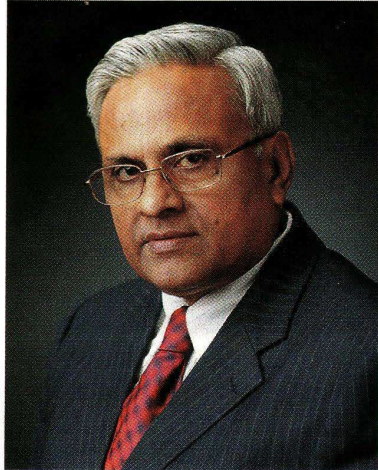


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TCA Srinivasa Prasad
Central Council Member, ICWAI

OUTLOOK *spotlight*

Interview with: **M. Gopalakrishnan,** President, ICWAI



Has the scope of cost accountants broadened under present circumstances?
With the economic volatility hitting the developed countries hard, India's position in the growth story continues on an even keel, even in stormy global environment. This is not possible without competent professionals who keep their finger on the performance pulse of the business and enable management of business with better governance and more transparency. This has also been facilitated in major government and private organizations by bringing in more accountability in the financial performance reporting. This has led to a spurt in demand for cost and management accounting professionals, who can carry out costing and pricing in an efficient manner and help in achieving the targeted business performance. The Government has also taken measures to promote the cost competitiveness culture in the industry, through the mandatory mechanism of cost accounting records and cost audit. The Risk identification and mitigation is one of the core areas where cost accountants have to play a role. This has naturally broadened the scope of Cost Accountants in business.

How is the operational domain of a Cost accountant different from the Chartered Accountants and Company Secretaries?
As Cost and Management Accountants, we train Cost Accountants to work on a four pillar approach- Finance, Reporting,

Strategy and Regulatory mechanisms. Although, there are some overlapping areas of the functions in all four pillars, we do have our niche areas in the three pillars of finance, reporting and strategy. As the businesses and consumers are moving towards sustainable development, there is immense need to optimise resources and dealing with performance on the long term basis, which is our core area.

The Chartered Accountants and the Company Secretaries operate primarily on regulatory domains, which are laid down in the respective Acts, apart from their other functions. They are more concerned with whether an organization is actually following the laid down norms and regulations as per various Acts and report non conformance under the respective statutes under which they are empowered. The major differentiating factor for a cost accountants is that he is an internal assurer of business performance, by translating the management decisions and strategies into value to enable an informed assessment.

What have been the activities of ICWAI in the international sphere? Are you lobbying for a change of name of the Institute?

I would say that amongst the three professions, Cost and management accounting is the only profession, which has a global reach and alignment, because cost and pricing strategies cuts across boundaries. This naturally draws us to alignment of our profession with the various Cost and Management Accounting bodies of the world. As a part of the alignment, we have signed MoU with the The Chartered Institute of Management Accountants (CIMA-UK) to allow mutual exemptions for members of both of the accountancy bodies' in their professional examinations. The ICWAI has also entered into a MRA with the Institute of Management Accountants (IMA), USA, for mutual automatic membership of each of the Institute. In addition we have also entered into a Mutual Recognition Agreement (MRA) with the National Institute of Professional Accountants (NIPA), Australia. We are also active in international bodies, such SAFA (President Post to ICWAI) and Public Accountants in Business Committee of International Federation of Accountants.

In international space, our profession is

known as Cost and Management Accountant in all the countries of the world. Keeping our global focus in mind, we have made a concerted effort to change the name of the Institute to The Institute of Cost and Management Accountants of India.

What are the various sectors ICWAI working at the moment?

Most of our students are placed with public and private organizations and I would say if I had to allocate a percentage; it would about 50% in both arena. Apart from manufacturing and service sectors, we are also active in essential services such as education, healthcare, highways (toll roads) and electricity, to name a few. We are also helping Department of Post to introduce latest activity based cost management systems for cost efficient operations. ICWAI is also active in the indirect taxation area, aiding in making VAT audit uniform across atleast 18 states in India. Apart from them the Cost Accountants also work in close interaction with all functional areas such as production, purchasing, utilities and marketing divisions of all organizations, to better business performance.

What are the new developments undertaken by ICWAI for the students?

Over the last few years we have developed a very strong IT backbone to facilitate easier service to members and students. With our e-learning, students across India can have access to the best faculty on various subjects. We are providing specialised training to students in IT education by devoting about 100 hours per session to the student.. We have also launched WEBCASTs (Seminar through Internet) in a major way to broaden our reach to students. With this, we have made possible countrywide classrooms, which enable us to reach the largest section of student population, who want to become accounting professionals. Recently, we have also started industry based learning circles, which enable members and students disseminate industry wide best practices and adopt them to the business they work for. It has also attracted many probable cost and management accountants to our course. We have also been highly successful in organising campus placement for students across the four regions and as much as seventy percent of our students have been able to find a well paid job through this initiative.