

Exposure Draft

Standard on Internal Audit

Planning an Internal Audit

The Committee on Internal Audit of the Institute of Chartered Accountants of India invites comments on the Exposure Draft of the Standard on Internal Audit (SIA), Planning an Internal Audit. Comments are most helpful if they indicate the specific paragraph(s) to which they relate, contain a clear rationale and, where applicable, provide a suggestion for alternative wording.

Comments should be submitted in writing to the Secretary, Committee on Internal Audit, The Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002, so as to be received not later than **December 30, 2005**. Comments can also be sent by e-mail at tpcia@icai.org.

The following is the text of the Standard on Internal Audit (SIA) 1, "Planning an Internal Audit", issued by the Council of the Institute of Chartered Accountants of India. This Standard should be read in conjunction with the Preface to the Standards and Guidance Notes on Internal Audit, issued by the Institute.

In the initial period, the Standard on Internal Audit would be recommendatory in character. During this period, this Standard is recommended for use by all the members of the Institute of Chartered Accountants of India, engaged in carrying out internal audits. Further, during this period it is intended that planning of an internal audit may, as far as possible and practicable, be brought in line with the Standard.

Introduction

1. The purpose of this Standard on Internal Audit is to establish standards and provide guidance in respect of planning an internal audit. **An internal auditor should develop and document a plan for each internal audit engagement to help the internal auditor conduct the internal audit in an efficient and timely manner.** Adequate planning ensures that appropriate attention is devoted to significant areas of audit, potential problems are identified, and that the skills and time of the staff are appropriately utilised. Planning also ensures that the work is carried out in accordance with the applicable pronouncements of the Institute of Chartered Accountants of India.

2. Planning is a continuous exercise. **A plan once prepared should be continuously reviewed by the internal auditor to identify any modifications to the plan required to bring the same in line with the changes, if any, in the audit environment. However, any such modifications to the internal audit plan should be done with the approval of the Audit Committee.**

Objective of Planning

3. The overall objectives of an internal audit, as

defined in the Preface to the Standards and Guidance Notes on Internal Audit are:

- to suggest improvements to the functioning of the entity
- to strengthen the overall governance mechanism of the entity, including its strategic risk management as well as internal control system

The internal audit plan should be comprehensive enough to ensure that it helps in achieving the above overall objectives of an internal audit. The internal audit plan should also be consistent with the goals and objectives of the internal audit function as listed out in the internal audit charter as well as the goals and objectives of the organisation. In case the entire internal audit or the particular internal audit engagement has been outsourced, the internal auditor should also ensure that the plan is consistent with the terms of the engagement.

4. The internal auditor may also discuss the significant elements of his overall plan, including important procedures, with those charged with governance. This would help the internal auditor as well as the client to assess whether the internal auditor is directed to achieve the objectives as set out in the terms of engagement. The discussion would also help the internal auditor to gauge whether the client's perception of the role and responsibilities of the internal auditor is appropriate.

Factors Affecting the Planning Process

5. The internal audit plan should be based on the knowledge of the entity's business. While developing the internal audit plan, the internal auditor should have regard to the objectives of the internal audit engagement as well as the time and resources available for conducting the engagement. Planning an internal audit involves establishing the overall strategy for the engagement so as to keep the risks associated with the assignment at the acceptable level. Therefore, the planning process is also

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influenced by the internal auditor's understanding and assessment of:

- the objectives of the activity being subjected to internal audit
- the significant risks associated with the above activity
- the risk management and internal control system instituted in the organisation to reduce the above risks to an acceptable level
- the possible areas in which the internal audit can suggest improvement to the risk management and/or internal control system associated with the concerned activity

The internal audit plan should reflect the risk management strategy of the entity.

Scope of Planning

6. Internal audit plan should cover areas such as:
 - obtaining the knowledge of the entity's accounting and internal control systems and policies
 - determining the effectiveness of the internal control procedures adopted by the entity
 - determining the nature, timing and extent of procedures to be performed
 - identifying the activities warranting special focus
 - identifying and allocating staff to each of the above activities
 - setting the time budget for each of the above activities
 - identifying the reporting responsibilities

The internal audit plan should also identify the benchmarks against which the actual results of the activities, the actual time spent, the cost incurred would be measured.

7. Factors affecting the scope of an internal audit plan include:

- terms of the engagement
- nature of accounting system – manual or IT - based and the degree of reliance placed by the auditor on the same
- accounting policies adopted by the entity
- identification of areas of audit requiring special attention
- establishing materiality thresholds in respect of various areas of audit especially, those areas requiring special attention
- nature and extent of audit evidence to be obtained
- assigning audit staff and supervising, directing, coordinating and reviewing their work

- requirements of any applicable pronouncement of the Institute of Chartered Accountants of India
- statutory or regulatory framework, in which the entity operates.

Planning Process

Obtaining Knowledge of the Business

8. **The internal auditor should obtain a level of knowledge of the entity sufficient to enable him to identify events, transactions, policies and practices that may have a significant effect on the financial information.** Following are some of the sources wherefrom the internal auditor can obtain such knowledge:

- Entity's policy and procedures manual
- Minutes of the meetings of the shareholders, board of directors, and important committees of the board such as the audit committee, remuneration committee, shareholders' grievances committee
- Management reports/internal audit reports of prior periods
- Newspaper/industry journals
- Discussion with client management and staff
- Visits to entity's plant facilities etc., to obtain first hand information regarding the production processes of the entity
- Other documents produced by the entity, for example, material sent to the shareholders and the regulatory authorities, management policy manuals, manuals relating to accounting and internal controls, organizational charts, job description charts etc.

Knowledge of the entity's business, among other things, helps the internal auditor to identify areas requiring special focus, evaluate the appropriateness of the accounting policies and disclosures, accounting estimates and management representations.

Establishing the Audit Universe

9. The next step in audit planning is establishment of the audit universe or the audit territory. The audit universe is designed to reflect the overall business objectives and therefore includes components from the strategic plan of the entity. **The audit universe is affected by the risk management process of the client. The audit universe and the related audit plan should also reflect changes in the management's strategic course of action, corporate objectives, etc.**

10. As discussed in paragraph 2, planning is a continuous exercise. **The internal auditor should periodically, say half yearly, review the audit universe**

to identify any changes therein and make amendments, if required to make the audit plan responsive to those changes.

Establishing the Objectives of the Engagement

11. The next stage in planning is establishing the specific objectives of the internal audit engagement. **The establishment of such objectives should be based on the auditor's knowledge of the client's business, especially a preliminary understanding and review of the risks and controls associated with the activities forming subject matter of the internal audit engagement. The preliminary understanding and review involves gathering necessary information by means of a combination of the following procedures:**

- Observation of the activity being performed
- Inquiry of the staff associated with performing the activity
- Discussion with the client
- Reading through the internal audit reports, management reports, etc., of previous periods
- Performing analytical procedures
- Performing actual walk-through tests

12. The internal auditor would use the information so gathered to determine the objective(s) of the engagement as also to decide the nature, timing and extent of his procedures. **The internal auditor should also document the results of his preliminary review so conducted, especially,**

- preliminary assessment and understanding the risks and controls associated with the activity, viz., sufficiency and appropriateness of the controls, procedures for identification and management of risks associated with the activity
- significant issues thrown up by such a review, for example, significant errors, non compliance with any significant law
- procedures proposed to be adopted by the internal auditor to resolve the above issues
- preliminary time budget for completing the engagement

Establishing the Scope of the Engagement

13. The next stage in planning an internal audit is establishing the scope of the engagement. **The scope of the engagement should be sufficient in coverage so as to meet the objectives of the engagement. The internal auditor should consider the information gathered during the preliminary review stage to determine the scope of his audit procedures. The nature and extent of the internal auditors' procedures would also be affected by the terms**

of the engagement. In case the internal auditor is of the view that circumstances exist which would restrict the auditor from carrying out the procedures, including any alternative procedures, considered necessary by him, he should discuss the matter with the client to reach a conclusion whether or not to continue the engagement.

Deciding the Resource Allocation

14. Once the scope of the internal audit procedures is established, the next phase is that of deciding upon the resource allocation. Efficient resource allocation is essential to achieve the desired objective, within the constraints of time and cost as well as optimum utilization of resources. **For this purpose, the internal auditor should prepare an audit work schedule, detailing aspects such as:**

- activities/procedures to be performed
- staff responsible for performing these activities/procedures
- time allocated to each of these activities/procedures

While preparing the work schedule, the internal auditor should have regard to aspects such as:

- any significant changes to the entity's missions and objectives, business processes, and management's strategies to counter these changes, for example, changes in the entity's controls structure or changes in the risk assessment and management structures
- any changes or proposed changes to the governance structure of the entity
- composition of the engagement team in terms of skills and experience and any changes thereto

The engagement work schedule should, however, be flexible enough to accommodate any unanticipated changes as well as professional judgment of the engagement team in the components of the audit universe as discussed above. The work schedule should also reflect the internal auditor's assessment of risks associated with various areas covered by the particular internal audit engagement and the priority attached thereto.

Preparation of Audit Programme

15. **The internal auditor should also prepare a formal internal audit programme listing the procedures essential for meeting the objective of the internal audit plan. As a corollary, the internal auditor should ensure that the audit programme so designed is appropriate to achieve the objectives of the engagement. The internal audit programme should also be approved by the appropriate authority before the commencement of the work. The internal audit programme should identify, in appropriate**

details, the objectives of the internal audit in respect of each area, the procedures to be performed to achieve those objectives, the staff responsible for carrying out the particular activity, the time allocated to each activity as also the sufficiently detailed instructions to the staff as to how to carry out those procedures. The internal audit programme may also have provision for information such as the procedures actually performed, reasons for not performing the originally identified procedures, actual time consumed in carrying out the relevant procedure, reasons

for deviations from budgeted time, etc. A well prepared, comprehensive audit programme helps proper execution of the work as well as the proper supervision, direction and control of the performance of the engagement team.

Effective Date

16. This Standard on Internal Audit is applicable to all internal audits commencing on or after _____.

ANNOUNCEMENT

Applicability of Accounting Standard (AS) 28, Impairment of Assets, to Small and Medium Sized Enterprises (SMEs)

1. Accounting Standard (AS) 28, Impairment of Assets, issued by the Council of the Institute of Chartered Accountants of India, comes into effect in respect of accounting periods commencing on or after 1-4-2004. The Standard is mandatory in nature from different dates for different levels of enterprises as below:
 - (i) To Level I enterprises- from accounting periods commencing on or after 1.4.2004.
 - (ii) To Level II enterprises- from accounting periods commencing on or after 1.4.2006.
 - (iii) To Level III enterprises- from accounting periods commencing on or after 1.4.2008.

The criteria for different levels are given in Annexure I.
2. Considering the feedback received from various interest-groups and the concerns expressed at various forums, it is felt that relaxation should be given to Level II and Level III enterprises (referred to as 'Small and Medium Sized Enterprises' (SMEs)), from the measurement principles contained in AS 28, Impairment of Assets.
3. AS 28 defines, *inter alia*, the following terms:

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is the higher of an asset's net selling price and its value in use.

Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an as-
4. The relaxations for SMEs in respect of AS 28 have been decided as below:
 - (i) Considering that detailed cash flow projections of SMEs are often not readily available, SMEs are allowed to measure the 'value in use' on the basis of reasonable estimate thereof instead of computing the value in use by present value technique. Therefore, the definition of the term 'value in use' in the context of the SMEs would read as follows:

"Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, or a reasonable estimate thereof".
 - (ii) The above change in the definition of 'value in use' implies that instead of using the present value technique, a reasonable estimate of the 'value in use' can be made. Consequently, if an SME chooses to measure the 'value in use' by not using the present value technique, the relevant provisions of AS 28, such as discount rate etc., would not be applicable to such an SME. Further, such an SME need not disclose the information required by paragraph 121(g) of the Standard. Subject to this, the other provisions of AS 28 would be applicable to SMEs.
5. An enterprise, which, pursuant to the above provisions, does not use the present value technique for measuring value in use, should disclose, the fact that it has measured its 'value in use' on the basis of the reasonable estimate thereof and the manner in which the estimate has been arrived at including assumptions that govern the estimate.

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6. Where an enterprise has been covered in Level I and subsequently, ceases to be so covered, the enterprise will not qualify for relaxation/exemption from the applicability of this Standard, until the enterprise ceases to be covered in Level I for two consecutive years.
7. Where an enterprise has previously qualified for the above relaxations (being not covered in Level I) but no longer qualifies for relaxation in the current accounting period, this Standard becomes applicable from the current period without the above relaxations. However, the

corresponding previous period figures in respect of the relevant disclosures need not be provided.

The above provisions are applicable in respect of the accounting periods commencing on or after 1-4-2006 (for Level II enterprises) and 1-4-2008 (for Level III enterprises). However, if an enterprise being a Level II enterprise starts applying AS 28 from accounting periods beginning on or after 1-4-2006, it will continue to apply this Standard even if it ceases to be covered in Level II and becomes a Level III enterprise.

Annexure I

Criteria for classification of enterprises

Level I Enterprises

Enterprises which fall in any one or more of the following categories, at any time during the accounting period, are classified as Level I enterprises:

- (i) Enterprises whose equity or debt securities are listed whether in India or outside India.
- (ii) Enterprises which are in the process of listing their equity or debt securities as evidenced by the board of directors' resolution in this regard.
- (iii) Banks including co-operative banks.
- (iv) Financial institutions.
- (v) Enterprises carrying on insurance business.
- (vi) All commercial, industrial and business reporting enterprises, whose turnover for the immediately preceding accounting period on the basis of audited financial statements exceeds Rs. 50 crore. Turnover does not include 'other income'.
- (vii) All commercial, industrial and business reporting enterprises having borrowings, including public deposits, in excess of Rs. 10 crore at any time during the accounting period.
- (viii) Holding and subsidiary enterprises of any one of the above at any time during the accounting period.

Level II Enterprises

Enterprises which are not Level I enterprises but fall in any one or more of the following categories are classified as Level II enterprises:

- (i) All commercial, industrial and business reporting enterprises, whose turnover for the immediately preceding accounting period on the basis of audited financial statements exceeds Rs. 40 lakhs but does not exceed Rs. 50 crore. Turnover does not include 'other income'.
- (ii) All commercial, industrial and business reporting enterprises having borrowings, including public deposits, in excess of Rs. 1 crore but not in excess of Rs. 10 crore at any time during the accounting period.
- (iii) Holding and subsidiary enterprises of any one of the above at any time during the accounting period.

Level III Enterprises

Enterprises which are not covered under Level I and Level II are considered as Level III enterprises.

Facilitation for Placement of Members of the Institute abroad

The Institute has recently decided to start utilising the services of Placement Consultants abroad for placing the members of the Institute abroad. The Committee for Members in Industry has been entrusted with the responsibility of coordinating with the placement consultants abroad in accordance with certain norms that have been approved by the Executive Committee of the Institute. Details of those norms can be downloaded from the Institute's website at http://www.icai.org/announ/placements_abroad.pdf. For further information, placement consultants abroad, may get in touch with the CMII Secretariat at 011-30100442 or by email at placements@icai.org.

Details of such placement drives, once materialised, would be publicised in the Chartered Accountant Journal as well as the website of the Institute.

Chairman,
Committee for Members in Industry of ICAI

CAMPUS PLACEMENT PROGRAMME FOR NEWLY QUALIFIED CHARTERED ACCOUNTANTS

FEBRUARY - MARCH 2006

The Committee for Members in Industry of the Institute organises Campus Placement Programme for newly qualified Chartered Accountants at certain select centres all over India. The scheme has been evolved to provide an opportunity both to employing organisations as well as the young professional aspirants to meet and explore the possibility of taking up positions in Industry. In the last such Interviews conducted in August - September 2005 at various centres, 160 recruiting teams of leading organisations of the country reviewed the bio-data of more than 2936 young Chartered Accountants and interviewed those shortlisted by them in the premises of the offices of the Institute.

INVITATION TO CANDIDATES QUALIFIED IN CA FINAL NOVEMBER 2005 EXAMINATIONS

It has been decided to organise Campus Placement Programme at 13 centres, viz., Ahmedabad, Bangalore, Baroda, Chennai, Coimbatore, Hyderabad, Indore, Jaipur, Kanpur, Kolkata, Mumbai, New Delhi and Pune in February - March 2006. As earlier, a large number of leading organisations are expected to participate.

The schedule of the Campus Placement Programme is as below:

Centre	Dates
Baroda, Coimbatore, Indore, Jaipur, Kanpur and Pune	21st – 24th February 2006
Ahmedabad, Bangalore and Hyderabad	28th February – 3rd March 2006
Chennai, Kolkata, Mumbai, New Delhi	7th March – 14th March 2006 (Excluding Sunday)

The Candidates who have qualified in the CA Final Examination held in November 2005 and are interested to appear in these interviews may access the Institute's On-line Placement Portal at www.placements-icai.org and fill up the Application Form Online. Please note the following important information in this regard:

- 1) Last date for filling up the online application form for the candidates: 31st January 2006 (upto 12 midnight).
- 2) Please ensure that you submit the online application form after completing the same in the portal. (i.e. mere filling up of the form online will not be sufficient)
- 3) Candidates shall be allowed to opt for only one Campus Interview centre
- 4) Candidates can appear for any number of interviews at a particular campus placement programme centre but the moment he/she gets an offer letter from ONE organisation, he/she will not be allowed to attend further interviews – even if he/she has been shortlisted by other organisations or the interviews of a particular organisation is opened to all (without restriction regarding shortlisting).
- 5) No manual applications shall be entertained under any circumstances
- 6) Correspondence with the students shall be done via e-mail only

INVITATION TO EMPLOYERS

The Committee for Members in Industry of the Institute provides opportunity to the employers to interact with newly qualified Chartered Accountants and makes all arrangements at its centres, thereby it provides a cost effective mode of recruiting young Chartered Accountants.

Organisations intending to recruit newly qualified Chartered Accountants through the scheme of Campus Placement Programme are invited to get in touch with Dr. T. Paramasivan, Secretary, Committee for Members in Industry, Indraprastha Marg, New Delhi - 110002, Tel. No. (011) 30110450, 30110442 E-mail: tparamasivan@icai.org; placements@icai.org for the details of the scheme. An organisation can participate in one or more centres, as per its requirements. Firms of Chartered Accountants are also welcome to join. For further details please log on to www.placements-icai.org.

Chairman
Committee for Members in Industry

Invitation for Contributing Articles

The Committee on Trade Laws and WTO brings out its technical update on WTO matters titled, The WTO Pathfinder – A Technical Update on WTO Matters, wherein issues relating to the WTO with all its Agreements, current negotiations and other contemporary issues of international trade are regularly discussed. Articles are invited from the members and other stakeholders concerned for the same along with their passport-sized photograph, e-mail id, postal address and contact numbers. The articles can be sent to us by e-mail at ctlwto@icai.org or by post (two manuscripts along with a soft copy) to:

Committee on Trade Laws and WTO
The Institute of Chartered Accountants of India
ICAI Bhawan, PO Box No. 7100, Indraprashta Marg,
New Delhi 110002.

CORPORATE AND ALLIED LAWS COMMITTEE

Empanelment of Speakers/Faculty for Training Programme on `Arbitration`

The Corporate And Allied Laws Committee of The Institute of Chartered Accountants of India is conducting training programme on arbitration for its members. The Institute is having its Headquarters at I.P. Marg, New Delhi-110 002 has five Regional Councils at Mumbai, Chennai, Kolkata, New Delhi, Kanpur and more than 100 branches across the country. The objective of this training programme is to equip the Chartered Accountants to act as Arbitrator. The Committee invited speakers/faculty for preparing a panel to impart such training programme across the country. The broad course contents are available in the website of the Institute, i.e., www.icai.org. Members having expertise may apply. Advocates of Supreme Court and High Courts and other professionals having relevant expertise are also requested to send their Resume to the following address within 20 days, please:

Dr. Alok Ray, Secretary,
Corporate And Allied Laws Committee,
The Institute of Chartered Accountants of India,
ICAI Bhawan, I.P. Marg, New Delhi-110 002.
Contact No. 30110471, 23379483, Mobile 9350799924
E-mail: alokray@icai.org/corporatelaws@icai.org

Empanelment of Examiners

The Institute of Chartered Accountants of India requires eminent professionals/academicians/resource persons to act as examiners for the Chartered Accountants Examinations. The form for empanelment of examiners is available on the website of the Institute: <http://www.icai.org/exam/exam.html> and can be downloaded and sent to the Joint Secretary (Exams.) duly filled in and signed alongwith the required documents. Persons requiring the said form may also send their requests to the Joint Secretary (Exams.), The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi – 110002.

FOR YOUR INFORMATION

CONTINUING PROFESSIONAL EDUCATION COMMITTEE	
Title	Programme on Management of Commercial, Outsourcing and Labour Contracts
Date	9th and 10th December, 2005
Venue	Thakur Auditorium, (Thakur College of Engineering) Western Express Highway, Thakur Village, Kandivli (East) Mumbai-101.
DISCUSSION SESSIONS	
<ul style="list-style-type: none"> ❖ Contractual Risk Perceptions and Drafting of a Good Commercial Contract ❖ Contractual Risk Perceptions in the case of Outsourcing Contracts for Labour ❖ Practical Issues on Warranty, Guarantee, Performance, variations/escalations, penalty ❖ Practical Issues on Warranty, Guarantee, Performance, variations/escalations, penalty and LD - II ❖ Enabling Laws: (i) Some finer points of Contract Act (ii) Provisions of Contract Labour (Regulations & Abolition) Act and Obligations of Principal Employers and Contractors (iii) Major provisions of Workmen's Compensation Act (iv) Major provisions of Building and Construction Workers Act, 1996 ❖ Landmark Court Judgements on Contract Act – Lessons for Managers ❖ Landmark Court Judgements on Contract Labour related Acts – Lessons for Managers ❖ Commercial Contract Models, ICC, UNCITRAL, etc ❖ Handling of Collaboration and Joint Venture Contracts: OECD/UNIDO Guidelines on Contractual Terms and Transfer Pricing Issues ❖ Large International Construction Contracts and FIDIC Guidelines ❖ Problems in the adoption of International Guidelines on Construction Contracts – Managerial Strategies for dealing with on-the-ground problems 	
CPE Hours: 12 (Twelve)	Delegate Fees: Rs. 1,500/- per participant
Contact Persons	
Mr H.N. Motiwalla, FCA, Chairman, CPEC (022) 22002103, 22005431, E-mail: hnmco@vsnl.net, hnmco@hathway.com	Mr. Uttam Prakash Agarwal, FCA Central Council Member Mobile: 09322270069, E-mail: abuwala@vsnl.com
Mrs Srabani Kapoor, Senior Faculty, WIRC of ICAI Ph: (022) 22154591, Fax: 022-22185470, E-mail: kapoor@icai.org	Mr. Surinder Pal, Secretary, CPEC ICAI, New Delhi Ph: (011) 30110439, Fax: (011) 30110583 E-mail: cpeadmin@icai.org

NOTIFICATION

No. 1-CA(7)/87/2005

14th November, 2005

In pursuance of Regulation 81(5) of the Chartered Accountants Regulations, 1988 read with Rule 4 of the Chartered Accountants Students' Association Rules (as contained in Appendix No. (5) to the Chartered Accountants Regulations, 1988), the Council of the Institute of Chartered Accountants of India is pleased to notify the setting up of a Branch of Western India Chartered Accountants Students' Association at Jamnagar with effect from 30th August, 2005. The Branch shall be known as Jamnagar Branch of Western India Chartered Accountants Students'

Association.

As prescribed under Rule 4(b) of the Chartered Accountants Students' Association Rules, the branch shall, at all time, function subject to the control, supervision and direction of the Central Council, exercised through the Regional Council or the Regional Students' Association and shall be governed by the directions issued by the Central Council, from time to time, for the functioning of the branches of Students' Associations or such other directions that may be issued from time to time.

(Dr. Ashok Haldia)
Secretary

18TH ALL INDIA C.A. STUDENTS' CONFERENCE, INDORE

Date	8th & 9th December, 2005	
Venue	Ravindra Natya Grah, R.N.T. Marg, Indore	
Discussion Sessions		
Technical Session I	Accounting and Auditing ● Impairment of Assets ● CARO, 2004	
Technical Session II	Taxation ● Fringe Benefit Tax ● Procedural Aspects of CENVAT Credit	
Technical Session III	Corporate Laws ● Significant Changes in the Companies Act ● Clause 49 of the Listing Agreement – Corporate Governance & Independent Directors	
Technical Session IV	General ● Career Opportunities of Chartered Accountancy Profession in IT Industries ● Education and Training of Chartered Accountancy	
Special Session	● Winning Strategies for passing CA Examination	
Registration fee: Rs. 500 Rs. 400 (if registration is made on or before 30th September) Rs. 450 (if registration is made after 30th September on or before 31st October)		Contact Details: All correspondence relating to registration may be addressed to: Ms Kemisha Soni / Mr Amit Ramani , Indore Branch of CIRC of the ICAI, 101 Urvashi, First Floor, Jaora Compund, Indore 452001. Phone: (0731) 2702875, Fax: (0731) 2702471, e-mail: cicasaindore_casc@rediffmail.com
Members are requested to guide students to join the Conference		

Abridged Version of the 56th Audited Annual Accounts

The 56th Annual Report together with the Audited Accounts of the Institute for the year 2004-05 has been published as required. While, the full text of the said Annual Report and Audited Annual Accounts together with 'Activities in Detail' has been hosted on the Institute's Website (www.icaai.org). An abridged version of the Annual Report was published on pages 589 to 615 of the October 2005 issue of the journal.

An abridged version of the Annual Accounts and Auditor's Report is being published herein below for

ready reference and use of members.

Those members who are desirous of having the full text of the said Annual Report may kindly mail/write to Shri T. Karthikeyan, Director, The Institute of Chartered Accountants of India, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002. E-mail: councilaffairs@icaai.org, Fax: 011-30110584 so as to enable the Institute to send the same either in the form of hard copy or soft mode, depending on the option indicated for the purpose.

AUDITOR'S REPORT TO THE COUNCIL

1. We have audited the attached Balance Sheet of The Institute of Chartered Accountants of India as at 31st March, 2005 and also the annexed Income and Expenditure Account and the Cash Flow Statement for the year ended on the date incorporating the accounts of the Institute's offices, Computer Centres, Regional Councils and their branches audited by other auditors and that their reports have been duly considered while preparing our report. These financial statements are the responsibility of the management of the Institute. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We further report that:-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) The Balance Sheet, Income & Expenditure Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - c) In our opinion, proper books of account are maintained in conformity with the requirements of the Chartered Accountants Act, 1949;
 - d) In our opinion the Balance Sheet, Income & Expenditure Account and Cash Flow Statement comply with relevant Accounting Standards.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the statements together with the schedules attached and read with the Accounting Policies and Notes Forming Part of Accounts give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of the Institute's affairs, as at 31st March, 2005;
 - ii) In the case of Income & Expenditure Account, of the surplus for the year ended on that date and
 - iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Ca. SHASHI KUMAR
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER-86492

Ca. MANU CHADHA
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER-80996

Place : New Delhi
Date : 9th July, 2005.

FOR YOUR INFORMATION

Statement containing salient features of Balance Sheet and Income & Expenditure Account
The Institute of Chartered Accountants of India, New Delhi
Abridged balance sheet as at 31st March 2005

		Rs.in lacs	
		Figures at the end of 31st March 2005	
Particulars	Current financial year-2004/05	Previous financial year-2003/04	
I SOURCES OF FUNDS			
Capital reserves	4,224.69	3,800.12	
General reserve	3,002.01	2,354.40	
Other reserves	99.11	87.68	
Earmarked Funds	5,835.19	5,090.84	
Total	13,161.00	11,333.04	
II APPLICATION OF FUNDS			
Fixed assets			
Net block -----(Original cost less depreciation)	3,252.97	2,370.85	
Capital Work in Progress	2,820.65	841.75	
Investments			
Earmarked Fund Investments	5,835.19	5,090.84	
Other Investments	2,133.74	3,644.40	8,735.24
Current assets, loans and advances			
Interest Accrued on Investments	717.58	797.91	
Inventories	287.25	270.87	
Accounts Receivables	98.48	147.77	
Cash and bank balances	620.78	605.22	
Loans and advances	1,130.56	590.09	
	2,854.65	2,411.86	
<i>Less:</i>			
Current liabilities and provisions			
Fees/Income Received in Advance	2,832.90	2,034.61	
Liabilities	310.20	293.07	
Provisions	593.10	698.98	
Net current assets	(881.55)	(614.80)	
Total	13,161.00	11,333.04	

The Institute of Chartered Accountants of India, New Delhi
Abridged Income and Expenditure Account for the year ending 31-03-2005

Particulars	Rs.in lacs	
	Current financial year- 2004/05	Previous financial year- 2003/04
I. Income		
Fees	7,008.08	6,355.99
Interest	313.67	420.15
Other income	1,947.96	1,639.29
Total	9,269.71	8,415.43
II Expenditure		
Salaries and Allowances	1,812.89	1,800.26
Depreciation and Amortisation	549.79	301.66
Auditor's remuneration	8.44	7.62
Other expenses	5,642.73	4,961.05
Total	8,013.85	7,070.59
III Net Surplus	1,255.86	1,344.84
Appropriations to Funds / Reserves:		
Education Fund	538.69	527.71
Employees Benevolent Fund	10.00	9.65
General Reserve	707.17	807.48
	1,255.86	1,344.84

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

I ACCOUNTING CONVENTION

The accounts are drawn up on historical cost basis and have been prepared in accordance with the applicable Accounting Standards and are on accrual basis unless otherwise stated.

II REVENUE RECOGNITION

- (a) 1/3rd portion of the Entrance Fees from Associate members is treated as Income.

FOR YOUR INFORMATION

- (b) Annual Membership Fee, Fee for Certificate of Practice, Tuition Fee, Course Fee, Examination Fee and Subscription for Journal is recognized in the first year to the extent it represents income of the year on the basis of matching concept, the balance receipt is carried to succeeding year/years and recognized in the relevant year based on the matching concept.
- (c) Income from Investments
 - (i) Dividend on investments in units is recognized as income on the basis of entitlement to receive.
 - (ii) Income on Interest bearing securities and fixed deposits with banks is accounted for on accrual basis.
 - (iii) Income from investments is allocated to Earmarked Funds on opening balances of the respective Earmarked Funds on the basis of weighted average method.

III ALLOCATIONS/TRANSFER TO CAPITAL RESERVE AND EARMARKED FUND

- (a) Admission Fee from Fellow Members and 2/3rd portion of the Entrance Fee from Associate Members are directly taken to Capital Reserve – General.
- (b) Donations received during the year for buildings and for Research purpose are accounted for directly under the respective Reserves Account.
- (c) 25% of the Distant Education Fee not exceeding 50% of the net surplus of the year is transferred to Education fund.
- (d) 0.75% of Membership Fee (Associate and Fellow and Certificate of Practice Fee) received from the members during the year is allocated to the Employees' Benevolent Fund.
- (e) Transfer to Capital Reserve – Education from the following earmarked funds :-
 - (i) From Computerisation Fund 100% of the cost of purchase of computers and related accessories in relation to Decentralised Offices and Head Office computerization Project.
 - (ii) From Accounting Research Foundation Fund. 100% of the cost of Fixed Assets and other Building relating to Accounting Research Foundation.
 - (iii) From Education Fund 50% of the cost of additions (net of deductions) to other Fixed Assets.

IV FIXED ASSETS/DEPRECIATION

- (a) Fixed Assets excluding leasehold land are stated at historical cost less depreciation.
- (b) Leasehold land is stated at the amount of premium paid for acquiring the lease rights. The premium so paid is amortized over the period of the lease.
- (c) Depreciation on additions is provided on monthly pro-rata basis except library books which is fully depreciated in the year of purchase.
- (d) Depreciation is provided on the written down value method at the following rates as approved by the Executive Committee/Council of the Institute based on the useful life of the respective assets :

Buildings	5%
Air conditioners & Office Equipments	15%
Lifts, Electrical Installations & Furniture & Fixtures	10%
Vehicles	20%
Computers	60%
- (e) Intangible Assets (Software) is amortized equally over three years.

V INVESTMENTS

- (a) Investments held or intended to be held for a period of more than one year are considered long term investments and are carried at cost. Diminution in value other than temporary is provided for.
- (b) Current investments are carried at lower of cost or fair value.

VI INVENTORIES

Inventories of paper, stationery, publications and study material are valued at lower of cost or net realizable value. The cost is determined on FIFO Method.

VII FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (b) Overseas Office's Income and expenses are translated at average rate. Its monetary assets and liabilities are translated at year-end rates. Non-monetary items are translated at the rates on the date of transaction.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

VIII TERMINAL/RETIREMENT BENEFITS

- (a) Year's liability towards gratuity is based on actuarial valuation and the contribution made to LIC on this account is charged to Income and Expenditure Account.
- (b) Year's liability towards pension and leave encashment is based on actuarial valuation and the amount so determined is charged to income and expenditure account and separate earmarked funds are maintained for the same.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTES FORMING PART OF THE ACCOUNTS

1. CONTINGENT LIABILITIES

- 1.1 Rs.24.68 Lacs towards disputed amount for Property/Building Tax in respect of three branches (Previous year Rs. 19.50 Lacs).
- 1.2 Rs. 17.75 Lacs in respect of claims (Previous year Rs. 17.75 Lacs) from various parties not acknowledged by the Institute.

2. NOTES

- 2.1 Estimated amount of capital commitment (net of advances) – Rs. 66.54 Lacs (Previous Year Rs. 227.80 Lacs).
- 2.2 Leasehold Land includes Rs. 2.51 lacs (Previous year Rs.2.51 lacs) relating to the Land at Hubli which is under litigation. Possession of this land is yet to be handed over to the Institute.
- 2.3 The Institute regulates the profession of Chartered Accountancy in India and operates in one operational segment predominantly in India.
- 2.4 Loans and Advances include Interest free advance for a sum of Rs. 589.93 lacs (previous year Rs.24.69 lacs) to ICAI Accounting Research Foundation.
- 2.5 Prior period Income includes following

	2004-05 Rs. in Lacs	2003-04 Rs. in Lacs
Examination Fees	46.66	-
Seminar Income	(17.63)	-
Others	5.94	16.00
Total ----	34.97	16.00

Prior period expenses includes following:-

Depreciation/Amortization	12.53	-
ISA Expenses	-	11.97

FOR YOUR INFORMATION

Seminar Expenses	4.20	-
Others	27.95	21.74
Total ----	<u>44.68</u>	<u>33.71</u>

- 2.6 In view of the income exempt under Section 10 (23C)(iv) of the Income Tax Act, 1961, no provision for Income Tax/Deferred Tax Asset/Liability is considered necessary.
- 2.7 AS-3 has been complied with and indirect method used to determine the Cash Flow Statement.
- 2.8 Only directly attributable expenses on the activities of Publications and Seminars have been charged to these heads of expenditure respectively and indirect expenditure on these activities is charged to functional heads of expenditure.
- 2.9 Previous year figures have been re-grouped and re-classified wherever considered necessary to make it comparable with current year's presentation.

ANNOUNCEMENT

CLARIFICATION ON ACTING AS RECOVERY CONSULTANT IN BANKING SECTOR

The members of the profession have sought the Institute's view as to whether the Chartered Accountants in Practice acting as Recovery Consultant for recovery of Non-Performing Assets (NPA) of Banks under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFA&ESI) can charge fee on percentage basis as is permitted under Regulation 192 of the Chartered Accountants Regulations, 1988 for 'receiver' or 'liquidator'.

The Institute has examined the matter in detail and is of the view that Recovery Consultant cannot be equated with 'receiver' or 'liquidator' provided under Regulation 192 of the Chartered Accountants Regulations, 1988 and as such, the charging of fee by Recovery Consultant in Banking Sector on percentage basis is not permissible.

Post of Member, Appellate Tribunal Under the Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act (PMLA), 2002 has come into force with effect from 1st July 2005. The Act provides for the establishment of an Appellate Tribunal consisting of a Chairperson and two Members to hear appeals against the orders of the Adjudicating Authority and the authorities under this Act. Section 28(2) (f) of the PMLA makes it mandatory that one of the Members of the Tribunal shall be a person who has been in the practice of accountancy as a Chartered Accountant under the Chartered Accountants Act, 1949 or a registered accountant under any law for the time being in force or partly as a registered accountant and partly as a chartered accountant for at least 10 years. More details about the post are as follows:

Name of the Post:	Member, Appellate Tribunal under the Prevention of Money Laundering Act, 2002
Pay Scale & allowance	Rs.22400-525-24500 and other allowances as admissible to the officers of equivalent rank under the Government
Structure of the Tribunal	One Chairperson and two members located in New Delhi
Nature of duties	To hear appeals against the orders of the Adjudicating Authority and the authorities under the Prevention of Money Laundering Act, 2002.

FOR YOUR INFORMATION

Qualification & Experience	A person shall not be qualified for appointment as a Member unless he has been in the practice of accountancy as a Chartered Accountant under the Chartered Accountants Act, 1949, or as a registered accountant under any law for the time being in force or partly as a registered accountant and partly as a Chartered Accountant for at least 10 years.
Tenure	Although the Terms and Conditions Rules are under consideration of the Government and are yet to be finalised, the tenure is likely to be three years or till the incumbent attains the age of 62 years, whichever is earlier.

You are requested to post your details at the following address:

The Secretary,
Professional Development Committee,
The Institute of Chartered Accountants of India
ICAI BHAWAN,
PO Box No. 7100,
Indraprastha Marg,
New Delhi - 110002

ANNOUNCEMENT

Sub: Revised clarification regarding Inclusion of “Insurance Financial Advisory Services under the Insurance Regulatory & Development Authority Act, 1999, including Insurance Brokerage” in the definition of “Management Consultancy & Other Services”

The attention of the members is drawn to the Announcement published in the January 2005 issue of the Journal at page 935 as well as hosted in the website regarding inclusion of “Insurance Financial Advisory Services under the Insurance Regulatory & Development Authority Act, 1999, including Insurance Brokerage” in the definition of “Management Consultancy and Other Services” as appearing at pages 8-10 of Code of Ethics, January 2001 edition.

The attention of the members is also drawn to the Announcement issued in the May 2005 issue of the Journal at page 1527 wherein it was clarified that as per the decision of the Council, a member is permitted to render Insurance Financial Advisory Services as prescribed under “The Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002” only in Corporate form. Further, it was also added that the members were required to comply with the conditions prescribed by the Insurance Regulatory & Development Authority and the conditions to be prescribed by The Institute of Chartered Accountants of India.

It was also mentioned in the clarification that the members are not permitted to do any work relating to insurance agency as prescribed under “Insurance Regulatory and Development Authority (Licencing of Insurance Agents) Regulations, 2000” and “Insurance Regulatory and Development Authority (Licencing of Corporate Agents) Regulations, 2002”, either individually or in partnership/proprietorship form or in

corporate form and the existing position regarding allowing members generally to hold life insurance agency licence for limited purpose of getting renewal commission, still hold good as provided in the Appendix (9) to the Chartered Accountants Regulations, 1988 (2002 edition).

Later on, it has been brought to the knowledge of the Institute that some Insurance Companies are inviting Chartered Accountants to become Insurance Advisor/Insurance Broker on the pretext of the decision taken by the Council at its 245th meeting held in August-September, 2004 wherein it was decided to include “Insurance Financial Advisory Services under the IRDA Act, 1999 including Insurance Brokerage” within the definition of Management Consultancy and Other Services (MCS).

In view of the above, it is again clarified that as on date the members in practice are not permitted to render “Insurance Financial Advisory Services under the IRDA Act, 1999 including Insurance Brokerage” as the conditions to be complied with by the members to be eligible to render the aforesaid services are yet to be prescribed by the Institute of Chartered Accountants of India. The existing position regarding allowing members in practice generally to hold life insurance agency licence for limited purpose of getting renewal commission, still hold good as provided in the Appendix (9) to the Chartered Accountants Regulations, 1988 (2002 edition).

ANNOUNCEMENT ON (1) LISTING WITH BODIES CREATING DATA-BASE FOR INDEPENDENT DIRECTORS OF CHARTERED ACCOUNTANTS AND (2) ACTING AS E-INTERMEDIARY.

Some members have brought to our notice that some website is creating data-base for independent directors and is inviting chartered accountants to enroll with it. The data-base collected by it will be provided to the listed companies in order to reach the chartered accountants for taking them on their Board as Independent Directors. It is also brought to our notice that certain Chartered Accountants have been approached to act as e-Intermediary. The members have sought clarification whether they can enroll with the website creating such data-base and whether they can act as e-Intermediary.

The aforesaid issues have been examined. The Code of Ethics, 2005 edition, at page 81 provides as under:

“(16) A number of Chartered Accountants Societies or other bodies are creating data-bases of Chartered

Accountants or Chartered Accountants’ Firms and are offering listing to Chartered Accountants. Such listing would be permitted with or without payment. In case a Chartered Accountant or Chartered Accountants’ Firm is a member of a professional body or association or Chamber of Commerce and they offer listing to the members or firm, the same would be permitted.”

Accordingly, it is clarified that listing with the website collecting data-base for independent directors is permissible with or without payment.

It is also clarified that since acting as e-Return Intermediary comes within the purview of the definition of “Management Consultancy and Other Services” appearing at pages 8-10 of Code of Ethics, 2005 edition, it is permissible.

International Conference

Role of Accountancy Profession in Anchoring Economic Growth

January 19-21, 2006 at TATA Centre (NCPA), Nariman Point, Mumbai

**CPE
Credit
12 Hrs**

January 2006 will herald an important phase in the world of Indian accountancy with the city of Mumbai getting prepared to host an International Conference on “Role of Accountancy Profession in Anchoring Economic Growth” from January 19–21, 2006. Given the fact that the accounting profession has its indelible impression on the functioning of the corporate and the national economies, the conference will dwell upon a wide range of issues and would be a good opportunity for value-addition on emerging developments. The Conference would focus on issues such as Determined Approach to Challenges Before the Profession, Rational Approach to Accounting Dilemmas, Reforms in Central Government Accounting, Roadmap for Government Accounting Standards – Issues & Challenges, Role of Audit Committees in Promoting Governance in Banks, Governance Beyond Legal Framework, Positioning Indian Capital Market on Global Canvas, BPO: Cultivating Markets for Excellence, Building Professional Competencies, Extensible Business Reporting Language, Emerging Trends in Corporate Social Responsibility, Sustainable Development: Issues & Challenges Before Corporate Sector and alike.

The conference will see the participation of virtually ‘Who is Who’ of the accounting profession. Some of the Key Dignitaries to address the conference are –

- Dr. Y.V. Reddy, Governor, Reserve Bank of India
- Mr. M. Damodaran, Chairman, Securities & Exchange Board of India.
- Mr. C.B. Bhave, Chairman & Managing Director, National Securities Depository Ltd.
- Mr. Kanwl Nath, Chairperson, Government Accounting Standards Advisory Board.
- Mr. Y.H. Malegam, Chairman, NACAS
- Sir David Tweedie, Chairman, International Accounting Standards Board
- Mr. Graham Ward, President, International Federation of Accountants
- Mr. Warren McGregor, Member, International Accounting Standards Board
- Mr. Ian Ball, Chief Executive, International Federation of Accountants
- Mr. Ian Morris, President, The Institute of Chartered Accountants in England & Wales
- Mr. Ian Mackintosh, Chairman, United Kingdom Accounting Standards Board
- Mr. Kurt P. Ramin, Chairman, XBRL International
- Mr. Anthony Pugliese, Vice President, American Institute of Certified Public Accountants
- Heads of SAFA Accounting Bodies

Further details shall be available on the Institute’s website www.icaai.org, shortly; Alternatively you may reach Mr Koshy John at koshy@icaai.org or Mr Amal Takker at ic@icaai.org.

FOR YOUR INFORMATION

**ALL INDIA CONFERENCE
ON
ADDING VALUE TO NEW HORIZONS OF PROFESSIONAL EXCELLENCE
AT GUWAHATI**

Host	GUWAHATI BRANCH OF EASTERN INDIA REGIONAL COUNCIL OF ICAI
Theme	An All India Conference on Adding Value to New Horizons of Professional Excellence proposes to discuss the contemporary issues relating to Government Undertakings and local bodies, Accounting Standards relating to Small & Medium Enterprises, critical issues in CARO, Critical analysis of FBT, BCTT & EET, provisions of the Service Tax & Value Added Tax, etc. His Excellency (Lt. Gen. Retd.) Shri Ajai Singh, PVSM, AVSM Hon'ble Governor of Assam has kindly given his consent to inaugurate the Conference. The Guest of Honour shall include Respected Shri P.C. Gupta, Hon'ble Ministry of Company Affairs (Independent Charge) in addition to Shri Kamlesh S. Vikamsey, President, ICAI, Shri T.N. Manoharan, Vice President, ICAI and Dr. Ashok Haldia, Secretary, ICAI. Respected Shri K. Rehman Khan, FCA, Hon'ble Deputy Chairman, Rajya Sabha will be the Chief Guest of the Valedictory Session and Shri P.K. Mallik, Past President, ICAI would be the Guest of Honour of the Valedictory Session of the Conference.
Date	24th and 25th December 2005
Venue	Pragjyoti ITA Centre, Machkhowa, Guwahati – 781 009

DISCUSSION SESSIONS

<i>Topics be Discussed</i>	<i>Chairmen & Speakers</i>
(i) ACCOUNTING & AUDITING STANDARDS ● Accounting Standard for Small and Medium Enterprises ● Over View of Auditing & Assurance Standards	Shri S. C. Vasudeva, FCA Shri Amarjit Chopra, FCA Shri Harinderjit Singh, FCA
(ii) CONTEMPORARY ISSUES RELATING TO GOVT. UNDERTAKING LOCAL BODIES, ETC. ● Accounting & Auditing of Govt. Undertaking & Local Bodies ● Restructuring of Govt. Undertakings Municipal Corp./Boards	Shri K. P. Khandelwal, FCA Shri T. G. Srinivasan Shri Abhijit Bandhopadhyay, FCA
(iii) CORPORATE & ALLIED LAWS ● Critical Issues in CARO ● Incentives Available to Industries in Assam	Shri V. Murali, FCA Shri Sunil Talati, FCA Shri Niraj Verma, IAS
(iv) DIRECT TAXES ● Critical Analysis of FBT, BCTT & EET ● Issues relating of Income from Business and Capital gains	Shri N. Rangachari, Former Chairman, CBDT & IRDA Shri Ved Jain, Central Council Member Shri H. N. Motiwalla, FCA
(v) INFORMATION TECHNOLOGY ● BPO ● Computer Assisted Audit Techniques	Shri Gautam Barua, Director, IIT, Guwahati Shri S. Gopalkrishnan, FCA Shri Subodh Agarwal, FCA, Vice Chairman, EIRC
(vi) INDIRECT TAXES ● Value Added Tax ● Service Tax	Shri B. Kalyan Chakravorty, IAS Shri Sumantra Guha, FCA, Chairman EIRC Shri Vikash Jain, FCA, Secretary, EIRC

CPE Hours: 12	Fees: Rs.1750/- for Members Rs.2000/- for Others Rs.1000/- for Students
Contact Person	Shri Pawan Kumar Sharma, FCA, Convenor M/s. P.K. Sharma & Associates, Jagadishwar Palace, M.S. Road, Fancy Bazar, GUWAHATI – 781 001.
Contact Details	(0361) 263 1213, 263 7551, 9864061068, 9899563716 (Delhi Mobile), 0361-2542332 (Fax) pksharmaca@rediffmail.com

FOR YOUR INFORMATION

COMMITTEE FOR MEMBERS IN INDUSTRY	
National Residential Workshop on International Financial Reporting Standards (IFRS) and US GAAPs	
Theme	This comprehensive five-day workshop provides an overview of the International Financial Reporting Standards (IFRSs) and most important requirements for preparing financial statements under US Generally Accepted Accounting Principles (US GAAP). The workshop will focus on: <ul style="list-style-type: none"> · Current IFRS requirements · Changes that are proposed, and what impact will these have · Issues are involved in moving from existing GAAP to IFRS / IAS · Choices that can be made when preparing IFRS financial statements · Impact of IFRS adoption on the views of analysts and investors · Current and likely future requirements of US GAAP · Probable impact of adopting such requirements · Sources of up-to-date information about US GAAP be obtained
Date & Time	26th December 2005 – 29th December 2005 (1000 hours to 1800 hours daily)
Venue	Celebrity Club, Survey No. 1222, Shamirpet Village, R. R. District Adjoining Hyderabad.
DISCUSSION SESSIONS	

- Preface to International Financial Reporting Standards (IFRS)
 - Framework for the Preparation and Presentation of Financial Statements
- IFRS 1 First Time Adoption of International Financial Reporting Standards
- IFRS 2. Share-based Payment
- IFRS 3 Business Combinations
- IFRS 4 Insurance Contracts
- IFRS 5 Non-current Assets held for Sale and Discontinued Operations
- IFRS 6 Exploration for and Evaluation of Mineral Resources
- Conceptual Framework of US GAAP
 - Balance Sheet
 - Statements on Income and Comprehensive Income
 - Statement on Cash Flows
- US GAAP relating to:
 - Segments
 - Intangible assets
 - Inter-company investments (subsidiaries, associates and joint ventures)
 - Discontinuing operations
 - Leases
 - Impairment of assets
 - Earnings per share
 - Financial instruments
 - Foreign currency transactions and translations
 - Stock-based Compensation
- Restatement Procedures under US GAAPs

CPE Credit: 24 hours	Fees: Residential Participant (on twin sharing basis): Rs.10,000, Non-Residential Participant: Rs. 6,500, Single occupancy: Rs.14,000, Accompanying persons: Rs. 5,500
Contact Details	
Programme Chairman	Shri V. Murali, Chairman, Committee for Members in Industry, ICAI.98410 40010, 93810 46952, murali@icai.org
Programme Directors	Shri Shanti Lal Daga, Chairman, Peer Review Board of ICAI. 9849023555, dagasl@icai.org Shri S Gopalakrishnan, Chairman, Committee on Financial Markets and Investors Protection of ICAI, 9849771066, sgopalakrishnan@icai.org
Programme Coordinator	Dr. T. Paramasivan, Deputy Director (Tech), ICAI, Indrapratha Marg, New Delhi – 110 002. 011 – 230110450, 09350799934
Further Information	www.icai.org/announ/NRW_IRS.pdf

Office Of The Comptroller & Auditor General Of India

The Chartered Accountant firms who had applied for empanelment for Audit of Public Sector Undertakings for the Year 2005-2006 & 2006-2007, are requested to update the firm's data for the Year 2006-2007. The format for updation will be available from 1st January to 15th February 2006 on website www.cag.gov.in. The firms should also furnish:

- (i) A hard copy of the ICAI certificate containing:
 - (a) Date of formation of the firm with a full time FCA.
 - (b) Details of partners/sole proprietor/CA employees as on 1st January 2006, date of their joining in the firm, date of becoming FCA, their other association/interest, etc. if any.
 - (c) In case a partner was continuously associated with the firm as paid employee before joining as full time partner, the date of his/her joining the firm as full time CA employee.
- (ii) Income Tax Returns of full-time partners for the assessment year 2005-2006.
- (iii) Latest partnership deed in case of partnership firms.

Last date for updating the database of the firms/receipts of documents in this office is 15th February 2006.

CLASSIFIEDS

No.4396 Required a CA firm for acquisition/merger. Also required partner to open branch at Kolkata. Retired members can apply. Contact immediately to Sri A. Mohapatra, Plot No-739, Tankapani Road, Bhubaneswar -751014 or e-mail : ckpa@sify.com

No.4397 Vijaywada based FCA, DISA, seeks Professional work on Partnership/Assignment/Retainership/Sub-Contract/Network basis. Write to Box No.4397, C/o The Chartered Accountant, ICAI Bhawan, Post Box No.7100, New Delhi-110002.

No. 4398 Kolkata based LL.B., F.C.A. having infrastructure seeks professional work on

partnership/assignment/retainership/ sub-contract/network basis. Call 9830886642, E-mail : heritage_consult@rediffmail.com or write to box no. 4398, C/o the Chartered Accountant, Post Box No. 7100, New Delhi-110002

No.4399 South Delhi based CA firm opening office in Gurgaon requires Chartered Accountants, Semi Qualified Assistants and Articles at both locations for its Internal Audit Division. Contact Tel: 51437282 or email Resume at nkc@nkandco.com

No.4400 CA firm require Chartered Accountants having 2-3 years experience on full time basis and senior retired Chartered Accountants seeking part time assignments

required for CA firm. Apply to G.S. Mathur & Co., A-160(Ground Floor) Defence Colony, New Delhi-110024 Email: gsmco@touchtelindia.net Ph: 51554880/81

No.4401 Delhi based CA firms requires CA on Partnership / Retainership/ Assignment/ Sub-Contract basis in Kolkata, Ahmedabad, Bhopal, Patiala, Bangalore, Trivandrum, Guwahati & Imphal. Contact : 9811029717, Fax No.011-26133299

No.4402 Bhubaneswar based firm seeks CAs from Delhi/ Mumbai/ Cities of Eastern India, for Partnership/ Networking/Merger. Contact (M) - 099373-76510 or write to E-mail : [misraroshan@rediffmail.com](mailto:misararoshan@rediffmail.com)