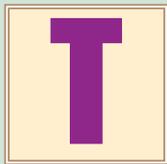


To Our Readers



The Editors of The Chartered Accountant would like to wish all their readers a happy and prosperous new year, marred though that sentiment is with the thought of all those who have lost their lives in what looks likely to be one of the worst disasters in the history of humankind. There is a hypothesis that the magnitude of the suffering—meaning the anguish suffered by those who get to hear of disasters—is directly proportional to the speed of communication, and perhaps that is why, instead of being localized, feelings are now global. That is both good and not so good. It is good for those who actually, physically suffer, and it is not so good because both the politics and the corruption of relief work take away much of the innate goodness of charitable work, and more important, the charitable intent, that goes behind relief to the disaster-affected.

There is certainly a case for much more transparency in the way that disaster related funds are collected and disbursed. The criticism in various degrees can be applied to all relief funds. However, so emotive and politically charged is this area that it is seldom touched by anybody.

Also, we should note that there has been an all round failure of the disaster management system. Latur, Gujarat, and now the Andamans and Tamil Nadu. The record of the governments has not varied—often too little and mostly too late. It is for this reason that the Institute of Chartered Accountants of India had taken up the task of looking into the whole issue of disaster management, which culminated in the publication of the volume on *Accounting Aspects of Disaster Management*. The basic theory that was expounded was that without planning for expenditure on the event of disasters, everyone assumes that this is one situation where no principles of prudence and propriety apply—and anyone who talks of such matters which normally put a rein on easy flow of money, is *ipso facto*, anti-people. However, what people forget is that prudence and propriety need not be halts, they can facilitate also, and the better the planning is, the more is the actual volume of money that is likely to reach the beneficiaries.

The important thing also is that financial planning for disaster management cannot be done unless the technical planning is also done in detail. Further, proper management of disasters means the pre-existence of disaster mitigation strategies, which are both human and technological. The human side of disaster mitigation planning means that bodies of men and women are trained to handle crises. This in turn allows actual disaster situations to benefit from their expertise. As everyone knows, having trained people instead of amateurs cuts costs and boosts benefits, both time-wise and in various other ways. The Institute had pointed out to those who would listen, all these issues, and the ways to deal with them, keeping the efficiency of money utilized for relief operations at the center of things.

It is perhaps still not too late to do more on the disaster management front. In fact, it is never too late. But if the prophets of doom are really to be believed, then disasters of even worse magnitude are in store for humankind in the not too far distant future. Given our responsibilities, we need to take up such matters with governments, and we can help them to plan for and organize, disaster management, in more streamlined ways than at present.

January, 2005

Editor
The Institute of Chartered Accountants of India