

ERNAKULAM BRANCH OF SICASA
THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA
E-NEWSLETTER



IGNITE

- Aspired minds, Inspire

OCTOBER EDITION,
2017

CHAIRMAN'S MESSAGE



Dear Young Friends,

“You cannot fail, unless you Quit”

These are the words of the great Abraham Lincoln. In spite of an incredible string of setbacks, he went on to become one of the greatest statesmen of history. He failed in business at the age of 21; was defeated in a legislative race at the age of 22; failed again in business at age 24; overcame the death of his sweetheart at age 26; had a nervous crackdown at age 27; lost congressional race at age 34; lost a senatorial race at age 45; failed in an effort to become vice-president at the age 47; lost a senatorial race at age 49; and was elected President of the United States at age 52. He could have quit at failures, but for him defeat was a detour and not a dead end. Failure doesn't come from falling down. Failure comes from not getting up. Failure is the highway to success dear young friends.

The month of October is supposed to be a lean period in terms of student activities on account of busy workings and return filings and exam leaves for students. Yet there were a number of activities for us with good participation from student members in all the activities conducted. We started with seminar on accounting standards for IPCC Students with special focus on those who appear for exams by CA Asif Arafath, Workshop on GST Returns presented by Sarath Alingal moderated by CA R Balagopal, industrial visits to Milma Edappally, Modern Foods Edappally and DP World, Vallarpadam SEZ and Educational Tours to Museum of Kerala History, Edappally and National Shrine Basilica of Our Lady of Ransom, Vallarpadam. We were also able to conduct a One Day Seminar on GST jointly with MG University and SSV College, Valayanchirangara. As part of Swatcha Hi Sewa Campaign, we conducted a cleaning drive of our ICAI Annexe premises and surroundings. As a part of our CSR initiatives, we were able to support two students of Kalady Planatation School who were badly in need of Wheelchairs to move around, with most modern wheelchairs. It was really infact a refreshing month on account of activities.

Friends, our major impact programme, the CA Students Conference is scheduled on November 24th and 25th at Fine Arts Hall, Ernakulam. Every arrangement is made to make the conference a memorable one. There are surprise programmes for the students in the Conference. Kindly ensure your participation and support for the conference. For your convenience online registration and payment facility is also arranged for the programme. The details of the programme are reported elsewhere in this news letter for your information. Further, be prepared for the mega all Kerala Students Cultural Fest 'Ekah' on 17th December 2017.

Looking forward to meet you all in Students Conference.

With warm regards

CA Roy Varghese

AT A GLANCE

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THE BOOKWORM!

NEW YORK TIMES BESTSELLER

"Pink makes a strong, science-based case for rethinking motivation—and then provides the tools you need to transform your life!"

—HEINLET C. DE, MD, coauthor of *You: The Owner's Manual*

Daniel H. Pink

author of *A Whole New Mind*

DRIVE
DBYAF

The Surprising Truth
About What Motivates Us

NAME OF THE BOOK: Drive

AUTHOR: Daniel H Pink

Most people believe that the best way to motivate is with rewards like money—the carrot-and-stick approach. That's a mistake, says Daniel H. Pink (author of *To Sell Is Human: The Surprising Truth About Motivating Others*). In this provocative and persuasive new book, he asserts that the secret to high performance and satisfaction—at work, at school, and at home—is the deeply human need to direct our own lives, to learn and create new things, and to do better by ourselves and our world.

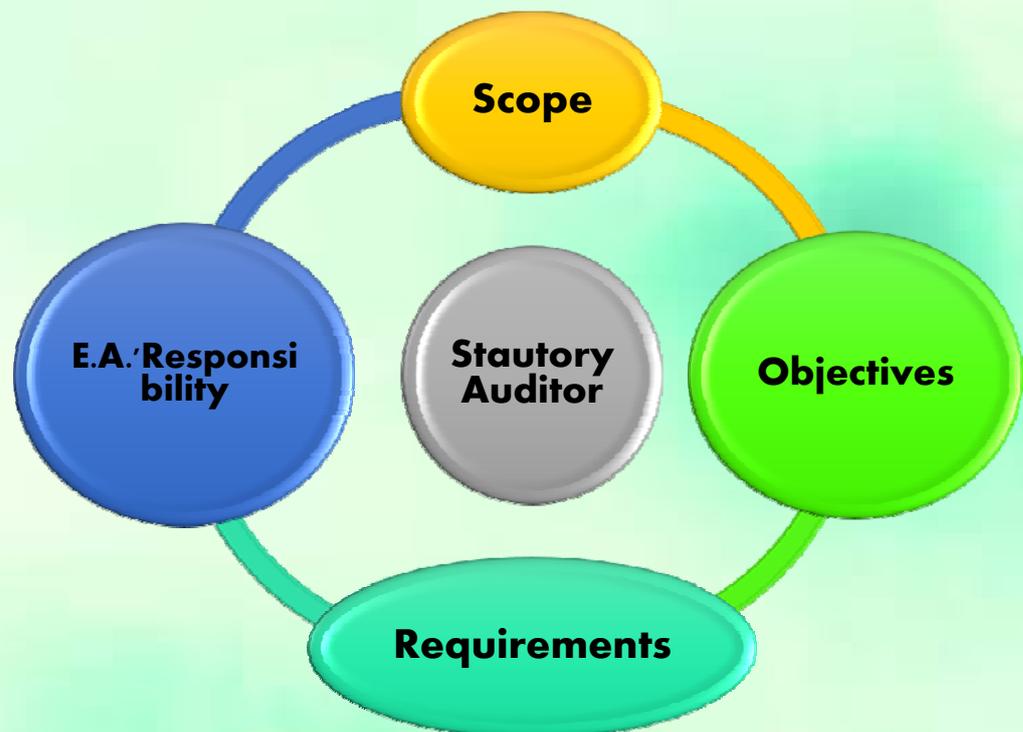
Drawing on four decades of scientific research on human motivation, Pink exposes the mismatch between what science knows and what business does—and how that affects every aspect of life. He examines the three elements of true motivation—autonomy, mastery, and purpose—and offers smart and surprising techniques for putting these into action in a unique book that will change how we think and transform how we live.

SA-610 (USING THE WORK OF INTERNAL AUDITORS)



Akhand Pratap Singh CRO
0328152

Internal auditor is an internal examiner of internal control of management upon various resources. He reports to the management by detecting various negative points found during the course of audit. Whatever work is done by the internal auditor may be useful for another entity of audit i.e. statutory auditor. SA-610 is based upon the same subject matter and also standards on auditing that are applicable on Statutory Auditor.



E.A. = External Auditor

This SA is basically framed on the basis of above mentioned parts and under this framework, statutory auditor has to understand his responsibility to get it applied.

Scope of SA

External auditor's responsibilities: to obtain audit evidence & direct assistance

If audit function not established in entity, this SA is not applicable

Using Direct Assistance to Internal Auditors

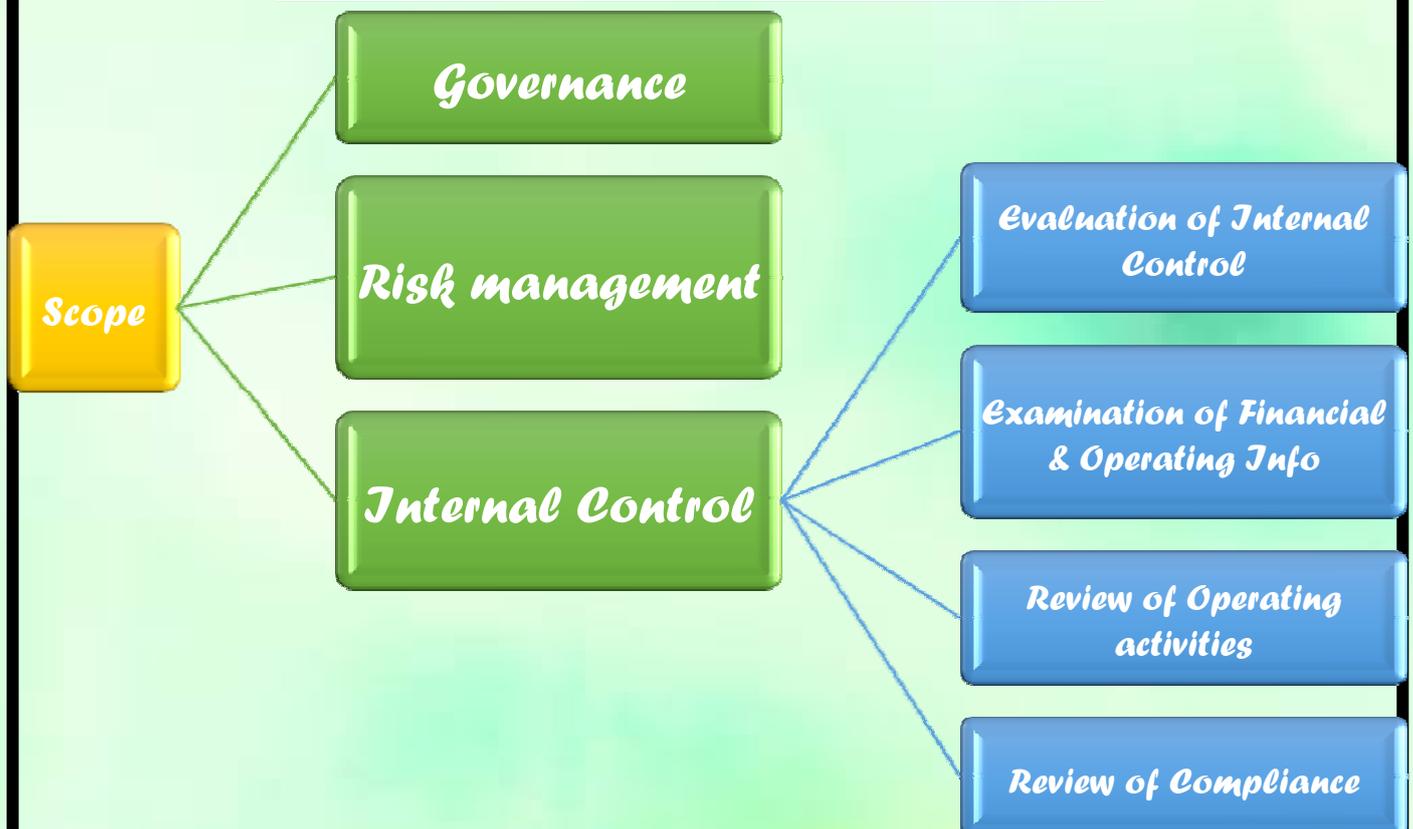
NEWLY INSERTED: USING DIRECT ASSISTANCE OF INTERNAL AUDITORS

- DETERMINE whether direct assistance can be used - it is allowed if*
- Not prohibited by law or regulation,*
- No significant threats to objectivity of Internal Auditor,*
- If Internal auditor is sufficiently competent and capable.*

- *DETERMINE* nature of work and extent on which direct assistance can be taken-
- Direct assistance is not advisable on following
- *Matters involving significant judgments in audit*
- *Matters on which auditor assesses high risk of material misstatement*
- *Matters in which Internal Auditor is already involved.*
- *Matters on which statutory auditor has to decide under this SA with respect to evaluation of internal audit function*
- *Using direct assistance of Internal Auditor*
- *Obtain written agreement with authorized representative of the entity*
- *Obtain written agreement from Internal Auditor*
- *Ensure that there is proper direction, supervision, review of work.*

“External auditor has sole responsibility for the audit opinion expressed, and that responsibility is not reduced by the external auditor’s use of work of the internal audit function or internal auditors to provide direct assistance on the engagement.”

SCOPE OF INTERNAL AUDIT FUNCTION



SA-610 Vs. SA-315

· **MANAGEMENT/TCWG:** Many entities establish internal audit functions as part of their internal control and governance structures. The objectives and scope of an internal audit function, the nature of its responsibilities and its organizational status, including the function's authority and accountability, vary widely and depend on the size and structure of the entity and the requirements of management and, where applicable, those charged with governance.

· SA 315 addresses how the knowledge and experience of the internal audit function can inform the external auditor's understanding of the entity and its environment and identification and assessment of risks of material misstatement.

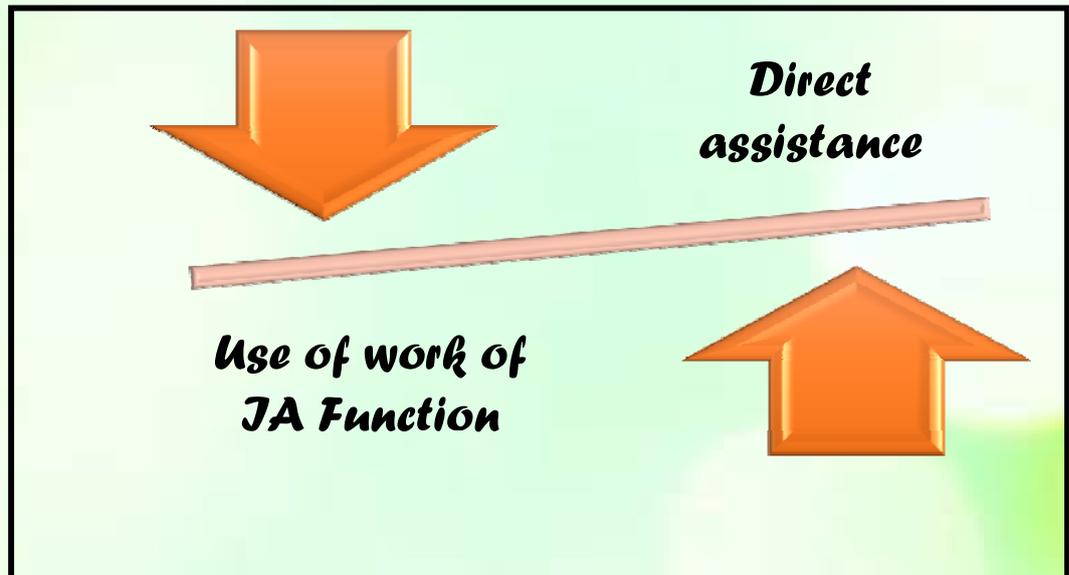
· Depending on whether the internal audit function's organizational status and relevant policies and procedures adequately support the objectivity of the internal auditors, the level of competency of the internal audit function, and whether the function applies a systematic and disciplined approach, the external auditor may also be able to use the work of the internal audit function in a constructive and complementary manner.

· Such use of that work modifies the nature or timing, or reduces the extent, of audit procedures to be performed directly by the external auditor.

· In addition, this SA also addresses the external auditor's responsibilities if considering using internal auditors to provide direct assistance under the direction, supervision and review of the external auditor.

· There may be individuals in an entity that perform procedures similar to those performed by an internal audit function. However, unless performed by an objective and competent function that applies a systematic and disciplined approach, including quality control, such procedures would be considered internal controls and obtaining evidence regarding the effectiveness of such controls would be part of the auditor's responses to assessed risks in accordance with SA 330.

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*Use of work of Internal
audit function by external
auditor*

*Direct assistance of internal
auditor by external auditor*

Evaluation of (1) whether the function's organizational status and relevant policies and procedures adequately support the objectivity of the internal auditors; (2) the level competence of the direct assistance. function; and (3) whether the function applies a systematic and disciplined approach, including quality control.

Nature and extent of the work used and the basis for that decision. *Basis for decision regarding the nature and extent of the work performed by the internal auditors.*

Audit procedures performed by the external auditor to evaluate the adequacy of the work used. *Who reviewed the work performed and the date and extent of that review in accordance with SA 230.*

Written agreements obtained from an authorized representative of the entity and the internal auditors.

Working papers prepared by the internal auditors who provided direct assistance on the audit engagement.

CONCLUDING THOUGHT

• This SA allows external auditor to use the work of internal auditor and to take direct assistance of internal audit but however external auditor shall be ultimately responsible.

• External auditor shall apply this SA very consciously.

• Amendment of direct assistance has been brought for better quality reporting.

• If this SA is applied, kindly document it comprehensively and properly.

PHOTO GALLERY



Wheel Chair Distribution



Seminar on Accounting Standards



One Day Seminar on GST with M.G. University



Industrial visits



Swachhta hi Sewa –Cleaning programme at ICAI



ANNOUNCEMENT

Board of Studies is organizing Six Days Course on GST and Ind AS through a combination of Webcasts from Head Office and physical classes at Regional Councils and Branch(es) for the students as per following schedule:

<u>Certificate Course</u>	<u>Date of Webcast</u>	<u>Timing</u>
GST	17th, 18th, 24th, 31st December, 2017 and 6th, 7th January, 2018	Webcast: 10 AM to 1 PM Physical Class: 2 PM to 5 PM
Ind AS	13th, 14th, 20th, 21st, 27th, 28th January, 2018	

Students, after completion of the Course(s) are required to pass a mobile app based online test with 50% marks to be eligible for receiving participation certificate issued by Board.

The fee for above Courses is Rs.1,500/- each per student. Students are required to contact their nearest Branch/Regional Council for Registration. The last date of registration is 10th December, 2017.

FORTH COMING EVENTS :

- **24th & 25th November 2017 – CA Students’ Conference**
- **17th December 2017 – Ekah 2017 – All Kerala CA Students Cultural Fest.**
- **Study Circle Meetings**



The Institute of Chartered Accountants of India

CA Students' Conference at Ernakulam

Date: 24th & 25th November, 2017
(Friday & Saturday)

Venue: Fine Arts Hall, Ernakulam

Organized by:

Board of Studies, ICAI

Hosted by:

Ernakulam Branch of SIRC & SICASA of ICAI

PROGRAMME Day 1 November 24, 2017

08:00 am to 09:30 am Registration
09:30 am to 10:30 am Special Session I – **Motivational Session**
Speaker : **CA. V. PATTABHI RAM**, Chennai
10:30 am to 11:30 am Inaugural Session
11:30 am to 11:45 am Tea Break
11:45 am to 01:15 pm Interaction with Board of Studies
CA. ATUL KUMAR GUPTA, Chairman, BoS, ICAI
CA. MANGESH PANDURANG KINARE, Vice-Chairman, BoS, ICAI
01:15 pm to 02:15 pm Lunch break
02:15 pm to 03:45 pm Technical Session I: Corporate Law
Session Chairman : **CA. SRIPRIYA K**, CCM, ICAI, Chennai
a. Privileges of Small Companies
b. Acceptance of deposits and loans to directors
c. Restrictions on foreign exchange transactions under FEMA
03:45 pm to 04:00 pm Tea break
04:00 pm to 05:30 pm Technical Session II: Direct Tax
Session Chairman : **CA. G. SEKAR**, CCM, ICAI, Chennai
a. Restrictions on cash transactions under Income Tax Act, 1961
b. Disclosure requirement under ICDS- A practical approach
c. International Taxation

PROGRAMME Day 2 November 25, 2017

08:00 am to 09:00 am Breakfast
09:00 am to 10:30 am Technical Session III: Accounting
Session Chairman : **CA. RAJESH SHARMA**, CCM, ICAI, New Delhi
a. AS 10- Property, Plant and Equipment
b. Related party disclosure- AS 18 vs. Ind AS 24
c. AS 22- Accounting for taxes on income
10:30 am to 11:30 am Special Session III - Motivational Session
Speaker : **CA. ANJANI KUMAR SHARMA**, New Delhi
11:45 am to 01:15 pm Technical Session IV: Auditing
Session Chairman : **CA. VENUGOPAL C. GOVIND**, Kochi
a. Audit documentation in the context of Quality Review/ Peer review
b. Powers, duties and responsibilities of Auditors
c. Compliance requirements under Companies Act, 2013
01:15 pm to 02:15 pm Lunch break
02:15 pm to 03:15 pm Special Session IV - Meet the Achievers- Guinness World Record Holders
Mr. Job Pottas, Mr. William Panipicha & Mr. Abheesh P Dominic
03:15 pm to 04:45 pm Technical Session V: GST
Session Chairman : **CA. GANESH PRABHU BALAKUMAR**, Chennai
a. Time and Place of Supply
b. Input Tax Credit and Composition Levy
c. Returns under GST
04:45 pm to 05:15 pm Valedictory Session
05:15 pm to 05:30 pm Tea & winding up

Eligibility criteria to attend the CA Students Conference

1. Students who have registered as IPCC/Intermediate Students - either after passing CPT or through Direct Entry route.
2. Students who are pursuing their Articleship training.
3. Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. In other words, students who have merely registered as CPT Students and students who have completed one year beyond their Article ship training will not be eligible to register for these Conferences. Students are requested to register for the Conference at the earliest as per the following details:

Registration fees **Rs. 500/- per student**
Rs. 1000/- for others

Accommodation (if required) Rs. 1,500/- per student
Payment mode: Cash/ Cheque/ Demand draft to be drawn in favour of
"Ernakulam Branch of SIRC of ICAI" payable at Ernakulam"

For registration queries, Contact:-
Ernakulam Branch of SIRC of ICAI, ICAI Bhawan,
Diwans Road, Kochi- 682016, Kerala
Phone No:- +91-484-2369258/38, 2372953;
Email: ernakulam@icai.org
Website: www.kochiicai.org / www.sicasaernakulam.in

CA. Roy Varghese - 09388844893
Mr. Farzeen Fazal - 08848817191
Mr. Amal Paul - 9961120532



SCAN & PAY

Pay your registration fees using any UPI application without any Extra Charges

To Register Online Using UPI Payment/ Cheque/ Cash
Please visit www.sicasaernakulam.in
Credit/ Debit Card Payment visit: www.kochiicai.org

CA. Atul Kumar Gupta Conference Chairman & Chairman, Board of Studies, ICAI	CA. Mangesh Pandurang Kinare Conference Co-Chairman & Vice-Chairman, Board of Studies, ICAI	CA. Babu Abraham Kallivayalil Conference Director & Central Council Member, ICAI
CA. Lukose Joseph Conference Coordinator & Chairman, Ernakulam Branch of SIRC	CA. Roy Varghese Conference Coordinator & Chairman, Ernakulam Branch of SICASA	