

Acct 1,3

Filed Oct 4, 1965



The State of Wisconsin

BOARD OF ACCOUNTANCY

115 S. PINCKNEY STREET
MADISON, WISCONSIN 53703

October 1, 1965

STATE OF WISCONSIN)
DEPT. OF Wisconsin State Board of Accountancy) SS

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Arthur E. Wegner, Secretary of the Wisconsin State Board of Accountancy, and custodian of the official records of said board, do hereby certify that the annexed order^s of the Accountancy Board was adopted and approved by the board on October 1, 1965.

I further certify that the attached said copy^s of the order^s have been compared by me with the original on file in this board, and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have here-
unto set my hand and affixed the
official seal of the department
at the Capitol, in the city of
Madison, this 1st day of
October A.D. 19 65.

Arthur E. Wegner
Arthur E. Wegner, Secretary



The State of Wisconsin

BOARD OF ACCOUNTANCY

115 S. PINCKNEY STREET
MADISON, WISCONSIN 53703

ORDER OF THE WISCONSIN STATE BOARD OF ACCOUNTANCY

Pursuant to authority vested in the Wisconsin State Board of Accountancy by section 135.01 Wis. Stats., the Wisconsin State Board of Accountancy hereby repeals intro. par. and Acy 3.02[^](1) (2) (3) (4), and recreates to read as follows:

Acy 3.02 Education, experience, training. Applicants are also examined as to their scholastic attainments under the title of general education, and as to their professional qualifications under the title of experience and special training.

(1) The passing mark in general education is the requirement that the applicant must have completed at least a four year high school course of study or have received an equivalent education, the value of equivalents to be determined by the board,

(a) On and after July 1, 1968, the applicant sitting for the first time for the examination shall present to the board a bachelor's or higher degree with a major in accounting from a reputable institution approved and recognized by the board under 3.02 (6).

(b) An applicant whose undergraduate degree was not as a major in accounting, but who subsequently meets all the requirements of such graduate major in accounting, will be accorded the same privilege as applicants under (a) above.

(c) An applicant whose undergraduate degree was as a major in accounting from an institution not approved and recognized by the board under 3.02 (6), may be accorded the same privilege as an applicant under (a) above, provided that an institution recognized and approved under 3.02 (6) certified that the applicant has met all of the requirements of a graduate major in accounting of such recognized institution.

(2) The passing mark in experience and special training is the requirement that the applicant has had at least three years accounting experience equivalent to that of a senior accountant in public practice, the efficiency of the experience to be judged by the board.

(3) Applicants who have completed educational training as an accounting major in a four year course in business administration in a degree granting school approved and recognized by the board under 3.02 (6) will be permitted to write the examinations beginning with the first examination following their graduation, but no certificate will be issued until all other requirements of this paragraph are met.

(4) In lieu of one and one-half years of public accounting experience or its equivalent, the board will accept educational training as an accounting major in a four year course in business administration, in a school which has been approved and recognized by the board under 3.02 (6).



The State of Wisconsin

BOARD OF ACCOUNTANCY

115 S. PINCKNEY STREET
MADISON, WISCONSIN 53703

The rules contained herein shall take effect as provided in section
227.026 (1) Wis. Stats.

Dated: October 1, 1965

WISCONSIN STATE BOARD OF ACCOUNTANCY

A. E. Wegner
A. E. Wegner
Secretary

ORDER OF THE WISCONSIN STATE BOARD OF ACCOUNTANCY

Pursuant to authority vested in the Wisconsin State Board of Accountancy by section 135.01, Wis. Stats., the Wisconsin State Board of Accountancy repeals and recreates section Acy 1.01, and creates Acy 1.02, 1.03, 1.04 and 1.05 as follows:

1.01 Relations with Clients & Public

- (1) No person practicing public accounting as defined in Chapter 135, Wis. Stats. shall:
- (a) Express an opinion on financial statements of any enterprise unless he and his firm are in fact independent with respect to such enterprise, or discloses an interest in such enterprise as required by Sec. 135.10, Wis. Stats.
Independence is not susceptible of precise definition, but is an expression of the professional integrity of the individual.
A public accountant before expressing his opinion on financial statements, has the responsibility of assessing his relationships with an enterprise to determine whether, in the circumstances, he might expect his opinion to be considered independent, objective and unbiased by one who had knowledge of all the facts.
 - (b) Commit an act discreditable to the profession.
 - (c) Violate the confidential relationship between himself and his client.
 - (d) Render or offer professional service for a fee which shall be contingent upon the findings or results of such service. This rule does not apply to cases involving federal, state, or other taxes, in which the findings are those of the tax authorities and not those of the accountant. Fees to be fixed by courts or other public authorities, which are therefore of an indeterminate amount at the time when an engagement is undertaken, are not regarded as contingent fees within the meaning of this rule.
 - (e) Accept or agree to accept or receive any retainer from or perform any service or act for a client which would conflict with the interests of another client, without the knowledge and written consent of such other client.

1.02 Technical Standards

- (1) No person practicing public accounting as defined in Chapter 135, Wis. Stats. shall:
 - (a) Sign a report purporting to express his opinion as the result of examination of financial statements unless they have been examined by him, a member or an employee of his firm, a certified public accountant of a state or territory of the United States or the District of Columbia, or a holder of a Foreign license to practice as a public accountant.
 - (b) Permit his name to be associated with statements purporting to show financial position or results of operations in such a manner as to imply that he is acting as an independent public accountant unless he shall:
 - (1) express an unqualified opinion; or
 - (2) express a qualified opinion; or
 - (3) express an adverse opinion; or
 - (4) disclaim an opinion on the statements taken as a whole and indicate clearly his reasons therefor; or
 - (5) when unaudited financial statements are presented on his stationery without his comments, disclose prominently on each page of the financial statements that they were not audited.
 - (c) Permit his name to be used in conjunction with any forecast of the results of future transactions in a manner which may lead to the belief that the member or associate vouches for the accuracy of the forecast.
- (2) In expressing an opinion on representations in financial statements which he has examined, a public accountant may be held guilty of an act discreditable to the profession if:
 - (a) He fails to disclose a material fact known to him which is not disclosed in the financial statements but disclosure of which is necessary to make the financial statements not misleading; or
 - (b) He fails to report any material misstatement known to him to appear in the financial statement; or
 - (c) He is materially negligent in the conduct of his examination or in making his report thereon; or

- (d) He fails to acquire sufficient information to warrant expression of an opinion, or his exceptions are sufficiently material to negative the expression of an opinion; or
- (e) He fails to direct attention to any material departure from generally accepted accounting principles or to disclose any material omission of generally accepted auditing procedure applicable in the circumstances.

1.03 Promotional Practices

- (1) No person practicing public accounting as defined in Chapter 135, Wis. Stats. shall:
 - (a) Advertise his professional attainments or services. Publication in a newspaper, magazine or similar medium of an announcement or what is technically known as a card is prohibited. A listing in a directory is restricted to the name, title, address and telephone number of the person or firm, and it shall not appear in a box, or other form of display or in a type or style which differentiates it from other listings in the same directory. Listing of the same name in more than one place in a classified directory is prohibited.
 - (b) Endeavor, directly or indirectly to obtain clients by solicitation.
 - (c) Minimize the value of professional accounting service, by quoting fees which are not commensurate with a high quality of performance or which do not conform within reasonable limits to the generally accepted fees of other practitioners for similar work. Flat fee bidding, either with or without reservations, on professional engagements in competition with other practitioners is deemed to be detrimental to the interests of the public and the accounting profession. It is the experience of this board that the primary cause of inferior accounting service is underbidding or undercharging, which too often results in improper performance of the work undertaken.
 - (d) Allow directly or indirectly commissions, brokerage, or other participation in the fees or profits of professional work to the laity.
 - (e) Allow directly or indirectly commissions, brokerage, or other participation in the fees, charges or profits of work recommended or turned over to the laity as incident to services for clients.

1.04 Operating Practice

- (1) A person licensed to practice public accounting as defined in Chapter 135, Wis. Stats., engaged in an occupation in which he renders services of a type performed by public accountants must observe this Code of Ethics in the conduct of his occupation.

(2) No person practicing public accounting as defined in Chapter 135, Wis. Stats. shall:

- (a) Permit any person to practice as his representative who is not a partner, or the holder of a Wisconsin registration card, or a person actually in his employ. If the service or any part thereof in another state is assigned to a resident of another state, such person should possess a certificate or a license authorizing him to practice in accordance with the law of that state.
- (b) Permit an employee to perform any act or service for clients which the public accountant is not permitted to perform.
- (c) Allow the use of his name or engage in any business or occupation conjointly with his professional work in a manner which would be incompatible or inconsistent with his professional practice.

1.05 Relations with Fellow Accountants

(1) No person practicing public accounting as defined in Chapter 135, Wis. Stats. shall:


- (a) Encroach upon the practice of another public accountant. A public accountant may furnish service to those who request it.
- (b) Negotiate for the services of an employee of another practitioner without first informing the employer of such intention, unless the employee makes application of his own initiation or in response to a public advertisement.
- (c) While a permanent full time employee of a practitioner, undertake professional work on his separate account, either during or after hours, without the knowledge and written consent of his employer.
- (d) Criticize before the laity, other than an actual client who has a legitimate interest in the matter, a fellow practitioner on any matter which constitutes a violation of Chapter 135, Wis. Stats., or rules and regulations promulgated thereunder. If criticism is justified, the matter shall be referred to the State Board of Accountancy.

(2) A public accountant who receives an engagement for services by referral from another public accountant shall not accept an extension of his services beyond the specific engagement without first consulting with the referring public accountant.

The rules contained herein shall take effect as provided in section
227.026 (1) Wis. Stats.

Dated: October 1, 1965

WISCONSIN STATE BOARD OF ACCOUNTANCY


A. E. Wegner
Secretary