

## THE ROLE, POSITION AND CERTIFICATION OF MANAGEMENT ACCOUNTANTS

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**Abstract:** *There are many questions about the role of accountants in the age of globalization, the greatest achievement and growing international mobility of capital, commodities, ideas and people. The role of a management accountant has become significant, not only at the corporate level but also nationally and internationally. His position has primarily undergone metamorphosis from a numerical reporter to a senior information decision support specialist, business management partner, internal consultant, organizational educator, etc. The certification of management accountants stems from the understanding and the need for this responsible profession to be of a licensed nature associated with very high educational and professional requirements in countries with advanced accounting. The certification of accountants and auditors is envisaged in Bosnia and Herzegovina, while there is currently no specific certification for a certified management accountant. The accounting profession has developed its ethical standards, which have been adopted in Bosnia and Herzegovina, and also apply to management accountants. However, the specific role of management accounting has led to the codification of the Standards of Ethical Conduct for Management Accountants by professional organizations. The aim of the paper was to investigate the role and place of management accountants, their challenges and public perceptions, as well as the certification and ethical standards for management accountants in countries with advanced accounting and in Bosnia and Herzegovina. The results showed that the*

*situation in countries with advanced accounting and in Bosnia and Herzegovina is significantly different, and Bosnia and Herzegovina must improve the guidelines it relies on, take on the practices of others who have made significant progress in this area, and to set goals to pursue.*

**Key words:** *management accountant, certification, ethical standards*

### INTRODUCTION

Market and competition globalization have put managers under great pressure to create value for owners and their reliance on management accounting is inevitable. Management accountants' position is not easy, they have to react quickly, obtain information, apply new management techniques, respect efficiency and effectiveness. Creating value for customers, as a priority for creating value for owners, complicates the management process and creates new challenges for management accountants who need to apply techniques for managing customer profitability. Information technology affects management accounting, shortens the time for gathering information, analysis, and preparation of standardized reports, and enables management accountants to devote themselves to the tasks of internal consultant, the creator of information support, and to the interpretation of reports and various types of economic analysis, which implies their technical competence.

Changes in the structure of the economy, the emergence of new industries (biotechnology,

digital telecommunications) and the change of significance of certain branches in the economic structure (service sector) is a new challenge for management accountants due to the neglect of management accounting in these entities. Therefore, it is necessary to adapt the already developed management accounting techniques. Changes in the internal environment of the company, such as target cost calculation, "lean" production concept and "lean" production philosophy and „just in time“ supply, kaizen calculation, quality cost calculation, product life cycle cost calculation, etc., create a new environment and new management accounting challenges for management accountants.

Structuring a company from the perspective of management accounting is significant as it determines the organizational environment of a management accountant and its positioning depends on many factors: the size and complexity of the company, organizational form (functional, divisional, hybrid, matrix), and management philosophy. At the beginning of his career, a management accountant is usually in the accounting department and reports to the controller responsible for financial, management accounting and tax reporting. In the present circumstances, the management accountant oversees the entire company, is a member of multifunctional teams for research and development, product design, production, marketing, distribution, customer service, and reports to Vice Presidents of various business functions.

The management accountants' operations are not influenced by legal norms and accounting standards, as is the case in financial accounting, but they are expected to comply with ethical standards in the management process. Ethics builds on the law, standards, and other specified internal rules and should help when the rules are unclear and there is a considerable space for interpretation. Professional organizations, which recognized possible problems and potential dangers of unethical behavior, prescribed codes of ethical conduct for management accountants. The respect of ethical standards is important for the development, recognition, and enhancement of the management accountants' credibility and the management and accounting practices in Bosnia and Herzegovina (BiH) should be developed in this direction.

The aim of this paper is to show the role, responsibility, place, certification, and ethical standards for management accountants in developed market economies and within advanced management accounting, to present the emergence and current position of accountants in Bosnia and Herzegovina and to indicate the development

directions of this still underdeveloped (other) branch of accounting and management accountants. To achieve this, the paper was divided into four parts. The first part describes the role and responsibilities of management accountants and their personalities, the second part discusses the place of management accountants in an organization, the third part describes the certification process for management accountants, and the fourth part presents a shorter version of the ethical standards for management accountants worldwide and in BiH.

### **1. The role and responsibility of a management accountant**

The role of a management accountant in a company stems from the role of management accounting, as the process of identification, accumulation, measurement, systemization, submission, and interpretation of valuable and non-financial data, that is information, by activities, processes, organizational parts, products and services, markets, customers for management purposes. (Atkinson, Banker, Kaplan & Young, 1997: 3-5). Decisions which initiate, increase or lose the resources of a company are not in the jurisdiction of a managerial accountant, this is the responsibility of the managers of procurement, marketing, production, profit, and investment centers.

The management accountant provides information support to the company management in all management activities. His role is in logistics but not executive. He is not "at the service" of management, but is a part of the company's top management.

Many definitions used in relation to the role of a management accountant do not reflect his real current position, the transition into the status of a leader and strategic business partner. Traditional definitions define the role of the management accountant as an information provider who collects, summarizes, analyzes, and reports to decision-makers. It is a role that is largely usurped by technology and highly integrated Enterprise Resource Planning (ERP) systems.

Some of the existing definitions for the role of a management accountant represent an "identity crisis" because they are inconsistent with his current professional status. This was one of the reasons why the American Institute of Management Accountants (IMA) developed a definition in 2008 to introduce and better describe the role of management accountants in today's environment: "Management accounting is a profession that involves partnering in management decision making, devising planning and

performance management systems, and providing expertise in financial reporting and control to assist management in the formulation and implementation of an organization's strategy" (IMA, 2008: 1).

IMA focused on three components in developing the definition of management accounting (IMA, 2008: 4): 1) the core component of management accounting is the formulation and implementation of a strategy that helps an organization succeed, and in a broad sense it defines the role of a management accountant who can contribute to the success of an organization through strategy implementation at any point in the information value chain; 2) to achieve this, management accountants are part of management teams, and this component reflects research and practice which indicates that management accountants work within management teams at all levels of the value chain information, including when making strategic management decisions; and 3) the role of management accountants in a management team can be described by a short list of global, inclusive competencies, and this component is necessary to clarify that the management accountant can be distinguished from other professionals in the organization, since the implementation of the strategy by management teams can be linked to any management professional in the organization, while the choice of competencies to be included in the definition in order to distinguish management accountants is guided by the criteria that the definition should be concise, global, timeless, inclusive, and promising.

The role of management accounting emerged before the 1900s, at the time of industry and market development. Management accounting has played a role in providing information about the internal processes of the company, e.g. earnings and materials to be used in production. Fleischman and Parker (1997: 1760-1850) consider management accountants to be providers of numerical information, trainees of financial information of little importance for managerial decisions.

However, this perception fades due to the significant expansion of financial management (general/strategic) and consulting services. In these changes, Burns, Ezzamel and Scapens (1999: 28-30) find that the accounting profession is repositioned in an intense atmosphere of global and technological competition, which is partly the reason for the changed role of management accountants. Historically, the position of a management accountant was separated from the core activities of the company, with little personal interaction with information users. They were

separated by physical barriers within the organization, and at the initial stage of their profession they were not even involved in the decision-making process. Their essential role was to provide managers with information for making business decisions and all they did then was prepare a budget, check the statement on incurred expenses, prepare a statement of valuation of inventories, and produce various standardized financial statements. In summary, "they were record keepers, information providers, corporate police officers, financial records keepers, historians of the organization, fulfilling the traditional role of accounting" (Siegel & Sorensen, 1999: 4).

The role of management accountants varies from one organization to another depending on the size of the organization, the type of organization, culture, industry, and other factors that change over time, and their role in the past is not the same as today's due to different circumstances. Nevertheless, these differences do not change the fundamental role of management accountants, but the size of organizations and other factors significantly influence the complexity of their role.

Their changing role can be viewed in parallel with market circumstances, from providing information for internal business activities to creating value for customers and other stakeholders, and today they have more responsibilities due to company decentralization and delegation.

The era of globalization has transformed the position of a management accountant and the metamorphosis continues. From the back office „provider of numerical information“, the management accountant is now in the first office as a business partner with a new role and new challenges. Successful business partnerships demand that they constantly improve their knowledge in various fields and improve their communication skills for effective communication with internal and external stakeholders at all levels of the company.

Globalization influences management accounting concepts and techniques and it increases competition, the advancement of information and communication technologies requires fast and relevant information and management accounting now plays a much more significant role in the company. As a strategist, a management accountant is involved in making appropriate strategic moves, helps managers to select the most profitable customers, analyzes the financial consequences of replacing products in a product/service range, provides adequate cash information, etc.

The management accountant now invests his time in strategic management accounting, with the aim of expanding the scope of traditional management accounting. Chartered Institute of Management Accountants – CIMA describes the term strategic management accounting as "a form of management accounting where the emphasis is placed on information which relates to factors external to the entity, as well as non-financial information and internally generated information." (Ahid & Augustine, 2015: 50).

In performing these roles, a management accountant, in relation to other professionals, engages in all the business activities of the company and is practically the only person informed about all the company's businesses. This role can only be performed by a highly educated accounting-oriented economist who, in addition to general economic knowledge, is expected to have a high level of knowledge and skills in management (both general and specific), business organization, finance, financial accounting with auditing, cost accounting and effects, decision-making processes and cost-benefit analysis for these purposes, systems, methods and techniques for planning and controlling achievement, information systems, learning about human behavior, motivational systems acquired at the university and later during professional education and practice (Stevanović & Petrović, 2016: 29). In our country, the process of managed accountant affirmation can progress rapidly by acquiring the model of a market economy, given that we have prepared solutions and experience of the countries with advanced accounting.

## **2. The position of management accountant**

Analyzing the position of management accounting in the company's organizational structure, it can be said that the career of a management accountant is related to the tasks performed within the accounting function, encompassed by management accounting (Malinić, Milićević & Stevanović, 2013: 22).

In order to get a complete idea of the managerial accountant's jobs and activities, it should be noted that this function doesn't have to be performed by a new person, the chief is usually in charge of the company's accounting, financial accounting, and annual (financial) reports. But what he will be called is a separate matter, chief accountant, assistant financial director for accounting, director of accounting or chief controller. The chief accountant is also called the controller in the English-speaking countries because of his role in achieving a systematic management control of the

company's processes (Stevanović, 2000: 46). Accounting experts engaged in the coordination of cost and performance calculations, planning, control and realization analysis and project cost-benefit analysis, as parts of accounting, can also perform the role of management accountants (Stevanović & Petrović, 2016: 29). The positioning and competence of the finance and accounting manager and chief accountant (controller) in a functionally structured company can be represented by Scheme 1 (Stevanović & Petrović, 2010: 37).

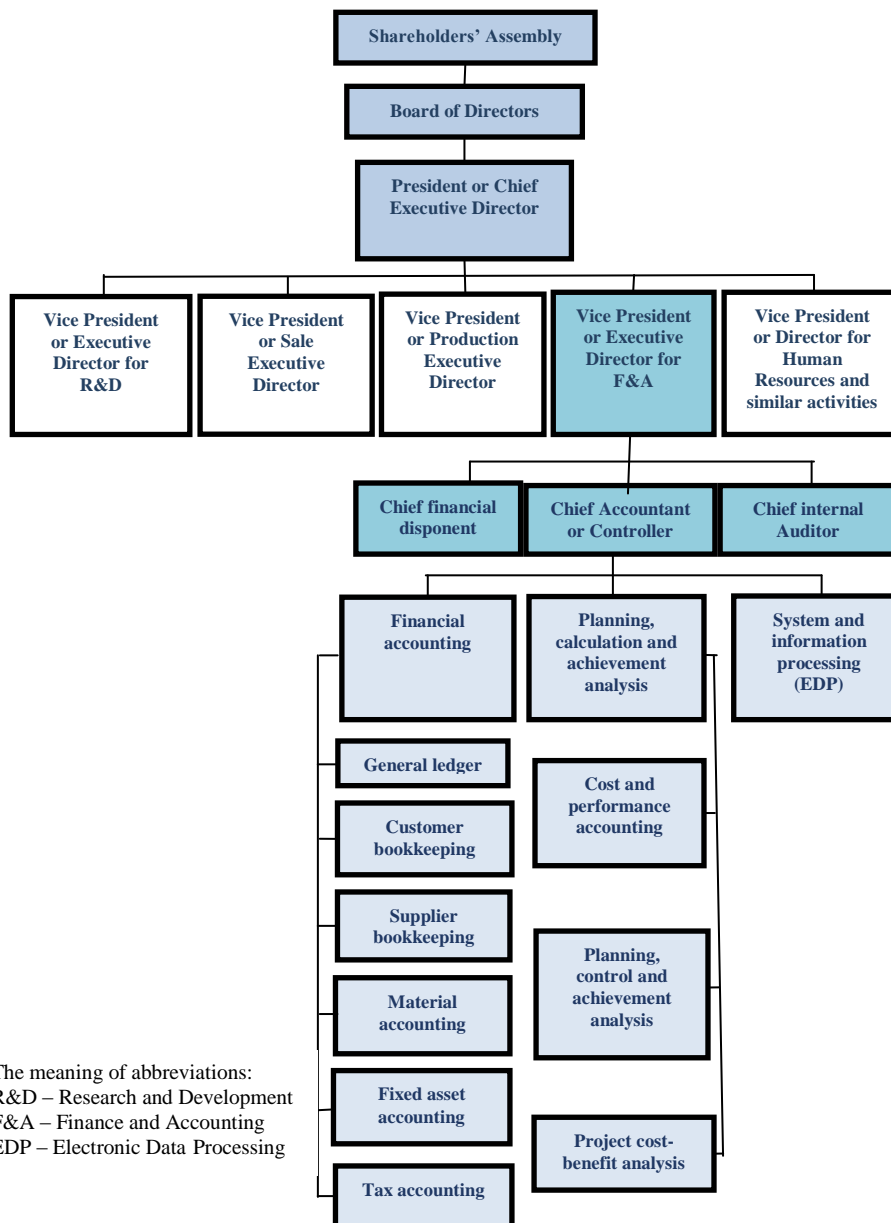
The career of a management accountant (Scheme 1) is related to the vertical line, and its basis is Cost and performance accounting, Planning, control, and achievement analysis (budget process control system) and the project cost-benefit analysis (special calculations and reports for management for individual decision-making), than the Chief Accountant (Controller), in the middle, and the Vice President or Director for finance and accounting at the top, as one of the key associates of the President or CEO of a company (Stevanović, 2000: 45).

More recently, due to the complexity and importance of the finance and accounting function, in the countries of market economies and advanced management and accounting, especially in the United States, some companies have implemented organizational solutions which place the Chief Accountant in the position of Vice President or Director of Accounting, alongside Vice President or Director of Finance, who can now hold the title of Chief Financial Officer.

These tendencies of positioning the Chief management accountant, embodied in the Chief Accountant, regardless of his official title in the company, are in accordance with the size and significance of his role in the company (Stevanović & Petrović, 2016: 31).

According to an empirical study on the position and role of management accountants in US business companies, it was pointed out that a management accountant experienced a metamorphosis from a provider of numerical information to a senior decision support specialist, that he became a business management partner, an internal consultant and an organizational educator, and his role will grow in the coming period, which poses additional educational challenges for both academic institutions and professional associations (Siegel, 1996: 17-18).

**Scheme 1.** Positioning and competence of Financial and accounting manager and Chief accountants (Controller) in a functionally structured company



Source: Stevanović, N., Petrović, T. M. (2016). *Upravljačko računovodstvo. Brčko: Ekonomski fakultet Brčko, 30.*

### 3. Management accounting certification

Management accounting certification arose from the understanding that this responsible profession should be licensed, which is related to higher educational and professional requirements (Stevanović, 2000: 47). Due to the increase in number and complexity of challenges of company management and management accounting, many companies in advanced market economies emphasize the need for accountants who are more committed to management information requirements and in response to these needs, in England, USA, Canada, etc., the title of Certified

Management Accountant has emerged. It is acquired through university education, practice, and passing the relevant professional examination organized by certified professional associations of management accountants. The largest and most influential among them in England is the Chartered Institute of Management Accountants (CIMA) and in the USA the Institute of Management Accountants (IMA). Focusing on the model of market economy in BiH and economic-systemic, enterprising, management, educational, accounting comparability with the countries of developed market economies, there are visible needs for highly educated and trained accountants not only

in audit firms but also in companies, banks, insurance companies, etc. In BiH, the certification of accountants (Certified Accounting Technician - CAT and Certified Accountant - CA) and auditors (Certified Auditor - CA) of the financial statements of these organizations is mandatory. In order to obtain certification for all vocational levels in the accounting profession, the Accounting and Auditing Commission of Bosnia and

Herzegovina organizes exams twice a year, in May and November, and the Professional Associations at the entity level organize exams in a total of 14 subjects, for all three levels of knowledge (see more in: KRRBiH, 2019). The following overview summarizes the number of exams completed for all three levels of certification in the accounting profession in BiH for the last two exam periods (Table 1).

**Table 1.** The report on examination in the accounting profession in BiH

Entity alliances	Exam period May 2019				Exam period November 2018			
	Number of exam applications	Number of exams taken	Number of exams passed	Average % pass rate	Number of exam applications	Number of exams taken	Number of exams passed	Average % pass rate
UAAFVFBH	811	766	382	49.87	897	863	338	39.17
AAARS	468	424	251	59.20	547	485	261	53.81
Total:	1,279	1,190	633	53.19	1,444	1,348	599	44.43

*Source: Komisije za računovodstvo i reviziju Bosne i Hercegovine - KRRBiH (2019). Interni izvještaj o provedenim ispitima za sva tri nivoa sertifikovanja u računovodstvenoj profesiji u BiH. Retrived Aug 11, 2019, from <https://www.komisija-rrbih.org>*

The total number of exams taken by candidates and which were organized by the The Union of Accountants, Auditors, and Financial Workers of Federation of Bosnia and Herzegovina was 766 (726 for individual exams and 40 for "complex" exams, while 45 candidates did not take the exams (5.55% of the total number of exam applications). The exam was taken by a total of 635 candidates in 766 subjects and for the title Certified Accountant 545 and Certified Auditor 90. *Association of Accountants and Auditors of Republic of Srpska organized an exam period in May 2019, which were taken by 311 candidates in 424 subjects and for the titles: CAT 22 candidates for 28 subjects, Certified Accountant 257 candidates for 350 subjects and Certified Auditor 32 candidates for 46 subjects. The interest of candidates for accounting*

professions in the Republic of Srpska, considering the number of candidates who applied for the exams, was 339 for 468 subjects, and the number of candidates who took the exams was 311 for 424 subjects. A total of 28 candidates did not take the exams in 44 subjects. The candidates who took and passed the exams, as well as the percentage of passed exams in management accounting, is slightly higher than in the Federation of BiH. Considering that subjects Cost Accounting and Introduction to Management Accounting, Application of Management Accounting and Advanced Management Accounting are compulsory, the following table provides information regarding candidates who took and passed these exams in May 2019 in the Federation of BiH (Table 2).

**Table 2.** The results of exams in May 2019, Federation of BiH

No.	Exam	Title	Taken	Passed	% pass rate
1.	Cost Accounting and Introduction to Management Accounting	CAT	0	0	0
2.	Application of Management Accounting	CA	121	54	44.63
3.	Advanced Management Accounting	CA	18	11	61.11
	Total:		139	65	46.76

*Source: Komisija za računovodstvo i reviziju Bosne i Hercegovine - KRRBiH (2019). Izvještaj o provedenim ispitima za sva tri nivoa sertifikovanja u računovodstvenoj profesiji u BiH, No. 146/19. (May). Retrived July 29, 2019, from <https://www.komisija-rrbih.org>*

The exam results in May 2019 in the Federation of BiH, for all three vocational levels in the accounting profession, show that there were no candidates interested in the title of Certified Accounting Technician (CAT). The largest number of candidates were interested in the title of Certified Accountant (CA) and the exam pass rate in the subject Application of Management Accounting was 44.63%, while the pass rate in

Advanced Management Accounting that is necessary for the title of Certified Auditor was somewhat higher, 61.11%. The next table (Table 3) shows the number of candidates who took and passed exams in May 2019 in subjects Cost Accounting and Introduction to Management Accounting, Application of Management Accounting, and Advanced Management Accounting in the Republic of Srpska.

**Table 3.** The results of exams in May 2019, the Republic of Srpska

No.	Exam	Title	Taken	Passed	% pass rate
1.	Cost Accounting and Introduction to Management Accounting	CAT	8	4	50.00
2.	Application of Management Accounting	CA	72	41	56.94
3.	Advanced Management Accounting	CA	9	7	77.78
Total:			79	52	65.82

*Source: Komisija za računovodstvo i reviziju Bosne i Hercegovine - KRRBiH (2019). Izvještaj o provedenim ispitima za sva tri nivoa sertifikovanja u računovodstvenoj profesiji u BiH, No. 146/19. (May). Retrived July 29, 2019, from <https://www.komisija-rbih.org>*

According to the data from the previous year, the number of people who got accounting licenses in comparison to the total number of people who

received their licenses in that year in BiH differs significantly in the two entities (Table 4).

**Table 4.** The number of licensed accounting technicians and accountants in entities

No.	Description	UAAFWEBH	AAARS	BiH		
				Total	% of UAAFWEBH participation	% of AAARS participation
1.	Certified Accounting Technician (CAT)	55	1,855	1,910	2.88	97.12
2.	Certified Accountant (CA)	4,089	1,261	5,350	76.43	23.57
Total:		4,144	3,116	7,260	57.08	42.92

*Source: The Union of Accountants, Auditors, and Financial Workers of Federation of Bosnia and Herzegovina (UAAFWEBH). Retrived July 29, 2019, from <http://www.srr-fbih.org>, Association of Accountants and Auditors of Republic of Srpska (AAARS). Retrived July 29, 2019, from <http://www.srrs.org>*

There is no special certification for a certified management accountant in BiH currently, and there is no professional management accountant organization or specific professional title. However, given the trends in the countries with which we want to be compared, this can be expected in time. More importantly, in higher education of accountants and auditors, both at the university and in the programs of professional associations of accountants and auditors, the subject matter of management accounting is growing, and some exams may be recognized under certain conditions for the accounting and auditing profession (KRRBiH, 2016). Finally, it should be pointed out that even the best management and accounting system in today's economy will not guarantee the success of an enterprise. Ultimately, success depends on whether products meet customer requirements, the efficiency of the production system, distribution and the effectiveness of marketing efforts, but an inefficient system can undermine all this (Johnson & Kaplan, 1991: 4-5).

#### 4. Ethical standards for management accountants

The management of the company is responsible for the reliability of the financial statements, however the accountant, who is in the role of a financial or

management accountant, also has the responsibility for the reliability of the financial statements. Accountants' responsible behavior implies that they are aware of the fact that their every decision, solution or procedure is fraught with professional challenges and raises many ethical questions. Ethics is usually defined as the science of morality, the philosophy of moral values, learning about right and wrong, it is interpreted as a "set of principles and rules of behavior in the total or some segment of human activity" (Maurice, 1996: 9). The accounting ethics is a set of behavior rules for the accountant in performing the accounting process and the accounting profession has developed its ethical standards through its self-regulation (Stevanović & Petrović, 2016: 33).

Due to the specific role of management accounting, which cannot rely on professional accounting regulations (standards, principles, legal solutions), the adoption of special ethical standards for management accountants and their first codification in 1983 was given by the American Institute of Management Accountants entitled "Standards of Ethical Conduct of Management Accountants" (Stevanović & Petrović, 2016: 34). In 1997, the Institute published a new text on standards entitled "Standards of Ethical Conduct for Management Accountants and Financial Management" and the novelty was to extend the

standard to financial management. After considering many changes in the business and regulatory environment, including the globalization of trade and the management accounting profession, the IMA Statement of *Ethical Professional Practice* in the USA contains principles and standards that are intended for practitioners of management accounting and financial management. The revised Standards Report published in 2017 (IMA, 2017) is somewhat more concise and reflects a global view

on management accounting. IMA members have a responsibility to respect and uphold the following standards: competence, confidentiality, integrity, objectivity, and the resolution of ethical conflicts. The standards have been adopted as a whole (Malinić, Milićević & Stevanović, 2013: 26) and given in the following overview, and the part on dealing with ethical issues has been somewhat shortened (Stevanović, Malinić & Milicevic, 2007: 52-55).

**Picture 1. IMA Report – Standards**

<b>I Competence</b>	<b>II Confidentiality</b>
4. Maintaining an appropriate level of professional leadership and expertise by improving knowledge and skills 5. Performing professional duties in accordance with relevant laws, regulations and technical standards. 6. Providing information and recommendations for decision-making processes that are accurate, clear, concise and timely, as well as identifying and assisting with risk management.	4. Keeping confidential information, except when disclosure is permitted or required by law. 5. Informing all relevant parties of the appropriate use of confidential information and controls to ensure compliance with the rules. 6. Refraining from using the information for the purpose of obtaining unethical or illegal benefits.
<b>III Integrity</b>	<b>IV Objectivity</b>
5. Avoiding conflicts of interest, communicating with business associates on a regular basis to avoid obvious conflicts, and advising all parties on potential conflicts. 6. Refraining from engaging in any conduct that may be detrimental to the performance of ethical duties. 7. Refraining from participating in or supporting any activity that may discredit the profession. 8. It contributes to a positive ethical culture and places the integrity of the profession above personal interests.	5. Communicating information honestly and objectively 6. Full disclosure of all relevant information that could affect the user's understanding of reports submitted, analyzed or recommended. 7. Disclosure of delay or lack of information, timeliness, processing or internal controls in accordance with the organization's policies and / or applicable law. 8. Providing information on professional restrictions or other restrictions that would prevent a responsible assessment or successful performance of an activity.
<b>V Resolving ethical issues</b>	
Applying ethical professional practice standards may also lead to unethical issues or behavior. When dealing with unethical issues, the organization's established policies should be followed, if the organization does not have a determined policy, it should consider the following activities:	
4. Discuss conflict with the first superior. If he/she is involved, the problem should be discussed with the next level of management. 5. IMA offers an anonymous line for help and looking for ways to apply the key elements of IMA Statement on ethical professional practice to the ethical issue. 6. Consult a lawyer regarding obligations, rights, and risks involved.	

*Source: Malinić, D., Milićević, V., Stevanović, N. (2013). Upravljačko računovodstvo (Drugo izmijenjeno i dopunjeno izdanje). Beograd: Ekonomski fakultet; Stevanović, N., Malinić, D., Milićević, V. (2007). Upravljačko računovodstvo. Beograd: Ekonomski fakultet.*

The ethical dimension of management accounting is equally important in day-to-day practice, financial accounting, and the external audit of financial statements.

Differences in certain ethical standards are related to the fact that financial accountants and auditors ensure the reliability of financial statements for external users, while management accounting is directed towards the internal information providing to the company's management, as a rule providing information gives sufficient freedom in the choice of solutions, but should not be in conflict with the

ethical standards of the profession (Stevanović, 2001: 52).

The Code of Ethics for Professional Accountants (the Code) is an internationally applicable set of ethics standards prepared by the International Ethics Standards Board for Accountants (IESBA), while the application of the Code is a legal obligation under Article 2 of the Law on Accounting and Auditing of BiH (BiH Official Gazette, No. 42/04), as well as entity laws (Law on Accounting and Auditing of the Republic of Srpska, Official Gazette of the RS, No. 94/15, Law



on Accounting and Auditing of the Federation of BiH, Official Gazette of FBiH, No. 83/09). IFAC (International Federation of Accountants) has published an international code with the idea to form the basis for the development of national codes with detailed rules, guidelines and standards of conduct, and the professional bodies in the Federation of BiH and Republic of Srpska, as members of IFAC, have approved, translated, published and approved in 2016 the Handbook of the International Code of Ethics for Professional Accountants issues in 2015, as the national Code. These ethical standards also apply to management accountants, although there is no such accounting title or association in BiH.

The text of the Code sets out five essential principles that professional accountants should respect (IFAC, 2015): 1) integrity, being straightforward and honest in all their professional and business relationships; 2) objectivity, not to allow the bias, conflict of interest or excessive influence of others to outweigh professional or business judgment; 3) professional competence and due attention, to maintain the professional knowledge and competence at the required level in order to provide the client or employer with competent professional services based on current achievements in practice, legislation and techniques and to act diligently and in accordance with applicable technical and professional standards; 4) confidentiality, to respect the confidentiality of information obtained as a result of professional or business relationships, that is, not to disclose any such information to a third party without appropriate and specific authorization, unless there is a legal or professional right or obligation to disclose, or to use information for personal benefits for a professional accountant or a third party; and 5) professional conduct, to comply with relevant laws and regulations, and to avoid any activity that would discredit the profession.

Certification and ethical standards contribute to the recognition and credibility of management accountants and management and accounting practices in Bosnia and Herzegovina should be developed in this direction.

## CONCLUSION

The career of a management accountant is related to the tasks performed within the accounting function, usually encompassed by management accounting.

It can be developed in the direction of management and information support, chief accountant, director of finance and accounting, and historically speaking, accounting knowledge is considered to

be an excellent preparation for top management positions. In the top 100 UK companies, almost a quarter of top managers have accounting qualifications. The idea of management accountants' jobs, activities, and responsibilities is that the accountant is a member of multifunctional teams, communicates with people across the organization, is involved in decision-making process, is a trusted advisor, and a top management business partner. Key professional attributes for management accountants are: broad accounting and business-financial knowledge, readiness and ability to work in a team, analytical skills, continuous training, creativity, etc.

The importance of managerial accountants and the necessity of having relevant knowledge and skills have resulted in their certification, which is carried out within the professional associations of management accountants on the basis of professional qualifications, practical experience and passing the relevant examinations, thus gaining the title of Certified Management Accountant.

The most renowned professional organizations that issue the certificate for Certified Management Accountants in the world are IMA in the US and CIMA in the United Kingdom, while we still do not have this title, as well as special professional management accountant organizations.

The ethical standards of the accounting profession have been recently created and the first codification of ethical standards for public accountants appeared in 1966 in England, and an upgraded version in 1975. In the 1980s, a chapter for company accountants was introduced to the Standards for the first time.

The Code of Ethics for Professional Accountants of the International Federation of Accountants (IFAC), represents the general ethical standards of the accounting profession that apply to management accountants as well. The Code of Ethics for Professional Accountants, published by the International Ethics Standards Board for Accountants (IESBA) 2015, has been translated and published with the permission of IFAC as the National Code in the entities of BiH in 2016. The specific role of management accounting led to specific ethical standards for management accountants, and their first codification was given by the American IMA in 1983. In 2017, the most recent revision of the Standard was carried out. The ethical dimension of management accounting is as important both in financial accounting and external auditing of financial statements, with differences in individual ethical standards and users.

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## SUMMARY

In today's globalized business environment, the role, responsibility, and position of the management accountant is gaining in importance. Namely, in the present circumstances, the management accountant oversees the whole functioning of the company, and as a member of multifunctional teams (research and development, product design, production, marketing, distribution, customer service) is increasingly turning to the tasks of internal consultant and to the interpretation of reports and various types of economic analysis. He becomes a leader in providing information support to the company management in all management activities, where

his role is logistical but not executive. For this reason, in developed market economies, particular attention is paid to the process of certification and ethical standardization of the work and conduct of a management accountant in accordance with the codes of conduct adopted. On this basis, the manager accountant, as practically the only person who is engaged in all the company's businesses, must be a highly educated accounting-oriented economist with the appropriate level of knowledge and skills in professional practice, which is obtained through university education, practice, and passing the relevant professional examination organized by certified professional associations of management accountants. In addition, the ethical dimension of management accounting is very important in day-to-day practice, because it is aimed at the internal information providing to the company's management, which, as a rule, gives sufficient freedom in the choice of solutions, but should not be in conflict with the ethical standards of the profession. The International Ethics Standards Board for Accountants (IESBA) has adopted the Code of Ethics for Professional Accountants, as an internationally applicable set of ethics standards, which, along with certification, contributes to the recognition and credibility of management accountants. Certification of accountants and auditors is envisaged in Bosnia and Herzegovina, but for the time being there is no specific certification for a certified management accountant, and there is no professional management accountant organization or specific professional title. It should be emphasized that in higher education of accountants and auditors, both at the universities in Bosnia and Herzegovina and in the programs of professional associations of accountants and auditors, the subject matter of management accounting is growing, and some exams can be recognized under certain conditions for the accounting and auditing profession. Also, the professional bodies in the Federation of BiH and Republic of Srpska, as members of the International Federation of Accountants (IFAC), have published and adopted in 2016 the Handbook of the International Code of Ethics for Professional Accountants, relying on the IFAC international code as the basis with detailed rules, guidelines, and standards of conduct for the development of national codes. These ethical standards also apply to management accountants, although there is no such accounting title or association in BiH. However, given the trends in the countries with which we want to be compared, it is necessary for Bosnia and Herzegovina to improve the guidelines it relies on, to take on the practices of others who have made significant progress in this area, and to set the goals to pursue.