

## Scheme of Audit Clerks

The concept of Audit Clerks had been adopted by the Institute of Chartered Accountants of India from the Society of Incorporated Accountants, London. The idea was that it is not unusual for a Chartered Accountant in practice to find amongst his paid employees an individual who shows intelligence and promise and could, given the opportunity, successfully take his place one day.

In a poor country like India, deserving students very often find it difficult to continue their studies or to bide the long period of waiting involved in gaining entry into the profession. They have perforce to work their way up in life from small beginning and cannot possibly work without remuneration for a number of years which articleship involves. It was for such promising individuals amongst the regular paid staff of practising accountants that the system of audit clerks was evolved.

It may be mentioned that training as an audit clerk was recognised under the Auditor's Certificates Rules, 1932 and under these rules there was no limit laid down on the number of

audit clerks, which a Registered Accountant could train. However, no enabling provision was made in the Chartered Accountants Act, 1949 for the training of audit clerks on the recommendation of the Expert Committee set up by the Commerce Ministry in May 1948.

After the setting of the Institute of Chartered Accountants of India the matter was discussed in the 2nd meeting of the Council and as a result certain Regulations were inserted in the Chartered Accountants Regulations in 1950 and 1951. When the question of amendment of Act was taken up with the government in 1957, the Government referred the decision of the Expert Committee and asked the Council to reconsider the proposal. The Council considered the matter at its 23<sup>rd</sup> meeting held in August 1957, felt that it was necessary to continue the training of audit clerks in view of the economic conditions in the Country. Accordingly, a provision was made in the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations were also amended.

*(Source: History of Accountancy Profession in India – Volume I)*

*The Working Group constituted by the Council of ICAI to make recommendation for amendments to the Chartered Accountants Act, 1949, of which, CA. T.N. Manoharan was the Convenor, made a specific recommendation that the nomenclature "articled clerk" should be changed to "articled assistant". Though, this recommendation was not initially accepted in the amendment bills which were introduced in the Parliament in 2003 and later in 2005, Hon'ble Shri Prem Chand Gupta, Union Minister for Company Affairs took up this recommendation and while moving the Bill for acceptance, made an amendment motion from the Government's side because of which the nomenclature has now been changed to "articled assistant".*

## ICAI NEWS

### LIC INSURANCE SCHEME

The Council has decided to take up insurance services of Life Insurance Corporation of India under Group Protection Solution Insurance Scheme being provided by Chartered Accountants Benevolent Fund. This Group Insurance Scheme will be operated by LIC and will be in addition to the insurance services currently provided by Birla Sun Life Insurance Ltd.

The insurance services of LIC are expected to come in operation from January, 2007 for all members of the Institute and their spouses. A member desiring to avail Group Insurance Scheme of LIC may contact at [mss@icai.org](mailto:mss@icai.org). Details of LIC Group Insurance Scheme for members of the Institute would be hosted on Institute's website at [www.icai.org](http://www.icai.org)

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