

Chapter Accy 1

RULES OF CONDUCT

Subchapter I — Applicability

- Accy 1.001 Applicability.
- Accy 1.002 Application of rules of conduct to certified public accountants and public accountants who operate a separate business.

Subchapter II — Independence, Integrity and Objectivity

- Accy 1.101 Independence.
- Accy 1.102 Integrity and objectivity.
- Accy 1.103 Disclosure of interest.

Subchapter III — Competence and Technical Standards

- Accy 1.201 General standards.
- Accy 1.202 Auditing standards.
- Accy 1.203 Accounting principles.

- Accy 1.204 Other technical standards.
- Accy 1.205 Accounting standards.

Subchapter IV — Responsibilities to Clients

- Accy 1.301 Confidential client information.
- Accy 1.302 Contingent fees, commissions and referral fees.

Subchapter V — Other Responsibilities and Practices

- Accy 1.401 Acts discreditable.
- Accy 1.402 Advertising or other forms of solicitation.
- Accy 1.404 Incompatible occupations.
- Accy 1.405 Form of practice and name.
- Accy 1.406 Practice while suspended.
- Accy 1.407 Communications.

History: Chapter Accy 1 as it existed on June 30, 1974 was repealed and a new Chapter Accy 1 was created, Register, June, 1974, No. 222, effective July 1, 1974.

Subchapter I — Applicability

Accy 1.001 Applicability. (1) A person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, may be held responsible for compliance with the rules of conduct by all persons associated with him or her in the practice of public accounting who are either under his or her supervision or are partners or shareholders in the practice.

(2) A person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall not permit others to carry out on his or her behalf, either with or without compensation, acts which, if carried out by him or her, would place him or her in violation of the rules of conduct.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; correction made under s. 13.93 (2m) (b) 1., Stats., Register, March, 1993, No. 447.

Accy 1.002 Application of rules of conduct to certified public accountants and public accountants who operate a separate business. (1) A person or firm licensed to practice as a certified public accountant or public accountant, as defined in the statutes, who operates a separate business which offers to clients one or more types of services rendered by certified public accountants or public accountants is considered to be in the practice of public accounting in the conduct of that business. In this case, all persons with ownership equity in the business are required to observe the rules of conduct in the operation of the separate business.

(2) Certified public accountants and public accountants who are not otherwise in public practice must observe the rules of conduct in the operation of their business if they hold themselves out to the public as certified public accountants or public accountants and at the same time offer clients one or more types of services rendered by certified public accountants or public accountants.

History: Cr. Register, June, 1982, No. 318, eff. 7-1-82.

Subchapter II — Independence, Integrity and Objectivity

Accy 1.101 Independence. (1) A person licensed to practice as a certified public accountant or public accountant, as defined by the statutes, or a firm of which the certified public accountant or public accountant is a partner or shareholder, shall not express an opinion on financial statements of an enterprise unless the certified public accountant or public accountant and the firm are independent with respect to such enterprise. Independence will be considered to be impaired if, for example:

(a) During the period of a professional engagement, or at the time of expressing an opinion, the certified public accountant or public accountant or the firm:

1. a. Had or was committed to acquire any direct or material indirect financial interest in the enterprise; or

b. Was a trustee of any trust or executor or administrator of any estate if such trust or estate had or was committed to acquire any direct or material indirect financial interest in the enterprise; or

2. Had any joint closely held business investment with the enterprise or any officer, director or principal stockholder thereof which was material in relation to the certified public accountant's or public accountant's or the firm's net worth; or

3. Had any loan to or from the enterprise or any officer, director or principal stockholder thereof. This latter proscription does not apply to the following loans from a financial institution when made under normal lending procedures, terms and requirements:

a. Loans obtained by a certified public accountant or public accountant or the certified public accountant's or public accountant's firm which are not material in relation to the net worth of such borrower.

b. Home mortgages.

c. Other secured loans, except loans guaranteed by a certified public accountant's or public accountant's firm which are otherwise unsecured.

(b) During the period covered by the financial statements, during the period of the professional engagement or at the time of expressing an opinion, the certified public accountant or public accountant, or the firm

1. Was connected with the enterprise as a promoter, underwriter or voting trustee, a director or officer or in any capacity equivalent to that of a member of management or of an employee; or

2. Was a trustee for any pension or profit-sharing trust of the enterprise.

3. The above examples are not intended to be all-inclusive.

(2) Interpretations of s. Accy 1.101, not intended to be all-inclusive, are as follows:

(a) *Honorary directorships and trusteeships.* Certified public accountants and public accountants are often asked to lend the prestige of their names to not-for-profit organizations that limit their activities to those of a charitable, religious, civic or similar nature by being named as a director or a trustee.

1. A certified public accountant or public accountant who permits his or her name to be used in this manner and who is associated with the financial statements of the organization would not

be considered lacking in independence under s. Accy 1.101 as long as:

- a. The position is purely honorary,
- b. The position is identified as honorary in all letterheads and externally circulated materials in which the certified public accountant or public accountant is named as a director or trustee,
- c. The certified public accountant or public accountant restricts participation to the use of his or her name, and
- d. The certified public accountant or public accountant does not vote or otherwise participate in management functions.

2. It is the intent of the board that organizations to which certified public accountants or public accountants lend only the prestige of their name will have sufficiently large boards of directors or trustees to clearly permit the certified public accountant or public accountant to limit his or her participation consistent with restrictions in subd. 1.

(b) *Retired partners and firm independence.* A retired partner having a relationship of a type specified in rule s. Accy 1.101 with a client of his or her former firm would not be considered as impairing the firm's independence with respect to the client provided that he or she is no longer active in the firm, that the fees received from such client do not have a material effect on retirement benefits and that he or she is not held out as being associated with the former partnership.

(c) *Accounting services.* 1. Certified public accountants and public accountants in public practice are sometimes asked to provide manual or automated bookkeeping or data processing services to clients who are of insufficient size to employ an adequate internal accounting staff. Computer systems design and programming assistance are also rendered by certified public accountants and public accountants either in conjunction with data processing services or as a separate engagement. Certified public accountants and public accountants who perform such services and who are engaged in the practice of public accounting are subject to the rules of conduct.

2. On occasion, certified public accountants and public accountants also rent "block time" on their computers to their clients but are not involved in the processing of transactions or maintaining the client's accounting records. In such cases, the sale of block time constitutes a business rather than a professional relationship and must be considered together with all other relationships between the certified public accountant or public accountant and client to determine if their aggregate impact is such as to impair the certified public accountant's or public accountant's independence.

3. When a certified public accountant or public accountant performs manual or automated bookkeeping services, concern may arise whether the performance of such services would impair his or her audit independence, that the performance of such basic accounting services would cause the audit to be lacking in a review of mechanical accuracy or that the accounting judgments made by him or her in recording transactions may somehow be less reliable than if made by him or her in connection with the subsequent audit.

4. Certified public accountants and public accountants are skilled in, and well accustomed to, applying techniques to control mechanical accuracy, and the performance of the record-keeping function should have no effect on application of such techniques. With regard to accounting judgments, if third parties have confidence in a certified public accountant's or public accountant's judgment in performing an audit, it is difficult to contend that they would have less confidence where the same judgment is applied in the process of preparing the underlying accounting records.

5. Nevertheless, a certified public accountant or public accountant performing accounting services for an audit client must meet the following requirements to retain the appearance that he or she is not virtually an employee and therefore lacking in independence in the eyes of a reasonable observer.

a. The certified public accountant or public accountant must not have any relationship or combination of relationships with the client or any conflict of interest which would impair his or her integrity and objectivity.

b. The client must accept the responsibility for the financial statements as his or her own. A small client may not have anyone in his or her employ to maintain accounting records and may rely on the certified public accountant or public accountant for this purpose. Nevertheless, the client must be sufficiently knowledgeable of the enterprise's activities and financial condition and the applicable accounting principles so that he or she can reasonably accept such responsibility, including, specifically, fairness of valuation and presentation and adequacy of disclosure. When necessary, the certified public accountant or public accountant must discuss accounting matters with the client to be sure that the client has the required degree of understanding.

c. The certified public accountant or public accountant must not assume the role of employee or of management conducting the operations of an enterprise. For example, the certified public accountant or public accountant shall not consummate transactions, have custody of assets or exercise authority on behalf of the client. The client must prepare the source documents on all transactions in sufficient detail to identify clearly the nature and amount of such transactions and maintain an accounting control over data processed by the certified public accountant or public accountant such as control totals and document counts. The certified public accountant or public accountant should not make changes in such basic data without the concurrence of the client.

d. The certified public accountant or public accountant, in making an examination of financial statements prepared from books and records which he or she has maintained completely or in part, must conform to generally accepted auditing standards. The fact that he or she has processed or maintained certain records does not eliminate the need to make sufficient audit tests.

6. When a client's securities become subject to regulation by the securities and exchange commission or other federal or state regulatory body, responsibility for maintenance of the accounting records, including accounting classification decisions, must be assumed by accounting personnel employed by the client. The assumption of this responsibility must commence with the first fiscal year after which the client's securities qualify for such regulation.

(d) *Effect of family relationships on independence.* Rule of conduct s. Accy 1.101 proscribes relationships which impair a certified public accountant's or public accountant's independence through direct financial interests, material indirect financial interests, or other involvements. Relationships which arise through family bloodlines and marriage give rise to circumstances that may impair a certified public accountant's or public accountant's independence.

(dg) *Financial and business relationships ascribed to the certified public accountant or public accountant.* It is well accepted that the independence of a certified public accountant or public accountant may be impaired by the financial interests and business relationships of the certified public accountant's or public accountant's spouse, dependent children, or any relative living in a common household with or supported by the certified public accountant or public accountant. The financial interests or business relationships of such family, dependents or relatives in a certified public accountant's or public accountant's client are ascribed to the certified public accountant or public accountant; in such circumstances the independence of the certified public accountant or public accountant or his or her firm would be impaired under s. Accy 1.101.

(dm) *Financial and business relationships that may be ascribed to the certified public accountant or public accountant.* Family relationships may also involve other circumstances in which the appearance of independence is lacking. However, it is

not reasonable to assume that all kinships, per se, will impair the appearance of independence since some kinships are too remote. The following guidelines specify the effect of kinship on the appearance of independence:

1. A presumption that the appearance of independence is impaired arises from a significant financial interest, investment, or business relationship by the following close kin in a certified public accountant's or public accountant's client: non-dependent children, brothers and sisters, grandparents, parent, parents-in-law, and the respective spouses of any of the foregoing.

2. If the close kin's financial interest in a certified public accountant's or public accountant's client is material in relationship to the kin's net worth, a third party could conclude that the certified public accountant's or public accountant's objectivity is impaired with respect to the client since the kinship is so close. In addition, financial interests held by close kin may result in an indirect financial interest being ascribed to the certified public accountant or public accountant.

3. The presumption that the appearance of independence is impaired would also prevail where a close kin has an important role or responsible executive position (e.g., director, chief executive or financial officer) with a client.

4. Geographical separation from close kin and infrequent contact may mitigate such impairment except with respect to:

a. A partner participating in the engagement or located in an office participating in a significant portion of the engagement,

b. A partner in the same office or one who maintained close personal relationships with partners participating in a significant portion of the engagement,

c. A partner who, as a result of his or her administrative or advisory positions, is involved in the engagement, or

d. A staff member participating in the engagement or located in an office participating in a significant portion of the engagement.

5. If a certified public accountant or public accountant does not or could not reasonably be expected to have knowledge of the financial interests, investments and business relationships of close kin, such lack of knowledge would serve to maintain his or her objectivity and appearance of independence.

(ds) *Financial and business relationships that are not normally ascribed to the certified public accountant or public accountant.* A presumption that the appearance of independence is impaired would not normally arise from the financial interests and business relationships of remote kin: uncles, aunts, cousins, nephews, nieces, other in-laws, and other kin who are not close. The financial interests and business relationships of these remote kin are not considered either direct or indirect interests ascribed to the certified public accountant or public accountant. However, the presumption of no impairment with remote kin would be negated if other factors indicating a closeness exist, such as living in the same household with the certified public accountant or public accountant, having financial ties, or jointly participating in other business enterprises.

(dx) *Summary.* Certified public accountants or public accountants must be aware that it is impossible to enumerate all circumstances wherein the appearance of independence might be questioned by third parties because of family relationships. In situations involving the assessment of relationships with both close and remote kin, certified public accountants or public accountants must consider whether geographical proximity, strength of personal and other business relationships and other factors — when viewed together with financial interests in question — would lead a reasonable observer to conclude that the specified relationships pose an unacceptable threat to the certified public accountant's or public accountant's objectivity and appearance of independence.

(e) *Meaning of term "normal lending procedures, terms and requirements."* Subsection (1) (a) 3. prohibits loans to a certified public accountant or public accountant from a client except for certain specified kinds of loans from a client financial institution when made under "normal lending procedures, terms and requirements." The certified public accountant or public accountant would meet the criteria prescribed by this rule if the procedures, terms and requirements relating to the loan are reasonably comparable to those relating to loans of similar character committed to other borrowers during the period in which the loan to the certified public accountant or public accountant is committed. Accordingly, in making such comparison and in evaluating whether the loan was made under "normal lending procedures, terms and requirements," the certified public accountant or public accountant should consider all the circumstances under which the loan was granted including:

1. The amount of the loan in relation to the value of the collateral pledged as security and the credit standing of the certified public accountant or public accountant or his or her firm.

2. Repayment terms.

3. Interest rate, including "points."

4. Requirement to pay closing costs in accordance with the lender's usual practice.

5. General availability of such loans to the public.

6. Related prohibitions prescribed by certain state and federal agencies having regulatory authority over financial institutions.

(f) *The effect of actual or threatened litigation on independence.* Rule of conduct s. Accy 1.101 prohibits the expression of an opinion on financial statements of an enterprise unless a certified public accountant or public accountant and the certified public accountant's or public accountant's firm are independent with respect to the enterprise. In some circumstances, independence may be considered to be impaired as a result of litigation or the expressed intention to commence litigation.

1. *Litigation between client and auditor.* In order for the auditor to fulfill the auditor's obligation to render an informed, objective opinion on the client company's financial statements, the relationship between the management of the client and the auditor must be characterized by complete candor and full disclosure regarding all aspects of the client's business operations. In addition, there must be an absence of bias on the part of the auditor so that the auditor can exercise dispassionate professional judgment on the financial reporting decisions made by the management. When the present management of a client company commences, or expresses an intention to commence, legal action against the auditor, the auditor and the client management may be placed in adversary positions in which the management's willingness to make complete disclosure and the auditor's objectivity may be affected by self-interest.

1m. *Guidelines.* For the reasons outlined above, independence may be impaired whenever the auditor and the auditor's client company or its management are in threatened or actual positions of material adverse interests by reason of actual or intended litigation. Because of the complexity and diversity of the situations of adverse interests which may arise, however, it is difficult to prescribe precise points at which independence may be impaired. The following criteria are offered as guidelines:

a. The commencement of litigation by the present management alleging deficiencies in audit work for the client would be considered to impair independence.

b. The commencement of litigation by the auditor against the present management alleging management fraud or deceit would be considered to impair independence.

c. An expressed intention by the present management to commence litigation against the auditor alleging deficiencies in audit work for the client is considered to impair independence if the

auditor concludes that there is a strong possibility that such a claim will be filed.

d. Litigation not related to audit work for the client (whether threatened or actual) for an amount not material to the certified public accountant's or public accountant's firm (Because of the complexities of litigation and the circumstances under which it may arise, it is not possible to prescribe meaningful criteria for measuring materiality; accordingly, the certified public accountant or public accountant should consider the nature of the controversy underlying the litigation and all other relevant factors in reaching a judgment.), or to the financial statements of the client company would not usually be considered to affect the relationship in such a way as to impair independence. Such claims may arise, for example, out of disputes as to billings for services, results of tax or management services advice or similar matters.

2. Litigation by security holders. The auditor may also become involved in litigation ("primary litigation") in which the auditor and the client company or its management are defendants. Such litigation may arise, for example, when one or more stockholders bring a stockholders' derivative action or a so-called "class action" against the client company or its management, its officers, directors, underwriters and auditors under the securities laws. Such primary litigation in itself would not alter fundamental relationships between the client company or its management and auditor and therefore should not be deemed to have an adverse impact on the auditor's independence. These situations should be examined carefully, however, since the potential for adverse interests may exist if cross-claims are filed against the auditor alleging that the auditor is responsible for any deficiencies or if the auditor alleges fraud or deceit by the present management as a defense. In assessing the extent to which the auditor's independence may be impaired under these conditions, the auditor should consider the following additional guidelines:

a. The existence of cross-claims filed by the client, its management, or any of its directors to protect a right to legal redress in the event of a future adverse decision in the primary litigation (or, in lieu of cross-claims, agreements to extend the statute of limitations) would not normally affect the relationship between client management and auditor in such a way as to impair independence, unless there exists a significant risk that the cross-claim will result in a settlement or judgment in an amount material to the certified public accountant's or public accountant's firm (Because of the complexities of litigation and the circumstances under which it may arise, it is not possible to prescribe meaningful criteria for measuring materiality; accordingly, the certified public accountant or public accountant should consider the nature of the controversy underlying the litigation and all other relevant factors in reaching a judgment.) or to the financial statements of the client.

b. The assertion of cross-claims against the auditor by underwriters would not usually impair independence if no such claims are asserted by the company or the present management.

c. If any of the persons who file cross-claims against the auditor are also officers or directors of other clients of the auditor, the auditor's independence with respect to such other clients would not usually be impaired.

3. Other third-party litigation. Another type of third-party litigation against the auditor may be commenced by a lending institution, other creditor, security holder or insurance company who alleges reliance on financial statements of the client examined by the auditor as a basis for extending credit or insurance coverage to the client. In some instances, an insurance company may commence litigation (under subrogation rights) against the auditor in the name of the client to recover losses reimbursed to the client. These types of litigation would not normally affect the auditor's independence with respect to a client who is either not the plaintiff or is only the nominal plaintiff, since the relationship between the auditor and client management would not be

affected. They should be examined carefully, however, since the potential for adverse interests may exist if the auditor alleges, in the auditor's defense, fraud or deceit by the present management.

3m. Client. If the real party in interest in the litigation (e.g., the insurance company) is also a client of the auditor ("the plaintiff client"), the auditor's independence with respect to the plaintiff client may be impaired if the litigation involves a significant risk of a settlement or judgment in an amount which would be material to the certified public accountant's or public accountant's firm (Because of the complexities of litigation and the circumstances under which it may arise, it is not possible to prescribe meaningful criteria for measuring materiality; accordingly, the certified public accountant or public accountant should consider the nature of the controversy underlying the litigation and all other relevant factors in reaching a judgment.) or to the financial statements of the plaintiff client. If the auditor concludes that such litigation is not material to the plaintiff client or the auditor's firm and thus the auditor's independence is not impaired, the auditor should nevertheless ensure that professional personnel assigned to the audit of either of the 2 clients have no involvement with the audit of the other.

4. Effects of impairment of independence. If the auditor believes that the circumstances would lead a reasonable person having knowledge of the facts to conclude that the actual or intended litigation poses an unacceptable threat to the auditor's independence and the auditor should either disengage himself/herself to void the appearance that the auditor's self-interest would affect the auditor's objectivity, or disclaim an opinion because of lack of independence as prescribed by section 517 of statement on auditing standards no. 1. Such disengagement may take the form of resignation or cessation of any audit work then in progress pending resolution of the issues between the parties.

5. Termination of impairment. The conditions giving rise to a lack of independence are usually eliminated when a final resolution is reached and the matters at issue no longer affect the relationship between auditor and client. The auditor should carefully review the conditions of such resolution to determine that all impairments to the auditor's objectivity have been removed.

6. Actions permitted while independence is impaired. If the auditor was independent when the auditor's report was initially rendered, the auditor may re-sign such report or consent to its use at a later date while the auditor's independence is impaired provided that no post-audit work is performed by such auditor during the period of impairment. The term "post-audit work", in this context, does not include inquiries of subsequent auditors, reading of subsequent financial statements, or such procedures as may be necessary to assess the effect of subsequently discovered facts on the financial statements covered by the auditor's previously issued report.

(g) *Application of s. Accy 1.101 to professional personnel.* The term "a person" as used in the first sentence of s. Accy 1.101 means:

1. All partners or shareholders in the firm and
2. All full-time and part-time professional employees, including those employees qualified in other professions, participating in the engagement or located in an office participating in a significant portion of the engagement.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, December, 1974, No. 228, eff. 1-1-75; cr. (2) (d), Register, February, 1976, No. 242, eff. 4-1-76; cr. (2) (e), Register, January, 1977, No. 253, eff. 3-1-77; r. and recr. (1) and cr. (2) (f), Register, July, 1979, No. 283, eff. 9-1-79; r. and recr. (2) (a), am. (2) (d) 2. intro. and d., cr. (2) (g), Register, July, 1980, No. 295, eff. 8-1-80; corrections made under s. 13.93 (2m) (b) 1. and 5., Stats., Register, March, 1993, No. 447.

Accy 1.102 Integrity and objectivity. No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall knowingly misrepresent facts, and when engaged in the practice of public accounting, including the rendering of tax and management advisory services,

shall not subordinate his or her judgment to others. In tax practice, a member may resolve doubt in favor of the client as long as there is reasonable support for that position.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; corrections made under s. 13.93 (2m) (b) 5., Stats., Register, March 1993, No. 447.

Accy 1.103 Disclosure of interest. As to disclosure of interest in corporation reported on, s. 442.10, Stats., is controlling.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74.

Subchapter III — Competence and Technical Standards

Accy 1.201 General standards. (1) All persons licensed to practice as a certified public accountant or public accountant, as defined in the statutes, shall comply with the following general standards as interpreted by bodies designated by the American institute of certified public accountants council, and must justify any departures therefrom.

(a) *Professional competence.* A certified public accountant or public accountant shall undertake only those engagements which the certified public accountant or public accountant or the firm can reasonably expect to complete with professional competence.

(b) *Due professional care.* A certified public accountant or public accountant shall exercise due professional care in the performance of an engagement.

(c) *Planning and supervision.* A certified public accountant or public accountant shall adequately plan and supervise an engagement.

(d) *Sufficient relevant data.* A certified public accountant or public accountant shall obtain sufficient relative data to afford a reasonable basis for conclusions or recommendations in relation to an engagement.

(e) *Forecasts.* A certified public accountant or public accountant shall not permit the certified public accountant's or public accountant's name to be used in conjunction with any forecast of future transactions in a manner which may lead to the belief that the certified public accountant or public accountant vouches for the achievability of the forecast.

1. Interpretations of par. (e), not intended to be all-inclusive, are as follows:

a. Paragraph (e) does not prohibit a certified public accountant or public accountant from preparing, or assisting a client in the preparation of, forecasts of the results of future transactions. When a certified public accountant's or public accountant's name is associated with such forecasts, there shall be the presumption that such data may be used by parties other than the client. Therefore, full disclosure must be made of the sources of the information used and the major assumptions made in the preparation of the statements and analyses, and character of the work performed by the member, and the degree of the responsibility he or she is taking.

(2) Interpretations of s. Accy 1.201, not intended to be all-inclusive, are as follows:

(a) A certified public accountant or public accountant who accepts a professional engagement implies that he or she has the necessary competence to complete the engagement according to professional standards, applying the certified public accountant's or public accountant's knowledge and skill with reasonable care and diligence, but the certified public accountant or public accountant does not assume a responsibility for infallibility of knowledge or judgment.

(b) Competence in the practice of public accounting involves both the technical qualifications of the certified public accountant or public accountant and his or her staff and the ability to supervise and evaluate the quality of the work performed. Competence relates both to knowledge of the profession's standards, techniques and the technical subject matter involved, and to the capa-

bility to exercise sound judgment in applying such knowledge to each engagement.

(c) The certified public accountant or public accountant may have the knowledge required to complete an engagement professionally before undertaking it. In many cases, however, additional research or consultation with others may be necessary during the course of the engagement. This does not ordinarily represent a lack of competence, but rather is a normal part of the professional conduct of an engagement.

(d) However, if a certified public accountant or public accountant is unable to gain sufficient competence through these means, he or she should suggest, in fairness to the client and the public, the engagement of someone competent to perform the needed service, either independently or as an associate.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, December, 1974, No. 228, eff. 1-1-75; r. and recr. (1) and am. (2) (a), Register, July, 1979, No. 283, eff. 9-1-79; (1) (e) renum. from Accy 1.204 (2) and am., Register, July, 1980, No. 295, eff. 8-1-80; corrections made under s. 13.93 (2m) (b) 1., Stats., Register, March, 1993, No. 447.

Accy 1.202 Auditing standards. (1) A person licensed to practice as a certified public accountant or public accountant, as defined in the statutes, shall not permit the certified public accountant's or public accountant's name to be associated with financial statements in such a manner as to imply that the certified public accountant or public accountant is acting as an independent public accountant unless the certified public accountant or public accountant has complied with the applicable generally accepted auditing standards promulgated by the American institute of certified public accountants. Statements on auditing standards used by the American institute of certified public accountants auditing standards executive committee are, for purposes of this rule, considered to be interpretations of the generally accepted auditing standards, and departures from such statements must be justified by those who do not follow them.

(2) Interpretations of s. Accy 1.202, not intended to be all-inclusive, are as follows:

(a) Section Accy 1.202 does not preclude a certified public accountant or public accountant from associating with the unaudited financial statements of clients. The rule states in part that "No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall permit his her] name to be associated with financial statements in such a manner as to imply that he she] is acting as an independent public accountant unless he she] has complied with the *applicable* generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants."

1. In applying this provision to situations in which a certified public accountant's or public accountant's name is associated with unaudited financial statements, it is necessary to recognize that the standards were specifically written to apply to audited financial statements. The fourth reporting standard, however, was made sufficiently broad to be applicable to unaudited financial statements as well.

2. The fourth Reporting Standard states in part: ". . . In *all* cases where an auditor's name is associated with financial statements, the report should contain a clear-cut indication of the auditor's examination, *if any*, and the degree of responsibility he is taking."

3. Those sections of *Statements on Auditing Standards* and related guides which deal with unaudited financial statements provide guidance to certified public accountants and public accountants associated with such statements.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, February, 1976, No. 242, eff. 4-1-76; r. and recr. (1) Register, July, 1979, No. 283, eff. 9-1-79.

Accy 1.203 Accounting principles. (1) No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall express an opinion that

financial statements are presented in conformity with generally accepted accounting principles if such statements contain any departure from an accounting principle promulgated by the body designated by the council of the American institute of certified public accountants to establish such principles which has a material effect on the statements taken as a whole, unless he or she can demonstrate that due to unusual circumstances the financial statements would otherwise have been misleading. In such cases the report must describe the departure, the approximate effects thereof, if practicable, and the reasons why compliance with the principle would result in a misleading statement.

(2) Interpretations of s. Accy 1.203, not intended to be all-inclusive, are as follows:

(a) Departures from established accounting principles. s. Accy 1.203 was adopted to require compliance with accounting principles promulgated by the body designated by council of the American institute of certified public accountants to establish such principles. There is a strong presumption that adherence to officially established accounting principles would in nearly all instances result in financial statements that are not misleading.

(b) However, in the establishment of accounting principles it is difficult to anticipate all of the circumstances to which such principles might be applied. This rule therefore recognizes that upon occasion there may be unusual circumstances where the literal application of pronouncements on accounting principles would have the effect of rendering financial statements misleading. In such cases, the proper accounting treatment is that which will render the financial statements not misleading.

(c) The question of what constitutes unusual circumstances as referred to in s. Accy 1.203 is a matter of professional judgment involving the ability to support the position that adherence to a promulgated principle would be regarded generally by reasonable persons as producing a misleading result.

(d) Examples of events which may justify departures from a principle are new legislation or the evolution of a new form of business transaction. An unusual degree of materiality or the existence of conflicting industry practices are examples of circumstances which would not ordinarily be regarded as unusual in the context of s. Accy 1.203.

(e) Council of the American institute of certified public accountants is authorized under s. Accy 1.203 to designate a body to establish accounting principles and has designated the financial accounting standards board as such body. The accounting examining board also has resolved that financial accounting standards board statements of financial accounting standards, together with those accounting research bulletins and accounting principles board opinions which are not superseded by action of the FASB, constitute accounting principles as contemplated in s. Accy 1.203.

(f) In determining the existence of a departure from an accounting principle established by a statement of financial accounting standards, accounting research bulletin or accounting principles board opinion encompassed by s. Accy 1.203, the accounting examining board will construe such statement, bulletin or opinion in the light of any interpretations thereof issued by the financial accounting standards board.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, December, 1974, No. 228, eff. 1-1-75; corrections made under s. 13.93 (2m) (b) 5., Stats., Register, March, 1993, No. 447.

Accy 1.204 Other technical standards. A person licensed to practice as a certified public accountant or public accountant, as defined by the statutes, shall comply with other technical standards promulgated by bodies designated by the American institute of certified public accountants council to establish such standards, and departures therefrom must be justified by those who do not follow them.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, December, 1974, No. 228, eff. 1-1-75; r. and recr. (1), Register, July, 1979, No. 283, eff. 9-1-79; renum. (2) to be Accy 1.201 (1) (e), Register, July, 1980, No. 295, eff. 8-1-80.

Accy 1.205 Accounting standards. The following standards of the accounting profession shall be used by certified public accountants in Wisconsin:

(1) The statements on auditing standards issued as of June 1, 2001 by the auditing standards board of the American institute of certified public accountants and published as AICPA professional standards, volume 1 by the American institute of certified public accountants, inc., New York, New York is incorporated by reference into this section.

(2) The statements on standards for accounting and review services issued as of June 1, 2001 by the accounting and review services committee of the American institute of certified public accountants and published as AICPA professional standards, volume 2 by the American institute of certified public accountants, inc., New York, New York is incorporated by reference into this section.

(3) The statement on standards for attestation engagements issued as of June 1, 2001, by the auditing standards board, the accounting and review services committee, and the consulting services executive committee of the American institute of certified public accountants and published as AICPA professional standards, volume 2 by the American institute of certified public accountants, inc., New York, New York is incorporated by reference into this section.

Note: Copies of the Statements described above may be purchased from the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, NY 10036-8775.

Note: Copies of the Statements described above are on file in the offices of the Accounting Examining Board, the Secretary of State, and the Revisor of Statutes.

History: CR 01-133; cr. Register October 2002 No. 562, eff. 11-1-02.

Subchapter IV — Responsibilities to Clients

Accy 1.301 Confidential client information. (1) No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall disclose any confidential information obtained in the course of a professional engagement except with the consent of the client or through the due process of law.

(2) This rule shall not be construed:

(a) To relieve such a person of the obligation under ss. Accy 1.202 and 1.203.

(b) To affect in any way compliance with a validly issued subpoena or summons enforceable by order of a court,

(c) To prohibit review of such a person's professional practices as a part of voluntary quality review under authorization of the American institute of certified public accountants or the Wisconsin society of certified public accountants or

(d) To preclude a certified public accountant or public accountant from responding to an inquiry made by the ethics division of trial board of American institute of certified public accountants, by duly constituted investigative or disciplinary body of a state CPA society, or under any state statutes.

(3) Members of the ethics division and trial board of the American institute of certified public accountants and professional practice reviewers under American institute of certified public accountants authorization, or their state society counterparts, shall not disclose any confidential client information which comes to their attention from such persons in disciplinary proceedings or otherwise in carrying out their official responsibilities. However, this prohibition shall not restrict the exchange of information with an aforementioned duly constituted investigative or disciplinary body.

(4) Interpretations of s. Accy 1.301, not intended to be all-inclusive, are as follows:

(a) *Confidential information and technical standards.* The prohibition against disclosure of confidential information obtained in the course of a professional engagement does not apply to disclosure of such information when required to properly

discharge the certified public accountant's or public accountant's responsibility according to the profession's standards. The prohibition would not apply, for example, to disclosure, as required by section 561 of Statement on Auditing Standards No. 1, of subsequent discovery of facts existing at the date of the auditor's report which would have affected the auditor's report had the auditor been aware of such facts.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (4), Register, December, 1974, No. 228, eff. 1-1-75; corrections made under s. 13.93 (2m) (b) 5., Stats., Register, March, 1993, No. 447.

Accy 1.302 Contingent fees, commissions and referral fees. (1) DEFINITIONS. As used in this section:

(a) "Attest service" means any audit, any review of a financial statement, or any compilation of a financial statement when the certified public accountant or public accountant expects, or reasonably might expect, that a third party will use the compilation and the certified public accountant or public accountant does not disclose a lack of independence, or any examination of prospective financial information.

(b) "Audit" means an examination of financial statements of a person by a certified public accountant or public accountant, conducted in accordance with generally accepted auditing standards, to determine whether, in the opinion of the certified public accountant or public accountant, the statements conform with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting.

(c) "Commission" means compensation, except a referral fee, for recommending or referring any product or service to be supplied by another person.

(d) "Compilation of a financial statement" means a presentation of information in the form of a financial statement that is the representation of any other person without the undertaking of the certified public accountant or public accountant to express any assurance on the statement.

(e) "Contingent fee" means a fee established for the performance of any service according to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service.

(f) "Examination of prospective financial information" means an evaluation by a certified public accountant or public accountant of a forecast or projection, the support underlying the assumptions in the forecast or projection, whether the presentation of the forecast or projection is in conformity with professional presentation guidelines, or, whether the assumptions in the forecast or projection provide a reasonable basis for the forecast or projection.

(g) "Forecast" means a prospective financial statement that presents, to the best of the responsible party's knowledge and belief, an entity's expected financial position, results of operations, and changes in financial position or cash flows that are based on the responsible party's assumptions reflecting conditions it expects to exist and the course of action it expects to take.

(h) "Person" means any natural person, corporation, partnership, unincorporated association, or other entity.

(i) "Projection" means a prospective financial statement that presents, to the best of the responsible party's knowledge and belief, given one or more hypothetical assumptions, an entity's expected financial position, results of operations, and changes in financial position or cash flows that are based on the responsible party's assumptions reflecting conditions it expects would exist and the course of action it expects would be taken given such hypothetical assumptions.

(j) "Referral fee" means compensation for recommending or referring any service of a certified public accountant or public accountant to any person.

(k) "Review" means to perform an inquiry and analytical procedures that permit a certified public accountant or public accountant to determine whether there is a reasonable basis for express-

ing limited assurance that there are no material modifications that should be made to financial statements in order for them to be in conformity with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting.

(2) **CONTINGENT FEES.** Except as provided in sub. (3), a certified public accountant or public accountant may charge a contingent fee provided the accountant and the client make a contingent fee agreement in writing, signed by the client, which states the method by which the fee is to be determined and describes all costs and expenses to be charged to the client. Upon conclusion of the contingent fee matter, the accountant shall provide the client with a written statement showing the fee and all the costs and expenses charged to the client.

(3) **CERTAIN CONTINGENT FEES PROHIBITED.** No certified public accountant or public accountant may receive a contingent fee from any person for whom the accountant performs attest services during the period of the attest services engagement or the period covered by any historical financial statements involved in the attest services.

(4) **COMMISSIONS.** Except as provided in sub. (5), a certified public accountant or public accountant may receive a commission provided that at the time the referral or recommendation is made, the accountant informs the client in writing of the amount and reason for the commission.

(5) **CERTAIN COMMISSIONS PROHIBITED.** No certified public accountant or public accountant may receive a commission from any person for whom the accountant performs attest services, or may receive a commission for any products or services sold to any person for whom the accountant performs attest services, during the period of the attest services or the period covered by any historical financial statement involved in the attest services.

(6) **REFERRAL FEES.** No certified public accountant or public accountant may receive a referral fee unless all of the following apply:

(a) The accountant who accepts the referral fee discloses to the client, in writing, at the time the referral is made, the amount of and reason for the referral fee.

(b) The accountant who pays the referral fee discloses to the client, in writing, within 30 days after the referral is made, the amount of and reason for the referral fee.

(7) **EXCEPTIONS.** This section shall not prohibit payments for the purchase of an accounting practice or retirement payments to individuals formerly engaged in the practice of public accounting or payments to their heirs or estates.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; r. and recr. Register, February, 1990, No. 410, eff. 3-1-90.

Subchapter V — Other Responsibilities and Practices

Accy 1.401 Acts discreditable. (1) No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, shall commit an act discreditable to the profession.

(2) Interpretations of s. Accy 1.401, not intended to be all-inclusive, are as follows:

(a) *Client's records and accountant's workpapers.* Retention of client records after a demand is made for them is an act discreditable to the profession in violation of s. Accy 1.401. It would be a violation of the code to retain a client's records to enforce payment. A certified public accountant's or public accountant's working papers are his or her property and need not be surrendered to the client. However, in some instances working papers will contain data which should properly be reflected in the client's books and records but which for convenience have not been duplicated therein, with the result that the client's records are incomplete. In such instances, the portion of the working papers containing such data constitutes part of the client's records, and copies should be made available to the client upon request. If a certified public accountant or public accountant is engaged to perform certain

work for a client and the engagement is terminated prior to the completion of such work, the certified public accountant or public accountant is required to return or furnish copies of only those records originally given to the certified public accountant or public accountant by the client. Examples of working papers that are considered to be the client's records would include:

1. Worksheets in lieu of books of original entry (e.g., listings and distributions of cash receipts or cash disbursements on columnar working paper).

2. Worksheets in lieu of general ledger or subsidiary ledgers, such as accounts receivable, job cost and equipment ledgers, or similar depreciation records.

3. All adjusting and closing journal entries and supporting details. (If the supporting details are not fully set forth in the explanation of the journal entry, but are contained in analyses of accounts in the accountant's working papers, then copies of such analyses must be furnished to the client.)

4. Consolidating or combining journal entries and worksheets and supporting detail used in arriving at final figures incorporated in an end product such as financial statements or tax returns.

(am) *Working papers.* Any working papers developed by the certified public accountant or public accountant incident to the performance of an engagement which do not result in changes to the client's records or are not in themselves part of the records ordinarily maintained by such clients are considered to be solely "accountant's working papers" and are not the property of the client, for example:

1. The certified public accountant or public accountant may make extensive analyses of inventory or other accounts as part of the selective audit procedures. Even if such analyses have been prepared by client personnel at the request of the certified public accountant or public accountant, they nevertheless are considered to be part of the accountant's working papers. Only to the extent such analyses result in changes to the client's records would the certified public accountant or public accountant be required to furnish the details from the working papers in support of the journal entries recording such changes, unless the journal entries themselves contain all necessary details.

(an) *Duty discharged.* Once the certified public accountant or public accountant has returned the client's records or furnished the copies of such records and/or necessary supporting data, the obligation has been discharged in this regard and it is not necessary to comply with any subsequent requests to again furnish such records.

(ao) *Copies to the client.* If the certified public accountant or public accountant has returned copies of a client's records already in possession of the client, the certified public accountant or public accountant is not required to return such copies to the client.

(b) *Conviction of a crime.* Conviction of a crime the circumstances of which substantially relate to the practice of accounting is an act discreditable to the profession in violation of s. Accy 1.401. As enumerated below, the board shall act as follows:

1. On conviction of a felony, the circumstances of which substantially relate to the practice of accounting the board will initiate charges in every instance.

2. On conviction for willful failure to file an income tax return or other document which, the certified public accountant or public accountant as an individual is required by law to file, for filing a false or fraudulent income tax return or other document on his or her or a client's behalf, or for willful aiding in the preparation and/or presentation of a false or fraudulent income tax return of a client, or the willful making of a false representation in connection with the determination, collection or refund of any tax, whether it be in his or her own behalf or in behalf of a client, the board will initiate charges in every instance.

3. On conviction of a misdemeanor the circumstances of which substantially relate to the practice of accounting the board

will review the circumstances and the nature of the act resulting in conviction. Each such situation will be considered by the board as an informal complaint. The minutes of the board will reflect the fact of review and the resulting disposition of the informal complaint. Such convictions that are professionally related and related to good moral character can be the basis for bringing formal charges and subsequent board action.

4. On conviction for failure to act with integrity and trustworthiness with information or property of others, the board will initiate charges in every instance.

(bm) A certified public accountant or public accountant shall notify the board in writing within 60 days after being convicted of a crime.

(c) *Receiving fees for services not performed.* The deliberate receipt and retention of a fee from a client for services not performed when the client has been given reason to believe that there should be performance, or the withholding of services and receiving a retainer or fee when the services agreed upon have knowingly been withheld, are acts discreditable to the profession. (The amount or rate of charge for services is a contractual matter between the certified public accountant or public accountant and the client, and except as related to the provision, the board does not have authority to set or regulate fees or for taking jurisdiction in such matters. The term "services not performed" means situations in which the actual work for which payment is received is not done.)

(d) *Discrimination in employment practices.* Discrimination based on race, color, religion, sex, age or national origin in hiring, promotion or salary practices is presumed to constitute an act discreditable to the profession in violation of this section.

History: Cr. Register June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, February, 1976, No. 242, eff. 4-1-76; am. (2) (b), Register, July, 1979, No. 283, eff. 9-1-79; renum. from Accy 1.501 and am. (2) (intro.) (a) and (b), cr. (2) (d) and (e), Register, July, 1980, No. 295, eff. 8-1-80; am. (2) (b) intro. and cr. (2) (b) 4., Register, April, 1981, No. 304, eff. 5-1-81; am. (2) (d), renum. (2) (e) to be Accy 1.402 (2) (e), Register, June, 1982, No. 318, eff. 7-1-82; cr. (2) (bm), Register, April, 1985, No. 352, 5-1-85.

Accy 1.402 Advertising or other forms of solicitation. No certified public accountant or public accountant may advertise or solicit a client in a manner that is false, fraudulent, misleading or deceptive.

History: Cr. Register, June, 1974, No. 222, eff. 7-1-74; cr. (2), Register, December, 1974, No. 228, eff. 1-1-75; r. and recr. (2) (a), (g), (j) and (n), Register, February, 1976, No. 242, eff. 4-1-76; r. and recr. Register, July, 1978, No. 271, eff. 9-1-78; renum. from Accy 1.502 and am. (2) (intro.), Register, July, 1980, No. 295, eff. 8-1-80; am. (1) and (2) (c), (2) (e) renum. from Accy 1.401 (2) (e), Register, June, 1982, No. 318, eff. 7-1-82; r. and recr. Register, April, 1986, No. 364, eff. 5-1-86.

Accy 1.404 Incompatible occupations. (1) A person who is engaged in practice as a certified public accountant, or public accountant, as defined in the statutes, shall not concurrently engage in any business or occupation which would create a conflict of interest rendering professional services.

(2) Interpretations of sub. (1) not intended to be all-inclusive, are as follows:

(a) Engaging concurrently with the practice of public accounting in any business or occupation inconsistent with the certified public accountant's or public accountant's responsibilities under the Wisconsin rules of conduct would constitute involvement in an incompatible occupation prohibited by sub. (1).

(b) The above proscription would apply to any business or occupation which:

1. Detracts from the public image of the profession, as for example, on legal grounds, or involves conduct which would constitute an act discreditable to the profession, or,

2. Impairs the certified public accountant's or public accountant's objectivity in rendering professional services to clients, or,

3. Inherently involves responsibilities which are likely to conflict with the certified public accountant's or public accountant's

responsibility to others arising out of the client–certified public accountant or public accountant relationship.

(c) A conflict of interest exists when a certified public accountant or public accountant or firm of such persons who are licensed to practice in Wisconsin becomes associated with or employed by a nonlicensed individual or firm offering accounting, tax, or consulting services, such as those customarily provided by certified public accountants or public accountants, in a manner and with representation or implication that third parties could interpret or conclude that certified public accountant or public accountant services are performed or offered by both the nonlicensed individual or firms and the certified public accountant or public accountant. A conflict of interest also exists if the services of the licensed certified public accountant or public accountant or firm of such persons can be influenced or decisions altered by the noncertified associate or employer.

(d) A conflict of interest exists when a certified public accountant or public accountant who is not licensed permits his or her status as a certified public accountant or public accountant to be used or publicized in a manner or situation that third parties could assume or conclude that certified public accountant services are being performed or offered by or through nonlicensed individuals or firms.

History: Cr. Register, June, 1974, No. 222, eff. 7–1–74; cr. (2), Register, February, 1976, No. 242, eff. 4–1–76; r. and recr. Register, July, 1978, No. 271, eff. 9–1–78; cr. (2), Register, July, 1979, No. 283, eff. 9–1–79; renum. from Accy 1.504, Register, July, 1980, No. 295, eff. 8–1–80; am. (2) (intro.) and (a), Register, April, 1981, No. 304, eff. 5–1–81; cr. (2) (c) and (d), Register, June, 1982, No. 318, eff. 7–1–82; am. (2) (b) 1., Register, April, 1985, No. 352, eff. 5–1–85.

Accy 1.405 Form of practice and name. (1) Individuals or firms may practice as a certified public accountant in any organization form permitted by state law.

(a) No person licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, may practice under a firm name which is misleading as to the type of organization. However, names of one or more past partners or shareholders may be included in the firm name of a successor partnership or corporation, provided that such persons were licensed or eligible to be licensed in accordance with requirements for all partners or shareholders of the successor partnership or corporation. Also a partner or shareholder surviving the death or withdrawal of all other partners or shareholders may continue to practice under the partnership or corporation name for up to 2 years after becoming a sole practitioner or shareholder.

(c) A firm may not designate itself as “Certified Public Accountants” unless all of its partners or shareholders are certified public accountants.

(2) No person or firm engaged in practice as a certified public accountant or public accountant, as defined in ss. 442.02 and 442.07, Stats., may use a business name or designation that is misleading as to the number of individuals with an equity in the firm. A sole proprietor may not use a name implying multiple ownership such as “& Co.” or “& Company” or “& Associates,” or “Firm” or “Associates” or “Company,” and a firm with multiple ownership may not use the name so that multiple ownership is not disclosed. A firm with multiple ownership may not imply in the firm’s name that there are owners of the firm in addition to those specifically mentioned in the firm’s name when no additional owners exist.

(3) Interpretations of s. Accy 1.405, not intended to be all-inclusive, are as follows:

(a) *Investment in commercial accounting corporation.* A certified public accountant or public accountant in the practice of public accounting may have a financial interest in a commercial corporation which performs for the public services of a type performed by certified public accountants or public accountants and whose characteristics do not conform to resolutions of council of the American institute of certified public accountants, provided such interest is not material to the corporations’ net worth, and the certified public accountant’s or public accountant’s interest in and relation to the corporation is solely that of an investor.

History: Cr. Register, June, 1974, No. 222, eff. 7–1–74; cr. (2), Register, December, 1974, No. 228, eff. 1–1–75; r. and recr. (1) (a), renum. (2) to be (3) and cr. (2), Register, February, 1976, No. 242, eff. 4–1–76; renum. from Accy 1.505 and am. (3) (intro.), Register, July, 1980, No. 295, eff. 8–1–80; am. (2) (intro.) and (a), Register, April, 1981, No. 304, eff. 5–1–81; am. (3) (a), Register, June, 1982, No. 318, eff. 7–1–82; am. (2), Register, July, 1983, No. 331, eff. 8–1–83; am. (1) (intro.) and (a), Register, January, 1985, No. 349, eff. 2–1–85; r. (1) (b), Register, February, 1990, No. 410, eff. 3–1–90; am. (1) (a), Register, February, 1992, No. 434, eff. 3–1–92; r. and recr. (1) (intro.), Register, May, 1994, No. 461, eff. 6–4–94.

Accy 1.406 Practice while suspended. No person who is licensed to practice as a certified public accountant, or public accountant, as defined in the statutes, who has been suspended, shall practice as a certified public accountant or public accountant during the period of such suspension.

History: Cr. Register, June, 1974, No. 222, eff. 7–1–74; renum. from Accy 1.506, Register, July, 1980, No. 295, eff. 8–1–80.

Accy 1.407 Communications. A certified public accountant shall, when requested, respond to communications from the board within 30 days of the mailing of such communications by registered or certified mail.

History: Cr. Register, July, 1978, No. 271, eff. 9–1–78; renum. from Accy 1.507, Register, July, 1980, No. 295, eff. 8–1–80.