

To Our Readers



he times that we live in are times that our forefathers would have given their eye-teeth for. In every field, there are discoveries and surprises every day. There are new challenges to be met and new frontiers to walk towards.

Even in the field of accounting, these are exciting times. We are closer than ever to having accounting standards that may help companies to list on Stock Exchanges all over the world. International business activity is increasing dramatically and capital markets are opening up and becoming more transparent and capital flows freely around the world. Companies are aggressively investing abroad and increasing their global competitiveness. In this brave new world, accounting is one of the key disciplines that will help to determine how transparently companies are operating; how accountable they are being to their shareholders, how well they are taking care of all stakeholders' interests and how successful cross-border trade, services and stock-market linkages are.

Accounting is no longer the prosaic ink-and-paper profession that it used to be. Accountants today are managers of finance, managers of financial data and - what distinguishes them from others - able to look at money as a commodity. They are as invaluable to business today as they were hundreds of years ago.

So far, so good, and all of us can be happy. There are, to be sure, some uncomfortable questions that all of us have wrestled with, and which somehow have the knack of popping up when least expected, but more or less we have discovered techniques of dealing with them also. What in fact, we have still not managed to do, and what we should really look at with a bit more of attention, is how far we shall be able to grasp the complexities of international business.

Already, most of the developments in trade and finance are of such a kind that very few people understand more than a small part of what is going on. Others are content with some bit of general knowledge. Bureaucrats - all over the world - are operating on this kind of general knowledge alone, and taking decisions that affect billions of people, and money. In our profession also we are looking at knowledge of business as a pre-requisite to the more complex assignments, and not finding enough people with the right kind of experience.

This is most evident when meetings with large industry giants belonging to a particular sector take place. There often remains a wide gap between the 'insiders' and the 'knowledge-men'. The lack of communication and understanding only highlights the danger that is inherent. Bereft of detailed knowledge, accountants and auditors often make do with what is presented to them, and in fact try to learn from what is presented. The skewed -and flawed - knowledge and experience that this generates, then becomes reflected in insufficient understanding of the games that are played and the financial juggleries that are done by and within corporate entities. Enter, and exit, Enron.

Never in the history of the human race has the demand for, and the denial of, auditors' skills been more. The demand comes from expectations, and the denial comes from the rejection of transparency - in itself a *sine qua non* of survival in a brutal marketplace. Add to it, the complexity that we have been talking of, and the situation is enough for anybody to run away from.

Being professionals, that is precisely what we cannot do. And since we can do some other things - namely, specializing in different areas so that together we are able to exercise that grasp which today eludes us as individuals, it is time, now that another Chartered Accountants' Day is upon us, to commit ourselves to unity through planned diversity and not unity through labelled homogeneity.

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