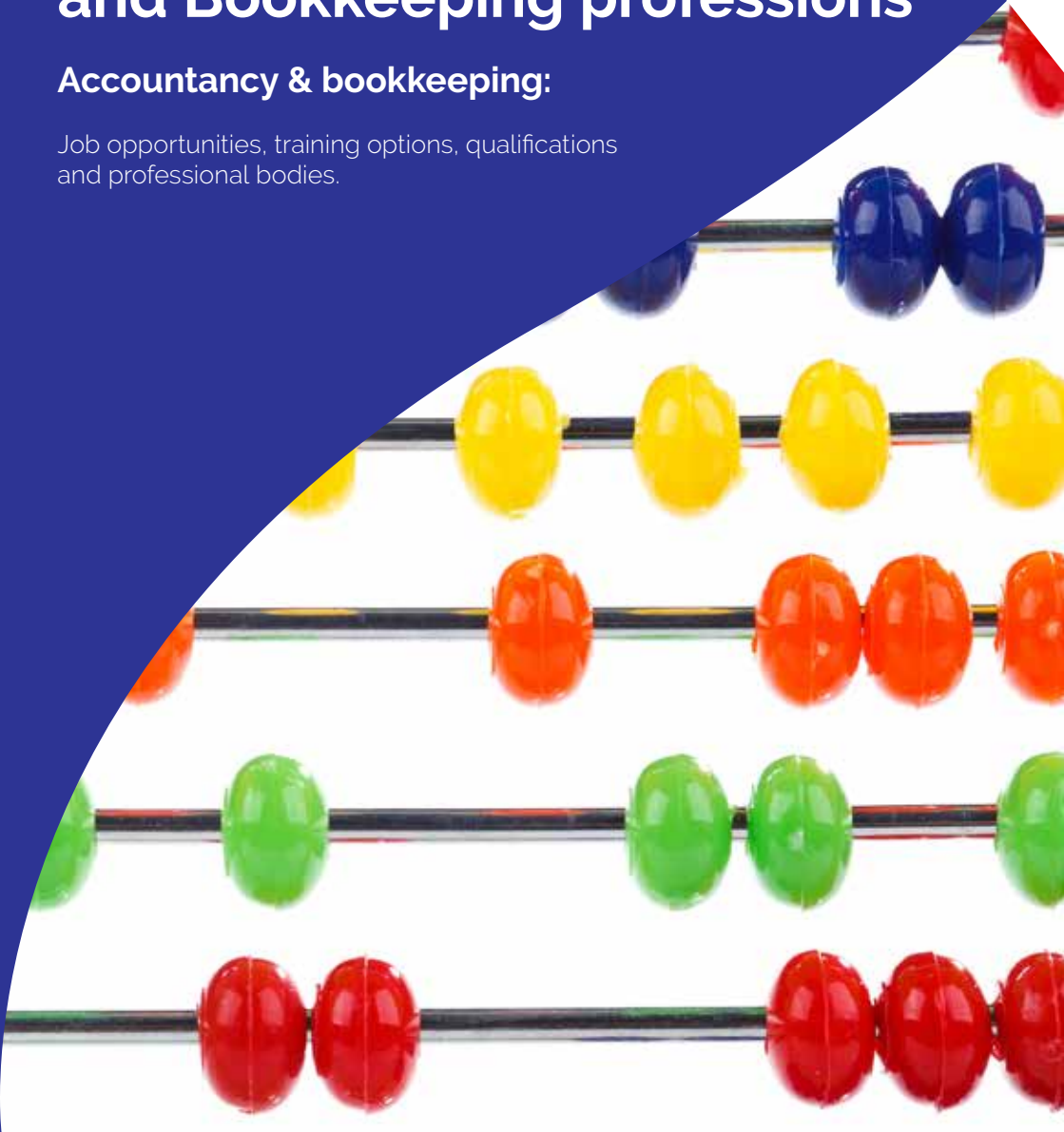




Careers in the Accountancy and Bookkeeping professions

Accountancy & bookkeeping:

Job opportunities, training options, qualifications and professional bodies.





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There has never been a better time to join the finance profession: demand is growing, salaries are increasing, and career opportunities are many and varied. Financial expertise is vital to the success of each and every business, big or small, so skills in accounting and bookkeeping can open the door on a world of possibilities.

If you are considering a career in finance you have numerous options to choose from, so this leaflet provides:

- an overview of the types of work finance professionals do, areas of specialisation, the roles available and some of the job titles you will encounter;
- information on qualifications, approaches to study and duration of courses, and the associated examining bodies and professional organisations.



What's it all about?

All organisations need a way of recording their financial transactions, and bookkeeping provides a systematic method of doing this. Some people use just paper and pens to do it, while others also use specialist computer systems.

Because even the smallest business gets involved in a wide variety of financial transactions, bookkeeping is an 'umbrella' term that is used to describe a number of related activities. These include accounting for stock, cash and banking, credit control, financial data entry, keeping a nominal ledger (itemising revenue and expenditure such as sales and operating costs), handling payroll administration – and more.

The level of complexity associated with these tasks can vary dramatically between entities of different sizes and types. The bookkeeping efforts of a self-employed electrician, for example, are very different to those of a national supplier such as Powergen. In the first case, all of the 'bookkeeping' records can be kept by one person, while the larger organisation probably needs to divide the bookkeeping cycle into departments such as Accounts Receivable, Accounts Payable, Payroll, and so on.

All of this record-keeping tends to be backward-looking and reactive, and takes place in response to the myriad finance-related activities that occur in the business, but it is used as the basis for the more complex processes associated with accounting.

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Beyond bookkeeping

The finance profession is about a lot more than accurate record keeping. Accounting also involves interpreting and communicating financial activity, and is split into a number of fields. Many professional bookkeepers have skills or provide services that go beyond pure record keeping, including the preparation of financial statements for sole traders, partnerships and limited companies, VAT and other tax returns and payroll.

Financial accounting takes a historical view of an organisation's finances, and focuses on the ways in which it records, classifies, summarises and interprets its financial information. Because it informs the production of the statutory reports that are required by organisations such as Companies House and HM Revenue & Customs and forms the basis of reports for banks and other investors, it follows strict ground rules.

Although management accounting is also based on the operational data provided by bookkeeping, it focuses on producing information for use within the organisation, and is used to inform management planning, implementation and control, and to support the commercial and financial decision-making processes of the business.

Management accounting information is used to set budgets and analyse variances, control and monitor work underway, formulate strategies, and modify plans if and when the need arises.

Some organisations choose to have all or some of these accounting functions provided by their own employees, while others opt to use the services of finance professionals in public practice.



Business or practice?

Bookkeeping and accountancy practices come in all shapes and sizes, and provide an ever-increasing range of services to their clients. Sole practitioners and firms with just a few partners and support staff tend to offer a range of services to similarly sized businesses, or specialise in a particular area such as corporate finance, corporate recovery, forensic accounting, insolvency or taxation.

Many professional services firms, big and small, offer various types of business consultancy services, financial services, or specialise in software and systems, and some have separate divisions to do this, so training and experience in finance can also help to prepare you for roles in management or strategic consulting. Only chartered firms of accountants are allowed, by law, to provide external audit services, but audits are required only by certain sizes and types or organisation (as defined by The Companies Act).

Some of the job titles you are likely to encounter in practice include: accounts assistant, accounting technician, audit semi-senior, bookkeeper, computer forensic analyst, insolvency administrator, personal tax manager, tax adviser, tax compliance accountant, and trainee accountant.

Because of the broad range of services they offer, sole practitioners, bookkeepers and accountants in small firms need to have expertise in lots of areas, while larger firms are more likely to offer the opportunity to develop your expertise in a particular area. Bigger firms often have specialists in areas of finance such as corporate recovery, forensic analysis, insolvency, regulatory compliance,

and tax, as well as particular market sectors such as broadcast, charities, education, financial services, local government, print media, pharmaceuticals, software, sport, telecommunications, and so on.

Accountants who choose not to work in practice also get the opportunity to work and specialise in a particular area of finance or focus on one market sector. There are job opportunities at lots of different levels, and many of the financial skills you develop in the workplace can easily be transferred between industries.

Some of the job titles you are likely to encounter include: accounting technician, bookkeeper, business analyst, CFO, chartered accountant, group accountant, financial controller, financial accountant, finance director, management accountant, and part-qualified accountant.



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A world of possibilities

Join the finance profession, and you will have a great deal of choice over the environment you want to work in and over the size and type of employer. But no matter which area you choose to work in, you will find that finance can offer unrivalled career potential: it's more secure than many other careers, offers the chance to meet lots of different people, and the flexibility to work on a variety of projects, with many different types of employer or client – and it's relatively well paid.

Salaries vary widely across the profession depending on many factors. There are regional variations, and salaries in cities tend to be higher than those in more rural areas. Some finance disciplines and business sectors pay better than others. The finance director of a small family business will earn a lot less than the FD of a listed public company. Posts in not-for-profit entities,

such as charities, tend to pay less well than comparable posts elsewhere. A partner with one of the Big Four accounting and auditing firms (Deloitte Touche Tohmatsu, Ernst & Young, KPMG, and PricewaterhouseCoopers) will earn significantly more than they would at a four partner firm.

Despite these big differences, perks such as health insurance, company cars and private pension schemes are fairly standard at lots of levels and in many different areas; likewise the prospects for advancement.

Early roles where you take responsibility for specific tasks, projects or people can lead to bigger and better things. Many



organisations are looking for future managers when they recruit accountancy trainees, and expect them to one day manage their own departments, and manage the work of other staff.

Large organisations are often viewed as the safest career move, in terms of security and the potential for advancement, but lots of small organisations also offer great opportunities. The divisions between the public and private sector are becoming less clear cut, and lots of accountants now move easily between the two at various levels.

The rules and regulations that help shape the finance profession are increasingly global, and many qualified accountants find themselves working overseas temporarily and on a long term basis: your qualifications and many of the skills you acquire are internationally portable.

So, if you choose a career in finance, the possibilities are endless.

Start training today, and a few years from now you could be analysing the regulatory risks faced by a high street bank, co-ordinating the budgeting process for a multinational software company, meeting the bookkeeping and accounting needs of 200 small business clients, monitoring company expenses for a three partner firm of architects, helping a small shoe retailer to submit their quarterly VAT report, producing an annual report for the shareholders of a public utility, or helping the marketing department of an independent record label to understand their costs and profitability. But with so many possibilities, where do you begin?

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Education matters

It is possible to enter the finance profession at various levels: bookkeeper, accounting technician, financial accountant and chartered accountant, depending on your age, education, qualifications, how long you want to spend training, and how much you can afford to spend, the extent of your ambition, and the level at which you choose to enter the profession.

To train as a bookkeeper (through gaining IAB qualifications for example) or become an accounting technician (through the AAT), you need sound numeracy and literacy skills, but the formal education requirements are flexible at the entry levels, and academic achievements and experience of accounts can help speed up your progress to higher levels.

The entry-level requirements are also flexible to train to become an accountant through a professional body such as the Association of Certified Chartered Accountants, Chartered Institute of Management Accountants,

the Institute of Chartered Accountants in England & Wales, the Institute of Chartered Accountants of Scotland or the Institute of Financial Accountants. But you will be at a distinct advantage if you are educated to at least A-level standard, as there is a lot of competition to enter the profession, and find an employer willing to support you during your years of study.

Although there are no required entry subjects, other than the usual need for GCSE Maths and English for UK students, or the equivalent for overseas students, many accountants are educated to degree level. It is possible to study for a degree course that has been designed to help you gain a finance qualification with one of the UK's professional bodies, and some training courses for accountants can be entered only by those with a degree-level education.





But your chances of success will be greatly increased at all levels if you:

- are comfortable working with numbers,
- interested in business and finance,
- work accurately and pay attention to detail,
- have good spoken and written communication skills, have an analytical mind,
- take a problem solving approach,
- can plan and organise your own workload,
- work to strict deadlines,
- and are honest, discreet and trustworthy.

Because being a good accountant is about real-life experience as well as formal learning and examinations, practical on-the-job learning is an important part of many of the education programmes that lead to professional finance qualifications. So, it is possible to work your way up through the profession using a combination of experience and examinations.

If you begin by qualifying as an accounting technician or gain qualifications and

experience in bookkeeping, for example, you may find that this will help you to gain entry to a higher level training scheme. The ICAEW, for example, grants some exemptions to those who have qualified through AAT, IAB and IFA, and the IFA also grants exemptions to some of those who have qualified through the AAT and the IAB.

How do you train?

There are many routes you can take to becoming qualified as a finance professional, and although they all involve formal study and examinations, you can choose the approach that best suits you – though some employers require all of their students to train with a particular body.

Full time training courses are an option, but most finance students study part-time while in part-time or full-time employment. There are numerous training providers across the UK, including further education establishments, distance learning providers, private colleges, plus universities; and they can all offer you the opportunity to study courses that lead to various levels of examinations - but they are not the examining bodies.

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These are organisations such as the ACCA, AAT, CIMA and ICAEW, who devise the courses and monitor their provision, as well as being responsible for marking the exams, and granting professional membership to those who qualify.

In some scenarios, you will need to fund your studies yourself. Some students may find their courses are eligible for government support, while others will be fortunate enough to find employers who are prepared to support them in their studies – financially, by providing mentors and in-house training tools and schemes, and also allowing a certain amount of paid or unpaid study leave.

The length of time you spend studying can vary dramatically. You can study for a basic bookkeeping qualification by doing a course that takes a few hours a week and spans months, or you could also spend 4-6 years studying to become a chartered accountant, and there are lots of options that fall between the two. The duration of your studies will depend on the choices you make.

Planning your career

The first decision you need to make is which professional body you want to qualify through and become a member of. Phone or write for information, or visit their websites, look at their various qualifications and their training providers, check out their student sections, read the profiles of members, consider the issues they publish papers and press releases on, the events they sponsor and organise, and how active the body is regionally and internationally. Find out what membership could do for you.



Professional bodies

The following list provides contact information; use it to inform your choices.

IAB – International Association of Bookkeepers (IAB)

Suite 5, 20 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU

Telephone 01732 897750 Fax 01732 897751

Visit www.iab.org.uk.

Association of Accounting Technicians (AAT)

140 Aldersgate Street, London, EC1A 4HY

Telephone 0845 863 0800 Fax 020 7397 3009

Visit www.aat.org.uk.

Association of Certified Chartered Accountants (ACCA)

The Adelphi, 1–11 John Adam Street, London, WC2N 6AU

Telephone +44 (0)141 582 2000 Fax +44 (0)20 7059 5050

Visit www.accaglobal.com

Chartered Institute of Management Accountants (CIMA)

The Helicon, One South Place, London, EC2M 2RB

Telephone 020 8849 2251

Visit www.cimaglobal.com.

Chartered Institute of Public Finance and Accountancy (CIPFA)

77 Mansell Street, London E1 8AN.

Telephone 020 7543 5600 Fax 020 7543 5700

Visit www.cipfa.org

Institute of Chartered Accountants in England & Wales (ICAEW)

Chartered Accountants Hall, Moorgate Place, London, EC2P 2BJ

Telephone 020 7920 8100 Fax 020 7920 0547

Visit www.icaew.com

Institute of Chartered Accountants of Scotland (ICAS)

CA House, 21 Haymarket Yards,

Edinburgh, EH12 5BH

Telephone 0131 347 0100. Fax 131 347 0105

Visit www.icas.com

Institute of Financial Accountants (IFA)

The Podium, 1 Eversholt Street, Euston, London, NW1 2DN

Telephone +44 (0)20 7554 0730

Visit www.ifa.org.uk

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Other sources of information

You will also find lots of information and guidance on the websites of some of the finance profession's biggest employers. Take a look at the careers sections of the Big Four accountancy firms, major banks and financial service providers, and multinational corporations, and familiarise yourself with the sort of training schemes they have in place for finance students.

The websites of specialist recruitment firms are also an invaluable source of free advice and information, whether you are taking the first steps on the road to a career in finance, or looking for advice on climbing further up the career ladder. The following are just a few of the possibilities.

www.accountancydivisions.co.uk
www.hays.com
www.michaelpage.co.uk
www.reed.co.uk/finance
www.thinkgr.com
www.payrolljobsboard.com

Publisher:

IAB – International Association of Bookkeepers
Suite 5, 20 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU.
Telephone 01732 897750. Fax 01732 897751
Web: www.iab.org.uk
Email: mail@iab.org.uk

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Leading the
bookkeeping
profession for
over 40 years

