**Subpart 3. Rules of Conduct - Competence & Technical Standards**

**17 CAR § 235-301. General standards.**

A licensee shall comply with the following standards:

(1) The licensee or licensee’s firm shall undertake only those professional services that can reasonably be expected to be completed with professional competence;

(2) The licensee shall exercise due professional care in the performance of professional services;

(3) The licensee shall adequately plan and supervise the performance of professional services; and

(4) The licensee shall obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.

**17 CAR § 235-302. Compliance with standards.**

A licensee who performs auditing, review, compilation, management consulting, tax, or other professional services shall comply with professional standards as defined in 17 CAR § 236-702.

**17 CAR § 235-303. Accounting principles.**

(a)(1) A licensee shall not express an opinion or state affirmatively that the financial statements or other financial data of any entity are presented in conformity with generally accepted accounting principles or state that he or she is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with generally accepted accounting principles, if such financial statements or data contain any departure from an accounting principle promulgated by bodies identified in Professional Standards, 17 CAR § 236-701 et seq., to establish such principles that have a material effect on the financial statements or data taken as a whole, unless the licensee can demonstrate that by reason of unusual circumstances the financial statements or data would otherwise have been misleading.

(2) In such a case, the licensee’s report must:

(A) Describe the departure;

(B) The approximate effects thereof, if practicable; and

(C) The reasons why compliance with the principle would result in a misleading statement.

(b) For purposes of this section, generally accepted accounting principles are considered to be defined by:

(1) Pronouncements issued by the Financial Accounting Standards Board and its predecessor entities; and

(2) Similar pronouncements issued by other entities having similar generally recognized authority.

**17 CAR § 235-304. Prospective financial statements or data.**

A licensee shall not, in the performance of professional services, permit his or her name to be used in conjunction with any prospective financial statements or data in a manner which may reasonably lead to the belief that the licensee vouches for the achievability of the prospective financial statements or data.