

10-1917

## Duties of the Junior Accountant

W. B. Reynolds

F. W. Thornton

Follow this and additional works at: <https://egrove.olemiss.edu/jofa>



Part of the [Accounting Commons](#)

---

### Recommended Citation

Reynolds, W. B. and Thornton, F. W. (1917) "Duties of the Junior Accountant," *Journal of Accountancy*. Vol. 24: Iss. 4, Article 6.

Available at: <https://egrove.olemiss.edu/jofa/vol24/iss4/6>

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 Journal of Accountancy by an authorized editor of eGrove. For more information, please contact [egrove@olemiss.edu](mailto:egrove@olemiss.edu).

## Duties of the Junior Accountant

BY W. B. REYNOLDS and F. W. THORNTON

### PART II

#### CERTIFICATES

In obtaining bank certificates the auditor should mail the request to the banks with his own hands. He should in no circumstances trust this to clients, as they may fill out the certificates themselves and mail them back to the auditor, who could not tell whether the signatures on them were those of bank officials or not. In obtaining certificates as to liabilities not on the books, the auditor should follow some approved form which should include a declaration that a search had been made for all ascertainable items of debt and that they had been properly taken up. In obtaining certificates covering inventory the auditor should include in the form a declaration by the officers that nothing is included in the inventory which has not been duly taken up on the books as a purchase; that nothing is included in the inventory that prior to the date of audit had appeared as sales; that the prices in the inventory do not exceed cost or market value, whichever may be the lower, and that proper provision has been made for obsolete, damaged or inferior goods. Certificates are auxiliary evidence only and do not relieve the auditor of the duty of making his own investigation of any matter.

#### REPORTS—MATTER TO BE INCLUDED

Reports are annexed to statements of account for the purpose of supplementing the information contained in the statements and pointing out to the client the deductions properly to be drawn from the figures.

The junior accountant may not be called upon to write reports for submission to clients, but he probably will be required to submit to his senior reports on the work done, and the same qualities that are required in a report to a client will be desirable in a report to the senior accountant—indeed, some or all of the matter submitted by the junior might be incorporated in the report to the client.

In preceding pages it repeatedly has been urged that the auditor in checking details should try to understand the actual

## *The Journal of Accountancy*

business transactions represented by the entries. If this has been done the end of the detail work should find him equipped to comment intelligently upon the operations. What could be more humiliating at this point than to make any comment which showed that one did not understand the work he had audited?

If the auditor understands thoroughly the operations of the client's business, but can throw no useful light thereon, he should write briefly or not at all.

The report should be arranged on such a plan as to bring into relief those matters in which the client will be interested. Good and valuable comment, buried in a mass of perfunctory remarks, is likely to be overlooked. Clients have not time to hunt for the items that interest them. The accountant should so report that such items stand out unmistakably. The remarks as to useless bulky exhibits may well be considered in connection with reports. It is useless, and exasperating to clients, to comment at length and without point on each item of the balance-sheet or other account. The client does not, like a newspaper, pay by the column.

Your judgment of what would be useful to a client is likely to be the factor that finally decides your standing in the profession. You cannot too soon cultivate that judgment.

First consider if there are any features of the business—such as variations of percentages of gross profit, expenses, etc., that the client should have, but has not. Then consider whether any statistical or other information which you can properly use would shed any light on the efficiency of the business as compared with average results outside. Ascertain if possible if there are leaks—if the client can be helped by information (not already in his possession) as to the profit on separate branches of his business. Most important, perhaps, of all these matters is an inquiry into the correctness of the information which the staff of the client is preparing and submitting to the officers between audit periods.

Remember that though you may have studied commercial law you report as an accountant—that though you may be an expert plumber you must not therefore pass upon the plumbing arrangement of the factory in which you work. The report will be

### *Duties of the Junior Accountant*

rendered and signed not by you but by the head of your firm. Probably he is not even an amateur plumber and will refuse to deal with other than accounting matters.

Notwithstanding what is said in the last paragraph the accountant will find that any knowledge of law or of trade, or of science or art will help him as accountant to find incorrect accounting and to instal correct methods.

Finally the auditor must guard against rash statements or loose generalizations. He must be prepared to back up every statement made in his report by figures contained in his working papers. Nothing should be given as the opinion of the auditor, which is based on impressions, hearsay or even on actual evidence if such evidence could not, in case of need, be produced in support of the opinion expressed.

When the report is finished, if time permits, lay it aside for a day, then read it over, noting whether it makes on your mind the impression that you wished it to make on that of the client.

When your senior, or the head of your firm, has finally amended and approved the report look for the changes made in your own draft. These changes presumably demonstrate your most glaring deficiencies. Do not resent amendments—no doubt your seniors know best what should appear in a report.

#### REPORTS—THE STYLE

A "literary" style is not necessary. An elaborately ornate style is most offensive. Colloquialisms are forbidden. Solid and correct English is essential.

Perhaps the best idea of the style to be aimed at may be gathered from a consideration of the impression that should be made on the client. The accountant should appear to the client as an intelligent, educated, trained man, utterly dispassionate and disinterested, conservative, able to express clearly his opinions, unshakable in his intention to speak the truth as he sees it, and not particularly anxious to please anyone at the expense of giving prominence to selected facts.

Lack of restraint of expression seems to be the most common fault in the reports of well educated beginners. Prolivity and vagueness are also common with this class of writers. Less well educated auditors, recruited from business offices, are more often

*The Journal of Accountancy*

guilty of colloquial expressions, slang, bad construction of sentences, and failure to express adequately the conceptions, often valuable, that they have formed.

Do not show enthusiasm or pessimism or prejudice of any kind. Try to adopt, and to show by your report that you have adopted, the mental attitude of an analyst valuing a specimen of mineral.

Use short words and not many of them. Avoid both solemnity and flippancy. "Business English," which often means business slang, is not to be used. You are supposed to follow a dignified profession.

*(To be continued.)*