

Career Overview: Accounting and Auditing

Job description

Accountants and auditors ensure that firms are run efficiently by providing them with valuable financial information and accurate record keeping. Accountants on a day-to-day basis are responsible for bookkeeping, including the tracking of expenses and revenue, payroll, and paying bills. Accountants are also responsible for preparing balance sheets, profit and loss statements, and other financial reports, and may also analyze trends, costs, revenues, financial commitments, and obligations to predict future revenues and expenses.

Accountants are increasingly becoming an important part of successful business teams. This is because they understand the language of money and a company's complex financial situation better than any other employees in the company. Therefore, they are not only responsible for reporting finances to management; they offer suggestions regarding resource utilization, tax strategies, and assumptions underlying budget forecasts. Auditors examine this accounting and financial data and procedures to ensure accuracy and compliance with government guidelines and laws. They work to identify improper accounting or documentation and research issues in order to make recommendations to improve policies or procedures accordingly.

Auditors and accountants need to be critical and detail-oriented thinkers. Individuals should have an aptitude for math and an understanding of patterns that influence financial performance. Those individuals that don't enjoy solving detailed problems and performing analyses should not enter either of these professions. In addition, strong written and verbal communication skills are becoming increasingly important for both professions as they often interact and work with a variety of other departments and professionals.

A day in the life...

Although most accountants and auditors work a standard 40 to 45 hour week, many work longer hours, particularly those that are self-employed and those involved in tax matters will of course work particularly long hours during the tax season. While accountants spend most of their time working in the office, auditors find they spend the majority of their time on the phone, traveling, or meeting with clients and other business partners.

An unexpected downside to these professions is that oftentimes they find themselves the bearers of bad news when it comes to companies or individuals who have run into financial troubles or mishandled their finances. In general though, the level of satisfaction in these professions is relatively high.

Accountants and auditors work in many different areas throughout private and government industries. But, about a fourth of accountants work for accounting, auditing, and bookkeeping firms and approximately 3 out of 25 accountants and auditors are self-employed. Some individuals with accounting and auditing backgrounds will work as full-time faculty at colleges and universities or part-time while still working professionally. While many are unlicensed, a large

number are Certified Public Accountants (CPAs). Most work in urban areas where public accounting firms and corporate headquarters tend to be located.

Education and training

Most accounting and auditing positions require at least a bachelor's degree in accounting, finance, or a related discipline. Entry-level positions in the federal government require four years of college that includes 24 semester hours in accounting or auditing, or an equivalent amount of experience. Some employers even prefer a master's degree in accounting, business administration, or finance. Soon after being hired, the most common designation required is the Certified Public Accountant (CPA). But different states have different requirements; contact the [National Association of State Boards of Accountancy](#) to obtain information on licensing requirements and standards in your state.

Auditors who have graduated from an accredited college or university and who have worked for 2 years as internal auditors and passed the four-part auditor examination may earn a Certified Internal Auditor (CIA) designation from [The Institute of Internal Auditors](#). In addition, those with 5 years of experience in auditing electronic data processing systems can earn the designation of Certified Information Systems Auditor (CISA) after passing the required examinations.

Continuing professional education is required for CPAs to renew their licenses. CPE requirements vary by state, but always involve completion of a certain amount of credit hours in applicable continuing education courses. There are many professional associations that offer continuing education for accountants in the form of courses, seminars, and programs.

Pay

The following chart shows national salaries for accountants at various levels

Level	Years of Experience	Median Salary
Accountant I	0-2	\$36,263
Accountant II	2-4	\$43,506
Accountant III	4-6	\$52,019
Accountant IV	6-8	\$63,540

Source: Salary.com, September 2003
For this month's salaries: [Salary Wizard](#)

The following chart shows national salaries for auditors at various levels.

Level	Years of Experience	Median Salary
Internal Auditor I	0-2	\$40,573
Internal Auditor II	2-4	\$49,370
Internal Auditor III	4-6	\$60,386
Internal Auditor IV	6-8	\$70,188

Source: Salary.com, September 2003
For this month's salaries: [Salary Wizard](#)

Job outlook

According to the Bureau of Labor Statistics, employment of accountants and auditors is expected to grow at about the same rate as other occupations through the year 2010. Those individuals that have earned professional recognition through certification or licensure should have the best job prospects. For example, CPAs should continue to enjoy a wide range of job opportunities, especially as more states require candidates to have 150 hours of college coursework. Those with management accounting certifications and graduate degrees will be heavily sought after as well.

Associated careers

Accountants and auditors will often have additional degrees so as to specialize in different areas, such as marketing, advertising, and law. They will also move into related areas such as management analysis, consulting, financial analysis, banking, brokerage, and even the FBI, where they mostly work in hidden asset recovery. Accountants will often start their own businesses, using their expertise in finances to manage the start up. Occupations for which accounting and auditing backgrounds are helpful, and in some cases required, include budget analysts, collectors, cost estimators, loan officers, personal financial advisors, revenue agents, and tax examiners.

Source: Salary.com