

CHAPTER 18  
LICENSEES' DUTY TO REPORT  
[Prior to 5/1/02, see 193A—Chapter 15]

**193A—18.1(272C,542) Reporting acts or omissions committed by licensees.**

**18.1(1)** Iowa Code section 272C.9(2) requires an individual or firm that is licensed by the board to report acts or omissions of others licensed by the board that demonstrate a lack of qualifications that are necessary to assure residents of this state a high standard of professional and occupational care. For the purposes of this rule, the failure to perform an engagement for a client in accordance with professional standards is a demonstration by a CPA or LPA or by a CPA or LPA firm that the CPA or LPA or the CPA or LPA firm may lack such qualifications. These professional standards are set forth in 193A—Chapter 13.

**18.1(2)** When a licensee observes a violation of any of the acts referenced in subrule 18.1(1), the licensee shall report the violation in writing to the board office, setting forth the name of the licensee alleged to have committed the violation and the rule(s) violated, together with a copy of all material that evidences the violation.

[ARC 7715B, IAB 4/22/09, effective 7/1/09]

**193A—18.2(272C,542) Reporting judgments and settlements alleging malpractice.**

**18.2(1)** Iowa Code section 272C.9(3) requires a licensee to report to the board every adverse judgment in a professional malpractice action to which the licensee is a party and every settlement of a claim against the licensee. For the purposes of this rule, malpractice actions brought against a firm licensed by the board will be deemed to have been brought against both the firm and the firm's owners (e.g., partners, shareholders, or members) that performed the services that led to the malpractice action.

**18.2(2)** When a licensee is a party to an adverse judgment resulting from a professional malpractice action or is a party to a settlement of a claim resulting from an allegation of malpractice, the licensee shall file a report in writing forwarded to the board office, setting forth the name and address of the client, the date the claim was originally made, a brief description of the circumstances precipitating the claim and a copy of the judgment or settlement agreement resulting from the claim. It is the intent of this rule to require the reporting of all judgments or settlements resulting from claims that were initiated by court action and not claims of malpractice that are made against a licensee that are not filed in a court of law.

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**193A—18.3(272C,542) Timely reporting.** The reports required by rules 193A—18.1(272C,542) and 193A—18.2(272C,542) shall be forwarded to the board within a reasonable period of time from the initial receipt of the information required to be reported. A period of less than 30 days will be considered to be a reasonable period of time.

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**193A—18.4(272C,542) Failure to make reports.** Upon obtaining information that a licensee failed to file a report required by rules 193A—18.1(272C,542) and 193A—18.2(272C,542) within a reasonable period of time, the board shall initiate a disciplinary proceeding against the licensee who failed to make the required report.

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**193A—18.5(272C,542) Professional resolution encouraged.** While a licensee may report any act to the board that provides a ground for discipline under 193A—Chapter 14, the board anticipates that licensees will attempt to informally resolve those matters that do not pose a risk to the public if promptly resolved through professional courtesy and in an educational fashion.

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These rules are intended to implement Iowa Code chapters 272C and 542.

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