



Dear Colleagues,

This month marks the beginning of a new year for our profession. You know that every year we celebrate July 1 as Chartered Accountants' Day; as such, this is the day when we renew our pledges to our profession, our creed, and ourselves. Personally, I would like it very much if all of us could also take a fresh look at what we do and the ways in which we do them, on this day. It should, at the same time, be a day for introspection and discovery. I am sure that the Branches and the Regional Councils have planned to observe this day in a fitting manner, and all of you, wherever you are, would be participating in this events.

As a mark of the importance of this Day, I have decided, in this President's Page this month, to devote myself largely to sharing with you some of my musings; the thrust of my communication being to lay out some conceptual issues that we need to think about as a community.

As I said in the beginning, I personally would like to think of the Chartered Accountants' Day as one of introspection. What do we really feel, today, about what we are and what we want to be?

The problem is not an easy one to find a resolution of. And the reason is something that all of us live with, but psychologists would find very hard to swallow. The fact is, every practicing chartered accountant lives in three worlds, and shifts from one to the other many times during the course of a single day. This gives rise to problems and tensions that are peculiar to us, and also gives us a perspective on the world which I doubt anyone else would share. Let me talk about this a little more.

The first world that we live in is, of course, the world of the auditor. In this world, we are circumscribed by all the rules and regulations that apply to us, and we must be very very careful of what we say and do. No compromises are allowed, and the punishment is heavy. This is a strictly regimented and structured world.

The second world is that of a consultant. In this world we are exposed to people who are doing the same things that we do, but who have a lot more freedom. When we enter this world, we are also free of some of the restrictions that govern our thoughts and actions when we are in the world of the auditor. This also is a world that allows us to stray beyond the boundaries of our own discipline and it allows us to experiment - something that is severely discouraged when we act as auditors.

The third world that we inhabit is the one that is private to us. There, we play our social roles as fathers, brothers, sisters, wives, etc., and is one where we set the rules, or at least are a direct participant in the rule-setting process. We structure our own time and tasks when we are in this world.

Now the question is, since each of these three different worlds has its own characteristics, how does a normal well-adjusted person switch from one to the other without splitting himself and his intellect up?

For, consider, in the world of the auditor, we expect all auditing materials to have been prepared beforehand and ready for our inspection, and the planning of the audit engagement proceeds in terms of the prescriptions laid down by the Institute and the Guidance provided by it; translated, this means that



our task is already structured, and the method of approach is also prescribed. We have well laid out analytical tools for us to use. It is, a predictable world with defined paths.

When we operate as consultants, we are working in a world where the task is not structured, neither are the methods specific nor, in some cases, even known. We become researchers, and we have to work in absolutely different ways. And finally, when we are in our own private worlds, we tend to bring to it our perspectives and ways of operation in the first or the second worlds.

A normal person working in an organization deals with only two worlds, the world of work and the world of his family. Even then people get mixed up, they import the world of work to their families or export the family to the world of work, and mess up things. How much more difficult then, it is for us, who have to deal with three, and not two, worlds.

The result of all this seems to be that people, being unable to deal with this level of complexity, restrict themselves to what they are comfortable with; and take chances with what they are not. A person who is comfortable with operating as a consultant does take on audit assignments, but may be less rigorous in his approach than a person whose primary professional concern is audit. Such a person, on the other hand, tries to look at a consulting assignment in terms of givens, and thereby may not be able to provide that spark of imagination which would spell success as a consultant. And for both such persons, the family as it were, would either get neglected (perhaps from an unconscious desire to avoid any further complications), or it would get a number of conflicting and complex messages - leading perhaps to dissensions and tensions in the family.

I am not saying that this happening to everybody; but it certainly is happening to a number of people in our profession. It is worrying because it reduces the effectiveness of the individual professional; and therefore we need to think about what is to be done about it. People abroad are already worrying about how the three worlds could be well integrated so that the professional continues to operate at his best. I think the time has come for us also to be concerned about it. Simply because the future is going to create more tensions, more demands on us, greater competitive pressures, and so forth.

On this day, therefore, I would recommend to all of you to stop and take stock of how we are, each one of us, dealing with this problem. If we do not, we shall be, I suspect, only postponing a very real problem. Over the last few years I have seen that some of our conferences have included sessions on development of individual effectiveness, stress-reduction, and so forth. I think there is a need to formalize these. To my mind this is also an important part of professional development, simply because this is something that would otherwise cause professional and personal regression, rather than advancement.

To my mind, the future of the accounting profession, will rest on the twin issues of holding the public trust and the maintenance of integrity, both of which I see as the real dimensions of our profession in the future. Our approach to what we do will have to become more incisive, and our commitment to learning and updating ourselves will have to express itself in clear ways that the whole world will have to take seriously. This can happen if we are, as professionals, well integrated personalities as well. This is not for India alone; this is the way that the whole world is going. Accounting Institutions all over the globe are taking a long hard look at their whole systems of education, training, certification, licensing, and continuing professional education. If we have to play on the same field, then we shall have to do the same. The Institute is already working towards that, but nothing

FROM THE PRESIDENT

works as much as what we do to ourselves - and nothing succeeds as much either. And therefore it is up to us individually to see that each one of us can stand up and be counted when the time comes.

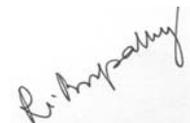
I am aware that I may have touched some deep nerves in all that I have said. But I would like to put it to you that the great pain has always accompanied the greatest progress in the human condition. We can look at symptoms, and discuss about them till we are blue in the face; but nothing material will result. Look around you and tell me whether or not we are a society concerned with symptoms. We find it easy to deal with them because symptoms, by their very nature are temporary. It is high time that we dealt as a society, and as a profession with fundamental issues, if we are to take that giant leap which all of us love to talk about, but few attempt. And there is nothing more fundamental than the self, and individual effectiveness. Let us dedicate the next year to improving both.

Referring briefly to the month that has just passed, I would like to inform you that the Branch Building at Erode was inaugurated. This is another milestone in establishing the roots of our profession all over the country. I had the good fortune to visit Northern Region Branches during the month like Chandigarh, Patiala, Yamunanagar, Ambala, Panipat, and the branches at Salem, Tirupur, Coimbatore, and Vishakhapatnam Branches of Southern Region.

The All India Students' Conference was held at Chennai during June. This was a memorable occasion not only because of The high standard of deliberation on technical and non-technical subjects, but also because there was a visiting contingent of students from Sri Lanka. The total number of participants exceeded 1500, and the Conference was a grand success.

At the end, taking a cue from what I have said earlier and the pattern of events that I have just now related, I would like to say that while as far as the members of the profession are concerned, there is no dearth of enthusiasm in keeping the community together through programs, through the concrete demonstration of solidarity through the construction of Branch buildings, and so forth, it is necessary now, in my view to channelise this immense energy to avenues that will have a definite impact on the future of the profession as well as opportunities for the members. I have already said that one way of doing this is to improve individual effectiveness, and this can be done in more ways than one. I am looking forward to receiving responses from members on their ideas on these matters.

New Delhi,
2nd July, 2003



R. Bupathy
President