

**PROFESSIONAL ETHICS- JKSC FINAL CA AUDIT.**

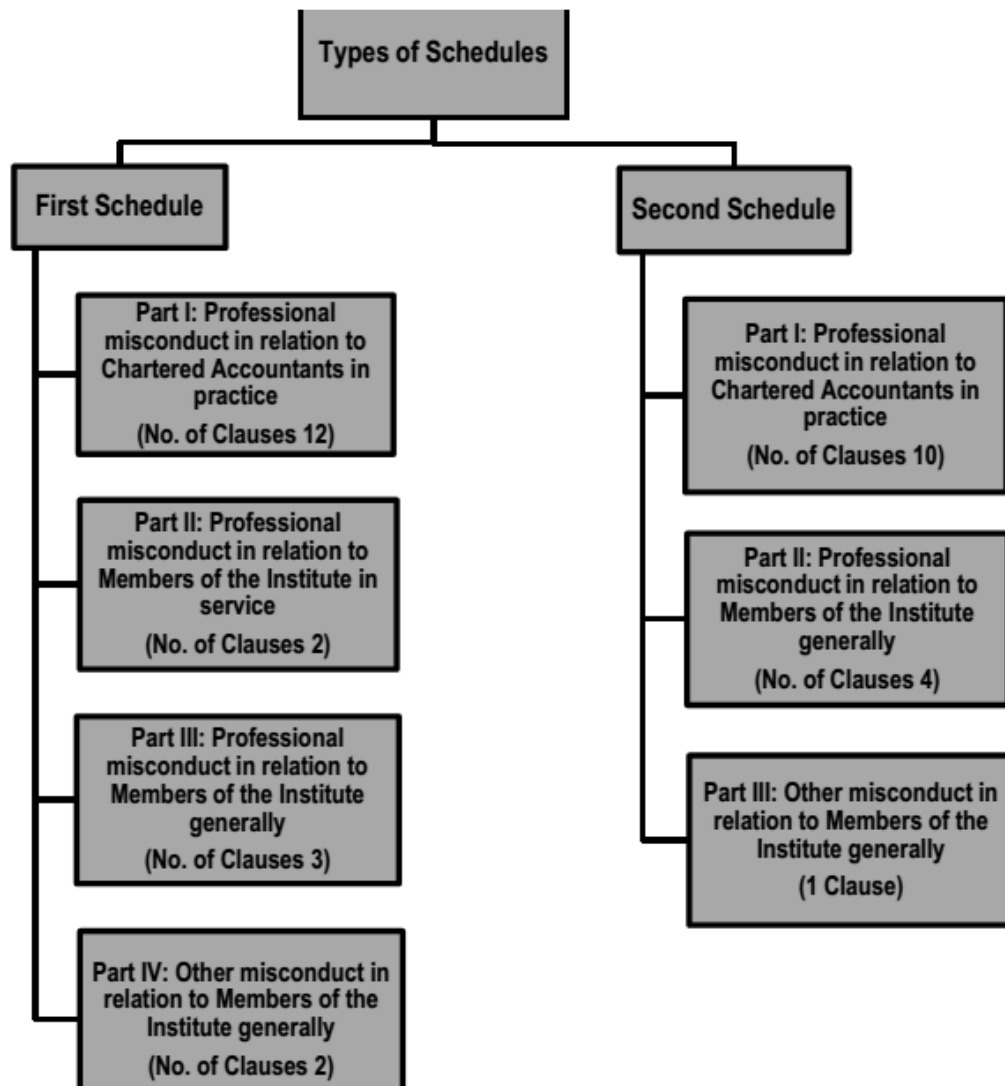
Misconduct

1. When a member does not comply with the requirements as applicable under Chartered Accountants Act, 1949, it amounts to misconduct. It simply means not following the code of conduct
2. Misconduct can take two courses
  - a. Professional Misconduct
  - b. Other Misconduct
3. Professional Misconduct implies wrong doing by Member in his professional work.
4. Other misconduct means any wrong doing by the member which may not be in the course of his professional work, however such an act brings disrepute to the profession.
5. Both types of misconduct are covered by the CA Act, 1949 in Chapter V- Misconduct and Schedules 1 and 2 to the Act.

Disciplinary Mechanism

6. It describes the action which can be taken on the member if he violates the code of conduct.
7. Refer Chart on Page 215
8. The Council of The ICAI constitutes Board of discipline and Disciplinary Committee and Disciplinary Directorate
9. An opportunity of being heard must be given to the Member
10. Any member aggrieved by the order of BOD or DC can appeal before appellate authority within 90 days of such order & such AA can pass any order as it deems fit.
11. If DD forms an opinion that there is no prima facie case, then he shall provide all information to BOD and then BOD shall decide on further investigation.
12. All the authorities shall have the powers of a civil court- Enforcing attendance, demanding documents, receiving evidence on affidavit.
13. Chairperson or member of the BOD or DC or DD can be removed only in case of proven misbehaviour after inquiry is made by CG

Schedules to Chartered Accountants Act 1949



Important Point for Exams

## Key Words for various Clauses

### Part I Schedule 1

1. Use of name by others
2. Sharing of fees with others
3. Accepting fees of others
4. Entering into partnership with others
5. Securing Work through wrongful means
6. Soliciting Clients
7. Advertising Professional attainments
8. Communication with previous auditor (WN1)
9. Compliance with Companies Act 2013
10. Charging fees on % of turnover/performance
11. Engaging in other services/business/occupation
12. Signing by others

### Part I Schedule 2

1. Client Confidentiality
  2. Attestation without examination
  3. Verifying PFI
  4. Expressing opinion in case of substantial interest (WN2)
  5. Material Fact not disclosed in Financial statement
  6. Material Misstatement appearing in financial statement
  7. Gross negligence
  8. Expression of opinion
    - a. Without sufficient info
    - b. With a material exception
  9. Compliance with Standard Auditing Practices
  10. Utilising Moneys of the client (WN4)
- } Fails to report } WN3

### Part II Schedule 1

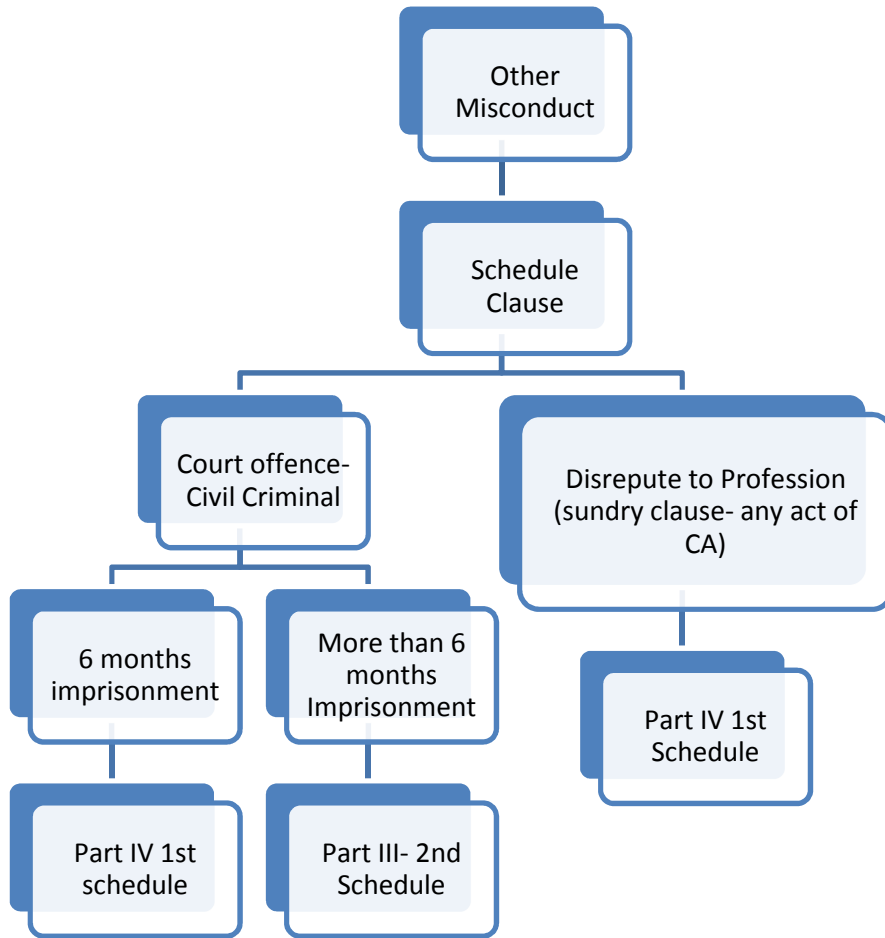
1. Sharing of emoluments with others
2. Accepting referral fees

### Part III Schedule 1

1. Acting as fellow of the ICAI
2. Does not supply info to The ICAI, etc
3. False information in documents mentioned under Clause 6 ,7 Part I Sch 1

### Part II Schedule 2

1. Contravenes Provisions of CA Act, 1949 + CA Regulations, 1988 + CGG, 2008
2. Maintaining Employer's Confidentiality
3. False information to The ICAI, etc
4. Misappropriating Cash in Professional Capacity



TEXTBOOK QUESTION MAPPING

jksc q.NO	clause	part	schedule
1	6	1	1
2			
3			
4	4	1	1
5			
6			
7	6	1	1
8	3	1	2
9	4	1	2
10	2	1	1
11	1	1	2
12	5	1	2
13	8	1	2
14	4	1	1
15	7	1	1
16	6	1	1
17			
18	7	1	1
19			
20			
21	6	1	1
22	8	1	1
23	11	1	1
24	1	2	2
25	6	1	1
26	7	1	2
27	11	1	1
28	1	1	2
29	2	3	1
30	9	1	1
31	11	1	1
32	10	1	1
33	7	1	2
34	2	4	1
35	8	1	1
36	11	1	1
37	11	1	1
38			
39	6	1	2
40	3	2	2
41	11	1	1

82	12	1	1
43			
44			
45	5	1	2
46	11	1	1
47	11	1	1
48	7	1	1
49	6	1	1
50	6	1	1
51	7	1	1
52			
53			
54	4	1	2
55	6	1	2
56	11	1	1
57	10	1	2
58	2	3	1
59	9	1	1
60	8	1	2
<b>61</b>	<b>6</b>	<b>1</b>	<b>1</b>
62	6	1	1
63	6	1	1
64	2	4	1
65	2	1	2
66	8	1	1
67	12	1	1
68			
69	5	1	2
70	2	4	1
71	3	3	1
72	2	1	1
73	6	1	1
74			
75			
76	7	1	1
77	7	1	2
78	2	1	1
79	6	1	1
80	6	1	1
81	3	1	2
42	12	1	1
83	2	3	1
84	2	2	1

REFER ANSWERS FOR MORE DETAILS