

Code of ethics

Chapter Accy 1

PRACTICE

Accy 1.01 Practice

Accy 1.01 Practice, (1) Every person practicing public accounting as defined in chapter 135, Wis. Stats., shall:

(a) Be governed by high ideals of personal honor in all his professional work, practicing in a spirit of fidelity to his clients, loyalty to the public, and courtesy to fellow practitioners.

(b) Conduct himself strictly in accordance with the provisions of the laws of the state or states in which he may be engaged in the public practice of accountancy, whether regularly or temporarily.

(c) Exercise and display fairness and justice to the public as well as to his clients. Loyalty to a client should never permit him to forget that his obligation to the public requires him to present an accurate and honest statement of facts as he finds them. Neither should the desire for gain ever lead him into any questionable methods or enterprises.

(d) Hold inviolate, as confidential, all information obtained from any client, or from the records of any client, or from any employer except as permission to disclose information is obtained from the client or employer or as required by law or as may be necessary to aid or defend himself in litigation involving his work. He shall also refrain from using any information obtained in the pursuit of his professional duties for material gain other than fees for professional services.

(e) Regard his signature to a report as an assurance to the public of the reliability of the report and he shall preserve for at least six years all original working papers and other data utilized in its preparation.

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

(a) Knowingly or negligently prepare, sign, or certify any report or statement or furnish information which contains a misstatement of a material fact or conceals such a fact as could result in a material misrepresentation, use reservations or qualifications to conceal or misrepresent a material fact, give an exaggerated impression of the scope of an engagement by incorrect description thereof or omission to state limitations thereof, or use accounting principles for which authoritative support is not obtainable.

(b) Approve, sign, or certify reports or statements which have not been prepared or examined by or under the supervision of himself or a member of his firm who is authorized to practice in the state of Wisconsin, or a person representing him in conformity with section Accy 1.01(2) (c).

(c) 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 license authorizing him to practice in accordance with the law of that state.

(d) 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.

(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.

(f) Accept or agree to accept or receive from the laity, directly, or indirectly, any commission or any other participation for any business turned over to others as an incident to service for a client.

(g) Pay or cause to be paid to the laity, directly or indirectly, any commission or compensation as consideration in connection with the procurement of any professional engagement or retainer, or allow any participation for that purpose in the fees, proceeds, or profits for professional work thus performed.

(h) 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.

(i) Solicit engagements, issue announcements in any form advertising personal or special attainments or containing possible reflections on the ability of other practitioners, or solicit the clients of another practitioner, unless it be a former client and then only within a reasonable time after the last engagement. Only when requested shall he discuss a possible engagement with the client of another practitioner registered under this act, and in that event the discussion should be governed in accordance with section Acy 1.01 (2)

(j) and (k). Solicitation of engagements is deemed to be detrimental to the dignity or other interests of the profession, since it tends to place a premium on salesmanship rather than on accounting ability.

(j) Criticise 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 or rules and regulations promulgated thereunder. If criticism is justified, the matter shall be referred to the state board of accountancy.

(k) 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.

(l) 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.

(m) Certify, as a public accountant or certified public accountant, to items of a non-accounting nature prepared in such form as to permit their use in promotional work for the client or as a means of advertising for the accountant.