

Business Standard

Govt reviewing cash & work accounting rules

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Clip: 1 of 1

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In order to give more statutory recognition to the Institute of Cost and Works Accountants of India (ICWAI), an apex body that regulates the profession of cost and management accountancy in India, the Ministry of Corporate Affairs (MCA) is reviewing the existing cost accounting rules and standards of ICWAI.

“Compared to other professional bodies, ICWAI has got lesser statutory recognition, which needs to be rectified,” said Anurag Goel, secretary of the MCA, adding that ICWAI hadn’t been utilised to its full potential due to the notion that cost and management accountancy was internal to the industry/corporate sector.

Goel was speaking at an ICWAI function in New Delhi.

In order to enhance the

country’s competitiveness, the ministry had constituted an expert group to restructure the framework of cost accounting records, cost audit mechanism and cost accounting standards. The group has submitted its report to the ministry, which will now invite comments from all stakeholders, said Goel.

The report has recommended that regulators should move from the compliance oriented framework to a performance management framework with enterprise governance in mind. This shift becomes important in the context of the Rs 7,000-crore Satyam fraud, said Kunal Banerjee, president of ICWAI.

On January 7, Satyam Computer Services founder B Ramalinga Raju confessed to fudging the company’s accounts and left the fourth largest IT company in the lurch.