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SECTION A

a. INTRODUCTION

Hasnan & Co. is a reputable audit and accounting firm based in Ampang, Selangor, Malaysia. Established in 1997, the firm is a member of the Malaysian Institute of Accountants (MIA), reflecting its commitment to maintaining high professional standards. Hasnan & Co. offers a comprehensive range of services, including auditing, taxation, corporate consulting, and outsourcing. The firm prides itself on delivering attentive, responsive, and personalized service to its clients, consistently upgrading its knowledge and practices to meet evolving industry standards. The firm's strategic location and dynamic approach have enabled it to cater to a diverse portfolio of clients across various industries, ensuring true and fair financial reporting and compliance with statutory requirements. With a dedicated team of professionals, Hasnan & Co. continues to uphold its vision of providing top-tier professional services, fostering trust and excellence in the financial landscape of Malaysia

Hasnan & Co offers several valuable benefits to its employees, including a RM30 meals allowance provided every Friday. This allowance not only supports staff in enjoying a meal outside the office but also fosters team camaraderie and morale. Additionally, employees can claim overtime (OT), ensuring fair compensation for extra hours worked beyond regular schedules, which reflects the company's commitment to valuing their time and effort. Moreover, the provision of medical claims underscores Hasnan & Co's dedication to employee well-being, ensuring that staff have access to necessary healthcare support without undue financial burden. These benefits collectively contribute to a supportive and rewarding work environment, emphasizing both employee satisfaction and welfare.

Hasnan & Co provides a conducive work environment that includes personalized desk space for each employee, a rarity in many companies. This setup ensures that employees have a dedicated area to focus on their tasks comfortably, unlike some organizations where interns may only have access to shared meeting tables, especially when there are numerous interns present. This distinction underscores Hasnan & Co's commitment to providing a professional workspace that supports productivity and individual work needs. Furthermore, the company facilitates seamless communication and collaboration across departments such as accounting, auditing, and tax. With all three departments housed within the same building, employees benefit from easy access to expertise and resources. This proximity enables quick and direct interactions, whether it's seeking clarification on tasks or discussing collaborative projects. Such integrated

communication channels enhance efficiency and teamwork within the organization. Moreover, Hasnan & Co prioritizes employee well-being by offering a well-stocked pantry complete with amenities like Coway water dispensers, biscuits, crackers, and other refreshments, all provided at no cost to employees. This amenity not only promotes a comfortable and inviting atmosphere but also ensures that staff have access to nourishing snacks throughout the workday. By providing these amenities, Hasnan & Co fosters a supportive workplace culture that values employee comfort and satisfaction alongside professional growth.

b. SUMMARY OF WORK DONE

During these 24 weeks of practical training in this firm, I was assigned as an accounting trainee. I use SQL software in accounting. It is not difficult because this software has been taught to some extent during my studies. I was actively involved in day-to-day bookkeeping activities, especially in preparing accounts for the clients from various industries. From this task, I am able to strengthen my fundamental knowledge related to financial transactions such as sales, purchases, and adjustment for the transaction. I also learned to identify transactions related to the company and transactions for personal use. I have participated in preparing financial statements such as income statements and balance sheets as they can be directly generated after completing the accounts preparations.

Other than accounting tasks, I have gained experience in auditing. During my internship in the auditing department at Fajar Corporate Services Sdn Bhd, I gained comprehensive experience in preparing and finalizing audit reports. I was actively involved in the preparation of audit reports, ensuring all financial statements were accurately reflected. This included meticulous report casting to verify the consistency and accuracy of figures throughout the documents. I also contributed significantly to the preparation of audit working papers, which entailed gathering and documenting evidence to support the audit findings. This process required thorough attention to detail and a deep understanding of auditing standards and procedures. Additionally, I was responsible for cross-referencing all information and data within the audit documents to ensure accuracy and completeness. This involved checking the consistency between the working papers and the final audit report, making sure that all figures and facts were correctly aligned.

Overall, my internship provided me with valuable insights and hands-on experience in various aspects of the auditing process, from initial preparation to final review and cross-referencing, ensuring a high level of accuracy and compliance with auditing standards.

c. STRENGTH & WEAKNESSES OF TRAINING

STRENGTHS

During the past 24 weeks, the strength of this practical training that has been observed is the opportunity to learn various aspects of accounting and auditing duties. In a larger firm, some trainees had been assigned to a specified area such as trade payable accounts, sales accounts, or property accounts during their period. However, in a smaller firm, I was able to experience various aspects of accounting from compiling receipts to preparing financial statements and various aspects of auditing from finding documents from clients to producing audit reports. This helps me to be more flexible in completing tasks and increases the value in the industry. During this period, I have been able to witness and learn about the accounting and auditing industry from professionals, including effective ways to communicate with clients. The friendly environment here makes it easier to engage with colleagues, and the knowledge they share is presented in a simple and understandable manner. This supportive atmosphere is a strength of this training, as it allows me to comfortably seek guidance, ask for opinions and questions, and foster a communicative team dynamic. Instead of focusing on one industry, I am gaining insights and exposure to multiple sectors such as retail, health, film production, and food and beverages. This experience helps me understand the nature and flow of various businesses while preparing their accounts and conducting audits.

WEAKNESSES

Weaknesses that I have experienced were adapting to the specific software and systems used by the company. Despite having a basic understanding of accounting principles, applying them within the context of the company's unique systems required additional time and effort. This learning curve occasionally hindered my efficiency and accuracy in completing tasks.

Additionally, managing time effectively was a struggle. Balancing multiple tasks and deadlines in a fast-paced environment proved difficult, especially when unexpected issues arose. This occasionally resulted in rushed work or missed details, impacting the overall quality of my contributions.

I also found it challenging to fully grasp the complexities of auditing procedures. Auditing requires a keen eye for detail and a comprehensive understanding of various regulations and standards. My limited experience made it difficult to identify potential discrepancies or fully comprehend the implications of certain findings.

d. SELF-REFLECTION

During my 24 weeks internship at Hasnan & Co, I gained a lot of knowledge and experience that was valuable for myself. Part of it is that real life experiences differ greatly from classroom instruction. In my classes, we only cover the essentials and a few concepts. I'll need a broad range of abilities and expertise to succeed when I start working. I felt that my education at UiTM Dungun did not fully equip me for what was ahead. Consequently, whether at the job or in other areas of life, it is imperative that I keep learning from those who have more experience than I do.

Improve your time management skills. Throughout my internship at Hasnan & Co., I improved my ability to manage my time. The task's estimated completion time will be determined by my supervisor, and we should finish it ahead of schedule. I learned from that experience that time management is essential to finishing a task in the allocated amount of time. Prior to starting the audit report, I will provide the required steps. The processes for each client may differ based on the type of business they operate and the volume of transactions. I successfully completed each audit report and accountant's report that I was given in the allocated time, proving that I have good time management skills.

I've gained priceless experience from the internship that will help me get employment in the career I want. In the future, I hope to put all of the knowledge and abilities I've gained to use. In five years, I see myself as a senior auditor who can help the firm's auditing and assurance departments grow. I have spent the last four years studying for my degree, and this is what I am passionate about. I will definitely pursue any future opportunities I come across in this profession if they seem viable.

SECTION B

INTRODUCTION

People with knowledge and expertise in accounting, such as accountants, tax accountants, auditors, accounting clerks, and financial analysts, are known as accounting talents. They work for the government, accountancy firms, and nonprofit groups, among other industries. The accounting sector protects the economy's financial stability by making sure that legal requirements are followed and transaction integrity is maintained. However, the lack of accounting talents, especially a competent professional, has become a serious concern in this industry. It was targeted that Malaysia will produce around 60,000 accountants by 2020 in the Economic Transformation Programme 2010, but the target was not achieved as around 38,500 members were registered based on the data from Malaysian Institute of Accountants (MIA) in June 2023 (Poo, 2023). Furthermore, the accounting industry's capacity to meet the steadily rising needs is also threatened by the world economy's quick evolution.

a. PROBLEM STATEMENT/ ISSUE

The need for skill in accounting has been growing daily, but for a variety of reasons, the number of talented people in the field has been declining. Despite the fact that there are graduates from accounting academic institutions, the accounting industry is nevertheless in a challenging position. From research related to the accounting profession, it is found that near to 20% of accounting graduates prefer to be involved in other industry instead of accounting such as entertainment and education (Erlane K Ghani, Nur Azrin Mat Tarmezi, Kamaruzzaman Muhammad, Mazurina Mohd Ali and Nabilah Abdullah, 2019). In another situation, the COVID-19 outbreak has increased the challenge to the accounting profession because the changes in standard arise along with the technology. Accounting talents need to quickly adapt to the changes as they need to assist their clients (Marasti, 2020). The outbreak also leads the accounting firm to lose their clients and employees at the same time. The demand for skilled accountants in this field has increased as a result of the rapid advancements in technology, health, and opportunity. But while certain accounting talent is still having difficulty keeping up with technological advancements, the quantity of these individuals is insufficient to serve the entire sector. Therefore, the purpose of this study is to look at what causes this problem to arise as well as potential solutions.

b. DISCUSSION

The factors of shortage of talents in accounting profession

Issue 1: Technology advancement.

One of the contributing elements to skill in the accounting field, especially among small firms, is the quick development of technology. The need for tech-savvy accountants is growing and becoming more complex as a result of the accounting software's constant updates and technological advancements. However, finding and attracting people with expertise in both finance and accounting as well as cutting-edge tech like machine learning and artificial intelligence (AI) is challenging.

The rapid evolution of technology has created a gap between the skills taught in traditional education and the demands in the industry. Traditional accounting education had been struggling to keep up with technological advancement in order to produce a new generation of accounting talents that could satisfy the current demand. Even though students were taught about accounting information systems during their study, there are still differences between the software learned in university and the one that was implemented in the industry. Graduates that entering the industry with a little knowledge about the system applied might feel incompetent as they were lack in the required skills to manage it especially when they were positioned in other department such as management accounting or advisory where it is focus on value creation (Hanadi Khalife, IMA and Taha Nasir, 2022). The advancement also might be challenging for the baby boomers' generation as they need to quickly adapt with the technology to follow the current demand which leads them to have an early retirement. In order to fill the vacancy, most companies set that job seekers need to have technology skills. Thus, the shortage in talents occurs due to the current talents not fulfilling the required skills that were set by companies.

The implementation of artificial intelligence (AI) increases the complexity of digital investigations in forensic accounting. Because AI systems process a vast amount of data, the task of distinguishing genuine information from manipulated content becomes more complicated as there is lack of transparency (Network, 2023). According to the literature in the journal, AI consists of artificial neural networks (ANN) where the algorithms set were based on the human brain function in processing data. AI learns by comparing the outcomes with its prediction which constantly changes based on the environmental response. Therefore, it complicates the process to identify any potential biases. This shows that using AI in any accounting activities needs more monitoring and tracing (Othmar Manfred Lehner, Kim Ittonen, Hanna Silvola and Eva Strom, 2022). Due to the implementation of AI in

forensic accounting, it demands forensic accountants to have advanced skills to encounter challenges, address potential biases, and interpret AI outcomes effectively, which traditional skills are insufficient.

Another reason why technology advancements lead to a lower rate of accounting talents in the industry is resource constraints. For small firms that provide accounting related services, resource limitation is the main obstacle that limits them from staying up to date with the current trend and improvement of technology. Before the outbreak, small accounting firms did not experience the pressure to change their method of conducting activities to digital technologies (Isip, 2023). However, after the pandemic, accounting firms started to implement digitalization in their activities to increase the speed of recording transactions. Despite improving the working efficiency, the continuous and fast-paced evolution of technologies put them in a tight situation as these firms are unable to invest extensively in training programs and technology adoption. During the pandemic, small accounting firms experienced a decrease in their revenue due to the loss of clients who had to close their businesses (Isip, 2023). Thus, investing in technologies has become a huge expense that they need to forgo to run their activities. Therefore, the tight budget affects the opportunity of the accounting talents to gain necessary skills, unable to attract individuals that are expert in traditional and modern accounting activities, and reduce the interest of existing individuals to serve the firm.

Issue 2: Young professionals and graduates pursue different career paths.

The shortage of accounting individuals can be contributed by the influence of individuals' preferences in their career and opportunities. Potential accounting candidates from millennials and Gen Zs prioritize a workplace that can satisfy their personal values other than offering a good rate of salaries (Malis, 2023). Other sectors also divert the young generation attention from accounting by offering various elements that could satisfy their needs.

Nowadays, a wide range of career options are available for young professionals and graduates such as entertainment sectors and entrepreneurship. With the growth of technologies and expansion of industries, individuals tend to be drawn to the fields that could give higher income or align with their interest. This can be seen from the current trend of increasing number of graduates becoming an influencer in social media instead of pursuing the career that aligns with their certificates. Some of them also choose entrepreneurship as their career, especially after the outbreak that led to a high rate of unemployment. These

young accounting individuals pursue business industry to survive during the pandemic and continue in this path as it satisfies their needs. Even though it is beneficial for the economy, their position in their precious workplace is still vacant.

Due to the complex nature of financial regulation, it raises the difficulty for the accounting industry to attract and retain candidates (Catherine Murtagh and Vivienne Hall, 24). The younger generation may have little to no interest in this industry as they are prioritizing a work-life balance, flexibility, and positive workplace culture (Zaki, 2023). Thus, the accounting industry which lacks those criteria becomes a reason for the lower rate of application in this industry. In the accounting industry, it is routine that individuals are required to have long working hours especially during peak seasons. During tax season, these individuals are bound to work up to 50 or 60 hours per week (Team, 2023). Therefore, it cannot fulfil the interest of those who crave for flexibility and innovative activities as their career.

Issue 3: Educational Requirements

The demanding educational requirements to enter the accounting field can be a major barrier to bringing in fresh talent. To become a certified accountant, individuals typically need to obtain a relevant degree, such as a Bachelor's in Accounting or Finance. Following their undergraduate education, aspiring accountants often pursue advanced certifications, the most notable of which is the Certified Public Accountant (CPA) license.

The CPA certification process involves passing a series of challenging exams, which require extensive study and preparation. In addition to passing the exams, candidates usually need to complete a certain number of hours of work experience under the supervision of a licensed CPA. This can take several years and involves a significant commitment of time and effort.

Moreover, the cost of obtaining a CPA license can be substantial. This includes tuition fees for undergraduate and possibly graduate education, costs associated with CPA review courses, and fees for taking the CPA exams. For many individuals, these financial barriers can be daunting, especially if they are already burdened with student loan debt.

Ensuring that only highly qualified persons enter the profession is crucial for upholding the norms and integrity of accounting processes, and this is achieved through strict educational and certification criteria. However, these requirements can also deter potential candidates

who might otherwise have been interested in an accounting career. The long and demanding pathway to certification can lead some to pursue alternative careers that offer a quicker and less costly route to professional qualifications and employment.

c. RECOMMENDATION

Issue 1

First, academic institutions should update their accounting software course syllabuses to reflect the most recent versions of the industry standard software. It will help the students have a better understanding and confidence when entering the industry as they have basic experience with the software. To advance their skills and knowledge in automation, cloud computing, and artificial intelligence, the talent should also receive ongoing training that is in line with the rapidly changing technologies. Given the demand for computer abilities, individuals with this expertise can leverage their knowledge and improve their value to penetrate a wider accounting market. For small firms, it is wise for government and associations to provide financial support or subsidies for technology adoption as a starter. This will help them to improve their business and stay updated with the current trend. It also eases the procedure of accounting activities and attracts new talents to learn more about accounting.

Issue 2

Firstly, accounting firms should focus on enhancing workplace culture to align with the values of millennials and Gen Z. This involves creating a positive and inclusive work environment that prioritizes work-life balance, flexibility, and employee well-being. Implementing flexible working hours, remote work options, and wellness programs can make the accounting profession more attractive to younger generations.

Secondly, the accounting industry needs to modernize its image and highlight the innovative aspects of the profession. By leveraging technology and emphasizing the role of accountants in digital transformation and data analytics, the industry can appeal to tech-savvy young professionals. Showcasing the exciting and impactful projects accountants work on can help shift the perception of accounting as a traditional and monotonous field.

Lastly, addressing the demanding nature of the profession, especially during peak seasons, is essential. Implementing better workload management and support systems, such as hiring

temporary staff during busy periods, can alleviate the stress on full-time employees. Ensuring that employees have adequate time for rest and recovery can prevent burnout and enhance job satisfaction.

Issue 3

Addressing the issue of rigorous educational and certification requirements in the accounting profession requires a multi-faceted approach. One potential solution is to provide more financial support to aspiring accountants. This could take the form of scholarships, grants, or subsidized loan programs specifically designed for accounting students. By reducing the financial burden associated with obtaining an accounting degree and pursuing CPA certification, more individuals may be encouraged to enter the field.

Another approach is to create more flexible educational pathways. This could involve offering part-time or online degree programs that allow students to balance their studies with work or other commitments. Additionally, universities and professional organizations could collaborate to develop accelerated programs that streamline the process of obtaining a degree and certification without compromising the quality of education.

Lastly, raising awareness about the diverse opportunities within the accounting profession can help attract more candidates. Highlighting the various career paths available to certified accountants, such as roles in finance, consulting, and management, can make the profession more appealing. By showcasing the potential for career growth and the dynamic nature of the field, the perception of accounting as a rewarding and exciting career can be enhanced.

d. CONCLUSION

The shortage of talents in the accounting profession is a multifaceted issue stemming from technological advancements, changing career preferences among young professionals, and demanding educational requirements. Each of these factors contributes to the gap between the industry's needs and the available workforce, threatening the financial stability and integrity that accounting ensures within the economy. Addressing these challenges requires coordinated efforts across educational institutions, industry organizations, and government bodies.

Updating academic curricula to align with current industry standards and providing continuous training can bridge the technology gap. Encouraging young professionals to consider accounting through dynamic and engaging educational programs, mentorship opportunities, and attractive work environments can help retain talent. Moreover, reducing the financial and time barriers associated with obtaining advanced certifications like the CPA can make the profession more accessible.

By implementing these strategies, the accounting profession can attract and retain the necessary talent to meet the growing and evolving demands of the industry. This will not only ensure the continued integrity and stability of financial systems but also enhance the overall appeal and sustainability of accounting as a viable and rewarding career path.

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f. APPENDICES

