EY Center for Board Matters

Board Matters Quarterly

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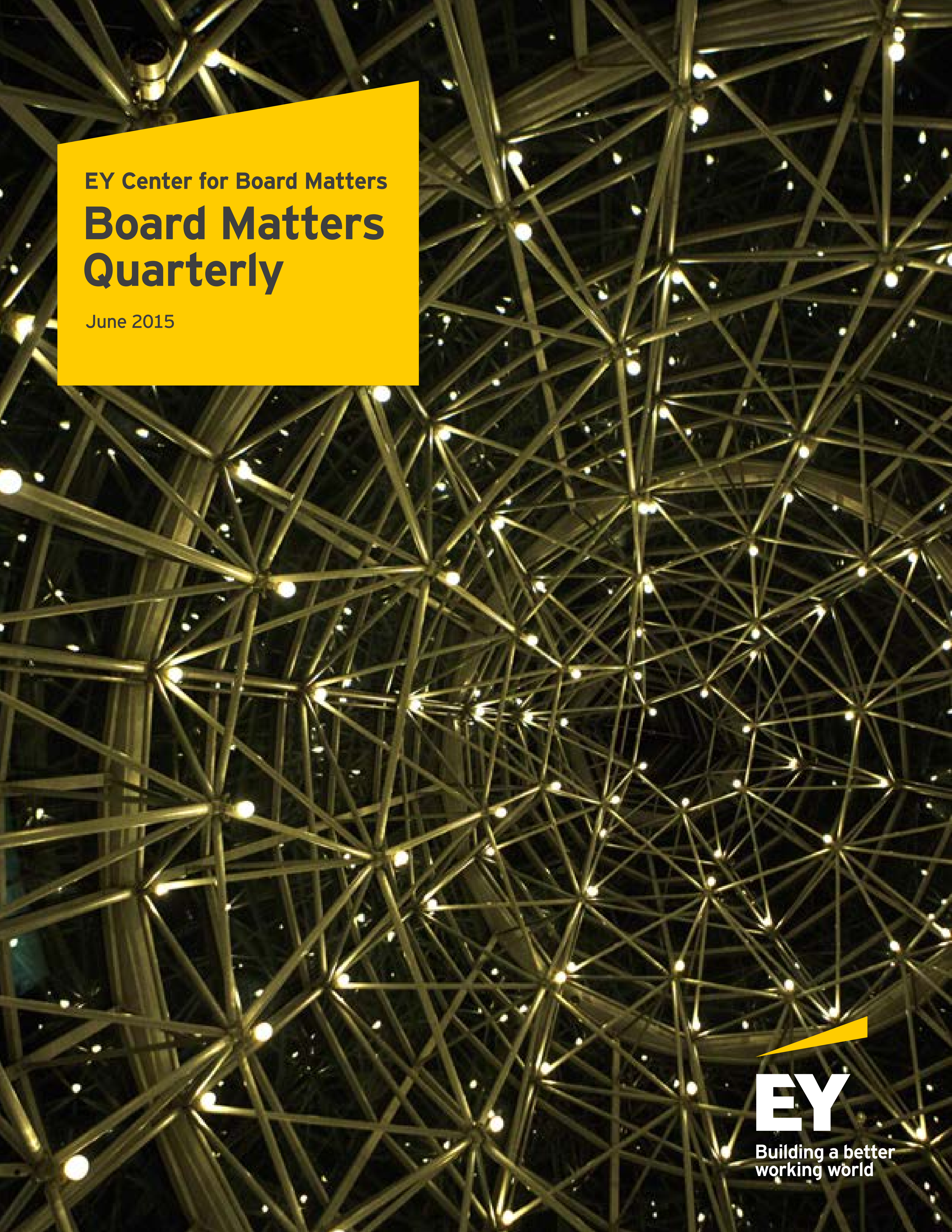


Building a better working world

June 2015

Board Matters Quarterly

In this issue

Insights

from our audit committee networks

Considering the importance of corporate culture

As part of their regular series of candid discussions, members of Tapestry and EY's regional Audit Committee Networks earlier this year met to consider the role that boards and audit committees play in fostering an ethical and compliance-oriented culture. Network members recognized the importance of having a corporate culture where ethical conduct is at least as important as financial performance.

A culture of integrity and compliance begins at the top. "CEOs and senior leaders must be the heart and soul on this," said one member. Management is not the only group responsible for setting the right tone: audit committee chairs also play an important role in fostering a culture of compliance. One noted, "We need to … tell management that we expect to hear all the news. Do not hide the bad numbers!" Members also stressed that directors should find opportunities to convey the importance of an ethical culture not just to senior management but to as many company employees as possible, whenever possible.

The status of the person responsible for compliance is a key indicator of that organization's commitment to a culture of compliance. Naming a dedicated chief compliance officer — particularly one who reports directly to the audit committee — can make a big difference for an organization that has previously assigned the role to an executive with other responsibilities.

Training and education programs are also powerful tools for seeding the company's values throughout the organization. Because risks vary globally and even by US region, training programs should be specially tailored for the target audience. In general, presentations in native languages and on-site tend to be more effective than limited online training.

The culture of an organization is difficult to assess, even for the management team that can walk the halls on a daily basis. It is vastly more difficult for boards of directors, who meet only periodically throughout the year. Without additional digging, directors must rely on what they observe or hear from management in the boardroom. Members said that visiting facilities away from headquarters for factory tours, meals with the local management, and other informal interaction affords some of the best opportunities for directors to understand company culture. Audit committee chairs also mentioned that keeping tabs on the company's whistleblower hotline — even with respect to non-financial or fraud-related complaints — can provide a good window into the state of the company's culture.

Auditors, both internal and external, are an additional resource for assessing culture. Because of the breadth and depth of their experience across the organization (in the case of internal audit) and across a company's industry peers and even across industries (in the case of the external auditor), these professional observers can provide the board with a unique perspective.

The status of the person responsible for compliance is a key indicator of that organization's commitment to a culture of compliance.

The nine North American Audit Committee Networks are organized and led by Tapestry Networks and supported by EY as part of EY's focus on effective corporate governance and commitment to bringing together and engaging with boards and audit committee members. Members include more than 80 audit committee chairs, who together sit on the boards of more than 120 public companies. Tapestry Networks and EY are independently owned and controlled organizations. This article was prepared by and used with permission from Tapestry Networks.

The Cadillac tax is coming

While most of the taxes and employer provisions of the Affordable Care Act (ACA) are already in effect, the final tax, the so called "Cadillac tax" is still looming on the horizon. This tax takes effect in 2018, but is already raising a long list of questions and tax considerations that audit committees need to consider as part of a comprehensive management strategy.

The ACA's "Cadillac tax" imposes a 40% nondeductible excise tax on the portion of high-value employer-sponsored health coverage for both active employees and retirees that exceeds certain cost thresholds. The Cadillac tax was included in the ACA to reduce the health care cost growth in employer-sponsored insurance and to raise revenue to help finance health coverage expansion. The Congressional Budget Office projects the tax will generate $87 billion of revenue through 2025. Boards and audit committees should know about the Cadillac tax, as businesses may face risks, significant expenses and administrative responsibilities related to calculating and apportioning the tax. Some key factors to consider are outlined below.

Employers in regions with high health care costs will be among the first hit

Despite the "luxury" label, the tax may affect many health plans that might not be considered overly generous. Other factors besides the types of benefits offered — such as workforce demographics, industry characteristics and regional differences — can all drive up health plan costs. As health care costs continue to rise, many plans will quickly exceed the Cadillac tax's cost thresholds (which, for 2018, are $10,200 for self-only coverage and $27,500 for family coverage, with some limited adjustments).

Once the Cadillac tax goes into effect, organizations in areas with higher health care costs, such as the Northeast, will become subject to the tax sooner than those offering comparable health benefit plans in lower-cost regions (see map on page 7). Organizations that have historically offered high-cost benefits, those with older or sicker workforces, greater numbers of early retirees, or professionalized workforces and those with unionized employees will also likely be among the first subject to the tax.

The tax will affect more plans over time

The Cadillac tax's cost of coverage threshold is to be indexed each year after 2018 based on general inflation.[1] But per-capita health care costs over the past 50 years have increased at roughly twice the rate of general inflation.[2] If companies offer

Much of the administrative burden of the Cadillac tax will fall on employers, so boards and audit committees should ask whether management is preparing for these added responsibilities.

the same benefits from one year to the next, their costs will likely rise more than the increase in the threshold. As a result, the excise tax will apply to more plans each year unless plan changes are made.

Shifting premium costs to employees will not reduce the tax

The Cadillac tax is assessed on the cost of specified health care coverage that exceeds the threshold, including both employer and employee premium contributions. Thus shifting premium costs to employees will not be an effective strategy to avoid the tax. Instead, companies are evaluating other plan design options that could help delay incurring the tax but might also result in covering fewer benefits and reimbursing fewer costs.

Employers will have to calculate and allocate the tax

Much of the administrative burden of the Cadillac tax will fall on employers, so boards and audit committees should ask whether management is preparing for these added responsibilities. While insurers and other plan sponsors (employers in the case of self-funded plans) pay the tax, employers must calculate the total amount of excise tax owed. They also must notify each benefit administrator of the administrator's share of the tax. Employers that calculate the tax incorrectly are liable for a penalty equal to the amount of the underpayment, plus interest. The coverage provider must pay its share of the unpaid tax, but is not liable for a penalty.

Next steps

US employers that offer health benefits to their employees have a stake in the Cadillac tax. While some employers are already analyzing their health benefit offerings and contemplating mitigation strategies around the Cadillac tax, a recent Ernst & Young LLP poll suggests that many remain unprepared.[3] Surveyed executives report that 73% of companies have not yet modeled the impact of the tax on their health care plans, while 53% have not yet considered changes to their benefit offerings.

Boards and audit committees can encourage management to start contemplating mitigation strategies and related compensation and benefits implications. As an example, some forward-looking employers are responding to the changing health care landscape by offering high-deductible health plans, exploring ways to incentivize behaviors that promote wellness and making employees more aware of the cost implications of their health care choices.

Given the many ongoing changes, it is an important time for boards and audit committees to fully understand their company's ACA implementation strategy, particularly with respect to the Cadillac tax.

Endnotes:

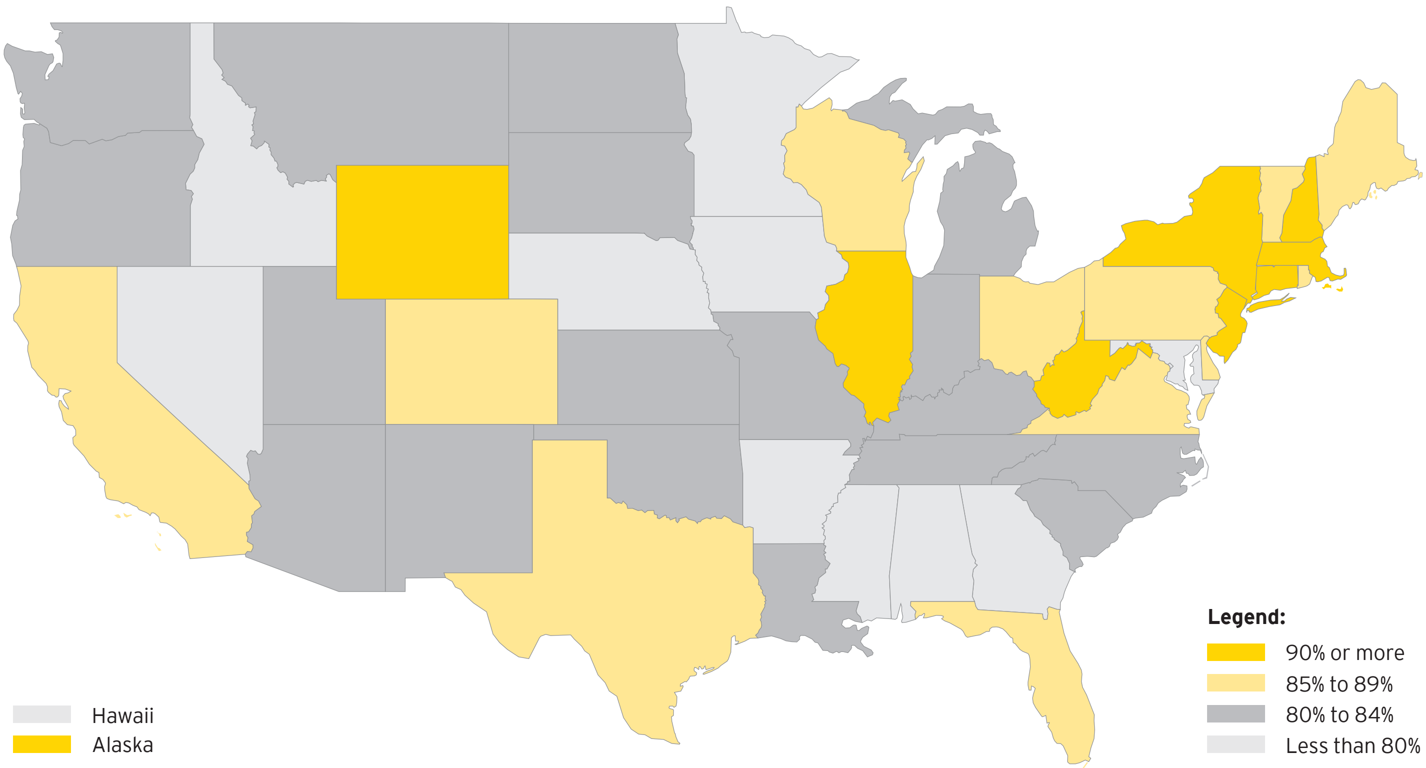
1 In 2019, the cost-of-coverage threshold will be indexed by the US Consumer Price Index for urban consumers (CPI-U) plus one percentage point; for 2020 and beyond it will be indexed by CPI-U.

2 Per-capita health care cost growth from *National Health Expenditures*, CMS Office of the Actuary, 2014; general inflation from *CPI Detailed Report*, Bureau of Labor Statistics, January 2015.

3 Ernst & Young LLP, April 2015 survey of 1,000+ tax and finance executives.

How the excise tax is projected to apply across the United States

Projected average total base medical premium in 2025 as a percent of projected excise tax threshold



Source: Ernst & Young LLP projections based on premiums from *Medical Expenditure Panel Survey-Insurance Component*, Agency for Healthcare Research and Quality, 2013 data. Health cost growth rates from *Projected National Health Expenditures*, Centers for Medicare and Medicaid Services, Office of Actuary, September 2014. General price inflation from *The Budget and Economic Outlook: 2015 to 2025*, Congressional Budget Office, January 2015.

A focus on whistleblower hotlines

The 2002 Sarbanes-Oxley Act (SOX) called on audit committees of US publicly traded companies to create formal procedures to collect, track and process hotline claims received by the issuer related to accounting, internal controls or auditing matters. Additionally, SOX held audit committees responsible for establishing a channel for employees to submit confidential, anonymous concerns regarding questionable accounting or auditing matters through the whistleblower hotline. However, the legislation did not provide prescriptive guidance for establishing effective whistleblower programs.

As the Securities and Exchange Commission (SEC) has indicated, because the audit committee is dependent to a degree on the information provided to it by management and internal and external auditors, it is important for the committee to cultivate open and effective channels of communication. Because the SEC has not mandated specific processes and procedures, the audit committee plays a critical role in determining the processes appropriate for its organization. Since there is no "one size fits all" approach with respect to whistleblower hotlines, below are some considerations for audit committees as they fulfill their obligations under SOX.

Step 1: Communication and receipt of hotline claims

First, audit committees can work with management to discuss ways to inform employees about the hotline and make the hotline easy to use. Depending on the circumstances of the company, audit committees and management can consider the operating hours of the hotline (e.g., whether it would be beneficial to have the hotline available at select times or days or every day at all hours) as well as the mechanisms used to receive the hotline reports (e.g., telephone, web-based application, fax).

It is often helpful when audit committees encourage management to foster a culture where employees know that they can submit issues anonymously and the reported incidents are kept confidential. To enhance the anonymity and confidentiality of reports, organizations might consider using a third-party vendor to assist with the receipt of hotline claims.

When gathering information from a hotline reporter, the organization should consider what facts it will need to evaluate and follow up on the report.

Step 2: Analysis and investigation of claims

The audit committee and management should also determine an appropriate review process for each claim which examines both the merit of the reports (credible and not frivolous) and

By looking to benchmarks and performance metrics, the audit committee can monitor efforts and consider whether improvements are needed.

whether those claims have a potential material impact to the financial statements and related disclosures. Audit committees should consider what criteria will be used when evaluating reports, which might include both quantitative considerations (e.g., prescribed dollar and/or percentage significance) and/or qualitative considerations such as reputational risk, potential breach of covenants or other contractual agreements, regulatory or compliance risk, potential violations of laws and regulations.

Some organizations use a screening committee to ascertain which claims warrant investigation. The screening committee could include an audit committee member, legal counsel and representatives from internal audit, human resources and compliance or risk management functions.

Establishing a well-vetted screening and investigation process for claims is an important consideration for audit committees. Audit committees should consider whether there are predetermined methods to evaluate which claims should be investigated and ultimately reported and reviewed by the board. In addition, audit committees should consider the need for procedures and protocols for investigations, which could include criteria for evaluating the merit of allegations as well as personnel involved in the investigations.

The approach taken by audit committees to monitor hotlines varies. In some organizations, the audit committee chair has direct access to hotline reports. In others, the chair is copied on whistleblower emails or calls at the same time as others in the company, such as the general counsel. Some audit committee chairs may choose to receive the entire log of reports, while others will review matters selected by an appropriate designee (e.g., internal audit or general counsel) who was charged with monitoring whistleblower reports and informing the audit committee about certain reports, such as those that could have a financial statement impact. Audit committees should also consider whether reports regarding senior management should be forwarded directly to the audit committee without any filtering.

Based on the risk factors unique to their organization, some audit committees are revisiting how hotline claims are reported to them. For example, some companies have a chief compliance officer responsible for the hotline with direct reporting to the audit committee chair. In other instances, the chief executive officer can be the default chief risk officer with an appropriate designee, simultaneously reporting to the audit committee chair.

Step 3: Reporting and resolution of claims

Audit committees often incorporate a review of hotline reports during their audit committee meetings. Some then report the serious allegations to the full board.

In addition to looking at individual reports, audit committees can also consider discerning any meaningful trends from the entire population of claims received to assess for any areas of improvement or any underlying potential problems, such as cultural or management weaknesses. Audit committees can consider using the internal audit department to monitor hotline metrics (e.g., number of claims received, geography, nature, etc.) to assist in identifying any trending or comparisons to industry or other benchmarks.

By looking to benchmarks and performance metrics, the audit committee can monitor efforts and consider whether improvements are needed. For example, if there is an increase in hotline claims reported, the audit committee can determine whether the increase is due to greater usage of the hotline or an increased number of incidents.

Working with internal audit to measure effectiveness

The company should determine whether the internal audit department can assist in assessing the operating effectiveness of the whistleblower hotline and review whether protocols align with any changes in company operations or risk profile. Internal auditors can also evaluate whether the hotline is widely communicated to employees, the level of hotline support from management and whether protocols and procedures are being followed. As companies and compliance requirements change over time, an effective hotline reporting system should also evolve with the related organizational risks.

The audit committee plays a critical role in determining the hotline processes appropriate for its organization.

Hotline considerations for the board and management

Depending on the circumstances of the company, the following questions may be helpful to consider:

Communication and receipt of claims

1. Does the hotline have multilingual capabilities to support hotline callers with varying ethnic backgrounds?
2. Are the people who receive hotline calls appropriately trained and well-versed in the policy and procedures to handle the intake process?
3. Are callers provided with a unique identification number that allows them to call back anonymously with any follow-ups and/or additional questions or concerns with the investigators?
4. Does the whistleblower process include external users — e.g., vendors or customers?
5. Does the reporting process allow for the company to investigate or follow up with the reporter and allow for communication channels that still maintain confidentiality and anonymity?

Analysis and investigation of claims

6. Does the company have a method to categorize the various reports by level of importance and/or sensitivity?
7. Is there a decision tree to filter reports? Does the audit committee have a clear understanding as to which items will get elevated to the committee?
8. Are those that are routed to the audit committee consistent with those identified as related to enterprise risks identified by the board?
9. What measures are taken so that whistleblower reports are being appropriately handled and elevated in a timely manner?
10. What internal controls are in place regarding handling and resolution of reports?
11. Does the entity have plans to periodically test the operating effectiveness, compliance, and perform trends analysis in connection with the whistleblower process?

Reporting and resolution of claims

12. Are there any potential roadblocks in the process that delay dissemination of information to those charged with governance?
13. Has sufficient care been taken for documentation and data related to whistleblower reports and investigations to be appropriately maintained to prevent inappropriate access?
14. Has the company established performance metrics or performed trend analysis on hotline reports?
15. Are there any meaningful trends in the population of reports received? Are there any noticeable increases or decreases in the types of reports that are reported?

Understanding financial restatements

Corporate officers, auditors and audit committees are all involved in the efforts of US publicly traded companies to provide accurate corporate financial reports to investors. But, sometimes mistakes make their way into financial statements of public companies, and when they do, what happens next can vary depending on the timing and severity.

When a financial statement error is discovered, it should be corrected. In some cases, the correction of an error is made through a restatement, which may lead to questions from investors and other stakeholders. When an error dates from a prior year — or years — how it is corrected can vary, based on the significance of the error to prior year financial statements. All of this can make it difficult for investors to understand the difference and significance of financial restatements. This article seeks to shed some light on such considerations.

Responsibilities

Corporate officers are required to certify that quarterly and annual financial statements "fairly present, in all material respects, the financial condition and results of operations of the issuer." A company's independent auditor provides an opinion on such financial statements and is required to "plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud." Audit committees, which must be comprised of individuals independent of management, oversee and monitor management's and the independent auditor's participation in the financial reporting process.

Management often is the first to identify an error, but errors are also identified by internal and external auditors and occasionally by others, such as the U.S. Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB). When and how they are corrected, can vary based on the materiality of the error.

It is important to remember that restatements are rare and not all restatements are the same. Clear explanations from the company can help answer investor questions about the restatement, such as what effect did the mistake have on past results? What impact will it have on the future? Is there something the investor should consider when forecasting future performance? What comfort level should investors have that similar issues are unlikely to reoccur?

To avoid misunderstandings, the company should consider discussing:

- The type of error
- The cause of the error
- How the error was discovered
- How the error was corrected
- Whether there are any ongoing ramifications
- The implications to a company's control environment

What is a restatement?

The Financial Accounting Standards Board (FASB) defines a restatement as a revision of a previously issued financial statement to correct an error. The determination of whether a prior period error will result in a restatement hinges on materiality. While the FASB clearly defines restatement, it provides little guidance on assessing materiality. The SEC, however, instructs companies and auditors to conduct a quantitative and qualitative analysis to determine if an error is material to the prior period financial statements. Some refer to "rules of thumb" when quantitatively assessing materiality (e.g., 5% to 10% of pretax income), but there are no bright-line percentages or figures for materiality.

The importance of clear communications to investors regarding a restatement cannot be underestimated.

"Big R" restatements

When an error is material to prior period financial statements, a company is required to restate previously issued financial statements and correct the error (e.g., in a Form 10-K/A filing or, in some cases, the next Form 10-K filing). In such situations, the audit opinion also is revised to disclose the restatement and refers to the financial statement footnote that describes the error and related correction. This type of restatement is commonly known as a Big R restatement.

Because Big R restatements are material corrections to previously issued financial statements, investors will want to understand the nature of the error and the correction. There is a rebuttable presumption that a Big R restatement results from one or more material weaknesses in internal control. Thus disclosure of the Big R restatement frequently is accompanied by disclosure of a previously undetected material weakness in internal control over financial reporting.

"Little r" restatements

There are occasions when an error is discovered that was not material to prior period financial statements. Such an error, while immaterial to each individual year, could accumulate over time to a material amount. If the error accumulates to the point that making an all-at-once adjustment to fix the accumulation of past year errors in the present year alone could materially misstate the current year's financials, the company would adjust or "restate" the prior period information in the current period financial statement. This is sometimes referred to as a Little r restatement.

In a Little r restatement, the company would still need to disclose the correction in the footnotes of the current period financial statements (i.e., the financial statements that reflect the correction), but would not have to amend prior Form 10-K filings. Little r restatements also do not require the independent auditor to modify its opinion because the prior period financial statements were not materially misstated.

Little r restatements are not material to the prior period financial statements, but investors should understand the nature of the error and the related correction. In some instances, the company may determine that, while not material, the little r restatement resulted from deficiencies in internal controls that could have resulted in a larger restatement and thus also disclose a material weakness in internal control over financial reporting.

Other immaterial errors

If an error is immaterial to the prior period financial statements and fixing it in the current period financial statements would not materially misstate the current period, the error would be corrected in the current period financial statements. In our view, when an error is discovered — even if it is immaterial — it is a leading practice to correct the error in the current reporting period.

As noted, a material restatement (i.e., a Big R restatement), which must be filed on an amended Form 10-K with a revised opinion from the independent auditor, is a relatively rare occurrence. In most years, less than 1% of the Big Four's client base files such a restatement.1

Assessing restatements and company responses

Because the causes of restatements vary, there is a variety of factors for investors to consider when assessing a restatement. These include:

- The cause and significance of the error
- The likelihood of its reoccurrence
- The preventive measures, including consideration of internal controls, the company is employing to prevent such an error from happening again

To find out more information about a restatement and how the company is addressing the underlying problem, investors can look to the company's disclosure documents, including the disclosure in the financial statement footnotes (e.g., Form 8-K and Form 10-K/A filings for a Big R restatement and Form 10-K for a Little r restatement), as well as any communications related to the matter on calls with analysts. Where a company puts information regarding Little r restatements in the footnotes varies, as there is no prescribed section.

The importance of clear communications to investors regarding a restatement cannot be underestimated. Companies can help investors be more comfortable with news surrounding a restatement by thoroughly explaining the issue or issues that gave rise to the error and how the company is responding, including any corrective actions. Failing to do so may increase concerns about whether there is an ongoing weakness in the company or its management, which could lead to additional problems down the road.

Ambiguity regarding how a company is responding to financial reporting errors can be the most damaging, because it may prompt the investment community to assume that the problem is more significant than it is in reality.

Endnote

1 Errors related to the accounting for income taxes and revenue recognition are consistently the leading areas that give rise to restatements.

Thirty percent inspiration

A successful movement in the UK to add more women to boards is now acting as a model for other countries around the world.

You could say that the sun almost never sets on the quest for greater gender diversity on boards of directors. Initiatives to achieve this goal are gaining in number and momentum globally, and, not surprisingly, the UK — long a home to progressive thinking and action regarding equality in the workplace — has set the pace. Now other countries are following its lead.

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Among the boards of businesses that comprise the Financial Times Stock Exchange (FTSE) 100 Index in the UK, there were 31 that were all male in 2011. Today, there are none.

The fact that the holdout male-only boards have vanished from that elite group in such a short time is remarkable, and due in part to the confluence of two significant forces: the report and recommendations of an independent review led by Lord Mervyn Davies, and the founding of the 30% Club, a group of business leaders committed to achieving better gender balance at all levels of organizations because it makes businesses and boards more effective.

The group, founded by Newton Investment Management CEO Helena Morrissey, takes its name from the idea that 30% is the proportion when critical mass is reached, i.e., when the voice of a minority is heard in its own right, not just accepted as representing the minority.

The timing of those two events, says Joanna Santinon, Partner at Ernst & Young LLP in the UK and member of the 30% Club's steering committee, was "fortuitous, but the success has really been more about businesses doing it for themselves and men being engaged in the debate, and not about quotas."

As a result, the focus has been placed where it should be — on doing what is right for business.

"If you get a proper gender-balanced board, and a gender-balanced pipeline, you create a better business, a better place to work in and a better place to do business with," Santinon adds. "The goal has been getting business leaders to understand that this isn't about being fair to women, it's about making their business better."

To quota or not to quota

The true genius of Lord Davies' "Women on Boards" review was its demurral on recommending quotas, which could have proved divisive. Instead, voluntary collaboration was suggested, and it has found many eager participants and admirers.

“If you start swinging a big stick you can turn people off. When you offer a carrot, the people in the middle are more inclined to join you. So we’ve adopted a ‘progress is good but we’d like it to be better’ approach.”

“We’ve found that the carrot produces better results than using a big stick,” says Santinon. “If you start swinging a big stick you can turn people off. When you offer a carrot, the people in the middle are more inclined to join you. So we’ve adopted a ‘progress is good but we’d like it to be better’ approach.”

It has worked. When the club was founded in 2011 by Helena Morrissey, CEO of Newton Investment Management, women made up just 12.6% boards on the FTSE 100 Index. Today, that number is 23.5%, and Santinon is confident that 25% is in reach by year’s end.

In the US, Ruby Sharma of the EY Center for Board Matters believes that gender diversity isn’t really about quotas, but does think that putting numbers against something serves a purpose.

“What gets measured gets done,” she says. “A board makes decisions by looking at metrics. I think numbers are important, but they are not the solution. Boards need to be connected to the business strategy. When change in board members happens, it should be about appropriate skills and relevant to the strategy of the company. To have a thoughtful, intellectual, data-driven and accountable way of doing this is the ideal, but it’s not just about having a woman on the board — it’s about having the right woman, and they are out there if you look hard enough.”

Global momentum

The US is home to one of many new chapters of the 30% Club, which is also now well established in Hong Kong, East Africa, Ireland and Southern Africa. Chapters in Australia, Malaysia and Canada are in their early days, and Italy, Brazil, India and Switzerland are set to launch chapters later this year.

“We’re hoping to build on the foundation that Helena and the 30% Club created in the UK, bringing together chairs and CEOs who are visibly committed to the organization and to initiating positive changes within their own companies,” says Peter Grauer, Chairman of Bloomberg L.P. and founding Chair of the US 30% Club.

“We’ll rethink our approach when and where we need to, but we ultimately want to transplant already successful programs like cross-company mentoring and scholarship programs for promising women at top business schools. We’ve set a goal of achieving 30% women directors on Fortune 500 boards by 2020.”

Whether or not any of the newer clubs can match the speed of success in the UK isn’t particularly an issue, but a high bar always sets a target, and Sharma wouldn’t mind a faster tempo in the US.

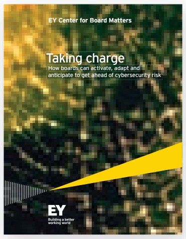
“For years we’ve been talking about the business case for having diversity on boards,” she says. “Research shows that even just one woman on a board can enhance their performance. The business case is there. But if you look at the US, it’s ranked ninth in the world in terms of gender diversity on boards. Ninth is not good enough — we should be at the top. We are going in the right direction, but it’s time to accelerate it.”

To be fair, notes Santinon, not all the global chapters of the 30% Club will have the advantage of another recommendation in Davies’ report, namely a section in annual reports that outlines the policy on gender diversity, what the targets are and, in the absence of targets, an explanation for why they don’t exist.

“It isn’t a quota,” she says, “but it is a disclosed voluntary target system that makes change easier. Still, I’d like to think that the new chapters can have the same pace of acceleration, and that global change is happening. Maybe some governments will see that they have to do more to encourage change so that they can keep up the pace necessary to compete on a global playing field.”

More insights

Access additional information, including the following, at ey.com/boardmatters:



Taking charge: how boards can activate, adapt and anticipate to get ahead of cybersecurity risks

Even the best-run companies will face a crisis, and in today's technology-driven environment, that crisis will likely be a cyber attack. Whether the situation has a severe impact on a company often depends on the board's preparedness. Smart boards know that the best offense is a strong defense, and an organization's value and reputation can hinge on how well it responds to an unforeseen event. Our new report explores the board's role in cybersecurity governance and its oversight of the establishment of a cyber framework. We also share leading practices to help boards anticipate and get ahead of cybersecurity risks.

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EY announced this month its exclusive sponsorship of the Bloomberg Board Directors' Forum. The sponsorship includes a new digital hub featuring contributions from Bloomberg editors and journalists around the world on the topics of boards, directors, audit committees and corporate governance. Access the hub by visiting ey.com/boardmatters.

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