

Accounting student internship report



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Chio Lim Stone Forest (CLSF) was founded in 1985 and it started from a textile centre in Jalan Sultan to the present Wilkie Edge in Sophia road. CLSF is a member of RSM International, the 6th largest accounting and consulting firms worldwide, with 736 offices in 76 offices. Member groups in RSM International unite together to offer their clients the premier quality of services.

In Singapore, CLSF is the first Certified Public Accountant (CPA) firm to be ISO 9002 certified and largest CPA firm outside the Big 4. It has extensive experiences with all sizes of clients but caters best to the mid markets in terms of giving advisory services. It also offers a wide spectrum of business services (see Appendix 1) that caters to every stages of a business' growth. Their value system which consists of passion, proactive, practical, personal,

perseverance, progressive and professional forms the guiding principle of their service delivery.

CLSF has an open platform where there is no bias towards any race, religion and language. Having an open platform is important as it helps to create a harmonious working environment. In terms of the number of employees, it has 572 staff from 17 nationalities, comprising of 19 partners and 15 directors currently (see Appendix 2). With regards to the revenue earned, it is ranked 10th among the member groups in RSM International (see Appendix 3).

In addition, CLSF is committed to being a socially responsible corporation by contributing back to the society through sponsoring book prizes, bursaries and giving donations to charitable organisations.

What makes CLSF different from any big four firms is that it is ambitious-grown oriented. Building on technical competence, proactive client servicing and an obligation to integrity and professionalism enables CLSP to provide value-added services to clients to help their businesses grow. This can be seen from the fact that the number of employees in the company grew by 17% per annum for the past 22 years due to more and larger clients i. e. listed companies.

Description of job/work assigned (500-600) 594 words

I learnt to perform audit for an investment holding company (ELC Success Pte Ltd). At the start of audit, I prepared lead schedule using the clients' management accounts i. e. trial balance report. Using previous year's template as a guide, I transferred the final audited figures to the last year

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figures column (2009) in current year's template and then keyed in current year (2010) figures under the unaudited figures. I would ensure the figures in the respective sections such as cash and cash equivalents tied to both balance sheet and profit and loss report before I start my audit planning.

I read the previous year's file to have a better understanding of the client and take note of any outstanding matters for this year's audit. I then proceeded with the completion of planning forms such as engagement risk questionnaire, independence questionnaire, materiality determination form etc to understand the client's business. Engagement risk questionnaire helps to identify the risk level through factors like ownership, management, business environment, financial and liquidity considerations to determine if we should accept/reject the audit. Independence questionnaire is an evaluation of the company's compliance with ethical standards and to ensure that there are no threats to independence. Materiality determination form documents the calculation of planning materiality which guides the extent of the audit procedures performed. It enables us to propose either adjusting or waiver audit adjustments based on the materiality limit.

After completing the planning forms, I arranged for an internal planning meeting with my manager. The meeting highlighted any matters that I had to take note for this year's audit such as investment property, both current and deferred taxes and to review my planning forms at the same time. Once the forms were approved and signed by my manager, I started my audit fieldwork by following the audit procedures closely in the manual audit programme sheets (MAPS) on the various sections like revenue etc. I obtained the analysis of revenue and checked the casts. After which, I agree

to the ledger and cross reference the supporting analysis to the lead schedule. I also reviewed and documented the client's revenue recognition policy. For the section on revenue from the use of assets, I performed rental reasonableness test to test the completeness for the quantity of units of assets owned by the company and checked the total revenue by applying the rates in the rental contract. In addition, I scanned the journals to identify any major or unusual transactions.

After completing the programme sheets on the different sections, I drafted current year's financial statements, with the help of an accounting guidelines book and previous year's financial statements. I amended the wordings according to the book and updated the current year's figures based on the audited figures in the lead schedules.

In addition, I was also taught how to do an accounts strike-off for a company that is winding up (Austro Asia Pte Ltd). The purpose of doing a strike-off is to close and zero-rise all accounts. I had to ensure that all expenses are taken up till the date of the strike-off before closing the accounts. Hence, I would look at the bank statement for any movements in the cashbook. Then, I passed adjustments to record any expenses that were incurred i. e. filing, audit and XBRL fees but not yet recorded in the general ledger for that year. I also did statutory audit to certify that the register of members is accurate and there were no changes to be made. After that, I would prepare and send the confirmations to the directors for approval.

Learning experiences & achievements (300-400 words per section)

Before my internship, I was thinking: “ Would there be ample opportunities for me to experience the life of an auditor since I am only an intern?” This question was answered after 3 months in CLSF. Indeed, I have gained new knowledge and skills that would prepare me well for the working environment.

Interpersonal Skills 396 words

I am more proactive in terms of asking questions whenever I faced any doubts. This arises because I hope to be given more opportunities to learn and make the most of every opportunity. As such, I would consolidate my doubts and ask whenever I faced anything that is not familiar. Initiative starts with “ I” and it helps a lot to take the initiative to clarify doubts.

I keep an open mind about new audit procedures as it is impossible for me to know everything. My first engagement was the most difficult and longest task to complete. I consulted my seniors and the task was made easier with them explaining to me on what I should do. I am grateful that they were always there to guide and assist me.

This was very different from my character in school where I tend to be quieter. I would ask questions at the end of the lessons because I do not want to interrupt the class and I am afraid of asking irrelevant questions. As such, I would consult my friends first before seeking help from my tutors.

Working as an intern has also taught me to be more determined. “ There is no such thing as failure, but only feedback.” Every setback that I faced

enables me to move on and become a stronger person. An example was when I was the auditor-in-charge for a small client. When I saw the review points, I was not disappointed as it was my first time attempting it. In fact, I was eager to know my mistakes and learn from it. This clearly shows that I am someone who adopts a ‘never say die’ attitude where I am willing to accept and learn from my mistakes. It gives me ability to improve as a person instead of giving up.

Similarly, I had this attitude of determination and willingness to learn in school. I had difficulties coping with my studies initially as I could not adapt to the Polytechnic life where they adopt lectures style. However, I tried my best and gave myself ample time to get used to the teaching style. I was eager to learn accounting modules as I enjoyed studying a subject that I like. Hence, I was determined to do well and my hard work eventually paid off when I was awarded the Director’s list for 2008 and 2009.

Teamwork 380 words

Building team spirit is necessary for a team to come together to achieve a common goal-quality audit. Teamwork is important, especially in an audit department, since we are grouped into different teams. Teamwork enhances our skills of coordination, communication and in a way allows us to see the bigger picture.

I have learnt to be a better team player when I was first involved in an audit engagement with my 2 seniors. I also realised the significance of trust when my team members are allocated to work on the different sections of the audit work papers. Hence, we have to trust that one performs his allocated

task accurately especially when some sections of the working papers are linked together. For example, I was tasked to do 2 sections mainly, sales completeness test on the sales commission income and trade receivables confirmation. When I did the section on the sales commission income, I had to rely on the section on trade receivables confirmation as one of the audit procedures is to verify those unpaid invoice to trade receivables ageing for completeness. This audit procedure ensures that there is existence of sales even though the amount has not been paid.

Furthermore, I was involved in a group presentation where my team members have to present the MAPS on the topic of completion and finalisation of audit. We had our first meeting and it was awkward at first as we were not familiar with one another. However, things were better after introducing ourselves. I also realised that a team needs a leader in order to progress. My senior led the discussion and we began to share our opinions and thoughts on the presentation materials,

Similarly, in both project work and CCA, I have to cooperate with my team mates to achieve common goals. I enjoyed myself working in teams because we enjoy the fruit of the labour together when everyone cooperates. I also believe that two heads are better than one as there will be always more ideas, which we could improve on and learn from one another, as compared to an individual. There is a saying that goes “ T. E. A. M. – Together Everyone Achieves More!” In a way, teamwork leads to effective learning and work allocation which is crucial in a working environment.

Effective Communication 352 words

Effective communication is a key aspect in carrying out audit work. Without it, no work could ever be accomplished. Having effective communication also helps to build good rapport with clients through audit fieldwork.

I have learnt the significance of effective communication when I had to request source documents from a Japanese client. As she could only understand basic English, I had to use words that are more simplified to communicate with her so that she could understand and get back to me. I was also questioned for the reasons of requesting invoices and sales contracts from her and I had to explain to her. Hence, a key challenge that I faced would be asking the right questions. It is only through asking the right questions and then listening to the responses that information is obtained on the issue being discussed.

As such, listening skills is an integral part of communication. Being an active listener enables me to understand better and know more opinions. This was evident when I was involved in my group presentation meeting. Instead of leading the whole discussion, I listened to everyone's views first before sharing with them my thoughts. We incorporated some views which we thought were useful and seek everyone's agreement before reaching a conclusion.

Working as an intern helps me to improve my interaction and communication skills because I have to communicate daily with my various managers, seniors, and clients on the job. It is also unnoticeable that I tend to be more conscious when I communicate with someone who is of a higher level. I

would always think and form the sentence in my head before speaking to my seniors and managers.

I am someone who is not proficient at English language since young. However, I have attended many English speaking and writing courses to improve my English language. Having enrolled in business communication classes for 3 years has gained my confidence in public speaking and the ability to write more fluently and professionally. In order to improve my English language, I would often reach office early to keep myself updated with the recent news.

Continuous learning and growth 394 words

“ Learning is never ending and each is growing continuously.” For me, I think that continuous training and skills development is critical because an individual who possess the right combination of skills would increase a company’s productivity. CLSF’s director, Mr Tay, also mentioned that in a CPA firm, an individual becomes more valuable when he grows older due to experiences. I strongly agree with his statement.

Within these 3 months, I have attended 4 workshops to upgrade myself with the latest international commercial (INCO) terms, revised FRS 2010, Microsoft Word training for the preparation of audit report and audit 1B.

The soft skills which I have acquired would be the use of Microsoft Word to prepare audit report. I was taught to use several useful functions that would assist me in making my amendments and these functions include the use of cell reference specific sum formulae, using bookmark to link figures from the Notes to the Financial Statements and using the ‘ Index And Tables’ feature

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to generate the Table Of Contents of the audit report. This workshop enabled me to understand what the formulas mean and how the figures are linked together. This makes it easier for me to know how the rest of the data in the reports are affected when making my amendments.

This is in contrast in school where I had a module entitled Decision SpreadSheets where I learnt more about Microsoft Excel applications such as creating pivot tables, macros and charts. I was also taught of the different functions in Microsoft Excel like sum, if etc. In a way, I could apply the information technology (IT) skills which I have learnt for my audit work. This would help me to be a more efficient and effective auditor in preparing audit reports.

As for the technical skills, I was introduced to the new version of MAPS in the audit 1B workshop. This workshop is very useful as it provided me a clearer insight and a deeper understanding of the steps and reasons to perform audit procedures in the different sections of the working papers. I was also taught on communication skills, extensible business reporting language (XBRL) and basic taxes.

This is different where I learnt more about the theory of audit in school, as compared to the practical way of performing an audit in a working environment. Therefore, I could use my audit knowledge and apply in my audit work.

Relate an incident (300-400 Words) 398 words

The incident all started when the 2010 version of MAPS in the lotus notes (company's database) was introduced. Most of the audit programme forms

were new, especially on materiality determination. We would normally use the higher of net assets or total assets for the materiality limit. However, I was told to use normalised comprehensive income before income tax so that I could test the revenue amount.

When I did the depreciation reasonableness test, I realised that the difference in depreciation expense amount is material. Therefore, I had to make current year and prior year adjustments to correct the depreciation expense as the client had over-depreciated in the previous years. Then, I realised my unaudited figures for investment property, depreciation expenses and retained earnings were wrong. I immediately edited the lead schedule and did my statement of cash flows. The statement of cash flows did not tie despite attempting for several times.

I attempted the lead schedule again and realised that there were some mistakes which affected my statement of cash flows. I consulted my senior and she explained to me about the item i. e. deferred tax which I had not taken into account. After correcting the mistakes, I submitted the audit file when I suddenly realised that I forgot to change the net profit before tax figure in the income taxes programme form. I immediately rushed my work as I had yet to change the figures in my lead schedules and all the statements and I had to submit the file that day. After attempting the programme on income taxes, I discovered that there would be no impact on current taxes figures because taxes are calculated based on rental income and not net profit before tax.

After that incident, I told myself to be more composed and meticulous. I should not rush haphazardly but give myself ample time to think about the impact of depreciation expense on the financial statements i. e. expenses, income taxes and retained earnings first before editing my lead schedules and statements. This would save time and effort.

If I ever faced with this situation again, I would learn to stay calm and take one step at a time. I would ensure I have edited all figures in the lead schedules accurately by checking the audit programme forms to ensure that I have made my prior year adjustments before completing my statement of cash flows