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‘A Public Expert in Matters of Account’: Defining the Chartered Accountant in England and Wales

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ABSTRACT *This study addresses the attempts by the Institute of Chartered Accountants in England and Wales (ICAEW) to set its professional boundaries based on the performance of work in order to create a definition of the specialist chartered accountant or ‘public expert in matters of account’. The article, located in the 1880–1900 period, provides an insight into the activities and arenas in which chartered accountants could engage. The complexities associated with this demarcation between permissible and non-permissible activities, revealed through a series of ‘test cases’, were exacerbated by the ‘grandfather clauses’ contained in the ICAEW’s Royal Charter.*

KEY WORDS: ICAEW, professionalisation, grandfather clauses, permissible activities

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.

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.

(E.F.H., *The Accountant*, 12/12/1896: p. 1022)

Introduction

Whether inspired by altruism and serving the public interest (Millerson, 1964), self-interest (Johnson, 1972), political motives (Willmott, 1986) or a combination of these factors (Lee, 1995), organisational formation is seen to be an important ‘signal of movement’ towards

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occupational ascendancy by marking the formal commencement of the professional project (Carnegie & Edwards, 2001). The process by which occupational collectives seek to maximise rewards by restricting access to resources and opportunities to a chosen few has been referred to as exclusionary closure. For Macdonald (1995: p. 131) this 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: p. 450) or 'outsiders' (Weber, 1978: p. 342)'. Closure involves identifying certain social or physical attributes as a justifiable basis for exclusion which may be based 'on one or several dimensions: class (property ownership), credentials, race, sex, religion, language, etc.' (Chua & Poullaos, 1993: p. 692).

Having established the boundaries of membership, the professional body must then set about 'producing the producers' so as to ensure that 'all future entrants have passed through an appropriate system of selection, training and socialization, and [have been] turned out in a standardized professional mould' (Macdonald, 1995: p. 189). This moulding function is seen by Larson to be critical in order 'to provide recognizably distinct services for exchange on the professional market' (1977: p. 14). This process necessarily involves shaping future members to such an extent that they closely resemble the existing or founder members of a body so as to conform with 'contemporary prescriptions of professional practice' (Walker, 1996: p. 15). In selecting, training, socialising and supervising the professional engagements of the future generation, the established practitioners are central to the entire professional project. As Macdonald notes:

... an occupation embarking on a professional project ... will agree on definitions of membership for those already practising the occupational skills ... and it will also define the criteria to define future entrants to the professional body. The former is referred to as a 'grandfather clause'... while the latter will almost certainly involve the passing of examinations ... In addition, appropriate and inappropriate activities will be specified.

(Macdonald, 1995: pp. 131–32)

The term 'grandfather clause' originates from provisions adopted in the constitutions of seven post-Reconstruction Southern states in the United States in the 1895–1910 period (Morgan, 1974). In this paper, we use the term to denote exemptions based upon prior status that absolve persons already engaged in a particular activity from new rules thereafter affecting it.

In the mid- to late-nineteenth century, although a significant number of practitioners were delivering valued accountancy services, the multifarious and nefarious actions of '*soi-disant*' or self-styled accountants had resulted in considerable criticism of the occupation as a whole (*The Accountant*, November 1874: p. 2). In an attempt to reposition its jurisdiction towards what may be termed its 'calling' or core activities, the ICAEW sought to define 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).¹ This moulding process involved a lengthy period of supervised vocational training, rigorous written examinations and the prohibition placed on members offering a diverse array of non-accounting services (Anderson *et al.*, 2005). It was a professionalisation strategy reinforced by credentialism to provide 'a ready means of distinguishing between real professional accountants, and outsiders' (*The Accountant*, 16/10/1880: p. 4).

Whereas previous work (see, for example, Garrett, 1961; Parker, 1986; Edwards, 1989; Kirkham & Loft, 1992) has concentrated upon the *outcomes* of the ICAEW's exclusionary closure strategy, we examine the decision-making *process* itself. We explore how the ICAEW sought to operationalise a professional project by setting its professional boundaries based on the performance of work so as to create a definition of the chartered accountant as a specialist or 'a public expert in matters of account'.

The complexities associated with drawing a line of demarcation between permissible and non-permissible activities, revealed through a series of what we term 'test cases', were exacerbated by the 'grandfather clauses' contained in the ICAEW's Royal Charter of 1880. These permitted certain established practitioners with the requisite credentials (whom we term exempt members) to join the chartered body and to continue their previous spheres of work, however diverse, in the post-1880 period. Those lacking the necessary credentials (non-exempt members) were prohibited from engaging in any businesses deemed inconsistent with that of public accountancy. This differential Charter treatment created a series of problems for the leadership of the ICAEW in the period through to 1900 as the non-exempt members sought access to the benefits conferred by the 'grandfather clauses'.

The purpose of our paper is to address two key issues:

- (1) What was considered to comprise the legitimate professional work of the ICAEW member in public practice?
- (2) Should ICAEW membership be confined to those in public practice?

The question of whether, for example, a chartered accountant should be allowed to serve as an auctioneer (where he would be exercising few, if any, accounting skills) or as an accountant to a company (an employee using his esoteric knowledge) raises very different issues. However, the underlying question is the same: did the ICAEW leadership perceive these to be activities that were consistent with, or prejudicial to, the professional image it was trying to create? Based upon a detailed analysis of various manuscript sources in the period through to 1900 (by which time the issues addressed in this paper were substantially resolved), we gain an insight into some of the contradictions and tensions of promoting a professionalisation project in those early days.

The paper is structured as follows. Initially, we examine the work of the accountant in the immediate pre-1880 period in order to provide the context for our analysis of the ICAEW's construction of the 'public expert' chartered accountant. We then, in turn, explore through a series of 'test cases', the dilemmas faced by the nascent body in deciding what constituted legitimate professional work for the specialist chartered accountant in public practice and whether that expertise could be employed outside public practice. The paper closes with a series of concluding comments.

The Work of the Accountant in the Immediate Pre-ICAEW Period

Trade directories covering the ten largest English cities reveal that the number of firms of public accountants grew from 301 in the 1830s to 1,248 by the 1870s (Edwards *et al.*, 2007: p. 71). Accountants utilised their distinctive abstract knowledge, the mastery of the technique of, and outputs from, a system of double entry bookkeeping, to establish effective control over certain areas of work or 'jurisdictions' (Abbott, 1988: p. 20) such that, prior

to organisational formation in England, the 'public accountant' had become a recognised brand signalling the existence of a distinctive occupational grouping.² There were three key 'task areas' (Abbott, 1988: p. 215) over which the public accountant attempted to claim jurisdiction in the pre-1880 period: 'accounting for the going concern', 'business disputes, failure and bankruptcy' and 'valuation and agency' (Edwards *et al.*, 2007: pp. 82–4).

'Accounting for the going concern' involved the installation and operation of accounting systems, the preparation and audit of financial reports, and tasks associated with the registration of companies. Each of these tasks relied upon the distinctive abstract knowledge of the public accountant ('accounting skills'), while registration work also drew on 'legal skills' (Edwards *et al.*, 2007: p. 83).

The second task area of 'business disputes, failure and bankruptcy' was rooted in the accountants' knowledge of bookkeeping and a concomitant ability to construct accounts appropriate to numerous applications. This domain encompassed the investigation of various financial machinations, malpractices, and frauds, the administration of bankrupts' estates, and service as an arbitrator, umpire or referee in disputes. Their ability to investigate finances, to prepare accounts and to report on the results led accountants to fill the positions of trustee in bankruptcy and receiver, which drew them into the associated work of collecting outstanding debts and making arrangements with creditors. As with registration work, this task area relied heavily upon 'legal skills' (Edwards *et al.*, 2007: p. 83).

The third major task area covered aspects of property and agency work, much of which can be seen as incidental to the other services provided by public accountants. As a result of their roles in bankruptcy and liquidation, for example, accountants undertook valuations and appraisals and subsequently mounted the rostrum to dispose of assets, utilising the key occupational skill of 'valuation' (Edwards *et al.*, 2007: p. 83). Other work undertaken included that of estate agent/property broker, stock- and share-broker, insurance agent, general agent and money-lender, where 'agency' was the main occupational skill exercised (Edwards *et al.*, 2007: p. 83).³

Accountants also occupied a variety of managerial and secretarial positions in the commercial sector in Victorian England. Jonas Dearnley Taylor (a founder member of the ICAEW), for example, was heavily involved at the Halifax Building Society from 1852 and was later described as 'really the founder of the Society' (Hobson, 1953: p. 53). Samuel Swarbrick graduated from the position of accountant to the Lancashire & Yorkshire Railway and later the Midland Railway, to become the general manager of the Great Eastern Railway in 1868 (Jones, 1981: pp. 116–17). Six years later, William Cash (a founder ICAEW Council member) became a director of the Abbey National Building Society and remained on the board until his death in 1891, having previously served as the company's auditor (Bellman, 1949). James Halliday served as managing director of the Manchester and Liverpool District Bank and later became its chairman (Kettle, 1957: p. 20). William Quilter, whose firm enjoyed the reputation of being the 'nursery of the accounting profession', became company secretary to the Edinburgh Silk Yarn Company in the 1840s and later served on the boards of several railway companies (Bywater, 1985: pp. 792–3). The provision of secretarial services provided fees for the firms of Robert Fletcher (to the Gloucestershire Railway Company) and Harding & Pullein (Caledonian Railway) from the mid-nineteenth century (Matthews *et al.*, 1998: p. 124). The available evidence suggests that down to the twilight years of the nineteenth century and beyond, such managerial and secretarial work was generally conducted from within the confines of public practice (Matthews *et al.*, 1998: Ch. 4).

At the time of the ICAEW's formation, it was acknowledged that there were 'many able and trained accountants who have learned their business thoroughly' and whose skills were clearly highly valued in the marketplace (*The Accountant*, 14/8/1880: p. 9). However, there were 'others who fasten themselves upon an honourable profession as incompetent parasites' (*The Accountant*, 14/8/1880: p. 9). The activities of these 'parasites' were exploited by some of the contemporary literature to portray accountants in a contemptible light (Walker, 2004a: Ch. 5, 2004b). *The Liverpool Courier*, for example, argued that the vocation of accountancy was 'very much a refuge for the destitute' (reproduced in *The Accountant*, 14/8/1880: p. 9).⁴ It further noted:

A man of business fails, and is at his wits' end to obtain a livelihood. He forthwith dubs himself an accountant: puts out a signboard offering to audit accounts, collect rents, whitewash the impecunious, and generally perform the functions of a maid-of-all-work to the commercial community. The persons who suddenly undertake these multifarious duties have had no special training for their due performance, and in many cases are absolutely incompetent for the work they profess to discharge.

(*The Accountant*, 14/8/1880: p. 9)

Criticisms of accountants in the pre-ICAEW period generally appear to have centred upon the lack of education and training of practitioners, the objectionable practices of persons unaccountable for their actions and, central to this paper, an absence of specialisation in their craft. The failure of contemporary 'accountants' to specialise was recognised by *The Accountant* in 1879. Referring to a list of about 1,800 UK accountants published in the *Accountants' Directory*, it concluded that 'it is probable that not more than a third are engaged in the work of public accountants' (*The Accountant*, 11/10/1879: p. 4). It is therefore unsurprising that the bodies formed during the 1870s in England and Wales, and subsequently the ICAEW, should have sought to differentiate their members from their lowly competitors by addressing the issue of specialisation. Actions taken by the ICAEW's predecessor bodies are first examined.

The ICAEW's Predecessor Bodies

In 1880, the ICAEW's Royal Charter incorporated the members of five existing accounting societies into one body. Prior studies, Howitt (1966), Walker (2004a, 2004b) and Edwards *et al.* (2005) apart, largely neglect the short lives of each of these bodies and in so doing fail fully to contextualize the formation of the ICAEW.

Table 1 reveals that, in the main, the admission rules of the predecessor bodies necessitated that an individual should either be *in practice* as a 'professional accountant', 'accountant', or 'public accountant', or in service to such a person. Exceptionally, admission to the Society of Accountants in England (SAE) was also open to those with three years experience as accountant to a public body or corporation. These entry hurdles were underpinned by a disciplinary system empowering the societies (Liverpool excepted) to expel members on taking up businesses contrary to such descriptions.

Although their rules and regulations were similar, it became evident that these bodies placed markedly different interpretations on what constituted the business of a 'professional accountant', 'accountant', or 'public accountant'. This became a significant and highly divisive issue in the latter part of the 1870s when the Institute of Accountants

Table 1. ICAEW Predecessor Bodies: Admission Criteria

Society	Year of formation	Membership at 11/5/1880	Experience-based admission criteria	Disciplinary reinforcement to experience admission criteria
Incorporated Society of Liverpool Accountants	1870	33	'any Accountant in Liverpool may become a member of the Society on being elected at the Annual Meeting, or at a Special General Meeting to be convened for the purpose' (Liverpool Society of Chartered Accountants, Liverpool, Incorporated Society of Liverpool Accountants, 1870).	No specific provisions
Institute of Accountants (in London)	1870	188	'No person shall be eligible for admission as a Fellow who is not, at the date of his application, in practice as a Professional Accountant in London' (MS28407, 1870: p. 1). 'No person shall be eligible for admission as an Associate who is not, at the date of his application, in practice as a Professional Accountant in London or a Clerk in the employ of a Member of the Institute' (MS28407, 1870: p. 2).	'Any member shall <i>ipso facto</i> cease to be a member upon his engaging in any other business than that of a professional accountant' (MS28407, 1870: p. 10).
Manchester Institute of Accountants	1871	111	'any Accountant who shall have been in practice for five consecutive years previous thereto, may be admitted a Fellow' (Manchester Institute of Accountants, 1871: p. 4) [after 1/1/1873, Fellows were to be admitted exclusively from associates having been in practice for 3 years after admission]. Associate membership dictated that an applicant should have served 'not less than five years as Clerk to a Professional Accountant' (Manchester Institute of Accountants, 1871: p. 5) [after 1/1/1873, 5 years' articulated clerkship to a professional accountant was required].	'A member shall forfeit his Membership, ... If he shall, in the opinion of three-fourths of the Members voting at a special General Meeting, upon a report from the Council, have adopted any business, profession, or employment incompatible with the position of a Member' (Manchester Institute of Accountants, 1871: p. 14).

Society of Accountants in England	1872	286	Associate membership required that ‘He shall have been in actual practice on his own account, or in partnership as a public accountant, on the 11 th day of January, 1872 ... Or shall have been a clerk to a public accountant on the 11 th day of January, 1872, and shall have been in actual practice on his own account, or in partnership, as a public accountant for three years consecutively after that date ... Or shall have served under articles for a period of three years to a public accountant in actual practice [two years for graduates] ... Or shall have been employed as accountant to a corporation or public body for three years, or as a clerk to a public accountant, or firm of accountants, for a period of seven years at the least, but the employment need not have been for more than two years continuously with one and the same person or firm’ (Society of Accountants in England, 1875: p. 10). Fellows were to be exclusively elected from the associates (Society of Accountants in England, 1875: p. 10).	‘Any Fellow, Associate, or Student shall cease to be a Member of the Society ... If he shall relinquish the business of an Accountant’ (Society of Accountants in England, 1875: p. 29).
Sheffield Institute of Accountants	1877	33	Fellowship was open to ‘any Accountant who shall have been in practice for five consecutive years’ (Sheffield Institute of Accountants, 1877: p. 4) [after 1/1/1879, fellows were to be exclusively elected from associates of the Institute]. Associate membership dictated that an applicant should have served ‘not less than five years as Clerk to a Professional Accountant’ (Sheffield Institute of Accountants, 1877: p. 4) [from 1/1/1879, 5 years articulated clerkship to a professional accountant was required].	‘A member shall forfeit his Membership, ... If he shall, in the opinion of three-fourths of the Members voting at a Special General Meeting, upon a report from the Council, have adopted any business, profession, or employment incompatible with the position of a Member’ (Sheffield Institute of Accountants, 1877: p. 12).

Notes: The Institute of Accountants became a national body in 1872, whereupon the ‘London’ requirements (above) were replaced by ‘United Kingdom’. Membership information as at 11/5/1880 is taken from Boys (2004: p. 45).

(the London Institute) sought state recognition and regulation of the profession (see Walker, 2004a: Chs 10–12). The elitist London body resisted automatic admission of members of the other four bodies on account of their more liberal interpretation of the jurisdiction of the public accountant. It drafted an Incorporation Bill providing for a body exclusively composed of those engaged in ‘*bona fide* practice’ as public accountants (Walker, 2004a: p. 189). The SAE was clearly seen to be broader in scope than the London Institute and, in certain quarters, to be of a lesser stature.⁵ The 1881 Census entries of at least 10 per cent of SAE members corroborate this diversity.⁶ The preponderance of Sheffield accountants offering stock- and share-broking services provided a further hindrance to unification. Thomas George Shuttleworth, a founder of the Sheffield Institute, argued that eight of his body’s 20 fellows were stock- and share-brokers and were ‘men of such standing that the Sheffield Institute would be perfectly useless if they were excluded’ (Guildhall Library, MS28405/2, 14/1/1879: p. 7 – hereafter MS284XX). Indeed, three of the Sheffield body’s four presidents were also members of the Sheffield Stock Exchange (Hoe, 1977: p. 34).

The SAE argued that restricting the new body to *bona fide* public accountants would preclude ‘many of the best accountants in the country’ from joining it (MS28405/2, 14/1/1879: p. 11). It maintained that ‘it would be much wiser to take a broad view of the matter and admit all who were now practising accountants even if engaged in other businesses but to exclude such persons for the future’ (MS28405/2, 14/1/1879: p. 11). Lacking the unreserved support of the Lancashire bodies⁷ and facing the SAE’s opposition to the Incorporation Bill, the London Institute’s stance weakened to one of granting admission to all members of existing societies and for their representation on the new Council. An amended Bill re-emphasised that members should not pursue occupations other than that of public accountant. However, it enabled all existing society members to be admitted provided they joined by 31 October 1880 (Walker, 2004a: p. 215). The compromise required to settle this divisive issue, as we will demonstrate, stored up problems for the ‘unified’ institution.

Following the intervention of Lord Redesdale, ex-officio chairman of Committees in the House of Lords, the Bill to form the Incorporated Institute of Accountants was abandoned in favour of an application for a Royal Charter. The Privy Council approved this petition on 24 March 1880. Seven weeks later the Royal Charter incorporating the Institute of Chartered Accountants in England and Wales was received.

The ICAEW’s Royal Charter

The importance of providing the mercantile world and the public with the means to differentiate the educated, affiliated, specialist practitioner from the uneducated, unaffiliated, ‘maid-of-all-work to the commercial community’ was recognised in the Charter petition (*The Accountant*, 14/8/1880: p. 9). The petitioners proposed that rules be established ‘respecting admission to membership and exclusion therefrom as would prevent Public Accountants from mixing the pursuit of any other business with the discharge of the higher duties devolving on them as Public Accountants’ (ICAEW, 1882: pp. 6–7).⁸ This intention was enshrined in clauses 19(4) and 20(5) of the Charter.

Clause 19(4) dealt with ‘Members not being in practice as Public Accountants at the date of this Our Charter’. It stated that ‘No such Member shall follow any business or occupation other than that of a Public Accountant or some business which in the opinion of the Council is incident thereto or consistent therewith’ (ICAEW, 1882: p. 19). Members in practice as public accountants at the time of the Charter had to adhere to clause 20(5). It stated that such

a practitioner would be liable to exclusion or suspension from membership if he 'enters into or begins to follow any other business or occupation not in the opinion of Council incident to or consistent with that of a Public Accountant' (ICAEW, 1882: p. 20). Significantly, as we now go on to show, certain members of the ICAEW were not required to comply with these clauses (we describe such persons as 'exempt members'). Those having to comply with the aforementioned two clauses, we term 'non-exempt members'.

Clause 21 recognised the 'grandfatherly' credentials of those already engaged in other activities, or what the ICAEW referred to as 'combined businesses' (ICAEW, 1882: p. 21):

Provided always that where at the date of this Our Charter the business of a Public Accountant is being carried on in combination with some other business then the foregoing provisions of this Our Charter relative to the following of or the entering into or beginning to follow any other business or occupation shall not apply to a Member of the Institute who whether in practice as a Public Accountant at the date of this our Charter or not continues to carry on that same combined business or after the date of this Our Charter becomes engaged in that same combined business either by himself alone or as a partner.

(ICAEW, 1882: p. 21)

Put more simply, this clause 'allowed present and future members of existing 'combined businesses' to be eligible for membership of the Institute of Chartered Accountants in England and Wales' (Hoe, 1977: p. 10). The diverse activities of some members of the predecessor bodies (discussed above) were therefore able to continue.⁹ In addition, previously unaffiliated practitioners such as John Armstead, Marriott Oakes, James Smith Pitt and Joseph Airey were able to generate post-1880 fee income from such 'combined businesses' on account of their 'grandfatherly' credentials in May 1880.¹⁰ While we confine our attention to the internal tensions created by recognition of vested interests in the period to 1900 through the differential treatment of exempt and non-exempt members, clause 21 naturally had longer-term effects. It allowed combined businesses to exist in perpetuity alongside the practices of the non-exempt members who were required to conform to the 'higher duties' definition of the chartered accountant.

Refining the Definition of the 'Public Expert'

The ICAEW's definition of the 'public expert' as someone who should not mix 'other business with the discharge of the higher duties devolving on them as Public Accountants' soon came under challenge. The resulting confrontation required the chartered body to wrestle with two core issues in relation to their effect on the professional image it was trying to build.

- What comprised the legitimate professional work of the chartered accountant within public practice?
- Should membership be confined to accountants in public practice?

We consider each issue in turn.

Defining Legitimate Professional Work within Public Practice

We can conclude from their public utterances that leaders of the late-nineteenth century accounting profession in England and Wales were in general agreement concerning the jurisdiction of the chartered accountant in public practice. Anthony Chalmers, a founder ICAEW Council member, argued that the ‘matters that pertain to the profession’ were ‘auditing, adjustment of partnership and executorship accounts, liquidations, bankruptcies, [and] receivers in chancery’ (*The Accountants’ Students’ Journal*, 1/6/1883: p. 37). Seven years later, in his Presidential Address to the Autumnal Meeting of the ICAEW, Joseph Saffery eloquently described the sphere of the chartered accountant’s duties, as follows:

He is called upon in turn to act as accountant, auditor, arbitrator, receiver, manager, trustee, and liquidator; some of these requiring the exercise of technical knowledge of a varied and almost unlimited character. He is called upon also, and often at the shortest notice, to propound, to develop [sic], to adjust, to unravel, to deal with, to investigate, and to report upon, the most delicate, intricate, and confidential questions of principle, equity, and account; in short he is a sort of attorney or registrar-general of the births, marriages, and deaths of every kind of commercial enterprise, partnership contraction, and legal dissolution.

(*The Accountant*, 11/10/1890: p. 534)

William Fox and Ernest Cooper differentiated public accountancy from other trades.¹¹ Fox distinguished the ‘operations of an accountant’s occupation’ (which were the audit, investigation, and preparation of accounts; book-keeping work and secretarial duties in connection with companies; chancery work, liquidatorships, receiverships, arbitrations; and trusteeships in bankruptcy) from other work. He argued that:

Some gentlemen in our profession would extend this list by adding the collection of debts, and ... the registration of companies; but these are pure and simple legal duties, which do not fall within the province of our work. These practices, as well as that of conducting financial agencies which some accountants indulge in, the Council of our Institute will do well to suppress by all means in their power.

(*The Accountant*, 30/4/1887: p. 250)¹²

Cooper referred to ‘stockbrokers, rent collectors, debt collectors, auctioneers, and various other respectable trades’, as ‘not *our trades*’ (*The Accountant*, 16/1/1897: p. 77 – emphasis added). The failure of the Charter to outline those activities deemed to be either ‘incident to’ or ‘consistent with’ public accountancy,¹³ and its allowance of divergent businesses for established practitioners under section 21, but not others, led many non-exempt members to challenge the definition of the ‘public expert’ chartered accountant. We now examine, chronologically, the rulings of the Council and its various committees on these ‘test cases’, which encompass the ‘other’ areas identified by Fox and Cooper to establish their legitimacy for inclusion within the definition of the ‘public expert’ chartered accountant.¹⁴ In particular we examine ‘valuation’, ‘insurance’, ‘auctioneering’, ‘stock- and share-broking’, ‘agency, debt collection and money lending’, and ‘estate agency’. We also consider the backlash against ‘grandfathering’ in public practice.

Valuation

Soon after the ICAEW's formation, its Council was required to rule on the relationship between asset valuation work and the business of a public accountant. In its attempt to create a public perception of the specialist chartered accountant, the ICAEW was unwilling to allow new members to act as valuers, though chartered accountants could take out valuers' licences as part of their accountancy work.¹⁵ On 6 July 1881, Council ruled that,

it is not inconsistent with the business of an accountant to take out a license as valuer, such license to be used for the purposes of the business of the member as an accountant provided that he does not hold himself out to the public by advertisement or otherwise as a valuer.

(MS28411/1: p. 104)¹⁶

Throughout the 1880s and into the 1890s, the above stance was maintained, as evidenced by judgements in cases involving C.F. Haines and W. Beanland. Having been admitted a fellow of the ICAEW in August 1893, Haines had asked whether a chartered accountant might take out a valuer's licence. The General Purposes (GP) Committee, to whom the case was referred, resolved that:

it is not inconsistent with the profession of a Chartered Accountant for a license to be taken out by him for use in his calling as an Accountant, but that no member should be permitted to engage in the business of Valuer.

(MS28426/5, 30/10/1893: pp. 121–2)

Four years later, Beanland, who inquired whether his firm could admit as a partner a gentleman who would take charge of the valuation of drapers' stocks, was informed that 'the Council are of opinion that the business of a valuer ... is not incident to or consistent with that of a Public Accountant' (MS28411/4, 1/12/1897: p. 201).

Insurance

Over 50 per cent of accounting firms advertising in trade directories in England in the period 1863–79 undertook insurance agency work (Edwards *et al.*, 2007: pp. 80–1). In the post-1880 period, Walter Jacombs (admitted to the ICAEW on 2 March 1881) was the first practitioner to bring a test case to establish whether such work was permissible within the ICAEW's definition of the 'public expert' chartered accountant. At the Council meeting of 5 October 1881, 'the Secretary was directed to inform Mr Jacombs that the Council did not consider the holding of an Insurance Agency inconsistent with the business of a Public Accountant' (MS28411/1, 5/10/1881: p. 114). The Council reaffirmed the legitimacy of members working in this domain seven years later when J.W. Wagman was informed that he 'could retain his [insurance] agency subject to his employers [sic] approval' (MS28411/2, 4/4/1888: p. 268). Similarly, in 1884, the Council resolved that Messrs. H.W. & J. Blackburn could accept an insurance managership (MS28411/1, 9/7/1884: p. 348).

Auctioneering

Across the 1880–1900 period, the case of Thomas Hayes Sheen provoked the greatest amount of correspondence in *The Accountant* regarding the ICAEW's interpretation of its

fundamental rules. Admitted to the ICAEW as a fellow within three months of formation, Sheen sought to establish whether the business of an auctioneer was incident to or consistent with that of a public accountant.

The saga appears to have commenced when the ICAEW's Investigation Committee became aware of 'an advertisement of a forthcoming sale by auction which appeared in the Liverpool Mercury ... [from which] it appears ... that Mr Thomas Hayes Sheen FCA ... has commenced business as an Auctioneer in Liverpool under the style of 'Sheen & Co.'" (MS28411/1, 5/3/1884: p. 311). At the Council meeting of 4 June 1884, it was resolved 'That in the opinion of the Council, the business of an Auctioneer is not incident to or consistent with that of a Public Accountant' (MS28411/1: pp. 334–5). Although a special meeting of the Council was to be held to establish whether Sheen should be excluded or suspended from the Institute, his resignation was accepted soon afterwards (MS28411/1, 6/8/1884: p. 350). Council's prohibition of the combination of accountancy and auctioneering for non-exempt members was maintained throughout the period.¹⁷

Stock- and share-broking

The combination of accountancy work with that of stock- and share-broking was, as we revealed earlier, one of the major areas of debate in 1879, as the London Institute sought to restrict the 'task areas' of the 'public accountant'. The debate was re-opened in 1885 when John Jackson Saint presented a letter to the Council enquiring about the implications of purchasing a stock- and share-broking business (MS28411/1, 4/3/1885: p. 407).¹⁸ The governing body of the ICAEW resolved, '[t]hat in the opinion of the Council the business of a Stock and Sharebroker is not incident to or consistent with that of a Public Accountant' (MS28411/2, 3/6/1885: p. 20; see also MS28411/2, 7/10/1885: p. 46).

The ICAEW minutes reveal that Council stood firm in its stance on stock- and share-broking. Henry Belk, admitted to the ICAEW in November 1887, was invited to resign his membership thirteen years later, having 'entered into a business inconsistent with that of a public accountant' (MS28411/4, 7/11/1900: p. 377). The index to the Council minute book reveals this to be a 'Stock + Share Broker + Accountant' case. His resignation was later accepted (MS28411/4, 5/12/1900: p. 381).

Agency, debt collection and money lending

We have seen that test cases involving Jacombs and Wagman established that the holding of insurance agencies lay within the ICAEW's definition of the 'public expert' chartered accountant. Other agency work was not always seen in the same light. William Harper's enquiry as to whether there was any objection to his accepting 'an appointment as Agent to the Cheque Bank Limited' was met with a response that 'No objection be taken' (MS28426/6, 3/4/1894: p. 14). However, the following year, George Coates' activities as 'Agent in Newcastle on Tyne and District, for Messrs Jordan & Sons, London, Company Registration Agents, Printers, Publishers and Stationers' caused the Investigation Committee to conclude that 'the business of agent conducted by Mr Coates is inconsistent with the business of a public accountant and is therefore an infringement of sec 19 subsec 4 of the Charter' (MS28426/6, 7/8/1895: p. 93). Coates immediately capitulated stating that he would 'at once discontinue the business and that it had never occurred to him that taking it up would be infringing a section of the Charter' (MS28426/6, 7/8/1895: p. 93).¹⁹

David Polley (admitted an associate of the ICAEW on 3 February 1886) questioned the Council as to whether debt collection was permissible within the chartered body's definition of the 'public expert' chartered accountant (MS28411/3, 5/12/1894: p. 358). The GP Committee, to whom the case was referred, recommended 'That Mr Polley be informed that the Council is not prepared to express an opinion on the question which is entirely a legal one and not one affecting the practice of accountancy' (MS28426/6, 20/12/1894: pp. 48–9). Whilst enquiries were often met with the response that the 'Council could not answer hypothetical questions but must deal with each case', the subjoiner in the case of Polley, that the question is 'not one affecting the practice of accountancy', would suggest that Council perceived the activity to lie outside the legitimate work of the chartered accountant. This was certainly the opinion of Fox and Cooper (above), who respectively argued that debt collection, 'does not fall within the province of our work', or constitute one of 'our trades'.

The business of money lending also appears to have met with the disapproval of Council, as evidenced by its inquiry into the dealings of Joseph Airey who, like Sheen, had joined the ICAEW soon after its formation. Initially, the Investigation Committee noted a newspaper cutting of an ACA who 'solicits persons to apply to him for the loan of money' (MS28426/7, 9/1/1900: p. 107). A formal complaint was made to the Council on the grounds that the member 'has committed an act or default discreditable to him as a public accountant in that he has advertised in such a way as to show that he is carrying on business as a money lender' (MS28426/7, 9/1/1900: p. 107). On investigation, Airey pleaded: '[I have] entirely severed my connection with the business of money lending. I only accepted the Agency [for a Syndicate] in November last and resigned the same in January. I am not, nor have I ever been, a member of the Syndicate' (MS28426/7, 24/2/1899: p. 123). Although no further action was taken (MS28411/4, 1/3/1899: p. 280), the very fact that a formal complaint was made against Airey (and that his case was investigated) indicates that the business of money lending was deemed by some not to be an activity that would raise the public's esteem of the chartered accountant.

Estate agency

Estate agency was another occupation in which some of the ICAEW's grandfathers or exempt members engaged, though it was not until 1896 that the issue of its consistency with the work of the public accountant appears to have been discussed. At the Council meeting of 4 November 1896, it was resolved that Thomas Bayley be admitted as an Associate and the ICAEW's Secretary was instructed to request him to omit the words 'Estate Agent' from his notepaper (MS28411/4: p. 113). This request may have been, however, more a matter of creating exclusivity in the description of the chartered accountant than disapproving of estate agency *per se*. The following month Mr Lescher called attention to the anomalous position of chartered accountants publicly acting as Estate Agents, and moved '[t]hat in the opinion of this Council the time has arrived for deciding whether or not the business of an Estate Agent is incident to that of a Chartered Accountant' (MS28411/4, 3/12/1896: p. 124). 'After some discussion it was agreed that the consideration of the matter should be adjourned *sine die*' (MS28411/4, 3/12/1896: p. 124). Council reaffirmed its earlier disapproval of members describing themselves as estate agents in 1898, with the admission of J.W. Caldwell and W. Mitchell being 'subject to their ceasing to describe themselves as Estate Agents' (MS28411/4, 4/5/1898: p. 231). However, no general statement concerning the status of such work was issued prior to 1900.

The Backlash against 'Grandfathering' in Public Practice

We have shown that the Charter definition of the 'public expert' prevented non-exempt ICAEW members 'from mixing the pursuit of any other business with the discharge of the higher duties devolving on them as Public Accountants' (ICAEW, 1882: pp. 6–7). However, those engaged in combined businesses at the time of the Charter (the grandfathers or exempt members) were allowed to continue to earn fees from such activities in the post-1880 period. The lead writer of *The Accountant* graphically illustrated the inequity caused by this differential treatment of members:

Members, therefore, who were not in practice on the 11th May 1880 are compelled to confine their practice to strict accountancy; and although in London – and, perhaps, also in the largest provincial centres – they probably do not feel any serious inconvenience from the competition of Chartered Accountants who (by virtue of having been in practice at the date of the Charter) are entitled also to practise as auctioneers, stockbrokers, etc., the chances are that, in the smaller provincial towns, the competition is much more keenly felt, and the injustice of the position is, therefore, more fully appreciated.

This injustice is further emphasised by the fact that, while the younger generation of Chartered Accountants are not allowed to advertise, the older members who carry on – in addition to accountancy – the occupation of an auctioneer or a stockbroker, are allowed to (and frequently do) extensively advertise themselves in that capacity. Even though the advertisement were restricted so as not to include the accountancy part of their practice, it cannot fail to have the effect of keeping their names prominently before the local public, and for many purposes must in practice produce all the advantages which could be expected were they even to advertise themselves as accountants. The position, therefore, of a member who has commenced practice comparatively recently, and who is endeavouring to establish a connection in a provincial town, is seriously affected by the right which some of the older members of the Institute possess, of continuing to practise as auctioneers, and in other more or less similar capacities, and to advertise themselves as carrying on such businesses.

(*The Accountant*, 1/7/1899: p. 694)

Those lacking the requisite grandfatherly credentials soon challenged the Council to extend those privileges to all members, sometimes underpinning their pleas with actual or implied threats (*The Accountant*, 12/4/1884: pp. 7–8; 26/4/1884: pp. 6–7; 7/6/1884: pp. 6–7; 21/6/1884: pp. 7–8). A correspondent describing himself as 'Chartered Accountant' argued that if the Council 'decide that Chartered Accountancy is incompatible with Auctioneering, a large body of accountants may secede from the Institute, as it is quite evident that many are, rightly or wrongly, inclined to doubt the advantages of membership' (*The Accountant*, 7/6/1884: p. 6). The same writer warned that such a secession would 'be exceedingly hurtful to the interests of the Institute; would impair its authority; [and] would lower it in the eyes of the public' (*The Accountant*, 7/6/1884: pp. 6–7). The influential leader column of *The Accountant* echoed these concerns and advocated that the governing body of the ICAEW should follow the lead of solicitors and allow members 'more latitude in earning their livings' (26/4/1884: pp. 3–4).

Harry Foster argued that the volume and intensity of discussion relating to combined businesses, and to auctioneering work in particular, was a direct response to the '*culpable negligence* of the Council during the passage of the Bankruptcy Bill' the previous year (*The Accountant*, 28/6/1884: p. 7 – emphasis in original).²⁰ The Bankruptcy Act 1883 abolished the position of trustee in bankruptcy, frequently filled by accountants, and introduced an intermediary, the official receiver, in its place. While 'a small number of accountants, including Robert Palmer Harding, benefited from appointments to this post, ... the bulk of the profession may have lost out because they were no longer appointed by the courts' (Matthews *et al.*, 1998: p. 97). Horace Woodburn Kirby, President of the ICAEW in 1915, later described this legislation as a 'serious setback' for the profession as it 'transferred much profitable business formerly undertaken by accountants to officials' (quoted in Stacey, 1954: p. 56; see also *The Accountant*, 14/6/1884: p. 3, 28/6/1884: p. 7). Those adversely affected by this legislative change may therefore have used it as a lever to weaken the ICAEW's stance towards 'combined businesses' (*The Accountant*, 28/6/1884: p. 7).

Despite threats of secession and criticism of the Council for failing to defend its own jurisdiction or to make incursions into the jurisdictional claims of other professions (Abbott, 1988),²¹ the ICAEW's leaders stood firm to preserve the specialism and distinctiveness of the chartered accountant within professional practice. Non-exempt members were therefore prohibited from combining valuation work, auctioneering and stock- and share-broking with public accountancy, while estate agency, debt collection and money lending were subject to signals of disapproval.²²

Treatment of Members Leaving Public Practice

Prior to organisational formation in England, public accountants sometimes undertook a range of commercial appointments alongside their engagements in public practice. Beyond that, from the 1870s members of the SAE were permitted to work entirely outside public practice as accountants to public bodies or corporations, subject to satisfying an experience credential. The other merging societies (Liverpool excepted) were empowered to exclude those who breached the practising only definition of the 'professional accountant' (see Table 1). In this section, we explore the stance taken by the ICAEW towards such appointments as it attempted to operationalise its Charter definition of the 'expert' chartered accountant. Specifically, we address the question of whether it was permissible for a chartered accountant to work outside public practice and, if so, whether there were any restrictions on the type, locale and/or time devoted to such work.

Early cases

In the years immediately following the grant of its Charter, the Council and various committees of the ICAEW dealt with a number of cases involving members seeking to take up engagements outside public practice. An analysis of these cases (see Appendix) provides an insight into the ICAEW's decision-making at this time. When Council discovered that a chartered accountant had taken up an appointment outside the profession of public accountancy, he was usually either excluded or required to resign (see, for example, Appendix, case numbers 4, 5 and 10). When a chartered accountant inquired of Council whether he might take up such an appointment, he was invited to resign (cases 3 and 8).

The case of Charles Fox (case 1) suggests that there was some flexibility within the above schema. *The Accountant* stated that Fox had ‘accepted an appointment as clerk to a firm of auctioneers’ (7/5/1881: p. 5). Having first decreed in May 1881 that he ‘be requested to resign his membership of the Institute, his present employment not being in accordance with the fundamental rules of the Institute’ (MS28411/1, 4/5/1881: pp. 92–3), the Council later assented to Fox’s request that his resignation should ‘stand over’ (MS28411/1, 6/7/1881: p. 104). In the absence of any explanation, we can only assume that he terminated his inconsistent employment since he was issued with a Certificate of Practice in February 1882, became a fellow in 1898 and retained his membership into the twentieth century (MS28465/1).

In early 1884, the case of Arthur Bourner (case 6), concerning whether Official Receivers’ clerks could remain members of the Institute, provides a fuller insight to the Council’s thinking on where the boundaries of permissible activities lay (MS28411/1, 6/2/1884: p. 305). The Council adopted the recommendations of the GP Committee:

That the occupation of clerk to an Official Receiver is not incident to or consistent with the business of a Public Accountant

1. When the Official Receiver is a Solicitor.
2. When the Official Receiver being a Public Accountant has to give up his business as accountant on his appointment.
3. When the Official Receiver being a Public Accountant and allowed to carry on his business the clerk is exclusively engaged in assisting him in his duties as Official Receiver.

But that the occupation of clerk to an Official Receiver is not inconsistent with the business of a Public Accountant when the Official Receiver, being an accountant is allowed to carry on his business and the member of the Institute employed by him as his Clerk be engaged in assisting him both in his duties as Official Receiver and in his business as accountant.

(MS28411/1, 6/2/1884: p. 305)

These judgements appear to have centred on the professional expertise of the Official Receiver and the time devoted to the peripheral activity. Serving as clerk to an Official Receiver who was a public accountant was not a sufficient condition for retaining ICAEW membership. Clerks had to devote at least some, albeit unspecified, amount of their time to carrying out the business of a public accountant.

Later in 1884, in addressing the case of Frederick Gittins (case 7), Council considered the membership status of Official Receivers themselves. Adopting the recommendations of the GP Committee (which had taken legal advice), they resolved that members ‘who have accepted appointments as Official Receivers at a salary and have been required to give up practice shall not be required to retire from the Institute but may if they think fit remain as members not in practice’ (MS28411/1, 6/8/1884: p. 355). Council was willing, in these circumstances, to permit chartered accountants to retain membership (albeit at the same grade bestowed on those serving as clerks and not in practice in their own right) even though *none* of their time was devoted to the business of a public accountant. The same membership privilege was not granted to Assistant Official Receivers. Council insisted upon the ‘unconditional resignation’ of Alfred Wildy (case 11) upon taking up such a position in 1885 (MS28411/1, 4/4/1885: p. 416).²³

The legal orientation and social status attaching to the position of Official Receiver may have proved decisive in the ICAEW's decision to allow chartered accountants to retain membership on taking up such full-time posts whereas others leaving public practice (including those assisting, or serving as clerk to, an Official Receiver) were either excluded or required to resign.²⁴ The appointment of Robert Palmer Harding (ICAEW President, 1882–3) to 'Principal Official Receiver in Bankruptcy' may also have proved significant in demonstrating to Council the value placed upon the skills of the chartered accountant in this and other positions outside public practice (MS28411/1, 3/10/1883: p. 263).²⁵ We now go on to consider some of the other key cases that further refined the definition of the 'public expert' chartered accountant.

The cases of James Martin Luttman and Thomas Young Strachan

The first case that marks something of a watershed in the stance of the Council towards members accepting appointments outside public practice is that of James Martin Luttman (case 15). Luttman was admitted as an associate of the London Institute on 11 February 1880 and became a member of the ICAEW three months later. The significance of the case and the degree of difficulty encountered by the Council in reaching a decision is demonstrated by the fact that investigation and discussion spanned more than one year and that legal advice was taken on two separate occasions.

Luttman, formerly in practice as a public accountant, gave notice to the secretary of the ICAEW in 1884 that he had ceased to practice and thereafter had paid a (reduced) subscription as an associate not in practice. The ICAEW's Investigation Committee discovered that

he is Accountant to the Artizans Labourers and General Dwellings Co. Ltd at a salary of £300 per ann. devoting thereto the greater portion of his time and receiving therefrom the greater portion of his income. Your Committee are of opinion that he is no longer eligible to remain a member of the Institute.

(Report of the Investigation Committee, MS28411/2, 14/7/1886: p. 124)

The governing body resolved that it should hold a special meeting on 4 August 1886 to 'consider whether Mr. J.M. Luttman A.C.A. should be excluded or suspended from membership, if, after receiving a letter from the Secretary suggesting resignation, Mr Luttman should fail to resign his membership' (Report of the Investigation Committee, MS28411/2, 14/7/1886: p. 124). Legal advice from Mr. E. Macnaghten had indicated that 'Council will not be justified in excluding him [Luttman] from membership' (MS28459/1, 9/5/1886: p. 102).²⁶ Council felt 'the matter required more consideration than was given to it by Mr Macnaghten' and sought further legal advice (MS28459/1, 26/7/1888: p. 87). The opinion of Mr Rigby was that

Council is invested with the judicial or quasi judicial function of giving a final opinion which if given in good faith cannot be called in question or overruled by any other tribunal on the question of whether any particular business or occupation is incident to or consistent with that of a Public Accountant.

(MS28459/1, 29/1/1887: p. 102)

A special meeting of Council was called to consider whether Luttman should be excluded or suspended (MS28411/2, 2/3/1887: pp. 180–2). After consideration of letters and personal appearances by Luttman, and a series of adjournments, at the Council meeting of 23 June 1887 the matter was further debated, different views were presented, and it was finally resolved ‘That the question be not put’ (MS28411/2, 23/6/1887: pp. 211–12). Luttman later penned an interesting letter to *The Accountant*, which read:

From your report of the President’s address at the annual general meeting held on the 4th May [1892], it appears that ‘the Council has adopted the principle that when any member of the Institute becomes a Borough Treasurer, Accountant to a Public Company, or Official Receiver ... it is unnecessary to require such member to resign his membership.’

About six years ago the Council required me to resign because I had become Accountant to the Artizans’, Labourers’, and General Dwellings Company (Lim.). I declined to do so.

I was never informed why the attempt to compel me to resign was abandoned.

It would be instructive to know how many members in positions analogous to that held by me have been ‘required’ to resign; how many such have, in fact, resigned; what has been done in the cases of those who did not resign; and whether the Council purpose [sic] reinstating those who resigned, or were excluded on grounds now publicly admitted to be unjustifiable.

(*The Accountant*, 11/6/1892: p. 473)²⁷

The second ‘watershed’ case involved a member of the Council, Thomas Young Strachan (case 20). Strachan’s 16-month period of service on the ruling body terminated in July 1888 as an investigation began into the propriety of his continued membership given that he had ‘ceased to practice [sic] as a Chartered Accountant and [had] become Manager to the Mortgage Insurance Corporation Limited’ (MS28411/2, 11/7/1888: p. 293; MS28459/1, 19/7/1888: p. 87).²⁸ In response to a letter from the secretary of the Northern Institute of Chartered Accountants ‘as to Mr Strachan remaining a member of the Institute and asking what the practice has been in cases of members accepting public appointments’, Council took legal advice (MS28426/3, 1/11/1888: p. 83). The solicitors stated that ‘the practice has invariably been to exclude from membership any member retiring from practice and accepting a public appointment failing the resignation of such member’ (MS28411/2, 7/11/1888: pp. 328–9). Pressed by the Northern Institute, the Council took further legal advice. This time, Mr. Rigby expressed the opinion that the powers of Council under section 20 of the Charter, which dealt with exclusion and suspension from membership, were ‘discretionary’ (MS28459/1, 16/2/1889: p. 95). Further:

In my opinion the Council ... are not bound to exclude any member simply because he ceases to practice as a Public Accountant, but does not begin to follow any other business.

The duty and power of defining what is to be considered to be the following of a business or occupation to be consistent with that of a Public Accountant is by the Charter given to the Council. In my opinion they are not under legal obligation to hold that the acceptance of an appointment to a Government office or of a manager to a public body is the following of such an occupation or business.

The nature and extent of the duties incident to such an appointment may be such as to require all the skill and knowledge of a Public Accountant.

The Council should in my opinion deal with each case as it arises on its merits and should abstain from laying down general rules.

(MS28459/1, 16/2/1889: pp. 95–6)

The GP Committee resolved to inform the Northern Institute that 'Council have power to exercise their discretion in each case that may arise' (MS28426/4, 28/2/1889: p. 5). Strachan was neither excluded nor was he required to resign from the Institute.

In further correspondence, the Institute's solicitors reveal that, 'So far as we know, 2 Cases only have arisen under Sub Section 4 of Section 19 of the Charter viz. the case of Mr Luttman in 1887 and that of Mr Strachan in 1889' (MS28411/3, 4/5/1892: pp. 184–185).²⁹ While case 10 (Mollett) demonstrates that the solicitors were evidently not privy to the ICAEW's rulings in other cases, we conclude that these two cases were pivotal with, as noted in Luttman's letter to *The Accountant*, President Welton informing the general meeting in May 1892 that

Council has adopted the principle that, when any member of the Institute becomes a Borough Treasurer, Accountant to a public company, or Official Receiver, or accepts any similar position where his abilities as an accountant are called into public use, but his public practice ceases, it is unnecessary to require such member to resign his membership.

(*The Accountant*, 7/5/1892: p. 382)

There were of course cases prior to this announcement (see, for example, cases 19 and 21) where the same 'principle' was obviously operative. It is also interesting to note that the adoption by the ICAEW of a 'principle' was contra to the advice received from its solicitors who, as we have just shown, urged it not to lay down general rules but to treat each case 'on its merits'. We might conclude that the Council had decided that the relative merits of each case were difficult to judge. A further issue may have been the difficulty of defending such judgments to members.

Cases in the 1892–1900 period

The previous section reveals that the Council eventually reached the decision that members leaving public practice could, as a general principle, retain their membership provided they continued to be engaged in an accountancy capacity. But what about those who had passed their examinations and left public practice before gaining admission? In 1892, Walter N. Fisher put forward a resolution designed to grant individuals such as Mr Frank Huxham (case 27) admission to the ICAEW:

That the principal aim of the Institute being the elevation of the profession of Public Accountants as a whole, it is expedient that persons who have passed the Final Examination, and who previously to applying for admission have secured appointments of an honourable and responsible character, in the discharge of the duties of which their attainments as Accountants are utilised, should be eligible to be admitted Members of the Institute.

(MS28411/3, 6/4/1892: pp. 178–9)

Legal opinion was sought and found to be consistent with earlier advice and equally ambivalent:

we have no hesitation in advising that it is legally competent for the Council, if on the merits of the case they think it advisable to do so, to admit Mr Huxham, who has, we understand, passed the requisite examinations and otherwise fulfilled the requirements of the Charter as a member of the Institute; but following the opinion of Mr Rigby who, in advising on Mr Strachan's case, recommended that the Council should, in his opinion, deal with each case as it arose, on its merits, and should abstain from laying down any general rules, we recommend that the Council should not pass any special Resolution, but that they should deal as they are legally competent to do, with Mr Huxham's case, on its merits, and admit him, if they see fit, as a member of the Institute.

(MS28411/3, 4/5/1892: pp. 184–5)

Following this advice, Fisher 'withdrew the motion he had proposed' (MS28411/3, 4/5/1892: p. 183) and Huxham was admitted as an associate not in practice (MS28411/3, 4/5/1892: p. 186). This case, along with the earlier ones involving Luttman and Strachan, appears to be of crucial importance in redefining the chartered accountancy qualification as a legitimate entrée to a career in business. As the Appendix shows (see, for example, cases 28–30, 48, 51, 62, 68, 72, 75, 83, 88 and 89), there are many instances of accountants qualifying and very soon afterwards taking up positions in industry following the Huxham ruling.

Consistent with the principle enunciated by Welton in 1892, members moving 'outside the profession'³⁰ to take up posts as 'accountant', 'secretary', 'borough accountant' and 'borough treasurer' were able to retain their membership as either fellows or associates 'not in practice'. A range of other positions involving job titles such as 'clerk', 'auditor' and 'examiner of accounts' proved equally acceptable to the ICAEW hierarchy (see, for example, Appendix case numbers 22–4, 38, 39, 83, 89, 91, 92 and 96). For reasons which are not entirely clear, however, three members - Henry Battams (69), William Auckland (93) and Frederick Parker (26)–were *not* allowed to retain their chartered accountant status when they moved over to the business sector. Battams, who became the proprietor of a firm manufacturing iron plates in 1898, and Auckland, who two years later became a partner in a firm of yarn agents, can possibly be distinguished on the grounds that they took up entrepreneurial positions.³¹ The case of Parker remains inexplicable on the basis of the available records; he was informed (May 1892) that, if he accepted an appointment as 'accountant' to a firm of contractors and builders, he could no longer remain a member of the ICAEW. His resignation was accepted in October 1892.³²

Explaining Council's Acceptance of Business Members

From 1892, Council ruled that members could take up certain commercial appointments upon qualification without forfeiting their membership, thereby paving the way for the chartered accountancy qualification to be used as an entrée to a business career. As Matthews *et al.* note, 'this was the start of a trend which ... accelerated rapidly during the inter-war period' and culminated in the chartered accountancy qualification becoming the most common professional qualification found in the UK boardroom in the second-half of the

twentieth century (1998: p. 141).³³ This transformation, although remarkable in the sense that the ICAEW was established as a body of practising public accountants,³⁴ should not be seen as an inevitable outcome.³⁵

In the absence of 'official' explanations, we suggest that the amended late-nineteenth century definition of the chartered accountant was the product of changed thinking on the part of the ICAEW's governing body rather than due to an influx of new blood onto Council³⁶ or to financial imperatives.³⁷ The experiences of those governing the ICAEW must have played an important part in this changed attitude towards members taking up positions outside practice. Matthews *et al.* (1998: p. 126) have shown that, by 1911, almost 50 per cent of the ICAEW's Council held company directorships. Using the *Directory of Directors*, we have repeated this exercise at five-yearly intervals for the 1880–1900 period. In 1880 and 1885, around 15 per cent of the ICAEW's Council members held directorships.³⁸ By 1890, one-third (15) of the Council held directorships in a total of 41 companies, with Edward Hart (ten directorships) and Frederick Tendron (seven) most prominent. This level of Council representation in the boardroom increased to 18 members (40 per cent, 36 directorships) in 1895 and to 19 (42.2 per cent, 45 directorships) five years later. Although its composition was slow to change, there was nevertheless a transformation in both the number and proportion of company directorships held by those occupying seats on the ICAEW's governing body during the 1880–1900 period.

Aside from these boardroom experiences, the Council would have become increasingly aware of the utility of chartered accountants to business and the demand for their expertise therefrom.³⁹ While some councillors pursued early careers in business,⁴⁰ most of them gained an intimate knowledge of business operations through an array of professional engagements extending well beyond audit and insolvency.⁴¹ William Welch Deloitte, for example, undertook major fraud investigations at the Great Northern Railway in 1856 and at the London and River Plate Bank fourteen years later (Matthews *et al.*, 1998: p. 105). Accountants were also instrumental in the installation of bookkeeping systems. John George Griffiths revolutionised systems in the late-nineteenth century hospital sector (Howitt, 1966: 44), John Blackburn's firm reorganised the accounts in the Bradford borough accountant's office in 1872 (Matthews *et al.*, 1998: p. 121), while Deloitte was at the vanguard of hotel accounting from the 1880s (Jones, 1984b: p. 58). Leading accounting firms also generated fee income from company formations. At Harding, Whinney & Co., for example, 'much business resulted from the preparation of prospectuses in the latter part of the nineteenth century' (Jones, 1981: p. 56). David Chadwick was primarily a company promoter specialising in the 'arrangement of finance for companies going public' (Matthews *et al.*, 1998: p. 108). He was involved in the incorporation of at least 47 companies in the 1862–74 period (Cottrell, 1984: p. 626). The ongoing procurement of finance for established businesses became an important source of work for some firms, including Price, Waterhouse & Co. (Matthews *et al.*, 1998: p. 109) which also undertook a wide variety of investigations in the late-nineteenth century (Edwards, 1986: p. 675). Boyns and Edwards (1997) have also shown that leading accounting firms advised companies on their costing systems.

We also speculate that the Bankruptcy Act, 1883 may have proved an important catalyst for change, both through its effect on the fee-earning capacity of the public accountant and, indirectly, through the formation of a rival to the ICAEW. We have shown that the Council failed to buckle under the weight of criticism directed at it in the ensuing auctioneering debate of 1884 and preserved the 'higher duties' definition of the chartered accountant *within* public practice. Nevertheless, the consequential loss of bankruptcy business and the

associated need for members to find new streams of income may have induced a more liberal attitude towards the role of the chartered accountant *outside* public practice. This process may have been accelerated by criticism of the Council from the influential lead writer in *The Accountant*, for ‘taking too narrow and exclusive a view of the interests of the profession’ (*The Accountant*, 14/2/1885: p. 4; Howitt, 1966: pp. 29–30). In such ‘bad times’ of ‘great depression’, it argued that the governing body was ‘too afraid of lowering the status of the profession to take adequate account of the plight of the small men after the loss of so much insolvency business’ (*The Accountant*, 14/2/1885: p. 4; Howitt, 1966: pp. 29–30).

The same leading article argued that it was the illiberal policy of the Council that was responsible for the formation of the Society of Accountants in 1885 (*The Accountant*, 14/2/1885: p. 4).⁴² The recruitment policy of this Society was much wider than that of the ICAEW. Fellows were drawn from those in public practice (with just two years service), as well as those holding ‘a public appointment as an Accountant’ (Society of Accountants, 1885: p. 48). Associate status was granted to the following: ‘a Principal Clerk in an Accountant’s Office, Accountant⁴³ to a Bank, Corporation, Public Body, or in the employ of the Government [and] an Accountant or Book-keeper holding a responsible position in private employ’ (Society of Accountants, 1885: p. 48).

The emergence and rapid growth of the Society must, we suggest, have impacted upon the consciousness of members of the ICAEW’s decision-making body.⁴⁴ Although the membership of the Society was less concentrated than that of the ICAEW, in the major cities members of both bodies practised in close proximity, while their respective headquarters were within a stone’s throw of each other.⁴⁵ The publication of its early proceedings in *The Accountant* would also have increased awareness of the Society among chartered accountants (14/2/1885: p. 11).

At a formal level, the ICAEW’s Council minute books reveal a number of instances where it responded either to the existence or to specific actions of the Society. Indeed, at the outset, the ICAEW opposed the granting of a licence from the Board of Trade for the incorporation of the Society as a limited company (MS28411/2, 4/11/1885: p. 55). Soon afterwards, a committee of the most eminent Council members was established to consider ‘what action should be taken regarding the Society of Accountants’ (MS28411/2, 5/5/1886: p. 103).⁴⁶ The ICAEW later felt compelled to respond to a letter in *The Times* in which the secretary of the Society claimed ‘that the Society is on an equal footing with the Institute’ (MS28426/4, 3/11/1890: pp. 86–7).⁴⁷

Thomas Abercrombie Welton’s Presidential address to the ICAEW’s annual meeting in 1892 provides telling evidence in support of the hypothesis that changes in the definition of the chartered accountant were, to some extent, associated with the development of the Society. Having discussed the formation of the ICAEW, Welton noted:

a new body has attracted a certain amount of support - known as the Society of Accountants and Auditors. I presume that a body so solid as ours must not think it surprising if it has a shadow, but I think if anyone will get out statistics showing the audits held by our members and those of the other society, the contrast will be found to be very great. I should like to point out, *while upon this subject, that there has never been any indisposition to assimilate good elements into our Institute*, and those who think otherwise are, perhaps for want of full knowledge, unable to appreciate the true state of the matter. *The Council would welcome the concession by the Privy Council of a general power to admit by an unanimous, or a nearly unanimous, vote*

any person whatever they judged to be entitled to admission, but I believe there is no prospect that this useful power will be granted.

I am glad that in the past year the Council has adopted the principle that, when any member of the Institute becomes a Borough Treasurer, Accountant to a public company, or Official Receiver, or accepts any similar position where his abilities as an accountant are called into public use, but his public practice ceases, it is unnecessary to require such member to resign his membership.

(The Accountant, 7/5/1892: p. 382 – emphasis added)

Whilst we have shown that the ICAEW was keen to demonstrate its superiority over the Society, its actions suggest that it was also fearful that inflexibility on its part may have resulted in its position being the subject of serious challenge from a body which embraced non-practising members.⁴⁸

Concluding Comments

Utilising archival material, this paper has illuminated some of the contradictions and tensions faced by the ICAEW in promoting its professionalisation project during the first 20 years of its existence. By analysing hitherto unresearched individual 'test cases', we have revealed the many difficulties encountered by the fledgling body as it attempted to operationalise the provisions of its Royal Charter by fixing its professional boundaries based on the performance of work.

To achieve organisational fusion in 1880, it proved necessary to admit a diverse range of members. At the one extreme were accountants whose activities were confined to those considered appropriate for the specialist public practitioner, at the other were members undertaking a number of peripheral activities (e.g. auctioneering, stock- and share-broking, and agency work) that were considered potentially damaging to the creation of such an image. The admission to membership of the latter cohort therefore conflicted with the ICAEW's aim of restricting the 'calling' of the chartered accountant to that of a specialist 'public expert in matters of account' (*The Accountant*, 12/12/1896: p. 1022). The solution was to include provisions in the Charter that, in broad terms, permitted experienced, established practitioners engaged in combined businesses (exempt members) much greater latitude in the range of activities they might undertake than those lacking such credentials (non-exempt members). In the period to 1900, we have shown how the non-exempt members sought access to the benefits conferred by these 'grandfather clauses'. However, the ICAEW leadership held firm in prohibiting those unable to claim the above exemptions from 'mixing the pursuit of any other business with the discharge of the higher duties devolving on them as Public Accountants' (ICAEW, 1882: pp. 6–7).

Lacking 'acceptable middle class characteristics' and the links to the gentry and legal profession of their Scottish brethren (Macdonald, 1984: p. 187), the ICAEW's discrimination against certain classes of activity appears to be wholly consistent with the Charter intention of raising the 'character' of the profession (ICAEW, 1882: p. 5). The task areas of 'valuation and agency' represented such an extreme abstraction from the public accountant's core competency that they could not persuasively define them as 'their own proper work' (Edwards *et al.*, 2007: p. 84; Abbott, 1988: p. 102). This 'would make jurisdiction weak and indefensible within the public domain' (Edwards *et al.*, 2007: p. 91). As 'Vigilans', a correspondent to *The Accountant*, cogently argued: 'if the Institute allows its members to

advertise themselves as estate agents, sharebrokers, and many other things, how can we ever hope to prevent men in different trades calling themselves accountants?' (3/3/1900: p. 225). Distancing itself from those fee-earning areas that had generated the 'maid-of-all-work' perception was consistent with the aim of creating a 'distinct' profession (*The Accountant*, 14/8/1880: p. 9; 7/5/1881: p. 4 – emphasis in original). Moreover, it complemented the ICAEW's other status-enhancing strategies involving severe entry hurdles, onerous examinations, fundamental rules of ethics and etiquette (underpinned by disciplinary powers), the promotion of the distinctive 'chartered accountant', 'FCA' and 'ACA' credentials (Anderson *et al.*, 2005) and of 'building respectability' through the design of its prestigious City of London headquarters (Macdonald, 1989).

It appears that the ICAEW Council heeded the advice of *The Accountant*, which implored it, for the sake of creating a 'distinct profession', steadfastly to observe the Charter bye-laws 'particularly in the early stages of the Institute's existence' (7/5/1881: p. 4 – emphasis in original). Initially, as we have shown, chartered accountants taking up positions in commerce were either excluded or required to resign. As the goal of professional respectability appeared increasingly attainable, the governing body became more willing to allow an occupational group with an entrepreneurial ethos to exploit its commercial ambition, even though this challenged the perception of the professional in late-Victorian Britain (Carr-Saunders & Wilson, 1933; Millerson, 1964).

Institutionalising those taking up positions 'outside the profession' (as members not in practice) proved to be a difficult process for the leadership of the fledgling ICAEW. In the case of Luttmann, who wished to employ his accounting skills in the position of accountant to a commercial organisation, Council questioned him in person, twice took legal advice, yet 12 months later still faced diametrically opposed resolutions in the Council Chamber as to whether he could retain membership. Nevertheless, this case and those involving Strachan and Huxham were of fundamental importance in reshaping the definition of the chartered accountant. Although advised to treat each case 'on its merits', Council adopted a 'principle' from the early 1890s that members could accept appointments where their 'abilities as an accountant' were utilised, even when they ceased to practice or had moved 'outside the profession' prior to ICAEW admission (*The Accountant*, 7/5/1892: p. 382). This paper has therefore profiled the pioneers whose steps from practice to commerce were followed by many others who reached top positions in business management, ultimately causing accountants to be acclaimed as 'the priesthood of industry' (Matthews *et al.*, 1998). While certain commercial positions remained inconsistent with continued membership (even down to 1900), the adoption of the chartered accountancy qualification as a legitimate stepping-stone to a business career meant that the definition of the chartered accountant by the end of the nineteenth century was already much broader than the initial Charter interpretation of 'a public expert in matters of account' (*The Accountant*, 12/12/1896: p. 1022).

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Notes

1. A Royal Charter was granted to the ICAEW on 11 May 1880 to 'incorporate into one body the members of five societies of accountants in England' (Boys, 2004: p. 30).
2. Over 80 per cent of those 'accountants' appearing in the trade section of the leading directories in London and Liverpool in 1865, for example, chose also to list themselves in the commercial section as entirely or primarily engaged in the provision of accounting and audit services (Edwards *et al.*, 2007: p. 74).
3. An examination of paid advertisements inserted in trade directories by accountants, between 1863 and 1879, reveals that most held themselves out as agents of some description. Almost 60 per cent were agents for insurance companies, one-half worked also as estate agents or property brokers, while one-third collected rent or debts (Edwards *et al.*, 2007: pp. 80–81). Many accounting firms probably adopted the fee-earning strategy of Grace, Darbyshire & Todd: 'We threw our net for business wherever we thought it would catch fish, or I should say make money' (Grace *et al.*, 1957: Ch. 2).
4. For David Chadwick, the accountancy profession was 'a palladium for all kinds of mercantile refugees' (*Law Times*, 31/12/1870: p. 166; quoted in Walker, 2004a: p. 87). *The Accountant* advocated that the profession required a charter 'to preserve it at all points from the inroads of uneducated and unscrupulous quackery' (20/5/1876: p. 3).
5. G.W. Spence (of the Newcastle firm, Gillespie, Swithinbank & Co., letter dated 6/5/1872), Harmood W. Banner (Liverpool Society, 20/5/1872) and J. Halliday (Manchester, 9/5/1872) argued that the leading provincial accountants had declined to join the SAE on status grounds (MS28405/1: pp. 85, 91–3).
6. There is evidence to suggest that the propensity of SAE members to append other occupations to accountant in the Census was significantly higher than for members of the other predecessor bodies. SAE members describing themselves as accountants and auctioneers included William John Andrews, Edwin Belfield, John Chapplow, George Cox, Henry Harrison, George Pepper and George Weaver. Estate agency work was also undertaken by George Jay, Benjamin B. Rowlands (in conjunction with auctioneering), and William H. Tilston. Others appending additional occupations to that of accountancy included Frederick Bedford (Collector), George Hudson (Auctioneer and Valuer), George Beech (Stock Broker), Matthew de Rome (Share Broker and Auctioneer), and Francis J. Thornber (Auctioneer, Borough Auditor, House and Land Agent). In addition, Christopher and Jarvis W. Barber, Charles H. Moss and Joshua Wortley, who joined the SAE and later the Sheffield Institute, described themselves as stock/sharebrokers and accountants. SAE members appending non-combined business occupations to their accountant status include Henry Davies and William Gilyard. Davies is described in the Census as 'Accountant Chart [sic] Coal Proprietor (Merchant)', while Gilyard's occupation is 'Accountant and farms 11 acres employing 1 labourer (farmer)'. The only other member of a predecessor body that we have been able to identify who listed another occupation in addition to that of accountant was Sheffield Institute member Henry Hart. Hart's occupation is listed in the Census as 'Accountant Share Broker & Partner in Rolling Mills Employing 43 Men & 7 Boys' (www.familysearch.org).
7. The accounting societies in Liverpool and Manchester were broadly supportive of the stance taken by the Institute of Accountants, though both argued that estate and insurance agency work should be included within the new incorporated institute's definition of public accountancy (MS28405/1, 20/7/1877: p. 326; MS28405/2, 31/1/1879: p. 19; Manchester Society of Chartered Accountants, 6/2/1879: pp. 272–3).
8. The importance of defining the scope of the expert accountant's speciality – or these 'higher duties' – is evidenced by the description of the relevant section of the Charter [Clause 19], as '*Fundamental* Rules of the Institute' (ICAEW, 1882: p. 18–emphasis added). Violation of any of the fundamental rules (which essentially dealt with what would today be termed ethics and etiquette) would render members liable either to exclusion or suspension for a period of up to two years.
9. Clause 4 enabled members of the predecessor bodies to join the ICAEW (ICAEW, 1882: p. 10).
10. Clauses 5(3), 5(4) and 6(1) enabled practitioners in public practice at the time of the Charter with the requisite experience (three years for associates; five for fellows) to join the ICAEW (ICAEW, 1882: pp. 11–12). The 1881 Census records the occupation of Armstead as 'Member of the Sheffield Stock Exchange & a Chartered Accountant', Oates (in partnership with Armstead), as 'Member of Stock Exchange', Airey as 'Share Broker and Chartered Accountant' and Pitt as 'Chartered Account [sic] and Auctioneer' (www.familysearch.org). As none of the four joined the ICAEW at the date of the Charter (they joined between September and December 1880), each must have been engaged in the same 'combined businesses' on 11 May 1880, thereby gaining exemption from the provisions of sections 19(4) and 20(5).

11. Fox and Cooper, both London practitioners, were founder members of the ICAEW. Cooper served the ICAEW as Vice-President (1898–9), President (1899–1901) and sat on the Council for 33 years (Jones, 1984a: p. 780).
12. Gerard van de Linde listed what he termed 14 of the ‘principal’ ‘kinds of work carried on in a Chartered Accountant’s Office’, though a number of these were among Fox’s legal duties (*The Accountant*, 23/11/1895: p. 949). They were: Opening Books; Writing up Books; Keeping Books; Auditing; Secretarial; Management; Executorship and Trust accounts; Investigations; Financing, and Company Promoting; Receiverships; Liquidations; Bankruptcies; Reconstructions; and Arbitrations. The slightly later timing of van de Linde’s comments may also be significant.
13. The preamble to the Charter merely noted that public accountants were employed as ‘Liquidators acting in the winding up of companies and of Receivers under decrees and of Trustees in bankruptcies and arrangements with creditors and in various positions of trust under Courts of Justice as also in the auditing of the accounts of public companies and of partnerships and otherwise’ (ICAEW, 1882: p. 4).
14. The ICAEW ruled generally on the consistency of particular occupations and later referred to such rulings in adjudicating subsequent cases. As a consequence, we document the initial cases in the text and later ones using footnotes. This is in contrast to our treatment of members accepting appointments outside public practice (where each case was different), where we use an appendix.
15. As Edwards *et al.* note, ‘Given their heavy involvement with bankruptcy and liquidation work, it is unsurprising that some firms chose to deal in-house with related valuation and auctioneering work and, having developed those skills, sometimes made them more widely available’ (2007: p. 84).
16. This resolution was referred to in settling the case of W. Shaw as to valuers’ licences (MS28411/1, 4/6/1884: p. 335).
17. For example, see cases involving Poppleton and Beaumont (MS28411/1, 4/6/1884: p. 335), Fulford (MS28411/2, 6/10/1886: p. 133), Burrows (MS28411/4, 1/12/1897: p. 197), Paterson (MS28411/4, 1/12/1897: p. 202) and Kerr (MS28411/4, 3/5/1899: p. 293).
18. Saint was admitted as a fellow of the ICAEW on 2 April 1884. The case of C.A. Moulton, ‘an Accountant who commenced business as a Stock and Sharebroker since the date of the Charter’, would also appear to have been considered around the same time.
19. The only other case involving agency related to W.F. Allden. He enquired whether a member could undertake the management of a medical agency. However, it was later reported that ‘he has decided not to pursue this’ (MS28426/5, 4/12/1893: p. 129). As a consequence, the Council did not feel ‘called upon to pass any resolution on the subject’ (MS28426/5, 4/12/1893: p. 129).
20. Foster, formerly a member of the SAE, argued that Council had ‘lost all touch’ with members and appeared ‘to have no sympathy with them’. He suggested that ‘it imposes restrictions whilst it does nothing to assist its members; nay, worse, it absolutely betrays us into the hands of our enemies, as evidenced by the Bankruptcy Act of 1883. The result must be that members will cease to pay useless subscriptions to maintain what they regard as a useless institution’ (*The Accountant*, 28/6/1884: p. 8).
21. The threatened large-scale secession of members failed to materialise with an unexceptional 17 resignations recorded in 1884.
22. The ICAEW’s Supplemental Charter amended clause 21 in 1948. Rather than allow them to exist in perpetuity, ‘the saving in respect of continuing combined businesses will terminate in respect of any such business at the end of ten years after the death or retirement of all members of the Institute carrying on the business either alone or as partners at the date of the Supplemental Charter’ (ICAEW Special General Meeting, 21/4/1948; quoted in *The Accountant*, 1/5/1948: p. 344). The clause was also modified to apply only to those in practice (*The Accountant*, 1/5/1948: p. 344). By 1964, 17 members (representing 12 such firms) were ‘still entitled to the exemption’ (Howitt, 1966: p. 184).
23. The words, ‘and that he be informed that the Council cannot bind a future Council, but that if he commenced business and had been of good behaviour no doubt the Council would readmit him’, were crossed out in the Council minute book. His resignation was accepted (MS28411/2, 6/5/1885: p. 10). He was readmitted seven years later (MS28411/3, 2/3/1892: p. 172).
24. Links to the legal profession are seen to have been a critical factor in the rapid rise of the Scottish accountancy profession (Macdonald, 1984; Walker, 1988).
25. Prior to taking up the appointment in 1883, Harding resigned from practice and the ICAEW. Seven years later he became the first accountant to receive a knighthood (Jones, 1981: p. 49). This would appear to have been for his work as chief official receiver given the plethora of leading chartered accountants that did not receive similar recognition.

26. Pagination in the *Record Book of Legal Advice* is not always consistent as a result of later answers to legal questions being posted alongside the date of the original question.
27. The absence of any ensuing correspondence in *The Accountant* appears to lend support to the importance we place on Luttman's case. The acquiescence to members moving from practice into commerce significantly predates the period referred to by the President [T.A. Welton] in Luttman's letter.
28. The Council Minute Book records that, 'A letter dated 2 July from Mr T.Y. Strachan tendering his resignation as a member of the Council was read and the resignation was accepted. The Secretary was directed to write to Mr Strachan and express the regret of the Council at his retirement' (MS28411/2, 11/7/1888: p. 293). This appears to have been a standard response in such cases (see, for example, MS28411/2, 11/7/1888: p. 292; MS28411/3, 5/10/1892: p. 206; MS28411/4, 2/3/1896: p. 68, MS28411/4, 14/10/1896: p. 109). Given that it was not until the mid-twentieth century that non-practising members were admitted to the ICAEW Council (Noguchi, 2002), the use of the words 'regret' and 'resignation' in Strachan's case appear to conceal the underlying situation.
29. We acknowledge that the solicitor's statement appears odd, given that Section 19(4) of the Charter dealt with members *not* in practice at the date of the Charter. Strachan joined the ICAEW as a fellow on 29 June 1880 and therefore must have been continuously in practice for the preceding five years to gain entry [under section 6(1)]. His case could only have fallen under section 20(5), which is implied in the earlier opinion given by the solicitors.
30. The Report of the GP Committee states 'Your Committee have also had under consideration letters from three members of the Institute who have accepted various appointments outside the profession' (MS28426/7, 6/4/1897: p. 21). This is the first committee reference to members effectively being deemed to have left the profession.
31. In an earlier case, John Arter (16) was allowed to remain a member of the Institute subject to him being 'a limited partner in the Brewery but not otherwise' (MS28411/2, 11/1/1888: p. 253 – emphasis added).
32. He was readmitted to the ICAEW in August 1897. Prior to the Parker case, both Richard Tyacke (case 17, accountant and cashier to the Law Guarantee & Trust Society) and William Brewer (case 25, accountant to the Grosvenor Club) had been allowed to retain membership on taking up engagements with the same title. Moreover, in the period after the Parker decision through to 1900 (see Appendix), all 19 chartered accountants who took up positions with 'accountant' in the job title were able to retain their ICAEW membership status.
33. Whereas fewer than 8 per cent of companies engaged a qualified accountant in their boardroom in 1911, by 1951 this representation had grown to 39 per cent and by 1991 had spiralled to over 80 per cent (Matthews *et al.*, 1998: p. 125). Indeed, by 2003, Illingworth was able to claim that the ICAEW had 'at least one member on over 90 per cent of FTSE 350 boards, and nearly 60 per cent of FTSE 100' Financial Directors' were ICAEW members (2003: p. 114).
34. While 11.1 per cent of the chartered accountants featuring in the ICAEW's first *List of Members* were shown as associates *not* in practice (114 of 1,025 members), all but three were serving as clerks to practising accountants. The word 'not' therefore is one of the definitional idiosyncrasies of the ICAEW. Indeed, this grade of membership was shared with those who left the practising profession to undertake commercial appointments. Those in the first *List of Members* who were not in practice appear to number no more than 20, most of whom worked outside England and Wales. Examples include James Robertson Grant (Bank of Scotland, Fraserburgh), Robert Murdoch Rose (H.M. Register House, Edinburgh), Gilbert Grange Ross (Indian Government Dockyard, Calcutta) and Frederick Maxwell Young (Bank of Bengal, Calcutta).
35. Whilst leading associations of public accountants in the USA (American Institute of Certified Public Accountants), Canada (Canadian Institute of Chartered Accountants), Australia (Institute of Chartered Accountants in Australia), New Zealand (New Zealand Society of Accountants), and elsewhere in the UK (Association of Chartered Certified Accountants; Institute of Chartered Accountants of Scotland; Institute of Chartered Accountants in Ireland) similarly allowed their members to pursue careers outside public practice, membership of the German Institut der Wirtschaftsprüfer (founded in 1932) remains confined to those in public practice (Nobes & Parker, 2002: p. 27; websites of respective bodies).
36. Of the 45 founder ICAEW Council members, 38 remained in position by 1886, 24 by 1891 and 17 by 1898. Those joining Council in the late-nineteenth century had, generally speaking, been previously members of one of the predecessor bodies, such that by 1898 thirty-seven of the 45 seats continued to be filled by founders, mostly London Institute members.
37. The ICAEW's financial statements, over the period 1880–1900, report an annual surplus of between £2,000 and £3,000, representing about 30 per cent of gross income (MS28410/1). By 31 December 1900,

the ICAEW held investments totalling almost £7,500 and cash amounting to £1,536, despite having progressively sold investments to fund the cost of its new Moorgate Place premises (capitalised in the balance sheet at £41,561). Whilst the income in the 1890s was boosted by the entrance fees and subscriptions of members outside public practice, the ICAEW was financially sound *before* it changed its definition of the chartered accountant.

38. In 1880, six of the 45 ICAEW Council members held a total of nine company directorships. Robert Palmer Harding, Edward Hart, John Young and C.F. Kemp each held one directorship. Frederick Tendron was a director of two companies, while Roderick Mackay was a director of three companies (*Directory of Directors 1880*). Five years later, seven of the Council members held a collective total of 14 directorships.
39. There was a huge increase in the number of registered companies in the last two decades of the nineteenth century. Whereas in 1884 there were 8,692 registered companies in Great Britain, by 1900 the number of such companies registered in that year alone was nearly 5,000, bringing the total to almost 30,000 (Matthews *et al.*, 1998: p. 90).
40. Sheffield accountants Alfred Allott and Jarvis William Barber, for example, began their careers in local banks, while Robert Palmer Harding's first foray into employment was at a West End hatter's (Matthews *et al.*, 1998: p. 21). Edwin Guthrie served as bookkeeper to a Liverpoolian merchant before entering into business as a contractor in the 1860s (Matthews *et al.*, 1998: p. 19).
41. The bankruptcy-auditing thesis, associated with Robinson's remark (1964: p. 30) that the accountancy profession 'was born through bankruptcies, fed on failures and fraud, grew on liquidations and graduated through audits' has been challenged on the grounds that it overstates the importance of insolvency and understates the variety of work performed by mid-Victorian accountants (see Walker, 1993: pp. 128–9 and Matthews *et al.*, 1998: Ch. 4). Nevertheless, audit and insolvency engagements provided an important entrée to companies, with further work often following (Matthews *et al.*, 1998: Ch. 4). Although ICAEW members would have been expected, *ceteris paribus*, to favour fellow chartered accountants as auditors of client companies they joined, Anderson *et al.* (1996) have shown that the chartered accountants' capture of the quoted company audit market significantly predates their hegemony in British management. That said, the increasing representation of professionally qualified accountants as auditors and managers may have served to reduce the risk of financial mismanagement.
42. An analysis of the founder membership of the Society provides corroboration for this argument. Almost one-eighth of its founders (36 out of 303) had previously been rejected by the ICAEW (MS28467; Society of Accountants, 1885).
43. The Society's rules defined 'Accountant' broadly so as to include 'any person actually engaged in the keeping or supervision of accounts, and shall be held to include the word 'book-keeper'' (Society of Accountants, 1885: p. 48).
44. The rate of growth in the Society's membership dwarfed that of the chartered Institute, increasing by 110 per cent between 1885 and 1893, in contrast to the 45.2 per cent rise experienced by the ICAEW. The Society again more than doubled its membership in the period 1893–1902, while the ICAEW's membership roll grew by 47.8 per cent. Whereas in 1885 ICAEW members outnumbered their Society counterparts by four to one, that ratio had declined to less than two to one by 1902.
45. In Liverpool, for example, Council members A.W. Chalmers (ICAEW) and W.F. Terry (Society) both had offices in Fenwick Street. In the City of London, ICAEW Council members Bath and Cash practised in Cannon St, as did Moore of the Society. Lincoln's Inn Fields (Hart of the ICAEW and Bellamy, Society), Moorgate Street (Welton, ICAEW and Ottley, secretary of the Society) and Poultry (Knox, ICAEW and Carr, Society) were other locales in which the leading members of each society both practised. Other Society members were located in the same streets as the following ICAEW Council members: Beddow (Basinghall Street), Chadwick, Turquand and Young (Coleman Street), Guthrie and Wade (Tokenhouse Yard), Harrison (Chancery Lane), Nichols (Queen Victoria Street) and Swithinbank (Lawrence Pountney Lane). The headquarters of the Society were initially at 57 Moorgate Street (the offices of George Ottley, secretary of the Society) and soon afterwards at 3 Newgate Street (the offices of his successor, James Martin) (Society of Accountants, 1885: p. 7; Garrett, 1961: p. 2).
46. Committee members included Arthur Cooper, Frederick Whinney, William Welch Deloitte and Joseph John Saffery, who collectively held the Presidency between 1883 and 1891. This was not a one-off occurrence. In 1889, for example, a report of the GP Committee resolved 'that the Charter and Bye Laws Committee be requested to consider what action (if any) should be taken by the Institute in reference to the recently established Society ... and to report to the Council thereon' (MS28411/2, 9/1/1889: p. 349).

47. The Institute's GP Committee recommended that a letter be drafted showing 'the facts as to the Institute and the Society, the respective professional members, methods of examination, etc., for the purpose of publication' (MS28426/4, 3/11/1890: pp. 86–7). Council passed the matter back to the GP committee 'for reconsideration' (MS28411/3, 5/11/1890: p. 94). The next GP committee meeting resolved that the ICAEW subscribe to a press cuttings agency to promote itself and the activities of its members (MS28426/4, 18/11/1890: p. 95).
48. Almost 10 per cent of the Society's members were employed as borough accountants/auditors/treasurers, accountants or secretaries to organisations or in miscellaneous commercial positions (Society of Accountants, 1885).

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Appendix – Decisions on members taking up various miscellaneous appointments

Case no.	Date of case	Name of member (date of ICAEW admission;)	Appointment	Decision
1	4/5/1881	C. Fox (4/8/1880)	‘clerk to a firm of auctioneers’	‘Mr. Fox be requested to resign his membership of the Institute, his present employment not being in accordance with the fundamental rules of the Institute’ (MS28411/1, 4/5/1881: pp. 92-93; <i>The Accountant</i> , 7/5/1881: p. 5). A letter from Fox asking Council to allow ‘the question of his resignation to stand over for the present’ was agreed (MS28411/1, 6/7/1881: p. 104). Still an ICAEW member in 1900.
2	3/8/1881	C.E. Mason (20/10/1880)	‘joined a firm of Brewery Agents’	‘The Secretary was directed to write to Mr Mason requesting him to attend a meeting of the Council’ (MS28411/1, 3/8/1881: p. 111). ‘A communication from Mr. C.E. Mason explaining that the firm he had joined had been for many years Public Accountants was received, and considered satisfactory’ (MS28411/1, 2/11/1881: p. 121).
3	28/6/1882	T.M. Watson (22/9/1880)	‘Manager of a Commercial Undertaking’	‘The Secretary was directed to inform Mr Watson that if he gave up business as a Public Accountant and became Manager of a Commercial Undertaking he could not remain a member of the Institute’ (MS28411/1, 28/6/1882: p. 164). Resignation accepted (MS28411/1, 4/10/1882: p. 182).
4	6/6/1882	R. Jones (6/7/1881)	‘Assistant Secretary of a Trade Protection Society’. Ceased to be a public accountant’s clerk.	‘accepting such appointment is in the opinion of the Council an infringement of the fundamental rule that ‘no member shall follow any business or occupation other than that of a Public Accountant or some business which in the opinion of the Council is incident thereto or consistent therewith’ and that it be suggested to Mr. Jones that he send in his resignation as a member of the Institute’ (Report of the Committee on Trade Protection Associations, MS28426/1, 6/6/1882: pp. 21-22; MS28411/1, 2/8/1882: p. 173). Resolved that he be excluded with the addendum, ‘provided that he does not resign before seven days from this date’ (MS28411/1, 1/11/1882: p. 184). Resignation accepted (MS28411/1, 6/12/1882: p. 197).

5	2/5/1883	E. Foreman (23/9/1880)	'Secretary to the London Timber Trades Association'	Deemed by the Investigation Committee to be 'an infringement of Section 20 sub-section 5 of the Charter' (MS28411/1, 2/5/1883: p. 233). Excluded (MS28411/1, 1/8/1883: p. 254).
6	6/2/1884	A.C. Bourner (1/8/1883)	Clerk to Official Receiver	Detailed judgment in text (MS28411/1, 6/2/1884: pp. 305-306). Remained a member.
7	4/6/1884	F. Gittins (11/5/1880; IA, 23/4/1879)	'Official Receiver' (given up his business as a public accountant)	The GP Committee addressed the question generally and resolved that such persons 'shall not be required to retire from the Institute but may if they think fit remain as members not in practice' (MS28411/1, 4/6/1884, p. 355). Ceased to be a member by 1886. Readmitted 2/3/1892.
8	1/10/1884	W.R. Lane (5/1/1881)	Asks 'whether he could retain membership if he ceased to be clerk to a Public Accountant and entered another occupation.'	'the Secretary was directed to inform him that under the circumstances indicated he could not remain a member' (MS28411/1, 1/10/1884: p. 365). Lane retained membership beyond 1900.
9	1/4/1885	E.J. Hunwick (2/5/1883)	'clerk to the Chief Official Receiver'	'be invited to send in his resignation and that in the event of his not doing so a special meeting of the Council be called ... to consider whether he should be excluded or suspended from membership' (MS28411/1, 1/4/1885: pp. 415-416). Resignation accepted (MS28411/2, 6/5/1885: p. 10).
10	1/4/1885	W. Mollett (5/1/1881)	'Assistant Secretary to a firm of Cement Manufacturers'	'Council invite him to send in his resignation and that in the event of his not doing so a Special Meeting of the Council be called in accordance with sec 19 subsec 4 of the Charter to consider whether he should be excluded or suspended from membership' (MS28411/1, 1/4/1885: p. 416). Resignation accepted (MS28411/2, 6/5/1885: p. 10).
11	4/4/1885	A.H. Wildy (1/3/1882)	'Assistant Official Receiver'	'the Council insist upon Mr A.H. Wildy's unconditional resignation' (MS28411/1, 4/4/1885: p. 417). Resignation accepted (MS28411/2, 6/5/1885: p. 10). Readmitted 2/3/1892.

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Appendix – Continued

Case no.	Date of case	Name of member (date of ICAEW admission;)	Appointment	Decision
12	3/3/1886	T.J. Baylis (3/11/1880)	‘Entered into partnership with his brother a Sanitary Engineer and Surveyor’	‘A Special Meeting of the Council be held for the purpose of determining whether Mr. Baylis should be excluded or suspended’ (MS28411/2, 3/3/1886: p. 91). Excluded (MS28411/2, 7/4/1886: p. 93).
13	12/1/1887	W.E. Taylor (29/6/1880)	‘accepted a salaried appointment’ (not stated)	‘Council was of opinion that it would be necessary for him to resign his membership’ (MS28411/2, 12/1/1887: p. 167). Resignation accepted (MS28411/2, 2/2/1887: p. 175).
14	22/2/1887	A.J. Rozea (6/8/1884)	‘Accountant and Secretary to Messrs. Edward Cocking & Sons, Limited’	The Investigation Committee directed the secretary ‘to call a special meeting of the Council to consider whether or not Mr Rozea should be excluded or suspended’ (Report of the Investigation Committee, MS28426/3, 22/2/1887: p. 17). Resignation accepted (MS28411/2, 2/3/1887: p. 176).
15	23/6/1887	J.M. Luttman (11/5/1880; IA, 11/2/1880)	‘Accountant to the Artizans, Labourers and General Dwellings Co. Ltd.’	Detailed judgment in text (MS28411/2, 23/6/1887: pp. 211–212). Luttman retained membership beyond 1900.
16	11/1/1888	J.J.B. Arter (7/12/1881)	‘limited partner in the Brewery’	‘the Secretary was directed to inform him that he could remain a member if he was a limited partner in the Brewery but not otherwise’ (MS28411/2, 11/1/1888: p. 253). Still an ICAEW member in 1900.

17	28/2/1889	R.A. Tyacke (1/2/1888)	‘Accountant and Cashier to the Law Guarantee & Trust Society’	GP Committee recommend that ‘subject to enquiry to the satisfaction of the Chairman of the Committee as to Mr Tyacke’s position in the Society, he be not required to resign membership’ (Report of GP Committee, MS28426/4, 28/2/1889: pp. 5–6).
18	28/2/1889	J. Congdon (2/2/1887)	‘Secretary to the Grosvenor Club’	GP Committee recommend that ‘subject to ... enquiry Mr Congdon be not required to resign his membership’ (Report of GP Committee, MS28426/4, 28/2/1889: p. 6).
19	28/2/1889	W.J. Tasker (11/5/1880; SAE, 15/5/1872 & SI, 11/12/1877)	‘Borough Accountant of Sheffield’	‘allowed to remain a member of the Institute’ (Report of GP Committee, MS28426/4, 28/2/1889: p. 6).
20	28/2/1889	T.Y. Strachan (29/6/1880)	‘Manager to the Mortgage Insurance Corporation Limited’	Legal advice was taken on several occasions, which informed Council that they had power to exercise their discretion (MS28459/1, 19/7/1888: p. 87; MS28426/4, 28/2/1889: p. 5). Retained membership into the twentieth century.
21	6/2/1892	L. Woodhouse (7/2/1883)	‘Borough Treasurer - Burnley’	‘allowed to remain as members of the Institute’ (Report of GP Committee, MS28426/5, 6/2/1892: p. 20).
22	6/2/1892	W.E. Stacey (8/5/1891)	‘Clerk to a College at Cambridge’	‘allowed to remain as members of the Institute’ (Report of GP Committee, MS28426/5, 6/2/1892: p. 20).
23	6/2/1892	F. Murray (4/5/1887)	‘Private Auditor to a manufacturing firm’	‘allowed to remain as members of the Institute’ (Report of GP Committee, MS28426/5, 6/2/1892: p. 20).
24	6/2/1892	A.L. Pearce (2/2/1881)	‘Examiner of Accounts, London’	‘he be readmitted as Associate not in Practice’ (Report of GP Committee, MS28426/5,6/2/1892: pp. 20–21).
25	15/3/1892	W.V. Brewer (2/2/1887)	‘Accountant to the Grosvenor Club’	‘allowed to remain an Associate of the Institute not in practice’ (Report of GP Committee, MS28426/5, 15/3/1892: p. 27).

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Appendix – Continued

Case no.	Date of case	Name of member (date of ICAEW admission;)	Appointment	Decision
26	4/5/1892	F.E. Parker (5/3/1884)	Contemplating employment with 'a firm of Contractors, Builders, etc., as their Accountant'	'In the event of Mr. Parker accepting the appointment, he would render himself ineligible as a Member' (Report of GP Committee, MS28426/5, 4/5/1892: p. 28). Resignation accepted (MS28411/3, 5/10/1892: p. 206). Readmitted (MS28411/4, 4/8/1897: p. 176).
27	4/5/1892	F. Huxham (4/5/1892)	Question raised as to 'admission when appointments outside the profession are taken up after passing Final Exams and prior to applying for membership'	Admitted a member (MS28411/3, 4/5/1892: pp. 183–6).
28	2/8/1892	S.J. Goddard (3/2/1892)	'Manager of the Audit Office of the National Telephone Co. Ltd.'	'allowed to retain his membership' (Report of GP Committee, MS28426/5, 2/8/1892: p. 45).
29	2/11/1892	W.E. Stacey (8/5/1891)	'Head Accountant to Messrs Wm Johnson and Company Limited, Steamship Managers'	'allowed to remain a member of the Institute as an associate not in practice' (Report of GP Committee, MS28426/5, 2/11/1892: p. 51).
30	1/2/1893	F. Winter (2/11/1892)	'Borough Accountant for Gateshead'	'allowed to retain his membership of the Institute as an Associate not in Practice' (Report of GP Committee, MS28426/5, 1/2/1893: pp. 78-79).
31	27/2/1893	T. Bullock (22/9/1880)	'Official Receiver'	'Allowed to retain ... membership as a Fellow not in Practice' (Report of GP Committee, MS28426/5, 27/2/1893: p. 84).
32	27/2/1893	E.W. Ogden (22/9/1880)	'Clerk to Guardians'	'Allowed to retain ... membership as ... an Associate not in Practice' (Report of GP Committee, MS28426/5, 27/2/1893: p. 84).

33	27/2/1893	H.T. McAuliffe (3/8/1892)	‘Secretary and Accountant to the International Trustees Assets and Debenture Corporation’	‘Allowed to retain ... membership as ... an Associate not in Practice’ (Report of GP Committee, MS28426/5, 27/2/1893: p. 84).
34	27/2/1893	W.H. Tilston (11/5/1880; SAE, 21/4/1875)	‘District Manager to the Mutual Life Insurance Company of New York’	‘Allowed to retain ... membership as ... an Associate not in Practice’ (Report of GP Committee, MS28426/5, 27/2/1893: p. 84).
35	30/10/1893	J.J. Burton (6/8/1890)	‘Accountant to Messrs Lever Brothers Ltd.’	‘permitted to retain membership of the Institute as an Associate not in practice’ (Report of GP Committee, MS28426/5, 30/10/1893: p. 122).
36	4/12/1893	A.H. Hick (6/2/1889)	‘Head of the Accountants department of a firm at Calcutta’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (Report of GP Committee, MS28426/5, 4/12/1893: p. 129).
37	9/1/1894	N.L. Griffith (4/2/1891)	‘Trustee Savings Banks’ Inspection Committee’	‘allowed to remain a Member of the Institute as an Associate not in practice’ (Report of GP Committee, MS28426/6, 9/1/1894: p. 5).
38	2/2/1894	J.H.S. Hanning (3/10/1883)	‘Managing clerk to Messrs Coates, Son & Co., stock and share brokers’	‘allowed to remain a member of the Institute as a Fellow not in Practice’ (Report of GP Committee, MS28426/6, 2/2/1894: p. 7).
39	2/2/1894	W. Glasier, Jnr (5/8/1891)	‘Assistant Examiner of Accounts to the Department of the Official Receiver in Companies Liquidation’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (Report of GP Committee, MS28426/6, 2/2/1894: p. 7).
40	2/2/1894	W.R. Edwards (3/2/1892)	‘Accountant and Storekeeper to the St. John Ambulance Association’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (Report of GP Committee, MS28426/6, 2/2/1894: p. 7).
41	1/3/1894	H.J. Wenham (2/12/1880)	‘accepted an appointment with a mercantile firm’	‘allowed to remain a member of the Institute as a Fellow not in practice’ (Report of GP Committee, MS28426/6, 1/3/1894 p. 11).

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Appendix – Continued

Case no.	Date of case	Name of member (date of ICAEW admission;)	Appointment	Decision
42	3/4/1894	F.W. Livesey (2/3/1887)	‘Secretary to the Workington Brewery Company Limited’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (Report of GP Committee, MS28426/6, 3/4/1894: pp. 14–15).
43	3/4/1894	W. Saunders (11/5/1880; SAE, 11/1/1872)	‘Senior Lay Assistant to the Indian Clerical Secretary of the Church Missionary Society’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (Report of GP Committee, MS28426/6, 3/4/1894: p. 15).
44	27/4/1894	L.C.E. Currie (4/11/1891)	‘Accountant in the Treasurers Department of the Surrey County Council’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (Report of GP Committee, MS28426/6, 27/4/1894: p. 20).
45	5/11/1894	T. Ashton (4/5/1881)	‘Actuary to the Ashton under Lyne Savings Bank’	‘allowed to withdraw his resignation and to remain as an Associate not in Practice’ (Report of GP Committee, MS28426/6, 5/11/1894: p. 40).
46	5/11/1894	C.S.C. Watkins (4/4/1883)	‘Secretary to the Consolidated Goldfields of South Africa, Limited’	‘allowed to remain a Member of the Institute as a Fellow not in Practice’ (Report of GP Committee, MS28426/6, 5/11/1894: p. 40).
47	5/11/1894	C.J. Prest (5/8/1891)	‘Accountant to the Alabama Great Southern Railway Company, Limited, and another Company’	‘allowed to remain a Member of the Institute as an Associate not in Practice’ (Report of GP Committee, MS28426/6, 5/11/1894: pp. 40–1).
48	5/2/1895	C.H. Hides (7/2/1894)	‘Secretary to Wheatman & Smith Ld, Manufacturers, Sheffield’	‘allowed to remain a member of the Institute as an Associate not in practice’ (Report of GP Committee, MS28426/6, 5/2/1895: p. 64).

49	5/2/1895	A. Badger (5/11/1890)	'Secretary to The Hickleton Main Colliery Company Ld'	'allowed to remain a member of the Institute as an Associate not in practice' (Report of GP Committee, MS28426/6, 5/2/1895: p. 64).
50	8/1/1896	S.H. Fletcher (3/2/1892)	'Accountant to The British Central Africa Administration'	'allowed to remain a Member of the Institute as an Associate not in England & Wales' (MS28411/4, 8/1/1896: p. 53)
51	5/2/1896	W.C. Crosbie-Hill (1/5/1895)	'Secretary to the Western Australian Development Corporation Ltd.'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 5/2/1896: p. 62)
52	5/2/1896	C. Stuart (6/2/1895)	'Accountant to the Consolidated Goldfields of South Africa Ltd.'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 5/2/1896: p. 62)
53	5/2/1896	E.D. Towse (3/2/1892)	'Accountant to Messrs Crickman & Hilder, Stock and ShareBrokers'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 5/2/1896: p. 62)
54	13/1/1897	T. Tomlinson (7/2/1894)	'Private Accountant to Lord Iveagh'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 13/1/1897: p. 133)
55	13/1/1897	A.H. Jefferson (7/8/1895)	'Secretary and Accountant to Messrs J.J. & G. Cooper Ltd.'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 13/1/1897: p. 133)
56	7/4/1897	T.B. Read (3/8/1887)	'Accountant to Messrs. Elkington & Co. Ltd.'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 7/4/1897: p. 154)
57	7/4/1897	A. Saphin (5/1/1881)	'Director of the Globe Express Ltd.'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 7/4/1897: p. 154)
58	7/4/1897	A. Frewer (3/8/1892)	'Secretary and Accountant to various companies in the offices of Messrs Mathieson & Co.'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 7/4/1897: p. 154)
59	2/11/1897	S.R. Earle (2/2/1887)	'called to the bar and is practising as a Barrister'	'allowed to remain a member as an Associate not in practice' (Report of GP Committee, MS28426/7, 2/11/1897: p. 51). Resignation accepted (MS28411/4, 3/11/1897: p. 194).
60	12/1/1898	W. Lean (5/1/1881)	'Secretary and Accountant to the Gutta Percha Company Ltd.'	'allowed to remain a member of the Institute as an Associate not in Practice' (MS28411/4, 12/1/1898: p. 209)

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Appendix – Continued

Case no.	Date of case	Name of member (date of ICAEW admission;)	Appointment	Decision
61	12/1/1898	G. Noble (3/2/1892)	‘wishes to know if he can retain his membership if he accepts an appointment with a firm of Timber Merchants’	‘there is no objection to him accepting the appointment’ (MS28411/4, 12/1/1898: p. 209)
62	2/2/1898	L.S. Wade (5/5/1897)	‘Assistant Secretary to Messrs Tennant Brothers Ltd, Brewers’	‘allowed to remain members of the Institute as Associates not in Practice’ (MS28411/4, 2/2/1898: p. 217)
63	2/2/1898	F.A. Keen (3/2/1892)	‘gone into practice as a Barrister-at-Law’	‘allowed to remain members of the Institute as Associates not in Practice’ (MS28411/4, 2/2/1898: p. 217)
64	2/2/1898	R. Simpson (2/5/1894)	‘Accountant to the Goldfields of Matabeleland and other Companies’	‘allowed to remain members of the Institute as Associates not in Practice’ (MS28411/4, 2/2/1898: p.217)
65	2/2/1898	G. Mellors (4/11/1891)	‘Secretary and Accountant to The Trafford Park Estates Ltd. and subsidiary Companies’	‘allowed to remain members of the Institute as Associates not in Practice’ (MS28411/4, 2/2/1898: p. 217)
66	2/3/1898	N. Spenser (1/5/1895)	‘Accountant to several Tea Companies in India’	‘allowed to remain members of the Institute as Associates not in Practice’ (MS28411/4, 2/3/1898: p. 224)
67	2/3/1898	C.W. Weston (1/5/1895)	‘Accountant to The Research and Development Co. Ltd’	‘allowed to remain members of the Institute as Associates not in Practice’ (MS28411/4, 2/3/1898: p. 224)
68	6/4/1898	B.S. Harvey (2/2/1898)	‘Secretary to his Father, who is secretary to Messrs Glyn, Mills, Currie & Co.’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (MS28411/4, 6/4/1898: p. 228)

69	6/4/1898	H. Battams (5/1/1881)	'one of the proprietors of the business of Garnier & Co., manufacturers of enamelled iron plates'	'the business he has commenced to follow being, in the opinion of the Council, not incident to, or consistent with, that of a Public Accountant, he cannot remain a member of the Institute' (MS28411/4, 6/4/1898: p. 228). Resignation accepted (MS28411/4, 4/5/1898: p. 235).
70	4/5/1898	H.D. Vellacott (6/5/1896)	'Accountant to the North Africa Mission'	'allowed to remain a member of the Institute' (MS28411/4, 4/5/1898: p. 234)
71	3/8/1898	F.F. Chennell (3/2/1886)	'Accountant to two Building Societies'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 3/8/1898: p. 247)
72	3/8/1898	G. Hammond (2/2/1898)	'Secretary and Accountant to Messrs. Short & Co. Ltd'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 3/8/1898: p. 247)
73	2/11/1898	E. Allbeury (2/2/1887)	'Chief Accountant to the Leopoldina Railway Company Ltd'	'allowed to remain a member of the Institute as an Associate not in Practice' (MS28411/4, 2/11/1898: p. 257)
74	1/2/1899	J.A. Galloway (2/2/1898)	'Assistant Accountant to a firm of General Merchants, Ship Brokers and Managers'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 1/2/1899: p. 276)
75	1/2/1899	J.C.E. Gillham (3/8/1898)	'General Accountant to a Group of Companies'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 1/2/1899: p. 276)
76	1/2/1899	E.D. Partridge (1/2/1898)	'Accountant to his Father, a Cigar Manufacturer'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 1/2/1899: p. 276)
77	1/2/1899	G.C. Pollard (4/5/1898)	'Assistant Secretary to a Coal Owners' Mutual Protection Association'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 1/2/1899: p. 276)
78	1/2/1899	F.H. Ware (2/11/1898)	'Chief Accountant to a firm of Bankers in Calcutta'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 1/2/1899: p. 276)
79	1/3/1899	L. Rose (3/8/1898)	'General manager to the firm of Messrs Richard Cooper & Co., corset manufacturers'	'allowed to remain a member of the Institute as an Associate not in Practice' (MS28411/4, 1/3/1899: p. 280)

(continued)

Appendix – Continued

Case no.	Date of case	Name of member (date of ICAEW admission;)	Appointment	Decision
80	3/5/1899	L.G. Oldfield (3/8/1898)	‘Assistant Secretary to Messrs Morison & Marshall Ltd’	‘allowed to remain Members of the Institute as Associates not in Practice’ (MS28411/4, 3/5/1899: pp. 293–4)
81	3/5/1899	H.E. Benthall (4/8/1897)	‘Assistant in the Audit and Accountancy department of the East Indian Railway’	‘allowed to remain Members of the Institute as Associates not in Practice’ (MS28411/4, 3/5/1899: pp. 293–4)
82	7/6/1899	R.L. Butcher (6/2/1895)	‘Secretary to Messrs Bemrose & Sons. Ltd’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (MS28411/4, 7/6/1899: p. 299)
83	6/12/1899	G.A. Fowler (2/8/1899)	‘Auditor and Accountant to a firm of Brewers’	‘allowed to remain a member of the Institute as an Associate not in Practice’ (MS28411/4, 6/12/1899: p. 327)
84	7/2/1900	W.H. Goodwin (3/2/1897)	‘Assistant Secretary to Alldays & Onions Pneumatic Engineering Company, Ltd’	‘allowed to remain Members of the Institute as Associates not in Practice’ (MS28411/4, 7/2/1900: p. 340)
85	7/2/1900	G.G. Stickland (3/5/1899)	‘Secretary to Photo Ltd.’	‘allowed to remain Members of the Institute as Associates not in Practice’ (MS28411/4, 7/2/1900: p. 340)
86	7/2/1900	E.F. Voelcker (6/8/1890)	‘General Manager to the Consolidated Bank of Cornwall’	‘allowed to remain Members of the Institute as Associates not in Practice’ (MS28411/4, 7/2/1900: p. 340)
87	2/5/1900	M. Heyes (1/2/1899)	‘Accountant to the Metropolitan Asylums Board’	‘allowed to remain Members of the Institute as Associates not in Practice’ (MS28411/4, 2/5/1900: pp. 348–9)
88	2/5/1900	J. Oliver (7/2/1900)	‘Secretary to the Provincial Laundries, Ltd’	‘allowed to remain Members of the Institute as Associates not in Practice’ (MS28411/4, 2/5/1900: pp. 348–9)

89	11/7/1900	J.E. Jackson (7/2/1900)	'Assistant Auditor to the East Indian Railway Company, Calcutta'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 11/7/1900: p. 359)
90	11/7/1900	F.J. Mason (6/11/1895)	'Accountant and Secretary to the Birchenwood Colliery Co. Ltd'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 11/7/1900: p. 359)
91	11/7/1900	F.N.W. Latham (3/5/1899)	'Permanent Auditor to the Cunard Steamship Company'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 11/7/1900: p. 359)
92	11/7/1900	C. Viccars (6/5/1896)	'Clerk to the Keythorpe Estate'	'allowed to remain Members of the Institute as Associates not in Practice' (MS28411/4, 11/7/1900: p. 359)
93	1/8/1900	W. Auckland (3/2/1897)	'active partner in a firm of Yarn Agents'	'The application ... to remain a Member of the Institute be not acceded to' (MS28411/4, 1/8/1900: p. 363). Belk [see section on share-brokers] and Auckland 'have entered into businesses inconsistent with that of a public accountant be invited to resign their membership' (MS28411/4, 7/11/1900: p. 377). Resignation accepted (MS28411/4, 5/12/1900: p. 381)
94	3/10/1900	B. Corder (1/8/1894)	'Accountancy Department of Messrs Frederic Corder & Son, Silk Mercers'	'allowed to remain a member of the Institute as an Associate not in Practice' (MS28411/4, 3/10/1900: p. 370)
95	7/11/1900	F. Lunnon (2/8/1899)	'Bookkeeper and General Manager to the firm of W.H. Dent & Co., Waterproof Goods Manufacturers'	'allowed to remain a member of the Institute as an Associate not in Practice' (MS28411/4, 7/11/1900: p. 376)
96	5/12/1900	J.E.D. Parker (7/2/1894)	'Audit Office (Accountants' Department) of Messrs Lever Bros., Ltd'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 5/12/1900: p. 381)
97	5/12/1900	R. Weston (1/2/1893)	'Secretary to Scott & Co. Skipton, Ltd., Brewers and Wine and Spirit Merchants'	'allowed to remain members of the Institute as Associates not in Practice' (MS28411/4, 5/12/1900: p. 381)

Notes: IA - Institute of Accountants; SAE–Society of Accountants in England; SI - Sheffield Institute of Accountants.