

An Integrated Case Study in Auditing: An Exercise in Experiential Learning

Nicholas C. McGuigan, Lincoln University, New Zealand
Sidney Weil, Lincoln University, New Zealand

Abstract: This paper describes the introduction of an integrated case study into an auditing course taught at a small New Zealand University. The case study facilitated the redesign of the course to incorporate the principles of experiential learning, whereby learners actively participate in a financial audit within an environment comparative to current industry practice. Using a participant observer approach, the paper documents the introduction of the integrated case, whilst referring to the relevant educational theory. A student's progress is clearly mapped through an experiential learning spiral in which learners continually build upon previously acquired skills. The paper articulates effective aspects of the teaching innovation and highlights areas which may need further development and support. Informal feedback from students suggests that the redesign has increased their interest in and motivation for the auditing course. This course development has created a cohesive auditing course with a clearly demonstrated practical aspect, which allows students to link theory to real-world experience.

Keywords: Auditing, Accounting Education, Experiential Learning, Case Study

Introduction

AUDITING IS A core component of the Commerce degree for students majoring in Accounting at Lincoln University, New Zealand. The study of auditing draws on knowledge and skills from a variety of areas, including accounting, information management systems, management and ethical considerations (Leung, Coram, Cooper and Cosserat, 2005). A major challenge in delivering the course is the integration of its diverse parts into a single body of knowledge, providing students with a holistic view of the auditing environment and process, enabling them to relate auditing theory to practice.

In 2005, this challenge was addressed by introducing an integrated audit case study into the course. A case study was used, as it is a proven pedagogical technique for exposing students to real-world complexity, especially with respect to decision-making (Weil, Oyeler, Yeoh and Firer, 2001). The case study was comprehensive in nature, comprising an entire audit. The audit is fully integrated, enabling students to understand the interrelationships among decisions involved in audit planning, audit testing and the formation of the auditor's opinion. This pedagogical approach is best described as experiential learning, as the learners actively participate in a financial audit within an environment comparative to current industry practice.

This paper describes the case study used and its implementation in the auditing course. Initially, a

detailed review of the literature examines and critiques experiential learning theories and describes the perceived benefits of the use of case studies. This is followed by the research design/implementation. The findings of the paper are reported in a description and an analysis of the case study according to an experiential learning paradigm, followed by reflections on the advantages and disadvantages of the case study approach used. Suggestions for improving the technique are presented in the final section.

Literature Review

According to Kolb (1984), experiential learning theory comprises a diverse theoretical background including, inter alia, Dewey's (1933) pragmatism, Lewin's (1939) social-psychology, Piaget's (1952) cognitive-development, Rogers' (1951) client-centered therapy, Maslow's (1954) humanism and Perls' (1941) gestalt therapy. Experiential learning was given significant impetus by the work of Kolb and Fry, who in 1975 proposed that experiential learning could be structured in a cyclical process whereby knowledge is created through the transformation of experiences. Kolb and Fry's (1975) experiential learning cycle comprised four key elements - abstract conceptualisation, active experimentation, concrete experience and reflective observation - which progress in a linear sequence.

The "abstract conceptualisation" phase of the experiential learning cycle provides the context within which to visualise theoretical information and learning by linking it to a real life situation or prior

theoretical material. Students then actively plan for their learning experience at the “active experimentation” stage by considering the different possibilities for commencing the case, identifying needs and taking the required action. At the “concrete experience” stage, the student undergoes some type of learning event, which can be real or simulated, depending on the means of the classroom. Once this has occurred, students are presented with the “reflective observation” stage in which they look back at their experience and the theoretical basis they have acquired; reflecting on how the experience went and what they learned (Gibbs, 1988). Kolb and Fry (1975) argue that students are able to commence their learning experience at any stage of the cycle.

Kolb’s attempts to explain experiential learning as a coherent scientific model created a renewed interest in experience as a learning tool (Brookfield, 1990; Cross, 1981; Jarvis, 1995; Knowles, 1990). The experiential approach to education is significantly different to more conventional, knowledge transferring, delivery methods in that it becomes learner, rather than teacher centred (Percy, 2003). According to Kayes (2002), the experiential learning cycle provides one of the only models that remains both comprehensive and fully generalised.

The concept of experiential learning as developed by Kolb and Fry (1975), Kolb (1981) and Kolb (1984) has been subject to considerable criticism. A common criticism of the experiential learning cycle is that it is an oversimplified representation of reality (Forrest, 2004; Rogers, 1996; Webb, 2003). Rogers (1996) comments that “learning includes goals, purposes, intentions, choice and decision-making, and it is not all clear where these elements fit into the learning cycle” (Rogers, 1996, p.108). Heron (1992) provides further support to Rogers’ claims through his description of Kolb’s (1984) experiential learning theory as being too narrow and underdeveloped, with its base in psychological modes being too restrictive. The cognitive nature of Kolb’s experiential learning theory has been criticised in recent times for placing an overemphasis on the individual and “decontextualising” the learning process, catering to a limited amount of learning factors (Holman, Pavlica and Thorpe, 1997; Kayes, 2002).

The linear nature of Kolb’s cyclical model has also been criticised for being too simplistic. Webb (2003) noted that many learners have difficulty progressing sequentially through the learning cycle, as much learning takes place in a random fashion (Webb, 2003). Dewey (1933) when discussing reflection, stated that a number of thinking processes may occur at once, therefore jumping or completing learning stages simultaneously. Forrest (2004) provides further support to Dewey’s (1933) claim by stating that “The idea of a nice set of neat learning

stages does not equate to most people’s reality. The problem is that a number of processes can occur at once and stages may be jumped or missed out completely.”(Forrest, 2004, p. 12).

Kolb’s experiential learning cycle theory has been criticised in recent times for paying insufficient attention to the process of reflection (Boud, Keogh and Walker, 1985). Although Kolb’s cycle provides a descriptive model of the adult learning process whereby facilitators can plan for learning, it does not clearly enunciate the elements of reflection (Boud et al, 1985; Atherton, 2002). Kayes (2002) comments that there is a pressing requirement for greater emphasis to be placed on the reflective practices within the learning process. Reynolds (1997) concurs, stating that the idea of a learner reflecting in complete isolation on an event is like an “intellectual Robinson Crusoe”. The social interactions of a person impact on and are therefore important to consider when reflections are taking place. Michelson (1996) states that the learning process of ‘reflection’ assumes that knowledge is extracted and conceptualised from an experience, ignoring the possibility that knowledge is constructed within social processes.

In summary, Kolb’s experiential learning theory has been criticised in recent times for its focus on the central experience of the individual, without focussing on the social and historical context in which learning originates (Kayes, 2002). An alternative approach to viewing experiential learning has been documented by Sutherland (1997), who identified six essential characteristics of experiential learning.

Sutherland’s (1997) first characteristic was that learning should be treated as a process and not as a product; students can achieve and learn more through the process of completing an experiential exercise, as opposed to concluding with the correct answer. The second characteristic is that learning is a continuous process, grounded in experience, meaning that each experience that students acquire can be built on; students are able to reflect from one experience to the other and learn from each in an upward spiral process (Ward, 2001). The third characteristic is that experiential learning is a process of requiring resolution of conflict between opposing viewpoints. The fourth characteristic is that learning is a holistic process. Experiential learning creates an overall learning framework for students to link individual experiences to theoretical backgrounds. The fifth characteristic is that learning involves transactions between a person and an environment, which often is artificially contrived for the purpose of simulated learning. Finally, the sixth characteristic of experiential learning is that learning is a process of creating knowledge. A student will build on each experience to construct a greater overall knowledge.

Essentially the experiential learning cycle promotes learning by doing (Jarvis, 1995), encouraging students to experience real world occurrences and thereby become more involved, active and aware of their existing knowledge base. Brookfield (1983) comments that experiential learning can occur when students are provided with the opportunity to apply knowledge and skills in an immediate and relevant setting; these opportunities can be facilitated through a simulated environment using an integrated case study.

Case study methodology was first used within business subjects at the Harvard University Graduate School of Business Administration in 1908, indicating a long-established teaching practice (Stonham, 1995). Case studies are beneficial for illustrating theoretical material being taught and allowing that theory to be applied. Students learning from case studies are required to isolate and think through the key issues involved, relating them to theory and the environmental context in which they apply. An in-class discussion then occurs, with a synthesis of ideas and a recommended course of action developed (Andrews and Noel, 1986). Constructive feedback provided on the quality of analysis from peers and facilitators is essential to learning through the case study method (Mauffette-Leenders, Erskine and Leenders, 2001). Using case study methodology within accountancy exposes students to real-world complexity, allowing them to appreciate and analyse real problems and events (Weil et al., 2001), especially when corporate access may be unavailable.

The balance of this paper describes how an integrated auditing case study has been used within a third year accounting degree course to achieve an experiential learning experience for students.

An Integrated Case Study in Auditing

This section of the paper describes the purpose and objectives of the auditing course offered at Lincoln University. This is followed by a brief explanation of the student composition of the course and the major changes made within the course and its delivery environment as a result of the introduction of the integrated audit case.

Background

Auditing is taught within the third academic year of a Bachelor of Commerce and Management degree at Lincoln University, New Zealand. The course is mandatory for all accounting majors who wish to satisfy the requirements of the New Zealand Institute

of Chartered Accountants (NZICA)¹. The aim of the course, which focuses primarily on external financial audits carried out in accordance with the requirements of the Companies Act of 1993, is to provide an understanding of the principles, guidelines and techniques that auditors use in a business environment. The course intends to develop the professional judgement and interpersonal skills required within the auditing profession.

Course Composition

The 2005 auditing course at Lincoln University consisted of 41 students from different countries including New Zealand, India, China and Japan. The proportion of international students (33) was significantly higher, at 80.5% of the class, compared to that of domestic students (8) at 19.5%. Seventy six percent of the students were female and 24% male. Learners' prior backgrounds varied, as a number of students had previous work experience and were returning to university study, whilst others had commenced tertiary study directly after completing secondary school. Upon entering the auditing course, students will have completed two academic years of an accounting degree major.

Rationale for the Course Redesign

A key component of an audit is the provision of an expert opinion on an organisation's annual financial statements. Providing such an opinion requires the exercise of professional judgement, which is best obtained through practice and experience (Pratt and Van Peursem, 2003). A primary objective of Lincoln's course is to provide students with the opportunity to gain suitable experience and develop practical auditing skills through practical application problems. Prior to 2005, students were not able to experience the nature of an audit, as theoretical material could not be linked to a real-world perspective. In order to overcome this in 2005, the course assessment and teaching approach were modified by the inclusion of an auditing case study, created by Kerr, Elder and Arens, 2004².

The case study presents students with a real-world scenario which they are able to work through and solve, individually and in groups. The case study is highly integrative in nature. It comprises eight sections, which build upon each other, allowing students to complete audit working papers, trace source documents, analyse results and deliver an audit opinion. This integrated audit case study enables students to understand the interrelationships between the de-

¹ The New Zealand Institute of Chartered Accountants (NZICA) is the professional accreditation body for chartered accountants in New Zealand.

² The case study resource package contains a formal instruction booklet, two booklets describing the company history, partially-completed working papers and a folder with multi-coloured source documents.

cisions involved in audit planning, audit testing and the formation of the auditor's opinion. The case gives students insight into how an auditor makes decisions and performs an audit when provided with information about the company³.

In redeveloping the teaching and assessment focus for the course, the case study has become a key component for student learning, requiring additional resources to support this process. To encourage students to place sufficient emphasis on the integrative case study, it was given an assessment weighting of 15%. This made the case study the second highest internal assessment item after the second mid-term test⁴, which was weighted at 20%. Furthermore, linkages between the case study and other forms of assessment were established by the inclusion in the mid-term test and final examination of discussion questions related to the case study. This enhanced the integrative nature of the case study and was intended to increase its perceived worth to the students.

The Teaching Structure

The course is delivered through a mixture of interactive lectures, tutorials and assigned readings, all of which support the course content and case study learning experience. Interactive lectures are presented three times a week to provide a structure to student learning, covering key concepts and issues, encouraging class discussion and conducting in-class group activities. In this way lectures serve more as "lectorials" than as a more traditional lecture presentation (Race, 1994). Tutorials are conducted on a weekly basis to support this teaching programme by offering a smaller group meeting, where a discussion focuses on the assigned readings and a review is presented of the integrative case material assigned for that period.

The course allows students the opportunity to apply information previously learned to a practical true-to-life case, providing them with an experience upon which they are able to reflect and from which they can learn.

The Conceptual Basis of the Case Study

This section of the paper describes, reviews and discusses the case study in terms of experiential learning theory. Student involvement and tutor preparation at each stage of the case study are described. The description of student progress through the case study emphasises student learning in terms of an experiential spiral in which students continually build upon prior skills and knowledge (Ward, 2001).

Abstract Conceptualisation

According to Kolb (1984), the first step in the experiential learning cycle is the abstract conceptualisation stage, which occurs at the beginning of the semester and is repeated throughout the course. Auditing requires students to be able to link previously acquired accounting knowledge to material covered during this course (Leung et al, 2005). Students are provided with learning opportunities and are expected to build a knowledge base to help effectively carry out each of the eight case studies (Kaye, 2002). Conceptualisation at this stage consists of readings, interactive lectures, tutorials and students' prerequisite knowledge. Assigned readings are intended to stimulate previous knowledge, provoke discussion on current auditing issues and assist students relate this prior information to the current topic material, creating a base for students to begin their case work. The interactive lectures are designed to introduce the class to new ideas and concepts with the purpose of structuring the content material (Race, 1994). Traditionally, each auditing topic is reviewed within a week's block of lectures, providing students with a summary of learning towards the end of the week (Ramsden, 2003). The lectures are supplemented by a fifty minute tutorial session each week, where students are able to participate in class discussion of previously assigned tutorial questions. It is expected that students will learn from each of the theoretical resources available to them in order to apply this knowledge to the case study.

For students to benefit fully from this stage of the experiential learning cycle, careful planning and preparation is required by the teaching staff. A broad range of readings needs to be provided to students, allowing for a deeper understanding and interpretation of financial auditing in its business context. A facilitator needs to ensure an adequate structure to the lessons is developed to provide students with a clear framework for learning (Boud et al., 1985). It is also imperative to plan the course so that the lectures and tutorials are synchronised with the practical case. As an important teaching method for developing student thought and discovering new material is through discussion with others, it is important for the tutor to maintain an environment in which students' feel comfortable with one another and their surroundings (Ramsden, 2003; Pask, 1975).

Active Experimentation

In the second stage of Kolb's (1984) experiential learning cycle, students are expected to start actively planning their case study task. They are required to

³ For further information about the case study, see Kerr et al., 2004.

⁴ Other assessment items were in-class assignments, student participation and another mid-term test.

individually plan for their case study experience, by reading required material and formulating an action plan for completing their assigned work. The students will then experiment with the case study individually by each completing an initial attempt of the work. The work required involves the review of a client's background information, with specific tasks including analysing financial reports and documentation, reviewing internal control systems, signing off on completed work and providing an audit engagement letter. This step is undertaken in isolation in order to allow students to attempt the case themselves; commencing the processing of information required to proceed with the case (Holman et al., 1997). Students' individual attempts are presented and discussed with other group members in stage three of the experiential learning cycle - "concrete experience".

It is important for the facilitator to allow students enough time to complete the active experimentation phase in order to link what they have learned (in the abstract conceptualisation stage) to how they may implement this in a practical sense (concrete experience stage). Therefore a time requirement needs to be placed on the case assignment and communicated to the students. A lesson structure is placed within the course outline, documenting the lecture period when each case component is to be submitted for grading. The planning time for the particular case is incorporated into the overall time given for completion. Guidance may be needed at this stage for any students who are struggling to conceptualise the case study activity and what is required of them.

Concrete Experience

The concrete experience stage of the experiential learning cycle ensures that students undertake a simulated experience that allows them to apply the theoretical concepts that they have learned previously to the case activity in a group learning environment. Groups comprising three members are formed by the students, with tutor assistance, if required, at the beginning of the semester. This group participative structure is created in order to simulate real-world situations, as audit work is always performed in teams (Pratt and Van Peursem, 2003). Encouraging students to practise group interaction and cooperation and to resolve group conflict(s) between themselves, gives the students insight into the work environment (Johnson and Johnson, 1994). Groups meet once a week in order to discuss the case and to complete the required case discussion questions. Group members are expected to compare their individual work with others, sharing their ideas for the completion of the documentation to be submitted for assessment purposes.

In preparing their documents for grading, students are required to compile group meeting minutes, which provide a record of the group's attendance, participation and accomplishments. Each group is required to submit a group answer for grading, including an appendix which contains all individual worked attempts of the case and the applicable group meeting minutes.

Students have a week within which to complete each stage of the case, allowing them sufficient time to individually assess and plan their work, to conduct a group discussion, formulate a response and submit their gradable work. It is important for the tutor to help students with their time management and to be accessible for progress checks (Candy, 1991). To assist with students' independent learning, the tutor has four consultation hours each week and is also accessible through electronic mail. In this way, students feel at ease about asking questions related to the case content. Furthermore, clear and detailed instructions and an illustrative example are accessible to students within their tutorial environment.

Reflective Observation

Reflective observation is both implicit in and integrated into the previous stage, when students are able to use the group meeting minutes to reflect on what they have experienced individually and as a group and to plan the group's next steps (Brookfield, 1993; Ramsden, 2003). The required group meeting minutes provide students with written evidence of their reflections, focusing on the key roles of each group member, how often each individual met, what was discussed and a summary detailing how they arrived at the final outcome.

Tutorial sessions are designed to act as a second reflective opportunity for the students. The beginning of the tutorial is allocated to returning the students' graded case study work from the previous week and working through 'model' solutions. Students are encouraged to share their ideas with all tutorial members and a group consensus on the 'correct' solution is arrived at through tutor guided facilitation. Students reflect on their own submissions, ask questions, participate in class discussion and make changes to their work as required.

An important aspect at the reflective stage is to communicate the importance of reflection and how it assists to achieve the common goal and further cement students' own knowledge (Mezirow, 1991). This assists students to prepare for the interim tests and examination, as the case studies are included to ensure that students individually have a thorough knowledge of the case material. Students are provided with the required documentation to keep group meeting minutes, which allows the tutor to

ensure that the students complete the exercise. The structured reflection means that individuals are protected from the 'free-loader' issue commonly found in groups (Meyers and Jones, 1993). As it is important for tutorial direction to occur, guidance material is developed for each part of the case. In this way, if a tutorial becomes side-tracked, guidance is available to refocus the tutorial.

Abstract Conceptualisation

Students now find themselves back at the beginning of the experiential learning cycle and at the commencement of the second part of the integrated case study. A secondary stage of conceptualisation will be entered into where lectures, tutorials, readings and prior knowledge are all used as a learning base for students (Kolb, 1984). An individual will then move through the differing stages as previously outlined for all eight of the case activities. The key difference present in the continuing cycles of learning is that the student is expected to draw from previous experience of the simulated case. The case thus builds on itself as a student progresses and the student's knowledge base develops simultaneously. In terms of an experiential learning cycle, the case study process can be likened to an upward spiral, in which the student's first experience is built upon by the second and third experiences (Ward, 2001).

The work required in the remaining seven cases includes performing preliminary analytical procedures, determining materiality and assessing risk, assessing control risk and planning tests of controls and substantive tests, performing tests of controls and substantive tests of transactions, performing the audit of accounts receivable, performing the audit of cash and completing the audit (Kerr et al., 2004).

A further reflective opportunity is presented to students near the end of the semester after the completion of the case study exercise. Individuals are asked to peer assess their group members, commenting on their performance during the semester and their contribution to the final report. This provides an opportunity for students to reflect on their semester's learning, assessing how successful it has been and to consider the contributions of team members towards this success (Schön, 1983). The peer evaluation was used by the teaching staff to assess and adjust case marks accordingly; if a group member did not participate reasonably in the cases, the member's grade was reduced.

A Review of the Case Study

This section of the paper discusses the effectiveness of the case study implementation, identifying both those areas that fulfilled the objectives of including a case study in the course, as well as those areas that need further development.

Effective Aspects of the Case Study Implementation

Stonham (1995) argues that case learning allows the student to obtain a greater perspective of reality and the myriad of complex issues to which it pertains. The redesigned course and subsequent introduction of the integrated case study have provided students with a simulated auditing experience, which is otherwise unobtainable due to restricted access to the industry and its client confidentiality issues (Pratt and Van Peurse, 2003). The auditing case infuses a sense of realism and relevance into the auditing course, as the case material is prepared in realistic audit format, working papers are constructed by a practising auditor, making them as realistic as possible and supplementary documentation is multicoloured and stapled to ensure authenticity. Case materials have been reviewed by practitioners to ensure industry relevance (Kerr et al., 2004).

In completing the required activities for the case study, students are able to develop generic skills deemed essential for working within the auditing profession (Leung et al., 2005). These attributes include critical and analytical thinking skills, time management skills, written and verbal communication skills, group negotiation and conflict management techniques, self-confidence, and the ability to deliver constructive feedback to peers. The integrated case study thus provided students with an opportunity to develop certain generic skills that is often not found in a more traditionally structured learning environment (Race, 1994; Ramsden, 2003).

Students' enjoyment of and active participation in the case study was clearly evident from discussions held in lectures, tutorial attendance, case work submitted and performance in invigilated assessment (Race, 1994). Feedback was obtained from the student group about the course structure and the teaching resources offered. The analysis of these results illustrated that students enjoyed a strong practically-based component to the auditing course that enabled them to make sense of and apply the theoretical principles taught (Sutherland, 1997). Students commented on the 'practicality of the case', its ability to 'relate content to the real-world', its 'usefulness in

linking to theoretical principles', and its 'helpfulness in their learning through its methodical make-up'⁵.

A significant attribute of the experientially designed course structure was the amount of support with which students were provided, namely, the time given to complete the case⁶, the consultation hours available to solve students' problems and answer further questions, class time dedicated to facilitating students' group discussions and detailed case solutions being reviewed during tutorials. Informal feedback from students demonstrated that this support was appreciated and perceived positively, allowing them to learn effectively from the exercise.

From a pedagogical perspective, the most significant benefit of including the integrative case study in the course has been the creation of a cohesive course structure with coherent links to all the relevant course material for the auditing course. The integrated case study became the key component of the course overall, as it included every section of the course, making it an ongoing experiential learning experience. The lectures, tutorials, prior knowledge and class discussions provided students with an initial framework, which they were able to apply to the case each week and thereby experience the underlying theoretical aspects in a real-world context (Andrews and Noel, 1986). Students commented on their ability to complete a different learning cycle each week, to relate these to each other, to accumulate knowledge gradually, culminating finally, at the end of the course, with the bigger picture - the overall audit process. This process was emphasised further through the inclusion of the case study activity in the interim tests and final examination, resulting in students placing more importance on the case materials, which in turn resulted in greater focus and better preparation⁷.

Aspects of the Case Study Implementation Needing further Development and Support

The case study instructions communicated to the students were possibly not as clear as they might have been and may need to be reviewed (Thorley and Gregory, 1994). A quarter of the students in the class seemed to be unclear about parts of the required process, despite this being presented in the first lecture and course outline. The process was clarified

again to all students after their completion of the first case attempt. In future cohorts, this will need to be remedied by the inclusion of a visual diagram clearly laying out the process in successive steps. Furthermore, an example of a case submission could be made available on the web so that a student is able to obtain guidance on what is required (Biggs, 2003).

The experiential nature of the learning experience meant that students were required to build upon their experiences from case to case (Kolb, 1984; Sutherland, 1997). Students who did not understand, or who produced an incorrect case, found it reasonably difficult to move on to the next stage and to build on a knowledge base which was deficient. Tutorial discussions and explanations about the case were intended to assist these students to see where they were incorrect and how best they could build on their knowledge. In hindsight, this may not have been the most effective method and may need more support and direction in the future, in the form of web-based material, reviews, additional readings and one-on-one student contact (Biggs, 2003; Ramsden, 2003).

A tutor needs to be mindful of a student's commitments outside university study when assigning an exercise such as the integrated case study. Because of many students' demanding extracurricular commitments, it is important to create a suitable workload timeframe for students. The case study is demanding in that it requires students to work each week for a substantial amount of time. There may be a need for more focused time within tutorials to assist with this pressure. A number of complaints were received from students with respect to the effort required for an assessment weighting of 15%; some students perceived the effort to be disproportionate, with the benefits of the case study often not becoming visible to students until the completion of the final examination, whereafter they commented on the case study's ability to develop their understanding of the audit process.

An aspect of the course that proved problematic was the students' reluctance to work in a group environment. Some students did not recognise the relevance and benefits of working in groups and preferred to complete the case material independently, not relying on others to achieve grades (Johnson and Johnson, 1994). Although the students displayed considerable reluctance for group work at the begin-

⁵ The feedback was obtained by means of an informal mid-semester course evaluation, followed by an official, end-of-semester course evaluation. As these evaluations have a structured, general approach to course evaluations, limited specific information about the case study was received. As the auditing course is developed further in future years, specific data needs to be gathered by the administration of a questionnaire-based survey of students to assess their perceptions of the benefits and weaknesses of the case study in more detail. In this manner, the perceived benefits of the case study, as enunciated by many of the students, will either be validated or negated.

⁶ Although the time allowed for completion of the individual exercises was initially a cause for concern, no student comments criticising the allotted time period were received.

⁷ No attempt to measure the impact of the implementation of the case study on student performance was made, as designing a controlled study would have necessitated excluding some students from the potential benefits of the case study. This is an area for future researchers to consider.

ning of the case study, it was noticeable that, as the case progressed, the students became more enthusiastic about the exercise and overcame much of their initial resistance. On reflection, the reasoning behind the use of group work may not have been made as explicit to the students as it possibly could have been. An explanation should be given about the benefits of group work, so that students can clearly understand why this method is being used and how it can assist them in their future professional lives (Leung et al., 2005; Hunter, Bailey and Taylor, 1992).

During the case study experience, it became evident that the distinctions between the experiential learning stages, as defined by Kolb (1984), became blurred, with students often entering into a learning stage prematurely (Forrest, 2004; Sutherland, 1997; Webb, 2003). For example, given that the concrete experience stage follows logically and closely from the active experimentation phase, it was found that a number of students would merge the two phases. This resulted in groups meeting to discuss the case, without having given it enough prior thought. This may have been caused by a lack of understanding of the planning phase, creating a perceived need for more guidance from the tutor. More assistance could possibly have been given in the active experimentation phase by distributing planning sheets which students could apply to each case. This preliminary documentation, which could then be utilized during the group reflective stage to prepare a collaborative answer, could be initialled by group members prior to submission.

Observations showed that students sometimes found it difficult to form cohesive links between prior knowledge, class discussion and lecture material. This linkage may become more apparent to individuals if key questions or relevant topics from a previous case are raised within the planning sheets of the case currently being reviewed (Ramsden, 2003). Assumptions in regards to students' prior knowledge are often made by facilitators without realising that content may need to be re-emphasised periodically (Biggs, 2003).

Analysis of group meeting minutes indicated a weakness in the reflective stage of the learning experience. Students tended to complete the documentation in a superficial manner; explanations of group roles were not considered, but were described simply as 'writer' or 'talker' and group conflict was neither described nor resolved within the reflective process, despite contact being made with tutorial staff to assist with this problem. Students did not seem to think deeply about the group process and the activities undertaken (Brookfield, 1983). The reflective stage proved to be less structured than it could have been and resulted in an inefficient progression to the abstract conceptualisation stage of the next case.

The reflection stage in the case needs to be emphasised by asking students to keep a personal reflection journal of the process that they are going through at each learning stage. This journal could be handed in at the end of the case as part of their documentation. Such reflection mimics the communication expected in an actual audit group through logs and working papers (Pratt and Van Peurse, 2003). The personal reflection journal would ultimately be more descriptive than an audit working paper, so that students are describing what they are doing, how they are feeling and what they might improve in future. A reflection journal would prove advantageous, as it would assist the student to become more familiar with the process and content of an audit, providing them with a heightened ability to create a clear link between each case, reflecting on the past experience and attempting to relate these to the present situation. The reflective stage could be further enhanced if students are required to submit a reflective report from the auditor's point of view, at the end of the integrated case. This report could focus on the individual's reflective audit journal kept throughout the entire audit process, asking the student to provide a holistic explanation of his/her experiences. These additional reflections would ensure that students achieve a deeper understanding of their learning (Perry, 1970).

Conclusion

This paper has described the introduction of an integrated auditing case study, which has enabled the construction of a course strongly experiential in nature, in which students learn the audit process through practical application. The case study has become the key component of the third year auditing course. Students have been able to actively progress through numerous experiential learning cycles, moving in an upward spiral direction, building upon each prior experience learned (Ward, 2001). In critically reviewing the case study implementation, it is evident that the 'active experimentation' and 'reflective observation' stages require strengthening. This will be achieved by the use of interactive planning documents and reflective individual journals.

The case study has brought realism and relevance to a traditionally theory-focused course by its similarity to current industry practice with an audit team environment replicated for the students' experience. In addition, students have been given the opportunity to develop a number of key attributes desired within the auditing profession, such as interpersonal skills, analytical processing and effective communication skills, which may not otherwise have been acquired (Leung et al., 2005). Student feedback has illustrated that the case study increased interest and motivation within the auditing course. The experiential learning

design has resulted in the beginning of a cohesive auditing course in which theory translates to practice in a form visible to its key stakeholders: the students.

References

- Andrews, E. S., and Noel, J. L., (1986). Adding Life to the Case Study Method, *Training and Development Journal*, 40(2), pp. 28 – 29.
- Atherton, J. S. (2002). *Learning and Teaching: Learning from experience*. Retrieved 13 November 2006 from – <http://www.learningandteaching.info/learning/experience.htm>.
- Biggs, J. (2003). *Teaching for Quality Learning in University (2 nd Ed)*. Great Britain: Open University Press.
- Boud, D., Keogh, R. and Walker, D. (1985). Promoting Reflection in Learning: A Model. In Boud, D. Keogh, R. and Walker, D (Eds). *Reflection: Turning Experience into Learning*. London: Kogan Page.
- Brookfield, S.D., (1983). *Adult Learning, Adult Education and the Community*, Milton Keynes Open University Press.
- Brookfield, S. (1990). *The Skillfull Teacher*. San Francisco: Jossey-Bass.
- Brookfield, S. (1993). Self-Directed Learning, Political Clarity, and the Critical Practice of Adult Education. *Adult Education Quarterly*, 43 (4), pp. 227-242.
- Candy, P.C. (1991). *Self-Direction for Lifelong Learning*. San Francisco: Jossey-Bass.
- Cross, P. (1981). *Adults as Learners*. San Francisco: Jossey-Bass.
- Dewey, J. (1933). *How We Think*. New York: Heath.
- Forrest, C. (2004). *Kolb's Learning Cycle*. United Kingdom: Fenman.
- Gibbs, G., (1988). *Learning by doing: a guide to teaching and learning methods*, FEU.
- Heron, J. (1992). *Feelings and Personhood: Psychology in Another Key*, London: Newbury Park, Calif.: Sage.
- Holman, D., Pavlica, K., and Thorpe, R. (1997). Rethinking Kolb's Theory of Experiential Learning: The Contribution of Social and Constructivism and Activity Theory. *Management Learning*, 28, pp. 135-148.
- Hunter, D., Bailey, A. and Taylor, B. (1992). *The Zen of Groups*. Auckland: Tandem Press.
- Jarvis, P. (1995). *Adult and Continuing Education. Theory and Practice (2 nd edition)*. London: Routledge.
- Johnson, D. and Johnson, F. (1994). *Joining Together: Group Theory and Group Skills (5 th Ed.)*, Boston: Allyn and Bacon.
- Kayes, D. C. (2002). Experiential learning and its critics: Preserving the role of experience in management learning and education. *Academy of Management Learning and Education*, 1(2), pp. 137-149.
- Kerr, D., Elder, R., and Arens, A., (2004). *Integrated Audit Practice Case, 3 rd Edition*. United States of America: Armond Dalton Publishers Inc.
- Knowles, M. (1990). *The Adult Learner: A Neglected Species (4 th edition)*. Houston: Gulf Publishing.
- Kolb, D. A. (1981). *The Learning Style Inventory Technical Manual*. Boston: McBer & Co.
- Kolb, D. A. (1984). *Experiential Learning: Experiences as the Source of Learning and Development*. Englewood Cliffs, New Jersey: Prentice Hall.
- Kolb, D., and Fry, R., (1975). "Toward an Applied Theory of Experiential Learning" in C Cooper (ed.) *Theories of Group Process*, London: John Wiley.
- Leung, P., Coram, P., Cooper, B. J., and Cosserat, G., (2005). *Modern Auditing and Assurance Services (2 nd edition)*, Australia: John Wiley and Sons.
- Lewin, K. (1939). Field Theory and Experiment in Social Psychology: Concepts and Methods. *The American Journal of Sociology* . 44(6), pp. 868-896.
- Maslow, A. H. (1954). *Motivation and Personality*, New York: Harper.
- Mauffette-Leenders, L. A., Erskine J. A., and Leenders, M. R., (2001). *Learning with Cases (2nd edition)*, Canada: Senton Printing.
- Meyers, C., and Jones, T. B., (1993). *Promoting Active Learning*, San Francisco: Jossey – Bass.
- Mezirow, J. (1991). *Transformative Dimensions of Adult Learning*, San Francisco: Jossey – Bass.
- Michelson, E. (1996). Usual Suspects: experience, reflection and the (en)gendering of knowledge. *International Journal of Lifelong Education*, 15 (6), pp. 438-454.
- Pask, G., (1975). *Conversation, Cognition, and Learning*, New York: Elsevier.
- Percy, R. (2003). *Experiential learning as a means of learning participation in higher education: examples from teaching masters students at the University of Reading*, presented at the International Workshop on Teaching and Learning Participation in Higher Education, Institute of Development Studies, Brighton, United Kingdom, 2-4th April 2003.
- Perls, F. S. (1941). *Ego, Hunger and Aggression*, Durban, South Africa: Knox Publishing Company.
- Perry, W.G. (1970). *Forms of Intellectual and Ethical Development in the College Years*, New York: Holt, Rienhart and Winston.
- Piaget, J. (1952). *The origins of intelligence in children*. New York: International Universities Press.
- Pratt, M. J., and Van Peurse, K. A., (2003). *Auditing: Theory and Practice in New Zealand*, New Zealand: Prentice Hall.
- Race, P., (1994). *The Open Learning Handbook*, London: Kogan Page.
- Ramsden, P., (2003). *Learning to Teach in Higher Education*, London: Falmer Press.
- Reynolds, M. (1997). Learning Styles: A Critique. *Management Learning*. 28 (2), pp. 115-33.
- Rogers, A. (1996). *Teaching Adults (2 nd Edition)*. Buckingham: Open University Press.
- Rogers, C. R. (1951). *Client-Centred Counselling*, Boston: Houghton-Mifflin.
- Schön, D. (1983). *The Reflective Practioner*, New York: Basic Books.
- Stonham, P. (1995). For and Against the Case Method, *European Management Journal*, 13(2), pp. 230 – 232.

- Sutherland, P. (1997). Experiential learning and Constructivism; Potential for a Mutually Beneficial Synthesis. In P. Sutherland (Ed.), *Adult Learning. A reader*, London: Kogan Page, pp. 82 – 92.
- Thorley, L. and Gregory, R. (1994). *Using Group-Based Learning in Higher Education*. London: Kogan Page.
- Ward, C., (2001). *Teaching to Learn: Your guide to success in the classroom*, New Zealand: Accelerated Learning Institute (New Zealand) Ltd.
- Webb, M. (2003). *A Definitive Critique of Experiential Learning Theory*. Retrieved 7 November 2006 from - <http://www.cc.yosu.edu/~mnwebb/critique.htm>.
- Weil, S., Oyelere, P., Yeoh, J. and Firer, C. (2001). A Survey on Students' Perception of the Usefulness of Case Studies. *Accounting Education*, 10 (2), pp. 123-146.

About the Authors

Nicholas C. McGuigan

Mr Nicholas McGuigan has taught accountancy at Lincoln University since 2005. His research interests include, accounting education and environmental sustainability. He is currently involved in research looking at the application of mobile technologies to support traditional learners.

Assoc. Prof. Sidney Weil

Dr Weil commenced his academic career in South Africa in 1978, where he soon developed an interest in accounting education research. His Ph D was titled Addressing the problems of cognition in a first year accounting course at the University of the Western Cape. Since moving to New Zealand in 1995, his research has focused primarily on the usefulness of pedagogical techniques, such as case studies, in accounting education.