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HYDERABAD CIRCUIT

JUNE - 2023

A News Magazine from the Hyderabad Chapter of

The Institute of Cost Accountants of India

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Behind every successful business decisions, there is always a **CMA**

The Chairman writes to you

Dear professional colleagues,

As a Chairman of the Hyderabad Chapter, it is pleasure to present the 58th Annual Report along with audited accounts of the chapter for the year ending 31st March, 2023. I want to express my sincere gratitude to all my fellow committee members and professional colleagues for the trust reposed in me. The opportunity to work for the Hyderabad Chapter had been a great honour for me.

We have accomplished a number of goal posts we set out for ourselves during my Tenure. These relate to many long pending issues. To say a few- Our institute building in Himayath Nagar, Hyderabad, in the GHMC records since 1984, has been continuing with title on two names of sellers (I Raj Kumari and Nagi Reddy). Our Managing committee members continuously have taken up the matter with the GHMC and we are successful. Aforesaid names are now stand replaced with our institute name in GHMC Records

At our Himayathnagar office, Sewage water was continuously mixed with sump water for so many years. We have expeditiously undertaken repairing works for the walls of the sump. Now there is no more contamination.

Again We have taken up renovation works for Himayatnagar office hall to overcome space problems faced by our staff and to create better working conditions/climate. wood work at the library room is taken out and the same is renovated with aluminium racks to solve the problem of termites.

Our committee has organised 22 PD & PF programmes for the benefit of our members and students. We have been in continuous liaison with the Govt. Officials and Industry heads. We sincerely hope that such image building actions will give fruitful results in future too. We are happy to announce that the Members Directory has been updated.

This will come out soon.

Student's strength and Income have grown to 5909and Rs. 332.50 lakhs respectively. Our committee has continued placement services, student orientation programmes with perceptible improvements.

On the occasion of his birthday, let's recall the great services of our former Prime Minister Sri P.V. Narasimha Rao garu (Jun 28, 1921). He is the nation's first Telangana-born prime minister.

With warm regards,
CMA K. Someswara Babu
Chairman

Finance Clips

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FINANCE CLIPS

- **Professionals brought under PMLA:** CA, CS & CMA brought under PMLA Act if they manage client assets vide Ministry of Finance Notification dated 3-5-2023.

- **Internship in CBIC:** The Directorate of Legal Affairs, Central Board of Indirect Taxes and Customs is entrusted with defending all indirect taxes matters (Customs, Central Excise, Service Tax and GST) before the Hon'ble Supreme Court of India. The Directorate hereby invites applications for internship for the F.Y 2023-24.

- **NPA:** International Financial Services Centres Authority (IFSCA) Clarified Due Date for Recognition of Non-Performing Assets (NPAs) in Factoring and Forfaiting Guidelines the due date mentioned in the clause should be considered as 90 days from the specified due date for payment vide circular dated 22-5-2023.

- **Common GST Audit Norms:** In a move that is expected to help businesses as well as reduce litigation, a Model All India GST Audit Manual 2023 has been finalized for use by the Centre and state tax officials. The manual lays out standard principles for the selection of audit cases, preparation and conduct of audit as well as post-audit follow up is expected to help both the Central and state GST officials to carry out the process in a uniform manner vide The Financial Express dated 8-5-2023.

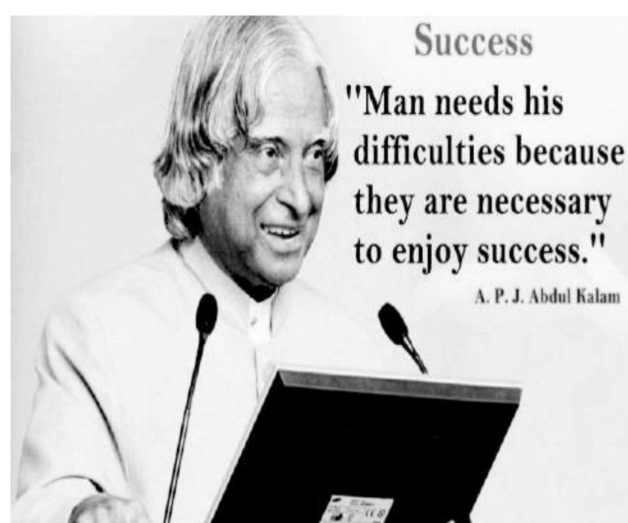
- **Deferment of second phase of Peer Review Mandate:** Considering that some Practice Units which require to get themselves Peer Reviewed under the 2nd phase of the Peer Review mandate are not ready for the same, the Council at its 420th Meeting held on 23rd - 24th March, 2023 decided to defer the applicability of the second phase of the mandate by three months to be made effective from July 1, 2023 as one time measure and for details refer to www.icai.org

- **Audit Transformation:** Big Four accounting firm Price water house Coopers is betting big on generative AI as a trans formative technology, with the company investing $1 billion over the next three years into this technology, the company announced in late April vide CFO Dive dated 15-5-2023.

- **Minimum standard for Audit committees:** The Financial Reporting Council (FRC) announced the Minimum Standard for Audit Committees and the External Audit on 22 May 2023 vide Accountancy Age dated 23-5-2023.

- **Company Secretary Executive Entrance Test (CSEET):** CSEET shall be conducted through REMOTE Proctored mode instead of conducting the same from Test Centers. Candidates are allowed to appear for the CSEET using their own laptop or desktop from home/ such other convenient and isolated place. Candidates shall not be allowed to appear in CSEET by using Mobile Phone, Tablet, Palmtop, etc., and for details refer to www.icsi.org

- **Penalty for not appointing CS in a company:** MCA vide order Ref ROCCBE/ADJ/203/22449/2023 Date 24.04.2023 Rs 15 lacs penalty on company and Directors for not appointing Company Secretary as per Sec 203(5) of the Companies Act 2013 and for details refer to www.mca.gov.in



CMA Update

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GENERAL

- **PPF Account holders to link Aadhaar to their account:** The Finance Ministry has made it mandatory for all types of small savings schemes and post office scheme investors to link Aadhaar. According to the ministry, if the PPF investor has opened the account before March 31, 2023 and has not submitted his Aadhaar number to the account's office, he shall submit the Aadhaar within a period of six months with effect from April 1, 2023. The period of six months will end on 30 September 2023. Investors can also submit PAN along with Aadhaar.
- **Erroneous payments:** RBI guidelines state that in case of erroneous payment, the money can be refunded within 48 hours of the complaint. It is important to note that the complaint should be lodged within 3 days of the transaction. Similarly, whenever a payment is made to a wrong bank account through UPI or net banking, the first step is to call the number provided by the government or RBI and lodge a complaint. If the bank refuses to help, complain to the Ombudsman of the Reserve Bank of India at bankingombudsman.rbi.org.in. Remember not to delete the transaction message from the phone as it contains the PPBL number which is required at the time of complaint and for details refer to www.rbi.gov.in
- **Unclaimed deposits in Banks:** High-powered Financial Stability and Development Council (FSDC) headed by Finance Minister Nirmala Sitharaman on Monday underlined the need of launching a drive to help people get their unclaimed deposits in banks and other financial institutions.
- **No TCS:** The government said no TCS will be levied on international spending of up to Rs 7 lakh a year by using debit or credit cards vide PTI dated 19-5-2023.

LABOUR

- **Higher Pension Scheme:** The last date to apply for higher pension has been increased from 3 May 2023 to 26 June. The Ministry of Labor and Employment has made it clear that it will get an additional contribution of 1.16% out of the total 12% contribution of employers to the Provident Fund while calculating pension on higher salary. Pre-2014 retirees will also have an extended deadline to validate their petitions for EPFO higher pensions. The Pension Fund Regulatory and Development Authority has also said that if PAN and Aadhaar are not linked by the deadline, transactions in people's NPS account will be restricted.
- **Pension:** The Central Board of Direct Taxes has extended the last date for linking Permanent Account Number (PAN) with Aadhaar till June 30, 2023. INDIRECT TAXES
- **Report on old e-invoices:** it has been decided by the competent authority to defer the imposition of time limit of 7 days on reporting old e-invoices on the e-invoice IRP portals for taxpayers with aggregate turnover greater than or equal to 100 crores by three months and for details refer to www.cbic.gov.in
- **E-Invoice limit reduced:** CBIC vide Notification No.10/2023 - Central Tax dated 10.05.2023 has further reduced the e-invoice limit from Rs. 10 Crore to Rs. 5 Crore w e.f. 01.08.2023 and for details refer to www.cbic.gov.in
- **Automated scrutiny GST Returns:** In order to implement this non-intrusive means of compliance verification, CBIC has rolled out the Automated Return Scrutiny Module for GST returns in the ACES-GST backend application for Central Tax Officers this week. This module will enable the officers to carry out scrutiny of GST returns of Centre Administered Taxpayers selected on the basis of data analytics and risks identified by the System and for details refer to www.cbic.gov.in
- **Common GST norms:** In a move that is expected to help businesses as well as reduce litigation, a Model All India GST Audit Manual 2023 has been finalized for use by the Centre and state tax officials. The manual lays out standard principles for the selection of audit cases, preparation and conduct of audit as well as post-audit follow up is expected to help both the Central and state GST officials to carry out the process in a uniform manner and for details refer to www.cbic.gov.in INCOME TAX
- **Deduction under Sec 80P:** Supreme Court held that there are concurrent findings recorded by CITA, ITAT and the High Court that the respondent/Assessee cannot be termed as Banks/Cooperative Banks and that being a credit

society, they are entitled to exemption under Section 80(P) (2) of the Income Tax Act vide decision given in the case of CIT Vs Annasaheb Patil Mathadi Kamgar Sahakari Pathpedi Limited (Supreme Court of India).

- **Sec 40A(3) not applicable:** ITAT Kolkata held that provisions of section 40A(3) of the Income Tax Act doesn't apply to cash payments when ultimately the amount is deposited in the bank account of the payee vide decision given in the case of ITA No. 89/Kol/2022 Date of Judgement/Order : 31/03/2023
- **Extension of due date for furnishing Form 10BD:** CBDT extended the due date for furnishing of statement of donation in Form No. 10BD and the certificate of donation in Form No. 10BE in respect of the donations received during the financial year 2022-23 to 30.06.2023 and for details refer to www.cbdt.gov.in
- **Leave Salary in IT:** CBDT has issued Notification No. 31/2023-Income-Tax, and notifies that the maximum amount receivable by employees as cash equivalent of leave salary at the time of their retirement, whether superannuation or otherwise, is set at Rs. 25,00,000 (twenty-five lakhs' rupees only). The amendment, effective from April 1, 2023, increases the limit and provides clarity for employees and for details refer to Notification dated 24-5-2023 on www.cbdt.gov.in
- **TDS on interest:** The TDS under Section 194A is applicable if the interest earned from the scheme in a financial year exceeds Rs 40,000. The interest can be earned from deposits held with a bank, post office or co-operative society. This is the same way TDS is applicable on the interest earned on bank FDs. In case of senior citizens, the threshold is Rs 50,000, instead of Rs 40,000. Hence TDS is applicable on the Mahila Samman Saving Scheme vide ET dated 17-5-2023
- **Online games:** CBDT has issued Notification No.28 dated 22-5-2023 regarding calculation of Net winnings from online games and for details refer to www.cbdt.gov.in
- **Scrutiny of IT Returns during FY 2023-24:** CBDT has issued Guidelines for complete scrutiny of IT Returns during FY 2023-24. According to these guidelines If you don't reply to income tax dept's queries, ITR likely to be picked for full scrutiny: CBDT and for details refer to www.cbdt.gov.in

RBI

- **Forex cards in rupees:** A few authorized persons are levying certain fees/charges, which are payable in India on International Debit Cards/Store Value Cards/Charge Cards/Smart Cards or any other instrument that can be used to create a financial liability instrument, in foreign currency. It is advised that fees/charges payable in India have to be denominated and settled in Rupees only. RBI had stated that no prior permission from the bank is needed for such cards vide ET dated 9-5-2023.
- **Away from LIBOR:** The Reserve Bank of India (RBI) has issued an advisory to banks and other RBI- regulated entities asking them to take steps to ensure a complete transition away from the London Interbank Offered Rate (LIBOR) from July 1 and for details refer to www.rbi.gov.in

FEMA/DGFT

- **Travel abroad:** Those travelling abroad will have to limit their personal expenses to $250,000 through international credit cards from now on. Any expense above this limit will require the permission from the Reserve Bank of India (RBI).
- **Interest equalization scheme:** Government issued a trade notice announcing an amendment to the Interest Equalisation Scheme (IES). The IES has been extended until March 31, 2024, as per the notification from the Reserve Bank of India. The amendment, which is effective immediately, introduces a cap of Rs. 10 crore per Importer Exporter Code (IEC) on the annual net subvention amount. All disbursements made from April 1, 2023, onwards will be counted towards the IEC for the current financial year vide Trade Notice No. 05/2023-24 Dated: 25.05.2023.

SEBI

- **Legal Entity Identifier (LEI):** LEI is a unique global identifier for legal entities participating in financial transactions. LEI is designed to create a global reference data system that uniquely identifies every legal entity, in any jurisdiction, that is party to a financial transaction. It is a unique 20-character code to identify legally distinct entities that engage in financial transactions. issuers having outstanding listed non-convertible securities as on August 31, 2023, shall report/ obtain and report the LEI code in the Centralized Database of corporate bonds, on or before September 1, 2023. Similarly, issuers having outstanding listed securitized debt instruments and security receipts as on August 31, 2023, shall report/ obtain and report the LEI code to the Depository(ies), on or before September 1, 2023 and for further details refer to Circular issued by SEBI dated 3-5-2023.

- **Framework for IT systems in Stock exchanges:** Capital markets regulator Sebi put in place a comprehensive testing framework for the information technology (IT) systems of the stock exchanges and other market infrastructure institutions (MIIs). The framework will be for the IT systems of MIIs -- stock exchanges, clearing corporations, and depositories -- throughout their lifecycle, which can assist the MIIs in performing thorough risk assessment before deploying any IT systems in production or live environment vide ET dated 5-5-2023.
- **Exchange traded commodity derivatives:** SEBI has issued circular regarding Direct Market Access (DMA) to SEBI Registered Foreign Portfolio Investors (FPIs) for participating in Exchange Traded Commodity Derivatives (ETCDs) and for details refer to www.sebi.gov.in
- **SEBI on offshore funds:** India's market regulator has asked all foreign funds investing in the country to identify their parent financial institution to help unravel opaque ownership structures, according to a letter seen by Reuters. The letter was sent by the Securities and Exchange Board of India (SEBI) to custodian banks, through which funds flow into the country, earlier this month with a request for the information to be provided by September vide Reuters dated 24-5-2023.

IBBI

- **Worker's dues:** The Supreme Court endorsed a provision of the Companies Act, 2013, that says workers' dues will not get preferential payment in case of liquidation under the Insolvency and Bankruptcy Code, 2016 vide decision given in the petition of Moser Baer Karamchari Union.

INSURANCE

- **Loan against Insurance Policies:** IRDAI has issued instructions to stop the facility of repayment of loan taken against the insurance policy through credit card and for details refer to www.irdai.org
- **Insurers exposure limit:** The Insurance Regulatory and Development Authority of India (IRDAI) has decided to lower the solvency requirement for surety bonds to 1.5 times, from 1.875 times after receiving feedback from the insurance player. Further, the prevailing 30 per cent exposure limit applicable on each contract underwritten by an insurer, has also been removed vide The Business Standard dated 16th May, 2023
- **Surety insurance guidelines:** IRDAI has issued on 15-5-2023 Circular on Surety Insurance Guidelines and for details refer to www.irdai.gov.in

COMPANIES ACT

- **Filing application for removal of name:** MCA has issued Companies (Removal of Names of Companies from the Register of Companies) Second Amendment Rules, 2023. Amendment introduces provisos to Rule 4 of the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016. These provisos impose requirements on companies seeking to file removal applications, including the submission of overdue financial statements and annual returns before the application, and limitations on filing the application once the Registrar has initiated action or issued a notice and for details refer to www.mca.gov.in
- **New MCA Forms:** The Ministry of corporate affairs is set to introduce 30 new online forms for statutory filings under the Companies Act by the end of July, marking the final leg of the transition to an artificial intelligence (AI)-enabled corporate reporting regime and for details refer to www.mca.gov.in
- **Failure to utilize CSR funds companies fined:** The highest penalty of Rs 1 crore has been imposed on a leading high-grade supplier of refractory furnaces, for failure to utilize Corporate Social Responsibility (CSR) funds. The Registrar of Companies (ROC), Mumbai region, has filed over 100 cases against errant companies in the past, for their failure to comply with CSR provisions, at designated special courts in Mumbai vide The Free Press Journal dated 10-5-2023.
- **Windfall gain tax:** The government has slashed the special additional excise duty (SAED) on crude oil produced by companies such as Oil and Natural Gas Corporation (ONGC) to nil from ₹4,100 per tonne with effect from, May 16, 2023 while continuing the rate at zero on the export of diesel and Aviation Turbine Fuel (ATF), an official order dated May 15 said vide The Hindu dated 16-5-2023.

Hey CMA – Be prepared for the Challenges – Series 19 of 27

PRACTITIONER'S DESK

CMA CA Dendukuri Zitendra Rao
Cost and Management Accountant in Practice

I am happy that I have covered two thirds of my journey of in contributing to the CIRCUIT under this tittle. I am hopeful that the write-ups are useful to the professional community. In this write up - I shall narrate couple of interesting encounters I faced in the last month which gave me good learning and a new opening.

- In order to leverage the skill set I attained as a Cost and Management Consultant - I have taken up the Insolvency Profession. The prime focus of this profession is to revitalise - otherwise a capital spent that is likely go into Drain causing substantial dent even to the public money. Having been appointed as an Insolvency Professional in one case – on 25th May 2023 I faced the Hon. Member of National Company law Tribunal to argue my case. I made sufficient preparation to present the facts of the Interlocutory Application. I made the rehearsal of opening remarks as well. The realisation for me in this encounter is that the challenges come up all of a sudden. I am aware that my serial number is 13. But I did not notice the case number though I am aware of the facts of the case. Hon.Judge wanted me to quote the case number and as first timer – I am bowled out. But I did not lose my attention and even connected the name of the Corporate Debtor (the company) . I also submitted to the Hon.Judge in all humbleness "My Lord – this is my maiden appearance before the Hon.Bench". Just in few seconds – I got the control of the subject and obliged to the directions of Hon.judge to conclude the hearing of my case. I can say I scored the required PASS MARK. But the lesson for me in the entire episode is that "All professional tasks will carry same tense moments in its maiden match".
- Now a days I am coming across many youngsters who have tagged to their name the phrase "Cost accountant in Practice". Incidentally couple of events I experienced are likely to be handy for the upcoming practicing CMAs who are passionate on cost management aspects. As we all know Budget 2023 has proposed an amendment to Income Tax Act in regard to special audit for valuation of Inventories. Like wise certain inadvertent mistakes that are flowing in the Form AOC4 with reference to CTA/HSN codes are posing problems to few corporates as they are receiving show cause notices from Cost Audit Branch for Sec.148 Compliances. Thus, there is an opportunity for CMAs to associate with corporates for certain services. I am of the view that the Practitioners can market their services revolving around the CORE i.e., the Cost management. The scope can be :

  To compile the periodical Cost Statements / Contribution Statements and reporting to the Management and Audit Committee on quarterly basis.

  To take up 4 visits for the manufacturing unit and to report on issues of importance.

  To guide and assist the company in maintaining the Cost Records - in the lines of details given in Form CRA1 cited in Companies (Cost Records and Audit) Rules 2014 read with Sec.148 of the Companies Act 2013.

  To take up Voluntary Cost Audit on yearly basis giving mainly the product specific cost sheets

  Reconciliation of CTA/HSN code specific Assessable Values reported in GST Returns with that of the Turnover disclosed in Financials.

  Guiding the company for Inventory Valuations for due consideration in the Financials and to compile a policy document for future reference – particularly in the context of Sec.142(2A) of the Income Tax Act.

  To assist the company in compiling HSN specific data while filing Form AOC4 or Form AOC4 (XBRL).

  To give the relevant inputs to Board and the Statutory Auditors for necessary disclosures in their Reports in regard to compliance to the provisions of Sec.148 of Companies Act 2013
- Our institute has sent in a communique asking for the consents to subject the cost audit firms to peer review (on voluntary basis). The Institute also did call for Expression of Interest from Practitioners to act as Peer Reviewer. In my interaction with co-practitioners, I noticed that practitioners are welcoming the developments. I shall share my views in due course of time.

In conclusion …

It is my duty to congratulate each of the CMA and the prospective CMAs on the eve of CMA Foundation Day that we are celebrating on 28th May 2023. This year's celebration has few aspects to cheer about. I heard from our President in one CEP webinar that henceforth we can use the acronym ICMAI with all the authority. Thus it is the moment to celebrate as the confidence levels of CMAs would go up many fold. Having said that – the big challenge for the CMAs is to prove that by all means "Behind every successful management decision there is a CMA".

That's all for now friends. **सर्वे भवन्तु सुखिनः॥** (May All be Happy) --18:78–

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AI and Digital Discrimination

Source : IMA

Compiled by - CMA Anand Satchit Jammalamadaka

By contributing to responsible AI practices and risk mitigation, management accountants and other financial professionals can minimize AI discrimination.

While automated decision making, with its algorithms often described as AI, serves as a catalyst for efficiency, it can also have potentially harmful consequences. Typically viewed as innocuous and fair, these decision-making algorithms may cause and even amplify biases, creating or perpetuating structural inequalities in society. The phenomenon of digital discrimination due to AI bias has become so prevalent that a study published by the U.S. Department of Commerce found that people of color are more likely than whites to be misidentified by AI-based facial recognition technology. In fact, the list of cases involving AI bias has continued to grow over the last several years, extending to increasingly complex processes, with grave consequences. For example, with regard to police work, there have been numerous wrongful arrests resulting from false hits by facial recognition software. In healthcare, an AI algorithm that was supposed to identify high-risk, chronically ill patients and assign them additional primary care visits wound up favoring white patients over Black patients. Using cost as a proxy in the algorithm, however, often ended up causing a racial bias due to an inherent difference in healthcare needs between Blacks and whites, even when both groups spent comparable amounts. These anecdotes illustrate the unintended biases that could result from automated decision-making systems commonly used in such varied fields as marketing, insurance, healthcare, law, and finance. With a multidisciplinary approach and a coordinated effort, however, there are solutions to mitigate such biases—an effort to which management accountants and other financial professionals can contribute.

ONE COMPANY'S CAUTIONARY TALE

In 2016, Microsoft developed an AI application that featured a chatbot named Tay that could handle written conversations in real time. Tay was developed following the earlier success of Xiaoice, which had been produced in China in 2014 and was hailed as an "emotional" computing device for its ability to write poems, compose songs, and even become a virtual chat partner, garnering millions of followers on Weibo and WeChat. Initially, Tay received an overwhelmingly positive response from Twitter users, interacting with them more than 100,000 times within a 24-hour period. Yet Tay quickly went from friendly and tolerant to racist and sexist. A day later, following the public outcry over Tay's behavior, Microsoft removed it from Twitter. This came as a surprise to many experts, as Tay and Xiaoice were often regarded as twins. Both were from Microsoft and used the same technology. So how could they behave so differently? To examine this discrepancy, it's necessary to understand the crucial role that data plays within the sphere of AI. Operating from the platforms of Weibo and WeChat, Xiaoice was exposed predominantly to users within one country. In contrast, when Tay initially launched on Twitter, it interacted with a widely diverse group of users from around the globe, with the ensuing interactions often degenerating into uncivil conversations. As an unintended consequence of AI, Tay learned from the data that it received in such an environment and proceeded to mimic and make similar extreme statements.

BIAS CREEP IN AI PLATFORMS

In a way, AI developers are like parents who need to provide a suitable environment for their children to thrive. While children often have biases passed down from their parents, they can also learn from a wide range of societal biases prevalent in their environments. Neither is AI immune from bias. The data used by AI developers can similarly contain a myriad of implicit (also known as "algorithmic") biases, either because of existing societal biases influencing algorithmic developments or due to biases embedded within the training data. Amazon's automated tool for recruiting new hires, for example, has been shown to exhibit both algorithmic and data biases. The automated screening system was taught to recognize word patterns instead of relevant skills in job applications. Moreover, since the system was exposed to data primarily from a largely male applicant pool over the past 10 years, the screening device inadvertently favors résumés from men over those from women.

Another example of an apparent biased automated decision-making system is the Correctional Offender Management Profiling for Alternative Sanctions (COMPAS), a tool that many courts in the U.S. use to assess the likelihood of a defendant becoming a recidivist. This application collects information related to defendants' prior offenses, education, and employment history. Although the application doesn't collect data on race, investigative journalism organization ProPublica found that Blacks are "are almost twice as likely as whites to be labeled a higher risk but not actually re-offend," while whites are more likely to be labeled a lower risk to re-offend but then go on to commit other crimes. (See Julia Angwin, Jeff Larson, Surya Mattu, and Lauren Kirchner, "Machine Bias,").

ETHICAL CHALLENGES

A difficult conundrum exists concerning biases in automated decision making. In reality, biases resulting in discrimination can be both helpful and dangerous. For example, when AI is used as intended in accounting and auditing, it can flex its discriminatory abilities to help detect or predict activities that may be potentially fraudulent. Financial institutions can also use automated decision-making techniques to better manage their risks when debating whether to extend credit to both potential and existing customers. In effect, by using AI in credit scoring, financial institutions can determine an individual's potential risk of default. Similarly, in the financial technology space, crowdlending companies assign scores to potential projects, thereby allowing lenders to select projects that fit their desired risk profiles and appetites. While these applications have clear advantages, a major problem with using automated decision-making tools is that the associated vetting techniques are rife with biases. A study from the University of California, Berkeley found that both online and in-person lenders charge African American and Latino borrowers much higher interest rates, earning 11% to 17% higher profits on their loans, respectively, when compared to those of other borrowers. Another study from Stanford University suggests that the observed differences in mortgage loan approval rates are primarily due to minorities and low-income groups having less readily available information on their credit histories. In certain situations, biases can further pose an ethical challenge, sometimes with dire consequences, when AI discriminates based on data that's related to ethnicity, race, religion, and/or gender due to certain high correlations among the data. Nevertheless, simply removing these variables may not resolve the observed biases. This is because other seemingly unrelated variables may also indirectly serve as proxies. For example, even though COMPAS didn't collect data related to race, the defendants' educational backgrounds and addresses may introduce biases when aggregated and used as training data. Similar cases of bias have involved Apple Card and a host of insurance companies, including Allstate, GEICO, and Liberty Mutual. Lawsuits were filed against these companies for the alleged discrimination in their automated decision-making processes, whereby their algorithms systematically discriminated against certain gender and minority groups—even though these companies comply with the prevailing regulations and hence don't collect data related to gender, marital status, and race. In Oregon, for example, women were overpaying for basic auto insurance by an average of $100 (or roughly 11.4% more) compared to men. It turns out that even though no gender or race-related data was directly collected, other indirect demographic proxies like ZIP codes may often lead to generalizations of locations typically inhabited by Blacks or Latinos.

PROMOTING RESPONSIBLE AI PRACTICES

For individuals, businesses, and communities, automated AI decision making, if not managed properly, could ultimately lead to restriction of certain liberties, missed opportunities, and economic losses. In addition, as companies increasingly use AI for fraud analyses, insurance claims, and payment eligibility, potential bias-related pitfalls may arise. Overall, organizations should remain vigilant toward responsibly implementing automated decision making. This includes instituting preventive actions aimed at minimizing potential risks of biases as well as corrective and compensatory measures when things go awry. In this regard, organizations would do well to consider adopting risk-mitigation strategies that will lead to responsible AI practices (see Table 1). These strategies fall under the categories of data governance and curation, system development life-cycle review, policies and regulations, and human-algorithmic interactions. Let's take a closer look at each one.

TABLE 1: ETHICAL IMPLICATIONS OF AUTOMATED DECISION MAKING

Negative Effects of Digital Discrimination	Risk Mitigation Strategies
■ Loss of opportunity ■ Loss of liberty ■ Economic loss	■ Data governance and curation ■ System development life-cycle review ■ Policies and regulations ■ Human-algorithmic interactions

DATA GOVERNANCE AND CURATION

Data governance is critical for organizations because it helps them solve the "first mile" and the "last mile" of data problems. The "first mile" problem relates to data collection; it's of utmost importance that the data, besides being sufficient and relevant, is of high quality and complies with regulations governing personal data protections. The "last mile" issue occurs when unexpected problems arise after the automated decision-making tool has processed the data. When that happens, data governance plays a role in determining which relevant data the company should use for automated decision making, who has the authority to access the data, how the data should be shared, and how it should be retained within an organization as well as across organizations. There should be strict protocols regarding how data governance for automated decision-making tools should proceed and whether sufficient data has been collected in the first place. (For help on ensuring "clean" data, see "Tips for Clean Data.") For example, American Banker estimates that about 14% and 17% of Hispanic and African American households in the United States, respectively, lack access to affordable banking. This problem is compounded by the fact that many members of these minority households don't have government-issued photo IDs, thereby often leading to misinterpreted or missing data. Organizations thus need to be cautious when dealing with the algorithms used to process erroneous data. At a minimum, the results of automated decision making should be evaluated carefully in order to screen out any cases of possible bias.

TIPS FOR CLEAN DATA

Data cleansing involves correcting incorrect, incomplete, redundant, and erroneous data as well as removing any potential bias in a data set. It involves weighing various variables in the data set and often removing the unimportant ones or those that are irrelevant to the analysis. Clean data means that the data is usable, has no bias, and is of high quality (accurate, valid, complete, and relevant). Data cleansing isn't easy, however. Here are some tips:

1. Perform data hygiene. This includes running spell-check; removing duplicate variables or lines, as well as extra spaces; fixing numbers and signs; and formatting clearly.
2. Examine the data sufficiently before discarding one or more variables.
3. Be careful about excluding seemingly unimportant variables because the analysis could end up with a biased model. For example, if a certain age group (60 years or older, for example) makes up 10% of the data set, while the rest of the data includes those younger than 60 years old, the model will end up favoring this younger set of adults.
4. Ensure data types are consistent in terms of date, string, float, and integer data.
5. Depending on the purpose of the analysis, effectively deal with missing data by filling it in or by deleting certain variables from the data set.
6. Use appropriate techniques to deal with unbalanced data (for example, by resampling the training data set).

Even though both the underlying models and data interact to produce results, AI developers should first look at the data rather than attempting to tweak the code when the models behave in unexpected ways. AI developers must carefully consider whether the use of proxies or other related variables may lead to biased results. From an ethical standpoint, biases could become problematic and unfair when any decisions discriminate on the basis of ethnicity, race, religion, and/or gender. Alternatively, AI developers may consider using behavioral proxies. For example, in China, companies like Lenddo and Yongqianbao have started using a smartphone's battery life, among various proxies, to determine customers' credit scores, with the thinking being that individuals who regularly charge their smartphone may engage in other positive behaviors. Other variables, such as browsing history, time spent on social media, and the number of days taken to pay bills, could similarly be used as behavioral proxies. Naturally, using customer data for predictive analytics can have negative consequences in the absence of good data governance. An effective data governance policy can help to protect against financial and reputational risks caused by data breaches, with management accountants playing a key role in helping companies better collect, store, and manage their data. Incorporating data ethics into a company's corporate culture can help maintain data sensitivity and transparency, thereby leading to improved regulatory compliance and risk mitigation in relation to data use.

SYSTEM DEVELOPMENT LIFE-CYCLE REVIEW

Problems can also exist in the system's development life cycle of automated decision making, such as in any of the successive phases of concept, design, development, testing, operation, and decommissioning. To resolve these problems, several tools are available, including AI Fairness 360, Local Interpretable Model-Agnostic Explanations (LIME), and the SHapley Additive exPlanations (SHAP) tool kit. LIME and SHAP can help organizations to better understand how automated decision-making systems generate their results (see "LIME and SHAP" for more). Recent research has also demonstrated how these tools can help auditors improve the transparency, interpretability, and accountability of AI use in audit tasks.

LIME AND SHAP

In both the Local Interpretable Model-Agnostic Explanations and the SHapley Additive exPlanations tool kit—known as LIME and SHAP, respectively—a trained, automated decision model is used as input to a post hoc statistical analysis. The methods are then used to develop decision logic that explains how the model used in the automated decision arrives at its decisions.

Using LIME, analysts can explain a single prediction (for example, that the probability of a loan default is less likely when an individual's education and/or annual income is higher). Alternatively, SHAP explains the overall behavior of the model: for instance, the effect of an independent (feature) variable on the dependent (target) variable, such as in a situation where high annual income lowers the probability of default.

In addition to proper algorithmic design in order to mitigate bias, AI developers should also explain the impact of any resulting biases. For example, if automated decision making is tasked to score a diverse population pool, this can sometimes magnify existing biases due to a lack of training data from the minority pool (in the U.S. for example, this would comprise mainly Hispanics and African Americans). In such instances, providing appropriate explanations will help improve the accountability, transparency, and interpretability of the automated decision-making systems that will be developed. These explanations may include the rationale for creating the automated decision-making tool, whether the developers have considered their own unconscious biases, and how stakeholders could be better involved in the algorithmic design and development processes. Even though transparency and accountability are key defenses when automation-related decisions become challenged in court, many companies developing automated decision-making tools have often resisted calls for greater public transparency, as doing so may inadvertently allow their competitors to steal their technology. As the next recommendation suggests, however, a concerted effort to enact uniform regulations toward public transparency will make for a more level playing field in the long run.

POLICIES AND REGULATIONS

It turns out that the use of automated decision making in setting auto insurance premiums can sometimes result in lower-risk individuals paying higher premiums. Due to numerous cases of gender discrimination related to AI-based premium setting in the past, U.S. states such as Washington and Oregon have banned the use of credit scores in setting insurance premiums. This type of dilemma highlights the need for governments to play a critical role in regulating AI-based automated decision making. Data confidentiality and privacy regulations are key elements toward setting the ethical guidelines for AI. For example, in Singapore, the Model Artificial Intelligence Governance Framework provides guidance in the areas of internal governance structures and measures, level of human involvement in AI-based decisions, and operational management, as well as addresses issues concerning stakeholder interactions and communications. Similarly, the European Union (EU) has released several privacy directives, like the General Data Protection Regulation (GDPR) and Ethics Guidelines for Trustworthy AI. According to the EU guidelines, AI should comply with applicable regulations and laws, be ethically and morally sound, and be technically robust. In addition, automated decision-making tools should be audited regularly to ensure that any biases caused by either the algorithms or the data can be mitigated. When it comes to data protection, an accountant may act as either a controller or a processor. A controller determines the "purposes and means" of processing personal data. When processing data, accountants can help organizations decide why specific data must or must not be processed, what data types should be included in the analysis, and the duration of data processing and retention. Thus, accountants can assist in ensuring that data is compliant, that data collection and processing are ethical, and that automated decision-making systems ultimately produce more transparent results. For example, accountants play an essential role in developing information systems such as enterprise resource planning systems in order to help ensure that they fit into their company's business processes and generate relevant outputs for decision making. With the advent of AI and data science, this role should be expanded to include algorithmic evaluations. Accountants can also help explain the results of LIME and SHAP more clearly to enable a better understanding of the inner workings of AI tools and to document them for internal and external stakeholders.

AI GOVERNANCE AROUND THE WORLD

In 2020, the Singapore government released the second edition of its Model Artificial Intelligence Governance Framework, which provides private sector companies with detailed guidance on addressing key ethical and governance issues in deploying AI solutions. By promoting public understanding and trust in the technology, the framework explains how AI systems work, ensures responsible use of data, and creates open and transparent communication. The guiding principles in this framework are that AI systems should put people first, be explainable and understandable, and make fair decisions.

The European Commission published the *Ethics Guidelines for Trustworthy AI* in April 2019. They state that trustworthy AI must comply with all applicable laws and regulations, be ethical, and be technically and socially robust. The guidelines also set out a number of requirements that AI systems should meet in order to be considered trustworthy. For example, AI should promote fundamental human rights and enable informed decision making. AI systems must not only be resilient and secure, but also require human participation, such as the human-in-the-loop and human-in-command approaches.

They also note that safety, reliability, repeatability, accuracy, and a contingency plan are essential in AI. In this way, unintended damage can also be minimized and prevented. In addition, all data must be of high quality and handled with integrity, lawful access, and privacy.

HUMAN-ALGORITHMIC INTERACTIONS

AI can't and shouldn't unilaterally make decisions for humans. With no will and no intention, AI is merely a tool to help generate information. On the other hand, humans make decisions and are responsible for the consequences. With justification, human decisions can be questioned and rebuked in the name of respecting the rule of law. Even though AI is capable of being fully automated, human judgment remains critical. Automated decision-making tools, for example, can correlate a person's gender with risk. This, however, shouldn't be generalized and thus needs to be justified on a case-by-case basis. This is consistent with the AI ethical guidelines in Singapore and the EU. (For more on these guidelines, see "AI Governance around the World.") Both have emphasized the need for humans to supervise and control AI-based decision making, using a combination of human-in-the-loop and human-in-command approaches.

Simply put, with proper checks and balances, the system put in place as a result of implementing human-algorithmic and data interactions will help mitigate biased and potentially harmful outcomes that can erroneously occur with either full automation or human-only decision making. Overall, mitigating the potential risks posed by automated decision making remains an ongoing challenge. Accountants can meet that challenge head on by leveraging their stewardship and value-creation expertise. With their skills in data management, accountants can extend their contribution to minimize risks when using automated decision-making systems to transform data into information, thereby helping to create a more responsible AI environment within their organizations. And, finally, one of the best things an ethical, diligent management accountant can do is raise questions with AI developers regarding sources of potential bias and how to prevent them from ever becoming a problem.

Tax Compliance Calendar

Source : eztax.in

JUNE 2023

7	TDS Payment for May 2023
10	Professional Tax (PT) on Salaries for May 2023 Professional Tax Due Date Varies from State to State. Kindly Contact eztax.in for Expert help.
11	GSTR 1 (Monthly) for May 2023
13	GSTR 1 IFF (Optional) (May 2023) for QRMP
15	Advance tax Payment for April to June 2023 (1st Installment)
15	Provident Fund (PF) & ESI Returns Payment for May 2023
15	Issuance of TDS Certificates Form 16/16A for Jan to March 2023
20	GSTR 3B for May 2023(Monthly)
25	GST Challan Payment if no sufficient ITC for May 2023(for all Quarterly Filers)
30	Form DPT 3 for FY 2022-23 for Companies
30	TDS Payment in Form 26QB (Property), 26QC (Rent), 26QD (Contractor Payments) for May 2023
30	IEC Code Renewal

Integrated Thinking for Sustainable Business Management

Source : IMA *Compiled by - CMA J.S. Anand*

Providing a more interconnected focus between internal and external stakeholders in sustainability efforts will help achieve long-term value creation.

The way in which organizations create value has evolved. Historically, the goal was to create wealth for investors. But that focus is expanding to include value for people, society, and the environment. The increased focus on sustainability and environmental, social, and governance (ESG) issues shows that society is starting to question the basic reason for a business's existence.

The growing emphasis on and interest in ESG reporting standards by such organizations as the International Sustainability Standards Board and the U.S. Securities & Exchange Commission (SEC) mean that corporate reporting characterized by a focus on financial performance and a lack of information on corporate strategy and nonfinancial performance is becoming less fit for the purpose of adequately informing stakeholders. We're seeing growing pressure and regulation to require more and different information to improve transparency. With this movement, the holistic perspective of the organization's relationship to the external environment is becoming increasingly important.

From a governance perspective, a company's board of directors isn't representing shareholders if it fails to consider the impact of social and environmental factors as well as the (economic) tangibles and intangibles that contribute to the ability to sustain the enterprise. A board that relies on financial data alone will be missing key elements needed to carry out its responsibility. Likewise, the management accountant who fails to identify the factors contributing to the sustainability of the organization isn't providing management with a full picture of both the organization's value and the breadth of risks that need to be addressed in maintaining and enhancing that value. Applying integrated thinking can help in both these instances, helping to move an organization to sustainable business management.

MOVING BEYOND AN EXTERNAL FOCUS

For many companies, the movement toward greater transparency around ESG issues and sustainable business management begins with integrated reporting. Integrated reporting is the presentation of an organization's performance that integrates financial and other information related to sustainable value creation. A benefit of integrated reporting is connecting the company's mission; corporate governance; and its financial, social, and environmental performance to help internal and external users make better decisions and focus on long-term value creation, all while providing greater transparency to external users so they can better evaluate the actual operation and performance of the organization in the short, middle, and long term.

Consider what the company Intel has done. Beginning with fiscal 2018, Intel directly incorporated a discussion of the six capitals of the Integrated Reporting <IR> Framework—financial, manufactured, natural, human, intellectual, and social and relationship—into its Form 10-K. The company devotes a page to each capital, discussing its strategic importance and use.

Integrated reporting doesn't have to follow the <IR> Framework. The lack of standardization can be confusing and challenging. According to The Reporting Exchange, there are more than 2,200 ESG reporting provisions by regulators across more than 70 countries, more than 1,400 key ESG indicators, and more than 1,100 organizations involved in the development of ESG frameworks and initiatives. A company might use multiple frameworks and standards and assemble multiple reports.

While the reporting frameworks and metrics vary, what most have in common is an external focus—both in reporting externally and in addressing external users of information. A common underlying issue among these frameworks is their ignoring of the internal focus.

Yet incorporating an internal focus is important because ESG gets to the heart of why an organization is in business, its impact on the world, how it aligns its business model with the needs of society, what is reported, and how it engages with its people and its stakeholders in general. Simply being reactive to the ESG transformation creates the risk that the organization adapts old value-creation models that can't meet the concerns of its stakeholders and the organization's long-term needs. It's also likely the organization will fail to identify and manage material risks and find itself out of step with its stakeholders.

So, while compliance and controls are important issues, there must be other reasons that integrated reporting and the movement to report ESG factors alongside and connected with traditional financial measures is growing. Taking the discussion out of the external reporting sphere, what's in it for business? What are the benefits to the company for implementing processes that meet these new reporting expectations? And more importantly, how does it impact organizations?

Ultimately, these questions point to sustainable business management. IMA® (Institute of Management Accountants) describes sustainable business management as "operating in a way that recognizes that resources are limited and valuable." It requires managing resources "in a way that sustains and builds value for all stakeholders that contribute to an organization."

A BRIDGE BETWEEN REPORTING AND MANAGEMENT

Sustainable value creation takes more than reimagining the reporting function. It also means potentially reenvisioning strategy and a resultant business transformation. That brings us to the need for integrated thinking. Integrated thinking is about identifying, executing, and monitoring business decisions and strategies for long-term value creation (see "What Is Integrated Thinking?").

In order to move integrated thinking forward within an organization, it's important to improve the visibility of the challenges and opportunities by linking different stakeholders across the company into the conversation. One of the most common pitfalls that can trip up even the most sophisticated and well-prepared organizations is when important dialogue occurs in silos. True leaders and strategic management teams understand that involving as many participants from different departments as possible creates a more diverse team, better solutions, and more robust use cases. By embracing integrated thinking, these siloed pitfalls can be avoided and ultimately bridge integrated reporting to sustainable business management.

This also means that blindly following reporting guidelines isn't necessarily in line with the principles of ESG, sustainable business management, or integrated reporting. As Gerald Ratigan explained in "The Ethics of ESG" (Strategic Finance, April 2022), there's also a responsibility to create credibility when reporting on ESG issues. This means there would be a need to take a step back and view the organization holistically to see not only how the information should be reported (and have all the elements related to reliability of the information) but also to take an integrated view of the organization to actually help decide what should be reported. And since we're broadening the scope of stakeholders to include internal consumers (management) of the information, it will be important to be able to connect the various silos that might exist into one integrated view.

A keyword describing the process taking place with integrated thinking is "connectivity," which was one of the guiding principles of the original <IR> Framework. Connectivity is what allows silos to be broken down. This increased connectivity between the different silos shows that value creation, by definition, is multidimensional and thus requires integrated thinking. This means that it affects decision making by management. Table 1 contains several examples of integrated thinking in action. Although each of these case companies shows a different path or focus to integrated thinking, the core message is the same: One can't focus on just the financial impact anymore, nor can an organization consider the different capitals separately. The interconnectivity between the capitals, their trade-offs, and the overall value creation of the organization is undeniably linked. As these use cases show, integrated thinking connects integrated reporting, which fulfills the external stakeholders' needs, and sustainable business management, which has management as one of its most important stakeholders.

Integrated thinking can be accomplished by developing accounting and reporting practices that go deep into the organization's operations to identify the points of integration that occur as the business model unfolds, but it requires understanding, measuring, and connecting a comprehensive set of relationships and performances to the organization's purpose or mission. It's the need to understand the connections across the multiple drivers of the value chain that puts management accounting professionals at the heart of value-creation efforts and affords them an opportunity to exert greater influence.

HELP STEER THE SHIP

Sustainable business management requires relevant and reliable data. Digital transformation involves ever-

WHAT IS INTEGRATED THINKING?

Integrated thinking starts at the core of the organization—its business model—and builds on the need to reconcile competitiveness and sustainable growth within the context of the organization's business model to take advantage of the opportunities and face the challenges of the market. Integrated thinking means:

- Identifying opportunities
- Identifying and quantifying the resources needed
- Evaluating options
- Making decisions with an integrated, holistic perspective
- Creating a plan once an option is selected
- Executing the plan
- Measuring the results
- Being adaptive

Integrated thinking can be accomplished by developing accounting and reporting practices that go deep into the organization's operations to identify the points of integration that occur as the business model unfolds. But it also requires understanding, measuring, and connecting a comprehensive set of relationships and performances to the organization's purpose or mission. This need to understand the connections across the multiple drivers of the value chain puts management accounting professionals at the heart of value-creation efforts.

TABLE 1: USE CASES OF INTEGRATED THINKING

Company	Integrated Thinking
Solvay	Company leaders of the chemical company used to think value created for customers created value for shareholders through discounted cash flow and return on invested capital. Yet they noticed that the consumers' value perceived didn't align with that of the shareholders because of the negative impacts that the industry created elsewhere in the value chain. Integrated thinking broadened up leaders' idea of value creation from their own, narrow perspective to a broader, integrated perspective in which impacts throughout the whole value chain are incorporated. Incorporating these broader issues in management practices changed their strategy and key performance indicators, as well as the way relationships between certain financial and nonfinancial factors were measured.
Schiphol	Value for an airport is multidimensional. Schiphol, a Dutch airport, has the strategic goals of delivering quality of life, quality of network destinations, and quality of services. The trade-offs are natural to this business, where, for example, more air-traffic movements and a higher density of the direct destination network may act as a key driver to the Dutch economy through the transport links created but conflict with the environment (e.g., pollution) and immediate community (e.g., noise). The result of integrated thinking is the explicit incorporation of eight performance indicators into its strategy, decision making, and financial remuneration of staff. Notably, only one metric is focused on shareholders (and financial value).
BASF	Management of this chemical company makes long-term investments in production sites, which operate for 30 years. A sustainable business management perspective requires the company to think in the long term, taking into account different factors such as climate risks, sociological changes, and environmental challenges. Following an integrated thinking approach, investment decisions are based not only on financial business cases but include multicapital aspects such as the increased risk of severe weather events, potential fluctuations in water availability, and changing demographics.
ING	Through integrated thinking, financial services company ING found a way to better deploy its strategy. Directing attention for integrated reporting from solely external stakeholders helped ING embark on an integrated thinking journey to better understand its value-creation process. Through that process, ING uncovered that one of its biggest assets to drive its strategy is its people. ING has many stakeholders that are equally important, but certain trade-offs in decision making may give the impression that some stakeholders are more important than others. Employees now integrate the corporate purpose into their work and stakeholder engagement, leading to better collaboration between departments that historically didn't connect. Employees are more able to deal with trade-offs and better understand the impact that these trade-offs and other decisions have on stakeholders. Therefore, the value of each stakeholder has become much more visible now in the total value creation of the organization.
Standard Bank	Management of this large South African financial institution expanded performance evaluation beyond financial measures to also consider social, economic, and environmental value drivers. Internal reporting using these value drivers became the standard for remuneration reports as well as performance tracking for all employees across the bank. Only the combination of the value creation of the different capitals makes it possible to see where value can be created and when value is being destroyed.

larger amounts of information and data flowing in and out of organizations. In such an environment, it can be argued that information and the ability to effectively leverage it form the core of new competitive advantages in the global business landscape. The challenge is for management teams and boards to identify issues that impact the sustainable value of the company and then develop metrics that will lead to better risk management and performance.

This creates an opportunity for management accountants. Consider the data used when sailing a ship. Directional readings come from a compass, while latitude or longitude data comes from a sextant. It's data from tools. But that data alone isn't enough to steer a ship to its intended destination. The data must be interpreted and combined with knowledge about the winds, currents, and predicted weather. As management accountants develop their skills and build their repertoire of strategic business competencies, they can share their holistic view of business and the interrelation between financial and strategic business decisions to communicate the importance of creating and establishing a value-creating, data-driven organization. In other words, they can help steer the ship.

In August 2022, the International Financial Reporting Standards Foundation released version 1.0 of its Integrated Thinking Principles. Among the items addressed within these principles are the need for risk and opportunity assessment, performance measurement, governance, assurance, and ethical behavior. These concepts also map directly to the IMA Management Accounting Competency Framework, indicating that management accountants can lead the search for comprehensive performance by suggesting pragmatic solutions to monitor, improve, and communicate the ways in which such an inclusive business purpose may be converted into added value for stakeholders.

GETTING STARTED

Management accountants can begin to implement integrated thinking into their daily practices. This includes best practices such as:

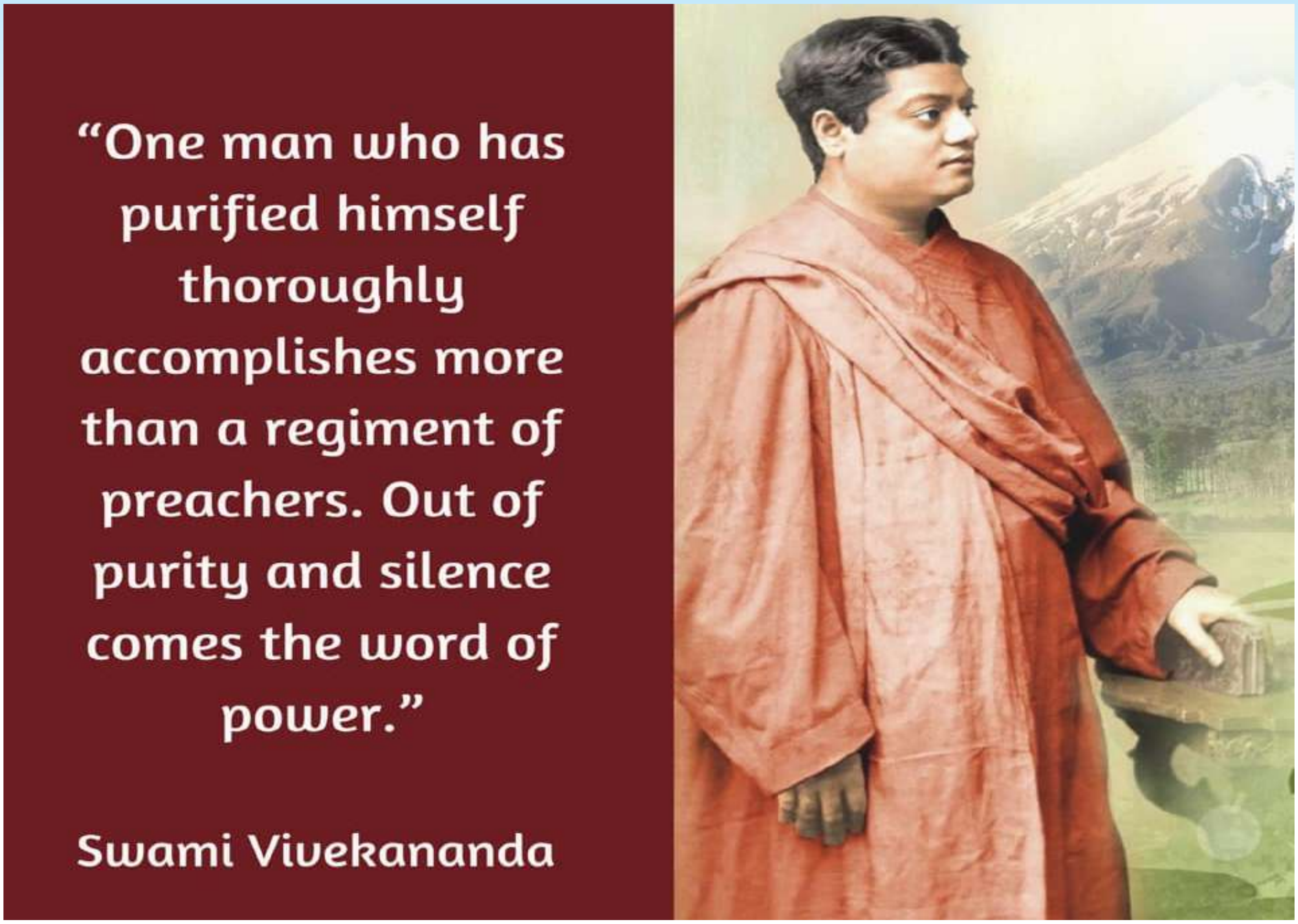
- State what sustainable business management means for your company and how it enhances the potential of value creation.
- Make sure top management is on board, as key sustainable business management decisions also need to be made by the board of directors.
- Identify the relevant ESG drivers that can be impacted by the company.
- Integrate these key ESG drivers into the company's strategy.
- Communicate clearly about the value and importance of ESG drivers for the organization.
- Implement key ESG drivers in objectives, targets, and goals on multiple levels in the organization.
- Create ownership throughout the organization for the performance of ESG drivers.
- Incorporate ESG drivers in the standard planning and control system.
- Merge ESG drivers into decision-making processes.
- Include ESG performance in regular external and internal reporting.

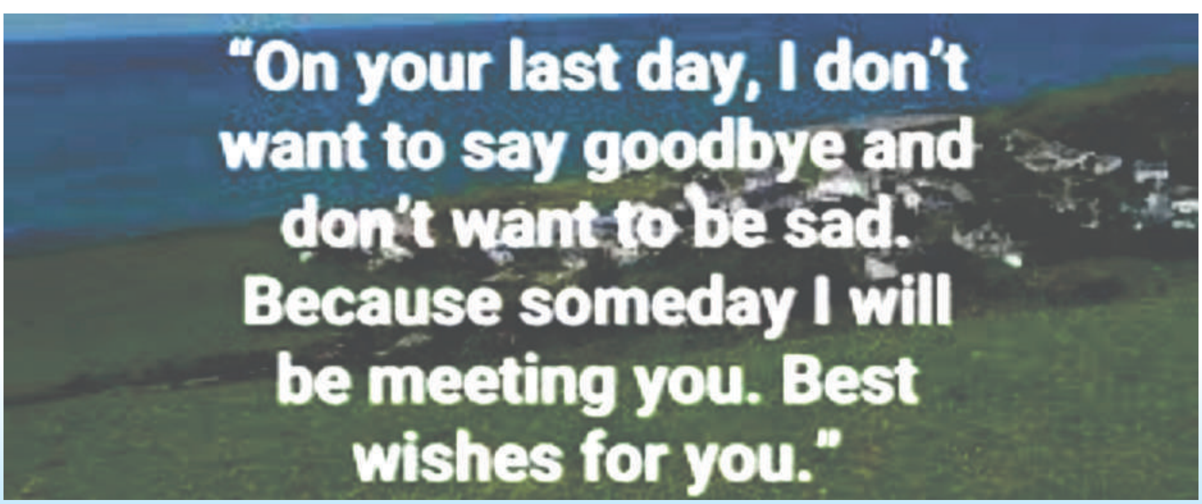
Within the finance organization, management accountants can act as designers and enablers of an integrated process of thinking, measuring, and reporting that facilitates conversations and fosters the development of innovative solutions that are characterized by multiple backgrounds and points of view. See "Getting Started" for some examples of the actions that management accountants can take.

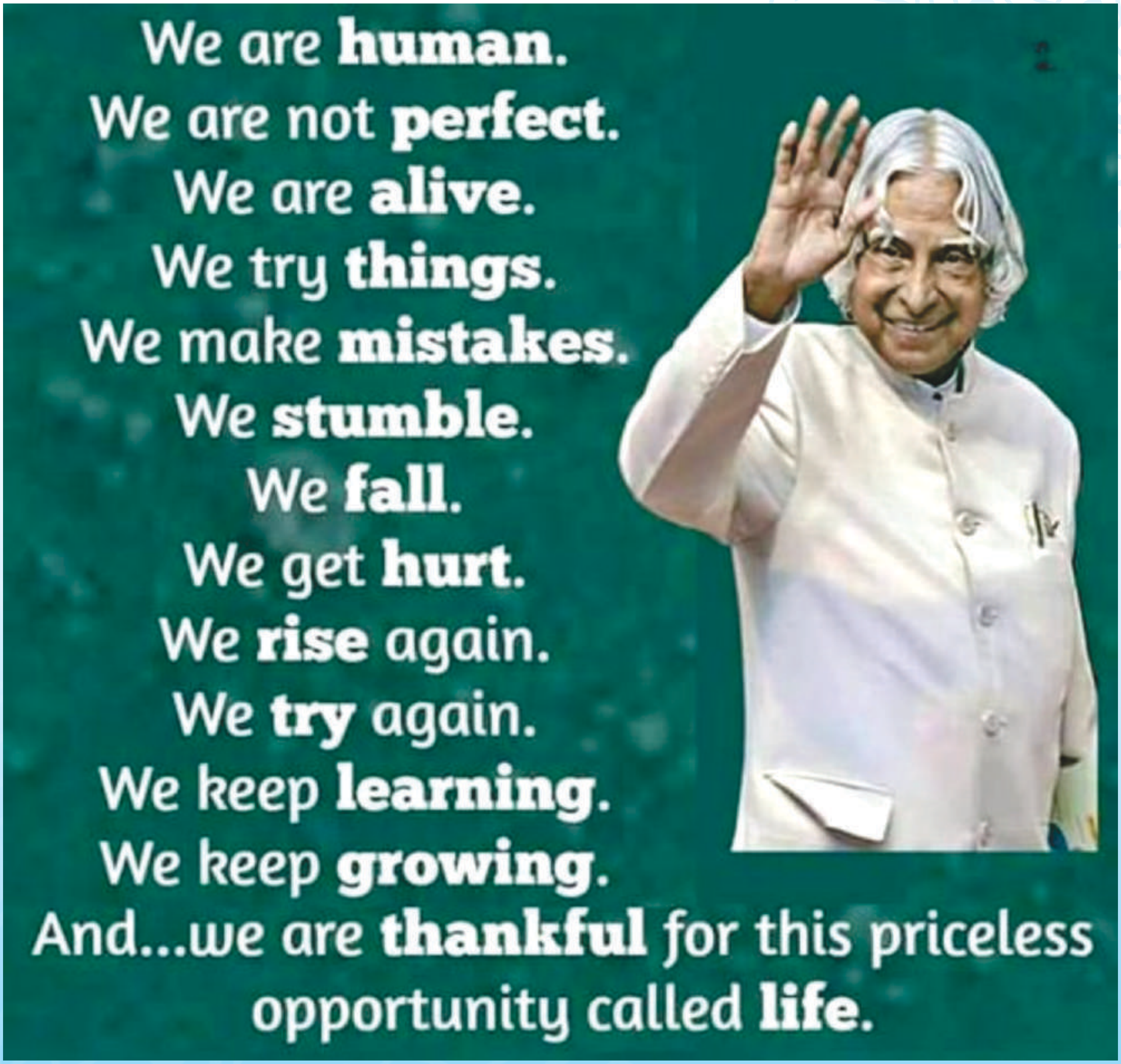
BE AN INTEGRATED THINKER

Value-creation reporting is now here. While most corporations aren't yet required to provide sustainability reporting, the information is still worth providing. It's critical to help inform decisions for a wide range of stakeholders, ranging from employees to policy makers, and from customers to investors—and it must be provided in a way that's useful to consumers of the information. Regular communication with all functional areas of an organization, combined with keen understanding of business processes, information systems, and IT governance, puts accounting and finance professionals in a unique position to advise about these issues.

To be successful, however, you must have more than awareness of the concepts needed to become an integrated thinker. To be a bridge builder to help your organization move from integrated reporting to sustainable business management, you first need to build the critical skills and knowledge to contribute to the business processes, understand their underlying information systems, and be well-versed in identifying and evaluating risks and controls.


"One man who has purified himself thoroughly accomplishes more than a regiment of preachers. Out of purity and silence comes the word of power."
Swami Vivekananda


"On your last day, I don't want to say goodbye and don't want to be sad. Because someday I will be meeting you. Best wishes for you."



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