

193A—13.2(542) Applicability.

13.2(1) The rules of professional conduct which follow rest upon the premise that the reliance of the public in general and of the business community in particular on sound financial reporting and on the implication of professional competence inherent in the authorized use of a legally restricted title relating to the practice of public accountancy imposes on persons engaged in such practice certain obligations both to their clients and to the public. These obligations, which the rules of professional conduct are intended to enforce where necessary, include the obligation to maintain independence of thought and action, to strive continuously to improve one's professional skills, to observe applicable generally accepted accounting principles and generally accepted auditing standards, to promote sound and informative financial reporting, to hold the affairs of clients in confidence, and to maintain high standards of personal conduct in all matters affecting one's fitness to practice public accountancy.

13.2(2) Acceptance of a certificate as a CPA or a license as an LPA to practice public accounting involves acceptance by the CPA or LPA of the obligations set forth in the preceding subrule and accordingly a duty to abide by the rules of professional conduct.

13.2(3) The rules of professional conduct are intended to have application to all kinds of professional services performed in the practice of public accountancy and to apply as well to all CPAs and LPAs whether or not engaged in the practice of public accountancy, except where the wording of a rule clearly indicates that the applicability is more limited.

13.2(4) A CPA or LPA who is engaged in the practice of public accountancy outside the United States will not be subject to discipline by the board for departing, with respect to such foreign practice, from any of the rules, so long as the CPA's or LPA's conduct is in accordance with the standards of professional conduct applicable to the practice of public accountancy in the country in which the CPA or LPA is practicing. However, even in such a case, if a CPA's or LPA's name is associated with financial statements in such manner as to imply that the CPA or LPA is acting as an independent public accountant and under circumstances that would entitle the reader to assume that United States practices are followed, the CPA or LPA will be expected to comply with subrules 13.4(2) and 13.4(3).

13.2(5) In the interpretation and enforcement of the rules of professional conduct, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings and opinions issued by other state boards of accountancy and by appropriately authorized committees on ethics of professional organizations.

13.2(6) A CPA or LPA may be held responsible for compliance with the rules of professional conduct by all persons associated with the accountant in the practice of public accounting who are either under the accountant's supervision or are members, partners or shareholders in the accountant's practice.

13.2(7) A covered member's immediate family is also subject to these rules, except that:

a. Employment with the attest client is permitted if the family member is not in a "key position" which allows the person to influence the client's financial statements; or

b. A financial interest may be held through an attest client's employee benefit plan in certain instances if the covered member is not on the attest engagement team or in a position to influence the engagement.