

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

can better manage their people and the process of auditing itself.

Oct. 24, 2022



By Chris Vanover.

Quiet quitting, the “great resignation,” and busy season combined make for an evil brew.

Happy Halloween! As firms take their last gasp before the upcoming holiday season and contemplate how to deliver on their first quarter 2023 audits, here are a few perennial problems and some suggestions on ways progressive firms can better manage their people and the process of auditing itself. So just like some Hershey's nuggets purloined from your kid's trick-or-treat bag, enjoy these (non-Hershey) nuggets of wisdom.

Let's start with a scary statistic from the [Bureau of Labor Statistics](#):

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

It's enough to make you want to become one of those retirees yourself. But forward-thinking firms are taking steps to shore up their processes and reset their expectations to make the traditional busy season less gruesome for all.

Advanced audit technology

The proliferation of audit technology has grown from a passing thought to reality at a rapid pace, but few midsize firms have taken advantage of it. Yes, the benefits are greater efficiency, but from a human capital standpoint, audit technology alleviates much of the menial and mind-numbing work that causes your audit staff to wonder why they went into public accounting to begin with.

Improved client parameters and communications

The realization rates on most audits are far less than realization on most tax engagements, often stemming from clients not providing the requisite documentation to perform the testing to conclude the audit. The result is your staff end up warming the bench and not billing their time, but still have the burden of billable hour goals looming over them. Killing the billable hour is the preferred solution, but that may be too much shock and awe too soon. This is the perfect example of a situation where the staff bear responsibility but exert no control. It's a poisonous concoction that will just frustrate a smart young staff member and offer another reason to abandon the public accounting partner track for a less-hectic position in industry.

Outside adult supervision

The consensus among our CPA firm members is that the greatest need in audit departments is for seniors and senior managers – it's as if an entire generation of

supervisors somehow went missing. The traditional model is to replace or bolster

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

This access model requires a different mindset for firms solving their staffing needs, but more firms are finding this approach a viable alternative to working their people to the brink of death and causing them to jump from the burning building of busy season in hopes of surviving elsewhere.

More timely planning

AuditClub supports dozens of CPA firms of all sizes, from top 10 to local firms, and fewer than 20% have their staffing plans for early 2023 in place here in October. I've been in public accounting for more than 20 years, and it's clear that our industry does a horrific job of not only planning how to staff our busy season engagements, but also building in contingencies to address the inevitable obstacles in the road. The traditional approach of keeping people on the bench, picking favorites from the available labor pool, hoarding "the good ones" for your engagements and all the other bad behaviors we've somehow made even worse over the decades is no longer tenable in this perfect storm. Planning is more than just counting heads because what you're really counting is access to brainpower – so your review of your processes should be a 360-degree examination of supply, demand and fluctuation, which we as smart auditors should be able to address.

Audit AdjustmentsSM

You heard it here first. Our profession needs its own audit adjustment. Auditors are really good at finding adjustments for their clients, but terrible at making adjustments themselves. So, as you walk from door to door this Halloween, listen closely to the whispering winds of change before the Grim Reaper finds you first. The people, processes and technology of the past 100 years are all different. It took over 70 years for the audit report to finally change. But it hasn't taken nearly as long to see that staff expectations within today's firms have shifted with the times.

The baby boomers who ran firms for most of this century now only represent 25% of

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

continuing to stir, I reckon it's time for our profession to stop tricking itself and finally book that audit adjustment.

=====

Chris Vanover is an outspoken survivor of the Big 4 and [PCAOB](#) and has committed himself and AuditClub to help transform how public accounting firms deliver audit and assurance services. Offering flexible access through a unique membership model, AuditClub has inverted the traditional pyramid, killed the billable hour and democratized firm infrastructure. The result is an alternative public accounting environment for rising stars who love to audit, but don't like working in antiquated audit firms. You can learn more about Chris and AuditClub at www.auditclub.cpa.

Accounting • Artificial Intelligence • Auditing • Benefits • Firm Management • PCAOB • Staffing

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved