

BANKING & FINANCIAL NEWS.

PUBLIC ACCOUNTANCY IN THE UNITED KINGDOM.

Statutory Registration of Practitioners at Conference of Incorporated Accountants.

The recent legislative privileges conferred upon the Ontario Institute of Chartered Accountants, embodied in the Act of 1908, has attracted considerable attention elsewhere and is likely to lead to negotiations between the several bodies outside the province and the Ontario Council. One of the most important clauses of the Act in question is that which provides that no person shall be entitled to use the designation of "Chartered Accountant" or the initials "F.C.A.," "A.C.A.," or "C.A.," or any title implying that he is a certified or incorporated accountant unless he is a member of the Institute. This is an advance on anything that has yet been attempted to protect the profession in the United Kingdom, although the probability is that a similar measure will shortly be placed upon the statute books there. The question was taken up at the recent Conference of Incorporated Accountants, held in Cardiff, Wales.

An interesting article dealing with the position to-day in the United Kingdom of the accounting profession has been sent to the Monetary Times by Mr. Edmund Woodroffe, C.A. (Canada), the representative in England of the Ontario Institute of Accountants. It was originally contributed to the Hornsey Journal, and is republished with the permission of the editor. Mr. Woodroffe writes:—

Proposed Bill to Establish Register.

The legislative policy of the Incorporated Accountants Council from the time of incorporation has been unaltered. The Council is the pioneer advocate of "statutory registration of public accountants," and its Bills in Parliament were the first introduced. The members have unanimously supported the proposal to establish by Act of Parliament a register, and election of a registrar, whose duties will be to enroll at an appointed date all accountants and auditors in public practice that establish their fitness to be placed thereon, and prosecute all persons using the titles and initials of the statutory body without the required qualifications of the registered public accountant. The banquet in London brought the policy into the stronger light of the City and Metropolitan notice, and impetus was given to the Society's policy by the advocacy of eminent public men and Colonial statesmen, and the presidents of the English and Scottish Institutes of Chartered Accountants. The address of the President upon the position and progress of the accountancy profession during the twenty-one years from 1885 to 1906 contained sufficient criticism to focus attention upon the necessity of legislation, which alone can place the practice of accountancy upon the professional level of the practitioners of law and medicine.

Necessity for Restrictions.

The creation of a register would undoubtedly confer privileges that the public accountant and auditor does not possess to-day, but disciplinary penalties, and a roll from which the names of auditors and accountants could be struck off upon proof being given to the Courts of unprofessional conduct, would be a fair price given to the public for the restriction granted against non-qualified auditors and pseudo accountants. To clarify the status and qualifications of accountants seeking election as auditors to public companies and municipalities, and competing for the accounting work of private business firms and traders, is a necessity in these days of commercial competition and long credits. The daily work of the Law Courts reveals bankruptcies of traders who evade close investigation by failing to keep even fairly accurate records of their reckless trading. The appointed auditors of limited companies in some cases have had no knowledge of figures or the art of book-keeping. The knowledge of municipal elective auditors, appointed by the votes of a handful of ratepayers and indifference of the remainder, is oftentimes of the most elementary nature, and, in instances known, have reduced the elective-auditor system to an expensive farce.

No Need for the Unqualified.

To alleviate these very serious abuses and lessen the losses sustained by trade creditors, investors, shareholders, and ratepayers it is necessary first to define the status of the "public accountant and auditor," and then protect him from the competition of the incompetent and irresponsible individuals posing as public accountants after having in numerous cases failed in other occupations far removed from

expert accounting. Mr. Rayner, in his address, estimated the "qualified" accountants (as recognized by the financial institutions and enactments in various Parliamentary and municipal Bills, namely, the Chartered Accountants and the Society of Incorporated Accountants) to number 6,639, of which 4,542 practitioners and qualified members "not in practice" belonged to the English, Scottish, and Irish Institutes of Chartered Accountants, and the remainder—2,097—to the Incorporated Society. Although in both classes the totals embraced large numbers of practitioners "out of the United Kingdom," the figures were sufficiently large to denote the capability to deal with the demand of all conditions of clients in the community.

Public Would Benefit.

Since the address was given efforts have been made to draft a Bill satisfactory alike to the Institutes, the Society, and bona fide public accountants unattached. In the interests of the general public and the promotion of commercial honesty and better equipment of the organization departments of the country's industries and financial methods the House of Commons should pass such a measure. In a reasonable period the public could then expect the Companies Acts to be revised in many clauses regarding statements of accounts, audits, and filing of reports, and the numerous loopholes existing through which the capital of the shareholders is filtered away until liquidation exposes the weakness or defectiveness of the reforms, could be more effectively sealed.

At the close of the Cardiff Conference the President of the Society (Mr. Harry Lloyd Price, Manchester) and the vice-President (Mr. A. E. Green, London) left to attend the conference of American public accountants convened at Atlantic City, N.J., in October, to celebrate the twenty-first anniversary of the recognition of the American Association and public accounting as a profession by the State of New York. On the invitation of the Institute of Chartered Accountants of Ontario, the delegates visited Canada to meet their professional confreres in the Dominion before returning to England.

RHYMES AND MINES.

Limerick Gets Another Innings—Some Poetical Effusions.

The "Elk" has such marvellous ore
And such unmeasured "bunches" in store,
That in front of our eyes
Its value will rise.

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You may write the last line. Of the Elk Lake Mining and Prospecting Company, Limited, we know little. Concerns us some of the company's literature, a correspondent subscriber forwards a memorandum:—"This has Tom Lawson beaten to death."

We learn from the circulars of the second great Limerick competition, prizes in connection with which will be \$1,000 in gold, and \$4,000 in full paid non-assessable shares of the capital stock of the company.

It is interesting to note that the capital stock is being offered to the public at par only. But then the noble Limerick army gets a chance. By special resolution for the purpose of this particular competition a limited number of shares will be sold at 25 cents on the dollar. No more than one thousand shares to any one subscriber will be allotted at this price. The same will carry, says the circular, "a very valuable option privilege guaranteeing all present subscribers the right to purchase at par, within sixty days of date of first shipment, a further block of two shares for each one now held by them, and for every eight shares now applied for one reply to the Limerick may be sent in."

This is most interesting. Surely the hitching up of Limericks with a mining promotion is something unique in Canadian finance. Naturally the easiest way to obtain the first prize of \$400 in cash and \$500 in Elk shares, is to please the Limerick judge. By the way, the judge must find his hands full of applications from folks who think poetry an excellent limelight on mining.

The first competition was based on the following lines:—

"Of all the great mines ever found
The "Elk" with its wealth under ground
Invites one and all
To answer its call,
....."