THE HINDU Business Line
INTERNET EDITION
Financial Daily from THE HINDU group of publications
Thursday, Aug 14, 2003

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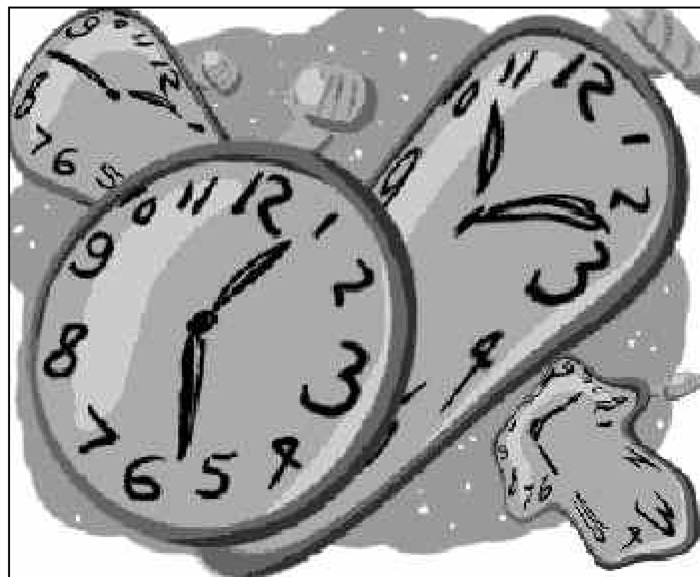
Starved of personal time



IN THE US, lack of personal time is the biggest downside of a career in public accounting, according to a survey of CPAs at public accounting firms conducted by nationally recognized consultant Mr. Steve Erickson.

Not enough personal time was cited by 44 per cent of those surveyed as the aspect they dislike most about public accounting. Liability and risk was the worst aspect of public accounting for 18 per cent of those surveyed. Others cited regulation (12 per cent), people/partners (5.5 per cent), complexity of service/the work (3 per cent), clients (1.5 per cent) and other (16 per cent).

"These results tell me that accountants are not very happy with the time commitment involved with their work," Mr Erickson says. "They need to find a way to work less while obtaining the same results. Part of the answer may be better leverage. When I ask accountants if somebody with less experience could do their jobs, 50-60 per cent say yes which tells me that they are not working efficiently. Ultimately, CPA firms will have to devise more leveraged service models that maintain a high level of interaction with their clients in order to be successful. Doing it

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the same way is not going to get them the quality of life they are seeking."

The survey was conducted in the first half of 2003. More than 350 partners and accountants nationwide responded.

Interestingly, when human resource directors at accounting firms were asked what CPAs like least about public accounting, 80 per cent answered lack of personal time. The finding indicates a disconnect between partners' perception of what people dislike most about their public accounting careers and what CPAs tell their HR leaders.

Defogging the board

SO WHO ARE the people who sit on corporate boards of directors? How are they chosen? How do shareholders communicate with directors? These issues are at the heart of a rule change proposed by the Securities and Exchange Commission aimed at improving corporate board transparency.

The SEC's action comes after the Division of Corporation Finance made recommendations to the Commission in a July 15 report — `Staff Report: Review of the Proxy Process Regarding the Nomination and Election of Directors.'

The SEC has opened the proposal up to a 30-day comment period, following its publication in the Federal Register. In a statement posted on the SEC Web site, the Chairman, Mr William Donaldson, said, "These rules are an important first step in improving the proxy process as it relates to the nomination and election of directors. The Commission believes that better information about the way board nominees are identified, evaluated and selected is critical for shareholder understanding of the proxy process regarding nomination and election of directors."

The entire board member nomination process will face further SEC scrutiny this fall. The SEC most likely will propose better shareholder access to corporate proxy statements as well as forms of proxy for officer nominations. The SEC Web site outlined the provisions of the new proposals, which would require extensive information about a company's director nominating process. According to the SEC Web site, these include whether:

- a company has a separate nominating committee and, if not, the reasons why it does not and who determines nominees for director;

- members of the nominating committee satisfy independence requirements;

- a company's process for identifying and evaluating candidates to be nominated as directors;

- a company pays any third party a fee to assist in the process or identifying and evaluating candidates;

- minimum qualifications and standards that a company seeks for director nominees;

- a company considers candidates for director nominees put forward by shareholders and, if so, its process for considering such candidates; and

- a company has rejected candidates put forward by large long-term institutional shareholders or groups of shareholders.

The proposals also call for enhanced shareholder-director communications. The SEC statement said they include:

- whether a company has a process for communications by shareholders to directors and, if not, the reasons why it does not;

- the procedures for communications by shareholders with directors;

- whether such communications are screened and, if so, by what process; and

- whether material actions have been taken as a result of shareholder communications in the last fiscal year.

(Source: AccountingWEB.)

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