

Talent crunch hits Big Five audit firms

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THE BIG FIVE audit firms in India are facing a talent crunch. A regulatory clampdown and a higher number of “relatively safer” career opportunities elsewhere are pulling chartered accountants (CAs) away from the audit profession.

A senior partner at a Big Five firm told *FE* that the auditing verticals in top firms are operating with 20% lower staff than the required strength. At present, the top five firms have around 12,500 people in their audit function.

“The amount of work is increasing every year but the staff strength is not growing as fast. Although we need to increase the capacity to handle the additional work and deal with the regulatory oversight, getting the right workforce has certainly become a challenge,” said the audit vertical head at a Big Five firm.

Another partner in the

STAFF SHORTAGE

■ The auditing verticals in top firms are operating with **20%** less staff than required

■ The talent crunch is largely due to heightened regulatory scrutiny and expanding opportunities that chartered accountants today have beyond the traditional audit, a partner at a Big Five audit firm says

■ What makes the matters worse for large audit firms is that India is now producing more CAs than ever

■ The number of CAs who cleared the final exam in 2023 stood at **12,326** with a pass percentage of **13.8%** — much higher than the 2% pass percentage a few years ago



same firm said that the talent crunch is largely due to heightened regulatory scrutiny and expanding opportunities beyond the traditional audit. “When I completed my CA in 1980s, there were fewer avenues. But young CAs today have a vast number of opportunities, and unless somebody

is passionate about auditing, most of them usually land up somewhere else,” he said.

What makes the matters worse for large audit firms is that the country is now producing more CAs than ever. For instance, the number of CAs who cleared the final exam in 2023 stood at

12,326, which denotes a pass percentage of 13.8% — much higher than the 2% pass percentage a few years ago. “The pass percentage for CAs has improved considerably but we are not just looking for simple CAs. We want CAs who have the right aptitude and highest ethical standards,” said a part-

ner at another Big Five firm.

In terms of all companies whose equity shares were listed on NSE (main board) as on March 2024, the Big Five Indian audit firms handled 580 assignments of 1,961 companies (for which auditor details were available for 2023-24). The number of assignments were 3.2% higher than the previous financial year.

Despite the inhibitions in joining audit firms, a partner quoted above said that a large proportion of CAs are still opting for audit work during their articleship. “The challenge also brings significant opportunities for young auditors. The increased investment by large firms in technology and upskilling reflects a commitment to future growth. Being an auditor is not just a career but a calling — we are an extension of the law, offering unique chances to engage with top management, board members, and audit committees,” the partner at the second firm said.