



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory body under an Act of Parliament)
Cost Auditing and Assurance Standards Board
CMA Bhawan, 3, Institutional Area, Lodi Road
New Delhi – 110003

Phone: 011-24666112 / 109
Fax: 011-43583642
Mobile: 9871257800
Email: caasb@icmai.in
Website: www.icmai.in

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Communique from Chairman

“Do not dwell in the past, do not dream of the future, concentrate the mind on the present moment” - Buddha

Dear Professional Colleagues,

I am very much happy to inform you that with the continued efforts of members of Cost Auditing and Assurance Standards Board (CAASB) and equally strong support of the Secretariat of CAASB, the target of developing 15 additional Standards of Cost Auditing has been met when the Board has approved 19th standard on cost auditing in its 26th meeting held in February 2016. I am sure that the target of sending the 15 additional Standards on Cost Auditing by the Council of the Institute to the Central Government by 31st March 2016, for its approval will be achieved. After approval of the Central Government in terms of proviso to Section 148(3) of the Companies Act 2013, these shall be mandatory for compliance in audit of cost records by the cost auditor.

CAASB in its 26th meeting held on 15th and 16th February 2016 approved the following standards on cost auditing (SCAs):

- (i) SCA-112 Standard on Cost Auditing, *“Analytical Procedures”*
- (ii) SCA-113 Standard on Cost Auditing, *“Using the Work of Internal Auditors”*
- (iii) SCA-114 Standard on Cost Auditing, *“Using the Work of an Auditor's Expert”*
- (iv) SCA-115 Standard on Cost Auditing, *“Communication with Those Charged with Governance”*
- (v) SCA-116 Standard on Cost Auditing, *“Communicating Deficiencies in Internal Control to Those Charged with Governance and Management”*

CAASB in its said meeting also approved the following Exposure Drafts (EDs):

- (i) ED for SCA- *“Identifying and Assessing the Risks of Material Misstatement”*; and
- (ii) ED for SCA- *“Related Parties”*.

Both the above exposure draft along with previously approved Exposure Draft of SCA on *“The Cost Auditor's Responses to Assessed Risks”* are available on the Institute website for public comments/ suggestions, the last date being 16th March 2016. It would not be out of place to mention again that the inputs and feedbacks from members and industry are very much necessary to improve the standards before these are made mandatory for compliance. So I request all stakeholders to forward the comments/ suggestions thereon within the stipulated time.

We are planning to conduct webinars and workshops to highlight the need and intricacies of SCAs. I request the members to encourage us by participating in the programs.

I extend my warm wishes to all of you on the occasion of Maha Shivaratri and Holi.

(CMA P. Raju Iyer)

10th March 2016