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Linking Work Practice and Higher Education in Accounting: Two Papers and a Commentary

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The Business School

Submitted to the University of Huddersfield in fulfilment of the requirements for the degree of Master of Arts by Research

The University of Huddersfield
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Abstract

The purpose of this submission is to link and position two published refereed journal articles for the award of MA by Research. The aim of the commentary is to outline and reflect on some of the links between work practice and higher education, drawing on the candidate’s experience as a professional auditor, university lecturer and designer of higher education courses. The two papers demonstrate how reflection on work practice has been used to create a single instructional case and later to devise a contemporary case study – a type now known as a ‘living case’ – in order to improve students’ educational experience in the accountancy sub-field of auditing. The publications take professional practice experienced in the auditing professional workplace and, through the process of reflection and action learning, create new teaching strategies to make students’ academic experience professionally meaningful and relevant. The two papers and commentary demonstrate the value of bringing together work practice and pedagogy, i.e. higher education practice. The value, hence contribution, of the submission is the provision of an original example and an understanding of bringing practice from the work place into education to make it professionally meaningful for students thus linking higher education and work practice.
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- Publication A
- Publication B
Commentary

1 Introduction

This submission is in support of the application for the award for MA by Research via publication. The commentary is based upon a ‘compilation of research articles’ (Paltridge, 2002), in this case two refereed journal papers, to meet the criteria for the award by sharing the same goals as the more conventional route for the award of MA by Research. Having being published in refereed journals, the published evidence provides “tangible scholarly additions to the contemporary body of knowledge” (Chapman et al., 2009, p.98). In support of eligibility for the award the applicant has a first class BA in Accountancy Studies and has successfully completed an approved programme of professional training that combines advanced study and practice (Fellowship of the Institute of Chartered Accountants in England and Wales) and is a Fellow of the Higher Education Academy.

The publications are summarised in Table 1. They are evidence of how linking work practice, in this case from the accountancy profession, can add value to higher education and how that work practice from the work place can be brought into higher education, through the process of reflective practice.

<table>
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<th>Title</th>
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<tr>
<td>1999</td>
<td>The Audit of Award Rosette Manufacturers: An Instructional Case</td>
<td>Accounting Education: An International Journal</td>
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<td>Adding Value to Audit Education through ‘Living’ Cases</td>
<td>Accounting Education: An International Journal</td>
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Note: ABS refers to the (UK) Association of Business Schools’ Journal Quality Guide

Table 1 Papers included in this submission
Background to the Publications: Origins of the Research

Accounting is described as a relatively new academic discipline (Fogarty and Markarian, 2007) that is now embedded in business schools in British universities. Academics in accounting may have a professional qualification or acquire one during their tenure or may not pursue a professional qualification at all. Thus, some individuals enter accounting academia with professional qualification and some do not. Also, some professional accountancy bodies embed their qualification hurdle within universities, for example, the Institute of Chartered Accountants in Ireland. However, some do not (Annisette and Kirkham, 2007) in that the Institute of Chartered Accountants in England and Wales (ICAEW) have not developed their training and education within the university sector. More recently some universities have worked formally with professional bodies such as the ICAEW to create schemes which link degree study, work and professional examinations, (Barker, 2011).

Consequently, accounting academics may have begun their career through three main routes and the extent to which they have been exposed to professional practice intertwined with academia will differ, not least because of the way accounting as a profession links with universities:

- A relevant degree and subsequent Post Graduate Study – broadly a ‘research route’
- A relevant degree plus professional qualification
- A non-relevant degree plus a professional qualification

The author came into academia with a relevant degree and ICAEW qualification. For individuals entering training contracts with firms of Chartered Accountants there was some recognition of this background through not having to complete the ‘graduate conversion course’ prior to Professional Examinations (PE) 1 and 2. However, the technical examination of book keeping skills in order to progress to PE 1 was a ‘far cry’ from the theories of accounting in the degree course. Thus, the transition from academic accounting to accounting practice via the training contract was not an easy one in that it did not build upon acquired knowledge. Rather, it revisited the basics and the technical. Indeed, historically much of the professional accounting curriculum has been criticised for being overly technical, focussing on regulatory pronouncements at the “expense of critical and reflective skills” (Power, 1991, p. 333) and lacking in promoting professional responsibility and social values (Sikka et. al,
Thus the author entered academia with experience of the practice of accounting and a professional education of an overriding technical nature, though with a relevant degree which had included some theoretical knowledge.

Reflecting on academic and professional practice it seemed that if the professional experience in accounting was to inform teaching then it was clear from having completed a relevant degree that there was a significant gap between academic accounting and professional accountancy. Moreover, it soon became clear that this apparent education ‘gap’ under the broad ‘umbrella’ of accounting was much smaller than the gap evident in the accounting sub-discipline of auditing. Auditing was ‘newer’ to university curricula. Certainly, it was not a common feature in the accounting curriculum of higher education before the 1980’s. However, there were academics beginning to research auditing in the UK around the time the author was an undergraduate (to a lesser extent than in the USA) as indicated by the survey conducted by Gwilliam (1987). An overview of that survey clearly indicates that much of the research at that time was founded in the technical aspects of auditing, seemingly at the behest of the profession.

Thus having completed a degree which incorporated accounting theory and the texts of Belkaouui (1985) and Lee (1985), it was somewhat of a surprise to encounter little accounting theory and more practical exemption-orientated modules when I joined the HEI where I had studied. It was evident that the degree had changed, particularly when compared to personal experience of the final year of my own accounting degree. Moreover, it seems that as accounting curricula in universities responded to professional exemption with a technical curriculum for accounting qualification, then auditing also began to feature as part of undergraduate degrees. Thus the development of auditing in the academic curriculum was a response to the demands from students for professional exemptions. Indeed as one economist complained vociferously whilst in the photocopier queue - “auditing course on a degree...rubbish...auditing is not an academic subject”. However, though auditing does have its roots in practice and process, it has been subject to philosophical debate for fifty years (Mautz and Sharaf, 1961).

As a qualified accountant and auditor faced with teaching audit to undergraduates it became clear from class based experience that there were at least two significant challenges ahead. Firstly, students struggled to understand the process of auditing, which was alien to them.
Most had not encountered auditing or even the practical accounting systems that underlie the necessity for auditing. The second and ongoing challenge was that accountancy undergraduates like numbers and auditing is more narrative than numerical. However, classroom experience soon demonstrated that students of auditing liked “stories” about auditing from the world of professional practice and, informed by the candidate’s own auditing experience from practising in the profession, this became a feature of lecture and tutorials.

Therefore, the first paper was developed and subsequently published in 1999 (Publication A), with a view to bringing practical experience into the classroom to solve the problem of engaging student in the subject of auditing. This instructional case, shared with the wider academic community, sought to encourage students to adopt a holistic approach to audit problems (Publication A), to make auditing ‘live’ in the class. It was an effort grounded in trying to shift accounting students from the technical and numerical to softer skills, a means of imparting what Power (1991) referred to as the ‘soft’ knowledge, and described as the “osmotic absorption from the practice environment” (p.351) that accounting education within academia struggled to achieve pedagogically. The case study sought to “assist students towards an understanding of the role and process of auditing and away from memorizing techniques”, (Pratt and Van Peursem, 1993, p.11).

The literature on audit education had been limited around the time of conception of Publication A. Paisey and Paisey (2004) reported that the only topics on auditing in the first ten volumes of Accounting Education, that is up to 2001, were sampling techniques by Davis (1997), design issues for course content on information systems (Fink, 1998), a Coopers and Lybrand Audit Education Programme (Okike, 1999), Publication A (see Appendix A), Maltby’s (2001) reflection on her Cases in Auditing and teaching audit by distance learning (Gammie et al., 2001). Thus the early paper (Publication A) contributed to the literature on audit education and was the foundation of the later development of ‘living’ case studies based on media stories. Since the Paisey and Paisey (2004) review and analysis of accounting research the literature on audit education had increased slowly (for example, Arens and Elder, 2006; Helliar et al., 2007; 2009). The need for more attention to be paid to audit education in the literature was identified by the academic community. An opportunity to reflect on how case studies had been used since Publication A was published came along with a call for papers for a special edition on audit education for Accounting Education: an international journal. Thus the second publication (Publication B) was accepted for the first themed issue.
of two themed issues generated from the popular response to the call for papers in Spring 2009. The living case takes contemporary auditing problems and applies the audit process derived from work place knowledge and experience to bring the audit process to life in higher education (Publication B) and its inclusion as part of the generation of two themed issues suggest that there was significant gap to be addressed in the audit education literature.

3 Being a Reflective Practitioner

This section considers the journey of reflection, punctuated by two publications, from entering higher education with a professional accountancy qualification to becoming a subject specialist in auditing. It comments on the use of professional experience to design teaching methods on a final year undergraduate accountancy module bringing elements of professional practice into the classroom. Further, it considers how understanding the nature of a profession informed the design and delivery of curricula in higher education.

![Figure 1 Being a Reflective Practitioner: Linking work practice and higher education. (Adapted from Paisey and Paisey, 2005)]

The author considered the role of action learning in the development of the publications commented herein. Action learning is defined as, “learning from concrete experience and
critical reflection on that experience”, (Zuber-Skerrit, 1993, p. 45). This is different from the increasing use of action research described by Paisey and Paisey (2005) as an investigative process with the aim of improving educational practice. The action research cycle described by Paisey and Paisey (2005) can be adapted to build a reflective practitioner model (see Figure 1) to frame the process of action learning and reflection, enabling a discussion of the learning which has been experiential and reflective during the period the publications span. The revised process is illustrated in Figure 1 and commented upon in the following sections, 3.1 and 3.2. The reflective practitioner cycle identifies the reflective process which brings about change to teaching practice in order to solve the problem of linking work practice and higher education.

3.1 Reflective Practice: Process and Publication A

The first step in being a reflective practitioner is identifying the problem in order to resolve the problem; in this instance it was how to make a practical subject of auditing meaningful, interesting and thus engaging at undergraduate degree level (Figure 1, Step 1). The experience of the author was similar to the personal reflective experience explored by Lucas (2008). She contended that educational theory alone should not be the sole solution for educators to resolve some educational dilemmas and advocated tentative and playful ways to engage students when the educational theory does not accommodate experimentation. It is contended here that educational dilemmas may be resolved simply by reflection and experimentation (Figure 1, Step 3) by framing possible solutions.

One important ingredient to a simple solution is work practice and experience informing potential remedies (Figure 1, Step 2) in this case “a holistic approach to auditing instruction” which “reinforces concepts and issues that students are likely to face in practice” (Publication A, p.364). Thus the practical experience of auditing informed the teaching of auditing and the creation of the instructional case in Publication A (Figure 1, Step 4). The aim was to resolve the difficulty in achieving the understanding of auditing and shift student bias from the numerical. Auditing teaching methods needed to change (Figure 1, Step 3). This required a change from professional style exam questions in tutorials (inherited from the previous module leader). The material in the case included exhibits such as file notes, letters between client and auditor as well as numerical data for risk analysis and analytical review. Further,
the shift from exam style questions was supported by the adoption of the first edition of a case study based text (Gray and Manson, 1989). Publication A developed the case study method in auditing by taking a relational approach, linking discrete audit topics together. This practical linking of discrete auditing topics is more representative of auditing which requires corroboration of evidence from different sources to assimilate conclusions that minimise overall audit risk, that is, the risk of an incorrect audit opinion.

The case was designed to promote a holistic approach to auditing through artefacts likely to be encountered during an audit (e.g. client letters and file notes). To meet the desire for numbers and be representative of work practice, figures were incorporated into the case by reflecting on the experiences of actual data encountered during audit assignments. Thus the changes were implemented to the teaching of the module to link work practice and higher education (Figure 1, Step 4). Later this approach was enhanced by the utilisation of a definitive UK auditing cases text (Maltby, 1996). However, those cases were very short and topic specific. The developed case and case study text with close-to-real life case studies were commented on favourably in module questionnaires and thus monitored through student evaluation (Figure 1, Step 5).

3.2 A New Episode: the living case (Publication B)

Here the reflective process, with the practitioner central to the cycle is used (Figure 1) to develop a more advanced, theoretical publication than that of Publication A. Publication B is more than a case study and teaching note as the paper addresses the purpose and process of case studies and presents “a framework for analysis of a reported media story such as a financial event or crisis” (Publication B, p.203). However, the cycle for Publication A would be incomplete without further reflection and revisiting the cycle (Figure 1, Step 5). Teaching and learning is not a static process and has to be responsive to the demands of students in seeking courses that meet their needs, are contemporary, and also useful for the purpose of entering the professions as well as maintaining educational standards. The teaching problem (Figure 1, Step 1) is how to keep the traditional process of auditing contemporary relative to the real world of the profession and also the characteristics of the student body. Whereas the instructional case (Publication A) had promoted a holistic approach in case study form, the new challenge in the classroom was education in the context of reliance by students on the
internet with its increasing accessibility and evident capability to engage students. Therefore there was an additional characteristic (Figure 1, Step 2) developing, and being observed, in the student population. Thus how might teaching be changed (Figure 1, Step 3) to continue to make the subject of auditing contemporary, meeting the needs of the profession by supplying students with skills for employability.

Not only was the internet a variable that needed framing within the pedagogy of teaching auditing but a further phenomenon occurred; Owen (2005) observed the decline in the influence of professional accreditation on accounting courses, albeit with reference to the growth of an area of accounting known as corporate social responsibility. This is a good example of how the technical substance of accounting curricula began to feature less in the curriculum design in universities. Contemporary subjects within the field of accountancy were of interest to academics and a rich field for research and publication and thus presented the “real opportunity to rethink the predominantly technisist driven core of the accounting curriculum” (Owen, 2005, p. 400). Therefore these ‘new’ subjects in accounting were of interest to accounting researchers and subsequently manifesting as part of the accounting curriculum. Thus, whereas auditing had been introduced into the curriculum apparently to meet the needs of professional accreditation it seems that in recent years professional requirements may no longer be the master of the accounting curriculum. Thus, auditing has moved from being solely a professional practice to having an academic agenda evidenced by a burgeoning literature which investigated and critiqued the practice of auditing and the auditing profession, as discussed in Publication B. Therefore there was still a place for auditing in accounting academia.

The shift to a more societal aspect was evidenced by increasing academic emphasis on matters such as debates on the “audit society” (for example, Power, 1997) and the broader subjects of corporate governance and risk management. Society’s expectations of auditors was much more than the procedural aspects of auditing; this scientific versus societal in auditing was debated by Maltby (2001) and discussed further in Publication B (pages 208-209). However, the impact on learner experience of this increasing controversy and complexity caused by company failures was becoming a concern to accounting academics. Van Peursem and Monk (2011) suggested that students “may be thrown into the field without a real chance to assimilate the knowledge they need to cope with the pressures they are about to face” (p.111).
With these societal aspects in mind, the reflective process (Figure 1) continued into a second round with the increasing number of accounting scandals and business crises. The problem this time was the context of auditing in society and how value could be added to audit education. Just as the literature was being critical of audit there was problem to be addressed in how educators could foster critical understanding of audit practice and thus the ‘living case’ case was born (see Publication B). As previously championed by Lucas (2008), this creativity in the design of accounting education could add value. Further, this suggests that post-Enron, the accounting educators’ role is seen as more important than before. In framing possible solutions it was apparent that ‘dead’ cases, such as Enron, were over used and there was a possible solution to engage students that combined internet, critical thinking of emerging issues and the more social aspects of auditing. This more social view of accounting, and therefore auditing, can ‘nudge accounting out of the shadows’ (Amernic and Craig, 2004). This ‘nudge’ may be even more important when all eyes are on the auditing profession at times of recession and increasing corporate failure, whether scandal-based or not. Therefore it seemed imperative to develop the skills, such as scepticism, to foster an appreciation of the societal impacts of auditing in graduates from the discipline of accounting. Here was another problem to address in the practice of teaching auditing. Thus the challenge was emerging threefold: student cohorts immersed in social media and the internet; curriculum shifting away from a technisist approach; and the need for a societal approach to auditing.

Therefore, in this cycle of action research the evidence from the classroom generated notable aspects that necessitated a change in teaching: that case studies were consistently engaging the students and generating good debate outside and inside the tutorials; that going into a period of austerity corporate failure may be more predominant rather than corporate success; that social media and the internet were the ‘world’ of undergraduates. It was necessary to combine these contemporary aspects with the traditional text, lectures and medium of Blackboard to add value to audit as an academic area of study (Figure 1, Step 3).

The ‘living case’ framework in Publication B was initially implemented (Figure 1, Step 4) with the media examples cited in the published paper. Those early media examples are updated on the virtual learning environment showing new links as the story continues to unfold, to its media conclusion. The framework has also been applied to new and emerging
financial media stories, as the questions for the ‘living cases’ were designed to apply to new cases and hence keep the cases ‘fresh’ (see Publication B, Table 2, p. 206). Students continue to like the stories and respond enthusiastically in class to the more ‘shocking’ stories. One story in particular raised gasps of breath at the simplicity of the controls which could have been implemented to prevent a substantial fraud in a local well know company, reported in both the local and national financial media. The students clearly identified with the local company. Moreover, they could reason how the controls that they had learned about many weeks before the media story ‘broke’ could have prevented a significant fraud. The use of the emerging case had reinforced their learning.

The monitoring, evaluation and reflection on the ‘living case’ approach continues. There have been discussions with colleagues about ‘rolling out’ the living case across other subjects within the undergraduate provision, using living cases across and within undergraduates years/stages (Figure 1, Step 5). The approach will also be deployed on a postgradue module covering audit, ethics and governance commencing 2012. Further, the techniques available within the virtual learning environment are being investigated to support the living case approach such as the use of wikis for student centred discussion. Thus whilst Publication B sought to address the perceived failure of university teaching to foster critical understanding of audit practice and identifies a potential remedy, the ‘living case’, which addresses both the technical activities and the social practice of audit using experiential learning theory, it also has potential to move beyond audit education and the discipline of accounting. The approach is being refined as part of being a reflective practitioner in order to link work practice and higher education across not only auditing but across subjects and stages of academic study.

4 Conclusion

The aim of this commentary on two publications in pursuit of a MA by Research has been to demonstrate some ways in which work related practice can interface with higher education. The two publications based on audit education link work practice and education, informing module delivery as part of the accounting degree curriculum at a UK university. The congruence between the two papers is framed in this commentary through the reflective practitioner model (Figure 1) demonstrating the development of the approach to a problematic area of teaching. Professional practice is shown to inform education to provide a
better understanding of the higher education and transference of knowledge from the workplace. The publications demonstrate the development of case studies to bring the professional practice of auditing to life in higher education. This provides new insights into how the case study method can be developed in a contemporary way with the use of the internet and its potential when linked into the virtual learning environment. Thus the publications demonstrate creative solutions to educational problems. Publication A applies the linking of work practice to higher education via an instructional case method and contributes to the development of a contemporary case study method (Publication B) that suits the kind of students who increasingly engage with the internet and media, the latter defined in the broadest sense.

5 References


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Appendix

Publication A
http://eprints.hud.ac.uk/3744/

Publication B
http://eprints.hud.ac.uk/9789/