



Dear Esteemed Colleagues,

The performance of our Institute is something of which we can all justifiably be proud of, particularly when we are celebrating our Diamond Jubilee Year. But it is also a reminder that we could do still better. Our Prime Minister Dr. Manmohan Singh, while launching our celebrations, also meant much the same when he observed that "though the Institute has served our country with great distinction, the best is yet to come, and the next 60 years [of ICAI] will be still more productive and innovative in the service of the people of India." So, let's rededicate ourselves to our resolve to be the best, and use this year as the time to take a giant leap in that direction.

The Institute has initiated many steps in that direction recently which I wish to share with you.

Standards on Internal Audit

Considering the ever-increasing importance of internal audit in contemporary business and to ensure the primacy of Chartered Accountants in this context, the Institute has decided to come out with Standards on Internal Audit (SIAs). I am happy to inform you that the Council in its meeting held on 7th - 9th August, 2008 approved four more Standards on Internal Audit on Reporting, Sampling, Analytical Procedures and Quality Assurance in Internal Audit, taking the total number to seven. Further, five more SIAs in the areas of Terms of Engagement, Evidence, Communication with Management, Coordination with External Auditors and Responsibility for Detection of Frauds are in the process of finalisation. I am sure that by this year end all standards on internal audit would be in place and the Institute could then legitimately claim to be the best in this field. These standards, codifying the best practices in the area of internal audit, would not only serve as guideposts for members but also establish performance benchmarks for them.

I may take this opportunity to inform you that the Securities Exchange Board of India (SEBI) has, vide its letter dated 22nd August, 2008, advised all stock exchanges to direct their stock brokers/clearing members to carry out complete internal audit by independent qualified Chartered Accountants. Not only that, the Insurance Regulatory and Development Authority has also amended its regulations to provide that every Insurer having Assets under Management (AUM) not more than Rs.1000 crore shall conduct a Quarterly Internal Audit and Insurers having AUM above Rs.1000 crore should appoint a Chartered Accountant firm for concurrent audit.

Certificate Courses on IFRS and Valuation

In a futuristic move and also in order to facilitate our members to acquire advanced knowledge and sharpen their skill on specific subjects, the Council has decided to start two Certificate Courses- one on International Financial Reporting Standards (IFRS) and the other on Valuation. Both these courses will be of a specified duration and will have interactive sessions, case studies as well as a test to be passed at the end of the course.

The Course on IFRS shall be of 80 hours' duration. I am sure this will not only help in convergence to IFRSs by April 1, 2011, but also create the potential for global outsourcing of IFRS-related accounting and auditing services to Indian professionals.

Further, considering the diversity and complexity in valuation that is primarily part of accountancy profession, a Certificate Course on Valuation is being started to enhance our competitive edge in the globalised economy. Valuation requires core competence in the areas of accounting and finance in general and valuation technique methodology in particular. Apart from theoretical and valuation modalities this course will hone the expertise of members through multiple case studies across the industry and service sector.

Both the courses are slated to be launched in September/October, 2008 and the necessary announcements regarding the exact date, place and procedure for registration will be put on the website.

Members in Industry and Senior Citizens Could Comply with CPE Requirement by Reading Articles

As you are aware, the unstructured learning activities have been made applicable from January this year and we have already issued a Continuing Professional Education (CPE) Advisory in this regard. However, I notice that there is some apprehension among certain members in industry and senior citizens about this requirement. I may

clarify that for members in industry and senior citizens it is not necessary to attend regular CPE programmes. These regular CPE programmes such as seminars, study circle meetings, etc are called structured learning activities and are mandatory for members holding certificate of practice but they are optional for members in industry and senior citizens. Members in industry not holding a certificate of practice and senior citizens could comply with the new CPE requirement by reading articles in journals, books etc. They could read those articles at their leisure.

You will be glad to know that taking this important initiative forward, it has been decided to grant one hour CPE credit each for reading some selected article(s) published in the Institute's journal as part of unstructured learning activities from the September 2008 issue itself.

Professional Opportunities in Alternative Dispute Resolution

Alternative Dispute Resolution (ADR), i.e. Arbitration is another area where, because of our core competency in accounting, auditing, commercial laws, business functioning, structuring and tax implications, our profession can play a very constructive role in resolving disputes particularly relating to business, commercial agreements, family settlement etc. The Government has also recognised the role of Chartered Accountants in Alternative Dispute Resolution (ADR). The Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice in its Ninth Report on 'The Arbitration and Conciliation (Amendment) Bill, 2003' submitted on 4th August, 2005 has stated: "the Committee recommends that persons who would like to render their services as arbitrators should be registered as members of a professional institution or association such as the Bar Council of India, the Institute of Chartered Accountants, the Engineers' Association etc. The arbitrators shall be governed by the rules of the institution. This will ensure accountability of the arbitrators".

Appreciating this and the significance of settlement of disputes in the development process, the Council has approved the ICAI Rules of Arbitration and also a Certificate Course on Arbitration for its members. The ICAI shall maintain a panel of arbitrators and the arbitration proceedings shall be conducted in accordance with such Rules. The parties to the agreement will of course be free to nominate any person out of this panel. Complete details of the Rules of Arbitration and of the Course are being hosted on the website.

This is a good professional avenue both in terms of acting as an arbitrator and representing the client

in the arbitration proceedings. There is not much awareness about the effective role Chartered Accountants can play in the field of ADR. We need to create awareness about this. This can also be done by educating the parties to the agreement at the stage of drafting the agreement itself. A clause can be inserted in the agreement of resolving the dispute by arbitration to be conducted as per ICAI Rules of Arbitration. Further, the agreement may provide that the arbitrators are to be nominated or selected out of the panel maintained by the ICAI. I am sure that ICAI Rules of Arbitration which have been framed to provide a free, fair and transparent mode of resolving disputes would in course of time be recognised as a benchmark and our profession would get identified as leader of ADR system.

Improved Communication with Members and Students

As part of our constant drive to improve the quality and the mechanism of communication with our members and students, we have undertaken some major steps over the last month. Firstly, the ICAI website has been totally revamped and it is now faster, easier to navigate and more user-friendly. In fact, we have moved from a static to a content-management-system-driven dynamic website, which is being updated regularly to provide the latest information.

Further, to enhance the e-mail operations, we have hired corporate services from Gmail to provide organisational e-mail ids with a mail box capacity of 7 GB to all our members, employees and students free of cost. You can access Gmail services of ICAI from <http://mail.icai.org.in> using organisational user id and password. I would urge you to explore and use this new e-mail facility for more effective communication.

Friends, you have probably noticed that I have been trying to reach out to all members through e-mail and SMS. However, I find from records that we do not have the mobile numbers and e-mail ids of many of our members. I will greatly appreciate if all of you who are not receiving e-mail and SMS from me could provide me the same. This could be done very easily by sparing a few minutes and by updating e-mail id and mobile number on the website itself. My dream is to bring all members closer and closer to the Institute so that one day it becomes possible for all of us to talk together using the latest communication technology.

Besides, with a view to providing better services to members and students, a toll-free telephone (1800-200-2500 for members and 1800-200-2501 for students) facility is being started from September 1, 2008, to answer all relevant queries

vis-à-vis the Institute. Now any member or student can call up the Institute from any place in India free of cost. Moreover, to add to the existing facility in distance learning, a new system is being started whereby students could directly call the Institute faculty for course related questions. A list of phone numbers, e-mail ids and the schedule of availability of each member of the faculty during the week has been hosted on the website.

Meanwhile, work is going on to provide all services to members and students online and I hope we shall soon be in a position to do so.

Examination on Alternate Days

To make examination schedules less stressful for our students, examinations will now be held on alternate days starting from November 2008. I am sure this initiative will go a long way in reducing stress which in turn, will help in improving our students' performance.

Convocations at Regional Headquarters

You will be happy to learn that to promote professional camaraderie and bonhomie and also for greater convenience, we plan to start organising convocations at all of our regional headquarters to give away Certificate of Passing CA Final Examination, Certificate of Membership and Certificate of Practice. The convocations would be held twice a year after results are declared, covering the periods of March-August and September-February. I am sure this will help bring our young members closer to each other as well as to the Institute and also help in brand building.

Chartered Accountants' Students' Benevolent Fund

You will recall that in my last communication I had mentioned that a benevolent fund was being set up for CA students. I am happy to inform that the trust in the name of Chartered Accountant Students' Benevolent Fund has now been formally registered. I am confident that this fund will, in times to come, be in a position not only to provide financial assistance but also give lots of other benefits to poor and deserving students and thus help in promoting CA education. You will appreciate that these objectives can be achieved only when we have sufficient money to build a sizeable corpus of funds, which in turn can be possible when we all contribute to it. Accordingly, I take this opportunity to request you all to donate generously for this noble cause.

International Initiatives

As part of our constant efforts to provide wider opportunities and exposure to members of the Institute internationally and to facilitate greater interaction among them, the Council had decided to

set up a chapter in New York. I am very happy to inform you that the New York chapter was formally inaugurated on 24th July at a glittering ceremony held at Consulate General of India, New York. The setting up of the New York chapter will facilitate interaction between members settled in the USA and members in India. Also, members interested to get any information about job and professional opportunities in the USA can now interact with the chapter. Likewise, corporate houses and business entities in the USA can take the assistance of this chapter in reaching out to Indian professionals.

I may further inform you that the Council has also approved the setting up of a chapter of the Institute in Singapore. This will be our 21st international chapter. The Singapore chapter will start working soon and I am sure it will also act as a bridge between accountancy professionals of India and those of Singapore.

In order to keep our members abroad updated with all national and international developments, a quarterly e-newsletter was started for members abroad in July 2008. The e-newsletter is also available on the website. I am sure this initiative will bring all our members settled abroad closer to our hearts despite being far away.

International Conference in Jaipur, November 2008

As part of our ongoing Diamond Jubilee Year celebrations and to achieve a global reach for our profession, the Institute is organising a mega international conference on 'Accounting Profession - Shining Bridge Between Global Economies' in Jaipur on 20th - 22nd November 2008. This Conference will focus on issues like governance, financial engineering, regulatory compliance, value creation and corporate social responsibility. It would also be a congregation of experts from IFAC, CAPA, SAFA, IASB and other renowned international bodies. Leaders in trade and industry from India will also participate in it. The details of the Conference have been hosted on the website. This event offers a golden opportunity to professionals to enhance their knowledge, widen their world vision and help them to prepare themselves for the challenges ahead.

Dear friends, there is much more to do and many more steps to take in our resolve to be the best and I look forward to receiving your guidance and help in achieving this cherished objective.



-CA. Ved Jain