

University of Mississippi

eGrove

Guides, Handbooks and Manuals

American Institute of Certified Public
Accountants (AICPA) Historical Collection

3-12-1888

Public Cipherers: An Organization of Expert Accountants Against Fraud and Ignorance

American Association of Public Accountants

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_guides



Part of the [Accounting Commons](#)

From THE BOSTON HERALD
Boston Monday Morning March 12, 1888

PUBLIC CIPHERERS

An Organization of Expert Accountants
Against Fraud and Ignorance

(Special Dispatch to the Boston Herald)

New York, March 11, 1888. There has just been incorporated in this city an institution intended to have a beneficial effect upon the methods of conducting business throughout the country. It is the American Association of Public Accountants, and it seeks members in all sections of the United States. Its object is to raise the standards of the men who style themselves "public accountants", and to protect the public by bringing all the competent and honorable members of the profession into one body, governed by strict rules. For years experts have suffered by the assumption on the part of ignorant persons of the ability to do the work required of an accountant. Ordinary book-keepers assumed that they had the knowledge and experience necessary to do the work of public accountants, and the natural result was that the profession fell into disrepute. Merchants, bankers and

brokers felt loath to intrust their private affairs to men for whose honesty and ability they had no vouchers. The real experts cast about for some means to elevate and purify the profession. There had been for more than a century in Scotland, and for many years in England also, an association of public accountants, which kept up the reputation of the individual members, and placed its mark of disapproval upon all those who could not pass the moral and mental examinations. The result of this organization in those countries was that business men would not call in accountants who were not in good standing in the association.

The president is James Yalden of New York, and the vice president is John Heins of Philadelphia. James T. Anyon, the secretary explained in a clear manner the by laws which govern the association. "Our object", he said "has been to frame such laws as will make every member in good standing deserving of the confidence of the public. To do this, we have arranged for an examination of each candidate which, if he passes, will demonstrate his ability; and have also declared ineligible any person whose conduct has been in any way dishonorable. It is our desire to include in this association all the accountants

in the country who are honorable and able members of the profession. We have divided the members into two classes - fellows and associates. The fellows of the order are the experienced and thorough accountants and every candidate who pays his admission fee and proves to the satisfaction of the management that he has been a practising accountant in good standing for three years previous to his application may become a fellow. To indicate to the public his standing in the profession, each fellow can use the letters F.A.A. Fellow of the Association of Accountants, after his name. The associates of the order are newly made accountants, and every person who can demonstrate to the management's satisfaction that he was on Jan. 1, 1888, a clerk in the employ of a public accountant of good reputation, and that he was in such employ up to the time he made application for membership, and who can pass the examination, is eligible for membership, and, if accepted, can call himself an associate of the Association of Accountants, and can use the letters A.A.A. after his name.

"The examinations are very strict, and embrace not only questions in professional topics, but also in relation to general matters,

for we will not pass a man who has not a good general education, and it is incumbent upon a candidate to prove his efficiency in English composition, geography, arithmetic, and so forth, before he will be allowed to try the professional questions at all.

"The by laws render a member liable to expulsion if he is convicted of a felony misdemeanor or fraud; if he is proven to have been guilty of any act or default discreditable to a public accountant; if he is adjudged a bankrupt, or makes an assignment, or has his estate placed in liquidation, or makes any arrangement for the payment of a composition to his creditors; or if he directly or indirectly pays to any attorney, broker or agent any portion of his professional charges, or accepts any portion of the fee received by any of the above designated persons who may be concerned in any professional work in which he is also engaged.

"If the public were aware how much fraud has been accomplished through ignorant or dishonest accountants, they would gladly indorse this association. If a man wants to buy a share in a business he employs an expert accountant to determine the value of this share. If the accountant is in collu-

sion with the seller or is so ignorant that the latter can impose on him, it can be seen at once how the buyer will be the loser. So in the settlement of estates, in investigating the actions of directors of institutions, in looking into the acts of administrators, in all of these and many more of his important functions, the accountant must be strictly and thoroughly competent to do justice to his employers".