

Leaders on Culture and Governance

Interviews Across Business, Finance and Accounting

Carmine Di Noia, Soledad Núñez, Fabrice Demarigny, Jen Sisson and Gabriela Figueiredo Dias



Introduction:

As part of its effort to strengthen culture and governance in accounting firms, IESBA invited five global leaders, from different backgrounds and roles, to reflect on the relevance of culture and governance within organizations, seen from their own unique vantage points.

The five conversations compiled in this issue span the perspectives of a global corporate governance standard-setter, a central banker and global financial stability policymaker, an audit firm leader, an international investor representative, and IESBA's own Chair. Taken together, they trace a consistent thread: that trust in financial markets rests not on rules alone, but on the culture, incentives, and governance that shape how people and institutions actually behave.

The video interviews were published over five months in a newsletter dedicated to the topic. These condensed and edited written versions are now being made available with a view to further enriching the global dialogue on the relevance of firm culture and governance.

Each interview was conducted by Ken Siong, IESBA's Program and Senior Director. Interviews are presented in order of publication, from March to July 2026.

Carmine Di Noia on the importance of principles on firm culture and governance

Organisation for Economic Co-operation and Development (OECD)

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Soledad Núñez on trust, governance, and a global framework for audit firms

Financial Stability Board (FSB), Banco de España

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Fabrice Demarigny on audit's expanding frontier, AI, and the primacy of judgment

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Jen Sisson on investor trust, the purpose of audit, and the governance of culture

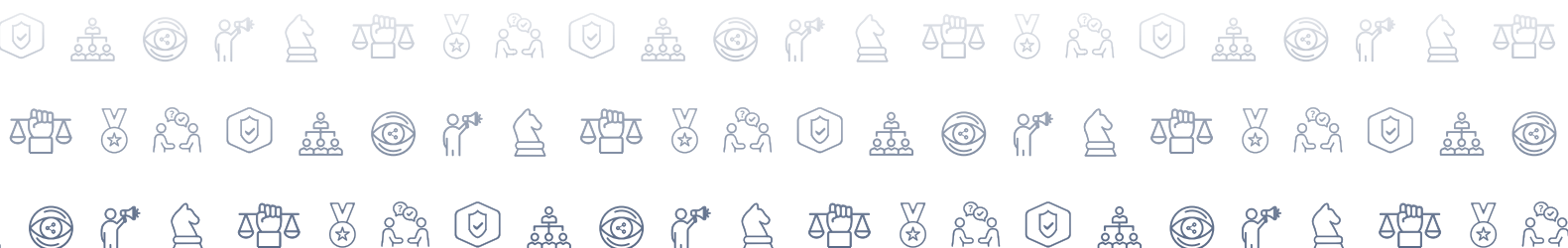
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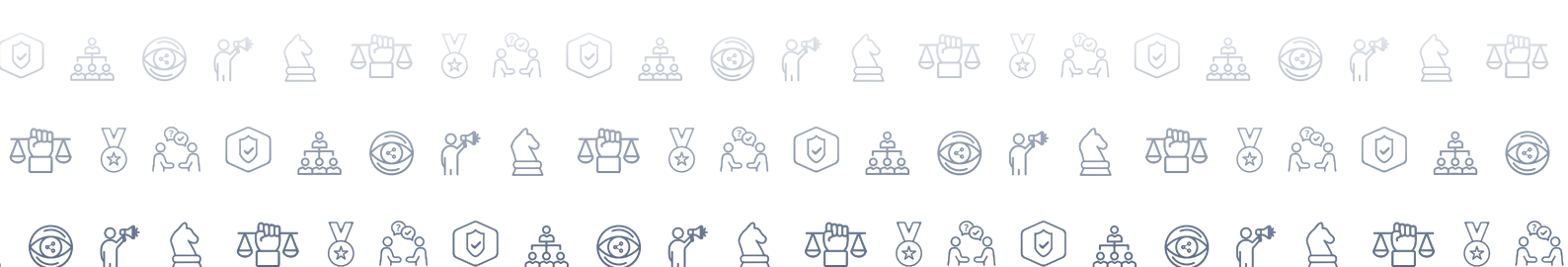
Gabriela Figueiredo Dias on ethics, culture, and the foundations of trust

International Ethics Standards Board for Accountants (IESBA)

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Director for Financial and Enterprise Affairs, OECD



The structure of the Principles is similar to that of some corporate governance codes: each core principle is accompanied by detailed explanatory notes that provide interpretative guidance, clarify expectations, and offer concrete examples of how the objectives can be achieved in practice. That ensures the framework is anchored in clearly articulated standards, not merely aspirational language.

The latest revision, in 2023, covered sustainability issues. Could you elaborate on what was done?

The new sustainability-related principle deals with three things: sustainability disclosure and the board's role in approving those; dealing with sustainability issues and medium- to long-term projects; and the engagement between shareholders, stakeholders, and the company. The revision was adopted in 2023, and our first Global Corporate Sustainability Report followed in 2024. What the data is showing us is that there's more sustainability disclosure than people might expect, but with a strong size effect: roughly 90% of market capitalization discloses sustainability information, but only around a quarter to a third of companies do so by number, reflecting how much harder it is for smaller companies to adopt quickly. Also relevant, different frameworks are in use – GRI is used by nearly 5,000

Carmine Di Noia

Carmine Di Noia has been Director of the OECD's Directorate for Financial and Enterprise Affairs since 2022, leading its work on corporate governance, capital markets, and related policy areas.

He previously served as Commissioner of the Italian Securities and Exchange Commission (CONSOB), and held senior roles at Assonime and the Italian Stock Exchange.

He holds doctorates in economics from the University of Pennsylvania and the Università di Roma Tor Vergata.



Financial markets depend on reliable, high-quality information; investors allocate capital because they trust the information they receive. Independent auditing and strong professional ethics are part of the core governance structures that allow markets to function, and our Principles themselves treat auditing and professional ethics as integral to the corporate governance framework, providing the checks and balances that sustain transparency, accountability, and market confidence. Principle 4, on disclosure and transparency, states that financial statements should be subject to external audit conducted by independent, competent, qualified auditors, in accordance with internationally recognized auditing, ethics, and independence standards. IESBA's work is highly complementary to the Principles, because that's exactly the purpose an audit is meant to serve: reasonable assurance that financial statements are prepared in line with the applicable framework.

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This kind of policy instrument can create real momentum: it can build a common reference point, shape expectations, and – even without being legally binding – influence practice and behavior.

companies representing 61% of market cap, TCFD-based recommendations by a similar number – and now ISSB standards and the European Sustainability Reporting Standards are adding to the picture. We hope for eventual convergence.

IESBA is developing its own Firm Culture and Governance Framework. How do you see such a framework helping the accounting profession?

What can a framework deliver?

A global, principles-based framework on firm culture and governance can provide a shared set of expectations across jurisdictions while allowing flexibility for different legal and institutional contexts – a balance that matters particularly for a profession that operates globally within very diverse regulatory



environments. From my own experience, this kind of policy instrument can create real momentum: it can build a common reference point, shape expectations, and – even without being legally binding – influence practice and behavior. For the accounting profession, firm culture and governance shape independence, ethical decision-making, quality control, and trust in financial reporting; a global baseline reinforces that firm culture is not just an internal matter but a broader public interest issue underpinning confidence. Just as our Principles have become the reference point for discussions on corporate governance, I think a well-designed global framework on firm culture could really help provide a similar anchor for the accounting profession.

What would you say is the most important lesson from your experience as to how a framework can really help shape ethical conduct and outcomes?

First, it's important to have an inclusive process, because that's the most effective way to ensure standards are practical and globally applicable. I'm strongly convinced

that a bottom-up, inclusive approach is genuinely effective, because people follow it not out of fear of top-down sanctions, but because they believe it's the right way to do things. That requires bringing a diverse range of voices into the room. In our case, that meant including non-OECD members, major emerging economies, and full G20 representation.

When a framework is agreed on by the many rather than decided by the few, it creates a sense of ownership that facilitates smoother implementation at the national level, because implementation is what ultimately matters. Otherwise, you end up with a very nice framework that nobody really applies. In the end, long-term success depends on the transparency of the process: making the drafting and revision phases open to scrutiny gives the resulting standards the robustness and legitimacy needed to serve as an authoritative global baseline – for corporate governance, and for professional ethics too. And credible monitoring is essential throughout.

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Highlights

- The G20/OECD Principles of Corporate Governance are a global benchmark for governance, investor protection, and sustainability.
- Over 25 years, the Principles have been revised three times, most recently on sustainability.
- Tools like the Corporate Governance Factbook, implementation evaluations and peer reviews turn principles into practice.
- Auditing and professional ethics and independence are treated as integral to the OECD's governance framework.
- A global firm culture framework can extend that legacy, reinforcing trust and the public interest.

[Read IESBA's March Firm Culture and Governance Update](#)

[Watch the Full Interview](#)



"Governance is crucial in order to avoid failures and crises"

Soledad Núñez

Chair of the Financial Stability Board (FSB) Roundtable on External Audit and Deputy Governor of Banco de España

In a wide-ranging conversation, Soledad Núñez explores the foundations of trust in financial markets, the governance challenges facing audit firms, and what it will take for a global principles-based framework on accounting firms' culture to make a genuine difference in practice.

Ken Siong: *When trust breaks down – between institutions, or between audit firms and investors – what, in your experience, has been at the root of that breakdown?*

Soledad Núñez: Let me first emphasize the importance of trust. It is the necessary element for the functioning of financial markets and financial stability – without trust, there wouldn't be financial markets at all: they're built on it, and we have to take care of it. Breakdowns in trust usually have a trigger, some event after which markets lose trust in an institution or entity. But behind that trigger, there are usually many things that have been building for some time: a lack of transparency, conflicts of interest, ethical failures, weak controls. It's rarely just one cause; it's usually a combination of them. Once trust in an entity is lost, it's very dangerous, because that loss often spreads to other institutions.

KS: *What is the role of external audit in keeping that trust?*

SN: The role of external audit is crucial, because regulators and supervisors rely heavily on good, trustworthy information – and the auditor's role in providing that is a major factor. It's true that behind a failure, behind a loss of trust, auditing has sometimes played a part. That's why we keep engaging on this at the Financial Stability Board's external audit roundtables, because we think it's crucial for financial stability. Auditors are very important for our role as supervisors and for financial stability oversight more broadly, ensuring we can trust the information we receive from entities is absolutely crucial.

What do you see as the main challenges, and where does the audit profession stand today when it comes to public trust and confidence?

There are always challenges, but I think this moment is more significant because while financial risks have been relatively stable in nature over recent decades, new kinds of risk are now emerging, related to innovation and new technology, ESG, artificial intelligence, and the digitalization of financial markets. These are challenges for auditing, because you need auditors trained in these new areas, and it can be difficult to attract the right people into audit firms to do that – and these new tasks bring new ethical problems with them.

Are there other challenges?

The second big challenge is the changing structure of audit firms – in particular, the introduction of external investors. This has pros and cons. On one hand, it can introduce competition into an industry that has relatively little of it, which usually isn't a good sign for any industry, and it can help mid-sized firms invest and become more competitive: auditing needs a lot of investment and there are real benefits of scale. Without that investment, firms may not be able to modernize or take advantage of new technology, or properly audit the technologies their clients are using. On the other hand, external investors want a return, and that need to deliver returns can come into conflict with the principles and quality of good auditing.

Which of these developments would concern you most from a financial stability perspective?

The most challenging one is artificial intelligence, because it cuts both ways. AI can change how auditing is done, and it can help a great deal, but it also raises ethical problems, namely regarding the ability to challenge and audit its use. It's very costly too – it requires investment not just in technology, but in human capital – and right now, only the larger firms are really able to make such



Could you share your perspective on the compare-and-contrast between governance in reporting entities and governance in audit firms, and how this connects to developments in technology?

For auditing firms, governance is just as important as for a listed entity, even though the structure is completely different. Good governance is the guarantee of good-quality auditing over time, and of having the strategic view needed to know where and when to invest in AI or otherwise.

For me, governance essentially means having a clear view of who is who and who does what: a clear distribution of functions, responsibilities, and accountability, and avoiding an excessive concentration

Soledad Núñez has been Deputy Governor of the Banco de España since September 2024 and chairs the Financial Stability Board's Roundtable on External Audit.

She holds a degree in Economics from Universidad Complutense de Madrid and a PhD in Economics from the University of Minnesota.



When thinking about global governance frameworks, what would make such frameworks effective?

Effective frameworks come back to trust and governance: trust in the institution or body that issues the framework, and good governance in the way it's developed, which again means diversity, with broad participation from international institutions of different kinds. The other essential element, similar to accountability, is review of implementation: reviewing how standards are actually applied tells you whether the standard itself is a reasonable one, or whether parts of it are poorly designed. That, for me, is crucial for a framework to be effective.

If IESBA ends up developing a global firm culture and governance framework, what would you like to see in it and can it make a real difference in practice?

I know your work is important in spreading ethical culture, and that's the key thing here. My advice would be: the problem isn't usually not having the right rules, but making sure the rules are actually followed. That's what you have to work to achieve.

Without trust, there wouldn't be financial markets at all. Once trust in an entity is lost, it's very dangerous, because that loss often spreads to other institutions.



If you were addressing the leaders of accounting firms globally on how to build and maintain a strong ethical culture, what would your message be?

I would emphasize that ethics are absolutely crucial to the good functioning of governance, and to trust: without ethics, you will eventually see a breakdown of trust. That means dealing seriously with conflicts of

interest, which are common given the current structure of audit firms. Many have other lines of business and need to secure income, which can create pressure. Firms have to be very mindful of these pressures, both external and internal, and stay aware, at all times, that they are fulfilling a public interest role, which means they have to work with ethics front and center.

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Highlights

- Trust breaks down not from one event, but a slow accumulation of failures.
- External audit is critical to sustaining trust – the reason the FSB Roundtable matters.
- AI is the most significant new challenge for audit, reshaping ethics and competition alike.
- Good governance means clarity on who does what, accountability, and diversity at the top.
- A firm culture framework must go beyond compliance and checklists.

[Read IESBA's April Firm Culture and Governance Update](#)

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"Auditors are real trust-builders in the market"

Fabrice Demarigny

Partner and Global Head of Financial Markets, Forvis Mazars

Fabrice Demarigny discusses the pressures reshaping the audit profession – and what it will take to keep it trustworthy. From structural disruptions to transformational forces, Demarigny identifies five tension points that the profession must navigate – and in each case, traces the challenge back to the same imperatives: independence, credibility, and judgment.

Ken Siong: *How do you see the role of the audit function in today's financial markets?*

Fabrice Demarigny: The whole purpose of a market is that savings match investment needs. For that to happen, savers need to become real investors, and that requires informed decisions based on trustworthy, reliable information. Communication by companies is not the same thing as disclosure to investors – there needs to be an external, independent check on the fairness and accuracy of that information, and it needs to be comparable, over time and across companies, for investors to make informed choices. Without that, capital cannot be allocated efficiently.

That's where the capital-market dimension comes in: the aggregation of many individual, well-informed decisions, which produces a price. That's the main thing markets produce. Price formation has to be efficient and healthy to reflect companies' fair value, and that price is then used by many other players, so it governs the real efficiency of an economy. Auditors intervene in one aspect of the market, but it's a key one that makes the whole process healthy. In two words: auditors are real trust builders in the market.

KS: *How do you see auditors facing pressure points today?*

FD: We live in turbulent times, and everyone is experiencing external pressures and tensions. I'd point to four or five in particular.

The first is private equity investment in audit firms. This

introduces a bias toward a shorter time horizon in how a firm is managed. A private equity investor's rationale – quite legitimate in itself, sometimes tied to succession issues or a push for faster growth – puts profitability at the center of decisions in a way that differs from an audit firm's traditional focus on long-term client relationships, developing and retaining talent, and investments whose returns take years to materialize. There are also independence risks here: an auditor's capacity to remain immune from any outside influence, and free of any suspicion of conflict of interest, is a key element of its credibility.

The root of it is really that difference in time horizon: short-term profitability sitting at the core of decisions is very difficult to avoid, and it's where I see the roots of potential conflicts of interest in how a firm is managed. This is distinct from more basic independence issues tied to individual audit engagements that might be in the portfolio of the private equity investor. That simply must not be allowed to compromise an auditor's independence.

And beyond private equity?

The other major pressure point is the risk of a shortage of auditors, which has two dimensions. First, a shortage of audit firms: the market for auditing public-interest entities is very concentrated, which, combined with strict non-audit-services rules, can leave companies with very little real choice when running a tender. In some countries, companies have genuinely struggled to find an auditor at all – a real disruption that shouldn't happen. Companies should have more choice, more players, and open competition on quality. There are well-known ways to address this: introducing audits with two pairs of eyes, whether through joint audit or shared audit, could bring in a broader field of credible players, perhaps as many as eight, within less than a decade.

A second issue is the risks of shortage of individual

Given the significant challenges facing the audit function – talent, market concentration – would you say there's a market resilience issue here?

Audit firms are a people business. And that makes mindset, behaviors and conduct essential. Financial markets have, over the years, developed sophisticated conduct rules for different players. What could realistically be borrowed to strengthen culture and governance in accounting firms?

“Companies should have more choice [of auditor], more players, and open competition on quality.”

A second angle is what already is being done in the audit sphere. The implementation of ISQM1 and ISQM2 has been a success in changing mindsets, monitoring audit quality and better managing risks, and supervisors are

The last point, and perhaps where corporate practice doesn't map directly onto audit firms, is the value of the partnership model itself. Call me a little old-fashioned, but partnership has a lot of merit. Partners need a personal ethical grounding, built through training, qualification, and their early assignments, and reinforced throughout their careers. But there's also a firm-level ethics that comes from daily practice, and the peer pressure among partners who share the same long-term business interests is extremely strong. When the long-term interest is well understood, the incentives are right – it's an economic model, but also an ethical model of peer oversight.

Good that you raise that, because that connects to my last two pressure points. One is technology and the introduction of intelligence. AI can be used as a tool for sharpening their skepticism, using different data that challenge a company's own assumptions, rather than replacing the role of the auditor. A lot of data treatment will become automated, and some checks can be automated. There will always come a moment that adds the value of the auditor in challenging with constructive skepticism. Overall, these reinforce the fundamentals of an auditor: integrity, substance, and judgement.

The other is the expansion of audit into new territories.



Fabrice Demarigny is Partner and Global Head of Financial Markets at Forvis Mazars Group.

He spent eleven years at the French securities regulator (AMF) and served as founding Secretary General of the Committee of European Securities Regulators (CESR, now ESMA) from 2002 to 2008.

He is a French attorney with a PhD in Political Science and degrees in Law and Economics.

as we've already seen with non-financial information. We're transforming ourselves into firms that can audit very different things. Our technology, our added value, our science is auditing, and it can be applied not just to financial statements, which is where it began, but to carbon footprints, to social metrics, to gender data, or to AI algorithms, which are increasingly the subject of assurance requests. We're moving into a domain where audit firms become providers of a science – auditing – applied to very different subject matter, where the added value remains the audit methodology and the independence of the auditor, because credible audit has to combine understanding of the underlying technology with full independence. In the end, all these changes are underlining the fundamentals of an audit practice even more.

Looking ahead over the next five years, what one or two things would most strengthen trust in the audit ecosystem?

I think the main issue is making sure incentives remain properly oriented: a more diverse market with competition on quality, a better understanding of the auditor's role in the market, and confidence in the independence and credibility of the value an auditor adds. That's key, and it's where ethical behavior is fundamental, together with keeping the profession attractive to talent, rather than discouraging people from entering it. Getting the incentives right is, for me, the top priority.

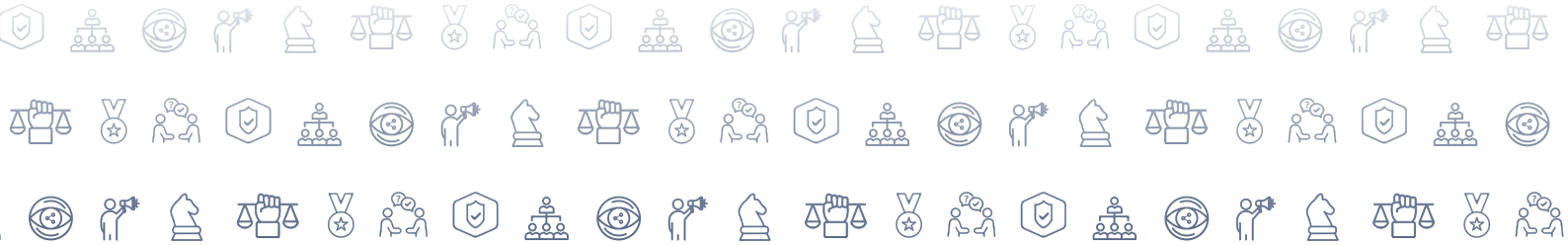


Highlights

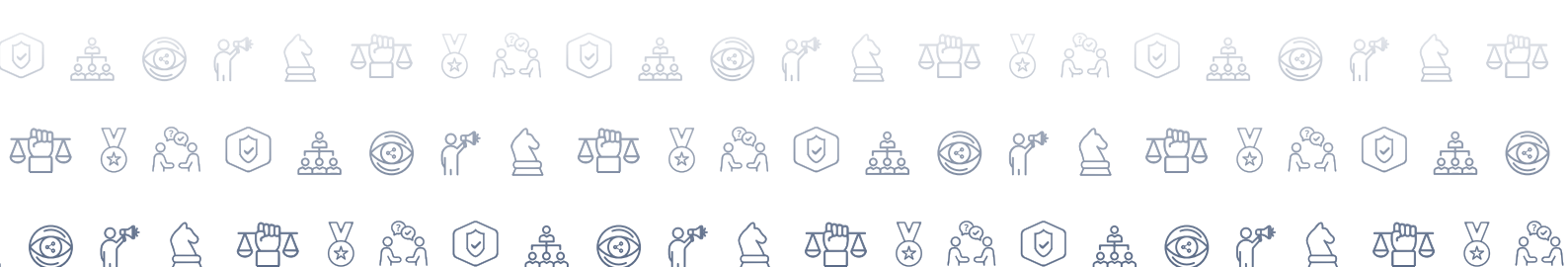
- Auditors are the trust-builders that make efficient, informed capital markets possible.
- Private equity investment in audit firms may sit uneasily with long-term client relationships and sustained investment in talent.
- Some companies can no longer find an auditor – joint or shared audit models could help.
- The profession must stay attractive to talent; oversight should be risk-based, not a deterrent.
- AI and the expanding scope of assurance raise, not lower, the premium on human judgment and the relevance of auditors.

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CEO, International Corporate Governance Network (ICGN)



Stewardship has expanded from a focus on financial performance to include topics such as governance, social dimensions, ethics, sustainability. Is that a strength?

I think we've created some confusion here. When the industry started talking about ESG and sustainability, those weren't new considerations layered on top of what's financially material – they were simply a different articulation of things that have always been financially material. No one has ever invested in a company without caring who the CEO is, who's on the board, or whether they can trust the financial statements.

What is happening over time is that investors are more sophisticated in how they unpack and understand what the value drivers are. Governance matters because it provides upside value and downside risk protection.

From an investor perspective, do the same governance mechanisms and behaviors still matter when you compare companies with the audit firms that audit them?

There is a real difference between the governance structure needed for a private partnership and for a public company. A public company's governance structure is fundamentally about mitigating the risks of

Jen Sisson

Jen Sisson has been CEO of the International Corporate Governance Network (ICGN) since 2024.

She previously led EMEA stewardship at Goldman Sachs Asset Management and spent four years at the UK Financial Reporting Council, where she helped create the 2018 UK Corporate Governance Code and 2020 UK Stewardship Code.

She began her career at PwC, working across audit, regulation, and investor engagement.



you can trust the end product. There are frameworks around the world to help manage this trust challenge: regulation on mandatory rotation, permitted services and required disclosures, or the UK has its Audit Firm Governance Code.

Where do you think the profession stands today in terms of public confidence?

Investors are much more engaged in audit and assurance issues. Broader shifts in politics, in how markets are regulated, and in corporate behavior have made the wider trust ecosystem more fragile: investors are in a more heightened risk mindset. I don't think it's necessarily that trust in audit firms has fallen – it's that the role of that trust provision feels more important in

a lower-trust environment overall. There is also an increased understanding that the company reporting might not be as robust as we thought it was: mandatory

sustainability reporting has led to discussions about limited versus reasonable assurance – a distinction most investors wouldn't have understood five years ago.

The other live question is what happens with technology. The market is getting mixed signals: regulators telling us reporting burden needs to come down and others telling us AI can now do all of this faster and cheaper. Those two things don't really sit together, and it raises the question of what a world looks like where AI writes the reporting, AI audits it, and AI does the initial analysis. Where are the people in the process? That's exactly where the role of ethics and the human element become critical: you always need a person accountable,

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Governance matters because it provides upside value and downside risk protection.

ownership and control, which isn't the case in an audit firm, where the owners are the partners themselves. What investors really look for from audit firms is product quality: at the end of the day, can we trust the audits?

The reason firm governance is interesting is that it clearly affects the quality of the firm's own product, particularly in a professional-services environment with all kinds of challenges to manage, independence being the big one. That connects to a fundamental point: who is the client? An audit firm has to remember that its client is the shareholder of the company, not the CFO or the audit committee chair. Governance and tone from the top are absolutely crucial to whether



because of fiduciary duty, and that's where an ethical code and a statutory auditor's duty matter: they keep a human-centered element in the process.

What do you think really distinguishes a framework that genuinely shifts mindset and behavior from one that just drives a compliance mindset?

Sometimes the old truisms are fair: tone at the top, and what gets measured gets managed. The role and responsibility of senior leaders in setting culture – in saying clearly what is and isn't okay, and following through on that – is absolutely key. The other thing is that people are people, and people respond to incentives. If you want a framework based on a principles-based approach and mission alignment, you have to reward your people accordingly – and not just financially.

If you had one message to leave with the leaders of audit firms and other professional services firms about building and sustaining an ethical culture, what would it be?

Remember who your real customers are and remember why you're doing what you're doing, because there's sometimes a tendency to lose sight of the why. If you keep that "why" front of mind, whether you're a partner, director, senior manager, or someone junior, you're playing an enormously important role in the global capital markets and in how people are going to fund their retirements, send their children to university, and share in growth and prosperity. That's why trust matters, and why doing a good job matters.

Starting from that "why" makes everything else easier, because sometimes your job is to say something unpopular – to be the person who says no in a room where it's scary to say no. That's the real test of ethics: are you going to stand up for the right thing, for the shareholder, when it counts? Keep that front of mind and remember that a great many people are relying on you to do exactly that.

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Highlights

- Trust in the financial system rests on transparency, accountability, and confidence in the system.
- Governance is financially material, not a soft issue – investors have always priced it in.
- Audit firms work for investors: the real client is the shareholder, not the company.
- Principles-based frameworks only work if they win hearts and minds, not just compliance.
- As AI reshapes reporting and assurance, human judgment remains the last line of trust.

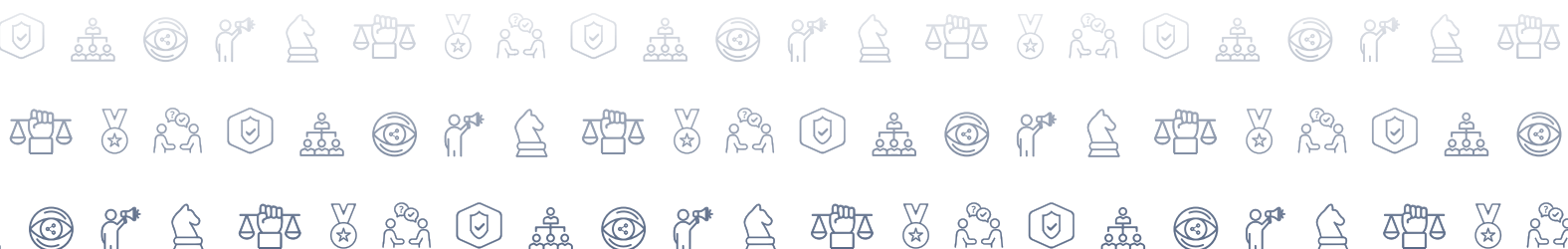
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Chair of IESBA

One of the most important elements for keeping the public interest front of mind is organizational culture. You cannot make the best decisions, your mind cannot be prepared to serve the public interest, unless you're in an organizational context that naturally embeds an



ethical mindset and drives you toward the best choices when facing conflicts.

And what happens when that culture is missing?

Inevitably, any professional accountant or auditor will, at some point in their career, face ethical dilemmas: the choice between serving the immediate commercial interest of the firm or the public interest. That's why an organizational culture that makes values explicit, front of mind, and consistently defended and modeled by leadership is the best defense against actions that harm the public interest. What follows when that defense is missing is well known: legal battles, reputational damage, commercial losses, and sometimes cancelled professional licenses – a lot of problems for people and for firms. So, above all, we need standards, and we need organizational culture frameworks that are consistent across jurisdictions and firms, creating a firm culture broader than any single firm.

From an accounting firm's perspective, what does it actually take for that idea to move from a leadership statement to something that shapes behavior at every level?

The most important thing in moving from a compliance approach to something that shapes behavior at every level is aligning values: making sure that everyone across the firm shares the same values, and that the business, the work, and the organization are aligned with those values.

Gabriela Figueiredo Dias

Gabriela Figueiredo Dias has been Chair of IESBA since January 2022, reappointed for a second term in 2025.

She previously served as Executive Chair of the Portuguese Securities Commission (CMVM), as a Board member of IOSCO and ESMA, and as Vice Chair of the OECD Corporate Governance Committee.

A lawyer and academic for 18 years, she has published extensively on capital markets, corporate governance, and sustainability.



practice, and how those values are actually put into practice – and it's that gap that needs to be closed. It's not enough to have the values; you also need mechanisms and instruments that show, in practice, that these values matter, and that not taking them seriously has consequences.

From your perspective, how much of the culture challenge in firms is actually an incentives problem?

Think about the last financial crisis, and all the analysis of why it happened. Some of the most important elements were around governance and culture – and one of the most significant was incentives. That tells us this matters.

How has that played out in practice?

I think at the corporate level, companies have learned the lesson and embedded stronger policies on incentives in two ways: addressing issues like gifts and hospitality and also dealing with remuneration and compensation policies more broadly. Getting incentives right is, for me, one of the most effective ways of lowering, over time, the risk of people choosing unethical behavior over doing the right thing.

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It's not enough to have the values; you also need mechanisms and instruments that show, in practice, that these values matter, and that not taking them seriously has consequences.

The problem, many times, is that there's a gap between the values firms say they have and try to put into

If you breach ethical norms – standards, principles – but you've always had a huge salary, and you look at your boss, who is where he is because he brought a lot of



money to the firm, irrespective of how or the behaviors involved... If you do something seriously wrong, and you resign because it's necessary, or you're forced to, but you're still paid significantly for what you've recently done, where is the incentive to do the right thing? You don't have the example, and you don't have the financial or behavioral incentive. It's very difficult to change behavior and drive adherence to ethical norms without the right incentives in place.

What are the key takeaways from IESBA's June decision to move forward with a Firm Culture and Governance (FCG) framework, and why do they matter?

We will develop a framework built around eight elements we've identified as the key components, and include it in the Code as one high-level, principles-based overarching requirement – short, simple, sharp – supported by application material explaining how that principle can be put into practice. In parallel we will develop non-authoritative guidance material.

If we look three to five years down the road, what would success look like for you?

Success will look like firms adopting, applying, and implementing this framework over time, in ways that

make them more resilient, and that gradually reduce the number and impact of unethical behavior compared to where we are now. That won't happen on day one. It will take time until the framework is implemented, adopted, and used in a way that changes the culture and governance of organizations and drives better behavior, with stronger incentives for professionals in firms to do the right thing.

If you had one message for accounting firm leaders about what it actually means to lead an ethical firm, what would it be?

I think I'd offer two messages. First, firms should never lose sight of who they're working for: investors and the users of the services they provide. Those are the ultimate beneficiaries, and the public interest is what they need to keep in mind whenever they make a decision or take an action.

Second, addressing firm leadership directly: they should be explicit about the firm's core values. But as I said, being explicit isn't enough. Words have value, but only if backed by mechanisms, policies, practices, and examples that align incentives within the firm.

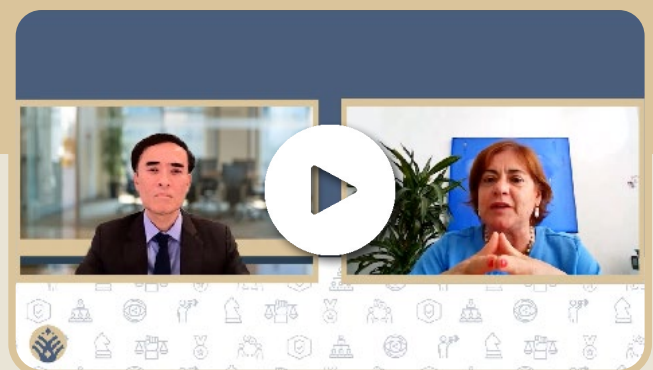
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Highlights

- Culture and ethics aren't just a compliance matter: they're a business imperative.
- Firms know trust is their license to operate, but knowing isn't the same as living it.
- The gap between stated and lived values is where culture fails.
- Incentives are one of the most powerful levers for building an ethical culture.
- The IESBA decision on FCG sets a durable anchor for firm culture and governance in the Code.

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