

Hiring of professional Cost Accountants (CMAs) engaged in public practice for Scrutiny & Review of Cost Audit Reports, Compliance Reports and Cost Data Analysis.

It has been decided to use the services of experienced and willing Cost Accountants (CMAs) engaged in public practice, through the Institute of Cost Accountants of India, to assist the Ministry of Corporate Affairs in carrying out scrutiny and review of cost audit reports & compliance reports, data mining & analysis, sectoral analysis, etc. with a view to ensuring high quality of audit & assurance and to suggest industry specific input-output norms, efficiency benchmarks, deficiencies, improvement areas, etc. The scheme, to be operated in association with the Institute, will have the following features:

General Features:

- a) Institute of Cost Accountants of India, in consultation with the Ministry of Corporate Affairs (MCA), will invite applications from the experienced & willing CMAs. After screening, the Institute will prepare an all-India panel that would be valid for a period of two years.
- b) The Institute will make available services of such empanelled CMAs to be used by the MCA for undertaking scrutiny & review of cost audit reports & compliance reports, data mining & analysis, sectoral analysis, etc.
- c) An agreement will be signed by the concerned CMA with the Institute and MCA containing outlines of the tasks to be carried, schedule of completion of tasks, deliverables and suitable penalty clauses for failing to deliver the tasks assigned in accordance with the prescribed time schedule.
- d) The outsourced CMA shall give a declaration to maintain absolute integrity in respect of any assignment given under the agreement.
- e) The outsourced CMA shall be required to take oath of confidentiality and breach of this condition shall make the person concerned liable for penal action under IPC, Cr. PC or any other relevant law besides action for breach of agreement. He shall also be liable for disciplinary action by the Institute for professional misconduct.
- f) The outsourced CMA shall not accept scrutiny & review of cost audit reports, & compliance reports and data analysis of any such company wherein he has any professional and/or personal interest either in the given company or in its holding or subsidiary company for a period of last two years.
- g) Each study/examination will be done under the direct supervision & control of an officer of MCA. Hence, entire data will remain under his control only. Neither any officer of the Institute nor the outsourced CMA will be allowed to make copies of such data nor retain any information with them without the prior permission [in writing] of the officer in-charge.

- h) The Institute, in consultation with the MCA, will prepare detailed guidelines / checklists to help the professional CMAs in thorough scrutiny & review of the cost audit reports and compliance reports and for carrying out data mining & sectoral analysis.
- i) The outsourced CMAs will also help in examining / analyzing the replies submitted by the company in response to the letters/notices issued by MCA under the provisions of Companies Act, 1956.
- j) Only the officers of MCA shall correspond with the company. Neither any officer of the Institute nor the outsourced CMA will be allowed to sign any such communication or to visit the company in any capacity.
- k) Upon satisfactory completion of the assigned work, the Institute will pay the outsourced CMA pre-fixed fee, as it may decide.
- l) MCA shall have sole discretion to withdraw the assignment if not satisfied with the quality of the services of the outsourced CMA. He shall also not be given any other assignment in future.
- m) The Institute, in consultation with the MCA, shall have sole discretion to reject any application or change the terms of empanelment at any time, without assigning any reasons.
- n) The scheme will be reviewed after two years.

Other Empanelment Criteria:

- i) He must be a member of the Institute of Cost Accountants of India who is in full-time practice.
- ii) He must have minimum experience as a practicing Cost Accountant in full-time practice for at least five years.
- iii) He must have conducted Cost Audits in at least 5 different companies during the preceding five years and has been the signing member/partner of the cost audit report.
- iv) He must not be a member of the present Central Council or Regional Council of the Institute nor is he a partner of any such firm wherein any present member of the Central Council or Regional Council of the Institute is also a partner.
- v) His name shall be removed from the panel if he or any other partner of his firm is elected to the Central Council or the Regional Council of the Institute.
- vi) He must not, at any time, held the position of the President of the Institute nor is he a partner of any such firm wherein any past-President of the Institute is also a partner.
- vii) He must not have been penalized for any cognizable offence under any law in force in India during the preceding five years.

- viii) He must not have been held guilty of professional or other misconduct under the Cost and Works Accountants Act, 1959 during the preceding ten years.
- ix) He must not be engaged either in his personal capacity or as sole proprietor or partner of any firm as Cost Auditor or for certifying Compliance Report, for a period of preceding two years, with the company [including its holding or subsidiary company] whose review of cost audit reports, compliance reports and other analysis are to be made.
- x) He must pre-disclose complete details to the MCA of his or his firm's other professional assignments, if any, other than as Cost Auditor or for certifying Compliance Report, handled during the preceding two years in respect of any such company [including its holding or subsidiary company] whose review of cost audit reports, compliance reports and other analysis are offered by the MCA.
- xi) Upon receipt of written information from the MCA, he shall be immediately removed from the panel and shall not be eligible for re-empanelment with the Institute for a period of at least next five years, if he refuses to undertake any assignment offered by the MCA or breaches any of the terms & conditions of empanelment or otherwise gets involved in any other misconduct or misbehavior.

Fees & Other Charges:

- a) He shall be paid by the Institute a lump sum fee at the rate of Rs.5,000/- (Rupees five thousands) per day, subject to a maximum of Rs.25,000/- (Rupees twenty five thousands).
- b) On account of any outstation travel, he shall be given reimbursement by the Institute to-and-fro fare as per actual restricted to the 2nd AC Rail fare for the shortest route from his place of Business to Delhi.
- c) He shall make his own arrangements from travel, stay and local conveyance. Institute shall not be responsible for making any such arrangements.
- d) Actual payment of Fee and reimbursement of travel cost shall be made upon receipt of certificate from the MCA for satisfactory completion of the assignment assigned.
- e) There shall be penalty of 10% cut in the total fee payable to the outsourced CMA for every day delay for completion of the assignment beyond the period stipulated by the MCA. If the CMA fails to complete the job within a maximum of 10 days, he shall not be eligible for payment of any fee and/or reimbursement of the travel cost.
- f) All payments shall be made either by Account Payee Cheque or by Electronic Transfer to his Bank Account, after deduction of taxes, if any.

***Please send the completed Empanelment Form along with a DD of Rs.1000/- in favour of "The Institute of Cost Accountants of India", payable at Delhi, to Director (PD), Institute of Cost Accountants of India, CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi -110003.**