



# What Modern US Businesses Want From Their Audits

How to stay relevant in a digital world



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# Introduction

Audit services sit at the heart of the US financial ecosystem and must therefore remain relevant to the modern digital business world. However, the reality is that traditional audits in their current form are holding businesses, and their accounting firms, back.

There is also an urgency to move quickly. With the increasing demands of ambitious businesses, the US standards will need modernization to keep pace with trends. Many US accounting firms are fast followers – in other words, they are waiting for others to ‘go first’ when it comes to embracing innovation. But the subsequent delay is having a knock-on effect on the services their clients receive, as well as the recruitment and retention of talent in accounting which is reaching a critical point.

The key is moving to a more modern approach, unlocking a robust, effective, and valuable audit through greater use of technology. But incumbent software vendors in the US have been slow to respond to key developments, such as cloud computing, and accounting firms are growing increasingly frustrated by those who over-promise and under-deliver.

Inflo commissioned an independent research study to assess the current sentiment amongst US businesses towards the audit process and hear directly from end-users how accounting firms can keep the audit relevant.

While there is certainly not a reluctance to change amongst US accounting firms, there is a lack of trust, which is causing leaders within these firms to hesitate when it comes to making bigger, strategic changes within their organization.

It’s time for CPA firms to invest in ensuring that a service which is so critical to the corporate community remains relevant in a digital age. To continue to adopt a ‘wait and see’ mentality is sure to be to the detriment of firms across the country as leading organizations are now beginning to embrace modern technology and digital solutions.

## Methodology

Inflo commissioned a survey with Censuswide, an independent research house, polling finance teams across 250 US businesses that use an external accounting firm for their audits.



# The limitations of traditional audits

As businesses grow, their financial complexities inevitably increase. Both accounting firms and their clients face a shared challenge: ensuring that the audit process remains efficient and effective as data volumes and regulations evolve. However, in its current form, the approach to traditional audits requires substantial time and resources from both businesses and their firms which is becoming increasingly unsustainable.

As a result, over half of US businesses (**52%**) find the audit process stressful, with these sentiments worsening as the size of business increases. The larger the business, the more stressful the audit.

**41%** of businesses with **101-250** employees find audits stressful



**57%** of businesses with **2501-5000** employees find audits stressful



**53%** of businesses with **501-1000** employees find audits stressful



**63%** of businesses with **5000+** employees find audits stressful



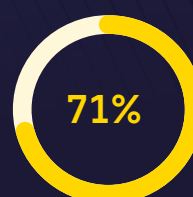
Finance teams within education entities (**56%**) are the most stressed, with those operating in travel and transport (**60%**) closely following as the second most stressed.

The biggest driver of stress across US organizations is the amount of disruption the audit has on business-as-usual operations, particularly in terms of the length of time it takes teams to prepare as reported by two-thirds of respondents (**62%**), and how manual the entire process is (**61%**). For more than three-quarters of companies (**78%**), this resource cost causes ongoing anxiety across the finance team.

## Championing Digital Audits:

Non-digital users find that audits take staff away from other tasks more than those who have embraced modern solutions [**71% vs 50%**].

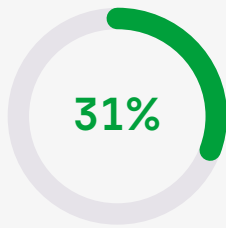
Non-digital  
users



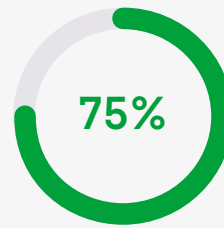
vs

Digital  
users





A fundamental issue with traditional audits is that the process is slow and cumbersome, with nearly a third of businesses **(31%)** reporting this to be the case.



From an industry perspective, Travel and Transport businesses are most vocal **(75%)** about this issue.

The sheer level of pressure placed on finance teams has resulted in nearly a quarter **(23%)** of US companies reporting poor business productivity as a direct consequence of manual audit processes. This in turn can have a knock-on effect on a business' talent retention rates.



It's no secret that a major talent shortage grips everyone within the audit industry, both across accounting firms and within business finance teams themselves. Traditional audit solutions no longer stand up against the efficiency needs of today's organizations, meaning audits have become a time-consuming burden for both firm and client.

**Robert Lemmon,**  
Digital Audit Partner, Inflo

Over a quarter (**26%**) of finance staff state they are “burnt out” as a result of tedious audits. Another **19%** say that the current process is so bad they are considering leaving their role because of their audit experience. This is particularly rife amongst junior workers – within both the client and accounting firm - who are currently bearing the brunt of manual processes. Many bright minds choose to leave shortly after joining, pushing audit and accounting teams right back to where they started: understaffed and overworked.

Companies that struggle to attract and retain talent face not only the financial burden of continuous recruitment, but also the loss of potentially innovative thinkers who can drive the business forward.



Falling behind in the market is often the breaking point for organizations, and it's at this point that they call into question the effectiveness of their current processes. Over half of US businesses (**55%**) have expressed appetite for an audit product that can scale in line with their growth goals and expectations. Accounting firms strive to be trusted advisors for their clients, which means answering their calls for better audits and providing client value by providing financial insights and understanding.



# Audits as an opportunity for growth

US businesses believe that audits can provide insights that will directly help their growth, yet they feel the current process is hindering their progress in this area, according to two-thirds of respondents **(67%)**.

Across the board, the most valuable output from audits is reported to be the opportunity it provides to improve finance processes and operations **(72%)**. Interestingly, businesses of all sizes ranked this potential benefit first, showing that no matter the maturity or size of the organization, companies believe that auditors can help optimize the overall finance function and set the business up for success.



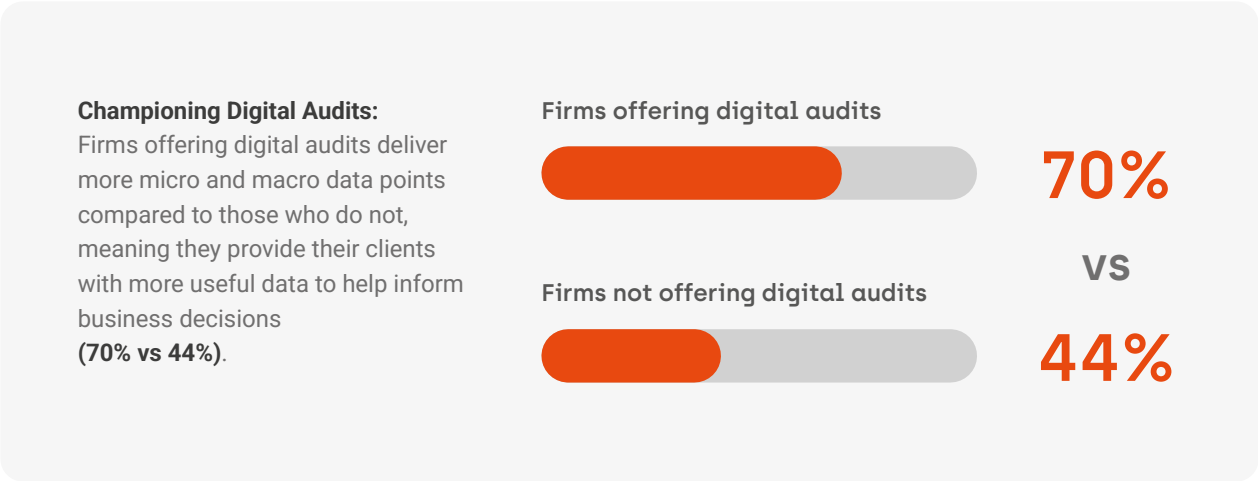
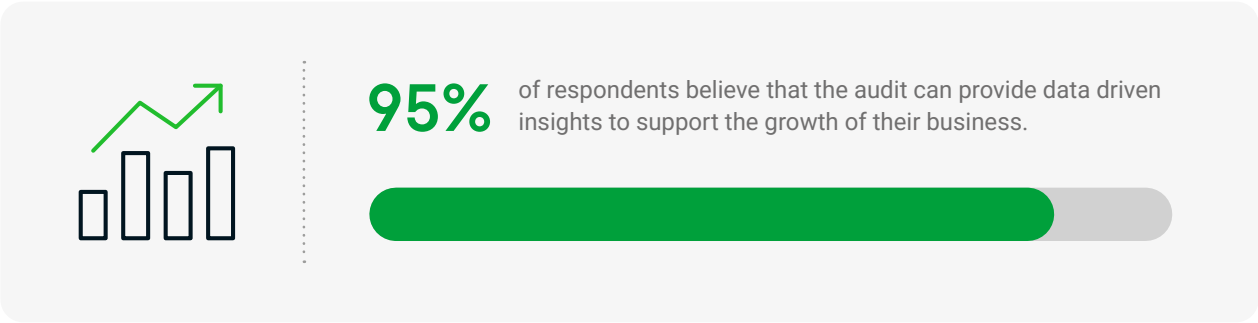
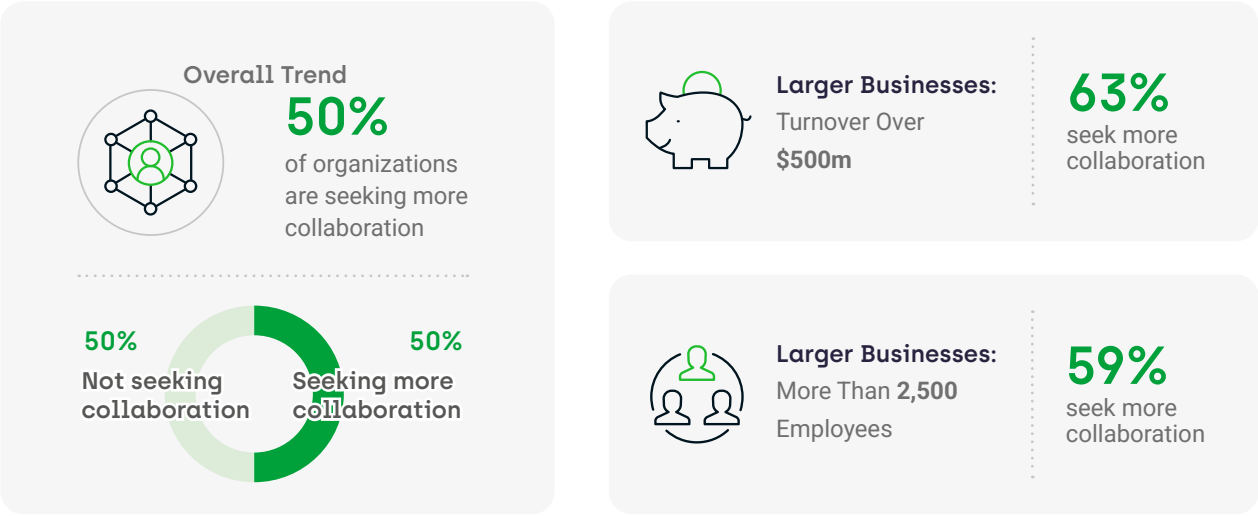
Businesses also see immense value in comparing their performance to that of their competitors **(51%)**. Some larger businesses with **501-1000** employees **(58%)** placed more value on this, which contradicts the idea that bigger organizations with more resources can find this information for themselves. It emerged that IT, Telecoms and Retail businesses value competitor comparison higher than most, whereas Architecture and Engineering place less value on this insight.

**58%**

Some larger businesses with **501-1000** employees **(58%)** placed more value on this



**Value of Audits in Business:** Increasing Demand for Collaboration with Accounting Firms



Accounting firms have the potential to help not only enhance audit efficiency and profitability for their clients, but also empower them with a more comprehensive understanding of their financial health. The transformation from a purely compliance-driven exercise to a catalyst for growth and informed decision-making redefines the audit experience for all involved.



# Unlocking greater value

Business leaders know what they want to get out of their audits – to transform them into a rich source of strategic data rather than being a burden for all involved. Currently, the sentiment amongst some businesses is that they invest a lot of time and effort into audits, only to get little value in return. For example, nearly all respondents (**98%**) report that their accounting firm asks them for the same information year-on-year, and then **13%** claim that they receive ‘nothing beyond passing’ from their annual audits.

As a result, over half of US businesses (**53%**) want their auditors to embrace more technology. Larger companies (over \$100m turnover) are the most vocal about this.



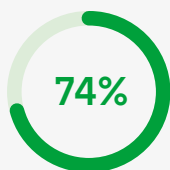
**53%**

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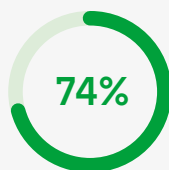
## Importance of IT and Digitization by Sector

### IT & Telecoms



consider  
digitisation  
critical

### Travel & Transport



see digitisation  
as even more  
critical

### Finance Teams' Need for Strategic Thinking

**53%**

of finance teams want more  
time for strategic thinking



- Compliance demands consume much of their time
- Digitising audits can:
  - Streamline processes
  - Free up resources for critical tasks

## Cloud-Based Software for Better Collaboration

**67%**

of businesses want their firms to  
use cloud-based software



- Promotes more active collaboration between firm and client

Alongside the common goal of extracting insights relating to finance and compliance matters from friction-free audits, businesses also have their own unique objectives, which vary based on sector. Companies in the sales, media and marketing, travel and agriculture industries all want deeper insights to be able to support business growth to stand out in increasingly competitive spaces. For healthcare – an industry battling with its own long-standing legacy tech inefficiencies - the onus is on cost savings and efficiency insights. It demonstrates the importance of accounting firms tailoring their offering and service to each industry niche.

The shift to digitalized audits not only improves efficiency and profitability for firms and their clients, but also equips them with a deeper understanding of business' financial health and future prospects. By embracing digital innovation, accounting firms can ensure the audit stays relevant in the digital world, transforming it from a compliance exercise into a catalyst for growth and informed decision-making for modern business.



The research proves that US businesses want a better audit—one which minimizes disruption, is more efficient, and provides insights that offer them value and support their growth.

History has shown us across a variety of industries that businesses that focus on internal views and ignore shifts in customer needs will decline or die. The tombstones of Blockbuster and Kodak tell this tale. However, businesses that stay close to their customers and focus their innovation on trends in customer demand will thrive and grow in this new digital business world.

Utilizing modern technology is key to this. Advanced audit technology is already available for the firms that want to lean into this exciting opportunity to make audit services more attractive.

**Mark Edmondson**

Chief Executive Officer, Inflo