

Accounting and Auditing Careers, Jobs, Training and Employment Information

Accounting Career Overview

A **bachelor's degree** is the minimum prerequisite for most careers in the accounting industry. The industry is growing and is expected to continue to grow as laws and policies change and as more companies have their finances closely inspected. This means that there are good prospects for those entering the industry and those opportunities can be maximized by showing expertise in computer applications, gaining a license or certification from a professional organization, or earning a **master's** or a **doctorate degree**.

The main job of an accountant or auditor is to make sure that businesses maximize production, pay taxes correctly, and keep public records. They do this in a number of ways including keeping accounts for governments, administrations, and the public; and also performing auditing services inside organizations. Accountants review, draft, and authenticate documents containing financial information for clients. In addition, accountants are finding it increasingly valuable to possess associated knowledge in areas like information technology, the law, analyzing budgets, and planning investments.

Types of Accountants and Auditors

- **Public Accountants:** People involved in this area work for a wide range of clients including businesses, governmental organizations, nonprofit organizations, or personal clients. They usually get certification as a Certified Public Accountant (CPA) and work either independently or as a member of an accounting firm. They provide an equally wide range of services, including consulting on taxes, accounting, and auditing. Some might help businesses maximize profits by advising them on taxation, for example suggesting tax deductible expenditures or providing advice to help managements make better decisions. Others might help companies in evaluating employee benefits, insurance, compensation, developing programs for accounting or processing data, or safeguarding assets. Others might audit financial information and prepare statements for investors or officials to show that their financial activities have been properly conducted and reported.

Forensic accounting is a branch of public accounting that deals with criminal activities like fraud, embezzlement, legal disputes, money laundering, or bankruptcies. Analyzing and investigating these crimes requires awareness of finance and accounting along with knowledge of the law and investigation skills. Forensic accountants often work with law enforcement officers and attorneys and serve as expert witnesses in courts of law. A

number of public scandals involving accounting have led to new federal legislation. This legislation states that the firm that provides auditing services for a company cannot also provide consultation in other areas like investments, law, human resources, or technology. They can, however, still provide services in taxation, provide those services for other clients, and provide consultation to members of their own firm.

- **Management Accountants:** These accountants provide services in reporting and analyzing financial data for their corporation. They are alternately termed private, corporate, industrial, or cost accountants. They generally work as a specialist in an executive team that makes major decisions about expanding production or strategic planning. They can also be involved in budgeting, maximizing expenditures and production, and evaluating performance of personnel and equipment. They also draft reports for outside interests like stockholders, banks, and authorities. Often they work in accounting departments, where they might be involved in strategic planning, budgeting, accounting for expenditures, or analysis.
- **Government Accountants/Auditors:** They work for government agencies at the federal, state, or local level, or for corporations or individuals who are regulated by the government or taxed. Those who work directly for the government ensure that income and spending are appropriate and legal. Those who work for the federal government often work for the IRS (Internal Revenue Service) or provide other services like investigation of financial institutions, analyzing budgets, administration, or management of finances.
- **Internal Auditors:** These work for businesses or organizations, and are becoming more and more important. They check their corporation's records to ensure that they are correct and look for problems such as inefficiency or criminal activities. They look at financial situations, information systems, management, and internal controls to make sure that everything is in order. They also look their corporation's processes to assess efficiency, legality, appropriateness, and efficacy. Internal auditors can specialize in many different areas like environment, engineering, insurance, healthcare, law, technology, or data-processing. As more information is made available more quickly, auditors can use computers to make better and more timely decisions. They may even offer advice about the most efficient and reliable use of computers.

Industry Trends

Computers are the biggest agents of change in accounting. They are making almost every area more efficient and accurate. They provide templates and standard forms for transactions and records, and organize the data better. Increasing access to a company's data allow accountants to have quick access to the information they need to do their job effectively, and new accounting software makes the work more efficient and enjoyable by eliminating a lot of manual work. They also resolve problems of geography through the World Wide Web. Thus, the modern accountant needs to be well-versed with computer programs and using the internet. Many accountants even specialize in writing programs or troubleshooting existing programs. Some accountants are even involved in technical aspects like developing or implementing technological systems and maintaining networks.

Personal financial advisors are gaining popularity as more clients need reliable, honest, competent individuals or firms. Personal financial officers provide services in preparing taxes, personal budgets, and retirement plans. They also can help clients develop investment portfolios, effectively utilize assets, and provide advice on recognizing and minimizing risks. However, regulations prevent accountants from both providing these services and preparing financial statements for the same client.

Work Environment

While self-employed accountants might work from home, the majority of accountants work in a normal office setting. Those employed as public accountants for either firms or government agencies may travel to different businesses or facilities.

Accountants and auditors work a customary forty hours per week, but depending on type of firm and number of clients they may work longer. Also, those who specialize in taxes may have a seasonal increased workload.

Being an Accountant or Auditor

Almost all positions have a minimum requirement of a bachelor's degree. The federal government calls for a four-year degree, with twenty-four credit hours of accounting for entry-level positions, unless an applicant can prove comparable experience. Many other positions in accounting require a graduate degree in accounting or business administration with an accounting emphasis.

Experience is always helpful in getting a position. Many educational institutions provide opportunities for internships at businesses or accounting firms. Also, solid knowledge of how computers can be used in auditing or accounting is a valuable asset.

Most applicants seek the prestige of certification as a CPA by the State Board of Accountancy. Almost all states require at least a college degree, and most of those have followed the advice of the American Institute of Certified Public Accountants (AICPA) and now require 150 credit hours, 30 credit hours over what is needed for a college degree. Colorado, Delaware, New Hampshire, and Vermont are the only states which have not. In response to this, many programs have made adjustments so that the program provides the additional 30 hours. A CPA applicant should examine all of the requirements of his/her state.

The AICPA has developed a demanding exam called the Uniform CPA Examination that all states use. The exam takes two days to complete and has four parts. Most states don't require test takers to pass all four parts at once; passing two parts will give you partial credit and the other two parts must be completed within a specified time frame. Only twenty-five percent of test takers receive passing grades. Recently the AICPA has developed a computerized version of the exam. In addition to the exam, most states also expect a degree of practical experience in accounting.

The AICPA also provides other certifications beyond the CPA which show that the holder has

expertise in one of the associated fields that are gaining so much importance. The Accredited in Business Valuation (ABV), entails passing a written exam and a demonstration of expertise through ten business valuation projects. A designation as a Personal Financial Specialist (PFS) rates applicants based on a point system, where points are earned based on education, references, passing an exam, and experience. A Certified Information Technology Professional (CITP) receives that certification by submitting a letter of intent, paying a fee, and earning points based on education and experience, or, if they don't have enough the requisite number of points, they can take a written exam instead.

Almost all states require continuing professional or careers education for renewal of their certification. There are many ways of meeting these requirements as many professional organizations offer classes, seminars, study programs, online courses, and many others.

There are many other professional organizations and types of credentials besides those offered by the AICPA. Many of these are earned through voluntary certification. These credentials demonstrate expertise in a specialized area, and attest to proficiency gained through experience instead of through formal education.

Management accountants can earn the Certified Management Accountant (CMA) certification from the Institute of Management Accountants (IMA) through their affiliate, the Institute of Certified Management Accountants. Certification requires a bachelor's degree or certain score of exams for entrance to graduate school. Those applying must have been employed for a minimum of two years as a management accountant, pass a four-part examination, adhere to a standard of professionalism, and participate in continuing professional education.

Internal auditors can seek to become a Certified Internal Auditor (CIA). The Institute of Internal Auditors (IIA) offers this to applicants with a bachelor's degree, two years of work experience, and a passing score on a four-part exam. Recently the IIA has introduced three new designations of specialized skill. Requirements for these certifications are similar to those for the CIA with specialized exams, etc. Firstly, there is the Certification in Control Self-Assessment (CCSA). Secondly, there is the Certified Government Auditing Professional (CGAP). Thirdly, there is the Certified Financial Services Auditor (CFSC). Internal auditors with expertise in information systems could get the designation of Certified Information Systems Auditor (CISA) which is granted by the Information Systems Audit and Control Association. This requires five years of appropriate experience, which can be substituted with two years of college experience in auditing or data-processing, and a passing score on an examination. An internal auditor could earn any combination of these certifications. For example, he/she might be a CPA, CCSA, and CISA.

Tax accountants can earn a number of certifications from the Accreditation Council for Accountancy and Taxation, a branch of the National Society Public Accountants. They certify individuals who have expertise in taxation for small- to medium-sized corporations. They offer three certifications: Accredited Business Accountants (ABA), which entails an exam; and Accredited Tax Preparer (ATP) and Accredited Tax Advisor (ATA), both of which entail both coursework and an exam. Many accountants hold more than one certification.

Government accountants, auditors, and other employees engaged in finance at all levels of

government can gain professional recognition by earning the designation of Certified Government Financial Manager (CGFM), which is given by the Association of Government Accountants. This certification requires twenty-four hours of course study in financial management, a bachelor's degree, a minimum of two years' experience in government work, and a passing grade on three exams. The exams test applicants' knowledge of financial management and control; accounting, financial reporting, and budgeting for the government; and the environment.

Careers in accounting or auditing require people who are good at mathematics and have strong skills in analyzing facts and numbers. They need to have good communications skills to their clients understand their findings. They have to be good not only with computers, but with people as well, as they will spend a lot of time collaborating with management officials and clients. Knowledge of computers is also becoming integral to accounting. Perhaps most importantly, accountants need to have high standards of honesty and a strong work ethic as major decisions are based on their advice.

Individuals who are capable and have the necessary background will not find promotion difficult, but those who lack education may have to struggle to advance. Many can gain junior accounting positions on the basis of their graduation from junior college, business school, or community college; or those who have experience in bookkeeping or clerks. With hard work and by learning quickly, they can gain better positions by virtue of their skills rather than their education.

When first beginning their career most public accountants assist other accountants with their work for many different clients. Within a year or two they may advance to more advanced positions. With a few more years of experience they might rise to very senior positions, such as managers, partners, executives in private firms specializing in management accounting or internal auditing, or they might even start their own firm.

Entry-level positions for management accountants consist of cost accountants, trainees, or junior auditors. With experience, they might become accounting managers, budget directors, internal auditing managers, or chief cost accountants. From there, management accountants might work as treasurers, vice presidents in charge of finance, chief financial officers, or presidents. Experience in accounting is a good background for senior executive positions at corporations.

There is a lot of flexibility within the industry for management and public accountants and internal auditors. It is not unusual for public accountants to move to being management accountants or internal auditors, or for internal auditors to become management accountants. However, it is more unusual for management accountants for internal auditors to become public accountants.

Job Outlook for Accountants and Auditors

Job growth for accountants and auditors is projected to be in line with the average rate of growth. Most growth will derive from more businesses being started, new financial regulations, and more rigorous inspection of company finances. Also, new accountants will find jobs as people shift industries or retire.

The growth of the economy means that more businesses are being established, which increases the demands for auditors and accountants to develop programs for organizing finances, helping with tax preparation, and providing consultation to management. As the businesses expand, their financial records dealing with income, expenditures, and taxation will be larger more complex, increasing the responsibility of accountants. Also, new legislation and changes to regulations that alter taxation practices, standards of financial reports, investing, mergers and acquisitions, etc.

Recent business scandals that have involved problems in accounting have led to new federal legislation to help prevent further criminal activities. The legislation has led to higher fines, increased prison sentences, and places responsibility for faulty accounting on the corporate executives. These changes also mean that companies will be examined more closely for any evidence of criminal activities. The implications for accountants are that there will be an increased demand for their services, especially those of CPAs, and they will have to be more thorough and accurate. They will have to be able to recognize and eliminate fraud and be familiar with regulations and laws. Also, as government agencies try to increase efficiency and maintain proper records, government accountants will be in high demand as well.

As more people are on the alert for signs of financial crimes or corruption, forensic accountants will be in high demand. Forensic accountants will have to be familiar with computers as more crimes are being committed using them. Computers also help the crime-fighters, providing new and better ways of tracking and finding crimes.

As the industry of accounting changes, there will be more opportunities but also some limitations. In the past, accountants were diversifying their influence in companies as they provided advice, consultation, and management in many areas that weren't traditional parts of accounting. The new federal legislation limited the services accountants can provide to the clients they audit makes that impossible for many accountants. However, accountants may still be called upon to provide diverse and associated services to pre-IPO companies and companies for whom they do not provide auditing services, but even with these factors growth in these areas won't proceed at the rate of the pre-legislation period. Also, as more tax preparation is done by computer software or firms who specialize in tax preparation, the need for accountants in that area will decrease. Computers will also change the work of accountants as they will perform much less of the actual calculations and routine work as more of it can be handled by computers.

In general, the outlook for employment in accounting is encouraging. However, it is a competitive field. Enrollment in accounting programs is growing, and so competition might be stiff. CPAs have excellent job opportunities, and prospective accountant with professional recognition will have better chances. Competition for management accountants and internal auditors might face keen competition as more accountants seek CMA and CIA certificates. Post-graduate degrees such as an MBA or master's degree in accounting will also give competitors an advantage. As more people associate accounting with scandals, it is especially important to have a reputation as an honest and competent accountant. Professional recognition can go a long way toward gaining that reputation.

The Bureau of Labor Statistics in the United States foresees a job growth of 34% in the next few

years. Most of this is due to greater complexity in business dealing and governmental growth. There are an especially high number of job openings in health care and taxation.

Activity-based costing has been an increasing trend in accounting. Now, businesses are furthering that idea to the area of activity-based management, checking constraint, process-view analysis, and analyzing businesses processes as well. There are many new trends and big changes in managerial accounting, and those interested should research, interview, and read trade publications to be au courant.

For people who like change and new challenges, becoming an accounting temp can be a good option. As businesses cycle, workload increases and decreases and more companies and CPA firms are looking for good temps.

The fact that becoming a CPA now involves almost a full year of extra schooling demonstrates that the business environment is much more competitive. Accountants need skill depth and specialized skills to stay competitive as well.

Over 50% of corporations say that their CPAs and CMAs are integral to the company. Prospective accountants should look into earning these credentials. Information can be found on the web or by phone.

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