



Washington State Board of Accountancy

Policy Number: 2020-2

Title: Public Officials and Public Employees

Adopted: October 29, 2021

Approved: Rajib Doogar, Vice Chair

Purpose:

The Washington Public Accountancy Act generally does not apply to government officials and employees. The Act provides “Nothing in this chapter prohibits any act of or the use of any words by a public official or a public employee in the performance of his or her duties.” RCW 18.04.350(12). The purpose of this policy is to explain both the application and the limitations of this exception.

Guiding Principles:

The Board has authority over licensees to revoke or suspend licenses, impose conditions on practice and to impose fines for a variety of causes under RCW 18.04.295 and RCW 18.04.345. However, that authority is limited by RCW 18.04.350(12) for actions performed by public employees in the normal course of their duties.

Public employees are not required to be licensed as CPAs. While RCW 18.04.345 prohibits a person from offering attest or compilation services without a license, RCW 18.04.350(12) creates a specific exception for public employees. Therefore, a non-licensed public employee is not prohibited from preparing audits as long as it within the scope of their employment.

A public employee who is a licensed CPA is still subject to ethics rules and standards for professional conduct under the Act. Under RCW 18.04.350(12), the Board does not have the authority to judge the quality of performance or judgement of a public employee in course of their employment. However, if the public employee is a licensed CPA, the Public Accountancy Act provides additional standards and rules of professional conduct that accompany that license, regardless of employment, and the Board has the duty to uphold those standards and rules.

Many of the requirements, and potential violations under Chapter 18.04 RCW and Chapter 4-30 WAC are not related to the performance of job duties. For example, neither obtaining or renewing a CPA license, nor performing accountancy work outside of the office are part of a public employee’s job duties and violations associated with those activities are subject to Board action.

A public employee who is a licensed CPA would be subject to Board enforcement action for committing fraud or deceit in renewing their CPA license, or in failing to report that they had been sanctioned by another public agency. In addition, a public employee CPA who refused to cooperate with the Board in its investigation of a case would be in violation of the Act.

Even when a public employee who is a licensed CPA is “at work” they may commit violations of the Public Accountancy Act. For example, criminal activity even if performed while “at work” would not be part of the public employee’s job duties and therefore, the CPA would be subject to enforcement. Likewise, it can be argued that engaging in acts of fiscal dishonesty, fraud, or self-dealing would not be included in the public employee’s job duties.

However, for actions in the normal course of their duties by public employees, even licensed CPAs, it is up to the employing public agency to determine whether the performance of a public employee is satisfactory. In that situation, by Washington law, the Board has no disciplinary authority over that agency and that employee.

This exception is not unique to Washington. Reviewing the legislative history of RCW 18.04.350(12), it is in Washington law because the legislature modeled it upon the Uniform Accountancy Act, the national model licensing law developed to provide a uniform approach to regulation of the accounting profession.

For further discussion see Attorney General Opinion (AGO) 2021 No.5.

Effective: October 16, 2020
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