

# American Institute of Accountants

INCORPORATED UNDER THE LAWS OF THE DISTRICT OF COLUMBIA

135 Cedar St., New York.  
January 22, 1936

To the Members of the Special Committee  
on Development of the Institute:

Gentlemen:

By this time you have received a copy of the bulletin, "Examination of Financial Statements by Independent Public Accountants." Enclosed herewith is another copy of the bulletin and two copies of a release to newspapers regarding its publication.

It is believed to be especially important that publication of the new bulletin be brought promptly to the attention of the business public and that publication of this release would help materially toward this end.

Would you be good enough to submit this release to the editor of your leading local newspaper and ask that it be published? Your co-operation would be greatly appreciated by the Institute.

Yours truly,

Secretary.

JLO:S

FOR RELEASE:

At will

and local members of the American Institute of Accountants have received from the Institute, national organization of the profession, a bulletin setting forth the guiding principles and approved methods which should prevail in public accounting practice, it has been learned.

The bulletin is being distributed among accountants at this time to help them in preparing annual corporate reports for shareholders, stock exchanges and the Securities and Exchange Commission.

Entitled "Examination of Financial Statements by Independent Public Accountants," it is a revision of the bulletin prepared by the American Institute of Accountants in 1929 and published in that year by the Federal Reserve Board under the title, "Verification of Financial Statements."

The earlier bulletin was intended primarily to be used in examination of financial statements for credit purposes. Since its publication, according to the Institute, there has been great increase in the demand for full and accurate disclosure of the financial affairs of corporations for the protection of investors. It was, therefore, decided by the Institute to enlarge the scope of the bulletin to include all examinations of this character as well as those intended for credit purposes.

2.

It is contemplated that the new bulletin will serve not only as a guide to the accounting profession in the performance of its duties but also as a yardstick by which bankers, investors, taxing authorities, stock exchanges and all others dependent upon the information contained in corporate financial statements can measure the adequacy of the examination made by independent accountants. It is intended to be, in a sense, the "common law" of accountancy.