



Dear Colleagues,

One indicator of effectiveness of a profession's ability to ensure internal solidarity is the manner of its dealing with the waywardness of some of its members. Fortunately, in our profession, this proportion is very small when compared to the number of members practicing, or the total number of clients handled by all our members, or the aggregate business handled by them. Nevertheless, the unthinkable, when it happens, needs to be dealt with firmly, so that the premises on which the reputation of our profession rests, are constantly reinforced.

There is, of course, the other side to this also. When a member becomes involved in a disciplinary case, he undergoes a period of tension and anxiety that is perhaps beyond description. It is therefore important for the Institute to understand this mental trauma to which members may be subject, and ensure that the disciplinary process itself is concluded quickly. Concurrently, of course, the public perception of how the Institute handles these matters is important, because a positive perception on this reinforces the trust and faith of the public in the profession and in its members. Considering all these aspects, the Council of the Institute has taken a very serious view in this matter, and has put in place measures to speed up the disposal of disciplinary cases. So much so, in fact that during the month of April, the Council devoted three days only to the disposal of disciplinary cases. I would like to emphasise that this acceleration in the process is both because of our concern for our members as well as the need to develop a more positive image of the profession in the society at large. And I would like to assure you all that we shall pursue this particular agenda with vigor throughout this year.

Members are aware that the Institute introduced the concept of Peer Review in our profession last year through the publication of the Statement on Peer Review. During the year, the Peer Review Board invited applications for reviewers and also issued circulars on matters concerning the review process. As a major step in the institutionalization of this process, on the 1st of April, 2003, the Peer Review Manual was released by Shri V.K. Dhall, the Secretary to the Department of Company Affairs. In his speech, Shri Dhall lauded the efforts of the Institute to maintain its standards and the quality of assurance work done by its members. The Peer Review Board will be devising training programs for the reviewers, and the CPE Committee has been tasked with holding programs for members in general on the Peer Review Process.

We had the privilege of meeting Past Presidents and Past Regional Council Chairmen in Kolkata, Mumbai, and Chennai in April. During these meetings, Past Presidents set several issues which will now be examined appropriately by the relevant Committees. The issues ranged from the implications of Sarbanes- Oxley Act to those of professional development and education.

The Vice President and I met Dr. Bimal Jalan, Governor, RBI, Mr. G.N. Bajpai, Chairman, SEBI and Mr. G.P. Muniappan, Deputy Governor, RBI. All of them expressed their confidence in the profession and acknowledged its role in corporate affairs. Arising out of the meeting, the Institute will be constituting a Group with representation from RBI for looking into all aspects concerning concurrent audit. RBI has also suggested to the Institute to continue to take proactive



initiatives for strengthening the mechanism of the Audit Committees in the banks. A separate representation has also been given to the Reserve Bank of India by us on the matter of increased remuneration to auditors, now that there are a number of assurance functions that auditors are required to perform for banks, and also because the format of the LFAR itself has been revised.

The Council had debated upon the need to review our curriculum and training needs of students and a new Committee on Review of Education and Training with myself as its Chairman has also been formed. It was important for us to do that, because disciplines are evolving rapidly- the IFAC itself has accelerated its process of developing education and training standards -and the Institute must keep pace with all these changes; the fact that the review process is itself long, adds some urgency to this initiative.

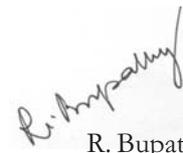
The All India Students' Conference will be held in Chennai during 20th and 21st of June, 2003. This annual Conference is an occasion when students in general are exposed to a variety of subjects. I would therefore like to request all members to send their articles to attend the Conference so that this valuable opportunity is made the maximum use of. Considering that this is an All India Conference, there should be in the fitness of things, adequate representation from all parts of the country so that it becomes a Conference truly national in character. I may inform in this connection that students from Sri Lanka will also be participating in the Conference.

The Post Qualification Course on 'Insurance' was formally launched on 19th April in Chennai. This course has the blessings of Mr Rangachary, Chairman of the IRDA from the very beginning, and we at the Institute had throughout received his wholehearted support in this initiative. With the launch of this course, a pending demand, consequent upon the opening up of the insurance sector itself, will now be fulfilled. Members who have been seeking professional development opportunities will find this course extremely useful. I would like to add here that the Institute has already initiated dialogues with both the Department of Banking and Insurance and the IRDA for getting audits of Risk Management Practices by insurance companies, done by chartered accountants.

Quite a few members have expressed their concern to me about the C&AG's letter to the statutory auditors of PSUs in which the C&AG had called for the working papers of the auditors. I would like to inform the members that the matter had been taken up by us with the Chairman, Audit Board and the difficulties which our auditors are facing because of this requirement, was discussed with him. The C&AG has now requested the Institute to develop a workable alternative to the calling for working papers by the C&AG.

Normally, I conclude these letters of mine with a message of general relevance and import. For a change, I would like to refer all my colleagues to certain policy changes that have recently taken place. And I refer to the EXIM policy for the year 2003-04. Members would be aware that the new EXIM policy provides relief on many fronts to the electronics and the IT industry. Not only this, but the policy statement has also many different kinds of incentives for exporters in several areas. Simultaneously, there has also been the focus on the simplification of the export procedures. A detailed study of the policy will reveal opportunities and options for our members to exercise their talents and skills. In fact, this issue of the journal, carries a column on the certification opportunities arising out of the Exim policy. Members will recall that the earlier two issues had focussed on the opportunities arising out of the Finance Bill 2003, and the implementation of VAT. I would therefore, urge our members to devote time to a deeper study of the issues involved with respect to the Exim policy so that they may add value to the advice that they give to their clients.

New Delhi,
29th April, 2003


R. Bupathy
President