



51A Middle Street, Newburyport, MA 01950
Phone: 800-588-7039
contact@bhfe.com www.bhfe.com

Course Information

Course Title: *Ethics for Accountants: New York* #593624

Number of CPE credits recommended for this course:

NASBA/CPA 4

This ethics course is registered with the State of New York Office of Professions, Education Department under sponsor #002146.

Note: Our non-ethics CPE courses are also accepted by the New York Board as Beacon Hill is an approved sponsor of the National Registry of CPE Sponsors of NASBA.

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Course Description

This is a "foundation" ethics course and it meets the New York State Board of Accountancy's ethics continuing education requirement for public accountants and certified public accountants licensed in the state. The course covers current ethical issues in the accounting profession and an introduction to the AICPA Code of Professional Conduct. The New York section covers the State Education Law, the Rules of the Board of Regents, and the Regulations of the Commissioner of Education.

Course Content

Publication/Revision date: 1/1/2024

Course: *Ethics for Accountants: New York* ©2024 by Beacon Hill Financial Educators, Inc.
Final exam (online): 20 questions (multiple-choice).

Program Delivery Method: (NASBA) QAS Self-Study/Interactive

Subject Codes/Field of Study: CPE: Professional/Regulatory Ethics

Course Level, Prerequisites, and Advance Preparation Requirements

Level: Overview Prerequisites: None Preparation: None

Instructions for Taking This Course

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Assignments and Objectives

After studying the assignments, you should be able to meet the objectives listed below.

Assignment:

I. Current Ethical Issues in the Accounting Profession

Objectives:

1. Define ethics in the context of being ethical versus acting ethically.
2. Identify the types of accounting services in which the fiduciary standard applies.
3. Recognize the circumstances under which conflicts of interest can arise when a variety of accounting services are offered by a CPA or firm.
4. Differentiate between rules-based, principles-based, and objectives-oriented accounting.
5. Interpret recent ethical inquiries received by the AICPA.

Assignment:

II. AICPA Code of Professional Conduct

Objectives:

6. Recognize the primary components that serve as the foundation of the AICPA ethical standards.
7. Differentiate between the AICPA *Principles of the Code of Professional Conduct*.

Assignment:

III. New York State Education Department, State Board for Public Accountancy

Objectives:

8. Recognize the requirements for practicing public accountancy in New York.
9. Recognize the general provisions of the Rules of the Board of Regents.

Copyright © 2024 by Beacon Hill Financial Educators, Inc..

All rights reserved. No part of this course may be reproduced in any form or by any means, without permission in writing from the publisher. This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that neither the author nor the publisher is engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

Table of Contents

Course Information	ii
Learning Assignments and Objectives	iv
Table of Contents	v
Section I. Current Ethical Issues in the Accounting Profession	1
Understanding Ethics	1
A Definition of Ethics	1
How do you act when no one is looking?	1
Special Topics: Managing Ethics	2
Analytical Model for Ethical Decisions	2
Fiduciary Standard of Care	3
Managing Conflicts of Interest When Providing a Range of Services	3
Special Topics: Regulatory Ethics	7
Objectives-Oriented Accounting	7
AICPA: Recent Ethics Inquiries	11
<i>Campaign Contributions</i>	11
<i>Disclosure of Commissions</i>	11
<i>Independent Contractors</i>	11
<i>Pro Bono/Below Cost Fees</i>	12
<i>Transfer of Client Files to Another Partner in the Firm</i>	13
Electronic Records	13
Review Questions	15
Section II. AICPA Code of Professional Conduct	16
Overview of the AICPA Code of Professional Conduct	16
Applicability	16
Principles of Professional Conduct	16
Rules Are Not Enough	16
The Conceptual Framework Approach	19
Identifying Ethical Conflicts	21
The AICPA Principles	21
ET Section 0.300.010 - Preamble	21
ET Section 0.300.020 - Responsibilities	22
ET Section 0.300.030 - The Public Interest	22
ET Section 0.300.040 - Integrity	22
ET Section 0.300.050 - Objectivity and Independence	22
ET Section 0.300.060 – Due Care	22
ET Section 0.300.070 – Scope and Nature of Services	22
Using the Principles in Practice	22
Independence, Integrity, and Objectivity: The Core Values of the Accounting Profession	26
Rules of the Code of Professional Conduct	26
1.100 Integrity and Objectivity	26
Conflicts of Interest	27
1.200 Independence	29
1.300 General Standards	29
1.400 Acts Discreditable	31
1.500 Fees and Other Types of Remuneration	32
Contingent Fees Rule	32
Commissions and Referral Fees Rule	32
1.600 Advertising and Other Forms of Solicitation	32
1.700 Confidential Client Information	32
1.800 Form of Organization and Name	33
Review Questions	34
Section III. New York State Education Department, State Board for Public Accountancy	35
About Office of the Professions	35
Professional Regulation in New York State	35
Licensure and Registration	35
Professional Discipline	35

Public and Professional Education and Information	36
New York's Professional Discipline System	36
New York State Education Law	38
Article 149: Public Accountancy	38
§ 7400. Introduction.	38
§ 7401. Definition of practice of public accountancy.	38
§7401-a. Definitions.	38
§ 7402. Practice of public accountancy and use of title "certified public accountant" or "public accountant".	39
§ 7403. State board for public accountancy.	40
§ 7404. Requirements for a license as a <i>certified public accountant</i> .	40
§ 7405. Requirements for a license as a <i>public accountant</i> .	41
§ 7406. Limited permits.	41
§ 7407. Exempt persons.	42
§ 7408. Special provisions.	42
§7410. Mandatory peer review.	46
Rules of the Board of Regents	47
Role of the New York Board of Regents	47
§ 29.1 General Provisions.	48
§ 29.10 Special Provisions for the Profession of Public Accountancy.	51
A. Unprofessional Conduct	51
B. Income Sharing.	66
C. Unauthorized Disclosure of Client Information.	66
D. Applicability to Firms.	68
E. Reportable Events.	68
F. Unprofessional Conduct in the Practice of Public Accountancy Shall Include:	71
G. Audit in the Practice of Public Accountancy of an Issuer of Publicly Traded Securities.	72
H. Practice Privilege.	72
I. Commissions	72
Review Questions	75
Appendix I Regulations of the Commissioner of Education: Part 70, Public Accountancy	76
§70.1 Definition of practice of public accountancy.	76
§70.2 Professional study of public accountancy	78
§70.3 Experience requirements.	79
§70.4 Licensing examinations	80
§70.5 Licensure by Endorsement	81
§70.6 Limited Permits	83
§70.7 Practice by Certain Out-of-State Individuals and Firms	84
§70.8 Registration of a firm.	87
§70.9 Continuing Education.	90
§70.10 Mandatory peer review program.	96
Appendix II Full Text of Article 149, Sections 7400 Through 7410	104
§ 7400. Introduction.	104
§ 7401. Definition of practice of public accountancy.	104
§7401-a. Definitions.	105
§ 7402. Practice of public accountancy & use of title "certified public accountant" or "public accountant"	106
§ 7403. State board for public accountancy.	106
§ 7404. Requirements for a license as a <i>certified public accountant</i> .	106
§ 7405. Requirements for a license as a <i>public accountant</i> .	107
§ 7406. Limited permits.	108
§ 7407. Exempt persons.	111
§ 7408. Special provisions.	112
§ 7409. Mandatory continuing education.	116
§7410. Mandatory peer review.	118
Appendix III. AICPA Glossary	120
Appendix IV. Answers and Explanations to Review Questions	131
Section I. Current Ethical Issues in the Accounting Profession	131
Section II. AICPA Code of Professional Conduct	134
Section III. New York State Education Department, State Board for Public Accountancy	136

Index	140
Endnotes	141