

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
RHODE ISLAND BOARD OF ACCOUNTANCY  
JOHN O. PASTORE CENTER  
BUILDING 68-1  
1511 PONTIAC AVENUE  
CRANSTON, RI 02920**

**RIBOA REGULATION 2008-2**

**REGULATION CONCERNING PROFESSIONAL CONDUCT OF CERTIFIED PUBLIC  
ACCOUNTANTS AND PUBLIC ACCOUNTANTS**

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ARTICLE I

1.0 INTRODUCTION, PURPOSE, FINDING

1.1 Introduction

Section 5-3.1-4(f) of the Rhode Island General Laws authorizes the Board of Accountancy to promulgate rules and regulations of professional conduct for establishing and maintaining high standards of competence and integrity in the profession of public accounting.

1.2 Purpose

The purpose of these regulations is to adopt the AICPA's Code of Professional Conduct to establish uniform, nationally-recognized professional standards within the profession.

1.3 Finding

In considering the adoption of these regulations, the Board of Accountancy finds that such action would not have a significant adverse impact on small business and that there is no alternative approach which would be as effective and less burdensome to private persons as another regulation.

ARTICLE II

2.0 CODE OF PROFESSIONAL CONDUCT

2.1 The Code of Professional Conduct of the American Institute of Certified Public Accountants is hereby adopted by the Board of Accountancy as the Rhode Island Code of Professional Conduct (the "Code").

- 2.2 The Code shall govern the conduct of all persons licensed under Chapter 5-3.1 of the General Laws (the "Accountancy Act").
- 2.3 The failure of any person to comply with the Code shall be grounds for discipline in accordance with section 5-3.1-12(4) of the General Laws.
- 2.4 In the event there is any inconsistency between the Code and the Accountancy Act, the Accountancy Act shall supersede such provisions of the Code.

### ARTICLE III

#### 3.0 PROFESSIONAL OBLIGATIONS

- 3.0 Records. Licensees shall retain records relating to all professional services rendered in public accounting for five (5) years beginning with any engagement commencing on or after December 31, 2005 and thereafter.
- 3.1 Self Reporting. All licensees shall report to the Board any judgment, award or settlement of a civil action or arbitration proceeding of \$150,000 or more in which the licensee was a party if the matter included allegations of negligence, violation of a specific standards of practice, fraud or misappropriations of funds.
- 3.2 Malpractice Insurance. All practice units required to be licensed pursuant to R.I. Gen. Laws § 5-3.1-9 shall maintain malpractice insurance in the amount of at least \$250,000 as a condition of licensing effective July 1, 2006.

### ARTICLE IV

#### 4.0 ADOPTION

- 4.1 These regulations are promulgated and adopted in accordance with sections 5-3.1-4(f)(2), 5-3.1-4(g)-and 42-35-4 of the general laws.
- 4.2 These regulations shall take effect twenty (20) days after filing with the Secretary of State in accordance with section 42-35-4(b) of the general laws and shall apply prospectively to all conduct occurring or accounting services rendered on and after the effective date.
- 4.3 These regulations supersede all prior regulations of the Board on this subject.

Adopted: December 1, 1974  
 Amended: October 7, 1979  
 Amended: September 18, 1984  
 Amended: March 26, 1996  
 Amended: October 12, 1997  
 Amended: June 30, 2004  
 Amended: January 16, 2006  
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