



TUTICORIN BRANCH OF SIRC

NEWS LETTER

The Institute of Chartered Accountants of India
(Set up by an Act of parliament)

Private Circulation only

JUNE 2010

Chairman Writes . . .

Dear Colleagues,

Greetings and good wishes to you,

Most of the members in practice must have started the audit of Corporate and Non-Corporate clients which involves proper planning of the audit programme and execution of the same. Documentation is a vital one and it should be taken care of during the audit process.

The holiday season for the schools and colleges will be over in a few days and some of our members will be busy securing admissions for their children in schools and colleges putting them up at hostels and arranging for their continuous and quality study. I wish them success in their efforts.

On 1st of July every year, we celebrate the Chartered Accountants' Day. This year too, our Branch is planning to celebrate CA Day in a grand manner involving members and their families. Hence, I request the members and their families to be part of CA Day celebration on 1st July 2010 at our Branch Premises. Besides various activities, we have planned for a Blood Donation Camp. I appeal to the students and the members to come forward to donate the Blood to save so many lives. Let us celebrate and display our solidarity & strength.

The plus two and tenth results are out and the students as usual make a beeline for Medical, Engineering and Computer Science Stream. The importance and worth of CA Course is something which needs further inculcation in young minds. I sincerely request our members to enthuse students to take up this line.

I am very much pleased to say that, the Second Batch of Orientation Programme was commenced on 17.05.2010 and concluded on 23.05.2010. 21 students enrolled to the programme. The faculty to this programme were crystal clear and comprehensive and their tips were of utmost practical use to the Students. The learned faculty kept every one spell bound by their oratorical skills and scintillating speech. In this regard, I express my sincere pranaams to the faculty.

On 22.05.2010, we organized an industrial visit to M/s.VVD & Sons (P) Ltd., a leading Coconut Oil Manufacturing



Company (since 1942) at our home town. 48 students and 7 members participated in the visit. It was quite interesting and provided more educative information in the field of manufacturing unit and we enjoyed a lot. It was a great and memorable event. In this regard, I am very much thankful to the Director, Sri.D.Kabilan, of the company for making the industrial visit very useful and successful one. I sincerely thank the members and students who participated in the unit visit.

Our Mantra which reads as under

"Sweet words Sincere Deeds"

Yours ever loving,
CA.H.Raman, Chairman

ORIENTATION PROGRAMME FOR
IPCC STUDENTS : 17.05.2010 - 23.05.2010



COMPTROLLER AND AUDITOR GENERAL OF INDIA

INTRODUCTION :

Comptroller and Auditor General of India is an authority, established by the Constitution of India, who audits all receipts and expenditure of the Government of India and the State Governments, including those of the bodies and authorities substantially financed by the Government. The CAG is also the external Auditor of government owned companies. The reports of CAG are taken into consideration by the Public accounts committees (special committees in the Parliament of India and state legislature). The CAG is the head of the Indian Audits and Accounts Service.

GOVERNMENT AUDIT :

The complete and comprehensive definition for Government auditing is given by the United Nations in the UN handbook which reads as "The objective, Systematic, Professional and independent examination of financial, administrative and other operations of a public entity for the purpose of evaluating and verifying them, presenting a report containing the comments, conclusions and recommendations and expressing the appropriate professional opinion in respect of Financial Statements." The government audit is conducted in India by the Comptroller and Auditor General of India.

LEGAL FRAMEWORK OF THE CAG :

1) Appointment :

The C & AG shall be appointed by the President of India for a maximum tenure of 6 yrs.

2) Maximum Age Limit :

Maximum age limit for C&AG is 65 yrs

3) Remuneration :

The Remuneration for Comptroller and Auditor General of India is laid down by the Comptroller and Auditor General's Act 1971 which is equal to that of Supreme court judge

4) Submission of Accounts :

C&AG report relating to the accounts of the Union / State shall be submitted to the President / Governor who shall cause them to be laid before the House of Parliament / State Legislature.

5) Duties of C&AG :

The duties of Comptroller and Auditor General of India includes audit of :

- a) all expenditure from the Consolidated Fund of India of Union, of each state and of each Union territory having a Legislative assembly with the

objective to ascertain whether the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service and purpose to which they have been applied or charged and whether the expenditure conforms to the authority which governs it

- b) all transactions of the Union and of the State / Union Territory having Legislature relating to Contingency Funds and Public Accounts;
- c) all trading, manufacturing, profit and loss accounts and balance sheet and other subsidiary accounts kept in any department of the Union or of a state and in each case, to report on the expenditure, transactions or accounts to be audited by him;
- d) receipts and expenditure of the bodies or authorities substantially financed from Union or State revenues;
- e) grants or loans given to the other authorities or bodies;
- f) revenue of the Union and the State Governments;
- g) accounts of stores and stocks;
- h) Government companies and Corporations under the Company's Act 1956 read with CAG act 1971;
- i) accounts of other authorities or bodies as per their statutes or upon the request by the Governor of a state or the Administrator of a Union Territory having a Legislative Assembly.

6) CAG Report :

CAG presents a number of Audit Reports on the basis of the Union Government and the State Governments to the Parliament and State Legislature respectively under Article 151 of the Constitution of India. In addition, CAG certifies the Appropriation Accounts and Finance Accounts of the Union Government and of the State Governments and forward them to the President / Governors of the States for being laid on the Table of Parliament and State Legislature respectively. CAG also submits separate Audit Reports on all statutory corporations and autonomous bodies for which he is the sole auditor.

The Sectors under which CAG presents one or more volumes of his Audit reports to the Parliament are :

- Civil
- Autonomous Bodies
- Scientific Departments
- Defence Services
- Railways
- Direct Taxes
- Indirect Taxes and
- Commercial



CAG presents the following reports to the State Legislature and Union Territories with Legislative Assemblies in one or more Volumes:

Civil

Revenue and Commercial

7) Powers of CAG:

With the view to ensuring the accountability of the executive of the Government Companies and Corporations to the Parliament and State Legislature, the Act envisages that the Comptroller and Auditor General of India shall have the following powers:

To inspect any office of accounts under the control of the Union or the State including office responsible for the creation of the initial or subsidiary accounts

To require that any accounts, book papers and other documents, which deal with or are otherwise relevant to the transactions under audit, be sent to specified places.

To put such questions or make such observations as he may consider necessary to the persons in charge of the office and to call for such information for the preparation of any accounts or report.

(a) To dispense with any part of detailed audit of any accounts or class of transactions

(b) To apply such limited check in relation to such accounts or transactions as he may deem fit.

CONCLUSION:

With a view to ensuring that the audit works within the Indian Audit and Accounts Department conform to the standards set for itself, the Comptroller and Auditor General of India has issued standing orders and various guidelines. The C&AG shall not be removed from office except on the ground of proven misbehavior or incapacity. The C&AG can be removed from office only when each House of Parliament decides to do so by a majority of not less than 2/3rd of the members of the House present and voting.

By
S. Bharath
Final Student

**Special Placement Programme June, 2010
for experienced and fresh Chartered Accountants**

The Committee for Members in Industry of the Institute is organizing Special Placement Programme for Chartered Accountants at various centres all over India. The scheme has been evolved to provide an opportunity both to employing organisations as well as the dynamic professional aspirants to meet and explore the possibility of taking up positions in Industry.

Invitation to Chartered Accountants

It has been decided to organise Special Placement Programme at 8 centres, viz., Bangalore, Chennai, Hyderabad, Jaipur, Kolkata, Mumbai, New Delhi and Pune in June, 2010. A large number of leading organisations are expected to participate.

The schedule of the Special Placement Programme is as below:

Centre	Dates
Mumbai and New Delhi,	25th -26th June, 2010
Bangalore, Chennai, Kolkata & Hyderabad	23rd -24th June, 2010
Jaipur and Pune	22nd June, 2010

Eligibility for appearing in Special Placement Programme

Chartered Accountants fulfilling the following conditions / criteria's are eligible to take part in Special Placements.

- * having the membership of Institute as on 10th May, 2010
- * who have more than one year of experience may participate as experienced chartered accountants.
- * The chartered accountants who have less than one year or no experience may participate as fresh Chartered Accountant
- * passed C.A. final examination on or before January, 2010
- * The members who have got placements through the placement programme organized by the Institute between 01.06.2009 to 1.06.2010 are not eligible to apply.

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

Organisations intending to recruit experienced and fresh Chartered Accountants through the above said scheme of Special Placement Programme are requested to get in touch with Shri Shaleen Suneja, Secretary, Committee for Members in Industry, Indraprastha Marg, New Delhi - 110002, Tel. No. (011) 30110450/491 E-mail: placements@icai.org, ssuneja@icai.org ; Fax- +91(11) 30110583 (or) Mr. Ajeet Nath Tiwari, Placement Coordinator, at Tel +91(11) 30110450.

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.cmii.icai.org.

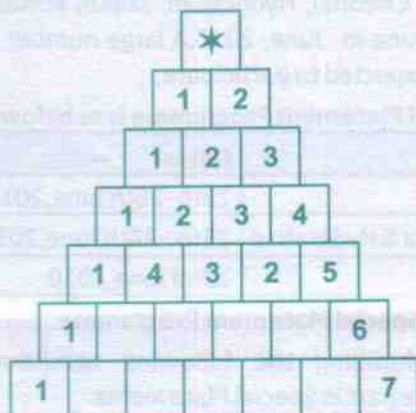
- Chairman
Committee for Members in Industry

PRIME PYRAMID

A prime pyramid is a triangular arrangement of numbers. Each row in the pyramid begins with 1 and ends with the row number. In each row, the consecutive numbers from 1 to the row number are arranged in a way, such that the sum of any two adjacent numbers is a prime number.

Often row 1 just contains an asterisk or any non-numerical symbol.

So row 2 starts with one and ends with 2.



Let's look at row 3.

- * It contains the numbers 1, 2 and 3.
- * It begins with 1 and ends with 3.
- * The sum of consecutive numbers is a prime number. $1+2=3$, $2+3=5$.

Proceeding in a similar way can you find the missing numbers in row 6 and 7.

Extend this pyramid to row 12 and explore to find if there is any pattern in it.

By

Mrs.Sornalatha Raman

**INDUSTRIAL VISIT FOR CA STUDENTS TO
M/s. V.V.D. & SONS (P) LTD., TUTICORIN
an oil Manufacturing Company
on 22.05.2010**



*The institute / Branch does not accept any responsibility for the views expressed in different contributions / Advertisements published in this Newsletter
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Invitation for Empanelment

The Institute of Chartered Accountants of India

Examination Department - ICAI

Invitation to Join Panel of Examiners / Paper setters

The Institute is in the process of strengthening its panel of examiners and paper setters with professionals / academicians / resource persons for all the papers in CA IPCC and Final (New Course) Examinations in general and for the following subjects in particular:

- ◆ Indirect Tax Laws
- ◆ Advanced Auditing and Professional Ethics
- ◆ Information Systems Control and Audit
- ◆ Advanced Management Accounting
- ◆ Strategic Financial Management
- ◆ Direct Tax Laws.
- ◆ Business law- Communication and Ethics
- ◆ Cost Accounting and Financial Management
- ◆ Taxation
- ◆ Information Technology



Persons who have the requisite proficiency, interest in learning in the above subjects, inclination for evaluation of answer books and who can spare time may send in the Empanelment Form duly filled in to the **Additional Secretary (Exams), The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi 110 002.**

The Empanelment Form has been hosted in the ICAI's website (http://www.icaai.org/resource_file/15857ExaminersEmpanelmentForm.pdf) which can be downloaded or may be obtained by sending a request letter to the Additional Secretary (Exams) by post or by mail at somasekhar@icaai.in and /or js_exam@icaai.in.

ANSWER FOR LAST MONTH QUIZ

Take 1 from 1st box, 2 from 2nd box and so on, 10 from 10th box. The actual weight should be 55 grams ($10 \times 11/2$). If the weight is above 55 grams it indicates the actual box whose balls weight is 2 grams i.e., if the weight is 58 grams ($58-55$), the balls in the 3rd box is 2 grams.