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Isaac M. O'Bannon • Feb. 06, 2024



Investing in technology is a key priority for accounting firms as they move into 2024, while mitigating the ongoing talent shortage and keeping pace with new laws continue to cause challenges for many within the profession. This is according to findings from the [2024 State of Accounting Firms Trends Report](#) released by [Caseware International](#), a global leader in cloud-enabled audit, financial reporting and data analytics solutions.

Meanwhile, Caseware's [2024 State of Internal Audit Trends Report](#) highlights the need for technology expertise amid ongoing issues around attracting and retaining top

talent.

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respondents stating their financial outlay will increase either significantly or slightly over the next two years. This represents an increase of 8% when compared to the 2023 survey findings. Innovative technologies are entering the accounting landscape quickly, with Generative AI being a notable example. Despite only becoming widely available in the year that our survey was conducted, more than 10% of respondents identified it as a top-three area of intended software investment for 2024. Engagement software (audit, review and compilation, tax etc.) was selected as a top-three area of investment for the coming year by 21% of respondents.

Talent Crunch

Hiring and retaining talent remains a key issue for accounting firms. Overall, 88% of respondents said hiring and retaining talent was challenging to some degree, with 47% describing it as somewhat challenging and 41% saying it was extremely challenging. However, firms are starting to take action, with 32% offering training programs to upskill existing employees, 27% offering newly-created roles and capabilities into their firms and 24% opting to employ a third-party talent sourcing service. David Osborne, Chief Executive Officer of Caseware International remarked, "Technology is a magnet for those considering joining the profession. The firms that fail to match the expectations of the accounting and audit professionals of tomorrow will see their talented, dynamic employees drift to competitors who offer more tech-savvy, progressive environments."

Laws and Regulations

Dealing with new laws and regulations was identified as the most frequently cited challenge among survey respondents, with 16% confirming this as their top issue. This highlights the pressures on firms to keep up with today's dynamic and fast-paced regulatory climate. As global economic and regulatory environments become more complex, clients are increasingly turning to their accountants for advice and guidance. As a result, the demand for client advisory services is on the rise – 76% of

survey respondents indicated that their firm has seen either significant (23%) or

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departments sought, data science elicited 18% of responses, while IT audit and cybersecurity garnered 15% and 12%, respectively. Artificial intelligence secured 9% of responses, while fraud examination was the most sought non-technical skill (10%) with ESG polling 8%.

Data Analytics

Many firms are looking to data analytics to support and enhance their auditing activities. When asked about the use of data analytics in their audits, 21% said they are now using analytics for all audits, while an additional 57% indicated they are selectively using data analytics for some. Ian Kirton, an internal audit industry expert commented, "It's not a surprise to see that the use of data analytics is increasing. It's how auditors are meeting the challenge of doing more with less. Analytics helps them spot risk, re-evaluate controls and perform continuous auditing."

Do More with Less

A significant internal pressure for audit teams is the need to do more with less time and resources – 30% of respondents identified this as their top selection. Auditors face increased reporting requirements, such as ESG, DEI and culture, often without a corresponding budget increase, so teams need to be as efficient as possible when completing their audits.

Trends to watch: 2024 State of Accounting Firms Trends Report

- *Although 73% of respondents indicated they are either currently implementing or are planning to implement DEI initiatives in their firm, an alarming 27% said they are not and have no plans to do so.*
- *Firms continue to modernize their practices, with 76% responding that they use either cloud-only tools or a mix of desktop and cloud to help manage their practice. This is an increase of 17% compared to the 2023 findings.*

- *17% of respondents are using offshoring to mitigate the accounting profession's talent*

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