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COMMUNIQUE FROM CHAIRMAN
Cost Auditing and Assurance Standards Board

Dear Professional Colleagues,

“Innovation distinguishes between a leader and a follower.” - Steve Jobs

I am pleased to inform you that the Cost Auditing and Assurance Standards Board (CAASB) of the Institute is on the way to meet the target of evolving and approving 15 more Standards of Cost Auditing (SCAs) by 31st March 2016. As you know that the Central Government had already approved *four SCAs* as per provisions contained in section 148(3) of the Companies Act 2013 and compliance of these are mandatory for the cost auditors.

CAASB in its 25th meeting held on 18th January 2016 approved ***SCA-110 on Cost Auditing on Written Representation; & SCA-111 on Cost Auditing on Evaluation of Misstatements identified during the Audit.*** These Standards are being sent by the Institute to the Central Government for its approval.

CAASB in the said meeting also approved the Exposure Draft of SCA on ***“The Cost Auditor’s Responses to Assessed Risks”***. This SCA is hosted by the Institute for public comments/suggestions, the last date being ***27th February 2016.*** I urge all the stakeholders to send their suggestions/ comments by the due date so that it may be improved upon before the same is sent to Central Government for its approval.

In addition to above development, I am glad to inform you that the Institute has already sent the following SCAs to Central Government for its approval:

- ***SCA-105 Standard on Cost Auditing, “Agreeing the Terms of Cost Audit Engagements”;***
- ***SCA-106 Standard on Cost Auditing, “Audit Sampling”;***
- ***SCA-107 Standard on Cost Auditing, “Audit Evidence”***
- ***SCA-108 Standard on Cost Auditing, “Materiality in Planning and Performing Cost Audit”***
- ***SCA-109 Standard on Cost Auditing, “Cost Auditor’s Responsibility Relating to Fraud in an Audit of Cost Statements”***

Once the above Standards are approved by the Central Government, the compliance of them shall be mandatory for the cost auditors in the audit of the cost records under section 148(2) of the Companies Act 2013.

I request the members to kindly forward suggestions / comments on the Exposure Drafts so that the Standards can be improved. I request the Chapters to organize Study Circle Meetings to discuss on the EDs on SCAs and forward the comments, even if NIL comments.

I wish all of you prosperity and happiness on the occasion of Basant Panchami, Shivaji Jayanti and Guru Ravidas Jayanti.

(CMA P. Raju Iyer)

2nd February 2016