

Esteemed Colleagues,
The profession is poised to emerge as a strong player in the consultancy area of practise as never before, and it is imperative for us to take proactive steps to equip the members and enable them to compete successfully with other players in the economy.

Consultancy in Corporate Form

As per the existing Code of Ethics, practising CAs can be "Director simplicitor" in any company without specific permission being sought. However, a practising CA shall not hold the position of MD or whole-time Director of a corporate if substantial interest is held either by self or along with relatives. In the alternative, a CA can occupy such positions by surrendering certificate of practice (COP). Where substantial interest is not so held, holding these positions is possible only after obtaining specific permission in which case the member will be regarded as being in part-time practice, and therefore cannot do attest function.

The Council recently reviewed this position with a view to empower the members to practise in management consultancy field in corporate form. It has been decided to allow practising CAs, subject to guidelines to be issued, to hold the office of Managing Director or whole-time Director or Manager of a company, provided the body corporate is engaged exclusively in rendering consultancy services as permitted by the Chartered Accountants Act, 1949. The restriction relating to substantial interest does not apply and specific permission also is not required in such a case. CAs shall be regarded as being in full-time practice and therefore can continue to do attest function either in individual capacity or any proprietary/partnership firm.

Course on Consultancy Management

With a view to galvanise the fraternity of Chartered Accountants to acquire specialisation, a new course on "Consultancy Management" through web-based learning has been approved. The course is designed as a certification course for members and not as a post qualification course in view of which there will be no examination. There will be appropriate modules in the course, providing for proficiency development, spread over four months. Mode of evaluation for progressing from one module to another module will be on 'self-assessment' basis.

CPE Programmes

Continuing Professional Education (CPE), known as Continuing Professional Development (CPD) in many countries, is a global phenomenon practised by the accounting profession and ours is a structured learning (input method). During my interaction with members, many mentioned that initially they too were against imposing of CPE but later developed keen interest to attend programmes due to inherent benefits accruing therefrom.

The obsolescence of knowledge on the one hand and evolution of new opportunities on the other, demanding different skill-sets and knowledge base make it necessary to educate ourselves on an on-going basis. CPE channelises information to update, and sometimes even upgrade, knowledge in emerging areas of practice. It also promotes a platform to exchange views. Our members, who rarely get an opportunity to meet in a common place, also find CPE forums an occasion to network and get to know colleagues. But for CPE, it is felt, many members would not have had an occasion to come to the Institute forums, and could have lost touch with the parent body and the happenings around.

Institution Above Individual

Having said so much in favour of CPE, one should not lose sight of a few drawbacks too. One complaint is that in some programs the frills and formalities consume a lot of time, leading to dilution of quality of learning. No doubt, in exceptional situations, CPE forums may be used for promoting Brand Image and for strengthening public relations. So long as such instances are rare and the intended beneficiary is the profession, there should not be any objection. Again, CPE programmes should not be seen or used as fund-generating activity. Surplus could be incidental in some programmes, but not intentional. Further, any surplus so generated should be used to subsidise the cost of programmes for younger members.

There is also a point made that members who are experts and too busy to physically attend find it difficult to meet CPE requirement. This is handled by granting CPE credit when they contribute articles and when they present papers. Every member who has a fund of knowledge should feel morally obliged to share it with colleagues through CPE programmes, as this is the best way one could show gratitude to the profession that has given status, stature, prominence and prosperity in life. Knowledge when shared gets refined, and when exchanged gets multiplied.

There is also a mention about some members registering but not participating in the program. Qualitative topics and selection of expert resource persons should entice members to participate. Workshops and training programmes, where in-depth analysis, group discussion, interaction and adequate understanding through case study modules are facilitated should be conducted. A day should come when every member aspires to

participate in the continuous learning process, not merely to fulfil the requirement of the ICAI, but due to a compelling passion to learn, unlearn and relearn, and an inner urge to share knowledge, leading to exciting experience of enrichment. We, in the Council, have also formulated certain norms with a view to professionalise the conduct of CPE programmes (see Council Decision reproduced elsewhere in this Journal).

In the final analysis, the pros of CPE seem to outweigh the cons thereof. The majority appear to agree with the concept but with only one improvisation in the modalities. Everyone seems to accept that no other factor can inspire more confidence and faith of stakeholders in our profession than the demonstrative quest for knowledge and competence gained out of it. I am reminded of what John F. Kennedy said: "There are risks and costs to action but they are far less than the long-range risks of comfortable inaction". We just cannot afford to be indifferent or ignorant of the developments around us. Practising the accountancy profession is like riding a bicycle: one does not fall off unless one stops pedalling. Needless to say, learning is akin to pedalling. Let us reaffirm that we shall keep progressing in the knowledge era as we shall never give up learning.

Jai Hind, Jai ICAI.

Yours sincerely,

T.N. Manoharan
New Delhi, August 16, 2006



President, ICAI with Mr. Richard Dyson, Deputy President, The Institute of Chartered Accountants In England & Wales.