

Auditor

Snapshot

Career Cluster(s): Business, Management & Administration, Finance, Government & Public Administration

Interests: Analyzing data, accounting, finances, record-keeping, detail work

Earnings (Yearly Average): \$68,150

Employment & Outlook: Faster than Average Growth Expected

OVERVIEW

Sphere of Work

Auditors use their training in accounting to review the accuracy of an organization's financial records. Auditors work for and verify the financial records of the public sector (including government agencies and departments) and the private sector (including large corporations, small businesses, and non-profit organizations). There are two main areas of auditing internal auditing and external auditing. Internal auditors review their organization's internal financial controls and record keeping for evidence of waste or fraud. External auditors are hired, often as a condition of regulatory and stakeholder compliance, from an outside organization to



review and verify the accuracy of an organization’s financial controls and record keeping.

Work Environment

An auditor’s Work Environment is generally desk-based. Depending on the employer and particular job description, an auditor may telecommute from a home office, visit client offices as a contractor, or work on a full-time basis in an employer’s office. Auditors may work as a full-time member of a work team responsible for ongoing financial document review and documentation or may be hired as a contractor. An auditor’s Work Environment is dependent on technology, including computers and financial software programs, as well as having access to the most recent government regulations.

Profile

- Interest:** Data
- Working Conditions:** Work Inside
- Physical Strength:** Light Work
- Education Needs:** Bachelor’s Degree
- Licensure/Certification:** Required
- Opportunities For Experience:** Internship
- Holland Interest Score*:** REC

* See Appendix A

issues. For instance, those who excel in auditing tend to be adept at educating themselves about and responding to frequent technological and regulatory changes. Analytical people choosing to pursue the occupation of auditor may find satisfaction in staying up-to-date on auditing best practices.

Occupation Interest

Individuals interested in the auditing profession tend to be well-organized and detail-oriented people who find satisfaction in reviewing and analyzing systems, processes, and large amounts of data. Auditors may also have an interest and affinity for technology and regulatory

A Day in the Life—Duties and Responsibilities

An auditor’s daily occupational duties and responsibilities include reviewing, verifying, and certifying the accuracy and authenticity of financial records. Specific duties, schedules, and assignments vary between internal and external auditors. Further specialization can occur, as some choose to pursue interests in information technology (IT) auditing, environmental auditing, financial auditing, and compliance auditing.

Internal auditors will review their organization's financial records on an ongoing basis, looking for regulatory compliance or indications of employee mismanagement, waste, or fraud. Internal auditors review all financial records including ordering, payroll, inventory, expenses, work orders, equipment purchasing, profit/loss statements, and taxes. Internal auditors are also increasingly responsible for reviewing and overseeing financial software, as organizations move to automate financial transactions. Internal auditors report findings to management and often participate in developing the organization's financial policies and best practices.

External auditors, usually employed by public accounting firms, will be hired on a contract basis quarterly or annually to review the financial documents of businesses or government departments. Stakeholder and state and federal laws generally require businesses to seek an external independent audit of all financial records on a regular basis. External auditors most often report their findings to regulatory agencies such as the Securities and Exchange Commission (SEC) and the Internal Revenue Service (IRS).

Duties and Responsibilities

- **Auditing contracts, purchase orders and vouchers and preparing related reports**
- **Directing and coordinating activities of workers engaged in keeping accounts and records**
- **Writing opinion on financial statements**
- **Giving advice on profit planning, budgeting, and cost contro**

OCCUPATION SPECIALTIES

Internal Auditor

Internal Auditors examine and evaluate financial and information systems, management procedures, and internal controls. They check records to assure accuracy and to protect against fraud and waste.

County/City Auditor

County/City Auditors direct activities of personnel engaged in recording deeds and similar legal instruments, keep records of county or municipal accounts, compile and transmit fiscal records, prepare financial statements, and audit books of city or county offices.

Tax Auditor

Tax Auditors audit financial records to determine tax liability. They review information gathered from the taxpayer, such as material assets, income, surpluses, liabilities and expenditures to verify net worth or reported financial status.

WORK ENVIRONMENT

Physical Environment

Auditors generally work in office environments. The work of an auditor requires sitting at a desk and using computers for long periods of time each day. Auditors hired to perform external audits may be required to travel to client offices to review financial records and attend meetings.

Transferable Skills and Abilities

Interpersonal/Social Skills

- Being able to work independently
- Being honest
- Being patient
- Cooperating with others
- Working as a member of a team

Organization & Management Skills

- Paying attention to and handling details

Research & Planning Skills

- Analyzing information
- Solving problems
- Performing scientific, mathematical and technical work
- Using technology to process information
- Working with machines, tools or other objects

Human Environment

An auditor's human environment may be social or isolated depending on the assignment and the organization. These factors will influence interaction with clients, employees, supervisors, or colleagues. It must be noted that auditors—who are by their job definition responsible for finding problems, waste, and fraud—may be perceived in an adversarial or hostile way by some organizational employees.

Technological Environment

An auditor's technological environment will generally include computers, financial and auditing software, and telecommunication tools.

EDUCATION, TRAINING, AND ADVANCEMENT

High School/Secondary

High school students interested in pursuing an auditing career should prepare themselves by building good organizational skills and developing strong study habits. They should also develop strong mathematical skills. Students should consider applying for internships, part-time work if available, or even volunteer work with local financial organizations in order to learn what it is that auditors do on a daily basis.

Suggested High School Subjects

- Accounting
- Algebra

- Communications
- Business
- Business Law
- Calculus
- Computer Science
- English
- Geometry
- Mathematics
- Statistics
- Trigonometry

Famous First

The first known auditors described in history were essentially spies working for King Darius of Ancient Persia between 522 and 486 BCE. The term “auditor,” developed during this time was taken from the work “to hear,” as early auditors listened to oral reports from elite aristocrats and landowners and verified the authenticity of the information provided. Under Darius, auditors were responsible for ensuring that local leaders were giving accurate reports on the state of their territory to the king. Gradually, auditors became specialists in verifying written reports and later in verifying financial reports from companies and agencies. In the 1800s, modern auditing began in Britain where new laws forced companies to provide audited reports to shareholders.



College/Postsecondary

Postsecondary students interested in pursuing an auditing career should prepare themselves by building a foundation in mathematics, accounting, and business courses. Due to the importance of technology, law, and ethics in the practice of auditing, postsecondary students interested in pursuing a career in auditing will also benefit from studying both computer and political science. Postsecondary students committed to pursuing auditing will gain experience and build connections through auditing internships and part-time employment with financial businesses, such as accounting and auditing firms.

Related College Majors

- Accounting
- Business Administration & Management, General
- Economics, General
- Mathematics

Adult Job Seekers

Adults seeking auditing jobs have generally earned a bachelor's degree in accounting, business administration, or another closely related profession. Those individuals who intend to work toward managerial or supervisor roles in the auditing world may choose to earn a master's of business administration (MBA) or law degree. Adult job seekers will benefit from joining professional auditing associations as a means of professional networking. Professional auditing associations generally offer job-finding workshops and maintain job lists advertising open auditing positions. Adult job seekers who wish to join the auditing profession, but who lack a college degree, may be able to gain access to the field by seeking entry-level bookkeeping and clerk positions. Supervisors and mentors can help junior auditors plan their career and educational choices.

Professional Certification and Licensure

Auditors are required to have the same professional certification and licensure required of accountants. The most common professional license for auditors and accountants is the CPA certification issued by state boards of accountancy. Only licensed CPAs are legally allowed to submit financial reports to the SEC. CPA licensure is based on three elements: education, examination, and experience. CPAs are required to have at least 150 semester hours of college coursework, pass the CPA exam, and fulfill state experience requirements. The American Institute of Certified Public Accountants administers the universal CPA examination accepted by all states. The CPA examination includes four discrete parts that must be passed within an eighteen-month period. The CPA examination is computerized and offered multiple times a year at state testing centers.

In addition to the CPA certification, professional auditors may choose to pursue auditing-specific designations such as the Certified Internal Auditor license and the Certified Information Systems Auditor license. These two licenses, achieved through passing examinations,

are the industry standard for demonstrating professional auditing competencies. As in any venture, a candidate should consult credible professional associations within their prospective field and follow professional debate as to the relevancy and value of any certification program.



Additional Requirements

Individuals who find satisfaction, success, and job security in the auditing profession will be knowledgeable about the profession's requirements, responsibilities, and opportunities.

Individuals dedicated to training and advancing in the auditing field generally work to develop their analytical, mathematical, and business abilities. Written and verbal communication skills are also important for auditors, as is proficiency with auditing software. High levels of integrity and ethics are required of auditors, as they often work with private and confidential documents. Additionally, external auditors often do their work within a corporation's offices—sometimes outside of the normal workday. Discretion and trust are essential to an effective working relationship between the outside auditor and his or her client.

Membership in professional auditing associations is encouraged among both junior and senior auditors as a means of building status within a professional community and networking.

EARNINGS AND ADVANCEMENT

According to the Bureau of Labor Statistics (BLS), median annual wage for accountants and auditors was \$68,150 in 2016, with those at the lowest ten percent earning less than \$42,140 and those at the upper end of the spectrum earning over \$120,000. Advancing in a career as an auditor can involve accruing work experience and seniority within a firm or applying for higher level positions in other firms or organizations. Most auditors work full time, but overtime is common in the field, especially at certain times of the year, such as when reconciling end of year budgets. Auditors working in the finance field tend to earn higher wages, on average, than auditors in other fields.

**Metropolitan Areas with the Highest
Employment Level in this Occupation**

Metropolitan area	Employment	Employment per thousand jobs	Hourly mean wage
New York-Jersey City- White Plains, NY-NJ Metropolitan Division	90,790	13.78	\$47.35
Los Angeles-Long Beach-Glendale, CA Metropolitan Division	45,240	10.72	\$39.80
Houston-The Woodlands- Sugar Land, TX	37,990	12.94	\$43.22
Chicago-Naperville- Arlington Heights, IL Metropolitan Division	37,170	10.22	\$38.36
Washington-Arlington- Alexandria, DC-VA-MD- WV Metropolitan Division	33,500	13.45	\$43.80
Dallas-Plano-Irving, TX Metropolitan Division	30,570	12.58	\$39.09
Atlanta-Sandy Springs- Roswell, GA	27,500	10.77	\$38.02
Boston-Cambridge- Newton, MA NECTA Division	24,450	13.56	\$40.99
Denver-Aurora- Lakewood, CO	22,910	16.18	\$38.63
Minneapolis-St. Paul- Bloomington, MN-WI	22,310	11.68	\$34.88

Source: Bureau of Labor Statistics

EMPLOYMENT AND OUTLOOK

As of 2014, auditors and accountants held more than 1.2 million jobs, with an average annual growth of 11 percent expected between 2014 and 2024, constituting faster than average growth when compared to the 6-7 percent estimated for all US occupations during the same period. Growth in the auditing and accounting fields is tied to overall economic growth, with an increasing number of jobs during periods of economic growth and reduced opportunities for employment during times of economic stress or instability. Another factor affecting growth in the industry involves financial regulation. When new legislation creates more stringent regulations, demand for qualified accountants and auditors increases as companies struggle to adjust to changing financial laws. While growth is strong, those who hold advanced degrees or professional certification, such as a CPA certificate, are likely to have an advantage on the job market.

Related Occupations

- Accountant
- Actuary
- Budget Analyst
- Credit Manager
- Energy Auditor
- Financial Analyst
- Financial Manager
- Insurance Underwriter
- Personal Financial Advisor
- Public Administrator

Conversation With . . . **LARRY HARRINGTON**

Internal Auditor, Vice President, Raytheon Company
Waltham, Massachusetts
Auditor, 25 years

1. What was your individual career path in terms of education/training, entry-level job, or other significant opportunity?

I graduated from Bentley University in Waltham, Massachusetts, with a degree in accounting. I worked for a number of years before attending and graduating from the Advanced Management Program at Harvard Business School. My advice for people starting out in their careers is to gain valuable work experience for a few years before seeking an advanced degree; this will leverage your business experience with real-time learning. I strongly suggest a program with an international focus.

I started my career in public accounting before moving into the corporate world, as an internal auditor. The skills I gained as an internal auditor enabled me to be viewed as an agent of change. Companies could trust me to lead new functions even if I didn't have core skills in that discipline because of my leadership, creativity and ability to work with others who did have those core skills. Eventually, I held vice president roles in finance, human resources and operations before moving into my current role as the chief audit executive at Raytheon Company, creating positive change with a sense of urgency.

2. What are the most important skills and/or qualities for someone in your profession?

The most important skills and qualities for an internal auditor can, appropriately, be encapsulated with the acronym CHANGE:

Communicating with persuasion—both verbal and written.

Helping others succeed through critical thinking and change management skills.

Accounting, IT and other business skills help you to accomplish positive change.

Networking and building relationships within your business, industry, and profession; most jobs come through networking.

Growing: Invest in your own learning as employers seldom invest enough in you.

Enquiring mindset: Auditors are people who wonder about how businesses work.

3. What do you wish you had known going into this profession?

The importance of leadership (even without the title), the power of networking, and the necessity to continually self-invest in my knowledge and skill, rather than relying solely on a company to provide training. I also would have sought an international assignment.

4. Are there many job opportunities in your profession? In what specific areas?

Internal audit is a growth profession. All public companies have a requirement for internal auditors. There are also private companies that have an internal audit function to ensure they can get an internal objective view on their processes and any risks to the company. There are lots of early career positions as well as management positions.

5. How do you see your profession changing in the next five years, what role will technology play in those changes, and what skills will be required?

The profession is forever morphing as businesses morph due to global competition, big data, and technology. Many internal audit groups are working to analyze data in real-time, using continuous monitoring so that we can spot problems sooner and fix them quicker.

6. What do you like most about your job? What do you like least about your job?

The most enjoyable part is the development and coaching of people. I enjoy sharing my knowledge and mentoring people to create a career path and a plan to achieve that success. I learn from the people working for me as they help me continually learn and change, even at this point in my career.

The least enjoyable part is people thinking that internal audit is here to make them look bad. We have to work hard to change our professional image, so that people know our role is to help them succeed by helping them improve processes, reduce costs, meet their business objectives, and help them avoid surprises.

7. Can you suggest a valuable “try this” for students considering a career in your profession?

When you are out in your day-to-day life think critically about the processes you see, think about ways that you could improve those processes. An example may be the flow at a restaurant or the timing of the stoplights in a high traffic area. These are simple examples of logistical issues that may benefit from process improvement.

SELECTED SCHOOLS

Many large universities, especially those with business schools, offer programs in accounting. The student can also gain initial training through enrollment at a liberal arts college or community college. Below are listed some of the more prominent institutions in this field.

Brigham Young University

Marriott School of Management
Campus Drive
Provo, UT 84602
801.422.4121
marriottschool.byu.edu

Indiana University, Bloomington

Kelley School of Business
1309 E. 10th Street
Bloomington, IN 47405
812.855.8100
kelley.iu.edu

New York University

Stern School of Business
665 Broadway, 11th Floor
New York, NY 10012
212.998.4500
www.stern.nyu.edu

Ohio State University

Fisher College of Business
120 Schoenbaum Hall
210 W. Woodruff Avenue
Columbus, OH 43210
614.292.2715
fisher.osu.edu

University of Illinois, Urbana-Champaign

College of Business
1515 East Gregory Drive
Champaign, IL 61820
217.333.2740
business.illinois.edu

University of Michigan, Ann Arbor

Ross School of Business
701 Tappan Avenue
Ann Arbor, MI 48109
734.763.5796
michiganross.umich.edu

University of Notre Dame

Mendoza College of Business
Notre Dame, IN 46566
574.631.7505
business.nd.edu

University of Pennsylvania

The Wharton School
1 College Hall
Philadelphia, PA 19104
215.898.6376
www.wharton.upenn.edu

University of Southern California
Marshall School of Business
3670 Trousdale Parkway
Los Angeles, CA 90089
213.740.8674
www.marshall.usc.edu

University of Texas, Austin
McCombs School of Business
1 University Station, B6000
Austin, TX 78712
512.471.5921
www.mcombs.utexas.edu

MORE INFORMATION

**Accreditation Council for
Accountancy and Taxation**
1010 North Fairfax Street
Alexandria, VA 22314-1574
888.289.7763
www.acatcredentials.org

**American Institute of Certified
Public Accountants**
1211 Avenue of the Americas
New York, NY 10036
888.777.7077
www.aicpa.org

**Information Systems Audit and
Control Association**
3701 Algonquin Road, Suite 1010
Rolling Meadows, IL 60008
847.253.1545
www.isaca.org

Institute of Internal Auditors
247 Maitland Avenue
Altamonte Springs, FL 32701-4201
407.937.1100
iia@theiia.org
www.theiia.org

**Institute of Management
Accountants**
10 Paragon Drive
Montvale, NJ 07645-1718
800.638.4427
ima@imanet.org
www.imanet.org

**National Association of State
Auditors, Comptrollers and
Treasurers**
449 Lewis Hargett Circle, Suite 290
Lexington, KY 40503
859.276.1147
www.nasact.org