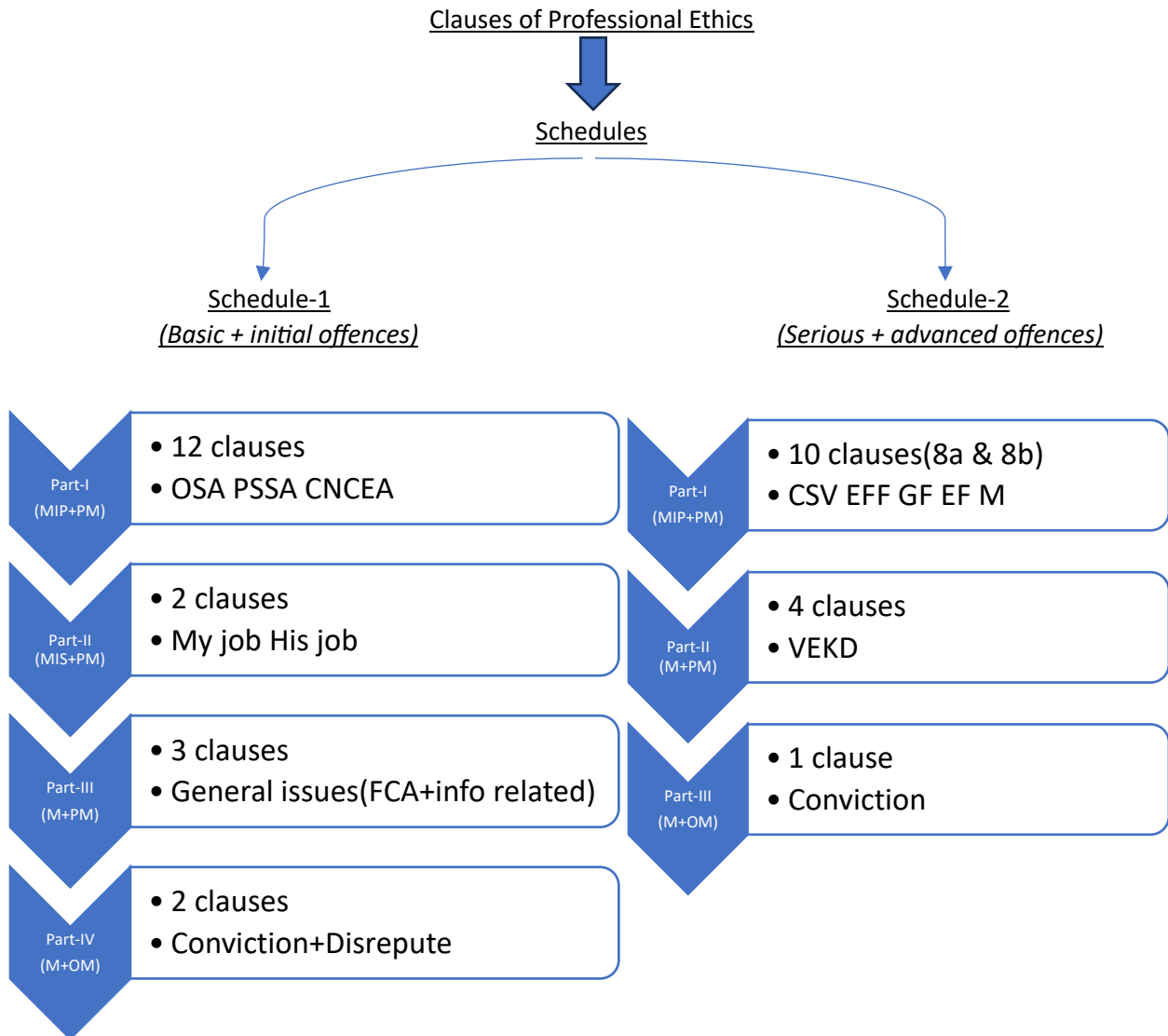


CA Final Audit Professional ethics 34 clauses **(Summary)**

Wordings to be used in exams: - As per clause (xx) of Part (xx) of Schedule-1/2 of CA Act,1949, a Member in practice (MIP)/Member in service (MIS)/a member(M) shall be held guilty of Professional Misconduct (PM)/Other Misconduct (OM) if he/she..... (description of offence/clause)



Schedule-1 Part-I MIP+PM (12 clauses)

(Mnemonic:- OSA PSSA CNCEA)

- Clause-1 :- allows Others to practice in his/her name
- Clause-2 :- Sharing fees/profits/gains with others
- Clause-3 :- Accepting fees/profits/gains of others
- Clause-4 :- Partnership with others
- Clause-5 :- Securing work through unlawful means
- Clause-6 :- Soliciting through advertisements
- Clause-7 :- Advertising professional achievements/nature of services
- Clause-8 :- Communicating with previous/predecessor/outgoing/retiring auditor
- Clause-9 :- Non compliance with Section 139/140 of Companies Act,2013
- Clause-10 :- Charging fees on a % basis
- Clause-11 :- Engaging into any other BOP(Business/occupation/profession)
- Clause-12 :- Allowing others to sign on his/her behalf

Schedule-1 Part-II MIS+PM (2 clauses)

(Trick:- Person on job/service is concerned with his job/other person's job)

- Clause-1 :- Sharing emoluments with others for job procurement/retention
- Clause-2 :- Accepting Commission from lawyer/CA/Broker

Schedule-1 Part-III M+PM (3 clauses) (FCA+information)

- Clause-1 :- Not being FCA acting as FCA
- Clause-2 :- Not providing information to ICAI or its bodies
- Clause-3 :- Knowingly providing incorrect information while inviting professional work/write-ups/enquiries

Schedule-1 Part-IV M+OM (2 clauses) (Conviction 6m- & disrepute)

- Clause-1 :- Convicted of an offence in/outside India punishable with upto 6 months imprisonment
- Clause-2 :- Any act that brings disrepute to the profession

Schedule-2 Part-I MIP+PM (10 clauses)
(Mnemonic:- CSV EFF GF EF M)

- Clause-1 :- Client confidentiality
- Clause-2 :- Signing/certifying without examination
- Clause-3 :- Vouching for the accuracy of the forecast
- Clause-4 :- Expressing opinion on FS where SI(Significant influence) is involved
- Clause-5 :- Failure to report material fact known by auditor
- Clause-6 :- Failure to report material misstatement known by auditor
- Clause-7 :- Gross negligence/Non-due diligence
- Clause-8a :- Failure to obtain sufficient information
- Clause-8b :- Expressing qualified opinion on FS where disclaimer is required
- Clause-9 :- Failure to report material departure from Standard auditing practices
- Clause-10 :- Misappropriation of money received from client

Schedule-2 Part-II M+PM (4 clauses)
(Mnemonic:- VEKD)

- Clause-1 :- Violating provisions of CA Act/CA regulations/CGG/ESB Decisions
- Clause-2 :- Employer's confidentiality
- Clause-3 :- Knowingly providing information to ICAI & its bodies
- Clause-4 :- Defalcation of cash in professional capacity

Schedule-2 Part-III M+OM (1 clause)
(Conviction 6m+)

- Clause-1 :- Convicted of an offence in/outside India punishable with more than 6 months imprisonment