



सत्यमेव जयते

Office of Chief Adviser Cost
Department of Expenditure
Ministry of Finance
Government of India

Indian Cost Accounts Service

VISION

To Assist the Government in Achieving Cost Efficiency in Operations, Schemes and Projects.



Focussing Cost Efficiency in Government Functioning

ABOUT THE SERVICE

- The origin of Indian Cost Accounts Service (ICoAS) dates back to the year 1941, when verification of cost of production and determination of fair prices for Government purchases (including defence procurements) was felt necessary. In 1961, Central Cost Accountants Pool was set up under Ministry of Finance by grouping Cost Accountants working in various Ministries / Departments of Government of India. Indian Cost Accounts Service was constituted as Group-A Service in Ministry of Finance, in the year 1978 and 1st batch of officers got recruited in 1983 through UPSC.
- Indian Cost Accounts Service is headed by Chief Adviser (Cost). ICoAS is providing professional advice to the Central Government Ministries/ Departments on cost, management and financial matters and thereby complementing the efforts of the Government in achieving cost effectiveness and efficiency in operations, schemes and programmes.
- Officers of ICoAS are given training at the induction level as well as through mid-carrier training programmes for middle and senior level officers.

Training programmes cover wide range of topics relating to advanced financial management, public finance, resource management, taxation, project appraisal, contract management, modern management skills and also on the subjects of contemporary importance.



CORE COMPETENCE

The only organised Accounting Service of the Government of India which is exclusively manned by Cost & Management Accountants (CMAs) and Chartered Accountants (CAs).



- Repository of professional knowledge in financial management, budget and resource management, direct and indirect taxation, accounting and auditing, corporate governance, project appraisal, pricing etc.
- Rich and diverse experience in dealing with various schemes programmes administered by various Ministries/ Departments of the Central Government.
- Representing in various committees of the Central Government Ministries/ Departments.

ROLE



To advice Central and Government Ministries / Departments / Organisations



- In optimum utilization of resources through allocation and monitoring of funds, cost control, cost reduction and cost efficiency;
- To aid revenue authorities in transparent assessment of revenues, curb evasions and commercial frauds;
- In fixation of reasonable prices of goods and services;
- To protect industry, consumers and investors from unfair/ restricted trade practices
 - Anti-dumping mechanism
 - Predatory pricing
 - Abuse of dominance
- To provide advice on Cost and related Financial Management matters.

Ministries/ Departments having encadred posts of ICoAS

ICoAS is organised on participating offices basis, and at present, Officers from the Service are working at various levels in the following Government Organizations:

Name of the Ministry	Name of the Organisation
Ministry of Finance	Department of Expenditure
	(i) Office of Chief Adviser Cost
	(ii) Public Finance (Central)/(State)/FCD
Ministry of Heavy Industries & Public Enterprises	Department of Economic Affairs
	Department of Revenue
	(i) Government Opium and Alkaloid Factories
Ministry of Chemicals and Fertilizers	(ii) Central Board of Excise & Customs
	(iii) Central Board of Direct Taxes
	(i) Department of Heavy Industry
Ministry of Corporate Affairs	(ii) Department of Public Enterprises
	(i) Department of Pharmaceuticals
	(ii) National Pharmaceutical Pricing Authority
Ministry of Commerce and Industry	(i) Cost Audit Branch
	(ii) Serious Fraud Investigation Office
	(i) Department of Commerce
Ministry of Textiles	(ii) Tariff Commission
	(iii) Directorate General of Supplies & Disposal
	Jute Commissioner, Kolkata
Ministry of Defence	(i) MoD Finance
	(ii) Department of Defence Production
	Delhi Milk Scheme
Ministry of Agriculture and Farmers Welfare	
Ministry of Food Processing Industries	
Ministry of Consumer Affairs, Food and Public Distribution	Department of Food and Public Distribution
Ministry of Information & Broadcasting	Department of Consumer Affairs
Ministry of Health & Family Welfare	
Ministry of Home Affairs	
Ministry of External Affairs	
Ministry of Personnel, Public Grievances & Pensions	Department of Personnel & Training
Department of Space	

Besides above cadre posts, the officers are also working on deputation under Central Staffing Scheme, in Regulatory / Autonomous Bodies and other Government Organisations.



Representing in various Committees of the Ministries / Departments

- i. National Pharmaceutical Pricing Authority; Department of Pharmaceuticals,
- ii. Rate Structure Committee in the Ministry of Information and Broadcasting to review the rate structure for DAVP advertisement.
- iii. Committee on "Modernization of Costing System in India Post" in Department of Posts, Ministry of Communications.
- iv. Advisory Committee for consideration of techno economic viability of major & medium irrigation, flood control and multipurpose project proposals in the Ministry of Water Resources, River Development and Ganga Rejuvenation.
- v. Ministry of New & Renewable Energy-Revision of benchmark cost and inclusion of new products for CFA under Off-Grid & Decentralised Solar Applications Programme for 2017-18.
- vi. Standing Cost Committee of Ministry of Road Transport & Highways.
- vii. Committee of Ministry of Home Affairs for fixation of Deployment charges for Central Police Forces / Rapid Action Force of CRPF.
- viii. Ministry of Water Resources, RD&GR -Special Committee for Interlinking of Rivers.
- ix. Ministry of Agriculture and Farmers Welfare - Committee on Price Support Scheme.
- x. Steering Committee of DOPT- Revision of cost of CIC's new building.
- xi. Standing Committee of Department of Legal Affairs, Ministry of Law and Justice- Relating to Electronic Voting Machines.
- xii. Standing Committee of Ministry of Home Affairs, Department of Border Management relating to monitoring of time and cost overrun in construction of 27 roads along Indo-China Border.
- xiii. Revised Cost Committees: In pursuance of the Office Memorandum No.24 (35) PF-II/2012 dated 5th August, 2016 of Ministry of Finance representing in the Committees for Revision of Cost Estimates in respect of various Schemes/ Programmes Administered by the Ministries/ Departments.

*"Promoting optimum utilization
of resources
through allocation and
monitoring of funds,
cost control, cost reduction
and cost efficiency"*



OFFICE OF CHIEF ADVISER COST

Allocation of Business

"Advice to Ministries and Government Undertakings on Cost Accounts matters and attend to Cost Investigation work on their behalf"

Ms. Aruna Sethi, Chief Adviser (Cost), is an officer of 1985 batch of the ICoAS. She is the first lady officer in ICoAS holding the position of Chief Adviser (Cost). Chief Adviser (Cost) is supported by Additional Chief Advisers, Advisers, Directors, Deputy and Assistant Directors.

Major Studies Carried out by O/o Chief Adviser Cost:

- i. Fair Price of Electronic Voting Machines and Voter Verifiable Paper Audit trail;
- ii. Compensation price payable to Indian Rare Earths Ltd. for supply of NGADU, Uranium Corporation of India Limited for supply of Uranium Concentrate;
- iii. Cost methodology of Indian Remote sensing satellites;
- iv. Determination of cost of Resident Identity card under the scheme of creation of NPR in the coastal areas;
- v. Ascertainment of fair price of Multi-Purpose National Identity Card;
- vi. Assessment of Fair Rent for the space available in JLN stadium and Sirifort Auditorium Complex;
- vii. Fixation of rentals to be charged by Prasar Bharti for sharing infrastructure with FM Broadcasters under phase III;
- viii. Study on Norms for Shipbuilding & Piping work of Naval Warships, Interceptor boats and fast attack crafts;
- ix. Fair Price of Topographical Maps and Digital products/ Maps of Survey of India;
- x. Cost of Rails supplied by SAIL;
- xi. Examination of Prices of Railway Coaches and Traction Electrics;
- xii. Fixation of Fair Price of ACEMU Transformer for BHEL;
- xiii. Fixation of Fair Selling Price of Tear Gas Gun and Multi Barrel Launcher-Agnivasha manufactured at CENWOSTO, BSF, Tekanpur;
- xiv. Under recovery of Oil Marketing Companies (OMCs) on Petroleum Products;
- xv. Review of User charges of Postal Services, mail rate payable to NACIL by Department of Posts for carriage of Domestic Mail;
- xvi. Analysis of cost of Boats for Coastal Security Scheme;
- xvii. Fixation of Overhead rates of Hydrogen Gas manufactured at Hydrogen Gas Factory;
- xviii. Vetting of Cost claimed by PSU of the project of Socio Economic and Caste Census data;
- xix. Cost of CGHS facilities for employees of autonomous bodies and semi-govt. Organizations;
- xx. Cost of purchase of medicines from manufacturers vis-à-vis from local Chemists by CGHS;
- xxi. Escalation formula for medical procedures performed by Hospitals under CGHS packages;
- xxii. Revision of Terminalling Charges for LPG import facilities;
- xxiii. Evaluation study on the Consortium Bank Credit Funding to implementing agencies of KVIC;
- xxiv. Fixation of Fair Prices of Coins and Currency Notes supplied by Mints and Presses of SPMCIL to RBI;
- xxv. Vetting of duties and taxes for procurement of Tablet PC and other Accessories by Ministry of Rural Development from Bharat Electronics Ltd. (BEL)
- xxvi. Vetting of Prices of Ayurvedic and Unani medicines supplied by IMPCIL;
- xxvii. Vetting of claim of NAFED for PSS and PSF;
- xxviii. Vetting of compensation rate of various strategic products referred by Department of Atomic Energy;
- xxix. Review of Fee and User Charges in respect of Central Board of Firm Certification, NIMH, NIS and NIFM;
- xxx. Revision of storage charges payable by FCI to CWC;
- xxxi. Subsidy rates for new LPG Bottling Plants;
- xxxii. Fixation of Fair Price of Opium Procurement;
- xxxiii. Fixation of fair price for Handloom products supplied by ACASH/ WDO from handloom weavers' societies;
- xxxiv. Concurrent Internal Audit and Escalation/ De-escalation Claims of different Fertilizers Companies;
- xxxv. Fixation of Price in respect of DOT & Malathion.



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Emerging Areas

User Charges

- User Charge is an important component of Non-Tax Revenue collections of the Government of India. Apart from sensitising all the stakeholders, ICoAS Officers can be of immense help in providing guidance in determination of cost based user charges, periodical revision of user charges for the various services rendered by the Ministries/ Departments and peer review of user charges for the various services rendered by Autonomous organisations.

Goods and Services Tax Act

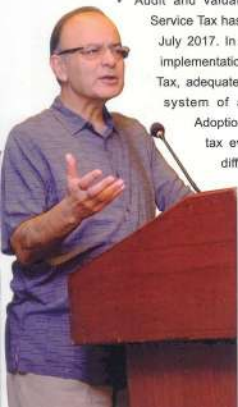
- Audit and valuation issues: Goods and Service Tax has been launched w.e.f. 1st July 2017. In order to ensure effective implementation of Good and Services Tax, adequate monitoring and effective system of auditing are essential.

Adoption of ingenious methods of tax evasion at times makes it difficult to detect/ establish evasions. The fall out may be leakage of large amount of tax revenue. As a result, time has come for evidence based auditing, if sufficient evidence is gathered at the

time of scrutiny, audit and assessment work, it will not only help to augment tax revenue collection but also reduce the litigation relating to evasion. Services of ICoAS Officers posted in GST Commissionerates (erstwhile Central Excise Commissionerates) at the various levels, being professionally qualified auditors, can be effectively utilised for evidence based auditing/ forensic auditing and also for resolving disputes centring valuation aspects.

Anti-profiteering activities relating to Central Goods and Services Tax Act, 2017

- Recently, Anti-profiteering Rules, 2017, (Central Goods and Services Tax Act, 2017) have been put in place. Anti-profiteering Rules, 2017 and section 171 of the CGST Act have created the obligation on the part of businesses to pass on to the recipients any reduction in the rate of tax or the benefit of input tax credit by way of commensurate reduction in prices. It enables the Central Government to set up the Authority or authorise an existing Authority to monitor and enforce compliance with the requirements of the Anti-profiteering Rules, 2017.
- The officers of ICoAS already posted in the Chief Commissioner Zones/ Commissionerates may be associated to monitor and enforce compliance of the provisions of Anti-profiteering Rules, 2017.
- The Office of Chief Adviser Cost, can be associated in carrying out the investigation of cases, whenever initiated, by the office of the DG Safeguards.



Work Profile and Expertise

- ✓ Assisting all Central Government Ministries / Departments / Organisations on Pricing related issues, in Fixing fair prices for various services / products and rendering advice to various Ministries in cost matters.
- ✓ Examination / Verification of claims between Government Departments / Public Sector undertakings and suppliers arising out of purchase contracts.
- ✓ Unit specific as well as industry level studies such as Sugar, Print Media, LPG & Kerosene, Chemicals, etc.
- ✓ Determination of Share of loss to be borne by Central Government in Case of Price Support Schemes / Market Intervention Schemes.
- ✓ Cost analysis under Single Tender Situations.
- ✓ Valuation of services and determination of User charges.
- ✓ Repository of Professional knowledge in Pricing, Tariffs, Competition, MIS and Cost efficiency.
- ✓ Specialised and Contemporary knowledge in regulatory function, WTO, transfer pricing, corporate finance, commercial laws and corporate governance.
- ✓ The only organised Accounting Service manned by Cost and Management Accountants (CMAs) and Chartered Accountants (CAs).
- ✓ Experience through twenty seven participating Government Departments & Organisations.



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