

2005

Constructing the well qualified chartered accountant in England and Wales

Malcolm Anderson

John Richard Edwards

Roy A. Chandler

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



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Anderson, Malcolm; Edwards, John Richard; and Chandler, Roy A. (2005) "Constructing the well qualified chartered accountant in England and Wales," *Accounting Historians Journal*: Vol. 32 : Iss. 2 , Article 3. Available at: https://egrove.olemiss.edu/aah_journal/vol32/iss2/3

This Article is brought to you for free and open access by the Archival Digital Accounting Collection at eGrove. It has been accepted for inclusion in Accounting Historians Journal by an authorized editor of eGrove. For more information, please contact egrove@olemiss.edu.

Accounting Historians Journal
Vol. 32, No. 2
December 2005

Malcolm Anderson
John Richard Edwards
and
Roy A. Chandler
CARDIFF UNIVERSITY

CONSTRUCTING THE 'WELL QUALIFIED' CHARTERED ACCOUNTANT IN ENGLAND AND WALES

Abstract: Fundamental to the pursuit of the professional project by the Institute of Chartered Accountants in England and Wales (ICAEW), in the early years of its existence, was the construction of the "well qualified" chartered accountant. This involved the introduction of onerous examinations, lengthy vocational training and significant financial hurdles, which together confined membership to the wealthier sections of society. Prior studies concentrate on the *external* implications of the ICAEW's policies, and have accepted, though left unexamined, the significance of entry hurdles in achieving exclusionary closure. The major focus of this paper is to examine how the ICAEW differentiated its membership from outsiders on the grounds of education and training and how the fledgling Institute employed credentials to distinguish the "chartered accountant" brand from non-chartered accountants. In further contrast to prior studies, we examine the *internal* tensions generated as a result of the precise shaping of the ICAEW's definition of the "well qualified" chartered accountant.

INTRODUCTION

Whereas their counterparts in Scotland organized themselves into local societies from the 1850s, accountants in England and Wales made slower institutional progress. In 1870, accounting societies were formed in Liverpool and London, soon followed by Manchester (1871) and Sheffield (1877). The

Acknowledgments: Financial support for this research has been provided by the Centre for Business Performance of the Institute of Chartered Accountants in England and Wales. The authors wish to acknowledge the helpful comments of two anonymous referees, Stephen P. Walker and participants at the Accounting, Business and Financial History Conference, Cardiff, 2003.

Submitted September 2003
Revised September 2004
Accepted December 2004

founding of a national body in 1872, the Society of Accountants in England (SAE), provided the stimulus for the 1870 London Institute to also open its doors to provincial members. In 1880, members from these five bodies successfully petitioned for a Royal Charter to create the Institute of Chartered Accountants in England and Wales (ICAEW). In the absence of legal protection, the ICAEW, like its predecessors, was unable to claim exclusive use of the title “accountant” to help its members procure work in an arena where the dubious practices of many “*soi-disant*” accountants was claimed to have brought the profession into disrepute [Walker, 2004a, p. 85]. The fledgling Institute therefore sought to construct a definition of chartered accountants as being: “a class of persons *well qualified to be employed in the responsible and difficult duties often devolving on public accountants*” [ICAEW, 1882, p. 5, *emphasis added*]. Of fundamental importance in the creation of this “well qualified” practitioner were two prerequisites. First, the stipulation that members should undergo a lengthy period of supervised vocational training underpinned by rigorous written examinations; and, second, the prohibition of a diverse array of non-accounting services, so as to create, and be perceived as, a body of specialist practitioners.

This paper examines in detail, the first of these innovations, which, together, created the “chartered accountant” brand image. We show how the ICAEW constructed a definition of the “well qualified” chartered accountant, by differentiating its membership from outsiders on the grounds of education, training and credentialism. Although this branding of the chartered accountant strove to fulfill an *external* or exclusionary “closure” function, this study, for the first time, illustrates the tensions that were created *within* the ICAEW as a consequence of the formulation of the definition of the chartered accountant in the period 1880-1900.

The paper is structured as follows. To place the study into an appropriate theoretical context, we draw on the relevant sociological literature of exclusionary closure and credentialism. The second section provides an historical context for the paper by examining the exclusionary tactics employed by the ICAEW’s five predecessor bodies in the 1870s. We then undertake a detailed examination of how the ICAEW defined the “well qualified” chartered accountant and consider the hurdles thereby created. The fourth section considers a series of internal tensions that arose as a result of the precise framing of this definition. The fifth section demonstrates how the ICAEW sought to shape

the public image of the chartered accountant – the highly qualified, well-trained, specialist practitioner – through promoting the "A.C.A." (Associate of the Chartered Accountants), "F.C.A." (Fellow of the Chartered Accountants) and "chartered accountant" credentials. The paper closes with a range of concluding comments.

EXCLUSIONARY CLOSURE AND CREDENTIALISM

The professionalization literature abounds with details of the formation of bodies across a wide range of professions. Whilst we do not subscribe to a literature that appears to equate the commencement of the professionalization process with the formation of a professional body [Kedslie, 1990a; Kirkham and Loft, 1992], we do believe that organizational formation is an important "signal of movement" towards occupational ascendancy by marking the commencement of a formal professional project [Carnegie and Edwards, 2001]. Whether inspired by altruism [Millerson, 1964], self-interest [Johnson, 1972], political motives [Willmott, 1986] or a combination of these factors [Lee, 1995], the importance of the professional body, in shaping their members into an educated and highly trained mould, has not been a subject of disagreement.

Organizational collectives or "qualifying associations" [Millerson, 1964], face the task of "producing the producers, that is, ensuring that all future entrants have passed through an appropriate system of selection, training and socialization, and turned out in a standardized professional mould" [Macdonald, 1995, p. 189]. For Larson, this moulding is critical:

Unlike craft or industrial labor, however, most professions produce intangible goods: their product, in other words, is only formally alienable and is inextricably bound to the person and the personality of the producer. It follows, therefore, that *the producers themselves have to be produced* if their products or commodities are to be given a distinctive form. In other words, the professionals must be adequately trained and socialized so as to provide recognizably distinct services for exchange on the professional market [1977, p. 14, *emphasis in original*].

Larson has also spoken of the "difficult and complex task of guaranteeing to the public's satisfaction the competence and probity of the producers" [ibid., p. 58]. In this section, we draw on the process of exclusionary closure to theorize the devices

employed by the ICAEW to produce competent producers wholly equipped to satisfy the needs of the market for professional public accountancy services, and in the process exclude those deemed incompetent. Associated with this production or certification role is the necessity for professionals both to differentiate themselves from others and to highlight their qualifications. We therefore consider the concept of credentialism and, later in the paper, address the ways in which the ICAEW promoted the “A.C.A.”, “F.C.A.” and “chartered accountant” designations. We illustrate the exclusionary tactics and credentials employed by professional bodies by drawing extensively from previous studies of the Scottish accounting societies (formed in the 1853 to 1866 period).

The Weberian concept of closure, encapsulated within the “professionalization project”, has been developed to explain the means by which interest groups strive to “translate one order of scarce resources – special knowledge and skills – into another – social and economic rewards” [Larson, 1977, p. xvii; see also Giddens, 1973; Parkin, 1979; Child and Fulk, 1982; Murphy, 1988]. According to Kirkham and Loft, “a ‘professionalisation project’ . . . involves linking specialist knowledge and skills with power in the form of a market monopoly. Professionalisation is a process by which producers of special services seek to constitute and control a market for their expertise” [1992, p. 3]. For Macdonald [1985, p. 113], “[t]he essence of closure is the definition of membership at a particular point in time, and the setting of criteria for deciding who may join subsequently.” These criteria, whether relating to control of entry, training or qualifications, are designed to restrict access to social and economic opportunities. For Kirkham and Loft [1992, p. 3], the establishment of “tough training and examination requirements” constitutes “one of the important tactical means of professional closure . . . to restrict access to occupational positions”. Similarly, Lee [1995] notes that professionals:

are perceived as organizing to gain market control of an occupational service by means of monopolistic exclusion of individuals deemed unworthy or unqualified to provide it (Larson, 1977). Professionals create explicit mechanisms to operationalize this strategy, including entry prerequisites, institutionalized programmes of academic education and work-related training and experience. Unless an individual satisfies these criteria, professional membership is impossible and certain service opportunities denied [p. 49].

This study seeks to redress the dearth of detailed research into what Macdonald terms, "the inevitable dilemma facing an occupation" [1995, p. 192]. He contends that "if too many are included as eligible, it may downgrade the whole membership, while if the line is drawn too narrowly, those left out may be of sufficient ability to form a rival body" [ibid.]. We examine how the ICAEW sought to operationalize a professional project, by looking *inwardly* at the decisions it took as part of a closure strategy based upon the skills, education and experience it deemed necessary to competently practice public accountancy. In doing so, we reveal, in harmony with previous studies [Chua and Poullaos, 1998; Walker and Shackleton, 1998] some of the complexities of implementing such strategies. This paper builds upon a number of general works [Stacey, 1954; Willmott, 1986; Macdonald, 1995] that have accepted, though left unexamined, the significance of entry hurdles in achieving exclusionary closure.

The process by which collectives seek to maximize rewards by restricting access to resources and opportunities to a limited circle of eligibles has been referred to as exclusionary closure. Macdonald [1995, p. 131], drawing on the work of others, defines this as: "the exercise of power by an occupational association in a downwards direction and is primarily concerned with the definition of the membership in such a way as to exclude those whom the professional body and its elite regard as 'ineligibles' (Parkin, 1979: 450) or 'outsiders' (Weber, 1978: 342)".

This closure process entails singling out certain social or physical attributes as a justifiable basis for exclusion. As Chua and Poullaos note, this may be based upon "on one or several dimensions: class (property ownership), credentials, race, sex, religion, language, etc." [1993, p. 692]. Generally speaking, Macdonald states that a group will "agree on definitions of membership for those already practising the occupational skills and frame these in a manner that is acceptable to the state; and it will also define the criteria to define future entrants to the professional body" [1995, p. 131]. The former is termed a "grandfather" clause [ibid.]. The manner in which the ICAEW satisfied the vested interests of those already in practice in 1880 was, as we will demonstrate later in the paper, to create a whole series of tensions in the post-Charter period as the markedly differential treatment of founders and non-founders became apparent.

In the context of the organized Scottish accounting profession, Walker [1996] has highlighted how the societies introduced a range of “socio-cultural filtering” devices to prevent the profession from being tarnished by dishonorable behavior:

As claims to credibility and probity of the practitioner rested on membership of the professional organisation, the emphasis was placed by the association on the imposition of admission stipulations which would prevent the intrusion of those considered capable of malfeasance. Conditions of entry, qualification procedures and certification ensured that only those deemed *competent* and *reputable* were allowed through to offer services to the public [p. 14, *emphasis added*].

Lee asserts that the entry, education, examination and training requirements of the Scottish bodies “had the dual effect of explicitly revealing professional accountancy as a learned occupation with high standards, and also restricting the number of institutionalized members” [1995, p. 51]. These multifarious filtering devices traversed an extended period. The initial phase of screening “started with entry by invitation to a select few with an appropriate background and experience” [Lee, 1991, p. 198]. This “appropriate background” related to those who were “generally in the same social class as the small groups of organizers” [Kedslie, 1990b, p. 15].

In common with other professions, indenture, or articulated service, was already a feature of the accountancy occupational group in mid-19th century Scotland. The newly established organizations immediately adopted it. Apprenticeship fulfilled an important moulding function, “in fostering close connections and loyalties between practitioners. It comprised a medium for occupational socialization and the inculcation of professional ethos” [Walker, 1996, p. 15]. These training arrangements, which involved a mandatory indenture fee of 100 guineas in Edinburgh (25 in Aberdeen), were soon augmented by educational provision. The financial requirements of this professional training provided a significant hurdle to entry [Kedslie, 1990a; Lee, 1991; Walker, 1996]. For Lee:

Several things above all others evidence deliberate barriers to entry – the high financial cost of entry to membership and the length of training prior to entry; and the rapid stiffening of educational and examination standards designed to provide chartered accountants with a knowledge which was directly relevant to their involvement in practice [1991, p. 198].

Walker has shown how the stipulation of "substantial apprenticeship and entrance fees", the payment of which was deemed to provide "evidence of vocational commitment, pecuniary independence and gentility", restricted entry to the Edinburgh Society to "gentleman of professional standing" [1996, p. 14]. For Kedslie, these barriers meant that "the new profession was scarcely open to young men other than those from a professional or socially-privileged background" [1990a, p. 185]. Having insisted upon high entry standards and then having socialized recruits through a lengthy period of vocational training, professional bodies needed to satisfy themselves that recruits were technically competent. The examination of candidates was swiftly instituted in Scotland, with the Edinburgh and Glasgow societies holding oral examinations from 1855; though it was not until 1864 and 1885 respectively, that written examinations were established [Kedslie, 1990a]. The available evidence suggests, however, that exceptions were made to these arrangements [Stewart, 1974; Kedslie, 1990a].

To help prevent "the entry of the individual considered likely to bring the vocation into disrepute", the Edinburgh Society underpinned this certification role with a range of further filtering devices [Walker, 1996, p. 15]. These measures included the admittance of members at annual meetings ("where they would be visible to established professionals"), a robust nomination, seconding and approval system, as well as placing a restriction on the geographic area in which members could practice [ibid.]. Moreover, from 1860, the Edinburgh Society also sought to control the post-qualification activities of members by requiring potential entrants:

To sign a declaration that 'his exclusive object in Business is to follow the profession of an Accountant as defined in the Society's Charter'. This condition of membership ensured that the CA was restricted to contemporary prescriptions of 'professional' practice and was informally constrained by the standards of conduct associated with that status. The [Edinburgh Society] member was thereby distinguished from the non-credentialed and potentially unscrupulous 'accountant' who owed allegiance to no professional organisation [ibid.].

Having identified a range of attributes as the basis for exclusion, professional bodies then faced the task of differentiating their members, the "insiders", from those excluded, the "outsiders". The process of "exclusionary closure" is reinforced through

“credentialism”. Another concept fashioned by Weber, a credential, is defined by Roslender [1992, p. 23] as “some formal measure of competence such as a professional qualification which is accepted as being the basis for performing certain sorts of work”. For Parkin, credentialism represents “the inflated use of educational certificates as a means of monitoring entry to key positions in the division of labour” and serves as an effective exclusionary closure device in “protecting the learned professions from the hazards of the marketplace” [1979, pp. 54, 56]. Webb and Webb [1917] addressed, early on, the use of credentials by professionals as a means of differentiation. They noted how professionals “ring themselves round with diplomas, degrees and certificates, and to insist, in season and out of season, that all persons not possessing these particular hall-marks are incapable of performing the service” [p. 37].

Washington [2001, p. 14], in defining a credential as “a badge of achievement and proof of knowledge and confidence”, argues that it is something which “enhances a professional’s image both in the professional’s eyes and that of the public”. Freidson [1994, pp. 159-163], although sceptical about some credentials, nevertheless argues that they do serve to bridge an informational asymmetry between expert supplier and unwitting consumer. He acknowledges that from the consumer’s perspective, “credentialism may be seen as a necessary device for narrowing the range of choice and therefore simplifying the intrinsically problematic process of choosing a particular kind of specialist in a world where there are many kinds” [p. 159]. In this paper, we define credentials as the symbols associated with the possession of the professional qualification of the ICAEW. In England and Wales, the relevant credentials were the designation “chartered accountant” and the distinguishing “A.C.A.” and “F.C.A.” letters.

In Scotland, the accounting societies swiftly urged members to adopt the title “chartered accountant” and to utilize the “C.A.” designatory letters [Kedslie, 1990a]. The “C.A.” designation, originally a mere symbol of belonging to a society of accountants incorporated by a royal charter, was transformed “following the institution of increasingly sophisticated systems of professional education” [ibid.], into a “guarantee to the public of professional efficiency and good standing and conduct” [Privy Council, 1890, Appendix, pp. 76-77; quoted in Walker, 1991, p. 262]. Whilst the “mere use of a peculiar professional credential was, by itself, insufficient to gain market control”, the “prime source of the monopoly constructed by the Scottish chartered

accountants was to increase the currency of the notations by ensuring their recognition as a mark of professional and academic superiority over unorganized and unqualified accountants" [Walker, 1991, p. 262]. The lengths to which the various bodies were willing to go in defending the letters from outsiders highlighted the importance of the credential to the Scots, in spite of the fact that the term "C.A." was an "anomaly", given that it was the societies, and not their members, who had received royal charters [quoted in *The Accountant*, 13 February 1892, p. 141].

The distinctive "C.A." credential became a significant battleground in the late-19th and early-20th centuries when, in turn, the Scottish Institute of Accountants and the Corporation of Accountants Ltd., sought to adopt the same designation for their members [Kedslie, 1990a; Walker, 1991]. As Walker notes, in their defense:

the chartered bodies contended that so great was the divergence in the standard of professional education received by CAs and non-CAs, that to permit the lesser qualified to gain use of the identical CA notation would induce a host of deleterious consequences. The general standard of attainment among accountants would be lowered and efficiency thereby reduced, the public would be confused and damaged if they erroneously employed 'CAs' who had not received instruction under the regulations of the three established societies and overall, the impact would be to 'bring down the character of the profession and of the name C.A.' [1991, p. 271].

The adoption of such a functionalist or service-orientation stance, in conjunction with their superior resources, important linkages to the legal profession and a favorable contemporary political environment, enabled the chartered bodies to rebuff the encroaching bodies and defend their "C.A." monopoly [Walker, 1991]. Although their entry hurdles proved insufficient to stem competition, the supplemental use of credentialism by the chartered societies was "rapidly recognized among their clientele - the legal, commercial and manufacturing communities" [Walker, 1991, p. 261], and constituted "a professional mark of high pecuniary value" [quoted in Walker, 1991, p. 275].

ICAEW PREDECESSOR BODIES

Before analyzing how the ICAEW attempted to achieve closure in 1880 by the framing of its definition of the "well

qualified” chartered accountant, it is helpful to analyze the way in which the Institute’s five predecessor bodies each sought to turn out producers within its own “standardized professional mould” in the previous decade [Macdonald, 1995, p. 189]. This contextualization, Howitt [1966] and Walker [2004a, 2004b] apart, has largely been neglected in the literature. The corollary of this, we argue, has been the creation of the false impression that the year 1880 marked a near-seismic shift in the professionalization of accounting in England and Wales with, as we noted earlier, a number of authors dating the profession from this point.

The predecessor bodies of the ICAEW generally demanded that candidates should overcome a series of entry hurdles. They should possess experience (whether in articled service or otherwise), pass an examination, be recommended by a number of existing practitioners and/or be elected by ballot at a meeting of the membership. The first of the English accounting societies, the Incorporated Society of Liverpool Accountants, was unique in that it did not hold examinations. Membership was open to “any Accountant in Liverpool”, subject to candidates finding a proposer and seconder, and receiving at least three-quarters of votes at a ballot of the membership [Incorporated Society of Liverpool Accountants, 1870].

The elite Institute of Accountants (in London, 1870-1872), which supplied 20 of the 45 members of the ICAEW’s first Council [Parker, 1980a], demanded that entrants should have served at least five years (four years for those having been in partnership with a member of an accounting society) as either a clerk to a member of a society of accountants, or as a professional accountant. The stipulation that applications should be accompanied by a written recommendation from at least three fellows (for fellowship) and one fellow (associateship) was seen as being of “fundamental importance as the only real security they [the Council] can have for the professional competency and status of candidates” [Institute of Accountants, MS28404, p. 31]. The initial rules also stipulated that articled service, coupled with examinations,¹ was to become the sole route to entry from 1st July

¹The rules of the Institute did enable Fellows to recommend one of their clerks for admission as an Associate (without examination) up to July 1871 [Institute of Accountants, MS28407, p. 3]. The Institute’s examination arrangements were later adopted, almost without alteration, by the Manchester and Sheffield societies. The Minute Book of the Manchester Institute reveals that almost immediately after its formation, the examiners obtained information from the Glasgow and London Institutes as to “the nature and extent of the

1876, though this date was subsequently put back two years [Institute of Accountants, MS28407]. Articled clerks were also required to "undergo such examinations in their knowledge of book-keeping and accounts, of mercantile and bankruptcy law, of the duties of auditors, and of the practical working of liquidations and bankruptcies, as the Council shall from time to time direct" [Institute of Accountants, MS28407, p. 3]. Examinations appear to have been *viva voce* throughout the 1870s [Institute of Accountants, MS28408/2, pp. 237-238]. An analysis of unpublished material indicates that entry without rigorous examination was, however, common [Institute of Accountants, MS28407, MS28408]. In 1879, for example, the Institute's Secretary acknowledged that the examination "is dispensed with in many cases" [Institute of Accountants, MS28408/3, p. 343].

The SAE, the largest of the ICAEW's predecessor bodies at the time of merger, demanded somewhat shorter qualifying levels of experience, with as little as two years articled service required for graduates of leading universities [Society of Accountants in England, 1875, pp. 10-11]. Moreover, the range of environments in which the experience could be gained was broader than solely public practice. Accountants employed by corporations or public bodies for three years, for example, were also eligible to join [ibid.]. Nevertheless, applications for membership had to be accompanied by a written recommendation from two associates [ibid., pp. 10-12]. As with the Institute, success in examinations fairly soon became the sole route to entry: "no candidate shall be eligible for admission as an associate after the 1st day of January, 1878, until he shall have passed an examination as to his proficiency to the satisfaction of the Examiners of the Society" [ibid., p. 11].² Rule 57 of the Society stated that the examinations would incorporate "subjects usually occurring in the practice of the profession of a Public Accountant" [ibid., p. 22]. Held over one day, the examinations comprised three elements: Education (English composition, Arithmetic, Latin and French, Euclid and Algebra); Accountancy (Book-keeping, including companies', commercial and partnership accounts; Audits; Chancery – official liquidations, receiver-

examinations which candidates have to undergo before admission to those Institutes" [20 March 1871, p. 11]. It is curious that the Sheffield Institute should follow the guidelines of the Institute of Accountants when 16 of its 21 founder members were, or had previously been, members of the SAE (including two Council members).

² Whether this date was stated in the Society's founding rules and regulations is unclear, due to the absence of surviving records.

ships and managerships. Bankruptcy, liquidations and composition; Estate accounts and Executorships); and Responsibility of Fiduciary Agents (Under the Joint-Stock Companies Acts, Bankruptcy Act, Law of Trustees, Law of Partnerships) [*The Accountant*, 30 March 1878, p. 5].

The rules for admission to associateship of the Manchester and Sheffield Institutes were almost identical. Candidates had to be 21 years of age, have served five years as clerk to a professional accountant, pass an examination, be recommended by either two fellows (Manchester) or Council (Sheffield) and be approved by two-thirds of Council members (Manchester) or all members (Sheffield) [Manchester Institute of Accountants, 1871, p. 4; Sheffield Institute of Accountants, 1877, p. 4]. In Manchester, the oral examination, instituted from the outset, was due to give way to a written test of competence in 1876 [Manchester Institute of Accountants, Minute Book, p. 188]. The available evidence suggests, however, that from the mid-1870s associates were admitted following a ballot, with no mention of examinations in the Minute Book [*ibid.*, pp. 153-154, 223, 226, 260, 270, 271]. The Sheffield Institute appears to have relied on the oral examination throughout its short life. Hoe, for example, states that at the first general meeting it was noted that four "Associate Members had been admitted after satisfactorily passing an examination conducted by the President – Alfred Allott – and the Vice-President – W.H. Watson" [1977, p. 9]. The rules of both bodies also provided for the admission of Associates by recommendation [Manchester Institute of Accountants, 1871, p. 5; Sheffield Institute of Accountants, 1877, pp. 4, 5].

Whilst the initial admission rules at the SAE provided for articulated service, at the Institute of Accountants and the provincial societies at Manchester and Sheffield, after an initial period when non-articled clerkship was permitted, articulated clerkship soon became a compulsory requirement. Given the intangible nature of their work, so "inextricably bound to the person and the personality of the producer" [Larson, 1977, p. 14], three of the English societies, following the Scots, provided for the use of distinguishing letters or credentials by members. In Manchester, members were permitted to append "F.M.I.A." (Fellow) or "A.M.I.A." (Associate) to their names [Manchester Institute of Accountants, 1871, p. 6]. The national SAE provided for the use of "F.S.A.E." (Fellow), "A.S.A.E." (Associate), "Hon. M.S.A.E." (honorary member) or "Stud. S.A.E." (Student) [Society of Accountants in England, 1875, p. 11]. The Sheffield Institute bestowed the letters "F.S.I.A." and "A.S.I.A." on its fellows and

associates respectively [Sheffield Institute of Accountants, 1877, pp. 5-6].

In summary, by 1880 articulated service and credentialism was common and the trend towards the examination of candidates to test competence was gathering pace, though was still far from comprehensive.

CONSTRUCTING THE 'WELL QUALIFIED' CHARTERED ACCOUNTANT

The petition for the ICAEW's Royal Charter acknowledged the role of its predecessor bodies in "the elevation of the profession of public accountants as a whole", but asserted that more could be achieved collectively:³

It would greatly promote the objects for which the said societies have been instituted and would also be for the public benefit if the members thereof were incorporated as one body as besides other advantages such incorporation would be a public recognition of the importance of the profession and would tend to gradually raise its character and thus to secure for the community the existence of a class of persons *well qualified* to be employed in the responsible and difficult duties often devolving on public accountants [ICAEW, 1882, p. 5, *emphasis added*].

In order to produce this "well qualified" practitioner, two alternative prerequisites were stipulated: "long actual experience in the profession or service for a long time in the capacity of a Public Accountant's Clerk or else the passing of appropriate examinations under the supervision of the Corporation" [ibid.]. The introduction of examinations, "of such a character as to test the knowledge of candidates not only in bookkeeping and accounts but also in the principles of mercantile law and in the law and practice of bankruptcy and of the winding-up of companies", would, it was asserted, "have an educational effect of a highly beneficial kind" [ibid., p. 6].

The Charter also prescribed the method of training and, in stipulating a five-year articulated term, the ICAEW followed the "favourite period" settled by solicitors and architects before

³Support for this argument comes from *The Accountant*. It referred to the activities of untrained and incompetent persons described as accountants in the 1870s as being "the thorn in the side of all respectable accountants" [21 December 1878, p. 3].

them, as well as the Scottish bodies and the elitist Institute of Accountants [Reader, 1966, p. 118]. As Reader has noted, “[w]hen governing bodies came to fix the length of time required for articles, or whatever term they employed, they were not inclined to underestimate the abstruseness of their craft, nor to over-estimate their pupils’ ability to unravel it” [ibid.].

A further hurdle to entry involved the ICAEW’s entrance fees. For new members, these were levied at rates of ten guineas (for associates) and 20 guineas (fellows), with members of the predecessor bodies being required to pay half those sums [ICAEW, 1882, p. 17]. In addition, an annual subscription ranging from one to five guineas was payable, with the charge being dependent upon membership status and locale [ibid.].⁴

To signal to the public that they were employing a competent practitioner, accountable for his actions, the Charter specified that members were eligible to use the following credentials after their names: “A.C.A.” (for associates, “representing the words Associate of the Chartered Accountants”) or “F.C.A.” (for fellows, “Fellow of the Chartered Accountants”) [ibid., pp. 17-18]. Whilst the Charter did not specifically state that members should describe themselves as “chartered accountants”, legal advice taken by Council in 1881 confirmed that this was permissible [ICAEW, MS28459/1, p. 12]. The later bye-laws (effective from 21st March 1882), however, did prohibit members acting in partnership with non-ICAEW members from appending either the designatory letters or the description “chartered accountants” to the name of the firm [ICAEW, 1882, p. 44].

In the remainder of this section, we examine in detail the ICAEW’s specification of the education and training requirements within its overall definition of the “well qualified” specialist chartered accountant, and consider the concomitant financial hurdles thereby created.

Examinations: Although examinations were not a new phenomenon in English accounting societies, the approach embraced by the ICAEW was far more rigorous than hitherto had been the

⁴An indication of the magnitude of these sums is provided by historical price indices which equate £1 in 1880 to approximately £50 today [*The Economist*, 13 July 1974, p. 62; *Accountancy*], though a more realistic multiplier based on the starting salary of a newly-qualified accountant, would be much greater, in the region of 240-400 for those employed in London. This multiplier is based on the typical starting salary of a chartered accountant in the late-19th century of around £100 [Edwards, Anderson and Matthews, 1997], and the findings of the 2003 salary survey by Accounting Appointments [www.accountingappointments.co.uk/candidates/salariesurveys.asp].

case. Indeed, the adoption of the three-tier (preliminary, intermediate and final) system was in accordance with the desires of the leader column of *The Accountant*, which argued that "in order to secure public confidence there must be a basis of assured competency" [26 April 1879, p. 4]. It called for a system based around that of the established and well-respected Incorporated Law Society [ibid.]. Moreover, given the esteem in which the Edinburgh Society was generally held, it appears to have been no coincidence that the ICAEW's model of testing bore strong similarities to that adopted north of the border.

The Council of the ICAEW appointed an Examination Committee in April 1882, and three months later the first of the Institute's biannual examinations were held at preliminary and final levels. The first Intermediate Examination was held in June 1883. Although described as a means "to test his [the aspiring chartered accountant] general education", the Preliminary Examination clearly served a status-oriented exclusionary function [ICAEW, 1882 p. 51]. In the words of W.G. Howgrave, the Institute's Secretary:

the object of a Preliminary Examination is simply to test whether a person desirous of entering a profession has received such an education as will render him a fit member of the profession after going through the necessary technical training, and it is therefore necessarily confined to such educational subjects as may be considered to be the basis of culture [*The Accountant*, 11 January 1896, p. 29]. Similarly, for 'M', a correspondent in *The Accountant*:

[I]ts chief object is to keep the profession select. If ... anyone who had been in a Chartered Accountant's office for a short period of years could present himself for the Intermediate Examination, the profession would soon become very inconveniently crowded with a lot of uneducated men, which would necessarily lower its status with the public [16 January 1892, p. 54].

Howgrave's terminology is consistent with Carr-Saunders and Wilson's conviction [1933, p. 7] that a student, aspiring to professional status, should be able to "show that he is a 'gentleman of respectability' and has received a general education up to school certificate standard". As Webb and Webb noted, the institution of examinations by professional bodies generally, served to "exclude from membership, whether or not this is deliberately intended, candidates coming from the 80% or 90%

of the population not getting secondary schooling in youth" [1917, p. 31]. Also, as we reveal later in the paper, the financial requirements of articulated clerkship demanded that potential entrants came from a wealthy family.

The subjects examined in the 'preliminary', wholly in writing, were: writing from dictation; writing a short English composition; arithmetic; Algebra, to include quadratic equations (inclusive); euclid (the first four books); geography; history of England; Latin, elementary; and in any two of the following subjects, one of which must be a language: Latin; Greek, ancient; French; German; Physics; Chemistry; Animal Physiology; Electricity, Magnetism, Light and Heat; Geology; Higher Mathematics [ICAEW, 1882, p. 50].

The ICAEW clearly placed great importance on the role of the Preliminary Examination, which was sat prior to commencing articles.⁵ First, unlike the very brief examinations of the predecessor bodies, it was prepared, twice yearly, to devote a significant period of time (three days) to its entry-level examination alone. Second, by instituting a written rather than a *viva voce* examination, the Institute committed itself to an onerous marking function. Third, despite criticisms of its scope, the ICAEW maintained, and through the introduction of further optional subjects, enhanced the "basis of culture" rationale of the examination. Fourth, an examination of the 'preliminary' pass rates (Table 1) confirms that it was "something more than a formality" [*The Accountant*, 19 February 1898, p. 209; see also, *The Author*, 1886, pp. 24-25; *The Accountant*, 29 September 1894, p. 847, 21 December 1895, p. 1032]. On average, across the period 1882-1900, 65.0% of candidates were successful in the examination. Pass rates, however, varied greatly, from a low of 38.5% in July 1882, to a high of 80% (June 1900). Grouped together pass rates were as follows: 1882-1885 – 60.9%; 1886-1890 – 59.8%; 1891-1895 – 58.9%; and 1896-1900 – 71.2%. The trend of pass rates in the late-1880s and early-1890s was falling, and thereafter, rates increased markedly beyond those established in the early-1880s.

⁵ Graduates of any UK university or those having passed a range of other university and schools' moderation examinations were exempt from the 'preliminary' and were required to serve articles for a reduced period of three years [*The Author*, 1886, p. 25]. In 1893, an addition to Bye-Law 76 stated that "any person, not being under thirty years of age, who at the date of his application shall have been for ten years continuously in service as a clerk to a Chartered Accountant, shall be exempted from the Preliminary Examination" [*The Accountant*, 27 May 1893, p. 500].

TABLE 1
ICAEW Examinations – Candidate Pass Rates, 1882-1900

Year	Preliminary Examination		Intermediate Examination		Final Examination		Examination Equivalent to the Final Examination	
	No. of candidates	Pass Rate %	No. of candidates	Pass Rate (%)	No. of candidates	Pass Rate (%)	No. of candidates	Pass Rate (%)
1882	32	46.9	—	—	42	69.0	8	62.5
1883	70	62.9	35	91.4	63	65.1	8	75.0
1884	88	65.9	120	77.5	119	62.2	4	75.0
1885	84	59.5	49	87.7	148	64.2	5	60.0
1886	95	65.3	59	83.0	250	63.6	6	33.3
1887	73	61.6	70	72.9	143	70.6	7	57.1
1888	127	63.8	103	80.6	59	71.2	0	—
1889	105	59.0	112	72.3	64	73.4	3	100.0
1890	108	50.0	120	85.8	85	76.5	1	100.0
1891	129	48.8	150	76.0	106	62.3	20	75.0
1892	174	56.3	138	81.2	135	64.4	29	82.8
1893	226	60.2	165	74.5	140	76.4	23	39.1
1894	235	57.9	185	66.5	131	71.0	13	46.1
1895	251	65.7	194	83.0	150	75.3	15	86.7
1896	249	65.5	207	70.5	151	77.5	17	23.5
1897	296	68.2	204	78.4	193*	63.2	15	53.3
1898	356	69.4	271	66.8	225	52.9	8	37.5
1899	371	73.6	260	71.9	250	66.4	8	50.0
1900	316	77.5	328	66.2	236	63.1	2	100.0

Notes: The table is compiled from the summation of the June and December examination statistics each year, with the exception of 1882 (July and December examinations) and 1887 (when there was an additional March sitting for the Final and Examination Equivalent to the Final Examination). Statistics relate to the number of students taking examinations and do not discriminate between prior attempts (if any).

* One candidate was disqualified in December 1897.

Source: ICAEW, MS28411/1-4.

Successful candidates then embarked upon five years' articulated service. Halfway through this vocational period of service the Intermediate Examination provided the first formal test of professional competence (those who commenced articles prior to the Charter gained exemption). In not less than two years (one year for graduates) after successfully completing the 'intermediate', the Final Examination had to be passed. Both examinations were conducted partly in writing and partly *viva voce*, until the latter element was discontinued between 1889 (intermediate level) and 1892 (final). The professional examinations tested candidates in book-keeping and accounts; auditing; the adjustment of partnership and executorship accounts; the rights and duties of liquidators, trustees, and receivers; the principles of the law of bankruptcy; the principles of the law relating to joint stock companies; the principles of mercantile law; and the principles of the law of arbitration and awards [ICAEW, 1882, p. 53]. Following a recommendation from the Examination Committee [ICAEW, MS28428/1, p. 72], Council resolved that after the June 1884 sitting the examination of candidates at intermediate level would be confined to the first four subjects listed above [ICAEW, MS28411/1, p. 317].

The Institute clearly wished to demonstrate to the market place that the chartered accountants who graduated through its system of education and vocational training were specialist practitioners with tested competence and lengthy experience in the core areas of accounting as well as being well grounded in legal principles. Moreover, through its annual reporting and the speeches made by its principal office-holders, the ICAEW demonstrated the importance it attached to its professional examinations. Although ostensibly directed to members, they reached a wider audience through, for example, publication in *The Accountant*. Throughout the period to 1900, the examination pass rates and prize winners featured prominently in the Council's report to the general meeting [ICAEW, MS28410/1]. Similarly, presidential addresses were frequently used to publicize the importance of the examinations. In his address to the first ICAEW autumnal meeting, Frederick Whinney argued that the twin requirements of articulated clerkship and examinations would ensure that "members of the Institute will in course of time become more and more fitted for the discharge of the responsible duties devolving upon them" [*The Accountant*, 23 October 1886, p. 596].

Six years later, in addressing the general meeting of the ICAEW, President Thomas Welton lauded the "security we have

taken, in the way of articles and examinations, for the *proper* training of the next generation of accountants" [*The Accountant*, 7 May 1892, p. 382, *emphasis added*]. This, he argued, would "certainly be more and more appreciated by the public" [*ibid.*]. The pivotal role of the ICAEW's examinations as part of its strategy to establish its own credibility, as well as that of its members to outsiders, was addressed by President John George Griffiths at the dinner held to celebrate the Diamond Jubilee of Queen Victoria. Before a host of distinguished guests, Griffiths asserted that the ICAEW was "very careful" in respect of its examinations and by rejecting "a great many candidates", the Institute had "borne in mind [its] . . . duty to improve . . . the status of our profession" [*The Accountant*, 24 July 1897, p. 732].

A detailed analysis of the examination statistics, discussed by Griffiths, reveals that pass rates at the professional stages were higher than at the 'preliminary', though only marginally so in the case of the Final Examination. Intermediate Examination pass rates averaged 74.3% across the period 1883-1900, with 82.3% being recorded initially (1883-1885), before falling off to 79.1% (1886-1890), 76.1% (1891-1895) and 70.2% (1896-1900). This progressive fall was not, however, discernible at the final stage, where pass rates were far more volatile. In the 'final', 82.1% of candidates were successful in June 1889, yet two years later, just 43.1% satisfied the examiners. Grouped together pass rates were 64.2% (1882-1885), 68.9% (1886-1890), 70.4% (1891-1895) and 63.8% (1896-1900) and averaged 66.6% over the whole period.⁶

After passing the Final Examination, candidates applied for admission to the Institute by completing a printed form, and submitting a certificate from the accountant with whom the applicant had trained, stating that fact, and that the applicant was "a fit and proper person" for admission [*ibid.*, p. 45]. Bye-

⁶ Pass rates at the Examination equivalent to Final averaged 59.9% over the period 1883-1900. This examination, "in all respects...the same...as the Final Examination", provided an entry route for non-articled candidates already serving in the profession on 21st March 1882 (the date of commencement of the first bye-laws) [ICAEW, 1882, pp. 55-56, 1891, pp. 64-65, 1902, p. 2]. Whilst section 12 stated that five years from the introduction of the bye-laws, "service shall mean service under articles", section 14 of the Charter did provide Council with "dispensation in certain cases with literal compliance with the Charter" [ICAEW, 1882, pp. 14-15]. The upsurge in the numbers taking the examination equivalent to the final from 1891 coincided with a modification to the bye-laws. This formalized the non-articled route for those in practice or service prior to March 1882 and who had served continuously for five years in practice or service up to the time of their application [ICAEW, MS28410, p. 128].

law 33 did, however, empower the Council to “refuse to admit or elect to any degree of Membership, any person whom they shall not consider to be a fit and proper person to be so admitted or elected”, though we have found no evidence that this resulted in anyone being excluded in the period to 1900 [ibid., p. 40].

We now turn our attention to the vocational aspect of the ICAEW's definition of the “well qualified” chartered accountant.

Articles: Whilst the ICAEW's examinations formally tested the understanding of a body of knowledge, the period of articulated clerkship provided trainees with the opportunity to apply their knowledge and also to develop skills in areas that the education process was not intended to address. The importance placed upon articulated service by the founders of the ICAEW would appear to have been entirely logical. As we have seen, learning by doing, either with or without articles, was the standard method of preparation for a career as a public accountant prior to 1880 (and is the method which would have applied in the case of the founders themselves). In terms of their definition of the “well qualified” practitioner, the ICAEW's prescription of a lengthy period of articulated service would ensure that on completion, chartered accountants possessed a sound practical training in the main elements of public accountancy, and, as we discussed earlier, would be “turned out in a standardized professional mould” [Macdonald, 1995, p.189].

Provided that a candidate had surmounted the Preliminary Examination hurdle and was not less than 16 years of age, the ICAEW initially required entrants to serve five years' (three for graduates) articulated clerkship with an Institute member. Aside from socializing members and inculcating a “professional ethos” [Walker, 1996, p. 15], articles served an important filtering function, as discussed earlier [Kedslie, 1990b; Lee, 1991, 1995]. The requirement that aspirant chartered accountants should find an ICAEW member willing to supervise them over a lengthy period, and in their own office, provided a further hurdle in ensuring that recruits came from what Kedslie termed, an “appropriate background” [1990b, p. 15]. The logic of adopting this method was, according to one contemporary, that “the examining bodies satisfy themselves that candidates for membership have been properly trained in the duties of their profession”, and that “in the main, service under articles affords a guarantee of training which can be obtained in no other way” [*The Accountant*, 9 October 1897, p. 939]. It was presumably in order to maintain the quality of training that the Institute decreed that no member

could have more than two articulated clerks at any one time, other than in exceptional circumstances.⁷ In order to try to create a specialized practitioner and, it can be suggested, to avoid association with businesses that threatened their status, articulated clerks, like their qualified brethren, could not engage in any other business or occupation during the period of service (except with permission of Council) [ICAEW, 1882, p. 46].

A model set of Articles of Clerkship, as settled by the Institute,⁸ provides an indication of the level of commitment required of both clerk and principal:

you, the Articled Clerk, on your side covenant with your Principal that you will faithfully and diligently serve him and your Employers as his and their Clerk, and will readily and cheerfully obey and execute his and their lawful and reasonable commands, and will faithfully serve your Principal and your Employers at all times during your term of Articles as a Clerk ought to do in all things whatsoever, the Principal, on his side, covenants that he will accept you as his Articled Clerk during the term agreed upon, and shall and will throughout the said term, to the best of his ability and power, afford you such reasonable opportunities and work as may be required to enable you to acquire the art, science, and knowledge of a Professional Accountant; and if you serve him well and faithfully he will, at the expiration of your term, give you the certificate required by Bye-Law 55 of the Institute for the purpose of your being admitted as a Chartered Accountant [*The Accountant*, 30 November 1895, p. 976].

In return for providing an environment for the articulated clerk to learn the profession of public accountancy and, it can be argued, to help ensure recruitment of the right kind of person by denying access to those without the necessary financial support,

⁷ The restriction may also have served to control the supply of chartered accountants to the market [Walker, 1988; Kedslie, 1990a] or to prevent principals using multiple indenture premiums as a cash generating mechanism.

⁸ There is no evidence to suggest that adoption of the model articles was compulsory. Nevertheless, the prescription *per se* would appear to be important to the ICAEW in its attempt to raise awareness of the "well qualified" chartered accountant. It is acknowledged that variations around this model would inevitably have occurred [see Walker, 1988, pp. 129-131, for examples in Edinburgh], though unlike its counterparts in Edinburgh and Aberdeen the ICAEW did not stipulate a mandatory indenture fee. For a colorful insight into some earlier examples of indentures in England [see Howitt, 1966, p. 237, and Moore and Smalley, 1992, n.p.].

it would appear that a premium was usually payable. The exclusionary nature of articulated clerkship was reinforced by the “general rule to allow no remuneration to an articulated clerk during his term; but sometimes arrangements for a small progressive salary are made, commencing probably at £10 for the first year, and rising by yearly increments of the same amount” [The Author, 1886, p. 28].⁹

The premium, according to a later editorial in *The Accountants' Magazine*, “brings a good type of young man, in the same way as the law of supply and demand brings an economic price for goods of other kinds” [June 1942; quoted in Parker, 1980b, n.p.]. The amount of premiums paid:

varies considerably according to the circumstances of each particular case, and the professional standing and repute of the firm. There are many Accountants, with but moderate qualifications and limited practices, who are, no doubt, open to take articulated clerks at premiums varying from fifty to eighty guineas. In large well known firms the premium would probably be at least one hundred, and might possibly reach two hundred guineas [The Author, 1886, p. 27].

These amounts are broadly corroborated by information disclosed in the correspondence section of *The Accountant* [25 March 1893, pp. 268-269; 1 April 1893, pp. 295-297; 6 May 1893, p. 417; 3 June 1893, p. 519; 14 April 1894, p. 339]. More general assessments of premiums payable were: “from 150 to 400 guineas” [*The Accountant*, 20 September 1890, p. 499]; “from 100 guineas to 300 guineas” [*The Accountant*, 27 February 1892, p. 185]; and “ranging from one hundred to three hundred guineas” [*The Accountant*, 22 April 1899, p. 455].

Financial Probity as a Hurdle: The length of articulated service, the usual requirement for a premium to be paid, the general absence of a salary, and educational requirements (particularly

⁹The Institute’s form of articles leaves a blank space for the amount of premium, “but it is noticeable that the form contains no provision for salary” [The Author, 1893, p. 24]. The salary of £10 per annum in the first year rising by increments of £10 annually would sum to £150 and could, based on available information, have represented the return of the initial premium to the articulated clerk. In Edinburgh, Walker notes that “it seems likely that apprentices did receive a salary though the provisions and the amount varied among firms” [1888, p. 133]. He cites examples of two firms where a salary was paid to apprentices constituting the return of their indenture fee with interest over 5 years [ibid.].

the 'preliminary', necessitating a secondary schooling), conspired to restrict entry to the ICAEW to the well-off and the well-educated. It can be argued that such requirements were instituted to enable the profession to gain legitimacy in the eyes of the public by suggesting that its members were of similar backgrounds to those entering the established "gentlemanly" professions of the church, medicine and law. In the words of Francis William Pixley (ICAEW President, 1903-1904), "[t]hose who have been articulated to our members since the date of the Charter come from the same class as do those who are now at Woolwich, Sandhurst, and the Inns of Court. They have been educated at the same class of schools" [quoted in Kitchen and Parker, 1980, p. 26]. Further, it can be argued that these entry requirements worked in harmony with the ICAEW's disciplinary apparatus to demonstrate that the governing body demanded financial probity amongst its members. The nature of the public accountant's work clearly placed him in a position of trust when dealing with clients' financial affairs. For the public to trust their agent, they needed to be confident that the latter was beyond reproach. Whilst this could never be guaranteed, one means of minimizing the temptation of misappropriating a client's funds would be to ensure that the agent was himself financially sound. An indication of the wealth needed to become a chartered accountant is provided in the *Pall Mall Gazette* of 1890:

It is unadvisable and altogether imprudent to become a chartered accountant unless one had a capital of at least £2,000 or £3,000, or influential friends in business circles. The two combined is desirable, but the latter the more important. A good practice or a partnership may be obtained by either, but, without either, neither [quoted in *The Accountant*, 20 September 1890, p. 500].¹⁰

The probity of its members was of such importance to the Council of the ICAEW that they incorporated a series of financial wrongdoings (bankruptcy; conviction for felony, misdemeanor or fraud; making an assignment with creditors; and the non-payment of fees) in the list of offences that would trigger disciplinary action [ICAEW, 1882, pp. 19-20]. Although it is difficult to demonstrate the extent to which the above ideals were achieved, the body took a firm stance with regard to those who

¹⁰These sums would translate approximately to £120,000 and £180,000 today [*The Economist*, 13 July 1974, p. 62; *Accountancy*].

became embroiled in financial difficulties [Chandler et al., working paper]. It can be argued that such decisiveness in following closely the disciplinary provisions of the Charter conveyed a strong signal to other chartered accountants and also to the business community. To the former, the message was clearly that if they desired to retain their membership, they had to manage their own finances properly. To the latter, both by their actions against wrongdoers and the subsequent publication of their exclusion in *The Accountant*, the ICAEW demonstrated that its members were accountable for their actions, including their own financial management. The leading article of *The Accountant* strongly approved of such a stance, noting "It would be fatal to the existence of the Institute if members were allowed to take advantage of membership to do acts that would inevitably insure their expulsion, and then for the Council to allow them to resign. The proper thing to do is expel them, and to publish the fact" [17 November 1883, pp. 2-3].

TENSIONS ARISING FROM THE CONSTRUCTION OF THE 'WELL QUALIFIED' CHARTERED ACCOUNTANT

Having specified how the ICAEW constructed its definition of the "well qualified" chartered accountant we now turn our attention to a series of tensions that were created as a result of the precise framing of this definition. First, critical contemporary comment of the subjects covered by the examinations is reviewed. Second, we address the variation in the standard of the examinations. Third, we consider tensions created as a result of entry without examination. Finally, we examine problems arising between principals and clerks through the failure of articulated clerkship to deliver a broad vocational training.

The Scope of the Chartered Accountant's Examined Knowledge: The definition of the sphere of knowledge deemed necessary to be "well qualified to be employed in the responsible and difficult duties often devolving on public accountants", at all levels, proved controversial [ICAEW, 1882, p. 5]. 'A Student', in a letter to *The Accountant*, for example, noted that "the subjects we students are expected to be prepared in quite frightens me....what have practical people like accountants to do with the Latin classics, and of what use to them are Mechanics, Elementary Chemistry, Physiology and Geology?" [22 July 1882, p. 5]. 'A Sympathiser' referred to the "extreme difficulty, and, often, sheer inutility, of some of the [Preliminary Examination] ques-

tions set", arguing that "several of the antiquated subjects [should] be done away with" [*The Accountant*, 21 December 1895, p. 1032]. 'A Student' further questioned the composition of the papers on professional subjects, noting:

I would further ask whether the examination of candidates on subjects such as the powers and duties of an arbitrator, and the laws of executors and administrators, does not make it look like a preparation for the legal profession....Certainly the subjects selected convey to my mind the idea of a cross between a "Varsity man" and a lawyer [ibid., 22 July 1882, p. 5].

Many other correspondents objected to the emphasis on law within the examination structure [*The Accountant*, 15 July 1882, p. 5; 7 October 1882, p. 5; 16 September 1882, p. 5]. Criticism of the examinations was not restricted to the ranks of the articulated clerk, whose complaints might be dismissed on the grounds that they had a direct vested interest in making them easier. Robert Whitehill, for example, writing following his success in the Final Examination, concluded that "the examiners expect the accountants of the future to be better informed on these subjects [mercantile law and the law of arbitration and awards] than most lawyers are found to be at the present time" [*The Accountant*, 19 August 1882, p. 5]. Similarly, Harold V. Aldred (later convicted for his part in the fall of an audit client, Dumbell's Bank), argued that "it is Bookkeeping and Accounts which should be the first and foremost study of a student of accountancy, and I fear that there has always been a tendency on the part of the Council to lead the student into the study of intricate points of law at the sacrifice of practical questions in accountancy" [*The Accountant*, 8 November 1890, p. 616].

Criticism of the ICAEW's examinations was not confined to making them either easier or limiting their scope. For 'C.W.', the relative lack of mathematical and actuarial content was a source of regret. His justification for their inclusion was that, "[t]here is no study more calculated to improve the reasoning powers and induce habits of exact thought than mathematics, and this study should be especially invaluable to a Chartered Accountant" [*The Accountant*, 25 October 1890, p. 582]. He then argued that, "[t]here can be no doubt that the Scotch practice of uniting the accountant and actuary has done much to give our brethren across the border the prestige which they enjoy" [ibid.].¹¹

¹¹'C.W.' clearly refers to the Institute of Accountants and Actuaries in Glasgow and the Society of Accountants in Edinburgh, both of which incorporated the

Assessing the Standard of Competence the 'Well Qualified' Chartered Accountant Should Possess: A second significant issue was the standard required to pass examinations designed to ensure that those holding themselves out to the public as expert chartered accountants were indeed fully qualified to discharge their duties. Some of the difficulties in testing written competence were addressed by Edwin Waterhouse, the President of Chartered Accountants' Student Societies in both London and Birmingham and a member of the ICAEW Examinations Committee [Edwards, 1986]. He remarked how he "found the selection of suitable questions, and the classification of the merits of the candidate's answers, a most responsible and difficult task" [Jones, 1988, p. 125]. The setting of relevant questions remained a somewhat intractable problem across the period [*The Accountant*, 19 August 1882, p. 5, 16 September 1882, p. 5, 1 December 1883, pp. 3-4, 14 December 1895, p. 1008, 21 May 1898, p. 527, 27 January 1900, pp. 101-102].

The ICAEW's pass standard remained undefined officially, but W.T. Butterfield (an associate of both the ICAEW and Institute of Actuaries), revealed that:

It is commonly understood that the minimum marks for a pass are, in accountancy subjects, 50 per cent., and in legal subjects 33 per cent., but the whole marks received must reach at least 50 per cent. of the marks obtainable. Further, if a candidate aggregates 66 per cent. he is understood to have qualified for honours, and if he secures about 80 per cent. he may get a prize. From this it will be seen, that the Examination Committee attaches greater importance to proficiency in practical matters than to skill in answering legal conundrums [*The Accountant*, 22 December 1900, p. 1174].

Butterfield's comments received a degree of official corroboration from the ICAEW President, J.J. Saffery, as well as from two separate pieces of information disclosed in unpublished pages of the ICAEW's *Book of Circulars* [MS28432, n.p.]. Saffery notes that, "[w]ith regard to the standard of proficiency considered desirable for attainment in legal subjects by our stu-

necessity for accountants to be skilled in actuarial work into their Royal Charter petitions. However, as Lee [2000, pp. 27-29] demonstrates, whilst Edinburgh accountants were heavily engaged in insurance managerships, the title of the Glasgow society was pure spin, with 88% of its founders having no manager, director or audit connection to insurance companies.

dents, it should be borne in mind that this is fixed on lines necessary for knowledge and for guidance, but *not* for *practice*, in the common acceptance of the word" [*The Accountant*, 11 October 1890, p. 534, emphasis in original]. The *Book of Circulars* discloses that, for the inaugural Preliminary Examination, an overall pass mark of around 40% was operative, given that the lowest scoring successful candidate attained an average mark of 41.9%. Second, a memorandum dated 14 June 1888, headed "for the information of the Members of the Examination Committee only", wholly corroborates Butterfield's comments in relation to the pass, merit and prize standards in the professional examinations.

Contemporary comment on the standard of the examinations was such as to indicate that entry to the Institute placed great demands upon students. At the third AGM, Vice-President Frederick Whinney offered no apology for the alleged stiffness of the examination papers, and stated candidates who wished to become members of the Institute would be "obliged to fit themselves for entrance rather more than those who have been with us for some time" [*The Accountant*, 10 May 1884, p. 11]. For 'Articled Clerk', "If we are to judge from the books given, the students will have a very great deal of work to do", [*The Accountant*, 15 July 1882, p. 5]. The Author [1893, p. 47] described surmounting the Institute's examinations as "the greatest ordeal of his [the articled clerk's] life", and noted that he should "devote at least three hours a day to the mastery of his subjects for at least the last four or five months preceding his examination, if he covets any further distinction than a mere pass". For 'A.C.A.', "it is generally admitted it is no easy matter to pass through the critical stage of qualification for the Institute" [*The Accountant*, 28 November 1896, p. 976]. G. Walter Knox, ICAEW President in 1897, commented that, "[s]ome people say that our examinations are too hard; others say that they are not sufficiently severe; so that I fancy we are somewhere upon the right lines" [*The Accountant*, 8 May 1897, p. 479].

The need to ascertain a benchmark level of competence that accountants must possess in order to be "well qualified" was addressed by a leading article in *The Accountant* in the following terms:

it is highly important that, as far as possible, a fixed standard should be observed upon which only a pass will be granted, irrespective of the necessary casual variation in the severity of the various papers; but a

fortiori should there be some fixed standard in connection with those candidates who are placed in the Honours List, and still more so with regard to those who are specially selected for the distinction of a prize [*The Accountant*, 7 May 1898, p. 465].

While the pitching of the standard of knowledge considered necessary to deem a candidate fit to become a member of the Institute was problematic, so too was ensuring a degree of consistency in the application of that standard over time. Citing cases where without further study candidates could easily pass the same paper they had failed six months earlier, a swingeing leading article in *The Accountant* concluded:

It seems to us that this lack of continuity in the standard exacted from candidates is a greater blemish in connection with the examinations than the fact that the standard in some subjects is normally higher than that in others which might be regarded as even more important. Both, however, are faults which should, as far as possible, be amended [30 April 1898, p. 438].

‘Disinterested’ supported such a stance by questioning whether the “extraordinary differences in the results” (as revealed in Table 1) were due to the candidates or, “more likely”, to the examiners [*The Accountant*, 19 January 1895, p. 56]. “One cannot but think that the difference is due to the mode adopted by different examiners in awarding marks. If so, this should surely be remedied” [ibid.]. We acknowledge that in both the setting and marking of the examinations, there was no certainty that the Institute was able to maintain consistency over time, particularly in relation to the ‘preliminary’, in which the ICAEW would have been reliant on non-accountants to undertake the examinations.

The corollary of this variation in standards, if it existed, was that the Institute was unable to guarantee the fitness of its members (in terms of their complete knowledge of the syllabus) to serve in the market place. The leader column of *The Accountant* addressed this point in 1895. It noted that there was “room for improvement” in the effectiveness of the examinations, and “deplored” the fact that “no doubt capable men still occasionally fail, and – worse still – incapable men not infrequently get through” [27 April 1895, p. 375]. This situation was seen to be “inevitable so long as the written papers of candidates continue to be the only criteria by which the examiners can judge”, though there was little opposition to the abolition of the *viva*

voce examination [ibid.]. Nevertheless, the ICAEW was clearly sufficiently concerned about the administration of its examinations in the late-1890s to undertake a review of existing arrangements. 'Scrutator' neatly captured the difficulties it faced:

Where the examiners are frequently changed there is sure to be great variation in the standard of questions set; and I have known cases where I considered the Intermediate questions set were more difficult than those set at subsequent Final Examinations. But the remedy is a difficult one to find, as, supposing an examiner were appointed for a considerable period, his questions would very probably run in the same groove [*The Accountant*, 29 December 1900, p. 1192].

In July 1899, the Council of the ICAEW approved the recommendations of the Examinations Committee, which carried out the review. It established that the examiners for the professional examinations should be "continued in their office for a period not exceeding three years" and that "the same examiner be not necessarily appointed in a given subject for both the Intermediate and Final Examinations" [ICAEW, MS28426/7, n.p.]. The former measure would, it is assumed, have ensured greater consistency than previously, when members of the Examination Committee served as examiners assisted by qualified persons who held such office for one year, though were eligible for re-appointment [Bye-Law 68, ICAEW, 1891, p. 55]. The latter clause would address Scrutator's concern over questions running "in the same groove", but offered the potential to conflict with the consistency objective.

Much of the above discussion clearly relates to perception rather than fact. The reality may be that the standard of the ICAEW's examinations was appropriate and that there was consistency in the application of that standard over time. However, in striving to construct the chartered accountants' image as the embodiment of a collective of well-trained, suitably qualified, competent practitioners specializing in the delivery of core accounting services, such perceptions could have proved damaging, particularly when penned by the lead writer in *The Accountant*.

Entry without Examination: Admission to the ICAEW without examination, on the basis of prior affiliations (the founders of the ICAEW) or previous experience had been provided for in "grandfather clauses" in the Royal Charter [ICAEW, 1882, pp.

11-12]. Indeed, in the 20 years to 1900, over one-half (1,843, or 52.6%) of the 3,501 individuals admitted to the ICAEW had not passed an ICAEW examination [Table 2].¹² Of this number, 600 (32.5%) were admitted on account of being members of one of the predecessor bodies (598) or signatories to the Royal Charter petition (2), while a further 1,129 (61.3%) joined under the original transitional arrangements based on three (or five for fellow-

TABLE 2
Examination v Without-Examination Entry
to the ICAEW, 1880-1900

Year	Admissions having passed Final Examination		Admissions without Examination*		Total admissions*
	No.	% of all admissions	No.	% of all admissions	
1880	0	0.0	949	100.0	949
1881	0	0.0	242	100.0	242
1882	15	17.0	73	83.0	88
1883	35	31.8	75	68.2	110
1884	42	53.2	37	46.8	79
1885	48	56.5	37	43.5	85
1886	80	66.7	40	33.3	120
1887	132	73.7	47	26.3	179
1888	64	71.1	26	28.9	90
1889	57	69.5	25	30.5	82
1890	65	70.7	27	29.3	92
1891	63	69.2	28	30.8	91
1892	102	83.6	20	16.4	122
1893	105	70.9	43	29.1	148
1894	116	75.3	38	24.7	154
1895	104	81.9	23	18.1	127
1896	111	79.9	28	20.1	139
1897	117	76.5	36	23.5	153
1898	129	80.1	32	19.9	161
1899	156	94.0	10	6.0	166
1900	117	94.4	7	5.6	124
Total	1658	47.4	1843	52.6	3501

* Statistics include the 600 members who were admitted to the ICAEW as founders, either on account of them being members of one of the five predecessor bodies (598) or signatories to the petition for the Royal Charter (Guthrie and Wade).

Sources: BPP, 1930, Appendix C, p. 23; Boys, 2004.

¹²In the narrower period from 1882 (when the ICAEW began to hold qualifying examinations) to 1900, 71.8% of all admissions were by examination. Entry without examination had been virtually eliminated by 1900, with just fifteen members admitted in this manner between 1901 and 1920.

ship) years practicing experience or five years service to a public accountant [BPP, 1930, Appendix C, p. 23; Boys, 2004]. Having set such rules to allow existing practitioners into the ICAEW fold, the Institute backtracked on its examination closure strategy in 1893 by introducing a new non-examination route. This required evidence of ten years' experience and the approval of three-quarters of Council members and accounts for the remaining 6.2% of non-examined entrants in the period to 1900 [Bye-Law 35, ICAEW, MS28410/1, p. 153; BPP, 1930, Appendix C, p. 23]. What motivated such a change of policy which not only threatened to undermine the status of the Institute, but also created tension between those sitting three levels of examinations over five years and those admitted on the grounds of experience alone?

In the absence of any general official explanations as to its Bye-Law 35 admissions policy, our analysis suggests that the ICAEW, in following the Glasgow and Aberdeen bodies (who introduced a ten-year rule in 1890), clearly wished to add practitioners of some standing to its number [Shackleton, 1995, p. 33]. Forty-nine (or 42.2%) of the 116 members so admitted in the period to 1900 were already members of the Society of Accountants and Auditors (SAA) [The Society of Accountants, various years].¹³ Indeed, 13 had joined the Society in its year of formation (1885), three of whom were founder Council members (Sissons, Senior and Terry).¹⁴ The non-SAA cohort included some accountants whose firms were known to hold listed company audits at the time [*Burdett's Official Intelligence*; ICAEW, *List of Members*]. The possession of sizeable audit clients was clearly valued by the ICAEW, as evidenced by the Council minute justifying the admission of W. Grisewood in 1899: "the applicant has been in practice for eighteen years, has several

¹³The ICAEW Council Minute Books include 116 members admitted between 1893 and 1900 via this route, yet those disclosed by the ICAEW to the 'Goschen Committee' [BPP, 1930, p. 23] number 114. The unexplained divergence occurs in 1896 when the former source records 18 admissions, with the latter counting just 16.

¹⁴This finding serves to challenge Garrett's conclusion that whilst "some" Society members joined the ICAEW, the "leading incorporated accountants, declined and stood by the Society" [1961, p. 7]. Thirty-five of the 49 SAA members who later joined the ICAEW had been members of the Society for at least five years prior to joining the chartered body. The relationship between the ICAEW and the Society (which grew four times as quickly as the ICAEW in the 1888-1902 period) is beyond the scope of this paper [Garrett, 1961; ICAEW, *List of Members*].

large audits and is highly spoken of and recommended by the Liverpool members of the Committee and that prior to his commencing practice he had five years experience in the accountancy department of the Mersey Docks and Harbour Board" [ICAEW, MS28411/4, p. 320].¹⁵ A further indicator of standing among this group is that, unusually for the time, some were principals in practices operating from more than one location [Matthews et al., 1998].

Having constructed a definition that required the "well qualified" chartered accountant to serve a lengthy period of articles and pass a series of rigorous examinations, the issue of members being admitted to the Institute without taking examinations proved to be highly divisive.¹⁶ Numerous commentators in *The Accountant* associated entry without examination to the lowering the Institute's status in the eyes of the public [5 December 1891, p. 852; 3 September 1892, pp. 665-666; 10 September 1892, p. 681; 29 April 1899, p. 469]. The leader column noted, for example, that "Doubtless some members have been enrolled under the Charter who will never add to the prestige or increase the reputation of the profession" [*The Accountant*, 28 April 1883, p. 3]. This was seen as "inevitable" given that "persons should be admitted as members, not because they could satisfy the Council as to their standing and qualifications, but by reason of their being members of some previously existing society, or having been a certain number of years in practice" [ibid.].

'Examined' highlighted the damage that could be caused to the Institute's reputation by reproducing a shoddy set of accounts prepared by a member recently admitted under Bye-Law 35:

¹⁵ Aside from Grisewood, there are just two further cases where explanations for admission are provided in the Council Minute Books. These relate to Robert Clover and A.G. Sayers, both admitted in 1900. The former was admitted on the basis of having been "in service and practice since 1876"; the latter, on the grounds that he had "passed in the two book keeping and the auditing papers of the Final Examination" [ICAEW, MS28411/4, p. 333].

¹⁶ This was particularly the case in the 1890s. Members probably felt that by then sufficient time had elapsed since the Charter for candidates desirous of joining the Institute to have been admitted. Moreover, the onset of attempts to achieve state recognition in this decade (some of which would have allowed other accountants to join the ICAEW on an equal footing without serving articles or passing rigorous examinations) would also appear important. It is also possible that awareness of the issue increased as a result of the introduction of the ten-year rule. In the five years prior to 1893, annual admissions without examination were marginally in excess of 25; in the five years from 1893, they were over 33. More than half (52.5%) of all non-examined admissions in the period 1893-1900 entered through the ten-year rule.

If this is a sample of the work of persons admitted in this manner, surely it will be detrimental to the reputation and high standing attained by the Institute, apart from the question of fairness to articled clerks and their examinations? Ought there not to be at least one test of a man's qualifications before admitting him? Could not the leaders of our profession take the matter up and remedy a growing evil without further delay? [*The Accountant*, 29 April 1899, p. 469].

Similar discontent was evident at the ICAEW's 18th AGM, when a motion to require Bye-Law 35 entrants to pass an examination and to restrict the number of such admissions to three per annum was tabled [ICAEW, MS28410/1, p. 216]. Although this motion was defeated, the fact that Sayers (see footnote 15) was required to pass three core Final Examination papers in 1900 indicates that the Council clearly felt the issue was of concern and that it needed to test the competence of such applicants. This process was formalized when Bye-Law 35 was repealed in 1904 and replaced by Bye-Law 35A, which required persons with ten years continuous experience as a public accountant to pass the Final Examination. This Bye-Law, in turn, was soon revoked, with just 14 members admitted under it in the years 1905, 1906 and 1907 [BPP, 1930, Appendix C, p. 23].

Criticism of members admitted without examination was not, however, confined to Bye-Law 35 entrants. One contemporary, 'Fex', spoke of "the incompetents taken in in 1880", while Charles Eves (admitted to the ICAEW in 1887) referred to the "great number of very undesirable members who were necessarily admitted" through the transitional experience-based "grandfather clauses" [*The Accountant*, 19 December 1896, p. 1047; 23 January 1897, p. 101]. W.B. Peat, the Institute's 18th President (1906-08), was equally candid in his assessment of some of the early entrants [Howitt, 1966, p. 257]. He referred to "a batch of [96] nondescripts" who were elected on one day [22nd September 1880]. Of this number, "22 . . . were struck-off for improper conduct; mercifully 38 of them died . . . and a dozen or so resigned" [*The Accountant*, 8 May 1909, p. 658]. Support for these and numerous other contemporary comments that, when faced with the "inevitable dilemma" of where to draw the line of exclusion [Macdonald, 1995, p. 192], the Institute initially cast its net too widely, can be found by examining the ICAEW's disciplinary records. Whereas 254 (or 12.1%), of the 2,098 members admitted to the Institute in the period 1883 to 1899 (inclusive) were

either suspended or excluded during their careers, for those admitted prior to 1883, the disciplinary rate was almost 50% higher [ICAEW, MS28411/1-4; MS28465/1].¹⁷

Further evidence of concern that entry without examination lowered the status of the profession is provided by the practice of some chartered accountants who “advertised themselves as such ‘by examination’” [*The Accountant*, 29 October 1892, p. 813]. Although described as “not very dignified” by a correspondent ‘J.B.’, this practice, however widespread, would appear to illustrate worries over the devaluation in the “chartered accountant” brand [*The Accountant*, 29 October 1892, p. 813]. Such sentiments were clearly shared by the influential leader column of *The Accountant*, which spoke of improvements being “effected in the membership by the dying-out of *older and less qualified members*, and by the admission of *new and thoroughly qualified members*” [18 March 1893, pp. 237-238, *emphasis added*].

Tensions Arising as a Result of the Institution of Articled Service: The accepted rationale for articled service was that it afforded clerks a practical opportunity to learn the profession of public accountancy. From the public, or user perspective, articled service allied to rigorous examinations ensured that practitioners were “well qualified”, both academically and practically, to satisfy the needs of the market place. The correspondence section of *The Accountant* indicates that for a number of clerks, the wording of the Institute’s model articles was nothing more than a sham. Whilst the model articles stated that the principal would, among other things, “enable you to acquire the art, science, and knowledge of a Professional Accountant”, the experiences of a number of clerks appear to have been somewhat different [*The Accountant*, 9 March 1895, pp. 224-225; 30 November 1895, p. 976; 12 February 1898, p. 179].

For ‘Justice’, “there are still many who merely take in articled clerks to save the expense of having to pay wages to others, and not only that, articled clerks have to pay a big premium for the privilege of being taken in (in both senses)” [*The Accountant*, 22 January 1898, p. 99]. To remedy this “scandalous” situation, Justice argued that the Council of the Institute

¹⁷ Two hundred and thirty (or 18%) of the 1,280 members admitted in 1880, 1881 and 1882 were disciplined during their careers [ICAEW, MS28411/1-4; MS28465/1].

"should lay down in a general way what rights an articulated clerk is to have . . . so that if he does not get them, he has a right of action under his articles and the bye-laws against his principal for breach of contract" [ibid.]. Quasi-official recognition of the problem is provided by an editorial in *The Accountant*, which acknowledged that "[t]he duty of a principal to his articulated clerk relative to teaching is somewhat hazy" [16 March 1895, p. 245]. However, along with a number of other writers [see, for example, *The Accountant*, 16 March 1895, p. 248; 7 December 1895, p. 983; 14 May 1898 p. 491] it stressed that "an agreement to teach a clerk his business does not imply an undertaking to make him fit to pass the Institute examinations, nor does it imply that the clerk is entitled to be taught the theoretical side of his work by the principal" [16 March 1895, p. 245].

'Justitia' [*The Accountant*, 12 February 1898, pp. 178-179] eloquently and forcibly expressed the full range of concerns of articulated clerks:

Never by any chance shall I see in this office any bankruptcy or liquidation work and procedure, although there is plenty going on. All that I do know has to be picked up haphazard. The principals will do nothing and the clerks, of course, are either too busy to attend or will remind you that your premium was not paid to them. I . . . only ask if it is right and proper that these things should be. If you apprentice your son to a watchmaker you would expect him to be turned out, at the close of the apprenticeship, a competent workman (I assume he has average capacity). But surely the same principle applies in the articulated clerk's case? I think, under the present conditions, it is nothing short of barefaced swindling to take premiums from articulated clerks under the pretence of teaching them their profession.

The corollary of the above was that, provided the articulated clerk passed the Final Examinations and his principal agreed that he would be a fit member of the Institute, he would be able to hold himself out to the public as a "well qualified" chartered accountant, even though the nature of his vocational training meant that he had little or no experience in important areas of the discipline. An indication that the above reflected concerns that needed to be addressed would appear to be demonstrated by the growth of both student societies and private tuition/coaching, though of course this is impossible to prove, as the best students may have used such provision either to reinforce

or to further their knowledge.¹⁸ Indeed, both were recommended by T. Savage Smith as mechanisms to assist students whose principals specialized in just one area of accountancy [*The Accountant*, 3 March 1894, p. 203].

PROMOTING THE 'WELL QUALIFIED' CHARTERED ACCOUNTANT

In the previous two sections of the paper we have outlined the comprehensive education and training program designed to ensure that chartered accountants were “well qualified” to offer core accounting services in the market place. Having so equipped the chartered accountant, one of the ongoing difficulties faced by the ICAEW, as had been the case with its predecessors, was that of differentiating its own membership from other “accountants” in the professional, commercial and public domains.¹⁹ In 1884, for example, a leading article in *The Accountant* headed “Accountants’ and Accountants”, offered the following comparison:

The effrontery with which gentlemen, at a loss to know what business title to assume, take that of accountant, is on a par with that of those ladies of easy virtue, who when found brawling in the Haymarket in the small hours of the morning, and subsequently having an interview with the magistrate at Marlborough Street, in response to the latter’s query as to their profession, or occupation, invariably reply ‘Please, your worship I am an actress’ [29 March 1884, p. 6].²⁰

¹⁸By October 1883, following the lead of their counterparts in Birmingham, students’ societies had sprung up in Manchester, Liverpool, Newcastle, London, Sheffield, and Bristol [*The Accountant*, 20 October 1883, p. 12]. Their utility appears to have been considerable from the outset [see, for example, disclosure of prizes won by members in *The Accountant*, 6 January 1883, p. 4, 18 April 1891, p. 290]. Webster Jenkinson described the employment of a coach as “almost essential to the man who wants to get ‘placed’” [ibid., 28 April 1900, p. 398]. Formalized tuition began in 1884 when H. Foulks Lynch, “a solicitor of twenty years experience in the preparation of pupils for law examinations”, founded his correspondence college [Foulks Lynch & Co, 1955, pp. 9, 11].

¹⁹As early as 17 July 1880, the leader column of *The Accountant* castigated Richard Seyd, compiler of statistics on failures, for neglecting in his treatment of “accountants” in financial trouble to differentiate between “accountants properly so called, and the numerous persons who assume the title without either justification or anything like professional qualification” [p. 4]. Heeding this call, from 1881, the compiler disclosed separately, failing “members of any institute of accountants” [ibid., 9 July 1881 p. 12].

²⁰For cases of “accountants” in trouble where *The Accountant* is at pains to point out that they are not “chartered accountants”, see, for example, 15 March

Eight years later, *The Accountant* lamented that, "[h]ardly a week goes by without some so-called 'accountant' being brought before the magistrates to answer for some, more or less, disgraceful piece of misconduct; and, in consequence, an honourable profession runs the risk of being considered decidedly 'mixed' as regards the status of its members" [13 August 1892, p. 626].²¹

The magnitude of the ICAEW's task in branding itself was further demonstrated in 1896 with the publication of criminal statistics which showed that after journalists, accountancy was the profession with which the criminal was "most anxious to claim connection" [quoted in *The Accountant*, 6 June 1896, p. 462].

In this section, we consider the implementation of a credentialism strategy by the ICAEW, which, as discussed earlier, is seen by Freidson to be a "necessary device" to provide the consumer with the information to choose a specialist "in a world where there are many kinds" [1994, p. 159]. We demonstrate how the ICAEW used the "chartered accountant" credential to enhance its status and to provide "a ready means of distinguishing between real professional accountants, and outsiders, who are so in name only" [*The Accountant*, 16 October 1880, pp. 4-5]. The ICAEW's Charter application had argued that differentiation, through incorporation, would result in "public recognition of the importance of the profession and would tend gradually to raise its character" [ICAEW, 1882, p. 5]. However, as time passed "the technical omission from the Charter of 1880" to protect ICAEW members from those falsely describing themselves as "chartered accountants" or employing letters to convey such an impression, became a more pressing issue [*The Accountant*, 2 March 1895, p. 195].²² The 1890s, there-

1881, 29 March 1884, 5 July 1884, 13 March 1886, 19 May 1888, 5 July 1890, 30 June 1894, 19 October 1895, 21 December 1895, 25 April 1896, 6 June 1896, 6 March 1897, 8 May 1897, 2 December 1899.

²¹ The same weekly note was also highly critical of the Police in accepting the statements of prisoners as to their occupation, as it was "likely to prejudice our profession in the eyes of the undiscerning public" [*The Accountant*, 13 August 1892, p. 626].

²² The Manchester Institute had foreseen potential problems arising from the exclusion of such penalties for misuse in January 1880 [Manchester Institute of Accountants, Minute Book, p. 302]. The Institute of Accountants responded to their concerns by stating that a penal clause could not be incorporated into the Charter, but that the prevention of the fraudulent use of the letters could be addressed by the new Council through a Bill [Institute of Accountants, MS28408/3, p. 446; Manchester Institute of Accountants, Minute Book, p. 303].

fore, were marked by a series of attempts to obtain legislation to protect the title of chartered accountants and their spheres of work.

One of the initial difficulties faced by the Council of the ICAEW was the task of persuading its members to describe themselves as “chartered accountants”, so as to be distinguishable from other “accountants” or “public accountants”, and to use the correct designatory letters. In 1884, for example, having heard that “some members were using the [Scots] initials ‘C.A.’” [ICAEW, MS28411/1, p. 365], Council sought legal advice to establish their powers “to induce members to confine themselves to the use of the initials prescribed by the Charter” [ICAEW, MS28459/1, p. 55]. Having recently made arrangements to issue “a circular letter to their members requesting them only to use the Initial letters referred to in Clause 17 of the Charter” (ICAEW, MS28459/1, p. 191), the solicitors’ opinion was that it would be “premature” to consider further action, which would “require very grave consideration” [ICAEW, MS28459/1, p. 55]. It would appear that the circular was less than completely successful as *The Accountant* of 31 July 1886 provided an angry riposte to a member who described himself as “F.I.C.A.” [p. 449]. After castigating the member concerned, it stated that “The letters ‘A.C.A.’ and ‘F.C.A.’ will, let us hope, some day count for a little in the eyes of the commercial community; such variations as that mentioned will tend to bring them into contempt” [ibid.; 9 May 1885, p. 4].

The ICAEW faced similar difficulties in ensuring that all of its members described themselves as “chartered accountants”. Some four and a half years following its formation, the Council discussed three letters “as to the use of the term of Chartered Accountant” [ICAEW, MS28411/1, p. 385]. The outcome was that the Secretary “was directed to inform the writers that there was no objection to the use of the term ‘Chartered Accountant’ by Associates” [ibid.]. Three years later, a weekly note in *The Accountant* bemoaned the fact that even some eminent chartered accountants persisted in describing themselves as “public accountants”, thereby failing to promote the “chartered accountant” credential:

The term ‘public accountant’ or ‘accountant’ is now generally used by people who were either not suitable for admission to the Institute seven years ago, or who are not competent to pass the tests prescribed as one of the tests of membership. It is to be greatly regretted that some firms of chartered accountants, who ought to

be the last to require the obvious moral of these facts to be pointed out to them, persist in making themselves look odd and singular by signing 'public accountants,' and exhibiting a marked distaste to acknowledge that they belong to the Institute. The Great Eastern Railway accounts are signed by 'public accountants,' and so are many other similar accounts which come before a large circle of business and professional men, though the term 'chartered accountant' is really the legal description of the signatories. What seems the least understandable point about such oddity is that, if members of the Institute generally, and the Council in particular, mean what they say, they desire the general public, the Courts, and the Legislature to exercise a discrimination between chartered accountants and people who usually describe themselves signing 'public accountants,' which some of the most notable of themselves positively refuse to do [17 September 1887, pp. 523-524].

The following year, Council implored members to describe themselves as "chartered accountants":

That with a view to educating public opinion in favour of Chartered Accountants, it is very desirable that wherever possible members of the Institute being appointed Auditors to Limited Liability Companies should describe themselves in the prospectuses of such companies as 'Chartered Accountants' [ICAEW, MS28411/2, pp. 287-288, emphasis added].

That a circular be issued to the members of the Institute strongly urging upon them *for the sake of uniformity* that in describing themselves as 'Chartered Accountants' upon their letter paper and door plates they should not add to that description any branches of the business of accountants included in that term such as auditors or arbitrators [ibid., p. 328, *emphasis added*].

The case of Mr. A.C.W. Rogers, who enquired whether he could add the words "Income Tax Adjustment Agency" to his sign in 1894, serves to illustrate how this stance was maintained. The Report of the General Purposes Committee, to whom the issue was referred, was unequivocal in stating that "the Council disapprove generally of additions to the term 'Chartered Accountant' and especially to the employment of the word 'Agency'" [ICAEW, MS28426/6, pp. 7-8; see also ICAEW, MS28411/4, p. 102, 113].

The ICAEW's leadership also faced a continual battle to uphold the integrity of their brand from an army of imitators. The

problem was that this possibility had not been anticipated and dealt with in the Charter, as revealed by Counsel John Rigby and F. Whinney, appointed to look into the matter in 1890:

We are of opinion that the members of the Institute of Chartered Accountants in England and Wales are not invested under their Charter with any exclusive legal right to style themselves Chartered Accountants or to carry on business under that style so as to entitle the Institute and its members to a legal remedy which would enable them to restrain other persons in England and Wales from assuming a similar designation even if assumed dishonestly or fraudulently.

. . . the Institute will be without a remedy against the dishonest assumption of the style of Chartered Accountant by persons not entitled to it unless special legislation can be obtained confirming the right to use the name to members of bodies incorporated by Charter and making it illegal for other persons to use the name [ICAEW, MS28459/1, pp. 113-114].

The Institute implemented a number of piecemeal measures to protect the standing of members. In May 1886, for example, they instructed solicitors “to take such steps by obtaining an injunction or otherwise as may appear desirable” against Mr. H.S. Merrett, someone who had described himself as a “Chartered Accountant” [ICAEW, MS28459/1, p. 69].²³ Four years later, in similar circumstances, Council decided to write to persons falsely describing themselves for an explanation. They were informed “that if they do not undertake to abstain from describing themselves as Chartered Accountants an advertisement will be put in the local papers stating the fact that they are not members of this Institute” [ICAEW, MS28459/1, p. 121]. In 1896, Council successfully obtained an injunction against John Stewart Morton (who had failed the Final Examination 13 times), preventing him from describing himself as “a chartered accountant” [ICAEW, MS28410/1, p. 187; *The Accountant*, 17 October 1896, p. 833]. Similarly, on 1st June 1898, it was reported that “an injunction had been obtained against Mr. T. Laing, who represented himself as a Chartered Accountant” [ICAEW, MS28411/4, p. 239]. Under a heading “Usurpation of the Title ‘Chartered Accountant’”, *The Accountant* congratulated

²³ Whilst Merrett was subsequently found to be a Scottish Chartered Accountant entitled to describe himself as such, the case nevertheless highlights the resolve of Council.

Council on the injunction and urged "that if some means could be devised of publishing the facts of the case more widely they might have a wholesome deterrent with regard to others" [18 June 1898, p. 623]. In May 1899, Council reported to the annual meeting that, "injunctions have been granted against two persons improperly representing themselves as Chartered Accountants, in both cases with costs" [ICAEW, MS28410/1, p. 221].

In 1891, the ICAEW (through Lord Herschell) introduced a bill to the House of Lords proposing to make it a penal offence for unauthorized persons to use either the description "chartered accountant" or the associated designatory letters [ICAEW, MS28410/1, pp. 137-148]. Passed by the Lords, the bill failed to get through the Commons in successive years [*ibid.*, p. 139; *The Accountant*, 28 July 1894, p. 670]. Thereafter, the Council promoted a series of bills, either on its own or in conjunction with other societies, designed to create a register of public accountants and, generally, also to restrict to chartered accountants the right to perform the work of a public accountant [Macdonald, 1985]. The first of these attempts, in 1893, for example, stated that it would be unlawful for any person not on the register, "[t]o take or use any name, title, description, or addition by letters or otherwise stating or implying that he is a Chartered Accountant, or that he is in practice as a Public Accountant or Public Auditor" [Section 19a, Chartered Accountants' Bill, quoted in *The Accountant*, 18 March 1893, p. 244]. Further, and in the manner described earlier by Webb and Webb [1917] and Roslender [1992], it also sought to restrict to practitioners with the appropriate credential to "the office of Auditor of any Public Company, Receiver in Chancery, or of an expert appointed by any Court to report on Accounts, or of Liquidator of a Company, or of Trustee of any Estate to be administered under Bankruptcy Law" [Section 19b, Chartered Accountants' Bill, quoted in *The Accountant*, 18 March 1893, p. 244].²⁴

Frederick Whinney explained the public interest rationale for the bill in the following terms:

They [the Council] wanted all practitioners who followed the calling of a public accountant to be Char-

²⁴ Persons contravening section 19 were liable to be fined up to £20, with a further fine payable "not exceeding one pound for every day on which the offence is repeated after conviction" [Chartered Accountants' Bill, quoted in *The Accountant*, 18 March 1893, p. 244]. Section 20 dealt with non-Chartered Institutes, Societies or other bodies of accountants who adopted the chartered designation or letters implying chartered status, with fines of up to £50 provided for.

tered Accountants – men who had given some guarantee to the world that they were able to exercise the duties of their calling, and men who at the same time would be subject to the control and under the jurisdiction of the Council of the Institute, who could expel them if they did anything whatever which was discreditable to a public accountant [*The Accountant*, 27 May 1893, p. 503].

This initiative, and a number of others, foundered on “the dilemma of exclusiveness versus market control” [Macdonald and Ritzer, 1988, p. 257]²⁵ with, in the end, the ICAEW unwilling to include the memberships of all existing accounting bodies.

In addition to the above somewhat negative measures, the Council of the ICAEW took steps designed to raise awareness of the significance of the “chartered accountant” credential within the commercial and professional community. Early meetings of the Council incorporated discussion of the institutional means to achieve greater recognition given that in the endeavor to portray an image of professionalism, members were not permitted to advertise their services. From the outset, the Institute was eager to publish their list of members [ICAEW, MS28411/1, p. 120]. Thereafter, this annual publication was increasingly used as a device to promote the ICAEW and its members among influential circles. At their meeting of 5 December 1883, Council resolved to print 1,500 copies of the 1884 list to be circulated free of charge to members (who numbered 1,316 at the end of 1883) and to be “sent to the judges and others” [ibid., p. 280].

The contents of an undated circular (issued around June 1892) indicate that, in the years that followed, the Council was increasingly proactive in bringing the chartered accountant before a much broader constituency of influential persons [ICAEW, MS28432/2, n.p.]. In excess of 500 copies of the list

²⁵ This dilemma was described by Whinney in the following terms: “It was an axiom that when they sought to make a profession a restricted one – that was to say, a profession which could only be exercised by those who were duly qualified, they must, in order to get the consent of the Legislature, take in all those persons who, at the time the Bill was passed, or within a very short time previously, were practising that calling. . . . If they went in for restrictive legislation confined to the members of the Institute they could not possibly get a bill passed. If they wanted restrictive legislation they must take in all those who had anything like a reasonable title to be considered within the purview of the Bill. . . . The President of the Board of Trade said ‘I cannot give you a monopoly,’ and thereupon they had to modify their Bill, and they did modify it so as to make it a pure Registration Bill – one which would protect their title” [*The Accountant*, 27 May 1893, p. 503].

were distributed to accounting societies, government offices (such as the Inland Revenue, Board of Trade, Treasury, Home Office, Foreign Office and Admiralty), Judges, the Bankruptcy Court, 50 Official Receivers, over 70 banks (including the Bank of England), clubs, hotels, the provincial societies of the Incorporated Law Society, 64 chambers of commerce, 50 national and regional newspapers, 36 town clerks, a range of literary and other societies (including the Institute of Bankers, Institute of Actuaries, Institution of Civil Engineers, Incorporated Law Society), the libraries of the Houses of Commons and Lords, and a miscellaneous category (incorporating the Secretary of the Stock Exchange, the Registrar of Friendly Societies and Kelly & Co., publishers of trade directories).²⁶

Another important component of the ICAEW's promotional strategy was mounted through the columns of the weekly journal *The Accountant*. Initially the Institute agreed to place a whole page advertisement in the journal at a cost of ten pounds per month [ICAEW, MS28411/1, p. 3]. Thereafter, the Council supplied more and more information about its activities and also arranged with its publisher, Gee & Co., for both copies of, and extracts from, the journal to be distributed to provincial newspapers [see, for example, ICAEW, MS28411/1, pp. 29, 116, 252, 360; MS28411/2, p. 344]. Indeed, from 3 January 1891, *The Accountant* restyled itself as "The organ of *Chartered Accountants* Throughout The World", having previously been "A medium of communication for *accountants* in all parts of the United Kingdom" [*emphasis added*].

Council also ensured that the Institute's membership was placed in a series of directories used by the commercial and professional community.²⁷ For example, within six months of formation, the Council resolved to place copies of the Charter and a list of members in the *Accountants Diary & Directory* for 1881, at a cost of £50 [ICAEW, MS28411/1, p. 40]. They arranged to insert the same promotional material in both the *Law*

²⁶Leading officials from many of these organizations were invited to the ICAEW's regular dinners, as part of the chartered body's wider promotional strategy. The dinner held to celebrate Queen Victoria's Diamond Jubilee, for example, was attended by a host of government officials, politicians, members of the judiciary, businessmen, bankers, leaders of other professional bodies, the nobility and clergy [*The Accountant*, 24 July 1897, pp. 724-734].

²⁷A Report of the General Purposes Committee indicated a wider audience for such a strategy. It was "of opinion that it is desirable to take opportunities when they arise of letting the general public know more of the facts relating to the Institute" [ICAEW, MS28426/4, p. 40].

List [for 1894, ICAEW, MS28411/3, p. 293] and the *Lawyers Companion and Diary* [for 1901, ICAEW, MS28411/4, p. 381] at annual costs of £50 and £40 respectively. The Institute's leaders were also eager to promote the body and its membership in more general trade directories. In August 1889, for example, Council arranged with Kelly & Co to place the names of ICAEW members in a separate list in their London and country directories, subject to the members describing themselves in the commercial portions of the directories as "chartered accountants" [ICAEW, MS28411/3, p. 18]. John Corderoy ACA had spoken of the need to promote the "chartered" credential in this manner some four years earlier, imploring Council, "[t]o arrange with the publishers of the various directories to print a separate heading for 'chartered accountants,' and not include them in a long list of accountants, comprising an increasing number only such in name" [*The Accountant*, 28 March 1885, p. 7].

CONCLUDING COMMENTS

Prior studies of the early years of the professional project in accountancy in England and Wales have concentrated on the *external* implications of the ICAEW's policies, particularly the resultant proliferation of accounting bodies and the internecine warfare associated with the highly-charged registration issue that soon came to the fore. The existence of entry hurdles to the ICAEW, that were significant in achieving exclusionary closure, has been accepted but left unexamined. A key part of the ICAEW's professional project involved differentiating its members from outsiders on the grounds of their levels of general education, and their ability not only to pass rigorous technical examinations, but to fund a prolonged period of vocational training. Part of this process of "producing the producers" restricted entry to the ICAEW to the affluent and the well-educated and as a result, contributed to the formation of the SAA. We examine the need to establish credentials to distinguish chartered- from non-chartered accountants in the market place, and in further contrast to prior studies, reveal the *internal* tensions produced by these endeavors to achieve exclusionary closure.

The ICAEW's system of training had "the great advantage for an infant profession of being highly visible to the audience who mattered most, that is the business community who purchased the profession's services" [Macdonald, 1995, p. 196]. The combination of supervised personal training and compulsory ex-

amination was also already recognized in society, being the chosen method of preparation for entry to the Scottish accounting bodies and the legal profession, whose status the ICAEW sought to equal. Moreover, by rapidly instituting a comprehensive system of examinations, the ICAEW placed itself ahead of certain occupational groupings (in particular, engineers and architects) which had organized somewhat earlier, and also contrasted itself markedly with the activities of its predecessor bodies.

The definition of the "well qualified" chartered accountant did, however, attract criticism and create a series of conflicts within the newly formed ICAEW. Whilst the Institute's governing body repelled calls to modify its mode of vocational preparation for the profession and reduce the law content of its examinations, it did take action to rectify variations in examination standards that threatened to undermine the quality of the "chartered accountant" designation. Paradoxically in terms of its closure strategy, having established a three-tiered system of rigorous examinations, which at the final level failed an average of almost 35% of candidates despite them having overcome the 'basis of culture' preliminary and technical intermediate hurdles, the Council created a new non-examination entry route in 1893. Despite criticism of its policy and the attendant risks of damage to its image, it appears that the governing body of the Institute was clearly willing to adapt its rules, almost on an *ad hoc* basis; to facilitate the admission of certain practitioners denied entry by the initial framing of the "well qualified" chartered accountant.

The importance of the incorporation of the ICAEW by Royal Charter and the creation of the "well qualified" chartered accountant, however contentious, was well recognized by contemporary commentators. *The Accountant*, for example, argued that the Charter would "secure public confidence", by enabling "the public and the press certain means of distinguishing between competent and reputable accountants, and those outsiders who figure in the newspaper reports 'described as accountants'" [26 April 1879, p. 4, 3 April 1880, p. 3]. Similarly, for Frederick Whinney, the creation of the "chartered accountant" and the "distinct marks attached to his name", would enable a "broad distinction [to] . . . be drawn between the *real members of the profession*, and those untrained and incompetent persons who now so frequently announce themselves as accountants" [*The Accountant*, 1 May 1880, pp. 5-6, *emphasis added*]. However, as we have demonstrated, the importance of the "chartered accountant" credential appears, initially, not to have been fully

appreciated by all the members, with the ICAEW Council struggling to persuade even some of the leading names to adopt it. For the nascent Institute attempting to convince the business and professional communities that only those who had surmounted its rigorous education and training hurdles were worthy to undertake the work of the public accountant, this was particularly problematic. With established accountants continuing to generate substantial fees based on their reputation and track record, and not on the back of the “chartered” credential, as the numbers of training firms and accountants increased, so the ICAEW faced a growing imperative to establish the brand image of the “chartered accountant.” This required members to shift from an individual or firm-based identity to a collective or association-driven identity.²⁸ We chronicle in the paper the ICAEW’s early attempts to meet what has proved to be an ongoing challenge. According to a recent ICAEW President:

Our activities in 1994 have focused on strengthening the value of the qualification ‘chartered accountant.’ That is not, however, a new objective . . . It is a shared interest in the value of the title that has always united all members . . . For the qualification chartered accountant to maintain its status as a premium brand it must continue to be seen as combining the higher standards of professional education and training with technical excellence . . . maintaining that brand image [ICAEW, 1995, p. 4].

Whilst registration and attempts to monopolize work through legislation failed, an indication of the progress made by a profession so vilified by sections of the judiciary and press before the ICAEW was granted its Royal Charter [Walker, 2004a] is provided by ‘E.F.H.’, a correspondent to *The Accountant*, in 1896:

Thanks to our Royal Charter, and the ability and discretion displayed by the members of the Institute ever since its incorporation . . . the mind of the public is beginning to get settled down in the opinion that the profession of an accountant (without undertaking multifarious and incongruous trading pursuits) is not only a useful one, but one of importance and absolute necessity to the commercial world generally.

²⁸ Chua and Poullaos [2002, p. 426] demonstrate the importance of the “symbolic capital” attaching to individual accountants’ names in the market for accountancy services in the Transvaal in the early 20th century.

This impression is, I would suggest, the natural outcome of the efforts of our Institute (and its predecessors), in marshalling and training members for their important duties involved in the 'calling' of a public expert in matters of account [12 December 1896, p. 1022].

To what extent it can be stated that chartered accountants became an "absolute necessity to the commercial world" is unclear. However, the fact that the burgeoning number of ICAEW members were deemed to be the most competent professional grouping to act as "a sort of attorney or registrar-general of the births, marriages, and deaths of every kind of commercial enterprise, partnership contraction, and legal dissolution" would imply that the definition of the "well qualified" chartered accountant, although contentious, was something highly valued, and through its varied promotional activities, both visible and recognizable in the market place [*The Accountant*, 11 October 1890, p. 534].

REFERENCES

- Accountancy*.
The Accountant.
The Accountants' Magazine.
 The Author (1886), *A Guide to the Accountancy Profession* (London: Gee & Co.).
 The Author (1893), *A Guide to the Accountancy Profession*, 2nd edition (London: Gee & Co.).
 Boys, P. (2004), "The Mystery of the Missing Members: The First 600 Chartered Accountants in England and Wales," *Accounting, Business & Financial History*, Vol. 14, No. 1: 29-52.
 BPP (1930), *Registration of Accountants: Report of the Departmental Committee Appointed by the Board of Trade*, Sessional Papers, Cmd. 3645, viii.
Burdett's Official Intelligence (various years), (London: Spottiswoode & Co.).
 Carnegie, G.D. and Edwards, J.R. (2001), "The Construction of the Professional Accountant: The Case of the Incorporated Institute of Accountants, Victoria (1886)," *Accounting, Organizations and Society*, Vol. 26, No. 4/5: 301-325.
 Carr-Saunders, A.M. and Wilson, P. (1933), *The Professions* (Oxford: University Press).
 Chandler, R.A., Edwards, J.R. and Anderson, M., "Disciplinary Action During the Formative Years of the Accounting Profession: A Case of Separating the Gents from the Jacks," Cardiff University working paper.
 Child, J. and Fulk, J. (1982), "Maintenance of Occupational Control: The Case of Professions," *Work and Occupations*, Vol. 9, No. 2: 155-192.
 Chua, W.F. and Poullaos, C. (1993), "Rethinking the Profession-State Dynamic: The Case of the Victorian Charter Attempt, 1885-1906," *Accounting, Organizations and Society*, Vol. 18, No. 7/8: 691-728.
 Chua, W.F. and Poullaos, C. (1998), "The Dynamics of 'Closure' Amidst the Construction of Market, Profession, Empire and Nationhood: An Historical Analysis of an Australian Accounting Association, 1886-1903," *Accounting, Organizations and Society*, Vol. 23, No. 2: 155-187.

- Chua, W.F. and Poullaos, C. (2002), "The Empire Strikes Back? An Exploration of Centre-Periphery Interaction between the ICAEW and Accounting Associations in the Self-Governing Colonies of Australia, Canada and South Africa, 1880-1907," *Accounting, Organizations and Society*, Vol. 27, No. 4/5: 409-445.
- The Economist*.
- Edwards, J.R. (1986), "Edwin Waterhouse (1841-1932), Accountant," in Jeremy, D.J. (ed.), *Dictionary of Business Biography*, Vol. V. (London: Butterworths): 674-679.
- Edwards, J.R., Anderson, M. and D. Matthews (1997), "Accountability in a Free Market Economy. The British Company Audit 1886," *Abacus*, Vol. 33, No. 1: 1-25.
- Foulks Lynch & Co. (1955) *Seventy Years of Progress in Accountancy Education*, H. Foulks Lynch & Co Ltd (London: privately published).
- Freidson, E. (1994), *Professional Reborn: Theory, Prophecy and Policy* (Cambridge: Polity Press).
- Garrett, A.A. (1961), *History of the Society of Incorporated Accountants and Auditors, 1885-1957* (Oxford: University Press).
- Giddens, A. (1973), *The Class Structure of the Advanced Societies* (London: Hutchinson).
- Hoe, A.M. (1977), *The First Hundred Years – Centenary 1877-1977* (Sheffield: Sheffield & District Society of Chartered Accountants).
- Howitt, Sir H. (1966), *The History of the Institute of Chartered Accountants in England and Wales 1880-1965, and of its Founder Accountancy Bodies 1870-1880* (London: Heinemann).
- ICAEW (1880-1900), MS28411/1-4. *Council Minute Book* (Guildhall Library, London).
- ICAEW (1880-1902), MS28426/1-8. *Reports of Committees* (Guildhall Library, London).
- ICAEW (1880-1902), MS28459/1. *Record Book of Legal Advice* (Guildhall Library, London).
- ICAEW (1880-1925), MS28465/1. *Roll of Membership* (Guildhall Library, London).
- ICAEW (1881-1902), MS28410/1. *General Meeting Minute Book* (Guildhall Library, London).
- ICAEW (1881-1904), MS28432/1-4. *Book of Circulars* (Guildhall Library, London).
- ICAEW (1882), *Charter of Incorporation and Bye-Laws* (London: Henry Good & Son).
- ICAEW (1891), *Charter of Incorporation and Bye-Laws* (London: Gee & Co.).
- ICAEW (1902), *ICAEW Examinations General Instructions to Candidates* (London).
- ICAEW (1995), *Members Handbook* (London: ICAEW).
- ICAEW (various years), *List of Members* (London: Henry Good).
- Incorporated Society of Liverpool Accountants (Liverpool Society of Chartered Accountants) (1870), *Book of Laws*.
- Institute of Accountants (in London) (1870-80), MS28404. *Minutes of General Meetings* (Guildhall Library, London).
- Institute of Accountants (in London) (1870-80), MS28408. *Letter Book* (Guildhall Library, London).
- Institute of Accountants in London (1870), MS28407. *Rules and Regulations* (Guildhall Library, London).
- Johnson, T. (1972), *Professions and Power* (London: Macmillan).

- Jones, E. (ed.) (1988), *The Memoirs of Edwin Waterhouse: A Founder of Price Waterhouse* (London: Batsford).
- Kedslie, M.J.M. (1990a), *Firm Foundations: The Development of Professional Accounting in Scotland* (Hull: Hull University Press).
- Kedslie, M.J.M. (1990b), "Mutual Self Interest – A Unifying Force; The Dominance of Societal Closure over Social Background in the Early Professional Accounting Bodies," *Accounting Historians Journal*, Vol. 17, No. 2: 1-19.
- Kirkham, L. and Loft, A. (1992), "Insiders and Outsiders: Intraoccupational Rivalry in Accountancy, 1880-1930," Paper presented at the *Accounting, Business & Financial History* Conference, Cardiff, September.
- Kitchen, J. and Parker, R.H. (1980), *Accounting Thought and Education: Six English Pioneers* (London: ICAEW).
- Larson, M. S. (1977), *The Rise of Professionalism: A Sociological Analysis* (London: University of California Press).
- Lee, T. (1991), "A Review Essay: Professional Foundations and Theories of Professional Behavior," *Accounting Historians Journal*, Vol. 18, No. 2: 193-203.
- Lee, T. (1995), "The Professionalization of Accountancy. A History of Protecting the Public Interest in a Self-Interested Way," *Accounting, Auditing & Accountability Journal*, Vol. 8, No. 4: 48-69.
- Lee, T.A. (2000), "A Social Network Analysis of the Founders of Institutionalized Public Accountancy," *Accounting Historians Journal*, Vol. 27, No. 2: 1-48.
- Macdonald, K.M. (1985), "Social Closure and Occupational Registration," *Sociology*, Vol. 19, No. 4: 541-556.
- Macdonald, K.M. (1995), *The Sociology of the Professions* (London: Sage).
- Macdonald, K.M. and Ritzer, G. (1988), "The Sociology of the Professions. Dead or Alive?" *Work & Occupations*, Vol. 15, No. 3: 251-272.
- Manchester Institute of Accountants (Manchester Society of Chartered Accountants) (1871) *Rules and Regulations of the Manchester Institute of Accountants* (Manchester: Isaac W. Petty).
- Manchester Institute of Accountants (Manchester Society of Chartered Accountants) *Minute Book, 1870-1882*.
- Matthews, D., Anderson, M. and Edwards, J.R. (1998), *The Priesthood of Industry. The Rise of the Professional Accountant in British Management* (Oxford: Oxford University Press).
- Millerson, G. (1964), *The Qualifying Associations* (London: Routledge & Kegan Paul).
- Moore and Smalley (1992), *100 Years of Moore and Smalley: A Brief History* (Preston: Moore and Smalley).
- Murphy, R. (1988), *Social Closure. The Theory of Monopolization and Exclusion* (Oxford: Clarendon Press).
- Parker, R.H. (1980a), "Those First Councillors ... A Golden Heritage," *Accountancy*, May: 134-141.
- Parker, R.H. (1980b), *British Accountants: A Biographical Sourcebook* (New York: Arno Press).
- Parkin, F. (1979), *Marxism and Class Theory: A Bourgeois Critique* (London: Tavistock Publications).
- Privy Council. (1890), In the Matter of the Petition of the Scottish Institute for Incorporation by Royal Charter, Edinburgh Central Library, Scottish Dept.
- Reader, W.J. (1966), *Professional Men: The Rise of the Professional Classes in Nineteenth-Century England* (London: Weidenfeld & Nicolson).
- Roslender, R. (1992), *Sociological Perspectives on Modern Accountancy* (London: Routledge).

- Shackleton, K. (1995), "Scottish Chartered Accountants: Internal and External Political Relationships, 1853-1916," *Accounting, Auditing & Accountability Journal*, Vol. 8, No. 2: 18-46.
- Sheffield Institute of Accountants (1877), *Rules and Regulations of the Sheffield Institute of Accountants* (Sheffield: Leader and Sons).
- The Society of Accountants and Auditors (various), *List of Members, Constitution and Bye-Laws* (London: Henry Good & Son).
- Society of Accountants in England (1875), *Rules and Regulations of the Society of Accountants in England* (London: Williams and Strahan).
- Stacey, N.A.H. (1954), *English Accountancy. A Study in Social and Economic History 1800-1954* (London: Gee and Company).
- Stewart, J.C. (1974), "Qualification for Membership a Hundred Years Ago," *The Accountants' Magazine*, Vol. LXXVIII, No. 817: 263-265.
- Walker, S.P. (1988), *The Society of Accountants in Edinburgh 1854-1914: A Study of Recruitment to a New Profession* (New York: Garland).
- Walker, S.P. (1991), "The Defence of Professional Monopoly: Scottish Chartered Accountants and "Satellites in the Accountancy Firmament" 1854-1914," *Accounting, Organizations and Society*, Vol. 16, No. 3: 257-283.
- Walker, S.P. (1996), "The Criminal Upperworld and the Emergence of a Disciplinary Code in the Early Chartered Accountancy Profession," *Accounting History*, Vol. 1, No. 2: 7-35.
- Walker, S.P. (2004a), *Toward the 'Great Desideratum'. The Unification of the Accountancy Bodies in England, 1870-1880* (Edinburgh: Institute of Chartered Accountants of Scotland).
- Walker, S.P. (2004b), "The Genesis of Professional Organisation in English Accountancy," *Accounting, Organizations and Society*, Vol. 29, No. 2: 127-156.
- Walker, S.P. and Shackleton, K. (1998), "A Ring Fence for the Profession: Advancing the Closure of British Accountancy 1957-1970," *Accounting Auditing & Accountability Journal*, Vol. 11, No. 1: 34-71.
- Washington, L. (2001), "Experience + Education + Examination ... The Meaning of Professional Certification," *National Public Accountant*, Vol. 46, No. 5: 14.
- Webb, B. and Webb, S. (1917), "What is to be Learned from the Professional Associations of Brainworkers as to the Sphere of Control by Vocational Organisations?" Fabian Report published in *New Statesman*, 21 April 1917: 1-24; 28 April 1917: 25-48.
- Weber, M. (1978), *Economy and Society* (London: University of California Press).
- Willmott, H. (1986), "Organising the Profession: A Theoretical and Historical Examination of the Development of the Major Accountancy Bodies in the UK," *Accounting, Organizations and Society*, Vol. 11, No. 6: 555-580.