Chapter-7

Independent practice by a Cost Accountant

As mentioned in the previous chapter that there is vast scope for practice by a Cost Accountant for which he has to obtain Practice Certificate from the Institute as per the Rules and Regulations indicated in the previous chapter. A Cost Accountant may set up the practice at his own as Proprietor or set up a new partnership firm with like-minded Cost Accountants in practice or may be admitted as new partner in the existing firm of Cost Accountants in practice. His clientele include private and public companies, large, medium and small scale undertakings, partnership and proprietary concerns, industrial, commercial and service undertakings etc. There are several areas of practice available for Cost Accountants, a list of which is given hereinafter.

Before a list of fields for practice is given, it is pertinent for a cost accountant to know the guidelines for charging professional fee. However, it may be noted that these are suggested guidelines for minimum fee for each of the indicative activities:

7.1 Guidelines for Charging Professional Fee-Suggested Minimum Fee

1. Costing Assignments:	
1.1 Monthly Retainership	Rs. 3000-6000 for the first visit and Rs. 2000-4000 for each subsequent visit of around two hours during the month.
1.2 Casual Visits	Rs. 3000-6000 per day
1.3 Chamber Consultation	Rs. 1000-6000 per hour
1.4 Certificate Work	a) Minimum Rs. 1500 per certificate- for Small Scale Units. b) Minimum Rs. 2500 for others. For certification involving in-depth scrutiny and study Rs. 1000 per hour of work involved.
2. Cost Audit:	
Turnover in Rs. In Crores	**Fees in Rs.**
Below 5	20,000
5-10	25,000
10-20	35,000
25-50	55,000
50-75	80,000
75-100	1,25,000
Above 100	Negotiable
3. Designing Systems of Cost and Management Accounting:	

a) Upto Rs. 200 lakhs turnover b) Rs. 200 lakhs turnover to Rs. 1000 lakhs c) Above 1000 lakhs turnover	Rs. 25,000 Rs. 50,000 Negotiable
4. Finance Application and Feasibility Reports: Scrutiny of technical and market feasibility reports, preparing financial feasibility reports and drawing projection of profitability. Financial position, capital plan and cash flow.	
Cost of the Project Upto Rs. 100 Lakhs Rs. 100 Lakhs and above	**Fees to be charged around** Rs. 15,000 Rs. 15,000+0.1% of the project cost above Rs. 100 lakhs
5. Charges for providing Services of Juniors to Clients Cost Accountant Cost Audit	**Per Hour Rate** Rs. 500 Rs. 150
Travelling and out-of-pocket expenses will be charged extra. Note: The above guidelines for charging the professional fees has been approved by the central council of ICWA of India.	

7.2Fields For Practice

The **Fields for Practising Cost Accountants** are divided into two parts:

a) Audit areas and
b) Certification and Consultancy areas. These areas are further bifurcated under Central and State Governments.

Summarized position in respect of **Fields for Practising Cost Accountants** is as follows:

a) Audit areas:

- Cost Audit – Company
- Cost Audit – Co-operative sector
- Internal Audit including SEBI and NSDL
- Stock Audit for Banks
- Central Excise Audit
- Concurrent Audit

b) Taxation

- Income Tax
- Wealth Tax
- Estate Duty
- Excise

- Customs
- VAT

c) Corporate Law

- Company Law
- M R T P
- B I F R

Certification and Consultancy areas:

(i) Central Government:

(a) Ministry of Finance

Central Excise, Customs, Income Tax and Service Tax, Certified Facilitation Centres under CBEC.

Ministry of Commerce

SEZ, WTO-Anti dumping, Foreign Trade Agreements, Government Procurement, Subsidies, etc),

(b) Ministry of Corporate Affairs

Certified Filing Centres under MCA 21 Scheme, ROC related matters including certification of e-Forms

(ii) Regulatory: RBI, SEBI, TRAI, CERC, IRDA, CCI, NPPA, FICC, EXIM, BIFR etc.

(iii) Non Statutory Fields and General Fields

1. Empanelment by companies in Central & State Governments and their various Departments, Public, Private, Public Sector Banks
2. Other work relating to following:

(i) Cost Management
(ii) Techno-economic Study
(iii) Systems
(iv) Computerization
(v) ERP
(vi) Services to Bank, Insurance companies and
(vii) other Financial Institutions
(viii) Financial Management
(ix) Project Consultancy
(x) Materials Management
(xi) Management Accountancy
(xii) Organization and Methods
(xiii) Tax Planning
(xiv) Diagnostic Accounting & Revival of Sick Units
(xv) Merchant Banking
(xvi) Investment Counseling & Portfolio Management
(xvii) Internal Management and Operational Audits
(xviii) Organization Structure Review

(xix) Training
(xx) Executive Selection
(xxi) Incentive Plans
(xxii) Productivity
(xxiii) Conservation of Energy and Energy Audit.
(xxiv) Environmental Audit
(xxv) Business Plans
(xxvi) Merger and Acquisition (M & A)
(xxvii) Insolvency
(xxviii) Business Valuation
(xxix) Risk Management
(xxx) International Financial Reporting Standards (IFRS)