

Ethics for Washington CPAs

2017 Edition

Table of Contents

Chapter 1 – Ethics and Ethical Reasoning	1
Learning Objectives	1
Introduction.....	1
Ethical Reasoning and Accountants	2
Conclusions and Implications.....	3
Ethical Dilemmas in Accounting	4
Example	4
Solutions.....	4
Review Questions.....	5
Review Answers	6
Chapter 2 – AICPA Code of Professional Conduct	7
Learning Objectives	7
Introduction.....	7
AICPA’s Code of Professional Conduct.....	7
Applying Threats and Safeguards Approach to Ethics Violation Cases	12
Ethical Conflicts Unrelated to Threats	12
Summaries of the Eleven Rules	13
1.100 – Integrity and Objectivity Rule	13
1.200 – Independence Rule	15
1.300 – General Standards Rule	26
1.310 – Compliance with Standards Rule.....	26
1.320 – Accounting Principle Rule.....	27
1.400 – Acts Discreditable Rule	27
1.510 – Contingent Fees Rule.....	28
1.520 – Commissions and Referral Fee Rule	29
1.600 – Advertising and Other Forms of Solicitation Rule	30
1.700 – Confidential Information Rule	30
1.800 – Form of Organization and Name Rule.....	31
The Case of the Almost Stolen Clients	32
The Case of the Harmless Mistakes.....	33
The Case of the Inadequate Accountant	34
Review Questions.....	37
Review Answers	38
Chapter 3 – Washington Ethics	41
Learning Objectives	41
Introduction.....	41
The Washington State Board	41
What are the authority for and the purpose of the board’s rules?	41
What is the board’s meeting schedule and how are officers elected?.....	42
How can I contact the board?.....	42
Do I need to notify the board if I change my address?	43
Must I respond to inquiries from the board?.....	43
What are the requirements concerning integrity and objectivity?.....	43
When is independence required?	43
What restrictions govern commissions, referral, and contingent fees?	44
What are the requirements concerning competence?	45
Compliance is required with which rules, regulations and professional standards?	45
What are the requirements concerning records and clients confidential information?	46
What are the requirements concerning client records, including response to requests by clients and former clients for records?	46
What acts are considered discreditable?	48
What are the limitations on advertising and other forms of solicitation?.....	49

Table of Contents

What are the limitations regarding individual and firm names?.....	49
Does the board authorize the use of any other titles or designations?.....	49
What are the continuing professional education (CPE) requirements for individuals?.....	50
How do I report my CPE to the board?.....	52
What documentation must I retain to support my eligibility for CPE credits?.....	52
What are the bases for the board to impose discipline?.....	53
Investigations.....	56
Board Policies.....	58
Review Questions.....	59
Review Answers.....	61
Appendix.....	63
Additional Information – Chapter 18.04, Public Accountancy Act.....	63
Additional Information – Chapter 4-30, Board Rules.....	81
Glossary.....	103
Index.....	107