Twenty-Five Years. The Same Three Failures.

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I qualified as a Chartered Accountant when there were fifteen Accounting Standards in India. Within two years, there were twenty-eight. The Standards on Auditing I trained under ran ten, twelve pages each — brief, procedural, almost quaint by today's measure. Then came Ind AS. Then the wholesale overhaul of company law. Then GST. Then Internal Financial Controls reporting. Then the steady expansion of IFRS internationally, still growing, still being revised, decades after I first opened a copy of the framework.

I say this not as a complaint but as a fact that shaped everything else I am about to say: the profession I qualified into does not exist anymore. It has been rebuilt, standard by standard, requirement by requirement, for twenty-five years.

> ***What has not been rebuilt — what has, in fact, proven remarkably resistant to every version of the standards written to prevent it — is a small set of failures I have watched recur across more than two decades of practice. The standards changed. The specific failures did not.***

I am not writing this as a chronicle of where I have worked. I am writing it because a career spent moving across different practice environments — small and large, hierarchical and flat, old-economy and new — gives you something a single-firm career does not: the ability to see that a failure is not a firm's culture. It is the profession's condition, and it shows up wherever the underlying pressures exist, dressed in whatever the current standard happens to call it.

Failure 1 — Risk Assessment That Fills the Box with Nothing

Of the three, this is the one I have seen most often.

SA 240 requires the auditor to specifically assess the risk of material misstatement due to fraud — not as a general category, but as a genuine, engagement-specific evaluation of where and how this entity's numbers could be wrong. In practice, across twenty-five years, I have seen this requirement satisfied in name far more often than in substance. Risk assessments that read the same in year four as they did in year one. ROMM documentation populated because the template required a ROMM field, not because anyone had genuinely asked what could go wrong here, in this business, this year.

> ***The absence is rarely dramatic. No one skips the risk assessment section. They fill it in — with categories, with boilerplate, with last year's language and this year's date. The failure is not that the box is empty. It is that the box is full of nothing.***

What This Failure Looks Like in Practice

The template is completed, not interrogated

Risk assessment sections are filled because the template requires them — not because anyone has genuinely asked what could go wrong in this business, this year. The result is documentation that satisfies the form of the requirement while defeating its purpose entirely.

Year-on-year repetition without refresh

A risk assessment that reads the same in year four as it did in year one is not evidence of a stable business. It is evidence that no one has looked. The specific risks of this entity, in this year, are not the same as last year's — and the documentation should reflect that.

The standard is met in name, not in substance

SA 240 asks for a genuine, engagement-specific evaluation. What it often receives is a category list — the same three items every company's risk assessment names, regardless of what actually makes this company distinctive this year.

Failure 2 — Premature Closure and the Comfort of Accommodation

FAILURE 2

This is the failure I have seen most consistently across every environment I have practised in, in different clothing but the same shape: the audit reaches a point where a difficult question could be asked, and it is not asked — because asking it would slow things down, because the relationship is good, because the deadline is close, because everyone in the room seems satisfied and satisfaction is contagious.

I want to be precise about what this is not. It is not corruption. In twenty-five years I have rarely encountered outright dishonesty in the profession. What I have encountered, repeatedly, is something quieter and in some ways more dangerous: too much accommodation of the client. An audit opinion that has been shaped, not by evidence, but by the accumulated weight of not wanting to be the person who makes things difficult.

> ***I have seen what that accommodation does to an audit opinion. I have seen it firsthand. And once you have seen it, you cannot unsee it — because you start to recognise the shape of it even when it is dressed as professional courtesy, as relationship management, as simply being reasonable.***

A PERSONAL ACCOUNT

What I Did Not Do, One Year, and Why It Still Matters

There was a year — I will not name the client, the firm, or the individuals involved, because the point is not who they were — when I was reviewing an accrual, an income recognition matter, that I was not comfortable with. The accounting treatment was aggressive. Not clearly wrong in the way a misstatement is wrong, but aggressive in a way that troubled me — the kind of judgement call where a reasonable person could argue either side, but where my own reading of the evidence said the recognition was premature.

I raised it. It was not received well. The CFO pushed back — hard. Not through argument alone, but through pressure, through the kind of intimidation that experienced finance leaders know how to apply when they want an auditor to move on. The matter escalated. It went to the top management of my own firm. There was pressure there too, of a different kind — the commercial kind, the kind that asks whether this relationship is worth the friction.

I did not move on. I was not comfortable with the accounting, and I said so, and I held that position through the escalation, through the discomfort, through what was, at the time, a genuinely uncertain outcome for how the engagement — and possibly my own position — would be affected.

> ***The following year, the accrual did not materialise. The income that had been recognised did not, in fact, arrive. The ratios were hit. Covenants were affected. What I had been uncomfortable with turned out to be exactly the thing that needed challenging.***

I do not tell this story because it was heroic. It was not heroic. It was uncomfortable, and slow, and there were moments I doubted whether I was right to hold the position. I tell it because it is the clearest example in my own experience of what the second failure actually costs when it is avoided rather than committed — and what it takes, in the room, in the moment, to avoid it. Not brilliance. Not superior technical knowledge. Just the willingness to stay uncomfortable a little longer than everyone around you would prefer.

Failure 3 — Independence That Erodes Rather Than Breaks

FAILURE 3

The third failure is the quietest of the three, and in some ways the hardest to see in yourself while it is happening. It is not a single decision to compromise independence. It is the accumulation of small, individually reasonable accommodations — the relationship that has gone well for years, the client whose good faith you have come to trust, the challenge you soften slightly because the working relationship has earned a certain benefit of the doubt.

> ***I have watched this happen to capable, honest people. I do not believe I am immune to it either — which is precisely why I think it is the failure that most requires structural vigilance rather than personal virtue.***

You cannot simply resolve to be independent. You have to build habits, and firm cultures, and review processes that catch the erosion before it becomes consequential, because by the time it is consequential, it rarely feels like erosion from the inside. It feels like reasonableness.

WHY I STARTED ANVESHANA

The Regulatory Space That Finally Made This Possible

I did not build Anveshana because I had solved these three failures. I built it because the regulatory environment finally created space to talk about them honestly — NFRA's inspection intensity, the industry's growing acceptance that audit quality is a genuine, structural problem rather than a matter of individual integrity alone, the emergence of standards like SQM 1 that ask firms to manage quality rather than merely document it.

> ***Anveshana exists because the profession is, at last, asking the right questions publicly — the ones I spent twenty-five years asking privately, in review rooms, in escalations, in the quiet moments before deciding whether to sign.***

What Twenty-Five Years Actually Teaches

For the Young Chartered Accountant

If there is one thing I would want a young Chartered Accountant, five years into practice, to take from this: the technical knowledge you have today will not be the technical knowledge you need in ten years. It was not for me. Fifteen Accounting Standards became twenty-eight within two years of my qualifying. The Standards on Auditing I trained under were a fraction of what exists today. Ind AS arrived. Company law was rewritten. GST reshaped an entire category of compliance. Internal Financial Controls became a formal reporting requirement. IFRS itself continues to evolve, internationally, decades after its foundational framework was set.

Becoming a Chartered Accountant does not end your learning. It is the beginning of a career-long relationship with a body of knowledge that will not stop moving. The professional who stops learning in year ten is not practising the profession they qualified into — they are practising an outdated version of it, with increasing confidence and decreasing accuracy.

For the Senior Partner

And if there is one thing I would want a senior partner, twenty years into practice, to take from this: the three failures do not go away with seniority. If anything, seniority makes them easier to commit, because seniority is precisely what earns you the deference that allows premature closure to go unchallenged, that allows a mechanical risk assessment to be waved through because you signed it, that allows independence to erode quietly because who, after all, would question you.

> ***The discipline does not get easier. It only gets more consequential.***

> ***Twenty-five years. The same three failures — mechanical or absent risk assessment, premature closure in place of courage, and independence that erodes rather than breaks.***

Knowledge has no end. Neither does the discipline required to use it honestly.

That is what twenty-five years has taught me. I am still learning it.

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