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The Characteristics of the In-Charge Accountant

THE demands upon the in-charge accountant are manifold and exacting. To meet them he must needs have all the ideal qualities of the junior and senior assistants, together with certain crowning characteristics of ability and refinement.

It is amusing at times to hear the uninitiated applicant for a position on the staff prophesy as to the brief length of time he will require before becoming capable of taking charge of engagements. He is invariably sure it will not take him long; only long enough to learn how the firm wishes things done.

Some of the men who have been connected with the firm for several years will testify that the passing on of the firm's technique may not be accomplished with ease and speed. It is a process and a slow one. The accountant who is anxious to learn gets one thing today; another tomorrow. There is no such thing as getting it all at once, or by reading and study.

The man who would be a first class accountant in charge has many things to consider. He must initiate his own program and supply the force which carries it out. He must also absorb and blend with his own the forces which arise at the instance of others.

The accountant who is assigned to an engagement in charge must first size up the situation and determine what is required. He must subsequently decide on the procedure; carry on the work incident to the engagement in the most efficient way; handle his assistants and give them proper and intelligent instructions. Then there are conditions in the client's office with which to deal; the client's employes and the client or his representatives frequently. There are the persons in the office to which the accountant is attached, who have to be taken into consideration. In addition to these matters there are the results of the work on the engagement to be appraised and put together; comprehensive and in-

formative financial statements to be prepared; comments in clear, forceful English to be written; and, the report to be reviewed.

Determining what is required many times calls for imagination. The requirements of an engagement are oftentimes briefly stated and sometimes not any too clearly expressed. This is not always avoidable, because there are times, it must be said, when the client doesn't know or is not able to state in the language of accounting exactly what he does want. To get the point of view of the client and to see his needs, frequently requires imagination. No accountant need hope for complete success who is not able to imagine himself in the place of the client.

Deciding on procedure calls for the faculty of planning and organizing. This does not necessarily mean working out with pencil and paper a plan of campaign, although there are engagements where this is essential. On the smaller engagements the man in charge organizes the work in his mind as he proceeds to the scene of the engagement. If the engagement is a large one and especially if it has to be executed with precision and despatch, the wise accountant will lay the work out on paper, assign and instruct his men as to their respective chiefs, posts and duties, well in advance. Some very exceptional men are able to do these things during the beginning of the engagement, but such men are so rare as to warrant laying down the rule that a well organized plan, as above indicated, should be worked out on paper.

It is important that sufficient time be taken to consider carefully in advance ways and means of carrying out the engagement. "Haste makes waste" was never more aptly applied than to accounting work. A wrong method or a mistake in principle may not be discovered until the work is nearly completed, with the result that the work already done is useless and must be done

again. It is difficult to make some accountants realize that it is better to take a little time and devote a little thought, all of which is likely to worry them because of the fact that it appears to be non-productive, to the study and planning of the engagement before actually beginning the work, than to rush in with much show of activity, only to discover later that their work has been for naught. The effect in either case will be shown in the result.

The efficient performance of the work calls for a knowledge of the subject and ability to apply the knowledge to the problems which arise. Theory without ability to apply it is as bad as the undirected effort which gets something done without knowing whether it is right or wrong.

It may sound like a truism to say that the accountant must know accounting. The accountant, to succeed and develop and fulfill his most useful function, must have a thorough understanding of the principles of accounting. This understanding he gets in different ways. One man gets it from a course of correlated study; another from the school of experience. Wherever gotten it must be had before the accountant is qualified to apply it to the problems of his work.

The accountant-in-charge is presumed to know accounting and to know it thoroughly. He must also know processes in order that he may be able to select and apply the appropriate process to the problems which present themselves. For example, auditing is a process. Auditing may be performed by analysis or by checking. One engagement may call for analysis; another for checking. Many engagements call for a combination of the two methods. The true accountant-in-charge has the necessary distinguishing faculty which tells him when the checking process is more efficient than analyses, and when best and quickest results may be obtained by properly combining the two. It is doubtful if theory alone will help much in this respect. Experience, and at that the kind which carries with it

a few painful mistakes, is worth more than anything else in laying the foundation for efficiency in the use of methods.

The handling of assistants is an important function which the in-charge accountant has to perform. Assistants are assigned to the man in charge for several reasons. Some engagements are too large for one man to handle. Others may be done more quickly if assistants are used. Still others may be done more economically from the point of view of the client.

To get the most out of an assistant the accountant-in-charge must have the assistant's confidence. He must treat him like a man. He must have his cooperation. The accountant-in-charge who appears not to know his subject or the use of the most efficient methods, or to hesitate as to the method to be applied, often raises some question in the mind of the assistant as to his ability. Nothing is more detrimental to the successful carrying out of an engagement than to have an assistant get the idea he knows more about the work than the man in charge. On the other hand, it is important that the assistant should have an interest in the work and a desire to cooperate. He must not be made to feel like a day laborer who puts in a given number of hours for a given amount of pay. The assistant appreciates being given definite instructions as to what is required of him; being treated with consideration; and, as a rule, being taught all that may be learned of the work of his profession. It is in this last respect that the accountant-in-charge has not only an opportunity but something of a duty. He can, if he will, be very helpful to his assistants, by instructing them not only about their work, and how it relates to the whole, but by showing them what he is doing and how the work generally is carried out.

The whole subject of the accountant's work might easily be divided into two parts: the performance of the work and contact with individuals. The performance of the work would be a simple matter

if it could be performed without contact with individuals. As the two things are inseparable, consideration of the latter may not be ignored.

Contact of individuals forms the basis of the subject of sociology. Civilization and progress have been possible because individuals have learned to live together, to be considerate of one another and to observe certain laws made for the benefit of all. The individual who is lacking in consideration for others, or who is selfish, is apt to find more or less trouble in his path. He who studies the other individuals who are found in the same environment, with regard not only to their common tendencies but their individual peculiarities, and considers these in connection with his own life and conduct, is likely to be far happier and have less trouble than the first mentioned individual.

Sociology accounts for the actions of individuals but it does not account for their thoughts. Psychology attempts to deal with the consideration of such matters. What a person is thinking is often of more importance than what he is doing. It is said of our representatives in the late war that they were constantly striving to decide what the Germans were thinking rather than what they were doing. The result is something of a compliment to the resourcefulness of those who were concerned, since the Germans have been said to possess an exceptionally queer psychology.

The accountant-in-charge should give attention to the actions and thoughts of those with whom he comes in contact. Among such persons are the representatives of the organization in the office to which the accountant is attached, the client, the representatives of the client, and the client's employes.

In the relations which are necessary between the accountant and these various classes of persons address and tact are the two qualities most needed. A person of good address is one who talks with another intelligently, confidently, and pleasantly.

Good address, when properly combined with tact, makes for success both at home and abroad. It is a mistake to antagonize clients, their representatives, or their employes, but there are times when the accountant must fearlessly maintain his self-respect and the self-respect of the organization which he represents. It is on such occasions that tact must be employed.

The crowning glory of a good accountant is his ability to prepare a good report. Many a good piece of field work has been spoiled by failure on the part of the accountant-in-charge to take advantage of his full opportunity in the preparation of the report. Again the accountant must get into the frame of mind where he senses the desires of the client for information. He may manifest his cleverness by the facility with which he selects from the results of his work the things which are essential and rejects those things which, however necessary to the satisfaction of himself or useful in enabling him to form a judgment, are neither of importance or interest to the client or others who may have occasion to view the report. The extent to which he is able to do this will measure his ability as an accountant.

A complete audit report, for example, is made up of a presentation page, a certificate, certain financial statements, and more or less essay matter. The form of presentation page and the certificate may be easily memorized. In nine cases out of ten, perhaps, they will be the same. The exceptions are not difficult to handle. The financial statements are not so easy. They may be partially standardized, and to such extent their form may be learned. The same form of statement may be used in perhaps ninety per cent of the cases where the use of a certain statement is indicated. Good judgment dictates that the accountant should never depart from the practice of considering each case separately and treating it as indicated by the special circumstances, if any appear.

Many an accountant-in-charge fails to

achieve complete success when it comes to the writing of comments. He must first know what it is about which he wishes to write. He must next set down his thoughts in such manner that there will be no doubt in the mind of any subsequent reader, be he client or a presumably disinterested person; be it the following day or twenty-five years later.

In order that in an organization of any size where a number of persons prepare reports, such reports shall be uniform, some form of review of the reports in the rough is necessary. It is perhaps this feature of his work that the accountant-in-charge finds most difficult. Having given the report the best of which he is capable, he is inclined to be hurt at what he regards

as the mutilation of his work. A moment's pause for reflection will frequently help this feeling. When he considers that this has the purpose of affording him highly specialized assistance in the preparation of his report, as well as making for uniformity, he will perhaps view the proceedings with more equanimity.

The characteristics of a good in-charge accountant are vision, ability to plan and organize, energy, capacity, good address, assimilativeness, elasticity, decisiveness. In addition he must be a good mixer, a person of character and refinement, and a good essayist. With these qualifications he is sure of occupying an important place in a profession which is already coming into its own.

Audit Working Papers

(A paper read by Mr. W. H. Bell before the Tri-State Society of Certified Public Accountants, at Baltimore, Maryland, June 24, 1919.)

THE importance of the substance and form of working papers is threefold: first, to the accountant originating the papers, not only in the audit procedure and the preparation of his report, but in answering questions that may later arise from any source; second, to the person or persons who review and check the report; and third, to the accountant making a subsequent audit.

There are two general tendencies regarding the data contained in working papers, viz., deficiency and superfluity. It is probable that the latter is more prevalent than the former, but that the tendency to prepare superfluous working papers diminishes in direct ratio to an accountant's advance in proficiency as an auditor, that is, as he becomes more practical. Granting that an accountant charged with the preparation of working papers has the requisite knowledge of the principles of auditing, it should be almost unnecessary to tell him what to do, except as a means of facilitating his

work, other than by telling him what not to do.

The most glaring examples of superfluous work, or misdirected energy, are mere transcripts of accounts, or so-called analyses of accounts designed to classify the entries, which utterly fail to accomplish what might be written on one line. The principles actuating accountants in preparing such papers appear to be to obtain information, no matter how unreliable or unnecessary, and to check the mathematical accuracy of the accounts in that manner. Practically, they are often meaningless figures. Cases in point are: analyses of reserves for depreciation without determination of the rates and the asset values constituting the bases for the credits and without information regarding the charges; elaborate tabulations of sales, cash receipts and disbursements, accounts receivable and payable controlling accounts, etc., the only practical benefit from which may usually be derived in a great deal less time by