

A Call for a Profession of Truth

Publius D. Cassius

Americans need the truth about their finances. We suffer greatly because of the lack of professionalism on the part of those who are responsible for revealing truth.

Unprofessionalism is causing massive financial injustice. Millions of taxpayers, for example, are overpaying their taxes because of the inadequacy of their financial information. Many more millions are underpaying their taxes for the same reason. Others receive public benefits to which they are not entitled or are denied benefits that are their right. It is immoral for our government to refuse benefits truly owed or accept payment of taxes that are in truth not owed; and it is even more immoral and unjust to allow some persons to pay less than in truth they owe or to receive benefits to which they are not truly entitled. It is time for *real professionals* to correct these consequences of financial untruth.

Unprofessionalism in financial disclosures is causing not only injustice but also massive financial inefficiency. In view of the misinformation and disinformation provided to investors and lenders, it is not surprising that our balance of payments is unfavorable and our economy unproductive. If the truth were fully revealed, capital would flow to those areas and activities to which it would be most efficiently and effectively applied. Our economic ills would be reduced in short order.

The first step in correcting this national problem is the elimination of unprofessionalism in accounting. Accounting as a professional activity must be defined broadly and the unauthorized practice of accounting eradicated. Certainly no report to a taxing authority or application for benefits should be permitted to be filed unless its accuracy is certified by a responsible and independent professional. And no set of books or financial records should be permitted to be used for any purpose involving a loan or an investment if there is not a certified professional to vouch for every entry.

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Once unauthorized practice is under control, attention can then be turned to the improvement of professional standards. Professionalism in accounting is in the same deplorable state now as might have been true for medicine and law at the beginning of this century. The example set by those two professions should be followed, elevating in all respects the standards of accounting. Just as society has benefited from the high standards of quality and professionalism that now prevail in medicine and law, it would benefit from similar standards in accounting. Everyone has benefited so much from the improvements in these professions that there is clamor for further improvements. The powerful need for truth requires that the accounting profession be equally uplifted.

The mechanism for professional uplift is the process of educational accreditation to which the licensing system forms a supporting infrastructure. The path to truth in financial matters must be cut with this tool which will develop an accounting profession equal to those of law and medicine and a source for admiration around the world.

As with law and medicine, the first question to be decided through the accreditation process is the level of commitment to be required of the students aspiring to enter the profession. Crude though the measure is, the conventional and best method of insuring the appropriate commitment is to define the number of years of formal study required for entry. If accounting is to be equalized with law in learning and status, the requirement should be set at seven years, including four years of undergraduate study. This number will not achieve parity with medicine; that will be a task for another generation.

Skeptics may doubt whether there is sufficient material presently available to occupy potential accountants during seven years of study. The same question could have been raised for law and medicine at the same stage in the development of those professions. The experience in those fields demonstrates that the material will expand to fill the time available. A three-year period of professional study will provide employment for a substantial number of accounting academics, who in their pursuit of academic status can be safely expected to expand our knowledge of accounting quickly to fill the allotted period of years of professional study.

Once the period of study is agreed upon, attention can then be devoted to the need for autonomy in professional education. Schools of accounting must be parts of universities in order to establish and maintain status as a learned profession. But the thrust of professionalism should not be blunted by excessive contact with nonprofessionals. If accountants are to be as effectively professionalized as doctors and lawyers, it will be necessary to socialize them to a shared sense of professional purpose; this can be done only if they are in some degree isolated from those who do not share this purpose. For this reason an accreditation standard will be needed to insure separate facilities for schools of accounting and separate

faculty governance by accounting professors who are professionally qualified. University administrators must be acclimated to the idea that accounting schools should be as free of external meddling as are schools of law and medicine.

Additional accreditation standards will be needed to insure that the academic accounting profession maintain itself as a scholarly enterprise. The development of separate libraries of accounting is a necessary step. Minimum acquisition levels must be established, maintained, and increased, not only to insure access to scholarly and professional work by the teachers and students but also in order to insure an appropriate market for the scholarly works produced by the faculties. Each library will need an appropriately trained staff, including at least one librarian who is also a tenured scholar and teacher of accounting and thus qualified to link the faculty to the growing collection. The status and professionalism of the librarian should be insured by requiring a substantial support staff of other professional librarians. Even a school with a small faculty and limited goals must be required to maintain a large collection and staff, both of which are necessary to support a high level of scholarship.

Other accreditation standards must insure that faculties invest an appropriate level of time and effort in teaching and scholarship. Moonlighting by teachers and students must be restricted to levels which do not interfere with teaching and scholarship. If these steps are not taken, academic standards will erode and the status and quality of the profession with them.

Standards are needed, however, not only to insure academic quality but also to insure that training is adequately practical and job-related. Guidelines will be needed to insure the presence and status of teachers who will transmit to students the practical skills of accounting, including computing, statistical analysis, and also such relevant interpersonal skills as interviewing, counseling, drafting, and negotiating. Since on-the-job training by students during their period of academic study will be restricted, opportunities for supervised practical instruction within the academic program must be provided.

Because so much financial information is made deliberately false, training in ethics must be an especially important phase in the development of the accounting profession. The development of a higher status for the profession will have a benign effect on the ethics of its practitioners, for they will have more to lose by the professional misconduct of serving falsehood and forsaking truth. That reason alone may be sufficient to justify the general program of professional development here advocated. But more specific attention to professional ethics is necessary, and accreditation standards will therefore require formal instruction of this subject in order to insure conduct consistent with the revelation of financial truth. This is especially important inasmuch as the teaching of accounting must

be completely separated from any formally maintained religious environment, else the intellectual freedom of the cloister would be threatened.

Compliance with these necessary accreditation standards will not be without cost. Given the importance of the benefits to be secured, many public and private universities should be eager to bear these costs. On the other hand, there will be some privateers of higher education who will try to use the school of accounting as an opportunity for profit and try to divert revenue away from accounting to such unprofitable ventures as philosophy and music. Eternal vigilance of accreditation inspectors will be needed to prevent this kind of abuse. And still other institutions will be satisfied to try to meet only the minimum accreditation standards, investing as little as possible in the development of the profession. One function of the accreditation process will be to require universities to strive for excellence in accounting, to resist the impulse to settle for mere adequacy. In the search for financial truth, no library can be too big, no teaching ratio too small. Slackers must be threatened with disaccreditation.

Some persons may question the benefits of elevating the profession through the use of the tandem controls of licensing and accreditation. It is true, of course, that the benefits will be ineffable; tangible benefits in the advancement of truth cannot be measured any more than can the improvements in health and justice which have flowed from the elevation of the professions of law and medicine.

Substantial improvement in the learning, judgment, and skills of accounting practitioners will result from the longer period of more intensive and expensive education. Direct improvement through education will be in part responsible. Other benefits will be indirect, resulting from the improvement of the quality of those attracted to the profession. This indirect benefit will be the product of the relationship between academic credentials on the one hand and the status and income of the professional group on the other. Seven years of foregone income and high tuitions will tend to attract abler candidates to the profession because they will expect to be rewarded for the investments they have made in themselves. As their services become increasingly necessary for the conduct of all business, public and private, they will indeed be rewarded by higher income. As the accounting system reflects the tradition of professional scholarship that will emerge, it will become more complex—and the need for more highly skilled accountants will grow. By stages, the profession of truth will take its rightful place beside the professions of life and justice as an activity attractive to many of the ablest young people in the society.

Some, while acknowledging these benefits, will nevertheless question the program on the ground that certain adverse consequences may flow from it. The uplifting of the profession will tend to reinforce its association with the higher social and economic classes, thus decreasing social mobility and making the profession an instrument of caste. The solution

to this problem lies in the establishment of aggressive programs of affirmative action and financial aid to attract minority and disadvantaged students into the more elite profession.

Similarly, some persons may express concern over the consequent increase in the price of accounting services. A higher price is almost inevitably associated with an increase in quality and is, in a sense, one of its intended purposes. No harm, however, will result to the clients of the accounting profession by reason of the increased cost of accounting services, since the solutions to the problem have already been identified and demonstrated in the older professions. First, a substantial program of public assistance will provide needed services for lower and middle income clients, who have tax or public-benefit problems requiring truthful financial information. Insurance systems may need to be developed as part of employment fringe-benefit programs, in order to provide services on a prepaid basis at no direct cost to the client. Finally, improvements in the quality of the accounting profession will enlarge the opportunities for the development of more efficient delivery systems, perhaps utilizing the skills of para-accountants. (Careful scrutiny of para-accountancy will be required to insure its subordination to accountancy; unauthorized practice committees will need to be vigilant to prevent semiprofessionals from undercutting professional standards by offering services of lower quality.)

The problem of political viability remains to be considered. Plainly, this program will require the support of state legislatures and of boards of trustees of elite private universities. Given the scarcity of their resources, these groups may be reluctant to divert the needed funds into the program, despite its obvious promise for the long-term improvement of the economy and the social order. How can the program marshal enough political support to overcome myopia on the part of persons responsible for public and private fiscs? The answer must be found to lie in the relationship among the professions. The force of the argument for this professional development will surely be appreciated by the members of the legal and medical professions. Their capacity to influence the relevant public and private bodies has been clearly demonstrated by their effectiveness in advancing professionalism in their own fields. It is a minor task of advocacy to interest these groups in the program. They will easily envision the time when the Profession of Life and the Profession of Justice will be joined by the Profession of Truth in a solid political front which will overcome the common ignorance and amateurism which preserve the interests of Sickness, Injustice, and Falsehood.

Rise up, O Profession of Truth!