

Audit as a Profession for Young Generation

The advent of technology coupled with economic growth has enhanced the relevance of professional education in India. There are new and diverse career options being considered by the young generation. An avenue that is always remained a first choice of the youth in India is Chartered Accountancy course. The course offers an exciting and challenging profession that is amongst highly respected professions of the world. The Chartered Accountancy course involves a blend of theoretical education and practical training that equips a student with knowledge, skills and personality traits that are required to become a successful accounting professional. The course helps in achieving multiple career options in the areas of accounting & finance, direct & indirect taxes, auditing, laws, business strategy and so on. This write up is a small but sincere effort to communicate about 'Audit as a Profession for youth'. Read on to know more.....



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Profile of our ICAI

The Society has acknowledged the contribution from the Institute of Chartered Accountants of India (ICAI) which stands for its ethos i.e. independence, integrity and excellence. The ICAI is a statutory body established in the year 1949 for regulating the profession of Chartered Accountancy in our Young Country. Since 1949, the profession has grown by leaps and bounds in terms of members [more than 3 lakhs] and student base [7.5 lakh students].

During its seventy years of existence, ICAI has achieved recognition as a premier

accounting body not only in the country but also globally, for maintaining the highest standards in technical, ethical areas and for sustaining stringent examination and education standards.

ICAI's vision and mission has a common thread of Excellence in providing service with the essence of code of ethics and independence. It has been designated by Dr. A. P. J. Abdul Kalam as a "Partner in Nation Building". The motto of the ICAI is "Ya Aeshu Suptaeshu Jagruti" (Sanskrit), which literally means "a person who is awake in those that sleep".

Why choose CA profession

In this growing economy with lot

of interest for capital investment from across the borders, demand for competent CAs is also increasing from Industry as well as CA firms. Choice of profession is based on several factors comprising of passion for the subject matter, family aspirants, cost of education, course duration, future prospects of the profession and earning respect from the Society. Chartered Accountancy is a leading profession that enjoys significant respect and dignity in the society. The society considers a Chartered Accountant as a professional who has significant financial knowledge and capable of handling tricky issues in the area of accounting, auditing, taxation, finance, laws and so on. Over the years the role of CAs has increased significantly across the globe and CAs are considered one of the pillar in the growth path of an organisation. With the depth of knowledge on the accounting and auditing front, only CAs in practice are authorised to audit and sign the financial statements of the entity. Additionally, CAs are exclusively authorised to audit the books as per the Income Tax Act and GST Act.

The curriculum of the CA Course has been designed, developed and continuously kept relevant by updating it from time to time so that the members of the profession can continue to be valued trustees of the world class financial competence, good governance and competitiveness.

Our institute has tied-up with various international countries wherein the Indian CA is accepted and reciprocal arrangement is agreed upon.

This opens the door to provide services outside India. India adopted global accounting standard, i.e., converged IFRS which is referred to as Indian Accounting Standards. This enables to bridge the difference in the accounting literature across the globe.

Expertise in Audit and Assurance

Audit profession moulds the person in all the aspects of the accounting & auditing, finance, taxation, internal controls including IT based controls. Apart from broad based knowledge, the profession also offers indepth insights into challenges that not only traditional but new age industries also face. The new age industries like e-commerce, mobile and internet banking, digital currency, apart from traditional industries like FMCG, auto, banking, finance, insurance, real estate, infrastructure, hotels, manufacturing and other service sectors continue to benefit from the support of young CAs. The auditor plays a pivotal role in communicating with audit committee and board of directors about the financial discipline and areas which need management's attention. Dialogues are often exchanged between the auditor and those charged with governance for key audit matters which are relevant for the financial year under audit. Auditor's presence is now widely looked upon in every board meeting of the organisation and their inputs are taken as trusted advisors.

The core differentiator of the auditor is giving critical feedback to management in the interest of the stakeholder.

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Challenges

Fame brings about its share of challenges as well. It includes being under constant scanner as expectations from the profession keep on rising multiple fold coupled with the hardship of stringent timelines for closure of audits, multi-tasking, extensive travelling and the most relevant is work-life balance. The bright side is that one will have expectation from other side only provided other side believes you are capable of delivering it. This is the precise reason for such Adrenaline rush!

The beauty of a very strong Institution is that it takes corrective action, addresses the concerns of stakeholder and reinforces the expectations it has out of its members and encourages them to display their integrity and vigour even more clearly.

Few aberrations due to fault of few individuals can neither break the foundation of an Institution nor can it cast an aspiration in its future.

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encourages them to display their integrity and vigour even more clearly. The art of professional skepticism is pre-requisite in any attestation functions.

Members and CA firms with ethos and code of ethics by their side will certainly sail through any challenges and claims of darkness made by the Society and Stakeholders.

Audit of financial statements

| Particulars | Frequency of reviews / audits |
|---|--|
| Corporate entity – Listed | Annual audits of financial statement are mandatory. Further, these entities are also required to publish quarterly financial results at standalone and consolidated level. The option is given to the management to either have limited reviews of financial results or have them audited. |
| Corporate entity – Unlisted | Annual audit of financial statements is mandatory. |
| Non-corporate registered as Limited Liability Partnership | Annual audit is mandatory when annual turnover exceeds INR 40 lakhs and capital contribution exceeds INR 25 lakhs. |
| Other non-corporate registered as proprietor, partnership firms, etc. | Annual audit of books of account is mandatory under Income Tax Act if the annual turnover exceeds INR 100 lakhs. |
| Co-operative societies etc. | Audit is mandatory as laid down by respective laws. |

Other Audits and Assurance functions

- GST Audit is mandatory for entities crossing the threshold limit of annual turnover as specified in the GST law
- Group financial reporting which is mainly in case of parent entity in India or placed outside India and have subsidiaries, associates, joint ventures, etc. across the globe
- Other attestation functions like audit of special purpose financial statements, certificates issued to clients, audit of combined financial statements.

- Internal audit function is an “eye of management” to ensure that the internal controls strengthen in the organisation. It is mandatory to appoint internal auditor for certain companies as per the Companies Act, 2013.
- Other non-attestation audits includes forensic audits, risk-based audits, financial diligence, and CSR audits.

Article Training is the turning point

The trainees are groomed and nurtured over the three years which may also include 9 to 12 months of industrial training in any corporate. The

curriculum of CA enables the student’s mind-set with technical and non-technical skill sets which are significantly imparted during 3 years training. Certainly in large and mid-size CA firms, selection is based on merits of the students (e.g. academic score card, communication / command on language, extra-curricular activities, number of attempts in clearing the entrance exam and IPCC level, flexibility in travelling and overall judgement based on the personal interview of the students). Depending on the size and scale as also areas of practice, the interns may have to make a choice for their area of interest like direct tax, indirect tax, statutory audit or internal audit. Getting perspective of each and every practice area may or may not be feasible. However, exposure

Auditing

to practical experience with regular study of technical subject is the key to be ready with challenges posed by various facets of profession. The size of the firm is no guarantee that trainees will learn everything as the outcome is entirely dependent on the zeal and passion towards Profession. If the trainee learns the basic steps of profession correctly, it is not difficult to take large steps. Live virtual classes are organised by the Institute to supplement the theoretical material for the students and that it can be learnt outside the training time. What is needed is commitment to excel in life. The diverse knowledge and experience gathered certainly prepares them to face the complex challenges in the real world.

Campus Recruitment Opportunity

Post the results are announced, ICAI also arranges for the campus recruitment for the fresh qualified CAs across the metro and small cities. Industry and firms both are

invited for the participation in campus recruitment. As per the statistics of last campus recruitment held in February-March 2019, 9011 candidates had applied for campus and out of which jobs were offered to 3180 candidates i.e., 57.40%. The highest annual salary package in domestic posting was INR 22.50 lakhs and with average salary of INR 7.43 lakhs.

CA firms are easily choosing to recruit freshly qualified who have been with the firm during the training and are accustomed to the working culture of the firm. This will encourage the team to play larger role in the audit or explore other service lines based on the area of interest like business advisory and taxation.

Opportunities for Members working in corporate world

Audit vertical provides wider and macro perspective of the business. Also corporates prefer recruiting members with audit background to play

the role of Chief Financial Officer. Members with audit background would smoothly handle the multiple projects of automation in accounts / systems, mentoring the team for raising the performance bar and ensuring that the financial statements are true and fairly presented to stakeholders. ICAI also recognises the contribution of members in each Industry through 'ICAI Leaders & Business Excellence Awards'.

Conclusion

We, Chartered Accountants are the brand ambassador of the ICAI and are responsible to protect its long standing goodwill created by our seniors and founders. I am sure that technical knowledge on the subject matter along with soft skills, command over language & presentation skills will enhance the acceptability and lead the other professionals. Artificial intelligence technology will certainly not be a threat to our profession rather it is a tool which will enable us implement smart audit techniques and in turn help us be ahead of curve.

Change is the only constant in life and in any profession, so keep updating your knowledge base and skills and share it with peers. The beauty of CAs is that they are alert and assertive along with the core quality of perseverance. Auditing as a profession has withstood all the changes the world has seen and will continue to be a formidable force to be reckoned with and young professional must be a part of this force! ■

