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**Isaac M. O'Bannon** • Jul. 30, 2014

In an environment where the exponential growth of information available is changing the way many businesses operate, CPAs working in the forensic and valuation areas have identified big data as the most pressing issue they'll face in the near future. In addition, 85 percent of respondents to the [2014 AICPA Survey on International Trends in Forensic and Valuation Services](#) anticipate an increase in the amount of time they spend on electronic data analysis in the near future.

One in four (25 percent) respondents selected electronic data analysis – better known as big data – when asked, open-endedly, to name their top five issues over the next two to five years. The frequency with which big data was cited, reflects a business culture with an increasingly sophisticated understanding of the potential of this information. However, the sheer volume of data has created an environment where fraud can become more difficult to detect.

“Big data presents a real opportunity for businesses to glean actionable insights from information. However, the downside is that it also presents a risk because the more data available, the harder it is to spot fraudulent activity, such as the creation of a fictitious employee or an improper payment to a vendor. To combat this risk, businesses rely on forensic accountants for their expertise digging deep into the data, unraveling the work of criminals and detecting that fraud,” said Jolene Fraser, CPA/CFF and chair of the survey committee.

After electronic data analysis, the additional top issues forensic and valuation professionals cited they anticipated facing over the next two to five years are:

- increased complexity and scrutiny in engagements (20 percent)

- competition and fee pressure (14 percent)

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decrease in demand.

Steady growth was expected in the valuation area as well, more than half (54 percent) of respondents expecting more demand for their services in the next two to five years. Specifically, 28 percent anticipated demand to increase by up to 10 percent, with an additional 18 percent anticipating a bump in demand of up to 25 percent. More than six percent expected demand to increase by 50 percent or higher. Forty-one percent forecast no change in demand, and six percent foresaw a decrease in demand for their services.

“The increasing demand we’re seeing for forensic and valuation services performed by CPAs shows the growth in these areas is poised to continue in the near future,” said [Jeannette Koger](#), CPA, CGMA, vice president of member specialization and credentialing at the AICPA. “Businesses and consumers realize that the CPA combined with the AICPA’s Certified in Financial Forensics (CFF) and Accredited in Business Valuation (ABV) credentials signifies a highly qualified professional with the skill-set to get the job done.”

Indeed, when respondents were asked what credentials they require of those providing forensic accounting services to possess, a CPA was the most frequently required credential. The CPA, coupled with the [CFF credential](#), provides the most desirable combination of credentials in the areas of: fraud prevention, detection and response; financial statement misrepresentation; damages calculations; bankruptcy; and electronic data analysis. In addition, the CPA coupled with the [ABV credential](#) was the most widely desired combination of credentials for valuation engagements.

The 2014 AICPA Survey on International Trends in Forensic and Valuation Services was open to members of CPA Canada, in addition to AICPA members, for the first time. The survey, which was conducted from September 12 to October 25, 2013, contained a total of 182 qualified responses.

The full survey is [available online](#).

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