1. What makes a CPA license valuable:

a. Time, effort and education it takes to get the license.

b. Continuing education after receiving the license.

c. Monopoly on public accounting services.

d. All of the above.

e. None of the above.

2. What does the government expect of individuals licensed as a CPA:

a. Competence in performing services.

b. Objectivity in the offering of services.

c. Integrity in client dealings.

d. All of the above.

e. None of the above.

3. What creates a legal fiduciary relationship between a CPA and its client?

a. A CPA performing an audit of a clients accounting books and records?

b. A CPA preparing a tax return?

c. A CPA performing financial planning for a client?

d. All of the above.

e. None of the above.

4. The auditor of a publically traded company may:

a. Perform up to 40 percent *(measured in terms of hours)* of an audit client's internal

 audit work.

b. Interview candidates and advise the audit client on the candidate's competence for

 financial accounting positions.

c. Make recommendations for changes in the companys financial information system.

d. All of the above.

e. None of the above.

<http://pcaobus.org/About/Pages/default.aspx>

<http://pcaobus.org/Standards/Pages/default.aspx>

PCAOB creating its own set of rules.

<http://pcaobus.org/Standards/EI/Pages/default.aspx>

*AICPA vs. PCAOB*

***The Public Company Accounting Oversight Board*** today heard a presentation from the PCAOB Office of the Chief Auditor (OCA) on its outreach to investors and others about potential changes to the auditor's reporting model.

"We heard from investors that they want more information in the auditor's report. Investor dissatisfaction with the current auditor's reporting model should concern other constituents as well, including preparers, auditors and regulators," said PCAOB Chairman James R. Doty. "Today's report from our own staff, based on their discussions with a broad audience, will be vital to the Board's effort to develop a meaningful proposal for change in a concept release. Our intention is to expose such a release as early as this summer."

http://pcaobus.org/News/Releases/Pages/03222011\_AuditorsReportingModel.aspx

**AICPA's ASB Finalized the Clarified Statement on Auditing Standards**
As part of its clarity project, AICPA's Auditing Standards Board (ASB) has finalized the clarified Statement on Auditing Standards (SAS), Filings with the U.S. *Securities and Exchange Commission* Under the *Securities Act of 1933* to supersede AU Section 711 Filings Under Federal Securities Statutes. The clarified SAS addresses the auditor's responsibilities in connection with financial statements of a non-issuer included or incorporated by reference in a registration statement filed with the SEC under the Securities Act of 1933, as amended.

http://www.aicpa.org/InterestAreas/AccountingAndAuditing/Resources/AudAttest/AudAttestStndrds/ASBClarity/DownloadableDocuments/Clarified\_SASs/Clarified\_SAS\_SEC\_Filings.pdf

**AICPA Ethics:**

# Composition, Applicability and Compliance



The Code of Professional Conduct of the American Institute of Certified Public Accountants consists of two sections—(1) the Principles and (2) the Rules. The Principles provide the framework for the Rules, which govern the performance of professional services by members. The Council of the American Institute of CPAs is authorized to designate bodies to promulgate technical standards under the Rules, and the [Bylaws](http://www.aicpa.org/About/Governance/Bylaws/Pages/index.aspx) require adherence to those Rules and standards.

The Code of Professional Conduct was adopted by the membership to provide guidance and rules to all members—those in public practice, industry, government and education—in the performance of their professional responsibilities. (emphasis added)

Compliance with the Code of Professional Conduct, as with all standards in an open society, depends primarily on members' understanding and voluntary actions, secondarily on reinforcement by peers and public opinion, and ultimately on disciplinary proceedings, when necessary, against members who fail to comply with the Rules.

<http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/default.aspx>

*Opinion*: If performing a public company audit, follow PCAOB rules and any conflicts in rules require use of PCAOB rules.

**The Texas Board of Public Accounting:**

5. What entity licenses CPAs?

1. AICPA
2. PCAOB
3. IRS
4. Treasury Department of the United States
5. None of the above

6. The Texas Board of Public Accounting may discipline a CPA if he is convicted of a misdemeanor involving the following acts:

a. Walking around intoxicated.

b. Stealing cable television.

c. Writing a “hot” check.

d. All of the above.

e. None of the above.

<http://www.tsbpa.state.tx.us/>

Find the rules?

Rules are not searchable and may change on a regular basis. For any issue related to the TSBPA, please review the rules immediately before any decision to ensure compliance with the most current rules.