



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003

FROM THE DESK OF THE CHAIRMAN

OF

“THE INTERNAL AUDITING AND ASSURANCE STANDARDS BOARD”

OF

“THE INSTITUTE OF COST ACCOUNTANTS OF INDIA”



CMA P. Raju Iyer

Central Council Member

&

Chairman, Internal Auditing & Assurance Standards Board



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003

“There is no ‘impossible’ word in the dictionary of those who lead. No matter how big a challenge, they can be resolved with strong intentions and resolutions.”

- **Swami Vivekananda**

“Accentuate the Basics; Accelerate the Quality, Aloft the Standards”

I am happy to communicate with the member’s fraternity as Chairman, Internal Auditing and Assurance Standards Board. Our Torch bearers & other eminent resource persons from our profession have been highlighting the importance & also have felt the need for the constitution of a separate board for Internal Auditing and Assurance Services in our institute. Keeping this pace this mind, and in line with the regulatory recognition of practicing Cost Accountants under section 138 (1) of Companies Act 2013 to appoint as Internal Auditors, the Present Council for the First Time as a hall mark in the history of the Institute has nurtured the Board to formulate and issue standards, guidance notes, guidelines and advisory for the Internal Audit Function..

Majority of our members are yet to tap potential area of Internal Auditing and Assurance services. To give a flip to the young members, the opportunity for them in Internal Auditing would be a fruitful.

SRIMADRAMAYANAM of Valmiki, known as ADIKAVYA – the oldest epic of India- tells us a lot about administering the State including its finances. We get an insight into this aspect when you go through the most inspiring dialogue of Sri Rama with Bharatha , when the later visits the former, in Chitrakoota convince him and take him back to Ayodhya to make him the King. Sri Rama, assumes that Bharatha has been coroneted and hence asks many questions which bring out the essentials of good governance of the State. A couple of questions by Rama(quoted below) bring out their everlasting relevance.



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003

कच्चिदर्थं विनिश्चित्य लघुमूलं महोदयम् ।

क्षिप्रमारभसे कर्तुं न दीर्घयसि राघव ॥

"O Bharatha, I hope you will always launch an undertaking / project (Artham) after fully analyzing pros & cons and considering the best interest of the State (vinischitya). I further expect that after the decision is made, the execution is started very soon (Kshipram) with minimum investment / cost (laghumoolam) and with an intent to realize maximum benefit (mahodayam). The implementation should not be delayed (na deerghayasi) – since Time Over run always result in Cost Overrun". ***What more advice is needed on Project Management please?!***

“Necessity created internal auditing and is making it an integral part of modern business. No business can escape it. If they haven’t got it now, they will have to have it sooner or later, and, if events keep developing as they do at present, they will have to have it sooner.”

(Arthur E. Hald, 1944)

The business activities and operations are undergoing turbulent change. Gone are those days where the auditing was confined only to verification of documents and financial transactions. Internal Auditors are expected to assure, advice, and anticipate and consult to the different levels of management, the path for progress, value addition and wealth creation. The Indian companies are at stage where they are increasingly adopting risk management framework. Risk based internal audit is at the stage of gaining popularity amongst the leading companies. Industries should be made aware of the role of the CMAs to create value addition. In the current scenario, the independent directors are expecting that the negative impact of risk in their roles and responsibilities are reduced to bare minimum level. This can be only achieved when the Cost Accountants take up the practice of Internal auditing in order to meet the expectations of the stakeholders. It is time for internal audit to move beyond being capable of



**The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)**

**H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003**

handling old risks and align with the strategic objectives of the organization, stepping into the role of trusted adviser.

“To Be "Agents of Change," Internal Auditors Must Embrace Change”

I am confident that with support of the council members, regions, chapter, experts from Industry this board will receive laurels in the years to come by contributing the profession, industry and society at large.

**Activities of “Internal Auditing & Assurance Standards Board”,
The Institute of Cost Accountants of India**

Meetings held:

The Board has held the meetings as per schedule to decide on the course of action, formulate and issue standards, guidelines and advisory for the Internal Audit Function

Venue of the Meeting : CMA Bhavan, Lodhi Road, New Delhi

1st Meeting - 1st September, 2019

2nd Meeting - 16th November, 2019

3rd Meeting - 1st March, 2020

Webpage for IAASB

A separate webpage has been created for IAASB by the Institute’s IT Department. Link for the webpage has been made available in the Homepage of the Institute’s Website. Communiqué of the Chairman of the Board has been hosted in the website



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Formulation of Guidance Notes

This year the board has planned to bring out standards on Internal Auditing for Manufacturing Sectors / Services Enterprises. The board shall also issue Guidelines for specific sectors such as Petroleum, Automobile, Textile, Chemical, Power Generation, Health care Sectors, Educational Institutions, Banking and Insurance, Real Estate, Securities market intermediaries such as stock brokers and share brokers etc.,

At present the preparation, review of the following guidance notes are in progress

- 1) Guidance Note for Internal Audit on Petroleum Industry (Up Stream & Down Stream)
- 2) Guidance Note for Internal Audit of Educational Institutions
- 3) Guidance Note for Internal Audit of Health Care Services
- 4) Guidance Note on Internal Audit Framework
- 5) Guidance Note on Power Sector

Memorandum of Understanding with XLRI, Jamshedpur

The Institute executed a MOU with XLRI, Jamshedpur on 17th February, 2020 for offering value addition programmes to the members.

The proposed programs shall be launched as certificate, short term, medium term, and executive diploma programs with successful participants receiving a joint certificate of completion or a joint certificate of participation from XLRI and ICAI. The nomenclature of certification for such programs shall be mutually agreed upon subject to the policies of XLRI and ICAI.



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003

Proposed Activities of the Board

The Board have planned to conduct various programs through our Regions, Chapters, Industry Associations, Chambers of Commerce, Management Associations, Educational Institutions, and other bodies. The programs will cover broadly:

- 1) April 2020 has been declared as “Internal Audit Month”
- 2) Workshops – One to Six Days
- 3) Webinars – once in every week
- 4) Seminars
- 5) Professional Development Programs
- 6) Industry Awareness Programs on the Scope of Internal Audit, Scope of Cost Accountants on Internal Audit
- 7) Internal Audit on Cyber Security and various Technology related Executive Development Program for wider industry audience.
- 8) Contemporary Internal Audit programs for PSUs and Corporate.
- 9) A workshop and seminar has been proposed with IIM, Trichy and Capacity Building & awareness program with “Coimbatore Industry & Manufacturers Association”.
- 10) A Program has been planned at Hyderabad, on internal audit with IOD and IIA.
- 11) The Programs will be conducted jointly with XLRI wherever required as per Our MOU and with IIA based on mutual benefit.

Due to the outbreak of CORONA VIRUS (COVID-19) as pandemic spreading across the globe including in our country, the proposed programmes as above have been deferred until further notice, as per the order issued by the Government of India in this regard. The programmes will be organized in a phased manner, once the situation revert backs to normalcy. In the mean



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003

time, the Board has decided to conduct organized online programmes, knowledge sharing resources through our webinar portal, Google Classrooms and other compatible devices.

IAASB has organized following webinars by Resource Person CMA Dr. S. K. Gupta as a speaker:

- ***Changing dimensions of Internal Audit in emerging business scenario*** on 8th March 2020, Sunday from 10.00 A.M. to 11:00 A.M.
- ***Internal Audit - What the Board of Directors Expect*** on 15th March 2020, Sunday from 10.00 A.M. to 11:00 A.M.
- ***Role of Internal Audit in Corporate Governance*** on 22nd March, 2020 Sunday from 1.00 P.M. to 2.00 P.M.
- ***Risk and Process based Internal Audit*** on 29th March, 2020, Sunday from 2.00 P.M. to 3.00 P.M.

The number of participants in the above four webinars are very much satisfactory and from the data base of attendance it has been observed that all members who had registered prior to the start of the webinar could not login the webinar as the capacity has been fulfilled as soon as it started.

The proposed Webinars are:

Resource Person as a Speaker - **CMA Dr. S. K. Gupta**

- Leveraging Internal Audit for enhancing organizational value
- COSO Based Internal Auditing



Resource Person as a Speaker - **CMA Mrityunjoy Acherjee**

- Digitalisation of Internal Audit Process & Reporting
- Internal Audit Standards - guiding principle to carry out Internal Audit assignment
- Risk Assessment and Assurance - Comprehensive Internal Audit Approach
- Cyber Security and Governance Risk Control - New tools in Internal Audit methodology
- Internal Audit Approach and Report Writing - Industry specific approach.
- Internal Finance Control, Accounting Standards, Cost Accounting Standards - a comprehensive approach towards integrated Internal Audit

Resource Person as a Speaker - **CMA Sampath Balaji**

- Internal Control and Fraud Prevention
- Key Success Factors running a FMCG Distribution Perspective - An Assurance Perspective

Resource Person as a Speaker - **CMA M B Eswarn**

- Managing Risk – Perspectives and commonsense Approach for Survival
- Aligning Internal Audit with Top Management and Stakeholders
- Internal Audit 3.0

Resource Person as a Speaker - **CMA Rakesh Shankar**

- Internal Audit for Educational Institutions
- Guidelines for the Professional Practice of Internal Auditing & Assurance Services

Resource Person as a Speaker - **CMA Saravana Prabhu**

- GST Perspectives in Internal Audit

The month of April, 2020 has been declared as Month of Internal Audit of our Institute and Institute's monthly Journal "The Management Accountant" will be publishing various articles,



The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

H.Q: 12 Sudder Street, Kolkata – 700 016
Delhi Office: 3, Institutional Area, Lodhi Road, New Delhi – 110 003

guidance, etc., on Internal Audit. As decided “IAASB” will not be conducting any Seminars, Workshops, etc, due to wake of CORONA VIRUS (COVID-19) in almost all the countries including India causing complete lockdown in the country for 3 weeks w.e.f. 25th March,2020, it is proposed to forward relevant materials, PPTs, etc., to update the members on various aspects of Internal Audit.

On behalf of the board, we wish that all the members will participate in numbers in the webinars to get enriched in various areas and aspects of Internal Audit and also to share their feedback and suggestion for improvement and value addition. We are also in the process of updating the content in the web portal of “IAASB” by uploading the webinars that have been already conducted, guidance notes, guidelines, and notifications etc. from time to time.

Under this emerging emergency situation arising out of wake of CORONA VIRUS, we wish you well for your family members and near and dear ones in good health by keeping safe social distance and adhering other measures as advised by the Central & State Government and local authorities from time to time.

JAI HIND.

CMA P.Raju Iyer

Chairman
Internal Auditing and Assurance Standards Board
The Institute of Cost Accountants of India