



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
(Set up by an Act of Parliament)  
**KOTTAYAM BRANCH (SIRC)**

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# NEWSLETTER



## **CORPORATE GOVERNANCE: ROLE OF AUDITORS IN CORPORATE GOVERNANCE**

# CHAIRMAN'S MESSAGE



## CA SHINE P. JOSEPH CHAIRMAN

Dear Professional Colleagues,

Warm Greetings

“Accounting is the art of turning chaos into clarity and confusion into financial wisdom.”

The Chartered Accountancy profession is heading for some big changes this year as emerging technologies and societal trends create new opportunities as well as disruptions. It stands at an inflection point, with several forces shaping its future trajectory. While new technologies like AI, automation, and block chain will disrupt existing audit and tax processes, they will also open up opportunities to add more strategic value. As routine tasks get automated, chartered accountants will have more bandwidth for business insights, advanced analytics, and holistic advisory services tailored to each client's needs. As for more high-level jobs, AI may help here too. Auditing firms have been finding it hard to retain talent, with 90% of auditors opining that last year it was either somewhat or extremely difficult.

Overall, auditing job vacancies rose during the last year by a quarter,

according to a survey from automation platform Data Nipper. However, 86% of auditing staff agreed that AI helps cut down on repetitive tasks, and 83% said they'd be more inclined to stay at a company with AI initiatives in place. “They can get through some of the laborious, time-intensive tasks to actually get into the value of doing the analysis, the output, and the interpretation.

“The bits of their role that it's taking away are stuff that they weren't enjoying.”

The member's activities in May 2024 began with a very memorable tour to Kashmir and Delhi for 6 days, and we visited almost every attraction. We visited the Srinagar Mughal Gardens. Later, we moved to Gulmarg, “the valley of Meadows,” for a day excursion. On arrival at Gulmarg, we proceeded for the Gondola Cable Car Ride up to the 1st phase and then visited India Gate,. Afterwards, we was passed by the President House and Parliament House. Then, we proceeded to visit Qutub Minar. Then we moved to visit Lotus Temple. Built in the shape of a lotus flower in 1986. Also, we visited ICAI Bhawan in Delhi; it was a mesmerising experience for us.

Throughout the journey, the weather was good, and we enjoyed the whole trip.

On May 16th (Thursday), a CPE seminar on NRI taxation was conducted at the branch, and the session was taken by CA. G. Rengarajan, Ernakulam.

We also conducted mock tests for CA Foundation students.

As we look ahead to the future, we have engaged the expertise and leveraged the resources and capabilities of partners to help us augment the quality and depth of our programmatic offerings.

“I am immensely grateful for the professional opportunity you've provided me. Your trust in my abilities means a lot, and I'm committed to contributing my best to the success of this endeavour.

Thank you for believing in me.”

Jai Hind ! Jai ICAI !

CA Shine P. Joseph  
CHAIRMAN

# CPE Seminar on ' NRI Taxation '



# Kashmir & Delhi Tour



# CPE Seminar on Accounting Standards for Company Audit & GST Audit



# CORPORATE GOVERNANCE: ROLE OF AUDITORS IN CORPORATE GOVERNANCE



CA. AMALA P DOMANIC

Corporate Governance is about promoting corporate fairness, transparency and accountability. Corporate governance requires that the business should be responsive to the present and future needs of all the stakeholders, i.e. the interests of all the stakeholders are taken into account in decision-making. Strong corporate governance requires effective internal control systems, rules, procedures, and a group to guide management in order to satisfy the demands of all stakeholders. Corporate governance focuses on both the well-being of the management and the shareholders. Internal and external corporate governance benefits board culture, market share, future capital needs, and, most importantly, the trust of the shareholders in an organisation.

Corporate governance has a close relationship with auditing. Auditing has discovered numerous corporate frauds in the past, and it is a vital tool for protecting investors' interests. Auditors are sometimes referred to as "gatekeepers" since they play a significant role in guaranteeing transparency and accountability in the business sector. Auditing is critical to public confidence in financial disclosures, particularly because an auditor is seen as a middleman between corporations and investors in relation to corporate financial statements. Auditors serve as the shareholders' and potential investors' eyes and ears; hence, the job of an unbiased, objective auditor is unquestionably necessary to create trust in the market and deliver a genuine and fair picture of the company.

A corporate governance audit is a comprehensive review and evaluation of an organisation's governance framework, processes, and practices. The main purpose of this audit is to assess the extent to which an organisation adheres to its established governance principles, guidelines, and regulations. It involves a systematic examination of various elements, including the composition and effectiveness of the board of directors, risk management strategies, ethical practices, internal control mechanisms, and financial reporting processes.

### **NEED OF CORPORATE GOVERNANCE AUDIT**

By conducting an independent examination of the organization's financial statements, auditors provide stakeholders with assurance that the financial information is free



from material misstatements and is prepared in accordance with applicable accounting standards and regulations. Auditors also play a critical role in assessing the effectiveness of an organization's internal controls. Internal controls are systems, policies, and procedures designed to ensure the accuracy and reliability of financial information, safeguard the organization's assets, and promote compliance with laws and regulations. By evaluating the design, implementation, and operating effectiveness of internal controls, auditors can identify weaknesses and deficiencies that may increase the risk of financial misstatements, fraud, or non-compliance with laws and regulations.

Auditing can help promote accountability and ethical behaviour within an organization by providing an independent assessment of management's actions and decisions. The audit committee is a key component of an organization's corporate governance structure, responsible for overseeing the financial reporting

process, the effectiveness of internal controls, and the performance of internal and external auditors. Auditors support the functioning of the audit committee by providing objective and independent assessments of the organization's financial reporting, internal controls, and risk management processes. Auditors also communicate their findings, recommendations, and concerns to the audit committee, helping the committee fulfil its oversight responsibilities and maintain effective corporate governance.

Auditors play a vital role in encouraging continuous improvement in an organization's governance processes. By identifying weaknesses and deficiencies in financial reporting, internal controls, and risk management processes, auditors can provide valuable insights and recommendations for improvement. Management can use these insights to enhance the organization's governance practices, strengthen internal controls, and address potential risks.

## ROLE OF AUDITORS IN CORPORATE GOVERNANCE

Auditors are like the superheroes of the financial world. They swoop in to make sure that companies are playing by the rules and following ethical standards.

Auditors have the important task of checking the company's financial statements, internal controls, and compliance procedures.

They dig deep to verify that everything is accurate, and they're not afraid to uncover any potential fraud or non-compliance by the organisation.

Auditors act as the watchdogs, ensuring that the organisation is being honest and accountable.

### AUDITOR'S DUTIES AND RESPONSIBILITIES

Shareholders, investors, and other stakeholders can have confidence in the organization because they know that auditors have thoroughly reviewed the financial information and given their stamp of approval. It's like having an unbiased expert giving the thumbs up, saying, "Yep, this company is on the right track!" In a nutshell, corporate governance sets the stage for transparency, ethics, and stakeholder welfare. And auditors are the ones who help companies stay on the right path by ensuring compliance with regulations and ethical standards.

Auditors therefore perform the following duties and responsibilities-

- 1** **Financial Examination:** They conduct a thorough examination of an organization's financial records, transactions, and statements and ensure that the financial information is accurate, complete, and in compliance with relevant accounting standards and regulations.
- 2** **Internal Control Evaluation:** Auditors identify any weaknesses or gaps in internal controls that may expose the company to risks, such as fraud or misappropriation of assets.
- 3** **Compliance Verification:** They verify whether the organization is complying with applicable laws, regulations, and internal policies and assess whether the company's operations adhere to legal requirements and industry standards.
- 4** **Audit Planning and Execution:** Auditors develop an audit plan to outline the scope, objectives, and timelines of the audit engagement. They gather evidence, perform tests, and analyse data to form an opinion on the accuracy and fairness of the financial statements.

It is safe to say that auditors act as a safety net, protecting stakeholders from risks, fraud, and misleading financial statements.

### CONCLUSION

Corporate Governance Audits are therefore a vital tool for ensuring that companies operate in a transparent, ethical, and accountable manner. These audits assist to identify potential risks and weaknesses, ensure compliance with laws and regulations, and promote good governance. By undertaking regular Corporate Governance Audits, Companies can enhance transparency and accountability, reduce risks, improve efficiency, and protect their reputation. Ultimately, this can lead to long-term success and sustainability for the company and its stakeholders.





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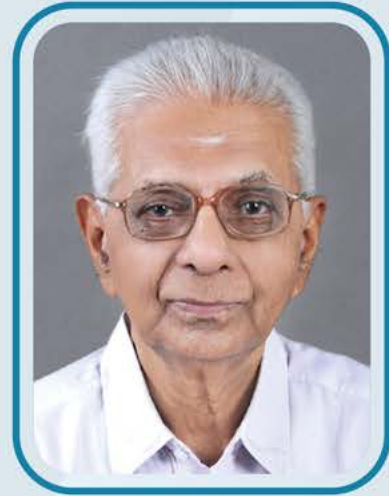


cordially invite you for the

# CA. S.S Ayyar Memorial Lecture

**15 JUNE 2024**  
SATURDAY  
09.00 a.m

Venue:  
**ICAI Bhawan**  
Kollad, Kottayam



09:00 am : Registration

09:30 am : Technical Session I  
Tax Practice - Building a Resilient and  
Agile Future ready CA firm



CA. A. Gopalakrishnan  
Kochi

11:30 am : Technical Session II  
Taxation of Immovable Property  
Transactions



CA. Iype John  
Kottayam



Followed by  
**LUNCH**

Register in advance by filling google form  
for necessary arrangements (QR Code)  
<https://bit.ly/ktmjune15cpe>



### Registration Fees

Kottayam ARS Members 2024-25: Nil  
Other Members: Rs.1250 /-

#### Bank of Baroda



Merchant Name :  
KOTTAYAM BRANCH OF SIRC OF ICAI  
vpa : kotta94960@barodampay

#### HDFC



#### Union Bank

Account Name:  
**Kottayam Branch of  
SIRC of ICAI**  
Bank: Union Bank  
Branch: Kollad  
Account No:  
**520101039409526**  
IFSC: **UBIN0902322**



CA. Shine P. Joseph  
Chairman

CA. Sreejith NC  
Secretary

**9496093057**

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Email: [kottayam@icai.org](mailto:kottayam@icai.org)



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cordially invite you for the

# CPE Seminar on Preparing for Peer Review

**20** JUNE 2024  
THURSDAY

03:30 PM - 07:30 PM

## Program

03:15 pm : Registration



03:30 pm : Technical Session I  
How to Approach Peer Review and it's  
Documentation - by Practice Units/ Firms  
**CA. Sony C.L., Thrissur**



05:30 pm : Technical Session II  
ITR Filing of Capital Market Transactions  
and Income from Other Sources  
**CA. Subin V.R., Thrissur**

**4** CPE  
CREDIT  
HOURS

Venue:  
**ICAI Bhawan**  
Kollad, Kottayam

Register in advance by filling google form  
for necessary arrangements (QR Code)  
<https://bit.ly/ktmjune20cpe>

## Followed by Dinner

## Registration Fees

Kottayam ARS Members 2024-25: Nil  
Other Members: Rs.1250 /-



### Bank of Baroda



Merchant Name :  
KOTTAYAM BRANCH OF SIRC OF ICAI  
vpa : kotta94960@barodampay

### HDFC



### Union Bank

Account Name:  
**Kottayam Branch of  
SIRC of ICAI**  
Bank: Union Bank  
Branch: Kollad  
Account No:  
**520101039409526**  
IFSC: **UBIN0902322**



**CA. Shine P. Joseph**  
Chairman

**CA. Sreejith NC**  
Secretary



**9496093057**

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**CA. Ranjeet Kumar Agarwal**  
President, ICAI



**CA. Charanjot Singh Nanda**  
Vice-President, ICAI

**Have a Query ?  
Need Guidance !**



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