



Dear Colleagues,

The year has drawn to a close, and I am writing to you in the New Year which, I hope, will bring joy and cheers to all of you.



This is also the time when people in my position feel a little cheerful, and also a little maudlin, about the things that happened, and those that did not. This is perhaps all too human, and I am certainly conscious that I am- as any President would be - subject to the same pushes and pulls that everyone else is, perhaps more so, because of the responsibilities that every President has. At the end, I feel, one has only the possibility of telling oneself that a few things were done well, and a number of others remained undone, or partially attempted, and take satisfaction from those that were done well. In my case, I will confess to having devoted a lot of time and energy to the Virtual Institute Project, and seeing it being launched has been one of the joys of my year as President. The Institute took very positive steps in a number of other areas. and a quick run-through will not come amiss. CPE has become really institutionalized, and inspite of some teething problems, the conduct and recording of CPE, I think, is now stabilizing. The Peer Review Manual was published, training for the reviewers was started and that process also is well on its way to becoming institutionalized. We have been able to advertise and market the profession in very many different ways and we have done this according to a plan. The results of our strategies now showing up. On the international front also. and especially as far as our Chapters abroad are concerned, we have increased both our reach and our intensity of interaction. We have succeeded in launching the Group Insurance Scheme for our members which will substantially benefit those of us to whom fortune may not be kind. On the Post Qualification Courses side, we have launched the Insurance Course and we hope to launch the course on Trade Laws and WTO on the earliest.

But, as I have said, other things remain to be done. And, given the situation that has recently emerged showing the changing attitude of the Government, there are worrisome matters to be attended to. I have already received feedback from a number of you expressing the deepest concern about the overt and covert moves to stifle the autonomy of the Institute, and let me state clearly that I share the same concern. It is indeed surprising that in an era which is witnessing the rapid dismantling of *babu-raj* and the *inspector-raj*, there should be such moves to acquire control over what, after all, is only a small part of the government's business. Country after country has suffered from this tendency to extend government's control over functions that are not governmental, and still we persist in following the same path. Of course that, as an Institute, we shall strive to preserve our

identity and autonomy, and to that end employ our collective energies and wisdom, goes without saying, but the fact that this should happen in spite of our Institute's established record in dealing with matters concerning the profession, is something that is not very easy to live with.

On the professional front, there is more to be cheerful about. The steady and very satisfying upturn that the economy has taken- and this seems to be at least a medium term phenomenon- means higher growth, larger number of industries, and therefore much larger possibilities of engagement of the professional accountants. Coupled with this are the indications that governments of various States are now prepared to shed their inhibitions as regards transparency in accounting, and outsource much of the work of accounting and auditing to professionals. We have talked about these matters off and on in these pages and therefore I am not going into details. The *summum bonum* is that the future, if not exactly rosy, is nevertheless quite encouraging.

Are we ready? I have asked this question all over the country, and I have had the question asked of me all over the country also. I am afraid I still do not have a clear answer. I know that many of us are attending CPE programs regularly and quite a few have taken up new areas of practice based on the ideas that the Institute shares with its membership from time to time. However, there is a nagging feeling that we should be doing much more. And that can happen if there is a push from the members' side to learn and know more. After all, the demand for a higher quality of learning must ultimately come from the learner.

Over the last one month there was a tremendous rush to attend CPE programs. People thronged the program venues - and having so thronged, exited at the earliest possible moment. At some places, the whole scene was quite embarrassing. And that was one of the reasons that we extended the last date for completing CPE hours by another three months. This should make us reflect on our roles as professionals and our commitment to left-long learning.

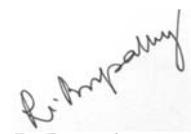
And therefore we should do something about it ourselves. I do not think that more Rules and more Advisories will solve the problem. This is something that has to come from the inside, and we must look inwards to find a solution. Of course, some sessions on discussing these matters openly in all the Chapters, Branches and Regional Councils will help, and each one may find its own way of dealing with the problem. There is absolutely no necessity for having any kind of uniformity in approach. The characteristics of the membership of Branches and Regions are all different, and each one of them has to find the way that will work best for it. I am convinced though, that open discussions among members is a must. This is because we are talking about changing attitudes, and not laying down rules.

I was invited to Muscat in the first week of the month of December, and I must say that the spirit which I witnessed there, far surpasses anything that we normally see within our own country. Perhaps it is because of the fact that when you get something as a matter of course, you do not immediately realize its value. Foreign Chapters have to go to a great deal of trouble to organize

CPE programs, and therefore, when an event happens, people are all the more eager to take full advantage of it. The Muscat event became particularly memorable because very senior officers of the Government of Oman including Central Audit Institution, Head of the Capital market Authority, Central Bank and a number of Senior Bureaucrats were also present. The event in which I was privileged to present a paper, was a glorious success. This year onwards, the allotments of bank audits will be on the ICAI as well as the RBI web sites. This is a milestone in so much as it represents the joint efforts of RBI and the Institute to improve transparency in this most important area of professional assignments. With this precedent, the Institute will now be asking other institutional users of the ICAI panels to replicate this major demonstration of transparency.

Once again, I would like to wish all of you and all members of your family a Very Happy and Prosperous New Year.

New Delhi,
2nd January, 2004



R. Bupathy
President