The Practising Accountant and Technology

Stella Sofocleous
School of Accounting and Finance
Victoria University, P O Box 14428
Melbourne, VIC 8001

stella.sofocleous@vu.edu.au

Abstract:

This paper deals with an innovative business subject which has been introduced to fill in an important gap between theory and the practice of accounting for students who are planning on working in a public accounting practice and who wish to become members of a professional accounting organisation. The primary objectives of the subject are to provide these students with an overview and understanding of the role of the public accounting practitioner and to prepare them to manage important technological aspects encountered in public practice. An inclusive perspective is adopted in the teaching of this subject to combine elements of knowledge learned by students in other subjects of the accounting degree. This method enriches both the teaching and learning experience and delivers a high quality educational product.

Introduction

The Australian accounting education system has been criticised both for the alleged weakness in the generic skills of its graduates (Courtis & Zaid, 2002) and for the emphasis on professional skill training at the expense of a general education (Henderson, 2001). Although it may be argued that the acquisition of professional skills in an undergraduate degree program is appropriate preparation for survival in the professional workplace, this is only so in the case of technological skills if the student has acquired life long learning. The rapid pace of technological change means that technological knowledge acquired in degree studies will rapidly become redundant. Instead the student must acquire life long learning skills that facilitate adaptability to changing real-world circumstances.

It has been asserted that graduating accountants are neither well educated nor adequately prepared to enter the profession (Mathews 2001). Further that the accounting profession is perceived as boring and number-centric, perceptions reinforced by a classroom setting that reinforces mechanical bookkeeping tasks (Jackling 2002). Mindful of these criticisms the primary objectives of the subject 'The Practising Accountant and Technology' (PAT) are to provide students with an overview and understanding of the role of the public accounting practitioner and to prepare them to manage important technological aspects of a public practice if they choose to enter the profession by this route. This objective is achieved by: (1) developing an understanding of the legal, professional and conceptual requirements associated with managing a public practice including the preparation of various financial reports for clients who differ by nature and size; and (2) by developing an understanding of how to effectively keep client profiles, debtors and creditor information, time costing and billing data, and how to best manage statutory information and compliance requirements. In this way PAT as a subject provides the theoretical and practical foundation for students to

explore and learn about different issues concerning employment in and management of a public accounting practice. The subject is orientated towards a small business practice in order to provide a realistic setting for many of the issues covered such as preparing and lodging taxation returns on behalf of clients.

Teaching Method

An inclusive perspective is adopted in the teaching of this subject to combine elements of knowledge learned by students in other subjects of the accounting degree. This approach of deliberately linking the subject content to that of other subjects in the accounting degree enhances the relevance of PAT and enriches the teaching and learning experience. In so doing, a deep learning approach occurs evidenced by the obvious interest students take in the academic tasks and the pleasure they derive in completing those tasks. Students tend to personalise the tasks to their own work and life experiences which further indicates the occurrence of deep learning. Students are encouraged through a series of in-class tests and assignments to search for meaning in the tasks and to analyse the task protocols in a continuing pursuit of work-place efficiencies and more effective means of performing those tasks.

Lecture Program

The lecture program covers the following topics:

➢ the nature of problem solving, communication and networking;

➢ professional independence and ethics;

➢ quality control policies and procedures;

➢ requirements for admission to the professional bodies and the tax agent board;

➢ understanding and analysis of the statement of taxation standards;

➢ understanding the key differences in the legal structure of business organisations and their industry specific suitability;

➢ the public accountant's responsibility in relation to the Goods and Services Tax;

➢ preparation of information for such specialised statements such as the BAS and IAS;

➢ data compilation for employee related costs including taxes, wages, fringe benefits, the superannuation levy and workcare; and finally,

➢ regulatory and corporate compliance is investigated.

While this may appear to be a crowded curriculum for a twelve week course, it is deliberately designed to cover a broad range of issues that a new graduate working in public practice will encounter. Often graduates are literally 'thrown in at the deep end of the pool' and left to 'sink or swim'. In a small practice they may be offered little guidance as to task performance or strategies to most effectively manage their assigned tasks. The lecture program has been developed across a five semester horizon and changed, expanded and contracted across that time to ensure that a breadth and depth of coverage of the material is achieved.

Subject delivery mode

Each week students attend a one hour lecture and a two hour tutorial in a computer equipped teaching laboratory.

Lectures

All lecture material is provided to students on the day of the lecture. Each topic is enriched with real practice case study examples which are additional to the lecture notes.

Tutorials

Students are required to attempt all tutorial work and to participate in tutorial discussions. The tutorial work has a theory section that refers to what has been taught in the lectures and a practice section that is related to the technology aspects of a small public practice. It is expected that they will have prepared the assigned theory exercises prior to attending tutorials. Practical work is undertaken during the tutorials. The students identify their work and submit it during the first part of the tutorial. The lecturer assesses, corrects and returns the work during the second part of the tutorial.

The practical part of the tutorial work is refined each semester as a direct result of feedback from student evaluation data and lecturer experience of presentation inefficiencies. The Solution 6 software package is used for instructional purposes. An on-line manual is provided for each section of the practical curriculum component. As the manuals are relatively complex the students have encountered difficulty in using them. As a result a simpler set of tutorial notes have been developed for instructional use. Once students have mastered the tutorial notes, they proceed to deal with the more complex matters in the on-line manual.

The tutorial program covers a range of theoretical and practical exercises. Relevant Internet sites are provided to students to facilitate their access to forms and background materials. In tutorials students:

➢ learn how to set up ledger accounts for new clients and how to create an appropriate chart of accounts;

➤ are instructed in the preparation of bank reconciliations, transaction data sheets, comparative financial data, journals, audit trails, and selected facets of financial reporting including cash flow reporting;

➤ learn how to prepare BAS and IAS statements and taxation returns for all forms of business structure, how to create tax letters and how to calculate tax payable;

➤ learn how to organise contact documents;

➤ learn how to use the software 'Help' function;

➤ learn how to register as an employee;

➤ learn how to charge the client on an automatic time clock and how to prepare computerised time recording worksheets

➤ are introduced to corporate compliance requirements, learn how to keep compliance files necessary to record details of directors and members and how to make changes through electronic forms lodgment processes.

During the tutorial each student reports to the lecturer in relation to his or her individual progress. Students with any particular difficulties may be requested to arrange a follow-up consultation so their progress can be monitored and managed. This is a very important protocol for two reasons. First, students are assessed on their participation and performance in class; and second, as no suitable text-book exists self-teaching is not a viable option for students who may be falling behind or encountering other learning difficulties. Students who miss a tutorial must inform the lecturer before the tutorial starts, preferably by email. Their work is then collected by another student who is assigned as their class contact for such purposes at the start of the semester.

A student who misses a tutorial is required to catch up with the assigned work before the next tutorial. As laboratories are available for student use at designated times during the day and

evening students learn how to plan and effectively manage their time and balance their sometimes conflicting workloads. This approach was introduced on an experimental basis and found to be highly effective. It means that students have to deal with a pseudo-workplace situation and learn to respond appropriately. This highly personalised approach to support, encouragement and direction is highly valued by students as evidenced in student evaluation feedback (see Appendix 2). Students respond positively to the personal approach – they do not respond as warmly to a system that does not recognise them or appear to value them as individuals.

Communication

Students are advised of formally scheduled consultation times and while it is expected that students will endeavour to see their lecturer during the scheduled consultation time they may consult their lecturer during other appropriate times of availability. The best time for a problem to be solved is in tutorials and students are encouraged to obtain the maximum value from each tutorial by asking for assistance during the tutorial rather than after it concludes.

In addition to the standard approach of lecturer/student consultation, the subject has a mandatory consultation component (see Appendix 1). This is designed for the following reasons:

➢ The students are preparing for a workplace environment characterised by a client/practitioner appointment and interview process. A formalised consultation regime exposes students to the need to schedule appointments at a mutually acceptable time, to prepare for the discussion that will occur in a consultation, and to reflect on the content and outcomes of the consultation after the event.

➢ Many students undertaking this subject are enrolled part-time. Such students are regarded as 'at risk' of failure. Although there is some conflict in the literature on the relationship between attendance and performance (Alagiah, Delaney & McManus 2001) it is considered that discussion between lecturer and student will result in better performance. Therefore a teaching mode that actively encouraged attendance was adopted.

Assessment

While the teaching methods used in this subject are designed to promote a deep learning approach (Addison & Chou, 2003) the assessment is designed to develop both technical and the life-long learning skills that some researchers argue are deficient in the skills set of graduating accountants (Henderson, 2001). This is achieved by using a variety of assessment techniques each designed to test knowledge or to promote a particular learning skill. The assessment includes:

➢ Case study (practical) assignment

➢ Theoretical (research) assignment

➢ Practical laboratory-based examinations

➢ Tutorial participation

Assignments

In the first assignment students are required to provide a position description, to critically evaluate that position, and to suggest improvements to it. They are required to make appropriate reference to the professional schedule for accountants in public practice (APS) and the code for professional conduct of either the Institute of Chartered Accountants or of CPA Australia. This requires appropriate investigative research, reading and understanding of materials and critical reflection and evaluation. Students are required to comment on methods of best practice with the objective of providing professional advice from the perspective of a practitioner to a client. Additionally, students are asked to relate aspects of PAT, their overall course experience and their acquired knowledge to their future career plans. This method encourages students to reflect on their overall learning experience, to draw together aspects of that experience, and to recognise the relevance of their studies to their chosen discipline and vocation.

The second assignment is aimed at testing the students overall practical accounting and taxation knowledge. The ability to work effectively as a team member is a generic skill allegedly valued by employers and so the assignment has been designed to provide students with an opportunity to work in teams. The assignment is designed as an industry-specific case study. Student teams choose their preferred industry and their selection is approved by the lecturer. The students are required to find solutions to particular problems posed in the case study and to advise the client accordingly. This is a comprehensive assignment and requires the students to engage in independent research to find solutions. The case study requires a specific treatment of the following matters:

➤ business structure;

➤ business name registration, tax file number application, GST registration, fringe benefit tax registration;

➤ necessary documentation;

➤ advice as to the appropriate accounting and record keeping system including compliance records;

➤ financing options e.g. leasing/hiring or outright purchase;

➤ banking issues including borrowing and repayment terms;

➤ computer requirements;

➤ financial risks and business failure analysis;

➤ project feasibility studies;

➤ product marketing matters including product labelling;

➤ treatment of intangibles such as patents, franchise agreements, royalties, memberships, trademarks;

➤ stock availability and procurement;

➤ cash management and liquidity issues;

➢ examination of staffing issues including competency, salary packaging, training, recruitment, remuneration and safety requirements, superannuation needs of employees and owners, and payroll tax registration;

➢ insurance considerations such as worker's compensation, public liability, professional indemnity, and commercial insurance (theft, loss of earnings and other), buildings and contents and product liability;

➢ membership of trade and other relevant business associations; and,

➢ local government regulations and restrictions including health regulations, transfer of titles and zoning restrictions.

Limitations

Solution 6 is a comprehensive software package covering most important aspects of public practice such as accounting, taxation, corporate compliance, leasing, billing, costing and timesheets. Most other accounting packages can be imported in Solution 6 software. However, it has been very difficult to operate in a university environment due to the patchy nature of information technology support available. In each of the semesters in which the subject has been offered (five) getting the system working efficiently in the laboratories has been troublesome. This can be directly attributed to under-resourcing. If sufficient support staff were available, implementation of the system in the classroom would not be a problem. For example, the software is on a server and only the students listed in the subject can access it. If the administration is slow in registering a student, the student is unable to use the system. After five semesters of battling, information technology support is improving (the 'squeaky wheel' syndrome has proved its worth). This constraint however prohibits the offer of this subject on a cross-campus or international basis. Furthermore, the lack of a text-book has been factor in the design and delivery of the subject. A text book containing real-life case

studies would provide an opportunity for students to relate their experiences to the theoretical perspective provided in their university studies.

Quality review

In order to constantly address quality of content and delivery a 'Plan, Do, Review and Improve' cycle has been adopted in the management of the subject. The next iteration of this cycle will include the following enhancements. First, work will commence on the development of an appropriate case-study text-book for use in the subject. This project will draw on examples already in use in the delivery of the subject, and data from a series of interviews of public practice clients from a range of different industrial and organisational backgrounds. Second, plans to design a 'day at the office' experience for students will be furthered. This will involve setting up a 'mock' office and assessing student participation on a range of issues including appropriate conduct with clients, adherence to a dress and personal grooming code, communication with regulatory authorities such as the taxation office, preparation of a client taxation return, time-recording, and other similar functions. The 'mock' component will be structured into the lecture/tutorial program and all students will be required to participate.

Summary

Students appreciate the personal character of this subject and the experience they gain through case studies and reality-style discussions and team work. Student evaluations and subject pass rates have been extremely strong across the relatively short time that this subject has been offered (see Appendix 2 for a summary of student evaluations of the subject). These outcomes provide evidence of the excellence of the design and delivery techniques in delivering a high quality educational product.

References

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Appendix 1

Mandatory consultation program

Consultation 1 - Discussion of the case study (practical) assignment.

Consultation 2 - Discussion of the result of the first exam.

Consultation 3 - Discussion of the performance in the first assignment.

Consultation 4 - Discussion of individual progress in the subject and (any) other professional and/or personal issues that may be affecting such progress.

Consultation 5 - Receive and discuss the results of the second exam, the second (research) assignment, and the overall performance in the subject.

Students are also encouraged to consult with their lecturer at any other time during the semester for further assistance if required.

Appendix 2

Summary of Student evaluations of (1) Teaching and (2) Subject

Question	Semester	Subject	Student count
Overall, how would you rate the quality of this subject?	2/2004	4.5	18
	2/2003	4.8	35
Question	**Semester**	**Teaching**	
Overall, how would you rate the quality of teaching provided by this teacher in this subject?	2/2004	4.4	17
	2/2003	4.6	21

The mean scores presented above are calculated on the basis of ratings of 1 for 'disagree strongly', 2 for 'disagree', 3 for 'neutral', 4 for 'agree', 5 for 'strongly agree' and 0 for 'does not apply'. The scores are based entirely on quantitative data, provided in confidence, by students.

Notes