Nurturing auditing students' professional attributes at an open distance learning institution

by

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DECLARATION

Student number: 04522184

I declare that *Nurturing auditing students' professional attributes at an open distance learning institution*, is my own work and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references.

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SIGNATURE **DATE**

Ms Laurene Ferreira

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ABSTRACT

The research set out to describe how professional attributes (PAs) can be nurtured during the teaching and learning of auditing technical content in an open distance learning (ODL) environment. First the research described the necessity to include PAs in the academic programme. This was followed by describing the relevance of PAs during the performance of an audit and identifying and describing the PAs that an entry-level registered auditor are expected to demonstrate. The main categories of PAs identified were: professional demeanour, critical reasoning and communication. The University of South Africa was selected as the ODL institution and data were collected through individual interviews with auditing lecturers and a focus group discussion with auditing students. Tesch's open method of descriptive coding was used for data analysis. Generic recommendations to nurture PAs and specific recommendations to nurture professional demeanour, critical reasoning and communication while teaching and learning auditing technical content in an ODL environment were proposed.

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CHAPTER 1

RATIONALE AND OVERVIEW OF THE RESEARCH

> *All of us, as accounting educators, have been warned many times that accounting education must change if it is to be relevant and add value to our students and the community. [Y]ou will agree with our overall conclusion – that the accounting education environment cries out for action.*
> (Albrecht & Sack 2000:vii)

1.1 INTRODUCTION

The practice community of accountants and auditors believe that accounting education is experiencing serious problems (Albrecht & Sack 2000:50; De Villiers 2010:1; Kavanagh & Drennan 2008:280). One of the problems identified relate to the accounting course content and curriculum. A complete content and curriculum overhaul was already suggested in 2000 by Albrech and Sack (2000:51). Albrecht and Sack (2000:64) noted that the courses too often teach a series of technical rules, resulting in conformance orientation, aiming to achieve the right answer for professional examinations. The curriculum is also viewed as too narrow and not exposing students to broad business education (De Villiers 2010:17). Too much emphasis is placed on teaching students what accountants used to do, instead of what they will be doing. The critical skills that will make students successful are not taught (De Villiers 2010:1; Helliar 2013:512). The need for accounting education to be relevant within a rapidly changing business world requiring knowledge, skills and abilities to practise as successful accountants and auditors still remains in the spotlight (Crawford, Helliar & Monk 2011:118; De Villiers 2010:1; Helliar 2013:518; Venter & De Villiers 2013:1272). Across the world, professional accountancy bodies have highlighted the need for graduates to be employment-ready, demonstrating not only core discipline-specific knowledge and skills, but also generic skills required for employment (Crawford *et al.* 2011:115; De Villiers 2010:1; Helliar 2013:518).

Changes to the business environment and the way professional accountants are required to operate within this environment have set the pace for a whole new generic skill set (Crawford *et al.* 2011:126; Gammie, Cargill & Hamilton 2010:7). This generic skill set refers to the non-technical skills, knowledge and attributes that are not core

discipline-specific, but desirable for employability purposes (Barrie 2006:217; Crawford *et al*. 2011:117; Jones 2010:7). Concerns raised was that education models focus too much on memorisation of content at the expense of skills development – skills that students need to acquire in order to be successful professionals (Albrecht & Sack 2000:43; Helliar 2013:518; Venter & De Villiers 2013:1247). Various stakeholders in accounting education have also voiced their concerns about accounting and auditing graduates who lack many of the non-technical skills necessary for entering the workforce (Barac 2009:38; Crawford *et al*. 2011:116; Jackling & De Lange 2009:370; Venter & De Villiers 2013:1272).

The challenging economic situation implies that it is no longer sufficient for a new graduate to have knowledge of an academic core discipline (Gammie, Gammie & Cargill 2002:63). It is increasingly necessary for students to gain those skills that will enhance their prospects of employment. Employers desire graduates who exhibit an ability to learn and to apply their knowledge and skills in a variety of situations to become prospective leaders (De Villiers 2010:6). In short, they want people who can deploy higher-level cognitive abilities such as analysis, critique, synthesis and multilayered communication to facilitate effective teamwork (Burke, Jones & Doherty 2005:134). Further research identified a lack in practical, critical, analytical, judgemental and decision-making skills in accounting graduates (Crawford *et al.* 2011:118).

A number of studies have been performed to ascertain exactly what skills employers would like to have included in an accounting graduate's profile (Bunney & Therry 2011:6; Hancock, Howieson, Kavanagh, Kent, Tempone & Segal 2009:33; Helliar, Monk & Stevenson 2009:198; Jackling & Watty 2010:1; Palmer, Ziegenfuss & Pinsker 2004:889; Wells, Gerbic, Kranenburg & Bygrave 2009:410). The groups of skills highlighted were communication, problem solving, personal responsibility and interpersonal and organisational proficiency (Gammie *et al.* 2002:64). These relate to professional attributes, which are discussed in the following section.

1.2 PROFESSIONAL ATTRIBUTES: AN APPROPRIATE TERM

One of the central problems in researching non-technical knowledge and attributes is that the literature uses various terms to encapsulate similar concepts. A possible reason for not formulating a universal definition could be ascribed to different interpretations of the term. The concepts correspondingly differ from discipline to discipline and from

context to context (De Villiers 2010:2). The non-technical knowledge and attributes expected by employers, for example, will vary from industry to industry, and what is taught in universities may also vary across universities and between disciplines. In addition, different countries prefer different terminologies (Hancock *et al*. 2009:28). Examples of references to non-technical knowledge and attributes in the literature include 'graduate attributes', 'generic graduate attributes', 'graduateness', 'employability skills', 'transferable skills', 'core / key skills', 'generic attributes / skills', 'common skills', 'workplace know-how', 'non-technical capabilities', 'pervasive skills', 'soft skills' and 'professional skills' (Barrie 2006:217; Barrie 2007:440; Crawford *et al.* 2011:117; Gammie *et al*. 2010:11; IFAC 2010:28; IRBA 2013: Annex. A 5; SAICA 2010:18; Treleaven & Voola 2008:160).

Jones (2010:7) prefers to shelve the idea of developing one term encapsulating all the aspirations of both academics and employers and favours an understanding of generic knowledge and attributes, taking into account their relationship with context. However, for the purpose of this research and for the sake of consistency, an appropriate term referring to the non-technical knowledge and attributes displayed by a prospective registered auditor (RA) is necessary. In deciding on an appropriate term, the authoritative documents of the International Federation of Accountants (IFAC), the Independent Regulatory Board for Auditors (IRBA) and the South African Institute of Chartered Accountants (SAICA) were referred to.

1.2.1 The International Federation of Accountants' Educational Standards

IFAC's International Accounting Education Standards Board (IAESB) developed International Educational Standards (IESs), prescribing the essential elements of education and practical experience necessary to become a professional accountant and the ongoing education requirements once qualified as a professional accountant. IFAC member bodies are required to establish the policies and procedures allowing members to satisfy the requirements of the IESs (IFAC 2010:84). SAICA, as a member body of IFAC, is responsible for the policies and procedures necessary to educate and train entry-level professional accountants in South Africa. Prospective RAs in South Africa first qualify as professional accountants.

The overall objective of accounting education is to develop competent professional accountants (IFAC 2010:13). Professional accounting education provides the foundation

upon which prospective and experienced professional accountants develop their competence and professional values (Saville 2007:107). ‘Competence’ is defined as “the ability to perform a work role to a defined standard with reference to working environments” (IFAC 2010:13). According to IFAC (2010:13), an individual becomes competent through learning and development. The IAESB highlights and defines the three primary categories of learning and development, namely education, practical experience and training (IFAC 2010:14). To be able to demonstrate competence in a role, a professional accountant must possess the necessary professional knowledge, professional skills and professional values, ethics and attitudes (IFAC 2010:13). One of the qualities that a competent professional accountant must possess is labelled as ‘professional skills’ by the IAESB. Professional skills are defined as “the various types of abilities required to apply professional knowledge, and professional values, ethics and attitudes appropriately and effectively in a professional context” (IFAC 2010:28). The IAESB groups professional skills under five headings, namely intellectual skills, technical and functional skills, personal skills, interpersonal and communication skills, and organisational and business management skills (IFAC 2010:47).

1.2.2 The Independent Regulatory Board for Auditors’ Competency Framework

The IRBA Competency Framework for Aspirant RAs in South Africa (previously referred to as the Curriculum Framework) aims to guide accredited professional bodies that seek recognition of their education, training and assessment programmes (IRBA 2013: Annex. A 1). Hereafter, the IRBA Competency Framework for Aspirant RAs in South Africa will be referred to as the IRBA Competency Framework.

In terms of the IRBA Competency Framework, ‘competence’ is defined as a capability to complete a specific task effectively (IRBA 2013: Annex. A 2). Achievement of competence takes place over a continuum of learning, commencing with the recognised academic programme (IRBA 2013: Annex. A 2). The progression of competence is not confined to technical capabilities alone. As a prospective auditor advances in technical skills, he/she is expected to develop non-technical skills to support more complex situations (IRBA 2013: Annex. A 2). IRBA categorises non-technical capabilities into communication, business acumen and service orientation, lifelong learning, ethics and professionalism, leadership and relationship management, Information technology (IT) and cognitive skills (IRBA 2013: Annex. A 5; IRBA 2013: Annex. C in Annex. A 2).

1.2.3 The South African Institute of Chartered Accountants' Competency Framework

To educate and train professional accountants in South Africa, SAICA developed the SAICA Competency Framework, encapsulating the specific competencies for an entry-level chartered accountant (CA) (SAICA 2008). The proposed competencies in the framework envisage the CA to be a leader with a professional accounting background and 'pervasive qualities and skills' that are fully integrated with specific competencies (SAICA 2008:7; SAICA 2010:6). 'Pervasive qualities and skills' are defined as those qualities and skills that all CAs are expected to bring to all tasks – the 'how' of a CA's work (SAICA 2010:18). The pervasive qualities and skills categorised by SAICA include ethical behaviour and professionalism, personal attributes and professional skills (SAICA 2008:7; SAICA 2010:11).

In sum, the non-technical knowledge and attributes are referred to by the IAESB as 'professional skills', by IRBA as 'non-technical capabilities' and by SAICA as 'pervasive qualities and skills'. The researcher prefers the term 'professional attributes' (PAs) to encapsulate the various terms used by academic authors and accounting institutes and bodies to define the non-technical knowledge and attributes that auditing students are expected to bring to the workplace. The word 'professional' suggests professed knowledge of some core discipline, which involves prolonged education and formal training. The word 'attributes' refers to the qualities, capabilities, behaviour and understandings of a candidate and is preferred to 'skills' because of the various interpretations of the latter. The term 'skills' suggests clear, definable and measurable outcomes (Jones 2010:6), whereas attributes cannot always be measured with precision.

Due to IRBA's accreditation of SAICA's education and training programmes, the research is based on SAICA's Competency Framework requirements and the supporting education and training guidelines. SAICA accredits undergraduate and postgraduate accounting academic programmes in terms of compliance with the education guidelines (SAICA 2014b). Therefore, universities that are accredited by SAICA will base their curriculum design on SAICA's educational guidelines. In terms of SAICA's Competency Framework, the PAs are to be fully integrated with the technical competencies of the specific core discipline, namely strategy, risk and governance; accounting and external reporting; auditing and assurance; financial management;

management decision making and control; and taxation (SAICA 2010:19). Hereafter, reference to the technical competencies prescribed for the development and assessment of the core competence of the discipline of auditing and assurance in the SAICA Competency Framework will be referred to as 'auditing technical content'.

1.3 RATIONALE OF THE RESEARCH

In order to be employable, auditing graduates require both technical knowledge and PAs (Jones 2010:6). Competencies that are learned and developed during an academic programme should include both technical content and PAs. The importance of PAs is emphasised by SAICA in terms of its Competency Framework, according to which it is expected of entry-level CA candidates to demonstrate all the PAs included in its Competency Framework at the highest level of proficiency (SAICA 2008;12; SAICA 2010:20). However, the researcher acknowledges the fundamental role that training offices accomplish in terms of the prescribed training programmes towards nurturing and assessing PAs during a prospective RA's period of prescribed practical training. The focus of the research is to consider those PAs that can be nurtured during the academic programme, mainly while teaching the prescribed auditing technical content.

Despite the acknowledged importance of PAs in core disciplines, these attributes have rarely been explicitly taught as part of academic programmes, where the focus is on the core discipline content (De la Harpe, Radloff & Wyber 2000:233). Furthermore, there remains disagreement about how PAs can best be understood, defined, situated, taught and assessed in academic programmes (Jones 2010:5).

1.3.1 Perceived relevance of professional attributes in academic programmes

Levin and Nevo (2009:440) hold the view that beliefs are the filters that guide lecturers during instructional and curricular decision making. A lecturer's beliefs will affect how he/she applies innovations and how he/she will adopt new teaching methods. According to Levin and Nevo (2009:440), the lecturer's beliefs and principles are contextually significant to the implementation of innovations.

Academics hold a variety of disparate understandings of the nature of PAs and their place among the outcomes of university education (Barrie 2007:439, Hancock *et al*. 2009:14). The variation in terms of how academics understand PAs helps in part to explain the reasons for the limited implementation of PAs in university courses (Barrie

2007:441). Jones (2010:6) argues that the ways in which a core discipline is conceptualised influences what is taught and how it is taught. It is therefore important to investigate auditing lecturers' understanding and beliefs within the context of the module(s) for which they are responsible to develop and teach. One could argue that if auditing lecturers do not embrace SAICA's espoused PAs, they are unlikely to appropriately and effectively incorporate them into their teaching material. If PAs are not appropriately and effectively incorporated into the learning material, students may neglect to develop these attributes to an appropriate standard. Consequently, as a point of departure in the research, lecturers' and students' perceived relevance of integrating PAs with auditing technical content needs to be understood.

1.3.2 Combining professional attributes with auditing technical content

The nurturing of PAs holds its own unique challenges. A number of studies have considered ways in which PAs can be taught within the context of accounting and business studies, without considering the relationship between PAs and the discipline itself. De la Harpe *et al.* (2000:233) argue that when PAs are taught, they usually have been presented as *ad hoc*, stand-alone, out-of-context initiatives and have often been designated as 'remedial' with limited value. Jones (2010:18) supports this view and challenges the assumption that PAs are transdisciplinary. Jones (2010:15) argues that PAs are part of the epistemology and culture of disciplines. PAs exist within the content knowledge of a particular discipline and are profoundly influenced by the disciplinary context in which they are taught (Jones 2010:15). Therefore, PAs are highly context-dependent and are shaped by the disciplinary context in which they are taught. To date, no studies have examined how PAs are shaped while teaching the auditing technical content.

A gap in aptly nurturing PAs while teaching the auditing technical content during the academic programmes has been identified. However, without an underlying theory to embed the development of these attributes within education, the identification of PAs becomes little more than a 'wish list' constructed by interested parties (Crawford *et al.* 2011:122). Therefore, the challenge facing auditing lecturers is to develop a thorough theoretical and empirical understanding of which PAs can be aptly nurtured within the academic programme (Jones 2010:10).

The challenge facing lecturers when nurturing PAs is assessing whether or not students are able to transfer the knowledge that they have mastered. Knowledge is a product of the activity, culture and context in which it is developed (Helliar 2013:513; Jones 2010:6). This means that the transfer of knowledge and skills from the classroom to the workplace is most likely to occur when the classroom situation resembles the work situation. When developing teaching material encapsulating PAs, a student should be able to transfer what he/she has learnt during tuition to a different situation, usually the intended practical situation. However, practical experience gained by prospective RAs (auditing trainees) during the prescribed training programme fulfils a significant role in the assessment of PAs. To this end, an auditing trainee's competence in PAs are formally reviewed on a two-monthly basis and formally assessed on a six-monthly basis in terms of SAICA's training regulations (SAICA 2014e:20). However, assessment of PAs in the workplace does not exempt providers of the academic programme from nurturing and assessing PAs (SAICA 2010:12).

Due to the complex nature of PAs, assessment thereof is difficult (Jones 2010:8). Educational literature highlights the importance of assessment in the educational process (Gammie *et al.* 2010:3; Jones 2010:8). These authors argue that if students are not assessed, they will not pay attention to acquiring these attributes (Gammie *et al*. 2010:3; Jones 2010:8). Therefore, PAs *must* be assessed, otherwise they will be marginalised, as students will concentrate on the skills that determine success in the assessment (Gammie *et al.* 2010:3). Although PAs are valued, what tends to be assessed more in the academic programmes is 'concrete' technical content knowledge (Jones 2010:8).

1.3.3 The open distance learning environment

The University of South Africa (Unisa) is one of the universities whose Bachelor of Accounting Sciences and Postgraduate Diploma in Applied Accounting Sciences (Certificate in the Theory of Accounting (CTA) levels 1 and 2) are accredited by SAICA (SAICA 2014b). Besides being the largest open distance learning (ODL) institution in Africa, Unisa was responsible for 27.4% of the total number of candidates who passed SAICA's 2014 Initial Test of Competence examination (ITC). During the 2013 ITC 30.8% of the total number of candidates who passed were from Unisa (SAICA 2014d; Unisa 2014a). In other words, the undergraduate and postgraduate programmes of

Unisa's College of Accounting Sciences are vital in educating prospective CAs and RAs in South Africa.

Teaching and learning in an ODL environment has its unique challenges and there are inherent advantages to aptly nurturing PAs. Open and frequent opportunities for communication between lecturers and students are essential for effective learning (Ferreira & Venter 2011:81). However, regular physical contact sessions as experienced at contact or residential universities are replaced by alternative teaching modes (Prinsloo & Van Rooyen 2007:62). These alternative teaching modes include restricted discussion classes, interactive multimedia options and asynchronous electronic communication such as email and the student portal *my*Unisa (Ferreira & Venter 2011:80; Unisa 2008:5).

In sum, understanding the ODL environment through the eyes of Unisa auditing lecturers and students is essential to propose recommendations to aptly nurture PAs in an ODL environment.

1.4 PROBLEM STATEMENT

More than a decade ago, concern was expressed by a participant during research conducted by Albrecht and Sack (2000:55) that the analytical ability of young auditors was 'atrocious', that students had not been trained to deal with uncertainty and that they were not able to 'communicate'.

In spite of the call for reform in accounting education, the issue that accounting and auditing students lack PAs remains in the spotlight (De Villiers 2010:1; Evans, Gbadamosi, Venter & De Villiers 2013:1272; Wells & Scott 2012:68). Various authors have also voiced their concerns about accounting and auditing graduates who lack many of the PAs necessary to enter the workforce (Barac 2009:38; Crawford *et al*. 2011:116; Jackling & De Lange 2009:370).

The researcher has extensive auditing teaching experience at Unisa, and periodically assists with CA workplace training assessments of trainee accountants. Based on the calls in literature and the researcher's experience, the need to aptly nurture PAs while teaching auditing technical content in an ODL environment is evident. Furthermore, at the time of the study, no research has been performed in investigating suitable teaching

and learning strategies for PAs in the ODL environment. Accordingly, the problem statement was formulated as follows:

How can PAs be nurtured during the teaching and learning of auditing technical content in an ODL environment?

1.5 RESEARCH OBJECTIVES

The primary research objective was to obtain an understanding of Unisa auditing lecturers' and auditing students' perceptions towards nurturing PAs while teaching and learning auditing technical content.

The secondary objectives employed to achieve the primary objective were:

- To describe the necessity to include PAs in the academic programme (discussed in chapter 2).
- To identify and describe the relevance of PAs in performing an audit (discussed in chapter 3).
- To obtain Unisa auditing lecturers' and auditing students' perceptions of the relevance of PAs (discussed in chapter 5).
- To obtain Unisa auditing lecturers' and auditing students' perceptions of the challenges surfacing in an ODL environment while teaching and learning auditing technical content (discussed in chapter 5, guided by the methodology in chapter 4).
- To obtain Unisa auditing lecturers' and auditing students' perceptions of the benefits surfacing in an ODL environment while teaching and learning auditing technical content (discussed in chapter 5, guided by the methodology in chapter 4).
- To obtain Unisa auditing lecturers' and auditing students' suggestions to nurture PAs while teaching and learning auditing technical content in an ODL environment (discussed in chapter 5, guided by the methodology in chapter 4).

1.6 RESEARCH APPROACH

The research attempted to gain new knowledge about a particular learning environment and human interactions that take place to aptly nurture PAs while teaching and learning auditing technical content. In this research, human beings were the objects of research and this brought unique challenges to the fore that would never have been relevant in pure scientific research.

The researcher believes that human behaviour can be understood from an insider's point of view by gaining insight into the meaning that the participants give to their life world. Therefore, reality is socially constructed by people active in the research process. Based on the research objective and the researcher's core discipline, social constructive paradigmatic perspective, a qualitative research design was followed in the research.

1.7 WHY THIS RESEARCH IS IMPORTANT

The primary objective of this research was to obtain an understanding of Unisa auditing lecturers' and auditing students' perceptions towards nurturing PAs while teaching and learning auditing technical content. With this knowledge recommendations are proposed to aptly nurture PAs while teaching and learning auditing technical content in an ODL environment. These recommendations may assist auditing lecturers to improve their curricula and teaching designs to purposefully and effectively incorporate PAs into the learning material.

Competency in PAs may assist ODL auditing students to approach the learning material constructively and in so doing master the auditing technical content effectively and efficiently. The implementation of the proposed recommendations may contribute to the students' success in the ITC.

By nurturing PAs in the ODL academic programme, students may acquire an awareness and appreciation of the relevance of PAs in their future careers. Such an awareness and appreciation may assist ODL graduates to readily adjust to the workplace environment. Ease in adjusting to the workplace environment may reduce employers' perceived inadequacies in graduates' abilities.

The research could provide IRBA, SAICA and Unisa policy makers with new insight into the challenges facing lecturers to aptly nurture PAs in the academic programme. This may initiate further debates to address these challenges.

1.8 DELIMITATION OF THE RESEARCH

The purpose of this research was to focus on a single institution to obtain an in-depth understanding of its unique teaching and learning environment. The focus of the research was nurturing PAs while teaching and learning auditing technical content in an

ODL environment. Therefore, the core discipline of auditing, as offered at Unisa, was investigated. Being a qualitative study, generalisation was neither intended nor possible.

1.9 RESEARCH ETHICS

In qualitative research designs, validity and reliability are described through strategies of trustworthiness. Strategies followed included setting out a clear research context and methodology, prolonged engagement with the participants until data saturation was achieved, bracketing of experiences as an auditing lecturer, triangulation of multiple sources of data for corroboration, peer debriefing and creating an audit trail of the documentation in the research.

Ethical approval was first obtained from the Department of Auditing Research Committee. Ethical approval to conduct research involving Unisa academics and students was obtained from the Unisa Senate Research and Innovation Committee.

Participation was at all times voluntary and the anonymity of the participants is protected. Written informed consent was obtained from all the participants and information was handled in a confidential manner.

1.10 CHAPTER OUTLINE

The following chapter outline of the study is provided:

Chapter 1: Rationale and overview of the research

In this chapter, the researcher explains the decision to use PAs as an appropriate term to be used in the research and the rationale for the research. The rationale was followed by the problem statement and the research objectives. An overview of the research approach followed to achieve the research objectives was given. The reasoning why the research is important, the delimitations of the research and the research ethics followed were also stated.

Chapter 2: Education and training requirements for auditors

In this chapter, restoring the confidence in the auditing profession and the necessity to regulate the auditing profession are discussed. In part, to restore the public's confidence in the auditing profession, the rigid education and training requirements for admission to the auditing profession in South Africa are described. An argument is presented for the

need to include PAs in the academic programme. The academic programme is also offered by an ODL institution, accordingly an overview of the study and practice of ODL is provided.

Chapter 3: Professional attributes for registered auditors

This chapter presents the findings of a literature analysis based on authoritative documents in the professional accounting and external or public auditing domain. From the analysis, the main categories of PAs are identified and the enabling attributes for each category are described. With this information at hand, an overview of the audit process and the various stages in performing an audit in terms of the International Standards on Auditing (ISAs) are described. This description lays the foundation for identifying the relevant PAs in performing an audit and therefore for including PAs, where possible, in the academic programme.

Chapter 4: Research design, approach and methodology

This chapter describes the research design, approach and methodology followed in obtaining the perceptions of Unisa auditing lecturers' and auditing students'. In addition, the measures to ensure trustworthiness of the research and ethical considerations applied are described.

Chapter 5: Research findings

This chapter describes the findings of the individual interviews conducted with Unisa auditing academics and a focus group discussion with auditing students who have studied at Unisa.

Chapter 6: Conclusion

This chapter concludes the research. Accordingly, an overview of the research is provided and recommendations are proposed to nurture PAs while teaching and learning auditing technical content in an ODL environment. The areas requiring further research, the limitations of the research and the importance of the research are indicated.

1.11 CONCLUSION

This chapter introduced the concept of PAs and the background information leading to the rationale of the research. The problem statement was formulated, followed by the

objectives of the research. A qualitative approach was followed in the study. The reasons why the research is important were indicated, together with the delimitations. Finally, mention was made of research ethics followed in the research and that ethical clearance was obtained.

In the next chapter, restoring the confidence in the auditing profession and the necessity to regulate the auditing profession are described. Subsequently, the education and training requirements of a prospective RA are described and the rationale to develop PAs in the academic programme is discussed. The academic programme is also offered by an ODL institution, accordingly an overview of the study and practice of ODL is provided.

1.12 DEFINITION OF TERMS

Academic Programme Guidelines: Refers to a SAICA guideline document for academics, entitled *Competency Framework – Detailed Guidance for Academic Programmes – 2010. Competencies of a CA(SA) at the Point of the Part I Examination (Assessment of Core Technical Knowledge)*.

ICT: Refers to information and communication technologies whereby information is accessed through telecommunications including internet, wireless networks, cellular phones and other communication mediums.

IRBA Competency Framework: Refers to the Competency Framework for Aspirant Registered Auditors, drafted by IRBA in 2013.

Professional accountant: Refers to an individual who has completed the recognised professional accounting programmes of education, training and assessment. In South Africa, the programmes accredited by SAICA permits the professional accountant to register with SAICA as a Chartered Accountant (South Africa).

Professional attributes: Refers to the non-technical knowledge, abilities and values that a registered auditor displays during the performance of the audit process.

Registered auditor: Refers to an individual who is registered with IRBA as an auditor.

SAICA Competency Framework: Refers to a summary of the SAICA Competency Framework, entitled *Competencies of a Chartered Accountant (SA) at Entry Point to the Profession 2008*.

Training Programme Competencies Layout: Refers to a summary of the prescribed competencies to be achieved in the training programme, entitled *CA(SA) Training Programme – Prescribed Competencies: Effective 1 January 2010 (Revised August 2012)*.

Training Programme Guidelines: Refers to a SAICA guideline document for training offices, entitled *CA(SA) Training Programme – Implementation Guide. Effective 1 January 2010 (Revised August 2012).*

1.13 ABBREVIATIONS USED IN THE RESEARCH

ADP: Audit Development Programme
APA: Auditing Profession Act (Act 26 of 2005)
APC: Assessment of Professional Competence
CA: Chartered Accountant
CA(SA): Chartered Accountant (South Africa)
CHE: Council on Higher Education
CTA: Certificate in the Theory of Accountancy
EDCOM: Education, Training and Professional Development Committee (of IRBA)
E-learning: Electronic learning
ETQA: Education and Training Quality Assurance
HEQC: Higher Education Quality Committee
IAESB: International Accounting Education Standards Board
IAS: International Accounting Standard
ICT: Information and communication technology
IES: International Educational Standard
IFAC: International Federation of Accountants
IRBA: Independent Regulatory Board for Auditors
ISA: International Standard on Auditing
IT: Information technology
ITC: Initial Test of Competence
NQF: National Qualifications Framework

ODeL: Open and distance electronic learning

ODL: Open and distance learning

PA: Professional attribute

RA: Registered auditor

SAICA: South African Institute of Chartered Accountants

SAQA: South African Qualifications Authority

Unisa: University of South Africa

CHAPTER 2

EDUCATION AND TRAINING REQUIREMENTS FOR AUDITORS

> *The important thing is that each school take a "zero-based" approach to its curriculum – throw away what is no longer needed and try to make its programme as value-added as possible*.
> (Albrecht & Sack 2000:64)

2.1 INTRODUCTION

Until the late 18th and early 19th centuries, most business organisations were relatively small and were owned and operated as sole proprietorships or partnerships. The development of the corporate form of business over the last 200 years has given rise to the demand for independent assurance provided by external auditors.

Based on the principal-agent relationship, principals (shareholders) are the absentee business owners who invest capital in an organisation and appoint agents (management) to manage the business on their behalf. The agents are accountable to the principals and are therefore responsible for reporting to the principals on the results of their actions (Hill & Jones 1992:131). The results of the agents' actions are reflected in documents such as financial reports and statements.

Information asymmetry arises when agents have more information available about the 'true' state of affairs in a business than the absentee principals. As a result of information asymmetry, a natural conflict of interest arises between agents and principals. If both parties seek to maximise their self-interest, the agents may not always act in the best interest of the principals. To address the problem and to add credibility to their annual financial reporting, the principals appoint a third party, an independent auditor, to report on the fairness of the annual financial statements (Crous, Lamprecht, Eilifsen, Messier, Glover & Prawitt 2012:7). Accordingly, the auditor gathers and evaluates audit evidence with the view to express an independent opinion on the fairness of the agents' financial statements (Crous *et al*. 2012:8).

In brief, an auditor has a clear purpose to fulfil, namely to provide reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. The audit procedures performed by the auditor enables the auditor

to express an opinion on whether or not the financial statements are prepared in all material respects in accordance with an applicable financial reporting framework (IFAC 2012:659). The auditor may provide various types of assurance services, where reasonable assurance is the highest level of assurance. An audit report issued by an auditor accompanying the annual financial statements, providing the financial statement users with reasonable assurance, enables the users to make decisions with greater confidence (Hooks 2011:3; IFAC 2012:78).

In South Africa, only an individual or firm registered as an auditor with IRBA may engage in public audit practice and perform an audit (RSA 2005: Sect. 41). An individual registered with IRBA as a public auditor is referred to as an RA (RSA 2005: Sect. 1). In addition, an audit of financial statements is performed in terms of the ISAs as a means of ensuring credibility of information upon which investors and other stakeholders depend (IFAC 2012:10).

In this chapter, restoring the confidence in the auditing profession and the necessity to regulate the auditing profession are discussed. Subsequently, the education and training requirements to be admitted to the auditing profession in South Africa are described. In an attempt to restore the general public's confidence, rigid education and training requirements are prescribed by SAICA in terms of the competency framework. The need to include PAs in the academic programme is provided. This study focuses on the academic programme as offered through an ODL institution. Accordingly, an overview of the study and practice of ODL is provided and the barriers to ODL in developing countries are discussed.

2.2 RESTORING CONFIDENCE IN THE AUDITING PROFESSION

The Oxford English Dictionary (2012) defines a profession as follows:

> An occupation in which a professed *knowledge* of some subject, field, or science is applied; a vocation or career, especially one that involves prolonged training and a *formal qualification* … Of an occupation undertaken or engaged in for money by professionals (as distinct from non-professionals or amateurs) … Engaged in a profession, esp. one requiring *special skill or training*; belonging to the professional classes as legal, medical, etc. (own emphasis)

From the above definition, the deduction may be made that a profession is an association of similarly educated and trained members with a collective identity with knowledge and skills *or expertise* who are rewarded for their contributions. A professional forms part of a group of individuals who holds an 'implicit contract' with the public they serve. The 'implicit contract' provides the professional with certain rights, including restrictions on competitors, in exchange for the assurance of quality and professional services (Koornhof & Lubbe 2002:4). Professional status, as enjoyed by the auditing profession, is therefore not merely attained by attaching a label to a body of practitioners, but is achieved when there is public acceptance that such a body of practitioners is worthy of recognition as a profession (Carnegie & Napier 2010:362; Jackson & Stent 2012:1-13).

Besides the presence of a specialised body of knowledge, monopoly and control of certain work and public service ethic, self-regulation of a profession has been considered as one of the essential traits of a professional organisation (Anderson-Gough, Grey & Robson 1998:1). However, due to the worldwide spate of financial scandals, the public lost much of its confidence in the auditing profession because of the perception that the profession does not act in the public interest (Odendaal & De Jager 2008:1). The international corporate collapses and scandals of for example Enron, WorldCom and Parmalat cast doubt on the independence and conduct of auditors (Marx, Schönfeldt, Van der Watt, Van Dyk, Maré, & Ramuedzisi 2009:4). In South Africa, the period 1980 to 2006 also saw the collapse of several large public companies, including Masterbond, Regal Bank and Leisurenet (Odendaal & De Jager 2008:1; Puttick, Van Esch & Kana 2007:23).

As a result of these scandals, self-regulation of the auditing profession shifted to various forms of independent regulation to regain the public's confidence. The shift toward independent regulation of the auditing profession was an attempt to save the profession from extinction (Odendaal & De Jager 2008:1). To ensure its existence, the auditing profession should jealously protect its continued usefulness to the public (IRBA 2007b:1). This may be ensured by expecting from its members to meet the competency and ethical expectations, requiring a high standard of education, training and continuing professional education (Koornhof & Lubbe 2002:19). In sum, measures to advance and improve competency and ethical standards in the auditing profession are critical.

The importance of restoring the public's confidence in the auditing profession through independent regulation of the auditing profession was reiterated by the then Minister of Finance, Trevor Manuel, in IRBA's first annual report (IRBA 2007b:1):

> In South Africa ... we saw those who were entrusted with custodial responsibilities ... collude with those bent on corruption. These acts ... serve to undermine a profession that depends on the level of confidence that people have in it. The integrity of this profession remains in doubt with many watching sceptically at a distance.
>
> We took the opportunity to highlight the mammoth task that IRBA has of regulating this profession in a way that restores the integrity and stakeholders' faith as envisaged in the founding legislation.

Driven by the corporate collapses and perceived audit failures, government and regulators in South Africa responded by enacting new sets of legislation to replace previous acts. One of these acts to regulate the auditing profession in South Africa is the Auditing Profession Act (No. 26 of 2005) (APA).

The APA came into effect on 1 April 2006 to protect the public and thereby restore the public's confidence in the auditing profession (RSA 2005: Sect. 2). The APA was drafted with certain objectives in mind to restore the public's confidence in the auditing profession. The objectives of the APA are the following (RSA 2005: Sect. 2):

- To regulate audits performed by RAs to protect the public
- To establish IRBA to regulate the auditing profession
- To develop and maintain ethical and auditing standards, which are comparable to international standards
- To establish and implement competency standards (implying education and training requirements) and good ethics in the auditing profession
- To provide procedures for disciplinary action in respect of improper conduct.

To achieve the above objectives of the APA, IRBA, a statutory body, was established to regulate auditors.

2.2.1 The Independent Regulatory Board for Auditors

IRBA was established in terms of the APA (RSA 2005: Sect. 2) to control that part of the accountancy profession involved with public auditing in South Africa. In its vision and mission statement, IRBA indicates that it strives to be an internationally recognised and respected regulator of the auditing profession within the South African context (IRBA 2012:iv). To live up to its mission, IRBA has set for itself the objective to create a framework and principles to protect the public who rely on RAs and to support RAs to carry out their duties (IRBA 2012:iv). Accordingly, in order to achieve its objectives, IRBA has been given certain statutory functions and powers in terms of the APA.

The general functions of IRBA are prescribed in terms of Section 4 of the APA (RSA 2005: Sect. 4). Some of these general functions include the following:

- To promote the integrity of the profession through various steps, for example investigating improper conduct and imposing disciplinary action
- To protect the public in dealing with RAs
- To set out measures to advance the implementation of professional competence, ethics and conduct
- To encourage education and research
- To prescribe auditing standards.

Additional specified functions of relevance to this research are the following:

- Governing the accreditation of professional bodies (RSA 2005: Sect. 5)
- Governing the registration of auditors, including maintaining a register of its members (RSA 2005: Sect. 6)
- Responsibilities for education, training and development (RSA 2005: Sect. 7).

This research is directed at IRBA's responsibilities towards education, training and development. IRBA is required to ensure that all entry-level auditors possess the necessary professional competence to serve the public interest (IRBA 2013:4). In order to enable IRBA to achieve its objective towards education, training and development, certain statutory measures are in place, one being the accreditation process of professional accounting bodies (RSA 2005: Sect. 5).

The IRBA Accreditation Model (redrafted in 2013) is intended to provide the basis upon which accredited programmes can be evaluated in determining the extent of compliance with the relevant recognition standards as defined by IRBA (IRBA 2013:6). IRBA deems the accreditation and recognition process as a common objective in achieving quality in academic, professional, training and assessment programmes leading to the registration of a prospective RA (IRBA 2012:2-3). The accreditation process simultaneously challenges all professional accounting bodies accredited by IRBA to continuously aspire for improvement by constantly evaluating stated objectives (IRBA 2012:2-3). Moreover, the accreditation of professional accounting bodies is intended to give rise to long-term partnerships between IRBA and the relevant professional accounting bodies sharing the advancement of appropriate standards within the auditing profession (IRBA 2012:2-8).

Assisting IRBA in the execution of its various functions, the Education, Training and Professional Development Committee (EDCOM) was established in terms of the APA (RSA 2005: Sect. 20). Subsequent to the completion of an accreditation assessment by EDCOM's sub-committee, part of their duties is to recommend and report to the members of IRBA's board on whether or not to accredit a professional accounting body that applied for accreditation. Once accredited, an accredited professional accounting body will be held accountable to provide high-quality governance and management of its programmes (IRBA 2012:2-5). The intention of the self-evaluation and external validation processes of an accredited professional accounting body is to provide the public with the necessary assurance that the body is capable of delivering high-quality academic, core assessment and professional programmes of an appropriate standard, supported by an authoritative institution (IRBA 2013:12). Accreditation of a professional accounting body by IRBA is therefore an expression of their confidence in that professional accounting body's institutional and programme quality (IRBA 2013:11). IRBA retains the right to withdraw the accreditation of a professional accounting body at any moment if deemed necessary (RSA 2005: Sect. 5).

IRBA remains responsible for prescribing the specific competencies for the education, training and development of prospective RAs (RSA 2005: Sect. 7). Professional accounting bodies seeking recognition of their programmes with IRBA will be required to demonstrate to IRBA the extent to which the specific competencies defined by IRBA in

its competency framework for South African RAs are developed and assessed within their own relevant programmes (IRBA 2013: Annex. A 1).

2.2.2 The South African Institute of Chartered Accountants

SAICA is a distinguished professional accountancy body in South Africa and one of the leading institutes in the world (SAICA 2014a). SAICA's mission is to serve the interests of the chartered accountancy profession and society by upholding professional standards and integrity and the pre-eminence of South African CAs nationally and internationally. SAICA is responsible for the education and training of CAs and, to this end, entitles its registered members to use the "Chartered Accountant (South Africa)" or "CA(SA)" designation (SAICA 2014a). The CA(SA) designation is the eminent professional accountancy designation in South Africa (SAICA 2014a).

As a delivery model for the education, training and development of prospective RAs, in terms of the IRBA Accreditation Model, SAICA has been granted full accreditation by IRBA with effect from 1 April 2008 (IRBA 2014a). At the time of conducting this research, SAICA was the only professional accounting body accredited by IRBA (IRBA 2014a).

2.3 EDUCATION AND TRAINING REQUIREMENTS FOR PROSPECTIVE REGISTERED AUDITORS

In this section, an overview is provided of the education and training requirements prescribed by IRBA for prospective RAs in South Africa. This is followed by an introduction to IFAC's education standards. Both IRBA and SAICA strive to meet the international educational standards under the auspices of IFAC. In this study, attention was directed to the National Qualifications Framework (NQF), because education and training in South Africa are regulated and accredited within this framework. The SAICA Competency Framework is then described. The purpose of the SAICA Competency Framework is to, among other things, serve as a framework for academics in designing their curricula for both undergraduate and postgraduate academic programmes (SAICA 2010).

2.3.1 The Independent Regulatory Board for Auditors' entry requirements for registered auditors

IRBA is responsible for prescribing the entry requirements to the auditing profession (IRBA 2012:2-4). This section describes IRBA's requirements that lead to the registration of an RA in South Africa. The entry-level education, training and development requirements for prospective RAs are set out schematically in Figure 2.1 and are subsequently discussed in more detail.

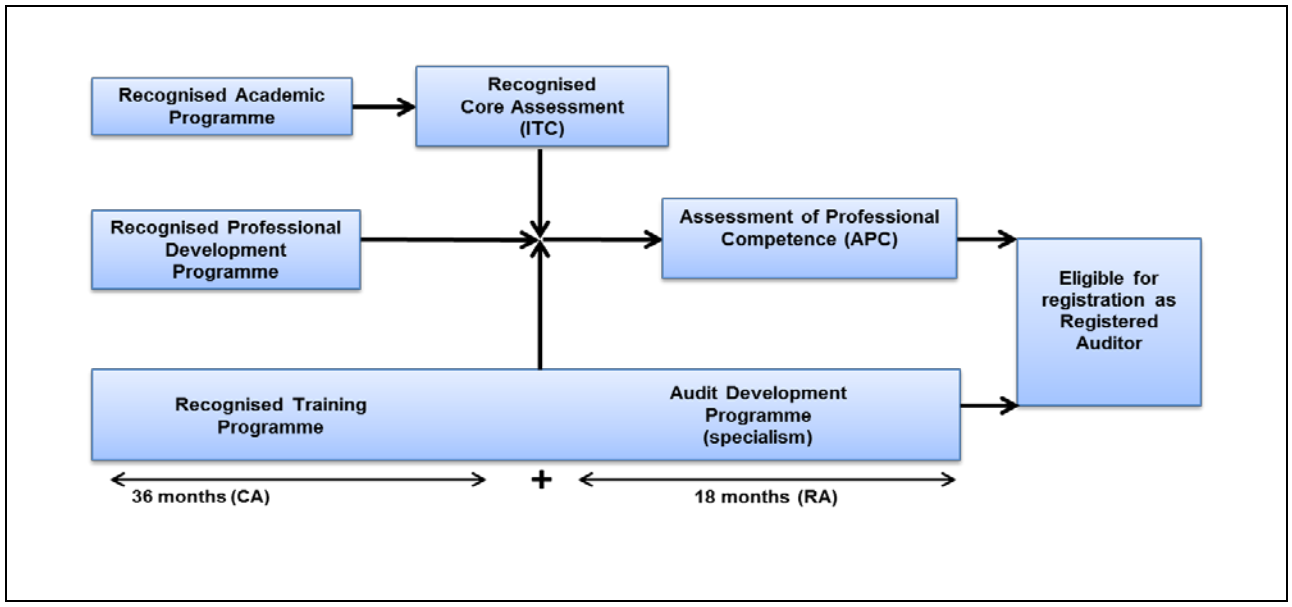

Figure 2.1: Entry-level education, training and development requirements for prospective registered auditors (adapted from IRBA 2014b)

2.3.1.1 Recognised Academic Programme

A recognised academic programme develops the specific technical competencies and PAs to the extent appropriate to the academic programme (Bimbassis 2013b:49). The technical content comprises of auditing, financial accounting and reporting, managerial accounting and taxation (hereafter referred to as the core technical content). The purpose of the recognised academic programme is to construct a sound foundation of fundamental capabilities in the financial fields upon which professional and specialist competence can be built (IRBA 2013: Annex. A 3).

Currently, the CTA or equivalent postgraduate programme that allows access to SAICA's ITC is recognised by IRBA. This programme requires completion of at least a three-year university degree, followed by a postgraduate degree or diploma of at least one year from a university whose programmes have been accredited by SAICA (IRBA

2013:63; SAICA:2014b). The context of this study was limited to the teaching and learning of auditing during the recognised academic programme (undergraduate and postgraduate).

2.3.1.2 Recognised Core Assessment

Admission to the recognised core assessment is the successful completion of the recognised academic programme. The recognised core assessment assesses technical competence and PAs in a manner that is consistent with the way in which these competencies are addressed in the academic programme. Ultimately, the recognised core assessment is a standard setting examination that ensures consistency in the recognised academic programmes (Bimbassis 2013b:49; IRBA 2013:78). To this end, SAICA's ITC is recognised by IRBA. This examination requires of candidates to draw on diverse areas of knowledge, skills and abilities in the core technical content (Bimbassis 2013b:49). PAs in the ITC will mainly be assessed in terms of communication skills and critical reasoning. Therefore, the nurturing of PAs in the academic programme is evident.

2.3.1.3 Recognised Training Programme

A recognised training programme provides the environment in which auditing trainees gain practical technical and non-technical on-the-job experience in the core technical content. However, at least 1 500 billable hours spent in the recognised training programme must be devoted to the auditing and assurance elective (IRBA 2014c:9). The training period of the recognised training programme extends over a minimum period of three years. A period of at least 20 of the 36 months of practical training is to be completed by a candidate before admission is granted to write the Assessment of Professional Competence (APC) examination (Bimbassis 2013a:48). Once a candidate successfully completes the APC and recognised training programme, he/she is eligible to register as a CA(SA).

2.3.1.4 Recognised Professional Development Programme

From 2014 onwards, the recognised professional development programme for assessment of professional competence will focus on the PAs and strategy risk management and governance in a context of full integration with the competencies of the core technical content (Bimbassis 2013b:49). The professional development programme integrates practical experience with theoretical knowledge and skills aimed

at developing professional competence. Access to the professional development programme requires of a prospective RA to have at least one year of recognised training in addition to the successful completion of the ITC.

2.3.1.5 Assessment of Professional Competence

The objective of the APC is to assess the professional competence to the extent possible in a written examination. The APC is written by the prospective RA after the successful completion of the recognised professional development programme and after the completion of at least 20 months of the recognised training programme (Bimbassis 2013a:48). The APC is set and administered by SAICA and the examination is written electronically by candidates. Although the APC is offered only in English, candidates may answer the questions in the examination in any of the official South African languages (Bimbassis 2013a:48). A pre-release of selected information will be provided prior to the examination so that candidates will have time to prepare and work through the material. Additional information and the required section are provided on the day of the examination (Bimbassis 2013a:48).

2.3.1.6 Audit Development Programme

Besides the completion of the recognised training programme (auditing and assurance elective), the prospective RA has to complete an additional period of 18 months' development of specialist audit competence at the office of an RA engaged in public practice (IRBA 2014c:5). Accordingly, in this Audit Development Programme (ADP), the prospective RA will undertake more complex levels of responsibility in the aspects of the audit engagement that pose greater risk to the audit firm, the client and other relevant stakeholders (IRBA 2014c:5).

On completion of the recognised training programme, passing the APC and completion of the additional period of recognised specialist audit experience in the ADP, the candidate is eligible to apply to IRBA for registration as an RA (RSA 2005: Sect. 37).

2.3.2 The International Federation of Accountants' education requirements

IFAC is a worldwide organisation representing 179 professional bodies in 130 countries. The National Council of Chartered Accountants (now SAICA) was one of 63 professional accounting bodies that founded IFAC in October 1977 (IFAC 2014). As part of its mission statement, IFAC aims to serve and protect the public interest by

establishing and promoting adherence to high-quality professional standards and furthering the international convergence of such standards (IFAC 2014; Saville 2007:107). To enable IFAC to pursue its mission, it has established various standard-setting boards (IFAC 2010:4). One of these standard-setting boards is IFAC's IAESB.

The IAESB develops and issues, in the public interest, standards and guidance on the learning and development required to develop and maintain competence in the career of a professional accountant (IFAC 2014). The function of this board is to promote quality and consistency in professional accounting education around the world (Saville 2007:107). IFAC therefore issues IESs for professional accountants, prescribing standards of generally accepted practice in the education and development of professional accountants, including auditors (IFAC 2010:82). These standards are contained in The Handbook of International Education Pronouncements (IFAC 2010). Because the IESs prescribe good practice in learning and development for professional accountants, member bodies such as SAICA are obliged to incorporate the IFAC education standards into its education, training and development programmes (IFAC 2010:19).

The IESs address the principles of learning and development for professional accountants. These standards prescribe the essential elements of education and practical experience necessary to become a professional accountant and to continue maintaining these standards (Saville 2007:107). Enhancing education through the development and implementation of the IESs should improve the competence of the global accountancy profession, contributing to strengthened public trust (IFAC 2010:10). Furthermore, the IESs provide international benchmarks against which member bodies can measure themselves (IFAC 2010:10).

The overall objective of accounting education is to develop competent professional accountants (including auditors) (IFAC 2010:13). Competence, as defined by IFAC (2010:13), entails "the ability to perform a work role to a defined standard with reference to working environments". Expanding on its definition of competence, IFAC recognises three essential categories of PAs that prospective accountants must acquire to demonstrate competency as a professional accountant. The categories of PAs that a professional accountant should possess are professional knowledge; professional skills; and professional values, ethics and attitudes (IFAC 2010:13). A candidate becomes

competent over a period of time through learning and development. The process of learning and development is achieved through education, practical experience and training (IFAC 2010:14). A quality-assurance system is therefore required whereby learning and development achievement standards can be set, registered and quality-assured.

2.3.3 The South African National Qualifications Framework

The NQF provides the principles and guidelines through which records of learner achievement are registered to enable national recognition of the acquired skills and knowledge. Within these set boundaries, the NQF standardises the qualification system in South Africa. Qualifications and standards registered on the NQF are described in terms of the learning outcomes that the qualifying learner is expected to have demonstrated (SAQA 2012:3). Levels 5 to 7 pertain to undergraduate qualifications and levels 8 to 10 to postgraduate qualifications (DoE 2007:11; SAQA 2012:3).

The South African Qualifications Act (No. 58 of 1995) brought into existence the South African Qualifications Authority (SAQA) to function as a juristic entity to oversee the implementation and development of the South African NQF levels (RSA 1995). SAQA is also responsible for overseeing the quality assurance of qualifications. To assist SAQA in its task of accreditation and controlling the quality of the various qualifications, various councils and bodies were established. One of these bodies is the Education and Training Quality Assurance body (ETQA). The two sectors within the ETQA that are relevant to this study are the Education and Training Sector and the Statutory and Non-statutory Professional Bodies Sector (SAQA 2014).

During 1998, the South African Council on Higher Education (CHE) was established as an independent statutory body in terms of the Higher Education Act (No. 101 of 1997) (RSA 1997). This Act enabled the CHE to establish a permanent sub-committee, the Higher Education Quality Committee (HEQC), that is authorised to promote quality assurance in higher education, to audit the quality-assurance mechanisms of tertiary institutions and to accredit programmes offered by each particular institution (DoE 2007:7). Consequently, tertiary institutions have to be audited and, if approved, may offer recognised qualifications (CHE 2014; SAQA 2014).

During 2007, government published a framework, entitled the Higher Education Qualifications Framework, as a basis for integrating all higher education qualifications into the NQF and its structures for standards generation and quality assurance (DoE 2007:5). The framework reiterates that all South African qualifications should include critical cross-field or generic skills to promote lifelong learning as well as discipline, domain-specific or specialised knowledge, skills and reflexivity (DoE 2007:6; SAQA 2001:24). Accordingly, PAs must be incorporated into an academic programme in order to be recognised in terms of the NQF.

The other sector within the ETQA is the sector overseeing Statutory and Non-statutory Professional Bodies. Statutory bodies have additional legislated responsibilities associated with their own acts and/or statutes, for example the APA. They have wider responsibilities than just those pertaining to being an ETQA and are delineated in acts or regulations (SAQA 2014). SAICA, as a professional accounting ETQA, is accredited by SAQA to fulfil the monitoring and auditing of the provision of education and training (SAQA 2014). SAICA, in collaboration with the CHE, is responsible for the accreditation and monitoring of university programmes in the accounting and auditing fields, such as the Bachelor of Accounting Sciences in Financial Accounting and CTA or equivalent (SAICA 2014b).

SAICA is therefore required to submit reports to SAQA on its quality-assurance functions, namely the accreditation and monitoring of providers, quality promotion, assessment and moderation, assessor registration, learner certification, cooperation with other bodies, recommendations of new standards and qualifications as well as the maintenance of an acceptable database. SAICA is certified to quality-assure the qualifications of Chartered Accountant in Auditing and Financial Management, both of which are registered at NQF Level 7 (SAICA 2014b).

In its role as an ETQA, and in terms of its recognised standing with IRBA, SAICA accredits certain academic programmes specifically designed to allow access to the ITC. Accreditation of a programme by SAICA means that the academic unit (university) has put in place the appropriate resources that, if utilised effectively, should enable it to deliver the programme at the required standards and levels of quality. In addition, accreditation assures that the programme meets SAICA's requirements in terms of the standards of learning and teaching (SAICA 2014b). However, accreditation of a

programme by SAICA is not intended to provide assurance that the academic unit is achieving the required standard of delivery of that programme.

SAICA assesses and monitors programmes of certain higher education institutions. The quality-assurance process performed by SAICA includes the provision of an annual self-evaluation by each higher education institution and a monitoring visit at least once in every five-year cycle (SAICA 2014b). SAICA's accreditation is over and above the institutional audits performed by the HEQC (SAICA 2014b).

SAICA as an accredited professional accounting ETQA must therefore identify and describe the professional competencies that an entry-level CA(SA) should demonstrate. Although the competencies of a CA(SA) and RA overlap, the SAICA Competency Framework is designed for CA(SA)s and not RAs. The SAICA Competency Framework therefore does not necessarily address all the professional competencies that a prospective auditor should demonstrate at entry point to the auditing profession. The competencies for RAs are addressed in the IRBA Competency Framework. An RA is a professional accountant who specialises in auditing and therefore requires additional specialised skills to those of a CA (IFAC 2010:21, 86). Consequently, the additional period of specialist audit development, as indicated in Section 2.3.1.6, makes sense, requiring of the prospective auditor to first qualify as a professional accountant and then specialise in auditing. This implies that the initial stages of education and training of a CA(SA) will be applicable to the candidate who wishes to qualify as an RA. This gives meaning to IRBA's philosophy of recognising SAICA's ITC and APC as part of the education, training and development of prospective RAs.

2.3.4 The South African Institute of Chartered Accountants' Competency Framework

The intention of the SAICA Competency Framework is to identify and describe the professional competencies (knowledge, skills and attributes) that a professional accounting candidate should demonstrate at entry point to the profession as a CA(SA), enabling a person to perform a work role to a defined standard (Barac 2009:20; SAICA 2010:3). SAICA has repeatedly reflected over the years on its qualification model and revises its assessment policies and practices continuously (Hesketh 2011:3; SAICA 2010:9). SAICA, as member body of IFAC and in an attempt to comply with the obligation relating to the IFAC's IESs for professional accountants, responded to the

calls for change in accounting education through the adoption of their Competency Framework. In line with IFAC, SAICA issued the Competency Framework: Competencies of a Chartered Accountant (SA) at Entry Point to the Profession in 2008. Two supporting guideline documents followed, namely the SAICA Competency Framework Detailed Guidance for Academic Programmes: Competencies of a CA(SA) at the Point of Part I Examination (Assessment of Core Technical Knowledge) (hereafter referred to as the Academic Programme Guidelines) and the CA(SA) Training Programme Implementation Guide (hereafter referred to as the Training Programme Guidelines) in 2010 (SAICA 2010; SAICA 2012a). Further documents are being developed by SAICA that will provide detailed guidance for the teaching and learning of the professional programmes and the assessment to be followed in the APC. At the time of writing up this research, these documents were in the development stage and not yet released by SAICA.

The SAICA Competency Framework is based on The UFE Candidates' Competency Map of the Canadian Institute of Chartered Accountants (SAICA 2008:3). The competencies that an entry-level professional accountant should be able to display as prescribed in the framework are to be developed and assessed through university education, professional education and work experiences (Gammie *et al*. 2010:2). A candidate becomes competent through learning and development (IFAC 2010:13). Prior to 2008, SAICA relied on a knowledge-based syllabus to inform its education and assessment programmes (SAICA 2010:3). The 2008 SAICA Competency Framework emphasises the importance of integrating theory with practice through experiential learning, and is based upon some of the core ideas of the American pragmatist philosopher Dewey (SAICA 2010:8). Therefore, to successfully develop the professional knowledge, professional skills, and professional values, ethics and attitudes, it is important to link a trainee accountant's or auditor's period of practical experience to his/her formal education constructively and coherently (IFAC 2010:210). An important development in the 2008 SAICA Competency Framework is the emphasis placed on PAs that candidates are expected to bring to all their tasks (SAICA 2010:7).

As mentioned, the SAICA Competency Framework is accompanied by two guides to assist academics and training officers in developing their respective programmes. The Academic Programme Guidelines provides detailed information that facilitates the design of teaching and learning in academic programmes, leading to the appropriate

assessment of core competencies in the ITC (SAICA 2010:4). The Training Programme Guidelines provides detailed information to design the training programme so that it contributes to the achievement of the competencies for CAs(SA) (SAICA 2010:4). The Training Programme Guidelines includes the training requirements for prospective auditors who are receiving their training at recognised auditing firms (public practice). The guidelines assist training officers by providing information as to how these competencies should be assessed in the workplace (SAICA 2012a:1).

In Chapter 3 of this research, the Handbook of International Education Pronouncements containing the IESs, the IRBA Competency Framework and the SAICA Competency Framework along with SAICA's supporting guidelines and other documentation are analysed. The objective of the analysis was to identify and describe the essential PAs with their enabling attributes that prospective auditors ought to demonstrate on entering the auditing profession. Following the identification of the PAs, an overview of the audit process and the various stages in performing an audit in terms of the ISAs is provided. This overview will set the scene for the relevance of PAs in performing an audit and to include them, where possible, in the academic programme.

2.4 DEVELOPING PROFESSIONAL ATTRIBUTES IN AN ACADEMIC PROGRAMME

From the above discussion of the entry requirements of RAs, the question arises whether the academic programme should involve itself in the nurturing of PAs or whether it should be left to the training offices to carry out. In Chapter 1, the rationale for conducting the research indicated that the unpredictable and intensely competitive global market has expanded the roles of RAs and accountants beyond narrow disciplinary knowledge (Hancock *et al.* 2009:14). The global call to renew the accounting and auditing curriculum to deliver graduates with a broader set of attributes encompassing more than purely technical accounting and auditing expertise has been expressed by various authors (Bui & Porter 2010:23; De Villiers 2010:1; Hancock *et al.* 2009:14; Jackling & De Lange 2009:370; Palmer, Ziegenfuss & Pinsker 2004:890). These authors argue that accounting and auditing education has failed to deliver suitably qualified graduates to meet the needs of employers in the modern, technologically astute, rapidly changing business environment. Employers (auditing firms) expect graduates to have solid accounting and auditing skills and strong analytical skills, supported by a set of PAs that enhance their employability and

effectiveness in the workplace (De Villiers 2010:9). All in all, producing academically strong graduates is simply not enough (De Villiers 2010:9).

A mismatch in expectations exists between employers and academics (Barac 2012:75). This is due to different views held by employers and academics about the competencies and attributes that accounting and auditing graduates should possess and who should be responsible for the development of these competencies and attributes. While employers believe that universities should prepare students to become competent members of the workforce, most academics are of the opinion that universities have a key role to develop students' intellectual capability (Bui & Porter 2010:24; Jones 2009:176).

Jones (2009:176) ascribes the mismatch to the fact that although the PAs are often an important aspect of university policy, they exist as espoused theory rather than as clearly articulated teaching practice. The reason for not articulating PAs in teaching practice may be ascribed to numerous factors. These factors include the belief that PAs should be considered a separate entity to disciplinary knowledge. Further, a lack of clarity surrounds PAs and there are practical constraints that enhance their intrinsic complexity (Jones 2009:176).

This research does not debate who should be responsible for the development and assessment of PAs, in other words, the providers of academic programmes or the training offices (employers). The researcher accepts that universities play an important role in the nurturing of PAs. The reason for accepting this is based firstly on the critical cross-field outcomes of SAQA embedded in the NQF level descriptors of a university qualification, thus forming part of the key outcomes of university education (SAQA 2000:6). The critical cross-field outcomes that should be embedded in a university qualification include the identification and solving of problems, displaying critical thinking, working effectively in teams, organising and managing oneself and one's activities, communicating effectively, and using technology effectively (SAQA 2000:41). Secondly, the SAICA Competency Framework clearly expresses the expectation that universities (academic programme providers) address PAs in their programmes (SAICA 2008:12). The reason for relying so heavily on the SAICA Competency Framework in this research is based on the fact that in South Africa, the status enjoyed by

departments of accounting at universities depends largely on whether or not their academic programmes are accredited by SAICA (Van der Schyf 2008:2).

From the outset, the researcher has acknowledged and embraced the important role that training offices play in the development and assessment of PAs during the period of prescribed practical training. Furthermore, the researcher acknowledges that some qualities of PAs may be better addressed in the training programme, for example organisational and business management skills. The focus of the research was to determine how the academic programme can contribute to better equip prospective auditors to become broad-minded individuals who can think and communicate effectively; who have the basis to conduct inquiry, carry out logical thinking and undertake critical analysis; and have appropriate communication, personal and interpersonal skills (IFAC 2010:48).

2.5 OPEN AND DISTANCE LEARNING

Reference to ODL may mean either that distance education is the prevailing method used by the teaching system or there are no prerequisites for access, even for the degree programmes (Trindade, Carmo & Bidarra 2000:2). These circumstances firstly imply that students need to have access other than by interpersonal contact to appropriate learning materials for example books, CD-ROMs, broadcasts, mail or e-mail and accessing the Web (Trindale *et al.* 2000:2). Access to the various learning materials alone is not sufficient even if these materials have been designed as suitable for self-learning (Trindale *et al.* 2000:2). Secondly distance learning methodology requires that some kind of support mechanism be available to students, so they can overcome their learning difficulties, get supplementary information, and evaluate their own progress and exchange ideas with lecturers, tutors and fellow students (Trindale *et al.* 2000:2). Given these two requisites, teaching systems may assume different shapes and mobilise different kinds of technological facilities, according to their objectives, target populations and available resources (Trindale *et al.* 2000:2). The term open and distance learning provides an umbrella designation for various kinds of systems fitting roughly the above requisites (Trindale *et al.* 2000:3).

Credible ODL systems must have means of establishing an individual link with each member of their universe of users. This means that each student is identified as a specific person, to whom correspondence is addressed, assignments are sent, marks

are attributed and whose questions receive timely answers. In the case of formal programmes, it is the individual student whose learning achievement is assessed and to whom a certificate, diploma or degree may eventually be awarded (Trindale *et al.* 2000:3).

To understand the study and practice of ODL and the successful practice of teaching and learning in an ODL institution, a systems approach as proposed by Moore and Kearsley (2006:4) is used in this research. According to the systems approach, an effective ODL system should include certain specialised interdependent components with their respective sub-components. The main components to be considered in the development of an ODL system comprise the identification of the source of knowledge; course design with various specialists; communication of the learning content through various delivery mediums and interaction with students; management and administration of the ODL system, and the consideration of the learning environment (Moore & Kearsley 2006:10).

2.5.1 Identifying the source of knowledge

Identifying the source of knowledge requires content experts responsible for deciding what knowledge should be taught by the learning institution, student needs and the institution's vision or philosophy (Moore & Kearsley 2006:8). In this study the academic content that should be taught is prescribed by SAICA in terms of the SAICA Competency Framework. However, universities design their own syllabi according to SAICA's prescribed curriculum (Academic Programme Guidelines) for the various core disciplines. Universities then decide on their own methods of instruction and assessment of the learning content (SAICA 2010:16).

Although academic knowledge is closely related to professional knowledge, tensions arise over the control of the curricula and examinations (Venter & De Villiers 2013:1247). Professional bodies see curricula and examinations as important mechanisms to define and demarcate the boundaries of a profession, whereas universities require academic freedom (Venter & De Villiers 2013:1247). Whether or not SAICA's prescribed syllabus is in line with a university's philosophy is therefore questioned by Venter and De Villiers (2013:1247).

2.5.2 Specialist course designing

A key characteristic of course design involves a process whereby content experts, instructional designers, graphic designers and other media specialists work as a team in designing the course covering the identified content to be taught (Moore & Kearsley 2006:9). Therefore the effectiveness of a successful ODL course design is depended on the various specialists working together (Fleck 2012:401; Moore & Kearsley 2006:9). Evaluation of the effectiveness and efficiency of the course design is then performed by research experts who evaluate individual student progress against the institution's goals (Moore & Kearsley 2006:9).

2.5.3 Communication of learning content and interaction with students

Communication involves communication of the designed course content and interaction with students through technologies. In all education there has to be communication between the instructor (whether it be a lecturer or teacher), tutor, students and administrative staff (Moore & Kearsley 2006:10). Particularly in an ODL environment, students should have sufficient interaction with their lecturers and tutors to allow for an appropriate degree of exchange of ideas and for guidance and clarification of content where needed (Moore & Kearsley 2006:10).

The fundamental concept of ODL is the distribution of learning material to students who are spatially distant from their lecturers and where teaching and learning is realised outside educational institutions (Moore & Kearsley 2006:1). To overcome the geographical and time separation, the need arises for artificial communication mediums that will deliver information and also provide a channel for interaction between students and lecturers (Moore & Kearsley 2006:1). In ODL, communication between lecturers, tutors and students takes place via some form of technology (Moore & Kearsley 2006:10). The delivery medium of communication may include print, audio / video recordings, computer software, computer networks and interactive multimedia (Moore & Kearsley 2006:10). With the advent of technology, communication methods advanced accordingly therefore the use technology as a communication medium in ODL has changed the face of tertiary education worldwide (Dela Pena-Bandalaria 2007:1; Ferreira & Venter 2011:81). Technology as a medium of delivery and interaction may overcome many of the barriers to learning experienced with traditional distance education. Efforts to use a range of technologies and other support mechanisms makes ODL more practical, flexible and effective particularly in an age where easy access is

gained to multimedia (Ferreira & Venter 2011:81). Examples of other support mechanisms can include the use of tutors and facilitators. Fleck (2012:401) considers the use of tutors and facilitators as a specialism extending beyond course design. The role of tutoring and facilitating students' learning should be identified as involving a specific set of skills, quite separate from the course subject definition and production phases (Fleck 2012:401). Therefore, tutors should be carefully selected with relevant backgrounds and trained to provide a consistent level of support to students (Fleck 2012:401). Specialism should therefore extend to the development of a specialist division of labour underpinning quality to appoint, manage and control the tutors and facilitators.

The use of information and communication technologies (ICT) has changed the way people teach and learn. Students are no longer passive listeners but need to do proactive reading, encoding and decoding anywhere, anytime (Ferreira & Venter 2011:81). Accordingly students, as adult learners, in an ODL environment need to take a greater responsibility in their learning experiences and are able to share their vast experiences and knowledge with others (Dela Pena-Bandalaria 2007:12). Quality ODL requires interactive communication between lecturers, tutors and students and is realised with the aid of modern ICT (Ferreira & Venter 2011:81). In education, where two or more individuals share information, knowledge, values and skills it is necessary to communicate in such a way that any misunderstanding is avoided at all costs (Ferreira & Venter 2011:81).

2.5.4 Management and administration of the system

Management is responsible for assessing the needs of learners who are not easily accessible and influence policy makers to understand ODL and relevant funding needs (Moore & Kearsley 2006:12). The use of technology in the development of courses is expensive and funds should be made available and allocated appropriately. The task of administration is to ensure that money, personnel and time are appropriately managed. Therefore administration is ultimately responsible for aligning various tasks and for the smooth flow in achieving deadlines. Suitable faculty and administrative staff need to be recruited and trained to ensure that this is carried out (Moore & Kearsley 2006:12). Feedback and evaluation mechanisms are essential to remedy any part of the system break downs because it could jeopardise the entire system.

2.5.5 Learning environment

Attention to the nature of the learning environment and therefore the social development stage of the majority of students requires consideration. The learning environment may for example be at the workplace, home, or at a learning centre or classroom. Factors like workplace obligations, family needs, access to technologies, knowledge and skills to use ICT and distance to learning centres all impact the student's learning environment. The various learning environments may have their own potential challenges and interruptions and students must constantly acquire skills and habits of being effective open and distance learners (Ferreira & Venter 2011:83; Moore & Kearsley 2006:12).

The interdependence of the various components of ODL according to the systems approach is fundamental and essential to all ODL intuitions. Furthermore, changes in one component of the ODL system will have immediate effects on all the other components (Moore & Kearsley 2006:13). Often one component may receive more attention than the other components (Moore & Kearsley 2006:14). If the ODL system is not managed and executed as a total integrated system, whereby equal attention is given to all of the above components, disaster will follow (Moore & Kearsley 2006:14).

2.6 BARRIERS TO OPEN AND DISTANCE LEARNING IN DEVELOPING COUNTRIES

Thoughts on education have changed and are continuously being replaced by new paradigms (Ferreira & Venter 2011:82). In the past, distance education implied tuition via correspondence and tutorial matter provided in print. The latest form of distance education is looking at technology mediums for example, the use of interactive multimedia, internet-based access to resources and university portal systems (Ferreira & Venter 2011:82).

Education as a social function can be placed on the boundaries of stability and change (Ferreira & Venter 2011:82). The impact of societal change on education is indicated by Carneira (2007:153):

> In our *old* society – stable, simple and repetitive – memory controlled project, principles were immutably passed on, and exemplary patterns preserved as archetypes ... In our *new* society – unstable, inventive and innovative –project

overcomes memory, future controls the past, patterns are being put to question.

Progress befitting the new society is slow in developing countries (Dela Pena-Bandalaria 2007:1). South Africa as a developing country may therefore not yet be classified as a new society in terms of Carneira (2007:153). As indicated in the description of the systems approach to ODL, management needs to take this into consideration.

The incorporation of ICT in teaching and learning is one way to combine distance and proximity (Ferreira & Venter 2011:83). Learning at a distance has gone through various 'generations' as identified by Fozdar and Kumar (2007:3). The first generation of distance education uses a correspondence model and the delivery technologies used is print. The second generation uses a multimedia model. The delivery technologies include print, audio tapes, video tapes, computer-based learning and interactive video. The third generation uses a tele-learning model and delivery technologies include audio teleconferencing, video-conferencing, audio-graphic communication, and radio / TV broadcasts. The fourth generation uses the flexible learning model and the fifth generation uses the intelligent flexible learning model (Fozdar & Kumar 2007:3). In the fourth and fifth generations the delivery techniques include interactive multimedia, internet-based access to World Wide Web resources, computer-mediated communications, computer mediated response systems and campus portal access to institutional processes and resources (Fozdar & Kumar 2007:3).

The more developed a country, the more advanced ICTs can be used. As a developing society, South Africa may not be ready to fall in the category of fourth or fifth generation of distance education where flexible or intelligent flexible learning models are used (Fozdar & Kumar 2007:3). A student's ability to learn in an ODL institution using the fourth and fifth generation learning models becomes particularly relevant for prospective RAs because competency in the use of IT is required by SAICA (SAICA 2010:30). In the interim, keeping the social constraints of South Africa in mind, consideration should be given in deciding what ICT to use and in what combination (Dela Pena-Bandalaria 2007:1). The use of a particular type of ICT must address certain pedagogical concerns and also aim to bridge the digital divide and democratise access to quality education (Dela Pena-Bandalaria 2007:2).

Blended learning may be the answer for developing countries where access to technology is limited (Barac 2014:59; Ferreira & Venter 2011:84; Prinsloo & Van Rooyen 2007:53). Blended learning from a designer's perspective entails the organisation and distribution of all available facilities, technology, media and materials to achieve an instructional goal when many of these overlap considerably. The learners are then in a position to choose among the provided learning experiences to achieve the learning goals that match their preferred learning style (Ferreira & Venter 2011:84). According to these authors, in a distance learning setting, it amounts to the combination of learning materials on paper with occasional face-to-face communication and electronic ways of teaching and learning, using multimedia (Ferreira & Venter 2011:84).

Additionally the practice-based model to blended learning attempts to explicitly harnesses a student's working contexts into the learning process (Fleck 2012:402). The learning experience is carefully designed as a whole and incorporates activities and exercises requiring of students to reflect on existing working practices (Fleck 2012:402). To work effectively this model requires students to involve the working force (Fleck 2012:402). Accordingly, this model has the effect of creating a dynamic learning community that is integrated through a variety of dialogues and is a powerful form of learning that is directly relevant to practical business life (Fleck 2012:402). As mentioned in Section 2.3.1.3 and 2.3.1.6 prospective RAs are expected to complete a period of practical training. PAs relate to those abilities and values that an RA displays during the performance of an audit. Therefore implementing a practice-based model to developing PAs offer great scope for immediate and directed relevance of what is learnt (Fleck 2012:409). A wide range of pedagogical techniques are available in using the practice-based model, for example action learning; work-based learning; peer learning; problem-based learning, and project-based learning (Fleck 2012:402).

Introducing a practice-based model during the academic programme, whereby students visually develop an awareness of the auditing workplace environment can demonstrate the relevance of PAs and therefore motivate students to develop the PAs. In this regard the use of ICT may be utilised more effectively. Introducing a practice-based model during the academic programme can also be developed through formal and informal activities at departmental level through seminars and workshops recorded on disks or USB flash drives for CD-ROMs, USB ports or digital video players that are relatively cheap and can be accessed by students (Shakir 2009:313). These seminars and

workshops may be utilised by students for reflection and discussion on forums either electronically or during contact sessions. The value of developing the various PAs can be highlighted and the importance thereof in their auditing careers reiterated.

Lecturers may need continuous training in designing practice-based blended pedagogy and an awareness of the availability of specialist support services to develop appropriate learning material and to incorporate PAs in every conceivable opportunity. When introducing a topic on PAs to students, part of designing practice-based blended pedagogy, is to firstly create a certain degree of buy-in from the students (Banico & Zevalkink 2007:21). Often linear-thinking, task orientated personalities may regard PAs as irrelevant (Banico & Zevalkink 2007:21). To overcome this perception the use of real-world examples, relating directly to their field of study may facilitate students in realising the relevance of PAs in their careers (Fleck 2012:402). The importance of PAs in the auditor's career should be emphasised since these attributes are no longer regarded by employers as intangible, 'nice-to-have' skills. Besides, PAs are becoming measurable, tangible abilities in SAICA's ITC, APC and in the training programmes. Once buy-in is achieved, Banico and Zevalkink (2007:22) suggest that PA topics be presented in a linear, tangible way similar to the way in which technical concepts are presented and digested. Accordingly, the specific PA to be achieved must be supported with the enabling steps to achieve the outcome. Once the steps are well understood the lecturer can switch to non-linear techniques to apply the learning, like role playing (Banico & Zevalkink 2007:21). Students should be informed how and in what way they will be assessed (Shakir 2009:312). Scenarios based on real-world situations that students are most likely to encounter in practice should be incorporated (Fleck 2012:402; Shakir 2009:312).

Presenting PAs through stand-alone modules is not encouraged (De la Harpe *et al.* 2000:233; Jones 2010:18). Shakir (2009:312) is of the opinion that developing PAs by embedding them in existing courses is probably one of the most practical ways without changing the current structure of a course. By embedding PAs in an existing course, students develop PAs throughout the full duration of the course (Shakir 2009:312). The task would require of departments to identify which subject modules can be embedded with PA elements (Shakir 2009:312). Lecturers should be heavily involved in the implementation and assessment aspect while students should understand the assessment criteria (Shakir 2009:312).

Teaching styles should be student-centred, where students are expected to participate actively in the learning process and the lecturer or tutor acts as a facilitator (Shakir 2009:312). To this end, problem-based learning, case studies and other teaching and learning techniques can be used in place of traditional passive teaching and learning methods (Barac 2014:60; Fleck 2012:402; Shakir 2009:312). To assist students to attempt problem-based learning and case studies a critical reasoning model may be introduced in the auditing learning material. This could foster understanding of 'how to' but also stimulate inquiry-based learning related to 'why' and 'what to do with' the information offered in case study scenarios.

Critical reasoning entails active, reflective and informed thinking, involving deliberate and skilful questioning, analysis, interpretation and evaluation of ideas with a view to making informed decisions by the students (Van den Berg 2010:3). In introducing a critical reasoning model, the principles based on the model of critical thinking of Paul and Elder (2009) are proposed. This model is preferred because it embodies a systematic and simplistic integrated framework, grounded in ordinary language. Such an explicit model is therefore easier to teach. In terms of their model, the well-cultivated critical thinker raises vital questions and formulates problems clearly and precisely, gathers and assesses relevant information, advances to well-reasoned conclusions, tests conclusions against the relevant criteria and standards, thinks open-mindedly with alternative systems of thought by regarding the practical implications, and communicates with others in figuring out solutions to the problems (Paul & Elder 2009:4). The driving force behind critical thinking is self-directed, self-disciplined, self-monitored and self-corrective thinking (Paul & Elder 2009:4; Van den Berg 2010:3). This is in accordance with social constructivist theory, according to which the student is expected to be active in constructing his/her own knowledge.

Paul and Elder's proposed model includes three components, namely elements of thought, the intellectual standards to measure the quality of thinking and the intellectual traits that set the goals of developing specific traits (Jones & Haydon 2012:4; Paul & Elder 2009:21). All reasoning has the following elements in common: purpose; question or problem at hand; information or data; interpretation and inferences to form conclusions; concepts, theories, principles or models; assumptions; and implications or consequences (Paul & Elder 2009:5). Therefore, the elements of thought encompass the fundamental principles of research. Intellectual standards set self-questioning

techniques to analyse the quality of thinking. These self-questioning techniques lead to clarity, accuracy, relevance, logicalness, breadth, precision, significance, completeness, fairness and depth of thinking (Paul & Elder 2009:12). The intellectual traits are fostered through applying the intellectual standards to the elements of thought and are associated directly with being able to critically analyse a situation or problem from different perspectives and in a fair-minded way (Jones & Haydon 2012:4).

To assist students to understand the prescribed technical content contained in legislation and international standards a critical reasoning and reading strategy may be implemented to assist students to comprehend the content. A critical reasoning and reading strategy may facilitate students in reading and digesting complex prescribed texts. The strategy for reading comprehension involves three stages: to **T**hink before reading, to think **W**hile reading and to think **A**fter reading (TWA) (Mason 2013:124). Within the TWA strategy, elements of the Paul and Elder model of critical thinking are to be incorporated. The proposed strategy will require students to read the prescribed technical content with a questioning mindset, consult additional resources, share informed thoughts with other students, formulate well-reasoned and constructed conclusions and reflect on the quality of their learning.

Instruction commences with an explanation of the description, purpose and benefits of using the proposed critical reasoning and reading strategy. The strategy may for example be explained through a short video podcast with a downloadable link to the strategy chart for guidance and application. The purpose of the video podcast is to clarify understanding of the strategy chart by demonstrating the application of the strategy chart. The video podcast can be followed by short podcasts to be used to provide backup to and reinforcement of students' learning when applying the strategy chart. Moreover, podcasts can be used to set the mood to increase student motivation and engagement (Salmon & Edirisingha 2008:100).

After introducing the strategy, a guided practice exercise should follow, where instruction is scaffolded and student-lecturer collaboration is provided through focussed discussion forums until independent practice is achieved (Salmon & Edirisingha 2008:136). The purpose of the focussed discussion forum is to foster collaboration between students in order to help them apply the proposed strategy. A learning activity should follow to integrate and assess students' understanding of the content, as

formulated in the outcomes of the learning units (Salmon & Edirisingha 2008:145). A description of applying the three stages of the TWA strategy, incorporating critical reasoning, follows.

The first stage of the strategy requires the student to think about the reasoning behind the purpose or objectives of the content. Students are required to think about what they already know about the specific content topic and its context within the audit process. Finally, students are required to think about what they want to know in terms of the purpose or objectives of the content. This step includes recalling prior learning and web-based searches. Once prior knowledge is established, text structure is considered.

In preparing students for the second stage of the strategy, they are required to consider the elements of thought. The student frames further questions to stimulate thinking about the reasoning behind the drafting of the particular content. These questions address the following: the objectives framed by the content, the concepts and definitions, the nature and scope of the content, the extent to which the formulated requirements address the framed objectives, the interpretations of requirements, assumptions made, and the implications or consequences of the content. With these framed questions in mind, the student reads the particular content.

In the second stage of the strategy, students are required to think about linking knowledge and re-reading parts. In this stage, the students make connections to prior knowledge and the framed questions. Students are taught how to identify main ideas and supporting detail to recognise the structure of the content.

In the final stage of the strategy, the student is required to identify the main idea statements of each paragraph, summarise the information by using the appropriate technical vocabulary, and critically reflect on what was learned and how and when to apply the requirements. Students are required to assess their quality of thinking and understanding against the intellectual standards of clarity, accuracy and so forth. During activity-based discussion forums, facilitators guide students to conform to the intellectual standards to ensure that the content of students' arguments is quality-based. The activity of summarising and assessing own thoughts and participating in discussion forums facilitates the development of writing skills and critical reasoning.

Once students have mastered the content, they are ready to progress to the next level of application. The proposed strategy aims to assist auditing students in approaching the content in a structured, purposeful manner, questioning the requirements of the content and understanding the context in which the content has to be applied. Furthermore, the strategy teaches students to reflect on the quality of their own understanding. Through reading, thinking and writing, the strategy nurtures the enabling attributes for communication and critical reasoning expected of auditing graduates.

2.7 CONCLUSION

In this chapter, the importance of restoring the public's confidence in the auditing profession through regulation of the auditing profession was highlighted. In particular, the regulation of the education, training and development requirements for prospective RAs was described. To this end, the admission requirements to the auditing profession and the IRBA Accreditation Model were discussed. SAICA, a professional accounting body accredited by IRBA, is responsible for the education and training requirements of professional accountants and auditors. The focus of the study was the academic requirements in terms of the SAICA Competency Framework. An argument for including the development of professional attributes in the academic programme was provided. This was followed by an overview of the systems approach to understand the study and practice of ODL was provided. The barriers to ODL in developing countries were discussed and blended learning was suggested as a possible solution to overcome the barriers associated with developing countries. Within the spectrum of blended learning, a practice-based model was identified as a possible teaching and learning strategy to nurture PAs. The chapter concluded with a description of a critical reasoning and reading strategy in facilitating students to master the prescribed technical content in terms of the SAICA Academic Programme Guidelines.

In Chapter 3, authoritative documents of IFAC, IRBA and SAICA are analysed to identify the main categories of PAs and the enabling attributes for each category that are vital for the prospective auditor to demonstrate prior to entering the auditing profession. Furthermore, an overview of the audit process and the various stages in performing an audit in terms of the ISAs is given. This description lays the foundation for the significance of PAs in performing an audit.

CHAPTER 3

PROFESSIONAL ATTRIBUTES FOR REGISTERED AUDITORS

> *Students forget what they memorize. Content knowledge becomes dated and is often not transferrable across different types of jobs. On the other hand critical skills rarely become obsolete and are usually transferrable across assignments and careers*.
> (Albrecht & Sack 2000:55)

3.1 INTRODUCTION

The importance of restoring the public's confidence in RAs through regulation of the auditing profession was highlighted in Chapter 2. In particular, the regulation of the education, training and development requirements for prospective RAs and the nurturing of professional attributes in the academic programme.

As organisations' systems of accountability and responsibilities evolve, the auditing services provided by the external auditor adjust. Organisations subject to an audit operate within diverse operational structures. Therefore, during an audit engagement, the RA has to adapt to complex and changing environments and many factors need to be understood and appropriately evaluated by the auditor and his/her team (IFAC 2010:83).

Auditing is a structured process involving the application of analytical skills, professional judgement and professional scepticism (IFAC 2010:83). The audit work is usually performed by an audit team. The audit team may include the engagement partner, other audit professionals, professional accountants, prospective RAs and support staff who do not intend to qualify as professional accountants (IFAC 2010:87). In executing the tasks within an audit engagement, the RA operates as an audit team leader, directing and supervising, interacting with people from diverse cultural backgrounds and with different levels of expertise and perspectives of the task at hand or the expected outcome (IFAC 2010:83, 96). In complex circumstances, audit team members may be required to interact with external multidisciplinary and cross-functional teams, placing reliance on the work of specialists, internal auditors and other RAs (De Villiers 2010:5; SAICA 2008:21). The RA interacts with the clients' audit committee members, the board

of directors and members of governing bodies. Audit partners are ultimately responsible for the quality of audits. In achieving the required quality levels, partners have to lead, manage and supervise the audit team members (human resources) to ensure compliance with professional, regulatory and legal requirements (IFAC 2010:96). Therefore, the development and motivation of personnel form part of the RA's daily activities.

When performing the audit, audit team members are expected to use their technical expertise in analysing, evaluating and advising clients on further assurance needs. Members of the audit team are task-driven to execute the audit plan by designing effective and efficient audit procedures and to meet reporting deadlines and budgeted time allocations on which audit fees are based. Audit team members are required to document their findings, draw conclusions, draft reports and prepare information for meetings with stakeholders (SAICA 2010:70). Accordingly, the RA uses appropriate forms of technology and adheres to a methodology (IFAC 2010:83). In sum, what is critical to achieve overall success are well-nurtured PAs (De Villiers 2010:5). PAs can give RAs a competitive edge in the market place and remain useful throughout an individual's career (IFAC 2010:48).

Therefore, the outcome of education, training and development should enable entry-level RAs to be in a position to lead, apply technical knowledge, evaluate client relationships, manage audit teams, review work and formulate appropriate audit reports. The function of the RA therefore extends far beyond being knowledgeable in the subject content. Therefore, the goal of university education should be to develop the core competencies, enabling the student or prospective RA to apply the auditing concepts, principles and values in an integrated and analytical manner to a standard that provides a foundation suitable for further development (IRBA 2013:64).

The objective of this chapter is to identify and describe the PAs for South African RAs. Accordingly, the IFAC's Handbook of International Education Pronouncements, the IRBA Accreditation Model and the SAICA Competency Framework together with SAICA's supporting guidelines are analysed. Professional bodies and educators regard the abovementioned documents and guidelines as authoritative in prescribing the educational and training requirements of prospective RAs (IFAC 2014; IRBA 2013; SAICA 2014b). In addition, this chapter provides an overview of performing an audit in

terms of the ISAs, highlighting some of the main activities performed by the RA, compelling proficiency in PAs. The underlying principles and practice of the audit process is taught in the academic programme. Therefore, the identification of the relevant attributes may be used by academics to appropriately align PAs with the auditing syllabus.

Once the PAs for entry-level RAs are identified, an understanding can be obtained as to how the identified PAs could possibly be nurtured while teaching and learning auditing technical content, particularly in an ODL environment. To this end, the findings of interviews conducted with Unisa auditing lecturers and a focus group discussion held with Unisa auditing students are presented in Chapter 5.

3.2 OVERVIEW OF SELECTED LITERATURE

To identify *which* outcomes and enabling attributes relating to RAs should be incorporated into the auditing curriculum, authoritative documents issued by IFAC, IRBA and SAICA were selected for the literature analysis. Although the literature analysis is limited to only the above mentioned primary documents, these documents form the basis on which the education and training requirements of RAs in South Africa are based. The analysis focuses on the primary documents, as set out in Table 3.1.

Table 3.1: Primary documents selected for analysis

IFAC	IRBA	SAICA
Handbook of International Education Pronouncements	Accreditation Model. The Accreditation Model incorporates the Competency Framework for aspirant RAs in South Africa.	Competency Framework Summary: Competencies of a Chartered Accountant (SA) at Entry Point to the Profession Competency Framework – Detailed Guidance for Academic Programmes – 2010. Competencies of a CA(SA) at the Point of the Part I Examination (Assessment of Core Technical Knowledge) CA(SA) Training Programme – Implementation Guide CA(SA) Training Programme – Prescribed Competencies: Effective 1 January 2010

The purpose of the limited literature analysis is not to compare the content of the different documents, but rather to identify and describe a holistic set of outcomes and enabling attributes focussing on PAs from all the primary documents listed in Table 3.1. Before analysing the selected primary documents, an overview and purpose of the documents are provided.

3.2.1 Handbook of International Education Pronouncements

In Chapter 2, the vision of IFAC and IAESB (which functions under the auspices of IFAC to serve the public interest through the development and enhancing of education) was described. The IAESB develops and publishes the IESs and promotes the use of those standards through IFAC's member bodies (IFAC 2010:11). By implementing the IESs, the competence of global accountants should increase, contributing to strengthened public trust (IFAC 2010:10). Member bodies of IFAC are therefore required to incorporate the IESs into their educational requirements (IFAC 2010:18). SAICA, as a member body of IFAC, also has the responsibility to incorporate the IESs into their Competency Framework (IFAC 2010:18). The IESs are contained in IFAC's Handbook of International Education Pronouncements. In sum, the IESs address the principle learning and development for professional accountants (and RAs) to be incorporated into the educational requirements of IFAC member bodies (IFAC 2010:18). This handbook (2010 edition) was therefore used as a primary document in the literature analysis.

An overview of some of the relevant IESs utilised in the literature analysis is given. The aim of IES 3: Professional Skills and General Education provides member bodies with guidance to ensure that prospective RAs are equipped with an appropriate mix of skills to function as professional accountants and/or RAs (IFAC 2010:47). In terms of the specific education and training of prospective RAs, IES 3 is examined in conjunction with IES 8: Competence Requirements for Audit Professionals (IFAC 2010:82). As acknowledged in Chapter 2 (Section 2.4), many of these skills are developed and honed during the period of prescribed practical experience, and the role that practical experience plays is addressed in IES 5: Practical Experience Requirements (IFAC 2010:58).

IES 3 groups *professional skills* into critical reasoning, technical and functional skills, personal skills, interpersonal and communication skills, and organisational and business

management skills. Some of these PAs are contained implicitly within educational programmes and are not always acquired from specific courses devoted to them, but rather from the total effect of the education programme (IFAC 2010:48). The standard also acknowledges that not all of the skills will be fully developed at the point of qualification and that some may be the focus of continuing professional development (IFAC 2010:48). IES 8 sheds some light on the skills that can be developed within the education of audit professionals and those that should be developed at an advanced level in an audit environment (IFAC 2010:91). This advanced level refers to a level of skill that is higher than that prescribed for individuals qualifying as professional accountants in IES 3 (IFAC 2010:47, 91).

3.2.2 Independent Regulatory Board for Auditors' Accreditation Model

In Chapter 2, IRBA's Accreditation Model was introduced. IRBA prescribes the competency requirements for the education, training and professional development of prospective RAs (RSA 2005: Sect. 7). The Accreditation Model includes, as an appendix, the Competency Framework for Aspirant Registered Auditors (IRBA 2013: Annex. A 1).

The Accreditation Model provides details of IRBA's requirements for institutional and programme accreditation. Programme accreditation refers to IRBA recognising the academic, core assessment and professional development programmes of an accredited professional body (IRBA 2013:3). The professional development programme incorporates the training (on-the-job) and professional assessment programme. The Accreditation Model, including the IRBA Competency Framework, was used as a primary document in the literature analysis.

The IRBA Competency Framework provides the specific competencies required for the academic, core competence, training and professional assessment programme, and the audit specialist programme. Together, these programmes are regarded by IRBA as the learning continuum path of an aspiring RA on entering the auditing profession (IRBA 2013: Annex. A 1, 2). In terms of the IRBA Accreditation Model, IRBA has accredited SAICA's academic, core assessment and professional development programmes (IRBA 2013). SAICA, as a fully accredited professional body, is responsible for developing a detailed outcomes-based syllabus for these programmes and to indicate the extent to which these programmes develop the core competencies (IRBA 2013:54). Accordingly,

IRBA requires SAICA to demonstrate to IRBA the extent to which the specific competencies as outlined in IRBA's Competency Framework are developed within SAICA's own relevant programmes (IRBA 2013:64). The audit development programme (audit specialisation), the purpose of which is assessing audit competence, remains the responsibility of IRBA to develop and assess and is not delegated to SAICA in terms of the Accreditation Model (IRBA 2013:54).

The IRBA Competency Framework comprises of four annexures. Annexure A sets out the technical competence for the four core disciplines, namely auditing, financial accounting and reporting, managerial accounting and finance and taxation. Annexure B sets out the technical competence of the professional development programme. Annexure C sets out the PAs for the core competency programme and the professional development programmes. Annexure D sets out the specialist competence for the audit development programme (IRBA 2013: Annex. A 17). This research focused on one of the core disciplines, namely auditing, and specifically the PAs, as contained in Annexure C of the IRBA Competency Framework.

A recognised academic programme and core assessment programme should essentially construct a sound foundation of fundamental capabilities in the financial fields upon which professional and later specialist competence may be consolidated and refined (IRBA 2013: Annex. A 3). Accordingly, IRBA expects of academic programme providers to develop learning content that goes beyond the transfer and recall of knowledge, and to enable students to develop skills and values appropriate for self-directed enquiry and research (IRBA 2013:65). This implies an instructional process that includes a broad range of learner-centred instructional methods. Real problems and case studies should be incorporated into the learning material and assessment. Students are also encouraged to work in groups, be active participants in the learning process, question and seek answers for themselves and learn on their own (IRBA 2013:65).

IRBA has identified PAs embodying its expectations of what successful students should demonstrate on completion of the academic programme (IRBA 2013:76). Prospective RAs should be able to:

- analyse complex situations and identify and define problems arising from them;

- integrate knowledge from different technical fields in order to solve multiple-topic problems;
- identify information relevant to a particular problem by distinguishing it from irrelevant information in a given body of data;
- prioritise when dealing with multiple-problem situations by identifying those problems that require immediate attention;
- evaluate alternative solutions and apply objective reasoning when dealing with such alternatives;
- communicate effectively with relevant stakeholders by formulating appropriate and feasible recommendations in a concise and logical manner; and
- continue to learn and adapt to change.

From the preceding identified PAs, it is clear that IRBA visualises an auditing student who successfully completes the academic programme as one who is a critical thinker, can operate within an ever-changing environment, can take initiative when performing his/her task and can integrate the latest technical knowledge to solve problems. When solving a problem or challenge, the entry-level RA should then be able to communicate his/her findings in an effective and logical manner to the relevant stakeholders.

As mentioned above, the IRBA Competency Framework distinguishes between PAs necessary for core competence and for professional development (Annexure 3 to the IRBA Competency Framework). Although the categories of PAs are the same for core competence and professional development, the competencies and abilities differ because the context of the two programmes differs (IRBA 2013: Annex. A 5). The seven categories of PAs identified by IRBA are communication, service orientation, lifelong learning capabilities, ethics and professionalism, leadership and relationship management, technology and cognitive skills (IRBA 2013: Annex. A 1, 3, 8). The PAs specified by IRBA (2013: Annex. A 3) are developed and honed throughout an RA's professional life. Just like technical competencies, the PAs are firstly constructed, then consolidated and later refined (IRBA 2013: Annex. A 3).

In the 2007 Curriculum Framework, IRBA acknowledged that PAs are seldom developed or assessed through programmes specifically dedicated to them (IRBA 2007:4-4). Nevertheless, IRBA expressed its expectation that PAs are to be included in a meaningful and integrated manner and should therefore be addressed in the

academic programme (IRBA 2007:4-4). However, in the IRBA Competency Framework, IRBA pertinently expresses its view that PAs should be properly developed and assessed (IRBA 2013: Annex. A 5). Therefore, professional bodies seeking recognition of their programmes will be required to demonstrate how these PAs are both developed and assessed (IRBA 2013: Annex. A 5). This change in emphasis clearly indicates that academic programmes have a distinct role to play in nurturing PAs.

3.2.3 The South African Institute of Chartered Accountants' Competency Framework

As indicated in Chapter 2, SAICA's academic programme is designed for the assessment of core technical knowledge of aspiring CAs and/or RAs in Part I of the qualifying examination (SAICA 2010). As mentioned in Chapter 1, from 2013 onwards, this examination is referred to by SAICA as the ITC. Accordingly, the SAICA Competency Framework was designed to identify the competencies for CAs, and not explicitly for RAs. However, the SAICA programme is the only programme accredited by IRBA on which universities base their auditing curriculum for prospective RAs (IRBA 2014a). Therefore, when SAICA refers to CAs and the competencies of CAs in its Competency Framework and supporting guidelines, this research assumes that where reference is made to CAs, RAs are included.

SAICA views competency as the ability to execute a task in the 'real world' and recognises that in order to acquire such competency, the prospective CA (and therefore also the prospective RA) must acquire knowledge, develop understanding and have experience in executing tasks (practical application) (SAICA 2008:11). In terms of the Academic Programme Guidelines, providers of academic programmes are to address all the PAs expected of an entry-level CA in their curricula to the extent that educators deem them suitable for inclusion in their academic programmes (SAICA 2008:11). Consequently, SAICA creates a definite expectation that PAs should be addressed in a university's curriculum, but does not specify clear-cut expectations. In terms of the Academic Programme Guidelines, universities are required to explain how PAs are addressed and to substantiate the reasoning for excluding any from the academic programme (SAICA 2008:12). It is interesting to note that SAICA does not prescribe the levels of proficiency to be achieved for PAs in the academic programme, thereby acknowledging that ways for objective measurement of levels of proficiency achieved for PAs in education programmes are difficult to determine (SAICA 2008:12).

The fact that the Academic Programme Guidelines leave the option open for universities to substantiate the reasons for excluding certain PAs from their programmes and not indicate the required level of proficiency expected of universities to achieve during the teaching and assessment of PAs in the academic programmes has inherent limitations and benefits. A possible limitation is that it could lead to inconsistencies in the tuition and assessment of PAs between the various accredited universities. A further limitation is that universities could be exposed to criticism by SAICA during their accreditation reviews as to whether or not PAs are either adequately addressed or appropriately excluded from their programmes. However, the benefit of not being prescriptive regarding the tuition and assessment of PAs allows universities to be innovative in the context within which they operate. The variable factors affecting the context wherein universities operate include student numbers (size of classes), student distribution (contact versus distance education), entry requirements (selective capping registration requirements versus open access to registration) and the tuition period (semester versus year).

The SAICA Competency Framework and the supporting guidelines, namely the Academic Programme Guidelines, the Training Programme Guidelines and the Training Programme Competencies Layout, were selected as primary literature. Although the training programmes' requirements are beyond the scope of the research, the competencies and tasks required to be demonstrated by prospective RAs during their period of practical training may shed further light on what should and could be nurtured in an academic programme.

3.3 ANALYSIS OF SELECTED LITERATURE

The purpose of the literature analysis was to identify and describe the essential PAs applicable to the auditing learning areas. This study has acknowledged that competency in PAs can best be demonstrated within the context of performing the core technical skills. However, by nurturing PAs during the academic programme through introducing appropriate teaching and learning methods, many of the concerns raised by employers and researchers, as identified in Section 1.3, may be addressed.

Technical skills and ethical behaviour are excluded from this research. Ethical behaviour is largely based on codes of professional conduct. The SAICA Code of Professional Conduct and the IRBA Code of Professional Conduct are presented and

assessed at Unisa in dedicated auditing modules (AUE1601 and AUE2601) and general ethics is introduced to students in the compulsory signature course, Sustainability and Greed (AIN2601). Although ethical behaviour and professional conduct are regarded as PAs to be exhibited by prospective RAs, for the purpose of this research, ethical behaviour and professional conduct are regarded as technical content because they are tutored and assessed as such.

The literature analysis was performed using Atlas.ti, which belongs to the genre of computer-aided qualitative data-analysis software. Computer-assisted NCT analysis, as proposed by Friese (2012:92), was used in the literature analysis. The NCT analysis model embraces three basic components, namely noticing things, collecting things and thinking about things. The analysis meant moving back and forth between noticing, collecting and thinking (Friese 2012:92).

During the first cycle of analysis, three separate hermeneutic units were opened, namely IFAC, IRBA and SAICA, and the relevant selected primary literature belonging to each hermeneutic unit was imported for coding. The selected primary literature was first read to obtain a general understanding of the content. Thereafter, the primary literature was coded as part of the initial analysis. To this end, the researcher created her own 'free codes' and '*in vivo* coding' on Atlas.ti. For each hermeneutic unit, a code list was generated and the codes were linked to families. A network view of the families was printed and the codes were tabled under each professional body with the objective to structure the data and to develop categories.

The second cycle of analysis was performed to develop a coherent synthesis of the data corpus, as recommended by Saldaňa (2009:149). The codes generated from the first analysis were sorted with the aim of discovering patterns and relations. A new set of codes and families developed from the process of collecting and thinking, which was used to recode each hermeneutic unit. The outcome of the second analysis identified *which* PAs are most essential for prospective RAs.

3.4 FINDINGS AND DISCUSSION OF THE LITERATURE ANALYSIS

From the literature analysis, four categories of competencies were identified, namely communication, critical reasoning, interpersonal abilities and personal abilities. The enabling attributes for each of the four categories of competencies are described below.

3.4.1 Communication

Prospective RAs should have well-developed oral and written communication abilities (IRBA 2013:62, 76, 86). Entry-level RAs will be required to write reports, letters and memoranda and prepare information in a presentable format. They will also be required to present information to internal and external stakeholders (SAICA 2012a:28).

Communication refers to the ability to clearly and convincingly comprehend and communicate knowledge, facts, ideas and opinions with the view to offer solutions to problems. This includes active listening and reading, consultative negotiation, questioning techniques, persuasion, defending views, understanding different perceptions, giving and receiving feedback, rapport building, and written communication and report-writing skills (De Villiers 2010:4). These enabling attributes imply that one is able to present (orally and in writing) one's knowledge, facts, ideas and opinions clearly to convince an audience when presenting ideas or insights. Furthermore, one is able to commit information to memory quickly and apply information to offer solutions (Coetzee, Botha, Eccles, Holtzhausen & Nienaber 2012:124).

From the literature analysis, the ability to communicate effectively is supported by the following enabling attributes:

- Listening, reading and comprehending
- Negotiating consultative solutions
- Presenting decisions/recommendations (in writing and orally).

3.4.1.1 Listening, reading and comprehending

The prospective RA must be able to listen actively and to read and comprehend effectively by reflecting on his/her own understanding of the problem or issue at hand and to follow instructions (written and oral) (IFAC 2010:49, 50; IRBA 2013: Annex. C in Annex. A 3; SAICA 2008:25, 28; 2012a:28). In practice, the entry-level RAs must also be able to interview internal and external stakeholders and correctly interpret information obtained from the interview, gather and read audit evidence and listen to clients to be able to serve their needs effectively (SAICA 2012a:27). To this end, an entry-level RA's ability to communicate effectively is heavily impacted by the ability to listen and read effectively (SAICA 2012a:28).

3.4.1.2 Negotiating consultative solutions

The prospective RA must be able to negotiate acceptable solutions and reach agreements in collaboration with affected stakeholders through consultative processes in order to address root causes. The consultative processes include obtaining and evaluating the views of others and discussing the impact of unadjusted material misstatements (IFAC 2010:50; IRBA 2013:76, 86; 2013: Annex. C in Annex. A 3; SAICA 2008:14, 28, 29, 71, 72; 2010:29; 2012b:5).

3.4.1.3 Presenting decisions / recommendations (in writing and orally)

The prospective RA must able to document and present information in an appropriate way. The RA should communicate effectively both in written and oral format (IRBA 2013: Annex. C in Annex. A 1, 3; SAICA 2012b:4). When performing an audit, effective communication takes effect during:

- Establishing the terms of the audit engagement (IRBA 2013: Sect. 1 in Annex. A of Annex A 6; SAICA 2008:21; 2012a:33; 2012b:5);
- Documenting an understanding of the entity, its environment and significant risks (SAICA 2012a:35; 2012b:5);
- Designing and documenting effective and efficient audit procedures (IRBA 2013: Sect. 1 in Annex. A of Annex A 6; SAICA 2008:21; 2012a:42);
- Performing these audit procedures in the fieldwork stage to gather audit evidence in order to reach conclusions (SAICA 2008:28; 2012a:45);
- Communicating the findings and recommendations through written and oral discussions (IRBA 2013: Sect. 1 in Annex. A of Annex A 7, 8; SAICA 2008:25; 2012a:50; 2012b:5); and
- Preparing the appropriate type of audit report and reporting reportable irregularities (IRBA 2013: Sect. 1 in Annex. A of Annex. A 8; SAICA 2012a:51; 2012b:5).

In sum, communication entails the ability to understand and follow instructions, locate and comprehend information (audit evidence), discuss findings through consultative processes and present audit findings and recommendations to audit committees and other stakeholders.

3.4.2 Critical reasoning

IRBA (2013: Annex. C in Annex. A 2, 5) refers to critical reasoning as 'cognitive skills'. In terms of its core competence programme, IRBA describes its cognitive skills as the ability to "research and evaluate information from a variety of sources and perspectives" (IRBA: 2013 Annex. C in Annex. A 2). In terms of the professional programme, IRBA describes the cognitive skills as the ability to "identify, evaluate and recommend solutions to unstructured, interdisciplinary problems" (IRBA 2013: Annex. C in Annex. A 5). SAICA (2012a:27) asserts that most structured problems have already been solved – the challenge is to identify and solve unstructured problems.

The prospective RA should be able to solve unstructured problems, make decisions and exercise good judgement in complex situations and often in unfamiliar situations (IFAC 2010:50). Problem-solving and decision-making skills relate to being creative and proactive in the process of producing solutions to a recognised but often ill-defined problem or problematic complex situation while applying sound judgement (Coetzee *et al*. 2012:123; De Villiers 2010:4). In addition, problem solving involves considering complexities in the larger cultural, business and economic realities, in other words seeing the 'bigger picture', and initiating the necessary changes that will ensure a beneficial outcome. It also includes offering unique or novel ideas that add new knowledge and insight to a problem and the ability to make clear decisions (Coetzee *et al*. 2012:123). Prospective RAs will therefore be required to apply their discipline-specific knowledge competently by thinking laterally, framing the issues, asking the right questions and being aware of and probing the ambiguities and complexities to solve the problem (Coetzee *et al*. 2012:123; De Villiers 2010:4).

Critical reasoning falls in the cognitive domain and revolves around knowledge, comprehension and critical thinking of a particular topic. In terms of Bloom's taxonomy, cognitive development is classified into six categories of behaviour in learning. In ascending order, these categories are knowledge, understanding, application, analysis, synthesis and evaluation (IFAC 2010:49). In furthering critical reasoning, a student will develop through all the stages of cognitive development. According to IES 3, it is important that prospective RAs reach the highest levels of cognitive development at the point of qualification (IFAC 2010:50). In terms of IES 8, critical reasoning is developed at an advanced level in an audit environment in practice. However, the underlying

principles of problem solving and critical thinking can nevertheless be developed and are outcomes of a general educational programme (IFAC 2010:50).

From the literature analysis, the ability to apply critical reasoning is supported by the following enabling attributes:

- Identifying and defining the problem
- Information management and conducting research
- Abstract / lateral / analytical and logical thinking
- Integration of knowledge
- Forming sound professional decisions / making recommendations.

3.4.2.1 Identifying and defining the problem

The prospective RA must be able to analyse complex, unstructured situations to identify and define the problem (IFAC 2010:49; IRBA 2013:62, 76, 86; 2013: Annex. C in Annex. A 2, 5; SAICA 2012a:27).

The RA is confronted with identifying and solving unstructured problems in the following situations during the performance of an audit (SAICA 2012a:27):

- Planning, deciding on and designing efficient and effective audit procedures
- Adapting audit procedures when all the required information is not available
- Designing or testing control systems
- Deciding on how a large amount of work should be done in a short period of time
- Auditing of ambiguous or complex transactions and establishing whether provisions and accruals are reasonable.

To identify and solve problems in the above situations, the prospective RA must be able to skilfully identify the purpose of the issue at hand and be in a position to diagnose the problem (SAICA 2008:26; 2012b:4). Apart from developing a logical approach to decision making, the prospective RA must also be flexible in his/her thinking, depending on the circumstances (SAICA 2012a:27).

3.4.2.2 Information management and conducting research

The prospective RA has to gather and organise information and conduct research. Information management implies locating, obtaining or gathering and organising the information. The prospective RA must therefore be able to locate and obtain from human, print and electronic sources relevant information and then organise this information meaningfully (IRBA 2013: Annex. C in Annex. A 2, 5; 2013: Annex. D in Annex. A 16; IFAC 2010:49, 91; SAICA 2008:13; 2010:13, 70; 2012a:21). The prospective RA should know what knowledge is required to solve a particular problem and how to generate appropriate information (IFAC 2010:39; SAICA 2012b:4). Information is gathered by asking appropriate and probing questions and conducting research (SAICA 2012b:4). From the body of data gathered, the prospective RA should be able to distinguish between relevant and irrelevant information (IFAC 2010:65; IRBA 2013:62, 76, 86).

The prospective RA must be able to present optional solutions to a problem (SAICA 2012a:27). Research suggests that when solving a problem, multiple possible solutions must be considered and evaluated (SAICA 2012a:27). In the end, the prospective RA must be able to employ a logical method of assessing alternatives so that the most reasonable solution, based on available information, can be selected (SAICA 2012a:27). Research involves investigating, gathering and studying information to find a definitive answer to a defined problem. The prospective RA requires experience in inquiry and the evaluation of quantitative data (IFAC 2010:51, 91). Technical research is undertaken to obtain and verify, validate and evaluate information (IFAC 2010:91; IRBA 2013:65, 70; SAICA 2008:13; 2010:26, 27, 71; 2012b:4). The objective of research is to identify and explore innovative alternatives and likely outcomes to problems (SAICA 2008:23, 28). The prospective RA must be able to identify cause and effect relationships, but also the limitations of the given information (SAICA 2008:26, 27). In the workplace, the prospective RA needs to acquire the skills that will enable him/her to obtain sufficient knowledge and understanding of the business design and to implement methodologies for examining, verifying and reporting on financial or non-financial representations of organisations (IRBA 2013: Annex. C in Annex. A 3; SAICA 2008:13; 2010:23; 2012b:5, 6).

3.4.2.3 Abstract / lateral / analytical and logical thinking

The prospective RA is required to carry out analytical, logical and abstract thinking and understand critical thinking (IFAC 2010:51, 83, 91; IRBA 2013:62, 76, 86; 2013: Annex. C in Annex. A 5; SAICA 2012a:27). This includes critical analysis, inductive and deductive reasoning, evaluation and synthesis of information and ideas and identification and evaluation of inconsistencies (IRBA 2013:62, 76, 86; SAICA 2008:13; 2010:25, 26, 27, 72; 2012a:27; 2012b:5). Ultimately, the RA must be able to work through unusual issues or problems methodically and solve them creatively (SAICA 2012a:27).

Abstract and critical thinking is applied throughout the performance of the audit process. Examples of abstract and critical thinking during the performance of the audit process include the following:

- Evaluating the risk of material misstatement and designing effective and efficient audit procedures (IRBA 2013: Annex. D in Annex. A 8; SAICA 2012a:40; 2012b:5, 11)
- Formulating an audit plan, concluding and understanding the implications of identified deficiencies (IRBA 2013: Annex. D in Annex. A 13; SAICA 2008:27, 74)
- Evaluating the risk of fraud (IRBA 2013: Annex. D in Annex. A 7; SAICA 2012a:40; 2012b:5)
- Designing effective and efficient audit procedures (IRBA 2013: Annex. D in Annex. A 19; SAICA 2012a:42)
- Critically evaluating the corporate governance practices of an audit engagement (IRBA 2013: Annex. D in Annex. A 13; SAICA 2012b:10)
- Analysing the impact of unadjusted errors on the audit report (IRBA 2013: Annex. D in Annex. A 21; SAICA 2012a:48; 2012b:5)
- Challenging assumptions (SAICA 2008:23)
- Evaluating evidence (IRBA 2013: Annex. D in Annex. A 22; SAICA 2008:21; 2012a:47)
- Anticipating and comprehending problems through abstract logical thinking (IRBA 2013:76, 86)
- Appreciating that there are alternative solutions (IFAC 2010:66)

- Analysing the impact of unresolved disagreements / scope limitations (IRBA 2013: Annex. D in Annex. A 21; SAICA 2008:72)
- Seeking opportunities to add value to the client's operations (IRBA 2013: Annex. C in Annex. A 6)
- Analysing and evaluating assurance needs and developing solutions (SAICA 2008:14, 21)
- Making logical inferences and interpretations and formulating realistic recommendations (IFAC 2010:66; SAICA 2008:26).

3.4.2.4 Integration of knowledge

The prospective RA should have the ability to integrate, synthesise and interpret professional knowledge, PAs, values, ethics and attitudes, particularly those developed during the academic programme and rounded off during practical training (IFAC 2010:15; IRBA 2013: Annex. C in Annex. A 7; SAICA 2008:13; 2010:25). Professional knowledge would encapsulate auditing, accounting, finance, taxation and other related technical and legislative knowledge (IFAC 2010:42; IRBA 2013: Annex. A 7; SAICA 2008:7; 2010:25, 70). This requires of the prospective RA to determine whether the subject matter conforms to the rules, standards or policies used for evaluation (SAICA 2008:72). Therefore, the prospective RA has to be able to extract knowledge from various subjects required to solve many-sided or complex problems (IFAC 2010:65; IRBA 2013: Annex. A 8; SAICA 2008:28; 2012a:35).

3.4.2.5 Forming sound professional decisions / making recommendations

The RA is required to apply professional judgement in assessing alternatives and recommending solutions to situations that reflect the public practice environment (IRBA 2013:76). This is also acknowledged in IFAC's definition of an audit professional. An audit professional is defined by IFAC as a professional accountant "who has the responsibility ... for significant judgements in an audit of historical financial information" (IFAC 2010:21). Therefore, auditing involves the application of professional judgement and professional scepticism to form reasoned judgement in the decision-making process (IFAC 2010:49, 83). To this end, practical training in the auditing environment prepares the prospective RA to value professional judgement and discernment (IFAC 2010:60, 93). Furthermore, professional judgement includes knowing one's own limitations in deciding when to involve specialists and other professionals (SAICA 2008:13; 2012b:4).

Although sound professional judgement mainly develops during practical experience, the academic programme should nevertheless ensure that the prospective RA establishes an awareness of exercising good judgement. Through personal development, the prospective RA progresses to be able to exercise professional judgement (IRBA 2013:65; Annex. C in Annex. A 1). The prospective RA is ultimately required to decide, recommend and provide advice as part of the decision-making process (SAICA 2008:14, 24; SAICA 2008:14). In addition, the RA should be able to conclude, based on the audit work done, whether to accept or reject the information or modify the testing (SAICA 2008:27).

3.4.3 Interpersonal abilities

Interpersonal skills refer to the ability to function effectively and efficiently when communicating and interacting with people from diverse cultures, backgrounds and authority levels. This includes the ability to understand, influence and persuade others; resolve conflict; work in a team; show respect; and build social networks (Coetzee *et al.* 2012:124).

From the literature analysis, the ability to apply interpersonal skills is supported by the following enabling attributes:

- Understanding human behaviour and managing conflict
- Working in culturally diverse settings
- Teamwork
- Personal and social values, and social responsibility.

3.4.3.1 Understanding human behaviour and managing conflict

Within any organisation, the RA should be able to manage personnel and human resource issues by communicating effectively with own and client staff (IFAC 2010:44; IRBA 2013: Annex. C in Annex. A 4). Furthermore, the RA should be able to motivate and devise strategies to develop people (IFAC 2010:50; IRBA 2013: Annex. C in Annex. A 4).

During the preparation work undertaken by RAs, they must understand human behaviour. Questions likely to be asked by RAs in their own mind about people with whom they interact during an audit include the following (SAICA 2012a:27):

- What are their intentions?
- What needs might they have?
- What problems or objections may they raise?
- When should someone else be consulted?

Therefore, the prospective RA should understand basic human behaviour to proactively build professional relationships by managing interaction and conflict (IFAC 2010:50; IRBA 2013:64; Annex. C in Annex. A 4).

3.4.3.2 Working in culturally diverse settings

Professional people need to work with people and serve clients that cut across cultural differences and different levels of education and training (SAICA 2012a:23). The prospective RA will have to interact with culturally and intellectually diverse people, including colleagues, and should consequently be sensitive to cultural and language differences (IFAC 2010:50; IRBA 2013:63; Annex. C in Annex. A 1; SAICA 2012a:23; 2012b:3). The South African workplace is "a melting pot of people from different cultural and intellectual backgrounds" (SAICA 2012a:23). Apart from the diverse South African cultures and 11 official languages, the ability to understand and to work in culturally diverse settings extends to include the global environment (IRBA 2013:76, 82).

In sum, the prospective RA should be able to work with people from different cultural, intellectual, educational and experience levels and should be sensitive to these differences, and should therefore learn to explain issues in a simple, understandable way without being condescending or disrespectful (SAICA 2012a:23).

3.4.3.3 Teamwork

RAs usually work in teams (SAICA 2012a:24). The RA should be able to work with others and collaborate with colleagues as a member of an audit team for the common good of the organisation (IFAC 2010:50, 86, 91; IRBA 2013:76, 82; Annex. C in Annex. A 1, 4; SAICA 2008:13; 2010:22, 24; 2012b:3). In addition, the prospective RA should be able to work in groups and successfully complete small-group projects (IRBA 2013:65). Therefore, the prospective RA should understand his/her role in the team, be a competent and a contributing team player, help motivate other team members and achieve the team objectives (SAICA 2012a:24).

3.4.3.4 Personal and social values and social responsibility

Personal and social values and social responsibility relate closely to ethics, which falls outside the scope of this study. However, it is noteworthy that the RA has to be aware of and consider public interest and the different personal and social values (IFAC 2010:29; IRBA 2013:65; Annex. C in Annex. A 1). The prospective RA should therefore be aware of the implications of social responsibility and personal and social values during inquiry, judgement and decision making (IFAC 2010:29, 51, 54).

3.4.4 Personal abilities

Personal skills refer to a number of personal qualities that shape the way RAs conduct themselves as professionals (SAICA 2008:10). As a potential leader, the prospective RA needs to foster individual characteristics that are vital in fulfilling this commitment (SAICA 2008:12). Personal skills refer to the attitudes and behaviour of an individual who is able to anticipate and adapt to change and to apply initiative. This requires self-awareness and knowledge, self-motivation, goal-directed behaviour and the ability to meet deadlines. Prospective RAs have to be able to function self-sufficiently and be self-driven; they have to develop the ability to identify their own limitations, leading to an attitude of lifelong learning, thus striving to continuously improve their own abilities (De Villiers 2010:4, 6). The prospective RA should therefore possess personal skills to facilitate individual learning and development (IFAC 2010:14, 24).

From the literature analysis, personal skills entail the following enabling attributes:

- Managing change
- Self-directed inquiry, initiative and lifelong learning
- General knowledge
- Proficiency in IT
- Prioritising / time management
- Good manners
- Self-management and drive
- Self-reflection and recognition of own limitations.

3.4.4.1 Managing change

The prospective RA must be adaptable and have the ability to reflect (SAICA 2008:22). This entails an ability to anticipate, respond to and adapt to complex and changing business environments (IFAC 2010:49, 83; IRBA 2013:62, 76, 86; Annex. C in Annex. A 4; SAICA 2008:23; 2012b:5,11). The RA should set time aside to reflect on his/her own work that is likely to be affected by an ever-changing environment and on how to plan change proactively (SAICA 2008:23). The ability to anticipate and adapt to change requires a commitment to lifelong learning.

To summarise, the prospective RA must (SAICA 2012a:26):

- have a positive attitude towards change;
- be able to prepare him-/herself for change;
- be willing to change and accept the necessary changes;
- be flexible; and
- recognise when circumstances have changed and that a change in approach is necessary.

3.4.4.2 Self-directed inquiry, initiative and lifelong learning

A prospective RA needs to demonstrate an intellectual ability to apply him-/herself (taking initiative in solving problems) and strive to maintain competence (SAICA 2008:24; 2012a:26, 29). A prospective RA has to adapt to complex and changing environments (IFAC 2010:83) and these environments require of RAs to maintain and develop new and/or specialised knowledge and skills throughout their careers (IFAC 2010:15, 16; IRBA 2013: Annex. C in Annex. A 1, 4). Due to the changing work environment in which an RA operates, it is critical to instil an attitude of 'learning to learn' and to foster a commitment to lifelong learning in order to maintain and develop professional competence (IFAC 2010:14, 39, 40, 71; IRBA 2013: Annex. C in Annex. A 1, 4; SAICA 2008:5, 13; 2012a:29). Ultimately, the RA should pursue excellence through a personal commitment of continual improvement through lifelong learning (IFAC 2010:54; IRBA 2013: Annex. C in Annex. A 1, 4). RAs are required to remain technically competent throughout their lives, keep abreast of developments and apply the most recent legislation and international accounting and auditing standards (IRBA 2013: Annex. C in Annex. A 1, 4; SAICA 2008:23). In sum, the RA has to take responsibility for his/her own professional competence by maintaining an awareness of

new developments and managing his/her career through lifelong learning (SAICA 2008:13; 2010:22).

3.4.4.3 General knowledge

Although technical auditing knowledge is essential, RAs are required to obtain an understanding of the client and the environment in which the client operates (SAICA 2012b:5). The prospective RA should therefore be able to demonstrate an understanding of a broad-based global perspective with a general sense of ideas, issues and contrasting economic, political and social forces both locally and globally (IFAC 2010:51; IRBA 2013:63; SAICA 2008:13; 2010:22; 2012a:19). Academic programmes should provide students with a global perspective of the historical and current issues that shape modern society (IRBA 2013:64). This general knowledge extends to the appreciation of art, literature and science (IFAC 2010:51). Prospective RAs must therefore read quality newspapers, listen to informative radio or television shows and visit news-rich websites (SAICA 2012a:19). In sum, general knowledge facilitates the RA in decision making, and consequently a prospective RA should have an understanding of issues that are not necessarily directly related to the accounting and auditing fields (IRBA 2013:64).

3.4.4.4 Proficiency in Information Technology

IT has transformed the role of the RA and the implication is that RAs have to be proficient in technology to expedite the completion of the tasks at hand (IFAC 2010:41; SAICA 2008:13, 15; 2010:29; 2012a:30; 2012b:4). The prospective RA must be able to use appropriate and diverse forms of technology both creatively and effectively (IFAC 2010:83; IRBA 2013:66; Annex. C in Annex. A 2; SAICA 2012a:30).

Developers of academic programmes are encouraged to and required by IRBA to make use of multimedia IT and computer facilities, where appropriate (IRBA 2013:66). Therefore, IT should be utilised in an integrated manner in the instruction process (IRBA 2013:65). Early in the period of practical training, the prospective RA will be expected to effectively use spreadsheets, word-processing programs and presentation programs and appropriately use emails (SAICA 2012a:30). To facilitate adjustment to the workplace environment, prospective RAs should therefore be computer literate before entering the workplace environment.

3.4.4.5 Prioritising / time management

Much of the work of an RA is project-based, requiring planning, goal setting and timeline establishment (SAICA 2012a:20). RAs are required to identify and rank multi-problems and then select and assign priorities logically within restricted resources and organise work to meet tight deadlines (IFAC 2010:49, 66; IRBA 2013:76; 2013: Annex. C in Annex. A 1; SAICA 2008:24; 2012a:21; 2012b:3). Therefore, an RA should be able to identify those problems that require immediate attention and prioritise accordingly (IRBA 2013:76; SAICA 2008:28). This requires setting milestones for each assignment that measure whether work is performed on time and within budget limits (SAICA 2008:23; 2012a:21). The prospective RA must therefore be able to manage time effectively (SAICA 2008:13; 2012a:21).

3.4.4.6 Good manners

The prospective RA is expected to treat others in a professional manner (SAICA 2008:13). This includes exhibiting good manners by taking due care in work that they perform; being punctual for appointments; being courteous; showing respect to others; taking responsibility; and being reliable, friendly, honest, sincere, sympathetic and committed (IFAC 2010:29, 55; SAICA 2008:23). The RA should lead by action and example and resolve conflict and difference of opinion by focussing on issues and not on personalities (SAICA 2008:23).

3.4.4.7 Self-management and drive

It is expected of prospective RAs to take responsibility for their own development and learning (SAICA 2012a:29). They must take initiative, apply themselves and constantly add value to tasks assigned to them and learn proactively (SAICA 2008:13; 2010:7, 22; 2012a:21,2 9; 2012b:4). To add value, the RA identifies opportunities, suggests possible improvements and makes recommendations (SAICA 2008:23, 26). Therefore, the RA seeks to improve effectiveness and efficiency of assigned tasks and identifies further work or action in response to unexpected findings (SAICA 2008:23, 27). When performing the audit, the RA ultimately executes the work plan (SAICA 2012b:5).

The prospective RA is also expected to manage him-/herself (SAICA 2012b:3). This incorporates self-directed learning and self-directed inquiry (IFAC 2010:49; IRBA 2013:66; Annex. C in Annex. A 1, 4). Prospective RAs should therefore be active participants in the learning process and actively seek appropriate learning opportunities

(IRBA 2013: Annex. C in Annex. A 1,4; SAICA 2008:24; 2012a:29). This implies that prospective RAs should be encouraged to question, seek answers for themselves and learn on their own (IRBA 2013:66). In sum, prospective RAs are encouraged to be self-disciplined and, as alluded to earlier, take responsibility for their own learning.

3.4.4.8 Self-reflection and recognition of own limitations

Prospective RAs are expected to reflect on experiences, initiate a process of personal growth and be open to change (IFAC 2010:54; SAICA 2008:23). They must be able to recognise their own limitations and address their shortcomings by developing and maintaining competence through lifelong learning or involving specialists (SAICA 2008:13; 2010:22, 29; 2012b:4). RAs therefore have to continuously assess their personal development needs and either improve these or devise strategies to address them (SAICA 2008:24; 2012a:29).

3.5 OVERVIEW OF THE AUDIT PROCESS

In this section, an overview of the audit process in conducting an audit in terms of the ISAs is provided. The purpose of the overview is to set the scene to understand where and why PAs are relevant to the RA during the performance of an audit. In addition, the underlying principles and practice of the audit process is taught in the academic programme. Therefore, the identification of the relevant attributes within the audit process may be used by academics to appropriately align PAs with the auditing syllabus.

3.5.1 Objective of an audit

An audit of historical financial information, namely annual financial statements (as one of the assurance services provided by an RA), provides reasonable assurance to the users of these statements (IFAC 2012:16). The purpose of an audit is to enhance the degree of confidence to be placed in financial statements by the intended users thereof. The level of confidence is achieved through the expression of an audit opinion by an RA (IFAC 2012:73). All the ISAs relevant to the audit are to be complied with by the RA in performing the audit of historical financial information and bestow on the RA overall responsibilities when conducting an audit (IFAC 2012:73; 79).

In South Africa, the Companies Act (No. 71 of 2008) (RSA 2008: Sect. 30) provides for circumstances when a compulsory audit of annual financial statements has to be

performed. In the interest of the public, the annual financial statements of a public company and any other company that the Companies Act classifies as desirable to be audited must be audited.

The APA defines an audit as follows (RSA 2005: Sect. 1):

> … the examination of, in accordance with prescribed or applicable auditing standards -
>
> (a) financial statements with the objective of expressing an opinion as to the fairness or compliance with an identified financial reporting framework and any applicable statutory requirements; or
> (b) financial and other information, prepared in accordance with suitable criteria, with the objective of expressing an opinion on the financial and other information.

An audit entails a process of examining financial statements in accordance with the ISAs, with the purpose of expressing an opinion on the financial statements presented by management, whether or not the financial statements were reasonably (fairly) presented in terms of International Financial Reporting Standards and other statutory requirements (for example the Companies Act). Reasonable assurance is a high level of assurance and is obtained when the RA has obtained sufficient audit evidence to reduce audit risk to an acceptably low level (IFAC 2012:74).

The financial statements represent an accumulation of management's assertions on those statements (IFAC 2012:16). The RA will accordingly obtain sufficient appropriate audit evidence supporting and corroborating management's assertions and any information contradicting those assertions (IFAC 2012:89). In sum, an audit is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria and communicating the results to interested users (Crous, Lamprecht, Eilifsen, Messier, Glover & Prawit 2012:12).

3.5.1.1 Management's responsibilities

An audit is based on the premise that management and, where appropriate, those charged with governance have understood and acknowledged certain responsibilities that are fundamental to the conduct of an audit (IFAC 2012:73). These responsibilities include the preparation of the financial statements in accordance with an applicable financial reporting framework, including their fair presentation. A further responsibility of management and, where appropriate, those charged with governance include the implementation of internal controls necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error (IFAC 2012:81). Management is ultimately responsible for the preparation of financial statements that fairly present the financial position and results of the company / companies for which they are responsible (IFAC 2012:73).

The RA, in the performance of his/her duties, will accordingly be required to hold discussions and interview management as part of the audit evidence-gathering process. The RA is for example required to hold discussions with management regarding the basis of assumptions used by management in preparing the annual financial statements (IFAC 2012:106, 270, 394, 491, 549).

An audit committee fulfils a vital role in corporate governance and should engage with the RA to provide an assurance report (IOD 2009:56, 61). The RA is required in terms of the ISAs to communicate clearly with the audit committee (IFAC 2012:217). Effective two-way communication is required to understand the matters relating to the audit and to obtain relevant information (IFAC 2012:216). The RA is also required to provide the audit committee with timely observations arising from the audit that are significant and relevant to their responsibility as audit committee members (IFAC 2012:218).

Discussions and interviews with management and audit committee members require of the RA to exhibit interpersonal and communication abilities. Furthermore, providing the audit committee members with timely information requires time management and the meeting of targets, implying personal management abilities.

3.5.1.2 The registered auditor's responsibility

In conducting the audit in terms of the ISAs, the RA is required to comply with the relevant ethical requirements, apply professional scepticism and exercise professional judgement (IFAC 2012:78).

The audit firm has specific duties in terms of quality control (International Standard on Quality Control 1). The quality control process followed by a firm has to be monitored and documented. Deficiencies identified and recommendations made during the quality control monitoring process need to be communicated to the relevant partners (IFAC 2012:51). Therefore, the entire process of quality control depends on well-formulated written policies and procedures. These aspects need to be communicated to staff and monitored, requiring good interpersonal abilities.

3.5.2 Ethical requirements

The auditing profession in South Africa, as part of IRBA's mission statement, endeavours to protect the financial interest of the South African public and international investors through the effective regulation of audits in accordance with internationally recognised standards and processes. One of the goals in fulfilling its mission is the development and maintenance of auditing and ethical standards that are internationally acceptable (IRBA 2012:iv).

The IFAC Code of Ethics for Professional Accountants establishes acceptable behaviour for professional accountants around the world. In South Africa, there are two codes of professional conduct that provide ethical guidance to professional accountants and RAs. The two codes are the SAICA Code of Professional Conduct, which is applicable to CAs, and the IRBA Code of Professional Conduct for RAs (IRBA 2012:4-8; SAICA 2013: ET-1). An RA who is also registered as a CA(SA) is for example subject to both the codes. These codes are very similar and are based on the IFAC code. For purposes of this study, reference is made only to the IRBA Code of Professional Conduct for RAs (IRBA 2012:4-1).

The ISAs explicitly prescribe that the RA "shall" comply with the relevant ethical requirements, including being independent of the entity subject to the audit (IFAC 2012:79). The IRBA Code of Professional Conduct for RAs is established on five

fundamental principles with which an RA must comply. These fundamental principles are the following (IRBA 2012:4-18):

- ***Integrity*:** The RA should be frank and honest in performing the professional service.
- ***Objectivity*:** The RA should not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- ***Professional competence and due care*:** The RA must continuously maintain professional knowledge and skills to render competent professional services. The RA must act diligently in accordance with applicable technical and professional standards when providing professional services.
- ***Confidentiality*:** The RA should respect the confidentiality of information acquired as a result of the professional relationship unless specifically approved by the client or required to disclose in accordance with legal duties. Confidential information acquired may not be used for personal advantage of the RA or third parties.
- ***Professional behaviour*:** Compliance with the relevant laws and regulations are required and any action that discredits the auditing profession should be avoided.

The circumstances in which the RA operates may give rise to specific threats to compliance with the fundamental principles. The RA is required to identify, evaluate and address the threats to compliance with the fundamental principles, rather than merely complying with a set of specific rules (IRBA 2012:4-20). Threats and measures must be substantiated and documented, therefore requiring argumentative and communication skills.

3.5.3 Professional judgement and professional scepticism

Financial statement audits play an important role in the functioning of an economy and accordingly, society expects of RAs to exercise professional judgement and maintain professional scepticism in their work (Crous *et al*. 2012:38; IFAC 2012:79). Professional judgement in terms of the ISA glossary of terms entails “[t]he application of relevant training, knowledge and experience, within the context provided by auditing, accounting and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the audit engagement” (IFAC 2012:29).

Professional scepticism in terms of the ISA glossary of terms refers to “[a]n attitude that includes a questioning mind, bearing alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of evidence” (IFAC 2012:30). Professional scepticism is therefore an attitude that includes a questioning mindset to critically assess evidence (IFAC 2012:87).

In sum, the RA applies relevant training, knowledge and experience in making informed decisions during the audit. In examining the definitions of professional judgement and professional scepticism, the RA is expected to exercise critical reasoning abilities at advanced cognitive levels developed during training and through experience.

3.5.4 The audit process

The work performed by the RA is encased in various stages and is referred to as the audit process (Crous *et al*. 2012:127; IFAC 2012:120). The various functions that the auditor performs during the various stages of the audit process are subsequently addressed. In addition, the activities within each stage necessitating PAs are outlined. To this end, the contexts in which PAs are applied in the performance of an audit are illuminated.

3.5.4.1 Pre-engagement

The preliminary stage of the audit process commences with the activities performed by the RA in deciding whether or not to accept an engagement (prospective client) or continue with an engagement (existing client) (IFAC 2012:103). Aspects to be considered by the RA in making a decision to accept or continue with an engagement includes the availability of sufficient resources, competence, time, independence and risks involved (IFAC 2012:45). In evaluating the above aspects, the RA is required to document the procedures performed in the consideration of these aspects and the way in which threats and issues were resolved (IFAC 2012:51). The RA is also required to communicate and agree to the terms of engagement with management in the form of an engagement letter (IFAC 2012:105).

From the above description of the functions of the auditor (considering whether or not to accept an appointment or to continue with an existing appointment), communication, critical reasoning and interpersonal abilities play a prominent role. Table 3.2 indicates

the activities to be performed by the RA during consideration and acceptance of an audit engagement necessitating PAs.

Table 3.2: Pre-engagement activities necessitating PAs (compiled by researcher)

• Evaluating resources and timelines (critical reasoning and personal skills) • Formulating procedures and documenting findings to resolve threats of independence and risk (communication and critical reasoning) • Deciding to accept new engagements or continue with an existing engagement (critical reasoning) • Negotiating and documenting the terms of engagement (interpersonal abilities and communication).

3.5.4.2 Planning the audit

Once the terms of an engagement have been established and agreed upon by the RA and the client, the RA commences with the planning of the audit. The objective of planning an audit is to ensure that the audit will be performed in an effective manner (IFAC 2012:253). A well-planned audit ensures that the audit effort is directed to addressing the high-risk areas, that unnecessary audit procedures are scoped out, and that audit staff know what is expected of them (IFAC 2012:253).

Planning requires of the RA to obtain a thorough understanding of the entity and its environment, including the client's internal control (IFAC 2012:267). This knowledge enables the RA to understand the risks that the client faces, how the client deals with the risks and what the remaining risks are that will most likely result in a material misstatement of financial statements (Crous *et al*. 2012:127; IFAC 2012:267).

In obtaining relevant information, the audit team members will be required to perform research to gain an understanding of the client and to communicate with each other by sharing experience and insight (IFAC 2012:275). The RA is also required to communicate with management and those charged with governance the planned scope and timing of the audit (IFAC 2012:276). Good communication with the audit team members and management therefore plays a critical role in the audit-planning process (IFAC 2012:233; 276). The RA is required to document the overall audit strategy and the audit plan (IFAC 2012:255). Therefore, documentation of the requirements necessitates good writing skills.

The RA is obliged to observe management's attitudes and actions for identifying and responding to risks of error and fraud (IFAC 2012:167). Interpersonal abilities, enabling the RA to understand human behaviour and develop an observing attitude, are therefore necessary.

During the planning stage of the audit, the RA firstly develops an audit strategy, followed by a detailed audit plan that will direct the RA in the search of sufficient appropriate audit evidence. The detailed audit plan is sometimes referred to in academic textbooks as the 'audit programme' (Crous *et al*. 2012:130). During establishment of the audit strategy, the RA will calculate materiality limits for the financial statements as a whole (IFAC 2012:28, 318). The concept of materiality is applied by the auditor when planning, performing and evaluating the effect of identified misstatements on the audit and uncorrected misstatements (IFAC 2012:74). Determining materiality is a matter of exercising professional judgement (IFAC 2012:316). The link between professional judgement and professional scepticism has been addressed in Section 3.5.3.

The audit plan comprises of two stages. The initial stage details the nature, timing and extent of audit procedures to identify and assess the risk of material misstatements. The subsequent stage details the nature, timing and extent of further audit procedures that are needed to respond to the risks identified at assertion level in the initial stage of the audit plan. During the initial stage of the audit plan, the engagement partner and engagement team are required to hold audit team discussions (IFAC 2012:268). A critical element in the success of any audit engagement is good communication among the audit team members (IFAC 2012:61). The briefing and assigning of team members to audit tasks require communication and interpersonal skills. Arrangement of the team meeting to plan the engagement requires personal skills (IFAC 2012:61). Effective ongoing communication requires listening skills, encouragement to ask questions and the provision of feedback.

In conclusion, the identification and assessment of risk in an organisation is a fundamental part of the audit and forms an integral part of the RA's procedures in understanding the entity and its environment. By identifying the risk areas, the RA can then assess whether the areas can result in a material misstatement of the financial statements (IFAC 2012:272). Risk-assessment procedures require inquiries of

management and others within the entity, analytical procedures and observation and inspection (IFAC 2012:276).

Communication, critical reasoning, interpersonal and personal abilities are therefore important during the planning stage of the audit process. Table 3.3 indicates the activities performed by the RA in planning the audit necessitating PAs.

Table 3.3: Planning activities necessitating PAs (compiled by researcher)

Obtaining an understanding of the entity, business environment and significant risks
• Conducting research to obtain an understanding of the entity, business environment and significant risks (critical reasoning and communication) • Interviewing client employees and members on the audit team (interpersonal abilities and communication) • Observing management's behaviour in terms of possible risks (interpersonal abilities) • Documenting the information collected (communication) • Interpreting information and identifying the critical aspects that will potentially affect the audit (critical reasoning) • Allocating and briefing audit team members (personal abilities, interpersonal abilities and communication).
Designing the audit strategy and audit plan
• Identifying and evaluating possible financial risks and evaluating the risk of fraud (critical reasoning and communication) • Critically evaluating the corporate governance practices of the audit engagement (critical reasoning and communication) • Concluding on and understanding the implications of identified deficiencies (critical reasoning and communication) • Deciding on an appropriate audit strategy and plan (critical reasoning) • Planning deadlines and the timing of procedures (personal abilities) • Documenting the audit strategy and plan (communication) • Determining and interpreting materiality limits (critical reasoning) • Deciding on effective and efficient audit procedures addressing high-risk areas and scoping out unnecessary procedures (critical reasoning) • Formulating clear and concise audit procedures (communication).

3.5.4.3 Responding to the assessed risk

Once the risks of material misstatement have been established, the auditor is able to respond to the risks identified during the planning stage of the audit by carrying out the planned and other audit procedures as documented in the audit programme. The audit programme sets out written instructions to the audit team to search for sufficient and appropriate evidence (IFAC 2012:384).

Audit procedures are used to search for evidence and are categorised into tests of controls and substantive procedures (IFAC 2012:387). Tests of controls are performed by the RA either to test the system of controls because he/she intends to rely on them or when the substantive procedures on their own cannot produce sufficient appropriate evidence (Crous *et al.* 2012:137; IFAC 2012:325). Substantive procedures are designed to detect material misstatements at assertion level and consist of tests of details of classes of transactions, account balances, and disclosures and substantive analytical procedures (IFAC 2012:35). Designing relevant and appropriate audit procedures requires critical reasoning and communication abilities.

The aim of the collection of sufficient and appropriate audit evidence is to reduce audit risk to an acceptably low level, thereby enabling the RA to draw reasonable conclusions on which to base the RA's opinion on the financial statements (Gray & Manson 2011:213; IFAC 2012:386). The RA collects evidence through inquiry of key people in an entity; inspection of documents, records and assets; observation of processes and procedures carried out by the entity staff; confirmations from third parties; recalculation of information contained on documents and records; and analytical procedures (Gray & Manson 2011:214; IFAC 2012:388). The collection and evaluation of evidence through enquiry, observation, confirmation from third parties and analytical procedures require of the RA to exhibit well-developed PAs.

Audit documentation accumulated in the audit files plays a critical role in the planning and performance of an audit. It provides the record of the work performed and forms the basis for the RA's report. It will also be used for quality-control reviews and monitoring of compliance with the ISAs and applicable legal and regulatory requirements (IFAC 2012:52, 61, 71, 252). Audit documentation should be clear and understandable without the need for additional oral explanations.

Table 3.4 indicates the activities to be performed by the RA when responding to assessed risk that necessitate PAs.

Table 3.4: Responding to assessed risk activities necessitating PAs (compiled by researcher)

- Instructing auditing staff to carry out the formulated audit procedures and clarifying documented audit procedures (communication and interpersonal abilities)
- Listening to responses to questions asked (communication)
- Anticipating and comprehending problems (critical reasoning)
- Comprehending, analysing and interpreting evidence collected (communication and critical reasoning)
- Adapting auditing procedures when all the required information is not available (critical reasoning)
- Auditing ambiguous or complex transactions and establishing whether provisions and accruals are reasonable (critical reasoning and communication)
- Appreciating that there are alternative solutions (critical reasoning)
- Challenging assumptions (critical reasoning and communication)
- Documenting findings and conclusions arising from the audit procedures (communication)
- Maintaining professional scepticism throughout the audit (personal abilities).

3.5.4.4 Finalising the audit and reporting

This stage entails the evaluation of evidence and deciding on the appropriate audit opinion (IFAC 2012:372). The evidence collected in responding to assessed risks has to be evaluated for sufficiency and appropriateness to reach and justify a conclusion on the fairness of the financial statements. Should the RA conclude that sufficient appropriate evidence was not obtained, additional substantive procedures need to be performed (IFAC 2012:319). Once the RA is content with the sufficiency and appropriateness of the audit evidence, the finalising stage of the audit commences.

The finalising stage involves the evaluation of the accumulated misstatements against a reassessed or final materiality limit (IFAC 2012:374). The RA aggregates the accumulated identified misstatements and determines whether it causes the financial statements to be materially misstated (IFAC 2012:374). The list of accumulated identified misstatements is discussed and deliberated on with management, and management is given the opportunity to correct some or all of the identified misstatements, should they wish to do so (IFAC 2012:268, 276). Effective two-way

communication between the RA and those charged with governance is an important element of every audit (IFAC 2012:373, 374). Significant matters should be communicated in writing, where possible (IFAC 2012:374). Material irregularities identified during the audit are reported to IRBA. This too requires concise written communication (SAICA 2012b:5).

Once subsequent events and going concern assumptions have been considered, the audit is finalised and concluded. The RA is now ready to form an opinion and report on the financial statements. The RA's report consists of a written report, expressing the findings of the audit conducted in terms of the ISAs (IFAC 2012:657). The RA's report is either unmodified or modified. The unmodified report concludes that the financial statements as a whole are free from material misstatements (IFAC 2012:660). In circumstances where the financial statements are not free from material misstatements, a modified report is issued. Three types of modified opinions exist, depending on the nature of and the effect on the financial statements, namely a qualified opinion, an adverse opinion and a disclaimer of opinion (IFAC 2012:693). In some circumstances, the RA may wish only to draw the user's attention to a specific matter (emphasis of matter) without modifying the report (IFAC 2012:714). In this regard, ISA 706 provides illustrations of emphasis of matter paragraphs (IFAC 2012:716).

The RA's reports are structured and various illustrations are provided in ISAs 700, 705 and 706. In addition to the ISA's illustrations, IRBA provides further guidance in terms of the South African Practice Statement 3 (Revised): Illustrative Independent Auditor's Reports (IRBA 2013). Therefore, a comprehensive source of examples of the various RA reports exists, which may be used as standardised templates. However, in explaining the modification, the basis of the opinion is required and the RA is required to explain the reason for the qualification. In this regard, the RA will require clear and concise writing skills. Table 3.5 indicates the activities performed by the RA during the finalisation and reporting of an audit that necessitate PAs.

Table 3.5: Finalising the audit and reporting activities necessitating PAs (compiled by researcher)

• Making logical inferences and interpretations, and formulating realistic recommendations (critical reasoning) • Analysing the impact of unadjusted errors, unresolved disagreements, scope limitations or irregularities (communication and critical reasoning) • Communicating findings and recommendations through written reports, oral discussions and presentations (communication and interpersonal abilities) • Seeking opportunities to add value to clients' operations, analysing and evaluating assurance needs and developing solutions (critical reasoning) • Deciding on the appropriate audit report (critical reasoning) • Formulating an appropriate report (communication) • Preparing the appropriate type of report in response to identified irregularities (communication).

From the above overview of the audit process, the researcher attempted to indicate the relevant activities within the various stages of the audit process to illuminate the relevant categories of PAs required to execute the various activities. Context is given to the relevance for prospective RAs to develop PAs.

Having identified and described the PAs for RAs from the preceding sections of this chapter, the findings are presented in a manner that facilitated the researcher in conducting the interviews and discussions with the research participants.

3.6 REPRESENTATION OF PROFESSIONAL ATTRIBUTES FOR FIELDWORK

The main categories of PAs with the enabling attributes represented in Figures 3.1 to 3.3 below were used prior to data collection in the letter of information and informed consent provided to the participants.

The boundaries of personal and interpersonal attributes may overlap and therefore, for the purpose of this research, they were grouped together and labelled as 'professional demeanour' (Sections 3.4.3 and 3.4.4). In Figure 3.1 the enabling attributes listed were to be an active team player, manage time effectively (time management), seek learning opportunities and take initiative and manage oneself (knowing oneself and drive). As already mentioned, ethical behaviour is a significant attribute in conducting oneself

professionally. However, in the delimitation of this study, ethical behaviour has specifically been excluded. The exclusion of ethical behaviour was indicated to the participants in the letter of information and informed consent and reiterated during the interviews and focus group discussion.

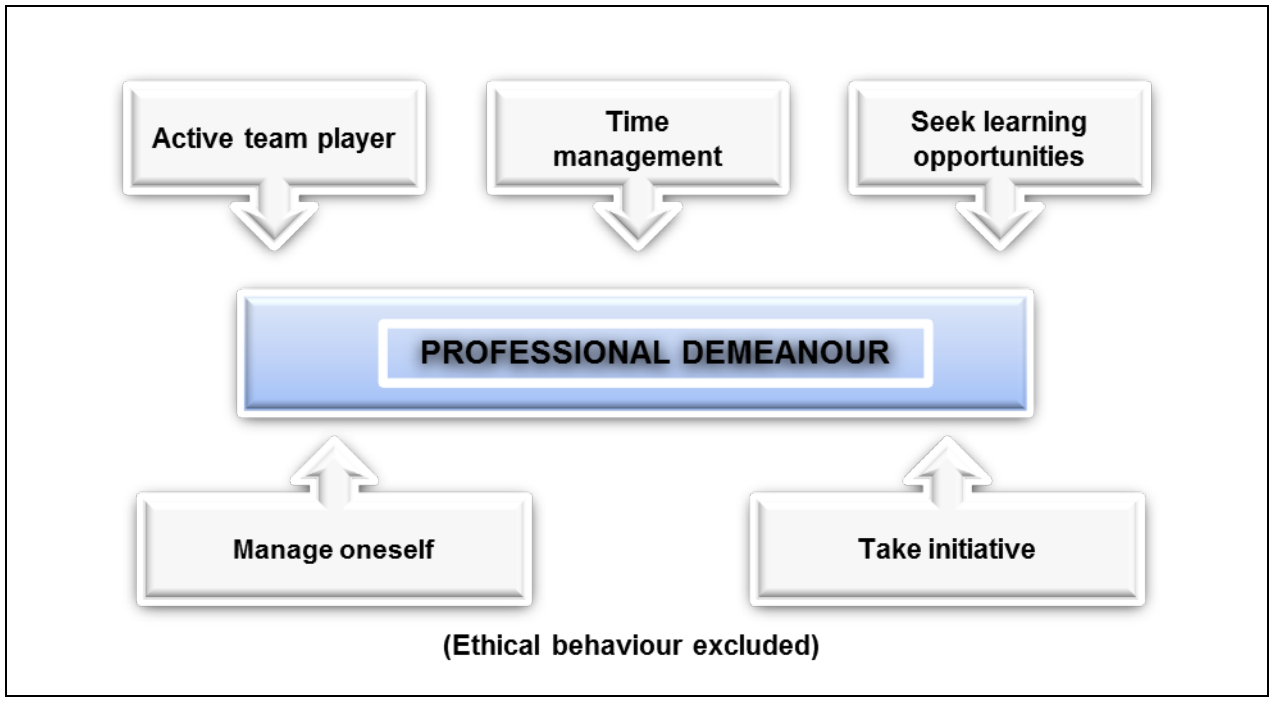

Figure 3.1: Professional demeanour (personal and interpersonal abilities) (compiled by researcher)

Critical reasoning is indicated in Figure 3.2 as the ability to identify and solve unstructured problems. The stages involved in critical reasoning include identification of the problem by means of understanding the problem, obtaining relevant information to understand the problem by means of conducting research, examining and interpreting information by means of evaluating the information and integrating theory, making decisions by means of identifying relationships, solving the problem by means of evaluating findings and proposing recommendations.

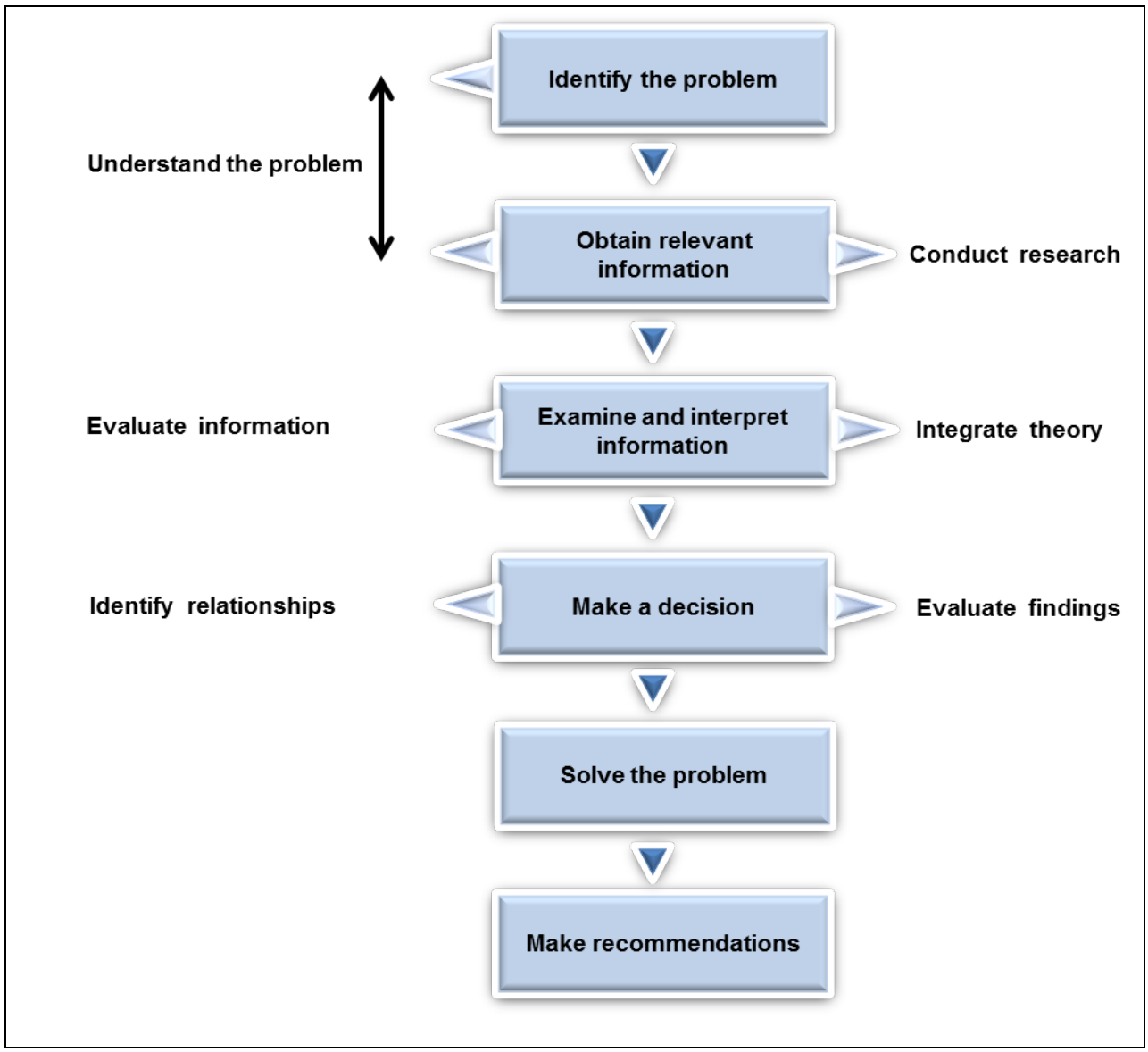

Figure 3.2: Critical reasoning (compiled by researcher)

Figure 3.3 represents communication. Communication was supported by the ability to listen, read and comprehend information; negotiate constructive solutions; document findings clearly and concisely; and present findings in both written format and oral presentations.

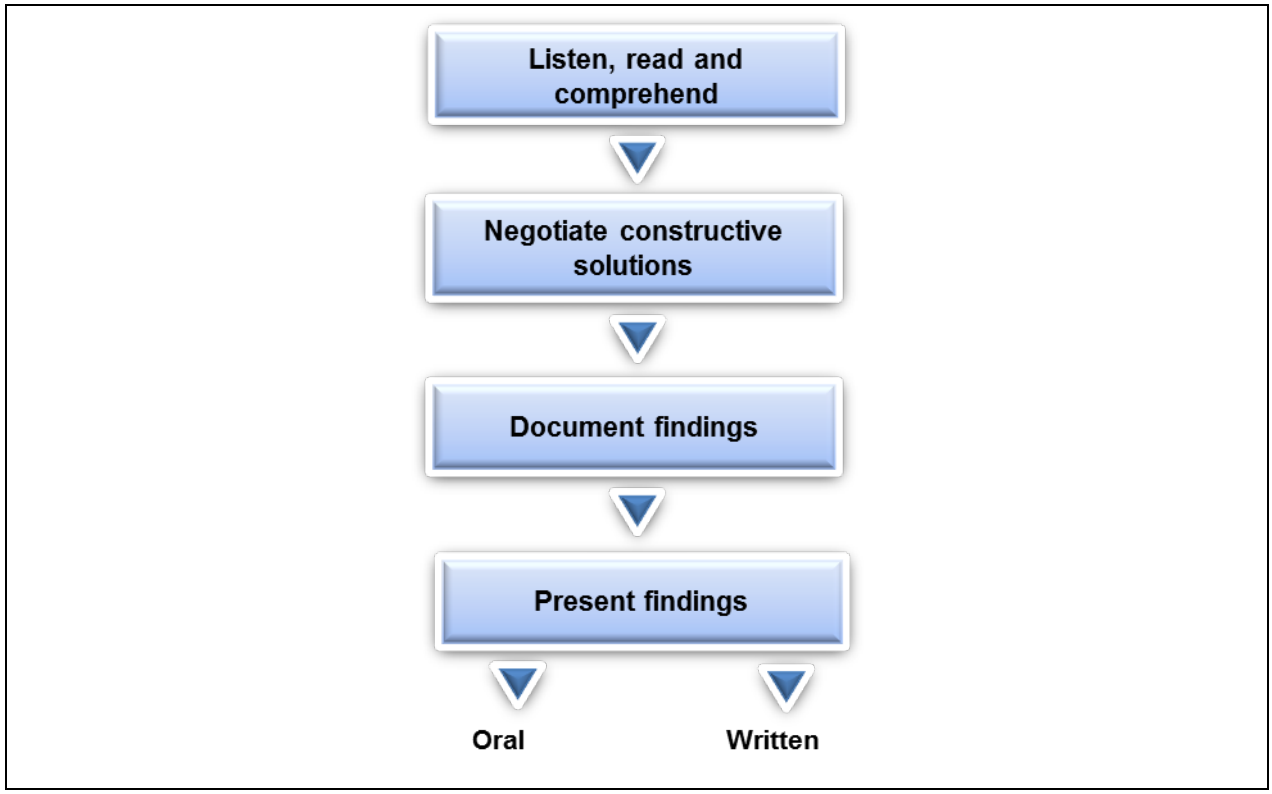

Figure 3.3: Communication (compiled by researcher)

3.7 CONCLUSION

The purpose of this chapter was to identify which PAs with their enabling attributes could be nurtured in an auditing curriculum. To identify these attributes, authoritative documents issued by IFAC, IRBA and SAICA were selected. The content of the documents was analysed with the aid of Altas.ti and the findings were described. From the analysis, communication, critical reasoning, personal abilities and interpersonal abilities were identified as the main categories of PAs and the enabling attributes were described. Personal and interpersonal abilities were grouped together and subsequently referred to as professional demeanour.

An overview of performing an audit, in terms of the ISAs, was provided. The various stages of the audit process were described. The activities of the RA within each of these stages were provided to set the scene for the relevance of PAs for RAs. The activities within each stage of an audit were indicated and the particular PAs were ascribed to the activities. Therefore, the identification of the relevant attributes may be used by academics to appropriately align PAs with the auditing syllabus. To this end, the research identified communication, critical reasoning, personal abilities and

interpersonal abilities as the main categories of PAs required by the RA to perform an audit.

In the following chapter, the research design, approach and methodology in obtaining the perceptions of Unisa auditing lecturers' and auditing students' are described. In addition, the measures implemented by the researcher to ensure trustworthiness of the research as well as the ethical considerations applied while conducting the research are discussed.

CHAPTER 4

RESEARCH DESIGN, APPROACH AND METHODOLOGY

> *The activity we're about to examine is as much art as science. At the very least, there are no cut-and-dried steps that guarantee success. It's a lot like learning how to paint with watercolours or compose a symphony. Education in such activities is certainly possible … Each has its own conventions and techniques as well as tips you may find useful as you set out to create art or music. However, instruction can carry you only so far. The final product must come from you.*
> (Babbie 2010:400)

4.1 INTRODUCTION

Auditing firms expect auditing graduates to have solid technical accounting and auditing knowledge, supported by a set of PAs that enhance the graduates' employability and effectiveness in the workplace. As argued in Chapter 1, Section 1.3, teaching only technical knowledge is simply not enough.

The purpose of Chapter 3 was to analyse limited but authoritative documents issued by IFAC, IRBA and SAICA to identify and describe the main categories of PAs and enabling attributes for each category needed by prospective South African RAs during the performance of an audit. The main categories of PAs identified from the literature analysis comprised of communication, critical reasoning and professional demeanour (personal and interpersonal abilities). Having identified the categories of PAs for prospective RAs, the challenge facing auditing lecturers is how these PAs can be aptly nurtured in an ODL environment while teaching and learning auditing technical content.

Jones (2010:6) argues that the ways in which a subject is conceptualised influence what is taught and how it is taught. The primary research objective was to obtain an understanding of Unisa auditing lecturers' and auditing students' perceptions towards nurturing PAs while teaching and learning auditing technical content. With this knowledge recommendations could be proposed to aptly nurture PAs while teaching and learning auditing technical content in an ODL environment. Unisa, the largest ODL institution in Africa and the only ODL institution offering a SAICA-accredited academic programme, is examined, in particular the discipline of auditing, as prescribed in terms

of the SAICA's detailed guidance for academic programmes (SAICA 2010;Unisa 2014a).

The purpose of this chapter is to describe the research design, approach and methodology applied in obtaining the perceptions of Unisa auditing lecturers' and auditing students'. In addition, the measures implemented by the researcher to ensure trustworthiness of the research as well as the ethical considerations applied while conducting the research are described.

4.2 RESEARCH PARADIGM

Making sense of something, or guiding action, is based on a basic set of beliefs, referred to as a paradigm (Babbie 2010:32; Denzin & Lincoln 2011:91). Paradigms are the fundamental models or frames of reference through which observations and reasoning are organised (Babbie 2010:33). De Vos, Strydom, Fouché and Delport (2011:513) define a paradigm as a pattern containing a set of legitimated assumptions and a design for collecting and interpreting data. In other words, it is a belief system or theory that guides the way a researcher collects and interprets data. A paradigm, according to Denzin and Lincoln (2011:91), encompasses four aspects, namely axiology, epistemology, ontology and methodology. These aspects were applied to this research as follows:

Axiology is concerned with the question "What is the nature of ethics?" (Mertens 2010:10). The ethical principles of beneficence, respect and justice were adhered to in this research, as recommended by Mertens (2010:12). In addition, the criteria for trustworthiness, authenticity, balance and fairness were considered in the research design, data collection and writing up of the findings, following Mertens (2010:18). The criteria to ensure trustworthiness and ethical principles in this research are described in sections 4.6 and 4.7 respectively.

Epistemology is concerned with the question "What is the nature of knowledge and the relationship between the knower and the would-be knower?" (Mertens 2010:10). Epistemology refers to the assumptions about knowledge and how to obtain knowledge (Myers 2009:35). The epistemology is therefore concerned with how the researcher knows the world and what the relationship is between the researcher, as the inquirer, and what is known (Denzin & Lincoln 2011:91). The researcher's stance towards

knowledge, as proposed by De Vos *et al*. (2011:311), is that those who are personally experiencing it construct knowledge through a process of self-conscious actions. A constructivist opts for a more personal, interactive mode of data collection (Mertens 2010:19). Therefore, this research is critically subjective, whereby social phenomena are created from the perceptions and consequent actions of social actors (Saunders, Lewis & Thornhill 2009:111). In addition, the researcher brings practical knowledge to the research, gained from work experience and practical knowledge as an auditing lecturer in an ODL environment. However as indicated in Section 4.6.1, the researcher has bracketed her personal values and prior knowledge in an attempt to remove preconceived ideas to enhance the creditability of this research.

Ontology is concerned with the questions “What is the nature of reality?” (Mertens 2010:10) and “How do I see reality?” (Denzin & Lincoln 2011:91). The researcher concurs with De Vos *et al.* (2011:513) that there is no real world out there, only a narrative truth known to those who experience it. More to the point, the researcher believes that reality is socially constructed by people active in the research process, and that researchers should attempt to understand the complex world of lived experience from the point of view of those in it (Denzin & Lincoln 2011:341; Mertens 2010:18). This research is seen through the lens of a constructionivist, assuming that there are multiple realities (relativist ontology), as proposed by Denzin and Lincoln (2011:13). In sum, the researcher takes the position of a relativist, whereby objective truths are dependent upon culture, social norms or circumstances. Reality is therefore constructed and interpreted in multiple ways and is ever-changing. This is in contrast to the positivist, whose reality is a fixed, measurable phenomenon.

Methodology focuses on the best method to gain knowledge about the world (Denzin & Lincoln 2011:91). Human behaviour can only be understood from an insider’s point of view by gaining insight into the meaning that the participant gives to his/her life world (Schurink 2009:788). Accordingly, knowledge is gained through dialect and interpretive understanding (hermeneutics). Qualitative data-collection techniques such as interviews, discussions, observations and document reviews were used to gain knowledge of human behaviour. The research methodology followed in the research is described in Section 4.5. The methodology followed corresponds with the assumption about social construction of reality (Creswell 2007:78), whereby the research is

conducted only through interaction between and among the inquirer (researcher) and those inquired into (participants) (Denzin & Lincoln 2011:107; Mertens 2010:19).

Based on the problem statement and the researcher's subjective, social constructive paradigmatic perspective, a qualitative research approach was followed in this research.

4.3 RESEARCH DESIGN

A research design is a flexible set of guidelines that connect the theoretical paradigms to strategies of inquiry and methods for collecting data (Maritz & Visagie 2009a:10). Qualitative research methods are designed to assist the researcher to understand people and what they say and do within the context in which they make their decisions and take actions (De Vos *et al*. 2011:308; Myers 2009:5). Therefore, qualitative researchers contend that it is challenging to understand why something happened in an organisation without talking to the people in the organisation (Myers 2009:5). The qualitative design is the most appropriate design to address the research problem. In deciding on the qualitative research approach, the context of the research, research problem and objective of the research were considered.

4.3.1 Context of the research

Universities whose programmes are accredited by SAICA base their curriculum design on SAICA's Competency Framework and academic guidelines. Hence, this research was mainly based on these documents. Furthermore, the literature analysis performed in Chapter 3 indicated that the SAICA Competency Framework with its supporting academic and training guidelines had identified the essential PAs and enabling attributes for entry-level RAs. As contended in Chapter 1, PAs are part of the epistemology and culture of a discipline. Therefore, PAs will be shaped by the discipline of which they are a part and therefore should be examined within that context (Jones 2010:15).

In sum, this research focuses on a specific discipline, namely auditing, as presented in the SAICA-accredited academic programme at Unisa, and how PAs can be aptly nurtured within this context.

4.3.2 Research problem and objectives of the research

Teaching and learning in an ODL environment has its unique challenges and there are inherent advantages to aptly nurturing PAs. Open and frequent opportunities for communication between lecturers and students are essential for effective learning (Ferreira & Venter 2011:81). However, regular physical contact sessions as experienced at contact or residential universities are replaced by alternative teaching modes (Prinsloo & Van Rooyen 2007:62). These alternative teaching modes include restricted discussion classes, interactive multimedia options and asynchronous electronic communication such as email and the student portal *my*Unisa (Ferreira & Venter 2011:80; Unisa 2008:5). As an ODL institution, in terms of Chapter 2 (Section 2.6), Unisa is positioned in a developing country and lies between the first and second generation of distance education whereby delivery technologies used include printed material, podcasts, videos and computer-based learning. On the other hand, management of an ODL institution like Unisa needs to consider the expected IT skills that auditing graduates need to demonstrate on entering the work place environment.

Auditing lecturers at Unisa are faced with the challenge of incorporating PAs, in terms of the SAICA Competency Framework, into their teaching and learning material. Integrating PAs with technical content is easier said than done. To this end, the research problem was formulated as follows:

How can PAs be nurtured during the teaching and learning of auditing technical content in an ODL environment?

The primary research objective was to obtain an understanding of Unisa auditing lecturers' and auditing students' perceptions towards nurturing PAs while teaching and learning auditing technical content. By talking to the participants, the researcher was able to understand *how* PAs are and can be aptly nurtured in conjunction with teaching the auditing technical content in an ODL environment. By gaining an understanding of the beliefs of auditing lecturers' and students' experiences in teaching and learning in an ODL environment, recommendations could be proposed to aptly nurture PAs while teaching and learning auditing technical content in an ODL environment. Therefore, the research is a descriptive qualitative study, limited to the discipline of auditing, as offered by Unisa, an ODL institution.

4.4 RESEARCH APPROACH

The primary objective of the research was to understand and describe a phenomenon (PAs), viewed from different perspectives, which is set in a specific social setting (Unisa). Therefore, the qualitative approach of inquiry appropriate to a case study and phenomenological research was followed. Through following a generic qualitative approach, the research problem can be answered most truthfully (De Vos *et al*. 2011:309). Caelli, Ray and Mill (2003:3) define generic qualitative studies as follows:

> … those that exhibit some or all of the characteristics of a qualitative endeavour but rather than focussing the research through the lens of a known methodology they seek to do one of two things: either they combine several methodologies or approaches, or claim no particular viewpoint.

However, generic qualitative research has no allegiance to an established qualitative approach and therefore presents many challenges. A generic qualitative research report must nevertheless be credible. To this end, generic qualitative studies must address the following four key areas (Caelli *et al*. 2003:9): the theoretical positioning of the researcher, congruence between methodology and methods, strategies to establish rigour, and the analytical lens through which the data are examined. In this study, the aim was to address all of the abovementioned key areas through the research methodology.

4.4.1 Case study

Unisa is one of 15 universities in South Africa whose undergraduate programme is accredited by SAICA and one of 14 universities whose postgraduate programme is accredited by SAICA (SAICA 2014b). As pointed out in Chapter 1, Section 1.3.3, Unisa's Bachelor of Accounting Sciences and Postgraduate Diploma in Applied Accounting Sciences (CTA levels 1 and 2) are accredited by SAICA (SAICA 2014b). In 2013 Unisa was responsible for 30.81% (700 candidates) of a total of 2 272 candidates passing SAICA's 2013 ITC examination (including repeats) (SAICA 2014d). Table 4.1 indicates that Unisa was responsible for 27.41% (534 candidates) of a total of 1 948 candidates passing SAICA's 2014 ITC examination (SAICA 2014d). Furthermore, 785 (31.6%) of the candidates who wrote the ITC completed their postgraduate qualification at Unisa (SAICA 2014d). Besides being the university delivering at least a quarter of South Africa's candidates passing the ITC, Unisa teaches the largest number of

students, namely 785 or 32.42% of all the universities in South Africa. In other words, Unisa's College of Accounting Sciences' academic programmes play a vital role in educating prospective CAs and RAs. Also indicated in Table 4.1, Unisa is the only university in South Africa in 2014 that provides distance education (SAICA 2014d). In sum, in 2014, Unisa was the only ODL institution preparing students for the ITC, taught 32.42% of the South African postgraduate students and delivered 31.6% of the successful ITC candidates. This renders Unisa an ideal case study.

Table 4.1: SAICA – Initial Test of Competence: January 2014 (SAICA 2014d)

University	2014				2013		
	A	%	B	C	A	%	B
Unisa	534	27.41	534	785	700	30.81	700
University of Johannesburg	283	14.53		298	294	12.94	
University of Cape Town	258	13.24		272	259	11.40	
University of Pretoria	215	11.04		219	202	8.89	
Stellenbosch University	166	8.52		216	187	8.23	
University of the Witwatersrand	157	8.06		171	201	8.85	
North-West University	85	4.36		109	73	3.21	
University of Kwazulu-Natal	73	3.75		79	137	6.03	24
University of Free State	52	2.67		90	71	3.13	
Nelson Mandela Metropolitan University	51	2.62		75	79	3.48	
Rhodes University	25	1.28		39	31	1.36	
University of Fort Hare	20	1.03		25	17	0.75	
Monash SA	15	0.77		28	0	0.00	
University of the Western Cape	14	0.72		15	21	0.92	
Total	**1 948**	**100.00**	**534**	**2421**	**2 272**	**100.00**	**724**

A: Candidates passed, including repeat attempts
B: Candidates passed from an ODL environment
C: Number of candidates who wrote the ITC from the relevant university

From a case study perspective, the researcher selects a site or sites to research, such as programmes, events, processes, activities, individuals or several individuals (Creswell 2007:122). Multiple sources of data collection were used in this study, including interviews with auditing lecturers, a focus group discussion with auditing students and the researcher's observations.

4.4.1.1 The University of South Africa's academic programme

Unisa is the oldest degree-conferring institution in South Africa and is one of the largest distance education universities in the world. The University, originally known as the University of the Cape of Good Hope, was established in 1873 in Cape Town. It initially fulfilled the function of an examining university. In 1926, the name of the University was

changed to the University of South Africa (Unisa) and the administrative headquarters was moved to Pretoria. Correspondence teaching commenced in 1946, but the character of the University has changed since then to that of ODL (Unisa 2014a).

ODL represents an approach or philosophy that combines the principles of learner-centeredness, lifelong learning, flexibility of learning facilitation provisioning, removal of barriers to access, recognition of prior learning, provision of relevant student support, construction of learning programmes in the expectation that students can succeed and the maintenance of rigorous quality assurance over the design of learning materials and support services (Unisa 2014a). Accordingly, ODL implies that teaching and learning are multidimensional, combining a number of delivery options to facilitate flexibility and optimise students' effective access to and participation in higher education (Unisa 2008:2). The key aspect of ODL is interactivity between students and the university and between students and lecturers (Unisa 2008:3). Students should be able to contact the university physically and electronically for administrative support, access to information, counselling and so forth. Open and frequent opportunities for communication between lecturers and students are also essential for effective learning. This could be achieved through discussion classes, interactive multimedia options and asynchronous electronic communication such as email and the student portal *my*Unisa (Unisa 2008:5). Although Unisa is an ODL institution, it is still dependent on the postal service for delivery of tutorial matter to many students who reside in remote rural areas. These students mostly do not have internet access and are compelled to rely on correspondence teaching and learning (Unisa 2014b). However, Unisa's management supports e-learning as the teaching and learning platform of the future and eventually no learning material will be available in printed format. To this end, Unisa has launched initiatives in the form of financial support to students to acquire computers and internet access at discounted rates (Unisa 2013b).

Unisa is one of the universities whose financial accounting programmes are accredited by SAICA as a Recognised Academic Programme (SAICA 2014b). The accredited Bachelor of Accounting Sciences in Financial Accounting is a three-year degree and is required for admission to the postgraduate programme. The postgraduate programme is structured as two separate postgraduate diplomas, namely the Postgraduate Diploma in Accounting Sciences (CTA Level 1) and the Postgraduate Diploma in Applied Accounting Sciences (CTA Level 2). After the successful completion of the second-year

postgraduate diploma, the qualification Postgraduate Diploma in Accounting Sciences (PG Dip (Accounting Sciences)) is awarded (Unisa 2012d:1). This study focuses on the discipline of auditing offered by Unisa's College of Accounting Sciences at undergraduate and postgraduate levels as part of the above qualifications.

4.4.1.2 Auditing at undergraduate level

The Bachelor of Accounting Sciences in Financial Accounting consists of 30 modules (360 NQF credits amounting to 360 notional study hours) and has an NQF Exit Level of 7. The admission requirements are a National Senior Certificate with an achievement rating of 50% or more in the language of learning and teaching or Grade 12 exemption. The compulsory core modules consist of Financial Accounting, Management Accounting, Taxation and Auditing (Unisa 2012a:45).

The following modules are presented by the Department of Auditing for the Bachelor of Accounting Sciences in Financial Accounting and are offered in semesters (Unisa 2012b:36):

- **Legal Aspects in Accountancy – AUE1601 (NQF Level 6; 12 credits)**

This module gives the auditing student insight into aspects of the Companies Act (No. 71 of 2008), the Close Corporations Act (No. 69 of 1984) and other legislation of importance to accountants.

- **Auditing Theory and Practice – AUE2601 (NQF Level 6; 12 credits)**

This module introduces auditing students to auditing theory and practice, which includes basic auditing concepts, statutory requirements, guidelines and auditing standards. Students credited with this module will know the basic auditing concepts; are able to apply their knowledge of the role, duties and responsibilities of the external auditor; and can apply the ISAs in the statutory audit of an ordinary company trading in goods and services.

- **Corporate Governance in Accountancy – AUE2602 (NQF Level 6; 12 credits)**

The purpose of this module is to provide auditing students with knowledge and skills in the principles of corporate governance, statutory matters and internal controls in the business cycles. Students are equipped with theoretical knowledge regarding corporate governance and statutory matters. Students will be required to identify and evaluate the

efficiency of internal controls in different business cycles and to report thereon to the management of a company trading in goods and services.

- **Audit Planning and Tests of Control – AUE3701 (NQF Level 7; 12 credits)**

This module introduces auditing students to the pre-engagement activities in deciding whether to accept or reject the audit engagement and audit-planning activities, including the audit and assessment of risks and the formulation of tests of controls. The relevant auditing concepts, statutory requirements, guidelines and ISAs are presented in this module.

- **Substantive Procedures and Finalising the Audit – AUE3702 (NQF Level 7; 12 credits)**

This module provides auditing students with insight into the advanced aspects of audit evidence, performance of substantive procedures, completing the audit and reporting. The relevant auditing concepts, guidelines and ISAs are taught in this module. Students are expected to formulate substantive procedures for the business cycles and audit procedures in finalising the audit. In addition, students are required to formulate an appropriate audit report. The researcher is the responsible lecturer of this module and therefore bracketed her experiences during the gathering and interpretation of data in the field for creditability purposes. Bracketing as a measure to ensure trustworthiness is discussed in Section 4.6.1 in Chapter 4.

4.4.1.3 Auditing at postgraduate level

The Unisa College of Accounting Sciences offers its accredited Postgraduate Diploma in Accounting Sciences over a period of two years. The change from a one- to a two-year programme was an attempt to improve throughput figures in an ODL environment and to achieve more success in the ITC. The two-year programme allows a more realistic spread of learning material volumes in accordance with notional hours. The auditing modules are presented as year courses and not as semester modules (Unisa 2012d:1).

- **Applied Auditing (Level 1) – AUE4861 (NQF Level 8; Credits 24)**

This module builds on undergraduate knowledge. The aim is to ensure that students cover 70% of the auditing knowledge requirements of the SAICA-prescribed syllabus to produce competent professional accountants. The aim of the module is to develop and

assess the application of the acquired skills necessary to audit and express an opinion on financial statements prepared in accordance with International Financial Reporting Standards. Good communication skills, a logical thought process and the ability to apply information to various scenarios are part of the aims of this module (Unisa 2012a).

- **Advanced Auditing (Level 2) – AUE4862 (NQF Level 8; Credits 24)**

The aim of this module is to ensure that students meet the remaining 30% of the auditing knowledge requirements of the SAICA-prescribed syllabus to produce competent professional accountants. Furthermore, the module provides a foundation of auditing knowledge, enabling students to continue to learn and adapt to change throughout their professional lives. In particular, the module aims to develop core competence in the field of auditing, but also to integrate the knowledge obtained in AUE4861 (Unisa 2012a).

The above course code descriptions of the technical content pertaining to each module or programme is primarily based on the audit process and therefore the auditing content can be aligned with the activities relating to the audit process as described in Chapter 3 (Section 3.5). The purpose of Section 3.5 was to identify the activities within each stage of the audit process and to relate them back to the PAs. Accordingly, auditing at undergraduate and postgraduate levels both grant a broad scope of content themes to nurture all of the main categories of PAs in their appropriate context, as advocated by the various authors in Chapter 1 (Section 1.3.2).

4.4.2 Phenomenology

From a phenomenological research perspective, research participants must be individuals who have all experienced the phenomenon being explored and can articulate it to their lived experiences (Creswell 2007:119). The researcher must therefore find individuals with common experiences (Creswell 2007:122). In this research, the common experiences are teaching and learning auditing in an ODL environment. The phenomenon that was researched is nurturing PAs while teaching and learning auditing, viewed from different perspectives (lecturers and students) and set in a specific social setting (Unisa).

Unisa auditing lecturers are either RAs and/or CAs. To be qualified as an RA or a CA, they must have successfully passed the professional qualification examinations and

completed the prescribed period of practical experience at a registered auditing practice. By successfully completing the period of practical experience and passing the professional examinations, the assumption is made that the lecturers gained experience by being exposed to the phenomena of exhibiting PAs needed by RAs. The auditing students have completed their undergraduate studies through Unisa and were either busy with or re-attempting the postgraduate qualification.

4.5 RESEARCH METHODOLOGY

Research methodology comprises of skills, assumptions and practices that the researcher uses as he/she moves from the paradigm to the empirical world (Maritz & Visagie 2009a:10). The methodology considers and explains the logic behind the research methods and techniques (Welman, Kruger & Mitchell 2005:2).

4.5.1 Data collection

Creswell (2007:118) portrays data collection as a series of interrelated activities comprising of defining the unit of analysis, gaining access, collecting data, resolving field issues and storing data. This section describes the unit of analysis, gaining access, the selection of participants and the data-collection techniques applied.

4.5.1.1 Unit of analysis

Unisa is the selected ODL academic institution whose undergraduate and postgraduate accounting programmes are accredited by SAICA. The undergraduate Bachelor of Accounting Sciences and Postgraduate Diploma in Applied Accounting Sciences (CTA levels 1 and 2) presented by Unisa are accredited by SAICA. The Department of Auditing at the institution was selected for the research. The reasoning behind selecting Unisa was clarified in Section 4.4.1.

The unit of analysis comprised of Unisa auditing lecturers responsible for the tuition of auditing at undergraduate and postgraduate levels and Unisa postgraduate auditing students. The postgraduate auditing students completed their undergraduate qualification at Unisa and were therefore previously exposed to the undergraduate auditing learning experience.

4.5.1.2 Gaining access

Access to conduct the research at Unisa was granted by the Unisa Senate Research and Innovation Committee and the Ethical Committee of the Department of Auditing. The ethical considerations and procedures are described in Section 4.7.

The participants, namely the lecturers and students, were provided with the letter of information and informed consent at least a week before each interview and focus group discussion took place. This allowed the participants sufficient time to read and reflect on the nature of the research and to decide whether or not they wish to participate.

At the onset of each interview and the focus group discussion, the content of the letter of information and informed consent was explained to the participants, indicating to them that they may withdraw at any time. At the conclusion of the interview and focus group discussion, the informed written consent was obtained from every participant.

4.5.1.3 The selection of participants

It is common practice to use convenience sampling procedures in qualitative research (Eriksson & Kovalainen 2008:51). The purpose of qualitative research is not to generalise, as would be the case with quantitative research. What carries more weight for the qualitative researcher is accessibility and suitability of the research participants to collect the richest data (De Vos *et al*. 2011:391; Eriksson & Kovalainen 2008:51; Mertens 2010:320). Therefore, purposive (judgemental) sampling was used for the selection of participants for this research.

Purposive sampling selection is also useful in using small sample sizes where the focus of the research is to identify key themes (Saunders *et al*. 2009:236). The selection of the auditing lecturers was based on the researcher's judgement and discussions held with the supervisor of the research, who serves on the management team of the Department of Auditing. The participants who were identified were those who would potentially provide rich data required for this research. Not all of the identified academic staff who initially indicated their willingness to participate in the research committed to an appointment for the interview. Nevertheless, data saturation was achieved after interviewing 12 auditing lecturers (including the pilot interview) and the researcher is of the opinion that no new information would have been obtained by extending the sample.

Participants selected for the research included Unisa auditing undergraduate and postgraduate lecturers. Two of these lectures serve on the auditing management team.

Once a participant indicated interest to participate, an appointment for the interview was made and the letter of information and informed consent was provided. The letter of information and informed consent included a schematic representation of the PAs, based on the findings in Chapter 3, Section 3.4, and the semi-structured questions to be addressed. This allowed the participant to read and reflect on the semi-structured questions. This approach contributed to the deep descriptions obtained during the interviews.

Postgraduate students who had studied through Unisa were selected for the focus group discussion. The selection of auditing students for the focus group discussion was based on the judgement of the auditing department's assistant lecturer. The assistant lecturer has regular interactions with auditing students, either via email, telephone or individual appointments, and was therefore well positioned to identify students who would add depth to the research. The purpose of the research was explained to the assistant lecturer and he was requested to identify and invite auditing students who have completed their Bachelor of Accounting Sciences in Financial Accounting at Unisa and were busy with the Postgraduate Diploma in Applied Accounting Sciences at Unisa. Each potential participant was provided with a letter of information and informed consent, explaining the purpose of the research, and a schematic representation of the key PAs to be discussed with a list of the semi-structured questions. This information allowed the participants sufficient time to reflect on the questions and to decide whether or not they wish to participate. The purpose of the focus group discussion was to obtain an in-depth understanding of students' perceptions of PAs and suggestions to nurture PAs while learning the auditing technical content at Unisa.

Eight Unisa auditing students participated in the focus group discussion, which took place in November 2012. Therefore, at the time of the focus group discussion, the participants had written the examinations but were waiting for their results and were uncertain of the outcome of the results, which contained their expression of failure with auditing as a subject in an ODL environment. Two of the eight participants did not re-attempt the examinations due to work pressure. The timing of the focus group discussion therefore provided a platform for them to sound their frustrations, which

funnelled into proposed recommendations. The discussion was open and unreserved. This allowed triangulation of their perceptions with those of the auditing lecturers.

A professional independent focus group discussion facilitator with expertise in communication studies and interviewing skills was appointed to lead the focus group discussion. The facilitator was provided with the letter of information and informed consent and the proposal of the research before the discussion to understand the purpose of the research. A meeting was scheduled with the facilitator beforehand to clarify the questions and the strategy followed. A debriefing meeting was held after the focus group discussion to ensure that the researcher and facilitator agreed on the interpretation of the findings. The focus group discussion facilitator involved every participant in the discussion by randomly asking each participant's opinion on emerging experiences and thoughts arising from the group discussions. The researcher was able to observe the interactions that occurred between the group members and made observation notes, which formed part of the data analysis. From observing the focus group discussion, the researcher noticed that the participants were in the same age group (under 25 years of age) and intended to successfully complete their postgraduate qualification. All the participants indicated that English was their preferred language for learning. The participants were cooperative, making it suitable to yield the best information, as argued by Creswell (2007:133).

In sum, the facilitator was skilful in assuring the participants of their anonymity and of confidentiality, placing them at ease. This ensured the involvement of each participant in the discussion. The length of the audio recording was 115 minutes. A single focus group discussion was considered sufficient for triangulation.

4.5.1.4 The data-collection techniques

As justified in Chapter 1, the concept 'PAs' is comprehensive and therefore, for the purpose of this study, the concept had to be delineated to allow for consistency in the meaning attributed to PAs by the participants. In Chapter 3, the main categories of PAs identified were communication, critical reasoning and professional demeanour. As mentioned previously, all the participants were provided with a letter of information and informed consent beforehand, indicating the purpose of the research, the proposed semi-structured questions to be asked and the schematic representation of PAs. During the interviews and discussion, continuous reference was made to the schematic

representation. Data collection took place through individual interviews with auditing lecturers and the focus group discussion with students. The interviews and focus group discussion were observed by the researcher and a reflective research journal was maintained.

- **Individual interviews with Unisa auditing lecturers**

The researcher personally conducted the individual interviews with the lecturers. Interview techniques used during the interviews were planned around building mutual trust, using minimal verbal responses from the interviewer, clarifying the focus of the research, probing, showing understanding and asking follow-up questions, as suggested by De Vos *et al*. (2011:345).

The semi-structured questions posed to the participants included the following:

- How relevant or topical do you think PAs are for the RA?
- Referring to the diagrams provided in the letter of information and informed consent, which are the key PAs and enabling attributes that could be nurtured in conjunction with the auditing learning material?
- How are these PAs and enabling attributes nurtured in your existing learning material?
- What factors facilitate the nurturing of PAs at Unisa?
- What factors hinder or impede the nurturing of PAs at Unisa?
- What suggestions do you propose to nurture PAs at Unisa while teaching auditing, if the barriers are disregarded?

A pilot interview was performed, as recommended by De Vos *et al.* (2011:349) and Creswell (2007:138), to estimate the time (length) of the individual interview and to anticipate possible issues that may arise during data collection and to adjust the questions accordingly. The average length of an individual interview was 41 minutes.

- **Focus group discussion with Unisa auditing students**

The facilitator conducted the focus group discussion and it was observed by the researcher. The following questions were posed to the participants in the focus group discussion:

- Why do you aspire to become an RA?
- What characteristics should an RA exhibit?
- With reference to the diagrams in the letter of information and informed consent, why is it important that RAs and trainees exhibit PAs during an audit?
- How do you think the Unisa auditing learning material, assignments and exams assisted you to develop these attributes?
- What suggestions can you propose to your auditing lecturers to assist you in developing these attributes while studying auditing?
- What makes it difficult for you to develop these attributes while learning auditing through Unisa?

Data saturation was obtained after 115 minutes.

- **Observation**

After each interview and the focus group discussion, the researcher documented reflections on her own observations and interpretations in a reflective research journal. The reflective research journal provided the researcher with a sense of the interview and discussion as a whole. The journal was maintained throughout the data-collection process to identify emerging themes and was used to compare the emerging themes with the themes identified in the data analysis. Knowledge was therefore constructed through the researcher's own lived experiences and interaction with the participants within the context of an ODL institution. This coincides with the researcher's philosophical belief that meaning is constructed based on interactions with our surroundings. The researcher participated in the research process with the participants to ensure that knowledge is produced that reflects their reality (Denzin & Lincoln 2011:103). The process of seeking this new knowledge was gained through dialogue with the participants within a bounded system (ODL institution).

4.5.2 Data analysis and management

The recorded individual interviews and the focus group discussion were transcribed by an external service provider. To create order, structure and meaning from a large amount of information, the primary mode of analysis was the development of themes, categories and sub-categories from the raw data. The data analysis was primarily guided by the semi-structured questions and the schematic presentation was referred to in order to identify domains and topics to be investigated. This provided a relevant focus

for conducting the analysis. The transcripts were read several times to seek a pattern. Preliminary codes were identified and themes emerged.

The transcribed data were analysed using the descriptive analysis technique of Tesch's open method of descriptive coding. Data were analysed for interpretations, phenomena or units of meaning. To this end, the following steps were applied (following Maritz & Visagie 2009b:22 and Thomas 2006:241):

- The recorded interviews were listened and compared to the transcribed data to ensure that the recordings were accurately transcribed. The recorded interviews were transcribed and the raw data files were prepared for initial analysis on the hard copies and the text was formatted for importation into Atlas.ti.
- Two hermeneutic units were created in Atlas.ti and labelled "Lecturers" and "Focus group". The transcribed data (MS Word documents) were saved in Rich Text File (RTF) format and then opened in Atlas.ti.
- The reflective research journal was read in conjunction with the transcribed text. The transcribed text was read focussing closely on the underlying meaning of the text. Ideas that came to mind were jotted down in the margins of the hard copies of the transcribed interviews. The memo function in Atlas.ti was used to compile reflective notes during the coding of data.
- The underlying question asked by the researcher was: "What strikes you?", as proposed by Saldaňa (2009:18). From the pre-coding exercise, the researcher identified codes that were not directly associated with the text and were allocated as 'free codes'. Codes created from a specific piece of text were allocated as 'open coding'. Codes assigned to a piece of text utilising the actual text were allocated as '*in vivo* coding'. A number of codes were accumulated and an Atlas.ti-generated code list with brief code descriptions (code manager) was generated. Text that did not relate to the research objectives was not coded.
- A list of themes was developed. The general themes derived from the questions and specific categories were derived from *in vivo* coding. Similar themes were clustered and comparisons and contrasts were made. Themes that did not relate to the questions were excluded.
- The coding of imported text in Atlas.ti commenced with the use of the list of themes described above. The themes were abbreviated as codes and the codes were allocated to the appropriate segments of the full text. This was done to refine

the category system and to determine whether or not new codes would emerge. Atlas.ti speeded up the coding process.

- The most descriptive wording for each theme was identified and allocated to categories with sub-categories. The objective was to reduce the total list of categories by merging related themes together.
- The data belonging to each category were assembled in one place and a preliminary analysis was performed.

In order to make sense out of data and to discover patterns, the researcher asked herself the following questions, as recommended by Babbie (2010:394):

- How often does the pattern occur?
- What are the levels of intensity (magnitude)?
- What are the different types of structures?
- Is there any order among the elements of structure?
- What are the causes?
- What are the consequences?

In sum, a general inductive approach was followed, allowing research findings to emerge from the frequent, prominent or significant themes embedded in the raw data (Thomas 2006:238). In applying the general inductive approach, the researcher aimed firstly to condense the raw textual data into a brief, summary format (data reduction), secondly to establish clear links between the questions and the summary of findings derived from the raw data (data display), and finally to describe the underlying structure of experiences or processes that existed in the raw data (conclusion drawing), as proposed by Thomas (2006:238). According to Thomas (2006:237), these systematic procedures for analysing qualitative data should produce reliable and valid findings.

Data were stored electronically and backup copies were made of the electronic files. The anonymity of the participants was maintained by masking their names in the data.

To recapitulate, Unisa was selected as an ODL academic institution and auditing lecturers and students were selected as participants. Data were collected through semi-structured in-depth interviews conducted individually with the auditing lecturers. A focus

group discussion was conducted with a group of postgraduate auditing students. Informed written consent was obtained from every participant and the interviews and focus group discussion were recorded and transcribed. Data were analysed using Tesch's open method of coding. The anonymity of the participants was maintained.

4.6 TRUSTWORTHINESS

The most important criterion that qualitative research should meet is credibility (Schurink 2009:789). Therefore, in the research methodology, the researcher needs to think how and according to which principles and logic the researcher's claims and analysis will be formulated and substantiated. In order to ensure trustworthiness, the researcher described the research design, methodology, measures and ethical considerations in sufficient detail.

The trustworthiness of the findings in this research is based on the principles proposed by Lincoln and Guba (1999, cited De Vos *et al*. 2011:419). The principles of credibility, transferability, dependability and conformability are described below.

Credibility (internal validity): Credibility refers to the truth of the findings, as viewed through the eyes of those being interviewed and within the context in which the research is conducted (Devers 1999:1165). Credibility requires the accurate identification and description of the subject. Strategies to ensure credibility include prolonged engagement and persistent observation, triangulation of different methods, peer debriefing, member checks and formalised qualitative methods (De Vos *et al.* 2011:420). In addition to these strategies, Devers (1999:1171) suggests the deliberate search for disconfirming evidence and then refining the theory until it eliminates all outliers and exceptions. With the individual interviews, member checking was performed to ensure that the researcher interpreted the findings correctly. With the focus group discussion, a debriefing session was held with the facilitator by discussing the perceptions of the focus group participants and determining whether data saturation was reached. Adding to the credibility of the research, the findings of the interviews, focus group discussion, observations and documents analysed in Chapter 3 were triangulated.

Transferability (external validity): Transferability refers to the extent to which findings can be transferred to other settings with similar contexts (Devers 1999:1165). To this

end, the researcher is required to state the theoretical parameters of the research (De Vos *et al.* 2011:420). This is achieved by setting out a clear research context, describing the context and formalising the research methodology and techniques used in data collection and analysis (Bowen 2005:214; Devers 1999:1168). As an additional strategy, De Vos *et al.* (2011:420) suggest the triangulation of multiple sources of data for corroboration. The use of multiple informants or more than one data-gathering technique greatly strengthens transferability (Bowen 2005:214; De Vos *et al*. 2011:420). The triangulation of multiple sources used in the research is described in Section 4.6.2.

Dependability (reliability): Refers to the extent to which the research would produce similar findings if carried out as described, taking into account any factors that may have affected the research results (Devers 1999:1165). The researcher is required to ask him-/herself whether the research process is logical and well documented and whether it can be audited (De Vos *et al.* 2011:420). Strategies implemented in this research include procedures to store data and creating an audit trail of the documentation process. A clear coding scheme and data-analysis process were followed to enhance the dependability of this research.

Conformability (neutrality): Conformability refers to the degree to which the descriptions of the participants corroborate with the findings (Devers 1999:1165). Evidence should therefore come directly from subjects or participants and research contexts, rather than the researcher's biases, motivations or perspectives (Devers 1999:1165). Strategies followed in this study in addition to triangulation include the keeping of a reflective research journal, as recommended by Bowen (2005:214) and Devers (1999:1171).

4.6.1 Bracketing, debriefing and member checking

The researcher is a senior lecturer in the Department of Auditing. Doing research in one's own organisation and with people that the researcher knows is often referred to by authors as "backyard research" (Creswell 2007:122; Eriksson & Kovalainen 2008:52). Creswell (2007:122) is concerned about doing research in one's own organisation and raises the question whether good data can be collected when the act of data collection may introduce a power imbalance between the researcher and the individuals being studied. Eriksson and Kovalainen (2008:52), on the other hand, argue that knowing the organisation improves the chances to develop detailed contextual knowledge, which is a key point in qualitative research. The researcher agrees with

Eriksson and Kovalainen and acknowledges the concerns raised by Creswell. Regarding these concerns, the researcher believes that the questions were non-threatening and that there were no power imbalances between the researcher and participants. The Department of Auditing has no specified guidelines or strategies in place regarding the nurturing of PAs and therefore performance cannot be measured against predetermined criteria, and therefore is non-threatening to the participants' work performance. To limit bias, a debriefing meeting was held after the focus group discussion to ensure that the researcher and facilitator agreed on the interpretation of the findings. At the end of each interview and focus group discussion, member checking was performed, whereby the researcher or facilitator summarised the information gathered during the interviews and focus group discussion and questioned the participants to determine the accuracy of the information.

In qualitative research, the researcher is directly involved in the setting, interacts with the participants and is the primary instrument of data collection. In order to prepare him-/herself, the researcher has to engage in thorough self-examination (De Vos *et al.* 2011:427). To this effect, the researcher devised a personal naïve sketch to bracket her experience as a lecturer of an undergraduate auditing module at Unisa. Leedy and Ormrod (2010:141) warn that bracketing can be extremely difficult for a researcher who has personally experienced the phenomenon under investigation. With the analysis of each interview, the researcher visualised herself in the role of an independent reporter and read and analysed the transcribed data with the view to gain new insight. This mindset assisted the researcher to remain credible. The findings were also peer-reviewed and discussed with the study supervisor, who is on the management team of the auditing department. Aspects to be bracketed include assumptions, judgements, biases and beliefs, experiences and issues, experiences and knowledge, and pre-understandings (Hamill & Sinclair 2010:19).

4.6.2 Triangulation

A common practice for establishing validity is triangulation with the aim to achieve greater confidence in the research findings (Eriksson & Kovalainen 2008:292, 310). Triangulation is a process of using multiple perspectives to refine and clarify the findings of the research (Eriksson & Kovalainen 2008:292). The idea of triangulating data within a research study is to use multiple observers, theoretical perspectives, sources of data and methodologies and techniques (Eriksson & Kovalainen 2008:310). In other words,

triangulation allows the researcher to gain a ‘fuller’ picture of what is happening through crosschecking methods, material and findings (Eriksson & Kovalainen 2008:310; Myers 2009:10).

The triangulation processes of this research are set out in Figure 4.1, indicating the triangulation of the literature analysis and observations with the interviews and focus group discussion. The literature used included the authoritative but limited literature issued by IFAC, IRBA and SAICA, as described in Chapter 3, Section 3.2, and academic literature. Observations were recorded in the reflective research journal maintained after each interview and the focus group discussion. The documents and journal were triangulated with the auditing lecturers’ and students’ perceptions. In addition, the interviews with the lecturers were studied from different positions or levels of hierarchy within the Department of Auditing, as indicated earlier. These levels comprised of auditing lecturers from undergraduate and postgraduate levels and lecturers who are engaged in the management of the Department of Auditing. By interviewing selected participants from each of these levels, rich data were obtained that were evaluated or triangulated with each of the other groups’ perspectives.

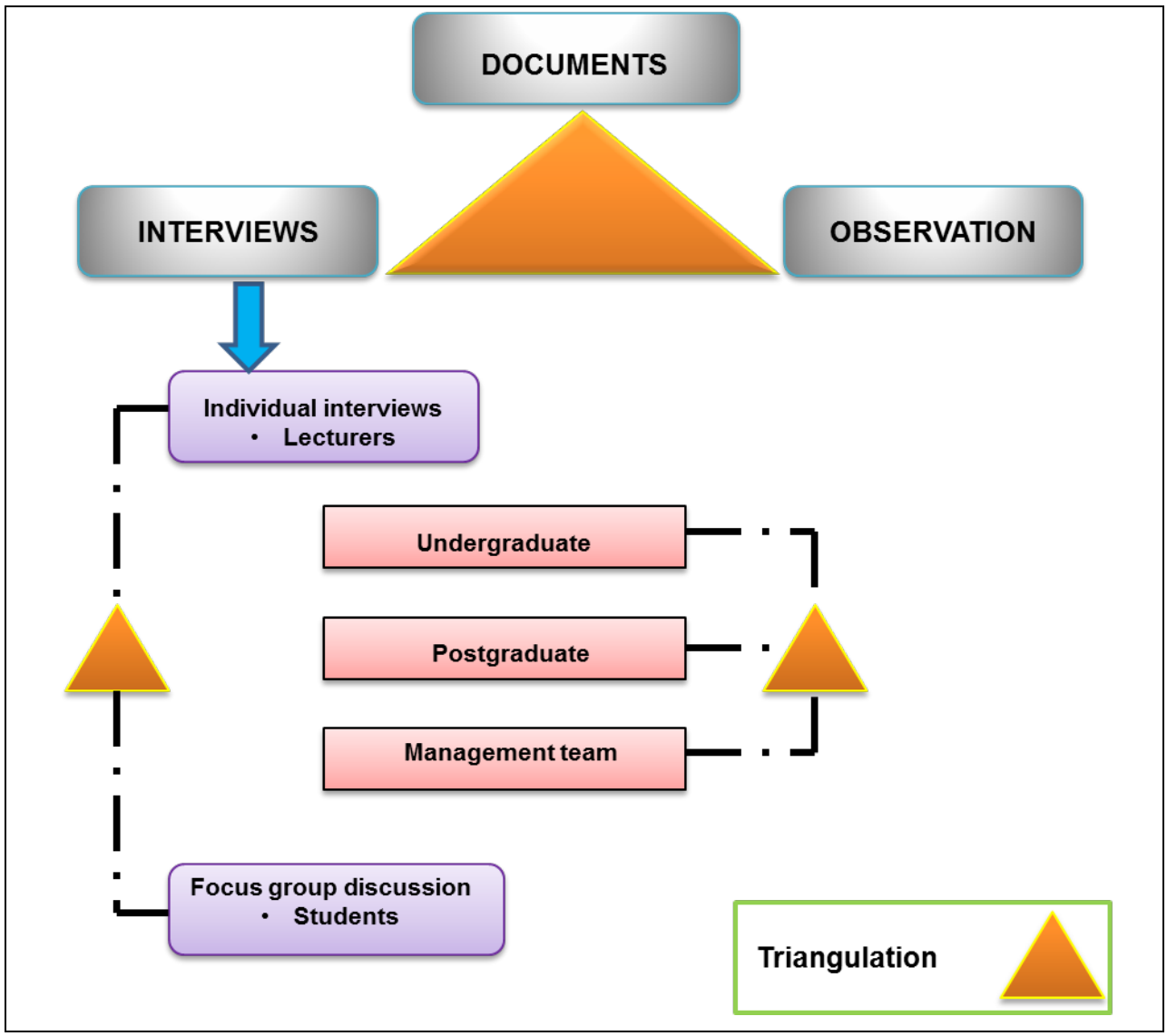

Figure 4.1: Triangulation by method (adapted from Bowen 2005:215)

4.7 ETHICAL CONSIDERATIONS

Research ethics govern the way in which research is conducted and reported and therefore concerns the whole research process, starting from the relationship between the researcher and the participant to the final writing up and publishing of the report (Eriksson & Kovalainen 2008:65). The ethical principles that govern research include informed consent, avoidance of deception, harm or risk and respect for others. All go hand in hand with the ways in which a researcher researches the topic or produces new knowledge (Eriksson & Kovalainen 2008:62). Strydom (in De Vos *et al.* 2011:113) agrees, and points out that research projects should be based on mutual trust, acceptance, co-operation, promises and well-accepted conventions between all parties involved. In this research project, human beings were the objects of research and this brought unique ethical problems to the fore that would never be relevant in pure

scientific research (De Vos *et al.* 2011:113). The principles of ethics in research are discussed below, together with the measures implemented during the planning, conducting and reporting of the research in an attempt to meet the standards set for scientific research (Eriksson & Kovalainen 2008:72).

4.7.1 Relationship with the participants

The general relationship between the researcher and the participants also has ethical implications (Eriksson & Kovalainen 2008:66). As mentioned in Section 4.6.1, the researcher is not detached from or distant to the research issue because she is employed as a senior lecturer in the Department of Auditing at Unisa. The relationship that the researcher established is that of a marginal participant (participant-observer) in the data collection with the lecturers and students as informants and participants. This relationship calls for extended ethical considerations to safeguard the participants. The researcher protected the anonymity of the participants throughout the process and created a trusting relationship that guarded against violating the participants in any way. The findings will in no way harm any of the participants, whether directly or indirectly, following Eriksson and Kovalainen (2008:66).

4.7.2 Voluntary participation

Participation should at all times be voluntary and nobody should be forced to participate in research (De Vos *et al.* 2011:116). Therefore, in an attempt to adhere to this principle, the researcher had the obligation to thoroughly inform the potential participants beforehand of the potential impact of the interview or focus group discussion. The participation of the participants in this research was at all times voluntary and nobody was forced or coerced to participate. Furthermore, the participants were offered an opportunity to withdraw from the investigation at any time and the researcher made a commitment to keep the information anonymous, as recommended by De Vos *et al.* (2011:116). To this end, voluntary participation was implemented through signed informed consent.

4.7.3 Informed consent

Obtaining signed informed consent is one of the fundamental ethical rules (De Vos *et al.* 2011:116). Informed consent is a mechanism for ensuring that people understand what it means to participate in a particular research study so that they can decide in a conscious, deliberate way whether or not they want to participate (Mack, Woodsong,

MacQueen, Guest & Namey 2005:9). In ensuring respect for participants during research, informed consent is regarded as one of the most important tools (Mack *et al.* 2005:9).

A letter of information and informed consent for participation in academic research was drafted by the researcher and was approved by the Unisa Senate Research and Innovation Committee (Appendix 1). As mentioned in Section 4.5.1.3, participants who indicated their willingness to participate in the research were provided with the letter of information and informed consent prior to the interview or focus group discussion (Appendix 2 and 3). The aspects covered in the letter of information and informed consent explained the problem statement, the questions and the reason for selecting the participant, the opportunity to withdraw from the research, the procedures that would be followed during the data collection, the expected duration of the interview or focus group discussion, the possible advantages and disadvantages of the outcomes of the research and key interview and focus group discussion questions.

As pointed out in Chapter 1, Section 1.2 various terms are used by academics when referring to PAs. These terms are vaguely defined and include many elements or sub-categories (Barac & Du Plessis 2014:57). Therefore, the assumption was made that participants (lectures and focus group) may not offhandedly know the various elements or sub-categories of the PAs. The purpose of including the schematic presentation of PAs included in the letter of information and informed consent was to draw their attention to the key PAs, identified in terms of the limited literature analysis, that an entry level RA should be competent in. This allowed the participants to reflect on each key PA and to provide suggestions based on their respective teaching and learning experience.

The interviews and focus group discussion commenced with a relationship-building phase to create rapport, trust and collaboration. During this phase, the researcher or facilitator explained the contents of the letter of information and informed consent to the participants and if they still agreed to participate, requested them to sign the informed consent.

4.7.4 Confidentiality

Confidentiality refers to the handling of the information in a confidential manner (De Vos *et al.* 2011:113). Confidentiality was maintained and the participants' names are kept confidential and are only known to the researcher and the transcriber, who signed a letter of confidentiality. This fact is disclosed in the letter of information and informed consent.

4.7.5 University research governance framework

The Unisa Policy on Research Ethics requires that any research involving Unisa employees, students or data and conducted on Unisa premises must have ethical clearance from the Unisa Senate Research and Innovation Committee (Unisa 2007:3). To this end, approval of the Department of Auditing Research Committee was obtained and written permission was obtained from the Unisa Senate Research and Innovation Committee. Compliance with the academic institution's prescribed ethical procedures and obtaining approval serve to enhance evidence that the ethical principles were appropriately considered during the planning of the research.

4.8 CONCLUSION

The primary research objective was to obtain an understanding of Unisa auditing lecturers' and auditing students' perceptions towards nurturing PAs while teaching and learning auditing technical content. This entailed exploratory descriptive qualitative research and was limited to the discipline of auditing, as offered by Unisa as an ODL institution. The generic research approach was aligned to the researcher's social constructivist stance towards knowledge and the belief that there are multiple realities that are only known to those who experience them. The research therefore was critically subjective and it was not the intention to generalise the findings.

Purposive sampling was used to select participants who could provide rich and thick descriptions. Participants selected for the research included Unisa auditing undergraduate and postgraduate lecturers and academic personnel of the auditing management team. Postgraduate students who had studied through Unisa were selected for the focus group discussion. Data saturation was achieved.

Techniques used to collect data included individual interviews, a focus group discussion, documents and the reflective research journal containing the researcher's

observations. The descriptive analysis technique of Tesch's open method of descriptive coding was used. Data were analysed and coded and themes emerged. To facilitate the process, Atlas.ti was used. The emerging themes allowed for triangulation between sources of data. Measures used to ensure trustworthiness of the findings were based on the principles proposed by Lincoln and Guba (1999, cited in De Vos *et al.* 2011:419). Written informed consent was obtained from all the participants and the ethical requirements of Unisa were met. In the following chapter, the findings are discussed.

CHAPTER 5

RESEARCH FINDINGS

> *The goal of research, then, is to rely as much as possible on the participants' views of the situation*.
> (Creswell 2007:20)

5.1 INTRODUCTION

The first phase of the research entailed describing the necessity to include PAs in the academic programme. This was followed by describing the relevance of PAs during the performance of an audit and identifying and describing the PAs that entry-level RAs are expected to demonstrate at the highest level of proficiency. Four main categories of PAs and their corresponding enabling attributes were identified in Chapter 3. For the purpose of the research, personal and interpersonal attributes were combined and are referred to as 'professional demeanour'. The letter of information and informed consent schematically presented PAs as professional demeanour, critical reasoning and communication. With the aid of the schematic representation of PAs, Unisa auditing lecturers' and auditing students' perceptions were obtained regarding the:

- relevance of PAs;
- challenges surfacing in an ODL environment while teaching and learning auditing technical content;
- benefits surfacing in an ODL environment while teaching and learning auditing technical content; and
- suggestions to nurture PAs while teaching and learning auditing technical content in an ODL environment.

The perceptions of Unisa auditing lecturers' and auditing students' were analysed and the purpose of this chapter is to report on those findings.

5.2 INDIVIDUAL INTERVIEWS WITH AUDITING LECTURERS

As indicated in Chapter 4, 12 Unisa auditing lecturers were interviewed, representing lecturers assigned to undergraduate and postgraduate levels. This selection included

two auditing academics that are mainly responsible for the managerial duties of the auditing department.

5.2.1 Relevance of professional attributes for the auditing profession

The interviews commenced by establishing the perceptions of the auditing lecturers towards the relevance of PAs for RAs. Many participants indicated that the relevance of PAs for the auditing profession was directly associated with the profession's reputation and expectations set by the public.

PAs are the foundation to the profession […] and is extremely important for the reputation of the profession. **(P7:1–2)**

It all has to do with the reputation that comes through and we are providing confidence to various stakeholders. **(P12:19)**

And it's your reputation […] require[ing] you to behave in a certain manner, execute your duties in a certain manner. So that is extremely important. **(P12:27)**

The reputation of the auditing profession was negatively affected by financial scandals. In essence, the participants indicated their desire to see the negative perceptions held by the public towards the auditing profession reversed. Displaying professional demeanour, applying critical reasoning to solve unstructured problems and communicating effectively and efficiently are all competencies that shape the perception of the public towards the auditing profession. To this end, the participants agreed that in order to be perceived by the public as a recognised profession, distinguishing behaviour is expected from the members of the auditing profession. Accordingly, demonstrating competence in PAs during the performance of an audit is necessary to restore and maintain the confidence of the public (Barac & Du Plessis 2014:58).

The public is losing confidence. So I think for an auditor, it is crucial to have those communication skills and they can be relied upon and [be] independent, that is definitively crucial for an auditor. **(P1:1)**

How we come across as professionals, it improves the standing, the status and it makes our audit profession survive. **(P8:2)**

I believe [PAs are] extremely important because after all, the auditor is a professional person and [what will the consequence be] if he cannot conduct himself professionally? I think PAs contribute to being a professional. Then obviously the name of the profession and the good standing will be negatively influenced and therefore all these attributes make you a whole person, a whole auditor, a professional in essence. **(P6:1–3)**

Besides restoring the public's confidence in the auditing profession, PAs permit the auditor to serve the client by executing work effectively and efficiently. Securing a client base was also perceived to be dependent on the auditors' demonstration of competence in terms of PAs.

PAs are important because then you will be serving your client. **(P11:1)**

PAs are needed in order to carry out your job effectively and efficiently. **(P5:1)**

The auditor is seen as a professional and people are relying on them and their opinion […] and if you don't know how to behave professionally your clients are not going to stay with you. **(P10:2–5)**

Although the main focus of the academic programme is to teach technical content, the participants recognised that technical competence alone is no longer sufficient to enter the auditing profession. The auditor's functions extend beyond the provision of technical services and include the management of employees and business operations.

A typical auditor will become a manager in the workplace […] we cannot only rely on technical quality. **(P3:1)**

The prominent role that workplace training fulfils in developing PAs to an appropriate level of competence, particularly in managerial functions, is aligned with IRBA's intention of extending prospective auditors' practical experience through 18 months of specialised auditing training (IRBA 2013: Annex. A 4). Prospective auditors are required to complete at least three years of professional accounting training and an additional 18 months of specialised auditing training.

In sum, the participants concurred that PAs are relevant to the reputation and survival of the auditing profession. No resistance or objections were raised during the interviews to PAs being incorporated into the auditing curriculum. Some participants mentioned the important role of practical experience in the development and assessment of PAs. Creating at least awareness among students of the significance of PAs in their auditing careers should be addressed early in the academic programme and not left entirely to the training offices to develop and assess. The concern raised in Chapter 1 (Section 1.3.2) is reduced seeing that the participants indicated that they do embrace SAICA's espoused PAs, and are therefore likely to appropriately and effectively incorporate them into their teaching material.

5.2.2 Challenges to the nurturing of professional attributes

The emerging themes identified regarding the challenges Unisa auditing lecturers face that inhibit the nurturing of PAs include the following: inadequate admission requirements, lack of in-depth career guidance, large student numbers, shortcomings of the semester system, waning student ownership, learning focus and excessive technical content, and inherent limitations of an ODL environment.

5.2.2.1 Inadequate admission requirements

The Unisa admission for the Bachelor of Accounting Sciences in Financial Accounting requires:

- A National Senior Certificate (NSC) (Degree endorsement) with at least 60% in the language of teaching and learning; and with at least 60% in Mathematics or 80% in Mathematical Literacy; or
- A Senior Certificate with matriculation exemption or qualify for the exemption from the Matriculation Board with an equivalent of at least 60% in the language of teaching and learning in terms of the NSC; and with an equivalent of at least 60% in Mathematics in terms of the NSC; or
- A National Certificate (Vocational) Level 4 (Degree endorsement) with an equivalent of at least 70% in the language of teaching and learning in terms of the NSC; and with an equivalent of at least 60% in Mathematics or 80% in Mathematical Literacy or A Higher Certificate in Accounting Sciences or in Economic and Management Sciences or their equivalent; or

- A Diploma in Accounting Sciences or its equivalent.

Candidates, who do not comply with the above requirements for admission to the 3 year Bachelor's degree, should consider enrolling for the 4 year Bachelor's degree. Students with incomplete Unisa qualifications or incomplete qualifications from other higher education institutions, who wish to migrate to one of the College of Accounting Sciences' qualifications, need to have passed at least 4 modules (or 48 credits) and have obtained an average of at least 55% for the modules registered in the last period of registration. (Unisa 2014c).

From the above one can conclude that the admission requirements for the Bachelor of Accounting Sciences in Financial Accounting are relatively open whereby no minimum admission point scores are set. The University of Pretoria for example, sets a minimum admission score of 6 or higher (UP 2014).

The admission for the Postgraduate Diploma in Accounting - CTA Level 1 are also relatively open and requires a SAICA accredited undergraduate degree (e.g., BCompt) - not older than 3 years with no minimum averages obtained in the final year of the undergraduate degree. The admission requirements to CTA Level 2 require that all the modules in CTA Level 1 were passed in the same academic year (including the supplementary examination) and are therefore less open (Unisa 2014c).

Emerging themes lead to the finding that Unisa’s admission requirements were perceived as being inadequate. Associated with admission requirements added challenges were identified by the participants. Examples of these identified challenges include the outcome of basic education, the effect of the numerous official languages on learning, registering students who simply do not possess the necessary abilities and unrealistic pressure on throughput rates. All of the participants were of the opinion that the standard of basic education in South Africa is declining. Many of the challenges raised are language-related issues. The participants argued that the schooling system produces students who are overconfident about their abilities, yet lack the ability to read, comprehend and write, particularly in English.

So in my mind our standard of students are really declining, where the school system gives a lot more students university exemptions than it is supposed to do and Unisa unfortunately sits with the major part of those students. **(P3:34)**

I think the school gives students a false perception of their abilities … **(P6:16)**

They come to us in a very bad shape from the schooling system. I have students that have matric that can't even speak English, who can't write a sentence. **(P7:27)**

It comes from their schooling because they haven't been taught the necessary skills. **(P10:11)**

The reasons why basic education has become inadequate are complex. Besides political inequalities prior to 1994, inappropriate education policies and systems implemented to remedy the apartheid injustices in education are of concern. An outcomes-based education system was introduced in 1997 and the results were unsatisfactory (Maree 2012:730). The intended schooling curriculum could not be appropriately implemented and attained at schools for various reasons beyond the scope of this study. Other limitations experienced by schools include inadequate and inappropriate human resources, poor teacher characteristics and inadequate teaching quality. Students' aptitudes, attributes and language proficiency are influenced by whether or not they come from a disadvantaged background (Howie, Scherman & Venter 2008:32). Expecting lecturers to remedy the deficiencies brought about by the failing schooling system at the expense of the academic content for which they are responsible is unrealistic, unfair and reckless.

English is not the first language of many of the students at Unisa because of South Africa's diverse demography surmounting to 11 official languages.

English is maybe the fourth or fifth language but unfortunately English is our business language. **(P4:26*)***

I think a very big burden or a problem in South Africa is languages. **(P4:29)**

According to Unisa (2013c), the total enrolments for the African race, amounted to 61% of the total enrolments. Keeping in mind the different African ethnic groups with diverse home languages spoken in South Africa, the reality is that all the prescribed texts for auditing are only available in English. This may be a possible reason that inhibits effective reading, comprehension and writing among students. The auditing curriculum

is mainly based on international standards, statutes and practices drafted only in English. Attempting to translate these texts into various South African official languages is not only impractical, but holds a translation risk, whereby the meaning and requirements of the standard setters and legislatures may be distorted.

An interesting trend emerged when the participants were probed to clarify their responses to the issue of language. The participants indicated that English is the 'accepted language of business' and that learning in English should be encouraged among students, and therefore mother-tongue teaching and learning were dismissed.

And it goes back to say, the home language issue […] it's not my home language, and I battle with it, but it's a universal language now. **(P12:52)**

Besides the impact of perceived declining standards in basic education and the language issue, the perception exists among many of the participants that many students admitted to register at Unisa were rejected by the residential universities. This perception implies that many Unisa students may not possess the aptitude, abilities, competencies and language proficiency to pursue the qualification.

Let's be honest, Unisa students are seen as those that were rejected everywhere else … **(P11:47)**

So the top guys will still get into full-time residential universities but what happens now at Unisa level? **(P3:75)**

Unfortunately we are the university for the masses, so our entry levels can't be too high … **(P4:34)**

The admission of students to register who may not have the appropriate abilities to qualify has a direct impact on throughput rates. Universities are subsidised by government based on throughput and subsidies form a key source of income for universities. Aspirations for high throughput may be driven by government and university management (Unisa 2012c:32, 52). Successful throughput is however dependent on many variables, for example the students' ability and ownership, the outcome of basic education, proficiency in English, effective teaching practices and the

university's supporting services. The responsibility to achieve throughput targets is perceived by the participants as shifting the responsibility to lecturers, expecting teaching interventions to remedy the situation without considering and remedying the underlying challenges.

It places tremendous burden on lecturers because they are expected to produce a certain throughput rate … **(P6:28)**

We've got a lot of pressure from the university […] so the volume and the pass percentage must both increase. **(P3:37)**

Because someone that goes to Tuks [the University of Pretoria] and does not get in, comes to us and then we get slapped on the fingers because the pass rates are poor. **(P8:39)**

Further pressure on achieving throughput rates is induced through SAICA's practice, providing direct subsidies (subventions) towards academic salaries to assist universities to attract and maintain academic staff (Venter & De Villiers 2013:1260, 272). The residential universities that implement stringent admission requirements and that are simultaneously capping their student intake are therefore better positioned to achieve SAICA's percentage-based throughput targets.

At postgraduate level I can comment that there's a lot of emphasis on throughput from the professional body, on SAICA's side. **(P3:35)**

One participant viewed inadequate admission requirements from an ethical perspective and felt strongly that it was unethical to receive registration fees from students who do not possess the aptitude and attributes to successfully complete the qualification.

[I]f we're letting people in who shouldn't be coming in, then we're almost cheating the student. **(P5:41)**

I think to take money from somebody to keep them in a system for years and not let them progress is unfair when they don't have a chance. **(P5:49)**

Admitting students who do not possess the required abilities and aptitudes and expecting lecturers to achieve unrealistic throughput rates also have a negative impact on lecturers' morale.

Those students that are weak, they normally take up more resources from the staffing and so they are much more demanding on the staff and as a result the staff won't be able to put their efforts into those students who should maybe be getting the extra effort. Unfortunately the very, very weak student, who shouldn't be here, is draining most resources. **(P5:42–43)**

We've got many students who really struggle despite your best effort, they take up a lot of your time […] they are the people that repeat […] who complain and it's draining for a lecturer […] because the abilities are just not there. **(P6:31)**

I think it is very important [that] when your students are admitted to this course, it must be strict. **(P2:33)**

You can't allow any students just to do this module. **(P2:35)**

We should have limitations on who we take in. **(P5:37)**

The entry requirements must be stricter. **(P8:39)**

Most of the participants suggested appropriate admission requirements be implemented by Unisa in accordance with the students' abilities to successfully complete the qualification. The implementation of adequate admission criteria by evaluating students before admitting them may restore lecturers' morale to achieve throughput that is realistic to achieve.

5.2.2.2 Lack of in-depth career guidance

Many students register for the academic qualification without understanding what the RA career entails and what the prescribed training requirements are.

A lot of my students that come to my office are not even aware of the fact that they have to complete an article period [prescribed training] to eventually qualify. **(P3:4)**

Besides informing students about the academic and training requirements for prospective RAs, reliable career guidance should recognise and understand a student's ability.

Not everybody is university material and we should also be encouraging people to do other things, we need plumbers […] people doing technical things. **(P5:40)**

A participant suggested that psychoanalysis tests modelled on the personality characteristics of an auditor could be implemented as a career guidance aid.

The personality that you need […] the average hours that a typical CA works, do you see yourself wanting that, are you this type of person who is willing to solve problems, do you see yourself working in a team? **(P11:52–53)**

So already you must have a way to say that okay we model a typical CA, and say this is a typical CA, this is the typical personality, typical attributes, soft skills, and do you see yourself in there. **(P11:56)**

These findings are in agreement with Maree (2012:733), who states that there is a pressing need for assessment instruments that can be administered to all South Africans to assist young people to make viable career choices, including career adaptability. Maree (2012:731) affirms that most black students receive no or little career counselling at school. Their choice of a particular field of study is consequently based on inadequate information. The high drop-out and failure rates in tertiary education may also be ascribed to a lack of career counselling (Maree 2012:733).

SAICA's branding initiative of the CA(SA) designation has created an awareness among students of the CA qualification. On the other hand, little initiative has been taken by IRBA to encourage specialisation in auditing and to brand the auditing route as a prestigious career. This finding will be apparent in Section 5.3.1, where auditing students' awareness of the CA versus the RA route is discussed.

5.2.2.3 Large student numbers

Unisa has more than 400 000 students, accounts for 12.8% of all degrees conferred in South Africa, is the largest university on the African continent and produces close to a

third of South Africa's CAs (Unisa 2013c). The number of available lecturers required to teach and attend to these large student numbers was perceived as a teaching barrier (one lecturer is responsible for between 1 500 and 2 000 students). Large student numbers combined with limited physical contact with students make it difficult to interact on a personal level with students to nurture and assess specific PAs at Unisa. Teamwork and interpersonal abilities will for example best be nurtured in smaller groups with personal facilitation.

If we think about the residential environment – it's much easier to do things like team play or […] group work. **(P5:6)**

I think the mass, the larger the class size the more difficult it is. **(P5:31)**

… it's the masses, if you have smaller groups you could have done something. **(P4:33)**

Furthermore, the participants indicated that departments are short-staffed and that the student per lecturer ratio is distorted.

Sitting with two thousand students per semester – it's impossible … **(P2:28)**

Obviously the lecturer-student ratio should be a certain limit. **(P11:60)**

At postgraduate level we sit with student numbers of about seven thousand students per year. **(P3:57)**

I think we have to have sufficient staff, that's another thing … **(P5:65)**

So the [limited] resources for me, is a huge problem. **(P8:47)**

In terms of Unisa's 2014 Institutional Operation Plan, appointing tutors is an attempt to provide integrated student support (Unisa 2013a:11). Accordingly, the implementation of tutor assistance should theoretically alleviate the distorted student-lecturer ratio. However, the concept of appointing tutors was not readily received by the participants. The participants were wary towards Unisa's proposed tutor strategy to remedy the staff

shortages. On the contrary, the participants were of the opinion that they will be burdened with additional problems.

I just think the idea is noble and good, and it's for the good of the students, but I don't think it will […] make lecturers' lives easier, it will make it more difficult and the people who've done the trials or the, whatever they call it, they report on many problems … **(P6:56)**

Informal discussions held with lecturers in accounting departments at Unisa who have started to implement the tutoring system indicated that they experience many practical problems with the strategy. For example, some tutors provide students with too much guidance with the completion of their assignments, cultivating passive students. Others provide students with too many haphazard examples that confused the students.

Participants expressed their concerns about the lack of control over the appointment of tutors, and whether tutors are appropriately skilled and experienced to provide students with the necessary guidance. Appropriate measures have to be in place to ensure that tutors are qualified CAs and have marking and teaching experience to provide valuable assistance to the students.

If it is a transparent process and the people that have been appointed are competent and they know what I am doing here because I don't want to make it – it must not be more of a burden to us as lecturers. It must help. So I am afraid it will give us more work now. **(P8:52)**

If you have tutors, you have to make sure that they are on the same level basically as what a lecturer should be. **(P1:30)**

The thing with tutors is they really have to be trained very, very well. **(P2:37)**

The successful utilisation of tutors to assist lecturers is dependent on many variables. The participants foresee that the supervisory, quality control and other administrative duties following the appointment of tutors will be more burdensome than the anticipated benefits. Permanent appointments were therefore preferred by the participants, because appointed lecturers can work as a team, can be directly supervised and can be

held accountable for the quality of their tuition. However, as indicated in Chapter 2, Section 2.5.2 specialism of ODL systems and sub-systems imply that the tutor function should also be a specialised sub-system in terms of dedicated division of labour (Fleck 2012:401). Therefore academics should not be involved in burdens that they have envisaged.

5.2.2.4 Shortcomings of the semester system

Unisa's undergraduate programme comprises of two semester intake dates. The first semester enrolments commence early in December and closes mid-January and examinations take place during May/June. The second semester enrolments commence at the beginning of June and close mid-July and examinations are written during October/November (Unisa 2012b). Therefore, a semester period extends to about 3 months of teaching and learning. Teaching and learning time in a module should not exceed 120 notional study hours (Unisa 2012a).

Inappropriate admission requirements with all its contributing factors impede students' ability to read and comprehend prescribed learning material. Due to students' poor reading and comprehension abilities, the semester system is perceived by many participants who teach undergraduate modules as being too short to allow effective teaching and learning, particularly in an ODL environment. The semester system at Unisa applies only at undergraduate level. Besides impacting on the teaching of the technical content, the semester system allows insufficient teaching time to aptly nurture communication and critical reasoning.

The semester system is too short for a student to get effective feedback before the exam. **(P5:44)**

There is just not enough time for a student to actually take in what they needed to and make that concrete within themselves. But a year course would allow us for a student to actually come to terms with what they studying and also to see […] the whole audit process as one flow from beginning to end for a whole year, […] it will also it would keep things kind of logical. **(P5:46)**

The student sometimes lands up not doing things [the modules] in the right order. **(P5:47*)***

A student can't really come to terms with the big picture. **(P5:48)**

In a semester course we're really under pressure. So much pressure there's not enough time to put more stuff in. **(P5:56)**

The biggest barrier is the short space of time and obviously the semester system. I think lecturers are so pressurised to stay on the wheel, almost like a rat on a wheel … **(P6:47, 49)**

With the semester system we're cramped for time. **(P7:38)**

[T]he semester is too short. **(P8:60)**

A year module would be better for me […] there must be more, smaller assignments throughout the year. **(P9:36)**

Over a year course I think you can put in more initiatives […] for all these professional attributes. **(P10:20)**

The semester is too short, so you can't do what you want to do. **(P11:35)**

Due to the established perception that Unisa's admission requirements are inadequate, the majority of the undergraduate auditing lecturer participants were of the opinion that the semester system does not allow sufficient time to teach and assess Unisa auditing students. This is a cause for concern.

SAICA prescribes the core technical content and the competency levels to be achieved in its Academic Programme Guidelines. To reach the outcomes of the prescribed core technical content an excessive volume of theory has to be taught and learned. If graduates are unable to demonstrate these competencies in the ITC, a university could lose its SAICA accreditation (Venter & De Villiers 2013:1272). Regardless of the volume of the prescribed text, the available teaching time in a semester is nevertheless limited to three months. Therefore, the accepted norm of 120 notional hours per module is exceeded and ignored. More to the point, research needs to reassess the effectiveness of the semester system for the Bachelor of Accounting Sciences in Financial

Accounting, particularly in an ODL environment within the South African context and with Unisa's existing admission requirements.

At Unisa, the course design with specialists is performed by the module lecturer in collaboration with Unisa's Directorate: Curriculum and Learning Development. One key characteristic of a successful ODL course design is the emphasis on many specialists working together (Moore & Kearsley 2006:9). Whether the wide-ranging specialism of skills or capacity exists at Unisa needs further exploration and the role of the lecturer in the development of professional attributes becomes more prominent.

Communication is particularly challenging in South Africa. The country has 11 official languages and furthermore many students do not have access to electronic devices for online communication and in instances where they do have access to technology, they do not know how to utilise it to the fullest (Ferreira & Venter 2011:81). Quality ODL requires interactive communication between lecturers, tutors and students and is realised with the aid of modern ICT (Ferreira & Venter 2011:81).

One may argue that Unisa's Bachelors of Accounting Sciences in Financial Accounting students may be more likely to access the internet and computers than students in other fields of study (Prinsloo & Van Rooyen 2007:53). However, students' ability to utilise technology to its fullest remains uncertain. With this in mind, a blended approach to learning especially in developing countries is likely to be more successful in distance education (Ferreira & Venter 2011:91; Prinsloo & Van Rooyen 2007:63). ICT in teaching and learning needs to be utilised effectively to facilitate students to manage their progress within the tight semester period.

5.2.2.5 Waning student ownership

Concern was expressed by many participants that student ownership of their studies is waning. This too was attributed to inadequate self-discipline fostered during basic education.

I think students don't take ownership for their work […] most of them leave it [their studies] for last. **(P2:29)**

You can't just think […] "I'm entitled to an education", you also have to work for your education. **(P5:37)**
Unfortunately, I don't think students spend enough time on the exercises that the lecturers prepare. **(P9:17)**

Waning student ownership may also be attributed to factors other than poor basic education. Factors that influence the development of ownership in the learning environment also include the integration of learning motivation, cognition and meta-cognition with categories of ownership, comprising of personal value, control and responsibility (Casim & Yang 2013:9). Students should need to feel in control of the instruction.

5.2.2.6 Learning focus and excessive technical content

Students are focussed on passing examinations and not on acquiring knowledge, skills and abilities that will better equip them for the workplace. The narrow-minded learning focus, driven to pass examinations, may be attributed to the excessive prescribed technical content in terms of the SAICA Competency Framework. Excessive learning content should be seen in light of Section 5.2.2.4 where the semester period to teach and learn the excessive technical content is too short.

You always sit with the problem that some students, their whole objective is to pass the course. The objective is maybe not to get skilled. **(P9:24)**

Our students are task-driven, they need to study for this test or exam […] and that's why they phone and say, what can we expect in the exam. **(P1:3)**

I think the syllabus is so large that the students struggle to just get through the theory. **(P1:37)**

We rather focus on passing them to get them to Board [ITC], and less on how we're going to develop skills in a corporate environment. **(P1:38)**

We don't focus on the skills that they should have to be not just a good citizen, but also a person with the right skills in the corporate environment. **(P1:39)**

But their first focus and I think that's also our focus at the university is the passing, I think because we have limited time to influence a student. **(P6:41)**
There's a lot of emphasis on throughput from the professional body on SAICA's side. **(P3:35)**

But they just rather focus on what is it that they need to pass. **(P12:42)**

[There is little] time available to the students because we've made the modules very full. **(P10:32)**

Students' narrow-minded focus to pass examinations is indirectly driven by the academe and SAICA. Academic success is measured by SAICA as a university's success rate in the ITC. SAICA's prescribed technical content is grounded in the SAICA Handbook and SAICA Legislation Handbook.

The SAICA Handbook comprises of three volumes and is contained in five books:

- Volume 1: International Financial Reporting Standards (comprising of three volumes, Part A, Part B1 and Part B2)
- Volume 2: SAICA Members Handbook: Auditing
- Volume 3: SAICA Members Handbook: Accounting, Ethics and Circulars.

The SAICA Legislation Handbook consists of three volumes and is contained in three books:

- Volume 1: comprises of four acts
- Volume 2: comprises of seven acts
- Volume 3: comprises of the King III Report and Code on Governance in South Africa.

Besides the volumes that relate directly to auditing, namely the SAICA Handbook volumes 2 and 3, and the SAICA Legislation Handbook volumes 1 and 3, auditing is contextualised within the financial reporting standards and specific financial-related legislation. Therefore, at postgraduate level, auditing students are expected to integrate the auditing standards, codes and legislation with the SAICA Handbook Volume 1 and

the SAICA Legislation Handbook Volume 2. An open-book policy is allowed at postgraduate level and the ITC examination. For the purpose of this research, reference is made only to those volumes relating to the auditing syllabus alone (SAICA Handbook volumes 2 and 3 and the SAICA Legislation Handbook volumes 1 and 3). These volumes are hereafter referred to as the SAICA Handbooks.

Due to the extensive volume of prescribed auditing technical material contained in the SAICA Handbooks, students have adopted their learning strategy accordingly. Many students follow a self-remedy strategy whereby the proposed solutions to exercises contained in the learning material are memorised. Insufficient time is available to reflect on the underlying principles to address a particular problem alluded to in the exercises. This learning approach may inhibit students' critical reasoning abilities.

The above argument is supported by Venter and De Villiers (2013:1250, 1272), who question SAICA's ability to defend excessive technical syllabi at the expense of more critically skilled graduate attributes being embedded in accounting education. Venter and De Villiers (2013:1272) further warn against SAICA's influence on accounting academe to adopt rules and structures that skew academic ideals and may ultimately be to the detriment of the profession itself (Venter & De Villiers 2013:1272). The changing skills of professional accountants for the 21st century is moving away from the concentration on technical skills and more towards the importance of IT skills and PAs (Lines & Gammie 2004:3). Furthermore, the excessive technical content may have a negative impact on students' ownership by allowing students to feel out of control over their own learning (Section 5.2.2.5).

5.2.2.7 Inherent limitations of an open distance learning environment

Inherent to an ODL learning environment is the limited physical contact between students and lecturers and between students themselves. Projecting professional demeanour and positively influencing and rectifying student behaviour become more challenging. Furthermore, some of the enabling attributes, for example group work, are difficult to nurture where there is no physical contact and with large student numbers.

We do not have daily contact with our students […] so about the group work thing again, it's not easy to interact with students. **(P3:28)**

If we think about residential environments it's easier to do things like team play or […] group work. **(P5:6)**

So if you wanted to show them your passion, it's very difficult to show passion on a computer or in written material. **(P5:26)**

5.2.3 Inherent advantages of an open distance learning environment

All the participants pointed out that the ODL environment is inherently conducive to nurturing certain of the PAs. The particular enabling attributes identified by the participants included written communication, time management and self-management.

With regard to communication, students are expected to read and comprehend the learning material and all the assessments are in written format.

Communication is something that through ODL we can also really focus on. **(P7:6)**

With respect to self-management, students are required to work on their own and therefore are responsible for their own success and drive. Time management is nurtured by requiring students to submit assignments on or before specific due dates. To this end, students are also required to pace their own progress to ensure that they master topics in the study guides, and when answering questions, they need to calculate the time allowed per question.

In a sense we all know self-management being in ODL. **(P7:6)**

They [potential employers] tend to forget there's other things Unisa delivers, for instance the ability to work on your own, to do self-management and time-management, you know, perseverance. **(P9:55)**

ODL is more suited to model what the profession is going to be like because already you need these attributes in order to succeed in ODL. **(P11:10)**

By the time they graduate they're used to working on their own, they are used to meeting their deadlines. **(P11:29)**

The researcher's own experience as an undergraduate auditing lecturer is that during the period between 2010 and 2014, Unisa's assignment division regularly extended the due dates of assignment submissions. The reasons for the postponement were ascribed to the Unisa portals failing due to a system overload and/or postal strikes. The suggested memoranda of these assignments are usually released by dispatch and on *my*Unisa on the initial due dates. Therefore, those students who do not effectively manage their time often have access to the suggested solutions by the time they submit their assignments on the extended date. Accordingly, these students then obtain full or high marks for these assignments contributing towards their year mark. Students who submitted their own attempts timeously are therefore disadvantaged by this state of affairs. Although it gives a true reflection of their abilities, these students possibly achieve a lower year mark than their peers who did not manage their time effectively. Concurrent with the postponement of submission dates, the marking process incorporating feedback to the students is automatically extended. Postponement of submission dates ultimately shortens the available tuition time of an already short semester period, as raised in Section 5.2.2.4. Regardless of the underlying reasons, students can predict a trend whereby submission dates are automatically extended and therefore meeting deadlines need not be taken seriously. Ultimately, deadlines are not taken seriously by many students. The inherent advantages of an ODL environment as highlighted by the participants in the interviews are lost if this trend continues.

Two of the participants indicated that exposure to smaller but frequent case studies in the form of assignments should take place. This suggestion, amounting to structured practising, could nurture writing abilities, critical reasoning and self-management.

There must be more but smaller assignments throughout the year. **(P9:36)**

But if you don't submit something then you don't get to be a jubilee performer … **(P5:55)**

Although this practice may be ideal, the challenges of high student numbers per lecturer and the limitations of the semester system, as indicated in Sections 5.2.2.3 and 5.2.2.4, need to be considered.

The consequences of not meeting deadlines should be serious enough to deter late submissions. The significance of meeting various deadlines through managing oneself in accordance with predetermined deadlines are essential attributes in preparing students to cope in the workplace environment.

Having established the participants' perceptions of the relevance of PAs to the auditing profession, describing the perceived challenges facing auditing lecturers at Unisa and the perceived inherent advantages of an ODL environment, the questions steered participants towards discussing possible suggestions to aptly nurture PAs at Unisa. To this end, participants' generic suggestions applicable to all categories of PAs are described. Thereafter, participants' suggestions applicable to the specific PAs are described.

5.2.4 Generic suggestions to nurture professional attributes

The generic suggestions to aptly nurture PAs, applicable to all the categories of PAs, include creating an awareness of the relevance of Pas, rewarding students' competence in PAs, utilising the e-learning platform and revising the assessment processes and practices.

5.2.4.1 Creating an awareness of the relevance of professional attributes

PAs may not be perceived as important by students because they are not aware what PAs entail. More to the point, PAs may not be adequately emphasised and explained in the learning material. Accordingly, creating a certain degree of buy-in from the students is essential (Banico & Zevalkink 2007:21).

I think it is something in the back of their minds but it's definitely not coming across to them as being the most important. **(P1:2)**

I'm going to be honest, if it's more prominently pointed out in our studying [learning material] … self management, time management, seeking learning opportunities and [taking] initiative. I would have thought yes I know that's important, but will I actually know what that is? **(P4:8)**

From our side I think we can really make them aware. **(P3:15)**

Once awareness has been created among students, initiating an understanding of the relevance that competence in PAs holds for prospective RAs regarding career success is critical. Furthermore, the renewed emphasis placed on PAs by SAICA in its competency framework affects assessment of the education, training and development programmes. If students are aware of the relevance of PAs, they may be more inclined to develop the enabling abilities.

I think the first way to influence students is to create that expectation that they are training to become professionals and enforcing it. **(P6:18)**

To start talking about them [PAs], to tell them [students], show them the importance, to efficiently obtain buy-in. **(P7:17)**

They must not feel that we're wasting their time with the soft issues because they're all focussing on their standards and their technical stuff. **(P7:21)**

Give it enough focus, I would make sure that the students take it seriously. **(P7:36*)***

Maybe if lecturers could tell a student why they should be doing a specific exercise. **(P9:18)**

Often people know that they have to do something but they don't do it because they've never been told why it's important to do it. **(P9:23)**

The participants indicated that students do not realise the importance of PAs because they cannot relate these to the auditing profession. A suggestion was made by one participant that IRBA and SAICA, in collaboration with Unisa, should produce a realistic workplace-related video, indicating the relevance of PAs in a practical setting. The video could simultaneously serve as career guidance, as suggested in Section 5.2.2.2. This suggestion is in accordance with Chapter 2, Section 2.6. Using real-world examples, relating directly to their field of study, may facilitate students in realising the relevance of PAs in their careers (Fleck 2012:402).

So I think somehow in our introductory module we need to emphasise these attributes, give them an overview of what the profession is about. **(P11:7)**

You could have a video of the planning where the audit partner is sitting with the team and they're planning … **(P12:30)**

5.2.4.2 Rewarding students' competence in professional attributes

Students will only take PAs seriously if they are rewarded for demonstrating competency therein. Students should be informed how and in what way they will be assessed (Shakir 2009:312).

We are already guiding them but unfortunately, if there are no marks associated with something, they probably won't be doing it. **(P9:26)**

Shortly after conducting the interviews, SAICA issued guidelines for candidates relating to the assessment of 'communication skills' in the ITC (SAICA 2014c). SAICA's guidelines relating to communication skills however incorporate aspects of critical reasoning. Awarding marks for PAs may emphasise the significance of mastering these attributes. This suggestion is in line with SAICA's guidelines for candidates relating to the assessment of communication skills in the ITC. To this end, SAICA's guidelines to assess communication skills in the ITC provide scope of awarding between 5 and 10% of the marks for effective and efficient communication.

Professional demeanour is formally assessed during the training programme. It is difficult to assess these attributes in a written examination such as the ITC. Therefore, not including these attributes in SAICA's guidelines relating to the assessment of communication in the ITC is understandable. However, the enabling attributes leading to professional demeanour may nevertheless be nurtured during the academic programme, as will become evident in this chapter.

5.2.4.3 Utilising the electronic learning platform

Unisa provides students with printed learning material and utilises interactive multimedia options and synchronous and asynchronous electronic communication such as email and the student portal *my*Unisa. Students have the option to either submit assignments via post (usually handwritten) or electronically. Although students are not obliged to access *my*Unisa, lecturers post important announcements on *my*Unisa, providing guidance and feedback on assignments and preparations for the examinations. However, one participant estimated that only about a third of the students make use of

*my*Unisa. During 2012, Unisa's management had strategies in place to do away with paper-based learning material and to move towards a full e-learning platform. Late in 2013, this decision was reversed.

Socio-economic factors need to be weighed up against the benefits of utilising the e-learning platform in nurturing PAs. On the other hand, as pointed out in Section 5.2.2.4., Unisa's Bachelors of Accounting Sciences in Financial Accounting students may be more likely to access the internet and computers than students in other fields of study. Examples of utilising ICT more effectively include discussion forums, helpful links and tools, which will in effect, develop computer literacy skills.

- **Socio-economic factors**

Most of the participants indicated that the e-learning platform can be valuable in nurturing PAs. However, many participants were concerned about the fairness of expecting students to obtain computer facilities and access to the internet in rural areas where internet coverage may not exist. Concerns were raised that many undergraduate disadvantaged students would be excluded from tertiary education. Student support is available through funding initiatives launched by Unisa to assist students to purchase computers and broadband access at reduced costs. These initiatives were introduced during 2013 (Unisa 2013b).

Some places in South Africa don't have cell phone coverage, let alone 3G coverage. **(P4:26)**

Look at South Africa's demographics; you have the rural areas where even the basic services are not there. **(P11:173)**

One participant indicated that once Unisa enforces the e-learning route, the university should refrain from classifying itself as an 'open' learning institution but rather only as a 'distance' learning institution. More to the point, the suggestion was made that students should be made aware upfront, as part of the registration requirements, that computer skills and access to the internet are registration requirements. However, access to a computer, printer and the internet is a registration rule for admission to the registration of the Bachelor of Accounting Sciences in Financial Accounting and the Postgraduate Diploma in Accounting Sciences (Unisa 2014c).

… if we say 'if you do not have access to a computer you cannot register for this course', I think that's probably the best way to go … **(P3:40)**

The importance of computer skills for auditing students is accepted by all the participants. Sympathy was expressed by the participants for students who are unable to access the internet. Broadband facilities in South Africa are not sufficiently sophisticated to allow fast access throughout the country. Nevertheless, the general consensus among the participants was that access to the internet should be a registration prerequisite.

Using the e-learning platform prepares students to become computer literate. Utilising the e-learning platform was indicated by the participants as a valuable tool to nurture PAs.

- **Discussion forums**

Interaction is the core of effective e-learning. The participants asserted that the discussion forum facility available on *my*Unisa was underutilised.

I don't think we use things like discussion forums effectively at this point. **(P5:17)**

We don't provide a platform for our students to interact with each other. **(P12:51)**

Besides facilitating team spirit in a distance learning environment, the participants indicated that discussion forums can be effectively utilised to stimulate critical reasoning.

Discuss whatever happened on the JSE would impact on our business [for example, audit risk, planning, subsequent events and going concern considerations]. **(P11:26)**

We can provide links to recent articles and ask students to comment on it. **(P8:56)**

It becomes lively and becomes interactive as well. **(P11:28)**

Try to make auditing more practical … **(P11:63)**

Some participants suggested that more interaction should take place between students themselves and between students and lecturers on a regular basis on the *my*Unisa platform.

We can maybe give a case study and yes, we can maybe have every single Friday [a] discussion. **(P8:21)**

I think being interactive with our students is crucial. **(P1:28)**

I think that's [interaction] very important because that what's lacking compared to a residential university. **(P4:37)**

The way we teach will have to be more interactive and it won't be going to class […] but it will be more of a discussion to allow them as well to create that platform of discussion. **(P12:78)**

The suggestion was made that lecturers should prompt students to identify a particular problem and to describe it, as well as how to find resources (research) to enable students to constructively participate in solving the problem.

We must ask them probing questions. **(P8:66)**

We have to force them into a certain way of thinking and for instance discussion questions. **(P9:27)**

The utilisation of discussion forums on *my*Unisa could create a sense of teamwork among students and could stimulate critical reasoning. Students who communicate inappropriately on the forum may also be guided by lecturers.

- **Helpful links and tools**

Participants indicated that the e-learning platform has many helpful links and tools available to assist students in understanding the principles of PAs and that it is probably the best platform to nurture PAs.

I would definitely go for the online environment. **(P9:51)**

I think, we have to definitely make use of our websites and internet and blogs […] to communicate with our students and I think being interactive with our students is crucial. **(P1:28)**

I believe Unisa does already take good initiatives, I think we can use that to our benefit. **(P7:31)**

I think with the online environment it's much easier, much quicker. **(P2:18)**

We must open our minds […] but there is definitely scope for e-learning. **(P3:27)**

In sum, creating an awareness of the importance of and underlying principles for the various categories of PAs should be incorporated into the learning material. E-learning for Unisa students may become a reality from 2016 onwards, and during the design of learning material, lecturers should consider utilising and incorporating the inherent advantages this platform has to offer, such as links and tools, more extensively.

- **Developing computer literacy**

The participants stressed the importance of computer literacy in preparation for the workplace. A participant who completed his academic qualification at a residential university was of the opinion that residential universities expose their students more to computer-related projects than Unisa. The concern raised by this participant was that the Unisa student will be disadvantaged in the workplace.

You need to know how to use a computer because the first day you walk in you get a laptop, but if you don't know how to use it, you're lost. **(P11:45)**

The importance of computer literacy was also raised by another participant.

When you get to an auditing firm, they expect you to be able to be computer literate and to work on those programs. **(P1:43)**

During 2013, the College of Economic and Management Sciences introduced a signature module, Sustainability and Greed (SUA1501), requiring students to access the learning material on *my*Unisa and submit their assignments online. The signature

module compels students to have internet access and utilise a basic e-learning platform. In addition, the module Practical Accounting Data Processing (AIN2601), which forms part of the undergraduate qualification, exposes students to practical Excel applications. Therefore, the assumption is made that Unisa's Bachelor of Accounting Sciences in Financial Accounting exposes students to basic computer literacy. As soon as Unisa evolves into an ODeL (open distance and electronic learning) environment, the computer literacy of prospective auditing students will be automatically enhanced.

5.2.4.4 Revising the assessment processes and practices

Some participants suggested that the assessment processes and practices should be revised and advocated, using portfolios as an alternative method of formative assessment. Portfolios are suitable to nurture communication, self-management through regular activities and deadlines, and critical reasoning.

I actually feel one should be giving them [students] a portfolio, give them a chance to submit it, give some constructive feedback as to where they can improve, just in general, I mean, you don't have to mark the thing in detail. **(P9:31)**

Maybe giving more weight to portfolios, ensure that they are compiled during the year rather than just the end like an exam. **(P9:56)**

To change the way we evaluate our students […] and allow for that creative mind. **(P12:37)**

A portfolio of evidence – we could implement it as well as part of our teaching and it should count to a student's year mark because it requires lots of work and it requires you seeing the bigger picture. **(P12:34)**

In their formative assessment, I think a portfolio as one of the things, if it's a year course, can be valuable. **(P6:52)**

A project that you must do from the beginning of the semester until the deadline is given when instead of submitting assignment 2 they submit a portfolio. **(P11:23)**

I still refer back to my varsity years where we did that project, it was exciting back then because I used to even go to sleep late at night when doing that project. **(P11:62)**

Other benefits of portfolios include that this would be more practical in nature and more stimulating and could contribute towards the learning process, rather than the multiple-choice questions and assignments that are currently used. Due to the amount of work required by the student in compiling a portfolio, the suggestion was made by a participant that if introduced, the portfolio mark should contribute more than the assignments towards the year mark. These benefits should however be considered in conjunction with the restrictions brought about by high student numbers (Section 5.2.2.3) and the impact of insufficient learning time brought about by semesters (Section 5.2.2.4). The disadvantages of using portfolios were also highlighted by the participants.

I think a portfolio can be valuable but it leaves it open to a lot of unethical behaviour as well. **(P6:50)**

I just think it's difficult to assess and it will put additional pressure on lecturers. **(P6:53)**

Formative assessments through portfolios linked with frequent submissions, as referred to in Section 5.2.3, may enhance the nurturing of PAs.

5.2.5 Suggestions to aptly nurture specific professional attributes

The generic suggestions applicable to all the PAs have been described. Suggestions to nurture professional demeanour, critical reasoning and communication follow.

5.2.5.1 Professional demeanour

The enabling attributes identified for professional demeanour for purposes of the research included being an active team player, time management, seeking learning opportunities, taking initiative and managing oneself (Figure 3.1 in Chapter 3). Sections 5.2.2.3 and 5.2.2.7 emphasised that the challenges regarding the large student numbers (student-lecturer ratio) and the inherent limitations of an ODL environment deter individual observation and facilitation of student behaviour in teamwork situations. However, as pointed out in Section 5.2.3, the ODL learning environment is conducive to nurturing self-management and time management. Although formally assessed in the training programme, the academic programme can nevertheless create an awareness

of the enabling attributes guiding the prospective auditor to conduct him-/herself professionally through implementing a practice-based model to teaching and learning in an ODL environment (see Chapter 2, Section 2.6).

Regarding the nurturing of time management, a participant suggested using a podcast or video to illustrate the underlying principles.

Visually telling them, I am taking my [exam] paper now, let's take a calculator … **(P8:13)**

Rethinking the design of the learning material and thereby providing students with motivation through a sense of finding personal value and control was suggested in Section 5.2.2.5 and the relevance of meeting assignment due dates was discussed in Section 5.2.3.

Some participants suggested that reference should be made in the learning material to suitable links on the internet to illustrate the underlying principles of a specific attribute of PAs. Links to a YouTube clip or a podcast on how to manage your time effectively were suggested as examples.

[O]r sourcing from YouTube or a business organisation that has training material on time management and maybe put a link to that video. **(P8:14)**

… actually making the video's here on campus and making it our property … **(P8:15)**

Encouraging students to take initiative and conduct their own research by providing links to assist them was also suggested.

Go and research something, but we do provide nice links to websites. **(P1:19)**

We can expose our students, we can give them links to good corporate companies' published financials. **(P3:41)**

Students are used to a lot of information at their fingertips, that's not the problem; what we need to teach them is to filter out what's important. **(P6:9)**

5.2.5.2 Critical reasoning

The main stages of critical reasoning (Figure 3.2 in Chapter 3) identified for the purposes of this research are to identify the problem, obtain relevant information through research, examine and interpret information, and make a decision with the objective to solve unstructured problems and to provide recommendations.

Suggestions to nurture critical reasoning proposed by the participants while teaching the auditing technical content included using case study scenarios, utilising self-assessment activities appropriately, providing value-added feedback and comments on activities, incorporating research projects, aligning the auditing syllabus and contextualisation, and rethinking the purpose of a university qualification.

- **Case study scenarios**

All the participants indicated that they provide practical and case studies as part of the formative and summative assessments in an attempt to stimulate critical reasoning. . In addition the participants indicated that by using case studies effectively, more of the enabling attributes required for critical reasoning could be addressed, for example techniques to identify a particular problem, methods to gather information through research and guidelines to construct logical arguments. Lines and Gammie (2004:14) indicate that cases and open problems assess many of the PAs.

We in Auditing can really assist our students in terms of identifying and solving unstructured problems by way of a case study. **(P3:8)**

In terms of gathering information with these rich scenarios that we're moving more towards *… students have to come and gather information and so I certainly think there is room for teaching problem solving.* **(P5:14)**

They can for instance first search for something on the internet. **(P2:14)**

Besides the case study scenarios used in assignments and examinations, students are nevertheless required to submit a compulsory multiple-choice assignment to gain examination admission. The practice of using multiple-choice questions is plausible from an administrative point of view, due to the high student numbers and to meet the 'headcount' requirements for subsidy purposes. However, students are not exposed to

multiple-choice questions in the summative assessments. A participant questioned the significance of using multiple choice questions in facilitating critical reasoning and writing abilities. Lines and Gammie (2004:14) indicate that computer assisted multiple choice questions can be used to assess technical content and managing oneself if used as a formative assessment tool. The extend whereby the multiple choice questions used by Unisa at the time of the study, may neither contribute to mastering the technical content nor managing oneself.

What we do now is a multiple choice assignment which is what really, nothing really. **(P12:43)**

And now I'm thinking about 'why are we asking them to do multiple choice?' **(P12:49)**

They don't explain why they gave the [answer] and that's what they don't figure out. **(P4:27)**

A suggestion was made to provide students with initial guidance to tackle a case study. To this end, care must be taken by lecturers and tutors not to suppress critical reasoning abilities by providing excessive guidance.

I think what is important [is] they should get guidance at the beginning but not the answer. **(P2:25)**

I think everybody must keep their individualism, but I think we must give them guidelines in order for them to explore further. **(P8:24)**

If the lecturer picks up that the students are either really struggling to get the solution or they are going in the wrong direction, to sometimes step in. **(P5:19)**

I think we spoon-feed our students too much. **(P5:21)**

Make suggestions […] read something up on the internet. **(P5:23)**

- **Utilising self-assessment activities appropriately**

Self-assessment activities (case studies) are included in the Unisa auditing learning material with suggested solutions. Students are expected to attempt these questions under examination conditions, mark their written attempts and then critically reflect on their deviations. The objective of reflection is to identify reasoning weaknesses and to implement a self-remedy strategy. However, many participants indicated that students read the question and immediately refer to the suggested solution (referred to as the 'oh yes' method).

But if you follow the 'oh yes' method when you are doing questions, you [the student] look at the information and then you go to the answers immediately and you see oh yes I would have, yes, yes, instead of attempting the question against the time recommended. **(P6:35)**

[I]f you don't mark your question yourself, you will never learn from your mistakes. **(P6:36)**

They [the students] will never look at what are the marks they missed. Where are the gaps in my knowledge? […] I think if you attempt questions on your own, and you do them properly and audit the question, that's where you learn. **(P6:37)**

Students tend to memorise the suggested solutions of the self-assessment activities without identifying the underlying problems alluded to in the scenario, where and how to obtain information to solve the problem, and evaluating all the facts to make an informed decision. The reason for students following this learning strategy is mainly ascribed to the volume of technical content expected to be covered in the academic programme (see Section 5.2.2.6).

- **Providing value-added feedback and comments on activities**

The participants indicated that feedback and comments on, for example, self-assessment questions and assignments, constitute part of their existing initiatives to assist students to think critically.

I think we already try to teach the students by giving solutions and value-added comments so that they will understand the work better. **(P2:40)**

I tell them it's general pitfalls … **(P8:22)**

In our value-added comments we focus quite a bit on exam technique … **(P7:35)**

Some participants indicated that although value-added feedback focussing on the technical side is provided, more could be done on feedback that addresses the PAs.

We can just take it [value-added comments] a little bit further and say use good English etcetera. You can really extend it a bit. **(P7:35)**

I think what we haven't been doing properly is the feedback part […] the feedback process will be the one that addresses the listening part of the students. **(P12:17–18)**

- **Incorporating research projects**

The auditing syllabi consist primarily of rules-based content contained in the SAICA Handbooks. One of the participants suggested that part of the process of understanding theory is to encourage students to challenge the standard setters and/or to identify possible loopholes in the standards. The participant commented as follows:

To think independently, that's not what this module does. It doesn't really teach the students to be able to think independently and apply their minds because [their thinking is confined] to the standard [ISAs]. **(P12:12)**

We are not trained to be independent thinkers and challenge the status quo. **(P12:17)**
That's what we are doing, we're teaching memory dump. **(P12:20)**

The development of independent thinking and the challenging of standard setters require the development of research abilities, enabling students to construct and defend a sound argument. A participant indicated that by encouraging students to challenge standard setters, lecturers too would be stimulated intellectually.

... and I think it would make it even more interesting for us as lecturers because we would also be thinking critically. **(P12:45)**

The elements of problem solving are implied in the research process. Expecting students to conduct research is not included in the postgraduate programme. Two of the participants indicated that no research projects are included in the tutorial matter and therefore students are not taught how to identify problems; search, utilise and identify relevant information to solve problems; and formulate findings. An element of research should be included in Unisa's curriculum (Barak & Du Plessis 2014:75).

They can for instance first search for something on the internet […] the first step is that you [the student] get the information first. **(P2:14-15)**

They must be able to identify where the problem exists and then must go and read about it. **(P2:21)**

If we include the element of research in our teaching, the students in a way have to go out and identify what problem there is […] then gather information based on primary or secondary data trying to solve a problem. So I think research is the biggest path in addressing that. **(P11:13)**

The already full technical auditing syllabus disallows time to incorporate research projects. The underlying principles of research are implied in the stages of critical reasoning, namely identifying the problem, deciding on an appropriate methodology to address the problem, gathering and evaluating data, and writing up recommendations and conclusions. The issue of an excessive technical syllabus expected by SAICA to be taught at universities at the expense of nurturing critical reasoning is also raised by Venter and De Villiers (2013:1272). To this end, the debate on rethinking the role of universities and the purpose of an undergraduate and postgraduate qualification is encouraged.

- **Aligning the auditing syllabus and contextualisation**

Critical reasoning cannot take place in a vacuum. The auditing student has to master technical content to be in a position to apply critical reasoning principles to an auditing-related problem.

Concerns were expressed that undergraduate and postgraduate curricula were not appropriately aligned with each other and that the necessary building blocks to achieve the appropriate level of technical knowledge are missing.

I think our undergrad and postgrad courses are way too far from each other, they must be aligned. **(P3:39)**

As indicated in Section 5.2.2.4, the fragmentation of content and time constraints due to the semesters of the undergraduate qualification prevents students from fully understanding the audit process in context. One participant felt that students encountered difficulty in critical reasoning because they fail to see the bigger picture or context of the problem.

A student can't really come to terms with the bigger picture and they try and deal with little things but it doesn't really all come together. **(P5:48)**

To address the problem, suggestions were made to continuously remind students where in the audit process the problem is set. Teaching auditing learning content effectively falls outside the scope of the study; however, the outcome of teaching technical content affects a student's ability to nurture critical reasoning. To this end, further research is required on the effectiveness of the auditing curriculum design and pedagogy.

- **Rethinking the purpose of a university qualification**

One participant suggested a rethinking of the purpose of an undergraduate qualification and, in so doing, the assessment design.

At undergraduate level we are so inclined to line all our teaching and assessment to the QE Board exam [ITC] and as such we set our exam papers and everything else and align it to that. Perhaps we shouldn't, perhaps we should change it. I think you could really give them [students] more than just a written exam, you can really send them out and give them tasks to perform. **(P7:13–15)**

The participant argues that the assessment process amounts to the passive memorisation of technical content with the view of passing an examination.

Focussing on the word 'solution', making them [students] aware that they are solving something – that they are constructive, that there is buying in from them to find solutions and not merely to study and writing an exam to pass. **(P7:12)**

This is in agreement with the perceived manner in which students approach the self-assessment questions, as described above in this section. The purpose of a university qualification versus a vocational qualification requires further debate. Accordingly, Venter and De Villiers (2013:1272) argue that SAICA's excessive influence on universities may skew academic ideals.

5.2.5.3 Communication

All the participants indicated that the nature of auditing as an academic subject is suitable for students to demonstrate competence in communication (Figure 3.3 in Chapter 3), particularly reading, comprehension and writing. Unisa auditing students are not required to make oral presentations due to the nature of a distance learning institution and the high student numbers. However, the inclusion of presentation abilities as part of formative assessment was foreseen by some participants with the development of the e-learning platform at Unisa and the availability of video applications on cellular phones.

The overall opinion of the level of communication exhibited by auditing students was poor and it may be a contributing factor for poor performance in the examinations.

You get your high-level students that do very well and you can see the schooling coming obviously through, but a lot of our students really struggle now to communicate. **(P1:9)**

… but overall their writing skills are quite bad. **(P1:10)**

… if you interpret the question wrong, it does not matter how well your knowledge is, you'll get next to nothing for that question. **(P9:42)**

I do think that often our students are not language-wise, equipped to actually [communicate]. **(P9:39)**

They are slow readers, that's why they struggle to get through the workload. **(P10:25)**

Some of the underlying reasons were addressed in Section 5.2.2. As a further reason, two participants indicated that the new generation is not encouraged sufficiently to read at school and therefore students do not develop the ability to read and write at school.

I think that's because they don't read enough. **(P10:26)**

There is definitely a problem with the communication of their thoughts. **(P10:39)**

… because this generation does not read material. **(P8:57)**

Students' poor reading abilities concurrent with the volume of technical content that students are expected to master within the available notional hours are teaching and learning barriers. Research on ways to remedy the situation is required. However, the implementation of a critical thinking and reading strategy may assist auditing students (see Chapter 2, Section 2.6).

Another reason for poor writing abilities was attributed to the possibility that students in the financial field are traditionally proficient in numbers and therefore they excel in accounting studies, but battle to express themselves verbally in a discipline such as auditing.

Our students are normally more number-focussed because they come to this course because they like accounting, which is numbers. **(P9:43)**

They shy away from doing auditing questions and honing their writing skills. **(P6:33)**
The influence of social media platforms and cellular phone abbreviated text messages (referred to as SMS style) was also perceived to negatively influence students' writing abilities.

I can clearly see they write in SMS, BBM kind of language … their spelling is bad, they communicate poorly. **(P1:8)**

This abbreviated format frequently occurs in students' writing. The participants indicated that students are continuously reminded in the teaching material to refrain from using an abbreviated informal writing style and to take cognisance of their intended audience. Furthermore, if the question requires a memorandum to be drafted for management, the use of an appropriate tone and language is expected. Marks are awarded for presentation. In addition to appropriate presentation, the SAICA guideline on communication allows marks to be allocated for the appropriate use of language. Therefore, awarding marks for communication abilities serves as motivation for students to realise that the profession regards written communication as an important ability and that communication entails more than simply presenting the answer in the appropriate format. Rewarding students' competence in PAs was addressed in Section 5.2.4.2.

The value of communication in auditing students' future careers is probably not sufficiently emphasised in the learning material and assessments and they may therefore not regard it important to master.

… in terms of spelling, if I can understand it, I am allocating the marks […] but if we are strict, no one will pass. **(P8:35)**

If there's a spelling issue, we don't mark them down, as long as I can follow what they're saying then you mark it. **(P12:53)**

The importance of good writing abilities was categorically expressed by the following participant:

You'll be writing a report, you'll be presenting to senior people, to your stakeholders, that have confidence in you, but then there are all these mistakes … To be honest, all of us, I'm sure, when we get something with a lot of spelling mistakes […] it just puts you off, it just puts you off. **(P12:54)**

The underlying reasons for poor communication abilities among auditing students were indicated. Possible suggestions to remedy the situation included introducing a communication bridging course before students register for auditing, implementing intentional practising of writing abilities in the learning material and adding reading time for undergraduate students in summative assessments.

- **A communication bridging course**

Three participants who teach undergraduate students suggested that students' communication abilities be remedied before enrolling for auditing, for example successfully completing a bridging or foundation course in English business writing and reading abilities.

There should be a basic level that they should complete first before they start with this course because students don't … they cannot communicate. **(P2:31)**

Because I can promise you if they could read and write for starters, the pass rates would already look different. **(P7:29)**

Maybe that's what really is needed, this bridging between school and university, because maybe they're missing skills that need to be developed first. **(P5:33)**

The Thuthuka Programme [SAICA's transformation initiative], which is running [at] some of the residential universities ... the key thing is all the support they get [is like a] bridging year. **(P5:35)**

The bridging course should include computer literacy skills, in particular the writing of business-style emails and the use of software such as Word, Excel and PowerPoint so that academic learning time is not used to first master the software.

I think the days of written communication [as opposed to electronic communication] will be numbered. **(P6:10)**

As far as presentation abilities are concerned, a suggestion was made that a PowerPoint presentation by students should form part of an assignment or portfolio. The proviso was that the skill must be measurable.

Although it's a soft skill, I would want to measure it, if I can be provided with a PowerPoint presentation of course I've got something I can measure. **(P3:57)**

Communication can also be nurtured while teaching technical knowledge with the aid of e-learning tools. One participant suggested that a link to a short video clip be included

on *my*Unisa to highlight important elements of writing an audit report. Another participant suggested that students should prepare a short PowerPoint presentation with management of a business as the target audience to explain how the auditors intend to report based on a case study scenario. This expands the scope of applying alternative methods to facilitate learning and assessing auditing content and simultaneously developing certain enabling attributes for PAs.

- **Intentional practising of writing abilities**

Practising writing on a regular basis was suggested. Therefore the writing of essays should be encouraged (Lines & Gammie 2004:15).

The essential thing is for us to almost get students to write all the time and it could be just little things […] a student should write something every single week. **(P5:52)**

Additional self-assessment questions are and should continue to be included in the auditing learning material, providing an opportunity for students to practise writing abilities. As already indicated in Section 5.2.5.2, students may not be attempting and utilising the self-assessment activities appropriately. Furthermore, the multiple-choice assignment to gain admission to the examination and that serves as headcount evidence for subsidies was also found not to be conducive to aptly nurturing writing abilities. Creating awareness among students of the personal value of acquiring and refining writing abilities both in the academic and in the training programme was already suggested in Section 5.2.4.1.

- **Adding reading time in summative assessments**

Postgraduate students are provided with an additional half an hour reading time in the examinations before the questions are provided. This intervention was intended to compel students to first read and understand the background information as sketched in the case study scenario before attempting the questions. This strategy probably assisted students who are slow readers and is in line with the process followed in the ITC.

They spend more time starting to write immediately and they don't read the background … **(P1:7)**

The poor reading ability of students (Section 5.2.2.1) and the excessive volume of technical content students are expected to master within the 120 notional hours (Section 5.2.2.6) are two fundamental challenges that auditing lecturers face. These two factors may partly explain why students are eager to start answering questions using 'memory-dumped' content without relating their responses to the scenario information.

At undergraduate level, no additional reading time is provided in examinations, but more marks are awarded for a properly formulated answer than at postgraduate level, thereby compensating for the additional reading by reducing the writing time. However, whether undergraduate students do in fact first read the background information or immediately attempt to answer the question without taking the background information into consideration is unknown.

5.3 FOCUS GROUP DISCUSSION WITH AUDITING STUDENTS

Eight Unisa auditing students participated in the focus group discussion. The participants were either busy with the CTA Level 1 or Level 2 or had previously attempted it, and all had completed their undergraduate studies at Unisa and were therefore familiar with the ODL environment.

From the background information required from the participants, all indicated that they preferred their tuition language to be English, despite the number of official languages. The focus on how English teaching and learning can be adequately implemented in auditing requires further research. The stance to present auditing only in English was also affirmed by the auditing lecturers in Section 5.2.2.1.

The discussions commenced by establishing the students' perceptions of following the RA route as a possible career. This discussion was followed by a discussion of the relevance of PAs for RAs, as represented in the schematic representations of PAs in the letter of information and informed consent. Thereafter, an understanding of the challenges facing auditing students in an ODL institution was obtained. Finally, possible ODL teaching interventions to nurture PAs were proposed by the students.

5.3.1 The registered auditor route as a possible career

Most of the participants indicated that they entered the auditing field of study blindly, without knowing what the auditing profession entails. They became aware of auditing

when they enrolled for the first time (during their second year of the three-year undergraduate qualification).

So in my second year I picked up that okay there's auditing and you learn more. **(L97)**

The CA(SA) qualification route was perceived to be more attractive than the RA route by one participant:

I never dreamed of becoming an auditor like a registered auditor. I chose the study because I realised that the qualities that […] you learn from auditing will actually help you become a better person in business. **(L70)**

Another participant regarded auditing merely as a prescribed subject to complete the qualification to become a CA(SA).

I consider auditing to be a faction of accounting because we all dream of being accountants. So we all dream about a CA, that's the umbrella and everything falls under it. **(L71)**

Prominence of the CA(SA) brand was affirmed by another participant:

I've always wanted to become a CA … **(L93)**

The participants also indicated that they found out later in their student life that there were other avenues to pursue.

I didn't know there's like different avenues that you can peruse, not just a CA but you could do CIMA, you could break down, go into the RA. **(L102)**

I think the biggest responsibility is knowing exactly what it is that you're getting yourself into […] You have to be responsible to know okay auditing involves this and that, I know that I'm not strong when it comes to thinking practically so I shouldn't do that […] and in the end of the day they start blaming the university and lecturers for not giving them what they want […] because they don't know exactly what it entails to begin with. **(L408)**

From the focus group discussion it becomes apparent that there is a lack of career guidance and that SAICA had branded the CA(SA) professional accounting qualification more extensively than IRBA had branded the RA specialisation. The RA as a possible career receives little publicity or career-guidance initiatives from IRBA's side. The findings of the focus group discussion are congruent with the findings presented in Section 5.2.2.2.

The auditing profession was negatively stereotyped by many of the participants.

They are very boring, very dry, very antisocial … nerdy, wearing thick glasses, no life … No one really gets excited about the auditor coming to the firm. So it's not very exciting, as a profession. **(L64)**

Friends who started with their training at auditing firms were also perceived as having undergone personality changes.

What I have noticed is that even if they start out bubbly and not fit the stereotype, you bump into them a year later and somehow they have become the stereotype. **(L115)**

On the other hand, a participant indicated that the negative stereotyping depends on a candidate's personality and therefore appropriate career guidance is imperative. Appropriate career guidance was suggested in Section 5.2.2.2.

I think it's personality as well because I've got two of my friends who are already qualified. I mean, one trained with Deloitte, the other with PWC and they are very bubbly out there, they're not the typical auditor, no they're not. **(L144)**

Many of the participants were negative about specialisation in auditing as a possible career. Further research on this matter is suggested. The finding could be that the auditing academic programme may be too specialised for most of the students' needs.

5.3.2 Relevance of professional attributes for registered auditors

A comment from a participant that the traditional role of the auditing profession had evolved and that displaying PAs were important to succeed as an auditor illustrated that students are aware of the importance of PAs.

You need to have a holistic approach to everything […] there are a lot of things that play a part in contributing towards being a good auditor. Like auditors are not only about the books anymore, you need to look at the bigger picture and with corporate governance coming in strong into the profession and business generally […] As a professional you're going to encounter people […] So you need interpersonal skills. **(L149)**

The focus group agreed that the auditor has to exhibit a whole package of knowledge, skills and attributes at the workplace. The package they referred to contains both technical skills and PAs. Technical skills were regarded as indispensable; however, people skills were also regarded as essential.

[One] should be able to adapt to different people, be able to understand everyone, always be professional. **(L159)**

Most of the participants agreed that interpersonal abilities are important.

What I have been reading for the past couple of years is that to be a CA you have to be a people's person because you interact with people. **(L165)**

A participant viewed professional demeanour as being formal and indicated that one has to adjust one's personality to meet the expectations of the auditing profession and that the personal abilities required by an auditor are to be developed accordingly.

You can't really have your own personal influences in a situation; you can't really treat the Financial Director the way you want to. You have to be stern and people have to respect you in a certain manner. So you're going to have to operate in a certain way. **(L171)**

Another participant indicated that communication is critical to obtaining an appropriate understanding of the client and collecting audit evidence.

With your interaction with people you need [to] expand your knowledge and take into consideration where they're at, their environment […] so that you'll be able to communicate with them […] and they get it and they don't misinterpret you in the process. **(L167)**

Communication was perceived necessary to obtain information from the client and to understand the information. In addition, before posing questions to the client, the auditor must be prepared and have acquired a certain level of knowledge.

It might be difficult getting the information […] you need to go through all the information and make [sure exactly what you want to] know […] the client [should] not [be] telling you 'you don't know what you're talking about'. **(L188)**

One participant pointed out the importance of communicating with client employees appropriately and concisely.

I actually think communicating is the most important thing […] Because they don't communicate what they want from the beginning; they don't communicate properly what they're trying to test. **(L204)**

This was affirmed by another participant:

It's so important communicating with your client exactly what you need to know […] communication, knowing how to communicate properly, is so vital. **(L208)**

The ability to solve problems was linked to the ability to communicate effectively.

If you can't communicate properly about what you want, the problem, you're not going to be able to even solve your problem. **(L210)**

Many linked the ability to communicate effectively to the level of technical knowledge.

I couldn't understand what he was actually saying […] because maybe you are not good with that subject or you don't understand that topic. **(L220)**

According to another participant, performing research and preparation before communicating were important.

Your research would be able to assist you in communicating better. **(L218)**

As succinctly stated by a participant:

I think all of these [PAs] are assuming that your technical work is hundred percent. You can't really communicate information you don't know about. **(L224)**

The important role that teamwork plays in the audit was understood by the participants.

Teamwork comes into play and the timeframe when you need to have this audit […] everyone needs to play a role in terms of okay, we've gathered this, now it needs to be reviewed. **(L190)**

One participant emphasised that teamwork is an integral component of professional demeanour.

At the end of the day to be a team worker means you must be able to take initiatives, you must be able to manage yourself, you must be able to manage your time, be willing to learn, seek learning opportunities. **(L227)**

Finally, the importance of critical reasoning was discussed.

For me I will say identifying unstructured problems that would be a more relevant one. **(L228)**

I think if we come down to the objective of the auditor, the auditor is to identify the problem […] that's where we are unable or we struggle. **(L230)**

The group agreed that in practice, a problem will never be structured and that it is far removed from the textbook.

The moment you get into the real world, it is never like it was in the book. It doesn't even resemble your study material, it's always just complicated and different […] so you have to be able to always think out of the box. **(L255)**

In an attempt to solve an unstructured problem, one participant indicated as follows:

… you first have to understand it [the problem] in order to make a right decision. **(L267)**

Another participant reflected on critical reasoning as a technique to classify problems into manageable parts.

[I]t boils down to a point when you are in a position to break it [unstructured problem] down […] by so doing taking the whole complex problem into simple, manageable pieces […] it makes you in a position to solve whatever complex problem you have. If you have that technique, yes. **(L271)**

Finally, a participant indicated the importance of first mastering the theoretical content.

So they'll break it down to little components and put it together. So it's only exciting if you have the necessary skills and knowledge of what you are doing. **(L275)**

On the question whether the auditing learning material facilitates critical reasoning, the response was that it is limited and that building blocks were absent.

I think it's very limiting […] there is still old stuff in our study material, yet you are being asked new stuff […] its does not correlate with what you are being asked … it's like you are practising is one thing [the exercises in the tutorial letters] […] you get to the test or exam and it's like a completely different level, like the level has jumped twice up. **(L277)**

Another participant was concerned with the application of knowledge in the workplace and indicated that research abilities were not nurtured in terms of finding and analysing information to address a particular problem.

I think there is a great gap […] that should emphasise the research […]. When you need information there's only a limited amount you can get outside of the organisation. The research you have to [do is to] get the information from the managers and that's your research. So you won't find the information anywhere else but besides in the institution, from your manager. And I think you're almost taught like you're going to find this information somewhere else, like, you're going to find in store with someone else and you're going to be able to prepare and when you come here you will be prepared and

it's not like that, you know. The information you have to ask from the managers and I think it's also how you're taught to analyse the information. **(L283)**

During the focus group discussion, all the participants agreed that the PAs referred to in the schematic representations in the letter of information and informed consent were important for the prospective RA. What was clear from the discussion is that theoretical content had to be mastered before problems could be solved appropriately.

As described in this chapter, the core auditing technical content to be mastered is in terms of the SAICA Handbooks (Section 5.2.2.6). Once the theoretical principles are established, students are provided with case study scenarios in their learning material to test their critical reasoning abilities (Section 5.2.5.2). The question arising from the discussion is to what extent the learning material facilitates students to master the theoretical principles. To this end, the challenges experienced by students while studying auditing were examined.

5.3.3 Challenges and proposed teaching interventions

In the discussion relating to the challenges experienced by the students, most of their concerns were attributed to the curriculum and teaching approach of the technical content, which falls outside the scope of the study. However, understanding of the challenges perceived by students helped to identify the areas where aptly nurtured PAs may enhance learning.

The emerging sub-themes for the challenges perceived by the focus group participants include the excessive theoretical content, the practical nature of auditing, an inability to utilise the SAICA Handbooks effectively, the gap between undergraduate and postgraduate levels, the use of multiple-choice assessments, the gap between learning material and summative assessments, and the need for regular discussion classes.

5.3.3.1 Excessive theoretical content

The participants expressed that they experienced difficulty in applying problem-solving techniques when answering auditing questions. This may be a possible reason for disliking the subject. They feel intimidated by the SAICA Handbooks because of its volume. The theoretical content was perceived as being too overwhelming and therefore the learning strategy followed by students was not to focus on the theory itself,

but rather on the self-assessment questions and solutions provided in the learning material.

I feel your study material is like sort of intimidating in a way, in a sense you open it and you're like 'oh Lord there's so much to do". So a lot of students […] don't even bother with the theory then they jump into questions […] because there is no time. **(L286)**

Students appear not to have mastered the theoretical principles and not to have a holistic view of the audit process. In an effort to 'survive', students follow a cramming strategy without gaining an understanding of the auditing theoretical principles and the context in which auditing procedures are to be formulated. This was affirmed in Section 5.2.2.6.

So the problem is you need to have a proper introduction to what auditing is at undergraduate [level] and for CTA I think maybe a step-by-step integration of our questions. **(L377)**

A re-examination of the curriculum design in conjunction with a debate on the reasonableness of the prescribed technical content and level of competence to be achieved in the academic programme is recommended. Both these aspects may require further research.

5.3.3.2 Practical nature of auditing

Auditing as a discipline was viewed by one participant as practical in nature and difficult to contextualise without work experience. To this end, it was suggested that study guides should indicate what can be expected in practice, teach problem-solving techniques and indicate to students the relevance of the content that they are learning.

I don't think it's necessarily a problem with Unisa, I think it's just auditing, the subject it's a very practical subject. **(L306)**

The practical side of auditing could be addressed through visual learning material that is work-related and with practical portfolios. Creating a realistic workplace-related video was suggested in Section 5.2.4.1.

Maybe if we can have some short module where the students have to submit a portfolio of evidence where you do a simulated client […] from planning up to reporting. **(L354)**

This suggestion is in line with the recommendations to revise the assessment processes and practices described in Section 5.2.4.4. Another aspect raised was creating awareness early in the academic programme that auditing requires the integration of all the other accounting and taxation subjects. In teaching accounting and taxation, lecturers could indicate the relevance of a particular topic to the auditor in their learning material, thereby creating a continuous awareness of integrating subjects. The focus of each discipline appears to be restricted to the boundaries of that particular discipline, neglecting the possible impact of the practices of the other disciplines on a particular topic.

So that's why we think that the exams are harder because the questions we get from the study guides are not integrated. **(L308)**

5.3.3.3 Inability to utilise the SAICA Handbooks effectively

The participants were of the view that they were not taught how to use the SAICA Handbooks.

At CTA level we do have the study guide but we are not able to use the SAICA Handbooks […] we're supposed to use it for our advantage. So what I found with the study guide is that it doesn't teach us how to use the SAICA Handbooks, then the other problem after you have learned that particular thing, now the challenge is this – you cannot apply it. **(L294)**

As mentioned in Section 5.2.2.6, postgraduate students are allowed to bring their own copies of the SAICA Handbooks into the examination venue. The effective utilisation of the SAICA Handbooks requires a defined teaching methodology to read, comprehend and manage the information in such a way that it can be easily accessed and applied in the examination. At undergraduate level, students are expected to memorise a vast amount of content contained in the SAICA Handbooks, while these Handbooks may not accompany students into the examination. Content has to be memorised at undergraduate level while at postgraduate level students are expected to use these Handbooks effectively and efficiently. There is therefore a clear gap in terms of teaching

auditing students to read the relevant auditing sections of the SAICA Handbooks with a critical reasoning mindset to be in a position to apply the content to solve unstructured problems.

5.3.3.4 Gap between undergraduate and postgraduate levels

In terms of the volume of work and the ability to pass, the transition from undergraduate to postgraduate level is perceived by students as drastic.

At undergraduate [level], passing auditing was not difficult if you did assignment questions you were guaranteed a pass. Now you come to CTA level where you find that the stuff I should've studied properly I didn't study and now I don't have time to catch up […] I do the questions without the foundation. *The curriculum for [the] undergraduate [level] must be redone*. **(L286)**

A further suggestion by a particular participant was to allow students to write tests that count towards the year mark at undergraduate level, as is the practice at postgraduate level. The time constraints of the semester system and realigning undergraduate and postgraduate curricula require further investigation before the implementation of tests at undergraduate level can be considered. The purpose of and therefore the extent and level of competence in the auditing technical content in the undergraduate qualification needs to be deliberated. Allowing students to write tests will address the concerns expressed in this study that assignment solutions are possibly accessed by students before their due dates and are therefore not attempted in the spirit of honest self-assessment of the learning content. Therefore, the assessment processes and practices need to be revisited, as was suggested in Section 5.2.4.4.

5.3.3.5 Use of multiple-choice assessments

The first assignment, consisting only of multiple-choice questions (undergraduate and postgraduate) for headcount purposes was criticised by the focus group. They were of the opinion that the multiple-choice questions add no value to their learning, because no multiple-choice questions are asked in any of the summative assessments.

I just feel the assignments are not adding any value whatsoever in my life, because if I do not understand the subject matter I am going to play eanie meanie minie mo on

those because all I want to do is submit it and get exam entry. *We need a practical assignment.* **(L288)**

Therefore, students are neither stimulated by the multiple-choice questions nor do they see the learning value of multiple-choice questions. The participants view the multiple-choice questions as a formality to comply with the University's examination admission requirements.

And also get rid of those multiple choices … **(L434)**

Refraining from using multiple-choice questions was also suggested in Section 5.2.5.2. Stricter and more challenging admission requirements to the examinations will remould students' attitude towards their studies and will result in self-management.

But then if there's like requirements that you need to meet to qualify for the exam that will at least maybe change the students' attitude. **(L338)**

Rethinking the purpose and format of assignments with the view to simultaneously nurturing critical reasoning and communication is suggested. Assignments requiring students to apply basic research abilities could add further value to the learning process.

Give us more practical, more written-out assignments. **(L440)**

5.3.3.6 Gap between learning material and summative assessments

A gap is perceived between the learning material and the summative assessments, with the expectation that the learning material should be more comprehensive.

You don't have a lecturer teaching you every day […] So they need to sort of expand on the study material […] but auditing, some of the study guides, it doesn't give you the sort of academic stuff that you need in order to pass your test. So it needs to be more informative, giving more examples at the level that you need to pass. **(L304)**

The problems experienced by students may possibly be ascribed to PAs not being nurtured in the learning material; for example, students are not required to perform their

own research and to take initiative to expand their own knowledge. Furthermore, a teaching approach allowing students to construct their own knowledge is preferred to a teaching approach where students are passive receivers of technical content. The finding that students do not appropriately utilise the self-assessment questions in the learning material was described in Section 5.2.5.2. Students should be utilising the self-assessment activities to measure their competence and through self-reflection identify gaps in their knowledge. With this knowledge, students should perform their own research to actively remedy the gap in knowledge. Applying self-reflection techniques requiring students to include written reflections may enhance the self-assessment process.

In isolation, the self-assessment questions provided in the learning material cannot provide students with an adequate platform to attempt all the possible examination questions. The provision of similar questions in the learning material will defeat the objective of solving unstructured problems. In addition, this practice would not allow for the application of knowledge at the appropriate levels in terms of Bloom's taxonomy expected at postgraduate level. Therefore, students should refrain from relying only on questions to prepare themselves for examinations. However, the learning material should assist the student to master the underlying theoretical principals with the view to solve unstructured problems. To this end, an extensive theoretical foundation must be gained by the student through the application of effective reading and comprehension abilities, combined with critical reasoning techniques and then utilising the self-assessment questions with self-reflections to identify gaps in knowledge.

5.3.3.7 Need for regular discussion classes

Auditing was regarded by most of the participants as an abstract discipline necessitating frequent discussion classes to gain an understanding of the context of the discipline.

I think your presence there explaining the whole process passionately, it could somehow have helped my attitude towards the subject as well and my understanding towards the subject. **(L386)**

Another participant agreed and indicated the need for frequent discussion classes.

It will be hard for everyone to attend, I mean Unisa is a distance learning institution, but I think they should have the option for people who are interested […] a programme with discussion classes throughout the year. **(L389)**

The participants also indicated their displeasure in the fact that at postgraduate level, the University was providing special classes to specific groups and excluding the majority of the students.

[T]he Auditor General were getting lectures and everybody else was not getting the weekly discussion class and it's like hey, we all need this. **(L496)**

Either these special classes should be recorded and all students should be provided with DVDs or the practice should stop. The practice of providing exclusive classes by lecturers creates the perception that Unisa can easily be transformed from an ODL institution into a blended learning environment incorporating discussion classes. Large student numbers, student distribution and limited human resources all need to be considered.

The e-learning platform as an alternative medium of teaching and learning, as recommended in Section 5.2.3, was not regarded very positively by many of the focus group participants. However, the resistance to the e-learning platform may be attributed to the limited exposure that students have to an effective e-learning environment. Accordingly, a participant who indicated her exposure to a specialised computer environment suggested virtual teaching to address the concerns expressed by the other participants.

Virtual teaching where you are speaking in real time to the student, you know, on the laptop. We are in the time of technology where we can start introducing things like virtual teaching […] That's where we must start going into virtual classrooms … **(L392)**

Another suggestion by another participant was that tutorial letters should be accompanied by DVDs.

Many of the other suggestions provided by the participants relate to improving the tuition of auditing and therefore fall outside the scope of the study. However, nurturing

PAs cannot be isolated from teaching the auditing content. By nurturing certain PAs, some of the problems experienced by the participants could possibly be addressed and alleviated while studying the technical content. For example, applying effective reading, comprehension and writing abilities integrated with problem-solving techniques could alleviate some of the challenges experienced by the participants. Students require a reading and content management strategy to facilitate them to critically read the SAICA Handbooks by applying critical reasoning attributes, to identify the key principles and to understand the reasoning behind the setting of the standards. Furthermore, students must be guided to apply their theoretical knowledge to construct coherent logical arguments and to communicate their findings in an appropriate, professional manner. To encourage students to consciously develop these attributes, they should be rewarded with marks for their attempts to apply the principles of PAs to answer technical questions.

5.4 CONCLUSION

The purpose of this chapter was to report on the findings of auditing lecturers' and auditing students' perceptions of PAs The data were obtained through conducting individual interviews with auditing lectures and a focus group discussion with auditing students. With this knowledge recommendations can be proposed to aptly nurture PAs while teaching and learning auditing technical content in an ODL environment.

First, Unisa auditing lecturers' perceptions of PAs was obtained by conducting individual interviews. The findings were described in accordance with their perceptions of the relevance of PAs for the auditing profession, the various challenges Unisa auditing lecturers face to nurture PAs, and the inherent benefits that an ODL environment presents that is conducive to the nurturing of PAs. Participants' generic suggestions applicable to all categories of PAs were described. This was followed by specific suggestions made by participants to aptly nurture professional demeanour, critical reasoning and communication.

Second, Unisa auditing students' perceptions of PAs was obtained by conducting a focus group discussion. The findings were described in terms of their perceptions of a career as an RA. This was followed by their perceptions of the relevance of PAs to the RA. Finally, the challenges experienced by students in nurturing PAs and possible suggestions to remedy these challenges were described. The focus group discussion

was used to triangulate students' perceptions with the perceptions of lecturers obtained during the individual interviews.

The following chapter concludes the research by proposing recommendations towards nurturing PAs while teaching and learning auditing technical content in an ODL environment.

CHAPTER 6

CONCLUSION

I have nothing to offer but blood, toil, tears, and sweat.
(Churchill 1940:1501)

6.1 INTRODUCTION

This chapter concludes the research. Accordingly, an overview of the research is provided and recommendations are proposed to nurture PAs while teaching and learning auditing technical content in an ODL environment. The areas requiring further research, the limitations of the research and the importance of the research are also indicated.

6.2 OVERVIEW OF THE RESEARCH

As indicated in Chapter 1, various stakeholders in accounting education have voiced their concerns about accounting and auditing graduates who lack many of the non-technical skills necessary for entering the workforce. They noted that too often academic programmes teach a series of technical rules, resulting in conformance orientation, aiming to achieve the right answer for professional examinations. The curricula are too narrow and do not expose students to broad business education. Ultimately, too much emphasis is placed on teaching students what accountants used to do, instead of what they will be doing. More to the point, PAs making students successful are not taught. The necessity to aptly nurture PAs while teaching auditing technical content in an ODL environment became evident. The problem statement was formulated as: *How can PAs be nurtured during the teaching and learning of auditing technical content in an ODL environment?*

The primary research objective was to obtain an understanding of Unisa auditing lecturers' and auditing students' perceptions towards nurturing PAs while teaching and learning auditing technical content.

The secondary objectives employed to achieve the primary objective were:

- To describe the necessity to include PAs in the academic programme (achieved in chapter 2).
- To identify and describe the relevance of PAs in performing an audit (achieved in chapter 3).
- To obtain Unisa auditing lecturers' and auditing students' perceptions of the relevance of PAs (achieved in chapter 5).
- To obtain Unisa auditing lecturers' and auditing students' perceptions of the challenges surfacing in an ODL environment while teaching and learning auditing technical content (achieved in chapter 5).
- To obtain Unisa auditing lecturers' and auditing students' perceptions of the benefits surfacing in an ODL environment while teaching and learning auditing technical content (achieved in chapter 5).
- To obtain Unisa auditing lecturers' and auditing students' suggestions to nurture PAs while teaching and learning auditing technical content in an ODL environment (achieved in chapter 5).

Chapter 2 described the necessity to regulate the auditing profession to regain the public's confidence in the auditing profession. In part, restoring the public's confidence is through rigid regulating of education, training and development requirements by the profession. IRBA prescribes the education, training and development requirements for admission to the auditing profession. Although IRBA acknowledges the role that practical experience plays in the nurturing of PAs, an argument was nevertheless presented for the need to include PAs in the academic programme. This study focuses on the academic programme as offered by an ODL institution. Accordingly, an overview of the study and practice of ODL was provided. Furthermore, the barriers to ODL in developing countries were discussed. The concept of blended learning was introduced and a practice-based model was identified as a possible teaching strategy to nurture PAs.

Chapter 3 identified and described the PAs for RAs. In identifying which PAs are relevant for RAs, a limited literature analysis was performed by analysing authoritative documents issued by IFAC, IRBA and SAICA. The literature analysis was performed by using Atlas.ti, which belongs to the genre of computer-aided qualitative data-analysis software. Computer-assisted NCT analysis, as proposed by Friese (2012:92), was used

in the literature analysis. Four categories of PAs were identified, namely communication, critical reasoning, personal attributes and interpersonal attributes.

The chapter also provided an overview of the audit process and the various stages in performing an audit in terms of the ISAs. The activities within the audit process were linked to the categories of PAs. Linking the PAs to the audit process indicated the relevance of PAs for prospective RAs and that PAs for auditors can be aligned with the technical content.

Chapter 4 described the research design, approach and methodology implemented in obtaining the perceptions of Unisa auditing lecturers' and auditing students', and analysing the data. A descriptive qualitative study was performed. The generic research approach followed was aligned to the researcher's social constructivist stance towards knowledge and the belief in multiple realities that are known to those who experience them. In this research, human beings were the objects of research and this brought unique challenges to the fore that would not be relevant in pure scientific research. The transcribed data were analysed using the descriptive analysis technique of Tesch's open method of descriptive coding by using Atlas.ti. Measures to ensure trustworthiness in the research and ethical considerations were described in this chapter.

Unisa auditing lecturers were interviewed and a focus group discussion was held with Unisa auditing students. The findings were described in Chapter 5. From the auditing lecturers' perspective, the participants concurred that PAs are relevant to the reputation and survival of the auditing profession. The participants agreed that to be perceived by the public as a recognised profession, distinguished behaviour is expected from the members of the auditing profession. Accordingly, demonstrating competence in PAs during the performance of an audit is necessary to restore and maintain the public's confidence. Professional demeanour, critical reasoning and communication were perceived to be relevant to both the auditing lecturers and auditing students. Some auditing lecturers in this study believed that practical experience played an important role in nurturing these attributes. All the lecturing participants indicated that they were to some extent nurturing these attributes in their teaching material. What was clear from the focus group discussion was that the participants indicated that the theoretical content had to be mastered before problems could be solved appropriately. The focus group participants also indicated that they could not visualise auditing in its practical

context and therefore their full understanding of the relevance of PAs is questioned. Auditing students' perception of the relevance of PAs could not be clearly affirmed because mastering the technical content was perceived to be more urgent than mastering PAs. The urgency was ascribed to the excessive theoretical content to be covered in the syllabus.

The challenges identified by the participants relating to the ODL environment included inadequate admission requirements; lack of in-depth career guidance, large student numbers; shortcomings of the semester system; waning student ownership, learning focus and excessive technical content; and the inherent limitation of insufficient contact sessions in an ODL environment.

According to the participants an ODL environment is inherently conducive to nurturing certain of the PAs. The particular enabling attributes identified by the participants included written communication, time management and self-management.

The purpose of this chapter is, besides providing an overview of the study, to conclude the research with recommendations with respect to nurturing PAs while teaching and learning auditing technical content in an ODL environment, areas requiring further research, the limitations of the research and the importance of the research.

6.3 RECOMMENDATIONS

The discussion of recommendations towards nurturing PAs while teaching and learning auditing technical content in an ODL environment commences with recommendations to address the challenges of an ODL environment. Thereafter recommendations that affect all the categories of PAs (generic recommendations) are provided, followed by recommendations that relate to a particular category of PAs (specific recommendations).

6.3.1 Recommendations to address the challenges of an open distance learning environment

The following recommendations are proposed to address the challenges of an ODL environment.

- **Appropriate admission requirements**

The implementation of appropriate admission requirements in accordance with students' abilities to successfully complete the qualification to become an RA was identified as a challenge and therefore requires renewed attention by university management.

- **Career guidance**

The provision of appropriate career guidance at schools, initiated for example by IRBA, whereby a balanced perspective of the auditing profession is portrayed, is recommended. Furthermore, career guidance should emphasise the abilities and personality traits required to suit the expectations of public practice. In sum, a student registering for the academic qualification, as prospective RA, should have some idea of the auditing profession as a possible career and possess the aptitude and abilities that befit the career. With this knowledge, students may be more motivated and may approach their studies with the appropriate mind-set. Cultivating ownership is driven by the personal value that a student attributes to a particular subject.

- **Appointing more lecturers**

To teach and attend to the large student numbers, the appointment of more permanent lecturers, who can work as a team, be appropriately supervised and held accountable for the quality of their tuition is recommended.

- **Utilising information communication technology more effectively**

The lack of contact sessions or the physical distance between the lecturers and students can be overcome by utilising ICT more effectively. Therefore, using IT to its fullest has become urgent in preparing students for their careers and infusing life-long learners. Practice-based blended learning is recommended as a possible teaching and learning strategy whereby ICT is optimally utilised (see Chapter 2, Section 2.6). The e-learning platform (discussion forums, helpful links and tools) should be used more optimally in the teaching strategy. Students should be encouraged to use the e-learning platform to control the sequence of their learning through appropriately designed navigation tools. Consequently, students are encouraged to take responsibility for their own progress for example, self-goal setting and planning, and use of self-evaluation opportunities. Facilitating students to set their own learning goals to cover the learning content in the available time, meet deadlines such as assignment due dates and utilise

self-evaluation opportunities optimally may all contribute towards students' ability to foster ownership.

- **Introducing a critical reasoning and reading strategy**

Introducing a critical reasoning and reading strategy to facilitate students' reading and understanding of the prescribed technical content is recommended (see Chapter 2, Section 2.6). However, the content volume and level of competency to be achieved in terms of SAICA's ideals in the academic programme should be re-examined and debated.

- **Integrated student support**

The provision of integrated student support, primarily based on the concept of electronic tutoring (e-tutors) may alleviate some of the inherent limitations of an ODL environment, in particular the lack of contact sessions. However, the concerns raised with respect to the implementation of the e-tutor strategy (see Chapter 5, Section 5.2.2.3) have to be appropriately addressed.

6.3.2 Recommendations to nurture professional attributes during the teaching and learning of technical content in an ODL environment

6.3.2.1 Generic recommendations to aptly nurture professional attributes

The following generic recommendations are proposed to nurture PAs while teaching and learning auditing technical content in an ODL environment.

- **Creating an awareness of the relevance of professional attributes**

PAs should be adequately emphasised and explained in the learning material to create awareness and a certain degree of buy-in from the students. Aspects to be addressed in creating such awareness include illuminating the audit work environment, how evidence is obtained and communicated, the importance of meeting tight deadlines, and how findings are presented to high-level corporate stakeholders. PA topics need to be presented in a linear, tangible way similar to the way in which technical concepts are presented and digested. Accordingly, the specific PA to be achieved must be supported with the enabling steps to achieve the outcome. In this regard, auditing lecturers may require additional training in the enabling steps of the PAs and specialised assistance to design the learning material. The consequences of underachieving in PAs should

likewise be demonstrated. All of the above can be illustrated through a video, including discussions and/or interviews with audit partners and trainee accountants. Using real-world examples, relating directly to their field of study, may facilitate students in realising the relevance of PAs in their careers (Fleck 2012:402). The video could simultaneously serve as career guidance, as suggested in Section 6.3.1. If students are aware of the relevance of PAs, they may be more inclined to develop the enabling abilities. Once students realise that the enabling steps to master PAs will contribute to their learning success of the technical content, buy-in will likely be obtained.

- **Rewarding students' competence in professional attributes**

SAICA's guidelines (SAICA 2014c) for candidates relating to the assessment of 'communication skills', incorporating aspects of critical reasoning, in the ITC should be implemented in the learning material as early as possible at undergraduate level. To this end, care should be taken by auditing lecturers not to simply extend their assessment plans with SAICA's outcomes contained in the guidelines. The learning material should introduce the relevance and the abilities required to meet these outcomes. Awarding between 5 and 10% of the marks in assessments for effective and efficient communication, as stipulated in SAICA's guideline, will emphasise the significance of mastering these attributes.

- **Using the electronic learning platform**

Lecturers should incorporate the inherent advantages that the electronic learning platform has to offer, such as discussion forums, links and tools, more extensively. The e-learning environment may facilitate group work projects, for example selecting random groups, provided sufficient lecturers and effective lecturing assistance are available to facilitate the process. The utilisation of discussion forums on *my*Unisa could create a sense of teamwork among students and could stimulate critical reasoning. Students who communicate inappropriately on the forum should also be guided by lecturers. Links and tools could be used to assist students in understanding the principles of PAs and to nurture PAs.

- **Revise assessment processes and policies**

The formative assessment approach should be revised. Alternative assessment methods with frequent and consistent writing activities were recommended. Portfolios could be used as an alternative method of formative assessment. Portfolios or

workbooks are suitable to nurture communication, self-management and critical reasoning. The practice of using multiple-choice questions is plausible from an administrative point of view, due to the high student numbers and the 'headcount' requirements for subsidy purposes. However, the value of multiple-choice questions used at undergraduate and postgraduate levels as a form of formative assessment is questionable. Hence, alternative methods to meet the headcount requirements should be investigated.

6.3.2.2 Specific recommendations to nurture professional demeanour

The following recommendations relate to the nurturing of the specific category of PAs, namely professional demeanour.

- **Nurturing teamwork through discussion forums**

Lecturers should facilitate students to participate in discussion forums on topical issues. Facilitation provided by lecturers on discussion forums should be appropriately used to nurture critical reasoning attributes and is therefore not only confined to creating a sense of teamwork.

- **Nurturing ownership through personal value and control**

Rethinking the design of the learning material and providing students with motivation through a sense of finding personal value and control are recommended, as well as the relevance of meeting assignment due dates. Students should be encouraged to take initiative and conduct their own research by providing links to assist them. However, providing excessive guidance in the learning material may suppress students' ability to take initiative and deters students from exploring the issue at hand and inhibits the expansion of knowledge and skills. To this end, students should rather be encouraged to explore and utilise the search engines on the internet and be taught to judge between reliable and unreliable sources and to apply methods to manage information.

- **Nurturing time management through enforcing due dates**

Time management should be nurtured by requiring students to submit assignments on or before specific due dates. To this end, students should also be required to pace their own progress to ensure that they master topics in the study guides and when answering questions, they need to calculate the time allowed per question. Utilising the electronic environment, whereby students are able to submit regular activities to facilitate

consistent and demonstrate regular interaction with the learning material, would be ideal. Frequent submissions of activities by students within designated deadlines will ultimately nurture time management. This recommendation is in line with Unisa's strategy to revise the assessment processes and practices to ensure relevance and efficiency (Unisa 2013a:15). The consequences of not meeting deadlines should be serious enough to deter late submissions.

6.3.2.3 Specific suggestions to nurture critical reasoning

The following recommendations relate to the nurturing of the specific category of PAs, namely critical reasoning.

- **Case study scenarios**

Case study scenarios are used in assignments and/or tests. However, case studies should be used more effectively, addressing enabling attributes required for critical reasoning, for example techniques to identify a particular problem, methods to gather information through research and guidelines to construct logical arguments. Students should be provided with initial guidance to tackle a case study. To this end, care must be taken by lecturers and tutors not to suppress critical reasoning abilities by providing excessive guidance. Spoon-feeding deters students from exploring the issue at hand and inhibits the expansion of knowledge and skills. Students are expected to become actively involved in the learning process and therefore to be responsible for constructing their own knowledge.

- **Using self-assessment activities appropriately**

Instead of immediately referring to the suggested solution of a case study scenario (referred to as the "oh, yes" method), students should be encouraged to identify the underlying problems sketched in the scenario, determine where and how to obtain information to solve the problems and evaluate all the facts to make an informed decision. The underlying reasons for following the "oh, yes" method were ascribed to the excessive volume of theoretical content to be mastered. Hence, rethinking the nature and extent of the auditing syllabus and purpose that a university qualification is supposedly set out to achieve is recommended.

In addition, a critical reasoning and reading strategy is recommended to utilise the SAICA Handbooks effectively (see Chapter 2, Section 2.6). In addition, introducing the open-book policy at undergraduate level should be considered.

- **Providing value-added feedback and comments on activities**

Providing feedback, on for example self-assessment questions and assignments, forms part of the existing initiatives to assist students to develop problem-solving attributes. It is recommended that his practice should be expanded to specifically incorporate PAs.

- **Incorporating research projects**

Including research projects in SAICA's prescribed 'how-to' technical content will require careful thought and a paradigm shift in curriculum planning. Nevertheless, the inclusion of mini-research projects is recommended because of the benefits that such projects hold for developing critical reasoning, communication and life-long learning skills.

- **Aligning the auditing syllabus and contextualisation**

Undergraduate and postgraduate curricula should be appropriately aligned with each other and the necessary building blocks to achieve the appropriate level of technical knowledge should be provided. Students should continuously be reminded where in the audit process the problem is set in order to see the bigger picture or context of the problem.

6.3.2.4 Specific recommendations to nurture communication

The following recommendations relate to the nurturing of the specific category of PAs, namely communication.

- **Introducing a bridging course in English business writing**

Students' communication abilities should be assessed and, if necessary, be remedied before enrolling for auditing, by for example successfully completing a bridging or foundation course in English business writing and reading skills. The bridging course should include computer literacy skills in terms of writing business emails and using software such as Word, Excel and PowerPoint. Additionally, a PowerPoint presentation could form part of an assignment or portfolio.

- **Intentional practising of writing skills**

Additional written activities should be included in the auditing learning material, providing an opportunity for students to practise their writing abilities on a regular basis. Awareness should be created among students of the personal value that acquiring and refining writing abilities holds for them in both the academic and the training programme. In an attempt to incorporate the above suggestion, the method of formative assessments (assignments) should be revisited. To this end, a workbook format assignment may be proposed, whereby students actively write up their own study notes as part of the planned activities. Where self-assessment questions are included in the learning material, students may be requested as part of the formative assessment exercise to submit self-reflective feedback, encouraging them to correctly attempt the questions under examination conditions, identify areas needing more focus, indicate how they remedy it and write up their reflective experience.

- **Reading time during summative assessments**

Providing additional reading time in the summative assessments at undergraduate level may be introduced in an attempt to compel students to first read and understand the background information as sketched in the case study scenario before attempting the questions.

6.4 AREAS IDENTIFIED FOR FURTHER RESEARCH

The following areas were identified in the research requiring further debate and research:

- **Effectiveness of semesters at the University of South Africa**

Due to the established perception that Unisa's admission requirements are inadequate, the majority of the undergraduate lecturing participants were of the opinion that the semester system does not allow sufficient time to teach and assess Unisa auditing students. This is a cause for concern. More to the point, research should be conducted to reassess the effectiveness of the semester system for the Bachelor of Accounting Sciences in Financial Accounting, particularly in a distance education environment, within the South African context and with Unisa's existing admission requirements.

- **Implementing a reading and critical reasoning strategy**

The auditing curriculum is mainly based on the SAICA Handbooks, which are drafted only in English. The effect of the 10 other official languages, spoken as home languages by many South Africans, may impede the learning of the English prescribed auditing texts. This may be a possible reason that inhibits effective reading, comprehension and writing among students. The researcher's proposed critical reasoning and reading strategy requires research to determine its success.

- **Curriculum design and pedagogy**

Teaching auditing technical content effectively falls outside the scope of the study; however, the outcome of teaching technical content affects a student's ability to nurture critical reasoning. To this end, further research is required on the effectiveness of the existing auditing curriculum design to address gaps between undergraduate and postgraduate levels and pedagogy.

- **Exploring alternative assessment processes and practices**

The existing method of formative assessments requires further exploration, for example the inclusion of portfolios and/or research projects. The multiple-choice assignments used to allow admission create a false sense of expectation among auditing students. Alternative assessment methods with frequent and consistent writing activities are recommended. Accordingly, the value that portfolios may add to aptly nurture and assess PAs requires further research.

- **Debating the role of academic institutions**

The issue of an excessive technical syllabi expected by SAICA to be taught at universities at the expense of nurturing critical reasoning was also raised by Venter and De Villiers (2013:1272). To this end, the debate on rethinking the role of universities versus vocational institutions is encouraged. Many of the participants of the focus group discussion were negative towards specialisation in auditing as a possible career. If this is the case, the extent of theoretical content and level of competence at undergraduate and postgraduate levels may be too specialised. In addition, the participants indicated that the volume of technical content was excessive, adversely affecting critical reasoning. Therefore, research to analyse the prescribed SAICA syllabus and explore the perceptions of practitioners and academe as to which aspects of the technical content could be more appropriately addressed in the training programme rather than in

the academic programme should be conducted. A re-examination of the curriculum design in conjunction with a debate on the reasonableness of the prescribed technical content and level of competence to be achieved in the academic programme is recommended. Both these aspects require further discussion and research.

6.5 LIMITATIONS OF THE RESEARCH

The following limitations of this research were identified:

- The context of the research is limited to one core subject, namely auditing;
- The participants in this research were selected from one ODL institution; therefore, the findings may not be applicable to other learning institutions.
- The effect of the cultural differences of students was not examined and this may have an impact on students' perceptions of PAs.

6.6 IMPORTANCE OF THE RESEARCH

Unisa's College of Accounting Sciences can benefit from the research by implementing the recommendations regarding the challenges of the ODL environment. Examples include implementing adequate admission requirements, assisting in specialised career guidance and revisiting the semester system.

Unisa's Department of Auditing can benefit from the research by rethinking its curriculum design, pedagogy and assessment practices. Appropriate alignment of the undergraduate and postgraduate auditing curricula is necessary, taking into consideration the available learning time in semesters. The implementation of a reading and critical reasoning strategy may improve learning success.

IRBA and SAICA can benefit from the research by reconsidering academe's role in terms of the SAICA Competency Framework and the academic guidelines. The purpose of higher education and the excessive technical content expected of academe to teach require urgent debate. More to the point, the excessive academic curriculum needs a total overhaul to allow academics to teach principles and abilities that are relevant to the changing business and auditing environment.

IRBA can benefit from the research by playing a more active role in career guidance, especially in the form of a video to illustrate the audit process and illuminate the abilities

and aptitudes required of a prospective RA. Branding and informing the public of the role of the RA are suggested.

The Department of Education can benefit from the research to address the impact of poor basic education on higher education. The chain of events ultimately has an impact on the quality of graduates that enter the workforce. Bridging programmes to develop and assess students' reading, writing and reasoning abilities before admitting students to university require investigation.

6.7 CONCLUSION

This chapter provided an overview of the research and proposed recommendations to nurture PAs while teaching and learning auditing technical content in an ODL environment. The areas requiring further research, the limitations of the research and the importance of the research were also indicated. The research set out to describe how PAs can be nurtured during the teaching and learning of auditing technical content in an ODL environment. To this end, generic recommendations to nurture PAs while teaching and learning auditing technical content in an ODL environment and specific recommendations to nurture professional demeanour, critical reasoning and communication were proposed. The hope is that these recommendations may assist Unisa auditing lecturers to aptly nurture PAs while teaching auditing content.

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APPENDICES

APPENDIX 1

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18 January 2013

Ms L Ferreira
Auditing Department

Ms L Ferreira

PERMISSION TO DO RESEARCH INVOLVING UNISA STAFF, STUDENTS OR DATA

Your application regarding permission to conduct research involving Unisa staff, students or data has been received and was considered by the Unisa Senate Research and Innovation Committee (SENRIC) on 30 November 2012.

It is my pleasure to inform you that permission has been granted for this study as set out in your application.

We would like to wish you well in your research undertaking.

Kind regards

PROF L LABUSCHAGNE
EXECUTIVE DIRECTOR: RESEARCH

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APPENDIX 2

LETTER OF INFORMATION AND INFORMED CONSENT FOR PARTICIPATION IN ACADEMIC RESEARCH

Department of Auditing

For interviewing Unisa auditing lecturers – 2012

Research conducted by:
Ms L Ferreira
Senior lecturer
Unisa
27 12 429 4418

Dear Participant

You are invited to participate in a research project that is part of a master's degree entitled *Nurturing auditing students' professional attributes at an open distance learning institution*. The concept *professional attributes* (PAs) refers to non-technical abilities classified into professional demeanour (personal and interpersonal abilities), critical reasoning and communication. Before you decide whether or not to participate, it is important to explain why the research is being done and what it will involve.

What is the purpose of the study?
Research has highlighted that PAs are critical for prospective Registered Auditors (RAs) to be successful in their careers. IRBA and SAICA in their respective competency frameworks identified the PAs expected of auditing candidates to be competent in, on entering the profession. The academic programme (undergraduate and postgraduate) forms part of the education and training continuum of prospective RAs and should therefore aim to develop and assess these attributes.

Nurturing PAs is easier said than done. Despite the recognised importance of PAs in auditing candidates' careers, these have rarely been explicitly taught and assessed as part of the auditing academic programme at Unisa. Traditionally, the focus of the auditing academic programme is mainly on teaching and learning of the technical content. The need for recommendations to aptly nurture PAs, while teaching auditing technical content, in an open distance learning (ODL) environment is evident. Accordingly, the problem statement for the research is formulated as follows:

How can PAs be nurtured during the teaching and learning of auditing technical content in an ODL environment?

Against this background, the aim of this qualitative study is to generate an in-depth understanding of auditing lecturers' and auditing students' experiences and expectations of the auditing academic programme at Unisa. This understanding will serve as the basis to propose recommendations to nurture PAs while teaching the auditing technical content.

Why are you invited to participate?
You are invited as an Unisa auditing lecturer to participate in this study because your experience and views relating to this topic are of value and importance to the research and would assist the researcher to gain an in-depth understanding of the experiences and expectations from your, the lecturer's, point of view.

Do I have to participate?
You are under no obligation to participate. If you do decide to participate, you will be asked to sign the attached written consent form. However, you are free to withdraw at any time and without giving a reason or being prejudiced.

What is the process if I take part?
The data collection will be done by means of a one-on-one interview with you, which will take approximately 30 minutes of your time.

The interviews will be recorded with a digital voice recorder for later transcription. The researcher will also use field and observation notes to add more richness to the data. The data will be analysed through an inductive, thematic analysis. Ethical approval for the research was obtained from the Unisa Senate Research and Innovation Committee.

Will what I say be kept confidential?
The transcribed interviews will be anonymous and the person transcribing the interviews will sign a confidentiality clause to ensure that the data remain strictly confidential and will not reflect your name or link back to you.

What are the potential benefits of participating in this study?
A better understanding of auditing lecturers' and auditing students' experiences and expectations regarding the teaching of PAs could serve as the basis for proposing recommendations to auditing lecturers to nurture PAs while teaching the auditing technical content. Ultimately, this knowledge should contribute to a graduate's success when commencing with the prescribed training programme (workplace environment).

What are the questions that will be asked?
Attached to this letter, please find schematic representations of **selected** PAs based on the IRBA and SAICA competency frameworks and the International Education Standards to serve as a guideline for the interview. **Specifically excluded from this study are ethics and management and leadership skills.**

The central interview questions will be the following:

- How relevant or topical do you think PAs are for the RA?
- Referring to the schematic representations of **selected** PAs provided in this letter, which are the key PAs and enabling attributes that could be nurtured in conjunction with the auditing learning material?
- How are these PAs and enabling attributes nurtured in your existing learning material?
- What factors facilitate the nurturing of PAs at Unisa?
- What factors hinder or impede the nurturing of PAs at Unisa?
- What suggestions do you propose to nurture PAs at Unisa while teaching auditing, if the barriers are disregarded?

What are the risks and discomfort involved?
The researcher does not foresee any long-term discomfort or that you will be exposed to any risks during the research procedure. You will however be required to invest your valuable time by participating in this research project. The interview will however take place at a time that is convenient for you in order to avoid disrupting your academic activities.

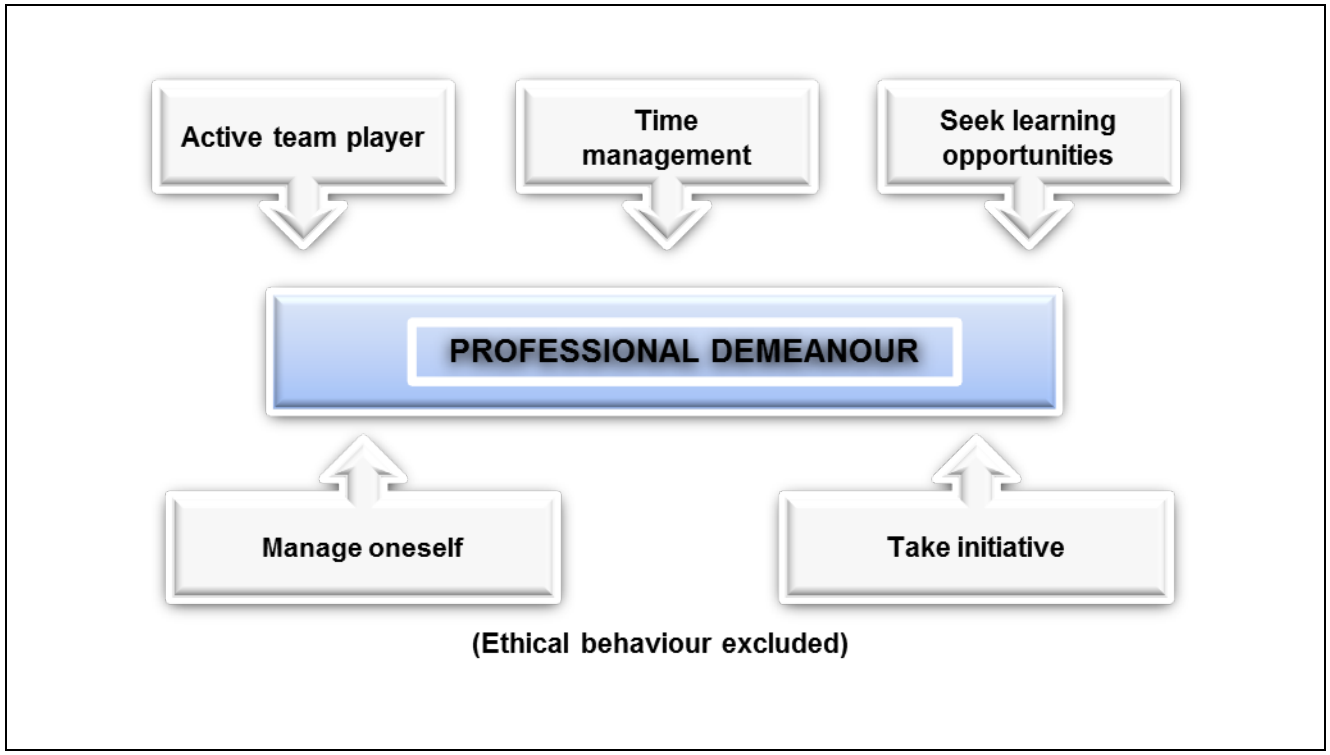
Who can I contact if necessary?
Please feel free to contact me or my supervisor if you have any questions or comments regarding this research.

Ms Laurene Ferreira (083 289 3392 or ferrel1@unisa.ac.za)

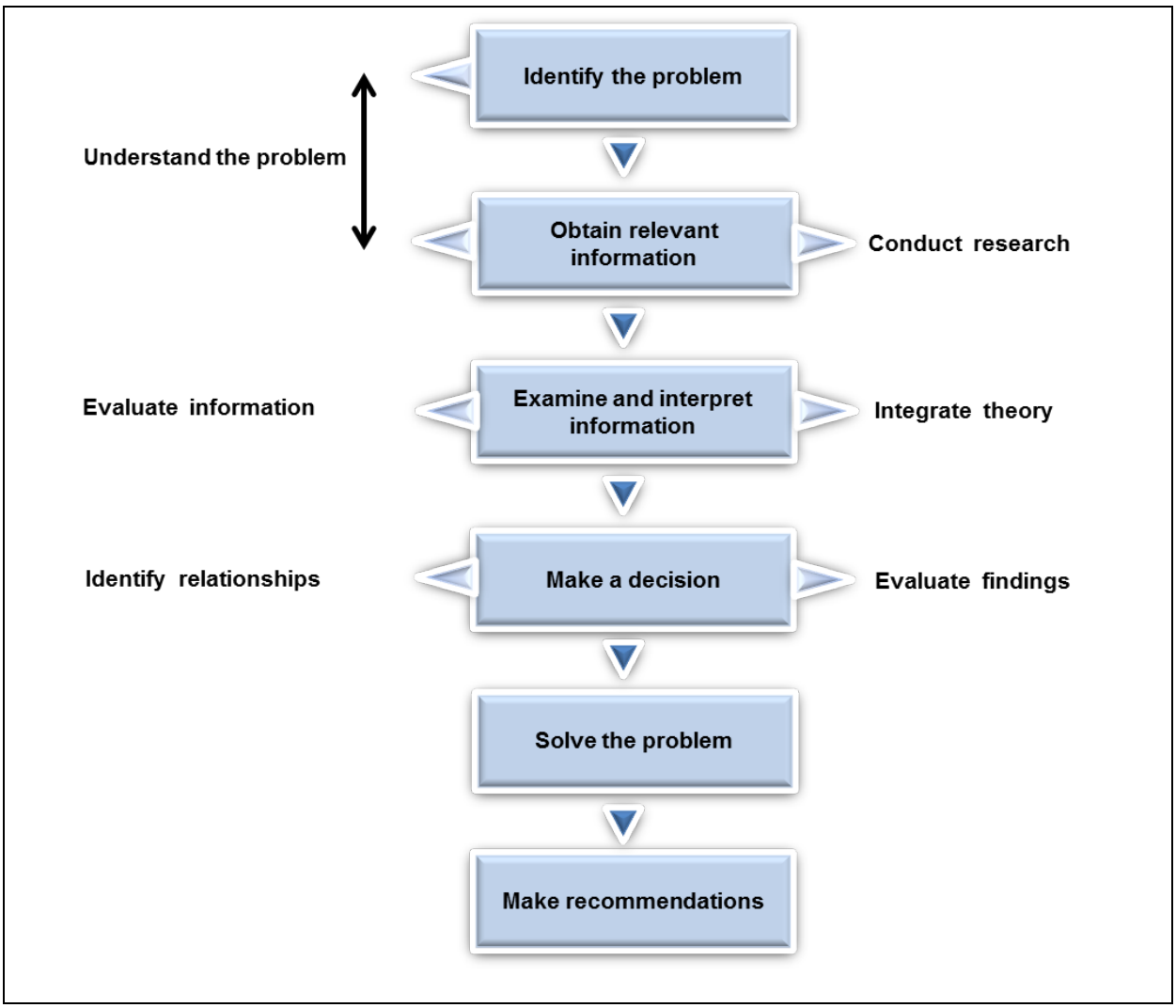
Prof E. Odendaal (012 429 4363 or odendem@unisa.ac.za)

The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings **on request**.

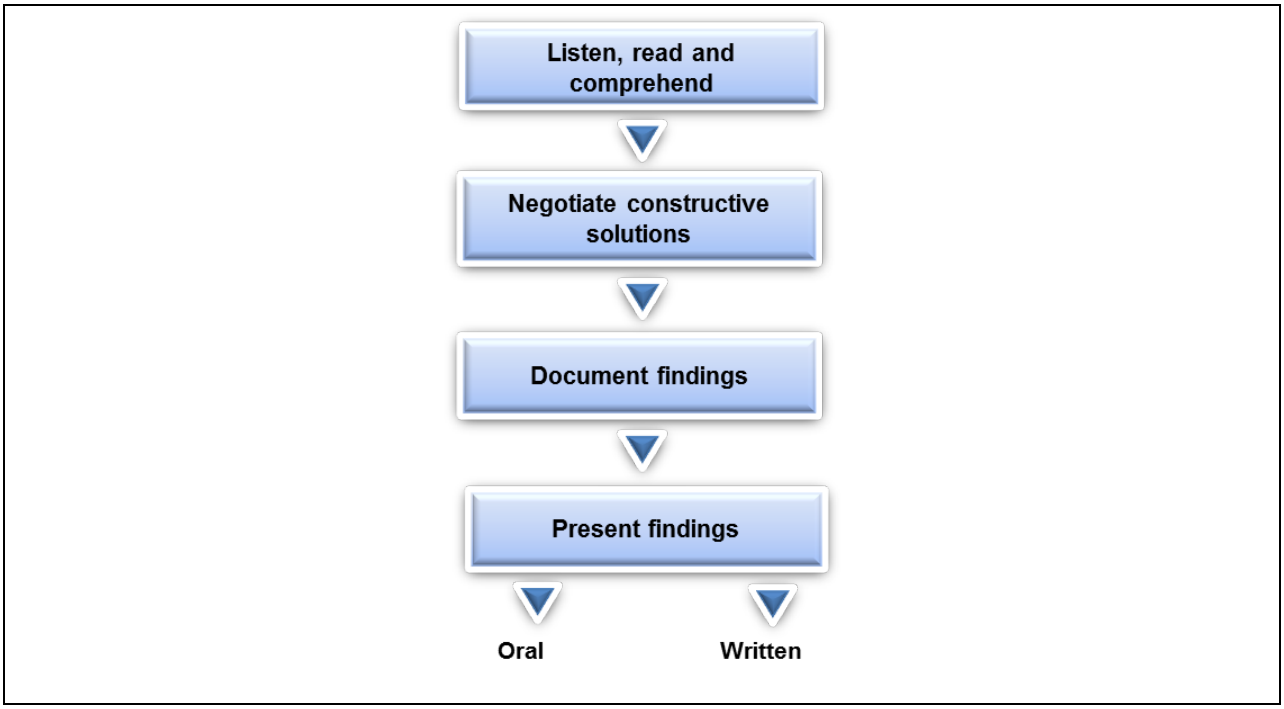
Schematic representations of selected professional attributes:



Professional demeanour
(Personal and interpersonal attributes)



Critical reasoning to identify and solve problems



Communication

WRITTEN CONSENT

Please sign the form to indicate that you:

- have read and understand the information provided;
- give your consent to participate in the study on a voluntary basis; and
- agree to the recording of the interview.

……
RESPONDENT'S NAME

…… **……**
RESPONDENT'S SIGNATURE **DATE**

APPENDIX 3

LETTER OF INFORMATION AND INFORMED CONSENT FOR PARTICIPATION IN ACADEMIC RESEARCH

Department of Auditing

For a focus group discussion of Unisa auditing students – 2012

Research conducted by:
Ms L Ferreira
Senior lecturer
Unisa
27 12 429 4418

Dear Participant

You are invited to participate in a research project that is part of a master's degree entitled *Nurturing auditing students' professional attributes at an open distance learning institution*. The concept *professional attributes* (PAs) refers to non-technical abilities classified into professional demeanour (personal and interpersonal abilities), critical reasoning and communication. Before you decide whether or not to participate, it is important to explain why the research is being done and what it will involve.

What is the purpose of the study?
Research has highlighted that PAs are critical for prospective Registered Auditors (RAs) to be successful in their careers. IRBA and SAICA in their respective competency frameworks identified the PAs expected of auditing candidates to be competent in, on entering the profession. The academic programme (undergraduate and postgraduate) forms part of the education and training continuum of prospective RAs and should therefore aim to develop and assess these attributes.

Nurturing PAs is easier said than done. Despite the recognised importance of PAs in auditing candidates' careers, these have rarely been explicitly taught and assessed as part of the auditing academic programme at Unisa. Traditionally, the focus of the auditing academic programme is mainly on teaching and learning of the technical content. The need for recommendations to aptly nurture PAs while teaching auditing technical content in an open distance learning (ODL) environment is evident. Accordingly, the problem statement for the research is formulated as follows:

How can PAs be nurtured during the teaching and learning of auditing technical content in an ODL environment?

Against this background, the aim of this qualitative study is to generate an in-depth understanding of auditing lecturers' and auditing students' experiences and expectations of the auditing academic programme at Unisa. This understanding will serve as the basis to propose recommendations to nurture PAs while teaching the auditing technical content.

Why are you invited to participate?
As an Unisa auditing student, you are invited to participate in this study as part of a group of students in a focus group discussion. Your experience and views relating to this topic are of value and importance to the research and would assist the researcher to gain an in-depth understanding of the experiences and expectations from your (the student's) point of view.

Do I have to participate?
You are under no obligation to participate. If you do decide to participate, you will be asked to sign the attached written consent form. However, you are free to withdraw at any time and without giving a reason or being prejudiced.

What is the process if I take part?
The data collection will be done by means of a focus group discussion. All that is required from you will be approximately 60 minutes of your time.

The focus group discussion will be recorded with a digital voice recorder for later transcription. The researcher will also use field and observation notes to add more richness to the data. The data will be analysed through an inductive, thematic analysis. Ethical approval for the research was obtained from the Unisa Senate Research and Innovation Committee.

Will what I say be kept confidential?
The transcribed focus group discussion will be anonymous and the person transcribing the focus group discussion will sign a confidentiality clause to ensure that the data remain strictly confidential and will not reflect your name or link back to you.

What are the potential benefits of participating in this study?
A better understanding of auditing lecturers' and auditing students' experiences and expectations regarding the teaching of PAs could serve as the basis for proposing recommendations to auditing lecturers to nurture PAs while teaching the auditing technical content. Ultimately, this knowledge should contribute to a graduate's success when commencing with the prescribed training programme (workplace environment).

What are the questions that will be asked?
Attached to this letter, please find schematic representations of **selected** PAs based on the IRBA and SAICA competency frameworks and the International Education Standards to serve as a guideline for the focus group discussion. Specifically excluded from this study are ethics and management and leadership skills.

The questions to be asked during the focus group discussion will be the following:

- Why do you aspire to become an RA?
- What characteristics should an RA exhibit?
- With reference to the schematic representations of **selected** PAs in this letter, why is it important that RAs and trainees exhibit PAs during an audit?
- How do you think the Unisa auditing learning material, assignments and exams assisted you to develop these attributes?
- What suggestions can you propose to your auditing lecturers to assist you in developing these attributes while learning auditing?
- What makes it difficult for you to develop these attributes while learning auditing through Unisa?

What are the risks and discomfort involved?
The researcher does not foresee any long-term discomfort or that you will be exposed to any risks during the research procedure. You will however be required to invest your valuable time by participating in this research project.

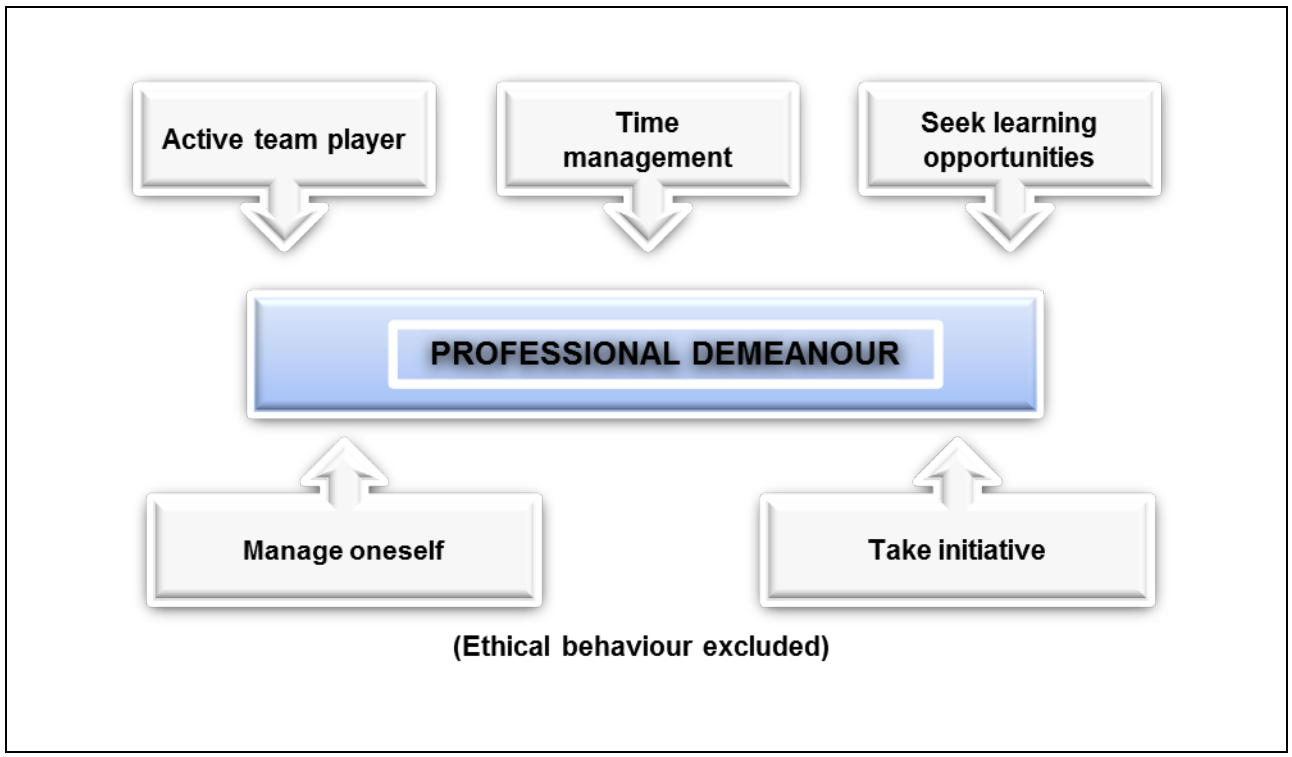
Who can I contact if necessary?
Please feel free to contact me or my supervisor if you have any questions or comments regarding this research.

Ms Laurene Ferreira (083 289 3392 or ferrel1@unisa.ac.za)

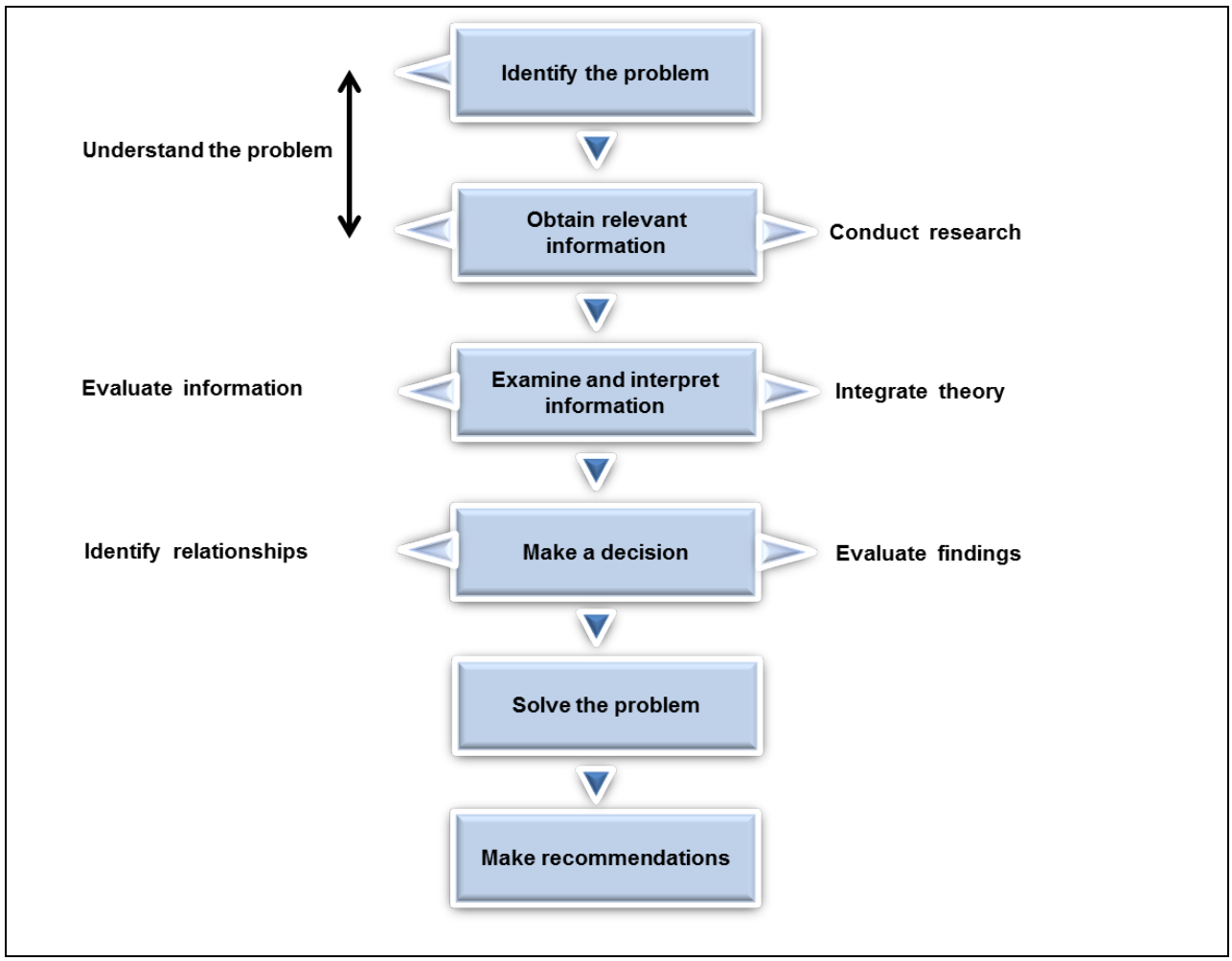
Prof E. Odendaal (012 429 4363 or odendem@unisa.ac.za)

The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings **on request**.

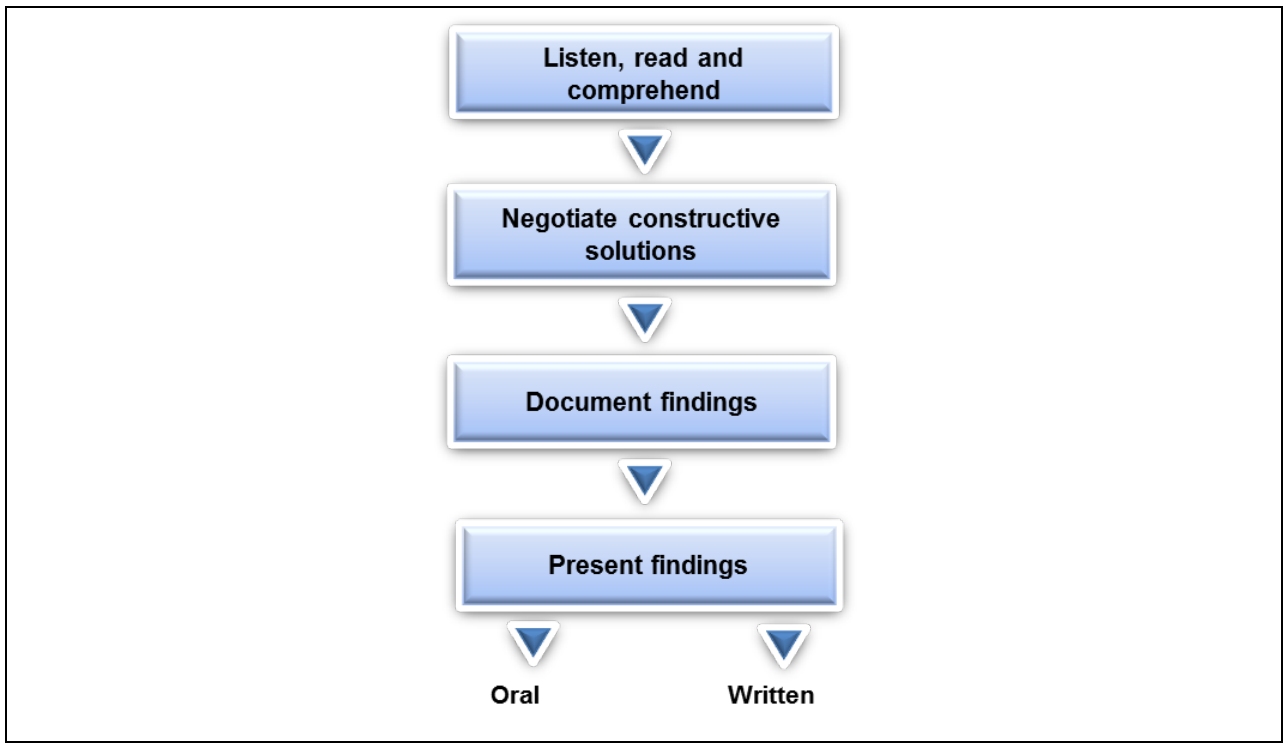
Schematic representations of selected professional attributes:



Professional demeanour
(Personal and interpersonal attributes)



Critical reasoning to solve unstructured problems



Communication

ADDITIONAL INFORMATION

Preferred language of instruction if English is not your home language	

WRITTEN CONSENT

Please sign the form to indicate that you:

- have read and understand the information provided;
- give your consent to participate in the study on a voluntary basis; and
- agree to the recording of the focus group discussion.

……
RESPONDENT'S NAME

…… **……**
RESPONDENT'S SIGNATURE **DATE**