2. The Accounting Profession and Careers

To decide to be an accountant is no more descriptive than deciding to be a doctor. Obviously, there are many specialty areas. Many accountants engage in the practice of “public” accounting, which involves providing audit, tax, and consulting services to the general public. To engage in the practice of public accounting usually requires one to be licensed as a CPA (Certified Public Accountant). Auditing involves the examination of transactions and systems that underlie an organization’s financial reports, with the ultimate goal of providing an independent report on the appropriateness of financial statements. Tax services relate to the providing of help in the preparation and filing of tax returns and the rendering of advice on the tax consequences of alternative actions. Consulting services can vary dramatically, and include such diverse activities as information systems engineering to evaluating production methods. Many accountants are privately employed directly by small and large businesses (i.e., “industry accounting”) and not-for-profit agencies (such as hospitals, universities, and charitable groups). They may work in areas of product costing and pricing, budgeting, and the examination of investment alternatives. They may focus on internal auditing, which involves looking at controls and procedures in use by their employers. Objectives of these reviews are to safeguard company resources and assess the reliability and accuracy of accounting information and accounting systems. They may serve as in house tax accountants, financial managers, or countless other occupations. And, it probably goes without saying that many accountants work in the governmental sector, whether it be local, state, or national levels. You would expect to find many accountants at the Internal Revenue Service, General Accounting Office, Securities and Exchange Commission (“SEC” - the USA governmental agency charged with regulating accounting and reporting by companies whose shares of stock are bought and sold in public markets), and even the Federal Bureau of Investigation.

2.1 Accounting and Professional Ethics

Because investors and creditors place great reliance on financial statements in making their investment and credit decisions, it is imperative that the financial reporting process be truthful and dependable. Accountants are expected to behave in an entirely ethical fashion, and this is generally the case. To help insure integrity in the reporting process, the profession has adopted a code of ethics to which its licensed members must adhere. In addition, checks and balances via the audit process, government oversight, and the ever vigilant “plaintiff’s attorney” all serve a vital role in providing additional safeguards against the errant accountant. If you are preparing to enter the accounting profession, you should do so with the intention of behaving with honor and integrity. If you are not planning to enter the profession, you will likely rely upon accountants in some aspect of your personal or professional life. You have every right to expect those accountants to behave in a completely trustworthy and ethical fashion. After all, you will be entrusting them with your financial resources and confidential information.