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GST Compliance Reconciliation and Vouching Verification in a Small Chartered Accountancy Practice: An Applied Case Study from India

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Abstract

Goods and Services Tax (GST) compliance and vouching are usually taught as separate subjects, one belonging to indirect taxation and the other to auditing. In small Chartered Accountancy (CA) practices in India, however, the same junior staff perform both, on the same client files and within the same monthly cycle. This paper examines how the two work-streams complement each other as an integrated, reconciliation-first assurance process. Using a single-case, participant-observation design, it draws on an eight-week on-the-job training placement (22 June to 22 August 2026) at a mid-sized CA practice in Maharashtra, India. Process observations, a structured learning diary and template-based working papers were used to document the monthly GST compliance cycle and a transaction-level vouching routine. Because client information is confidential, the analysis uses an anonymised, illustrative entity whose figures were constructed to reflect patterns observed in practice. In the illustration, outward supplies matched fully across the sales register, GSTR-1 and GSTR-3B, while an Input Tax Credit (ITC) mismatch of ₹7,200 in April, caused by a supplier's late filing, fell to ₹4,500 in May and cleared by June. An eleven-voucher vouching sample produced two exceptions, both procedural. The paper argues that vouching and GST reconciliation test the same books against two different evidence sources, so that errors escaping one check tend to be caught by the other. It closes with recommendations on standard checklists, named ownership of reconciliation and a shared mismatch tracker, and discusses limitations arising from the single-firm, short-duration and illustrative-data design.

Keywords: Goods and Services Tax; Input Tax Credit; GSTR-2B reconciliation; vouching; audit evidence; chartered accountancy practice; workplace learning

1. Introduction

India introduced the Goods and Services Tax on 1 July 2017, replacing a patchwork of central and state indirect taxes with a destination-based, multi-stage levy on the supply of goods and services (Ahmad & Poddar, 2009; Garg, 2014). The reform was intended to remove cascading of taxes and to create a single national market, but it also changed the daily work of every registered business and of the professionals who serve them. Registered persons must file periodic returns, principally GSTR-1 for outward supplies and GSTR-3B for the summary of liability and tax payment, and their entitlement to Input Tax Credit (ITC) is now closely tied to what their suppliers have reported on the GST portal and what appears in the auto-drafted statement GSTR-2B (Central Board of Indirect Taxes and Customs [CBIC], 2026a). Compliance has therefore become a continuous, month-on-month exercise in reconciling a business's own books with data held by the tax administration.

At the same time, an older assurance technique has not lost its relevance. Vouching, the examination of documentary evidence behind recorded transactions, remains a foundational procedure through which an auditor or assistant verifies that entries are genuine, accurate, properly authorised and correctly classified (Institute of Chartered Accountants of



India [ICAI], 2024). In a digital environment it might be assumed that portal data has made document-level checking less necessary. The experience reported in this paper suggests the opposite: automated sources verify only what counterparties have reported, not whether a client's own entries are authentic or correctly treated.

These two activities are normally studied separately. Indirect tax texts describe returns and credit rules, whereas auditing texts describe evidence and assertions. Yet in small CA practices, which form the largest tier of the profession by number of firms, an articled assistant or intern may reconcile GSTR-2B in the morning and vouch purchase invoices in the afternoon. The way these tasks reinforce one another is rarely documented with worked examples, and almost never from the vantage point of the junior staff who actually carry them out. This gap matters for practice, because firms with limited staff and intense fee competition need low-cost controls that work, and for education, because management students increasingly enter such firms through structured on-the-job training.

This paper addresses the gap through a single-case study of an eight-week placement at a mid-sized CA practice. It asks four research questions. **RQ1:** How is the monthly GST compliance and reconciliation cycle organised in a small practice? **RQ2:** What patterns of mismatch and exception arise when a small client's books are reconciled and vouched, and what causes them? **RQ3:** How do GST reconciliation and vouching complement one another as assurance procedures? **RQ4:** What practical improvements follow for the firm's compliance and verification processes?

The paper makes three contributions. First, it documents in replicable form the end-to-end monthly GST cycle and a transaction-level vouching routine as practised in a small firm. Second, it supplies worked reconciliation and vouching illustrations, together with reusable templates, in an area where portal-level procedure changes faster than published literature. Third, it proposes a simple conceptual framework in which vouching and reconciliation are treated as two halves of one assurance process. The remainder of the paper is organised as follows. Section 2 reviews the relevant regulatory and professional literature. Section 3 describes the methodology. Section 4 presents the results. Section 5 discusses their implications and limitations, and Section 6 concludes.

2. Literature Review

2.1 GST, Input Tax Credit and the Shift to Supplier-Dependent Credit

The legal core of the GST regime is the Central Goods and Services Tax (CGST) Act, 2017, together with the CGST Rules, 2017. Under Section 16 of the Act, ITC on inward supplies is available subject to conditions that include possession of a valid tax invoice, receipt of the goods or services, payment of tax by the supplier to the government and filing of the recipient's return. Section 17(5) lists blocked credits that cannot be claimed regardless of documentation, and the reverse charge mechanism (RCM) shifts liability for notified supplies, such as certain legal services, from the supplier to the recipient (Central Goods and Services Tax Act, 2017; CBIC, 2026a).

What distinguishes the current framework is the progressive tightening of the link between a recipient's credit and the supplier's reporting. Table 1 summarises the milestones relevant to this study. A dynamic statement (GSTR-2A) was followed by Rule 36(4), which capped provisional credit not reflected in the statement, then by the static, auto-drafted GSTR-2B and finally by Section 16(2)(aa), which made reflection in GSTR-2B a statutory condition of eligibility. In effect, a buyer's credit now depends on the compliance discipline of its vendors as well as on its own record-keeping.

Table 1

Regulatory Milestones Relevant to the Study

Year	Development
2017	GST implemented in India, replacing multiple indirect taxes.
2018–19	GSTR-2A (dynamic) introduced as a preliminary ITC matching statement.
2020	Rule 36(4) introduced, capping provisional ITC not reflected in GSTR-2A.
2021	GSTR-2B (static, auto-drafted) introduced as the primary basis for monthly ITC reconciliation.
2022	Section 16(2)(aa) inserted, statutorily linking ITC eligibility to reflection in GSTR-2B.
2023–25	Progressive lowering of e-invoicing turnover thresholds, bringing more small clients under mandatory e-invoicing.
2026	Continued refinement of return-filing utilities and GSTR-2B functionality, observed during the placement period.



Note. Compiled from the CGST Act, 2017, the CGST Rules, 2017 and departmental guidance (CBIC, 2026a, 2026b).

Research on indirect tax reform has largely concentrated on design and revenue questions, such as the rationale for a unified tax and the allocation of powers between the Union and the states (Ahmad & Poddar, 2009; Garg, 2014). A parallel international literature on value-added taxes explains why invoice-matching controls matter. Keen and Smith (2006) show that the credit mechanism at the heart of a VAT can be exploited by fraudulent or missing traders, which motivates administrations to cross-check claims against counterparties' filings. More broadly, studies of tax compliance emphasise that enforcement capability and information availability shape taxpayer behaviour (Alm, 2012). The reflection requirement in GSTR-2B can be read as an application of this logic. What these studies do not describe is how the resulting reconciliation burden is absorbed by small advisory firms.

2.2 Vouching and Audit Evidence

Vouching is conventionally defined as the inspection of documents such as invoices, receipts, bank statements and contracts to establish the authenticity, accuracy and proper classification of recorded transactions (Arens et al., 2014). In the Indian professional framework it is anchored in the Standards on Auditing. SA 500 requires audit evidence to be sufficient and appropriate (ICAI, 2024), SA 230 requires work to be documented so that an experienced reviewer can understand it (ICAI, 2023a), and SA 505 governs external confirmations, for example of a loan balance (ICAI, 2023b). Transactions are tested against assertions such as existence or occurrence, completeness, accuracy, classification and cut-off. The statutory backdrop is provided by the Companies Act, 2013, which obliges companies to maintain books of account (Section 128) and sets out the duties of the auditor (Section 143) (Ministry of Corporate Affairs, 2013), and by the guidance on tax audit under Section 44AB of the Income Tax Act, 1961 (ICAI, 2025).

Standard auditing texts treat vouching as a means of forming an opinion on financial statements. They say little about a more immediate use in a GST environment, namely the verification at the document stage of the supplier's GSTIN, the tax rate, the classification code and the eligibility of the credit. Because an ineligible or unsupported invoice leads to interest liability and reversal of credit, document-level GST checks have become part of vouching in practice, even though they are not part of its textbook definition.

2.3 Small-Practice Context and Workplace Learning

India's accounting, audit and taxation services sector is regulated by ICAI under the Chartered Accountants Act, 1949, and comprises large networks, regional mid-sized firms and a very large number of small practices and sole practitioners. The last group serves proprietorships, partnerships and small companies, and relies on recurring compliance mandates such as book-keeping, GST and income tax filing. Professional services act as an enabler of formalisation among small enterprises (India Brand Equity Foundation, 2026; Reserve Bank of India, 2025). Competitive pressure in this tier is high, switching costs for clients are low and technology typically consists of an accounting package, portal utilities and spreadsheets rather than an integrated platform.

Interns and articled assistants are central to how such firms deliver work. Experiential learning theory holds that knowledge is created through the transformation of concrete experience, followed by reflection and application (Kolb, 1984). Empirical work on workplace learning adds that much of what professionals know is acquired informally, through participation in real tasks and interaction with colleagues, rather than through formal instruction (Eraut, 2004). A placement in a CA practice is therefore both a learning setting and a source of observational data about how compliance work is actually performed.

2.4 Research Gap and Conceptual Framework

The literature thus supplies a regulatory account of GST, a professional account of vouching and a general account of workplace learning, but it does not connect the first two at the level of everyday practice. This paper proposes the framework in Figure 1. The client's books of account sit at the centre. Vouching tests the books against the underlying documents and provides transaction-level assurance. GST reconciliation tests the same books against government-held data (GSTR-1, GSTR-2B and GSTR-3B) and provides return-level assurance. Together the two checks support reliable returns and financial statements.

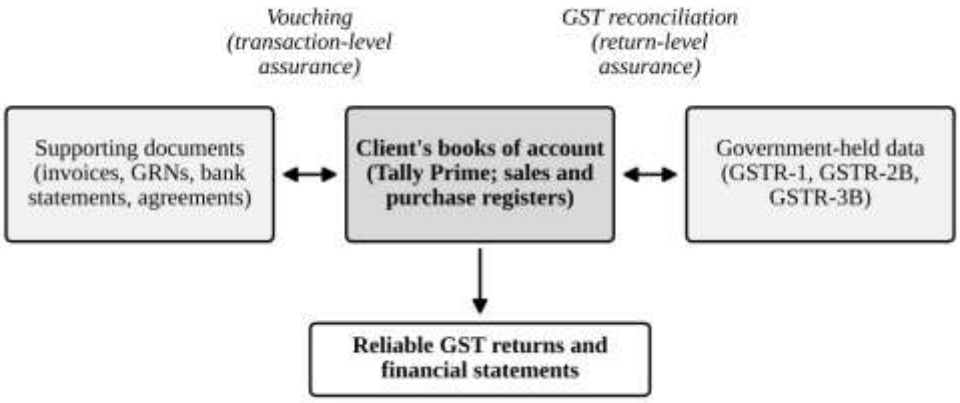


Figure 1. *Conceptual framework: two evidence sources tested against the same set of books.*

3. Methodology

3.1 Research Design

The study follows an applied, practice-based philosophy and is best described as a single-case study with participant observation. A case approach suits questions of *how* a process works within its real-life setting, particularly when the boundary between process and context is not sharp (Yin, 2018). The aim is analytical rather than statistical generalisation: the data are the observed compliance process at one host organisation, and the analysis consists of organising, interpreting and illustrating that process against the regulatory and professional framework reviewed in Section 2 (Creswell & Creswell, 2018). The study does not test hypotheses.

3.2 Setting and Participant Role

The host organisation is a third-tier CA practice headquartered in Maharashtra with a branch office in eastern India. It provides accounting and book-keeping, GST compliance, income tax filing, audit and assurance, and related advisory services to proprietorships, partnerships and small private companies, typically on recurring monthly or quarterly retainers. Its core technology stack comprises Tally Prime for accounting, the GST portal for statutory filing and downloads, and Microsoft Excel as the reconciliation workspace linking the two. The author was attached to the compliance and assurance team for eight weeks and worked under supervision on live client engagements, progressing from observation and voucher entry in the first fortnight to independent execution of full reconciliation cycles and vouching assignments in the final weeks. The partner and senior staff supervised and reviewed all work, and no returns were filed without partner review.

3.3 Data Sources and Timeline

Four sources of data were used: (a) a learning diary recording the agenda, activities and insights for each week; (b) a day-wise spreadsheet record of activities, shared with the academic mentor weekly; (c) working papers produced during the placement, including reconciliation sheets, vouching checklists and query logs; and (d) registers and reports extracted from Tally Prime and statements downloaded from the GST portal. Table 2 shows the placement timeline.

Table 2

Timeline of Activities During the Placement

Weeks	Period	Primary focus
1–2	22 Jun–05 Jul 2026	Induction, Tally Prime training, voucher entry, understanding of client portfolio
3–4	06 Jul–19 Jul 2026	GST return preparation assistance and GSTR-2B reconciliation
5–6	20 Jul–02 Aug 2026	Vouching assignments; verification of GST treatment and ITC eligibility on purchase and expense vouchers
7–8	03 Aug–22 Aug 2026	Month-end GST compliance review; consolidation of vouching findings and working papers

Note. Dates are as recorded in the fortnightly progress reports.



3.4 Confidentiality and the Use of Illustrative Data

Client information is protected by the ICAI Code of Ethics (ICAI, 2020), and actual client figures could not be reproduced. The quantitative analysis in Section 4 therefore uses a hypothetical small manufacturing and trading company, referred to as ABC Traders Pvt. Ltd., whose figures were constructed by the author to reflect the kinds of reconciliation patterns, magnitudes and outcomes encountered in practice. The processes, portal steps, reconciliation logic and judgement points are a faithful account of the methodology actually followed. The figures themselves are demonstrations of method and must not be read as empirical estimates or sector benchmarks.

3.5 Procedures

GST reconciliation. Each month the sales register and purchase register were extracted from Tally Prime and compared with the filed or draft returns. Outward supplies were matched across the sales register, GSTR-1 and GSTR-3B. For inward supplies, GSTR-2B was downloaded from the portal and matched supplier by supplier on GSTIN, invoice number, invoice date and tax amount. Differences were classified as timing differences (supplier has not yet filed), data errors (for example a wrong GSTIN or invoice number) or ineligible credit (blocked under Section 17(5)). ITC was claimed in GSTR-3B only to the extent reflected in GSTR-2B and eligible, and unresolved items were carried to a tracker for follow-up. Figure 2 shows the resulting cycle.

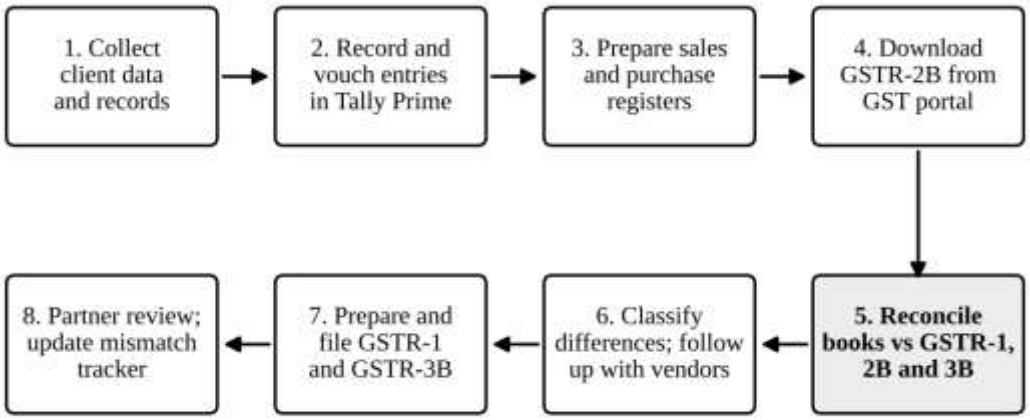


Figure 2. *Month-end GST compliance cycle followed at the host firm.*

Vouching. A sample of vouchers was drawn from the day book and ledgers and tested as shown in Figure 3. Each voucher was matched to its supporting document, tested against the relevant assertions, and checked for GSTIN, tax rate, HSN or SAC code, place of supply and ITC eligibility, together with authorisation and narration. Results were recorded in a standard working paper (Appendix A), exceptions were raised as queries, and outstanding items were closed or carried forward at review.

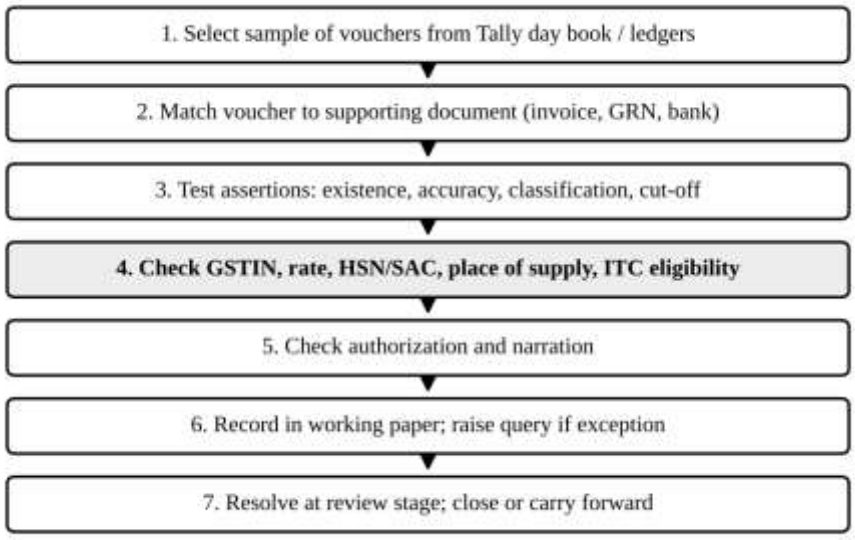


Figure 3. *Vouching and verification procedure.*

3.6 Analytical Approach

The analysis was descriptive and comparative. For reconciliation, variances were computed line by line and classified by cause, and a three-month view was built to distinguish one-off timing differences from recurring process problems. Three simple indicators were derived from the trend data: the proportion of output tax discharged through ITC, the proportion paid in cash, and the mismatch flagged as a share of eligible ITC. For vouching, exceptions were classified as procedural (for example, a missing authorisation signature or weak narration) or substantive (misstatement or unsupported entry). Diary insights were compared across weeks to identify recurring themes, which inform the discussion in Section 5.

4. Results

4.1 Reconciliation of Outward Supplies

Table 3 reports the reconciliation of outward supplies and output tax for April 2026. The sales register, GSTR-1 and GSTR-3B agreed on every line, giving total output tax of ₹5,15,700. The inter-state taxable value of ₹6,00,000 is the base implied by the IGST of ₹1,08,000 at 18%.

Table 3

Illustrative Reconciliation of Outward Supplies, April 2026 (₹)

Particulars	Sales register	GSTR-1	GSTR-3B	Difference
Taxable value: intra-state B2B	18,45,000	18,45,000	18,45,000	Nil
Taxable value: intra-state B2C	4,20,000	4,20,000	4,20,000	Nil
Taxable value: inter-state	6,00,000	6,00,000	6,00,000	Nil
Output CGST at 9%	2,03,850	2,03,850	2,03,850	Nil
Output SGST at 9%	2,03,850	2,03,850	2,03,850	Nil
Output IGST at 18%	1,08,000	1,08,000	1,08,000	Nil
Total output tax	**5,15,700**	**5,15,700**	**5,15,700**	**Nil**

Note. Figures are illustrative and relate to the hypothetical entity ABC Traders Pvt. Ltd.

A full match in an illustrative month is not the norm. In practice, discrepancies commonly arise from invoices raised but not yet uploaded, credit notes not reflected, and rounding or HSN classification errors. Line-by-line comparison of the three sources before the due date was the routine used to detect them.

4.2 Reconciliation of Input Tax Credit

Table 4 compares ITC as per the purchase register with ITC available in GSTR-2B. Credit of ₹3,61,000 per the books exceeded the ₹3,53,800 available in GSTR-2B by ₹7,200, split equally between CGST and SGST. The cause was a vendor who had not filed its return, so the corresponding invoice had not appeared in GSTR-2B. A further ₹9,000 was



excluded from both columns as blocked credit under Section 17(5). Net credit claimed in GSTR-3B was therefore restricted to ₹3,44,800, and the withheld ₹7,200 was entered in the tracker for follow-up.

Table 4

Illustrative Reconciliation of ITC: Purchase Register vs GSTR-2B, April 2026 (₹)

Particulars	Purchase register	GSTR-2B	Difference	Remarks
ITC: CGST	1,42,500	1,38,900	3,600	Vendor return not yet filed
ITC: SGST	1,42,500	1,38,900	3,600	Vendor return not yet filed
ITC: IGST	76,000	76,000	Nil	Matched
Total ITC before blocked credit	3,61,000	3,53,800	7,200	
Less: blocked credit, Sec. 17(5)	9,000	9,000	Nil	Excluded
Net ITC claimed in GSTR-3B	**3,52,000**	**3,44,800**	**7,200**	Restricted to GSTR-2B

Note. Figures are illustrative. The claim in GSTR-3B is limited to credit reflected in GSTR-2B and eligible.

The treatment follows Rule 36(4) read with Section 16(2)(aa) of the CGST Act, under which credit may be claimed only to the extent it is reflected in GSTR-2B. The case shows concretely how eligibility has become dependent on vendor compliance.

4.3 Three-Month Trend

A single month cannot show whether a mismatch is a one-off or a symptom of a recurring problem, so the exercise was extended to three months (Table 5; Figure 4). The ITC mismatch of ₹7,200 flagged in April fell to ₹4,500 in May and was nil in June, after the concerned vendor filed its outstanding return. Output tax stayed within a narrow band of ₹5.09 to ₹5.42 lakh.

Table 5

Three-Month GST Liability and ITC Trend, FY 2026–27 (₹)

Month	Output tax liability	Eligible ITC per GSTR-2B	Net tax paid in cash	ITC mismatch flagged
April 2026	5,15,700	3,44,800	1,70,900	7,200
May 2026	5,42,300	3,68,100	1,74,200	4,500
June 2026	5,08,900	3,71,600	1,37,300	Nil

Note. Net tax paid in cash equals output tax liability less eligible ITC. Figures are illustrative.

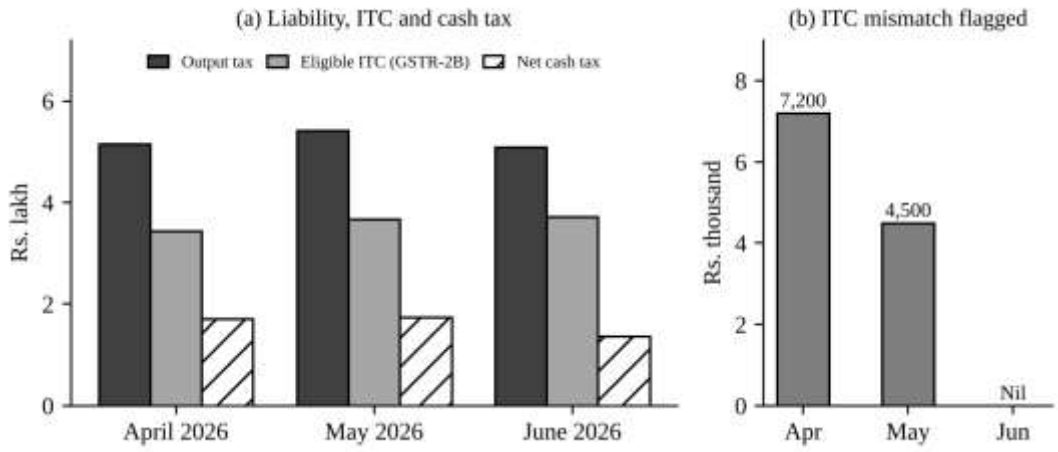


Figure 4. *Output tax, eligible ITC and cash tax (a) and ITC mismatch flagged (b), April–June 2026. Figures are illustrative.*

Derived indicators are given in Table 6. ITC covered 66.9% of output tax in April, 67.9% in May and 73.0% in June, and the cash share fell correspondingly from 33.1% to 27.0%. The mismatch, measured against ITC available in GSTR-2B, declined from 2.1% to 1.2% and then to zero. The amounts involved are small, but the pattern is consistent with a temporary, vendor-driven timing difference rather than a recording error by the client.

Table 6

Derived Indicators from the Three-Month Trend (%)

Month	ITC as % of output tax	Cash tax as % of output tax	Mismatch as % of GSTR-2B ITC
April 2026	66.9	33.1	2.1
May 2026	67.9	32.1	1.2
June 2026	73.0	27.0	0.0

Note. Computed by the author from Table 5.

4.4 Vouching Results

Eleven vouchers were tested in the illustrative sample (Table 7). Nine were cleared without exception. Two exceptions arose, both procedural: a cash expense voucher lacking an authorisation signature, which was raised as a query, and a provision journal whose narration was strengthened on suggestion. No substantive misstatement was identified, giving a procedural exception rate of 18.2% (2 of 11). Seven of the eleven vouchers carried GST-sensitive checks, namely purchase invoice, bank payment, sales invoice, rent, fixed asset purchase, GST payment challan and legal fee under RCM, and in each case the treatment and credit were found to be correct.

Table 7

Illustrative Vouching Sample and Observations

No.	Voucher type	Check performed	Observation
1	Purchase invoice	Matched with GRN, PO and ledger; GSTIN and tax computation verified	Matched; no discrepancy
2	Cash expense voucher	Bill available; within petty cash limit; authorisation signature	One voucher lacked signature; query raised
3	Bank payment voucher	Matched with bank statement; GSTIN, rate and ITC eligibility checked against invoice and GSTR-2B	Matched; ITC eligible
4	Sales invoice	Number sequence, HSN/SAC, place of supply and rate verified; matched with GSTR-1	Matched; reflected in GSTR-1



No.	Voucher type	Check performed	Observation
5	Rent payment	Agreement referred; landlord's GSTIN and GST verified; ITC checked against GSTR-2B	ITC eligible; reflected in GSTR-2B
6	Journal voucher (provision)	Basis of estimate reviewed; narration checked	Matched; narration strengthened
7	Fixed asset purchase	Matched with asset register; capitalisation and depreciation dates; ITC on capital goods	Matched; ITC correctly availed
8	GST payment challan	Amount matched with GSTR-3B; payment date against due date	Paid one day early; no interest exposure
9	Legal fee invoice (RCM)	Advocate's invoice verified; reverse charge under Section 9(3) checked	RCM discharged; ITC claimed same month
10	Director's unsecured loan	Confirmation letter checked; Section 269SS compliance verified	Received via banking channel; compliant
11	Petty cash reimbursement	Slips matched with voucher; cash physically tallied on sample date	Matched

Note. Illustrative sample for the hypothetical entity. GRN = goods received note; PO = purchase order.

A separate trading-client sample recorded in the learning diary points the same way. Of 25 purchase vouchers checked in one week, two minor classification errors were found and corrected (8%), and one invoice whose GST did not appear in GSTR-2B was flagged for follow-up. Together, the two samples indicate that vouching of routine vouchers regularly surfaces small classification and authorisation gaps that are easy to correct if caught early.

4.5 Consolidated Compliance View

Table 8 consolidates both work-streams into the kind of one-page summary prepared for partner review. Every open item can be traced to a documented cause, either a vendor filing delay or a procedural lapse, and none remained as an unexplained discrepancy.

Table 8

Consolidated Compliance Dashboard for the Illustrative Entity

Work-stream	Status at year-end	Open items	Resolution
Outward supply (GSTR-1 vs 3B)	Fully matched	Nil	Not applicable
ITC (register vs GSTR-2B)	Matched after vendor follow-up	Nil; ₹7,200 cleared by June 2026	Closed June 2026
Tax payment and filing	All filed and paid by due date	Nil	Not applicable
Vouching (sample)	Substantially clean	1 authorisation gap; 1 narration point	Closed at review

Note. Illustrative. Status reflects the position after partner review.

5. Discussion

5.1 Answering the Research Questions

Regarding RQ1, the monthly GST cycle in a small practice is a repeating chain, from client data to registers, GSTR-2B download, three-way reconciliation, classification of differences, filing and partner review (Figure 2). Its quality depends heavily on the timeliness of client data, which was the most frequent source of delay during the placement. Regarding RQ2, the dominant pattern was timing-related rather than error-related. The ITC difference arose from a supplier's late



filing and cleared within two return cycles, and the vouching exceptions were procedural. This is consistent with the low-risk profile of small, owner-managed clients, although it should be tested on larger samples.

5.2 Vendor Dependence and Working Capital

The April mismatch equalled only 2.1% of available ITC, yet its treatment illustrates a structural feature of the regime. Because credit can be claimed only when the supplier has reported the invoice, a client's cash tax payment can rise through no fault of its own. Over-claiming exposes the client to interest and reversal, while under-claiming costs cash flow. A month-on-month tracker converts this from a recurring surprise into a managed item, and the declining trend in Table 6 shows what effective follow-up looks like. This aligns with the supplier-dependence logic traced in Section 2.1 and with the broader argument that credit mechanisms require counterparty cross-checks (Keen & Smith, 2006).

5.3 Why Reconciliation and Vouching Need Each Other

The framework in Figure 1 implies that each procedure has blind spots that the other covers. Table 9 sets out the author's analysis of common error types and which procedure is likely to detect them. The table is an analytical device derived from the procedures described in Section 3 and from observations during the placement, and it has not been tested empirically.

Table 9

Likelihood of Detection of Common Errors by Each Procedure (Analytical Assessment)

Error type	Vouching	GSTR-2B / return reconciliation	Reason
Supplier has not filed its return	Not detected	Detected	Invoice is valid; only portal data reveal the gap
Credit claimed on blocked item (Sec. 17(5))	Detected	Partly	Eligibility is a legal test, not a matching test
Wrong rate or HSN on own invoice	Detected	Not detected	Books and returns agree with each other
Sale omitted from register	Detected via sequence check	Not detected	Return is built from the same register
Purchase booked without valid invoice	Detected	Detected	Document check and absence in GSTR-2B
RCM liability missed	Detected	Partly	Depends on how the supplier reports

Note. Author's assessment, not empirical results.

Two examples show the logic. A sale left out of the sales register will not be caught by the three-way match of register, GSTR-1 and GSTR-3B, because GSTR-1 is prepared from the same register; a check of invoice number sequence during vouching, however, exposes the gap. Conversely, a perfectly valid purchase invoice from a vendor who has not filed will pass vouching but fail the GSTR-2B match. The complementarity is therefore structural. Sequencing follows from it: doing both before returns are filed and books are closed reduces the risk of later restatement, for example when credit is reversed for want of a GSTR-2B match and the related expense or asset must be adjusted.

5.4 Implications for Practice

Four practical implications follow for firms in this segment. First, a standard vouching checklist and working-paper template (Appendix A) improved consistency and speed of review compared with an unstructured approach and can be adopted firm-wide. Second, a standard reconciliation worksheet (Appendix B) should be completed for every client every month, ahead of statutory due dates. Third, a named team member should own reconciliation and vouching review for each client, supported by a shared tracker of ITC mismatches, return due dates and open queries, which the partner reviews periodically. Fourth, brief induction training on portal navigation and the process flows in Figures 2 and 3 would shorten the learning curve for interns and new staff. Over time, reconciliation tools that automate matching could release qualified staff for advisory work, which matters given the fee pressure and substitution threats facing small firms.



For academic programmes, the findings suggest that placements in compliance practices are most valuable when they require students to link tax and audit concepts rather than treat them separately, consistent with the view that learning is strongest where experience is followed by structured reflection (Kolb, 1984; Eraut, 2004).

5.5 Limitations and Future Research

Several limitations qualify the findings. The placement lasted eight weeks, which prevented exposure to annual processes such as the GSTR-9 annual return or tax audit finalisation. The quantitative illustrations are constructed rather than drawn from actual client records and are therefore indicative of patterns, not evidence of magnitudes. The study covers one firm and one participant, and the vouching sample is small and non-statistical. The author's dual role as learner and observer may also have shaped what was noticed. Finally, GST procedures change frequently, so some process details may date quickly. Future research could use longer observation, several firms and anonymised real data to quantify the time and cost savings from standardised checklists, test the detection pattern in Table 9 empirically, and extend the framework to annual compliance and tax audit.

6. Conclusion

This paper set out to show how GST reconciliation and vouching work together in a small CA practice. Through a single-case, participant-observation study, it documented the monthly compliance cycle, demonstrated reconciliation and vouching with worked illustrations, and proposed a framework in which the two procedures test the same books against different evidence sources. The illustrations show that most exceptions in a small client's file are timing differences driven by vendors or minor procedural lapses, and that a month-on-month tracker allows such differences to be resolved within one to two return cycles. The central insight is that neither procedure is sufficient alone: portal reconciliation cannot validate the authenticity or treatment of a client's own entries, and vouching cannot reveal what suppliers have or have not reported. A reconciliation-first approach supported by checklists, named ownership and a shared tracker offers small firms a practical, low-cost route to more reliable returns and financial statements.

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Declarations

Conflicts of interest. The author declares no conflict of interest.

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Ethical approval. The study involved no human participants beyond the author's own supervised work experience and no collection of personal data. Client information was anonymised, and all quantitative illustrations are constructed, in keeping with the confidentiality obligations of the ICAI Code of Ethics (ICAI, 2020). The host firm permitted the use of its processes for academic reporting.

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