



# *Culture Cultivated:* On getting culture right in audit firms

IRBA Webinar  
29 August 2025



# Methodology



01

**Culture and Audit  
Quality**

02

**Culture risks in  
audit firms**

03

**AI and Firm  
Culture**

04

**Practical steps**



# Context



# Context

“**100.1** A distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest.”

“**100.6 A4** In acting in the public interest, a registered auditor considers **not only the preferences or requirements of an individual client or employing organization**, but also the interests of other stakeholders when performing professional activities.”

# Context



CLARITY STANDARDS GROUP

## When the World Burns, They Call the Bean Counters

A love letter to the profession that keeps the economic world from falling apart



CLARITY STANDARDS GROUP

AUG 23, 2025

“You’re not just tracking transactions. You’re not just filling out forms. *You’re creating the foundation of trust that makes commerce possible.* Every journal entry, every reconciliation, every control you implement is a small act of institutional integrity.”

Image: [https://substack.com/inbox/post/171717852?utm\\_medium=ios](https://substack.com/inbox/post/171717852?utm_medium=ios) [Accessed: 25 August 2025]



# Culture and Audit Quality



# Culture and Audit Quality

## What is culture?

“Shared values, beliefs, norms and practices that shape the behaviours and interactions of individuals within an organisation”

“the multidimensional interplay among formal and informal systems of behavioural control”

## Culture drivers correlated with audit quality

- Leadership role-modelling
- Comfort to report
- Openness to new ideas / dissent
- Respectful treatment
- Recognising ethical conduct

## Ethical culture has a profound influence on audit quality

“...significant causal links between measures of ethical culture and audit quality performance...”

- Principia (2025)



# Culture and Audit Quality

## Culture and audit quality

“...audit firms with supportive ethical culture are more likely to have auditors that are more objective and have integrity...”

- Tahir, Bukar & Waziri (2019)



“...audit firm ethical culture plays a key role in the processes that determine audit quality under time constraints.”

“...results indicate a substantial relationship between ethical culture and Reduced Audit Quality acts.”

(Svanberg & Öhman 2013)

## How does culture help?

- Promotes reporting
- Supports moral courage
- Discourages Reduced Audit Quality practices
- Weak ethical culture can increase time budget pressure



# Culture Risks in Audit Firms



# Culture Risk 1: Low Purpose / Meaning

What were the 3 main reasons why you envisioned this profession for your career?

Answer options	1st main reason	2nd main reason	3rd main reason	Response count
Good career progression	126	158	124	408
Interested in the subject matter	232	86	70	388
Open many doors	83	116	113	312
Good first work experience	98	74	63	235
Be part of a values-driven profession	44	53	72	169
Be part of a regulated profession	33	57	71	161
Structured career path	42	55	60	157
Work-life balance	33	31	43	107
International environment	42	42	49	103
Strong sense of public interest	21	44	33	98



FEE, 2016. “Ethics: Some Views from Young Professional Accountants”. Available at: [Ethics: some views from young professional accountants](#)

# Culture Risk 2: Dominance of Commerciality

*The real question is whether audit and accountancy is a profession or a business. In the 1950s ours was a professional practice. It provided service for a fee ... Of course, our partners were keen to be successful. They did not want to lose clients to other firms. In their community they were respectable and well-to-do, but they were not rich. Neither would they compromise their principles ... Better lose a client than your integrity. ~~This was a profession~~ after all ... How different today. The big accounting firms have become vast, international and concentrated ... They are major businesses, with products and market shares, business solutions and profit performance as watchwords. Partners are judged by fee generation and growth ... Partner's rewards, though seldom published, reflect those of their 'fat cat' clients ... the real challenge lies in determining standards and living up to them, as it always did ... There is no going back to the profession of half a century ago. But I suspect that, unless auditing rediscovers what it means to be a profession and returns to its roots, state regulation of the audit process will have to be imposed to protect creditors, investors and the wider community. Last week I decided that the auditing profession I joined no longer exists, so I cancelled my membership of the Institute.*

(Bob Tricker, explaining why he resigned from the ICAEW, *Accountancy*, June 2002.)

**...Better lose a client than your integrity...**

**...unless auditing rediscovers what it means to be professional and return to its roots, state regulation of the audit process will have to be imposed to protect creditors, investors and the wider community...**

Hellar, C. 2004. *Taking Ethics To Heart*. ICAS: Great Britain.

# Culture Risk 2: Dominance of Commerciality

*“...Professional accounting bodies articulate their roles as essentially regulatory and driven by notions of public service. The implication of this is that accountants put primacy on technical-professional logics, **making money only as the by-product of a more noble pursuit of the public interest.** In contrast, partners starkly put primacy on commercial-professional logics.”*

- Spence, C. & C. Carter. 2014. “An Exploration of the professional habitus in the Big 4 accounting firms. *Work, Employment and Society* 28 (6).

*“I don’t think I would have liked the environment going forward...The commercialism of the practice was becoming more and more important.”*

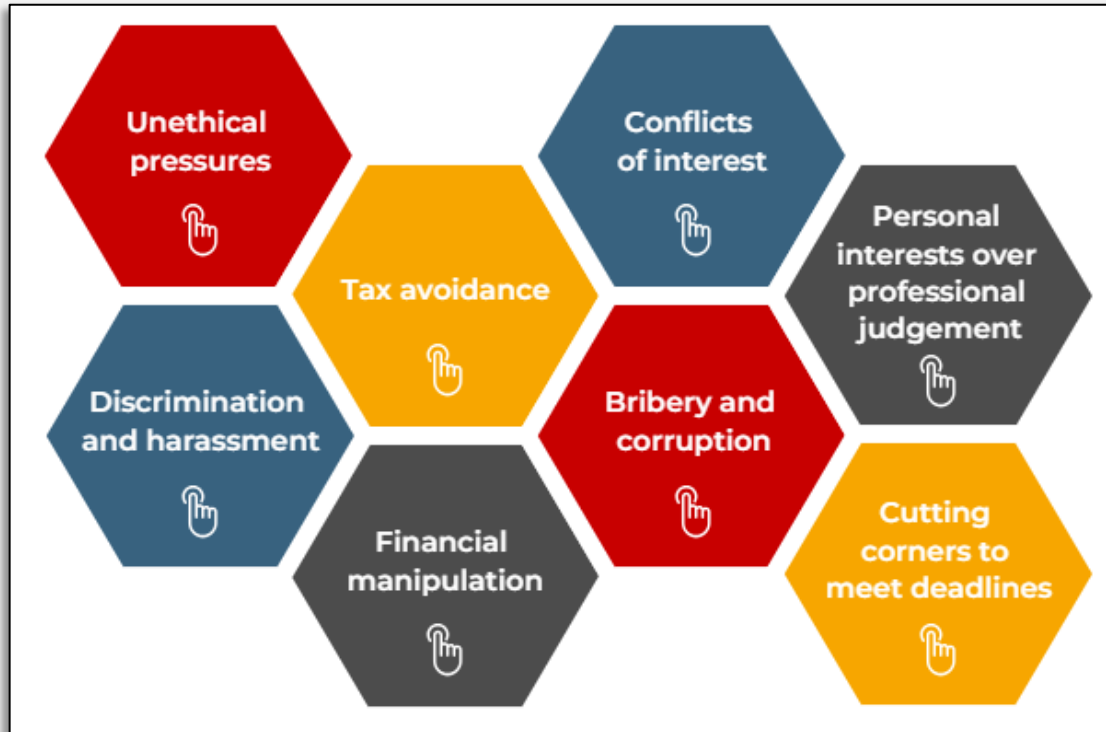
- Retired Partner

*“To be a partner in [an accounting] firm these days...you have to be a hunter, a killer and a skinner. That means that you have got to be able to go out, get the new work in, identify the opportunities, secure them and also you have to be able to do the work, so that is the skinning part of it.”*

- Retired Partner

# Culture Risk 3: Pressure

From our survey, we noted that one in four members have experienced pressure to act unethically (**24%**), and over half have witnessed unethical behaviour (**55%**) – the complete results are represented below:



The new era of ethical challenges for professional accountants

# Culture Risk 3: Pressure

For the accountancy profession, the statistics are similar. According to *ICAEW* research, **55% of Chartered Accountants admit to suffering from stress and burnout** – a significant increase on the 41% of employees in other industries – and four out of five accountants believe that stress and poor mental health are a problem within the industry. Two-thirds of accountants say the complex nature of their work and the lack of room for error are key drivers of stress.



“  
*A recent Forbes article published in January 2023, indicates that for almost 70% of people, their manager has more impact on their mental health than their therapist or their doctor—and it's equal to the impact of their partner.*  
”



# AI and Firm Culture



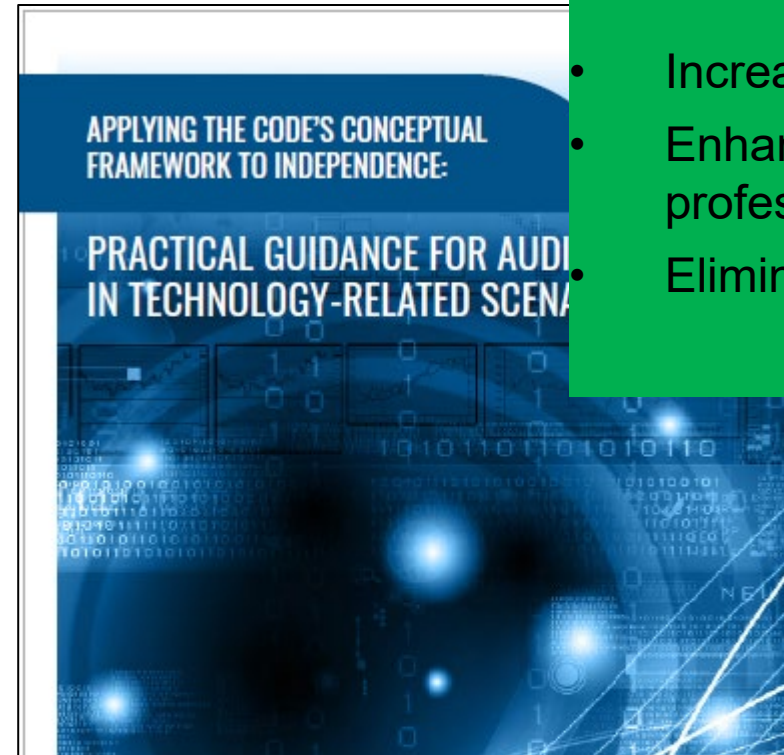
# The Potential Benefits of Technology

## Benefits

- Increased productivity
- Enhanced job satisfaction / profession attractiveness
- Elimination of menial tasks



**PAPER 2**  
The second in a four part series discussing leadership in an era of complexity and digital transformation  
December 2021



# The Known Risks

Updated: JUN 23, 2025 4:16 PM SAST

## ChatGPT May Be Eroding Critical Thinking Skills, According to a New MIT Study

### Risks

- Inappropriate use
- Skills atrophy
- Reduction in trust
- Uncertainty

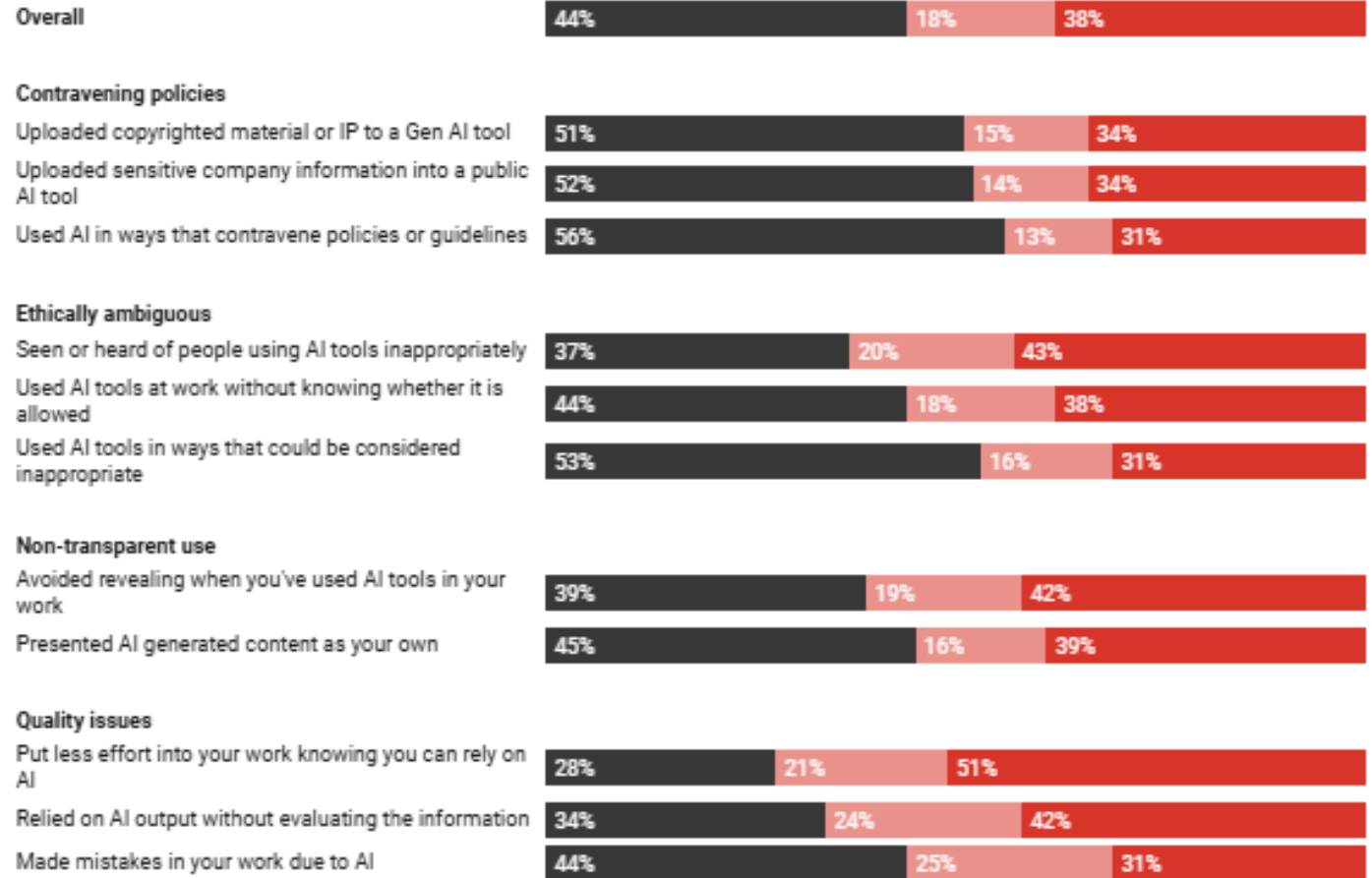


registration number 199  
private English company

### Inappropriate and complacent use of AI by employees is common

Participants were asked "at your work, how often have you..."

■ Never ■ Rarely ■ Sometimes to very often



Based on employees who report using AI at work (n = 22,694).

Chart: The Conversation • Source: Gillespie, N., Lockey, S., Ward, T., Macdade, A., & Hased, G. (2025). Trust, attitudes and use of artificial intelligence: A global study 2025. DOI 10.26189/29822919 • [Get the data](#) • Created with [Datavrapper](#)

# Creating a culture of responsible AI

## Ethical Use of AI Tools at Work: Guidelines for Employees (Sample policy)

Artificial intelligence (AI) provides useful tools that present many opportunities for increased efficiency and innovation. It does however require responsible use to ensure unwanted outcomes.

Be aware that AI can make mistakes and you should check your work. Also know that if you upload data onto an AI tool (such as ChatGPT or Copilot) it can divulge personal information or company proprietary data.

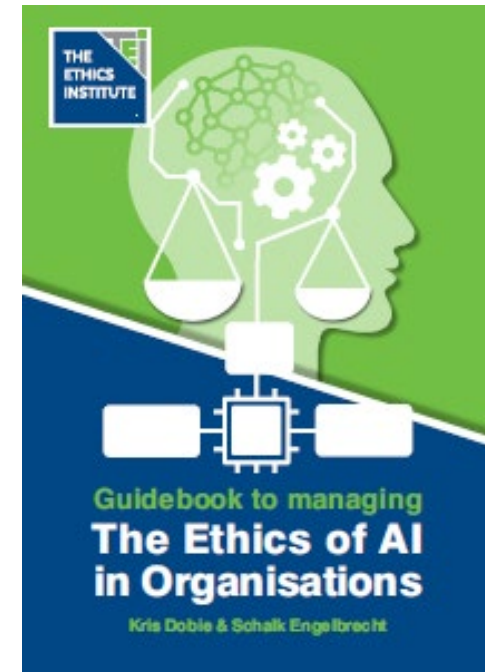
When making use of AI, ensure that:

- The information produced is accurate; and
- Data privacy and intellectual property is respected and protected.

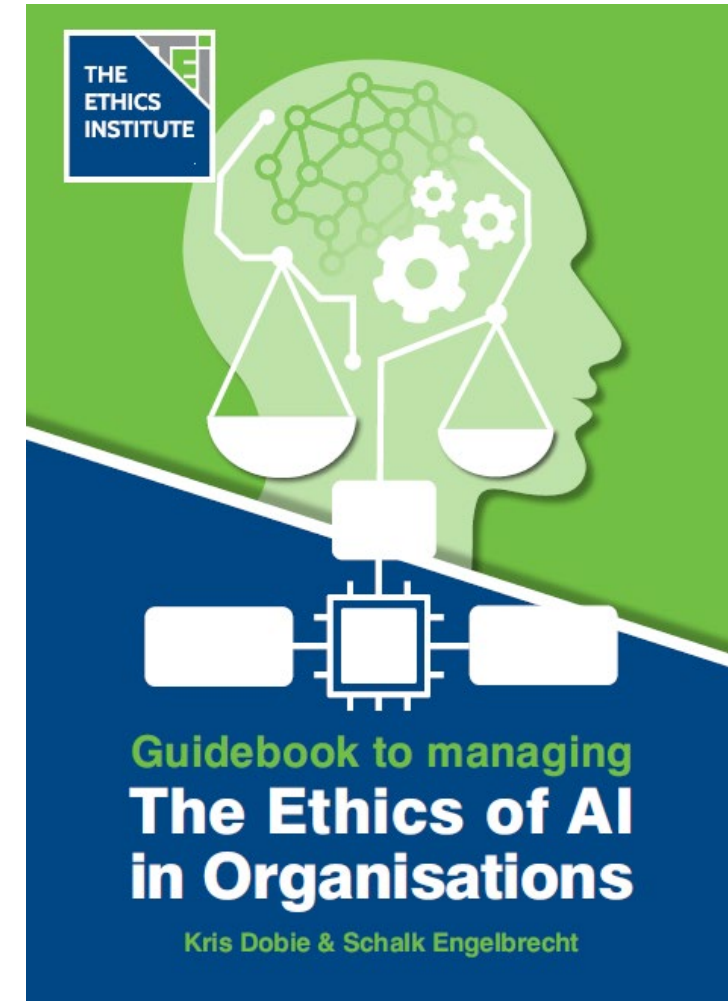
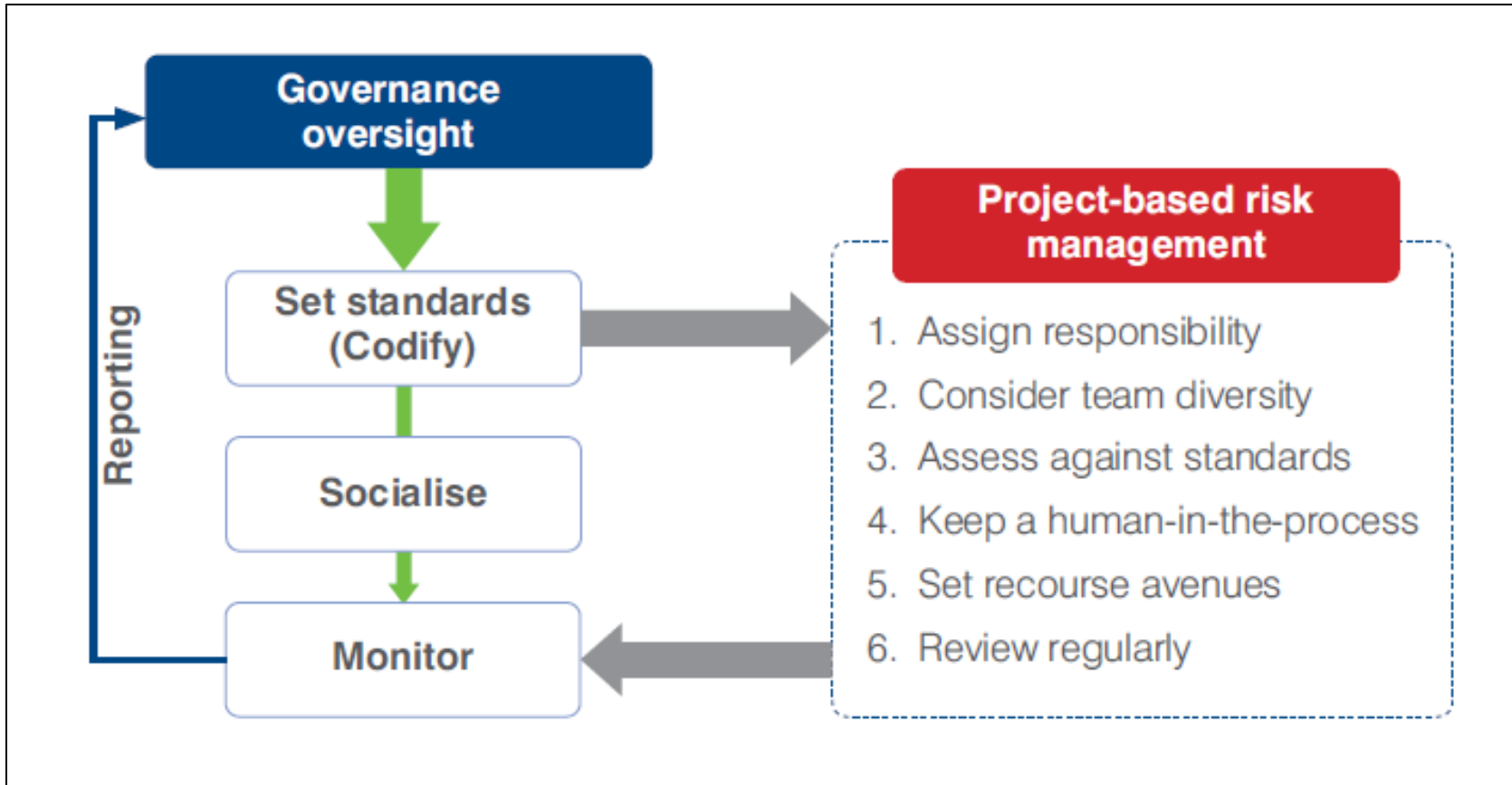
Never:

- Dishonestly pass off the work of AI as your own;
- Allow decisions impacting on people to be made by AI; and
- Use AI that was not approved by the IT department.

Always remember that you are accountable for the work you produce using AI.



# The Governance of AI Ethics





# Practical Steps



# Practical Steps

**1. Focus on meaning and purpose**

**2. Protect the balance between commercial and professional**

**3. Increase trust through clarity on the use of AI**

**4. Augment judgement, do not outsource it**

**5. See Culture as an Opportunity**

KPMG

# QUESTIONS

## Questions

