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REENGINEERING THE INTERNSHIP: A NEW APPROACH TO EXPERIENTIAL LEARNING

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ABSTRACT

This paper describes a unique internship learning opportunity with the Controller's office at our university. The intern had direct responsibility for several major projects and learned by doing--not by observing. Key factors identified in the paper that led to the internship's success include careful planning, involvement of accounting faculty, and the cooperation of the Controller's office. The intern learned a great deal from the variety of experiences. The Controller's office benefited by having the intern act as a professional staff member. The accounting faculty benefited from a close working relationship with both the intern and university financial management.

INTRODUCTION

The Vice President of Finance for our university sought the accounting faculty's advice regarding how to manage the workload in the Controller's office while expanding the services they provide. After discussing a number of alternatives, we agreed that a carefully planned student internship could be an ideal solution. Together, we envisioned an internship that would provide the student ample opportunity for experiential learning in a broad range of accounting settings.

All too frequently, an intern serves as a low-level assistant that performs mundane tasks under close supervision. What interns do learn about higher-level tasks, they learn by observing--not by doing. Experiential learning, learning by doing, has many advantages over learning by observing [Bruce, 1993; Specht and Sandlin, 1991]. We planned this internship so that it would include significant experiential components that would benefit both the intern and the Controller's office. The intern was to have direct responsibility for several major accounting assignments including internal audit activities. Before this internship the university had no internal audit function. The close involvement of accounting faculty was essential to the success of this internship. Accounting faculty members played key roles in selecting an appropriate intern candidate. Accounting faculty were also involved on a continuing basis as advisors to the intern.

The intern's independent learning activities included four major projects:

- Writing the report that analyzed disclosure requirements for the university's post-retirement benefits liability.
- Converting the university's general ledger to a form that the external auditors could use.
- Conducting an operational audit of the university bookstore.
- Conducting an operational audit of the university ticket sales office.

The intern also completed other tasks for the Controller. The next four sections of the paper explain how the four major projects became valuable learning experiences.

DISCLOSURE ANALYSIS

The first project was for the intern to analyze the university's post retirement benefit disclosure. Recent changes in accounting standards [Adler, et al., 1991; FASB, 1990; NACUBO, 1991] require the university to disclose liability for post-retirement benefits in its financial statements. No member of the Controller's staff was familiar with the new standard, therefore, the intern began by carefully reading the authoritative literature on the subject. He worked directly with the personnel director to extract the relevant information from the university's records. Next, he drafted a report summarizing his findings. To enhance the learning aspect of this project, an accounting faculty member reviewed the report and suggested a number of revisions.

After revising the report, the intern presented it in a meeting with the universities outside actuarial consultants. At this meeting, the controller assisted the intern in his presentation--a notable reversal of the usual roles! After this meeting the intern became the liaison with the actuary, answering questions and providing additional data.

The intern performed all of these tasks without needing to consult the university's outside audit firm, a significant cost saving. The duration of this project was two months.

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GENERAL LEDGER CONVERSION

Generally accepted auditing standards permit external auditors to use clients' staff to assist them in their audit [AICPA, 1994]. The intern's second major project was to convert the university general ledger to a form that the external auditors could use efficiently and effectively in their conduct of the annual audit. This project took three weeks, one week working with the external audit senior and two weeks working alone.

BOOK STORE OPERATIONAL AUDIT

In an operational audit, the auditor evaluates the efficiency and effectiveness of the organization's operating procedures. Operational audits are frequently more difficult than other audits because they require the auditor to make subjective judgments in evaluating evidence [Arens & Loebbecke, 1994, p. 5]. The university bookstore operational audit presented the intern with a number of special challenges. The intern interviewed all five-department heads and wrote narratives of the operational flows in each department. He then used the narratives to create an integrated system flowchart for the entire book store operation. Using the flowcharts and the narratives, the intern conducted follow up interviews with book store employees and investigated numerous data processing discrepancies. The intern's audit report, which exceeded thirty pages, included seven major audit findings and recommendations for improvements.

In planning and carrying out this audit, the intern:

- Organized a complex activity.
- Learned how to conduct structured interviews and summarize the results in written narratives.
- Experienced a full cycle of audit activities.
- Used flowcharting software to create the systems flowcharts.

Since the intern had not yet taken an accounting information systems course, he had to learn flowcharting on the job. He used one of the controller's reference books and purchased a microcomputer graphics software package that had flowcharting capabilities. Identifying relevant activities is one of the most difficult aspects of learning flowcharting [Faye and Mock, 1986]. The intern struggled with this issue, but, with help from accounting faculty members and the controller, successfully mastered the necessary skills.

TICKET SALES OFFICE OPERATIONAL AUDIT

The last major project was an operational audit of the university ticket office. The university ticket office sells tickets for events throughout San Diego to students at reduced prices.

The ticket sales office is a simpler system than the bookstore. However, this operational audit focused more on internal controls, letting the intern experience a very different audit environment than the book store audit environment.

SUMMARY AND EVALUATION OF THE EXPERIENCE

Clearly, the intern learned a great deal from his varied experiences. The university benefited by having a self-starting professional staff member working with the Controller's office. The accounting faculty benefited by working closely with the intern and developing a partnership with the financial management team of the university. All too frequently, the accounting faculty and university accountants never forge a working mutually beneficially relationship. We feel fortunate to have developed such a relationship at our university.

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