

4621 – COST AND MANAGEMENT AUDIT									
Teaching Schedule Per Week			Progressive Assessment	Examination Schedule (Marks)					
Lectures	Practical	Credits		Theory		Practical Ex.	Total		
5	-	5	25	3-Hrs	100	-	125		
Pre-requisite		Source	Semester	Theory	Test	Total	TW	PR	Gr Total
4616		MOP		75	25	100	25	-	125

RATIONALE: The role played by cost and management audit function in finance area has been reorganised by not only Govt. but also by the industry. The aim of this course is to provide in depth study of the body of knowledge comprising of the tools and techniques of planning and executing a cost management audit function.

COURSE CONTENT		Hrs.	Mks.
1. INTRODUCTION TO COST & MANAGEMENT AUDIT	Meaning, Nature, objectives and scope, The concepts of efficiency Audit, Propriety Audit, management and Social Audit, Cost Audit Vs. financial audit with special reference to the disclosures, The relationship between statutory cost auditors.	14	15
2. THE COST AUDITOR	Appointment, rights and responsibilities, status, relationship and liabilities under professional and legal provisions of the companies Act 1956 and ICWAI act 1959 (section 1 and section 23 of the respective Acts), Special penal provisions for cost auditors, Professional Ethics and code of conduct.	12	15
3. COST AUDIT PLANNING	Familiarisation with the Industry and the organisation, The production process, System and procedure, List of records and reports, Preparation of the Audit programme, Audit notes and working papers, Audit reports to the management, Techniques of cost Audit.	12	15
4. COST AUDIT	Verification of records and reports, Utilisation of statistical sampling method, verification of performance and the statement Verification of performance and the statement., maintained under the cost accounting records rules, Evaluation of control system, Budgetary control, Capacity utilisation, Inventory control, Management information system, Assessment of the adequacy of the internal audit function.	12	15
5. MANAGEMENT AUDIT	Financial Audit Vs. cost Audit Vs. management audit, Genesis of management audit/operational audit, Statutory audit vs. management audit, Social audit and voluntary management audit, Social cost benefit analysis, Certification of Valuation under central excise, Certification for Insurance claims, Energy audit, Need for energy conservation, cost audit and energy conservation, Types of energy audit, Method, Data collection, analysis (in brief), environment protection audit (a brief overview)	30	40
Total		80	100

Note: Brief answer type questions should only be asked.
Adequate internal choice is to be provided in the question paper.

REFERENCE BOOKS

- Ramanathan A. R. : "Cost and Management Audit" (TMH)
 Cashin JA: "Handbook for Auditors" (McGraw Hill)
 ICWAI Act 1959. Indian Companies Act 1956 with amendments up- to- date.
 GOI Notification relevant to Cost Audit.
 ICWAI: Monthly Journal "Management Accountant".
 ICWAI: Research Bulletin of ICWAI (bi- annual)
 ICWAI: Monthly Journal: "Chartered Accountant." IIA: Internal Auditor (monthly)