

Code of Conduct For Chartered Accountancy Students

The Council at its 228th meeting approved the Code of Conduct for Chartered Accountancy Students prepared by the Board of Studies. The code is mainly intended to govern students of Chartered Accountancy Course during the period of their practical training. Some parts of the Code are also applicable to students pursuing the Professional Education Course prior to registration for practical training and those who have completed their practical training but not yet passed the Final Examination and enrolled as Members. They are also expected to follow the Code of Conduct to the extent applicable. The Code of Conduct covers, inter alia, conduct of trainees, secrecy, office timings, leave, records maintenance, theoretical education and other programmes, seminars/conferences, permission for pursuing other engagements/other courses of study, stipend, transfer of articleship. The code also makes it clear that non-adherence to the guidelines would be construed as misconduct and specifies the consequences of such misconduct. The full text of the Code is published below and also hosted on the web-site of the Institute.

1. GENERAL

- 1.1 Persons who are registered as articled/audit clerks in terms of the provisions of the Chartered Accountants Act, 1949/Regulations framed thereunder (hereinafter referred to as “trainees” or “articled/audit trainees” as the case may be) should conduct themselves in accordance with the guidelines provided hereunder whilst undergoing practical training under the Chartered Accountants Regulations, 1988.
- 1.2 This Code of Conduct is mainly intended to govern students of Chartered Accountancy Course during the period of their Practical Training. Further, students pursuing the Professional Education Course prior to registration for practical training and students who have completed their practical training but not yet passed the Final Examination should also follow the Code of Conduct to the extent applicable.

2. CONDUCT OF TRAINEE

- 2.1 The articled/audit trainee should at all times during the period of the training diligently and faithfully serve the Employer as articled/audit Trainee in the practice of profession of Accountancy.
- 2.2 The articled/audit trainee shall follow the covenants contained in the articles or any of the Regulations of the Chartered Accountants Regulations, 1988, as may be applicable to him, from time to time.
- 2.3 The articled/audit trainee must be responsible for the work done in the course of practical training, either in the office of the Employer or in the offices of any of the clients of the Employer.
- 2.4 The articled/audit trainee shall not at any time during the said term destroy, cancel, obliterate, spoil, embezzle, spend, make away with or take copies of books, papers, plans, documents, monies, stamps or chattels whether belonging to the Employer or his personal representative(s) or assign(s) or partner(s) or clients of the employer which shall be deposited in his hands or which shall come to his care, custody or possession or allow any of the said good to be so treated by others.
- 2.5 The articled/audit trainee is expected to give full respect to the Employer and all the seniors of the firm of chartered accountants where he is undergoing the training and shall observe discipline and follow all rules and regulations of the firm both in letter and spirit.
- 2.6 The articled/audit trainee shall readily and faithfully obey and execute the lawful and reasonable commands of the Employer and shall not depart or absent himself from the training or employ of the Employer at any time during the said term without his prior written consent or that of his partners but

shall at all times during the said term conduct himself with all due diligence, honesty and propriety.

- 2.7 The articulated/audit trainee shall behave in a responsible manner as a prospective member of the profession, with his colleagues, other staff members of his office, Employer's clients and their representatives, Institute's officials and employees and judicial, quasi-judicial and other authorities, wherever he represents the employer and others.
- 2.8 The articulated/audit trainee shall lead a well-disciplined life which in turn shall endow with impeccable character and help him to uphold ethical principles and professional Code of Ethics.
- 2.9 The articulated/audit trainee shall not obtain any monetary help or assistance or any form of gratification directly or indirectly from the clients of the Employer, their officials or representatives without prior written consent of his Employer.
- 2.10 The articulated/audit trainee shall make good and fully indemnify the employer for any loss or damage suffered or sustained by his misbehaviour or improper conduct.

3. SECRECY

- 3.1 The articulated/audit trainee shall at all times keep the secrets of the Employer and his partner or partners and of his or their clients and shall not divulge the names and affairs of such clients and Employers.

4. OFFICE TIMINGS

- 4.1 The articulated/audit trainee shall always scrupulously observe office timings.
- 4.2 The articulated/audit trainee shall ensure that he works for a minimum 35 working hours in a week and follows strictly the normal working hours applicable to him as decided by the Employer. He should also ensure that he works for at least 6 hours every day. In case six-day week is observed by his Employer, he may ensure that he works for at least six hours everyday for five days and the remaining hours on the sixth day so as to fulfill the requirements. This period does not include lunch break and time spent on traveling to and from place of work.

5. LEAVE

- 5.1 The articulated/audit trainee will not remain absent from office without taking leave of absence from the Employer. The articulated trainee should ensure that he takes leave only after prior sanction by the Employer except in case of emergency which should be duly supported by reasonable explanation.
- 5.2 The articulated/audit trainee shall always give reasonable notice to his Employer of this intention to take leave and the leave will be governed by the provisions of Regulation 59/74.
- 5.3 Whenever the articulated/audit trainee wants to take leave for the purpose of preparing for examination of the institute he shall ensure that the application for leave has been made at least 15 days in advance.
- 5.4 The articulated/audit trainee shall ensure that the total leave taken by him during the period of articleship shall not exceed one-seventh of the total period of actual service, together with leave due under Regulation 59(2)/74(2).
- 5.5 The articulated/audit trainee shall apply to the employer for such leave for the purpose of tests or examinations or any other purpose as may be required. However, the entitlement of the leave shall not exceed the leave to his credit as per the Chartered Accountants Regulations, 1988. The employer may grant leave not earned subject to the provisions of Regulation 59(5)/74(5).
- 5.6 The articulated trainee who has taken leave in excess of the period of leave to which he is entitled under Regulation 59 shall be required to serve for a further period equivalent to the excess leave taken by him, in accordance with Regulation 58.

6. RECORDS MAINTENANCE

- 6.1 The articulated/audit trainee shall maintain such records, documents and papers as may be required by the Institute and the employer.
- 6.2 Diaries and Time Sheets: The articulated/audit trainee shall maintain diaries up to date in connection with the work done in the form prescribed by the employer/firm, from time to time. A suggested format of the diary is contained in the Training Guide

published by the Institute of Chartered Accountants of India. Such diaries shall be produced for inspection whenever required, so as to enable the Employer to maintain proper records about the progress of training imparted and submit reports of practical training to the Institute, as and when required, in the format(s) prescribed for this purpose under Regulation 64(1).

7. THEORETICAL EDUCATION AND OTHER PROGRAMMES

- 7.1 Student shall abide by all the rules of the Board of Studies, as may be in force from time to time during the period they undergo postal tuition for theoretical education.
Wherever applicable, students should also complete the Computer Training Programme as specified by the Council in the manner so specified.
- 7.2 Students shall comply with the requirements of the applicable Test Paper scheme – Postal test or the Sunday test as the case may be – and ensure submission of the specified number of answer papers or appearance in the specified number of tests in a phased manner. The article/audit trainee shall also maintain proper records of the answer papers submitted/or tests appeared and get them countersigned by his Employer from time to time so that the same could be submitted to the Board of Studies as and when a need arises.
- 7.3 Students shall not resort to any unfair means such as copying from books/study materials/ other answer papers or notes brought from outside, or consultation with other fellow students, impersonation etc. while writing the Sunday tests/postal tests.
- 7.4 Students attending classes organized by accredited institutions should satisfactorily comply with the requirements governing such classes and the tests conducted thereunder.
- 7.5 Students shall behave in orderly manner in the examination hall and shall not resort to or attempt to resort to unlawful, unfair or illegal means for the purpose of passing an examination.
- 7.6 Before applying for membership of the Institute, the Article/audit trainee who has completed Practical Training shall also attend the course on General Management and Communication Skills or any

other course that may be specified by the Council from time to time and in the manner so specified.

8. SEMINARS/CONFERENCES, ETC.

- 8.1 Students are advised to attend seminars/meetings/workshops/ conferences, meetings of study groups, organized by the Institute, directly or through the Regional Councils/Branches, whenever they get an opportunity to do so and maintain proper records of the same in the diary maintained by them.
- 8.2 Whenever the article/audit trainee wants to attend a conference, course or seminars organized by the Institute including a Regional council or a Students' Association or a Branch of Regional Council for the benefit of students, and desires that the period for such attendance should be treated as period actually served under articles/audit service, he should get prior written consent of his Employer.

9. PERMISSION FOR OTHER ENGAGEMENTS

- 9.1 The article/audit trainee shall not undertake any other course of study or training, whether academic or professional or engage in any business or occupation without obtaining the prior permission of the Council on application made in the prescribed form (Form No.112). Such permitted engagements or occupation may include teaching upto specified hours, directorship in a limited company, sleeping partner in a family business subject to the guidelines specified by the Council from time to time.

10. PERMISSION FOR OTHER COURSES OF STUDY

- 10.1 The article/audit trainee pursuing Chartered Accountancy Course should normally devote his time and attention exclusively to the successful completion of the course. However, a student registering as article trainee after passing Foundation/Professional Education (Examination-II) may pursue graduation course in addition to Chartered Accountancy Course. Such an article trainee shall not undertake any other additional course of study till completion of his graduation.
- 10.2 In the case of other article/audit trainees, they may, if they so desire, pursue one additional course of study out of the list of courses approved for this

purpose, after obtaining permission of the Institute in the prescribed form (Form 112) by submitting an application.

11 STIPEND

- 11.1 An Articled trainee is entitled to receive a minimum monthly stipend as per the rates specified under the Chartered Accountants Regulations, 1988, from time to time. The articled trainee shall, therefore, open an account with any Bank for facilitating receipt of such stipend from his Employer.

12 TRANSFER OF ARTICLESHIP

- 12.1 The articleship deed is executed for three years period and normally articles are expected to continue for the whole term except when the articled trainee opts for Industrial Training under Regulation 51 or in the case of secondment under Regulation 54. The articled trainee should not normally take transfer of articled service from one employer to another unless there are special circumstances to warrant such transfer. Articled trainee cannot terminate his articles at will nor can he claim it as a matter of right. The articles can be terminated only by mutual agreement with the Employer in accordance with Regulation 56.
- 12.2 In case of termination by mutual agreement, the articled trainee may enter into fresh articles for the remainder term of his service in accordance with Regulation 57.

13 MISCONDUCT

- 13.1 Non adherence to the above guidelines would be construed as Misconduct and lead to action against the articled/audit trainee in accordance with Regulation 66/79. In case of other students, the Board of Studies may take appropriate action having regard to the circumstances.
- 13.2 Where a complaint or information of any misconduct or breach of any of the guidelines contained in this Code of Conduct or any of the Regulations, contained in the Chartered Accountants

Regulations, 1988 or any of the covenants contained in the articles is received against any articled trainee from his Employer or any other person, the same may be investigated as per Regulation 66/79 of the Chartered Accountants Regulations, 1988.

14. CONSEQUENCES OF MISCONDUCT

- 14.1 The Executive Committee, may, on a consideration of the report of the investigation and after giving the articled/audit trainee an opportunity of being heard make any of the following orders, namely –
- (i) direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the articled/audit trainee is not guilty of any misconduct or breach of Regulation or breach of any of the covenants contained in the articles, or
 - (ii) if the articled/audit trainee is found guilty, reprimand the articled/audit trainee or cancel the registration of articles/audit service or direct that any period already served under such articles/audit service, shall not be reckoned as service for the purpose of the period of practical training as specified in Regulation 50/71 or cancel the results of examination or debar the articled/audit trainee from taking any of the Institute's Examination for a specified period or take such other appropriate action as it may deem fit, pending the consideration of the investigation report and the final decision.

Provided, in appropriate cases, the Executive Committee, after giving an opportunity of being heard to the articled/audit trainee, may pass an interim order including suspension of the articleship training or cancellation of the audit service or withholding the result of examination or such action as it may deem fit pending the consideration of the investigation report and final decision.

- 14.2 The articled/audit trainee, the registration of whose articles or audit service has been cancelled under the regulations, shall not except with the permission of the Executive Committee, be retained or taken as an articled/audit trainee by any member. ■