



Indian Banks' Association

CORPORATE & INTERNATIONAL BANKING

No C&I/Cir/2015-16/1217

August 12, 2015

To

The Chief Executive of All Member Banks

Inclusion of Cost Accountants for Stock Audit and Risk Based Internal Audit

The Institute of Cost Accountants of India (ICAI) regulates the profession of Cost and Management Accountancy (CMA), provides coaching and training facilities, organize professional development programs for the members and undertake research program in the field of CMA.

2. The Institute approached IBA stating that the Companies Act, 2013 mandates equal opportunities to Cost Accountants under various sections and provisions of the Act. These include Cost Audit of the Company under section 148(2), 232(7), 259(1), 275(2). On examinations of these sections, it was noticed that Section 138(1) states that an internal auditor could either be a chartered accountant or cost accountant. Similarly, audit of cost records under Section 148(2) would be undertaken by cost accountant as per standards prescribed by ICWAI. Other assignments are required to be given to persons appearing in approved panels / data bases maintained by relevant authorities and Cost Accountants if they are part of such databases would also qualify for these assignments. The matter was placed before the Managing Committee of the Association on July 31, 2015 for discussion. The Committee, after deliberations, decided that IBA shall write to member banks requesting to consider Cost Accountants / Firms of Cost Accountants for Stock Audit, Risk Based Internal Audit and Other Operations.

Member banks may consider the request of the Institute.

Yours faithfully,

(M K Datar)
Sr. Advisor