

## Industry insight – Accountancy and professional services

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### In a nutshell

The accountancy and professional services industry covers many areas including audit and advisory; management consulting; financial and management accounting; and taxation.

Although the 'Big Four' accountancy and professional services companies will still constitute four of the five largest single recruiters of graduates in 2012, reports indicate that the increases in graduate intake of the accounting and professional services appears to have levelled-off ([High Fliers Research](#), 2012).

The good news is that the sector still employs significant numbers of graduates from a variety of degree disciplines, and student membership to accountancy bodies continues to grow. However, the number of graduates has increased significantly, resulting in stricter filtering processes and fierce competition for positions.

Accountants can assume diverse roles as finance specialists, risk managers, auditors, corporate treasurers and advisers. As such, graduates entering this industry should be excellent communicators, teamworkers, self-disciplined and motivated to succeed in the industry. Summer-placements, internships and/or relevant work experience are increasingly necessary to gain a competitive edge.

### What kind of work can I do?

#### Public practice

The majority of chartered accountants work in public practice, also known as professional services. These accountancy firms offer clients services from audit to management consultancy. Some of the main career opportunities within public practice are:

- assurance and audit - inspecting the accounting records and procedures of a business, and verifying the accuracy and completeness of the records;
- business recovery and insolvency - helping businesses recover from, and overcome, financial difficulties;
- corporate finance - working with mergers and acquisitions of organisations, fund-raising and public/private partnerships;
- taxation - including tax compliance and tax advisory and planning.

## Internal providers

This includes public sector companies as well as industry and commerce. Multinationals, charities, NHS Trusts, local authorities, educational institutions, banks, insurance companies and manufacturers all have internal accountants. They provide some, or all, of the following services:

- internal audit - producing audit reports and recommendations;
- financial accounting - keeping track of all financial transactions and preparing accounts;
- management accounting - providing management with information needed to make decisions, as well as financial support to business divisions.

Typical jobs in public practice and with internal providers, as well as related careers, include:

- [Accounting technician](#)
- [Actuary](#)
- [Chartered accountant](#)
- [Chartered certified accountant](#)
- [Chartered management accountant](#)
- [Chartered public finance accountant](#)
- [Company secretary](#)
- [Corporate treasurer](#)
- [Financial manager](#)
- [Financial risk analyst](#)
- [Investment analyst](#)
- [Management consultant](#)
- [Tax adviser](#)
- [Tax inspector](#)

## What's it like working in this sector?

- A job in this sector is expected to be hard work with long hours, but challenging and highly rewarding at the same time.
- Graduates entering the profession must be prepared to devote a great deal of time and self-discipline to study for the various professional examinations required through the early years of their career.
- Salaries vary considerably depending on location, size of company and specialisation. The national average starting salaries for graduates into the accounting and professional services industry is around the £28,000 mark ([High Fliers Research](#), 2012).
- Graduate employers recognise the importance of diversity in the performance of their teams and implement various diversity initiatives during the recruitment process.

- According to the [Professional Oversight Board](#) there are over 304,000 members (qualified accountants) of the seven chartered accountancy bodies in the UK and the Republic of Ireland and over 400,000 members worldwide (Key Facts and Trends in the Accountancy Profession, June 2011).
- Over 172,000 students in the UK and Republic of Ireland are currently working towards achieving an accountancy qualification (Key Facts and Trends in the Accountancy Profession, June 2011).
- Men still outnumber women in this profession. However, the gender balance of students of the seven accountancy bodies is generally evenly balanced (Key Facts and Trends in the Accountancy Profession, June 2011).
- The UK accountancy market is dominated by four global accountancy firms, known as the 'Big Four' - Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers LLP (PwC), which audit almost all of the top 100 public limited companies (PLCs) and most of the top 250 PLCs.
- Given that London is a global financial centre, the majority of jobs are located in London and the South East, but roles may be available throughout the UK.
- Some of the accounting qualifications, like the one awarded by the [Association of Chartered Certified Accountants \(ACCA\)](#), are recognised across the globe so it is possible to train and work anywhere in the world.
- Multinational companies and international employers have offices worldwide.

Further information  
[Accountancy Age](#)

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## Entry and progression

### How do I find a job?

Many employers in the accountancy and professional services industry attend careers fairs and give presentations on campus throughout the autumn term. It is advisable to prepare well before you attend such events.

Be aware that the organisations represented at careers fairs are likely to be the 'Big Four' and larger mid-tier companies. Opportunities with smaller firms and jobs related to this industry can also be found by searching company websites, careers service vacancy boards and through networking.

Graduate training schemes are common in this sector and applications are often made via online forms. Some jobs also require the completion of a psychometric test which can usually be taken online.

If you are successful, you may be invited to an assessment centre and possibly a second round of interviews. Smaller firms often use just a CV and covering letter.

Big accountancy firms start recruiting at the beginning of the academic year (from September) or even earlier, but many vacancies are open year-round on a rolling recruitment basis.

Tax and audit are the areas with the biggest intake of graduates.

### **What skills do I need?**

Recruiters in this sector look for a combination of strengths, values and skills (refer to the Work experience section to find out how to develop these skills) detailed as follows:

- ability to work within a team and to convey information;
- a genuine interest in the sector;
- an analytical, logical approach to work;
- business and commercial awareness;
- drive and motivation;
- excellent communication, numeracy and problem-solving skills;
- excellent self-discipline and self-management, especially if you are studying towards a qualification.

In addition, applicants usually need a good academic record including high UCAS points and a 2:1 degree or above. Once you meet the entry requirements, evidence of work experience and extra-curricular activities helps to demonstrate your enthusiasm and skills.

### **Where can I find work experience?**

- The 'Big Four' and large accountancy firms offer summer and 12-month internship schemes for penultimate-year students, which can often result in an offer for a permanent position at the end of the internship.
- Internships or volunteering in other areas might be useful, as you are given the opportunity to develop relevant skills such as communication, teamwork and numerical skills.
- The application method is very similar to the graduate recruitment process - either online application forms, or CV and covering letter.
- Involvement with university societies and reading relevant media sources are ways to demonstrate your enthusiasm and interest in the sector.

### **Is postgraduate study useful?**

- Pre-entry postgraduate study is not necessary in this industry but it has become more popular in recent years. It may prove to be an advantage as a way of showing your interest in the subject, especially when applying to smaller firms.
- The 'Big Four' and other organisations recruit large numbers of graduates from a range of disciplines with the intention of training them and helping them to obtain accountancy qualifications.

- Accountancy and business services employers support their new hires throughout the qualification process. There are various accountancy bodies that offer qualifications. These include:
  - [Association of Chartered Certified Accountants \(ACCA\)](#);
  - [Chartered Institute of Management Accountants \(CIMA\)](#);
  - [Institute of Chartered Accountants in England and Wales \(ICAEW\)](#);
  - [Institute of Chartered Accountants in Ireland \(ICAI\)](#);
  - [Institute of Chartered Accountants of Scotland \(ICAS\)](#);
  - [Association of International Accountants \(AIA\)](#);
  - and [Chartered Institute of Public Finance & Accountancy \(CIPFA\)](#).
- Part-time distance learning MBAs may also be useful as they can elevate your knowledge and career progression.

## How can my career develop?

- As the majority of accountancy and professional services jobs require [Consultative Committee of Accountancy Bodies \(CCAB\)](#) or CIMA certification, once you are qualified there are many different career routes and opportunities. Overseas secondments are possible in large international firms.
- Post-qualification career progression varies, depending on individual aspirations and abilities, but it is possible to progress to finance director of a major company within 10-15 years' post-qualification.
- For those choosing to stay within the professional service providers or in practice, partnership is the ultimate aim.
- Those choosing to work as internal providers, (in industry, commerce or the public sector), may find themselves progressing to manager roles within two to five years after obtaining the qualification.
- Increasingly, accountants are taking on a more strategic role in business. Those who aim high may make it to finance director or even chief executive.

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## Typical employers

### Big players

The 'Big Four' offer a great range of graduate recruitment schemes. Minimum academic requirements are between 300 and 320 UCAS points and a 2:1 degree in any discipline.

- Deloitte employs over 11,000 people in the UK in 21 locations. There are graduate opportunities in audit, tax, consultancy and corporate finance. Deloitte have 1,200 graduate vacancies in 2012 ([High Fliers Research](#), 2012).
- Ernst & Young has 152,000 people working in offices in 140 countries. Opportunities exist in audit, tax, accounting, corporate finance and business

advisory. According to High Fliers Research, there are 740 UK graduate vacancies in 2012.

- KPMG has 145,000 professionals delivering tax, audit and advisory services in 152 countries. It has offices in 22 locations in the UK and 800 graduate vacancies in 2012 (High Fliers Research, 2012).
- PricewaterhouseCoopers LLP (PwC) provides a range of opportunities to graduates in audit, consulting, business recovery, finance advisory and corporate finance. PwC has nearly 169,000 employees working in offices in 158 countries worldwide and 1,200 graduate vacancies in the UK 2012 (High Fliers Research, 2012).

Other big, or mid-tier, accountancy firms that offer graduate opportunities include Baker Tilly, Grant Thornton UK LLP, HAT Group of Accountants and Moore Stephens.

Other companies such as BAE Systems, Unilever and Tesco Stores Ltd offer graduate opportunities in their accounting departments for those who wish to work within an internal provider.

Finally, many opportunities exist in the public sector. The main public sector employers include charities, local authorities, National Audit Office, NHS trusts, universities and further education (FE) institutions.

### **Small to medium-sized enterprises (SMEs)**

SMEs are organisations that make a positive contribution to economic growth requiring well-rounded finance managers and advisers to ensure small business survive and grow. Working for a smaller company can be rewarding because you are more likely to forge a path for yourself within the company, although opportunities to try other departments may be limited.

SMEs are unlikely to use the testing and assessment techniques of larger companies, or follow lengthy recruitment procedures. SMEs are more likely to advertise their vacancies through the local press, university careers service bulletins, local graduate vacancy listings, jobcentres, and word-of-mouth, rather than rely on their reputation and a presence at graduate recruitment fairs.

For extensive lists of accountancy firms, visit [ICAEW Directory of Firms](#), [ACCA Directory of Members](#) and [Society of Professional Accountants \(SPA\)](#).

Careers services should have listings of jobs with small firms. Also see the [Department for Business, Innovation and Skills \(BIS\)](#).

### **Self-employment**

Once qualified, accountants attain a practising certificate to serve their own clients, and may practically work as self-employed. This is a possible career path for those who enjoy being self-employed and who feel confident running their own business. As well as being

certified and having a decent amount of work experience, business and marketing skills are important if you want to work as a sole practitioner.

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## Opportunities abroad

Accountancy firms, especially the 'Big Four', operate in a global business environment. The 'Big Four' firms have many overseas offices, as do the large multinationals, so if you are interested in working abroad, it's worth applying to firms that have offices worldwide.

Accountants' roles may vary from country to country so check what is expected of you. Once you are offered a position, you may have the opportunity to do a secondment abroad or be transferred to a different location.

While not essential, speaking a second language can increase your chances particularly if you are going to Russia, China or the Middle East.

### Will my qualifications be recognised?

Under the European Commission Directive 89/48/EEC (recognition of professional qualifications), qualified accountants who wish to practise in mainland Europe as auditors, may register as a member with the relevant national professional accountancy body on successful completion of aptitude tests and a prescribed period of practical experience.

Members need to contact the relevant professional body directly in the country in which they wish to work. Accountants who do not wish (or are not qualified) to conduct audits may have to take an aptitude test.

ACCA has a significant presence in the Caribbean and a growing presence in Canada, USA, Africa and the Middle East and Asia Pacific. Other popular destinations include Australia, New Zealand and China.

The majority of the accountancy qualifications in the UK are recognised and respected throughout the world. The following qualifications in particular are recognised globally:

- [Association of Chartered Certified Accountants \(ACCA\)](#) accountancy qualification, suitable for those who wish to pursue a career in accountancy at any level.
  - ACA (Associate of the Institute of Chartered Accountants in England and Wales) awarded by the [Institute of Chartered Accountants in England and Wales \(ICAEW\)](#).
  - [Chartered Institute of Management Accountants \(CIMA\)](#) qualification in management accounting, certificate in business accounting and certificate in Islamic finance.
  - [Association of International Accountants \(AIA\)](#) professional accountancy qualification.
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## Future trends

### Regulation

The [Financial Reporting Council \(FRC\)](#) is a regulator that monitors and enforces accounting and auditing standards, oversees the regulatory activities of the professional accountancy bodies and promotes high standards of corporate governance.

Regulation is one of the greatest challenges for the profession, despite accountancy's reputation for strict regulation. Professional bodies are working towards reinforcing and encouraging good performance and reducing the complexity of audit practices in order to make the profession attractive to professionals and graduates.

### Role of the 'Big Four'

The ongoing dominance of the 'Big Four', as well as their global structure, is currently examined from many angles, not least the relationship between their auditing and consulting functions.

US regulators in particular have already attempted to come to grips with how they can possibly regulate an entire 'Big Four' firm when their oversight and investigatory capacities apply only to those offices in America.

Their concerns are mirrored in many other countries, including the UK, and global discussions will continue to seek answers to the dilemma.

### Recruitment - Competing for talent with the 'Big Four'

The 'Big Four' are always reviewing their recruitment methodology to attract the most motivated and enthusiastic people for the profession.

Smaller firms will continue to struggle against larger firms for talent at all levels, including graduates. One means of smaller firms competing against bigger rivals is to explore non-traditional recruiting means, targeting graduates with general business degrees and using intensive training to bridge existing skills gaps.

### Diversity initiatives

The 'Big Four', as well as other accountancy firms, are actively encouraging applications from graduates from different cultures and backgrounds and promote an 'inclusive' work environment. Ernst & Young, for example, were named Employer of the Year in the 2012 [Stonewall](#) Workplace Equality Index, which ranks the UK's top 100 public and private sector employers for lesbian, gay and bisexual staff.



More women are entering the profession and may even begin to outnumber their male counterparts in future years. Overall the percentage of female members of all seven chartered accountancy bodies has risen from 29% in 2005 to 34% in 2010. (Key Facts and Trends in the Accountancy Profession, June 2011, produced by the [Professional Oversight Board](#)).

## Technology

Accounting has seen tremendous advancements thanks to the growth of information technology in recent years.

The UK currently ranks highly for e-commerce so this area is likely to have a huge impact on work in the sector in the future. Improved technology has meant that accountants can spend time on financial analysis, adding value to the business and to their role.

Accountancy practices have also started to adopt online (cloud-based) models to offer more value to clients.

## Environmental accounting

Environmental accounting (also known as green or resource accounting) is a growth area. The vast majority of accountants believe they will become involved in calculating carbon offsetting at their firms. This will be done by encouraging transparency in areas including auditing, climate change and research.

The process of carbon offsetting involves calculating the emissions produced by a firm and then purchasing 'credits' from emission reduction projects. Carbon offsetting looks to be accountancy's next big challenge, and developing the skill set needed to navigate this exciting new field might be a make-or-break challenge in an accountant's career.

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## Jargon buster

- **ABC** - activity-based costing. A costing system that identifies the various activities performed in a firm.
- **Asset** - anything owned by an individual or a business that has commercial or exchange value.
- **Audit** - inspection of the accounting records and procedures of a business, government unit, or other reporting entity by a trained accountant for the purpose of verifying the accuracy and completeness of the records.
- **Balance sheet** - an itemised statement that lists the total assets and the total liabilities of a given business to portray its net worth at a given moment of time.
- **Balanced scorecard** - a strategic management system based upon measuring key performance indicators across all aspects and areas of an enterprise: financial; customer; internal process; and learning and growth.

- **'Big Four'** - usually refers to the largest accounting firms: Deloitte; Ernst & Young; KPMG; and PricewaterhouseCoopers LLP (PwC).
- **Book-keeping** - the recording of business transactions.
- **Break-even analysis** - an analysis method used to determine the number of jobs or products that need to be sold to reach a break-even point in a business.
- **Capital expenditure** - the amount used during a particular period to acquire or improve long-term assets such as property, plant or equipment.
- **CCAB** - Consultative Committee of Accountancy Bodies. Comprises five of the six major accountancy professional bodies in the UK (CIMA has withdrawn). Provides a forum for discussion of matters affecting the profession as a whole and enables the profession to speak with a unified voice to government.
- **Credit crunch** - occurs when the supply of credit evaporates and there is a reduction in the availability of loans.
- **External audit** - an audit conducted by an individual of a firm that is independent of the company being audited.
- **Financial accounting** - the area of accounting concerned with reporting financial information to interested external parties.
- **Financial analysis** - analysis of a company's financial statement, usually by accountants or financial analysts.
- **Fixed cost** - cost that does not vary depending on production or sales levels, such as rent, property tax, insurance, or interest expense.
- **GAAP** - generally accepted accounting principles - most countries have their own GAAPs although in Europe, and many other parts of the world, countries are adopting the international financial reporting standards.
- **Internal audit** - an independent appraisal function established within an organisation to examine and evaluate its activities as a service to the organisation.
- **Overheads** - the costs associated with providing and maintaining a manufacturing or working environment.
- **Recession** - a general slowdown in economic activity for two consecutive quarters of the year as measured by GDP (gross domestic product).
- **Trial balance** - a listing of the accounts in your general ledger and their balances as at a specified date.
- **Variance analysis** - the process of examining in detail each variance between actual and budgeted/expected/standard costs to determine the reasons why budgeted results were not met, (e.g. sales prices being too low).
- **Year-end** - end of the financial year.
- **Zero-based budget** - where the expenses or costs of the prior year are not taken into consideration when establishing expense or budgetary levels looking forward.

Written by AGCAS editors, June 2012

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