

Formalisation of Indian Accounting Framework Began With Act No. XIX of 1930 and 'Indian Accountancy Board (1932)'

Consequent to the Act of 1930 appointing the Governor General in Council instead of the Local Government as the statutory authority for the grant of certificates to the persons entitling them to act as auditors of public companies, statutory rules had to be made under the Act to provide inter alia for the maintenance of a Register of Accountants entitled to apply for Auditors Certificates and for the establishment and constitution of an Indian Accountancy Board.

... In June 1930, the Government of India wrote to the Local Governments to recommend persons whom they considered for appointment on the Accountancy Board and the moment the news about it became known, all kinds of pressures were sought to be brought on the authorities in the selection of the personnel of the Board. (The list of prospective non-official members selected to constitute the Board was approved by Lord Irwin on 4th March 1931.)

... The first meeting of the Informal Committee of prospective members of the Board was held on 12th and 13th May 1931 at Simla. ... At this meeting the Committee considered the draft rules. The rules were divided into two sets viz. the rules under Section 3(2) of the 1930 Act and those under the Indian Companies Act of 1913.

Some discussions also took place regarding the most appropriate title

for Registered Accountants. It was recommended that a person enrolled on the Register should style himself as Registered Public Accountant (India) and could put the letters R.P.A. (India) after his name as long as his name continued in the Register. It was decided that the total period of training should be 3 years.

... The general lack of training facilities was brought out in the discussions and it was decided that in respect of Approved Accountants, apprentices should be allotted on the basis of salaried assistants as well. The danger of such a privilege being abused by Approved Accountants taking assistants merely for the purpose of taking additional articled clerks was not considered to be serious.

... The second meeting of the Informal Committee was held on 17th and 18th December 1931. ... Another issue decided (at the meeting) was that the clerk should not be allowed to engage in any other business during the course of his apprenticeship.

... The First Board, which was appointed in 1932, was composed entirely of nominated members. The Secretary, Commerce Department, became Chairman of the Board, the Auditor General being the only other official member of the Board. The Board's functions were purely advisory and it held office for 3 years. /

'Conscience Warns As a Friend Before it Punishes Us As a Judge.'