

## ICAI to Grow Stronger in Coming Years



*Our country is evolving day-by-day and so the accountancy profession is gaining popularity with its masses, including the meritorious section of our society. Former Rajya Sabha Deputy Chairman and present Rajya Sabha MP (Member of Parliament) CA. K. Rahman Khan in his article discusses the country's scenario vis-à-vis the status of accountancy profession. He goes on to review how the profession has adapted to its times over the years and what it should do further in this direction in view of future challenges. He then comments on the responsibility of senior membership within profession and asks them to set ideals before the youth to emulate. He advises the profession to respect the youth and guide their energy, so that they could contribute their maximum to our nation. While he assures the accountancy professionals of security in the years to come, he asks them to be prepared for challenges. CA. K. Rahman Khan then goes on to provide a glimpse. Read on...*



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India seems to have evolved a lot over the years. Just the other day, I was reading up a national daily on how the youth of our country have changed the definition of a professional career. The news report narrated some of the success stories of our youth where the professionals were graduates and most of them were still into their studies. Basically,

the whole context and nature of entrepreneurship has changed. It is amazing the way our younger generation is approaching this important phase of their life today and that too with so much of ease. Transition from the phase of studying to that of profession has become swift but with smoothness.

Today, we can visualise this change when we see the spirit of its youth—the young of our country today are a symbol of new energy, vigour and talent, and they are reaching out to us for a righteous direction and guidance. Once they get that, nobody can deny growth and peace to our country. If we are at peace, we can afford to explore our limits of our commitment to promote the development agenda in our society. As seniors in the society, we need to set ideals before them and present various success stories before them to emulate. It is our collective responsibility.

I have always believed in the youth and its power to change the world; besides, it is all the more praiseworthy since they have an inherent ability to rise above the mundane and insignificant conflicts of life that include issues relating to class, region, caste, religion, ethnicity, *etc.*, and they can happily move ahead in their life. Let us respect this energy in them and welcome them to the new phase of life, where they are ready to contribute to the story of national growth.

## Evolving India and CA Profession

Chartered accountancy profession educates and trains the youth and prepares them for employment and similar professional opportunities through various capacity-building measures and exercises that are conducted and meted out to them by their *alma mater*, The Institute of Chartered Accountants of India (ICAI), through various phases of their life, *i.e.* as students, members, professionals and also retired professionals. The ICAI not only empowers its community in general but particularly takes enough measures to ensure them a secured future and a successful professional life.

India today seems to have about 40 per cent population comprising the young. Chartered accountancy profession and particularly the ICAI require to take note of this fact. This is for sure a competitive advantage for all of us. The ICAI sure knows how to capitalise on this energy and use that for national advantage. It has inspired meritorious sections of students across the country

by expanding its base as well as strengthening the ethical aspect of this noble profession. Just the other day, I read that an all India CBSE topper is quite passionate about joining the chartered accountant's profession and that she is not ready to compromise with this choice for her career. The ICAI must remember that the future of a nation always depends on its youth and it must endeavour to empower them in all possible ways.

Chartered accountants belong to a great noble profession. The first President of our country Dr. Rajendra Prasad had called chartered accountants “the first line of defence to the unwary public against money grabbers and opportunists”, entrusting them with this big responsibility. This responsibility becomes all the more complex and interesting in the light of the fact that this profession enjoys autonomy to a great extent. Chartered accountants will have to come up to those expectations, and conduct themselves with utmost dignity, confidence and integrity. Our society as well as our Government has recognised us as guardians of public interest. We will have to keep up their confidence in us. Let the Motto of our Institute, *ya esa supteshu jagarti*, continue to guide us in our professional as well as social life. While CA professionals should adjust them to demands of industry, they must not compromise with their professional ethics and integrity.

## CA Education and Training Helps

Commerce graduates have an option to build their career by following either academic path through pursuance of Masters, MPhil/PhD, *etc.*, in Commerce, or, professional courses like CA, MBA, MBE, *etc.* Options are many. But what inspires students to follow the CA course is its viability and affordability. Even the students belonging to lowest economic strata of our society can easily follow this course. Once the students join this course, the established members reach out to them offering unique article (practical) training in their respective firms.

During article training, students get hands-on training and get a chance to develop their understanding into the intricacies of the application aspect of their discipline. Every time a CA student or professional undertakes an assignment, he takes on the role of an auditor, a consultant, or, an advisor and learns analytical skills of a complete solution provider. They learn how to respond to the

critical opportunities in profession and to resolve them.

Personally, my knowledge that I gathered being a CA student and then a chartered accountant has played a key role in shaping my progress and defining my career. It has contributed to whatever I have contributed till date. It has helped me in discharging my duty with conscience and integrity. In my public life as legislator and a Parliamentarian, I have consciously and unconsciously used my CA education and training in the best interests of my dear nation.

## Take Care of Challenges

The biggest challenge before our profession is competence that we achieve through training and is in the way we use that to deal with the challenges from similar emerging professions of our times. Our challenge has been to retain the trust of our stakeholders that include our country, which we have been enjoying since the inception of this profession, from our society. Despite the benefit of enjoying the statutory protection, only the ability in core professional skills can save us and prepare us to face the crises of our times. Therefore, chartered accountants will have to effectively deal with the complacency and continue to be on a learning curve so that as professional fraternity they could present examples before the professionals who normally succumb to, while being in such a supportive statutory environment. They will have to assess their role and enhance their competence, in order to guard themselves from attitudinal crisis. Unless we as CA fraternity reengineer and reorient ourselves to the demands of trade, commerce and industry today, we will lose our professional edge. Although ICAI has introduced many post-qualification courses to help its membership sharpen their skills in the wake of emerging industry trends, it should also bring in something for the chartered accountants who practice in small towns and mofussil areas while serving smaller business units located there. It needs to aim at inclusive growth of its membership.

Another area of concern is the implementation of converged Indian accounting and auditing standards with the global standards which is a mandatory step since this will boost our economic growth in this age of globalisation and internationalisation of businesses. The Government

of India will have to be both persuasive and coercive in order to implement the Standards. Since more and more Indian companies are expanding their base across the national boundary, *i.e.* international operations, our auditing and accounting standards should be uniform or compliant with the international ones. Such uniformity in standards will also help the Indian corporate sector register their international presence and strengthen that. With this, professional opportunities for our members will also rise, in India as well as abroad.

Ministry of Corporate Affairs of the Government of India has already notified all Indian Accounting Standards (Ind AS) thereby placing Ind AS at par with the globally accepted IFRS, after the ICAI formulated them and the National Advisory Committee on Accounting Standards (NACAS) reviewed them. The ICAI should be given credit for the fact that NACAS submitted its recommendations to the Central Government after consulting the ICAI. Till date, the ICAI and the accounting fraternity in India has been conducting themselves quite responsibly, since they have not given a single chance to the Government to look for an alternative. Then, it is really encouraging that the ICAI Council has decided to adopt in principle the Ind AS converged with the IFRS from the financial year 2016-17, leading the implementation of the new Standards and gradually this practice will be taken up by its 5 Regions and 147 Branches too.

## Way Forward for Profession

The Institute of Chartered Accountants of India (ICAI) is probably the only body which combines itself the role of an educator, standard setter qualifier and as a regulator. The Institute in over sixty six years of its existence has discharged all these roles in an exemplary manner. With the growing number of students, Chartered Accountants and the challenges the profession is facing and will be facing, there is an apprehension about its effective role as a regulator. The country and the Institute cannot afford to face one more Satyam-like episode. The policy-making body of the Institute, its Central Council, and its leadership have always been very keen to ensure an ethical environment to its professional fraternity.

The Government accounting procedures are outdated and not transparent. They are based on

# Future Perspective

single-entry system and do not reflect the assets and liabilities of a department. Double-entry accounting methodology will ensure transparency and accountability. In an era of right to information, the single-entry accounting methodology will not provide the correct information of the expenditure. The Government has already accepted this in principle, but the pace of convergence in its departments and offices is slow. The Institute in association with the Comptroller and Auditor General of India should launch an awareness programme for the public about the advantages of double-entry method of accounting.

## Future is Secured

The very fact that the number of CAs in the country from a few hundred in the beginning to 1,50,000 plus in the last sixty five years reflects on the vast expansion this profession has achieved over the years. The profession has expanded its horizon rendering its services in different fields, in addition to its traditional roles. Chartered accountants are now functioning as financial advisors, CEO's, consultants, bankers and administrators. They are also involved in the process of policy framing and planning. The very fact that their number in industry is growing fast is an indication of both popularity and acceptance of the professional skills of chartered accountants.

The future of accountancy profession is very bright and it is the responsibility of the Institute to redesign the training programmes of the future chartered accountants keeping in view the future challenges, faced by the profession and maintain its preeminent role. It is the civil society, which has given an important role to the CA profession and our society expects from the profession that the role assigned to this profession from time to time should be discharged by protecting its interest. In the Indian context, at present in a growing economy, protection of public savings and investments is the primary usefulness of this profession to society.

## Come and March Forward

Accountancy profession around the world is now considered an important and effective organ to establish accountability in all spheres of financial activities. In India, this profession has played a very important role in its economic growth in the past. The fact that a legislative step was taken



by the independent India to enact the Chartered Accountant Act of 1949, even before the country adopted its Constitution, proves the criticality of this noble profession. Since then, the Institute and the profession have achieved the feats of progress. The profession will face more challenges, particularly when the country is embarking on a high growth rate and emerging as an economic power. It will have to play a more proactive and dynamic role in the country's growth. It has to redefine its role of a watchdog of public expenditure and investments, while coming out of its traditional client-centric approach in the interests of civil society and its financial ethics. Chartered accountants today have a binding obligation towards their stakeholders who repose trust in them—in their competence as professionals. They will have to safeguard and protect their interests.

My vision for the profession is to look beyond the profession, *i.e.* be more than just bean counters and look beyond financial figures. Wherever there is growth and development, there will be a need for financial prudence and fiscal discipline, be it a Gram Panchayat, an NGO, a quasi-judicial organisation or a government organisation. We must put in our efforts to be the true partners in nation-building. Our members must follow the Motto of ICAI, *ya esa suptesu jagarti* (who are awake amongst those who are asleep) in both thought and deed. Chartered accountants should continue to help the Government in fighting against the misappropriation of public funds. With my world experience, I am sure, chartered accountants are bound to provide new meaning and heights to the image and identity of the accountancy profession in the years to come. I wish everybody a bright future on the successful completion of 66 years of professional journey. ■