



# 2014 Global Audit Committee Survey

KPMG's  
Audit Committee  
Institute

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**KPMG**  
cutting through complexity

# About the 2014 Survey

To help identify the pressing challenges and concerns that are top of mind for audit committees today, KPMG's 2014 Global Audit Committee Survey captures the views of nearly 1,500 audit committee members around the world on a range of timely issues—from the top challenges facing companies in the year ahead and the audit committee's increasing workload, to corporate performance, the effectiveness of the CFO and finance organization, and the quality of the information directors receive about the company's key risks.

As highlighted in the following pages, our survey identifies broad international trends and provides detailed country data on audit committee challenges and concerns in different geographies. Generally, we continue to find that audit committees in countries where corporate governance and audit committee practices are more deeply rooted tend to be more confident in their oversight; yet, audit committee members in every country we surveyed cite opportunities for improvement.

Audit committees have a unique perspective on the risks facing the business; their vantage point sheds important light for the full board—as well as management and auditors. As directors help guide their companies forward in the challenging months ahead, our survey findings can serve as an important tool for benchmarking current practices, identifying gaps and emerging risks, and sparking robust conversations about how audit committees and boards can strengthen their oversight and keep pace in an increasingly complex and fast-changing world.

*KPMG's Audit Committee Institute*



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# Key Findings



## Regulation, uncertainty and volatility, and operational risk are top challenges today.

Perhaps not surprisingly, most audit committees around the world point to regulation and the impact of public policy initiatives, economic and political uncertainty, and operational risk and controls as the risks posing the greatest challenges for their companies.



## The audit committee's job continues to grow more difficult.

Nearly half of audit committee members indicate that, given the audit committee's expertise and heavy agenda, it is "increasingly difficult" to oversee major risks—e.g., cyber risk and IT, the risk management processes, and global compliance—in addition to the committee's core responsibilities. A significant number of others said their board has recently reallocated or rebalanced risk responsibilities or created a new committee to address specific risks (or may consider doing so in the near future).



## The quality of information about cyber risk, technology and innovation, and global systemic risk is falling short.

While audit committees rate much of the information they receive about key risks facing the company—legal/regulatory compliance, operational risk, public policy developments—as "good" or "generally good," many say information about cyber security, emerging technologies, and the company's growth and innovation plans needs improvement. Audit committees also want to better understand the company's global systemic risks and supply chain dependencies.



## Most companies don't have a CFO succession plan in place.

Only about 40 percent of survey respondents said their company has a formal succession plan in place for the CFO—and clear performance objectives to evaluate the CFO's performance. Audit committees would like to see the CFO contributing more to the company's strategy and risk management efforts, as well as "developing talent and bench strength."



## Leading indicators and non-financial drivers of long-term performance are often elusive.

Measuring and monitoring key *non-financial* drivers of long-term performance—particularly talent, innovation, and brand reputation—continues to pose challenges for many companies, as does identifying "leading indicators" that show where the company is headed and whether its strategy is on track.



## Internal audit should also be looking at risk management, IT, and operational risk—but may lack necessary skills and resources.

More than 80 percent of survey respondents said internal audit's role should extend beyond the adequacy of financial reporting and controls, to include other key risks facing the business; however, only 50 percent said internal audit currently has the skills and resources to be effective in the role they envision.

**Q1. From your perspective as an audit committee member, which of the following risks (aside from financial reporting risk) pose the greatest challenges for your company? (select three)**

**Q2. For the three risks you selected in the previous question, are you satisfied that the audit committee and/or board devotes sufficient agenda time?**

	Q1	Q2 YES % NO %		Q1	Q2 YES % NO %
Government regulation/impact of public policy initiatives	48%	Y N	Pace of technology change (e.g., emerging technologies, mobile, social media, data analytics, cloud computing)	22%	Y N
Uncertainty and volatility (economic, political/social instability)	47%	Y N	Possible disruption to the business model	20%	Y N
Operational risk/control environment	39%	Y N	Cyber security – including data privacy and protection of intellectual property	18%	Y N
Legal/regulatory compliance	33%	Y N	Global systemic risk (pandemic, social unrest, political instability)	9%	Y N
Talent management and development	26%	Y N	Supply chain risk	6%	Y N
Growth and innovation (or lack of innovation)	24%	Y N	Tax risk	5%	Y N
			Other	3%	Y N

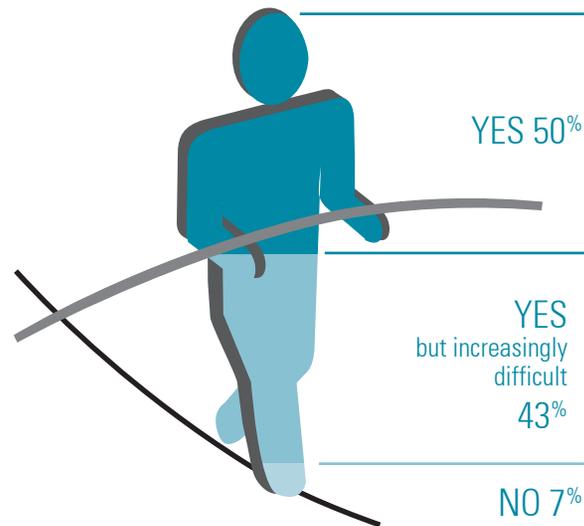
# Audit Committee's Workload and Agenda

Nearly half of audit committee members indicate that, given the audit committee's expertise and heavy agenda, it is "increasingly difficult" to oversee major risks—e.g., cyber risk and IT, the risk management processes, global compliance, and financial risks—in addition to the committee's core responsibilities. A significant number said their board has recently reallocated or rebalanced risk responsibilities or created a new committee to address specific risks—or may consider doing so in the near future.

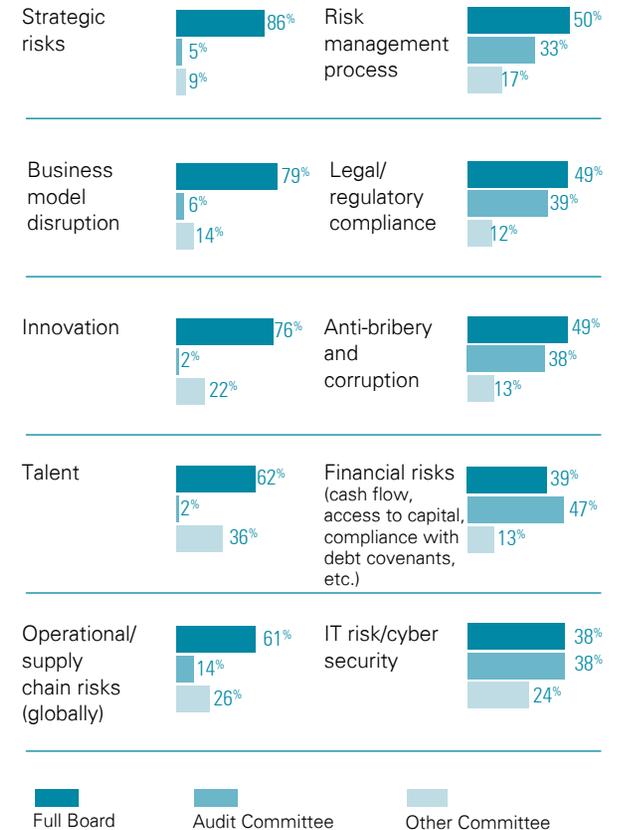
Many audit committees today report that they have *primary* responsibility for a host of major business risks in addition to financial reporting and internal controls—from legal/regulatory compliance and financial risk, to IT risk, cyber security, and the risk management processes. The extent of audit committee responsibilities for oversight of various risks is notably higher in the U.S. (see Country Data, page 18). Globally, one in four say they have recently reallocated/rebalanced risk oversight responsibilities in light of the changing business and risk environment, and nearly as many have created a new committee to focus on risk (12 percent), or a specific category of risk—such as compliance (5 percent) or technology (4 percent).

While there is some support for providing investors and others with more insight into how the audit committee carries out its responsibilities—particularly its oversight of the audit and its role in risk governance—many audit committees do not favor providing additional information.

### Q3. Are you satisfied that your audit committee has the time and expertise to oversee the major risks on its agenda in addition to carrying out its core oversight responsibilities?



### Q4. Who has primary responsibility for each of the following categories of risk?



“Frankly, we don’t do a good job of communicating what we do. The public doesn’t see all the work we do, quarter after quarter.”  
 – Audit committee chair

**Q5. In addition to “financial expertise,” what other in-depth experience or expertise currently resides on your audit committee? (Select all that apply)**



**Q6. What changes, if any, has your board/board committees implemented recently in light of increased complexity in the business, risk, and regulatory environment? (Select all that apply)**



**Q7. In what areas would you favor additional reporting/communication from the audit committee to investors – whether posted on the company’s website, included in the proxy, or communicated via other channels – to provide more insight into the work of the audit committee? (Select all that apply)**



**Considerations Going Forward**

- Given the substantial time commitment required by the audit committee’s core oversight responsibilities, does the committee have the time and expertise to be responsible for major categories of risk “beyond the core”?
- In light of the increased complexity of the business and risk environment, consider whether risk oversight responsibilities need to be rebalanced.

- Is the audit committee’s agenda prioritized to focus on the most important oversight issues and critical challenges facing the company? Consider whether sufficient meeting time is devoted to substantive discussion of priority issues (versus listening to presentations).
- As needed, leverage additional resources, expertise, and perspectives—particularly in the areas of risk and

- emerging technology—including from internal and external auditors, and third-party experts.
- Take a hard look at the audit committee’s effectiveness: Is the committee’s self-assessment process meaningful and does it lead to improvements? Consider the committee’s composition, independence, and leadership: Is there a need for a “fresh set of eyes,” or a greater diversity of views?

# Risk and Information Quality

While audit committees rate much of the information they receive about key risks facing the company—legal /regulatory compliance, operational risk, public policy developments—as “good” or “generally good,” many say information about cyber security, emerging technologies, and the company’s growth and innovation plans needs improvement. Audit committees also want to better understand the company’s global systemic risks and supply chain dependencies.

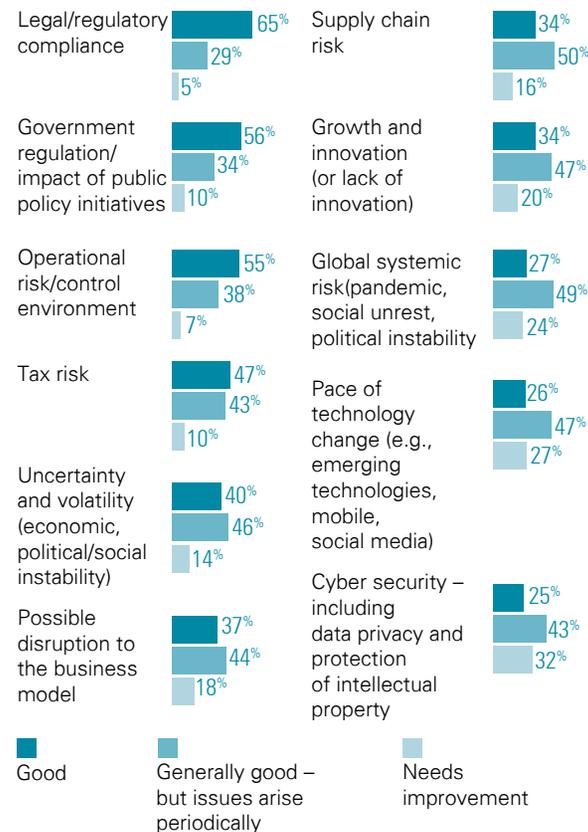
Only 25 percent said the information they receive about cyber security and the impact of emerging technologies is consistently good; and approximately half of respondents expressed at least some concern about the timeliness, credibility, clarity, and volume of information they receive about key risks facing the company.

Rating their knowledge of various aspects of the business, audit committee members are *least* comfortable in their understanding of current and emerging technologies issues, and operations/supply chain dependencies. Nearly 90 percent said their understanding of the company’s risk management process is “good” (54 percent) or “excellent” (34 percent). And while more than half said their audit committee has an “excellent” understanding of the company’s critical accounting judgments and estimates, the balance of respondents said their understanding was “good” (42 percent) or “limited” (5 percent).

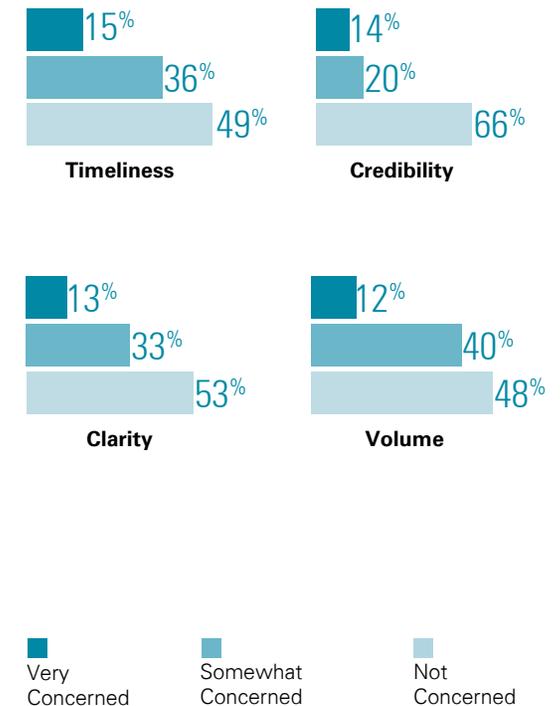
Most audit committees, as a matter of routine, obtain information and perspectives from independent sources—frequently from industry experts or external auditors—about industry dynamics, technology developments, critical risks facing the company, and other issues.

Risks and developments that many audit committees say they “could have been better prepared to respond to” over the past year: significant regulatory or public policy changes, ethics/compliance and internal control issues, new competition or business model disruption, technology developments, and M&A activity.

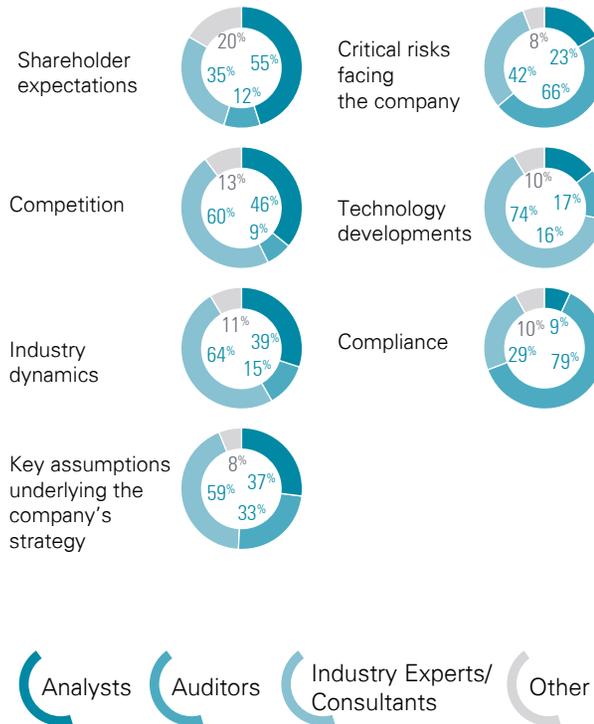
## Q8. Please rate the quality of the information you receive about the following risks and their potential impact on the company:



## Q9. How concerned are you that your audit committee’s/board’s ability to provide effective oversight is hampered by the clarity, timeliness, credibility, or volume of the information it receives?



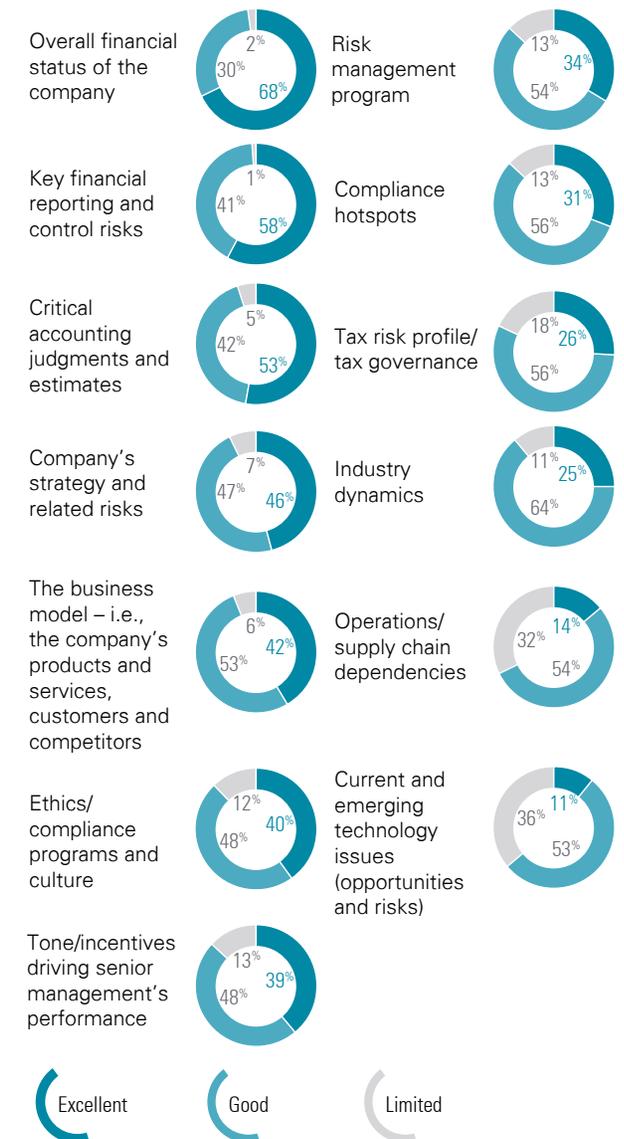
**Q10. Regarding which of the following issues does your board or audit committee, as a matter of routine, obtain information and perspectives from independent sources – and from whom? (Select all that apply)**



**Q11. Over the past several years, for which of the following could your company and board have been better prepared to respond to/address? (Select all that apply)**



**Q12. Please rate your understanding of the following aspects of the business:**



Excellent Good Limited

**Q13. From an audit committee perspective, what are your greatest concerns about pursuing international growth opportunities? (Select three)**



**Q14. How does your audit committee develop its understanding of the tone and ethical culture of the company? (Select all that apply)**



**Considerations Going Forward**

- Work with management to define or refine the audit committee's (and board's) information needs.
- Recognize when asymmetric risk—the over-reliance on senior management's information and perspective—is too high, and seek out independent sources of information and perspective.
- Is the audit committee (and board) hearing views from those below and beyond senior management – e.g., from middle management and business unit leaders, sell-side analysts and critics, and other third parties – about the risks and challenges facing the company? Are there dissenting views?
- Make time to visit company facilities and attend employee functions. Does the audit committee have a good sense of the culture in the company's global operations – far away from headquarters?
- Does the board have insight and foresight about the impact of new technologies on the business, the industry, and the competitive environment? Are discussions within the traditional boardroom structure sufficient? Do the board's oversight processes need to change to enable directors to think differently, provide insight, and help guide the company forward?
- Is management actively "listening to the conversation" on social media to better understand the risks, opportunities, and changing attitudes and perceptions about the company?

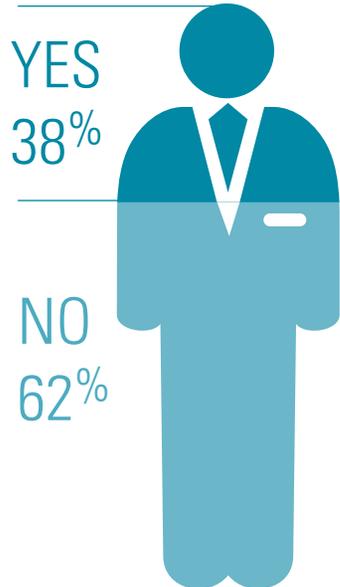
# CFO and Finance Organization

Only about 40 percent of survey respondents said their company has a formal succession plan in place for the CFO—and clear performance objectives to evaluate the CFO’s performance. Audit committees would like to see the CFO contributing more to the company’s strategy and risk management efforts, as well as “developing talent and bench strength.”

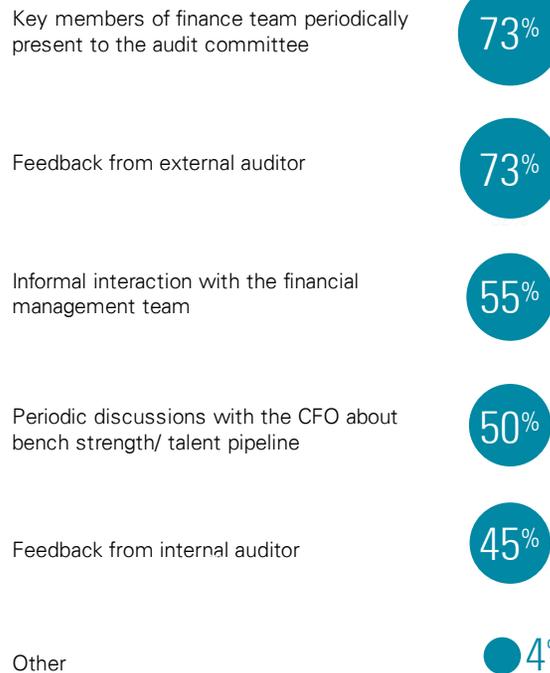
Most audit committees give high ratings to the transparency—i.e., communications and information flow—between the audit committee and the CFO, though many said they would like to hear about financial risk, treasury, and tax issues in more depth.

The top three factors that “most detract from the effectiveness of the CFO and finance organization”: budget/resources, skills, and pressures to meet budget targets or analyst estimates.

## Q15. Does your company have a formal succession plan for the CFO?



## Q16. How does your audit committee gain visibility into the “next level” of management within the finance organization, below the CFO? (Select all that apply)



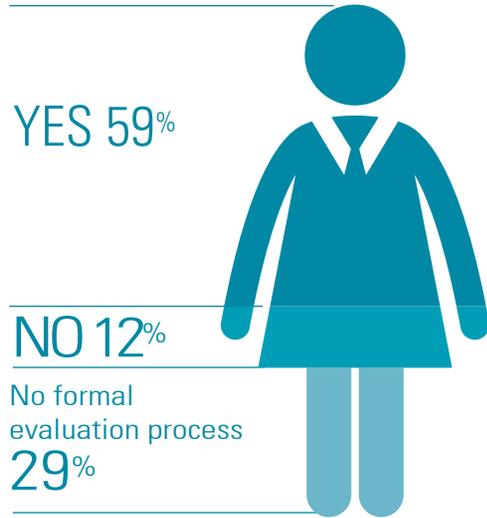
## Q17. Which of the following pose the greatest challenges for your CFO/finance organization? (Select three)\*



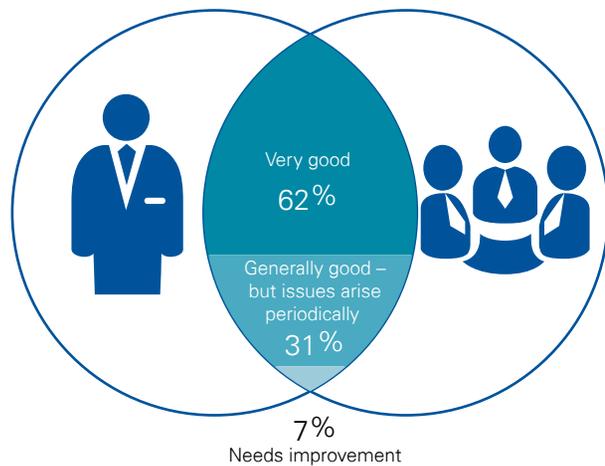
*\*Not surprisingly, three quarters of respondents identified “maintaining the quality of the company’s financial reporting and related control processes” as an ongoing challenge.*

“The CFO role is as critical today as the CEO. Not having a clear CFO succession plan in place is a major risk for any company.”  
– Audit committee chair

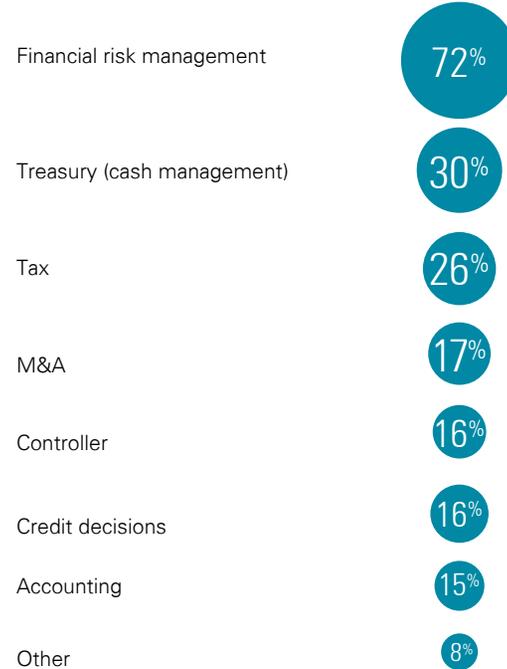
**Q18. Does the evaluation process for the CFO include clear performance objectives against which the CFO's performance is rigorously evaluated?**



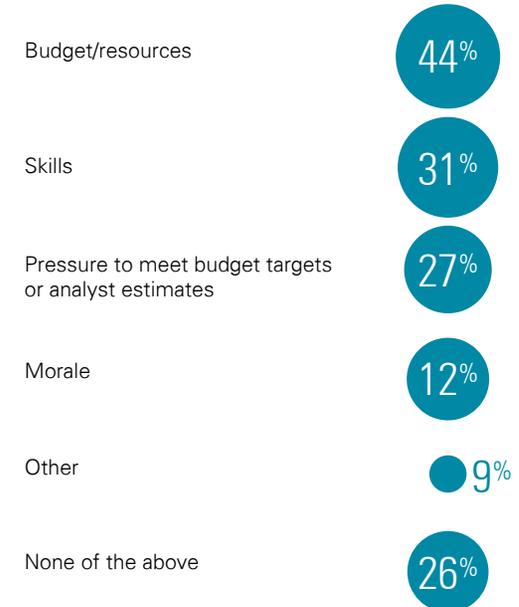
**Q19. How would you describe the level of transparency – i.e., communications and information flow – between the audit committee and CFO/finance team?**



**Q20. Which aspects of the finance organization's work would you like to hear about in *more depth*? (Select two)**



**Q21. Which of the following detract from the effectiveness of your CFO/finance organization, and potentially pose a risk to the quality and integrity of the company's financial reporting? (Select all that apply)**



**Considerations Going Forward**

- Recognizing that financial reporting quality starts with the CFO and finance organization, maintain a sharp focus on leadership and talent and make sure they have the resources to succeed.
- Make sure there's a formal CFO succession plan in place; and establish clear performance objectives against which the CFO's performance can be rigorously assessed and continually improved.

- Gain visibility into the level below the CFO—through both formal and informal interaction—to understand and groom the finance organization's bench strength.
- Encourage the CFO/finance organization to maintain their focus on the company's *long-term* performance. What are the "leading indicators" that show whether the company's strategy is on track?

# Corporate Performance

Measuring and monitoring drivers of long-term corporate performance—particularly key non-financial drivers such as talent, innovation, and brand reputation—continues to pose challenges for many companies, as does identifying “leading indicators” that show where the company is headed and whether its strategy is on track.

Most survey respondents express confidence in their company’s monitoring of the two important non-financial drivers of long-term performance—“customer satisfaction” and “operational efficiency.” However, there is markedly less confidence in how companies are measuring and monitoring other key non-financial performance indicators, particularly talent management, brand reputation, innovation, and employee commitment.

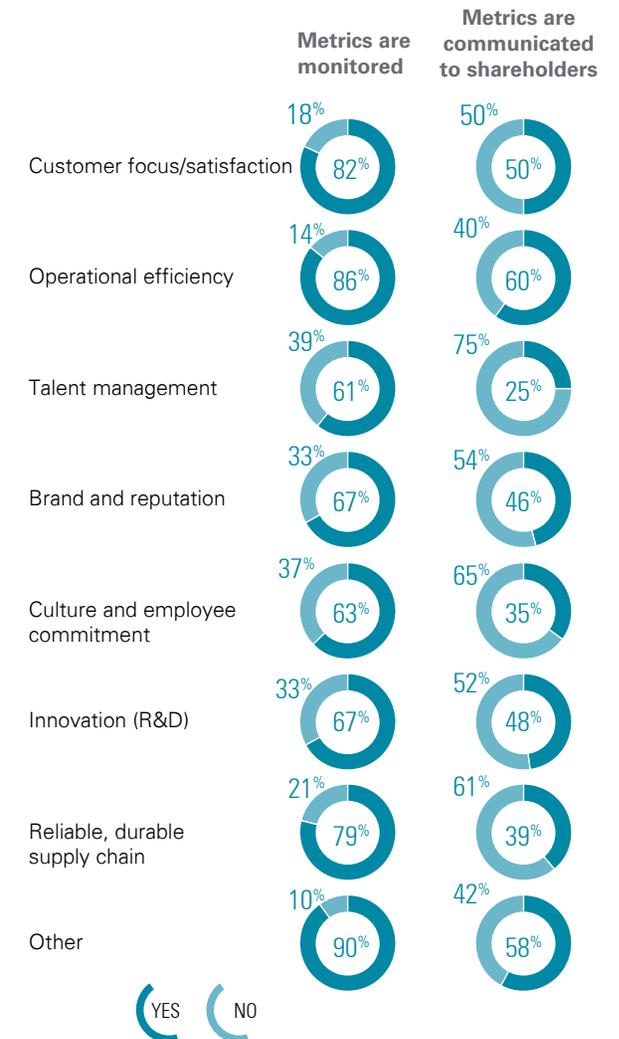
Nearly 40 percent of survey respondents said they are not satisfied that the company has identified appropriate “leading indicators” (versus lagging indicators financial performance and operational efficiency) that show whether the strategy is being implemented as planned.

While more than half said they believe the company’s approach to executive compensation “clearly supports a focus on long-term performance,” nearly a quarter are “not sure.” Most audit committees have at least some involvement overseeing the company’s compensation plans, although more than 20 percent said the audit committee is not involved in overseeing compensation-related risk.

## Q22. What nonfinancial drivers of long-term value are most important to the successful execution of your company’s strategy? (Select three)



## Q22b. For the three most important nonfinancial drivers of long-term value that you selected in the previous question, are the metrics for those value drivers monitored and communicated to shareholders?



**Q23. Are you satisfied that your company has identified appropriate “leading indicators” (as opposed to “lagging indicators” measuring financial and operational performance) to show whether the strategy is being implemented as planned?**



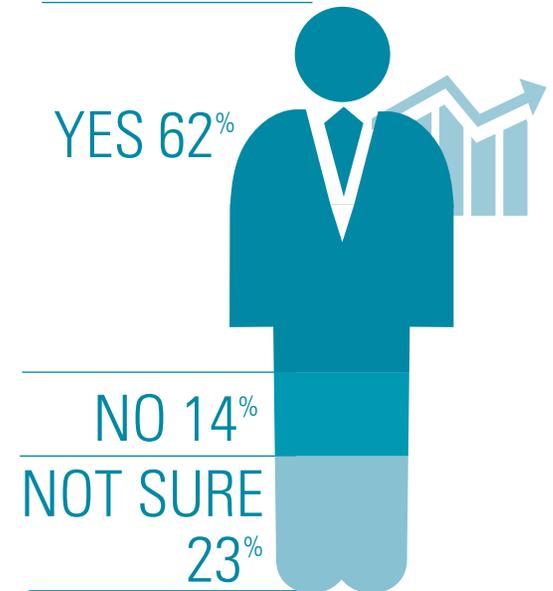
**Considerations Going Forward**

- What are the company’s most important performance metrics? What are the key *non-financial* drivers of long-term value for the enterprise?
- What are the important leading indicators—to tell us whether the company’s strategy is being implemented as planned?
- Is the company too focused on lagging indicators – e.g., “rear view mirror” indicators measuring financial and operational performance? What is the right balance between leading and lagging indicators?
- Do the company’s culture and compensation incentives drive a long-term focus?
- Can disclosures be improved to tell the company’s story—perhaps going beyond what’s required to provide a clear picture not only of the company’s recent performance, but where it’s headed and the key risks it faces?

**Q24. In what areas is your audit committee involved in helping to address the risks associated with the company’s compensation plans? (Select all that apply)**



**Q25. Does the company’s current approach to executive compensation/incentives clearly support a focus on the company’s long-term performance?**



“The board’s role is to help alleviate the pressure on management for short-term results – by setting the right tone, focusing on the durability of the business model, and ensuring that the company is communicating its long-term focus to investors.”  
 – Audit committee chair

# Internal Audit's Role

More than 80 percent of survey respondents said internal audit's role should extend beyond the adequacy of financial reporting and controls, to include other key risks facing the business; however, only 50 percent said internal audit currently has the skills and resources to be effective in the role they envision.

Those who do support an expanded role for internal audit said that in the year ahead they would like the internal audit function to devote more time to risk management processes, IT risk and data management, and operational risks.

Nearly 20 percent said internal audit's responsibilities should not extend beyond financial reporting and controls.

**Q26. Should internal audit's role/responsibilities extend beyond the adequacy of financial reporting and controls, to include other major risks and challenges facing the company?**

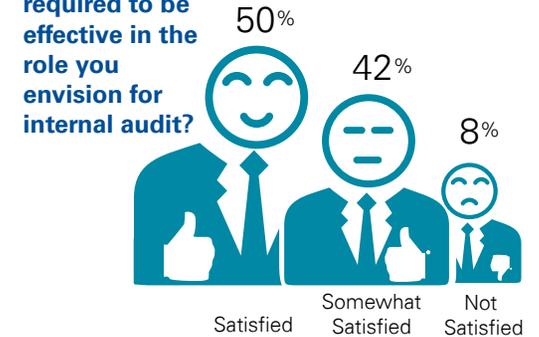


“The pressure on the head of internal audit has changed, and that raises a critical question: Is the staffing appropriate to handling strategic or business risk evaluation?”  
 – Audit committee chair

**Q26b. In the year ahead, in which of the following areas would you like your internal audit function to devote more of its time and/or sharpen its focus? (Select all that apply)**



**Q27. How satisfied are you that your internal audit function has skills and resources required to be effective in the role you envision for internal audit?**



**Considerations Going Forward**

- Leverage internal audit as a barometer of the company's financial health—helping the audit committee understand the quality of financial controls, processes, and people.
- Consider the need to refine internal audit's role, potentially sharpening internal audit's focus on key areas of risk and the adequacy of the company's risk management processes generally.
- Recognize that internal audit is most effective when it is focused on the critical risks to the business, including key operational risks and related controls—not just compliance and financial reporting risks. What's changed in the operating environment? What are the risks posed by the extended (global) organization—sourcing, outsourcing, sales and distribution channels?
- Set clear expectations and assess whether internal audit has the resources, skills, and expertise to succeed in the role that management and the board envision for internal audit.

# Survey Methodology and Demographics

This survey report is based on responses from approximately 1,500 audit committee members in 34 countries, between September and November 2013. All survey respondents serve on the audit committee, or equivalent supervisory board, of at least one company. Respondents were asked to answer survey questions based on the largest company, by revenue, they represent.

## Q28. Please select the type of entity for which your responses have been based:



Public company



Private company – Private equity



Not-for-profit



Private company – Family owned

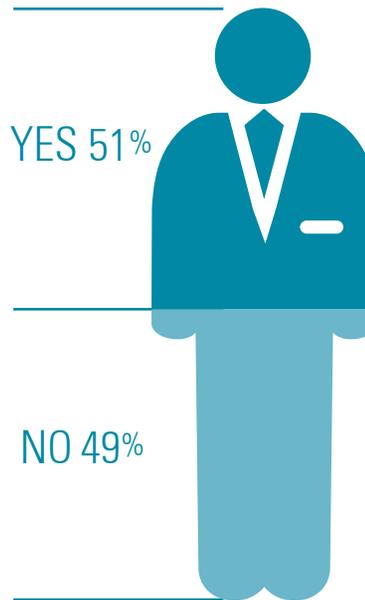


Government entity



Private company – Venture capital

## Q29. Are you the audit committee chair?



## Q30. What is the annual revenue of the largest company for which you serve as an audit committee member?

Less than \$250 million



\$250 million to less than \$500 million



\$500 million to less than \$1 billion



\$1 billion to less than \$1.5 billion



\$1.5 billion to less than \$5 billion



\$5 billion to less than \$10 billion



\$10 billion or more



Not applicable



**Q31. What is the company's primary industry?**



**Participating Countries**

- |                 |                |
|-----------------|----------------|
| Australia       | Mexico         |
| Austria         | Namibia        |
| Bahrain         | Netherlands    |
| Belgium         | New Zealand    |
| Bermuda         | Nigeria        |
| Brazil          | Peru           |
| Canada          | Portugal       |
| Chile           | Qatar/Bahrain  |
| China/Hong Kong | Russia         |
| Denmark         | Singapore      |
| India           | Slovenia       |
| Ireland         | Spain          |
| Israel          | Switzerland    |
| Japan           | Taiwan         |
| Korea           | Thailand       |
| Luxembourg      | United Kingdom |
| Malaysia        | United States  |



# Country Data

The following pages contain data from countries that received at least 20 survey responses. Survey data from all 34 participating countries are included in the “global” column.

## Key Areas Of Focus/Concern

**Q1. From your perspective as an audit committee member, which of the following risks (aside from financial reporting risk) pose the greatest challenges for your company? (Select three)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Government regulation/impact of public policy initiatives	48%	49%	53%	40%	52%	29%	69%	41%	53%	59%	48%	56%	50%	36%	32%	50%	52%	55%
Uncertainty and volatility (economic, political/social instability)	47%	45%	46%	50%	50%	37%	45%	59%	33%	59%	37%	74%	54%	45%	59%	55%	52%	70%
Operational risk/control environment	39%	32%	50%	46%	29%	28%	43%	43%	40%	26%	52%	30%	46%	41%	77%	36%	43%	40%
Legal/regulatory compliance	33%	35%	33%	28%	27%	31%	33%	43%	37%	44%	41%	26%	31%	27%	23%	36%	33%	20%
Talent management and development	26%	28%	23%	36%	24%	27%	6%	30%	27%	37%	22%	30%	12%	23%	36%	23%	10%	25%
Growth and innovation (or lack of innovation)	24%	24%	21%	19%	24%	49%	25%	7%	30%	19%	15%	22%	19%	14%	14%	23%	33%	30%
Pace of technology change (e.g., emerging technologies, mobile, social media, data analytics, cloud computing)	22%	26%	18%	26%	11%	17%	18%	27%	33%	4%	30%	22%	19%	41%	9%	18%	19%	10%
Possible disruption to the business model	20%	18%	22%	19%	17%	31%	14%	20%	27%	30%	41%	19%	35%	41%	18%	14%	0%	30%
Cyber security – including data privacy and protection of intellectual property	18%	27%	16%	11%	22%	7%	18%	11%	7%	7%	7%	4%	12%	18%	18%	9%	10%	0%
Global systemic risk (pandemic, social unrest, political instability...)	9%	6%	5%	8%	17%	23%	14%	11%	7%	4%	4%	7%	4%	0%	0%	14%	24%	15%
Supply chain risk	6%	4%	8%	6%	12%	11%	8%	0%	7%	7%	4%	4%	8%	0%	0%	5%	14%	0%
Tax risk	5%	3%	3%	6%	11%	1%	2%	7%	0%	4%	0%	4%	12%	5%	9%	9%	5%	0%
Other	3%	3%	4%	5%	2%	9%	6%	0%	0%	0%	0%	4%	0%	9%	5%	9%	5%	5%
n	1420	490	120	145	82	75	51	44	30	27	27	27	26	22	22	22	21	20

**Q2. For the three risks you selected in the previous question, are you satisfied that the audit committee and/or board devotes sufficient agenda time?**

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Government regulation/impact of public policy initiatives	Yes	79%	78%	89%	83%	60%	50%	82%	89%	100%	100%	77%	100%	62%	88%	83%	82%	64%	82%
	No	21%	22%	11%	17%	40%	50%	18%	11%	0%	0%	23%	0%	38%	13%	17%	18%	36%	18%
Uncertainty and volatility (economic, political/social instability)	Yes	67%	68%	69%	81%	43%	64%	55%	72%	78%	88%	50%	90%	71%	50%	46%	64%	73%	57%
	No	33%	32%	31%	19%	58%	36%	45%	28%	22%	13%	50%	10%	29%	50%	54%	36%	27%	43%
Operational risk/control environment	Yes	80%	78%	86%	78%	48%	95%	68%	84%	92%	100%	86%	100%	92%	89%	75%	63%	100%	88%
	No	20%	22%	14%	22%	52%	5%	32%	16%	8%	0%	14%	0%	8%	11%	25%	38%	0%	13%
Legal/regulatory compliance	Yes	88%	91%	92%	85%	60%	91%	88%	95%	100%	100%	90%	100%	88%	100%	100%	63%	71%	75%
	No	12%	9%	8%	15%	40%	9%	12%	5%	0%	0%	10%	0%	13%	0%	0%	38%	29%	25%
Talent management and development	Yes	49%	54%	32%	62%	20%	55%	0%	31%	29%	60%	83%	63%	33%	60%	50%	50%	50%	0%
	No	51%	46%	68%	38%	80%	45%	100%	69%	71%	40%	17%	38%	67%	40%	50%	50%	50%	100%
Growth and innovation (or lack of innovation)	Yes	57%	60%	67%	67%	20%	57%	25%	100%	56%	60%	100%	80%	40%	33%	100%	67%	100%	67%
	No	43%	40%	33%	33%	80%	43%	75%	0%	44%	40%	0%	20%	60%	67%	0%	33%	0%	33%
Pace of technology change (e.g., emerging technologies, mobile, social media, data analytics, cloud computing)	Yes	56%	63%	67%	39%	44%	15%	78%	64%	70%	0%	29%	83%	40%	33%	50%	50%	75%	0%
	No	44%	37%	33%	61%	56%	85%	22%	36%	30%	100%	71%	17%	60%	67%	50%	50%	25%	100%
Possible disruption to the business model	Yes	60%	56%	77%	61%	43%	43%	86%	89%	38%	75%	70%	100%	44%	78%	33%	33%	–	50%
	No	40%	44%	23%	39%	57%	57%	14%	11%	63%	25%	30%	0%	56%	22%	67%	67%	–	50%
Cyber security – including data privacy and protection of intellectual property	Yes	55%	57%	42%	31%	50%	60%	44%	60%	100%	100%	50%	0%	67%	75%	67%	100%	100%	–
	No	45%	43%	58%	69%	50%	40%	56%	40%	0%	0%	50%	100%	33%	25%	33%	0%	0%	–

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Global systemic risk (pandemic, social unrest, political instability...)	Yes	58%	50%	50%	58%	57%	59%	57%	75%	50%	100%	100%	50%	100%	–	–	67%	80%	33%
	No	42%	50%	50%	42%	43%	41%	43%	25%	50%	0%	0%	50%	0%	–	–	33%	20%	67%
Supply chain risk	Yes	67%	69%	67%	63%	40%	25%	75%	–	100%	100%	100%	100%	0%	–	–	100%	100%	–
	No	33%	31%	33%	38%	60%	75%	25%	–	0%	0%	0%	0%	100%	–	–	0%	0%	–
Tax risk	Yes	71%	77%	67%	44%	78%	100%	100%	100%	–	100%	–	0%	100%	100%	50%	100%	100%	–
	No	29%	23%	33%	56%	22%	0%	0%	0%	–	0%	–	100%	0%	0%	50%	0%	0%	–
Other	Yes	52%	83%	20%	86%	0%	43%	33%	–	–	–	–	0%	–	50%	–	0%	100%	0%
	No	48%	17%	80%	14%	100%	57%	67%	–	–	–	–	100%	–	50%	–	100%	0%	100%

May not equal 100% due to rounding  
\*Small base size; findings directional only.

### Audit Committee Workload/Effectiveness

**Q3. Are you satisfied that your audit committee has the time and expertise to oversee the major risks on its agenda in addition to carrying out its core oversight responsibilities?**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Yes	50%	53%	52%	58%	28%	38%	45%	45%	60%	67%	41%	74%	31%	43%	43%	48%	48%	35%
Yes – but increasingly difficult	43%	42%	43%	38%	47%	52%	45%	52%	40%	30%	48%	19%	65%	57%	43%	43%	19%	45%
No	7%	5%	5%	5%	25%	10%	10%	2%	0%	4%	11%	7%	4%	0%	14%	10%	33%	20%
n	1406	487	120	144	81	73	49	44	30	27	27	27	26	21	21	21	21	20

May not equal 100% due to rounding

**Q4. Who has primary responsibility for each of the following categories of risk?**

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Strategic risks	Full Board	86%	90%	91%	92%	70%	82%	88%	91%	93%	100%	81%	69%	96%	86%	81%	80%	61%	90%
	Audit Committee	5%	3%	5%	2%	11%	0%	2%	5%	7%	0%	8%	15%	0%	5%	0%	15%	22%	5%
	Other Committee	9%	7%	4%	6%	19%	18%	10%	5%	0%	0%	12%	15%	4%	10%	19%	5%	17%	5%
Business model disruption	Full Board	79%	84%	74%	85%	77%	75%	89%	63%	66%	100%	59%	81%	88%	68%	75%	76%	55%	90%
	Audit Committee	6%	5%	9%	6%	4%	0%	0%	12%	31%	0%	4%	4%	0%	16%	5%	5%	15%	0%
	Other Committee	14%	10%	17%	8%	19%	25%	11%	24%	3%	0%	37%	15%	12%	16%	20%	19%	30%	10%
Innovation	Full Board	76%	83%	73%	86%	50%	60%	83%	78%	82%	96%	63%	73%	84%	70%	55%	48%	70%	80%
	Audit Committee	2%	2%	0%	1%	3%	0%	2%	2%	7%	0%	0%	4%	0%	0%	0%	5%	10%	0%
	Other Committee	22%	15%	27%	13%	48%	40%	15%	20%	11%	4%	37%	23%	16%	30%	45%	48%	20%	20%
Talent	Full Board	62%	71%	65%	59%	45%	64%	70%	60%	38%	92%	63%	50%	62%	60%	35%	29%	60%	75%
	Audit Committee	2%	1%	2%	1%	4%	0%	2%	5%	0%	0%	0%	8%	0%	0%	0%	0%	10%	0%
	Other Committee	36%	28%	34%	40%	51%	36%	27%	35%	62%	8%	37%	42%	38%	40%	65%	71%	30%	25%
Operational/supply chain risks (globally)	Full Board	61%	69%	57%	63%	43%	60%	38%	58%	64%	92%	63%	58%	76%	81%	38%	29%	74%	75%
	Audit Committee	14%	12%	11%	18%	21%	0%	31%	13%	28%	0%	7%	12%	12%	0%	14%	19%	11%	15%
	Other Committee	26%	19%	32%	18%	36%	40%	31%	30%	8%	8%	30%	31%	12%	19%	48%	52%	16%	10%
Risk management process	Full Board	50%	55%	45%	53%	36%	60%	49%	40%	50%	65%	48%	37%	46%	14%	48%	65%	65%	65%
	Audit Committee	33%	34%	34%	33%	44%	3%	27%	26%	43%	35%	33%	19%	50%	62%	38%	30%	15%	20%
	Other Committee	17%	11%	20%	13%	20%	38%	24%	35%	7%	0%	19%	44%	4%	24%	14%	5%	20%	15%
Legal/regulatory compliance	Full Board	49%	49%	54%	46%	23%	54%	53%	56%	57%	73%	59%	48%	38%	33%	48%	48%	68%	70%
	Audit Committee	39%	42%	38%	41%	52%	14%	41%	30%	40%	27%	30%	37%	58%	48%	38%	29%	26%	20%
	Other Committee	12%	9%	8%	13%	25%	32%	6%	14%	3%	0%	11%	15%	4%	19%	14%	24%	5%	10%
Anti-bribery and corruption	Full Board	49%	46%	47%	53%	47%	53%	26%	42%	59%	77%	59%	59%	58%	52%	55%	33%	63%	65%
	Audit Committee	38%	45%	43%	31%	31%	6%	72%	33%	38%	19%	30%	26%	42%	38%	30%	43%	16%	30%
	Other Committee	13%	9%	10%	15%	22%	42%	2%	26%	3%	4%	11%	15%	0%	10%	15%	24%	21%	5%
Financial risks (cash flow, access to capital, compliance with debt covenants, etc.)	Full Board	39%	32%	39%	26%	34%	61%	63%	47%	40%	73%	48%	50%	50%	52%	38%	38%	74%	40%
	Audit Committee	47%	58%	43%	69%	36%	1%	15%	44%	53%	27%	37%	23%	50%	33%	52%	57%	16%	40%
	Other Committee	13%	9%	18%	5%	30%	38%	23%	9%	7%	0%	15%	27%	0%	14%	10%	5%	11%	20%
IT risk/cyber security	Full Board	38%	40%	38%	36%	21%	43%	52%	23%	34%	62%	52%	33%	52%	29%	21%	25%	70%	45%
	Audit Committee	38%	45%	38%	52%	42%	1%	26%	37%	52%	35%	15%	19%	44%	43%	32%	30%	20%	30%
	Other Committee	24%	14%	23%	13%	38%	56%	22%	40%	14%	4%	33%	48%	4%	29%	47%	45%	10%	25%
	n	1377	478	117	143	77	72	46	43	29	26	27	27	25	21	19*	20	20	20

May not equal 100% due to rounding  
 \* Small base size; findings directional only.

**Q5. In addition to “financial expertise,” what other in-depth experience or expertise currently resides on your audit committee? (Select all that apply)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Risk/risk management	61%	54%	69%	57%	68%	73%	68%	66%	67%	74%	44%	67%	58%	77%	86%	71%	71%	45%
Industry	59%	66%	73%	62%	36%	37%	34%	64%	80%	52%	78%	48%	65%	77%	71%	33%	57%	45%
Legal/regulatory compliance	58%	47%	58%	57%	69%	88%	70%	52%	63%	59%	56%	59%	62%	68%	67%	62%	76%	50%
M&A	39%	50%	41%	49%	27%	29%	30%	18%	37%	44%	22%	7%	38%	32%	38%	33%	14%	20%
International	32%	29%	44%	27%	12%	51%	18%	50%	40%	33%	48%	30%	46%	50%	29%	38%	48%	25%
Tax	27%	24%	25%	29%	47%	33%	26%	16%	13%	22%	11%	22%	19%	18%	24%	14%	38%	30%
Technology	26%	32%	23%	24%	14%	28%	30%	30%	20%	22%	19%	33%	23%	32%	5%	10%	19%	5%
Other	6%	8%	9%	3%	1%	11%	8%	2%	10%	4%	4%	7%	0%	9%	0%	5%	14%	0%
No additional expertise on the audit committee	4%	3%	3%	3%	7%	0%	4%	0%	3%	7%	4%	0%	8%	0%	0%	10%	10%	15%
n	1410	487	120	143	81	75	50	44	30	27	27	27	26	22	21	21	21	20

**Q6. What changes, if any, has your board/board committees implemented recently in light of increased complexity in the business, risk, and regulatory environment? (Select all that apply)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Reallocated/rebalanced risk oversight responsibilities among full board and board committees	26%	28%	28%	31%	19%	11%	19%	28%	37%	8%	4%	30%	12%	43%	33%	11%	43%	37%
Created new committee(s) to focus on specific category of issues/risks	22%	17%	29%	19%	22%	14%	28%	30%	23%	12%	37%	41%	4%	29%	10%	26%	48%	16%
Risk committee	12%	8%	16%	8%	10%	3%	13%	23%	3%	8%	30%	37%	0%	19%	0%	16%	48%	0%
Reduced the audit committee’s risk oversight responsibilities	7%	7%	10%	6%	1%	3%	2%	12%	7%	0%	7%	0%	4%	19%	5%	0%	33%	11%
Strategic planning committee	6%	5%	6%	5%	9%	0%	2%	5%	3%	0%	0%	15%	4%	0%	10%	11%	33%	5%
Compliance/ethics committee	5%	3%	4%	3%	4%	3%	9%	5%	3%	0%	7%	11%	0%	5%	5%	11%	38%	0%
Technology committee	4%	3%	2%	1%	5%	0%	11%	0%	3%	4%	4%	4%	4%	10%	0%	5%	33%	5%

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Other	5%	3%	12%	6%	8%	11%	6%	5%	10%	0%	0%	4%	0%	10%	0%	5%	10%	11%
No major changes made – but may consider changes in near future	36%	39%	32%	33%	47%	16%	38%	42%	37%	50%	26%	30%	38%	19%	29%	42%	38%	47%
No major changes made – and unlikely to consider changes in near future	25%	25%	24%	26%	14%	56%	23%	12%	23%	31%	37%	15%	50%	24%	29%	26%	0%	5%
n	1381	484	114	144	78	70	47	43	30	26	27	27	26	21	21	19*	21	19*

**Q7. In what areas would you favor additional reporting/communication from the audit committee to investors – whether posted on the company’s website, included in the proxy, or communicated via other channels – to provide more insight into the work of the audit committee? (Select all that apply)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Audit committee’s role in risk governance	30%	21%	41%	31%	43%	18%	21%	40%	47%	19%	37%	30%	38%	30%	57%	55%	48%	50%
Oversight/evaluation of external auditor (including independence and objectivity, non-audit services, rationale for reappointment, etc.)	25%	20%	34%	24%	34%	14%	15%	14%	13%	22%	26%	37%	12%	30%	24%	55%	57%	35%
Effectiveness of audit process	24%	15%	30%	21%	43%	16%	19%	30%	3%	22%	26%	44%	12%	25%	48%	40%	71%	20%
Audit committee’s effectiveness (qualification of members, performance evaluation, etc.)	23%	15%	31%	25%	33%	23%	23%	33%	23%	11%	26%	33%	23%	30%	24%	15%	52%	50%
Audit committee meetings (number, attendees, etc.)	22%	17%	28%	23%	32%	15%	28%	14%	30%	11%	33%	41%	31%	20%	24%	10%	52%	25%
Significant financial statement/audit issues and how they were addressed	22%	13%	27%	17%	52%	18%	26%	35%	17%	11%	26%	41%	12%	25%	19%	35%	48%	45%
Oversight of the CFO/finance team	15%	12%	10%	17%	14%	11%	19%	12%	7%	11%	7%	22%	12%	10%	38%	10%	38%	35%
Oversight/evaluation of internal auditor	14%	7%	17%	6%	20%	9%	17%	14%	0%	4%	11%	44%	15%	10%	33%	15%	52%	35%
Other	1%	2%	3%	1%	0%	1%	2%	0%	0%	0%	0%	0%	4%	0%	0%	0%	5%	0%
None of the above	40%	53%	38%	39%	14%	49%	47%	40%	43%	56%	26%	15%	38%	45%	10%	20%	5%	10%
n	1388	482	117	144	79	74	47	43	30	27	27	27	26	20	21	20	21	20

## Risk And Information Quality

**Q8.** Please rate the quality of the information you receive about the following risks and their potential impact on the company:

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Legal/regulatory compliance	Good	65%	70%	66%	72%	46%	56%	68%	66%	63%	56%	48%	81%	69%	73%	57%	71%	50%	68%
	Generally good – but issues arise periodically	29%	26%	29%	26%	38%	40%	28%	34%	27%	44%	48%	19%	27%	23%	19%	19%	30%	26%
	Needs improvement	5%	4%	5%	2%	16%	4%	4%	0%	10%	0%	4%	0%	4%	5%	24%	10%	20%	5%
Government regulation/ impact of public policy initiatives	Good	56%	60%	64%	65%	40%	25%	62%	61%	73%	74%	30%	56%	69%	62%	43%	50%	43%	37%
	Generally good – but issues arise periodically	34%	32%	28%	29%	41%	65%	30%	32%	20%	22%	52%	44%	23%	38%	38%	32%	33%	47%
	Needs improvement	10%	8%	8%	6%	20%	10%	8%	7%	7%	4%	19%	0%	8%	0%	19%	18%	24%	16%
Operational risk/control environment	Good	55%	60%	61%	60%	35%	49%	49%	60%	70%	44%	56%	70%	58%	41%	24%	62%	63%	50%
	Generally good – but issues arise periodically	38%	32%	34%	35%	44%	51%	49%	37%	30%	56%	41%	26%	35%	50%	48%	24%	26%	33%
	Needs improvement	7%	7%	5%	4%	21%	0%	2%	2%	0%	0%	4%	4%	8%	9%	29%	14%	11%	17%
Tax risk	Good	47%	48%	54%	44%	42%	24%	54%	57%	47%	37%	27%	56%	62%	48%	40%	62%	50%	37%
	Generally good – but issues arise periodically	43%	43%	38%	49%	48%	61%	33%	34%	37%	52%	58%	37%	27%	43%	30%	33%	25%	37%
	Needs improvement	10%	9%	8%	7%	10%	15%	13%	9%	17%	11%	15%	7%	12%	10%	30%	5%	25%	26%
Uncertainty and volatility (economic, political/social instability)	Good	40%	42%	43%	48%	31%	24%	54%	48%	37%	52%	22%	54%	44%	41%	38%	48%	24%	53%
	Generally good – but issues arise periodically	46%	46%	45%	40%	44%	67%	35%	50%	63%	41%	56%	42%	40%	55%	33%	33%	33%	32%
	Needs improvement	14%	13%	12%	12%	25%	10%	10%	2%	0%	7%	22%	4%	16%	5%	29%	19%	43%	16%
Possible disruption to the business model	Good	37%	39%	42%	48%	35%	20%	53%	45%	40%	30%	26%	52%	27%	27%	24%	38%	50%	21%
	Generally good – but issues arise periodically	44%	43%	46%	38%	39%	62%	36%	43%	47%	63%	56%	44%	46%	55%	38%	48%	28%	37%
	Needs improvement	18%	19%	13%	14%	26%	18%	11%	11%	13%	7%	19%	4%	27%	18%	38%	14%	22%	42%
Supply chain risk	Good	34%	38%	34%	34%	29%	14%	51%	28%	45%	30%	19%	44%	23%	27%	30%	38%	47%	26%
	Generally good – but issues arise periodically	50%	47%	51%	54%	51%	66%	38%	56%	31%	56%	59%	52%	58%	59%	40%	52%	37%	42%
	Needs improvement	16%	15%	15%	12%	20%	20%	11%	16%	24%	15%	22%	4%	19%	14%	30%	10%	16%	32%
Growth and innovation (or lack of innovation)	Good	34%	40%	27%	38%	22%	30%	29%	30%	27%	33%	26%	52%	31%	23%	14%	43%	50%	21%
	Generally good – but issues arise periodically	47%	46%	51%	45%	38%	62%	44%	49%	50%	63%	56%	33%	50%	45%	24%	43%	30%	37%
	Needs improvement	20%	14%	22%	16%	40%	8%	27%	21%	23%	4%	19%	15%	19%	32%	62%	14%	20%	42%

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Global systemic risk (pandemic, social unrest, political instability...)	Good	27%	28%	25%	36%	21%	10%	42%	37%	27%	22%	7%	41%	23%	27%	19%	32%	27%	21%
	Generally good – but issues arise periodically	49%	49%	52%	49%	51%	56%	44%	40%	43%	74%	48%	59%	42%	55%	38%	58%	40%	53%
	Needs improvement	24%	23%	23%	15%	28%	35%	13%	23%	30%	4%	44%	0%	35%	18%	43%	11%	33%	26%
Pace of technology change (e.g., emerging technologies, mobile, social media)	Good	26%	31%	20%	26%	23%	9%	36%	23%	33%	19%	11%	59%	31%	27%	10%	19%	39%	16%
	Generally good – but issues arise periodically	47%	47%	46%	60%	37%	47%	43%	44%	40%	63%	41%	33%	38%	50%	38%	48%	39%	47%
	Needs improvement	27%	22%	34%	15%	40%	44%	21%	33%	27%	19%	48%	7%	31%	23%	52%	33%	22%	37%
Cyber security – including data privacy and protection of intellectual property	Good	25%	28%	18%	25%	30%	15%	26%	30%	33%	22%	22%	41%	19%	23%	15%	14%	47%	26%
	Generally good – but issues arise periodically	43%	42%	36%	42%	42%	63%	54%	37%	37%	52%	37%	59%	46%	27%	45%	50%	26%	32%
	Needs improvement	32%	30%	47%	34%	28%	22%	20%	33%	30%	26%	41%	0%	35%	50%	40%	36%	26%	42%
	n	1388	481	118	142	81	72	46	43	30	27	27	27	26	22	20	22	19*	19*

May not equal 100% due to rounding  
\*Small base size; findings directional only.

**Q9. How concerned are you that your audit committee's/board's ability to provide effective oversight is hampered by the clarity, timeliness, credibility, or volume of the information it receives?**

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Timeliness	Very Concerned	15%	6%	2%	7%	35%	83%	8%	0%	0%	15%	15%	37%	12%	5%	14%	14%	50%	20%
	Somewhat Concerned	36%	33%	42%	31%	48%	17%	47%	39%	30%	27%	52%	26%	50%	41%	38%	48%	15%	55%
	Not Concerned	49%	61%	56%	62%	18%	0%	45%	61%	70%	58%	33%	37%	38%	55%	48%	38%	35%	25%
Credibility	Very Concerned	14%	2%	1%	3%	15%	95%	10%	5%	3%	8%	7%	44%	12%	5%	19%	38%	57%	20%
	Somewhat Concerned	20%	18%	19%	15%	44%	5%	14%	18%	17%	35%	41%	15%	27%	23%	43%	5%	5%	40%
	Not Concerned	66%	80%	80%	82%	41%	0%	76%	77%	80%	58%	52%	41%	62%	73%	38%	57%	38%	40%
Clarity	Very Concerned	13%	3%	3%	5%	18%	81%	6%	5%	3%	12%	15%	41%	0%	5%	10%	40%	60%	5%
	Somewhat Concerned	33%	31%	37%	28%	51%	19%	41%	18%	23%	46%	44%	30%	46%	45%	48%	20%	5%	75%
	Not Concerned	53%	66%	60%	68%	31%	0%	53%	77%	73%	42%	41%	30%	54%	50%	43%	40%	35%	20%
Volume	Very Concerned	12%	6%	9%	8%	20%	34%	8%	5%	3%	15%	4%	26%	8%	9%	19%	24%	55%	45%
	Somewhat Concerned	40%	34%	42%	40%	51%	56%	50%	47%	23%	27%	52%	41%	35%	41%	52%	29%	20%	40%
	Not Concerned	48%	60%	49%	52%	29%	10%	42%	49%	73%	58%	44%	33%	58%	50%	29%	48%	25%	15%
	n	1398	482	119	144	79	73	50	43	30	26	27	27	26	22	21	21	20	20

May not equal 100% due to rounding

**Q10. Regarding which of the following issues does your board or audit committee, as a matter of routine, obtain information and perspectives from independent sources – and from whom? (Select all that apply)**

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Shareholder expectations	Analysts	55%	62%	55%	55%	44%	47%	41%	42%	35%	69%	67%	62%	69%	53%	28%	71%	31%	50%
	Auditors	12%	11%	12%	10%	9%	6%	18%	21%	0%	19%	11%	23%	6%	18%	17%	6%	31%	14%
	Industry Experts/Consultants	35%	42%	33%	35%	36%	11%	41%	42%	30%	38%	22%	38%	19%	29%	56%	18%	13%	14%
	Other	20%	15%	29%	17%	21%	53%	18%	18%	50%	6%	22%	8%	19%	18%	22%	18%	38%	21%
Competition	Analysts	46%	53%	34%	50%	42%	33%	28%	29%	32%	71%	17%	62%	56%	29%	45%	50%	18%	53%
	Auditors	9%	9%	12%	6%	8%	7%	16%	19%	5%	0%	6%	4%	0%	12%	15%	11%	12%	7%
	Industry Experts/Consultants	60%	66%	73%	61%	53%	2%	68%	68%	68%	47%	67%	62%	63%	71%	60%	61%	76%	40%
	Other	13%	9%	17%	8%	11%	74%	12%	13%	16%	6%	17%	0%	6%	6%	5%	11%	12%	13%
Industry dynamics	Analysts	39%	48%	30%	41%	47%	10%	30%	28%	32%	53%	6%	52%	35%	25%	26%	28%	6%	42%
	Auditors	15%	18%	24%	10%	12%	3%	15%	28%	5%	7%	6%	4%	6%	15%	26%	6%	17%	17%
	Industry Experts/Consultants	64%	64%	71%	65%	55%	17%	65%	72%	68%	53%	78%	76%	82%	75%	68%	83%	89%	50%
	Other	11%	8%	13%	7%	8%	80%	15%	8%	14%	7%	11%	0%	0%	10%	11%	0%	6%	17%
Key assumptions underlying the company's strategy	Analysts	37%	43%	27%	32%	34%	26%	31%	26%	38%	50%	11%	60%	44%	32%	44%	61%	38%	40%
	Auditors	33%	33%	43%	21%	25%	30%	47%	51%	29%	35%	33%	20%	44%	42%	28%	39%	19%	27%
	Industry Experts/Consultants	59%	66%	61%	72%	48%	4%	31%	69%	76%	55%	56%	48%	67%	58%	67%	44%	50%	47%
	Other	8%	3%	7%	7%	10%	54%	13%	3%	14%	5%	11%	8%	0%	5%	6%	11%	6%	7%
Critical risks facing the company	Analysts	23%	31%	13%	21%	12%	18%	15%	16%	15%	15%	10%	42%	21%	11%	21%	24%	17%	21%
	Auditors	66%	65%	75%	51%	68%	80%	74%	73%	70%	65%	62%	62%	71%	58%	63%	76%	56%	84%
	Industry Experts/Consultants	42%	50%	45%	52%	34%	2%	28%	43%	56%	40%	48%	42%	33%	68%	42%	29%	39%	16%
	Other	8%	7%	9%	9%	7%	33%	10%	0%	15%	5%	5%	0%	8%	11%	0%	0%	6%	5%
Technology developments	Analysts	17%	19%	6%	13%	26%	13%	13%	16%	5%	13%	13%	38%	24%	0%	7%	23%	14%	17%
	Auditors	16%	24%	24%	14%	9%	3%	4%	6%	14%	13%	6%	8%	18%	17%	7%	8%	7%	8%
	Industry Experts/Consultants	74%	77%	77%	82%	68%	6%	71%	84%	76%	73%	69%	85%	76%	83%	79%	69%	93%	67%
	Other	10%	6%	12%	4%	6%	87%	25%	3%	14%	7%	13%	4%	0%	6%	14%	0%	0%	17%

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Compliance	Analysts	9%	8%	6%	8%	18%	3%	12%	7%	11%	16%	0%	22%	0%	0%	25%	15%	0%	6%
	Auditors	79%	79%	87%	83%	74%	59%	70%	74%	85%	79%	88%	67%	100%	86%	63%	85%	72%	81%
	Industry Experts/Consultants	29%	37%	31%	23%	28%	5%	33%	48%	37%	16%	16%	30%	5%	38%	50%	30%	28%	19%
	Other	10%	11%	9%	6%	0%	62%	6%	0%	15%	5%	8%	4%	5%	0%	0%	10%	17%	6%
	n	1233	427	99	128	74	58	33	42	27	19*	25	27	22	21	16*	20	18*	16*

\*Small base size; findings directional only.

**Q11. Over the past several years, for which of the following could your company and board have been better prepared to respond to/address? (Select all that apply)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia	
Significant regulatory/public policy change	38%	30%	41%	28%	46%	76%	56%	31%	30%	26%	44%	59%	42%	27%	19%	67%	67%	50%	
Ethics/compliance/internal control issues	35%	24%	27%	18%	41%	92%	42%	24%	20%	33%	30%	44%	25%	32%	57%	62%	57%	80%	
New competition/business model disruption	33%	33%	28%	25%	31%	36%	42%	33%	30%	30%	30%	52%	42%	41%	24%	29%	43%	50%	
Major technology development	28%	26%	19%	26%	28%	41%	22%	38%	43%	26%	19%	44%	21%	36%	19%	33%	52%	15%	
M&A transaction (proposed or actual)	26%	27%	20%	19%	27%	55%	26%	12%	20%	15%	26%	15%	38%	36%	14%	29%	33%	10%	
C-level departure without proper succession plan in place	21%	24%	22%	22%	40%	9%	24%	14%	10%	15%	7%	11%	25%	9%	38%	10%	29%	10%	
Tax issues	21%	15%	7%	18%	40%	61%	20%	17%	10%	19%	19%	37%	25%	5%	19%	52%	52%	15%	
Product quality/safety issues	21%	12%	25%	10%	27%	75%	10%	12%	13%	26%	19%	37%	13%	23%	14%	24%	52%	35%	
Supplier issues or supply chain disruption	19%	13%	24%	16%	20%	47%	12%	14%	13%	7%	26%	37%	21%	27%	24%	24%	38%	20%	
Political/social unrest or disruption	14%	8%	4%	14%	21%	35%	22%	21%	7%	11%	11%	67%	17%	9%	5%	10%	33%	15%	
Other	4%	5%	5%	8%	1%	4%	0%	0%	7%	0%	0%	0%	0%	0%	5%	0%	10%	0%	
None of the above	10%	11%	8%	15%	5%	0%	8%	12%	20%	19%	15%	7%	4%	5%	10%	5%	0%	5%	
	n	1406	487	119	144	81	75	50	42	30	27	27	27	24	22	21	21	21	20

**Q12. Please rate your understanding of the following aspects of the business:**

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Overall financial status of the company	Excellent	68%	79%	68%	81%	61%	64%	47%	67%	77%	59%	42%	56%	56%	59%	33%	76%	50%	40%
	Good	30%	20%	31%	18%	38%	36%	51%	33%	23%	41%	58%	44%	44%	41%	38%	24%	45%	55%
	Limited	2%	1%	2%	1%	1%	0%	2%	0%	0%	0%	0%	0%	0%	0%	29%	0%	5%	5%
Key financial reporting and control risks	Excellent	58%	68%	52%	68%	38%	55%	45%	60%	63%	67%	48%	48%	67%	41%	30%	57%	57%	50%
	Good	41%	31%	47%	30%	58%	45%	53%	40%	37%	33%	48%	48%	33%	59%	70%	43%	43%	45%
	Limited	1%	1%	2%	1%	4%	0%	2%	0%	0%	0%	4%	4%	0%	0%	0%	0%	0%	5%
Critical accounting judgments and estimates	Excellent	53%	64%	49%	65%	33%	47%	34%	49%	77%	52%	48%	37%	40%	41%	24%	43%	40%	55%
	Good	42%	34%	48%	32%	58%	47%	66%	49%	17%	48%	44%	52%	56%	50%	67%	52%	45%	30%
	Limited	5%	2%	3%	3%	9%	5%	0%	2%	7%	0%	7%	11%	4%	9%	10%	5%	15%	15%
Company's strategy and related risks	Excellent	46%	56%	45%	51%	34%	31%	44%	44%	63%	48%	33%	41%	36%	41%	5%	43%	35%	30%
	Good	47%	39%	51%	45%	49%	63%	48%	53%	37%	48%	56%	44%	60%	55%	67%	43%	60%	60%
	Limited	7%	5%	3%	4%	18%	7%	8%	2%	0%	4%	11%	15%	4%	5%	29%	14%	5%	10%
The business model – i.e., the company's products and services, customers and competitors	Excellent	42%	50%	41%	43%	38%	32%	30%	47%	43%	41%	19%	37%	36%	36%	14%	48%	45%	20%
	Good	53%	46%	55%	53%	52%	63%	62%	49%	47%	59%	78%	59%	44%	59%	62%	38%	55%	60%
	Limited	6%	4%	4%	3%	10%	5%	8%	5%	10%	0%	4%	4%	20%	5%	24%	14%	0%	20%
Ethics/compliance programs and culture	Excellent	40%	55%	27%	36%	31%	65%	33%	35%	30%	19%	19%	44%	16%	23%	14%	48%	21%	5%
	Good	48%	38%	54%	52%	56%	33%	48%	53%	60%	56%	63%	37%	72%	64%	52%	52%	68%	55%
	Limited	12%	8%	19%	12%	14%	1%	19%	12%	10%	26%	19%	19%	12%	14%	33%	0%	11%	40%
Tone/incentives driving senior management's performance	Excellent	39%	52%	30%	41%	29%	37%	40%	29%	40%	30%	19%	33%	28%	32%	19%	15%	28%	40%
	Good	48%	37%	50%	48%	56%	53%	54%	64%	43%	59%	63%	56%	60%	55%	67%	70%	50%	25%
	Limited	13%	10%	19%	10%	15%	9%	6%	7%	17%	11%	19%	11%	12%	14%	14%	15%	22%	35%
Risk management program	Excellent	34%	38%	39%	37%	17%	33%	33%	40%	53%	30%	11%	30%	33%	36%	19%	52%	45%	30%
	Good	54%	51%	52%	52%	54%	63%	56%	53%	47%	56%	74%	56%	54%	50%	33%	38%	45%	55%
	Limited	13%	11%	9%	12%	28%	4%	10%	7%	0%	15%	15%	15%	13%	14%	48%	10%	10%	15%
Compliance hotspots	Excellent	31%	36%	22%	26%	15%	59%	31%	35%	30%	26%	22%	30%	36%	18%	10%	35%	35%	15%
	Good	56%	51%	64%	60%	61%	40%	56%	44%	63%	67%	78%	63%	52%	64%	48%	50%	55%	65%
	Limited	13%	13%	14%	13%	24%	1%	13%	21%	7%	7%	0%	7%	12%	18%	43%	15%	10%	20%
Tax risk profile/tax governance	Excellent	26%	31%	23%	27%	20%	31%	21%	36%	34%	26%	15%	19%	20%	23%	19%	10%	20%	10%
	Good	56%	54%	56%	57%	63%	49%	51%	55%	52%	44%	59%	59%	68%	59%	67%	81%	60%	45%
	Limited	18%	16%	22%	16%	17%	20%	28%	10%	14%	30%	26%	22%	12%	18%	14%	10%	20%	45%

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Industry dynamics	Excellent	25%	30%	20%	22%	30%	24%	20%	14%	27%	27%	4%	19%	8%	41%	25%	24%	25%	10%
	Good	64%	62%	72%	70%	55%	64%	66%	72%	70%	58%	78%	78%	72%	45%	60%	57%	50%	60%
	Limited	11%	8%	8%	8%	15%	12%	14%	14%	3%	15%	19%	4%	20%	14%	15%	19%	25%	30%
Operations/supply chain dependencies	Excellent	14%	16%	9%	12%	13%	17%	13%	7%	17%	0%	8%	15%	0%	9%	0%	10%	22%	10%
	Good	54%	52%	47%	54%	59%	71%	59%	62%	55%	74%	54%	67%	60%	59%	70%	57%	56%	30%
	Limited	32%	32%	44%	34%	28%	12%	28%	31%	28%	26%	38%	19%	40%	32%	30%	33%	22%	60%
Current and emerging technology issues (opportunities and risks)	Excellent	11%	14%	5%	11%	8%	18%	8%	12%	10%	0%	7%	22%	4%	5%	5%	24%	21%	0%
	Good	53%	58%	42%	57%	50%	37%	60%	42%	57%	67%	44%	59%	40%	64%	52%	48%	58%	35%
	Limited	36%	28%	53%	32%	43%	45%	31%	47%	33%	33%	48%	19%	56%	32%	43%	29%	21%	65%
	n	1398	488	118	144	80	73	48	43	30	27	27	27	25	22	21	21	19*	20

May not equal 100% due to rounding  
\*Small base size; findings directional only.

**Q13. From an audit committee perspective, what are your greatest concerns about pursuing international growth opportunities? (Select three)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Maintaining the control environment in an expanded organization	54%	56%	63%	56%	48%	36%	39%	68%	37%	56%	44%	44%	81%	64%	59%	55%	48%	40%
Business-culture differences	44%	45%	36%	47%	55%	29%	53%	50%	67%	44%	56%	41%	50%	45%	45%	41%	43%	45%
Regulatory compliance issues – including anti-bribery risk	43%	47%	44%	48%	44%	40%	29%	50%	20%	33%	44%	33%	23%	27%	36%	50%	43%	45%
Finding and retaining the right local talent	35%	34%	43%	36%	24%	40%	25%	36%	50%	48%	44%	22%	31%	41%	32%	27%	33%	25%
Political/economic instability	32%	29%	23%	39%	35%	41%	29%	25%	13%	30%	33%	52%	15%	18%	27%	59%	38%	40%
Lack of “international” experience/expertise on the board	29%	31%	28%	26%	29%	33%	25%	25%	33%	26%	30%	19%	31%	27%	27%	9%	24%	45%

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
“Built-in competitive advantages” of local companies	23%	13%	18%	18%	27%	43%	45%	18%	23%	19%	30%	52%	23%	18%	23%	41%	33%	30%
Tax risk	11%	10%	4%	9%	22%	13%	10%	9%	10%	11%	11%	11%	12%	14%	18%	14%	5%	10%
Business interruption	9%	7%	6%	3%	10%	4%	24%	11%	13%	7%	7%	19%	12%	14%	9%	5%	14%	10%
Potential loss of intellectual property	8%	11%	8%	6%	4%	11%	4%	5%	10%	19%	0%	7%	8%	5%	5%	0%	10%	5%
Other	13%	17%	27%	13%	2%	9%	16%	2%	23%	7%	0%	0%	15%	27%	18%	0%	10%	5%
n	1420	490	120	145	82	75	51	44	30	27	27	27	26	22	22	22	21	20

**Q14. How does your audit committee develop its understanding of the tone and ethical culture of the company?  
(Select all that apply)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Frequent informal communications with the CEO, CFO, and other senior executives	89%	94%	92%	93%	77%	83%	87%	95%	97%	93%	85%	85%	92%	91%	81%	76%	81%	55%
Input from external auditor	69%	77%	73%	72%	43%	64%	73%	73%	83%	56%	56%	67%	58%	91%	43%	62%	71%	50%
Input from internal auditor	62%	61%	66%	37%	58%	77%	89%	55%	69%	26%	59%	70%	62%	77%	67%	81%	81%	75%
Monitor employee complaints (including whistleblower hotline)	53%	68%	56%	56%	48%	52%	18%	23%	34%	30%	33%	41%	23%	50%	24%	67%	57%	35%
Communications/interaction with employees below C-level	45%	55%	51%	40%	38%	76%	20%	36%	45%	37%	22%	22%	31%	45%	38%	24%	48%	10%
Visit company sites	45%	42%	69%	48%	32%	81%	36%	34%	62%	44%	44%	44%	27%	59%	38%	29%	43%	20%
Employee surveys	26%	25%	53%	30%	14%	15%	18%	18%	59%	26%	4%	15%	12%	55%	10%	10%	19%	25%
Other	2%	3%	3%	1%	0%	1%	0%	0%	3%	0%	0%	0%	0%	0%	0%	0%	10%	0%
n	1404	487	119	145	81	75	45	44	29	27	27	27	26	22	21	21	21	20

## CFO/Finance Function

### Q15. Does your company have a formal succession plan for the CFO?

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Yes	38%	41%	38%	42%	40%	16%	29%	40%	37%	26%	33%	52%	19%	32%	43%	27%	71%	15%
No	62%	59%	62%	58%	60%	84%	71%	60%	63%	74%	67%	48%	81%	68%	57%	73%	29%	85%
n	1402	487	120	144	81	69	48	42	30	27	27	27	26	22	21	22	21	20

### Q16. How does your audit committee gain visibility into the “next level” of management within the finance organization, below the CFO? (Select all that apply)

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Key members of finance team periodically present to the audit committee	73%	80%	78%	81%	64%	35%	78%	73%	73%	81%	63%	74%	48%	86%	67%	86%	57%	80%
Feedback from external auditor	73%	78%	78%	81%	49%	83%	59%	84%	97%	59%	70%	48%	84%	91%	52%	50%	48%	75%
Informal interaction with the financial management team	55%	62%	64%	47%	54%	93%	18%	59%	57%	19%	63%	41%	32%	64%	57%	32%	33%	25%
Periodic discussions with the CFO about bench strength/talent pipeline	50%	66%	56%	60%	15%	32%	22%	50%	57%	44%	30%	48%	40%	55%	19%	18%	43%	15%
Feedback from the internal auditor	45%	41%	52%	25%	37%	56%	49%	48%	63%	30%	48%	48%	56%	64%	33%	55%	86%	85%
Other	4%	3%	4%	2%	6%	12%	12%	2%	3%	7%	0%	4%	8%	0%	5%	0%	19%	0%
n	1412	486	120	144	81	75	51	44	30	27	27	27	25	22	21	22	21	20

**Q17. Which of the following pose the greatest challenges for your CFO/finance organization? (Select three)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Contributing to company's strategy and risk management efforts	79%	80%	75%	81%	74%	55%	80%	86%	90%	89%	85%	74%	88%	82%	91%	86%	67%	85%
Maintaining the quality of the company's financial reporting and related control processes	75%	72%	78%	74%	74%	91%	92%	64%	80%	74%	70%	70%	81%	73%	45%	82%	76%	70%
Developing talent/bench strength	57%	72%	53%	68%	48%	65%	22%	55%	53%	41%	44%	56%	42%	59%	55%	23%	29%	25%
Balancing expectations for quarterly results and long-term performance	44%	36%	39%	41%	55%	41%	37%	57%	40%	48%	48%	67%	38%	45%	68%	59%	67%	60%
Transparency/candor in communications with the audit committee/board	31%	23%	30%	25%	45%	39%	61%	27%	17%	33%	52%	33%	31%	23%	32%	41%	38%	40%
Other	13%	16%	25%	11%	4%	9%	8%	11%	20%	15%	0%	0%	19%	18%	9%	9%	24%	20%
n	1420	490	120	145	82	75	51	44	30	27	27	27	26	22	22	22	21	20

**Q18. Does the evaluation process for the CFO include clear performance objectives against which the CFO's performance is rigorously evaluated?**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Yes	59%	67%	72%	59%	52%	36%	32%	68%	73%	30%	41%	63%	54%	73%	62%	36%	62%	15%
No	12%	13%	8%	15%	10%	4%	26%	5%	0%	22%	22%	0%	23%	5%	10%	18%	10%	15%
No formal evaluation process	29%	20%	19%	26%	38%	59%	42%	27%	27%	48%	37%	37%	23%	23%	29%	45%	29%	70%
n	1407	488	119	145	81	69	50	44	30	27	27	27	26	22	21	22	21	20

May not equal 100% due to rounding

**Q19. How would you describe the level of transparency – i.e., communications and information flow – between the audit committee and CFO/finance team?**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Very good	62%	71%	57%	74%	37%	71%	74%	64%	67%	67%	37%	63%	46%	73%	24%	64%	52%	25%
Generally good – but issues arise periodically	31%	24%	38%	21%	42%	25%	22%	34%	30%	33%	59%	33%	50%	23%	48%	23%	33%	60%
Needs improvement	7%	5%	6%	5%	21%	4%	4%	2%	3%	0%	4%	4%	4%	5%	29%	14%	14%	15%
n	1413	486	120	145	81	75	50	44	30	27	27	27	26	22	21	22	21	20

May not equal 100% due to rounding

**Q20. Which aspects of the finance organization's work would you like to hear about in more depth? (Select two)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Financial risk management	72%	75%	68%	73%	72%	61%	73%	84%	77%	81%	89%	52%	77%	55%	73%	82%	43%	75%
Treasury (cash management)	30%	23%	38%	39%	32%	39%	18%	34%	40%	22%	37%	30%	31%	50%	18%	32%	43%	25%
Tax	26%	25%	24%	28%	28%	27%	33%	32%	20%	15%	11%	15%	23%	41%	14%	18%	38%	10%
M&A	17%	23%	12%	20%	16%	21%	12%	9%	7%	7%	19%	4%	23%	14%	9%	9%	10%	15%
Controller	16%	16%	14%	10%	29%	20%	8%	7%	7%	30%	7%	22%	19%	0%	50%	27%	0%	10%
Credit decisions	16%	11%	12%	13%	15%	8%	22%	18%	13%	33%	22%	59%	8%	27%	27%	18%	48%	50%
Accounting	15%	19%	15%	12%	6%	11%	29%	14%	17%	0%	15%	19%	8%	5%	5%	14%	14%	5%
Other	8%	8%	17%	5%	2%	13%	6%	2%	20%	11%	0%	0%	12%	9%	5%	0%	5%	10%
n	1420	490	120	145	82	75	51	44	30	27	27	27	26	22	22	22	21	20

**Q21. Which of the following detract from the effectiveness of your CFO/finance organization, and potentially pose a risk to the quality and integrity of the company's financial reporting? (Select all that apply)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Budget/resources	44%	42%	44%	44%	52%	57%	41%	52%	37%	44%	48%	41%	27%	41%	19%	55%	29%	35%
Skills	31%	26%	35%	28%	54%	36%	18%	27%	30%	33%	37%	41%	23%	27%	38%	5%	29%	50%
Pressure to meet budget targets or analyst estimates	27%	16%	22%	23%	56%	28%	18%	36%	20%	19%	26%	22%	35%	27%	48%	45%	62%	40%
Morale	12%	11%	11%	10%	10%	20%	6%	18%	17%	4%	11%	15%	15%	5%	19%	10%	0%	30%
Other	9%	13%	11%	6%	2%	11%	8%	5%	10%	11%	0%	4%	4%	18%	0%	0%	5%	5%
None of the above	26%	30%	25%	29%	5%	13%	47%	23%	37%	26%	30%	37%	35%	23%	29%	25%	19%	20%
n	1410	488	119	144	81	75	49	44	30	27	27	27	26	22	21	20	21	20

**Corporate Performance**

**Q22. What nonfinancial drivers of long-term value are most important to the successful execution of your company's strategy? (Select three)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Customer focus/satisfaction	66%	66%	82%	55%	62%	77%	67%	68%	80%	74%	44%	74%	65%	73%	55%	45%	90%	70%
Operational efficiency	56%	53%	57%	62%	63%	24%	67%	66%	37%	63%	52%	70%	58%	45%	82%	73%	67%	60%
Talent management	42%	45%	30%	54%	29%	72%	29%	25%	17%	41%	52%	41%	27%	27%	14%	50%	38%	20%
Brand and reputation	42%	44%	47%	33%	38%	32%	37%	59%	57%	48%	63%	30%	38%	68%	23%	36%	38%	55%
Culture and employee commitment	41%	40%	51%	52%	41%	31%	33%	36%	50%	37%	37%	11%	50%	45%	64%	32%	19%	35%
Innovation (R&D)	37%	38%	20%	26%	44%	53%	49%	34%	30%	26%	41%	48%	50%	23%	27%	45%	43%	40%
Reliable, durable supply chain	12%	9%	12%	14%	20%	8%	16%	7%	17%	11%	11%	26%	12%	14%	18%	9%	5%	20%
Other	4%	5%	3%	3%	2%	3%	2%	5%	13%	0%	0%	0%	0%	5%	18%	9%	0%	0%
n	1420	490	120	145	82	75	51	44	30	27	27	27	26	22	22	22	21	20

**Q22b. For the three most important nonfinancial drivers of long-term value that you selected in the previous question, are the metrics for those value drivers monitored and communicated to shareholders?**

		Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia	
		Metrics are monitored																		
Customer focus/satisfaction	Yes	82%	80%	88%	85%	84%	89%	77%	80%	92%	84%	83%	90%	82%	81%	64%	60%	100%	71%	
	No	18%	20%	12%	15%	16%	11%	23%	20%	8%	16%	17%	10%	18%	19%	36%	40%	0%	29%	
Operational efficiency	Yes	86%	83%	91%	93%	76%	88%	88%	86%	100%	94%	79%	100%	93%	90%	88%	93%	100%	67%	
	No	14%	17%	9%	7%	24%	12%	13%	14%	0%	6%	21%	0%	7%	10%	12%	7%	0%	33%	
Talent management	Yes	61%	59%	61%	67%	46%	83%	73%	73%	40%	73%	36%	82%	14%	100%	33%	55%	100%	25%	
	No	39%	41%	39%	33%	54%	17%	27%	27%	60%	27%	64%	18%	86%	0%	67%	45%	0%	75%	
Brand and reputation	Yes	67%	67%	69%	58%	50%	73%	78%	73%	59%	92%	88%	100%	40%	53%	60%	38%	83%	73%	
	No	33%	33%	31%	42%	50%	27%	22%	27%	41%	8%	12%	0%	60%	47%	40%	63%	17%	27%	
Culture and employee commitment	Yes	63%	58%	68%	68%	68%	83%	56%	63%	80%	60%	60%	100%	38%	80%	46%	57%	75%	43%	
	No	37%	42%	32%	32%	32%	17%	44%	38%	20%	40%	40%	0%	62%	20%	54%	43%	25%	57%	
Innovation (R&D)	Yes	67%	63%	70%	61%	49%	95%	75%	60%	63%	86%	64%	77%	54%	60%	67%	90%	89%	75%	
	No	33%	37%	30%	39%	51%	5%	25%	40%	38%	14%	36%	23%	46%	40%	33%	10%	11%	25%	
Reliable, durable supply chain	Yes	79%	75%	93%	81%	44%	83%	88%	100%	100%	100%	67%	100%	33%	100%	75%	100%	100%	75%	
	No	21%	25%	7%	19%	56%	17%	13%	0%	0%	0%	33%	0%	67%	0%	25%	0%	0%	25%	
Other	Yes	90%	88%	67%	100%	100%	100%	100%	100%	100%	–	–	–	–	0%	100%	100%	–	–	
	No	10%	13%	33%	0%	0%	0%	0%	0%	0%	–	–	–	–	100%	0%	0%	–	–	
		Metrics are communicated to shareholders																		
Customer focus/satisfaction	Yes	50%	38%	72%	49%	60%	66%	63%	45%	58%	63%	42%	72%	47%	47%	45%	33%	77%	36%	
	No	50%	62%	28%	51%	40%	34%	38%	55%	42%	37%	58%	28%	53%	53%	55%	67%	23%	64%	
Operational efficiency	Yes	60%	54%	62%	62%	74%	44%	67%	59%	70%	53%	38%	83%	43%	70%	100%	63%	75%	50%	
	No	40%	46%	38%	38%	26%	56%	33%	41%	30%	47%	62%	17%	57%	30%	0%	38%	25%	50%	

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia	
Talent management	Yes	25%	18%	26%	31%	27%	37%	36%	27%	0%	20%	7%	60%	0%	33%	33%	18%	40%	0%
	No	75%	82%	74%	69%	73%	63%	64%	73%	100%	80%	93%	40%	100%	67%	67%	82%	60%	100%
Brand and reputation	Yes	46%	37%	48%	49%	46%	50%	93%	40%	50%	42%	56%	75%	22%	54%	50%	13%	100%	55%
	No	54%	63%	52%	51%	54%	50%	7%	60%	50%	58%	44%	25%	78%	46%	50%	88%	0%	45%
Culture and employee commitment	Yes	35%	24%	46%	36%	55%	36%	56%	38%	43%	33%	33%	0%	18%	50%	46%	33%	33%	0%
	No	65%	76%	54%	64%	45%	64%	44%	63%	57%	67%	67%	100%	82%	50%	54%	67%	67%	100%
Innovation (R&D)	Yes	48%	38%	39%	47%	47%	73%	70%	50%	44%	71%	36%	55%	17%	25%	67%	80%	71%	38%
	No	52%	62%	61%	53%	53%	28%	30%	50%	56%	29%	64%	45%	83%	75%	33%	20%	29%	63%
Reliable, durable supply chain	Yes	39%	30%	43%	25%	40%	50%	86%	0%	60%	33%	33%	67%	0%	67%	75%	100%	–	50%
	No	61%	70%	57%	75%	60%	50%	14%	100%	40%	67%	67%	33%	100%	33%	25%	0%	–	50%
Other	Yes	58%	50%	33%	100%	100%	50%	100%	50%	50%	–	–	–	–	–	67%	50%	–	–
	No	42%	50%	67%	0%	0%	50%	0%	50%	50%	–	–	–	–	–	33%	50%	–	–

May not equal 100% due to rounding  
\*Small base size; findings directional only.

**Q23. Are you satisfied that your company has identified appropriate “leading indicators” (as opposed to “lagging indicators” measuring financial and operational performance) to show whether the strategy is being implemented as planned?**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia	
Yes	62%	56%	55%	65%	51%	81%	76%	61%	57%	81%	52%	93%	58%	59%	48%	71%	95%	45%	
No	38%	44%	45%	35%	49%	19%	24%	39%	43%	19%	48%	7%	42%	41%	52%	29%	5%	55%	
n	1399	484	119	145	81	74	46	44	30	26	27	27	26	22	21	21	20	20	

**Q24. In what areas is your audit committee involved in helping to address the risks associated with the company's compensation plans? (Select all that apply)**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Reviewing compensation disclosures, including the narrative/CD&A	39%	44%	42%	45%	24%	40%	38%	25%	37%	37%	48%	37%	35%	50%	33%	33%	38%	25%
Oversight of the integrity of data used to assess performance	38%	43%	49%	40%	29%	16%	36%	14%	33%	22%	22%	44%	38%	36%	48%	33%	52%	35%
Ensuring compensation arrangement does not encourage "excessive" risk	35%	41%	23%	36%	15%	21%	62%	55%	27%	30%	30%	30%	23%	27%	43%	24%	52%	30%
Ensuring compensation arrangement drives appropriate focus on long-term performance	35%	39%	33%	38%	18%	16%	64%	48%	23%	37%	26%	33%	27%	32%	19%	24%	48%	20%
Defining appropriate and accurate metrics to measure performance	34%	35%	31%	31%	23%	23%	68%	25%	30%	22%	15%	56%	23%	32%	57%	24%	52%	25%
Assessing the impact of compensation arrangements on the integrity of financial reporting	29%	36%	24%	33%	34%	5%	34%	16%	27%	7%	22%	30%	15%	23%	14%	10%	67%	15%
Other	3%	3%	3%	2%	5%	3%	0%	5%	0%	0%	4%	0%	8%	9%	5%	0%	10%	0%
None of the above	22%	17%	23%	18%	30%	41%	10%	34%	23%	33%	30%	19%	23%	14%	19%	29%	14%	40%
n	1410	488	120	145	80	73	50	44	30	27	27	27	26	22	21	21	21	20

**Q25. Does the company's current approach to executive compensation/incentives clearly support a focus on the company's long-term performance?**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Yes	62%	75%	63%	68%	38%	31%	65%	61%	60%	63%	67%	78%	42%	73%	43%	41%	67%	20%
No	14%	9%	19%	15%	33%	12%	8%	18%	17%	7%	15%	0%	19%	14%	24%	23%	5%	25%
Not sure	23%	16%	18%	17%	30%	57%	27%	20%	23%	30%	19%	22%	38%	14%	33%	36%	29%	55%
n	1410	487	120	145	80	74	49	44	30	27	27	27	26	22	21	22	21	20

## Internal Audit's Role

**Q26.** Should internal audit's role/responsibilities extend beyond the adequacy of financial reporting and controls, to include other major risks and challenges facing the company?

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Yes	70%	66%	81%	50%	72%	77%	86%	70%	80%	33%	70%	85%	73%	68%	77%	86%	90%	90%
No	15%	16%	8%	12%	18%	23%	12%	11%	13%	41%	26%	15%	15%	18%	5%	14%	10%	10%
Company does not have an internal audit function	14%	18%	12%	39%	10%	0%	2%	18%	7%	26%	4%	0%	12%	14%	18%	0%	0%	0%
n	1420	490	120	145	82	75	51	44	30	27	27	27	26	22	22	22	21	20

May not equal 100% due to rounding

**Among those who say internal audit's role/responsibilities should extend beyond the adequacy of financial reporting and controls**

**Q26b.** In the year ahead, in which of the following areas would you like your internal audit function to devote more of its time and/or sharpen its focus? (Select all that apply)

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Risk management processes	65%	60%	73%	61%	66%	53%	53%	73%	46%	44%	83%	61%	79%	67%	88%	67%	79%	67%
Information technology and data management	58%	69%	63%	61%	59%	28%	49%	57%	71%	56%	44%	61%	47%	80%	38%	61%	58%	44%
Operational risks	52%	49%	56%	57%	48%	62%	51%	60%	54%	67%	67%	57%	47%	60%	38%	50%	53%	28%
Compliance and regulation	45%	43%	53%	32%	43%	60%	35%	50%	46%	67%	50%	30%	47%	33%	44%	50%	79%	28%
Corruption/fraud	36%	29%	37%	35%	50%	26%	30%	27%	33%	33%	33%	43%	26%	60%	31%	28%	79%	56%

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Ethics and culture	28%	28%	34%	22%	28%	17%	35%	20%	21%	22%	11%	9%	32%	47%	38%	22%	37%	50%
Corporate governance	27%	12%	33%	13%	31%	41%	49%	40%	21%	33%	44%	26%	26%	13%	44%	33%	79%	44%
Cost reduction/containment	25%	25%	21%	28%	24%	9%	28%	20%	33%	11%	22%	43%	32%	47%	19%	22%	58%	33%
Change management	21%	18%	27%	26%	14%	3%	28%	33%	25%	11%	22%	13%	16%	27%	25%	17%	32%	22%
Crisis management	18%	18%	17%	15%	10%	29%	19%	20%	33%	22%	28%	22%	5%	20%	6%	6%	21%	28%
Tax compliance	14%	11%	8%	21%	22%	12%	5%	10%	13%	22%	0%	17%	5%	20%	13%	17%	47%	11%
Other	3%	2%	5%	6%	2%	0%	2%	7%	0%	0%	0%	4%	0%	0%	6%	0%	0%	0%
Company does not have an internal audit function	1%	1%	1%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
n	980	314	95	72	58	58	43	30	24	9*	18*	23	19*	15*	16*	18*	19*	18*

\*Small base size. Findings directional only.

**Q27. How satisfied are you that your internal audit function has skills and resources required to be effective in the role you envision for internal audit?**

	Global	United States	United Kingdom	Canada	Brazil	Japan	Israel	Ireland	New Zealand	Denmark	Hong Kong	Thailand	Belgium	Australia	Russia	Spain	Nigeria	Slovenia
Satisfied	42%	44%	44%	28%	23%	38%	57%	36%	37%	44%	33%	78%	54%	41%	14%	59%	57%	45%
Somewhat satisfied	36%	29%	33%	26%	51%	59%	35%	41%	53%	26%	48%	22%	31%	45%	57%	27%	38%	40%
Not satisfied	7%	7%	10%	3%	15%	3%	8%	5%	0%	4%	11%	0%	4%	5%	10%	14%	5%	15%
Company does not have an internal audit function	15%	19%	13%	43%	11%	0%	0%	18%	10%	26%	7%	0%	12%	9%	19%	0%	0%	0%
n	1410	486	120	145	80	74	49	44	30	27	27	27	26	22	21	22	21	20

May not equal 100% due to rounding

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Sponsored in more than 30 countries around the world, KPMG's Audit Committee Institutes provide audit committee and board members with practical insights, resources, and peer-exchange opportunities focused on strengthening oversight of financial reporting and audit quality, and the array of challenges facing boards and businesses today – from risk management and emerging technologies to strategy and global compliance. Learn more about ACI roundtables, webcasts, annual audit committee conferences, and other educational resources for directors at [www.KPMG.com/ACI](http://www.KPMG.com/ACI).



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