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## Book review; Additions to the Library

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others, where the system of internal check is good, tests only may suffice."

Attention is drawn particularly to the fact that, "In order to certify the profit and loss statement for a given period the auditor must make such *verification* of the *transactions* during the period as will justify him in doing so."

The certificate still is in the form to cover a period, but it is consistent now with the program which includes the verification of transactions as well as balances.

There are certain minor changes in the text; perhaps improvements. In the main, however, the improvement consists in making clear the fact that verification is the key-note of the program; that the verification is to be applied to transactions during a period as well as balances at the end of the period; that the extent of the verification in its application to either transactions or balances is dependent upon the effectiveness of the system of internal control; and that, in order to certify to the results of operations, the auditor must verify the operating transactions to the extent which he deems necessary under the circumstances.

A further advantage of the new document is that it makes no mention of the term "balance sheet audit." Inasmuch as the former document was the one which gave the term official sanction, it may be inferred, from its absence in the present case, that the term has been discarded. For this, accountants may be devoutly thankful. The term has been the cause of more distress probably than any other term in auditing usage. Its consignment to limbo should win applause.

Just what name will be given by the profession to the type of service which the new document refers to as "Verification of Financial Statements" remains to be seen. In general structure and outline the procedure conforms to what we term a general audit. Verification typifies it as an audit. The auditing must be applied to operations and transactions as well as results and balances. The character of the auditing

always is the same. The extent of its application depends upon the circumstances in each particular case.

### Miss Somers' Anniversary

THE firm having achieved an anniversary, its twenty-fifth, a few years ago, we find anniversaries of individual members in the organization occurring with increasing frequency. And so, on May 10, the busy Financial Department of the Executive Offices forgot for awhile there were such perplexing things in the world as trial balances and assumed an air of festivity.

The occasion was the twentieth anniversary of Miss Emma Somers' connection with the organization. For a moment her usual poise and dignity deserted her, but she quickly recovered her composure as she smilingly received the congratulations and good wishes showered upon her by friends and associates, amidst a profusion of beautiful flowers which covered her desk.

A period of two decades spent in struggling with and mastering tiny figures in huge ledgers has left Miss Somers with a cheerful, unruffled disposition, ready always to render help where needed. Her supervision has been one of fairness and justice to all coming under her direction. Virtues such as punctuality and regular attendance have been both her duty and her pride. To the question, "What are among Miss Somers' most striking characteristics?" the answer unhesitatingly is: "Conscientiousness, faithfulness, loyal devotion to the firm she has served so long."

Mingled with our congratulations and good wishes is the hope that the future holds for Miss Somers years of continued efficient service, marked with the same keen interest and enthusiasm which she has always shown in her work.

### Book Review

*Accounting by Machine Methods*, by H. G. Schnackel and Henry C. Lang. (New York, The Ronald Press Company, 1929. 563 p.)

This book affords new material in a field which thus far has not been given much attention by writers on accounting subjects. Mechanical installations, however, have made possible greater strides toward good accounting during the past few years than perhaps any other one factor. The future will probably see a much greater interest in this subject and a much wider application of machine methods. Large industrial combines will need more, rather than less, accounting data, in order to safely administer scattered units of production and merchandising. Economic pressure will insist that this data be supplied at a minimum cost. The opportunity, therefore, will be given to the accountant of dealing with periodic results that are subject to fuller and more complete analyses than otherwise would be readily available. The whole subject is intensely interesting and one having great potentialities. No forward-looking accountant can afford to ignore it.

Messrs. Schnackel and Lang show a thorough acquaintance with their subject and have brought together the necessary facts "to assist accountants in the proper and effective application of mechanical accounting devices to accounting conditions." As a basis of further discussion there is given a brief description of the mechanical equipment itself including the specific utility of certain distinctive features. The authors are to be commended for their thoroughgoing treatment of the necessity of analytical research work as a preliminary operation in designing forms which are to be set up on the available mechanical equipment. A comprehensive survey of the purposes, description, manner of preparation, and utility of said forms is outlined and should have careful consideration by the reader.

The whole subject of accounting by machine methods has been given careful consideration. Seven chapters deal with the accounting of merchandising operations from order writing and billing systems, handling receivables, instalment ac-

counting, and sales analyses to sales commissions. There is a chapter on accounts payable which includes a discussion of voucher system work. The following three chapters treat of manufacturing accounting and present methods of stock and material control and pay roll distribution. The subject of general ledger control is discussed and a chapter is given to the matter of statistical and miscellaneous applications.

The concluding chapter deals with the possible economy and increased efficiency to be realized by affording accounting machine operators specific wage incentive.

The book constitutes a valuable addition to an accountant's reference and text-book library.

#### Additions to the Library

*American Year Book; a Record of Events and Progress, Year 1928.* (New York, The American Year Book Company, 1929. 892 p.)

Blum, Louis D. *Blum's Simplified Method for Ascertaining Profit or Loss on Customers' Stock Brokerage Accounts.* (New York, Louis D. Blum, 1928. 1 p. 4 forms.)

*Brooklyn Daily Eagle Almanac, 1929.* (Brooklyn, Brooklyn Daily Eagle, 1929.)

Bunnell, Sterling H. *Industrials: Their Securities and Organization.* (Chicago, A. W. Shaw Company, 1929. 334 p.)

Collins, Clem Wetzell. *C. P. A. Review Answers: Covering Questions and Problems Presented in Book Entitled C. P. A. Review.* (New York, John Wiley & Sons, 1928. 955 p.)

Dillavou, Essel R. and Howard, Charles G. *Principles of Business Law.* (New York, Prentice-Hall, 1928. 781 p.)

Gregory, Homer E. *Accounting Reports in Business Management.* (New York, The Ronald Press Company, 1928. 445 p.)

Kirsh, Benjamin S. *Trade Associations; the Legal Aspects.* (New York, Central Book Company, 1928. 271 p.)

Klein, Joseph J. *Federal Income Taxation.* (New York, John Wiley & Sons, 1929.)

Long, Mason. *A College Grammar*. (New York, The Ronald Press Company, 1928. 323 p.)

National Retail Dry Goods Association. *Controllers' Congress. The Expense Manual*. (New York, National Retail Dry Goods Association, 1928. 433 p.)

National Statistical Service. *American Underwriting Houses and Their Issues, 1925-1926-1927. 1928 to November 1st*. (New York, National Statistical Service, 1928. 418 p.)

Sloan, Laurence H. *Corporation Profits: a Study of Their Size, Variation, Use, and Distribution in a Period of Prosperity*. (New York, Harper & Brothers, 1929. 365 p.)

Society of Certified Public Accountants of the State of New Jersey. *Year Book, 1928*. (44 p.)

Thom, W. T. *Petroleum and Coal: the Keys to the Future*. (Princeton, Princeton University Press, 1929. 223 p.)

Tolin, Cecil A. *Trust Accounting System Suitable for Beginners for Small Institutions*. (4 p.)

Wool Institute, Inc. *Cost Manual Woolen and Worsted Industry and Comparative Cost Records*. (New York, The Wool Institute, 1928. 123 p. Forms.)

*World Almanac and Book of Facts for 1929*. (New York, The New York World, 1929.)

### News Items

Effective June 1, 1929, the following are admitted to membership in the firm: Mr. L. L. Tompkins, manager, Atlanta office; Mr. C. R. Bowen, manager, Cincinnati office; Mr. A. F. Wagner, manager, Minneapolis office; Mr. C. N. Bullock, manager, Detroit office.

We are pleased to announce that Mr. John H. Garrison has been designated as an assistant manager of our New York Broad Street office, effective June 1.

Mr. C. J. Morey, of our New York 45th Street office, gave a talk on "Some Helpful

Methods of Accounting and Budget Making for Societies and Associations," at a dinner given by the Conference of Association Executives at Briarcliff Lodge, Briarcliff, New York, on April 12. Informal discussion followed the talk, in which a keen interest in the subject was shown.

Mr. J. R. Hutson, of our Baltimore office, presented a paper on the practical aspects of "Trust Company Audits" before a meeting of the Maryland Association of Certified Public Accountants, held at the Hotel Emerson, on May 14, 1929.

Miss Elizabeth H. Baxter, librarian at the Executive Offices, attended a meeting of the Special Libraries Association held in Washington, D. C., on May 13-15, inclusive.

Miss Baxter is the treasurer of the Association.

Mr. C. A. Zukschwert, of the Newark office, has been admitted to membership in The Society of Certified Public Accountants of the State of New Jersey.

Mr. J. M. Cashin, of the New York Broad Street office, is to be congratulated upon successfully passing the C. P. A. examination of the State of New York.

We regret to announce the death recently of Mr. Elijah Bates, in Cleveland, Ohio.

Mr. Bates was the manager of our Cleveland office from 1919 to 1923, when he resigned to accept the treasurership of The McMyler-Interstate Company, later withdrawing from that company to become associated with R. O. Eastman, Inc.

With this number the BULLETIN will go on vacation, as it were, until October 1. Upon resumption next fall there is a possibility that it will be issued on a quarterly rather than a monthly basis. An expression of opinion on this point from the organization and any suggestions concerning the BULLETIN will be welcomed.