

Ethics for Washington CPAs

2023 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
Case Study.....	4
Solutions.....	4
Perceptions of Ethics across Different Professions	4
Quotes on Ethics and Integrity	5
Review Questions.....	7
Review Answers	8
Chapter 2 – Washington State Laws and Rules	9
Learning Objectives	9
Introduction.....	9
The Washington State Board	9
Recent Changes to Laws, Rules and Policies in 2022	9
WAC 4-30-028 Rules governing the formal adjudicative proceedings and the brief adjudicative proceedings before the board.	9
What are the authority for and the purpose of the board's rules?	9
What is the board's meeting schedule and how are officers elected?.....	10
How can I contact the board?.....	11
Do I need to notify the board if I change my address?	11
Must I respond to inquiries from the board?.....	11
What enforcement actions must be reported to the board?	11
What are the requirements concerning integrity and objectivity?.....	12
When is independence required?	13
Case Studies	13
What restrictions govern commissions, referral, and contingent fees?	14
What are the requirements concerning competence?.....	15
Compliance is required with which rules, regulations and professional standards?	15
Records and clients confidential information.....	16
Client Records	18
What acts are considered discreditable?	20
What are the limitations on advertising and other forms of solicitation?.....	20
What are the limitations regarding individual and firm names?.....	20
Does the board authorize the use of any other titles or designations?.....	21
What are the allowable legal forms of organization and ownership requirements for a CPA firm? ...	21
What are the quality assurance review (QAR) requirements for licensed CPA firms?.....	22
CPE Rules.....	25
Qualifying continuing professional education (CPE) activities	26
Reporting periods, carry-forward/back, and limitations on continuing professional education (CPE) credit.	28
Continuing professional education (CPE) requirements.....	28
Reporting continuing professional education (CPE) to the board and documentation requirements.	30
What are the bases for the board to impose discipline?.....	30
Investigations.....	33
Review Questions.....	35
Review Answers	37
Chapter 3 – AICPA Code of Professional Conduct	39
Learning Objectives	39
Introduction.....	39

Table of Contents

AICPA's Code of Professional Conduct.....	39
Applying Threats and Safeguards Approach to Ethics Violation Cases	43
Ethical Conflicts Unrelated to Threats	44
Summaries of the Eleven Rules	44
1.100 — Integrity and Objectivity Rule.....	45
1.200 — Independence Rule.....	47
1.300 — General Standards Rule	50
1.310 — Compliance with Standards Rule	51
1.320 — Accounting Principle Rule	51
1.400 — Acts Discreditable Rule.....	51
1.510 — Contingent Fees Rule	54
1.520 — Commissions and Referral Fee Rule.....	54
1.600 — Advertising and Other Forms of Solicitation Rule.....	55
1.700 — Confidential Information Rule.....	55
1.800 — Form of Organization and Name Rule	56
Review Questions.....	57
Review Answers	58
Appendix.....	61
WAC 4-30-140 — Disciplinary authority and process.....	61
Additional AICPA Rule Information — Independence Rules.....	61
1.240 Financial Interests.....	61
Glossary.....	69
Index	73