

CHAPTER 1038
LICENSEES' DUTY TO REPORT

[Prior to 5/1/02, see 193A—Chapter 15]
[Prior to 6/10/26, see Accountancy Examining Board[193A] Ch 18]

Chapter rescission date pursuant to Iowa Code section 17A.7: 4/10/29

481—1038.1(272C,542) Reporting acts or omissions committed by licensees.

1038.1(1) An individual or firm licensed by the board has a duty to report under Iowa Code section 272C.9(2). The failure to perform an engagement for a client in accordance with professional standards may demonstrate a lack of qualifications by a licensee or firm. These professional standards are set forth in 481—Chapter 1033.

1038.1(2) When a licensee observes an act or omission referenced in subrule 1038.1(1), the licensee is obligated to 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 7694C, IAB 3/6/24, effective 4/10/24; Editorial change: IAC Supplement 6/10/26]

481—1038.2(272C,542) Reporting judgments and settlements alleging malpractice.

1038.2(1) Licensees have a duty to report under Iowa Code section 272C.9(3). 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) who performed the services that led to the malpractice action.

1038.2(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 has an obligation to 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in writing forwarded to the board office, setting forth the name and address of the client, the date the claim was originally made, a brief description of the circumstances precipitating the claim and a copy of the judgment or settlement agreement resulting from the claim.

[ARC 7694C, IAB 3/6/24, effective 4/10/24; Editorial change: IAC Supplement 6/10/26]

481—1038.3(272C,542) Timely reporting. The reports under this chapter are to be forwarded to the board within 30 days from the initial receipt of the information giving rise to the reporting obligation.

[ARC 7694C, IAB 3/6/24, effective 4/10/24; Editorial change: IAC Supplement 6/10/26]

481—1038.4(272C,542) Failure to make reports. The board may initiate a disciplinary proceeding against any licensee who fails to make a timely report under this chapter.

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

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