

REFLECTIONS ON MY 66 YEARS IN PUBLIC ACCOUNTING¹

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In Memoriam:

Arthur J. Radin, C.P.A., was a partner emeritus at Janover LLC, New York, N.Y., and a member of The CPA Journal Editorial Advisory Board. Arthur passed away in April 2019. He had a bright mind and a wonderful sense of the absurd. These qualities made him an excellent accountant, as they enabled him to understand the world as it is. He will be missed.

My initiation to the accounting profession came in 1951, when I was first old enough to get working papers. In my time off from school, I went to work for my father, a C.P.A. who was certified around 1925. I had such important functions as filing, copying documents, proofreading and collating reports, backing up the switchboard operator, and running messages.

After college, because I had not completed enough courses to take the C.P.A. exam and had not been in the army, I could not get a job with a major firm. (I kept all 63 rejection letters for 20 years.) A one-owner, three-staff firm did finally hire me; on my first assignment, I was told I would be working on a “statement” account. I thought I was to prepare financial statements; in fact, it meant I was to write up the 30 or 40 individual customer statements each month.

In January 1960, having obtained my M.B.A. and spent six months in the army, I returned to New York City, newly married and unemployed. My first stop was Touche, Niven, Bailey, and Smart (now Deloitte Touche Tohmatsu), where the personnel manager had liked me on my previous visit. I was hired on the spot for \$525 a month. My wife and I wondered how we would ever spend so much money.

Eighteen years later, I elected for various reasons to return to a small company atmosphere, where I remain to the present day. In all, I have been with five firms, aside from my dad’s office. Many things have changed. Some have not.

A CHANGING WORKPLACE

Back then, everything was handwritten, so good handwriting was essential. Reports were typed on manual typewriters. Accountants had to learn to add a column of numbers; I was not allowed to use an adding machine.

As there were no copy machines, carbon paper was used to create multiple copies. Negatives had to be in red, and typewriter ribbons had both a black and a red section. If there was a negative, we had to insert red copy paper. Everyone’s hands were dirty; typos were a nightmare, accurate typing skills were essential. I couldn’t thank my mother enough for insisting that I take typing in 11th grade, a skill that still serves me well in the computer age. Tax return preparation on the computer is wonderful, ensuring that we do not make obvious calculation errors, and it’s nice that the I.R.S. no longer writes us that we added something wrong.

Office buildings at the time were hot in the summer – no air conditioning, only an open window. The dress code was suits and ties every day. For one large Touche

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client, I had to wear a hat. I dutifully bought one from a friend's parents' haberdasher and wore it for a few weeks; after that, it collected dust.

In the firms, most of the accountants were men and most of the secretaries were women. Everyone dated, and there were lots of marriages. The demographics of the profession has changed for the better. When I started, it was almost all white men. Now we have many female accountants, and the office looks like the United Nations. I love it.

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CHANGES IN THE CULTURE

One of the old concepts – client service – still prevails. The client needs attention, wants to feel loved. Some of the best advice I ever received was that accountants lose clients when the client perceives that their accountant is indifferent. In my youth, auditors loved to go to the client; staying at the office was a drag. All the information we needed was at the client, and more importantly, we met new people and learned how businesses worked. I was taught about the T.A.L.L. approach to practice development – Take A Lawyer (or client) to Lunch. This paid off; over the years, I brought in many clients.

These days, both my staff and my partners want to keep to the office. They're happy staying in, emailing the client the information needed for the audit, receiving it by email, entering it into our audit software, making selections, and receiving the selections by email. They're proud that the whole business can be done while never once visiting the client. It's very efficient – and very boring.



CHANGES IN PRACTICE AND PROCEDURE

When I started at Touche, I was suddenly an “auditor,” although in the beginning I did not understand what that meant. (Yes, I took auditing in graduate school and received an A, but I never grasped that the purpose of auditing was to issue an opinion on the financial statements.) I have come to love auditing, although it used to be more fun. I used to claim that it took 20 years to become a good tax specialist, ten years to become a good G.A.A.P. accountant, and three years to become a good auditor. Auditing used to be all common sense; now it has become highly technical and not at all intuitive. The standards now run well over 1,000 pages of small print and, although they have been “clarified,” I find it very difficult to get answers to my issues.² With all the checklists, evaluations of assertions, and required correspondence with clients, no one seems to have time to understand the clients or their businesses, or enjoy what they are doing.

The concept of “up-or-out” – either get promoted in a reasonable time or find another job – did not exist until around 1965, when the large firms started to adopt the policy. Eight years after starting at Touche and after many rapid promotions, I was made a partner at the age of 31. I did not think I was too young to be a partner; others did. (Today, 40 years after I left the firm, I am amazed how often someone introducing me says, “He was a partner of Deloitte,” to establish my credentials.)

Early in my career there, I started working on clients who were registered with something called the Securities and Exchange Commission (“S.E.C.”). I had to figure out for myself what this agency was and why it could tell my clients what to do.

My work on S.E.C. clients continued for the next 54 years, comprising some of my most interesting accounting and auditing experiences. Working on S.E.C. filings, including annual reports and new issue registrations as well as occasional testimony, was always fascinating and frequently nerve-racking.

Over the years, the profession became more disciplined. Accounting and auditing standards changed from suggestions to mandates. Generally accepted accounting standards went from a half-inch book to four books totaling eight inches. Notes have grown uncontrollably.

Back then, accounting standards were written by an unpaid group of accountants, the Accounting Principles Board. I loved having a Touche partner, Don Bevis, on the board. Clients could meet with Don and discuss the proposed standards. After they were adopted, we could receive instruction from someone who helped draft the standard. And just as wonderful, if I did not like the final standard, I had someone to complain to.

No one does bookkeeping anymore. It all seems handled by a computer using a program such as QuickBooks. I believe there’s an advantage to having done bookkeeping, as the equation of the debits having to equal the credits becomes second nature. I find I occasionally have to plot out debits and credits for my staff.

Required Continuing Professional Education (“C.P.E.”) did not exist in the old days. Despite the lack of C.P.E., we all managed to learn on the job. In fact, a best

² See “[Have Audits Become Too Inefficient and Expensive?](#)” *The CPA Journal*, February 2016.

practice that remains unchanged in 66 years is the willingness of more experienced professionals to train less experienced staff. You still learn mostly by asking the person next to you.

Tax research seems to be much changed. I preferred the wonderful old CCH binders with the Internal Revenue Code, Treasury Regulations, and explanations; it was easier to handle than the modern computer references and search engines.

THE BENEFITS OF A SMALLER PRACTICE

After 18 years with Touche, two developments made my staying at the big firm for my entire career seem unlikely.

First, the requirement for rotation of audit partners on S.E.C. engagements resulted in my losing the business relationships I had built up. I started working with Macy's as a junior accountant, working myself up over 15 years to be partner in charge of the audit. Suddenly, I was being told that I had to give up the client, and if I was nice, management would give me another client. Personal relationships ended as the client's personnel had to deal with another partner. The human satisfaction of having done a good job over many years disappeared. (Incidentally, that satisfaction stays in the audit department of firms not requiring rotation.)

Second, being a partner in the "Big Eight" was high pressure. Retirement was required at age 62, but it sure seemed like many partners had heart attacks before then. On the other hand, I kept meeting partners of small firms who were in their 80s, including my father.

My years at Touche were wonderful, but as the firm grew, I began to feel that I really needed to work in a smaller environment. In addition, I had married a member of the audit staff, and since there was a "no nepotism" rule, one of us had to leave. I lunched with some friends who had a small C.P.A. firm; by the end of the lunch, I was joining them. My wife stayed at Touche.

My former partners were horrified. "What about your pension?" I said that if I was worried about my pension at 40, I was in deep trouble. "You're too dependent on a large client." In fact, I found that in many ways I became more independent. The loss of Macy's would have been a major disaster to Touche, while the loss of any client to a small firm is more easily handled.

Our new firm grew and prospered. In 1998, I again felt that I wanted a smaller firm and left with two of my partners. After 18 very successful years with three or four partners, we ran into the usual continuity issues and on January 1, 2015, we joined Janover L.L.C., where I will complete my career. While the firm is not mine, the partners are delightful to work with and very professional.

In the end, I have no complaints. I am pleased with my choice of profession and recommend it strongly. I am proud of my profession for training our country's accounting and finance practitioners. Lawyers always refer to the law school they attended; accountants refer to the firm they started with.

I have made a good living all these years. I was able to pay for all my children to go to college. My retirement is funded. All those lawyers I had lunch with all those years are still, mostly, available for lunch. I met my wife through accounting. I still

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deal with my clients, although all have been assigned to another Janover partner who handles the accounting and tax matters, sometimes not as well as I did but sometimes better.

And I remember a refrain of the saying we used while hunched over our workpapers: Old accountants never die; they just fade away.



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