

VADODARA: The [Institute of Cost Accounts of India \(ICAI\)](#) has urged the centre as well as state governments in Gujarat, Rajasthan, Kerala and Haryana among others to make it compulsory for the co-operatives and [PSUs](#) to adopt cost auditing.

Currently, Maharashtra is the only state in the country where cost auditing of co-operatives has been mandated by the state government.

ICAI, the statutory body formed under an Act of Parliament, believes that only cost auditing can bring in effectiveness, transparency and utilisation of funds in co-operatives and PSUs.

In an exclusive chat with TOI, ICAI's national president Sanjay Gupta said that the institute has approached union finance minister Arun Jaitley for the same.

“Presently, in the financial books, there is just mention of figures. But the problem in majority of cases that we have come across in the recent times is over financing. In layman's language, doctors have not prescribed the right medicine. So, we are in talks with the centre on how should the government keep a track on the financial health of institutions like PSUs and co-operatives,” Gupta told TOI.

“In the current format, turnover of a company increases even if the company is actually making losses as financial audits are not reflecting the actual financial health of such firms,” he said, adding that cost auditing which includes qualitative and quantitative audits is the only way to know the financial health of institutes.

“PSUs, co-operatives or any other entities where government funds are involved should get certification after proper cost benefit analysis,” he said.

He added that the institute with the support of the [Insolvency and Bankruptcy Board of India](#) has created the Registered Valuer Organisation and a course for valuers will be launched on Monday.

“As per the provisions, only a registered valuer who has undergone proper training and holds certificate of practice will be able to carry out valuations for land and buildings, plant and machinery and securities or financial assets. In case of any irregularity, recognition or registration of such valuers can also be cancelled and disciplinary action initiated against such persons,” he added.

Gupta was in the city to take part in the inaugural sessions of the two days National CMA Practitioners Convention 2018 organised by ICAI in association with the Western India Regional Council and Baroda chapter of Cost Accountants on the topic of ‘Emerging professional avenues: capacity building of CMAs’.