implemented and operated are given below:

1. Controls to ensure that the audit trail feature has not been disabled or deactivated.
2. Controls to ensure that User IDs are assigned to each individual and that User IDs are not shared.

## Management responsibility (Contd..)

3. Controls to ensure that changes to the configurations of the audit trail are authorized and logs of such changes are maintained.
4. Controls to ensure that access to the audit trail (and backups) is disabled or restricted and access logs, whenever the audit trails have been accessed, are maintained.
5. Controls to ensure that periodic backups of the audit trails are taken and archived as per the statutory period specified under Section 128 of the Act.

# Auditors' Responsibility

- Rule 11(g) casts responsibility on the auditor in terms of reporting on audit trail by making a specific assertion in the audit report under the section 'Report on Other Legal and Regulatory Requirements'.
- Auditors would need to evaluate whether management has also considered all accounting software in their compliance to the Account Rules.
- Auditor is expected to verify the following aspects :
  1. whether the audit trail feature is configurable (i.e., if it can be disabled or tampered with)?
  2. whether the audit trail feature was enabled/operated throughout the year?

## Auditors' responsibility (Contd..)

3. whether all transactions recorded in the software are covered in the audit trail feature?
4. whether the audit trail has been preserved as per statutory requirements for record retention?

# Audit Approach

The auditor would need to ensure that the management assumes the primary responsibility to:

1. Identify the records and transactions that constitute books of account
2. Identify the software including applications, web portals, database, interfaces, data warehouses, data lakes , cloud infrastructure and any other IT component processing or storing data for **creation and maintenance** of books of account.
3. Ensure such software has audit trail feature

## Audit Approach (Contd..)

4. Ensure audit trail captures all transaction that make changes to books of account including details of who, when , what.
5. Ensure audit trail feature is always enabled.
6. Ensure audit trail is enabled at the database level ( if applicable) for logging any direct data changes.
7. Ensure audit trail is protected from any modification.
8. Ensure audit trail is retained.
9. Ensure that controls over maintenance and monitoring of audit trail and its feature are designed and operating effectively throughout the period of reporting

# Audit procedures

Audit procedures are broadly the same as in any audit:

- Inquiry/Interview
- Observation
- Verification on test basis
- Re-performance
- Confirmation/Representation

# Audit procedures- for identification of relevant transactions

In respect of identification of relevant transactions in context of maintenance of books of account, the auditor may consider performing the following procedures:

1. Assess management's identification of records and transactions where audit trail needs to be captured and verify, on a test basis, whether the audit trail has been configured and enabled for the identified accounting software.
2. Evaluate management's approach regarding identification of accounting software- Refer Appendix 1 of Implementation Guide



Appendix -1.pdf

## Audit procedures- for identification of relevant transactions (Contd..)

3. Inquire with the management on how they evaluated changes that are required for the maintenance of audit trail as part of changes or upgrades to the accounting software.
4. Where applicable, consider involvement of specialists or experts in the field of Information Technology to assist in evaluation of management controls and configurations in the accounting software with regard to audit trail

# Matters to be considered

- The software configuration that controls enabling or disabling of the audit trail and whether audit trail was enabled throughout the period.
- The access to such configurations.
- Any changes to the audit trail configuration during the period of audit (during the financial year and also from the date of financial statements but before the date of auditor's report).

## Matters to be considered- (Contd..)

- The periodic review mechanism implemented and operated by management for any changes to the audit trail configuration.
- The completeness and accuracy of audit trail or edit logs that are generated through the software functionalities or directly recorded in the underlying database i.e., whether it captures the user ID that made the change, the date and time of change and what fields were changed by reviewing the reports or trails generated, on a test basis, to capture the required information or when the audit trail feature was disabled, etc.
- Any testing management has performed to assess the completeness and accuracy of the audit trail.

# Types of software

Companies may use software in different ways:-

- i) Use inhouse developed /bought out software and data stored in own servers
- ii) Use inhouse developed /bought out software and data stored on cloud servers
- iii) Use software of external service providers/outsourced and data also stored in cloud/ at the vendor location.(Software as a Service modal or SaaS).
- iv) Processes outsourced to vendors and done on their software and data also stored at the vendor location/cloud.

# Representation/Reports from software providers

- In case of accounting software supported by service providers(SaaS), the company's management and the auditor may consider using independent auditor's report of service organisation(e.g., Service Organisation Control Type 2 (SOC2)/SAE 3402, "Assurance Reports on Controls At a Service Organization") for compliance with audit trail requirements.
- It is pertinent to note that the ultimate responsibility to report on the audit trail feature of the accounting software lies with the company's auditor.

# Obtaining Written Representation from Management

- The auditor shall obtain written representations from management on the following aspects:
  1. Acknowledging management's responsibility for establishing and maintaining adequate controls for identifying, maintaining, controlling, and monitoring of audit trails as per the requirements on a consistent basis.
  2. Stating that management has performed an evaluation and assessed the adequacy and effectiveness of the company's procedures for complying to the requirements prescribed for audit trails.
  3. Stating management's conclusion, as set forth in its assessment, about the adequacy and effectiveness of the company's procedures in relation to audit trails.

# Obtaining Written Representation from Management

4. Stating that management has disclosed to the auditor all deficiencies in the design or operation of controls maintained for audit trails identified as part of management's evaluation.
5. Describing instances where identification of fraud, if any, resulting in a material misstatement to the company's financial statements is identified while reviewing and testing the samples related to the disablement of audit trail facility of the accounting software.
6. Stating whether control deficiencies identified and communicated to the audit committee in relation to audit trail during previous engagements have been resolved, and specifically identifying any deficiency that have not been resolved.



# Frequently Asked Questions

*Varma & Varma*  
Chartered Accountants

## FAQ's

Question	Conclusion
1. What is the reporting implication for the auditor in case of absence of audit trail in the accounting software which does not allow subsequent modification to the transactions/ journal entries posted initially?	<ul style="list-style-type: none"><li>▪ Irrespective of the fact whether the already posted journal entry could be edited or not, accounting software used by the company is required to have an audit trail feature.</li><li>▪ In case, the audit trail feature is not present, then Rule 3(1) of the Companies (Accounts) Rules, 2014 is not complied with.</li></ul>
2. If during audit, auditor assesses that the General IT controls are not present or these controls are observed to be not effective, should the auditor rely on the audit trail feature of the accounting software?	<ul style="list-style-type: none"><li>▪ In case the auditor assesses that General IT controls are not present or not effective, then the auditor needs to assess the risk this may pose on audit trail configurations and preservation of audit trail records.</li><li>▪ In case the auditor evaluates that the failure of General IT controls poses a risk over the effective operation of audit trail configurations and the auditor is unable to obtain sufficient and appropriate audit evidence for continued operation of audit trail feature during the year, then the auditor would need to appropriately modify the comment while reporting under Rule 11(g).</li></ul>

## FAQ's (Contd..)

Question	Conclusion
<p>3. In case there are no transactions in a company from 01 April 20XX to 30 June 20XX, is it necessary to have audit trail feature enabled in the accounting software used for maintaining books of account?</p> <p>or</p> <p>In case audit trail feature has not been enabled since commencement of relevant financial year and only enabled at any time before the year end, will it be considered as non-compliance?</p> <p>or</p> <p>How can an auditor ensure that audit trail feature was enabled throughout the financial year without any interruption?</p>	<ul style="list-style-type: none"><li>▪ the absence of transactions during any part of the year will not be considered as a reason for not enabling audit trail feature.</li><li>▪ In case the books of account are not maintained in accounting software having audit trail feature, or the audit trail feature remains non-functional during any part of the year, the auditor would need to appropriately modify the comment while reporting under Rule 11(g).</li><li>▪ The same also has an impact on reporting under Section 143(3)(b) and Section 143(3)(h) of the Companies Act, 2013 (Please refer FAQ no. 24).</li></ul>

## FAQ's (Contd..)

Question	Conclusion
<p>4. Is reporting on audit trail should be done based on each and every change made by the company or reporting should be done on materiality concept?</p>	<ul style="list-style-type: none"> <li>▪ The reporting will apply for all transactions irrespective of the amount involved. Reporting on audit trail is a factual reporting.</li> <li>▪ The auditor's reporting is based on test checks which would require application of concept of materiality for purpose of sample selection. Please refer paragraph 28 of the Implementation Guide for illustrative reporting.</li> </ul>
<p>5. Where the independent auditor's report of service organization that includes the maintenance of audit trail, is not co-terminus with the company's financial year (e.g. such SOC 2/SAE 3402 report is for the period till December 31, 2023 whereas the company's financial year ends on March 31, 2024) - how should the auditor of the company consider such SOC 2/SAE 3402 report for their reporting under Rule 11(g)?</p>	<ul style="list-style-type: none"> <li>▪ Rule 11(g) requires the auditor to report explicitly that the audit trail operated throughout the year and hence the auditor would require sufficient and appropriate audit evidence that the audit trail operated throughout the year.</li> <li>▪ Where the accounting software is maintained by third party service organization and the auditor of the company is unable to obtain sufficient and appropriate audit evidence for the full reporting period with regard to maintenance of audit trail, the auditor would need to appropriately modify the comment while reporting under Rule 11(g).</li> </ul>

## FAQ's (Contd..)

### 6. Whether 'books of account' maintained in accounting software would include following:

- (a) Master data (e.g., vendor records)
- (b) Purchase Order/ Sales Order
- (c) Records of Property, Plant and Equipment/Intangible Assets
- (d) Use of Spreadsheets

#### Master Data

- The definition of books of account under Section 2(13) of the Companies Act, 2013 does not distinguish between master data and transaction data. Usually, in accounting software, a payment made to a vendor will not have the complete details in the transaction record and a reference to the related master record will be necessary. Hence, vendor master data will be required to be considered as part of books of account.
- As the changes to the master data are linked to the transactions recorded in the books of account, the changes to such master data for vendors/ customers should also have an audit trail.

#### Purchase Order/ Sales Order

- In case of a purchase order, a goods receipt entry or a vendor invoice recording entry will capture the liability to be recorded in the books of account.
- Where the terms of such purchases are agreed at the time of receipt or at the time of booking the invoice and thus depending upon the likely interface/ input to the 'books of account', one may conclude it to be part of accounting software requiring existence of an audit trail feature.

## FAQ's (Contd..)

### 6. Whether 'books of account' maintained in accounting software would include following:

- (a) Master data (e.g., vendor records)
- (b) Purchase Order/ Sales Order
- (c) Records of Property, Plant and Equipment/Intangible Assets
- (d) Use of Spreadsheets

### Records of Property, Plant and Equipment /Intangible assets

- Property, plant and equipment /intangible assets register may be classified as accounting software, if the same provides direct and auto feed to the accounting software (accounting software as identified by management) in terms of depreciation, profit or loss on sale of property, plant and equipment/intangible assets, etc. In such case, the register should be treated as part of books of account, and it will attract the audit trail requirement.

### Use of Spreadsheets

- Any software used to maintain the books of account is termed as accounting software (also refer to definition of the term 'Accounting Software' in the 'Glossary of Terms' in the Implementation Guide). If a company uses end-user computing tools, like spreadsheets, then those tools may be classified as accounting software if the same provides direct and auto feed to the accounting software (accounting software as identified by management). In such case, the spreadsheet should be treated as part of books of account and the spreadsheet will attract the audit trail requirement.

## FAQ's (Contd..)

**7. The auditor is required to report as to “whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him” under the section “Report on Other Legal and Regulatory Requirements” in the auditor’s report [Section 143(3)(b) of Companies Act, 2013].**

**The auditor is also required to state any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith [Section 143(3)(h) of Companies Act, 2013].**

**Under Rule 11(g), specific reporting on audit trail is required under the section “Report on Other Legal and Regulatory Requirements” in the auditor’s report.**

**If the auditor has modified the comment while reporting under Rule 11(g) on audit trail, whether this will also impact the reporting pursuant to Section 143(3)(b) and Section 143(3)(h)?**

Yes, the requirement of accounting software having audit trail feature has been added in the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 which deals with ‘Manner of Books of Account to be Kept in Electronic Mode’.

Hence, any modified comment while reporting under Rule 11(g) will have to be considered while reporting under Section 143(3)(b) and Section 143(3)(h) in accordance with the provisions of the Companies Act, 2013.

## FAQ's (Contd..)

**8. There is a scenario where after completion of 100% checking of records, nothing adverse is found by the auditor regarding financial statements, however, accounting software of company is not audit trail enabled. In such scenario, whether the auditor should modify the comment while reporting under Rule 11(g)?**

Reporting on audit trail is independent of any adverse findings regarding financial statements. If audit trail as required by Rule 3(1) of the Companies (Accounts) Rules, 2014 is not maintained, the auditor would need to appropriately modify the comment while reporting under Rule 11(g) even if nothing adverse regarding financial statements is found.

# Practical issues while checking for compliance

# Specific cases of trail requirements

- \* Following cases where reporting under audit trail to be made or not:-
  - i. Depreciation computed on excel and manually entered in books of account
  - ii. Calculation of inventory and the basis for which the valuation is calculated in excel will audit trail be applicable ?
  - iii. Taking value from weigh bridge software and value updated in excel necessitate audit trail?
  - iv. Recording the number of hours worked on a project using software and utilizing this data for billing calculations by a software company

# **Reporting in the Audit report**

# Unmodified report in consolidated financials

- \* Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures/joint operations which are companies incorporated in India whose financial statements have been audited under the Act, the company, subsidiaries, associates and joint ventures/joint operations have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures/joint operations did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved by the company and above referred subsidiaries, associates and joint ventures/joint operations as per the statutory requirements for record retention.]

# Unmodified report in standalone financials

- Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.  
[Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.]

# Modified report in consolidated financials

- Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries, associates and joint ventures/joint operations which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the company, subsidiaries, associates and joint ventures/joint operations have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures/joint operations did not come across any instance of audit trail feature being tampered with. [Additionally, the audit trail has been preserved by the Company and above referred subsidiaries, associates and joint ventures/joint operations as per the statutory requirements for record retention]

# Modified reporting for specific cases

- **Audit trail feature was disabled for one of the books of account:**

Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except in respect of maintenance of property, plant and equipment records wherein the accounting software did not have the audit trail feature enabled throughout the year. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software except for the instances reported below..... Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

# Modified reporting for specific cases

- **Audit trail feature is not operating effectively during the reporting period:**

Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that “the audit trail feature of YYY software used by the company to maintain payroll records did not operate throughout the year”/ “no audit trail enabled at the database level for accounting software AAA (database SQL) and BBB (database db2) to log any direct data changes”. Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software except for the instances reported below..... Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

# Modified reporting for specific cases

- **Accounting software is maintained by third party and auditor is unable to assess whether audit trail feature can be disabled during the reporting period:**

Based on our examination, the company, has used an accounting software ABC which is operated by a third party software service provider, for maintaining its books of account and in absence of [state the type of control report] we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

# Modified reporting for specific cases

- **The audit trail has not been preserved by the company as per the statutory requirements for record retention:**

“.....the audit trail has not been preserved by the company as per the statutory requirements for record retention”

Note: This illustration is relevant from second year of reporting and onwards

# Modified reporting for specific cases

- **Migration from one software to the other happened during the year or higher version of software installed and auditor is unable to obtain sufficient and appropriate evidence:**

The Company has migrated to [name of the software] from [old software/manual] during the year and is in the process of establishing necessary controls and documentations regarding audit trail. Consequently, we are unable to comment on audit trail feature of the said software

# Modified reporting for specific cases

- **Management is unable to rely on the automated controls in an accounting software:**

“The company has used an accounting software for maintaining its books of account however for the reasons stated in [refer the reporting of IFCoFR] management is unable to rely on automated controls related to financial reporting in the accounting software and consequently we are unable to comment on audit trail requirements of the said software as envisaged under Rule 11(g).”

Note: This scenario presupposes a modified IFCoFR report due to inability of management to rely on the automated controls, where reporting under Section 143(3)(i) is applicable for the company.

Every qualification under IFCoFR need not be qualification under 11(g) and vis-versa.



# **Audit trail in softwares**

# Tally

The latest release 'TallyPrime Edit Log Release 2.1' , is enhanced with the edit log feature that caters to the amendment released by the Ministry of Corporate Affairs (MCA). The following are the features of the TallyPrime edit log release:

- Track the edits for masters and every transaction
- Capture the date details and username when such changes (edits) are made
- Difference report to show the elements of the version that have been modified Reports are enhanced to filter the edited transactions
- Designed to ensure edit log feature will be enabled all the time to meet the MCA guidelines of 'Edit trail cannot be disabled.'

# Edit Log in Tally

<b>Edit Log</b>			
<b>Version</b>	<b>Activity</b>	<b>Username</b>	<b>Date &amp; Time</b>
6	Altered	Clinton	10-Mar-22 15:30
5	Resaved (No changes)	Admin	10-Mar-22 9:34
4	Altered	William	9-Mar-22 18:21
3	Altered	Rinson	9-Mar-22 17:16
2	Altered	Clinton	9-Mar-22 16:06
1	Created	Paul	9-Mar-22 15:00

# Difference Report in Tally

Differences Between Edit Log Versions			
Version : 5		Version : 6	
Activity : Resaved (No changes)		Activity : Altered	
Username : Admin	Date & Time : 10-Mar-22 9:34	Username : Clinton	Date & Time : 10-Mar-22 15:30
Particulars	Value	Particulars	Value
Date	15-Apr-21	Date	16-Apr-21
Bill of Lading Date		Bill of Lading Date	16-Apr-21
GST registration type	Regular	GST registration type	Regular
VAT Dealer Type	Regular	VAT Dealer Type	Regular
State Name		State Name	Chandigarh
Voucher type name	Sales	Voucher type name	Sales
Narration	The item needs to be dispatched via Dombey Courier Services.	Narration	The item needs to be dispatched on 16-April -2021 through Dombey Courier Services to be delivered within 5 days.
Country of Residence	India	Country of Residence	India
Party GSTIN		Party GSTIN	04AABCU9603R1ZV
Place of Supply		Place of Supply	Chandigarh
Party name	Circumlocution Brothers Limited	Party name	Circumlocution Brothers Limited
Party ledger name	Circumlocution Brothers Limited	Party ledger name	Circumlocution Brothers Limited
Party Mailing Name	Circumlocution Brothers Limited	Party Mailing Name	Circumlocution Brothers Limited
Party Pincode	160022	Party Pincode	160022
Consignee GSTIN	04AABCU9603R1ZV	Consignee GSTIN	04AABCU9603R1ZV
Consignee Mailing Name	Circumlocution Brothers Limited	Consignee Mailing Name	Circumlocution Brothers Limited
Consignee Pincode	160022	Consignee Pincode	160022
Consignee State Name	Chandigarh	Consignee State Name	Chandigarh
Voucher number	7	Voucher number	8
Base party name	Circumlocution Brothers Limited	Base party name	Circumlocution Brothers Limited

Click on Master data -> Press Related Reports -> Go to 'Edit log'

# Tally (Contd..)

Differences	Tally Prime Edit Log Release	Tally Prime
Features and Capabilities	Same	Same
Edit Log Enabled by Default	Yes, the edit log feature is by default enabled	No, the user can enable the feature anytime the business needs it
Disabling of Edit Log Feature	No option to disable the edit log features	Business can disable the feature when not required
Which one should I use?	If the business needs to track all activities for better internal control or statutory requirements such as audit trail mandated by the MCA, this product will be required	If the business wants to maintain trail for internal audit purposes for view logs intermittently, this product fits the requirement.

# Challenges in Tally

- i. Tally does not have a centralized report containing Audit logs for the entire audit period
- ii. In case of standard Tally Prime Version, Edit log has to be manually configured by the client and the audit trail is manually activated.
- iii. In case clients is using generic ids like accounts, admin, sales etc. management control should be in place for identifying ownership of such User IDs, and this needs to be tested additionally.
- iv. Risk of Audit Trail Manipulation by changing system date and time, will have to be evaluated for each client



Thank You