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## Notable & Quotes, Speech to the American Institute of Certified Public Accountants

Ralph S. Saul

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*& Quotable* <sup>Thurs Nov 4 '21</sup>  
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*Ralph S. Saul, vice chairman, First Boston Corp., in a speech to the American Institute of Certified Public Accountants in Detroit:*

Your profession is now in a situation where important issues of professional conduct and accounting principles are being resolved by the courts. Most of these court cases charge violations of the fraud provisions of the federal securities laws. I wonder if some of these cases would have arisen at all if the profession had had a better self-regulatory mechanism for defining and enforcing the obligations of the independent public accountant. Instead of accountants finding themselves charged with fraud, these matters might have been anticipated and resolved under rules or codes of professional conduct defining the responsibilities of accountants with respect to matters such as the conduct of an audit, "fair presentation" in financial statements. . . .

Both Wall Street and the accounting profession have an enormous stake in the full disclosure system—its fairness, its adequacy, its efficiency. The securities business underwriters and sells securities to the public which relies upon financial information organized, presented and audited in accordance with the profession's standards. When the machinery of the full disclosure system breaks down, we, and the public, suffer; when it is working well, it is one of the great accomplishments of our free market economy.