The first quarter of 2023 is almost over and it has been interesting. From extreme weathers to financial institutions collapsing (or on the verge), 2023 is looking to be a busy year for auditors in the area of work. However, these exterior factors do not account for the internal changes that auditors and audit shops are facing as they performing the work and try to provide value to organizations or clients. These changes are calling for more services and needs from auditors and audit shops in today’s changing and challenging environment. With these changes and challenges, auditors and audit shops must adapt to meet the needs of their organization or clients. However, there are headwinds that could impact auditors’ and audit shops’ ability to provide the value added services that help organization or clients meet goals and objectives.

Here are 10 areas that I think auditors and audit shops need to pay attention to as they perform engagements in 2023 and beyond. Keep in mind that these 10 areas are in no particular order and non-inclusive to other areas that may impact auditors and audit shops.

1. **Changing Roles and Responsibilities**

What is the role and responsibility of the auditor to an organization? That is a question that is going to be asked more as auditors are asked to perform engagements outside of the usual “check the box.” Auditors and audit shops will see their roles and responsibilities change from being reactive to proactive; compliance to performance; and auditing to advisory among of areas. The question is whether the audit shop and auditor can change without raising concerns of objectivity and independence. Further, how do these changes in roles and responsibilities affect the audit shops’ and auditors’ mission and objectives.

1. **Tighter budgets and resources**

A continuing issue for many audit shops are budget and resource constraints that can impact meeting engagement objectives. And it does not help if audit shops are not on the organization’s “nice” list to receive increased budgets and resources to perform their work. This issue is more problematic with the growing demands of the auditing profession (see item #1 listed above). One has to ask whether the audit shops and auditors will reach a breaking point with continuing tight budgets and resources.

1. **Staffing Issues**

As if audit shops in the public and private sector have limited budgets and resources to fight for, another issue is staffing. More demands, changing roles and responsibilities, rapid technology, etc., are requiring audit shops to have auditors with the appropriate knowledge, skills, and experience to perform the engagements. Unfortunately, many audit shops, especially those in the public sector, are finding out that the current staff lack one or many of the knowledge, skills, and experience to meet today’s growing demands. And good luck trying to hire new staff if your audit shop does not have the budget to bring them on board. Mix in the fact that many audit shops have an aging workforce and lack of a diverse pool of talent, creating a wave of issues in performing more dynamic engagements. If audit shops cannot address the staffing issues, their ability to meet engagement objectives and provide value added services will be null and void.

1. **Conflicts With Senior Management and Board**

Auditors must always stay in communication with senior management and board to ensure there is cooperation and coordination throughout the year. This cooperation and coordination aligns with both sides’ goals and objectives that help the organization. However, auditors may start to see a growing conflict with the goals and objectives of senior management and board. Auditors must also deal with concerns of conflicting mandates or perceived ideas of what senior management and the board expect from the audit profession. These conflicts may raise concerns about objectivity and independence of the auditors when performing engagements. In other cases, there may be questions as to whether senior management and the board understand the mission of the auditors to the organization.

1. **Rapid Technology**

New and emerging technology like Artificial Intelligence, or A.I., is coming to the market at lightning speed. With new and emerging technology, comes questions, issues, and concerns that auditors must understand when called to perform engagements in this area. The auditors may need to figure out how new and emerging technology can be used in their engagements for auditing tasks and data analytics. The question for auditors is whether the pace of their work keep pace with new and emerging technology that could help their career, the organization, or their client.

1. **Changing Environment**

We are living in interesting and changing times that require auditors to change accordingly. From pandemics, climate change, political uncertainty, economic turmoil, and war, the environment that auditors work in today is not the same environment 10-, 5-, or even 1-year ago. The question auditors need to honestly ask themselves is along the lines of readiness and adaptability to changing environments. We have heard the term “agile auditing” used a lot, but how many auditors really be agile in adapting their work to bring the right services at the right time to the right audience. This means that the things auditors did 10-, 5-, or even 1-year ago may no longer apply to the changing environment we are operating in. Auditors will need to stay on top of a changing environment and adapt accordingly.

1. **More Politics, More Problems**

In private and public sector, auditors are finding themselves and their work at the center of politics. While unavoidable, the politics can get ugly in a way that impacts the auditor’s ability to perform their work. Politics involving the auditing profession have heightened in recent months, placing auditors in a position to defend themselves. In the public sector, auditors are finding their roles and responsibilities, resources, and work under constant scrutiny. Public sector auditors are seeing their audit shops reduced due to politicians’ dislike of the content of report and in some cases, the auditors themselves. Regardless of the sector, the auditor must ensure that they fight the good fight to promote the value they bring to their organization or clients in minimizing risks that impacts meeting strategic goals and objectives.

1. **Embolden Naysayers**

Auditors has always dealt with naysayers or those in disagreement with the findings and audit results. However, there appears to be a growing movement to discount the auditor’s work and result. This attitude is due to auditors being the true sayers that question the practices that are problematic for their organization or clients. Auditors will need to ensure that their work and results are fact-based and communicated to help address risks that the organization or clients may refuse to acknowledge exist.

1. **Questioning of Purpose/Mission**

With auditors playing a more involved role in their organization or client’s operations, there is the concern of purpose or mission creep. Auditors must contend with addressing the needs and intention of what senior management and board believes is the purpose and mission of the auditors within the organization. The auditor must be aware of instances in which their purpose and mission may change or differ from the senior management, the board, or the client. A better understanding of the auditor’s purpose and mission will go a long way to ensuring value is added to the organization or client with professional due care and objectivity.

1. **Getting the Right Message Out at the Right Time**

With the rapid pace of social media and news, auditors will need to adapt their messaging to ensure engagement results are relevant, yet reliable. The days of lengthy engagements that bear irrelevant reports are no longer becoming the norm. Auditors must know how to communicate relevant results to their intended audience that does not appear dated. Also, organizations and clients are moving faster with action and decisions that require auditors to move as just as fast and act. Auditors will need to understand, adopt, and use the various methods to communicate results in this fast paced environment.

**Takeaway**

Some of these trends may appear old, but have been heightened in 2023. As auditors, we must pay attention to the trends that impact our ability to deliver objective, relevant, and reliable services the help the clients meet their objectives and goals. If you fail to pay attention to the trends, you risk exposing yourself, your organization, or clients to unwarranted issues and attention. Or worst, you become irrelevant and no longer seen as a valuable service to your organization or client.