

Professional Ethics - Mnemonics by KSK

Part 1 - First Schedule [12 Clauses] (In Practice)

Naam Diya Liya, Partnership ko Secure, Solicit & Advertise kiya, phir Communicate & Comply kiya, % mein Business Sign kiya

1. Naam - allowing a person to practice in his name
2. Diya - Pay or allow or agrees to pay or allow any share in his fee or profit
3. Liya - Accepts or agrees to accept any commission or brokerage
4. Partnership - Entering in partnership
5. Secure - Securing business
6. Solicit - Soliciting client through advertisement
7. Advertise - Advertisement of Professional Attainment
8. Communicate - Accepting the audit without communicating
9. Comply - Accepting appointment without complying
Sec 139 & 140(4) of the Co. Act, 2013
10. % - Charging fee on the basis of % of profit or contingent upon findings
11. Business - Engaged into other occupation/business
12. Sign - allowing any person to sign on his behalf

Part 2 - First schedule [2 clauses] (In Service)

Diya aur Liya

1. Diya - Pays or allows share in his amouments
2. Liya - Accepts share in profit or commission

Part 3 - First schedule [3 clauses] (Generally)

Fellow doesn't supply Information, if he gives information, it is false

1. Fellow - Not being a fellow acts as fellow
2. Information - Not supplying information to ICAI
3. False - Giving wrong/false information
↓
tender/enquiries

Part 4 - First schedule [2 clauses] (Other generally)

1. Imprisonment for a term "Not exceeding six months"
2. Disrepute to the profession or the Institute

Part 1 - Second Schedule [10 clauses] (In Practice)

Discloses Certified Vouchers of substantial interested party & further Fails to disclose & report on Due Diligence & fails to obtain sufficient information & invite attention to material departure & utilizes money of Client

1. Discloses - Discloses confidential information
2. Certified - Certifies in his name work done unless examined
3. Vouchers - Vouching for the accuracy of the forecast
4. Substantial - Expresses opinion on FS while he, his firm Interest or partner has a substantial interest
5. Disclose - Fail to disclose material fact
6. Report - Fail to report a material misstatement
7. Due Diligence - Does not ~~due~~ exercise due diligence/
is grossly negligent
8. Fails to obtain sufficient information necessary for expression of an opinion
9. Material - Fails to invite attention to any material departure departure from generally accepted audit procedure [GAAP]
10. Client - Fails to utilize money of client for stated Money purpose

Part 2 - Second Schedule [4 clauses] (Generally)

Contravenes provisions of Confidentiality & submits false particulars & further Defalcates money

1. Contravenes - Contravenes provisions of AR & [Act, Regulations or Guidelines]
2. Confidentiality - Discloses confidential information of company by an employee
3. Submits - Submits false particulars to ICAI
4. Defalcates - Defalcates / Embezzles money received in his professional capacity

Part 3 - Second Schedule [1 clause] (Other generally)

1. Imprisonment for a term "Exceeding six months"
(read with clause 1 Part 4 First Schedule)