

# THE PRESIDENT

**D**ear Members,  
It is New Year. It is time for new Resolutions and time to set new Goals. The profession needs to evolve and brace itself for availing opportunities – which have come in plenty in the year gone by as well as those, which will come up this year.

Rapid globalisation and economic reforms in general, and VAT regime, spread of BPOs, spectacular growth of trade and industry, and expansion of capital market in particular, have thrown open plethora of new opportunities for the members. But these have also increased, in no less measure, our responsibilities to live up to the heightened expectations of the stakeholders.

Accountants (Amendment) Bill, 2005 was taken up for consideration by both the Houses of the Parliament. After consideration, the Lok Sabha has remitted back the Bill to the Rajya Sabha with some minor amendments. The Bill, which is likely to get the Parliamentary nod during the forthcoming Budget Session, will go a long way in aligning the profession with the changing world economic order and further strengthening the credibility of the profession.

Modern day accounting and auditing add significant value to the management processes, apart from lending credibility to the governance mechanism. The ICAI has been relentless in its pursuit to upgrade accounting and auditing standards and practices in India to match the global Standards. The Auditing and Assurance Standards Board of the ICAI is in the process of revising the Preface to the Auditing and Assurance Standards in line with the Preface to the International Standards on Quality Control, Audit, Assurance and Related Services. The Preface would comprehensively deal with the objectives of giving authority to the Auditing and Assurance Standards, Statements on Auditing, General Clarifications, Guidance Notes, and other literatures like Technical Guides and also the detailed working procedure of the Auditing and Assurance Standards Board. In regard to Government Accounting, the Government Accounting

Standards Advisory Board (GASAB), at a recent meeting, has constituted a Committee under the Convenorship of the President of the ICAI to prepare the operational framework for implementation of accrual accounting for preparation of the accounts of the Union Government and the State Governments in India. The other members of the Committee include Controller General of Accounts, Financial Commissioner (Railways), and Controller General of Defence, Government of Orissa.

In a related development, the Ministry of Urban Development, Government of India, has accepted ICAI as the body to formulate Accounting Standards for Local Bodies. These Standards would be reviewed by a Technical Committee constituted by the Ministry. The Committee would thereafter recommend these standards to various state governments for making these applicable to local bodies. The ICAI will provide support to the Ministry, through the Committee, on other aspects of financial reporting, budgeting, costing, financial control and audit. The ICAI has also been appointed on the Committee constituted by the Ministry of Urban Development on 'Valuation Norms for Municipal Assets'.

A Technical Guide on Risk-Based Internal Audit in Banks brought out by the Committee on Internal Audit has recently been released by Mr. K.V. Kamath, CEO & MD, ICICI Bank Ltd. at a function in ICAI.



President  
Kamlesh S Vikamsey

# FROM

On the whole, it has been an eventful and fruitful year for the ICAI as well as its members. I can say with satisfaction that the ICAI has been able to meet successfully the challenges of changing times, and it has remained watchful and proactive to promote and safeguard the interest of the profession. The Chartered

Meanwhile, the Parliamentary Committee on Finance has invited suggestions of the ICAI on 'Widening of Tax Base and plugging loopholes in Evasion of Tax' and 'computerisation of tax administration', which have already been submitted to it in the form of a detailed memorandum. The ICAI has also recently submitted, to the Government, suggestions for popularising the Electronic Furnishing of Returns Scheme, 2003 and has recommended that the conditions applicable to e-intermediaries in this regard be relaxed, while rebate be allowed to those filing their returns electronically. The Pre-Budget Memorandum, 2006 is in the final stages and will be submitted to the Government very shortly.

In other important developments, NABARD has agreed for periodical revision, after every three years, of audit fees, beginning from the year 2006-07. Sponsoring Banks have agreed for ISA Audit of RRBs under NABARD supervision. The Supreme Court, after hearing the arguments on 2<sup>nd</sup> December 2005 finally confirmed the stay on the Chennai High Court order quashing ICAI notifications on ceiling of tax audit and charging of minimum audit fee. This was done on our Special Leave Petition before the Honourable Supreme Court on which a stay was granted on 29th July 2005 against Chennai High Court.

As we enter the New Year and brace for newer challenges of the present information era, the ICAI has taken newer hi-tech strides to further its stature of a modern, second largest accounting body in the world and to serve the members better. The concept

of 'Voice over Internet Protocol' has been introduced on the new PBX systems at various locations leading to zero-cost inter-office calling within the ICAI Offices.

I am happy to inform you that the ICAI website has now been converted into a portal with several dynamic features. As a single point of access to news and information, back office applications, knowledge and information assets, the Portal will serve as a Global Gateway to ICAI and aims to provide a single interface to users for accessing Institute's services. By using Single Sign-on feature, the users, which include members, firms & students, will have the facility to access information from Internet/Intranet database applications. Major headway has also been made in the ongoing ambitious Virtual Institute Project.

The e-mail IDs on the ICAI mail server user@icai.org have been uniformly implemented across the regional offices and branches making the communication channels within the ICAI systematic and free of communication barriers. The past Presidents of the ICAI have also been provided with the e-mail IDs.

Future belongs to us and the mega International Conference on 'Role of Accountancy Profession in Anchoring Economic Growth' slated for 19<sup>th</sup> – 21<sup>st</sup> January, 2006 in Mumbai will dwell upon this at length. The Conference will be addressed by dignitaries like Hon'ble Minister of State (Independent Charge) for Company Affairs Mr. Prem Chand Gupta, Hon'ble Deputy Chairman Rajya Sabha Mr. K. Rahman Khan, accounting experts of international acclaim, Indian regulators and corporate



leaders. Along with the International Conference, the ICAI will also organise meetings of South Asian Federation of Accountants (SAFA) Assembly, Centres of Excellence and Working Groups and the Advisory Body comprising its past Presidents from 18th to 20th January 2006 at Mumbai.

I would like to congratulate past President Mr. Sunil Goyal for having taken over as the new President of SAFA. I am confident that under his dynamic leadership, the Federation would traverse a new path and achieve new goals.

Another mega event on the cards is ICAI Annual Function on 3rd February 2006 in Delhi.

As we continue our glorious march to a better and brighter future in the New Year, we also need to recommit ourselves to our traditional ideals of ethical conduct, social obligations and national responsibilities. It is high time that we treat our profession as a mission to help national development. Let us have a common New Year Resolution, to not only excel in professional life but also to be more useful to the society and the country.

*Kamlesh S. Vikamsey*

Kamlesh S. Vikamsey  
President,  
New Delhi, January 3, 2006