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American Institute of Accountants

REPORT OF THE PRESIDENT*

BY CHARLES B. COUCHMAN

In any line of activity it is seldom that accomplishment equals desired results. It is to be expected, therefore, that as your president looks back over the year of administration, he should feel that he has failed in some respects to accomplish all he had hoped for. On the other hand, he has experienced the pleasure of seeing many plans work out more satisfactorily than he had dared to hope. This has been due, not so much to the efforts of the president, as it has been to the initiative, the keen foresight, and the intelligent ability of those who have been associated with the administration in various capacities.

The administration this year has been concerned with maintaining the functions of the Institute which have given it its pre-eminent standing in this country. In addition, we have laid major emphasis upon two purposes. The first was the development of increased publicity for the American Institute of Accountants and for the control exercised over the ethics and practices of our membership, for which the Institute has long been distinguished. We feel that we have had marked success in the accomplishment of this purpose. The second purpose we have emphasized, has been to lay the ground work for an enlarged field of activity for the accounting profession. In this, again, we feel that we have made great head-way. Naturally, in both of these lines of endeavor, there remains opportunity for development far beyond all that has been accomplished in the past. It lies with future administrations to take advantage of these opportunities and to bring the profession of accountancy to a higher plane of usefulness and to a wider recognition than has heretofore been accorded to it.

In the early days of accountancy in this country the work of organizations and individuals was largely devoted to internal affairs: legislation, standardization of technical procedure, development of canons of ethics and provision for the education of aspiring accountants. Today our own house is in fair order and we may turn a larger part of our attention to the development of

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relations with the public. Feeling as keenly as I do the importance of this phase of the general programme, I have made every effort during this year of my office to attend meetings where I might have an opportunity to speak about the work of the Institute and the problems and accomplishments of the profession as a whole. Since my election in September, 1930, I have spoken before audiences of accountants, students, bankers, lawyers and business men in the following places: Salt Lake City, Spokane, Seattle, Portland, San Francisco, Los Angeles, Dallas, Tulsa, Pittsburg, Hartford, New York, Cleveland, and Skytop, Pennsylvania.

The executive committee has authorized the president to accept an invitation which, I believe, will involve creation of a new precedent—an invitation to speak over the radio on some subject which will relate accountancy to finance. Another new precedent may be established by a joint meeting of accountants, investment bankers and stock-exchange members which has been proposed for the late fall.

I have been pleased to find that the work of the Institute has become so well recognized that we are receiving constantly increasing publicity from newspapers and magazines. These periodicals appreciate that the various pronouncements of the Institute are of interest to a large percentage of their readers.

I shall not attempt to mention all the activities of the Institute during the past year but refer you to the various reports to the council which will be published for your information. I urge you to read them. You will be able to derive from them a sense of the great influence which your organization is exercising over professional affairs. In many cases the accomplishments that are reported represent only a small portion of the work that has been done, as plans have been laid for much greater accomplishment in the months to come. As an illustration, the committee on coöperation with stock exchanges has accomplished some very definite results, but in addition this committee and the committee from the New York Stock Exchange have before them technical problems of far-reaching effect upon the profession which will no doubt be worked out to a successful conclusion as the result of further consideration and discussions.

Our profession has reached a stage where there is necessity for some general pronouncement from the profession upon many technical procedures with regard to which, in the past, the indi-

vidual practitioner has had to rely upon his own judgment only. These are being presented to us in increasing numbers by practitioners, investment bankers, governmental authorities and stock exchange committees, all of whom look to the Institute as the proper source of aid in the determination of solutions to these problems.

In the year just ended business has been wandering in the valley of desolation and gloom. Accountants, true to their trust, have been compelled to follow, marching hand in hand with their clients through the dark canyons of depression. It would be natural to expect that this would result in a considerable decrease in our membership, owing to the rigidity of our by-laws concerning the prompt payment of dues. I think, therefore, that we can take great pride in the fact that our numbers have been well maintained. There is a steadily increasing list of applications from alert accountants who are realizing the pleasure of having a part in the work which the Institute is doing.

This year has meant much to me. Formerly, standing outside of the administration, I had seen fit to wonder as to why many things were done as they were done. It was my privilege to criticize and to suggest, at least to myself, improvements that might be effected. Today, after opportunity of studying many of these questions from every angle, I feel it my duty to voice my deep respect for the previous administrations which have built soundly, with profound knowledge of what was best for the profession; which have not been influenced by suggestions and demands based upon only partial knowledge of the principles they proposed to enact; which have been willing to fight for procedures in the face of adverse criticism and whose wisdom and foresight have been justified by the events that have transpired.

I do not claim that any administrations have been perfect, nor that the time may not come when some of our policies should be changed, but I am impressed by the realization of how firmly the Institute has been builded upon those principles which tend to the greatest good to the profession and to those whom we serve.

It has been a great honor to work for an organization which is so unselfish in its activities. Every great effort which the Institute has put forth for the benefit of the practitioner of accountancy has been an aid to every such practitioner whether he does or does not belong to our membership. Even the accountant who

is more interested in criticizing the Institute than in helping its work has been benefited just as much by our activities as have those who have given freely of their time, their money and their ability to aid our programme of accomplishment. I desire to repeat that it is an honor to serve such an organization.