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Common understanding

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Common Understanding

ACCOUNTANCY is not without its share of this world's grief which is the result of misunderstanding. The newness of the profession, lack of knowledge due to inexperience, the efforts of well-meaning individuals with a common purpose but often diverging views, of necessity must cause a certain amount of milling around, so to speak, before the profession finds itself.

The functions, duties, and responsibilities of public accountants have been discussed frequently and at length in general terms designed to acquaint the public with the place which accountancy pretends to occupy. Specific attempts, by the score, have been made to get closer to related interests and make clearer to such interests what public accountants are trying to do. Unfortunately, every now and then, it appears that these efforts have been somewhat in vain. One of the reasons for this, seemingly, is that accountants have not realized the necessity of defining and differentiating the various classes of service which they render.

That even broad, general classification of accountancy services results in at least thirteen classes, may be learned with surprise. That the concepts of various individuals differ widely with regard to

service in some of these classes probably will be less surprising. Where may two accountants be found who will agree as to what is comprehended in a so-called balance sheet audit? How many clients know that a balance sheet verification will not disclose fraud concealed by falsification of the books and records? How many bankers know that a report on a limited examination must be taken at its face value and is not a certified general audit report?

Perhaps the cure for this tangle of ignorance, misconception, and obscurity lies in the distant future. An immediate step in the direction of getting out of the muddle seems to consist in having some authoritative accounting body classify, define, and differentiate the various types of accountancy service. The succeeding step should be to promulgate the result for the guidance of the profession, for the information of the business public, and in the interest of a fair understanding on the part of those who have occasion to utilize the services of public accountants.

Common understanding as to what accountants undertake to do should go far in eliminating many of the troublesome situations which otherwise are bound to arise in public practice.