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Uniwersytetu Ekonomicznego we Wrocławiu

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263

Quantitative Methods in Accounting and Finance



edited by

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ADVANTAGES AND DISADVANTAGES OF AUDITOR PROFESSION ACCORDING TO STUDENTS OF ECONOMICS

Summary: The paper presents the findings of the research on the perception of work in audit. Special emphasis was put on the advantages and disadvantages of such work according to students of economics. The research had an empirical character and was conducted among the students of Wrocław University of Economics.

Key words: audit, certified auditor, perception, disadvantages, advantages, students.

1. Introduction

Financial statements, generally recognized as a final product of company accounting, include numerous, important pieces of information on a financial and property situation, financial results and changes of a financial situation in a reported year [Sawicki 2011, p. 645].

In order to assure that financial statements are reliable, they are subject to auditing procedure. Therefore, auditing is a responsible job from many viewpoints. It also requires a wide range of knowledge and experience. Providing different audit services requires an appropriate methodology for application of auditing conceptual frameworks, methods and procedures corresponding to essence and tasks [Dorosh 2009, p. 19]. As a result of scientific and technical progress, and changes in the global economy and on financial markets, audit is becoming a more and more complex process. This imposes on the institution of the certified auditor an obligation to observe and analyze such changes and perfect financial statements audit [Sawicki 2011, p. 645].

Auditing is not only a technical and neutral tool of financial statements verification. It is also an important element of a corporate order system influencing the effectiveness of this system significantly [Dobija 2011, p. 34].

The pace of development in financial reporting has accelerated sharply. The pace of progress shows no sign of abating, and it has become increasingly difficult for both a student and a professionally qualified accountant to keep abreast of the changes [Kirk 2006, p.1]. Therefore, a question arises whether, from students' point of view, the advantages of the auditor job prevail over their disadvantages.

From the perspective of the changes in the situation on the labor market in Poland, the decade between 1999 and 2008 can be divided into two periods:

- the period of deteriorating of the market situation (1999–2002);
- the period in which the market situation was improving (2003–2008) [Hasińska, Sipurzyńska-Rudnicka 2010, p. 146]; the unstable situation on the labor market should be thoroughly taken into account by people who just plan and start their professional careers.

The profession of an auditor, whose actions are obligatory for some companies, which is imposed by the law, seems to be a good career choice. On the other hand, the possibility of becoming a certified auditor is also subject to legal obligations. One can become certified an external auditor after he or she fulfills many obligations and meets certain requirements: having full public legal rights, enjoying a spotless opinion, not being sentenced for a studied crime or a tax crime, having higher education in the Republic of Poland or accepted in the Republic of Poland and possessing Polish language writing and speaking skills, passing one-year practice in accounting in a EU country and at least two year application under the supervision of a certified auditor (acknowledged by the Examination Committee), passing examinations for auditor candidates in front of the Examination Committee, passing a final diploma oral examination verifying the knowledge acquired during an application, pledging in front of the president of the State Board of Certified Auditors or another authorized member of the Board [Ustawa z dnia 7 maja 2009 r. o biegłych rewidentach..., art. 5].

The facts mentioned already led to the goal of this article, which is to identify the perception of the job of a certified auditor by students of economics (who are potential candidates for this job) with special emphasis on the identification of the advantages and disadvantages of the job, as perceived by those students. The research questions formulated for the needs of the presented paper are:

- How is the job of a certified auditor perceived by students of economics?
- What are the most important advantages related to the job of a certified auditor according to students of economics?
- What are the most important disadvantages related to the job of a certified auditor according to students of economics?
- Do the advantages of working as a certified auditor prevail over the disadvantages in view of students of economics?

The hypotheses for the research are:

Hypothesis 1: The work in audit is perceived by the majority of economics students to be highly profitable.

Hypothesis 2: The work in audit is perceived by the majority of economics students to be highly responsible.

Hypothesis 3: The advantages of work in audit prevail over the disadvantages in view of the majority of economics students.

2. The research method and the characteristics of the respondents

The research was conducted in the academic year 2011/2012, in the winter semester, at Wrocław University of Economics. The data was gathered with the help of students. The research was conducted among 33 respondents. As many as 61% of them were women and 39% men. The gender structure of the respondents is presented in Figure 1.

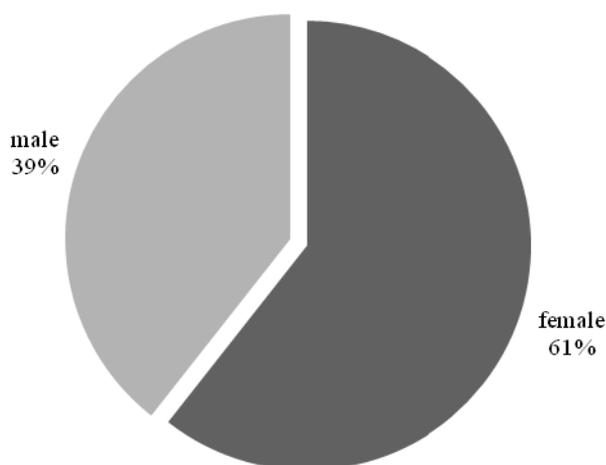


Figure 1. Respondents' gender

Source: author's own work; the data gathered with the help of students.

The age structure is as follows: 55% of the respondents belonged to the age range between 25 and 27, 45% of them were between 22 and 24 years old.

The respondents majored in different fields of studies. As many as 61% of them were finance and accounting students, 27% computer science and econometrics students and 12% were management students. The structure is presented in Figure 3.

As presented in Figure 4, the respondents specialized in different fields within economics sciences. As many as 40% of the respondents belonged to the financial and tax audit specialization, 18% of them belonged to the financial analysis and risk management specialization, 15% – the managerial econometrics specialization,

12% – the small and medium enterprise management specialization, 6% – the data analysis specialization, 6% – the computer science services specialization.

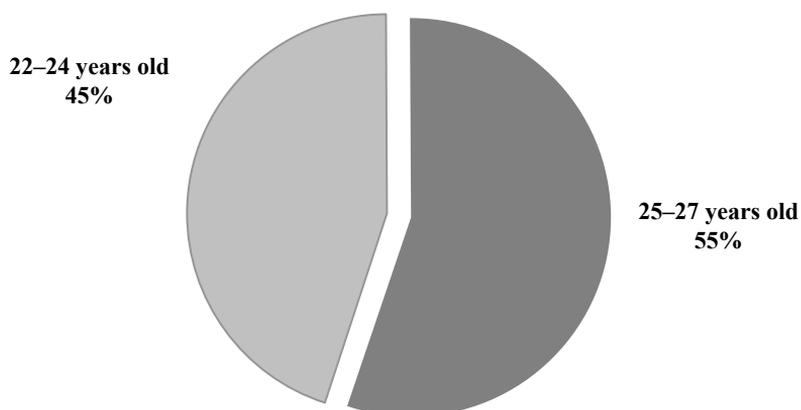


Figure 2. Respondents' age

Source: author's own work; the data gathered with the help of students.

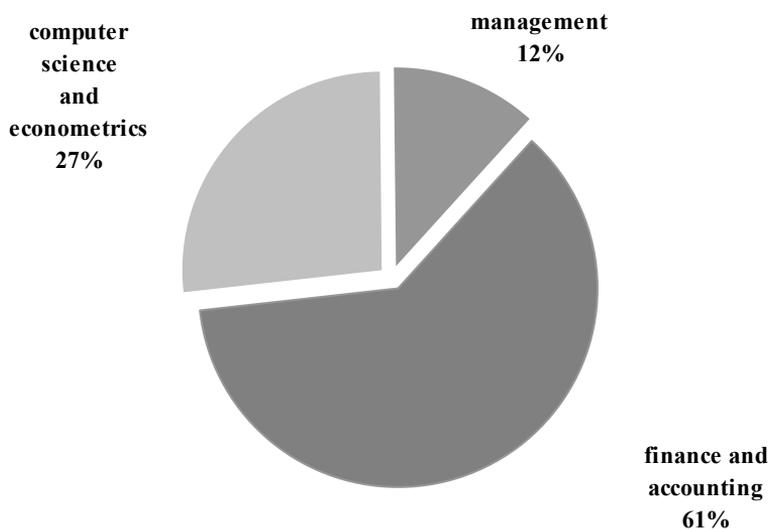


Figure 3. Major fields of respondents' studies

Source: author's own work; the data gathered with the help of students.

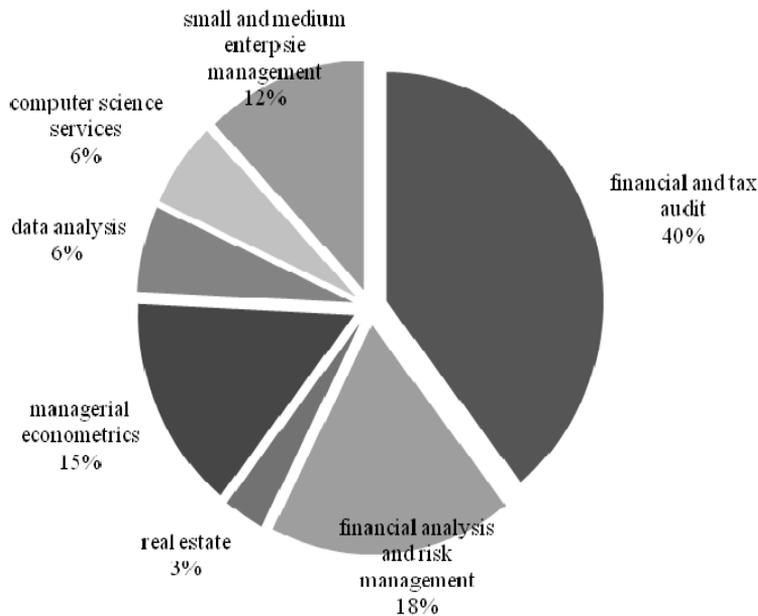


Figure 4. Specializations of respondents' studies

Source: author's own work; the data gathered with the help of students.

3. Research findings

The respondents were to answer several questions. The questions were connected with their perception of the job of a certified auditor. The first question was aimed at establishing their view of profitability of the certified auditor job. Therefore, the students were asked whether the certified auditor position is remunerated at a higher, lower or the same level as the country's average remuneration. The answers are depicted in Figure 5.

As can be noticed, an enormous majority of the students perceive the salary of the certified auditor as higher than the average salary paid in Poland. As many as 6% of the respondents stated that the salary is the same and also 6% stated that it is lower than the country's average salary.

The next question focused on the responsibility of a certified auditor. The respondents were to indicate the responsibility level related to the job of a certified auditor. Figure 6 depicts the percentage structure of the answers. As presented in the figure, 33% of the students assessed the professional responsibility of a certified auditor as very high and 49% as high, which means that more than half of the respondents reckon the responsibility of a certified auditor to be above average. As many as 15% of the respondents assess the responsibility of a certified auditor as

average. Only 3% of the students perceive the responsibility of a certified auditor as low and no one indicated a “very low responsibility” answer.

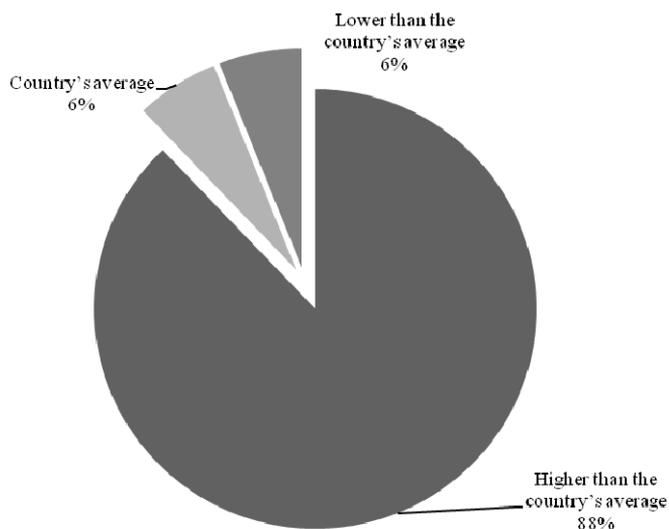


Figure 5. The perception of the salary of a certified auditor according to the respondents

Source: author's own work; data gathered with the help of students.

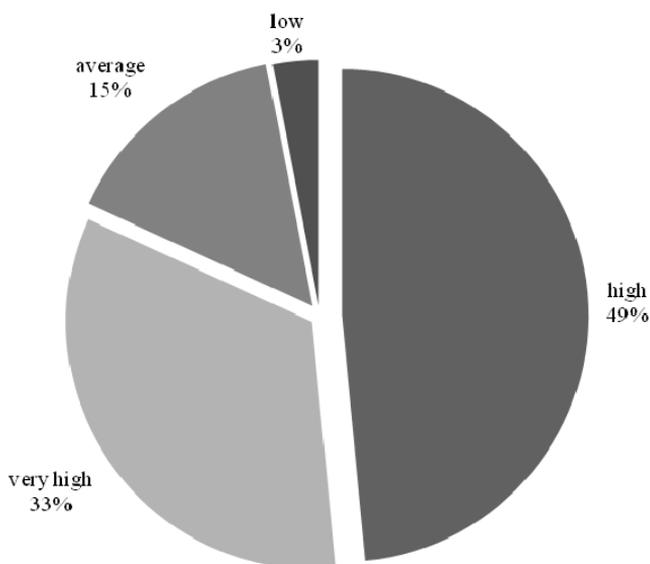


Figure 6. Perception of the level of responsibility of a certified auditor according to the respondents

Source: author's own work; the data gathered with the help of students.

The next stage of the research focused on the advantages and disadvantages of a professional career in auditing. The students were to indicate three answers from the following list:

- frequent travels,
- high salary,
- interchange of experience,
- meeting of interesting people,
- possibility of acquainting oneself with various companies from the inside,
- work in changeable environment,
- other.

The list was prepared on the basis of interviews. The students who indicated “other” answer were to specify the advantage which they meant. The number of answers is depicted in Figure 7.

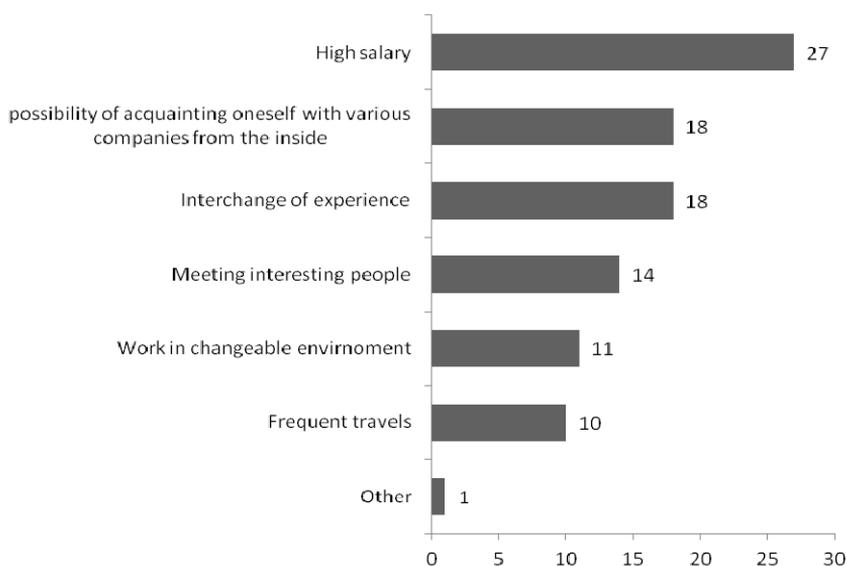


Figure 7. Advantages of the job of a certified auditor in view of the respondents

Source: author's own work; data gathered with the help of students.

As presented, the biggest advantage of the auditing profession according to the students of economics is high salary (27 respondents selected this answer). The second ones are the possibility of acquainting oneself with various companies from the inside (18 points) and the possibility of interchange of experience (18 points as well). Meeting interesting people is the next advantage with respect to the number of points (14), followed by work in changeable environment (11) and frequent travels (10). One person indicated “other” answer and it was specified as “extensive accounting knowledge possessed in a relatively short time”.

The question about the advantages of the job of a certified auditor was, consequently, followed by the question of the greatest disadvantages. As previously, the respondents were asked to choose three answers from the given list. The list was prepared on the basis of interviews. The disadvantages which were enumerated in the list include:

- great responsibility,
- enormous time consumption and work consumption of audit procedure,
- frequent changes of work environment,
- high risk,
- long career path,
- other.

As previously, the “other” answer was backed by the question about the specification of another disadvantage. The answers in the order of the number of points are shown in Figure 8.

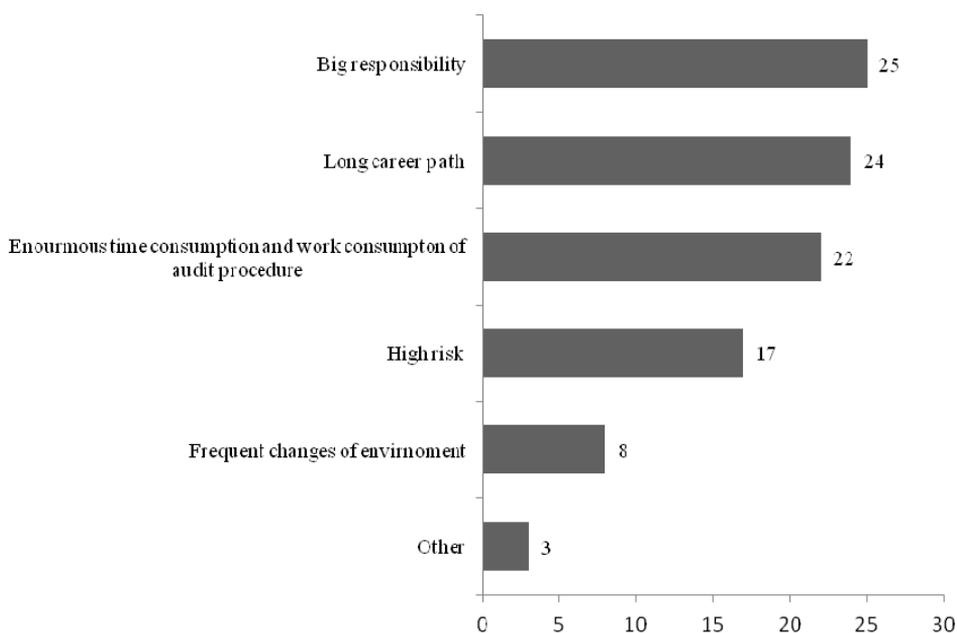


Figure 8. Advantages of work of certified auditor in perception of respondents

Source: own elaboration; data gathered with the help of students.

As the most serious disadvantage of the job of a certified auditor, great responsibility was identified (25 respondents indicated this answer). Also a long career path was a disadvantage indicated by many respondents (24 points). Enormous time consumption and work consumption of audit procedure is also perceived as a great disadvantage by many respondents (22 points). High risk is a next disadvantage

(17 points) followed by frequent changes of environment (8 points). “Other” answer was indicated by 3 respondents. The students who picked this answer specified the following disadvantages:

- “inconvenient” working hours,
- boredom,
- costly procedure of getting certification.

The research was summed up by the question whether the advantages of the certified auditor job prevail over its disadvantages. The percent structure of the answers is presented in Figure 9.

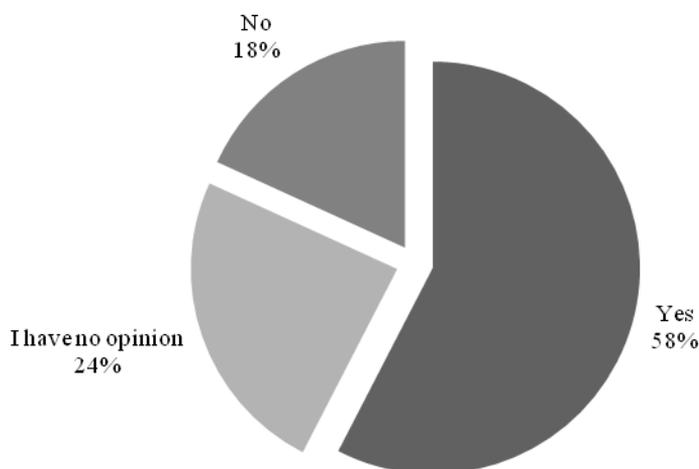


Figure 9. Advantages of the job of a certified auditor *versus* its disadvantages in view of the respondents

Source: author’s own work; the data gathered with the help of students.

As shown in Figure 9, 58% of the respondents think that the advantages of working as a certified auditor are more significant than its disadvantages. As many as 18% of the students that took part in the research had the opposite opinion, and 24% of the respondents declared that they had no opinion.

4. Conclusions

According to the presented research, the job of a certified auditor is perceived by the students of economics in the following way:

- The greatest advantages of the job are, in view of the students: high salary, acquainting oneself with various companies from the inside and the possibility of interchange of experience.

- The greatest disadvantages, according to the students, are: high responsibility, a long career path, and enormous time consumption and work consumption of audit procedure.

According to the research findings, the profession of a certified auditor is assessed by the students of Wrocław University of Economics as:

- highly profitable (88% of the respondents stated that a certified auditor earns more than the country's average salary);
- responsible (33% of the respondents assessed the responsibility of the job of a certified auditor as very high, 49% as high).

According to the presented research, the comparison between advantages and disadvantages of the profession of certified auditor in students' view indicates that the majority of the respondents think that advantages prevail over disadvantages (58% of the students), but a significant fact is that almost one fourth of the respondents do not have any opinion, so probably they think that advantages are equal to disadvantages.

An interesting observation is that some of the features of auditing profession are perceived by some respondents as advantages, and by other respondents as disadvantages. Frequent changes in environment are a noticeable example. This paradox can be probably explained by differences in human character and differences in the way that people perceive changes. Some people see changes as challenges and expect from them an improvement of a situation and emergence of new opportunities. Other people perceive changes as threats and expect from them deteriorating of their situation.

Also, it should be stated that the same job can be perceived in a positive and negative way. Therefore, some people emphasize that realization of audit tasks is very time-consuming and work-consuming, but other respondents argue that it can give them a large knowledge on accounting in a relatively short time and the possibility of thorough knowledge of audited companies from their inside.

The outcome of the research can be important for several groups and institutions, especially:

- universities with academic staff,
- student associations and students,
- employers (auditing companies) and their human resources departments,
- certified auditors.

For the academic staff and authorities of universities that prepare students for auditors profession, the research gives information that students should be taught not only about the merit of audit conduction but also on the specifics of auditor's job with its advantages and disadvantages. Also, a psychological basis for the auditor job should be presented and that is actually what the author does during her "Economic psychology in audit" lecture.

Student associations should communicate more with auditing companies and try to organize some internship in such units so that students could acquaint themselves with the specifics of auditor profession.

For owners, managers and staff management specialists of auditing companies, the present research gives important information about the way the auditor job is perceived. They should make the effort to emphasize the advantages of the job of an auditor and minimize its disadvantages. Also, audit companies should convey to their future employees a true picture of working as an auditor.

Certified auditors, knowing the research outcome, can see what the view of them and their work is like; so this can make them more aware of their perception in the eyes of students. It should be stated that some of the respondents are potential employees of auditor's companies but also some of them are their potential future clients.

Summing up, the limitations and biases should be stated. It should be emphasized that students are a specific group of respondents. Some of them do not have any job experience at all. Most of them have job experience not connected with the profile of their studies (it is a seasonal job during vacation or working in places such as cinemas or restaurants). Very few of them had a chance of experiencing auditing from a practical point of view (like a longer internship in an auditing company). Also, the people who were the respondents are at the beginning of their adult life, so their view can be very different from the views of mature and experienced people. Moreover, it should be emphasized that the perception of working as an auditor is probably influenced most by the image made by the biggest, most well-known companies that are recognized not only in auditing services market but also on the labor market. So the picture of auditing companies in the eyes of students of economics is shaped strongly by the companies from so-called Big Four (KPMG, Ernst & Young, PricewaterhouseCoopers, Deloitte).

As for the age range, it is assumed that in our culture adulthood starts at the age of 20–25 years. Psychologists define maturity and adulthood by enumerating their conditions. There are different signs of reaching adulthood. Nevertheless, in most of the views, a human being can be defined as an adult one by:

- specifics of the life tasks which are undertaken and realized,
- responsibility for oneself and others,
- independence, especially the emotional one, from parents or custodians,
- freedom of choice and accompanying power to fulfill one's strives and needs [Oleś 2012, p. 15].

The research respondents, according to the presented age criterion, are just at the beginning of their adult life. It seems that starting a career in auditing can be a real entrance into the adult life. According to the presented research, auditing is a responsible job (so it fulfills the responsibility for oneself and others – one adulthood

condition); salary is high (which gives independence from parents and also resources to fulfill one's needs).

In the paper, the hypotheses of the research were verified positively. Hypothesis 1, stating that working as an auditor is perceived by most students of economics as highly profitable was verified positively (see Figure 5). Hypothesis 2, stating that working as an auditor is perceived by most students of economy as highly responsible was verified positively (see Figure 6). Hypothesis 3, stating that the advantages of the job of an auditor prevail over disadvantages in view of most students of economics (see Figure 9).

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ZALETY I WADY PRACY AUDYTORA WEDŁUG STUDENTÓW STUDIÓW EKONOMICZNYCH

Streszczenie: Artykuł prezentuje wyniki badań dotyczących postrzegania pracy w dziedzinie audytu. Specjalny nacisk został położony na zalety i wady takiej pracy według studentów kierunków ekonomicznych. Badania miały charakter empiryczny i przeprowadzone były wśród studentów Uniwersytetu Ekonomicznego we Wrocławiu.

Słowa kluczowe: audyt, biegły rewident, postrzeganie, wady, zalety, studenci.