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UNIVERSITI
TEKNOLOGI
MARA

FIELD REPORT

PAC 671- INDUSTRIAL TRAINING

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PROGRAMME	AC220, BACHELOR OF ACCOUNTANCY
INTERNSHIP PERIOD	4TH MARCH 2024 - 23RD AUGUST 2024
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SECTION A

I have started my internship programme on 4th March 2024. My course, which is Bachelor of Accounting with Honors, requires me to complete an internship for 24 weeks. I am currently completing my internship programme at an audit firm located in Alor Gajah, Melaka named MyNice Auditing and Consultancy. This firm currently offers auditing and accounting. This firm is a small firm with only five staff which are all of them working on accounting and auditing. Currently, this firm is focusing on the accounting and auditing service of a small and medium company.

During my internship for 24 weeks, I have been paid a minimum RM 300 per month as an allowance. The allowance will be paid at the end of every month. Besides, every Friday, my employer will treat me and other staff for free lunch at any place we want such as Fast Food restaurant, Western food restaurant or even roadside stalls according to our wishes. I think this is one of the benefits that I receive from the company which can boost my motivation to perform well on the task given. In addition, I have been provided a working space for me with a table and laptop for working use. I was also given access to the office wifi and using the photostat machine and I learned how to use the photostat machine.

So far, after more than 3 months of internship training here, I have gained a lot of knowledge especially on how accounting and auditing works in real-industries. I learn on how to apply what I have been learning in the class during my degree especially on financial accounting and auditing knowledge. Specifically, I have learned how to prepare Statement of Profit and Loss, and Statement of Financial Position from the beginning according to the provided document by the company.

I learned how to prepare a Statement of Payment and Receipt in the first place. This Statement needs to be prepared in order to compile all transactions along the year according to the category before transferring all of the sum into trial balance. For this part, I need to fill the items for cash and bank balances, receipts and payments on a monthly basis that has been provided by the client along with other documents. I have to ensure that the total amount receipt

and payment for the whole 12 month period are balanced. If any mistake is made, the total amount tends to be different.

Furthermore, I am able to prepare all financial statement statements needed according to the standard which is Statement of Profit and Loss, Statement of Profit Distribution, Statement of Financial Position and also Statement of Cash Flow. Sometimes I need to revise again the cash book given by the client since some of them did not properly record all transactions and the ending balance of the cash book did not tally with the amount stated on the bank statement which means there is something that is falsely recorded. I learn how to ensure that all transactions have been transferred into trial balance, so the financial statement prepared is accurate and fair. Sometimes, there are some transactions that were not recorded in the previous accounting year or not yet recorded on cash books that require adjustment. The adjustment should be made to ensure that the amount of profit and loss are accurate. The trial balance can be assumed if I transfer all data from the balance for the beginning of the year, current year transactions and adjustment on debtors and creditors has been done. The total amount of each column should be tally balance on the debit and credit side.

Besides learning how to prepare financial statements, The audit task required me to examine, review and verify underlying documents, internal control and various accounts of cooperative society. In the audit process, we need to do a process called vouching which is reviewing documentary evidence to ensure that all data stated are right and truthful. This task requires examination of documentary evidence such as cheque book, bank statement, payment voucher, invoice and other related documents. In addition, preparation of an audit working paper is also one of the audit processes required. I have learned how to prepare and organize audit working papers for various cooperative societies. These working paper are document tht been prepared to summarize all information gathered during audit process.. I also learned how to key in completed financial statement data into the SKM online system as stated on the regulation.

There are also some strengths and weaknesses of training at this audit firm. On the strength side, I'm so glad that my co-worker and supervisor are very helpful and friendly. I learn a lot of new things from them. They help me a lot in understanding all the accounting treatments and how to record every transaction step by step. After giving a task to me. My supervisor and staff always help to assist me on completing the work besides supervising completed work to ensure there is no error occurred. They always ask me if I am able to do the task given. I am able to improve my skill sets such as communication skills and build up my abilities to perform in tasks given.

Moreover, I can see that the manager of MyNice Auditing and Consultancy has strong networking. In the business world, having good networking is very important to survive in their business as well as create opportunities for business expansion and generate more profit.. As the company has been incorporated for many years, companies are able to develop strong networking with many cooperative societies and other relevant bodies. Despite, even the location of the audit firm being at Melaka, companies always have regular customers that send their account for audit and accounting services from other states such as from Johor, Pahang and even from Sabah.

On the side of weaknesses, I think on the behalf of this company, there are a few things that I hope can be improved from time to time. One of them is the lack of an updated accounting system which is the method used in preparing financial statements. This audit firm still uses Microsoft Excel to generate all Financial Statements by key in all data manually. This method seems not relevant nowadays since there is a lot of software and technology that has been developed in order to ensure a systematic system and up to date method should be used in generating the financial statement.

By using software, maybe the firm operation will be improved and save more time on key-in data , especially at peak times such as year-end audit season where many companies close their books and prepare financial statements. Audit firms are busiest during this period as they conduct audits to verify the accuracy and completeness of financial reporting. In addition, the location of the audit firms seems to be not suitable since it's located at the shophouse building on the second floor. On the first floor, it has 2 workshops running everyday on the first floor. There

is always loud noise from the workshop which is very disturbing and can't keep us focused on doing work. The location of the office should be at a better place where there is no noisy sound from the workshop.

In conclusion, along my internship journey there are a lot of new things I learn from the real working world. Internship exposes me to the inner workings of accounting and auditing industries. I learn to understand aspects that give me a broader perspective and help me align my career goals with industry demands. Internship also provide insight into how organizations function on a day-to-day basis. During internship, so far it's helped me to develop essential soft skills that are invaluable to my career. It helps me to strengthen my soft skills such as communication skills, teamwork abilities, time management and problem-solving skills. These skills are transferable and can be applied across different roles and industries. So far, there is much advice, feedback and support and guidance received during my internships. It gives a major contribution to my learning and growth.

SECTION B

TECHNOLOGICAL ADVANCEMENTS

1.0 Introduction

Technological advancements in accounting have significantly transformed the profession, offering both opportunities and challenges. The **main objective** of this field report is to analyze how these advancements impact accounting practices, focusing on the benefits, challenges, and recommended actions for accounting professionals. The project aims to achieve a comprehensive understanding of how technologies such as automation, artificial intelligence (AI), blockchain, and cloud computing influence accounting processes. Benefits gained from this field report allows thorough examination and diagnosis of specific issues within the accounting field, providing comprehensive understanding of the challenges faced by accounting professionals. Thorough detailed analysis, the report can identify the root causes of accounting issues, whether they stem from technological changes, regulatory challenges, ethical dilemmas or other factors.

2.0 Issue and Problem Statement:

The accounting field has experienced significant transformations due to rapid technological advancements over the past few decades. The integration of sophisticated software, automation, artificial intelligence (AI), and blockchain technology has revolutionized traditional accounting practices. These innovations promise to enhance accuracy, efficiency, and transparency in financial reporting. However, they also present substantial challenges, including the need for **continuous adaptation**, **the risk of cybersecurity threats**, and **potential job displacement**. This technological evolution necessitates a thorough examination of its impacts on the accounting profession, the required skill sets, and the ethical considerations that accompany such profound changes.

One of the most notable advancements in accounting technology is the widespread adoption of AI and automation. These technologies streamline routine tasks such as data entry, reconciliation, and transaction processing, significantly reducing the time and effort required for these activities. Consequently, accountants can now focus on more strategic roles, such as financial analysis, forecasting, and advisory services. However, **this shift also demands a new set of skills from accounting professionals, who must now be proficient in using advanced software and interpreting complex data analytics.** The challenge lies in ensuring that the workforce is adequately trained and prepared to leverage these technologies effectively.

Another revolutionary advancement in the accounting industry is **blockchain technology.** Blockchain makes financial transactions more transparent and secure by offering a decentralized, unchangeable ledger. This technology may make intermediaries unnecessary and **lower the chance of mistakes and fraud.** With these benefits, blockchain adoption in accounting is still in its early phases and faces a number of challenges and problems. These include **integrating blockchain with current systems, overcoming sustainability challenges, and creating regulatory frameworks.** Additionally, a paradigm shift in the recording and verification of financial data is necessary for the broad use of blockchain, which may upset established accounting procedures.

While technological advancements offer numerous benefits, they also introduce significant risks, **particularly concerning data security and privacy.** The increasing reliance on digital systems makes accounting data more vulnerable to cyberattacks and breaches. Protecting sensitive financial information requires robust cybersecurity measures and continuous monitoring. Additionally, ethical concerns arise regarding the use of AI in decision-making processes, where biases in algorithms could **lead to unfair or inaccurate outcomes.** Addressing these risks involves not only technological solutions but also stringent regulatory oversight and ethical guidelines to ensure that technological advancements in accounting serve the best interests of all stakeholders.

3.0 Discussion:

3.1: Benefits of Technological Advancements

Besides all issues and problem arise, There are a few benefits and challenges that can be gained from the technological advancement that rapidly grows along with the development of software technology. One of the benefits of technological advancements is to help **enhance accuracy and efficiency in data entry**. The adoption of AI and automation reduces human error and accelerates routine tasks like data entry and transaction processing. This leads to more accurate financial records and frees up time for accountants to engage in higher-value activities such as strategic planning and financial analysis. Compared with the traditional method of data entry, the existence of advanced technology in the accounting field will give more benefits if it's always being practiced by the professionals.

In addition, in technological advancements, there is one technology that has been developed which is routine tasks automated. This technology helps to **improve strategic roles for accountants**. With routine tasks automated, accountants can shift their focus to more analytical and advisory roles. This transition enables them to provide deeper insights into financial data, contributing to better decision-making and strategic planning for businesses. Routine tasks automated can increase working efficiency of accountants roles since it will shorten the time used for routine tasks and increase the accountant's performance in financial data planning which require higher focus in order to produce a better planning and outcome.

Besides, another revolutionary advancement in the accounting industry is **blockchain technology** which offers a decentralized and immutable ledger, which enhances the transparency and security of financial transactions. This can reduce the risk of fraud and errors, and potentially eliminate the need for intermediaries, streamlining the accounting process. In the accounting field that is full of fraud and errors, blockchain technology reduces the risk of fraud and errors occurred since transparency and immutability of blockchain reduce the potential for fraud and errors in financial transactions.

Since every transaction is traceable and cannot be altered, it becomes difficult for malicious actors to manipulate financial records. This security feature helps in maintaining accurate and trustworthy financial statements. Blockchain technology also allows for real-time updates to the ledger. As transactions occur, they are immediately recorded and reflected across the entire network. This real-time capability provides up-to-date financial information, improving transparency and enabling timely decision-making by stakeholders.

The integration of advanced technologies **necessitates continuous learning and skill development for accounting professionals.** This ongoing education helps accountants stay current with industry trends and enhances their expertise in using sophisticated tools and interpreting complex data analytics. Proficiency in data analytics enables accountants to provide deeper insights into financial trends, identify risks and opportunities and support strategic decision-making. It transforms them from traditional number-crunchers into valuable business advisors.

3.2: Challenges in Technological Advancements

Technological advancements have significantly transformed the accounting industry, making processes more efficient and accurate. However, these advancements come with several challenges. One of the primary challenges is **data security.** As accounting firms and big companies especially increasingly rely on digital tools and cloud-based systems to store and manage financial data, the risk of cyber-attacks and data breaches escalates. Sensitive financial information can be the main reason for hackers, and a breach could lead to significant financial losses and reputational damage since there may be data related with the digital asset of personal information of the client that may be hacked and being stolen resulting in a bad impact toward the accounting firms and their client. Ensuring robust cybersecurity measures and compliance with regulations such as the General Data Protection Regulation (GDPR) is crucial, but it requires continuous investment and vigilance.

The rapid pace of technological change can create **significant financial strain** towards the company since there is a need to invest in the latest technology which requires a lot of expenses such as advanced software, and latest data analytics tools. A smaller company tends to struggle more to keep up with these investments leading to competitive disadvantage among companies. Balancing the need for technological advancements with budget constraints requires good financial planning to ensure that the investment is worth it and give higher advantage towards the company.

Another significant challenge is the **integration of new technologies with existing systems**. Many accounting firms operate with a mix of legacy systems and newer technologies, which can lead to compatibility issues and inefficiencies. Integrating these systems requires substantial time, resources, and expertise. Additionally, during the integration phase, there may be disruptions to normal operations, which can impact productivity. Firms must carefully plan and execute integration projects to minimize disruptions and ensure a smooth transition to more advanced systems.

In addition, technological advancements need **continuous adaptation and skill requirements**. As technology evolves, accountants must continuously adapt and update their skills to effectively use new software and interpret complex data. This requires significant investment in training and professional development, which can be demanding for both individuals and organizations. Providing ongoing training and development opportunities can be costly and time-consuming for firms, but it is essential for maintaining a competitive edge and ensuring that staff can effectively leverage new technologies.

Furthermore, technological advancements in accounting also **raise ethical concerns**. Automation and artificial intelligence (AI) can greatly enhance efficiency, but they also raise questions about accountability and decision-making. For example, if an AI system makes an error or a biased decision, it can be challenging to determine who is responsible. Furthermore, the increased reliance on technology can lead to reduced human oversight, which might result in critical oversights or unethical practices going unnoticed. Addressing these ethical issues requires firms to establish clear guidelines and accountability structures to ensure that technology is used responsibly and transparently.

4.0 Recommendation

Addressing and managing the challenges posed by technological advancements in accounting requires a multifaceted approach. For data security issues, firms should **invest in robust cybersecurity infrastructure** and continuously update their security protocols to stay ahead of emerging threats. Regularly conducting security audits, employing encryption, and ensuring compliance with data protection regulations like GDPR are essential steps. A schedule on a regular basis check should be released in order to ensure the quality of security is always in the best condition and lower risk of security breach. Additionally, training employees on best practices for data security can help mitigate risks caused by human error. Implementing multi-factor authentication and maintaining secure backup systems can further safeguard sensitive financial information.

To tackle the challenge of integrating new technologies with existing systems, firms should **develop a comprehensive technology roadmap**. This roadmap should outline the steps for integration, timelines, and resource allocation. Collaborating with IT experts and using integration platforms can facilitate smoother transitions. Conducting pilot tests before full-scale implementation can identify potential issues early on, allowing for adjustments. It's also important to maintain clear communication with all stakeholders throughout the integration process to manage expectations and minimize disruptions to daily operations.

In response to the need for continuous upskilling of accounting professionals, firms should **establish ongoing training and professional development programs**. These programs should cover not only new software and tools but also emerging areas such as data analytics and cybersecurity. Partnering with educational institutions and professional organizations can provide access to high-quality training resources. Companies should encourage a culture of continuous learning within the firm that can motivate employees to stay updated with the latest industry trends and technologies. An ongoing training seems to be more flexible since we can build up the employees skills along with their quality of work rather than being sent to a training programme that requires a few times training to build the skills in the same time requires a lot of investment. Additionally, offering incentives for obtaining certifications or attending relevant workshops can further support professional growth.

To manage the financial strain associated with technological investments, firms should **adopt a strategic approach** to budgeting and financial planning. Conducting cost-benefit analyses for potential technology investments can help prioritize expenditures that offer the most significant returns. Exploring financing options, such as leasing equipment or software, can spread out costs over time. Additionally, smaller firms might consider forming alliances or partnerships to share the costs and benefits of new technologies, especially small firms with the same services that require the same technology. Eventhough its seem less flexible, at least small firms can take chances to improve their technological use on their operations which might be needed in the future.

Finally, addressing ethical concerns related to technological advancements requires establishing **clear guidelines and accountability frameworks**. Firms should develop ethical guidelines for the use of AI and automation, ensuring transparency in decision-making processes. Implementing robust oversight mechanisms, such as regular audits and reviews, can help detect and address potential ethical issues that may arise among the employees. Encouraging a culture of accountability and ethical behavior within the firm is crucial especially in the world of technology is widely spread and can be falsely used. Providing training on ethical considerations and fostering open discussions about the impact of technology on ethical practices can help employees navigate complex situations responsibly.

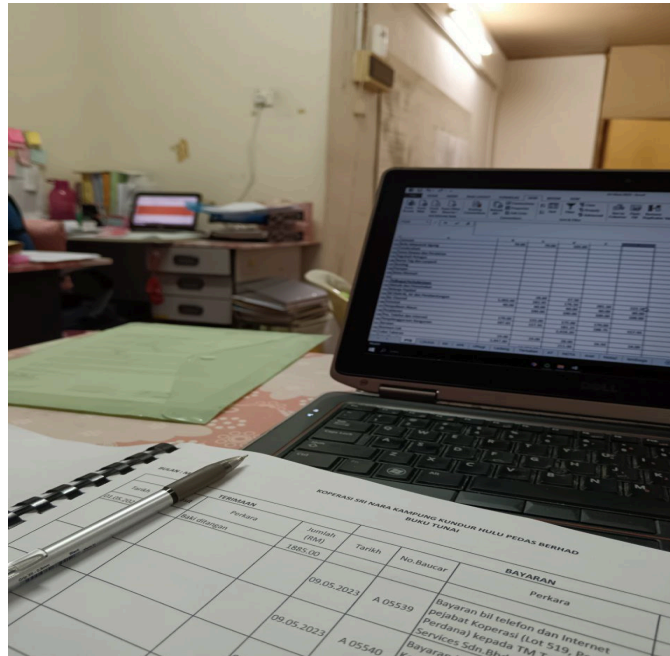
5.0 Conclusion

Overall, technological advancements in accounting bring a host of challenges that necessitate strategic management to ensure firms can reap the benefits while mitigating risks. Addressing data security requires continuous investment in robust cybersecurity measures and comprehensive employee training. Effective integration of new technologies with legacy systems demands careful planning, collaboration with IT experts, and clear communication to minimize operational disruptions. Continuous upskilling of accounting professionals is essential to keep pace with rapidly evolving tools and methodologies, supported by ongoing training and a culture of learning. Financial strain from technological investments can be managed through strategic budgeting, cost-benefit analyses, and exploring financing options. Lastly, ethical concerns surrounding the use of AI and automation call for clear guidelines, accountability frameworks, and a strong ethical culture within firms. By proactively addressing these challenges, accounting firms can leverage technological advancements to enhance efficiency, accuracy, and overall performance while maintaining high standards of security, ethics, and professional competence.

6.0 References

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7.0 Appendices



Appendix 1 : My Working Space



Appendix 2: A visit to client's office

SMK DANG ANUM - 2023 - Excel

File Home Insert Page Layout Formulas Data Review View Help Tell me what you want to do

Calibri 12 A A Wrap Text Accounting

Clipboard Font Alignment Number Styles Cells Editing

F19 : X ✓ ✕ ✕ =NOTA 2!G39

KOPERASI SMK DANG ANUM BERHAD			
KUNCI KIRA-KIRA PADA 31 DISEMBER 2023			
	NOTA	2023 RM	2022 RM
ASET BUKAN SEMASA			
Harta Tanah, Loji dan Peralatan			
Komputer	4	1.00	1.00
Perabot dan Kelengkapan		1.00	1.00
Ubah Suai		1.00	1.00
Aset-aset Lain		4,853.60	4,964.00
		4,856.60	4,967.00
ASET SEMASA			
Inventori	7	56,317.72	71,818.40
Penghutang Perdagangan	9	27,427.15	35,762.10
Deposit Tetap	10	16,758.36	16,758.36
Pelaburan Dalam Syer Tak Siar Harga	5	1,111.00	1,111.00
Aset Geran/Bantuan	6	1.00	1.00
Pelhaaal Penghutang	11	402.72	402.72

Ready Circular References

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Appendix 3: Preparation of financial statement using Microsoft Excel

KOPERASI TENAGA BAKTI SEBATUS MELAKA BERHAD [Compatibility Mode] - Excel

File Home Insert Page Layout Formulas Data Review View Help Tell me what you want to do

Arial 10 A A Wrap Text General

Clipboard Font Alignment Number Styles Cells Editing

D105 : X ✓ ✕ ✕

78														
79	PERKARA :	<i>Harta Tanah, Loji dan Peralatan</i>							TARIKH					1-Jul-24
80														
81	OBJEKTIF :	<i>Mengesahkan Akaun</i>							DIAUDIT OLEH					Salwa
82														
83														
84														
85														
86	SKOP AUDIT		Kos / Nilai				Susutnilai Berkumpul							
87		Tahun	Baki	Tambahan	Baki	Kadar	Dasar	Baki	Susutnilai	Baki				
88	Jenis Aset	dibeli	Awal		Akhir			Awal	tahun ini	Akhir				
89														
90	Tanah Milik Bebas		586,274.00	-	586,274.00	20%	Samarata	-	-	-				
91	Tanah Milik Bebas Jalan Md Deli		155,000.00	-	155,000.00	20%	Samarata	-	-	-				
92	Tanah Milik Bebas Tapak Hj Kental		210,000.00	-	210,000.00	20%	Samarata	-	-	-				
93	Komputer Riba		5,798.00	-	5,798.00	20%	Samarata	1,159.60	1,159.60	2,319.20				
94	Ubahsuai Peralatan Dobi		139,638.00	200,000.00	339,638.00	20%	Samarata	139,637.00	40,000.00	179,637.00				
95														
96	Jumlah		1,096,710.00	200,000.00	1,296,710.00			140,796.60	41,159.60	181,956.20				

Ready

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Appendix 4: Preparation of Audit Working Paper