



CMA FINAL – PAPER 17 **COST AND MANAGEMENT AUDIT**

SUMMARY BOOK

NEW SYLLABUS
2022 SYLLABUS

CORPORATE IMAGE

- Goodwill, Reputation & Image of Company.
- Takes time to build up.
- Require efficiency, quality products, timely service, Ethical Working.

ELEMENTS OF CORPORATE IMAGE

- Core business and financial performance.
- Reputation and performance of its brands.
- Reputation for innovation or technological progress.
- Policies toward its salaried employees and workers.
- External relations with customers, stockholders, and the community.

IMAGE VERSUS IMAGES

- Image of Company may be Positive for some but may be negative for some.

BUSINESS AND CORPORATE IMAGE

- In the choice of brand names to be used.
- The company's Website design.
- The quality of its products or services.
- Its promptness in paying bills.
- Its effectiveness in mounting promotions; and so on.

AT THE CORE: BUSINESS PERFORMANCE

Business financially sound



High Reputation

Business successful in its Core function



Reputed & Successful business

Business fail in main product or service (main functioning



Reputation will go down (south) or Vanish.

MEASURING THE CORPORATE IMAGE

- Thorough Suveys.
- Telephonic surveys / feedback.
- Knowing Public thinking through sample of Company's products.
- sales and stock performance.
- Higher sales and Profits, Public informed about Company - High Reputation.

AUDIT CHECKS OF DIFFERENT MANAGERIAL FUNCTIONS

The most commonly cited functions of management are:

- Planning,
- Organizing,
- Leading,
- Controlling, etc.

DEVELOPMENT OF THE FUNCTIONAL APPROACH TO MANAGEMENT

- Henri Fayol was the first person to identify elements or functions of management in his classic 1916 book 'Administration Industrielle et Generale'.
- Fayol was the managing director of a large French coal-mining firm and based on his book largely on his experiences as a management practitioner.
- Fayol defined five functions or elements of management:
 - ❖ Planning,
 - ❖ Organizing,
 - ❖ Commanding,
 - ❖ Coordinating, and
 - ❖ Controlling.

NOTE: Fayol argued that these functions were universal irrespective of the nature of business.

CRITICISM OF THE FUNCTIONAL APPROACH TO MANAGEMENT

- By the early 1970s, some experts suggested that the functions of management as described by Fayol and others of the process school of management were not an accurate description of the reality of managers' jobs.
- Chief among the critics of the functional approach was Henry Mintzberg.

PLANNING	Starategic Planning	Operational Planning
	Analyzing competitive opportunities and threats, Strengths and weaknesses.	Existence of objectives
	Long-time frame	Short - range planning
	Often three years or more	one week to one year

ORGANIZING

- Organizing is the function of management that involves developing an organizational structure and allocating human resources to ensure the accomplishment of objectives. .

LEADING

- Leading involves influencing others toward the attainment of organisational objectives.
- Effective leading requires the manager to motivate subordinates, communicate effectively, and effectively use power.

CONTROLLING

- Controlling involves ensuring that performance does not deviate from standards.
- Controlling consists of 3 steps,
 - ❖ Establishing performance standards,
 - ❖ Comparing actual performance against standards, and
 - ❖ Taking corrective action when necessary.

ESG (ENVIRONMENTAL, SOCIAL & GOVERNANCE) AUDIT

- India has introduced new environment, social, and governance (ESG) reporting requirements for the top 1,000 listed companies by market capitalization.
- The Securities and Exchange Board of India (SEBI) stipulates that the disclosure must be made through a new format, namely the Business Responsibility and Sustainability Report (BRSR). BRSR reporting will be mandatory from F.Y. 2022 - 2023.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING IN INDIA

Aspects	Disclosure requirements	Principles
General	<ul style="list-style-type: none"> a. Overview of the company's material environmental, social , and corporate governance risks and opportunities and approach to mitigate or adapt to these ESG risks as well as relevant financial implications. b. Sustainability related goals and targets and related performance. c. Management structures, policies, and processes related to sustainability. 	General management and process disclosures
Environment	<ul style="list-style-type: none"> a. Resource usage (energy and water) and intensity metrics. b. Air pollutant emissions. c. Greenhouse gas emissions (Scope 1, Scope 2, and Scope 3) d. Waste generated and waste management practices. e. Impact on biodiversity. 	Principle 6: Businesses should respect and make efforts to protect and restore the environment.
Social	<p>Employees:</p> <ul style="list-style-type: none"> a. Gender and social diversity, including measures for differently-abled employees b. Turnover rates c. Median wages d. Welfare benefits to permanent and contractual employees e. Occupational health and safety f. Trainings 	<p>Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.</p> <p>Principle 5: Businesses should respect and promote human rights.</p>

Aspects	Disclosure requirements	Principles
Social	Communities: <ol style="list-style-type: none"> Social impact assessments Rehabilitation and resettlement Corporate social responsibility 	Principle 8: Businesses should promote inclusive growth and equitable development.
	Consumers: <ol style="list-style-type: none"> Product labelling Product recall Consumer complaints concerning data privacy, cyber security, etc. 	Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.
Governance	<ol style="list-style-type: none"> Training on the principles stipulated in the “National Guidelines on Responsible Business Conduct” (RBC Guidelines) for members of the Board, senior managers, and employees Anti-corruption and anti-bribery policies Awareness programs conducted for value chain partners on the principles in the RBC Guidelines 	Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable.