

K G SOMANI & Co LLP

Formerly K G somani & co



CHALLENGES

&

Opportunities



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KG Somani & Co**

Mrs. Rocket Singh



I AM TRIPTI

**Chartered Accountant &
Master of Business Law - 17
years of experience
Social entrepreneur at heart
Policy changemaker
Proud Mother**

What makes me happy?

**"YOU GAVE WINGS TO THOSE WHO
WERE MEANT TO CRAWL." SAID PRIYA
SALBE , WHEN PRESENTED WITH THE
WOMENNOVATOR AWARD & 1 LAC
GRANT BY NSIC . THIS BROUGHT TEARS
TO MY EYES.**

Challenges

1 Economic Challenges

- ü Rapidly increasing office costs
- ü Growing competition
- ü Audit Fee charged by Audit Firms is very low and much below the benchmark set by ICAI

High Staff Turnover:

- ## 2
- This has huge impact on the CA Firms with costs attached to it

3

Data Security challenges:

Data security of client data is a big challenge, and it has costs attached to it.

Data theft can lead to loss of reputation, trust and even loss of clientele

Statutory requirements

Peer Review

4

Rules & Regulations of Quality Review Board and NATIONAL FINANCIAL REPORTING AUTHORITY (NFRA)

Annual Transparency Reporting & AQMM

5

A continuously updated top-notch knowledge base: CA as an Auditor has to keep upto date on all changes and revisions in Laws, Rules, Regulations, Standards

Obtain reasonable assurance Vs Government and Regulators expect an absolute assurance.

Always soft targets of SEBI, MCA, SFIO, CBI and ED.

Anything goes wrong with Business Entity

ICAI must represent to Government to provide safeguards for the Auditors at par with the protection available to Insolvency Professionals under Section 233 of IBC 2016

The biggest challenge is to improve the perception/ image of chartered accountant in the market.

Quality Maturity Model (AQMM)



Launched on 1 July 2021 | Self-evaluation recommendatory model for evaluating the current level of Audit Maturity of the firms

The Audit Quality Maturity Model – (AQMM) is a capacity-building measure initiated by ICAI.

Well- researched set of Audit Quality Indicators (AQIs)| guide to improvise their audit quality

from 1st April 2023:

- (a) A listed entity; or
- (b) Banks other than co-operative banks (except multi-state co-operative banks); or
- (c) Insurance Companies

However, firms doing only branch audits are not covered.

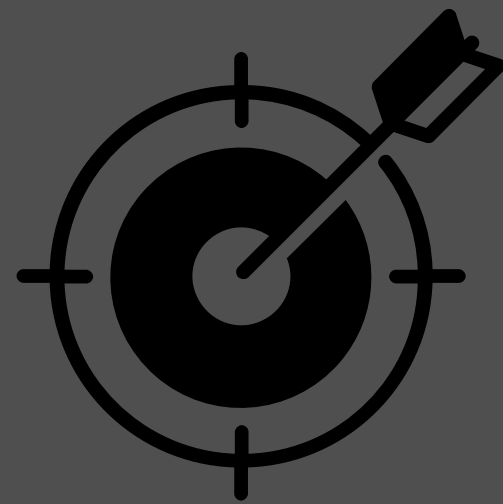
MANDATORY



FIRM MATURITY RATING

Cross-functional evaluation model

Covering key areas of not only audit engagements but also audit practice



Possible Points



280

Operations

Revenue budgeting and pricing,
Audit practice manual,
Budgeting of engagements,
Time sheet,
Use of technology adoption,
quality control for engagements



240

**Human Resource
Management**

Resources Turnover &
Compensation Management,
Resource planning and monitoring,
performance evaluation and
compensation , Employee Training
& Development, Qualification Skill
Set of employees and use of expert



80

**Practice Management -
Strategic / Functional**

Physical and IT infrastructure, Practice
Management and credentials.

Up to 25% in each section	Level 1 Firm	Indicates that the firm is very nascent -will have to take immediate steps to upgrade its competency or will be left lagging behind
Above 25% to 50% in each section	Level 2 Firm	Indicates firm has made some progress will have to fine-tune further to reach the next level of competency
Above 50% to 75% in each section	Level 3 Firm	Indicates firm has made substantial progress - will have to fine-tune further to reach the highest level of competency
Above 75% in each section	Level 4 firm	Indicates firms that have made significant adoption of standards and procedures - Should focus on optimizing further

Opportunities for CA Firms

How it's impacting
commerce in a big
way.

Social Audit

Social Audit Exam which is being conducted by National Institute of Securities Markets. ICAI has established the Institute of Social Auditors as prescribed by SEBI. ICAI has already notified 16 Standards on Social Audit.

Custom Broker

To act as an agent on behalf of the importer or an exporter for purposes of the transaction of any business to the entry or departure of conveyances or the import or export of goods at any Customs Station including audit. CAs are eligible to appear in the Customs Broker Exam, which is conducted annually by the Ministry of Finance (CBIC). After passing the Exam, CAs can obtain a license for a Customs Broker and operate through its offices at Airports & Sea Ports

Others

Audit and Certification under RERA, Insolvency Professionals and also as Registered Valuers , Forensic Audit, Loan Syndication, Subsidy facilitation, Payroll accounting & Related compliances, Business Set up Consultants, Virtual CFO (Retainership Services): etc

Oppurtunities

Endless

- Make in India
- Not just make in India, a lot of Indian companies are expanding overseas from Dubai to Singapore. It's time to pick up your country and make it your expertise and be open to sharing work of other space with other accounting firms. If banks and corporates can do it then why not accounting firms?
- With Indian growing as a consumer market along with growth in exports, we need to focus on having **FEW but GOOD** clients and the strong mindset to do away with other clients. this is what steve jobs did when he came back to Apple in 2000. Apple had over 50 products and he filtered to only 2/3.
- Being collaborative is the way forward. From tech platforms to Banks/ Mutual Funds, we see collaborations. Gone are the days of working and growing in **ISOLATION**.



ELEMENTS OF SUCCESS

- Integration
 - Collaboration
 - Integrity
 - Specializations
- Specializations- Master not jack. (most successful startups come up with an idea and during the course fine tune and at times come up with a pivot. It's high time we accounting firms look for our specialization, take the pivot and create a niche instead of running towards anything and everything.)
- Control over quality
 - Do away with insecurity





"The advance of technology is based on making it fit in so that you don't really even notice it, so it's part of everyday life."

Bill Gates



No Economic Boundaries | FinTech & tools

Technology is changing the world |

Artificial Intelligence | WEB 3 | AR & VR

Chat GPT | Have you used ?

With Tech

- Real-Time Reporting And Auditing| Access real time figures, policies and judgement call , financial information delivered fast
 - Driving Insights And Value| Central place in Boardroom & Right hand of CEO
 - Cloud Storage

Do you have any questions?

Send it to us! We hope you
learned something new.

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