



# **PRACTICING OPPORTUNITIES FOR CMAs & CHALLENGES**



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# INTRODUCTION

**Bangladesh economy is performing strongly in the recent years with :**

- ✓ **expected GDP growth of 7.05 percent ;**
- ✓ **industrial growth to 9.6 percent ;**
- ✓ **decline in inflation to 6.4 percent ;**
- ✓ **reduced lending & stable exchange rate;**
- ✓ **increase in foreign exchange reserve**



# INTRODUCTION ...

**Goldman Sachs research, termed ...  
Bangladesh as one of the next eleven (N11)  
countries with high economic potential**

**HSBC has forecast Bangladesh to witness  
strong economic growth up to 2030  
implying to attract more foreign direct  
investment.**

**All these growth trend indicate that the  
country's potential for accountancy and  
management consultancy would be  
immense.**



# PRACTICING OPPORTUNITIES

The practicing opportunities for CMAs in Bangladesh are:

## ***A. Statutory Audit & Compliance***

### **➤ Cost Audit of Prescribed Companies ;**

(88 Cos of Sugar, Fuel & Power, Jute, Textile, Pharma and Fertilizer, Sec 220 Co's Act)

### **➤ Cost Audit for Public Issue ;**

(BSEC (Public Issue) Rules, 2015, Section 3(f) dated 28th December, 2015)

### **➤ Maintenance of Cost Accounting Records;**

[Cost Audit (Report)Rules 1997 vide SRO No. 17-Law/2005 dated 17 January,2005 ]



# PRACTICING OPPORTUNITIES...

## ***B. Compliance Audit***

### **➤ Corporate Governance Compliance Audit**

(BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07-08- 2012)

## ***C. Consulting Opportunities***

### **➤ Transfer Pricing ;**

(As per section 107F of I.tax Ordinance, 1984)

### **➤ Appear as Authorized Representative**

(As per Section 174(2)(e) of the Income Tax Ordinance 1984 )

### **➤ Income Tax Practice**



# PRACTICING OPPORTUNITIES ...

## *C. Consulting Opportunities (contd..)*

### ➤ **ADR Facilitator ;**

According to rule 10(d) of the Income Tax Dispute Resolution (Procedure) Rules 2012 [SRO No. 68-Ain/Aykar/2011, dated 05.03.2012],

### ➤ **Licensed VAT Adviser ;**

As per provision of rule 4(1)(c) of the VAT Adviser (License) Rules 1998 [SRO No. 117-Ain/98/178-Musak, dated 11 June 1998],

### ➤ **Tribunal Member ;**



# PRACTICING OPPORTUNITIES ...

## *Other Practicing areas:*

- **Inventory Audit ;**
- **Internal Audit;**
- **Management/Performance Audit ;**
- **Business process re-engineering & SOP development;**
- **Project feasibility study and value chain analysis;**
- **Annual business plan development;**



## **PRACTICING OPPORTUNITIES ...**

- **Performance monitoring and evaluation;**
- **HR recruitment and training;**
- **Supply chain optimization and management study;**
- **Productivity improvement;**
- **Market survey and research;**
- **Socio economic survey;**
- **Corporate registration functions**  
(with RJSC, BOI, CCIE & others);



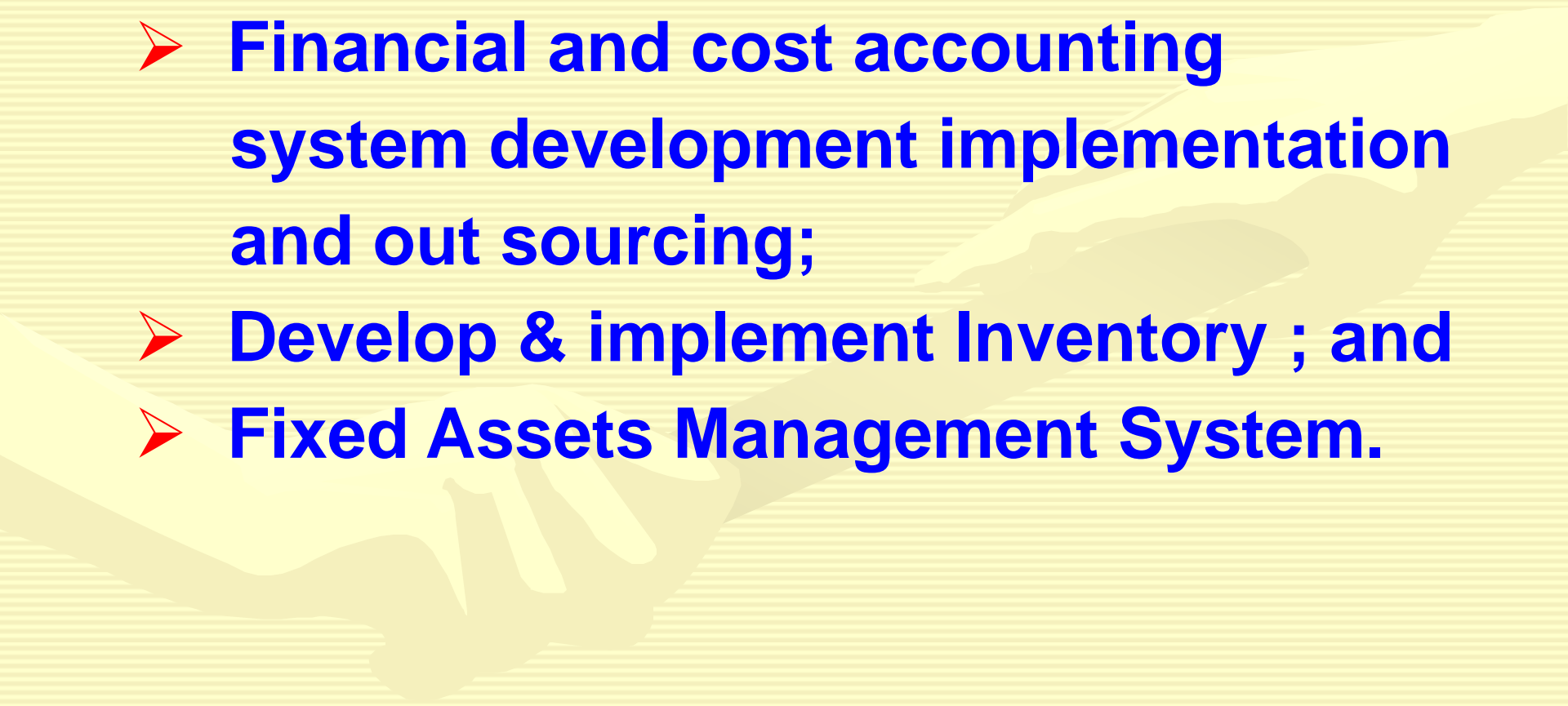


## **PRACTICING OPPORTUNITIES ...**

- ✓ **Business process translation for ERP development;**
  - ✓ **IT infrastructure and ERP development and implementation;**
  - ✓ **Environmental compliance and Management ;**
  - ✓ **Corporate valuation services;**
  - ✓ **Total Quality Management, Lean Management and KPI Analysis;**
- 



## **PRACTICING OPPORTUNITIES ...**

- **Monitoring & Evaluation of System and Project;**
  - **Financial and cost accounting system development implementation and out sourcing;**
  - **Develop & implement Inventory ; and**
  - **Fixed Assets Management System.**
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# CHALLENGES

- a. There is lack of awareness about the benefits of Cost Audit among the administrative ministries and policy regulators.**
- b. Lack of awareness about the uses of record rules is also affecting its use by the prescribed companies.**



## **CHALLENGES...**

- c. Some of the cost accounting record rules have become outdated in view of changes in technology, business process and other external factors.**
- d. To ensure standard application of cost accounting system and quality audit there is strong need for developing/ adopting Cost Accounting Standards.**



## **CHALLENGES...**

- e.** The Institute has so far issued ten standards (BCAs) and few more are in the pipeline.
- f.** Along with issuance of BCAs, there is strong need for their uses by the practicing cost accountants, regulators and academicians.
- g.** Capacity building is one of the prime concerns for the profession. Due to limited practicing experience the CMAs' technical capability has not developed much.



# CHALLENGES...

- h.** As per section 22(1) of the recently enacted Financial Reporting Act, 2015 the Financial Reporting Council's functions would mostly be through the following four divisions:
- i.** Standards Setting Division ;
  - ii.** Financial Reporting Monitoring Division;
  - iii.** Audit Practice Review Division; and
  - iv.** Enforcement Division.



## **CHALLENGES...**

**These Divisions, among others, would oversee the quality of statutory and compliance audit, reporting and other enforcement activities.**

**Practicing CMAs would therefore be under strict scanner of the FRC.**

**This calls for immediate measure in these areas by the Institute.**



## **WAY FORWARD**

- a. There is no alternative to persuasive presentation with bodies concerned regarding the benefits of cost audit.**
- b. ICMAB is required to take up some pilot projects for developing cost accounting & auditing models for selected sectors like: textile, fertilizer, jute, pharmaceuticals, fuel & power, edible & vegetable oil, cement, power generation, banking, NBFIs, etc.**





## WAY FORWARD...

- c. Demonstrating and implementing these projects can help convince the target customers about the benefits on the one hand and develop the practitioners' technical capability on the other.
- d. It should be *bottom up* approach rather than *top down*.



## **WAY FORWARD...**

- e. Voluntary efforts are required to implement the record rules in the organizations where cost audit has been made mandatory.**
- f. ICMAB may also propose for the services to the organizations concerned. This can also help solicit consultancy job for the members, as they get exposed to the organizations.**



## **WAY FORWARD...**

- g. Adopting standard reporting format and maintaining audit quality are the prerequisites for effective implementation of Cost Audit.**
- h. Training programs on cost audit, corporate governance audit, transfer pricing, tax practice and a host of other related areas can help build capacity of the CMAs.**



## WAY FORWARD...

- i. There is also need for creation of *Audit Implementation Cell* to monitor implementation of Cost Audit, Cost Accounting practice and Cost Audit Quality Assurance.
- j. There is need for preparing *Cost Accounting* and *Cost Audit Manual* for the sectors where Cost Audit has been made mandatory.



## WAY FORWARD...

- k. The institute has recently setup a *Centre for Cost Audit and Management Consultancy*.
- l. The main objective of the venture is to provide institutional support to the members to get involved in cost audit and provide consultancy services to the corporations, Government bodies, local and multinational private sector business organizations and individuals.



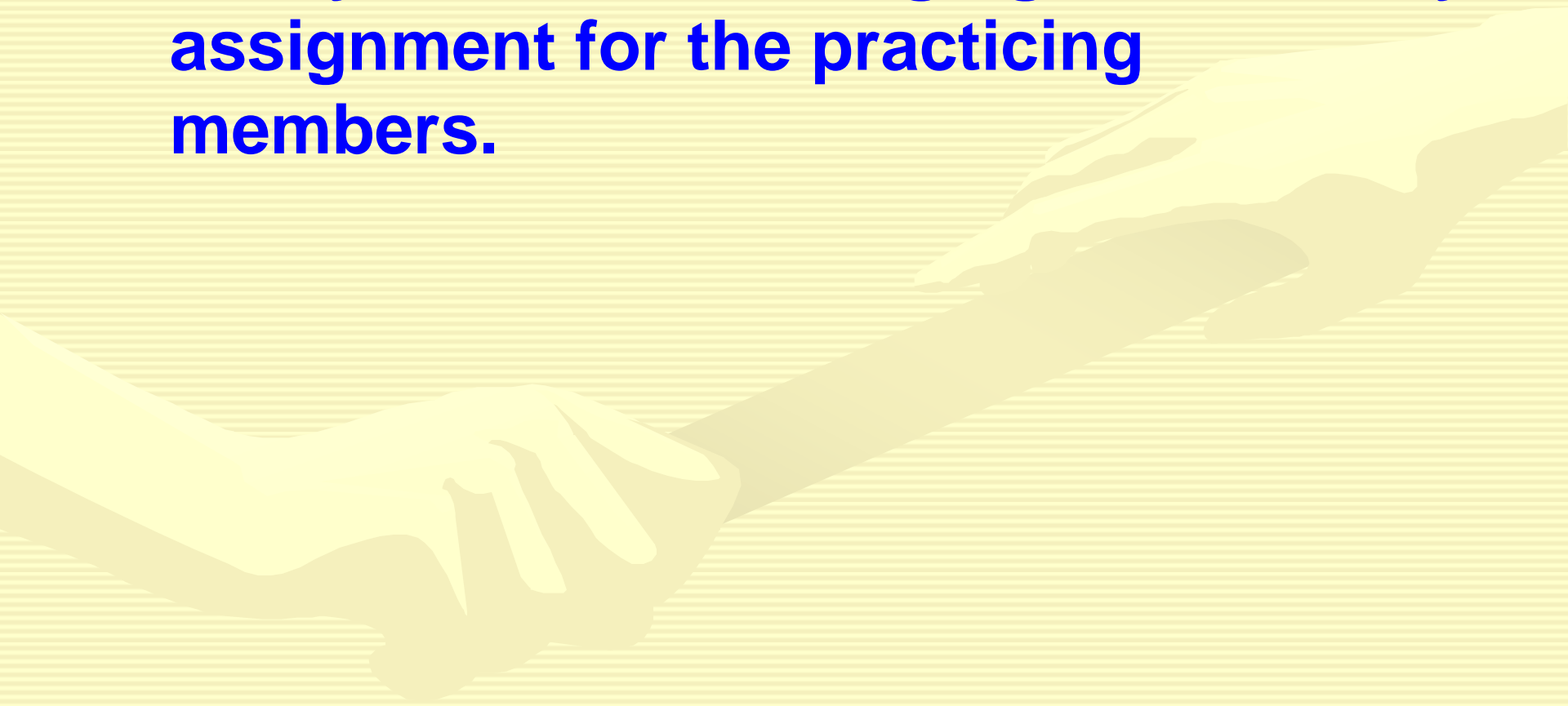
## **WAY FORWARD...**

- m. The Centre is working to solicit consultancy jobs for the members.**
- n. The CMAs willing to get involved in practice can get the support of the center.**
- o. This would also help provide the members a platform to grow their professional competence and market exposure for practicing in the designated field.**
- p. Above all, this can create a brand image of the Institute in the corporate arena.**



## WAY FORWARD...

**q. The CMAs in job or practice can play a catalytic role for arranging consultancy assignment for the practicing members.**





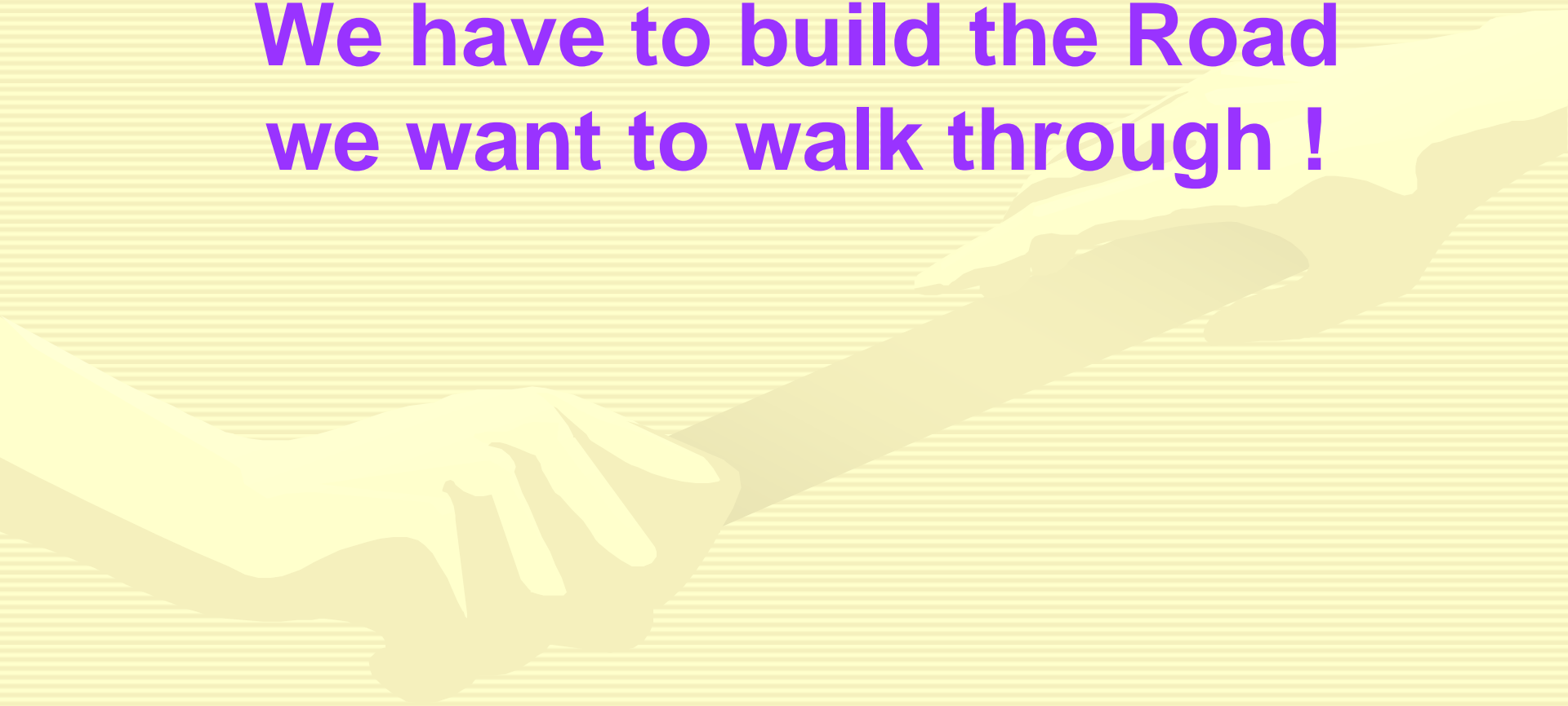
# Secrets of success:

- **Networking or building contacts**
- **Quality is the key – no sacrifice on quality**
- **Wide area coverage – market study, financial management, corporate secretarial practice, tax practice, HR**
- **Team building – teaming with diversified domain knowledge**
- **Good presentation skill**





**We have to build the Road  
we want to walk through !**





Thank You

Thank You

Thank You

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