

Celebrating ‘CA Day’ on the Cusp of Change

“**T**he future depends on what we do in the present,” rightly said Mahatma Gandhi, which is worth taking note of by Indian accountancy profession, particularly in the present days of all-out transition. “*Nothing endures but change*,” so also said Greek philosopher Heraclitus. As we celebrate the CA Day, the 69th Foundation Day of the ICAI, Indian accountancy profession too is on the cusp of change. This change encompasses multiple fronts particularly *vis-a-vis* technology, transformation of core areas of expertise, fiscal landscape, fast changing government regulations & policy initiatives and newer opportunities in a globalised economy. As such, the CA Day has indeed been an occasion of national pride and glory but now it is also an occasion for introspection and leapfrogging into a future of boundless opportunities while pushing forward ICAI and the profession’s pivotal presence as the practitioners and proponents of professional *integrity, independence, excellence and service to the nation*.

Noted educator Pauline R. Kezer had said “*Continuity gives us roots, change gives us branches, letting us stretch and grow and reach new heights*.” In that spirit, our economy and the keeper of its financial discipline – the Indian Accountancy Profession— have now arrived at a historic turning point. Be it the anti-black money drive through our support to the income declaration scheme 2016, demonetisation and anti-benami property initiatives, the biggest tax reform in the form of GST, the transition to Ind AS converged with IFRS, XBRL, increased focus on sustainability and Integrated Reporting, or even the digitisation of economy and onset of new laws like Insolvency and Bankruptcy Code— the change is far reaching. In this regard, the ICAI’s standard setting, regulatory, and education processes too are constantly keeping pace with these changes by imbibing the latest global best practices. The scheduled launch of ICAI’s Revised Scheme of Education and Training from July 1, 2017 is worth mentioning in this context.

Another area of change and opportunity for the profession across all jurisdictions is its ever increasing role in fighting fraud and corruption. The changes are all encompassing and all engaging for the profession, so much so that it anticipates exciting times ahead, especially in the wake of outburst of technology. The ‘*technology-and-artificial-Intelligence-induced*’ globalisation and diversity offer remarkable opportunities for our profession. How the CAs respond to the changes, how they identify the trends and issues, and how they stay ahead of the curve, will be the key for their imprints on future.

The accountancy profession faces significant opportunities and risks from digital disruption. In a world of full transparency of transactions and in-built validation, accountancy will become a very different profession in the times ahead. This scenario is changing the focus of auditors. Ultimately, digital disruption will impact the nature of demand and expectations on what an accountant is and does. The effects of a digitised and connected world are not just on processes but on business models too.

As such, it is high time that Indian accountancy profession adopts and adapts to technology more and more and innovatively put it to use to enhance professional capacities and horizons. In fact, the fast evolving technology separates the profession’s current life from a potential new one brimming with possibility and untapped potential. Here, one can refer to an important report issued by the IFAC Professional Accountants in Business Committee that shares the knowledge, ideas, and experience of the

committee on developing a future-ready profession. To put in a nutshell, profession can use technology as a great enabler, enhancer and facilitator of Trust, which is in-built in the profession’s DNA.

The latest trend hinges on three areas of technology having particular relevance for the profession. First is the digital financial data & analytics and related cyber security; Second, the technologies such as cloud, mobile, and social media which will drastically change the way CA interact with business world; and Third, the new financial technologies, including digital-currencies and distributed ledgers.

In this backdrop, it is very timely that the IFAC has established a Technology Advisory Group which will focus on many themes such as Blockchain, Automation, Big Data and Cyber Security. The ICAI too has launched a series of initiatives to tap and tame the technology to add new dimensions to professional excellence, capacities and service delivery. The ICAI is looking into the usage and impact of big data, data analytics and artificial intelligence on the auditing procedures. Further, to assess the accounting and auditing issues in the emerging digital economy scenario, the ICAI has recently also constituted Global Digital Accounting and Assurance Board, as a non-standing committee.

Further, with the changing times, come the newer ethical dilemmas for the profession. This demands that Chartered Accountants give renewed attention and emphasis to ethical decision-making. Professionalism is not by qualification but it is an ability to demonstrate ethical choices, values, and practices in decision-making and to commit to the practice of personal and professional values—as one of the cross-cutting or interdisciplinary competencies necessary for a Chartered Accountant. Such interdisciplinary competencies are considered cross-cutting because they are integrated throughout all of the core areas in which a Chartered Accountant is involved in his professional carrier.

With the ICAI celebrating its 69th Foundation Day, it is interestingly to note that that the numerology number 69 is a number of idealism, family, harmony, health and compassion. The number 69 is a philosopher and an idealist and tends to determine an ideal way of being or doing and sticks to it, yet is open to alternate points of view. Hence, numerologically the number 69 and profession of Chartered Accountancy are in a way synonymous.

On the eve of this CA Day, it is now an established fact with proven track record that Indian accountancy profession has got all the wherewithal and orientation to take all the changes in its stride. Ever since its inception, Indian accountancy profession has been resilient to changes and challenges. Indeed, it is the ‘*Change for Better*’ that has impelled the evolution of Indian accountancy profession ever since the founding fathers of the nation put their trust in it on July 1, 1949. As such, today’s CAs have to not only resolutely keep that legacy intact but also pass it on to our future generations. Philosopher Ralph Emerson says: *What lies behind us and what lies before us are miniscule matters compared to what lies within us*. Let’s complete our journey from a number-crunching statistician to a strategist to a value-creator and to finally a change agent. Recall the saying that “*future belongs to those who prepare for it today*”. Happy CA Day! ■

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