



CMA's have a significant role to play in the development of "Smart Cities"

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No one who does good work will ever come to a bad end, either here or in the world to come. - Bhagavad Gita

My Dear Professional Colleagues,

Namaskaar.

I on behalf of the Council and on my own behalf heartily congratulate Shri Tapan Ray, IAS on his appointment as Secretary, Ministry of Corporate Affairs, Government of India. I am optimistic that under his expert guidance, rich experience and proven leadership, the institute will achieve new heights and there will be a multi-dimensional growth of CMA profession in the current challenging economic environment.

I am joined by the Council of the Institute in thanking Ms. Anjuly Chhib Duggal, IAS, Outgoing Secretary, MCA for her support, guidance and ideas for development of CMA Profession and growth of the Institute during her short stint. I wish to reiterate that CMA's have a significant role to play in development and implementation of risk management and internal control systems for Banking and Insurance Sector. On her advice, we have explored the role of CMA's in Social Cost Benefit Analysis of the Public Spending. I assure her that the Institute will continue to move forward to achieve the vision of the Institute drawn by her.

Socio Cost Benefit analysis

The successful implementation of social sector schemes requires a great deal of commitment and administrative coordination. Moreover, a good deal of time and energy is currently spent in village and block level data collection, which is only useful if the information is properly analyzed, presented in a format useful for a meaningful performance and cost – benefit analysis, and this knowledge is disse-

minated to officials in time to allow for remedial action. The major challenge that is being faced by any project is whether the project or scheme fulfills the necessity of the current situation and whether the cost allocated to the project is appropriately leveraged for the good of the common people. The impact of any scheme needs to be properly evaluated in the pre-implementation stage as well as the post implementation stage and should be modified on timely basis if required, in order to achieve the desired outcomes.

I believe that the Cost and Management Accountants can play a leading role in analyzing the desirability and impact of the Government's social expenditure through a strategic and analytic approach involving analysis of the potential cost and benefits underlying different schemes before the scheme is undertaken, after the scheme or a project is launched, and post social project completion phase including inter-alia consideration and assessment of allocation of funds, disbursement and its linkage with the desired and targeted outcome of the project or scheme. The professional knowledge and expertise coupled with the core competencies of the Cost and Management Accountants in project analysis and evaluation would be helpful in identification of the deficiencies in the process of identification and operation of different social schemes. The recommendations of CMA's would enable the Government to strengthen the monitoring and control process and improve effectiveness of delivery and utilization of funds allocated for social schemes and in turn would help the Government to deliver to the desired level of social support to the common people of India. CMA's have a significant role to play in the development of "Smart Cities" initiative of the Prime Minister of India as we are well equipped to keep track of smart allocation and appor-

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tionment of the available resources to achieve maximum results by applying resource optimization.

Independence Day celebrations and Drawing up the Roadmap for the term 2015-16

The 69th Independence Day was celebrated at the HQ on 15th August 2015. On this auspicious occasion, the national flag was unfurled by me in the presence of members of the Central & Eastern Regional Councils and executives of the Institute. To take forward the spirit of the occasion, we organized a path breaking meeting of all the departments / directorates of the Institute wherein all the Heads of the Departments presented their way forward to the Council Members in form of power point presentations. It was a very interesting and thought provoking session wherein a lot of interaction took place and new ideas emerged. Taking a clue from this meeting all the Committees and Boards of the Council finalized a roadmap for the development of profession and growth of the Institute. The Council Committees have started their activities with a focused vision on the roadmap drawn for the year.

CFO / HR Meet

I am pleased to inform that Institute is organizing the CFO / HR Meet at various Regions during the month of September 2015. It will start from SIRC on 5th September at Chennai followed by WIRC on 12th September at Mumbai, NIRC on 19th September at Delhi and EIRC on 26th September at Kolkata. I request all of you to support, cooperate and involve with the events to showcase the strength and competence of CMA Profession.

Indian Cost Accounts Service Day

I alongwith Council Members, Past Presidents and Executives of the Institute were invited to attend the first Indian Cost Accounts Service Day on 9th August 2015 at New Delhi which was inaugurated by Shri Arun Jaitley, Hon'ble Union Finance Minister. Hon'ble Minister urged the officers of Indian Cost Accounts Service to upgrade their professional skills and expertise in order to play a proactive role in assisting the Government in achieving cost efficiency in Its projects, schemes and operations. Other speakers also praised the significant role played by the officers of Indian Cost Accounts Service in expenditure management and facilitating the overall fiscal consolidation process.

Events by Chapters

I wish to congratulate the Trivandrum Chapter of the Institute for organizing State Level Students Fest "ASPIRE-2015" at Trivandrum, Kerala on 9th August 2015. In my address sent to the organisers I urged the students to equip

themselves to address challenges they will be facing in their professional life. I congratulate the Thrissur Chapter of Cost Accountants for organizing National Seminar on "Financial Services: Innovations for Inclusion in India" in association with Research Department of Commerce, St. Thomas' College, Thrissur on 11-12 August 2015. In my sent address I strongly advocated the role of our professionals in the area of financial services and NPA. I addressed the press conference at Bilaspur Chapter of the Institute on 23rd August 2015 and informed about the initiatives and roadmap for the benefit of students, members and other stakeholders of the CMA Profession.

To apprise all the members about the activities / initiatives undertaken by various Departments of the Institute, I now present a brief summary of the activities.

Advanced Studies

I am pleased to share with you that the Directorate of Advanced studies has announced admission to the second batch of its three advanced diploma courses namely, Business Valuation, Internal Audit and IS Audit and Control. The last date for registration of these courses is 21st September, 2015. The courses have been designed to ensure maximum value addition to our members with a proper blend of theory and practical aspects. The complete details of these courses have been uploaded on the Institute website under the "Advanced Studies Directorate" section. I request the members to register for these advanced diploma courses in large numbers and get them updated in this ever changing world of finance and accounting. The results for the first batch of the Diploma Courses were announced. I congratulate all those who have cleared the examination.

CAT

As you are aware, our Institute has taken a firm step to reach out the un-reached through its employment oriented CAT Course. Based on the strength of its experience in two States, Institute is planning to take this concept to other States.

Continuing Professional Development Department

A Seminar on 'Forensic Accounting & Auditing – An Insight into form & substance' was conducted at New Delhi. There was active participation by the members of the Institute. The Institute associated with Confederation of Indian industry as an 'Institutional Partner' for 'Fincon-2015, Imbibing Change' on 19th August 2015 at, Raipur, Chhattisgarh. The Institute is associated with PHD Chamber of Commerce and Industry as an 'Associate Partner' for 'Workshop Series on Indirect Taxes (with specific relevance to GST)

& Annual Subscription Proposal For FY 2015-16' from April 2015 to February 2016 at PHD House, New Delhi. For details, visit website of the Institute.

I am proud to inform the initiatives by our Regional Councils and Chapters in organizing various programs, seminars and discussions on the topics of professional relevance and importance for the members. We are sure that our members are immensely benefitted with such programs and we forward to active participation of our members to enhance professional knowledge and skills. The series of workshops and Webinars were conducted on "Healthcare Cost Management" during the month of July and August 2015. There was an overwhelming response by the members of the Institute. The presentations of the programmes and recorded webinars are available in the Knowledge Bank in the website of the Institute.

Examination Department

The results of Intermediate & Final CMA course and Diploma Courses in Internal Audit, Business Valuation and IS Audit & Control for June 2015 term of examination have been declared on 23rd August 2015 as per scheduled. I congratulate all the passed outs on their success and wish all others who could not pass this time, good luck for the next term.

ICWAI MARF Programs:

The programs on 'Service Tax Issues, Recent Developments and Proposed GST' and 'Finance for Junior Finance and Accounts Officers and Non-Executives (F&A)' were organized during 25-28 August, 2015 at Tirupati and attended by executives of various organizations.

Membership Department

Members are our very important and integral stakeholder and a strong membership base is required to take our Institute forward by leaps and bounds. While the Membership Department is continuously taking steps to improve their quality of service to members and undertaking special drives to increase the membership base, I urge the members to come forward and increase their involvement with their alma mater. I also request members to check their membership fee status on the Institute's website and clear their fees for FY 2015-16 before 30th September, 2015, so as to keep on availing the benefits of membership.

Placement

Honing the skills of the students opting for campus placement has been an important step and keeping this objective in mind your Institute has designed 15 days Pre- placement

orientation program for June 2015 final qualified students. This particular initiative reflects your Institute's resolve to continuously enhance the value of CMAs. The campus placement program has been scheduled in Oct and Nov 2015 and I am sure more and more employers will find their future managers in our CMAs. I am wishing all the June 15 qualified budding CMAs a great future.

Professional Development

Stock Audit, Risk Based Internal Audit and Other Banking Operations: I am happy to inform members that Indian Banks' Association (IBA) has accepted the Institute's request and issued advisory to its Member Banks to consider Cost Accountants/ Firms of Cost Accountants for Stock Audit, Risk Based Internal Audit and Other Operations. I am thankful to IBA and its Chief Executive Officer CMA Mohan V. Tanksale for acceding to the request of the Institute. In view The IBA's advisory inter-alia for Risk Based Internal Audit, I urge members to enhance their capability to conduct the bank concurrent audit and join the diploma course in IS Audit and Control being conducted by the Institute, details of which are available on the Institute website.

Costing Taxonomy 2015 and Validation Tool: MCA has mandated filing of cost audit reports in XBRL Mode. Institute has developed Costing Taxonomy-2015 which was required consequent on notification of the Companies (Cost Records and Audit) Rules 2014 under the Companies Act 2013. MCA has released XBRL validation tool version 2.0 (beta) -which will cater filing as per both costing taxonomy 2012 and 2015.

Architecture, Training & Guidance Manual for filing of Cost Audit Report in XBRL Mode: For the benefit of the members and Industry, the Institute is shortly issuing second edition of Architecture, Training & Guidance Manual for filing of Cost Audit Reports in XBRL mode. This document would help them in understanding the architecture, the concepts of XBRL and Costing Taxonomy. The document also provides the members, professionals & industry para-wise guidance on creating the instance document for the Cost Audit Report. The Institute is also organizing series of hands-on training programs on PAN India basis to ensure that the industry and the members are conversant with the intricacies of filing Cost Audit Report in XBRL Mode.

Guidance Notes: The Companies (Cost Records and Audit) Rules 2014 have included Construction Industry in the ambit of maintenance of cost accounting records and cost audit. To guide the professionals and industry, the Institute has brought out a very comprehensive Guidance Note on

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Maintenance of Cost Records and Cost Audit of Construction Industry. I am happy to note that the Institute has brought out two Guidance Notes on Internal Audit for Engineering Industry and Plantation Industry. These guidance notes can be downloaded from the Institute website and printed versions of these Guidance Notes can also be purchased from the HQ, Delhi Office and Regional Councils of the Institute.

Quality Review Board

The Quality Review Board of the Institute, which has been giving recommendations for improvement in the quality of the services rendered by the members of the Institute, has also recommended to the council to consider implementation for a Peer Review System for practicing members, firms etc. Vice President of the Institute along with me had a detailed discussion with the Chairperson and other members of the Quality Review Board on 6th August 2015. Professional views on improving the quality of services rendered by members were taken up during the discussion.

Research and Journal Department

It is heartening to know that three workshops on "Introducing Community Audit for SHGs" had been conducted on August 1, 22 and 27 by the Directorate of Research & Journal in association with West Bengal State Rural Livelihoods Mission. About 60 qualified and intermediate CMAs were trained as Master Trainers for grooming and nurturing a large number of Community Auditors throughout all districts of West Bengal.

National Skill & Entrepreneurship Development Program, a joint initiative of the Institute and National Skill Development Agency (NSDA) in support with EDI, Gujarat, had been conducted successfully on 8th August at Ramnagar College, East Midnapore and 29th August at Jogesh Chandra Chowdhury College, Kolkata to build awareness on entrepreneurship development among college students. More than 300 college students attended these programs. Vice President and other dignitaries from industry, bank, faculty members, principals and Institute officials were present at the workshops.

Directorate of Research & Journal arranged a Round Table Discussion on 'Environmental Peace for Sustainable Development' on 12th August 2015. Professor Biswajit Ganguly, Steering Committee Member, ECOSOC-United Nations and Professor Roger I.C. Hansell, President, Noble International University, USA were the Key Note speakers of the session. They discussed on various aspects of Environmental peace towards achieving sustainable development. Swami Atmalokananda, Advaita Ashrama, Kolkata, the Chief Guest

of the session discussed and clarified various shlokas in relation to world peace. Vice President shared his ideas and Chairman, Members' Facilities & Services Committee, ICAI proposed the vote of thanks.

Directorate arranged a Workshop on "Research: Basic Ingredients and Questions (Series-I)" on 20th August, 2015 at the EIRC Auditorium to encourage the young researchers as well as the seniors to enhance research interest in social science. Prof. Sanjay Banerji, Professor of Finance, University of Nottingham Business School, U.K. conducted the whole session. CMA (Dr.) P. Chattopadhyay, Former Director (Research), ICAI was the Chairman of this Session. Vice President delivered the welcome address and the Chairman, Research, Journal & IT Committee, ICAI proposed the vote of thanks.

Technical Department

Cost Accounting Standards Board: I wish to inform you that the Cost Accounting Standards Board in its 78th meeting held on 27th August 2015 has approved the release of Exposure Draft of Cost Accounting Standard on Capacity Determination (CAS - 2) (Revised 2015). The exposure draft is being hosted on the website for obtaining suggestions and comments from various stakeholders. I request you to submit your views / suggestions on the proposed Exposure Draft within the due date for further improvement.

Cost Auditing Standards Board: I further inform you that the Cost Auditing Standards Board of the Institute in its 19th meeting held on 28th August 2015 has approved the release of Exposure Draft of two Cost Auditing Standards viz. Cost Auditing Standards on "Agreeing the Terms of Cost Audit Engagements" and "Audit Sampling". The exposure drafts are being hosted on the website for obtaining suggestions and comments from various stakeholders. I request you all to send your views / suggestions on these Exposure Drafts within the due date for further improvement.

I wish prosperity and happiness to members, students and their family on the occasion of Janmashtami, Ganesh Chaturthi and Bakrid.

With warm regards,



(CMA P.V. Bhattad)
1st September 2015