Accountants and Auditors

Summary

Accountants and auditors ensure that financial records are accurate and taxes are paid properly and on time.

Quick Facts: Accountants and Auditors

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</thead>
<tbody>
<tr>
<td></td>
<td>$63,550 per year</td>
<td>Bachelor's degree</td>
<td>None</td>
<td>None</td>
<td>1,275,400</td>
<td>13% (As fast as average)</td>
<td>166,700</td>
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<tr>
<td></td>
<td>$30.55 per hour</td>
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</table>

What Accountants and Auditors Do

Accountants and auditors prepare and examine financial records. They ensure that financial records are accurate and that taxes are paid properly and on time. Accountants and auditors assess financial operations and work to help ensure that organizations run efficiently.

Work Environment

Most accountants and auditors work full time. In 2012, about 1 in 5 worked more than 40 hours per week. Longer hours are typical at certain times of the year, such as at the end of the budget year or during tax season.

How to Become an Accountant or Auditor

Most employers require a candidate to have a bachelor’s degree in accounting or a related field. Certification within a specific field of accounting improves job prospects. For example, many accountants become Certified Public Accountants (CPAs).

Pay

The median annual wage for accountants and auditors was $63,550 in May 2012.

Job Outlook

Employment of accountants and auditors is projected to grow 13 percent from 2012 to 2022, about as fast as the average for all occupations. In general, employment growth of accountants and auditors is expected to be closely tied to the health of the overall economy. As the economy grows, these workers will continue to be needed to prepare and examine financial records.

Similar Occupations
What Accountants and Auditors Do

Accountants and auditors examine financial statements for accuracy and conformance with laws. They prepare and examine financial records to ensure that financial records are accurate and that taxes are paid properly and on time. Accountants and auditors assess financial operations and work to help ensure that organizations run efficiently.

Duties

Accountants and auditors typically do the following:

- Examine financial statements to ensure that they are accurate and comply with laws and regulations
- Compute taxes owed, prepare tax returns, and ensure that taxes are paid properly and on time
- Inspect account books and accounting systems for efficiency and use of accepted accounting procedures
- Organize and maintain financial records
- Assess financial operations and make best-practices recommendations to management
- Suggest ways to reduce costs, enhance revenues, and improve profits

In addition to examining and preparing financial documentation, accountants and auditors must explain their findings. This includes face-to-face meetings with organization managers and individual clients, and preparing written reports.

Many accountants and auditors specialize, depending on the particular organization that they work for. Some organizations specialize in assurance services (improving the quality or context of information for decisionmakers) or risk management (determining the probability of a misstatement on financial documentation). Other organizations specialize in specific industries, such as healthcare.

Some workers with a background in accounting and auditing teach in colleges and universities. For more information, see the profile on postsecondary teachers.

The following are examples of types of accountants and auditors:

Public accountants perform a broad range of accounting, auditing, tax, and consulting tasks. Their clients include corporations, governments, and individuals.

They work with financial documents that clients are required by law to disclose. These include tax forms and balance sheet statements that corporations must provide potential investors. For example, some public accountants concentrate on tax matters, advising corporations about the tax advantages of certain business decisions, or preparing individual income tax returns.

Public accountants, many of whom are Certified Public Accountants (CPAs), generally have their own businesses or work for public
accounting firms. Publicly traded companies are required to have CPAs sign documents they submit to the Securities and Exchange Commission (SEC), including annual and quarterly reports.

External auditors review clients' financial statements and inform investors and authorities that the statements have been correctly prepared and reported.

Some public accountants specialize in forensic accounting, investigating financial crimes such as securities fraud and embezzlement, bankruptcies and contract disputes, and other complex and possibly criminal financial transactions. Forensic accountants combine their knowledge of accounting and finance with law and investigative techniques to determine if an activity is illegal. Many forensic accountants work closely with law enforcement personnel and lawyers during investigations and often appear as expert witnesses during trials.

Management accountants, also called cost, managerial, industrial, corporate, or private accountants, record and analyze the financial information of the organizations for which they work. The information that management accountants prepare is intended for internal use by business managers, not by the general public.

They often work on budgeting and performance evaluation. They also may help organizations plan the cost of doing business. Some may work with financial managers on asset management, which involves planning and selecting financial investments such as stocks, bonds, and real estate.

Government accountants maintain and examine the records of government agencies and audit private businesses and individuals whose activities are subject to government regulations or taxation. Accountants employed by federal, state, and local governments ensure that revenues are received and spent in accordance with laws and regulations.

Internal auditors check for mismanagement of an organization’s funds. They identify ways to improve the processes for finding and eliminating waste and fraud. The practice of internal auditing is not regulated, but The Institute of Internal Auditors (IIA) provides generally accepted standards.

Information technology auditors are internal auditors who review controls for their organization’s computer systems, to ensure that the financial data comes from a reliable source.

Work Environment

Most accountants and auditors work full time.

Accountants and auditors held about 1.3 million jobs in 2012.

Most accountants and auditors work in offices, although some work from home. The work tends to be fast-paced and can be stressful. Although they complete much of their work alone, they sometimes work in teams with other accountants and auditors. Accountants and auditors may travel to their clients' places of business.

The industries that employed the most accountants and auditors in 2012 were as follows:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Accounting, tax preparation, bookkeeping, and payroll services</td>
<td>25%</td>
</tr>
<tr>
<td>Government</td>
<td>8</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>8</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>7</td>
</tr>
</tbody>
</table>

**Work Schedules**

Most accountants and auditors work full time. In 2012, about 1 in 5 worked more than 40 hours per week. Longer hours are typical at certain times of the year, such as at the end of the budget year or during tax season.

**How to Become an Accountant or Auditor**

Most accountants and auditors need at least a bachelor's degree in accounting or a related field. Certification within a specific field of accounting improves job prospects. For example, many accountants become Certified Public Accountants (CPAs).

**Education**

Most accountant and auditor positions require at least a bachelor's degree in accounting or a related field. Some employers prefer to hire applicants who have a master's degree, either in accounting or in business administration with a concentration in accounting.

A few universities and colleges offer specialized programs, such as a bachelor’s degree in internal auditing. In some cases, those with associate’s degrees, as well as bookkeepers and accounting clerks who meet the education and experience requirements set by their employers, get junior accounting positions and advance to accountant positions by showing their accounting skills on the job.

Many colleges help students gain practical experience through summer or part-time internships with public accounting or business firms.

**Licenses, Certifications, and Registrations**

Every accountant filing a report with the Securities and Exchange Commission (SEC) is required by law to be a Certified Public Accountant (CPA). Many other accountants choose to become a CPA to enhance their job prospects or to gain clients. Many employers will often pay the costs associated with the CPA exam.

CPAs are licensed by their state’s Board of Accountancy. Becoming a CPA requires passing a national exam and meeting other state requirements. Almost all states require CPA candidates to complete 150 semester hours of college coursework to be certified, which is 30 hours more than the usual 4-year bachelor’s degree. Many schools offer a 5-year combined bachelor’s and master’s degree to meet the 150-hour requirement, but a master’s degree is not required.

A few states allow a number of years of public accounting experience to substitute for a college degree.

All states use the four-part Uniform CPA Examination from the American Institute of Certified Public Accountants (AICPA). Candidates do not have to pass all four parts at once, but most states require that they pass all four parts within 18 months of passing their first part.

Almost all states require CPAs to take continuing education to keep their license.

Certification provides an advantage in the job market because it shows professional competence in a specialized field of accounting and auditing. Accountants and auditors seek certifications from a variety of professional societies. Some of the most common certifications...
Some top executives and financial managers have a background in accounting, internal auditing, or finance. Beginning public accountants often advance to positions with more responsibility in 1 or 2 years and to senior positions within another few years. Those who excel may become supervisors, managers, or partners; open their own public accounting firm; or transfer to executive positions in management accounting or internal auditing in private firms.

Management accountants often start as cost accountants, junior internal auditors, or trainees for other accounting positions. As they rise through the organization, they may advance to accounting manager, chief cost accountant, budget director, or manager of internal auditing. Some become controllers, treasurers, financial vice presidents, chief financial officers, or corporation presidents.

Public accountants, management accountants, and internal auditors can move from one aspect of accounting and auditing to another. Public accountants often move into management accounting or internal auditing. Management accountants may become internal auditors, and internal auditors may become management accountants. However, it is less common for management accountants or internal auditors to move into public accounting.

Important Qualities

Analytical skills. Accountants and auditors must be able to identify issues in documentation and suggest solutions. For example, public accountants use analytical skills in their work to minimize tax liability, and internal auditors do so when identifying fraudulent use of funds.

Communication skills. Accountants and auditors must be able to listen carefully to facts and concerns from clients, managers, and others. They must also be able to discuss the results of their work in both meetings and written reports.

Detail oriented. Accountants and auditors must pay attention to detail when compiling and examining documentation.

Math skills. Accountants and auditors must be able to analyze, compare, and interpret facts and figures, although complex math skills are not necessary.

Organizational skills. Strong organizational skills are important for accountants and auditors who often work with a range of financial documents for a variety of clients.

Pay

<table>
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<th>Accountants and Auditors</th>
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<tr>
<td>Median annual wages, May 2012</td>
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<tr>
<td>Accountants and auditors</td>
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The median annual wage for accountants and auditors was $63,550 in May 2012. The median wage is the wage at which half the workers in an occupation earned more than that amount and half earned less. The lowest 10 percent earned less than $39,930, and the top 10 percent earned more than $111,510.

In May 2012, the median annual wages for accountants and auditors in the top five industries in which they worked were as follows:

- Finance and insurance: $66,530
- Manufacturing: 65,300
- Management of companies and enterprises: 64,670
- Accounting, tax preparation, bookkeeping, and payroll services: 63,910
- Government: 61,490

Most accountants and auditors work full time. In 2012, about 1 in 5 worked more than 40 hours per week. Longer hours are typical at certain times of the year, such as at the end of the budget year or during tax season.

**Job Outlook**

Employment of accountants and auditors is projected to grow 13 percent from 2012 to 2022, about as fast as the average for all occupations. In general, employment growth of accountants and auditors is expected to be closely tied to the health of the overall economy,

economy. As the economy grows, these workers will continue to be needed to prepare and examine financial records.

There has been an increased focus on accounting in response to corporate scandals and recent financial crises. Stricter laws and regulations, particularly in the financial sector, will likely increase the demand for accounting services as organizations seek to comply with new standards. In addition, tighter lending standards are expected to increase the importance of audits, as this is a key way for organizations to demonstrate their creditworthiness.

The continued globalization of business should lead to increased demand for accounting expertise and services related to international trade and international mergers and acquisitions.

Job Prospects

Accountants and auditors who have earned professional recognition, especially as Certified Public Accountants (CPAs), should have the best prospects. Job applicants who have a master’s degree in accounting or a master’s degree in business with a concentration in accounting also may have an advantage.

However, competition should be strong for jobs with the most prestigious accounting and business firms.

Employment projections data for Accountants and Auditors, 2012-22

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<tbody>
<tr>
<td>Accountants and auditors</td>
<td>13-2011</td>
<td>1,275,400</td>
<td>1,442,200</td>
<td>13</td>
<td>166,700</td>
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</table>


Similar Occupations

This table shows a list of occupations with job duties that are similar to those of accountants and auditors.

<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>JOB DUTIES</th>
<th>ENTRY-LEVEL EDUCATION</th>
<th>2012 MEDIAN PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bookkeeping, Accounting, and Auditing Clerks</td>
<td>Bookkeeping, accounting, and auditing clerks produce financial records for organizations. They record financial transactions, update statements, and check financial records for accuracy.</td>
<td>High school diploma or equivalent</td>
<td>$35,170</td>
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<tr>
<td>Budget Analysts</td>
<td>Budget analysts help public and private institutions organize their finances. They prepare budget reports and monitor institutional spending.</td>
<td>Bachelor's degree</td>
<td>$69,280</td>
</tr>
<tr>
<td>Cost Estimators</td>
<td>Cost estimators collect and analyze data in order to estimate the time, money, materials, and labor required to manufacture a product, construct a building, or provide a service. They generally specialize in a particular industry or type of product.</td>
<td>Bachelor's degree</td>
<td>$58,860</td>
</tr>
<tr>
<td>Financial Analysts</td>
<td>Financial analysts provide guidance to businesses and individuals making investment decisions. They assess the performance of stocks, bonds, and other types of investments.</td>
<td>Bachelor’s degree</td>
<td>$76,950</td>
</tr>
<tr>
<td>Financial Managers</td>
<td>Financial managers are responsible for the financial health of an organization. They produce financial reports, direct investment activities, and develop strategies and plans for the long-term financial goals of their organization.</td>
<td>Bachelor’s degree</td>
<td>$109,740</td>
</tr>
<tr>
<td>Occupation</td>
<td>Description</td>
<td>Education</td>
<td>Salary</td>
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<td><strong>Management Analysts</strong></td>
<td>Management analysts, often called management consultants, propose ways to improve an organization’s efficiency. They advise managers on how to make organizations more profitable through reduced costs and increased revenues.</td>
<td>Bachelor's degree</td>
<td>$78,600</td>
</tr>
<tr>
<td><strong>Personal Financial Advisors</strong></td>
<td>Personal financial advisors give financial advice to people. They help with investments, taxes, and insurance decisions.</td>
<td>Bachelor's degree</td>
<td>$67,520</td>
</tr>
<tr>
<td><strong>Postsecondary Teachers</strong></td>
<td>Postsecondary teachers instruct students in a wide variety of academic and vocational subjects beyond the high school level. They also conduct research and publish scholarly papers and books.</td>
<td>Bachelor's degree</td>
<td>$68,970</td>
</tr>
<tr>
<td><strong>Tax Examiners and Collectors, and Revenue Agents</strong></td>
<td>Tax examiners and collectors, and revenue agents ensure that federal, state, and local governments get their tax money from businesses and citizens. They review tax returns, conduct audits, identify taxes owed, and collect overdue tax payments.</td>
<td>Bachelor's degree</td>
<td>$50,440</td>
</tr>
<tr>
<td><strong>Top Executives</strong></td>
<td>Top executives devise strategies and policies to ensure that an organization meets its goals. They plan, direct, and coordinate operational activities of companies and organizations.</td>
<td>Bachelor's degree</td>
<td>$101,650</td>
</tr>
</tbody>
</table>

**Contacts for More Information**

For more information about accredited accounting programs, visit [AACSB International—Association to Advance Collegiate Schools of Business](http://www.aacsb.edu)

For more information about the Certified Public Accountant (CPA) designation, visit [American Institute of Certified Public Accountants (AICPA)](http://www.aicpa.org)

For more information about management accounting and the Certified Management Accountant (CMA) designation, visit [Institute of Management Accountants](http://www.imanet.org)

For more information about internal auditing and the Certified Internal Auditor (CIA) designation, visit [The Institute of Internal Auditors](http://www.theiia.org)

For more information about information systems auditing and the Certified Information Systems Auditor (CISA) designation, visit [ISACA](http://www.isaca.org)

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[Accountants](https://www.onetonline.org/linkingSite.do?standard=1&libraryCode=b&oc=010000&zone=010&switch=010&descr=010000&cp=50)

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**Suggested citation:**
