

IC 25-2.1-14

Chapter 14. Client Records

IC 25-2.1-14-1

Confidentiality preserved

Sec. 1. A certified public accountant, a public accountant, an accounting practitioner, or any employee is not required to divulge information relative to and in connection with any professional service as a certified public accountant, a public accountant, or an accounting practitioner.

As added by P.L.30-1993, SEC.7.

IC 25-2.1-14-2

Disclosures required by standards of profession

Sec. 2. The information derived from or as the result of professional services is confidential and privileged. However, this section does not prohibit a certified public accountant, a public accountant, or an accounting practitioner from disclosing any data required to be disclosed by the standards of the profession:

- (1) in rendering an opinion on the presentation of financial statements;
- (2) in ethical investigations conducted by private professional organizations;
- (3) in the course of quality reviews (before July 1, 2012) or peer reviews (after June 30, 2012) or an investigation or proceeding related to a quality review (before July 1, 2012) or peer review (after June 30, 2012); or
- (4) in making disclosure where the financial statements or the professional services of an accountant are contested.

As added by P.L.30-1993, SEC.7. Amended by P.L.197-2011, SEC.86.

IC 25-2.1-14-3

Property rights in client records and reports of licensee

Sec. 3. (a) The following definitions apply throughout this section:

- (1) "Client provided records" means accounting or other records belonging to the client that are provided to the licensee by or on behalf of the client.
- (2) "Client records prepared by the licensee" means accounting or other records (for example, tax returns, general ledgers, subsidiary journals, and supporting schedules such as detailed employee payroll records and depreciation schedules) that the licensee was engaged to prepare for the client.
- (3) "Supporting records" means information not reflected in the client's books and records that are otherwise not available to the client with the result that the client's financial information is incomplete.
- (4) "Working papers" includes, but is not limited to, audit programs, analytical review schedules, and statistical sampling

results, analyses, and schedules prepared by the client at the request of the licensee.

(b) All statements, records, schedules, working papers, and memoranda made by a licensee or a partner, a member, a shareholder, an officer, a director, or an employee of a licensee, including information prepared by the client for the work and services rendered to a client in the practice of accountancy, except the reports submitted by the licensee to the client and records that are part of the client's records, must remain the property of the licensee except in an express agreement between the licensee and the client to the contrary.

(c) Upon a client's request, a licensee is required to provide the following to the client:

- (1) Client provided records in the licensee's custody or control.
- (2) Client records prepared by the licensee. However, client records prepared by the licensee may be withheld if the preparation of the records is not complete or there are fees due the licensee for the engagement to prepare those records.
- (3) Supporting records related to a completed and issued work product of a licensee. However, supporting records prepared by the licensee may be withheld if there are fees due to the licensee for the specific work product.

(d) A licensee may make and retain a copy of any records returned to a client. Records may be provided in any format usable to the client. To the extent practicable, records shall be returned to a client not more than forty-five (45) days after a request is received.

As added by P.L.30-1993, SEC.7. Amended by P.L.197-2011, SEC.87.

IC 25-2.1-14-4

Transfer of records without consent of client; prohibition

Sec. 4. A statement, record, schedule, working paper, or memorandum may not be sold, transferred, or bequeathed without the consent of the client or the client's personal representative or assignee, to anyone except for surviving partners, members, stockholders, new partners, or new stockholders of the licensee, or any combined or merged firm or successor in interest to the licensee.

As added by P.L.30-1993, SEC.7.

IC 25-2.1-14-5

Quality review use of papers; duration of record keeping required of licensee

Sec. 5. (a) This chapter does not prohibit a temporary transfer of work papers or other material necessary to carry out quality reviews (before July 1, 2012) or peer reviews (after June 30, 2012), conduct an investigation or proceeding related to a quality review (before July 1, 2012) or peer review (after June 30, 2012), or comply with the disclosure of information under this chapter.

(b) A licensee is not required to keep any work paper beyond the period prescribed in any applicable statute.

*As added by P.L.30-1993, SEC.7. Amended by P.L.197-2011,
SEC.88.*