

Catalyzing Reforms, Creating Values

Enhance, enrich, upgrade, upskill – the professional world of accountancy is continually evolving, intensifying and taking increasingly higher pedestal in the domain of business and finance. The accounting profession has been sine qua non of economic development, an overt force that has been part of many government initiatives for creating systems, improving governance and manifesting sustainability. When the country is moving ahead in its journey from being a major emerging economy to be an economic powerhouse with a professed dream of being a five trillion dollar economy, the accounting profession must act as strong catalyst as well as integral triggering element to achieve necessary growth and development.

ICAI actively participates and contributes in the activities of some of the key ministries and regulatory bodies such as MCA, RBI, SEBI, CAG, IRDA and so on. The views of members and the Institute forms part of regulatory framework of the government at national and state levels in the areas of finance, taxation, laws, governance and like. Every year, ICAI submits memoranda to the Ministry of Finance and many suggestions therefrom often form part of Finance Acts. In the area of Indirect taxes too, ICAI has been making representations/submissions from time to time highlighting practical difficulties and suggesting improvements for consideration of Government.

ICAI, in one of its key domain of Accounting Standards ensures that the Indian Accounting Standards (Ind AS) Framework remains substantially converged with International Financial Reporting Standards (IFRS). With timely notification of new Ind AS/amendments, India remains converged with IFRS Standards and Indian companies continue to get advantage of the same.

The contribution of members is intricately interwoven in the corporate activities. Over past few years, there have been significant developments in reporting by companies, particularly regarding the details to be included in the annual reports, as well as the importance attributed by various stakeholders to the information in annual reports beyond the financial statements. Annual Reports now include more qualitative information than

that was required in the past, including description about the business model of the company, risk exposures and uncertainties. Stakeholders have been attaching more importance to such information as they look for ways to better inform their analysis and have understanding of more complex areas in the Financial Statements.

ICAI has issued series of new/revised Standards on Auditing (SAs) on auditor's reporting. The significant change with the Auditor Reporting Standards is the new Standard on Auditing (SA) 701, communicating Key Audit Matters in the Independent Auditor's Report. These standards have completely changed the format and contents of auditor's reports. SA 701, applies both to audits of financial statements of listed entities and in circumstances when the auditor otherwise decides to communicate key audit matters in the auditor's report. This SA also applies when the auditor is required by law or regulation to communicate key audit matters in the auditor's report. It may therefore be relevant to different sized entities and all practitioners, including small and medium-sized practices (SMPs).

Adding value to the audit does not happen by chance rather it happens only when engagement partner and his audit team plan, develop strategy and create an approach to make the audit different by purposefully adding value. In the paradigm shift, with the introduction of Insolvency and Bankruptcy Code, our members have upskilled themselves to be part of restructuring world of businesses. Our members are also involved in the process of arbitration, mediation & conciliation to position themselves as multidisciplinary consultants in the global service market. The profession is also technologically advancing adapting the advanced tools such as artificial intelligence, blockchain and robotic process automation.

ICAI in its sagacious journey sprawling over seven decades, has been part of many such endeavours being taken in the economy. These changes have only enhanced the value contribution of the accounting profession to the society and help in catalyzing reforms and creating values.

Editorial Board ICAI: Partner in Nation Building