10th ANNUAL REPORT

BENCHMARKING

ACCOUNTING & FINANCE FUNCTIONS 2019

ferf financial education & research foundation

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Why Benchmark Accounting and Finance Functions?

Observing industry benchmarks can help business leaders understand how other accounting and finance departments use resources — human, financial and technological. With this knowledge, they can determine whether they need to update their own processes and practices to meet changing expectations and demands.

This is the 10th year that Robert Half and the Financial Education & Research Foundation (FERF) have produced Benchmarking Accounting & Finance Functions to help financial leaders assess how their peers handle these critical functions. This year's report is based on survey responses from more than 1,600 financial leaders at public and private organizations in North America. Among respondents, 91% are from companies with US$499 million or less in annual revenue, including nearly half, 49%, from companies with less than US$25 million in revenue (Appendix II, Fig. 35).

Here are key sections and findings in this report:

Workforce Management

- Most organizations face an ongoing struggle to hire skilled professionals for accounting and finance teams.
- Many financial leaders are concerned that their core teams could become overloaded by unexpected projects.

Automation, Cloud Computing and Financial Systems

- The pace of automation in many accounting and finance functions is accelerating.
- For organizations struggling to increase automation, lack of time and budget are the top obstacles to progress.

Accounting Operations

- The time needed to report financial results has decreased significantly for most organizations since 2018.

Internal Controls and Compliance

- Most financial leaders expect that the compliance burden for accounting and finance functions will rise in the next three years.
- Keeping pace with regulatory changes and employees' lack of needed skills stand as the top barriers to organizations attempting to meet compliance demands.
- There were double-digit, year-over-year increases in the number of companies in the United States and Canada that have fewer than 100 key internal controls.

Calculate Your Staffing Needs With the Workforce Planning Tool

Workforce Management

With skills shortages everywhere, the way accounting and finance organizations manage their full-time and contingent workforce is critical. This is especially true when they identify key initiatives that they need to undertake immediately to help keep up with the competition.

Financial leaders in the United States and Canada have cited hiring skilled professionals as their greatest staffing challenge. (See Appendix I, Fig. 1.) Separate research from Robert Half reveals the severity of the problem: More than 9 in 10 CFOs in each country report difficulties finding accounting and finance job candidates with the requisite skills.[i] These trends contribute to extended personnel vacancies, and it can take an average of a month — or more — to staff open financial positions.[ii]

Other research conducted by Robert Half confirms that the inability to secure top talent is a significant barrier for companies wanting to expand into or diversify services for new markets. More than that, it constitutes a growing business risk. Boards of directors and executives, including CFOs, interviewed for Executive Perspectives on Top Risks 2019 from Protiviti, a Robert Half subsidiary, and North Carolina State University's ERM Initiative, made this clear. In the global survey, respondents ranked succession challenges and the ability to attract and retain top talent as the No. 2 risk for their companies in 2019; in 2018, that risk was No. 6.[iii] The report notes that "specialized knowledge and subject-matter expertise are becoming harder to acquire and retain on a cost-effective basis."[iv]

While digital transformation may change positions and the skills required for them, it will likely only exacerbate existing staffing challenges. The majority of executives in last year's Benchmarking Accounting & Finance Functions report said they were unlikely to change staffing levels due to digital transformation. Those expecting changes, however, were far more likely to add than reduce their number of employees.

The World Economic Forum projects a net increase of 58 million jobs across 20 major economies by 2022[v] resulting from technological advancements. Their research also found the majority of workers will need "reskilling and upskilling." As a result of these trends, businesses must outpace their competitors in their efforts to find, train and retain employees who possess expanded skill sets.

> "We struggle to find talent with both an accounting and finance understanding, as well as database knowledge. The combination of finance and data fluency is a unique type of talent, and we only have a few staff members with that skill. They were more on the accounting and finance side, but they had interest in technology, so it was a good migration path for them. They've really excelled because of it. But finding more of them, at least in our market, creates some challenges.
>
> "We're now focusing on creating relationships with the local universities to potentially see if we can pull people right out of college through interactions with professors. This will help us target the right students through the recruiting process and see if we can interest them in this type of opportunity."
>
> — A Financial Executives International (FEI) member working for a healthcare company

Businesses enhancing employment offerings

Companies are responding to a challenging job market — and corresponding retention needs — by enhancing their employment packages. The median compensation cost for internal accounting and finance staff as a percentage of staffing budget sits at 4%, the 2019 Benchmarking survey found. (See Appendix I, Fig. 5.) And many companies may be seeing increases in this number as they raise salaries to attract and try to hang on to top performers.

Savvy employers also take steps to improve and meet workers' demands in other areas. In recent years, finance functions have frequently enhanced their professional development programs, accelerated career paths, and provided access to cutting-edge technology, new projects and cross-functional collaboration opportunities.

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> "We've really tried to encourage our people to pursue personal development, even if it's on our dime or it's something that doesn't necessarily improve the employee's performance in their current job. We're trying to support our staff members to develop themselves more broadly for whatever they want to do in the future, whether that's part of our company or not.
>
> "We also try to be flexible about schedules, so if people want to go back to school or help out with associations and mentoring groups, they have the time. When the workload allows, we also let folks take every other Friday afternoon off, so they have some extra time with family or for their hobbies. That goes a long way toward making our employees feel like they're in a more entrepreneurial environment."
>
> — Chris Coy, director of finance at GameStop

Full-time staff levels steady, interim staffing rises

This year, slightly more respondents have categorized their accounting and finance teams as adequately staffed, compared to last year's survey; widespread hiring in recent years is a likely factor in that trend. (See Appendix I, Fig. 3.) However, many functions also appear to be operating rather leanly. The median number of internal employees in accounting and finance functions, including the CFO, varies widely by company size. (See Appendix I, Fig. 4.)

In addition to recent hiring gains, one potential explanation for financial leaders' assessment that their teams are adequately staffed could be the use of technologies such as cloud-based solutions (see Page 15), which are increasing efficiency and productivity for many organizations. Another reason may be the increase in the use of interim professionals. This year's Benchmarking research shows that the use of contingent resources is rising at many organizations throughout North America (Appendix I, Fig. 2).

'Adequate' may not be enough

Although 78% of 2019 survey respondents in both the United States and Canada said they are "very confident" they have adequate staff to manage their day-to-day responsibilities, only 33% in the United States and 26% in Canada are equally confident they can handle unexpected projects.

Many financial executives report that their teams could be derailed by an unanticipated project or an assignment that might stretch beyond their abilities. This assessment poses a serious risk for companies in the current business environment because curveballs — from technological change to growth initiatives — are common.

A team's inability to handle surprise projects is yet another reason many accounting and finance functions turn to interim support for quick access to specialized expertise.

Interim support deployed in all areas of accounting and finance

For the first time in our Benchmarking survey, we asked respondents to quantify their use of interim staff. Firms in North America report that they devote about 5% of their staffing budget (median) to temporary or project professionals (Appendix I, Fig. 8).

The survey results also show that smaller firms (those with $99 million or less in revenue) have increased their use of contingent staff notably over the past year. That is likely because engaging interim resources helps smaller businesses — which often lack large, in-house human resources (HR) departments that can focus on recruiting — quickly and cost-effectively access in-demand expertise.

Use of Interim Staff: 2019 vs. 2018

The 2019 Benchmarking survey finds that 42% of U.S. businesses and 43% of companies in Canada use interim staff in their accounting and finance functions — up from 28% and 39%, respectively, in 2018.

(See Appendix I, Fig. 2.)

When financial leaders decide to bring temporary or project professionals into their accounting and finance functions, where do they deploy them? The short answer is, essentially, everywhere. But the functional areas where interim staff are used most are accounts payable (A/P), accounts receivable (A/R) and general accounting (Appendix I, Fig. 9). These findings align with results from our past two surveys.

Also, for the first time, we asked financial executives what percentage of their accounting and finance staff are temporary or project professionals. U.S. respondents report that 5% (median) of their staff are interim professionals (Appendix I, Fig. 10). In Canada, 6% (median) of the roles in accounting and finance functions are staffed by temporary and project workers.

The smallest organizations ($25 million or less in revenue) and the largest companies (more than $5 billion in revenue) report the highest median percentages — 10% and 7.5%, respectively — of interim team members.

Many firms still rely on outsourcing for payroll and tax functions

Payroll and tax remain top areas for outsourcing for U.S. and Canadian firms. Companies often prefer to outsource these business-critical functions because they require specialized skills.

This year, fewer firms in North America overall are outsourcing payroll operations. The percentage of Canadian firms outsourcing this function (20%) is down 8 points from our 2018 survey. (See Appendix I, Fig. 11.) In contrast, U.S. firms have slightly increased their use of payroll outsourcing: 23% report they do this, up 1 point from last year.

Finance's Labor Model for the Digital Age

When facing major initiatives, accounting and finance departments often lack the internal expertise and the time to go it alone. Worse, many of these key projects can materialize suddenly, forcing managers to proceed without the planning and resource buildup they would have preferred. Although majorities of U.S. and Canadian respondents to our 2019 Benchmarking survey said they are "very confident" they have adequate staff levels for day-to-day responsibilities, lower percentages of respondents in both countries are equally confident their teams can handle unexpected projects.

In response, businesses are embracing a new labor model based on a flexible range of talent. These resources include a scalable mix of specialized interim professionals, along with consulting expertise that offers a strategic plan, project oversight and targeted technologies. In some cases, the company asks an outside resource to handle the management of the project or new business function entirely. A company may opt to contract with one or more outside organizations for the needed resources.

The use of interim employees and flexible staffing by itself is, of course, nothing new. Supplementing core accounting and finance teams with temporary staff to provide coverage and specialized expertise is common as a cost-effective way for departments to access talent for jobs that don't require a full-time employee. But large-scale projects, especially those required as a quick competitive response, can overwhelm a department's internal resources, both from an implementation and a project management perspective. The new labor model allows an organization to have an outside provider or providers manage an entire initiative or function.

Use of this model helps businesses keep key projects moving ahead without disruption to day-to-day operations. It bolsters morale and retention of internal staff and managers who, as a result, are not overburdened. At a time when talent is scarce and companies must constantly adapt to new trends and developments, that benefit is especially critical.

Surveys from Robert Half found that 50% of CFOs in the United States[vi] and 48% in Canada[vii] plan to engage consultants specifically for business systems and performance improvement projects in the coming months. In both surveys, finance and accounting ranked second as the area where companies are most likely to use consultants in the year ahead.

To learn more, read the white paper, The Labor Model for Finance in the Digital Age, from Robert Half and Protiviti.

Calculate Your Staffing Needs With the Workforce Planning Tool

Financial leaders are working fewer hours

Flexible staffing strategies combined with bolstered staff levels, technology-related efficiencies and a greater focus on work-life balance may be helping finance managers keep their work schedules under control. In the United States, these professionals devote an average of 43 hours to their jobs per week, down from 45 hours in 2018. (See Appendix I, Fig. 12.) Canadian managers are working 41 hours per week on average, compared to 43 hours a year ago. That marks a three-year decline in average work hours for these professionals.

The number of hours for non-management staff in the United States also decreased — from an average 41 hours per week in 2018 to 39 hours this year. But in Canada, non-management staff are putting in a bit more time this year than in 2018: They now work 40 hours per week, on average, compared with 39 hours in 2018 (Appendix I, Fig. 13).

SUMMARY

It's clear many financial leaders are grappling with staffing challenges. Some are already trying to address such issues, while others sense trouble could be on the horizon if their teams are asked to take on a special assignment. This suggests the confidence that most financial executives have in their current staffing levels may be misplaced.

Our 2019 Benchmarking survey findings also indicate that the use of temporary staff and project professionals and the outsourcing of certain functions remain important strategies for accessing specialized skills and providing support for core teams. Many businesses also now use a combination of interim specialists and an outside provider or providers to manage a major initiative or business function revamp.

Meanwhile, as businesses in North America struggle to hire skilled accounting and finance professionals, they are stepping up their efforts to both attract and retain top talent. This includes raising salaries and identifying ways to accelerate career growth.

Automation, Cloud Computing and Financial Systems

Technological change is now a constant in most accounting and finance functions. While the pace of that change varies depending on the organization, there is clearly an overall shift toward using more types of technology in more areas to increase efficiency, modernize operations and relieve staff of manual work to the greatest extent possible.

Accounting and finance organizations throughout North America have widened their embrace of automation in many areas over the past year. Our 2019 Benchmarking survey finds that businesses of all sizes have expanded their use of automation, at least somewhat, in all processes that we track. (See Appendix I, Fig. 14 and Fig. 15.)

Digital transformation is fueling the shift toward automation in many companies. However, another likely driver is the simple fact that tools for increasing efficiency in accounting and finance processes are more prevalent, mature and easy to use out of the box. As a result, automation of certain basic processes, like invoicing and data entry, is becoming more routine in many accounting and finance functions.

Since 2018, organizations in North America have increased their use of automation for processes such as financial report generation, data collection, and documentation storage and compliance. As an example, 39% of firms with less than $500 million in revenue and 44% of businesses with $500 million or more in revenue say they have automated financial report generation, compared to 16% and 12%, respectively, in 2018 (Appendix I, Fig. 14 and Fig. 15).

Bots Emerge on the 5-Year Horizon for Many Functions

Research conducted for Robert Half's report on the future of work, Jobs and AI Anxiety, found 29% of accounting and finance managers in the United States, and 27% in Canada, expect their organizations to be employing automation, including robotics, in the next five years.[viii] The respondents also ranked automation as one of the top three disruptive technologies in their workplace over the next five years.

For the accounting and finance managers surveyed, robotics, in most cases, relates to software robots (or bots) used in robotic process automation (RPA). The bots can take care of basic, routine tasks such as data entry and accounting records reconciliation.

Disruptive as automation may be, the upside for companies is that it not only can help make workers more productive but also more valuable. More than three-quarters of accounting and finance managers in the United States said their company's increased reliance on technology has had a positive impact on employees, with greater productivity and more time for high-value work cited as the top benefits.[ix] Similarly, a global survey from Protiviti and ESI ThoughtLab found that executives across industries see increased productivity as one of the top benefits of RPA, along with better quality work and a stronger competitive position.[x]

More companies stand firm on not automating some 'human' processes

In the 2018 Benchmarking survey, we examined the impact of digital transformation and automation on accounting and finance functions. We found that most organizations in North America did not plan to automate certain types of processes, like financial decision making and financial planning, which require human strategic thinking capabilities. That is still the case this year; however, our latest survey findings show that even more firms in North America feel this way. For example, many firms said they would not automate financial decision making or financial planning.

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> "Some of the automation out there has reached a price point that is very convincing. Still, there's other automation that is a lot more pricey, and it becomes more difficult to justify the return on investment or the cost benefit of those tools. We never want to be too leading-edge; it can be easy to overinvest. So, we are starting to take some of the technologies that are out there and applying them in small areas.
>
> "While we don't really have any bots up and running on the accounting side, we have some in other functions within the organization. My objective with RPA is to bring it up in a couple of small, controlled areas, then bring in some of my controllers from different divisions to see what we're doing. People have a perception that a bot comes in and takes a body. A bot's going to come in and do a process, and it could just be one small process that a person is doing now.
>
> "You've got to look at all your processes, and say, 'What process do I have that can be easily automated as opposed to having somebody sit at a computer?' Then, take this and that, and combine them together."
>
> — An FEI member working for a healthcare company

Lack of budget and time constrain efforts to increase automation

While accounting and finance functions appear to be trying to expand their use of automation rapidly, many report that they often encounter obstacles when seeking to do so. The lack of budget and time top the list of barriers to automation for firms in both the United States and Canada. (See Appendix I, Fig. 16.)

Some employees' resistance to change is another key obstacle to adopting automation, according to financial executives responding to our 2019 Benchmarking survey. Tech-related stress could be helping to fuel their worries. A separate Robert Half survey of more than 1,100 CFOs in the United States found that keeping pace with changing technology is one of the top two pressure points for accounting and finance teams today — the other being the need to meet regulatory compliance requirements.[xi]

More accounting and finance functions use only cloud-based solutions

In the past decade of producing the Benchmarking Accounting & Finance Functions report, we have followed the advent of cloud computing and analyzed its impact on organizations in the United States and Canada. Initially, it took time for financial leaders — and the companies they work for — to warm to the idea of moving financial information and processes to the cloud. Security concerns and costs were barriers to cloud adoption for several years. However, over time, the benefits of using the cloud could no longer be ignored. And as cloud technologies have matured, reservations about these solutions have largely fallen away.

Two dynamics are now accelerating the move to the cloud for many accounting and finance functions. The first is digital transformation. As explained in our previous report, cloud computing is a foundational step toward enabling that complex process. Second, many financial leaders have recognized that the use of cloud technology can increase departmental efficiency, which, in turn, enhances staff productivity.

More than half (58%) of U.S. respondents report that their companies now use either some or only cloud-based solutions in their accounting and finance functions. (See Appendix I, Fig. 17.) Meanwhile, in Canada, 48% of companies say they use either some or only cloud-based solutions in their functions, up 3 points from last year's survey.

Another positive cloud trend: Only 22% of U.S. organizations and 25% of Canadian companies report that they have no plans to use cloud technology in their accounting and finance functions in the future — down from 25% and 28%, respectively, in 2018. Over the past several years, the percentage of financial executives in North America who report they do not currently use cloud-based solutions and do not plan to in the future has steadily declined.

In both the United States and Canada, the number of companies using *only* cloud-based solutions for accounting and finance functions has increased since 2018 — especially in the latter country. Canadian financial executives whose companies use cloud technology for at least some accounting and finance functions report that 50% (median) of their financial systems are cloud-based (Appendix I, Fig. 18).

That finding is notable because our past Benchmarking surveys have shown Canadian businesses to be slower in their adoption of cloud-based systems and other tools and technologies than their U.S. counterparts. The fact that today about half of the financial systems in Canadian companies are cloud-based shows that many firms, once they transition to the cloud, can dive in deep.

Meanwhile, U.S. businesses deploying cloud-based solutions in their accounting and finance functions report that 25% (median) of their financial systems are now cloud-based (Appendix I, Fig. 18). That lower percentage, compared to Canada's figure, suggests that many U.S. companies may be married to legacy IT solutions used for accounting and finance functions that slow or prevent their ability to implement new, cloud-based financial systems.

"We are completely cloud-based and have a 100% remote workforce. We are pushing our automation capabilities to the fullest so we can build efficiencies, because that's the only way our business model will work optimally. We are also a nonprofit, so we are trying to automate as much of our transactional work as possible within accounting and finance to generate reserves we can return back to our community.

"Another key benefit of the cloud is the fact that information is always on time and available. We are building direct feeds from all of our data sources, so everything in our accounting system is always current. That makes a huge difference for timeliness of decision making. We don't have to wait for the close to figure out what happened.

"The cloud is also important for helping our team maintain work-life balance. Our cloud solutions and other technologies for collaboration allow us to offer a no-commute lifestyle option for our team and help us all to be productive."

— Dawn Williams, co-founder and CEO, St. Joseph Financial Services

Blockchain and Cryptocurrency Create Need for New Skills

Financial leaders and their teams will want to pay close attention to two other emerging technologies — blockchain and cryptocurrency.

In separate Robert Half surveys, 28% of accounting and finance managers in the United States and 21% in Canada said they expect their organizations to be using blockchain (including smart contracts and cryptocurrency) in the next five years.[xii] In another Robert Half survey, 50% of U.S. financial leaders said they expect cryptocurrency will be at least somewhat commonly used for business transactions in the next five years.[xiii]

The rise of cryptocurrency and blockchain will affect accounting and finance departments in primarily two ways, according to Robert Half's research: 36% of financial leaders say their staff will need to expand their skill sets to adapt to these new technologies, and 34% say the need for specialized accounting will increase.[xiv] According to FERF's 2018 Blockchain & Financial Report Survey, however, only 33% of senior-level financial executives indicated that they have the ability to train or hire employees with the right skill set to implement blockchain technology.

Use of stand-alone accounting systems increases among Canadian firms

As was the case with last year's survey, accounting and finance functions in the United States generally prefer to use stand-alone accounting systems for enterprise resource planning (ERP). In our previous report, we also noted a significant year-over-year increase in the number of Canadian organizations using stand-alone accounting systems — from 40% in 2017 to 51% in 2018. That upward trend has continued into 2019, with 57% of respondents in Canada reporting that their firms use primarily stand-alone accounting systems for ERP. (See Appendix I, Fig. 19.)

More organizations turn to customized or hybrid solutions for ERP

Also consistent with our findings from previous Benchmarking surveys, well-known ERP systems are in use in companies throughout North America. In the United States, Oracle/PeopleSoft/JD Edwards solutions are the most widely used brands, although the number of firms using those systems is down slightly — 9% in 2019 versus 11% in 2018 (Appendix I, Fig. 20). (Note: PeopleSoft and JD Edwards are Oracle products.) In Canada, the most commonly used brand of ERP system is Microsoft Dynamics: 15% of companies report that they employ this solution. That's down from 20% in 2018, however.

Most firms in the United States (60%) selected "other" as their ERP brand or system of choice, indicating that they prefer to implement customized or hybrid ERP solutions or work with smaller providers. Only about half (54%) of Canadian firms in our 2018 survey reported that they used "other" solutions — but this year, that percentage has swelled to 65% (Appendix 1, Fig. 20).

Also, as observed in both our 2017 and 2018 Benchmarking surveys, smaller companies appear to be ardent users of "other" solutions, likely because of cost, flexibility and accessibility. Seventy-one percent of businesses with less than $25 million in revenue, and 69% of firms with revenue between $25 million and $99 million, selected the "other" category in this year's survey (Appendix I, Fig. 20).

Excel continues to lose ground as the preferred budgeting and accounting tool

Microsoft Excel has long been the tool of choice for budgeting and planning across accounting and finance functions in North America. However, as discussed in our previous report, many ERP and cloud-based solutions offer similar capabilities. And, as more companies adopt and increase their reliance on those solutions, their need for Excel wanes.

Last year, 63% of U.S. companies reported that they rely on Excel, down 6 points from 2017. This year, the number has dropped even more significantly — to 54% (Appendix I, Fig. 21). As for Canadian firms, 56% say they still use Excel for budgeting and planning, down from 68% in 2018 and 78% in 2017.

The 2019 Benchmarking survey finds that many smaller companies still rely largely on Excel for their budgeting and planning work — but their population is dwindling, too. As an example, 59% of firms with less than $25 million in revenue report that Excel is their tool of choice for budgeting and planning, down 10 points from our 2018 report and nearly 20 points from 2017.

SUMMARY

Automation of accounting and finance processes is well underway at many firms in North America, although some companies do report that obstacles, such as lack of budget, impede their efforts to further automate. Still, since 2018, the move toward automation has been quite dramatic in some accounting and finance areas, like financial report generation. And, as financial leaders learn where automation works best in their organizations, many are also deciding that some processes, like financial decision making, are better left to humans.

Cloud-based technologies, which financial executives often were skeptical of in the past, are now commonplace in many accounting and finance organizations. More than that, the number of companies that are using only cloud-based solutions for their accounting and finance functions is growing.

Accounting Operations

Technology is helping many accounting and finance organizations move away from manual processes for accounts reconciliation and reducing the time needed to close the books and report financial results. The opportunity for financial leaders — and their teams — is to take that newfound time and devote it to more value-adding work.

Businesses in North America — especially Canadian firms — are accelerating their financial reporting process. According to the 2019 Benchmarking survey, U.S. companies require 24 working days annually, on average, to report their financial results (Appendix I, Fig. 22). That's down from 31 days in 2018. Canadian firms report that they need an average of 20 working days annually, which is less than half the time they required last year (42 days).

Financial executives in the United States and Canada say their firms have also shaved time off their quarterly process for reporting financial results. Technology is no doubt a factor in this trend, given how many organizations in both countries have automated their processes such as financial report generation since last year (see Page 12).

In the United States, the financial reporting process requires 10 days, on average, compared with 13 days in 2018. And Canadian companies reported taking seven days, on average, for their quarterly process, down from 16 days in 2018.

Active GL accounts decline in number at most firms

The number of active general ledger (GL) accounts at organizations throughout North America continues to trend downward, a pattern we've observed over the past six years in our annual surveys of financial executives. Most companies in the United States and Canada report that they have 500 active GL accounts or fewer. (See Appendix I, Fig. 23.)

Nearly half (47%) of businesses with less than $25 million in revenue have fewer than 100 GL accounts — up from 36% in 2018. The largest companies (more than $5 billion in revenue) saw an increase in their overall number of GL accounts, although not exceedingly so. That trend may be an indicator of ongoing, post-transaction accounts integration, as 2018 saw record-high global mergers and acquisitions activity, including several so-called "mega-deals" (takeovers worth more than $5 billion).[xv]

More companies reconciling fewer than 100 GL accounts

The 2019 Benchmarking survey also finds that most organizations in the United States (91%) and Canada (88%) reconcile 500 GL accounts or fewer at least quarterly (Appendix I, Fig. 24). There is a notable, year-over-year increase in both countries in the number of organizations reconciling fewer than 100 GL accounts.

The overall shift toward reconciling fewer GL accounts every quarter that we have observed over the past few years in our Benchmarking survey may be because automation is helping many accounting and finance functions to be more efficient with the process.

This year's survey of financial executives found that 40% of companies in Canada and 48% in the United States report that they do not use any type of technology tool or system for GL accounts reconciliation. (See Appendix I, Fig. 25.) These percentages are significant; however, in 2018, we had reported that well over half of firms in the United States and Canada said they relied on manual processes — so this is trending downward.

Businesses require a little over three weeks, on average, to close the books

Meanwhile, there was no significant change observed, year over year, in the average number of working days that organizations in North America need to close their books on an annual, quarterly or monthly basis. U.S. companies require 24 working days, on average, for their annual close, up from 23 days in 2018. For Canadian firms, the average number of days required for this process is unchanged from our previous survey: 24 days. (See Appendix I, Fig. 26.)

However, for organizations in Canada, the average figures for the monthly and quarterly close processes increased by one day each from last year's survey. The U.S. averages for those same periods did not change from 2018.

SUMMARY

Companies' ability to condense their book-close and financial reporting time frames can be attributed, at least in part, to increased automation of processes and the use of other technology tools that help to speed and streamline work. An ongoing focus by many companies to drive overall efficiency in their accounting and finance organizations is likely another factor.

For accounting and finance teams, the trend toward less manual work means more opportunity to pursue interesting projects that can increase departmental productivity and individual job satisfaction. For financial leaders, the automation of routine processes helps to reduce the potential for human errors. It also frees staff to focus on more value-adding initiatives for the business.

Internal Controls and Compliance

Most financial leaders expect the compliance burden to grow for their companies in the near term. The struggle to stay on top of regulatory change and keep employees' skills up to date is largely responsible. Still, many accounting and finance organizations appear to be making progress toward reducing compliance costs and the number of internal controls.

There is an uptick, year over year, in the number of respondents seeing rising compliance costs (Appendix I, Fig. 27). About 40% of financial executives in North America say their costs are increasing, compared with one-third in 2018. Organizations with $100 million to $499 million in revenue appear to be experiencing rising compliance costs more so than organizations of other sizes — 49% of respondents from these companies report an increase in costs compared with 40% in 2018. Just 1% of all companies in both the United States and Canada report that their compliance costs are decreasing.

In our previous report, we noted that companies with $1 billion to $4.9 billion in revenue were seeing their compliance costs grow. More than two-thirds (68%) of leaders at these organizations told us this was the case. However, this year, only 39% of respondents at companies of this size report that costs are rising (Appendix I, Fig. 27).

One emerging development may be at the root of this trend: the automation of internal control over financial reporting (ICFR). This can help reduce compliance costs significantly by automating the testing of internal controls. A 2018 survey of senior-level executives by FEI found that more than half of larger companies (categorized in the survey as those with at least 10,000 employees) said they planned to invest in automation of their internal control environment.[xvi]

Business leaders interviewed for the Executive Perspectives on Top Risks 2019 global survey from Protiviti and North Carolina State University's ERM Initiative ranked "regulatory changes and regulatory scrutiny" third on the list of top 10 risks for their organizations this year — moving that risk up a notch from the 2018 survey. The report also notes that businesses "remain concerned about potential regulatory influences disrupting how they do business."[xvii]

The compliance burden, which includes keeping pace with regulatory changes, is also creating stress for accounting and finance teams. In a Robert Half survey, more than one-third (35%) of CFOs said that meeting regulatory compliance mandates is the top pressure point for their accounting and finance organizations.[xviii] Findings for the 2019 Benchmarking survey suggest that accounting and finance organizations in North America will not see that pressure ease anytime soon: Most anticipate their company's compliance burden will increase over the next three years. (See Appendix I, Fig. 28.)

It appears that accounting and finance functions in Canada are feeling that burden most acutely. The number of respondents in Canada who said they expect to see a growing burden for their companies has increased year over year — from 55% to 63%. Meanwhile, the number of financial executives in the United States anticipating an increase in their firm's compliance burden is essentially unchanged from our last survey. Only 2% of U.S. firms anticipate that their compliance burden will ease over the next three years, and no companies in Canada said they expect to see their burden decrease during that time.

One significant development since our previous survey is essentially a twofold increase — from 36% to 70% — in the number of organizations with $5 billion or more in revenue that expect to see their compliance burden rise. Meanwhile, only 57% of firms with $1 billion to $4.9 billion in revenue project a growing compliance burden, down from 76% in 2018.

Regulatory changes undermine the ability to meet compliance demands

To better understand the challenges accounting and finance teams face in meeting compliance requirements, we asked respondents to identify the major obstacles that undermine their success. Financial executives in the United States and Canada cited keeping pace with regulatory changes and employees' lack of necessary skills as the top two barriers, in that order. Staffing shortages and lack of budget are also formidable impediments for many firms (Appendix I, Fig. 29).

On the positive side, about 40% of organizations in North America report that they have no challenges in meeting regulatory compliance demands.

And there's another bright spot in our 2019 survey: Most organizations report that they have fewer than 100 key internal controls (Appendix I, Fig. 30). That is in keeping with the overall trend we've observed over the past several years of the Benchmarking survey: a steady decrease in the number of internal controls at both U.S. and Canadian companies.

The number of respondents at companies with less than $499 million in revenue reporting that their organization has fewer than 100 controls has also risen since our last survey. That trend may be due to some of these businesses implementing more internal controls — in preparation for a public offering or an M&A transaction, for example — rather than reducing the number of key internal controls documented.

SUMMARY

As the compliance burden continues to rise, so do the costs of compliance for many organizations in the United States and Canada. Automating the testing of internal controls can often reduce costs on both fronts for businesses, especially in larger and more complex organizations.

Companies struggling to meet compliance demands may want to consider providing training to their staff and engaging external consultants for support. Only one-fifth of U.S. and Canadian firms cited lack of budget as a barrier to compliance, suggesting most companies have access to financial resources they could invest in team training and specialized support.

Conclusion

The Benchmarking Accounting & Finance Functions: 2019 report from FERF and Robert Half is designed to provide financial executives in the United States and Canada with insight into how their peers are guiding their teams to respond to an array of key challenges. Some of those challenges are new, like the need to adapt to increasing automation. Others are ongoing and persistent, such as the struggle to recruit and retain skilled professionals.

The CFO's role is expanding in many organizations to include more HR, information technology (IT) and operations efforts, according to research from Robert Half.[xix] Working more collaboratively with functions like HR and IT can help them refine their staffing strategies and feel more confident about exploring new labor models.

The data and insights presented in this report, and in the previous reports that Robert Half and FERF have developed over the past decade, show that financial leaders and their teams are resilient in the face of change. We hope the information helps financial leaders to better evaluate their accounting and finance functions' management and performance — and prepare their teams for the future.

Appendix I: 2019 Benchmarking Survey Data Tables

About the Tables

In the data tables, when we refer to the top and bottom quartiles as well as the median, these represent the 3 points that divide the total response rate for a given question into four groups. Each group represents a fourth of the sample group. So, a response or value that is equal to or above the top quartile figure would be considered in the top or upper quartile. Due to the response rate variation (not every respondent answered every question), rounding totals may not equal 100%.

FIGURE 1: Greatest Staffing Challenge for Financial Leaders

	United States	Canada
Hiring skilled professionals	41%	39%
Providing training	14%	8%
Retaining top performers	13%	17%
Boosting employee morale	13%	10%
Staffing key projects	5%	9%
Other	14%	16%

FIGURE 2: Use of Temporary or Project Professionals in Accounting and Finance Departments, by Company Size and Location

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Yes	36%	45%	52%	57%	50%	42%	42%	43%
No	64%	55%	48%	43%	50%	58%	58%	57%

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FIGURE 3: How Accounting and Finance Departments Are Staffed

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Severely overstaffed	1%	1%	0%	0%	0%	0%	0%	0%
Somewhat overstaffed	3%	6%	4%	8%	2%	13%	4%	6%
Adequately staffed	57%	57%	48%	46%	51%	63%	55%	60%
Somewhat understaffed	35%	34%	43%	46%	39%	25%	37%	32%
Severely understaffed	5%	2%	6%	0%	7%	0%	4%	2%

FIGURE 4: Number of Internal Staff in Accounting and Finance Functions (by Quartile)

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Bottom quartile	2	4	8	17	10	3	3	3
Median	3	6	13	33	25	17	5	6
Top quartile	5	10	25	50	70	50	10	11

FIGURE 5: Cost of Internal Staff for Accounting and Finance Functions as a Percentage of Revenue (by Quartile)

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Bottom quartile	7%	2%	1%	1%	1%	1%	2%	3%
Median	5%	3%	3%	5%	5%	5%	4%	5%
Top quartile	10%	6%	6%	11%	10%	35%	9%	10%

FIGURE 6: Allocation of Accounting and Finance Staff

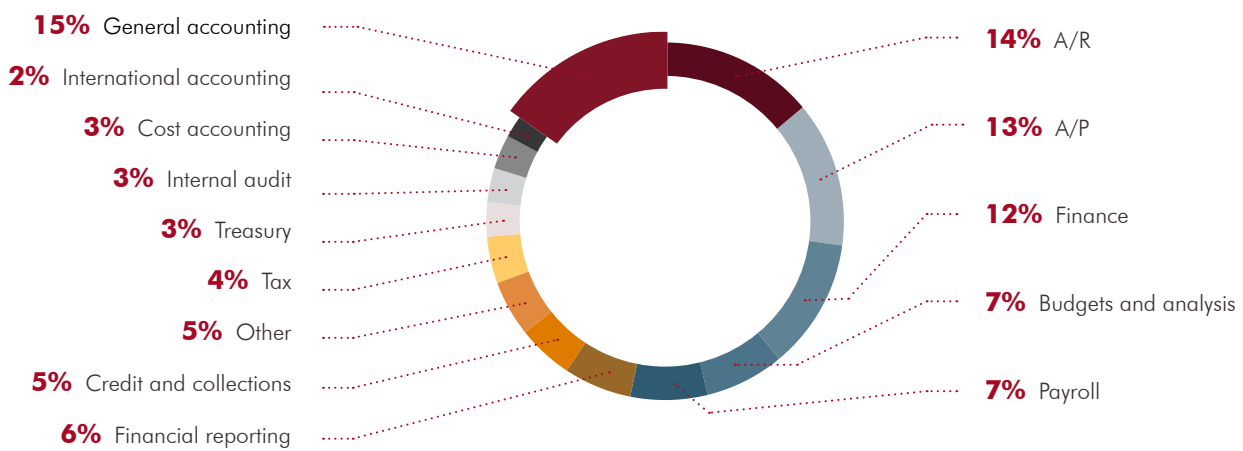

FIGURE 7A: Level of Confidence in Current Staff's Ability to Handle Day-to-Day Responsibilities

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Very confident	77%	81%	75%	69%	83%	88%	78%	78%
Somewhat confident	20%	18%	25%	31%	15%	13%	20%	20%
Not very confident	2%	0%	0%	0%	0%	0%	1%	2%
Not at all confident	1%	0%	0%	0%	2%	0%	1%	0%

FIGURE 7B: Level of Confidence in Current Staff's Ability to Handle Unexpected Projects

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Very confident	40%	25%	23%	21%	32%	56%	33%	26%
Somewhat confident	43%	55%	49%	56%	49%	19%	47%	54%
Not very confident	14%	18%	24%	21%	20%	19%	17%	18%
Not at all confident	4%	2%	4%	2%	0%	6%	3%	2%

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FIGURE 7C: Level of Confidence in Current Staff's Ability to Handle Workload Spikes

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Very confident	49%	37%	30%	23%	44%	69%	42%	35%
Somewhat confident	38%	50%	55%	56%	39%	25%	44%	52%
Not very confident	11%	12%	15%	21%	17%	6%	12%	13%
Not at all confident	2%	0%	1%	0%	0%	0%	1%	0%

FIGURE 7D: Level of Confidence in Current Staff's Ability to Handle Strategic Initiatives

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Very confident	38%	26%	24%	19%	29%	56%	32%	25%
Somewhat confident	38%	46%	45%	50%	46%	31%	42%	47%
Not very confident	19%	24%	24%	29%	22%	13%	21%	25%
Not at all confident	4%	4%	6%	2%	2%	0%	4%	3%

FIGURE 7E: Level of Confidence in Current Staff's Ability to Handle Cross-Departmental Project Requests

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Very confident	46%	36%	30%	31%	34%	50%	40%	40%
Somewhat confident	39%	52%	48%	50%	49%	38%	45%	39%
Not very confident	13%	12%	19%	15%	15%	13%	13%	18%
Not at all confident	2%	1%	3%	4%	2%	0%	2%	2%

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FIGURE 8: Percentage of Staffing Budget for Temporary or Project Professionals

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Bottom quartile	1%	1%	1%	2%	3%	2%	1%	1%
Median	5%	5%	5%	5%	5%	5%	5%	4%
Top quartile	13%	10%	10%	10%	14%	28%	10%	10%

FIGURE 9: Accounting and Finance Functions Staffed by Temporary or Project Professionals

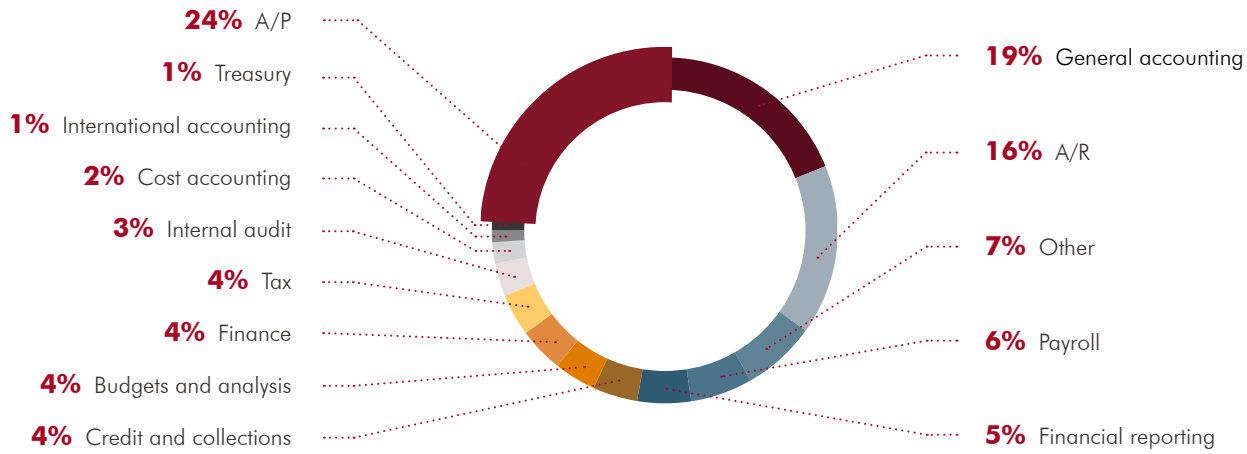

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FIGURE 10: Percentage of Accounting and Finance Staff Who Are Temporary or Project Professionals

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Bottom quartile	1%	1%	1%	3%	4%	1%	1%	1%
Median	10%	5%	5%	5%	5%	8%	5%	6%
Top quartile	25%	15%	10%	10%	15%	13%	20%	12%

FIGURE 11: Outsourced Functions

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
A/P	1%	2%	2%	2%	7%	0%	2%	2%
A/R	1%	2%	0%	2%	5%	12%	2%	2%
Bookkeeping	2%	0%	1%	0%	2%	0%	1%	2%
Budgets and analysis	1%	0%	0%	0%	0%	0%	0%	0%
Compliance	2%	2%	3%	2%	2%	0%	2%	1%
Cost accounting	0%	0%	0%	0%	0%	0%	0%	0%
Credit and collections	2%	2%	3%	2%	5%	12%	2%	2%
Finance	1%	0%	0%	0%	0%	6%	1%	1%
Financial reporting	4%	1%	1%	0%	0%	0%	2%	3%
General accounting	1%	1%	0%	0%	0%	0%	1%	0%
Internal audit	6%	5%	6%	13%	7%	6%	6%	5%
International accounting	1%	0%	3%	4%	0%	0%	1%	2%
Payroll	23%	26%	19%	17%	14%	18%	23%	20%
Tax	28%	29%	28%	26%	23%	0%	28%	22%
Treasury	2%	2%	0%	2%	0%	0%	2%	0%
None	24%	27%	32%	28%	36%	47%	26%	39%

FIGURE 12: Standard Weekly Hours Worked — Management, by Country

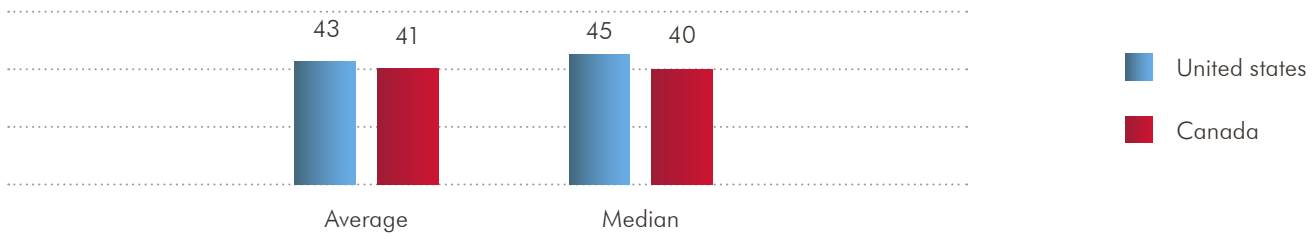

FIGURE 13: Standard Weekly Hours Worked — Non-Management

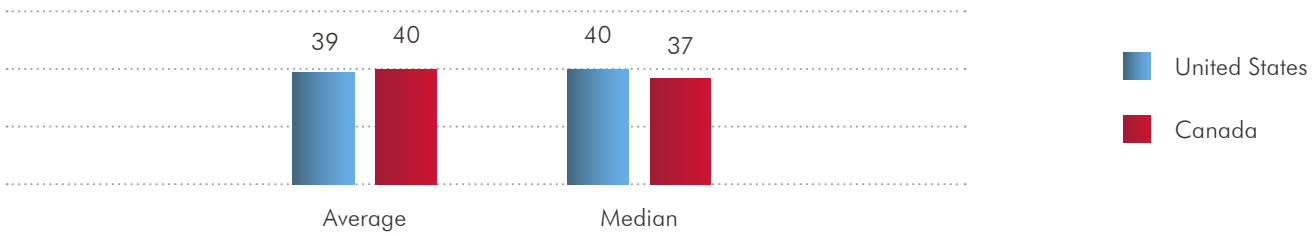

FIGURE 14: Process Automation Plans for Accounting and Finance Departments — Companies With $499 Million or Less in Revenue

	Today	Next three years	At some point in the future	Will never be automated	Don't know
Credit management	14%	11%	17%	24%	34%
Data collection	32%	16%	19%	11%	22%
Data entry	21%	18%	25%	18%	18%
Documentation storage and compliance	28%	22%	24%	9%	17%
Financial decision making	8%	9%	11%	47%	24%
Financial forecasting	15%	18%	23%	24%	21%
Financial modeling	11%	18%	25%	19%	0%
Financial planning	13%	13%	19%	30%	25%
Financial report generation	39%	18%	19%	12%	12%
Invoicing	39%	15%	16%	17%	13%
Predictive reporting	9%	17%	25%	19%	31%
Project management and reporting	17%	16%	22%	20%	25%
Report analysis	23%	16%	21%	20%	20%

FIGURE 15: Process Automation Plans for Accounting and Finance Departments — Companies With $500 Million or More in Revenue

	Today	Next 3 years	At some point in the future	Will never be automated	Don't know
Credit management	15%	16%	18%	11%	39%
Data collection	29%	25%	19%	3%	24%
Data entry	22%	25%	20%	10%	23%
Documentation storage and compliance	38%	28%	13%	5%	16%
Financial decision making	6%	10%	15%	41%	28%
Financial forecasting	13%	28%	19%	11%	29%
Financial modeling	15%	23%	16%	11%	34%
Financial planning	13%	24%	15%	16%	32%
Financial report generation	44%	24%	11%	6%	14%
Invoicing	48%	13%	22%	5%	13%
Predictive reporting	11%	20%	20%	8%	41%
Project management and reporting	9%	23%	24%	9%	35%
Report analysis	19%	28%	15%	11%	27%

FIGURE 16: Barriers to Increasing Automation

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Lack of time for implementation	48%	64%	66%	70%	57%	70%	56%	53%
Lack of budget	51%	52%	51%	57%	50%	60%	51%	53%
Employees' resistance to change	22%	32%	38%	37%	54%	20%	28%	26%
Keeping pace with regulatory changes	20%	29%	34%	30%	43%	30%	25%	29%
Lack of management support	19%	27%	28%	40%	29%	50%	24%	16%
Employees don't have needed skills	16%	28%	28%	30%	36%	20%	22%	22%
Staffing shortages	19%	20%	30%	30%	36%	50%	22%	17%
We haven't faced any challenges	15%	9%	13%	7%	4%	50%	13%	9%
Don't want to increase automation	17%	10%	7%	7%	4%	20%	14%	8%
Other	7%	5%	9%	0%	7%	10%	7%	5%

FIGURE 17: Use of Cloud-Based Solutions for Accounting and Finance Functions

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
We use only cloud-based solutions	14%	12%	8%	8%	12%	0%	13%	11%
We use some cloud-based solutions	38%	49%	48%	50%	65%	60%	45%	37%
We do not currently use cloud-based solutions but plan to in the future	21%	19%	27%	32%	9%	27%	21%	28%
We do not currently use cloud-based solutions and do not plan to in the future	26%	20%	17%	11%	15%	13%	22%	25%

FIGURE 18: Percentage of Financial Systems That Are Cloud-Based Solutions

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Bottom quartile	25	11	15	16	5	4	10	20
Median	50	50	40	50	20	10	25	50
Top quartile	80	75	75	75	30	40	75	75

FIGURE 19: Primary Financial System Used

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Cloud ERP	13%	19%	19%	21%	21%	7%	16%	13%
On-premises ERP	10%	29%	37%	42%	50%	50%	22%	22%
Stand-alone accounting system (such as QuickBooks, Sage, FinancialForce, MS Dynamics, etc).	67%	46%	37%	32%	21%	36%	54%	57%
Other	9%	6%	8%	5%	9%	7%	8%	8%

FIGURE 20: Leading Brand of ERP or Cloud ERP System Used

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Oracle/PeopleSoft/JD Edwards	2%	4%	18%	24%	34%	25%	9%	6%
Microsoft Dynamics (AX, GP, NV, SL)	10%	8%	6%	17%	9%	6%	8%	15%
NetSuite	7%	9%	4%	3%	9%	6%	7%	8%
SAP	5%	2%	11%	21%	13%	13%	7%	6%
Epicor	3%	6%	9%	0%	3%	6%	6%	0%
Workday	1%	2%	1%	0%	6%	13%	2%	0%
FinancialForce	2%	1%	1%	0%	0%	6%	1%	0%
Other	71%	69%	51%	34%	25%	25%	60%	65%

FIGURE 21: Leading Types of Budgeting and Planning Tools Used

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Excel	59%	52%	51%	41%	46%	32%	54%	56%
Oracle/Hyperion	1%	3%	6%	11%	12%	21%	4%	2%
SAP/BPC	1%	1%	3%	8%	6%	7%	2%	1%
IBM/Cognos	1%	1%	2%	3%	6%	0%	2%	0%
Internally developed/legacy tools	11%	15%	13%	14%	12%	21%	13%	13%
We do not use a budget and/or planning tool	10%	8%	4%	2%	4%	7%	8%	7%
Other	17%	18%	20%	21%	14%	11%	17%	20%

FIGURE 22: Working Days Typically Needed to Report Financial Results (Average)

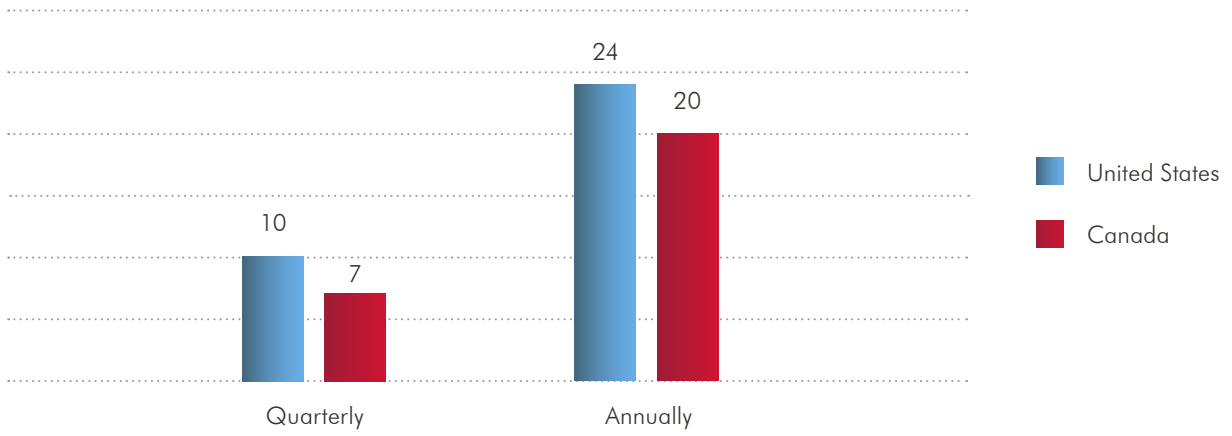

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FIGURE 23: Number of Active GL Accounts

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Less than 100	47%	21%	9%	3%	3%	13%	31%	27%
100–500	40%	53%	46%	33%	23%	27%	43%	44%
501–1,000	8%	16%	24%	28%	34%	27%	14%	10%
1,001–3,000	5%	7%	10%	13%	11%	13%	6%	10%
3,001–5,000	1%	1%	4%	18%	11%	7%	2%	5%
5,001–10,000	0%	2%	4%	5%	6%	0%	1%	3%
More than 10,000	0%	0%	3%	0%	11%	13%	1%	1%

FIGURE 24: GL Accounts Reconciled at Least Quarterly

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Less than 100	77%	66%	42%	31%	23%	7%	65%	67%
100–500	18%	28%	41%	33%	29%	40%	26%	21%
501–1,000	3%	4%	10%	21%	23%	27%	5%	8%
1,001–3,000	2%	2%	5%	5%	14%	20%	3%	1%
3,001–5,000	0%	0%	0%	3%	9%	0%	1%	1%
5,001–10,000	0%	1%	1%	5%	3%	0%	1%	2%
More than 10,000	0%	0%	1%	3%	0%	7%	0%	1%

FIGURE 25: Tool or System Used for Account Reconciliations

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Developed internally	24%	23%	22%	21%	17%	27%	23%	27%
Third-party software	35%	27%	19%	21%	29%	47%	30%	33%
Manually reconcile/do not use a tool or system	41%	50%	58%	59%	54%	27%	48%	40%

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FIGURE 26: Working Days Typically Needed to Close the Books (Average)

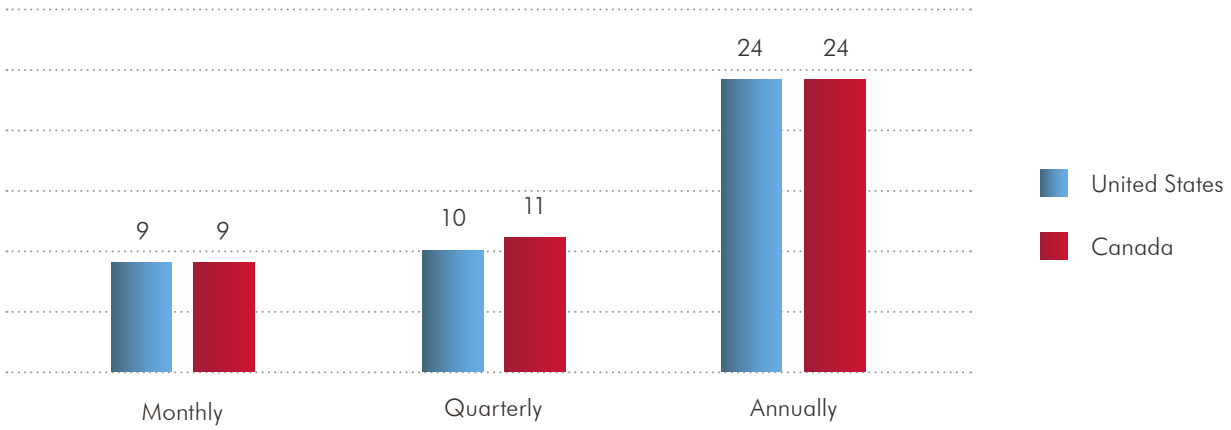

FIGURE 27: Cost of Compliance Requirements — Impact on Accounting and Finance Functions

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Increase	38%	42%	49%	47%	39%	30%	41%	38%
Decrease	1%	1%	1%	10%	7%	10%	1%	1%
Stay the same	61%	57%	50%	43%	54%	60%	57%	61%

FIGURE 28: Compliance Burden Over the Next Three Years

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Increase	56%	63%	67%	50%	57%	70%	59%	63%
Decrease	2%	0%	1%	7%	0%	0%	2%	0%
Stay the same	42%	37%	32%	43%	43%	30%	39%	37%

FIGURE 29: Barriers to Compliance

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Keeping pace with regulatory changes	34%	47%	42%	43%	50%	60%	40%	33%
Employees don't have needed skills	26%	32%	35%	37%	36%	50%	30%	27%
Lack of budget	22%	17%	24%	23%	14%	40%	21%	22%
Staffing shortages	17%	20%	26%	50%	43%	40%	22%	15%
Lack of management support	12%	11%	12%	13%	18%	0%	12%	4%
We haven't faced any challenges	40%	37%	34%	27%	36%	50%	38%	37%
Other	3%	3%	3%	3%	4%	0%	3%	0%

FIGURE 30: Number of Key Internal Controls Documented in ICFR Evaluating Framework

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Less than 100	55%	48%	43%	40%	25%	30%	50%	51%
101–250	5%	6%	12%	20%	21%	20%	7%	7%
251–500	1%	2%	2%	7%	0%	0%	1%	2%
501–1,000	1%	0%	1%	3%	7%	0%	1%	1%
1,001–2,500	0%	0%	0%	3%	4%	0%	0%	2%
Not sure	17%	21%	20%	13%	29%	40%	19%	18%
Not applicable	22%	24%	22%	13%	14%	10%	22%	20%

Appendix II: Methodology and Demographics

This report is based on an online survey conducted by FERF and Robert Half between February and April 2019. The survey, part of our 10th annual Benchmarking study of accounting and finance departments, received more than 1,600 responses, primarily from financial executives.

About one-fifth (21%) of respondents identified themselves as CFOs. Most (83%) are in the United States, and 17% are in Canada. More than two-thirds of respondents are from private companies (69%), while 9% work at public companies (to distinguish from the government sector).

Manufacturing (18%) and professional services (18%) were the industries that respondents cited most commonly. Most respondents (91%) said their company's annual revenue is under $500 million. Also, about three-quarters of survey respondents reported that their companies have both domestic and international operations.

Figure 31: Respondent Titles

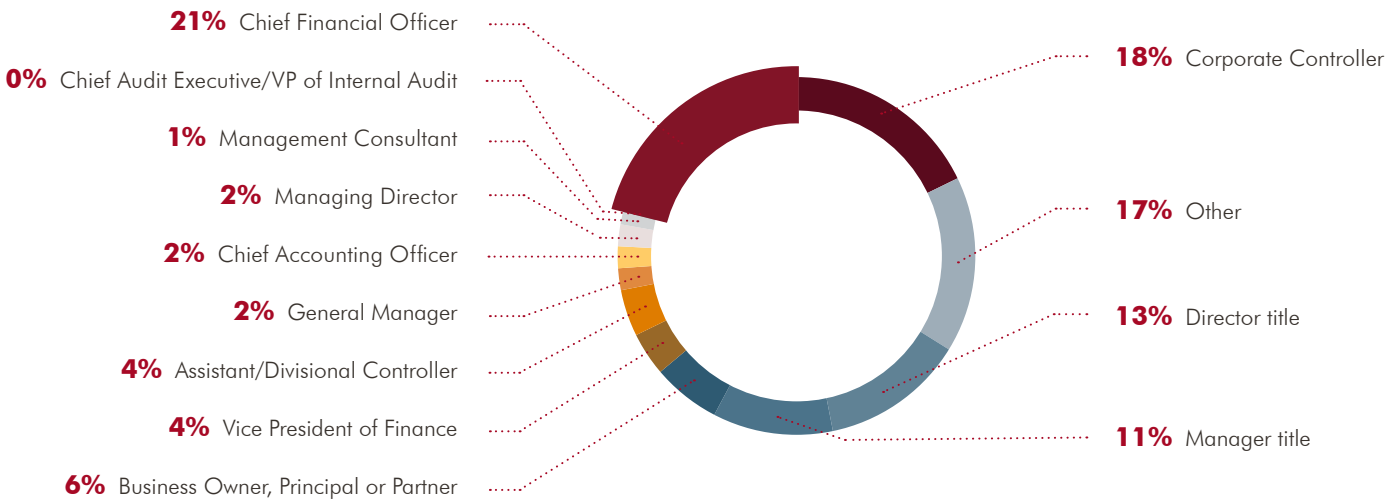

Figure 32: Respondent Headquarters Location

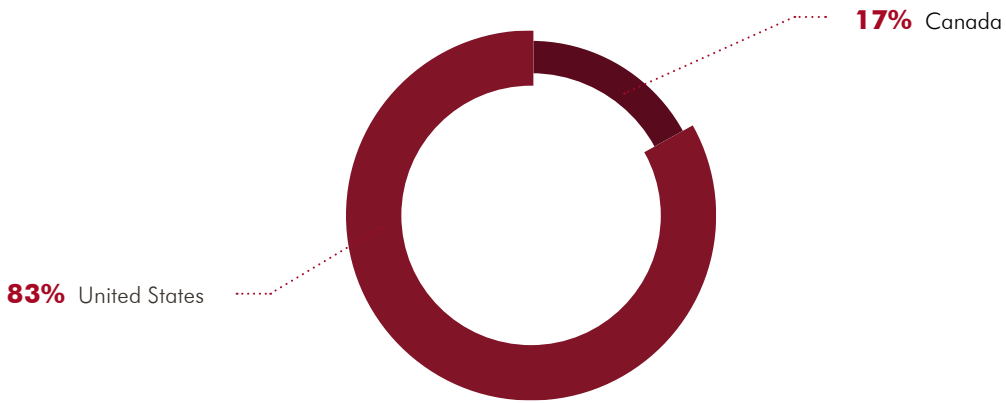

Figure 33: Company Type

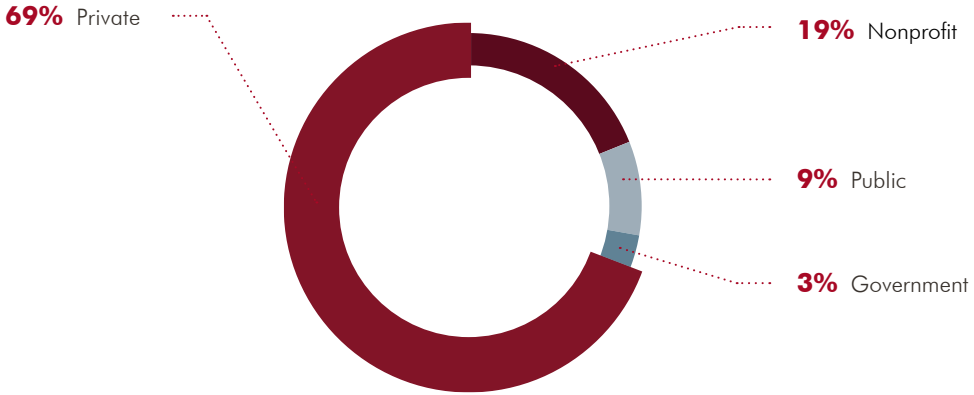

Figure 34: Industry

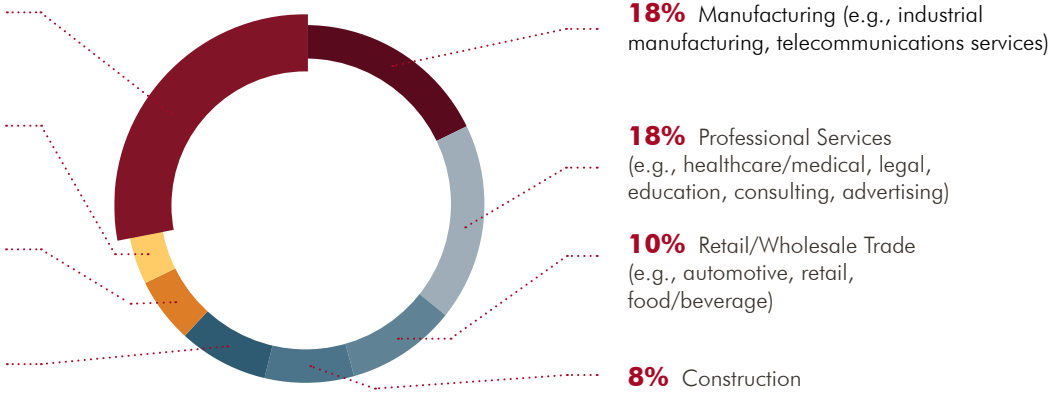

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FIGURE 35: Annual Revenue

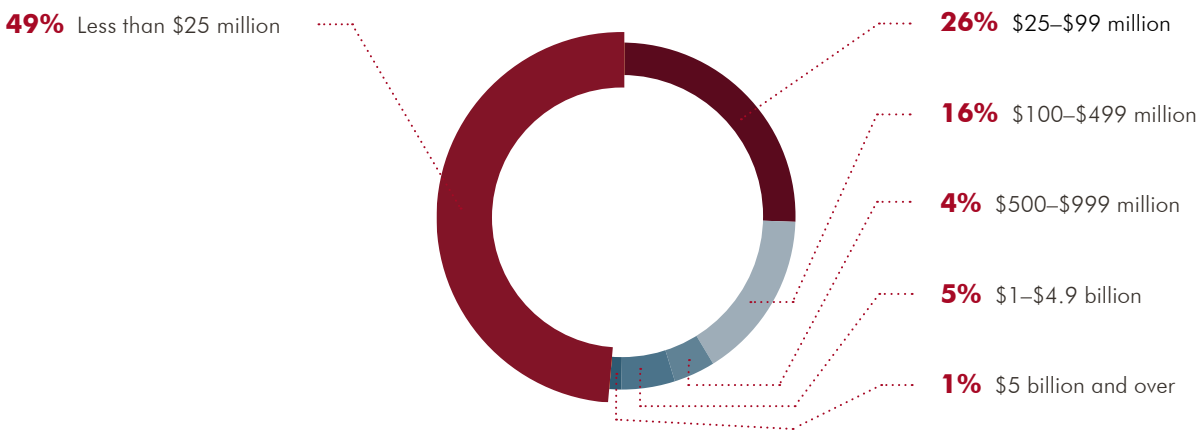

FIGURE 36: Domestic and International

	Less than $25M	$25M–$99M	$100M–$499M	$500M–$999M	$1B–$4.9B	$5B and over	United States	Canada
Domestic only	15%	25%	37%	53%	40%	24%	23%	27%
Domestic and international	85%	75%	63%	47%	60%	76%	77%	73%

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Endnotes

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Paul McDonald joined Robert Half in 1984 as a recruiter in Boston, following a public accounting career. In the 1990s, he became president of Robert Half's operations in the western United States, and most recently he served as senior executive director of Robert Half Management Resources. Over the course of his career with the company, McDonald has spoken and written extensively on management and employment issues based on his work with thousands of client companies and job seekers.

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International Standard Book Number 978-1-61509-239-0

Printed in the United States of America.

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