

The accounting profession

[Finance](#)



The Accounting Profession of your company PENTAIR, INC. 2. of your company's auditor Deloitte & Touche LLP.

3. Size of the accounting firm

a. Where is the home of your auditor? Minneapolis, Minnesota.

b. How many employees does the accounting firm have? 182, 000 as at September 2011.

c. Indicate whether this is the number of U. S. employees, employees worldwide, or whether this cannot be determined. Worldwide employees.

d. What is the annual revenue for the accounting firm that audited your corporation? \$28. 8 billion USD for the 2011 financial year.

e. What services does your accounting firm offer besides auditing (now referred to as “ assurance”)? Financial advisory, tax, consulting and specialized services to clients in the field of IFRS.

4. Current issues facing your company's independent auditor

a. Index used to find article #1 ABI Inform, UMI Inc.

b. Citation for article #1

1) Name of periodical Contemporary Accounting Research

2) Date of article November 2011.

3) Title of article Client Stock Market Reaction to PCAOB Sanctions Against a Big 4 Auditor

4) Page numbers pp. 263-291

c. Article analysis

The article discusses the decision of PCAOB to censure Deloitte for its violation of auditing rules and regulations. The auditing firm was fined one million dollars for providing unreliable information with regards to the financial position of Ligand Pharmaceuticals Inc. This article is important for <https://assignbuster.com/the-accounting-profession/>

analysis because it highlights some of the challenges facing the management of Deloitte. The company is facing the challenge of managing its partners as in the case of Ligand where they provided unreliable information. The company has responded to the issue by forming an internal oversight committee that supervises its partners.

d. Index used to find article #2 Business Source Premier

e. Citation for article #2

1) Name of periodical Data Monitor

2) Date of article November 2012

3) Title of article Deloitte Touche Tohmatsu.

4) Page numbers pp. 1-8

f. Article analysis

The article provides an analysis of the SWOT analysis for Deloitte. It provides information on the performance of the company in the auditing field of business. The analysis is very helpful for the reader in the sense that one gets to understand both the internal and external environments of the company that influence its performance. The internal environment relates to strengths and weaknesses whereas the external environment relates to issues such as opportunities and threats.

Questions for consideration

1. Briefly discuss the difference between litigation support and fraud accounting.

Litigation support and fraud accounting are both areas in the field of forensic accounting. However, there exists a difference between the two areas.

Litigation support involves the forensic accountant giving opinion about existing facts or facts that are yet to be uncovered. On the other hand, fraud

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accounting involves making investigations to unmask cases of fraud on the company books of accounts. The difference arises from the fact that a forensic accountant only provides an opinion in the case of litigation support whereas he gets involved in making investigation in the case of fraud accounting. This means that a forensic accountant has a passive role in litigation support and an active role in fraud accounting.

2. What primary skills and attributes are identified as being necessary for a forensic accountant?

The most important skill is working experience gained from everyday accomplishment of forensic accounting tasks. This skill is very crucial because the longer a forensic accountant has been in the profession, the greater the ability to handle various challenges related to everyday tasks. Experts comment that despite an accountant gaining knowledge in internal controls, accounting and auditing, taxation, and business operations the most important thing is maturing in the profession. Maturing is achieved by a forensic accountant spending a great deal of time performing tasks related to his or her profession. A forensic accountant should also have adequate training in relevant fields to his or her profession such as business valuation. This ensures that he updates his knowledge hence developing the ability to handle emerging issues and challenges. The accountant should diversify his skills to include fields such as private and public accounting in order to handle different cases from different spheres of the profession.

Communication plays an integral role in the career of a forensic accountant and is essential that the accountant develops good communication skills.

Relevant communication skills include both oral and written skills. This ensures that a forensic accountant presents his findings in a way that will

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satisfy both the attorney and the client. Practical business experience is also an essential attribute of a forensic accountant because it improves his skills in handling and eventually solving disputes. A forensic accountant should possess the ability to work in a team environment because the profession requires the efforts of different professions. Lastly, a forensic accountant should possess the attribute of good reputation because it determines his potential to get a job.

References

Walker, D. (2003). *The Accounting Profession: Status of Panel on Audit Effectiveness Recommendations to Enhance the Self-Regulatory System*. New York: DIANE Publishing.