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UNIVERSITI  
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MARA

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**FIELD REPORT (30%)**

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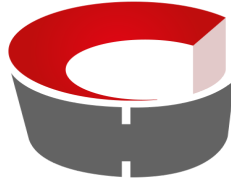
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## 1.0 Section A

### 1.1 Introduction



*Figure 1 Cheng Hua Engineering Works logo*

Cheng Hua Engineering Works Sdn Bhd was established in 1968 and has continuously advanced and created material handling solutions for global enterprises. This has enabled the company to adjust and expand into its current state. Cheng Hua's efforts have allowed it to successfully expand into a number of other countries, including China, Indonesia, India, and Thailand. Consequently, this drove them to become a globally recognized and influential system integrator that fulfills the need for advanced turnkey solutions in industrial automation, material handling, and logistics.

Throughout the duration of the internship, I was specifically designated to work in the Finance Department. Under the direction of Ms. Lee Chiew Yen, the Finance Department of Cheng Hua Engineering Works Sdn Bhd is tasked with managing the company's financial resources, preserving its financial stability, and supporting the company's general business activities. The department's workplace offers a comfortable and safe environment where I have been allocated a personal desk with my own drawer to store my belongings. In addition to that, working in this department provided me with the chance to acquire knowledge in a diverse range of sectors, such as inventory management, accounts receivable, accounts payable, and numerous other areas.

The internship I undertook here lasted for a period of 24 weeks, commencing on March 4th, 2024 and concluding on August 23rd, 2024. These 24 weeks have offered me an invaluable opportunity to dive deep into workings of the accounting industry and apply theoretical knowledge gained during my academic journey. It is extremely amazing to witness the practical application of concepts that I have been learning for the past four years.

## 1.2 Summary of work done

### a) **Bank and cash**

A Bank Payment Voucher, also known as a BPV, is a type of financial document that is utilized by organizations in order to document and authorize payments that are made through a bank. The purpose of this is to serve as evidence of a transaction and to guarantee accurate tracking and recording of payments that are distributed. Throughout the internship, my responsibility is to precisely input the transactions of BPV into the accounting system. I understand the significance of accurately uploading transactions to ensure that financial records accurately reflect the real and correct information. This also helps to eliminate any differences between actual transactions and recorded data, hence lowering the risk of errors in financial reporting. In addition, properly uploaded BPVs offer a transparent record of activities, which simplifies both external and internal audits. It guarantees the traceability and verifiability of all transactions.

### a) **Inventory management**

In the course of my internship, I was tasked with providing assistance to one of my senior colleagues, Miss Su, in the management of Good Receipt Costing (GR6) as well as Good Receipt Subcontracting and Expenses (GR4). Updating the transactions and the cost of GR6 and GR4 into the accounting system is something that falls under my area of responsibility. I also learned that it is essential to upload it in the correct manner since doing so guarantees that the costs associated with the received items and the expenses involved in subcontracting are precisely reported. This is because it is vital for maintaining correct inventory valuations, which in turn impact financial reporting, tax calculations, and profitability analysis.

### b) **Employee Timesheet Labor hour (Elab)**

In addition to that, I was also tasked with the responsibility of recording and calculating the number of man hours by the cost center in the Employee Timesheet Labour Hours (Elab) system. This is done with the intention of ensuring that the cost allocation is accurate. This can be done by assuring that labor costs are accurately assigned to certain cost centers or projects can be accomplished through the process of uploading man hours into Elab. As a result, this helps in tracking the actual labor expenses associated with each operational segment or project, which is essential for cost control and budgeting.

### **1.3 Strength & Weaknesses of training**

#### **Strength**

Participation in industrial training has been beneficial to me in a variety of ways, particularly when I decided to pursue my training in the manufacturing industry. Manufacturing organizations are recognized to frequently have complex financial operations; hence, they offer practical, hands-on experience in the application of accounting principles within a manufacturing environment. As a result of this experience, I have a better knowledge of how accounting operates within the context of a real-world company environment. Consequently, it also improved my problem solving skills. This is because a direct involvement in industrial environments exposes me to a wide variety of challenges and problems that require me to employ creative problem-solving skills. This practical approach cultivates the capacity to examine problems, identify underlying factors, and execute efficient solutions.

In addition, I effectively gained hands-on experience implementing software skills. During my internship, I received practical experience with the real-world accounting system, ORION. Through the utilization of this system during an internship, it allows me to improve my skills in navigating complicated software interfaces, understanding module functionality (e.g., financials, procurement, inventory management), and carrying out accounting operations inside the software environment. In addition, my everyday encounters with ORION also helped me polish my data management and manipulation skills. I learned how to precisely enter and retrieve financial data, ensuring that all transactions were properly recorded and corresponded with accounting rules.

#### **Weaknesses**

However, despite the fact that there are advantages to industrial training, there are also some drawbacks that I came across throughout my internship. Initially, I struggled to adapt to the company's complex accounting software. Despite my excitement and willingness to learn, my slower pace of understanding the complex features of the software resulted in delays in completing given tasks and reduced overall productivity. This not only impaired my ability to contribute successfully to the team, but it frequently resulted in delays and higher reliance on my colleagues for support. Hence, this reduces the amount of practical experience I could gain within a given timeframe.

Moreover, there are occasions when I experience feelings of fear when it comes to asking questions about something that I do not fully comprehend. Difficulties in voicing queries or

asking for clarification have hampered my capacity to completely comprehend complicated accounting concepts or negotiate the complexities of financial reporting in the manufacturing industry. Furthermore, poor communication may have hampered my efforts to develop relationships with coworkers and supervisors, which are necessary for learning and professional progress in any employment situation. As a result, this may hinder my ability to gather different experiences and skills relevant to my future job aspirations.

#### **1.4 Self-Reflection**

During the industrial training, I observed that it had a significant impact on both my personal growth and professional advancement. It has fundamentally altered my perspective and provided me with practical knowledge. Internships offer me a direct and practical understanding of business operations, delivering valuable insights that go beyond theoretical academic knowledge. Not only that, I was given the opportunity to gain a deeper awareness of what it takes to be successful in a professional setting by being exposed to workplace culture, team dynamics, and professional etiquette.

In addition, industrial training has also enhanced my self-assurance in my capabilities. This can be linked to the successful application of academic knowledge to real-world tasks and the ability to complete all assigned tasks and meet all deadlines. Furthermore, the ability to examine and overcome challenges has significantly strengthened my confidence as it serves as an indicator of my improvement in problem-solving abilities. Plus, getting feedback from my supervisor and colleagues is also a major help in enhancing my confidence because it provides me with a deeper understanding of my strengths and areas for improvement.

All in all, my industrial training here has been a life-changing experience that has helped me to grow as a person, gain confidence, polish my abilities, and plan my professional progression strategically. I am convinced that industrial training has provided me with ample opportunities to enhance myself in various aspects, including technical skills, communication abilities, and more. Therefore, this period of industrial training equips students with the necessary skills and knowledge to have successful careers by connecting the gap between education and job, promoting ongoing enhancement, and encouraging creative thinking.

## 2.0 Section B

### TECHNOLOGY DISRUPTION

#### 2.1 Issues and Problem statement

The accounting industry is undergoing a paradigm shift due to new technological breakthroughs that are transforming the processing, analysis, and utilisation of financial data. This revolution is marked by the incorporation of cutting-edge technologies such as cloud computing, artificial intelligence, blockchain, and data analytics, which are reshaping traditional accounting methods. These technologies provide chances that have never been seen before for significant improvements in terms of efficiency, accuracy, and strategic decision-making.

However, they also bring about substantial hurdles and disruptions, particularly for accountants who have relied on manual methods and conventional ways for a considerable amount of time. As the environment of accounting continues to change, practitioners are required to handle the complexity of adopting new tools, regularly updating their abilities, and addressing concerns around security and ethics. Therefore, in order for accountants to maintain their competitiveness and relevance in an increasingly digital environment, it is essential for them to overcome challenges and possess a practical understanding of the impact that these technological advancements exert.

#### 2.2 Discussion

**a) Accountants are concerned that technological advancement would cause them to lose their job**

In the rapidly evolving landscape of technology, the accounting profession faces a transformative period. A significant number of accountants are expressing anxiety about the future of their positions as a result of the increased integration of automation, artificial intelligence, and advanced software systems into financial processes. Despite the fact that these technology improvements improve efficiency and accuracy, they may pose a danger to jobs that have traditionally been associated with accounting methods. This can be observed from the results of a survey below that was conducted by the Association of Chartered Certified Accountants (ACCA) from its members located all around the world (*Digital Horizons: Technology, Innovation and the Future of Accounting* | ACCA Global, n.d.),

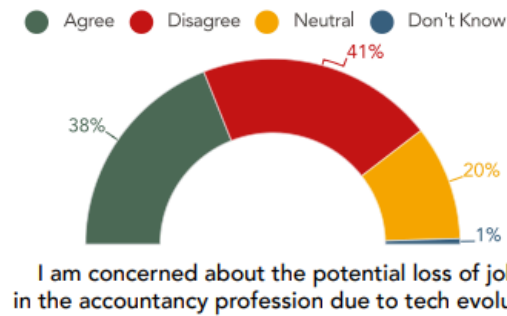


Figure 2 Respondents' concerns about the impact of technology on their jobs

According to the chart above, the results of the study showed that 38 percent of respondents were concerned about the "potential loss of jobs in the accountancy profession due to the evolution of technology." However, a similar number of respondents, 41 percent of the members, did not believe that this was a cause for concern. This is a reflection of a certain level of uncertainty in the face of change, which can prompt individuals to make broad assumptions about changing circumstances due to the limited amount of information available and the difficulty in forecasting the influence that new circumstances would have in the future.

Additionally, Richard Anning, the head of ICAEW, has predicted that the demand for accountants will decrease, particularly those who adhere to traditional methods, such as repetitive bookkeeping or process-driven tasks, which are more susceptible to automation than higher-value tasks (*How Artificial Intelligence Will Impact Accounting*, n.d.). This is the result of the accounting field's significant transformation in terms of efficiency, which has been influenced by the revolution. This transformation is seen in the replacement of traditional paper stacks with modern technologies such as cloud-based accounting, big data and analytics, and Artificial Intelligence (AI). Automation and AI, for instance, automate routine and repetitive duties, including data entry, transaction processing, and reconciliations. In general, duties such as data entry, reconciliations, and report generation can be readily automated and human error can be reduced with AI-powered software (*5 Accounting Technology Trends to Know for 2023, 2023*).

Overall, the concern expressed by accountants regarding the potential for employment loss as a result of technological advancements is both reasonable and justified. The emergence of automation, AI, and advanced data analytics has undoubtedly revolutionised numerous routine accounting tasks, thereby decreasing the necessity for manual data input, reconciliations, and basic financial reporting.



## **b) Ethical issue in digital era**

Technological advancements have played a crucial role in the progress of organisations, including the accounting industry, which heavily depends on these innovations to improve its procedures. As advantageous as it is, it has presented accountants with ethical challenges. In the accounting industry, ethics refers to a set of moral principles and rules of conduct that accountants follow. It encapsulates ideals of honesty, fairness, objectivity, and responsibility in delivering financial services and information (*The Importance of Ethics and Professional Standards in the Accounting Industry*, 2001).

According to the Association of Chartered Certified Accountants (ACCA), the ethical principles which are most likely to be compromised by digital developments are professional competence and due care. When it comes to accounting and finance, the term "*Professional competence*" refers to an ethical issue that pertains to the capacity of the accountant or finance professional to give high-quality services to their clients. On the other hand, "*Due care*" refers to the level of diligence and attentiveness that is necessary in the performance of professional obligations. In this discussion, technology advancements, for example, Advanced Big Data make it possible for accountants to acquire more profound insights from massive datasets, which in turn improves their ability to make decisions and plan strategically. However, the ethics of accountants may be compromised if data analytics are misused or interpreted in an inappropriate manner. For instance, a high reliance on automated data analytics tools might lead to a reduction in the ability to think critically and make accurate decisions, both of which are essential for professional competence. Furthermore, over-reliance on automated systems without sufficient understanding also results in misinterpretation of outcome, jeopardizing the accountant's ability to exercise due care. Hence, the challenge of applying ethical judgement to the use of digital technology without first having a grasp of what it is, might potentially represent a threat to professional competence and due care.

Aside from that, there is also the risk that confidentiality and privacy may be jeopardised in this digital era. Accounting professionals are entrusted with sensitive data, including personal information, financial records, and trade secrets and it is their responsibility to ensure that this information is safeguarded from unauthorized access or misuse (*Portali, 2023*). Nevertheless, the utilisation of technology, specifically a cloud-based accounting system may lead accountants to jeopardize their confidentiality ethics. This is due to the fact that cloud-based systems store a

significant amount of important data, including an organization's financial data and clients' personal information. Consequently, due to the accountant's potential unrestricted access to that data, it might lead them to the misuse of private information for personal gain (Know, 2023).

**c) High implementation cost**

The accounting industry is currently experiencing a substantial shift due to the rapid progress in technology. New technologies like artificial intelligence, cloud computing, blockchain, and advanced data analytics are transforming conventional accounting methods, providing unmatched potential for enhanced productivity, precision, and strategic understanding. Nevertheless, these technological breakthroughs are accompanied by a significant obstacle: the high implementation cost. The adoption of new technology poses a significant cost burden, especially for accounting companies and departments aiming to maintain competitiveness in a rapidly changing environment.

The installation of technology such as artificial intelligence can be quite expensive since it requires significant upfront costs. These costs include the development of software and hardware upgrades. In addition to this, there will be an increase in the cost of training because the employee will need to be trained in order to make good use of the new technologies, which will also result in a time-consuming process. This challenge will have the greatest impact on smaller firms or self-employed firms, as they frequently have a restricted cash flow. This can be observed in the graph illustrated by ACCA below;

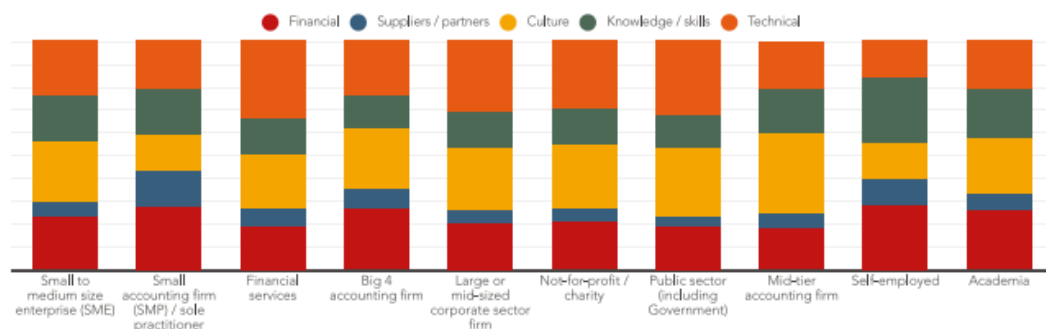


Figure 3 Technology-related challenges perceived by ACCA respondents, grouped by sector

There are certain businesses that might be able to obtain credit or loans from banks in order to invest in technology; nevertheless, this is not an appealing option for them when they are unable to predict their return on investment (*Parida, et al, 2010*). Therefore, it may be more challenging for smaller businesses to gain access to the loans or investment money that is required to finance technical advances. The high cost of implementation may result in some firms being under significant pressure to maintain pace with larger competitors who are able to more easily afford technological advancements. In consequence, a competitive disadvantage may arise as a consequence of falling behind in technology.

## **2.3 Recommendation**

### **a) Encourage ongoing learning and expansion of skills**

In the swiftly changing field of accounting, technologies such as artificial intelligence (AI), blockchain, and automation are revolutionizing the way accountants carry out their responsibilities. As a result, they present a challenge, particularly in terms of the changing skill requirements for accountants and job security.

Hence, it is crucial for accountants to stay ahead of technological advancements through ongoing education and the acquisition of new skills related to cutting-edge technology. For instance, acquiring proficiency in a novel software, obtaining a certification, or acquiring new skills that may enhance your worth, effectiveness, and productivity. Accountants can acquire new skills through many methods such as online courses, webinars, podcasts, and more (*Jackson et al., 2022*) Thus, developing new abilities may assist to expand career opportunities, and continuous learning ensures that accountants will always be in demand, which minimizes concerns about job loss.

In addition to this, educational institutions need to incorporate classes on developing technologies like artificial intelligence (AI) or provide opportunities for students to participate in hands-on training sessions and seminars on accounting software (*Jackson et al., 2022*). Therefore, students are prepared for the technological environment they will face in the professional world by being exposed to these technologies during their academic years.

## **b) Role of Organizations in Promoting Accounting Ethics**

Accounting ethics play a large and vital part in maintaining honesty and trust in order to ensure that financial information is reported accurately. For this reason, it is absolutely necessary for accountants to always adhere to ethical norms in order to guarantee openness. In light of this, organizations play an essential role in promoting and upholding ethical standards in accounting. They must implement controls and processes that actively aim to protect accounting transparency and honesty in order to strengthen accounting ethics.

Initially, it is important that the organization establish a comprehensive and detailed code of conduct that serves as a guiding framework, describing the standards and behaviors that professionals are expected to adhere to in accordance with their work (*Learn, n.d.*). This is due to the fact that a comprehensive code of conduct establishes explicit guidelines regarding professional standards and ethical conduct such as professional competence, confidentiality and so on. For instance, an organization may adopt or customize the Code of Ethics for Professional Accountants published by International Ethics Standards Board for Accountants (IESBA) in April 2018 within the context of their own businesses.

On the other hand, organizations may also promote whistleblowers by implementing whistleblower policies (*Learn, n.d.*). These policies may establish a formal process for employees to disclose unethical or illegal conduct, including fraud, corruption, or violations of company policies, without fear of retribution. This is necessary because, despite the implementation of measures that immediately recognize fraudulent conduct, it is possible that something will remain undetected. Thus, it is important that employees feel at ease reporting any conduct that they observe that may be considered unethical. As a result, whistleblower rules provide employees with a secure and confidential manner of exposing unethical behavior, motivating employees to disclose misconduct by protecting whistleblowers from harassment.

## **c) Adopt financial best practices**

Embracing novel technologies is crucial for firms aiming to remain competitive and inventive in the current rapidly changing landscape. However, the substantial expense of adopting new technology can be a considerable barrier, especially for small and medium-sized businesses. Hence, adhering to financial best practices is a highly effective technique for managing these costs. Financial best practices

encompass a collection of well-established procedures and principles that firms comply with in order to efficiently manage their financial resources.

One of the practices is that the organisation has to conduct comprehensive budgeting and forecasting. Comprehensive budgeting refers to the practice of developing a comprehensive financial plan that encompasses all areas of a project or endeavour. In the context of implementing new technology, it involves identifying and estimating all of the potential expenses that are associated with the project. These costs include the initial implementation, continuing maintenance, training, and support (*How Can You Manage the Costs of Implementing New Technology?*, 2024). Forecasting, on the other hand, is a procedure that involves making predictions about the favourable results that will be brought about by the implementation of new technologies. It is possible for these benefits to be tangible, such as higher revenue, cost savings, and productivity improvements; or they may be intangible, such as improved customer satisfaction, improved employee morale, and improved market positioning. As an illustration, it is recommended to carry out a comprehensive cost-benefit analysis in order to assess the long-term advantages in comparison to the short-term expenses in order to guarantee that the technology will provide a satisfactory return on investment (ROI) (*Amor, 2023*). By doing so, organisations are able to efficiently manage the financial aspects of technology adoption, ensuring that investments are strategic, managed, and linked with long-term company objectives.

Aside from that, the organization could consider leveraging external funding. Leveraging external finance entails requesting and obtaining financial assistance from outside sources such as grants, subsidies, or tax breaks to help offset the expenses involved with implementing new technology. For example, the Smart Automation Grant (SAG). The Smart Automation Grant (SAG) in Malaysia is intended to assist businesses, notably small and medium-sized enterprises (SMEs) and mid-tier corporations in the industrial and services sectors, in embracing technology and automating their processes (*Smart Automation Grant - SAG*, n.d.). The SAG, which was introduced as part of the MADANI Economy efforts, aims to improve productivity, efficiency, and competitiveness by offering financial support for smart automation solutions. As a result, by using this grant, businesses can reduce the high costs of technology deployment and speed their digital transformation processes.

## 2.4 Conclusion

Technological advances such as cloud computing, artificial intelligence, blockchain, and data analytics are driving an enormous transformation in the accounting sector. These innovations provide unparalleled opportunity to improve efficiency, accuracy, and strategic decision-making. However, they provide considerable hurdles, particularly for accountants used to traditional, manual processes.

Nevertheless, technological advancements are not only revolutionising the accounting industry, but they also present significant challenges. The rapid advancement of automation and artificial intelligence has raised concerns about job security, as routine tasks are becoming increasingly automated, leading to anxieties of job displacement. Ethical concerns arise, notably in terms of data protection and responsible technology use, necessitating thorough examination and adherence to professional norms. Additionally, numerous organisations may encounter substantial obstacles due to significant investments associated with the implementation of new technologies.

Even so, these obstacles may be mitigated by implementing financial best practices, promoting ethical conduct, and engaging in ongoing skill development to assist professionals in navigating the changing landscape. Accountants can capitalise on these innovations to improve their positions and contribute to the profession's expansion while still adhering to ethical and cost-effective practices by adopting technological advancements and engaging in continuous learning.

In general, technological advancements can present certain obstacles; however, they also present significant opportunities for the accounting profession to improve. Accountants can substantially improve their efficacy and effectiveness in their respective positions by adopting and mastering these emerging technologies. Consequently, it is highly advantageous for both individual accountants and organisations to navigate and conquer these obstacles, as doing so can result in significant benefits and improvements to their work practices.

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