



## **Professional Development Committee (2021-22)**

### **Request for Comments**

In the prevailing competitive environment the stakeholders seek professional services to efficiently carry out any professional assignment. There is no mechanism of empanelment and categorization of Cost Accountants / Firms in the Institute. In view of the representations made before the various Authorities/ organizations for authorizing Cost Accountants (CMAs) for audit and other assignments, it was felt necessary to introduce the mechanism of Empanelment and Categorization of Cost Accountants Firms of the Institute. **The Multipurpose Empanelment Scheme (MES)** is framed as per the requirements by various Authorities/ organizations for authorizing Cost Accountants (CMAs) for audit and other assignments.

The prime objective of the Multipurpose Empanelment with the Institute is to support various stakeholders who require rationally evaluated and categorized pool of Practicing Professionals (Proprietor / Firm) and also to make available a level playing field to the practicing members of the Institute whenever such information is sought by the stakeholders.

The Professional Development Committee of the Institute took up this agenda of MES in its recent meeting for deliberation and after the due discussions it was decided to release the **Exposure Draft of the Multipurpose Empanelment Scheme (MES)** to seek Public Comments in order to have wider consultations with regulators, industry associations and stakeholders before finalizing the scheme.

The MES shall be finalised by the PD Committee in the light of suggestions/ comments received from the stakeholders. **Please submit your views / comments / suggestions on the Exposure Draft in the following format latest by 17<sup>th</sup> March 2022 through email at [pd@icmai.in](mailto:pd@icmai.in)**

Sl.	Clause	Sub-clause	Suggestion	Justification, if any

**CMA Vijender Sharma**  
Vice-President and  
Chairman, PD Committee  
The Institute of Cost Accountants of India



# EXPOSURE DRAFT

## MULTIPURPOSE EMPANELMENT SCHEME FOR PRACTICING COST ACCOUNTANTS AND FIRMS

### BACKGROUND:

Presently, there is no mechanism of empanelment and categorization of Cost Accountants Firms in our Institute. In view of the representations made before the various Authorities/ organizations for authorizing Cost Accountants (CMAs) for audit and other assignments, necessity is felt to introduce the mechanism of Empanelment and Categorization of Cost Accountants Firms of the Institute.

The Draft Multipurpose Empanelment Scheme (MES) for Practicing Cost Accountants and Firms is appended hereunder:

### 1. INTRODUCTION

In today's competitive environment the organizations are looking for professionals at the cutting edge to meet the requirement of the given assignment. The Multipurpose Empanelment Scheme is framed as per the requirements by various Authorities/ organizations for authorizing Cost Accountants (CMAs) for audit and other assignments

The main objective of the Multipurpose Empanelment with the Institute is to support various stakeholders who require rationally evaluated and categorized list of Practicing Professionals (Proprietor / Firm). This system will definitely be of assistance to the Practicing Members and will make available a level playing field to the practitioners whenever information is sought by the stakeholders.

The MES scheme for Practicing CMAs is a voluntary participation scheme. The information provided to the Institute for the purpose of empanelment under this scheme is property of the Institute. The Institute reserves the right to use / display / share this information with the stakeholders in the mode & format that is suitable for successful implementation of this scheme.

### 2. BASIS OF EMPANELMENT

Multipurpose Empanelment Scheme of the Institute is based on various evaluation criteria like Total Income, number of years of practice, number of partners, number of staff members and professional experience of the entity as detailed in the scheme below.

The Institute may revise the evaluation criteria with approval of the Council from time to time. Any such revision in the evaluation criteria shall be informed to the members at-least 3 months prior to beginning of the new empanelment year.



### **3. AUTHORISATION AND REGULATION**

- i. In terms with the powers vested with the Council of the Institute under the Cost and Works Accountants Act, 1959 and the Regulations framed there under, the Council of the Institute is empowered to frame such Scheme.
- ii. Compliance with this Scheme is recommendatory for full time Practitioners.
- iii. In case of any queries concerning this Scheme, the clarifications and interpretations issued by the Professional Development Department shall be final.

### **4. EFFECTIVE DATE**

The Multipurpose Empanelment Scheme is effective from 1<sup>st</sup> April 2022.

### **5. CRITERIA FOR ENROLLMENT UNDER MULTIPURPOSE EMPANELMENT SCHEME (MES)**

- i. Members holding full time Certificate of Practice / Firms of Cost Accountants may enroll under this Multipurpose Empanelment Scheme (MES)
- ii. It may be noted that members holding Part-time Certificate of Practice (CoP) are not eligible to enroll under this Multipurpose Empanelment Scheme (MES).
- iii. This facility is available to Full time Practicing Cost Accountants who are in practice for a period of minimum of 3 years continuously as on the date of enrollment under MES.
- iv. The enrollment for the MES scheme will be strictly only through Online Mode as prescribed by the Institute.

### **6. ALLOTMENT OF ENROLLMENT NUMBER**

- i. Enrollment No. shall be allotted to all eligible Practicing Cost Accountants (Proprietor / Firm) for the First time enrollment.
- ii. The Enrollment No. for Proprietor will be prefixed with Letter "P". The Enrollment No. of Firms will be prefixed with Letter "F".
- iii. The Enrollment No. will be allotted in a Sequential Manner and has no link with Points Scored by the entity in its evaluation or ranking of the entity under this scheme.
- iv. If a Firm has applied under this scheme and is awarded an Enrollment Number, then no Partner of the Firm will be considered for registration of this scheme. If a Proprietor who is registered under this scheme and allotted an Enrollment Number later on joins a Firm which is also registered under this Scheme and has been allotted an Enrollment Number then the Enrollment Number of such Proprietor will stand revoked / cancelled.



## 7. SUBMISSION OF DOCUMENTS

- i. The applicants are required to submit documents as prescribed as part of the Evaluation Criteria table given under clause 8 of this scheme.
- ii. Any false information provided under this scheme will be considered a violation of the Professional Code of Conduct and will be dealt with appropriately.
- iii. All the Self Certification formats submitted under this scheme shall be with a UDIN Number of the Proprietor / Partner signing the documents on behalf of the Firm.
- iv. The Institute reserves right to call for additional information, explanation, clarification, etc. or any other such document from the applicants as may be considered appropriate.

## 8. EVALUATION CRITERIA & REQUIREMENTS OF DOCUMENTS

Sr. No.	Criteria	Marks
<b><u>Information for the Evaluation of the Applying Entity</u></b>		
<b>1</b>	<b>Type of the Practicing Entity</b>	<b>Max 03 marks</b>
	Firm	03 marks
	Proprietor	01 mark
<b>2</b>	<b>Experience from Date of Incorporation as per Institute's Records</b>	<b>Max 15 marks</b>
	> 20 years	15 marks
	> 10 years upto 20 years	10 marks
	> 05 years upto 10 years	05 marks
	upto 05 years	02 marks
<b>3</b>	<b>Number of Proprietor / Partners</b>	<b>Max 16 marks</b>
	Fellow Members of the Institute of Cost Accountants of India.	4 marks for every FCMA
	Associate Members of the Institute of Cost Accountants of India.	2 marks for every ACMA



<b>4</b>	<b>Association of the Proprietor / Partners with the entity</b> <i>(The number of years without any break the proprietor is practice under same trade name / the number of years without any break a member is partner in the entity)</i>	<b>Max 10 marks</b>
	> 15 years	4 marks per partner
	> 10 years & upto 15 years	3 marks per partner
	> 5 years & upto 10 years	2 marks per partner
	upto 5 years	1 mark per partner
<b>5</b>	<b>Number of Professionally Qualified Staff (CMA / CA / CS)</b> <i>(The staff member shall be member of the respective Institute)</i>	2 marks per Professionally Qualified Staff Member ( <b>Max 8 marks</b> )
<b>6</b>	<b>Number of Semi Qualified Staff &amp; Articles</b> <i>(The staff member shall be graduate / inter CMA / inter CA / inter CS / student of the Institute)</i>	2 marks per Semi Qualified Staff Member ( <b>Max 8 marks</b> )
<b>7</b>	<b>Geographical Presence of the Proprietor / Firm</b> <i>(Number of offices - head office &amp; branch offices as per Institute's record)</i>	2 marks per Office ( <b>Max 6 marks</b> )

**EVALUATION CRITERIA:**

<b>Sr. No.</b>	<b>Criteria</b>	<b>Marks</b>
<b>8</b>	<b>Turnover of the Proprietor / Firm</b> <i>(Average Turnover for Last 2 Financial Years)</i>	<b>Max 15 marks</b>
	> Rs. 2.00 Crore	15 marks
	> Rs. 1.00 Crore & upto Rs. 2.00 Crore	10 marks
	> Rs. 0.50 Crores & upto Rs. 1.00 Crore	05 marks
	> Rs. 0.25 Crores & upto Rs. 0.50 Crores	02 marks
	upto Rs. 0.25 Crores	01 mark



<b>9</b>	<b>Auditing Experience of the Proprietor / Firm</b> (Experience of carrying out audit assignments - Cost Audit, GST Audit, Internal Audit, Stock Audit, Cooperative Audit during immediately preceding 2 years) (The marks are based on the Annual Turnover of the Auditee Entity)	<b>Max 15 marks</b>
	> Rs. 5000 Crore	5 marks per year of each audit
	> Rs. 1000 Crore & upto Rs. 5000 Crore	3 marks per year of each audit
	> Rs. 500 Crores & upto Ro. 1000 Crore	2 marks per year of each audit
	upto Rs. 500 Crores	1 marks per year of each audit
<b>10</b>	<b>Experience of carrying out Audit (Cost Audit / Internal Audit) Assignment in ERP Environment</b>	2 marks per year for each assignment ( <b>Max 04 marks</b> )
<b>Additional Information (not used as evaluation criteria)</b>		
<b>11</b>	<b>Whether the entity has persons with following skill sets as its Proprietor / Partner / Full time Employee</b>	(Strike which is not applicable)
	CISA / DISSA	Yes / No
	Valuation Professional	Yes / No
	Insolvency Professional	Yes / No
	SAP Certified Professional	Yes / No
<b>12</b>	<b>Major areas of Expertise for the Proprietor / Firm based on the work experience of the Proprietor / Firm as a Practicing CMA</b>	(Strike which is not applicable)
	Cost Audit	Yes / No
	GST Audit	Yes / No
	Internal Audit	Yes / No
	Stock Audit	Yes / No
	Cooperative Audit	Yes / No
	Management Consulting	Yes / No



	Consultancy in ERP Systems	Yes / No
	Information Systems Audit	Yes / No
	Stock Valuation / Physical Stock Taking	Yes / No
	Designing and Implementation of Costing Systems	Yes / No

**Notes:**

- i. If a Partner retires between the date of Application under this MES till the date of Final Verification, the associated marks for the purpose of evaluation will be credited (i.e. not be considered).
- ii. If a Partner joins between the date of Application under this MES till the date of Final Verification, the associated marks for the purpose of evaluation will not be added.
- iii. If a Proprietor / Firm is closed as per the Institute's Records from the date of Application under this MES till the date of Final Verification, the entity will not be included in the Panel & will not be allotted any Enrollment Number.

**REQUIREMENTS OF DOCUMENTS TO BE SUBMITTED:**

- i. For evaluation under this scheme, Partners who are associated only with the applicant entity will be considered. If a member is Partner in more than 1 Firms, he/she will not be considered for calculation of marks under this scheme.
- ii. The applicant shall provide self-certified undertaking in respect of the Sr. No. 4, 5, 6, 9, 10, 11 & 12 in the format prescribed under this scheme.
- iii. In respect of Sr. No. 8 above a certificate along with UDIN from a Practicing Cost Accountant, Company Secretary or Chartered Accountant shall be attached in soft copy format. The professional signing the document shall not be a partner or employee of the applicant.
- iv. In respect of Sr. No. 1, 2, 3 & 7 information as appearing in the Institute's Record as on 31<sup>st</sup> January will be considered for calculation of marks under this scheme.

**9. CATEGORISATION OF EMPANELLED FIRMS**

<b>Total Number of Marks as per evaluation criteria given in point no. 8 above</b>	<b>Allocated Category to the Proprietor / Firm</b>
More than 90 marks	Category 1



More than 75 marks & upto 90 marks	Category 2
More than 60 marks & upto 75 marks	Category 3
More than 50 marks & upto 60 marks	Category 4
Min. 30 marks & up to 50 marks	Category 5

## 10. MONITORING AND REVIEW OF MES

- i. The Professional Development Department under the supervision and guidance of the Professional Development Committee will monitor and review the Scheme.
- ii. The Empanelment under this scheme shall be valid for a period of one financial year, i.e. from 1<sup>st</sup> April to 31<sup>st</sup> March. This will be referred to as “Empanelment Year”.
- iii. The application for the empanelment along with all the relevant documentation shall be collected from the practicing members / firms / LLPs between 1<sup>st</sup> December and 31<sup>st</sup> January.
- iv. In case of any further clarification required from the applicant to this scheme, the Institute shall communicate with the applicant on applicant’s official email ID.
- v. The Empanelment Details (Draft) will be informed by the Institute to the applicants by 28<sup>th</sup> February / 29<sup>th</sup> February as the case may be over the official email ID of the applicant.
- vi. In case of any query the applicants will get 10 days (by 10<sup>th</sup> March) to register such query with the Institute in the manner as decided by the Professional Development Department.
- vii. The Institute shall resolve the queries of the applicants within 10 days (by 20<sup>th</sup> March) and inform the same to the applicant over official email ID of the applicant.
- viii. The Institute shall publish Final Empanelment List on 25<sup>th</sup> March on its website and inform to the applicants on applicant’s official email ID.
- ix. Application Process for this empanelment scheme shall only be through electronic mode as decided by the Professional Development Department.
- x. There shall be no processing charges or any fees charged from the practicing members / firms for empanelment in this scheme.
- xi. Any change in the scheme shall be intimated to the members at least 3 months prior to the beginning of a new empanelment year.





### **11. FORMS FOR SUBMISSION OF THE INFORMATION**

The Professional Development Committee will issue the necessary Forms for Submission of the necessary information for application under this MES.

### **12. POWER TO MODIFY GUIDELINES**

The Council of the Institute on the basis of recommendation of the Professional Development Committee can modify these guidelines at any time.

### **13. DISCLAIMER**

- i. MES facility is available to Full time Practicing Cost Accountants (Proprietor / Firm) who are in practice for a period of minimum of 3 years continuously as on the date of enrollment under MES.
- ii. It is the sole responsibility of the Practicing Cost Accountants to check the Eligibility criteria and respond against tenders.
- iii. The role of the Institute is of a facilitator only and does not undertake any responsibility with regard to the allotment of audit and other assignment.
- iv. All efforts are being taken in empanelment, in the event of any inadvertent mistake or omission, the Institute will not be responsible in any manner.
- v. The Institute reserves the right to change/modify any or all of the condition of Criteria for Enrollment under Multipurpose Empanelment Scheme (MES) whenever deems necessary.



Form MES-1

**INFORMATION FOR THE EMPANELMENT UNDER MES SCHEME**

<b>A.</b>	Registration Number of the Entity (Proprietor / Firm) as per The Institutes Record	
<b>B.</b>	Name of the Entity (Proprietor / Firm) as per The Institutes Record	<b>to be populated from Institute Record</b>

<b>Sr. No. 1 - Type of the Practicing Entity</b>		<b>Populate "Firm" / "Proprietor" from the Institute Record</b>
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<b>Sr. No. 2 - Experience from Date of Incorporation as per Institute's Records</b>		<b>Populate Experience in Number of Years from the Institute Records (rounding up for the fraction)</b>
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<b>Sr. No. 3 - Number of Proprietor / Partners</b>		<i>Consider PCMA's who are partners in only one Firm</i>
	Fellow Members of the Institute of Cost Accountants of India.	<b>Populate Number of Fellow Partners from the Institute Record</b>
	Associate Members of the Institute of Cost Accountants of India.	<b>Populate Number of Associate Partners from the Institute Record</b>



<b>Sr. No. 4 - Association of the Proprietor / Partners with the entity</b> (The number of years without any break the proprietor is practice under same trade name / the number of years without any break a member is partner in the entity)		
	No. of Partners with association of > 15 years	
	No. of Partners with association of > 10 years & upto 15 years	
	No. of Partners with association of > 5 years & upto 10 years	
	No. of Partners with association of upto 5 years	

<b>Sr. No. 5 - Number of Professionally Qualified Staff (CMA / CA / CS)</b> (The staff member shall be member of the respective Institute)			
Sr.	Name	CMA / CS / CA	Membership No.
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			



19			
20			

<b>Sr. No. 6 - Number of Semi Qualified Staff &amp; Articles</b> (The staff member shall be graduate / inter CMA / inter CA / inter CS / student of the Institute)			
<b>Sr.</b>	<b>Name</b>	<b>CMA / CS / CA</b>	<b>Regn No.</b>
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			



<b>Sr. No. 7 - Geographical Presence of the Proprietor / Firm</b> (Number of offices - head office & branch offices as per Institute's record)		<b>Total Number of (Head Office + Branch Offices to be populated from the Institute Record</b>
<b>Sr.</b>	<b>Names of City of Head Office / Branch Office</b>	
1	Populate from the Institute Record	
2	Populate from the Institute Record	
3	Populate from the Institute Record	
4	Populate from the Institute Record	
5	Populate from the Institute Record	
6	Populate from the Institute Record	
7	Populate from the Institute Record	
8	Populate from the Institute Record	
9	Populate from the Institute Record	
10	Populate from the Institute Record	

<b>Sr. No. 8 - Turnover of the Proprietor / Firm</b> (Average Turnover for Last 2 Financial Years)		
	> Rs. 2.00 Crore	Yes / No
	> Rs. 1.00 Crore & upto Rs. 2.00 Crore	Yes / No
	> Rs. 0.50 Crores & upto Ro. 1.00 Crore	Yes / No
	> 0.25 Crores & upto Rs. 0.50 Crores	Yes / No
	upto Rs. 0.25 Crores	Yes / No



<b>Sr. No. 9 - Auditing Experience of the Proprietor / Firm</b> (Experience of carrying out audit assignments - Cost Audit, GST Audit, Internal Audit, Stock Audit, Cooperative Audit during immediately preceding 2 years) (The marks are based on the Annual Turnover of the Auditee Entity)		
	No of Clients with Annual Turnover of > Rs. 5000 Crore	
	No of Clients with Annual Turnover of > Rs. 1000 Crore & upto Rs. 5000 Crore	
	No of Clients with Annual Turnover of > Rs. 500 Crores & upto Ro. 1000 Crore	
	No of Clients with Annual Turnover of upto Rs. 500 Crores	

<b>Sr. No. 10 - Experience of carrying out Audit (Cost Audit / Internal Audit) Assignment in ERP Environment</b>		
	Assignment Type (Cost Audit / Internal Audit)	Number of Years
	Cost Audit	
	Internal Audit	

<b>Sr. No. 11 - Whether the entity has persons with following skill sets as its Proprietor / Partner / Full time Employee</b>		
	CISA / DISSA	Yes / No
	Valuation Professional	Yes / No
	Insolvency Professional	Yes / No
	SAP Certified Professional	Yes / No



**Sr. No. 12 - Major areas of Expertise for the Proprietor / Firm based on the work experience of the Proprietor / Firm as a Practicing CMA**

	Cost Audit	Yes / No
	GST Audit	Yes / No
	Internal Audit	Yes / No
	Stock Audit	Yes / No
	Cooperative Audit	Yes / No
	Management Consulting	Yes / No
	Consultancy in ERP Systems	Yes / No
	Information Systems Audit	Yes / No
	Stock Valuation	Yes / No
	Physical Stock Taking	Yes / No
	Designing and Implementation of Costing Systems	Yes / No



**Form MES-2**

**DECLARATION FROM THE APPLYING ENTITY AUTHENTICATING THE INFORMATION**

Date : dd/mm/yyyy (enter the date in given format)

**To : The Institute of Cost Accountants of India**

12, Sudder Street, Kolkata, 700016

I / We hereby undertake that all the information submitted in the Form MES-1 for the purpose of Multipurpose Empanelment with The Institute of Cost Accountants of India is True and Correct. No false information is submitted.

I / We undertake that I / We have documentary proof to establish that the information provided under Sr. No. 4, 5, 6, 9, 10, 11 & 12 of Form MES-1 is accurate and correct.

I / We understand and accept that I / We will be subject to violation of Professional Code of Conduct if any information submitted by me / us is found to be inaccurate / false.

For :

Name of the Proprietor / Firm

Registration No. :

(Sign) & (Stamp)

Name of the Member Signing the Declaration :

Membership No. :

UDIN :





**Form MES-3**

**CERTIFICATION OF THE TURNOVER OF THE APPLYING ENTITY**

Date : dd/mm/yyyy (enter the date in given format)

**To : The Institute of Cost Accountants of India**

12, Sudder Street, Kolkata, 700016

I hereby certify that the Annual Turnover for the year \_\_\_\_\_ (turnover of the year immediately preceding the year of empanelment) of \_\_\_\_\_ (mention name of the Proprietor / Firm) with Registration Number \_\_\_\_\_ (mention registration number) is More than Rs. 2.00 Crore / More than Rs. 1.00 Crore & upto Rs. 2.00 Crore / More than Rs. 0.50 Crores & upto Rs. 1.00 Crore / More than Rs. 0.25 Crores & upto Rs. 0.50 Crores / upto Rs. 0.25 Crores (delete what is not applicable).

(Sign) & (Stamp)

Name :

Practicing Cost Accountant / Company Secretary / Chartered Accountant (delete what is not applicable)

M. No. :

UDIN :