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Accountants and accountants

Marshall M. Kirkman

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Recommended Citation

Haskins & Sells Bulletin, Vol. 03, no. 11 (1920 November 15), p. 106-108

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Delegation of representation in an organization like this one runs down a distinct line. The firm delegates the execution of technical work to managers; managers to supervising accountants. So it runs on to in-charge accountants, senior assistants and junior assistants.

There sometimes arise instances in which clients will take up with accountants at work on engagements matters relating to additional work or work not comprehended in the original engagement. Recently, for example, an in-charge accountant, while working on an audit, was asked by the client to prepare the Federal tax return. The client, apparently unaware of the intricacies and time involved in such procedure, expected such service as a part of the regular audit. The accountant, assuming that the client expected to be charged for the service, complied with the request. The client upon receiving the bill took exception to the charge for tax work on the ground that it was not made clear to

him at the time of the request that he would be expected to pay for such work.

This illustrates the point that while ideal supervision would perhaps have disclosed the fact that the accountant was engaged in tax work, he should, without waiting to be discovered engaged in such work, have taken up the matter with the office to which he was attached. Any doubt in his mind as to proper procedure might then have been dispelled. The chances are that the question of whether or not the service was to be rendered without compensation would have been taken up with the client.

Accountants should not depend too much on supervision. They should try at all times to tie in with it. Some one in authority is always available to give advice on perplexing questions. The arduous task of supervision may frequently be lightened if accountants will bring their problems to the attention of those who stand ready to help them.

Accountants and Accountants

IN the writings of most modern authors on the subject of accounting there is a note of seriousness which indicates the responsibility which such authors feel in attempting to develop an authoritative literature. It is, therefore, refreshing when one runs across a bit of writing, which, whether or not so intended, stimulates his sense of humor and produces a flash of amusement.

Such is the effect of a passage written by Marshall M. Kirkman, for many years prominently identified with the accounting affairs of the Chicago & North Western Railway Company, and appearing in his book, "How to Collect Railway Revenue without Loss," which was issued in June, 1885.

We reproduce it herewith hoping that it will prove both interesting and edifying.

"Every accountant finds it necessary to teach patiently and with infinite labor the little devices and forms which he has instituted for guarding the treasures that he must account for. The alteration of one cog in the wheel he has so laboriously constructed involves a re-arrangement and the tightening up of all the other cogs, otherwise the whole will fall to pieces. This he knows and hence one of the reasons why he abhors change. The adaptability and simplicity of the devices introduced by him in order to accomplish particular results are often wonderful. On the other hand they are sometimes inadequate, perhaps cumbersome, often-

times silly. They are equally dear to him, however, in either case, particularly if the outgrowth of his own effort. The peculiarities of the accountant we observe in all men of isolated or sedentary habits; intercourse with the world and active competition in its affairs teaches toleration and excites scepticism in regard to the superior excellence of particular forms. The true accountant is apt to be intolerant, but is not sceptical; he never feels any qualms of conscience. His rest is never disturbed with direful forebodings as to the value of the particular methods employed by him. Wrapt up in the impenetrable darkness of isolated knowledge he eats and sleeps well, and dies full of years, content with his record, and happy in the consciousness that no one will ever be quite able to fill his place. This singleness of purpose and devotion to particular ideas, however few and limited they may be, is an evidence of trustworthiness not to be overlooked or lightly regarded in selecting an agent to examine into the details of our affairs, to watch the incomings and outgoings, and notice the measure of faith observed by those in charge. Such men are to be trusted; not for advice perhaps, but to record details; not for entrapping lions, but for snaring hares. Preferring the right but quick to feel that the responsibility does not rest with them, they are amiable and acquiescent in every reasonable contingency of life. There are accountants and accountants. Some are so from necessity, others from choice; to the former the duties are abhorrent, to the latter exhilarating. Anybody may become an accountant; not everyone may escape becoming one. The office affords bread and raiment however scant, and is better than the open street; it is an eddy, a whirlpool from which escape is impossible. Like the toad at the bottom of a well, the occupant observes the light,

but does not feel any of its warmth. He sees the world through a window, small and dim at best, in which the panes are filled with curious eddies and deflections that oftentimes dwarf the passer by and cause his features to assume innumerable grimaces; to open the window is to invite the draught. The active currents of the world benumb his faculties. The cage is his normal abode. Within it he feels secure, outside of it he walks like one who does not fully understand the use of his legs or why he has them. There are many different kinds of accountants. All, however, possess certain general characteristics. The accountant whom we love is he of the expectant manner and watchful eye, who anticipates our slow speech, and is continually and remorselessly snubbed for his pains. This man bothers us, but we love him, and give him the preference above all others, because a nod brings him, while a frown causes him to retire with headlong precipitation. The ideal accountant whom nobody likes, is full of inconsistencies; he is unlovable, oftentimes gloomy, habitually forbidding, filled with forebodings, frequently selfish, pugnacious, laborious in his methods, oftentimes dyspeptic. He cares nothing for men, they are to him like the various headings on his books, animate today, dead tomorrow. To him the acts and records of men are but reproductions of the account-current, written with different kinds of ink, blotted, altered in many parts, seamed with erasures, interlined, incorrectly balanced, rarely perfect. Nevertheless he believes in ideal perfection, technical goodness, abstract honor. He is the terror of the sinister and the designing; they blackguard him when he is absent, and nudge one another when he passes by; but to him, personally, they are always respectful. The bolder attempt occasionally to terrorize him, and afterwards, as his reticence is proverbial, they

recount how abject he was. But of this he cares little. He becomes accustomed to misrepresentation; it is part of his daily life. He bears his defamers no malice; strange inconsistency; to him men are nothing but figures, to be kept in line, properly marked off, added up and balanced. He has followed too many funeral processions, not to realize the shortness of business success and its futility. He strives to please and would like to be a favorite, but unknown to himself does not possess a single element of popularity. This causes him to wonder and he frequently resolves within himself that he will cultivate the art. He would like to be on good terms even with the worst; but strive as he may he seems instinctively to antagonize the greedy, the lying, the selfish and the ambitious who use the opportunities of others to aggrandize themselves. With an inanimate eye and leaden face his countenance frequently belies his heart. Outwardly cold, restricted in his sympathies, isolated, unknown, neglected, poorly paid, without support, often at war with his neighbors, sometimes in the open field and sometimes in the bush, he pursues his way, expecting little and receiving less. His mind is devoted to his business and to the greatest and best that is attainable in connection with it. Such is the ideal accountant, whether in the banking house, merchants' counting-room or the railway company's office."

It is with regret that announcement is made of the closing of Charles Waldo Haskins Institute on September 24, 1920. The small response to the offering of courses, together with certain questions of ethical publicity raised by the American Institute of Accountants, made the carrying forward of the project inadvisable.

A Step Forward

THE following excerpt is quoted from *Chicago Commerce*, the organ of the Chicago Association of Commerce.

"The question of whether Chicago business men are taking their inventories at the best time has for some months been under consideration by a special committee on Inventories appointed by the council of the Ways and Means committee, the chairman of this special committee being George W. Rossetter. At a recent meeting of this committee it was agreed that a great many concerns are taking inventories at a period of the year which is not the best for them, and it was also agreed that an inventory should be taken and yearly statement prepared at that time of the year when would be reflected most truly the actual conditions of the business. It is further agreed that beside any individual business affected by a change of policy other interests would be helped by a distribution of inventory dates, and among these would be lawyers, bankers, accountants and the commissioner of internal revenue.

"Against adoption of January 1 as an inventory taking date these six reasons were advanced: Interference by cold weather; closing of the plant at the busiest period of the year; large number of men required to inventory a large stock; greater liability for error in greater amount of goods; when stock is lowest the most desirable financial statement can be prepared, desirable that the commissioner of internal revenue have income tax reports coming in throughout the year rather than all in one group.

"Having come to such conclusions as these and feeling that the facts should be brought before the membership of the Association, the committee on Inventories decided to present its findings to the various subdivisions and to publish them in these columns."