


EXTRACT



The Future of Audit 2025:  
**How do clients think  
private equity investment  
and AI will impact the  
audit industry?**

July 2025

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# How is audit being disrupted by new investment and technology?

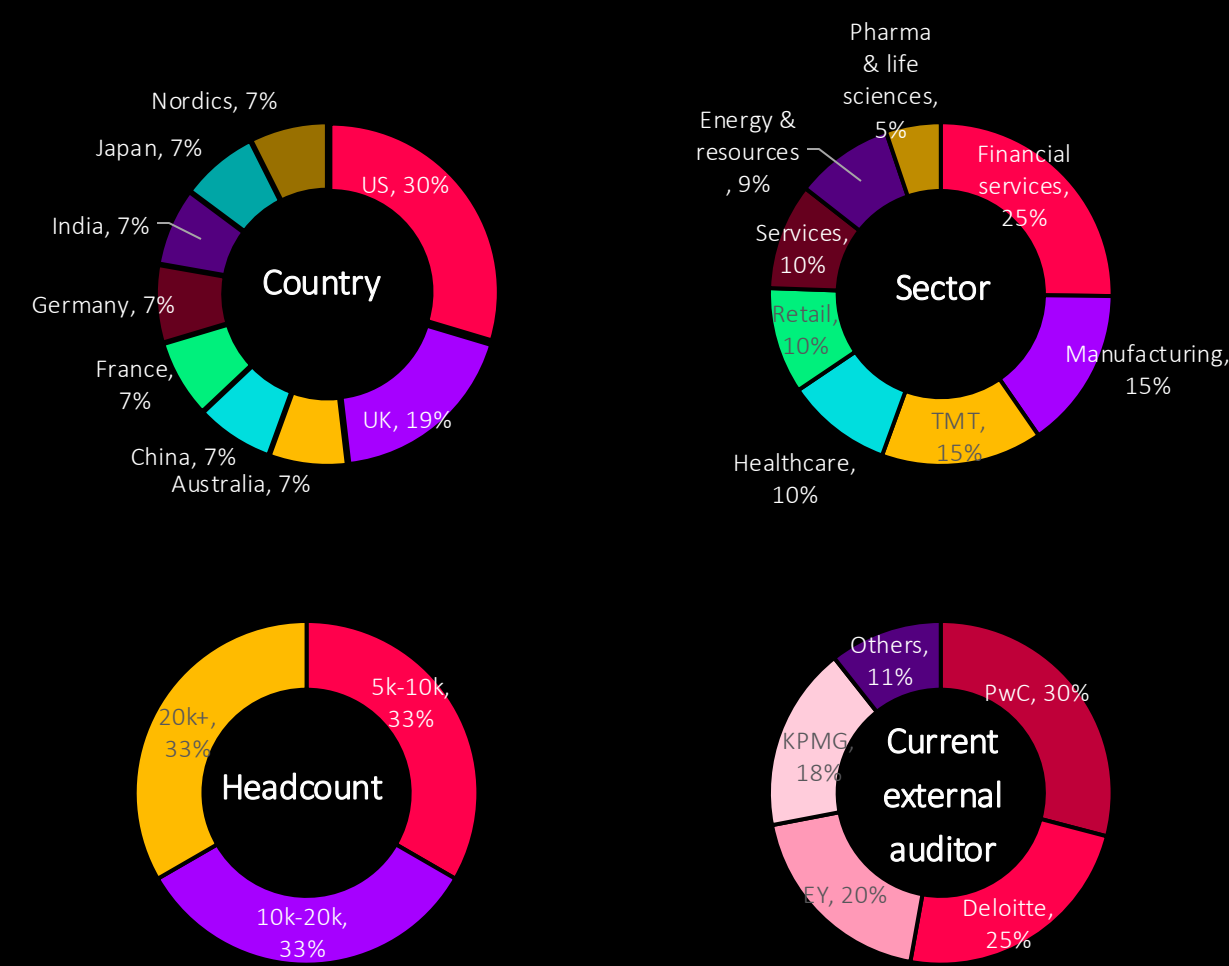
Since 2018, we've written three reports researching clients' views about the future of the audit industry. Initially, this focused on technology and the potential for new entrants from the tech world to enter the market and take on parts of the audit process. We've since expanded our research to also investigate how AI in particular is changing audit, and what clients think about the potential impact of private equity investment in the audit industry.

# Our methodology

We surveyed 270 senior buyers of external audit, with a focus on more developed professional services markets. This is different from research in previous years, which covered just the US and UK. Respondents came from a mix of industries, with two thirds coming from organisations with more than 10,000 employees. Half of respondents are from publicly listed companies, and half from private companies.

The research was carried out in May 2025.

## Breakdown of the sample by...



# What are clients saying?

## ① Clients are looking for high-quality audits, which technology can help deliver

Clients are most likely to consider changing auditor in order to improve audit quality, but also for better technology, which is linked to improving audit quality. Things like better tools for analysing data and using data in real time are things clients are looking for to improve quality. However, clients trust the Big Four over mid-tier firms to carry out a high-quality audit, so mid-tier firms will struggle to win new clients from the Big Four.

## ② Clients recognise the risks and benefits of PE investment, but broadly think the benefits outweigh the risks

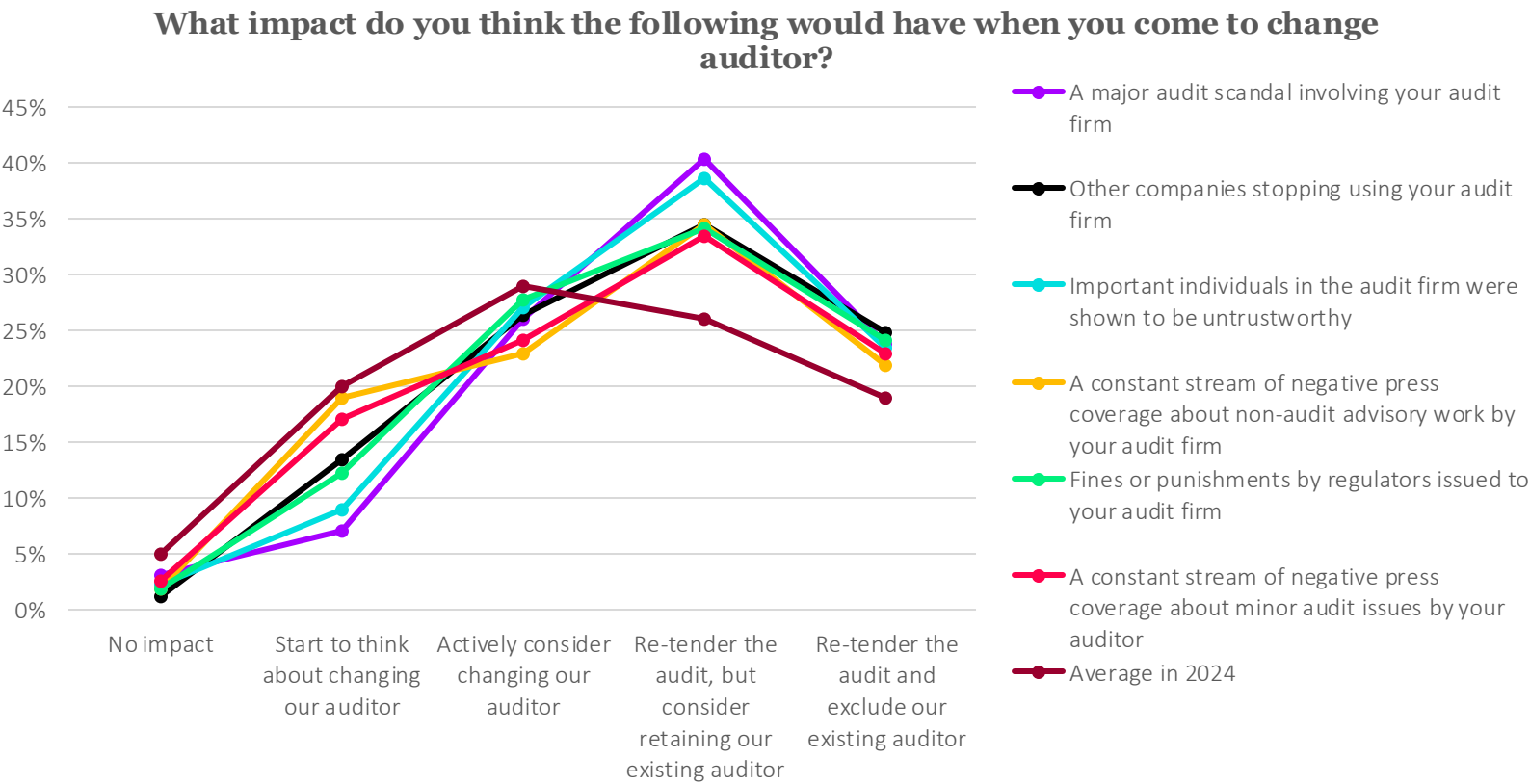
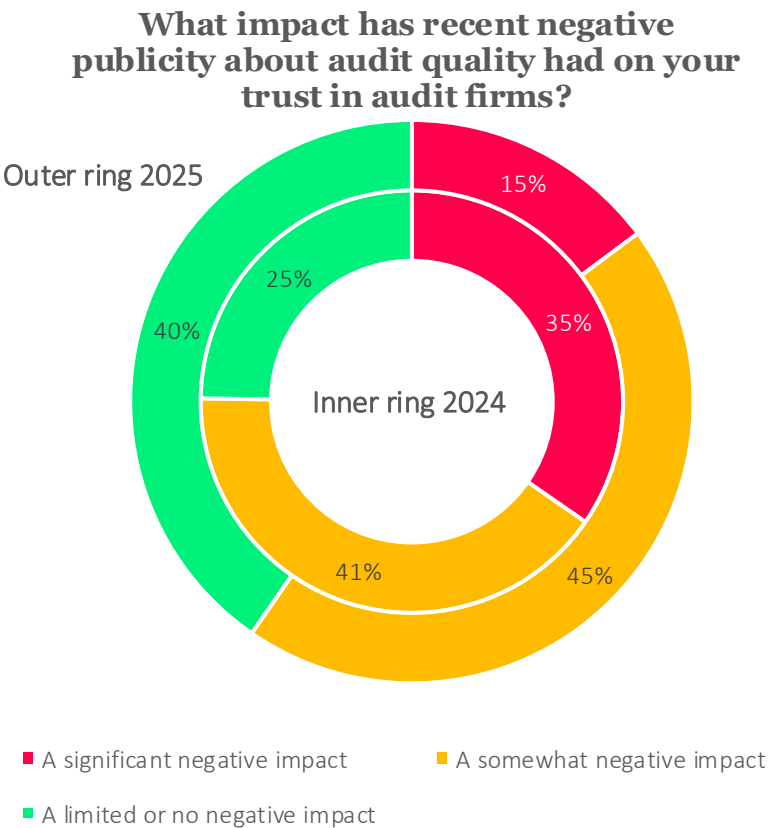
## ③ AI is expected to have an impact, but there's more scepticism and some downward pressure on fees




01

# **Clients are looking for high-quality audits**

**While negative publicity is having less of a negative impact, clients are more likely to re-tender an audit as a result of bad news about their auditor. It could be that recently clients have seen fewer audit-related scandals, but when they do, they're inclined to have a stronger reaction in order to ensure a high-quality audit**





A low-angle, upward-looking perspective of several modern skyscrapers with glass facades, reaching towards a clear blue sky. The buildings are arranged in a way that creates a sense of height and scale. The glass reflects the sky and each other, creating a complex pattern of light and shadow.

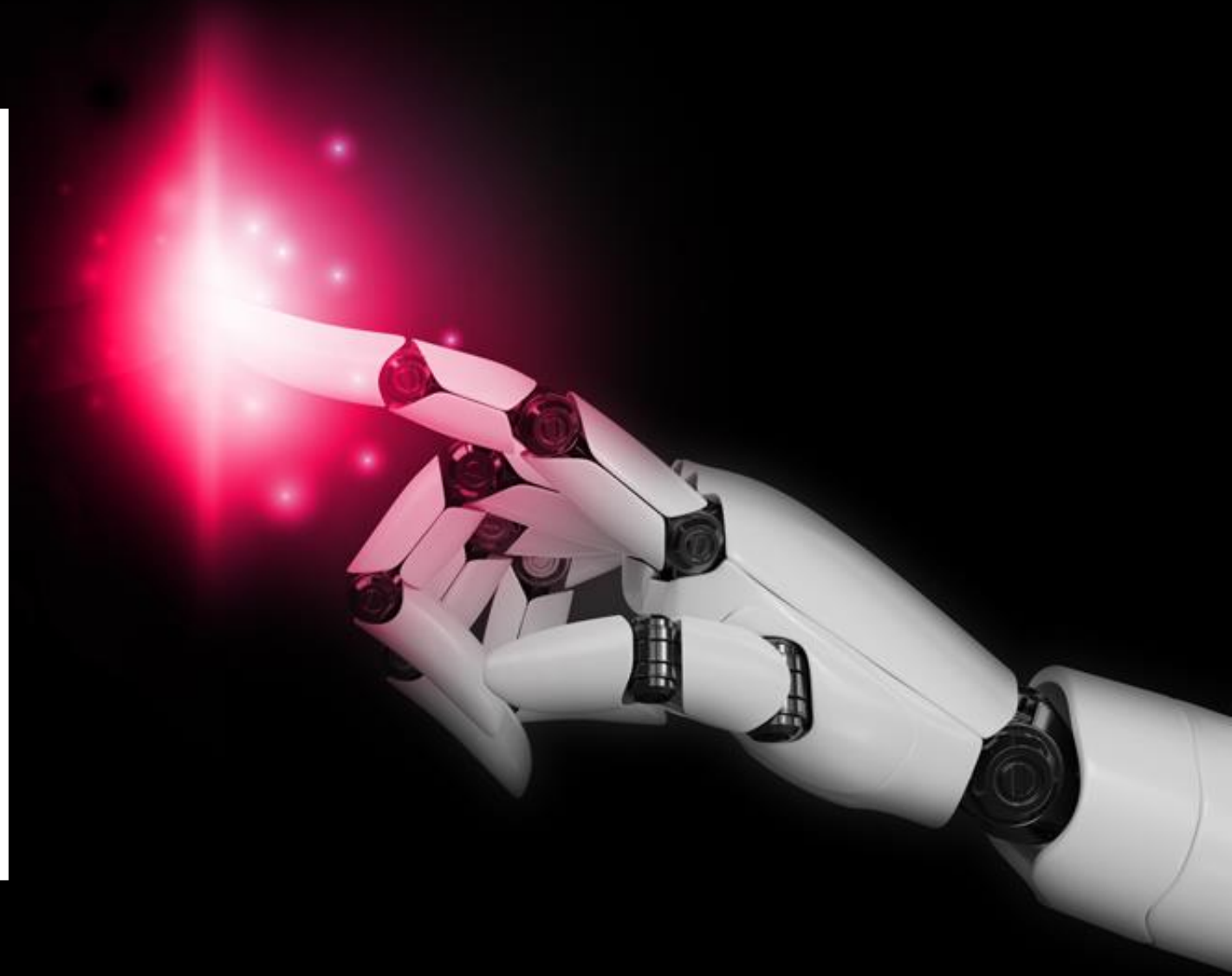
02

# The benefits of PE investment outweigh the risks



# **03**

## **AI is expected to have an impact**





# Meet the experts

## Fiona Czerniawska

Fiona is the Founder and CEO of Source. She's one of the world's foremost commentators on the global professional services and consulting industry.

Before starting Source, she had almost 20 years' experience as a management consultant, primarily working in the areas of marketing and strategy, initially with PwC, before moving on to be Head of Strategy and Business Planning for EY in the UK.

She's the author of a dozen books, including *Business Consulting: A Guide to How it Works and How to Make it Work* and *Buying Professional Services*, both of which were published by The Economist.



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## Martin White

Martin is a Principal Consultant. He is an experienced writer and analyst, he helps professional services firms to understand how they're perceived in the market across multiple lines of business, including consulting, risk advisory, tax advisory, and audit. His recent work with Source includes authoring a number of Client Perceptions Studies, and leading on brand benchmarking exercises, analysis of market trends, message testing projects, and conducting research involving extensive interviews, surveys, and focus groups.

He regularly appears on the Source podcast, *The Future of the Firm*, and has been quoted in publications including *Accountancy Today*, the *Wall Street Journal*, and the *Financial Times*.



**Martin White**

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# About us

**We help professional services firms **understand what really matters** when facing decisions of vital importance.**

The best decisions are based on evidence, objectivity, and a willingness to change. That's why, at Source, we tell you what you need to hear, rather than what you want to hear.

We draw upon our deep roots within the professional services sector to provide firms with a clear picture of their clients' worlds. Through comprehensive research and meticulous analysis, we pinpoint what truly matters and deliver actionable insights that help firms map out the right way forward.

We believe in thriving individually and succeeding together. And we would love to help your firm crack its latest conundrum.

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# Publication schedule for 2025

2025		Market Trends Reports	Market Trends Briefings	Client Perception Studies	Emerging Trends Programme	White Space Reports	White Space Insights
Q1	January	Forecasts for 2025 UK US GCC France		UK US GCC France			Featured thought leadership (monthly) Quarterly webinar series
	February				Pricing: Expectations vs. Reality		
	March					Quality Ratings Report (QRR)	
Q2	April	Nordics DACH Australia East Asia South East Asia Africa	India South America	Germany Australia China Japan Retail Energy & Resources Financial Services Technology, Media & Telecoms	What's next for people, HR & change consulting?		Featured thought leadership (monthly) Quarterly webinar series
	May						
	June				Client attitudes to AI and barriers to implementation today	Client Perceptions of Thought Leadership	
Q3	July	Energy & Resources Financial Services Technology, Media & Telecoms Sustainability	Healthcare & Pharma	Risk Tax			Featured thought leadership (monthly) Quarterly webinar series
	August				ET4		
	September					Thought Leadership Innovation	
Q4	October	Tax Risk Technology Planning for Growth in 2026	Public Sector	Audit Technology	ET5		Featured thought leadership (monthly) Quarterly webinar series
	November						
	December				ET6 What Clients Will Want in 2026	Hot Topic Report	