

Establish - ICGI  
The Institute of Corporate  
Governance of India

# ICGI An update Accounting Destination Accountability

**Podcast Episode 97**  
**Journey from Accounting to Accountability**  
**Cowrie Shells to Crypto Currency**

**CorporateMOM**  
Corporate Management Orbiter Mission

## COPYRIGHT

### CorporateMOM Corporate Management Orbiter Mission

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## 7.00 Why do we need ICGI?

Journey from Accounting to Accountability

### EXECUTIVE SUMMARY

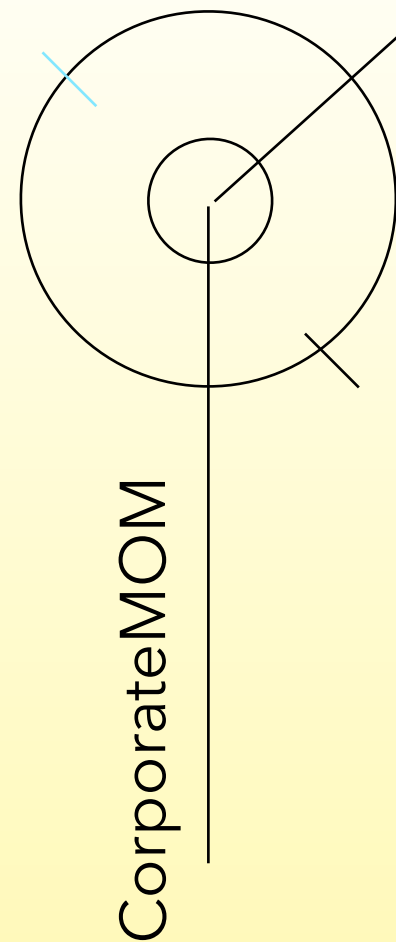
#### Conclusion:

FYI: A conference proposal paper says\*: In fact, it is not clear that the so-called GAAP standard is even particularly meaningful anymore: companies continue to search for beneficial ways in which to disclose information about themselves with or without formal sanction...

- 1. We can unlearn:** Industry pressure on accounting profession and the government. I draw a parallel to a college student who refuses to study unless his demands of comfort given first.
- 2. We can learn:** Historical examples from Marco Polo that are the illustration of the importance of trust, honor, and good governance in business and society, practiced in India.
- 3. We can learn:** From Chitrugupta, the foremost known accountant who records people's actions, suggesting a shift towards greater accountability in modern accounting practices.
- 4. Way forward:** Project Chitrugupta: AI is a reactive machine. Objective and logical. Accountability is illogical, subjective and paradoxical. HI shall enable AI to understand HI.
5. I shall give you the ICGI parameters scientifically, physics, quantum physics and metaphysics via YouTube shorts.

Note: Trained by IBM on Autocoder language for IBM 1401 Machines, I chose being a CA would be better. A CA's contribution to our society is unmatched. Don't try to threaten me with AI.

\* Athena Alliance. 2011. "Global Competition and Collaboration." In: New Building Blocks for Jobs and Economic Growth: Intangible Assets as Sources of Increased Productivity and Enterprise Value.



## 7.00 Why do we need ICGI?

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<https://youtube.com/shorts/qA1jK9bAD6s>

YT shorts <3'

### 7-01 Why do we need an ICGI - The Institute of Corporate Governance of India?

My mission is to establish the Institute of Corporate Governance of India. Why do we need that? Why do we need. That is a good question.

Because why else DOGE is there in United States, USAID, any number of rules are there, but we are not able to find out to justify the conduct of the people who have been entrusted with everything. So that's the reason why?

The rules express the truth and justify the conduct. That is the ethics.

The outcome of ethics is a knowledge base. The knowledge base of who conducts how individuals conduct themselves in a company or the government is the most important factor. That is what is being needed.

That is the need. That is how it is being found out from ICGI. Establishing ICGI based on science.

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## 7-02 Why do we need ICGI? For Accounting to Accountability

Here are 5 key points summarized from the transcript:

1. The Institute of Corporate Governance of India (ICGI) is needed to move from accounting towards accountability in corporate governance.
2. Cowrie shells were widely used as currency across many regions, including India, from ancient times until around World War I.
3. Modern accounting practices evolved from simple shopkeeper ledgers to more complex systems as businesses grew larger, but the core principles remained transactional.
4. The role of a modern Chief Financial Officer (CFO) is compared to that of a "Gumazda" (accountant) from 2,000 years ago, suggesting that accounting fundamentals have not changed significantly.
5. The transition from cowrie shells to modern currencies took a long time, with attempts to introduce alternatives (like copper coins) often failing to displace cowrie shells initially.

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YT shorts <3'

7-03 Why do we need ICGI? - resolved by addressing  
Why do we need an AI?

Here are 5 key points summarized from the transcript:

1. I contrast AI (artificial intelligence) with ICGI (Institute of Corporate Governance of India), using analogies to illustrate the difference.
2. AI is described as quantitative, able to perform large-scale tasks quickly but lacking in qualitative judgment.
3. ICGI is presented as qualitative, able to make value-based distinctions and judgments that AI cannot.
4. Historical examples from Ibn Battuta and Marco Polo are used to illustrate the importance of trust, honor, and good governance in business and society.
5. I argue that ICGI is necessary for maintaining sustainable value systems and preventing unethical business practices.

AI is logical, HI is paradoxical. The truth is inevitably paradoxical; it contains opposite values. A dilemma exists because of the truth. That is why the truth is illogical. Truth involves completely opposite values; only then, can it be Truth. ICGI helps to resolve the paradox.

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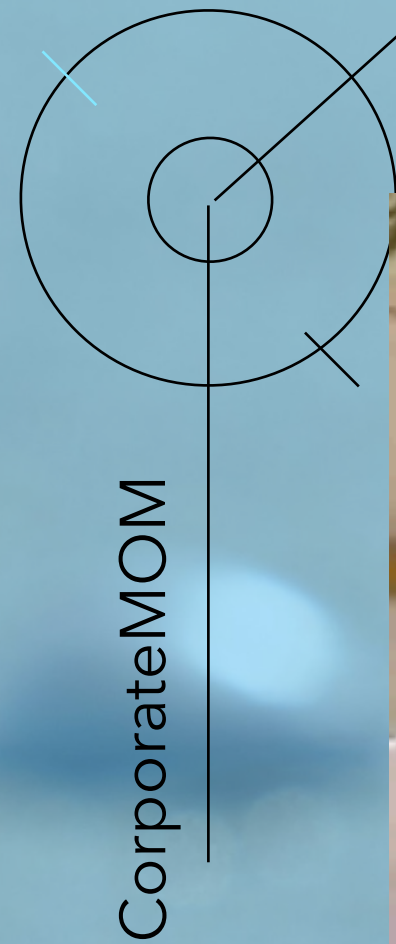
7-04 Why do we need ICGI? Chitrugupta the foremost known Accountant

Here are 5 key points summarized from the transcript:

1. The introduction of computers in banking initially faced resistance from employees due to fear of job loss, but ultimately improved efficiency and expanded services.
2. Technological advancements like computerization have made banking transactions and account information instantly accessible to customers.
3. There are current fears about AI displacing educated professionals, similar to past fears about computers in banking.
4. AI is likely to take over basic data processing and accounting tasks, allowing employees to focus more on accountability and higher-level analysis.
5. I draw a parallel to Chitrugupta, the foremost known accountant who records people's actions, suggesting a shift towards greater accountability in modern accounting practices.

## 7.00 Why do we need ICGI?

Journey from Accounting to Accountability



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## 7-05 Why do we need ICGI? Intangible Asset

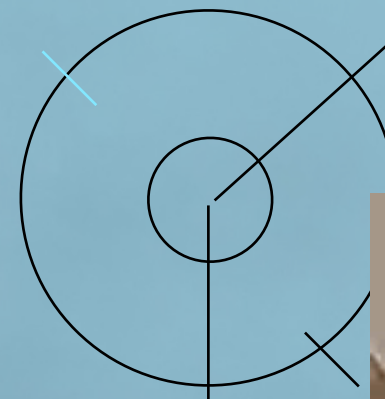
Here are 5 key points summarized from the transcript:

1. There's a shift from accounting to accountability, with challenges in areas like closing stock valuation.
2. The introduction of IAS 38 in 1998 defined intangible assets as non-monetary assets without physical substance, creating challenges for auditors.
3. Intangible assets worth \$4.1 trillion were not included in United States statistics, highlighting the scale of the issue. [Corrado and Hulten (2010) estimated of 2007]
4. The valuation and auditing of intangible assets remain a significant problem, as seen in recent cases like SVB and FTX.
5. Large companies in India have substantial intangible assets (around 10,000 crores each), and the Institute of Corporate Governance (ICGI) may be better positioned than auditors to address this issue.

Now that Management has taken the responsibility of their accounting, tell me why there is a need for a Statutory Auditor to a listed company? We are on a journey from Accounting to

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## 7-06 Why do we need ICGI - Capitalization

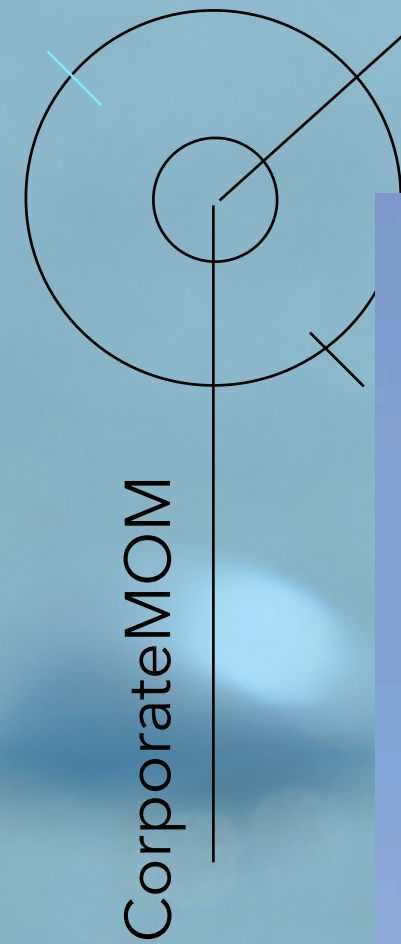
Here are 5 key points summarized from the transcript:

1. The need for ICGI (Institute of Corporate Governance of India) arose from issues related to accounting practices and accountability.
2. In 1985, there were challenges with capitalizing R&D expenditures and brand values, which led to the introduction of accounting standards like IAS 38 for intangible assets.
3. The distinction between short-term (profit and loss) and long-term (capitalized) accounting practices was explained.
4. The millennium merger of AOL takeover of Time Warner is a case in point, creating a \$335 billion company, proving that in a world ruled by finance, intangible assets rather than real assets are the indicator of real wealth.
5. Companies like WorldCom manipulated profits by improperly capitalizing expenses, leading to significant losses and demonstrating the need for better corporate governance.

Auditors lost control. We will look into why ICGI is important.

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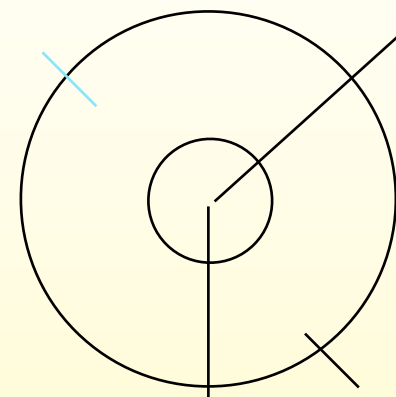
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### 7-07 Why do we need ICGI - non-transactional

Here are 5 key points summarized from the transcript:

1. I suggest there's a need for ICGI (Institute of Certified Global Accountants) due to challenges in handling non-transactional items in accounting.
2. While many sectors (manufacturing, agriculture, services, etc.) have seen improvements, management has resisted controls and regulations in accounting.
3. The development in the accounting area has been stagnant or declining since 1985, with issues like IAS 38 (intangible assets) causing problems.
4. Modern CFOs are limited to analyzing financial ratios without much improvement in their methods.
5. I argue that ICGI (The Institute of Corporate Governance of India) needs to be established to address these issues in accounting and financial management.

## 7.00 Why do we need ICGI?



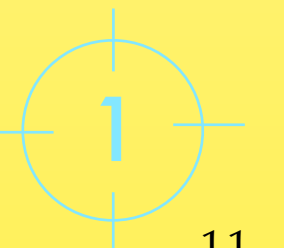
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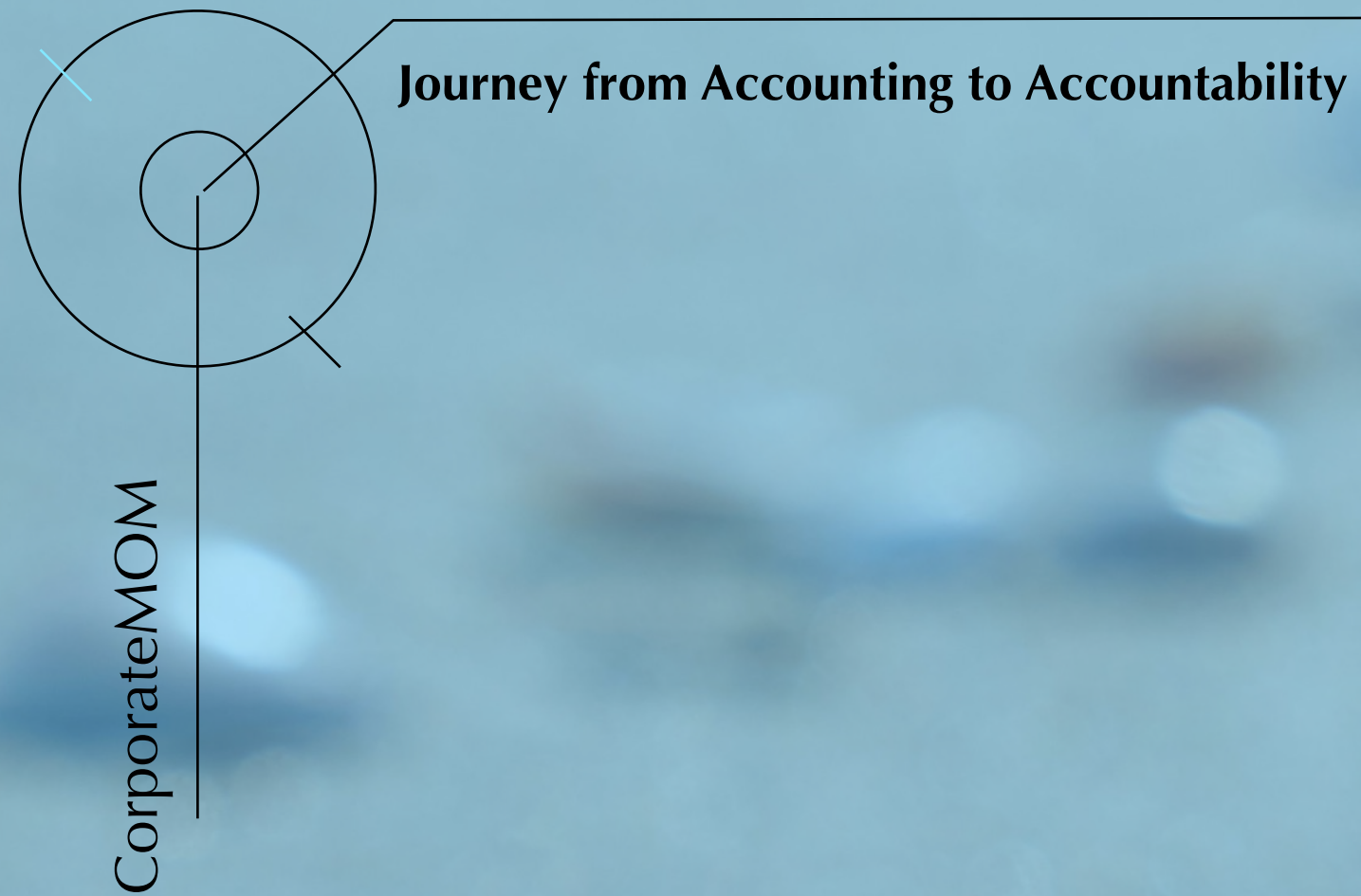
With this 7-07 let me conclude Accounting aspects of our journey toward Accountability. I elaborated how accounting has not kept pace with advancements in other industries, particularly in handling non-transactional items. IAS 38 Intangible Assets no doubt is the most damning non-transactional item, a non-monetary asset without a physical substance but there are others too, such as insider trading. More than 296 such qualitative items exist in an organization that are non-transactional. By removing ICAI's version of Intangible Assets, Accounting shall deal with mainly on transactions. It shall fortify Accounting body without showing concession to any other body. Intangible Assets Standard be replaced with the earlier version of Capitalization of Research & Development costs. Accounting profession will be secured.

Non-transactional items are very many such as Code of Conduct, whistle blower policy, Women Empowerment etc. nearly 296 of them and we would keep counting more and more. Accounting Standards will not be able to handle them and hence an independent ICGI - The Institute of Corporate Governance of India by an Act of Parliament is very much warranted.

I shall continue giving you in a few YouTube shorts way, explaining the science based approach toward ICGI.



## 8.00 Way forward: IBCM



### IBCM - Inactivity Based Cost Management

**Construct Values and deconstruct the valueless.**

An Activity has a cost incidence whereas Inactivity has a cost consequence. Measure Cost Consequence, Now, Now, Now.

Inactivity Based Cost Management (IBCM) functions on the following five principles:

Principle #1: What gets measured, gets managed

Principle #2: Measure Qualitative Elements of Management

Principle #3: Corporate Atomic Structure

Principle #4: Return on THE Intangible

Principle #5: Emergent Property Phenomenon

## 8.01 Way forward: Franchisees

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YT shorts <3'

Here are 5 key points summarized from the transcript:

1. The contrasts of traditional accounting methods with the emergence of cryptocurrencies, highlighting the need for new governance systems.
2. They emphasize the importance of governance due diligence in all transactions and decision-making processes.
3. My IPR a concept called "SOS governance DD" (subject, object, self governance due diligence) is an important need for management operating systems.
4. The importance of metrics and benchmarks, describing metrics as "everlasting" (at least on Earth) and benchmarks as universal, are discussed.
5. I aim to establish a franchisee system in Mumbai to help MSMEs (Micro, Small and Medium Enterprises) with governance due diligence, while also expressing interest in assisting larger companies like Byju's.

We are moving away from mere accounting for transactions to assuming responsibility for non-transactions. Will involve all personnel within a company. Don't get any false notion that Governance is part of an internal audit system and they would all report to an Audit Committee. There will not be any Audit Committee under the scheme of things when we move forward nor there would be any Internal Auditors. Brace yourself to forget ex-post-facto but apply ex-ante. Governance is a Dynamic function, ask yourself what is the point in securing your stable after the horse has bolted - Saudi Wealth Fund and NFRA should learn what is Governance.

## 8-02 Change to Corporate Atomic Structure for Accountability

Journey from Accounting to Accountability

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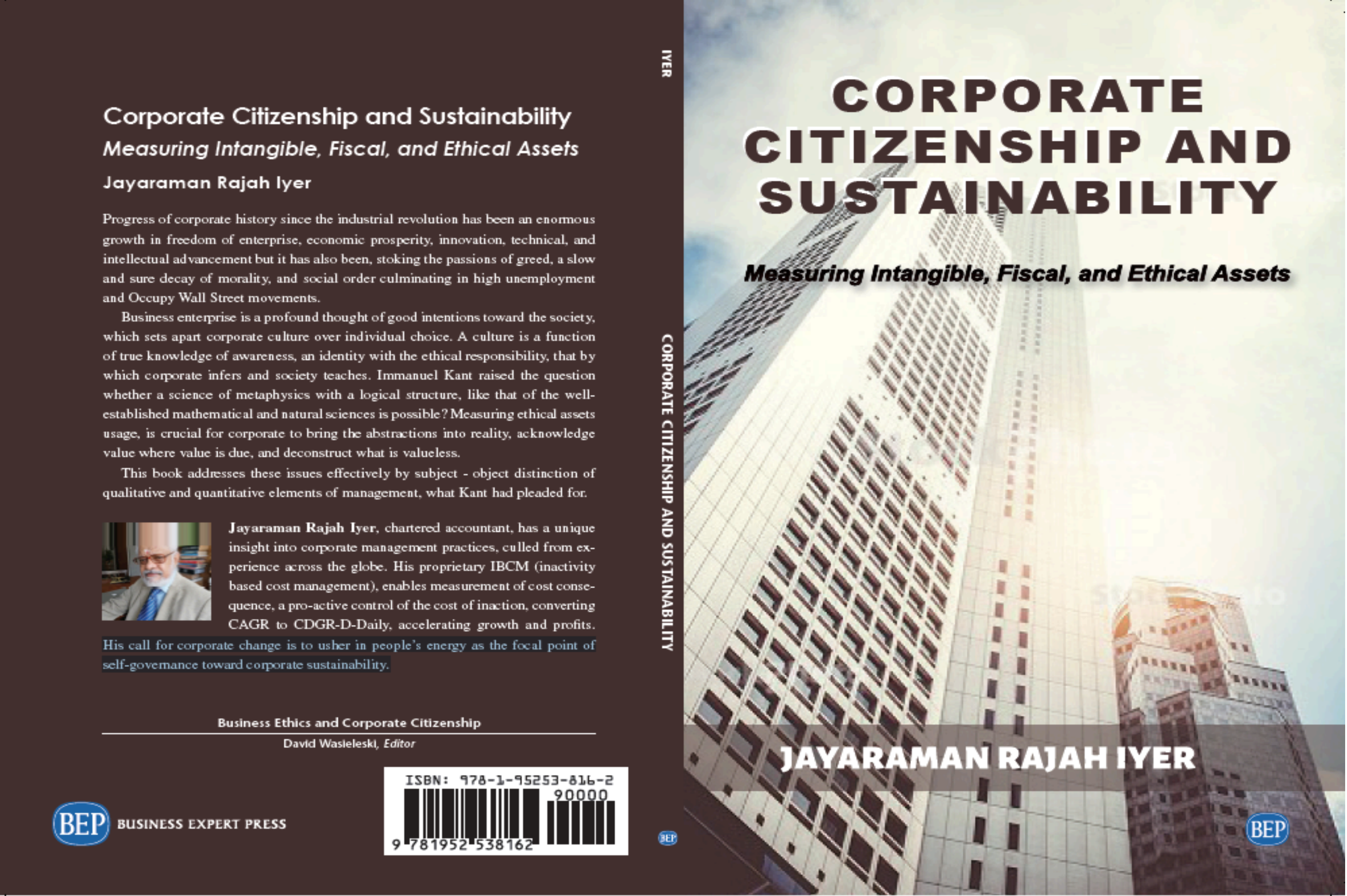
YT shorts <3'

### 8-02 Change to Corporate Atomic Structure for Accountability

Here are 5 key points summarizing the transcript:

1. I advocate for changing organizational structure from a two-dimensional to a three-dimensional model, inspired by Einstein's view of the universe.
2. I propose a "corporate atomic structure" analogous to the structure of an atom, with protons, neutrons, and electrons.
3. In this model, the board of directors is likened to protons, society to neutrons, and the workforce to electrons.
4. The board and society together form a strong "nucleus" around which the workforce (electrons) revolves.
5. This structure is meant to create alignment between the organization, its leadership, and society, while allowing for changes in management (like CEOs) without disrupting the core structure.

We got to change our organization structure. If you are going to run your organization only with a debit credit, we can never improve. There will be no growth at all. With the strong nucleus corporate stability is established. That shall be the priority #1.



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My Book: Corporate Citizenship and Sustainability, with the subtitle: Measuring Intangible, fiscal, and ethical assets: Business Expert Press Business Ethics and Corporate Citizenship Collection.  
<https://bit.ly/32nBVep> from Publishers



From Amazon: <https://www.amazon.in/Corporate-Citizenship-Sustainability-Measuring-Intangible/dp/1952538165>

# Establish - ICGI

## The Institute of Corporate Governance of India

### CorporateMOM

#### Sustainability of Corporate Stability

CorporateMOM is Corporate Management Orbiter Mission. Corporate is the central pillar of the global economy but collectively the current ecosystem has made it unstable. Make it stable. The mission is to make sure the Sustainability of Corporate Stability is ensured. That's the purpose. There's no different opinion among any as to stabilize the corporate management. The key word is sustainability, which is sustained corporate stability.

Two compelling reasons to note: 1. Break the current ecosystem, and 2. fuel the energy force for the SOS Plane to take off.

SOS Plane with the Corporate in one wing, society as the other, and government as the main body, is ready to take off, once the energy force that is SOS - Subject-Object-Self governance standards are complied with. Return on THE Intangible is the key to the sustainability of stability.

Jayaraman Rajah Iyer, Chartered Accountant, ICAI (1966), has a unique insight into corporate management practices, culled from experience across the globe.



Jayaraman Rajah Iyer

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#### Sustainability of Corporate Stability

Jayaraman Rajah Iyer



CorporateMOM - Sustainability of Corporate Stability is published. [Hard Bound, Paperback, eBook] PoS

Paperback

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Intangible Assets Chapter 3:

