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TICK MARKS: THE AUDITORS' ANCIENT YET MODERN TOOL

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At an American Accounting Association conference, the lead author was given a free copy of the Houghton Mifflin Brief Accounting Dictionary (2000). A few weeks later, he was preparing to present to his auditing class the Whittington and Pany (2008) chapter on the preparation of audit work papers. In discussing the auditor's need to note the verification procedures that were followed, this text states that:

As working papers are prepared, the auditors will use several different symbols to identify specific steps in the work performed. These symbols, or *tick marks*, provide a concise means of indicating the audit procedures applied to particular amounts. Whenever tick marks are employed, they must be accompanied by a legend explaining their meaning" (p. 164).

After reminiscing on the personalized audit tick marks the lead author had used during his many years in public practice, he checked the Brief Accounting Dictionary for a formal definition. Surprisingly, this term was not defined. A perusal of the indexes of three additional auditing textbooks found a reference to tick marks in the work by Knechel, Salterio and Ballou (2007) but not in the works by Rittenberg, Schwieger and Johnson (2008) and Louwers, Ramsay, Sinason and Strawser (2008). Is the accounting lexicon losing this term? Is the practice of using tick marks dying?

Tick marks have a long history of accounting usage. According to Kenneth S. Most writing in the May 9, 1959 issue of *The Accountant*, documents prepared by ancient Babylonian scribes "... reveal tiny marks, dots, ticks and circles at the side of the figures, indicating that checking had been performed." A brief review of early 20th Century auditing texts finds the suggested use of marks of audit verification. These audit symbols are variously identified as "tick marks" or "personal check-marks." For instance, the 1926 edition of *Auditing Practices* by Bennett and Prouty states that "a personal check-mark should be adopted for checking postings and amounts that have been verified" (p. 13). The use of check marks in the vouching of accounts payables is recommended by Castenholz in his 1919 *Auditing Procedure* text: "The voucher, with its bills at-

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tached, should first be compared with the voucher register entry ..., and a check mark in colored pencil should be made to the right of the amount” (p. 156). He also suggests the use of a combination “tick” to indicate the performance of more than one procedure: “... as for example ‘vc,’ the ‘v’ representing voucher examined and the ‘c,’ check compared with voucher” (p. 157). In addition, Castenholz suggests that, in the checking of general ledger postings, following a procedure of ticking from ledger postings to source documents may limit “... the danger of the office force tampering with the auditor’s ticks or of ticking amounts not examined” (p. 192). In *Audit Objectives and Procedures*, Arthur Anderson & Co. (1961) outlined the purpose of the tick mark as “to conserve space and time, tick marks are generally used throughout audit working papers where a repetitive audit step is performed ...” (p. 127).

Today, the trend in the use of tick marks seems to be towards using a limited number of marks and away from using personalized tick marks and from having a standardized library of firm specific tick marks. According to Christopher Rouse, CPA (2013), “if you are using more than 3 or 4 tick marks you may want to redesign your work papers.” The current trend in usage is the result of technological innovations. In the past, audit programs often lacked detailed instructions and thus much

discretion was given to the auditor in deciding which procedures were needed. With the advent of computerized software programs that generate detailed audit checklists, the procedures to be performed are specified. Therefore, tick mark usage is often restricted to indicating (with a limited number of digitally available tick marks) that a proscribed procedure has been performed (Wuester, 2008) and the conditions found (UNC, 1997).

Reviewing the tick mark usage of the past brought to mind the following incident that the lead author witnessed as a young staff accountant in the 1970s: He had accompanied Steve, a partner, and Jim, a per diem CPA, on an audit of a small private university located several hundred miles from the firm’s office. Steve was a high strung individual; known for having a temper and dramatic mood swings. Jim had worked off and on for the firm for a number of years and was considered to be a meticulous and knowledgeable accountant. His drinking problem had, however, kept him in a per diem status allowing the firm to dismiss him while he was on a binge and then rehiring him once he was back on the wagon. Thus, Jim had established a small clientele of his own that allowed him to be somewhat independent of the firm. With his laid back though temperamental and obstinate disposition, Jim did not respond well to Steve’s management style of intimidation.

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All three of us traveled together in the partner's vehicle. Once we arrived, Steve left us to vouch a stack of documents while he met with the college president. After several hours, he returned to check on our progress. He first looked at the work the author had done, and said that it looked fine and to proceed. He then went over to check on what Jim had accomplished. By that time Jim had vouched a large number of documents. Suddenly, Steve yelled, "What the "___" is that tick mark you've used?" Jim had indicated the agreement of each document with the booked amount with a notation of "ok." Steve forcefully told him to immediately change all the "oks" to an appropriate tick mark. Without uttering a word in reply, Jim proceeded to work on changing the notations.

A few hours later, Steve returned to again check on our progress. As before, he gave his approval to the author's work and then proceeded to Jim's desk. A loud outcry followed: "What in the "___" have you now done? I told you to use an appropriate tick mark!" Jim had indeed changed each of his original tick marks. Each "ok" had been changed to "okee dokee." Jim was fired on the spot and had to catch a Greyhound Bus back home. A few weeks latter he was re-hired by the other partners in the firm who were well aware of Steve's temper but in need of this CPA's tax season assistance. The moral of the story

is to always use an appropriate tick mark: whether a standard firm tick, software tick, or personalized tick, the audit procedure related to the symbol should be fully explained in a work paper legend.

For today's auditor, the practice of using tick marks is alive but altered in purpose – a purpose that, in this digital age, is readily served by a limited number of software specific marks within the auditing software (Bragg, 2013). While the move from manual to computerized accounting and auditing has revolutionized the methodologies of the accounting profession, this paradigm shift has also resulted in a loss in the common usage of terms like "tick marks" and thus has changed, or is changing, the lexicon of accounting. For example, anecdotal evidence indicates that most upper level accounting students are not familiar with the term "tick mark."

As accounting educators and historians, the authors suggest that we need to play an active role in preserving the lexicon of the profession which is an integral part of our accounting culture. We contend that the accounting pedagogy of exposing students to the "roots of accounting" should include teaching the historical language of the profession.

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