

## Transform year-ends into an organizational asset

By Helen Mason, Senior managing director and Denver market leader, Riveron | December 03, 2024

For many accounting and finance teams, the fiscal year-end brings a cycle of intense workloads that can extend into the new year, as accountants and auditors work to close the books, address complex accounting issues, and manage escalating audit demands. This grueling “busy season” can also limit accountants’ ability to provide strategic insights to their organizations.

Rising stakeholder expectations and a growing talent crisis due to seasonal burnout underscores the need for a shift in year-end audit preparations. By embracing forward-thinking practices, CFOs and accounting leaders can alleviate the pressure on their teams and turn busy season into an opportunity for innovation and value creation.

### Reframing the year-end ‘inevitable’

Most companies wait until the fiscal year-end to tackle the more nuanced accounting issues, such as impairment analyses and revenue recognition adjustments, which adds stress to accountants’ already limited resources. Valuations, impairment analyses and documentation for M&A transactions are often squeezed into year-end, resulting in bottlenecks as companies compete for the same specialist resources. This surging demand, coupled with resource constraints at providers, drives up costs as specialists become increasingly scarce during this time period.

The pressure of these time-sensitive requirements is a major contributor to the shortage of accounting professionals. These various pressures also frequently cause a company’s accounting and finance function to be overburdened for the first couple months of the year and unable to shift their focus to strategic annual planning until the first quarter is nearly over. To prevent this reactive cycle, the time to shift to more strategic audit preparation is now.

A successful audit cycle starts with sound project management. Companies should assign a dedicated in-house point person or qualified advisor to oversee the audit process. This person should prioritize the prepared-by-client list from the auditors and critical items such as impairments, recording M&A transactions, going concern analyses and other complex accounting in relation to restructuring debt and equity financing arrangements. Taking a proactive, methodical approach to the audit cycle will help streamline the process during busy season.

### Embracing AI and automation for a strategic shift

Implementing new tools and technologies can elevate the abilities of the accounting and finance team during and beyond busy season. Other professions have managed to modernize and streamline their

workflows, but the office of the CFO has often been more hesitant to adopt technologies that could alleviate the demands of busy season.

The rise of automated and artificial intelligence-enabled technologies presents new opportunities to streamline the audit cycle. Process improvements and AI-powered tools can potentially manage intensive data-crunching tasks and free up accountants’ time to focus on interpreting results, responding to auditor’s priorities, and building more strategic relationships with their stakeholders.

For example, AI has the potential to identify data anomalies in financial performance before they arise, reducing the last-minute rush and helping accounting teams manage their workflow more effectively. Automation can help ensure audit-related tasks are completed earlier, allowing teams to bring greater focus to more complex issues with greater strategic importance. AI can revolutionize the accounting profession and reduce pressures during busy season by enhancing efficiency and risk mitigation through its automation and real-time insights.

As AI becomes increasingly integral to audit and accounting, however, professionals must navigate and proactively manage the related risks. To mitigate these risks, accounting teams should integrate AI tools thoughtfully, ensuring both human oversight and robust governance. Companies must implement strict policies for AI development, testing and changes, focusing on the financial reporting impacts. Continuous monitoring, audit trails and segregation of duties are crucial to maintaining transparency and preventing errors. For example, AI systems that automate journal entries should have controls in place to verify the accuracy of the entries and detect any anomalies.

### Reclaiming value: the accountant as strategic advisor

In the current cyclical model, many accountants spend the first quarter of the new year working solely on the previous year, limiting their ability to provide their organizations with meaningful strategic insights. Alleviating pressure during busy season can allow accountants to play a larger role in providing forward-looking insights that help guide business strategy. This shift would not only elevate the responsibility of the profession but also help address some of the burnout issues that have exacerbated the current talent gap.

Moving away from reactive year-end cycles is essential for the long-term growth of the accounting profession. Embracing automation, ensuring continuous audit readiness, and positioning accountants as strategic advisors can help move busy season from a yearly hurdle to a time for growth and impact. By planning ahead and leveraging new technologies, leaders can strengthen their organization’s future by bringing efficiency and strategic insight to the year-end audit process.