2024 GLOBAL FINANCE TRENDS SURVEY REPORT

TRANSFORM

Assessing CFO and finance leader perspectives and priorities for the coming year

protiviti®
Global Business Consulting

Contents

Executive summary and key findings

A look at the top priorities for CFOs and finance leaders in the coming year — among them, security and privacy of data, financial and strategic planning and analysis, leadership, and enhanced data analytics — reveals a tale of transformation for CFOs whose responsibilities continue to widen.

To excel in their expanding roles and support the growth and success of the enterprise, CFOs and finance leaders must ply their expertise, and their influence, throughout the organization. Doing so requires first-rate leadership competencies and proficiency in engaging a diverse group of colleagues and stakeholders.

Cyber concerns present a perfect example of transformation in the CFO role. CFOs and finance leaders who have participated in Protiviti's annual Global Finance Trends Survey consistently view data security and privacy as a top urgency. A decade or so ago, that finding might have raised eyebrows: *Isn't data protection the CISO's responsibility?* Not anymore. The finance group's — and for that matter, the organization's — growing demand for financial, non-financial, structured and unstructured data, combined with the mission-critical need to safeguard organizational data with sophisticated controls, accuracy assurance and compliance savvy, have elevated the CFO's data governance responsibilities. New cybersecurity disclosure and reporting requirements along with customers' and vendors' growing expectations for organizations to keep their data private and secure also require the CFO's hands-on cybersecurity role.

Similar patterns have pulled CFOs and finance groups deeper into strategic planning; metrics and measurement to support sustainability (i.e., ESG) reporting; organizational investments in generative artificial intelligence (AI) and other AI applications; and burgeoning financial planning and analysis (FP&A) activities, all of which are conducted both within and beyond the finance function.

Our survey findings and analyses will give you a deep yet nuanced understanding of the top finance priorities as rated by CFOs and finance leaders around the world. Our intent is for you to use this intelligence to design and deploy new practices, tools and innovative approaches in your own finance organization.

57%

of organizations that are employing generative AI* are doing so as part of financial forecasting activities.

* Our survey indicates that 34% of finance organizations are currently using generative AI (see page 17).

Top overall finance priorities

- Security and privacy of data
- Financial planning and profitability analysis and reporting
- Strategic planning
- Routine reporting and closing activities
- Process improvement
- Leadership (within your organization)
- Enhanced data analytics
- Cloud-based applications
- ESG metrics and measurement
- Changing demands and expectations of internal customers

Key findings

01

Security and privacy of data is the top priority

New cybersecurity disclosure requirements, rising threats of cyber warfare and extortion, and the soaring value of data assets have restored data security and privacy to the top of the CFO's priority list, with 61% of finance leaders and professionals rating this area as a high priority in the coming year.

02

Robust FP&A capabilities are now table stakes

Effective and technology-enabled FP&A is now an essential component of nearly all business units and organizational groups, as reflected in its high ranking on the list of finance priorities. This shift places two demands on finance leaders: 1) CFOs need to ensure that colleagues are performing FP&A with appropriate controls, rigor and relevance, and 2) CFOs need to integrate new KPIs into their own FP&A activities.

03

Generative AI moves forward in finance

Leading CFOs and finance organizations are progressing with the use of generative AI applications and other AI tools as they seek to move beyond efficiency gains to achieve higher-value long-term benefits. One in three finance organizations are already employing generative AI, most often to support process automation and financial forecasting. Also of note, 58% of organizations that are using generative AI have achieved meaningful and measurable progress in their cost optimization efforts.

04

Enabling cost optimization is essential

A majority of finance organizations (57%) have achieved meaningful progress in cost optimization efforts through technology rationalization and utilization of cloud-based systems. A heightened global risk environment requires CFOs to improve organizational agility and resilience by simultaneously reducing costs and enhancing revenue via advanced finance automation, strategic sourcing and technology enablement activities.

05

CFOs continue to take charge of sustainability disclosures and reporting

As more global regulatory bodies make sustainability disclosures and reports mandatory, and as stakeholder and ecosystem demands for ESG data increase, CFOs continue to drive ESG data management and reporting by applying their internal controls, data management, risk management and reporting competencies.

Top priorities for CFOs and finance leaders

Data security and privacy, FP&A, and strategic planning represent chief concerns.

Top finance priorities*

(Shown: All responses)

2024 rank	Area	2024	2023 rank**
1	Security and privacy of data	7.7	5
2	Financial planning and profitability analysis and reporting	7.7	N/A
3	Strategic planning	7.6	6
4	Routine reporting and closing activities	7.5	10
5	Process improvement	7.5	11
6	Leadership (within your organization)	7.4	23
7	Enhanced data analytics	7.4	7
8	Cloud-based applications	7.4	9
9	ESG metrics and measurement	7.3	1
10	Changing demands and expectations of internal customers	7.3	15
11	Tax changes (formerly "National tax changes")	7.3	8
12	The changing roles of human resources, leadership & development, and recruiting	7.1	13
13	Transaction planning and readiness	7.1	16
14	Mobile finance applications	6.9	12
15	Artificial intelligence (including generative AI)	6.9	N/A

* These rankings accurately reflect the full averages for each risk issue, despite the appearance of some virtual ties.
** In this year's survey, we consolidated and reduced the number of finance areas that respondents rated from 24 to 15.

Question: *Please rate the following areas based on a 10-point scale, where "1" reflects the lowest priority and "10" reflects the highest priority for the finance function to improve its knowledge and capabilities over the next 12 months. See full definitions of each area on page 27.*

Top finance priorities*

(Shown: CFO/VP Finance responses)

2024 rank	Area	2024	2023 rank**
1	Security and privacy of data	7.6	6
2	Financial planning and profitability analysis and reporting	7.6	N/A
3	Leadership (within your organization)	7.5	20
4	Strategic planning	7.4	4
5	Process improvement	7.4	11
6	Enhanced data analytics	7.3	7
7	Routine reporting and closing activities	7.3	8
8	Cloud-based applications	7.2	9

2024 rank	Area	2024	2023 rank**
9	Tax changes (formerly "National tax changes")	7.1	12
10	Changing demands and expectations of internal customers	7.1	15
11	Artificial intelligence (including generative AI)	7.1	N/A
12	The changing roles of human resources, leadership & development, and recruiting	7.0	13
13	Transaction planning and readiness	6.9	16
14	ESG metrics and measurement	6.9	1
15	Mobile finance applications	6.7	10

* These rankings accurately reflect the full averages for each risk issue, despite the appearance of some virtual ties.
** In this year's survey, we consolidated and reduced the number of finance areas that respondents rated from 24 to 15.

Question: *Please rate the following areas based on a 10-point scale, where "1" reflects the lowest priority and "10" reflects the highest priority for the finance function to improve its knowledge and capabilities over the next 12 months.*

A new era of cybersecurity accountability

New cybersecurity regulations and reporting requirements are ushering in a new phase of compliance that is placing fresh demands on CFOs and finance organizations.

Cyber regulations and reporting requirements have emerged around the world. In the United States, a consequential Securities and Exchange Commission (SEC) action in the past year has placed data security and privacy front and center on the CFO's agenda. Publicly listed companies have begun filing 10-Ks and 8-K cybersecurity incident reports in accordance with the SEC's amended Cybersecurity Disclosure Rule adopted last summer.[1] Complying with these filing rules requires deep and nuanced knowledge of cybersecurity, incident response, data governance, financial reporting, investor relations, regulatory requirements, and risk management. As such, finance and information security leaders are enhancing their partnerships while educating each other on materiality evaluations, external reporting (concerning financial statement disclosures), board reporting, incident recovery costs, remediation efforts and the nature of compromised data.

There also is the Network and Information Security Directive 2 (NIS2) in the European Union. The EU expanded the scope of the original directive in order to enhance cybersecurity across the entire European region by unifying national laws with common minimum requirements. Given their roles as stewards of much of the organization's financial and performance data, CFOs and finance leaders have a central role to play in working with information security on compliance measures.

In response to these new requirements, CFOs are also:

- Developing materiality frameworks for cybersecurity incidents that address a combination of financial, operational and technical considerations — and that contain accurate estimates of immediate and longer-term recovery and remediation costs.
- Monitoring how other public companies are drafting (and evolving) their required disclosures (e.g., Forms 8-K and 10-K) for benchmarking purposes.
- Strengthening cybersecurity capabilities (e.g., risk management and governance practices, incident identification, response and reporting processes) as the regulatory spotlight intensifies on data security and privacy.

CFOs also are working with their C-suite colleagues and other senior executives to help them respond prudently to the potential for increased oversight of their operations when they are involved with activities, decisions, information and risks that affect financial reporting and other public disclosures. This work involves:

- **Communicating the stakes.** Under a number of laws, responsibility for the adequacy of public disclosures ultimately falls to any business leader who possesses and contributes information that is either required by statute or regulation or deemed material to investors.

61%

of finance leaders and professionals rate the security and privacy of data as a high priority for the finance organization in the coming year.*

65%

of finance leaders and professionals in *publicly held companies* rate the security and privacy of data as a high priority for the finance organization in the coming year, versus 57% of private organizations.*

[1] "New SEC Cybersecurity Disclosure Rules: Key Takeaways From Companies' Responses," David Lehmann and Charles Soranno, The Protiviti View, April 5, 2024: https://blog.protiviti.com/2024/04/05/new-sec-cybersecurity-disclosure-rules-key-takeaways-from-companies-responses/.

* Percentage reflects the number of respondents who rated each area at 8, 9 or 10 on our 10-point scale, where "10" reflects the highest priority for the finance function to improve its knowledge and capabilities over the next 12 months.

- **Clarifying roles and responsibilities.** Disclosure committees and the disclosure process need the right information reported timely through appropriate channels to function effectively. CFOs can ensure the board has timely access to this information by helping to define roles, responsibilities and collaborations among the disclosure committee, individual executives, financial and public reporting preparers, and other contributors to the disclosure process.
- **Creating a chain of accountability.** While backup signatures provide a "chain of certifications," they may not provide assurance that reliable information is being furnished to management for timely disclosure. Instead, CFOs should develop a "chain of accountability" by linking required disclosures to internal reporting processes that deliver the necessary information in a timely manner to those making disclosure decisions.

While most of these cybersecurity rules and enforcement developments apply primarily to publicly held organizations, our survey results show that finance leaders in private companies and government organizations also rate data security and privacy as their top overall priority (in a virtual tie with FP&A). This reflects the reality that cyber accountability is relevant to the entire business community ecosystem, rather than merely a reflection of required regulatory reporting.

> As a global organization, we rely a lot on cloud-based solutions. [But whether] it's cloud-based or on premise, there is still an opportunity for security breaches. In the current climate with AI speculated as being one of the drivers for increased security risks, this obviously remains one of the high priorities [for our organization].

HEAD OF FINANCE OPERATIONS
Financial services company

Key action items for CFOs and finance leaders

- Elevate the CFO-CIO/CISO partnership by increasing the frequency of meetings; educating each other on their respective domains; and aligning on evolving regulatory requirements, compliance risks, cybersecurity risks and stakeholders' evolving data privacy expectations.
- Leverage benchmarking and leading practices to develop new ways to bolster the organization's cybersecurity risk management capability.
- Monitor regulatory guidance and enforcement actions, particularly those related to data privacy and security requirements and disclosures.
- Develop a materiality framework for cybersecurity incidents, one that addresses financial (immediate and longer-term), operational and technical considerations.
- Forge a "chain of accountability" that links required cyber incident disclosures to internal reporting processes that are designed to deliver necessary information in a timely manner to those making disclosure decisions.
- Reevaluate and recalibrate disclosure processes, including those related to data security and privacy. Periodic assessments of the disclosure controls and procedures infrastructure should address the organization's performance expectations, incentive compensation programs and other behavior-influencing practices that may impact fair reporting of cyber events.
- Understand and secure protection through appropriate insurance coverages.

FP&A is everyone's business

Once the exclusive domain of the finance group, FP&A — often referred to, for good reason, as business planning and analysis (BP&A) — is now a top priority for nearly every business function.

Effective FP&A practices have become essential in the face of prolonged volatility, unpredictability and a more aggressive competitive landscape to drive results and navigate uncertainty.

The results of our survey indicate that CFOs of publicly held companies rate FP&A as a notably higher priority compared to finance leaders in private companies. This is most likely due to shareholder desire for more sophisticated and meaningful analytics around business results.

As organizations strive to achieve higher profitability through topline growth and strategic cost optimization, they must first ensure that long-term financial plans are aligned with business strategy and objectives, better positioning them to identify new opportunities and potential risks. FP&A plays a critical role in monitoring and analyzing KPIs to assess the financial health and operational efficiency of the organization. Developing comprehensive reporting mechanisms and utilizing advanced analytics tools can help finance organizations identify areas of opportunity and take actions proactively to increase profitability.

Data-driven analytics can also be a powerful tool for providing valuable business insights to optimize revenue and spend strategies. The adoption of advanced technologies such as AI, machine learning and predictive analytics further enables more timely identification of risks and opportunities, including new revenue streams. Increasingly, CFOs must partner with CIOs to drive the technology adoption necessary to enhance operational efficiency and business performance.

FP&A teams can be instrumental in guiding their organizations to long-term financial success through robust financial planning, rigorous performance analysis and proactive risk management. By embracing innovation and technology, cultivating strategic business partnerships, and fostering transparent communication, FP&A can pave the way for growth, profitability and resiliency.

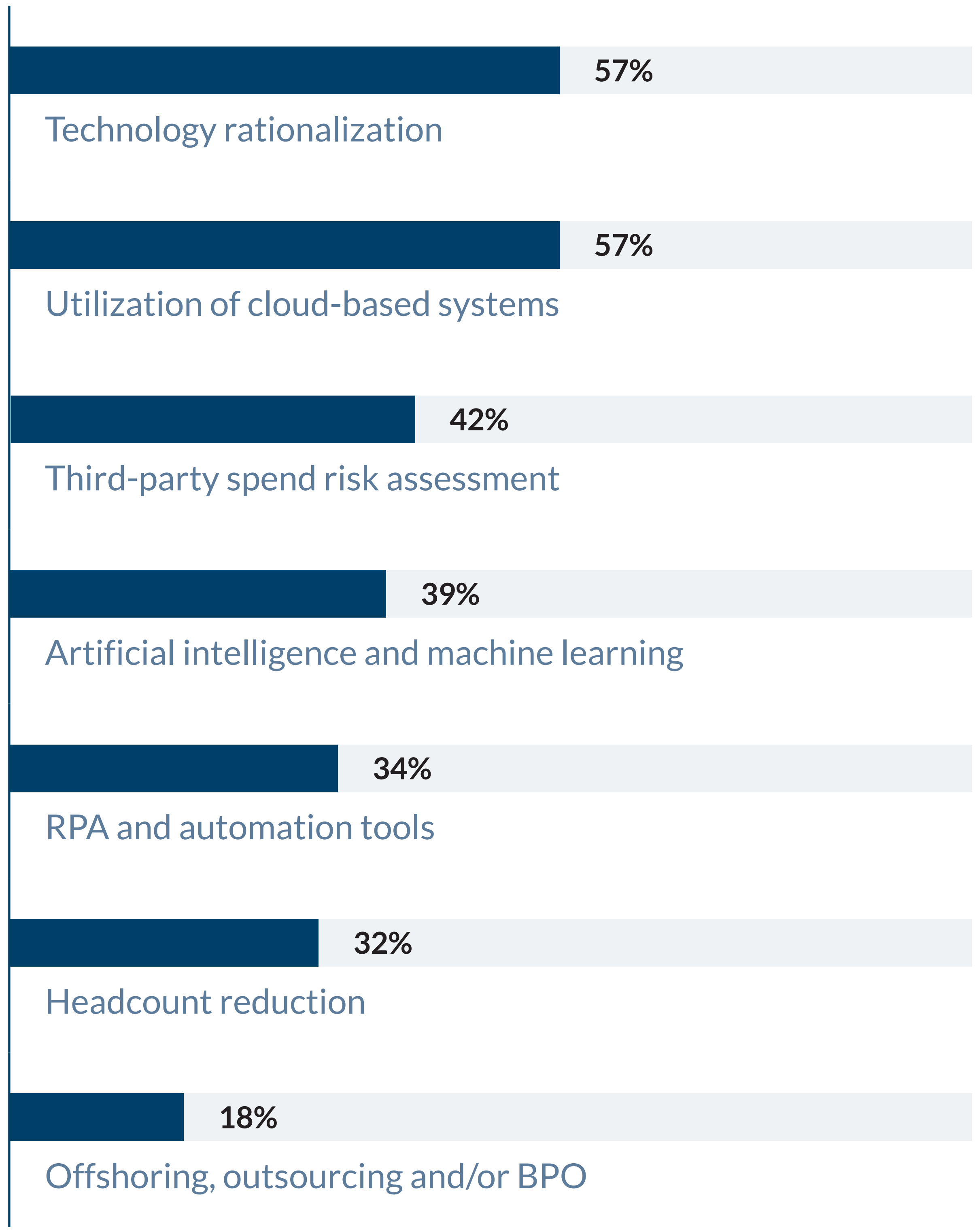
69%

of finance leaders and professionals in publicly held organizations rate financial planning and profitability analysis and reporting as a high priority for the coming year.*

* Percentage reflects the number of respondents who rated each area at 8, 9 or 10 on our 10-point scale, where "10" reflects the highest priority for the finance function to improve its knowledge and capabilities over the next 12 months.

Thinking about your cost optimization efforts, in which of the following areas have you achieved meaningful, measurable progress over the past year?

*(Multiple responses permitted.)**



* Not shown: "Other" or "None of the above" responses.

Key action items for CFOs and finance leaders

- Support other groups in fulfilling their mandate to produce new, more predictive analytics regarding their performance and contributions to organizational value.
- Help ensure the relevance, accuracy and security of data used in business analyses and forecasts throughout the organization.
- Integrate new analytics from other groups — including those related to skills inventories and forecasts, labor cost projections, supply chain risks, supplier performance, fluctuations in demand, sourcing trends and factors that affect input costs — into existing financial analyses and forecasts.
- Consider opportunities to integrate AI (including generative AI) tools and applications into forecasting activities throughout the order-to-cash cycle (which can help improve cash flow management); demand projections (to keep trading partners informed of current and likely fluctuations in sales volumes); and sensitivity analyses (of interest rate changes, supply chain obstructions and other external variables).
- Collaborate with HR partners to ensure recruiting, retention, upskilling and talent-sourcing activities satisfy the organization's growing appetite for FP&A skills across most groups.
- Continue to invest in process improvements and automation to improve the efficacy and efficiency of routine reporting and closing activities.

> We have seven or eight different companies and have three to four finance teams based locally. [Bringing] all of these functions together in one site, with all of our systems centralized, is the focus of our finance transformation.
>
> **BUSINESS CONTROLLER**
> Pharmaceutical company

57%

of CFOs and finance leaders report achieving meaningful, measurable progress in cost optimization in both technology rationalization and utilization of cloud-based systems.

58%

of organizations using generative AI* report that they have achieved meaningful and measurable progress in their cost optimization efforts.

* Our survey indicates that 34% of finance organizations are currently using generative AI (see page 17).

Changes in resourcing and staffing key finance areas

We see a number of notable year-over-year changes in how finance organizations are resourcing and staffing certain activities. Of note, for those areas we rated, there is a shift away from leveraging full-time employees and back toward staff augmentation and fully outsourced activities.

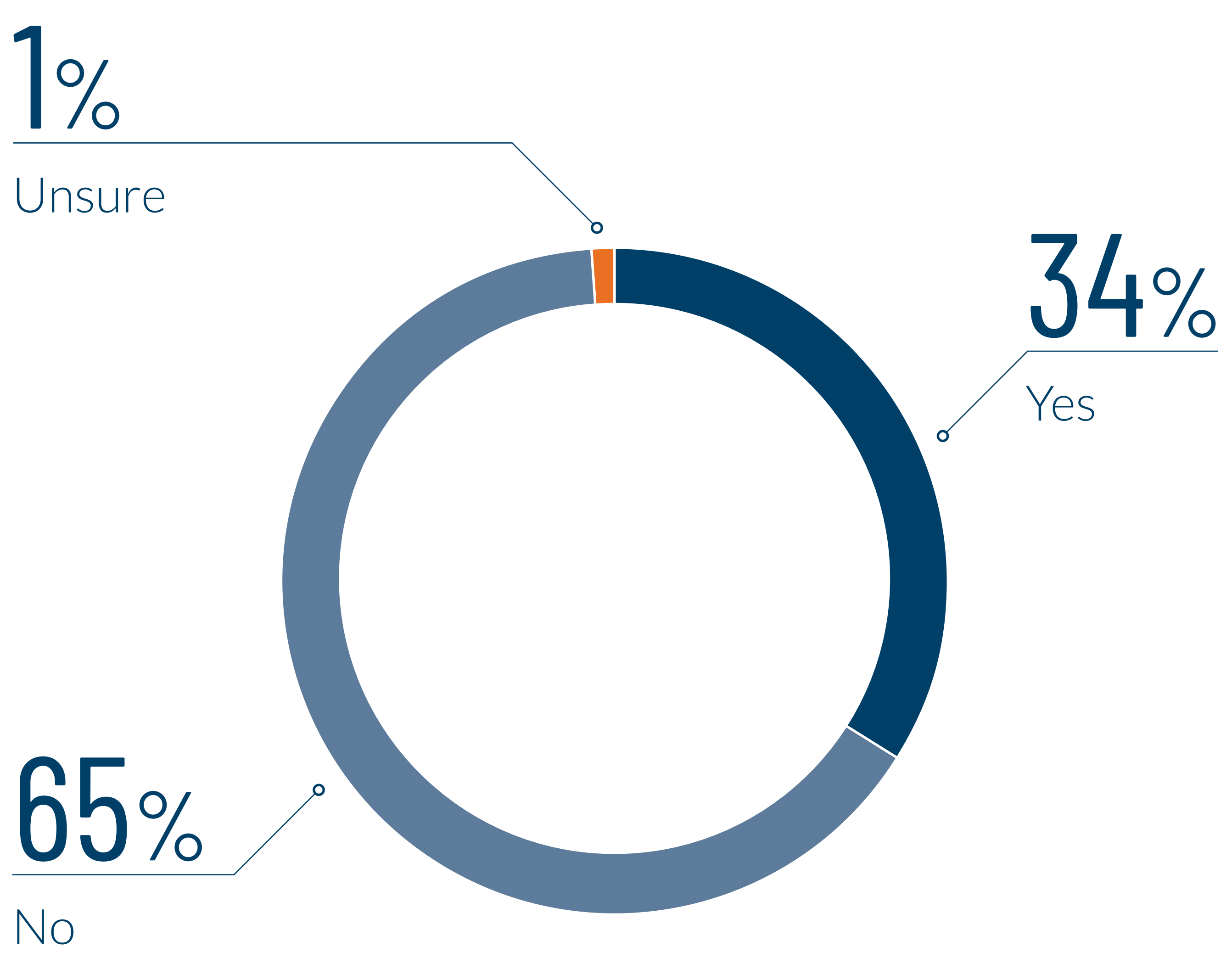
	Full-time employees			Staff augmentation (contractors, freelancers, etc.)			Managed services provider (blend of full-time staff, contract professionals and third-party experts)			Fully outsourced			Automation		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Accounting Operations — Accounts Payable	77%	89%	62%	18%	10%	24%	3%	1%	12%	1%	0%	2%	1%	N/A	N/A
Accounting Operations — General Ledger	71%	84%	50%	21%	10%	34%	7%	5%	14%	1%	1%	3%	0%	N/A	N/A
Accounting Operations — Accounts Receivable	63%	78%	48%	31%	14%	32%	5%	7%	16%	1%	1%	4%	0%	N/A	N/A
Financial Reporting	45%	78%	46%	30%	15%	29%	20%	6%	20%	4%	1%	5%	1%	N/A	N/A
Financial Planning & Analysis	40%	78%	47%	30%	13%	30%	25%	8%	17%	3%	1%	6%	2%	N/A	N/A
Strategic Finance (M&A)	22%	49%	43%	27%	18%	32%	31%	24%	20%	19%	9%	5%	1%	N/A	N/A

Unlocking AI's long-term value

As organizations grapple with the short-term benefits of generative AI compared with its longer-term, game-changing potential, CFOs and finance leaders are focused on advancing generative AI deployments that can support increasing revenue and improving profitability.

Our survey results show that the most prevalent uses of generative AI by finance organizations relate to process automation, financial forecasting, risk assessment and management, expense management, portfolio optimization, and scenario planning. Many of these uses can produce more lucrative returns than one-time efficiency gains over the long haul.

Is your finance organization currently employing generative AI?



Of note, publicly held organizations appear to be employing generative AI more than private and government organizations are. This could be a result of their greater willingness to invest in these technologies based on their long-term promise, as well as the more immediate benefits for generative AI to support key activities such as process automation and financial forecasting. To be sure, deploying AI tools to strengthen these activities is well worth the investment. That said, leading CFOs are also using AI tools to generate valuable returns in two areas:

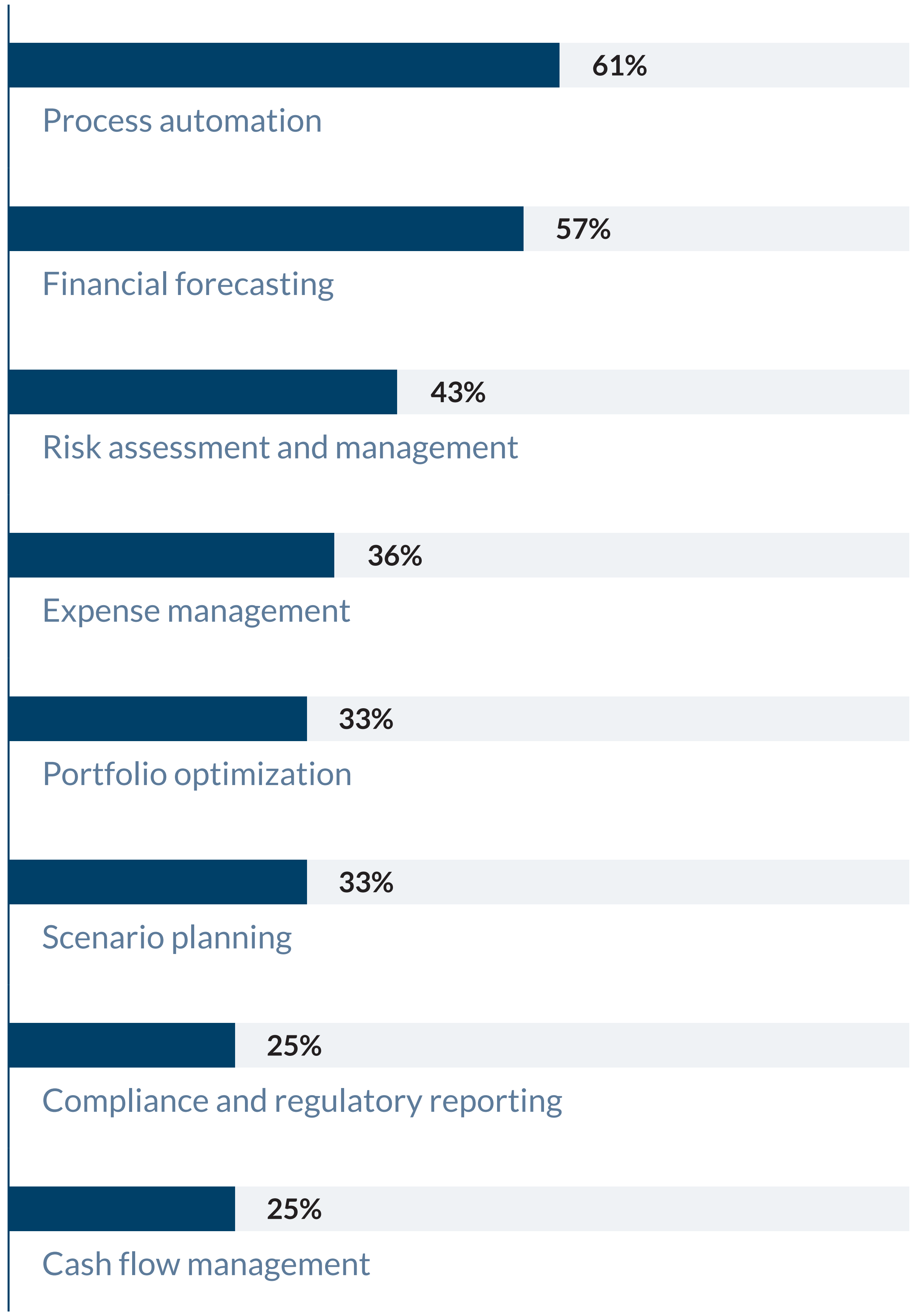
1. **Budgeting, forecasting and cash flow management:** In addition to improving forecasting and cash flow management throughout the order-to-cash cycle, AI tools can leverage preliminary sales data to generate long-term revenue projections that can be used to adjust revenue assurance activities. Other AI tools equip finance groups with deeper understandings of customer behaviors; these insights accelerate order-to-cash transformation and improve cash flow. AI-driven analyses also can produce new insights on customer value, which drive more profitable customer segmentation and retention activities.

2. **Cost optimization:** AI can spark fresh thinking and approaches on third-party spending, sourcing management, IT rationalization and many other targets of cost optimization.

Leading CFOs recognize that even in the use cases cited above, the short-term returns on generative AI and other AI tools may be negligible. However, they see the longer-term payoffs to be substantial. As such, the business rationale for finance's AI use cases should address how these investments support longer-term technology investment plans.

> All of our invoices are scanned and scrubbed, and we are using [generative AI] for some predictive analytics.
>
> **CFO**
> Biotechnology company

Top ways in which the finance organization is currently employing generative AI*



* Among finance organizations employing generative AI (34%) — not all responses shown.

Organizations employing generative AI in finance

21%

of organizations have achieved valuable cost and efficiency benefits and improved their finance projects through the use of AI and machine learning.

Key action items for CFOs and finance leaders

- While generative AI and other AI tools that support regulatory reporting, risk assessments and risk management activities are valuable, CFOs should also prioritize AI applications that can produce lucrative long-term returns — including those tools that can improve the order-to-cash cycle and cost optimization activities.
- Identify and evaluate the AI functionalities within existing ERP systems and other finance solutions before seeking to purchase new standalone AI tools.
- Work with technology leadership and other executives to assess and benchmark existing AI governance frameworks and policies in the enterprise and ensure the finance organization's use of AI tools aligns to them.

Technology enablement is the ticket to cost optimization — and organizational agility

In response to a battery of imposing risks and uncertainties, organizations must operate in an increasingly anticipatory, agile and adaptive manner. This requires space and optionality.

When it comes to technology investments, limber organizations lean on a combination of savvy investment bets, ongoing cost optimization, advanced automation and access to prized technological skills. Leading CFOs guide the development and refinement of these crucial performance-enablers.

Cost optimization requires specialized expertise (e.g., strategic sourcing, technology rationalization and agile methodologies), advanced automation (cloud-based systems, AI, RPA, analytics, etc.) and the skills necessary to optimize those tools. These building blocks require investments and, crucially, a receptive technology environment (i.e., minimal technical debt created by outdated legacy systems). Threading this needle requires CFOs to assess opportunities to reduce technical debt while supporting investments in advanced technologies — the hallmarks of a leading technology enablement approach — and to reduce costs while achieving profitability improvements — which describes a leading cost optimization approach.

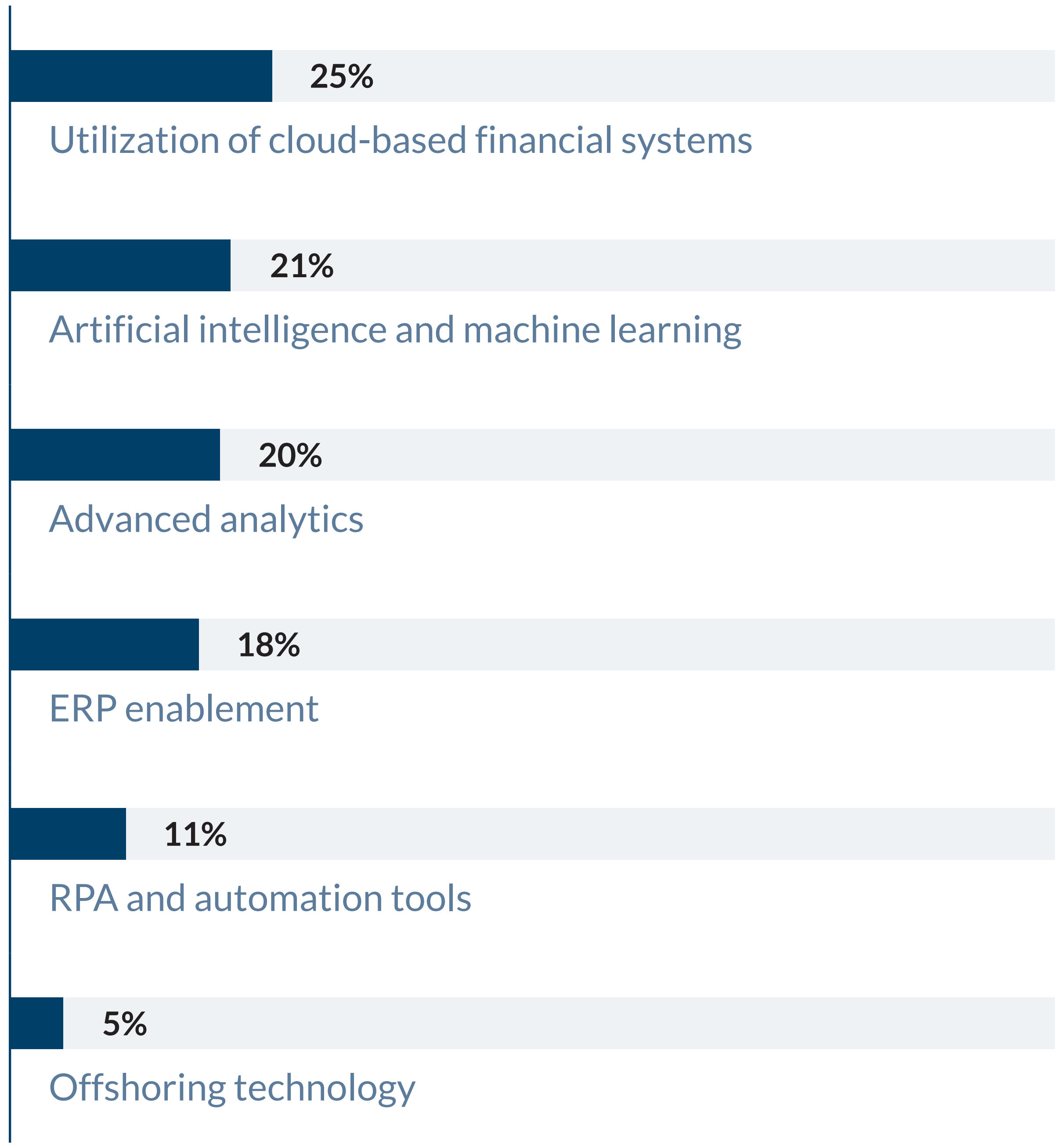
Our survey results indicate that more progress in cost optimization efforts is needed. When asked to assess the degree to which their organizations have achieved meaningful, measurable cost optimization progress in different areas over the past year, only two areas — technology rationalization and the use of cloud-based systems — were identified by a slim majority of our respondents (see page 13). Less than half of finance leaders and professionals indicate they have achieved meaningful progress related to third-party spend risk assessment, AI and machine learning, and RPA and automation tools. Respondents from publicly held companies are notably more likely than private companies to report cost optimization progress via advanced tools, such as AI, machine learning, RPA and advanced automation.

In terms of which mechanisms are most valuable in driving efficiencies and improving finance projects, respondents point to cloud-based financial systems, AI and machine learning, and advanced analytics, respectively. These areas warrant more investment, given that they are also enablers of highly effective cost optimization approaches, such as strategic sourcing.[2] At the same time, it's important to prioritize sustaining cost optimization. Achieving initial savings when an initiative happens is common, but it can be challenging to maintain this focus over the longer term.

> We are spread across [multiple] countries with 12 accounting systems. We are on the way to reduce the number of these systems to less than five. The realization we have come to is that this needs to be a never-ending story. Whether we call it continuous improvement or transformation, it's not about creating a program with a beginning and end.
>
> **HEAD OF FINANCE OPERATIONS**
> Financial services company

[2] *Strategic Sourcing: Gaining Advantage, Mitigating Risk*, Protiviti, March 2024: www.protiviti.com/us-en/insights-paper/strategic-sourcing-gaining-advantage-mitigating-risk.

Which of the following technologies have you found to be most valuable in achieving cost and efficiency benefits and improving your finance projects?*



* Not shown: "Other" or "None of the above" responses.

Key action items for CFOs and finance leaders

- Recognize the interrelated nature of cost optimization and technology enablement — and how these enablers of finance performance benefit from investments in AI, machine learning, automation, cloud-based systems and other advanced tools.
- Create a finance technology roadmap to pursue opportunities to implement these technologies.
- Deploy technology rationalization to reduce technical debt and pave the way for optimizing investments in advanced finance systems and tools.
- Assess and address obstacles to cloud migration.
- Keep in mind that investments in generative AI applications, process mining and other recent breakthroughs used to generate powerful, predictive insights for the rest of the organization will underperform unless CFOs also identify and access the skills needed to use and optimize these technologies.
- Perform regular assessments of the finance function's technology talent and skills and then map this inventory to competencies required to achieve the finance function's short- and long-term technology enablement-related objectives.
- Strengthen supply chain resilience and responsiveness, and lower the total cost of ownership (TCO), via a strategic sourcing strategy that improves how suppliers are identified, onboarded and managed.
- Assist operational partners with using sourcing data and developing new KPIs to strengthen supply and demand forecasting, inventory management, and supply chain risk management activities.

60%

of publicly held organizations have achieved measurable, meaningful progress in their cost optimization efforts by utilizing cloud-based systems.

Finance (still) owns sustainability reporting

As the number of sustainability disclosure and reporting requirements and demands continues to rise, CFOs are assuming responsibility for responding to these obligations.

Last year, more than 50,000 companies in the European Union (EU), along with thousands of organizations in the United States and other countries with EU operations, began the multi-year process of complying with the EU's Corporate Sustainability Reporting Directive (CSRD). In March, the SEC approved its long-awaited new rule on climate-related disclosures.[3] These and other emerging ESG regulations place new demands on CFOs and their finance groups.

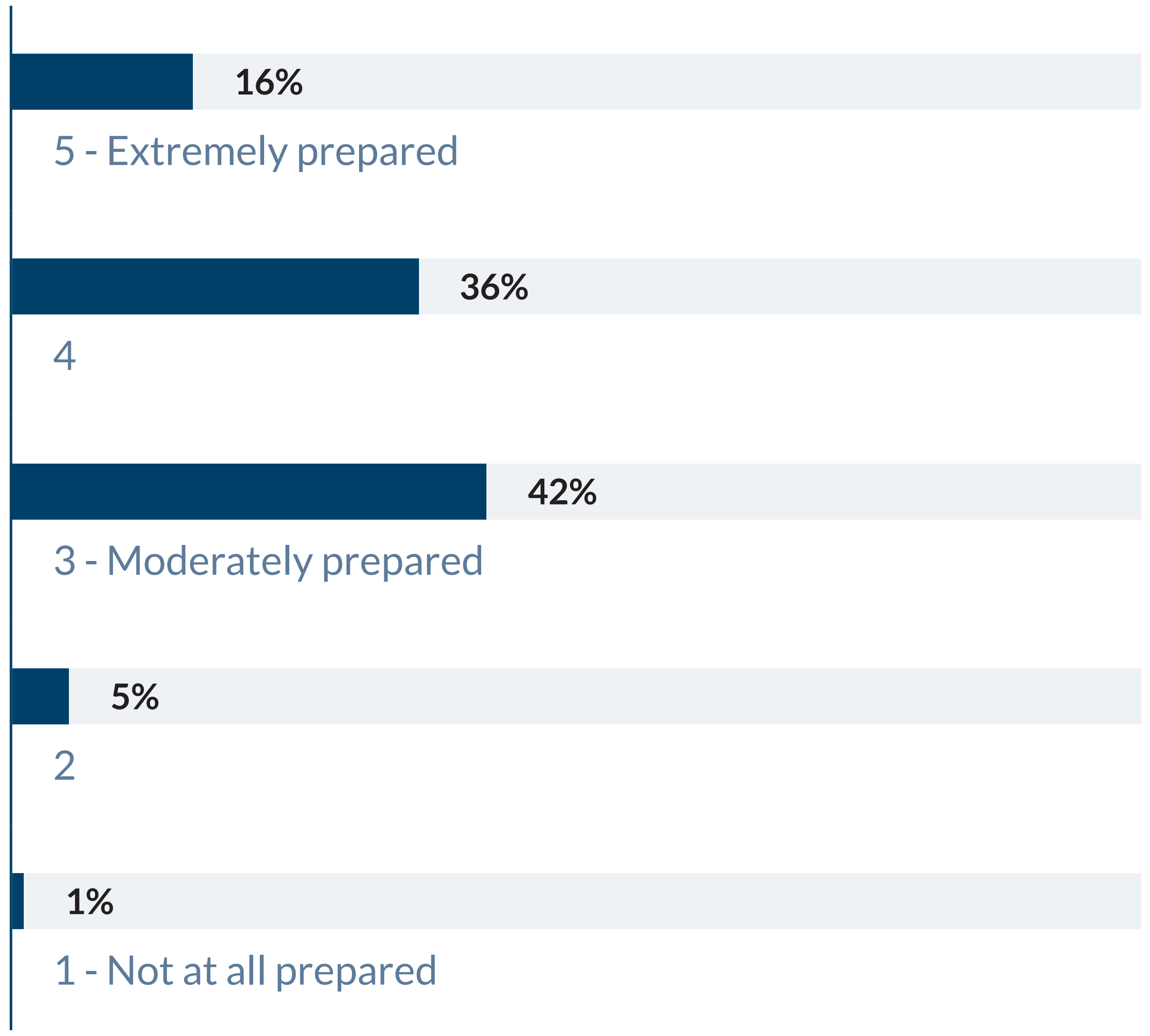
While the specific compliance requirements vary by statute, the challenges new sustainability reporting requirements foist on finance groups are similar. A primary issue is that these disclosures must be trusted, accurate, complete and well-defined. Unlike financial data and reporting, these requirements can be challenging to satisfy because the lion's share of ESG data is predominantly unstructured, stored in many different formats, and pulled from numerous systems, applications and sources throughout the company and among its third parties. Another challenge is that new sustainability disclosure and reporting requirements necessitate new double materiality assessments, including determinations that are broader, involve more stakeholders, and are more qualitative than the traditional single (mathematical) materiality analyses that finance organizations have historically performed on their own.

Addressing these challenges requires CFOs to flex their internal controls, data management, risk management and reporting expertise while orchestrating cross-functional collaboration needed to build a mature sustainability reporting capability.

It is good news, then, that CFOs have laid the groundwork to execute this work successfully. ESG metrics and measurement have represented a top finance priority in our surveys for several years. Although this year's survey respondents did not identify ESG metrics to be as high a priority as in prior years of our study, sustainability reporting remains a top-of-mind concern for many organizations, particularly those that are publicly held. It's not surprising to find that CFOs and finance leaders at public companies rate ESG metrics and measurements as a meaningfully more significant finance priority than do respondents from private companies. There also is an unexpectedly smaller gap between public and private organizations when it comes to preparedness for ESG reporting — although it is understandable given the needs and demands of stakeholders for ESG data from private companies, especially those that do business with public companies.

That said, improvements are needed. Reported levels of ESG reporting preparedness in the finance function are relatively low for both public and private organizations, considering the current regulatory landscape.

How prepared is your organization, as a whole, for ESG reporting?

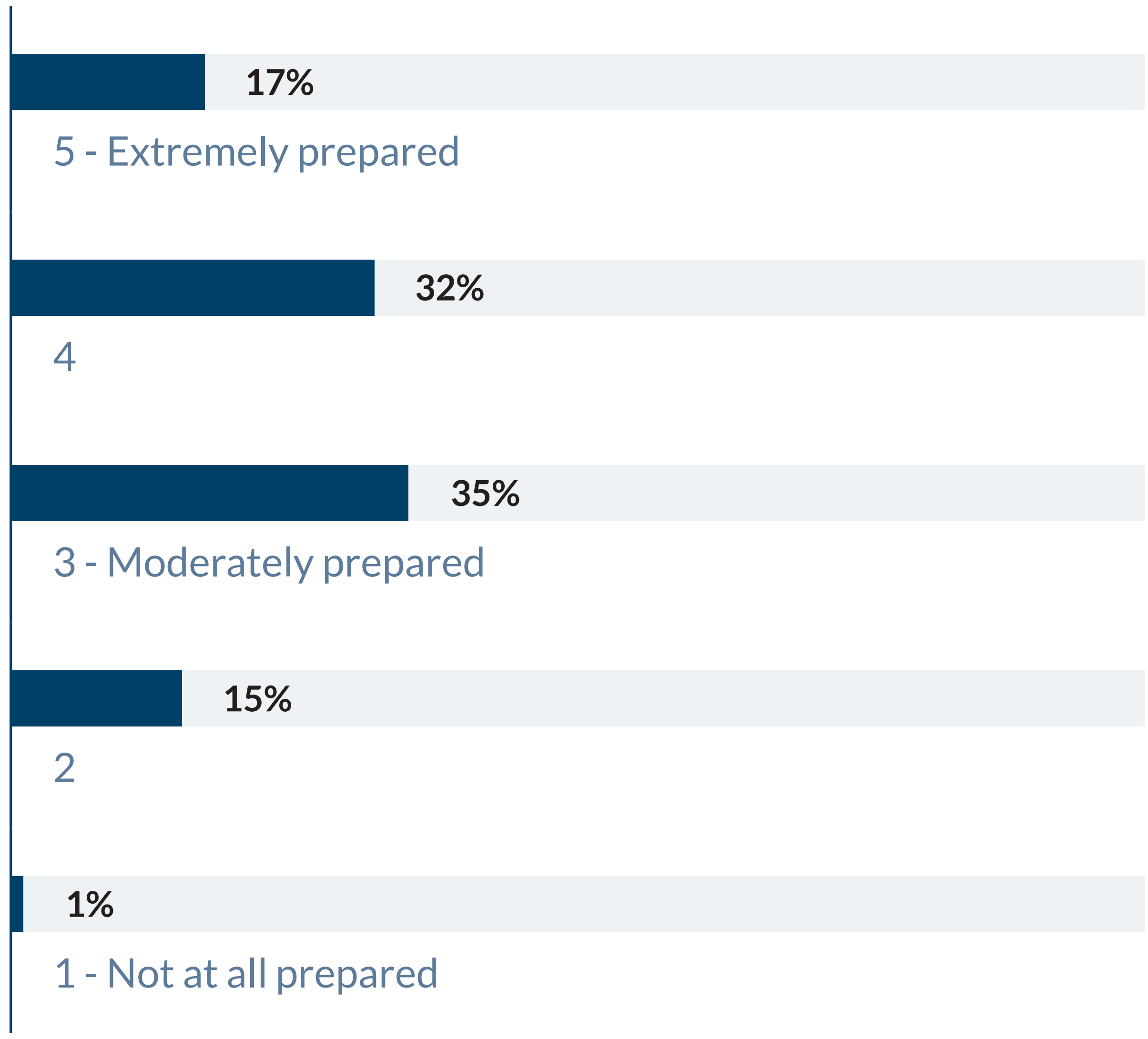


59%

of publicly held organizations report a high level of preparedness for ESG reporting, compared with 47% of private organizations.

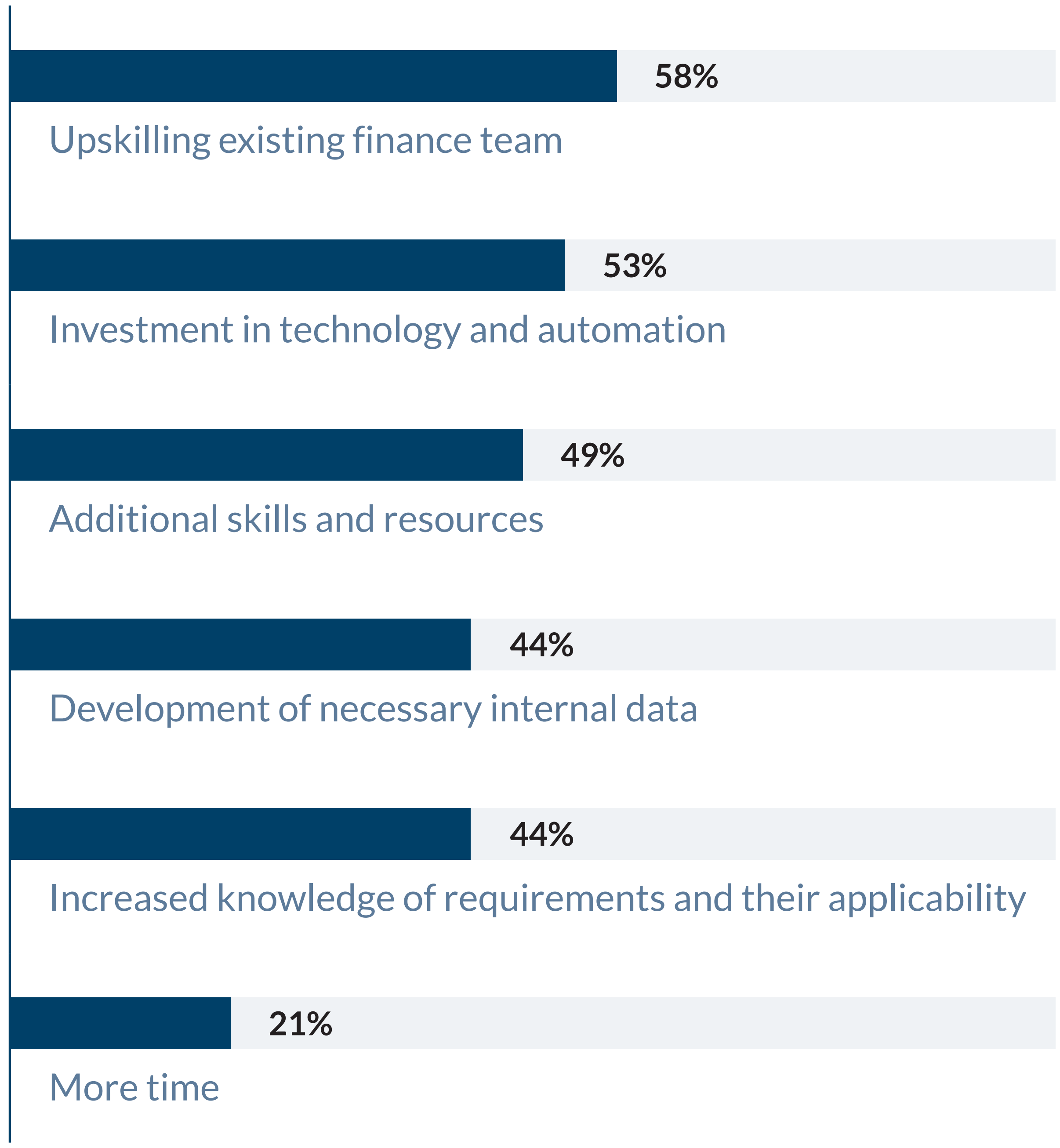
3 "Time to Act: SEC Issues Final Climate-Related Disclosure Rules," Protiviti Flash Report, March 7, 2024: www.protiviti.com/us-en/flash-report/time-act-sec-issues-final-climate-related-disclosure-rules.

How prepared is your finance function for ESG reporting?



Which of the following, if any, will help your organization improve its ESG disclosures and reporting capabilities?

*(Multiple responses permitted.)**



Organizations that are using generative AI are less likely to state they need investment in technology and automation to help with their ESG reporting and disclosures, with only 43% stating that it would help compared with 57% of organizations that are not using generative AI.

* Not shown: "Other" or "None of the above" responses.

Key action items for CFOs and finance leaders

- Understand which ESG regulatory requirements and external influences the organization may be subject to — for example, it could be subject to SEC and California disclosure rules along with the CSRD, while also receiving pressure from major shareholders.
- Recognize the nature and scope of sustainability reporting challenges, most of which stem from the fact that the data seeding these reports, compared with that used for financial reporting, is often unreliable and collected from a variety of sources inside and outside the organization.
- Create a central repository of ESG data and metrics supported by stringent security and disclosure controls.
- Become familiar with new materiality assessment requirements, especially those that call for analyses of ESG impacts and risks that exist throughout the entire value chain (from sourcing and manufacturing processes to the use and disposal of products).
- Leverage existing processes (e.g., data management, data security and privacy, legal and compliance reviews) and expertise (e.g., legal, information security, third-party risk management) to fulfill ESG reporting requirements.
- Where possible, integrate ESG reporting into broader enterprise risk management processes.

> We are in the process of capturing metrics so that when we do come to [sustainability] reporting, we'll have a baseline to which we can then report against some history.
>
> **CFO**
> Biotechnology company

Finance areas assessed in our survey

Artificial intelligence (including generative AI) — Use of AI for different functions throughout the organization as well as within the finance organization.

Changing demands and expectations of internal customers — For example, internal requests might include enhanced dashboards for reporting, access to data when mobile, direct access to interrogate data, dynamic reports, immediate access to data.

Cloud-based applications — Use of cloud-based software, platforms or infrastructure to support the finance function.

Enhanced data analytics — Data insights, or the process of analyzing, cleansing, transforming, mining, profiling and modeling data, including through the use of artificial intelligence, to make intelligent business decisions that drive performance and growth while managing risks.

Environmental, social and governance (ESG) metrics and measurement — Understanding how the organization is measuring, monitoring and reporting on ESG metrics, risks and issues.

Financial planning and profitability analysis and reporting — Accessing and leveraging a broad range of data, from internal and external sources, to generate high-quality analyses; providing real-time data and insights on performance and forecasts of products and services.

Leadership (within your organization) — Mentoring and supporting managers and staff; championing the organization's vision and strategy.

Mobile finance applications — Mobile applications that create and enable business process experiences for finance leaders. Examples include entry and approval of time-sensitive data – expense entry/approval, invoice approval, and more.

Process improvement — Use of cutting-edge technology and digital advances to radically improve business processes, performance or reach of enterprises.

Routine reporting and closing activities — Quarterly and year-end reporting.

Security and privacy of data — Enhancing controls to safeguard data held in finance systems.

Strategic planning — Supporting the organization's short- and long-term strategic plans with data and insights.

Tax changes — Changes to national tax policies and rates, including areas such as global corporate minimum tax, capital gains tax, corporate taxes and revenue impact.

The changing roles of human resources, leadership and development, and recruiting — Trend where HR, L&D and recruiting are becoming more integrated into the operational effectiveness of the organization.

Transaction planning and readiness — M&A, divestiture, IPO, carve-out, debt refinancing, recapitalization.

Methodology and demographics

More than 950 (n=961) finance leaders worldwide, including CFOs, vice presidents of finance, and a broad range of finance directors and managers, participated in Protiviti's Global Finance Trends Survey, which was conducted online in the second and third quarters of 2024. Respondents represent a broad cross-section of public and privately held companies as well as government organizations. We also conducted in-depth interviews with several CFOs and finance leaders to gain deeper insights into a number of finance-related challenges and concerns. Survey participants also were asked to provide demographic information about the nature, size and location of their businesses, and their titles or positions. We are very appreciative of and grateful for the time invested in our study by these individuals.

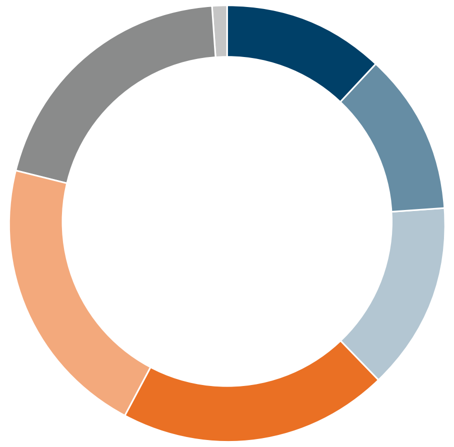
POSITION

Chief Financial Officer	14%
Vice President, Finance	12%
Corporate Controller	11%
Budgeting/Planning Director/Manager	12%
Finance Process Director/Manager	11%
Financial Reporting Director/Manager	12%
Finance Transformation Director/Manager	9%
Finance Technology Director/Manager	8%
SEC Reporting Director/Manager	7%
Corporate Management	1%
Management Consultant	1%
Finance Staff	1%
Other	1%

INDUSTRY

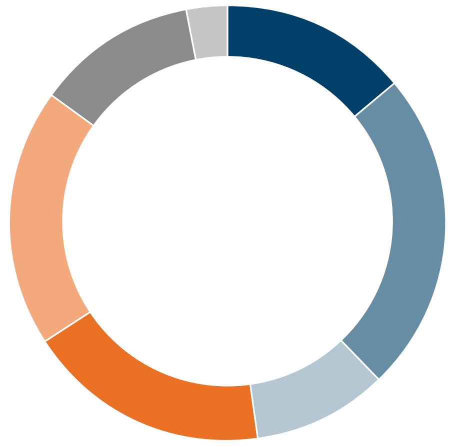
Government	9%
Retail	8%
Healthcare Provider	7%
Transportation and Logistics	7%
Technology (Software, High-Tech, Electronics)	5%
Consumer Packaged Goods	5%
Media	5%
Manufacturing (other than Technology)	5%
Insurance (other than Healthcare Payer)	5%
Telecommunications and Data Infrastructure	4%
Financial Services — Banking	4%
Healthcare Payer	4%
Power and Utilities	4%
Financial Services — Payments	3%
Chemicals	3%
Mining	3%
Oil and Gas	3%
Financial Services — Broker-Dealer	3%
Financial Services — Asset Management	2%
Biotechnology	2%
Wholesale and Distribution	2%
Automotive	2%
Construction Aggregates and Building Materials	2%
Renewables	2%
Other	1%

SIZE OF ORGANIZATION (OUTSIDE OF FINANCIAL SERVICES) — BY GROSS ANNUAL REVENUE IN U.S. DOLLARS



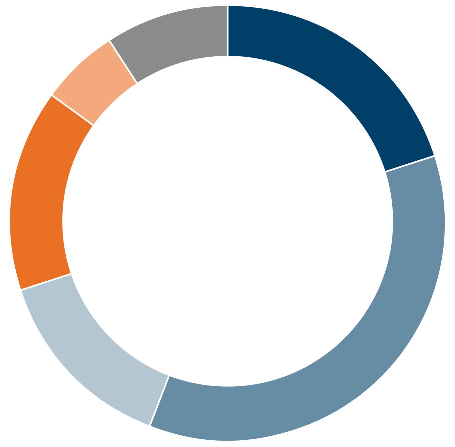
$20 billion or greater	12%
$10 billion - $19.99 billion	12%
$5 billion - $9.99 billion	14%
$1 billion - $4.99 billion	20%
$500 million - $999.99 million	21%
$100 million - $499.99 million	20%
Less than $100 million	1%

SIZE OF ORGANIZATION (WITHIN FINANCIAL SERVICES) — BY ASSETS UNDER MANAGEMENT IN U.S. DOLLARS



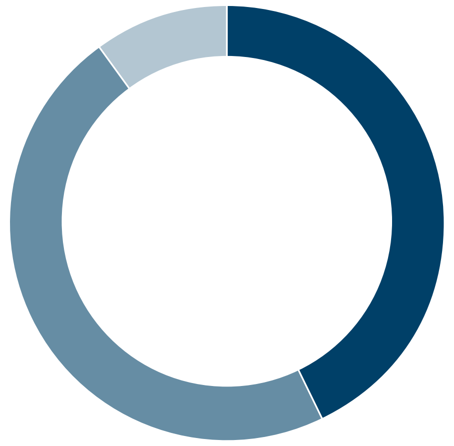
$250 billion or greater	14%
$50 billion - $249.99 billion	24%
$25 billion - $49.99 billion	10%
$10 billion - $24.99 billion	18%
$5 billion - $9.99 billion	19%
$1 billion - $4.99 billion	12%
Less than $1 billion	3%

SIZE OF GOVERNMENT AGENCY — BY ANNUAL BUDGET IN U.S. DOLLARS



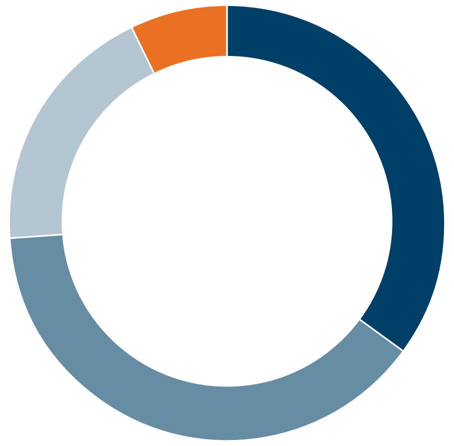
$50 billion or more	20%
$10 billion - $49.99 billion	36%
$5 billion - $9.99 billion	14%
$1 billion - $4.99 billion	15%
$500 million - $999.99 million	6%
$100 million - $499.99 million	9%
Less than $100 million	0%

TYPE OF ORGANIZATION



Publicly held	43%
Privately held	47%
Government	10%

SCOPE OF ORGANIZATION



Global	35%
National	39%
Regional	19%
Local	7%

ORGANIZATION HEADQUARTERS

United States	45%
Italy	9%
United Kingdom	9%
Germany	8%
Australia	5%
Hong Kong	5%
The Netherlands	5%
India	5%
Singapore	5%
New Zealand	3%
Brazil	1%

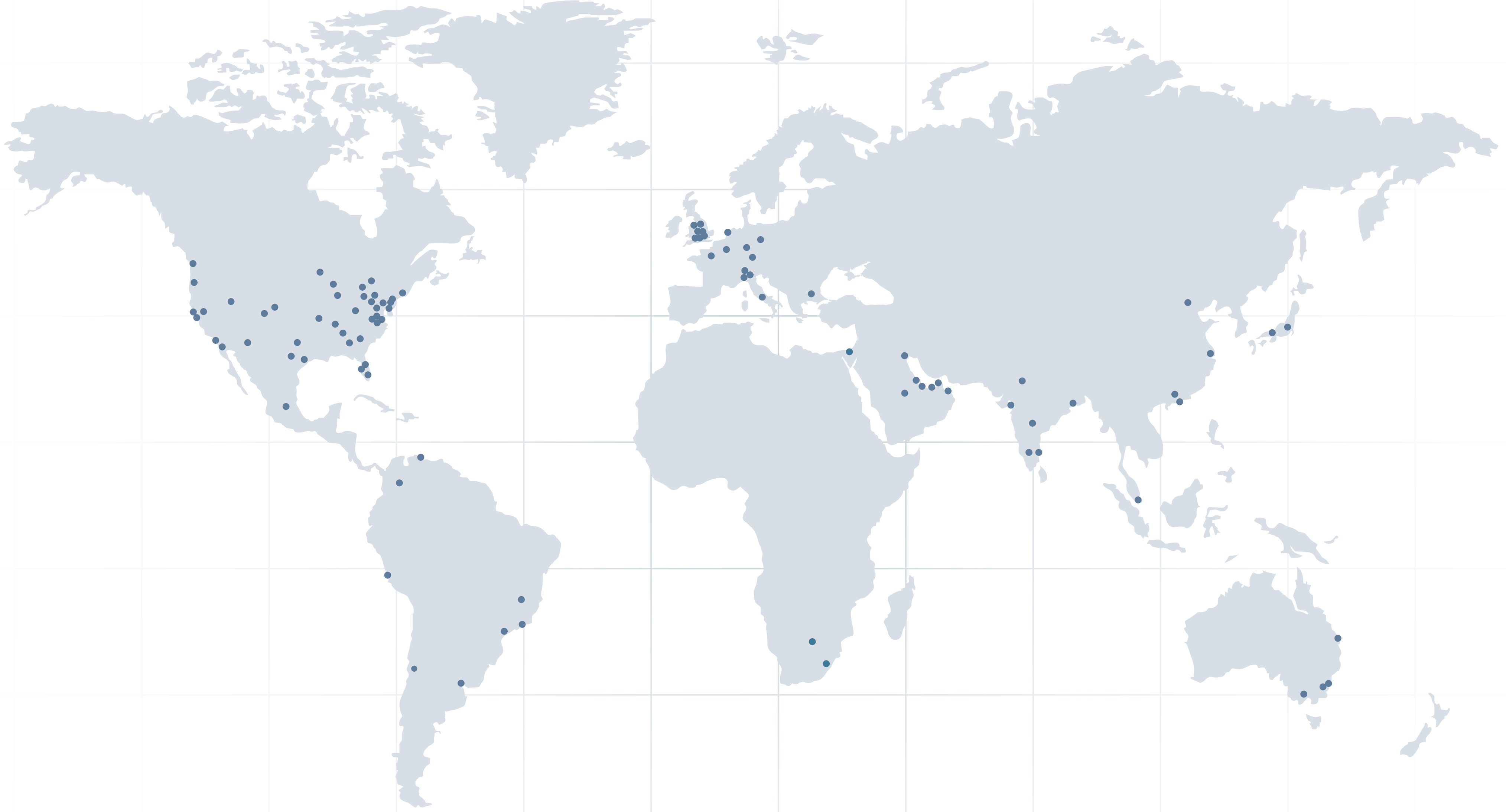
About Protiviti

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, digital, legal, HR, risk and internal audit through a network of more than 90 offices in over 25 countries.

Named to the *Fortune* 100 Best Companies to Work For® list for the 10th consecutive year, Protiviti has served more than 80 percent of *Fortune* 100 and nearly 80 percent of *Fortune* 500 companies. The firm also works with government agencies and smaller, growing companies, including those looking to go public. Protiviti is a wholly owned subsidiary of Robert Half Inc. (NYSE: RHI).

How we help CFOs and finance organizations

The role of finance executives is dynamic, constantly evolving to keep pace with changing demands of internal and external customers and technology. Protiviti helps finance leaders address their current challenges and explore opportunities for continuous growth, delivering innovative solutions and supporting finance as a forward-thinking, strategic partner to the business. At the core of our methodology is aligning people, process and technology to drive efficiency and productivity, enabling change and creating value for the entire organization.



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Cleveland, OH
Columbus, OH
Dallas, TX
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Irvine, CA
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ITALY
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