

RIBA



Royal Institute
of British Architects

1997 Code of Professional Conduct

and

Standard of Professional Performance

and

Members' Rules for Clients' Accounts

August 2003 Edition

Code of Professional Conduct

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The RIBA Code of Professional Conduct

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to be applicable from 1 January 1981.
RIBA, 66 Portland Place, London, W1B 1AD.

Amendments by decision of the Council

December 1981 reprint

Rule 2.9 and Note 2.9.1 amended 3 June 1981.

June 1982 reprint

Rule 1.1 and Rules under Principle 3 amended 26 May 1982 and applicable from 1 July 1982.

May 1983 reprint

Rule 2.2 and Note 2.2.1 amended 27 January 1983.

February 1984 reprint

Rule 3.6 and Note 3.6.1 amended 26 January 1984 and applicable from 1 March 1984.

March 1986 reprint

Rule 2.10 added, Rule 3.7 amended 22 February 1986 and applicable from 1 March 1986.

September 1986 reprint

Rule 3.6 amended 22 July 1986 and applicable from 1 September 1986.

August 1988 reprint

Rules 1.1, 1.4, 2.2, 2.3, 3.1, 3.4 and 3.5 amended; Notes 2.2.1 deleted, 2.8.2 and 3.5.1 amended; both 20 July 1988 and applicable from 1 September 1988.

September 1989 reprint

Rule 1.1 amended and Note 1.1.2 deleted, amended 26 July 1989 and applicable from 1 September 1989.

July 1991 reprint

Two further sentences added to paragraph 4 of Preface, amended 10 July 1991.

April 1997 reprint

Important changes made, notably:

1. Standard of Professional Performance is introduced.
2. In Code, Rules and Notes are replaced by Undertakings.
3. In Code, Principle 1 is modified, Principle 3 is new.

Effective from 7 April 1997.

March 2003 reprint

References to 'corporate' member changed to 'chartered' member following Byelaw amendments. Graduate members included as subject to the Code. Applicable from 1 January 2003.

August 2003

Undertakings 3.1 and 3.3 suspended.

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PREFACE

- 1 The objects of the Royal Institute as described in the Charter are the advancement of Architecture and the promotion of the acquirement of the knowledge of the Arts and Sciences connected therewith.
- 2 The objective of this **Code of Professional Conduct** is to promote the standard of professional conduct or self-discipline, required of Members of the Royal Institute in the interests of the public.
- 3 Members of the Royal Institute are governed by its Charter, Byelaws, Regulations and this Code under and in addition to the general law.
- 4 In meeting their obligations under this Code, the Royal Institute expects Member to have due regard to the need to conserve and enhance the quality of the environment, its natural resources and cultural heritage.
- 5 The Code comprises three Principles which are of universal application dealing with competence, integrity and the interests of the public. The Principles are amplified by associated Undertakings which illustrate the application of a Principle.
- 6 A Member must at all times be guided by the spirit of the Code as well as by its precise terms. Compliance with an Undertaking will not of itself be conclusive evidence that the relevant Principle has been honoured, nor will the fact that no particular Undertaking has been included prevent a misdemeanour amounting to a contravention of the Code being judged to have taken place.
- 7 Revisions to the Code may be published in the RIBA Journal before incorporation in a revised edition of the Code. Members are expected to be familiar with new provisions from the date of their publication, and in determining whether or not a contravention of the Code is proved the Disciplinary Committee may have regard to all relevant matters approved by Council.
- 8 Members must have regard to the provisions of this Code irrespective of their field of activity, contract of employment or membership of an association. For the purposes of Byelaw 4 and this Code, the Royal Institute may hold a Member acting through a body corporate or unincorporate responsible for the acts of that body.
- 9 Members are required to order their conduct as required by this Code wherever they are working, save that in a country where there are accepted standards of professional conduct for Architects they may, and if registered there must, order their conduct within that country according to such codes and ethical standards.
- 10 This Code does not repeat obligations placed upon Members by the general law, but the Royal Institute draws the attention of Members to practice notes which are published in the RIBA Journal from time to time.

- 11 A Member may be required to answer inquiries concerning his professional conduct in accordance with the Regulations made under Byelaw 4.3 . A Member is liable to reprimand, suspension or expulsion under Byelaw 4.1 if his conduct is found by the Disciplinary Committee to be in contravention of the Code or otherwise inconsistent with his status as a Member or derogatory to his professional character.

INTERPRETATION

Throughout this Code :

- “Member” means a Chartered Member, a Graduate Member and a Student Member.
- “client” means the person or body corporate or unincorporate with whom the Member makes and agreement or contract for the provision of services or the supply of goods.
- “contractor” means a Member who undertakes the performance of works and / or supply of goods.
- “body corporate or unincorporate” includes a central government department, a local authority, public board or corporation or any society, firm or company.
- the text shall be interpreted where necessary in accordance with the terms of the Interpretation Act 1978 (C 30). In particular one gender shall be read as including the other gender; a word in the singular as including the plural; and a word in the plural as including the singular.

PRINCIPLE ONE

A Member shall faithfully carry out his duties applying his knowledge and experience with efficiency and loyalty towards his client or employer, and being mindful of the interests of those who may be expected to use or enjoy the product of his work.

To uphold this Principle a Member **undertakes** :

- 1.1 when acting between parties or giving advice, to exercise his independent professional judgment impartially to the best of his ability and understanding.
- 1.2 when making any engagement, whether by an agreement for professional services, by a contract of employment or by a contract for the supply of services and goods, to state whether or not professional indemnity insurance is held and to have defined beyond reasonable doubt and recorded the terms of the engagement and the scope of the service, responsibilities and any limitation of liability, the method of calculation of remuneration and the provision for termination and adjudication.
- 1.3 before accepting or continuing with any work, to establish that his competence and resources are adequate to provide a service which meets the RIBA Standard of Professional Performance, and if engaged as a full-time employee give prior notice to both parties before accepting the engagement elsewhere.
- 1.4 to arrange that the work of his office and any branch office insofar as it relates to architecture, is under the control of an architect.
- 1.5 not to transfer his responsibilities, nor reduce the scope of his services by sub-contracting, without the prior consent of his client, nor without defining the changes in the responsibilities of those concerned.
- 1.6 not to evade his obligations by abandoning a commission.

PRINCIPLE TWO

A Member shall, at all times, avoid any action or situation which is inconsistent with his professional obligations or which is likely to raise doubts about his integrity.

To uphold this Principle a Member **undertakes** :

- 2.1 to declare in writing to any prospective client or employer any business interest, the existence of which, if not so declared would, or might be likely to raise a conflict of interest and doubts about his integrity by reason of an actual or apparent connection with or effect upon his engagement. If the prospective client or employer does not in writing accept these circumstances, the Member must withdraw from the situation.
- 2.2 when finding that in circumstances not specifically covered elsewhere in this Code his personal or professional interests conflict so as to risk a breach of this Principle, either to withdraw from the situation or remove the source of conflict or declare it and obtain the agreement of the parties concerned to the continuance of the engagement.
- 2.3 not to make, support or acquiesce in any statement, written or otherwise which is contrary to his own knowledge or bona fide professional opinion, or which he knows to be misleading, or unfair to others or otherwise discreditable to the profession.
- 2.4 not to practise as or purport to be an independent consulting Architect and simultaneously be a principal, partner, director or co-director in a firm which engages in any of the following :
 - the business of trading in land or buildings;
 - or of property developers auctioneers, or house agents;
 - or of contractors, subcontractors, manufacturers or supplies in or to the building industry;unless that firm is distinct from the architectural practice and clearly identified as such.
- 2.5 not to carry out, nor purport to carry out, the independent functions of an Architect or any similar independent functions in relation to a contract in which he or his employer is the contractor, or where the architectural practice and the contractor's firm are under substantially the same management or control.
- 2.6 not to disclose, or use to the benefit of himself or others confidential information acquired in the course of his work without the prior written consent of the parties concerned.
- 2.7 not to give or accept any commissions or gifts or other inducement to show favour to any person or body, nor allow his name to be used in advertising any service or product associated with the construction industry.
- 2.8 not to have or take as a partner or co-director in his firm any person who is disqualified for registration by reason of the fact that his name has been removed from the Register under Section 7 of the Architects (Registration Act) 1931; as amended by the Housing Grants, Construction and

Regeneration Act, 1996; any person disqualified for membership of the RIBA by reason of expulsion under Byelaw 4.1; any person disqualified for membership of another professional institution by reason of expulsion under the relevant disciplinary regulations, unless the RIBA otherwise allows.

- 2.9 irrespective of the form of his practice, and notwithstanding the provisions of the Companies Acts, to conduct his business in a manner consistent with this Principle.
- 2.10 on becoming personally or professionally insolvent or being disqualified under the Company Directors Disqualification Act 1986, to notify the Royal Institute's principal executive officer of the facts.
- 2.11 to conform with the Members' Rules for Clients Accounts.

PRINCIPLE THREE

A Member shall in every circumstance conduct himself in a manner which respects the legitimate rights and interest of others.

To uphold this principle a Member **undertakes** :

- [3.1 not to offer discounts, commissions, gifts or other inducements for the introduction of clients. SUSPENDED PENDING REVIEW – summer 2003]
- 3.2 when offering services as an independent consultant, not to quote a fee without receiving an invitation to do so and sufficient information on the nature and scope of the project to enable a quotation to be prepared which clearly indicates the service covered by the fee.
- [3.3 when offering services as an independent consulting Architect not to revise a fee quotation to take account of the fee quoted by another Architect for the same service. SUSPENDED PENDING REVIEW – summer 2003]
- 3.4 not to attempt to oust another Architect from an engagement.
- 3.5 not to enter any architectural competition which the RIBA has declared to be unacceptable.
- 3.6 not when appointed as a competition assessor subsequently to act in any other capacity for the work.
- 3.7 not maliciously or unfairly to criticise or attempt to discredit another Member or his work.
- 3.8 on being approached to undertake work upon which he knows or can ascertain by reasonable inquiry that another Architect has an engagement with the same client, to notify the fact to such Architect.
- 3.9 when engaged to give an opinion on the work of another Architect, to notify the fact to that Architect unless it can be shown to be prejudicial to prospective or actual litigation to do so.
- 3.10 appropriately to acknowledge the contribution made to his work by others.
- 3.11 to define the conditions of employment, authority, responsibility and liability of those Architects he employs, and ensure that any professional indemnity insurers waive their subrogation rights in respect of Members who are full-time employees.
- 3.12 subject to any restriction imposed by law or the courts, to report to the Royal Institute any alleged breach of code of which he may become aware and assist the Royal Institute in its investigation.
- 3.13 subject to the Byelaws governing the Royal Institute's disciplinary procedures, to respect and maintain confidentiality in any matter involving breaches, either alleged or proven, of the Code of Professional Conduct or the Standard of Professional Performance by a Member of the Royal Institute.
- 3.14 to report to the Royal Institute if convicted of any indictable criminal offence including a suspended sentence or court order and personal or professional disqualification from acting as a Director.

THE STANDARD OF PROFESSIONAL PERFORMANCE

PREFACE

- 1 The object of the Standard of Professional Performance is to establish a level of competence which the Royal Institute, in the interests of clients and the protection of the reputation of the profession, requires of Members and their practices.
- 2 The Standard applies to the service offered by the practising unit, whether it be a sole practitioner, sole principal, partnership or company.
- 3 An alleged failure to comply with the Standard may be investigated by the Royal Institute, and if it is concluded that the allegation is well founded the Institute may instruct the practice to take action to ensure that the lapse in performance is not repeated.
- 4 While the primary objective is to offer advice to those Members who find themselves in difficulty, the Royal Institute may take disciplinary action where there is an extreme and irresponsible failure to meet the Standard, or where there is a repeated failure to comply with the Standard. It is only in exceptional circumstances that an isolated failure to meet the Standard would give rise to disciplinary proceedings.
- 5 A Member is required to follow the Undertakings which amplify the Standard, and honour them in his work according to his circumstances. It will be a material consideration in the assessment of a case, if an investigation into an alleged failure to meet the Standard reveals that the Member has failed to do so.

THE STANDARD OF PROFESSIONAL PERFORMANCE

Members are required to maintain in their work and that of their practices a standard of performance which is consistent with membership of the RIBA and with a proper regard for the interest both of those who commission and those who may be expected to use or enjoy the product of their work.

Members and their practices will meet the requirements of their engagements with commensurate knowledge and attention so that the quality of the professional services provided does not fall below that which could reasonably be expected of Members of the Institute in good standing in the normal conduct of their business.

To uphold this Standard the Member, and where appropriate the practice, **undertakes :**

1. to comply with all reasonable instructions, to carry out and complete the work entrusted to him honestly, competently, diligently and expeditiously in accordance with the time scale and any cost limits previously agreed so far as reasonably possible.
2. to fulfil CPD obligations and when employing other Members on a full-time basis to allow them reasonable time to do likewise.
3. to operate where appropriate an internal complaints procedure which should ensure that clients are informed whom to approach in the event of any problem with the professional service provided, and establish procedures which will ensure that complaints are properly and promptly attended to.
4. to make arrangements with an appropriately qualified person for the running of their offices and administration of contracts during a period of absence and inform clients of those arrangements.
5. to seek appropriate advice when faced with a situation which they recognise as being outside their own experience or knowledge.
6. when in practice as a sole practitioner or sole principal to make reasonable attempts to establish professional contact with other Members which could provide opportunities for the mutual exchange of experience and knowledge.
7. as a partner or co-director of an architectural practice to have proper regard to the experience and capability of staff when delegating responsibility.
8. not lay to claim to expertise which they do not have, nor accept commissions which they know are beyond their skill and experience, without arranging for appropriate assistance and advice which will enable them to satisfy the Standard of Professional Performance in the discharge of their professional duties.

MEMBERS' RULES FOR CLIENTS' ACCOUNTS

INTRODUCTION

Members will see that these Rules require them (a) to keep full books of account recording all money received from and spent for clients; and (b) in addition to keep clients' money in a separate clients' bank account, from which no more may be drawn on the account of a particular client than is held on his behalf.

Handling clients' money is an extra service, and consideration should be given to making the agreement in respect of handling and making payments of interest.

THE RULES

1. Members shall keep properly written up books of account.
 - (a) When a Member makes any disbursement on behalf of a client he shall maintain a sufficient record thereof to be able to produce clear and understandable particulars of all disbursements for any client.
 - (b) When a Member receives money belonging to any client the following Rules shall also apply.
2. In the event that a Member receives any money belonging to any client he shall open a ledger account in the name of each such client showing office and client receipts and payments; in the event of a Member having more than one commission from any client it is open to him to deal with each commission on a separate ledger account according with the requirements of these Rules.
3. A Member receiving money belonging to clients must open a client's account or clients' accounts at a branch of any bank in the United Kingdom in his name or in the name of the relevant practice. The title of such an account must contain the word 'client' or 'clients'. Such accounts may be either current accounts or deposit accounts.
4. Members shall pay any money they receive (in whatever form) which belongs to any client into a client's account or clients' accounts as soon as is practicable, save that this Rule shall not apply:
 - (a) to money being paid without delay to a third party in the ordinary course of business;
 - (b) when the client has authorised the Member in writing not to pay the money into the client's account, provided that it is dealt with in accordance with the client's instructions.

Money received and paid under Rule 4 must be recorded in the Member's books of account in conformity with Rule 1.

No money other than that specified by this Rule or paid into the account under Rule 8 or 9 below shall be paid into any client's account.

5. Money may be withdrawn from a client's account:
 - (a) if required for a payment to or on behalf of a client;
 - (b) to make a payment of or to account of a debt due to the Member by a client and/or to reimburse a Member for money spent on behalf of a client. In the event that money is withdrawn in respect of the Member's fees and/or Value Added Tax payable in respect of these fees, the Member must notify the client in writing of the amount claimed before transferring relevant money from the client's account;
 - (c) to make a payment on the client's written authority;

provided that in no case shall more money be withdrawn under this Rule than is shown in the Members' books of account to be held on behalf of the relevant client.
6. Members keeping a client's account or clients' accounts shall at intervals of not more than three calendar months (or alternatively on each quarter day) balance the client's cash book and client's ledger with the relevant bank statements and shall retain the reconciliation statement prepared at the date of each balance for a period of not less than eighteen months.
7. Any Member may be required under the Disciplinary Procedures to produce audit certificates in respect of clients' accounts forthwith at any time. Such certificates must be signed by a person who is a member of one of the following bodies:
 - (a) the Institute of Chartered Accountants in England and Wales;
 - (b) the Institute of Chartered Accountants of Scotland;
 - (c) the Association of Certified and Corporate Accountants;
 - (d) the Institute of Chartered Accountants in Ireland.
8. If any money is paid into or withdrawn from a client's account erroneously the Member shall forthwith withdraw or pay in (as the case may be) such money as is necessary to restore the account to its proper condition and shall make a record in the journal (i.e. a book of account) stating the date the mistake was made, the accounts to which the mistake relates and the amount of money involved. An example of an erroneous payment in is a cheque in settlement of a Member's fees, which belong to the Member. An example of an erroneous withdrawal is making a payment from the client's account against a cheque which is not paid by bankers.
9. In the event that a Member receives money which in part belongs to a client and which in part does not belong to a client and which he wishes to pay into a single account, he shall pay the money into a client's account and shall immediately thereafter withdraw such part as does not belong to the client from the client's account and pay it into an appropriate account.

ADDITIONAL POINTS

Members are reminded that in some circumstances there are statutory requirements which relate to the keeping of accounts, for example under *Estate Agents Act 1979*.

Members are reminded that there may be a requirement to pay interest on money held as an agent under the rule in *Brown v The Commissioners of Inland Revenue* (1965) AC 244 or otherwise. In these circumstances if they are holding money for any length of time or are holding a substantial amount of money even for a short time, Members should consider placing it in a client's deposit account. The accounting implications of the *Brown* case should also be borne in mind, i.e. that interest earned on a single account may have to be apportioned between several clients.

Approved by the Council, March, 1986