

eAccounting brings global opportunities



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EAccounting has visited India with a rainbow of opportunities. It is high time the Chartered Accountants in India look beyond the Indian clientele, as the entire globe lies before them to be conquered. With processes taking unprecedented turns, technologies are evolving at an unbelievably rapid pace within the purview of eAccounting, like Virtual Desktop, Virtual Private Network, Qaccounting, etc.



The introduction of the Internet has revolutionised the process of business automation. Revolution is all about transformation for the good. Outsourcing, in this sense, has grown in necessity and has gained a prominence in boardroom meetings. The evolution of technology made what was unthinkable, possible. *Welcome the revolution!*

Outsourcing is not new. Over the decades, outsourcing has transformed from mere Time-Sharing models in the 60s, to Data Processing to Strategic Process Outsourcing in the 2000s. Its wings have spread to cover wider domains-- from transactional to strategic. Of late, companies have transformed their business by outsourcing entire technology operations or business processes, such as logistics, claims processing and customer relationship management. Financial BPO is the recent development catching wing in offshore outsourcing. Accounting has entered a new space in the professional domain in this regard.

BPO processes are like children. Though they are young, exuberant and have immense potential they are definitely growing by the day, but maturing at different rates, expanding their branches into numerous areas; one being financial BPO. Market indicators show that the F&A outsourcing market is set for a meteoric rise. An

IDC survey reveals an expenditure of about US\$40 billion in &A outsourcing in 2002, up from US\$ 36 billion in 2001. It further states that this market will hit around US\$ 65 billion by 2006.

Timely, accurate financial and accounting information is vital for organizations hoping to maintain a niche over the competitors in the market.

Why India or Indian CA?

With overseas firms under relentless pressure on the cost front, the relocation of F&A processes to low-cost offshore destinations, particularly India, is getting serious. Today overseas clients expect financial solution providers to manage the business process, and not just transactions processing to enable the CFOs arrive at well-informed, educated decisions. This requires professionalism and articulation of executing things skillfully, adding value to the services through ethical business practices.

As there is a gigantic need for real-time information on the trends and strategies, these operations need defined skill and professional expertise. Indian chartered accountants, who are born number-crunchers, can handle these functionalities with gracious ease.

The operating expertise, quality standards and

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sound technological outfit format of Indian Chartered Accountants give a clear picture of their pursuit to be among the top niche service providers. With vast domain knowledge and extensive service delivery experience they can scale up operations rapidly. The 'Indian CA Advantage' is very clear - "superior quality, low cost and timely solutions by way of sheer innovation and a singular vision of perfection". As a member of ICAI, they strictly abide by their work ethics and codes of conduct; uphold client perspective, establishing high service standards and professional integrity.

The Silver Lining

In a fast paced world, the clients need to have control over financial data to know their 24x7 financial position, from any geographic locale. How is this possible... through eAccounting. eAccounting helps businesses keep their financial data & accounting software in a safe, secure environment, allowing real time access to authorised users, irrespective of their location or computing platform. This is possible due to an Application Software hosted on a remote but safe and secure environment by and ASP that allows access to users of financial information with different levels of permission and password.

One can send paper documents through an e-fax or by scanning and e-mailing it. Once we receive the scanned image of the document, the transaction is posted in Accounting Application posted on server. There are principally three options for using it:



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By using an ASP on rent as arranged by overseas firms.

We can host our own server with controlled access and requisite applications.

We could also log in to the overseas end-client's server and post the entries.

The ASP

Application Service Provider (ASP) is a model o a way of providing services across the world by means of Internet. It provides individuals/enterprises an access over the Internet to applications and

other services that would otherwise have to be located on their own personal/enterprise computers. Also called "apps-on-top", ASP services are an important alternative, not only for small organizations, which have small budgets for IT, but also for the larger ones and for individuals as well for well-defined security and controlled access.

The Virtual Desktop

Using the Internet like a Wide Area Network (WAN), companies and organizations can access the information in real time to run their business. The user can be anywhere and can still connect to the network and access relevant information. This virtual workstation, primarily a desktop, contains icons for subscribed applications like QuickBooks, Peachtree, etc which allows everyone work on the same system, the same platform and the same version of the software application.

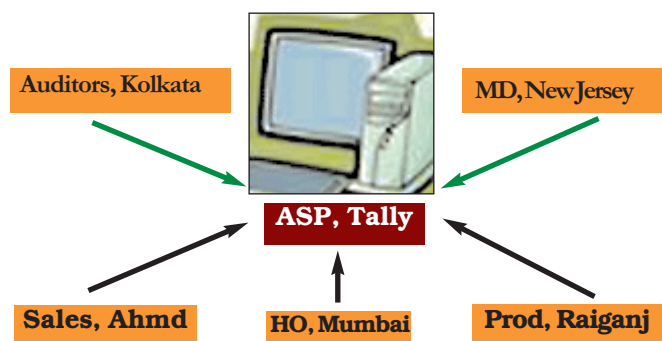
Conventional Accounting

Let us take a situation where an organization, ABC Ltd. Company has its head office

located at Mumbai, sales office at Ahmedabad, production unit at Raiganj, auditors in Kolkata and the Managing Director at New Jersey. Under the conventional accounting model, the information regarding sales and production have to be first assembled and collected at the Head Office, where they would be incorporated in the Accounting Software. The MD cannot evaluate the reports and financial statements unless the Auditor has done his job, who is again dependent on the Accounts Department. In a situation like this, one can access date in turns, thus the efficiency gets limited.

eAccounting solution—ASP model

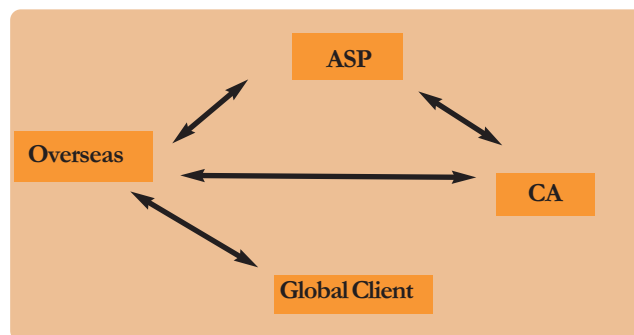
eAccounting offers a very simple solution. Imagine, if tally is hosted on an ASP by the company, where all these users of accounting data are virtually connected and can work from their respective physical location. The network is secure, the data is protected and all information is in real-time. It's like working online simultaneously, using hosted applications, so there's no more need for taking turns accessing the data file.



We as Indian CA may use the same concept of eAccounting in a macro level, thereby, the global client and the global firms are located overseas and we do back-end accounting for them, online, thereby acting as their virtual office. It's a true, multi-user system that provides at the same functionality of a local network, through the concept of Virtual Desktop.

Operational Work Flow Process

Step 1: Source documents are sorted, scanned and sent electronically by the Overseas Firm, along with the other relevant data to a file sharing system on the ASP.



Step 2: The files are viewed on-screen and processed remotely by Chartered Accountants in India. The application is run online from a protected data center and provides access through a Web Browser there data is entered directly by the Bookkeeper.

Step 3: Review notes are prepared by Chartered Accountants in India and sent to overseas firm for clarification. Emails are generated to appropriate contacts overseas, indicating that review notes for a specific client have been posted and are awaiting review.

Step 4: Upon hearing from firms overseas, the Accountants in India complete the rest, have it reviewed by a supervisor and upload it for final review.

Security & Virtual Desktop

Citrix Metaframe services running in the server provide the client with a high level of security while working within the virtual Desktop. All processes actually occur on the terminal server and not at the client's desktop.

The only data that is sent back and forth between the terminal server and the user desktop is screen, keyboard, printer and mouse data.

By default the data stream is compressed and encrypted the data at the server is backed up regularly and moved off-site to a remote location. This way real business continuity is ensured.

Overseas Concerns and our assurances

Global firms have to be absolutely sanguine of the data security and trustworthiness of our abilities. For winning their confidence, promises and expectations must be met; which means our ability to evaluate their sentiments, understand their expectations and to do it right the very first time.

Today, where information can be compromised and distributed, global firms need to be cent-per-cent assured that their information is safe and are being safeguarded from identity theft.

Being professionals, Indian Chartered Accountants should be absolutely confident about the work process, ensure service integrity, observe professional ethics and generate trust and confidence in the client for striking a lasting business relationship.

Conclusion

eAccounting has visited India with a rainbow of opportunities. It is high time the Chartered Accountants in India look beyond the Indian clientele, as the entire globe lies before them to be conquered. This also makes us show the world our compatibility with any environment where we can deliver positive output under any situation.

If time and money for getting a job done is the issue for the globe today, then why not let it be done by skilled experts who can do it at the best of their professional excellence.

And that's what India and Indian Chartered Accountants are going to acquire through eAccounting in the days to come with the arsenal of technology and expert domain knowledge.

EAccounting might just be the beginning of a new era where world would be extending its arms to India with perspective that "India is the place which can deliver the best".

Announcement

As members are aware, various Committees of the Council of the Institute bring out technical publications like Guidance Notes, Statements, Accounting Standards, Auditing Standards etc. from time to time. These publications are available through the sale counters of the Institute at Regional Offices and Branches of Regional Councils.

In order that the new publications and/or the revised version of the existing publications are made available to the members as soon as they are printed, the Institute has a scheme whereby by depositing a specified amount the member shall be provided with the Institute's publications as and when printed. For this purpose, a member shall have to deposit a sum of Rs 1,000/- as imprest amount to the Institute. An imprest account with account number will be opened and maintained by the Institute. The price of the publications as well as postage charges will be debited to the imprest account of the member and he shall be kept informed of the balance in his account so that the member can replenish the account from time to time so as to able to receive the Institute's publications.

This scheme has been in operation since 1988. Members desirous of availing of the facility of this scheme may remit a sum of Rs 1000/- by way of Demand Draft. The Demand Draft should be in the name of The Secretary, The Institute of Chartered Accountants of India, payable at New Delhi and send it to the Joint Secretary, Stores, C-1, Sector-1, Noida – 201301 so that an imprest account could be opened in their name.

It is hoped that in the changing scenario and fast developments taking place in the accounting world, members would like to be kept themselves abreast of these developments through the medium of Institute's publications.