Current developments for mutual fund audit committees

A quarterly summary

June 30, 2015

pwc

Dear clients and friends,

On behalf of PwC's Asset Management Practice, it is our pleasure to offer the latest edition of *Current developments for mutual fund audit committees*. This publication includes featured articles on topics impacting the mutual fund industry, a summary of recent accounting and financial reporting, auditing and regulatory developments, together with links to relevant publications of interest, and a list of upcoming webcasts and industry conferences for your convenience.

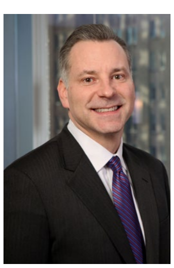
There have been a number of recent regulatory developments from the SEC and PCAOB, and this edition of *Current developments for mutual fund audit committees* features the following themed articles:

- **SEC proposes new rule on Investment Company Reporting Modernization**
  A summary of key changes included within the new rule proposed by the SEC on May 20, 2015 together with our observations.
- **SEC considers changes to audit committee disclosure of auditor oversight**
  The SEC is seeking public input on whether investors would benefit from enhanced disclosure relating to the audit committee's oversight of the independent auditor and, if so, what information would be useful. This article discusses key points regarding the concept release.
- **Money market reform: one year on**
  One year after the finalization of money market reform rules by the SEC, this article discusses considerations for fund boards, investment managers, transfer agents, distributor/broker-dealer, administrator/fund accountant and tax compliance groups.
- **Highlights of the first PCAOB Audit Committee Dialogue**
  On May 7, 2015, the PCAOB issued the first installment in a new digital outreach communication to audit committees with their Audit Committee Dialogue, which summarized insights from PCAOB inspections and discussed recurring areas of concern and emerging risks. This article highlights some of the items within the PCAOB's communication that may be relevant to mutual fund audit committees.

We hope that you will find this material to be informative and helpful. If you have questions or would like additional information, please contact either one of us or any of our subject matter specialists noted in the publication. We would welcome the opportunity to connect with you and discuss any topics of interest.

Coming up at the end of this quarter on Thursday October 1, 2015, is our annual PwC Financial Services Audit Committee Forum in New York. To learn more about the event and register, please contact Steve Gruber at steven.b.gruber@us.pwc.com. We look forward to seeing you there.

Regards,



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SEC proposes new rule on Investment Company Reporting Modernization

As part of its prominent regulatory role, the SEC took a major step on May 20, 2015 in enhancing data reporting requirements for investment advisers and funds through its proposed rule release, "Investment Company Reporting Modernization."[1] Enhanced data reporting for '40 Act funds is essential to advancing SEC initiatives in other areas, as the agency currently lacks an easy view of data across the asset management industry. Therefore, it comes as no surprise that the SEC has decided to prioritize this area of rulemaking.

The SEC's proposed rule constitutes its most significant change to the reporting regime for registered investment companies in at least a decade. The goals of the release, among others, were to:

- Provide more detailed and frequent information to the SEC staff to assist them in monitoring potential systemic risk and to inform its ongoing inspection and regulatory efforts;
- Update SEC reporting forms for changes in technology and eliminate outdated information requests;
- Provide for more extensive disclosure in financial statements of investment practices that have emerged since the last update to the SEC's financial reporting rules for investment companies, particularly derivatives and certain aspects of securities lending;

1 SEC Proposes Rules to Modernize and Enhance Information Reported by Investment Companies and Investment Advisors, 2015-95, issued May 20, 2015

Overview of the changes

1. *Proposed New Form N-PORT* – More comprehensive reporting through a new Extensible Markup Language (XML) format monthly portfolio reporting form (Form N-PORT) of data related to pricing of portfolio holdings, securities lending activities, counterparty exposures, terms of derivatives contracts, and discrete portfolio level and position level risk measures. Information for the last month of each fund's fiscal quarter would be made publicly available, and would incorporate some of the previously required information in Form N-Q, such as the current portfolio holdings requirement for the first and third quarters of each fiscal year.

2. *Changes to Regulation S-X* – Enhanced and standardized fund financial statement disclosures related to derivatives (similar to what would be required in the monthly portfolio holdings reports, Form N-PORT) and securities lending activities, as well as requiring derivative holdings to be presented prominently in a fund's financial statements rather than in footnotes.

3. *Proposed Replacement of Form N-SAR with Form N-CEN* – A new annual reporting form (Form N-CEN) for census-type information due within 60 days of each fund's fiscal year to replace the current semi-annual Form N-SAR.

4. *Website Transmission of Shareholder Reports* – Ability for registered funds to deliver shareholder reports by making them accessible on their websites and sending printed reports if requested by shareholders, in contrast to the current approach of printing and mailing unless investors have affirmatively requested electronic delivery.

- Allow investment companies to take the same advantage of technology, particularly the Internet, currently afforded to other corporate issuers by permitting substantially greater use of electronic delivery of shareholder reports.

The rule proposal contains four major sections; this article provides an overview of each followed by more detailed observations.

Proposed New Form N-PORT

The first of the quartet of proposals introduced new proposed Form N-PORT, a form to be filed monthly in XML format, 30 days after each month end by all funds except money market funds (which currently report monthly on Form N-MFP) and small business investment companies (SBICs). Form N-PORT is intended to provide the SEC the ability to obtain and search data about investment companies more efficiently to inform itself about potential risks facing individual funds or the industry or security markets as a whole. While the submissions for the first two months of each fund's fiscal quarter would only be available to SEC staff, the filing as of the third month of each fiscal quarter would be made publicly available 60 days after quarter-end. The SEC believes that making the files available would allow analysts and institutional investors the ability to use the data to improve their decision-making. To allow individuals to also read and understand the data, the SEC proposed eliminating Form N-Q and requiring the submission of Regulation S-X-compliant schedules of investments and derivatives as part of the first and third quarters' Form N-PORT filing (the second and fourth quarters are covered by the normal filing of full financial statements).

The information proposed to be requested in Form N-PORT includes the following, among others:

- Balance sheet information – total assets, total liabilities, net assets, and more detailed information on debt, preferred stock, and payables for investments purchased with extended settlements;
- Risk metrics – including, for funds with debt exposure (including derivatives) exceeding 20% of the defined term of "notional value," portfolio duration and spread duration computations, as well as sensitivity analyses for security values at various maturities;
- Securities lending -listing of aggregate amounts of securities on loan by counterparty;
- Return information – monthly total returns for each class of shares, monthly realized and unrealized gain/ loss on investments and on derivatives by risk category;
- Flow information – funds flow information (i.e., sales, reinvestments, and redemptions);
- Detail information about each:
    - » Investment, along with significant terms of debt securities (e.g., maturity, interest rate)
    - » Repurchase agreement and reverse repurchase agreement
    - » Derivative, in a structured format; for derivatives based on tailored indices or baskets not publicly available and exceeding (at notional) 1% of fund net asset value, provide the detail components
    - » Security on loan and reinvestment of cash collateral (as well as information about non-cash collateral received)

Observations

1. While Form N-Q itself is proposed to be rescinded, the substantive effect of the proposals is to transfer the current Form N-Q schedules to the first and third quarters' filings of Form N-PORT, and, in a separate proposal, the related certification requirements to the semi-annual certifications required in Form N-CSR. Accordingly, we do not anticipate any significant reduction in preparation effort by financial reporting staff for "off-quarter" filings. Rather, the proposed requirement to file quarterly N-PORTs (including the N-Q-equivalent schedules) within 30, instead of 60, days of period end may well increase deadline pressures.

2. The information requested in Form N-PORT is unlikely to be captured, at least currently, in any individual system, as the requests span accounting, performance, and portfolio analytic data. Further, detail securities lending information is often maintained by agent banks, away from the funds' own systems. Accordingly, we believe that system integration and testing – including thorough consideration of data consistency among systems – is likely to be one of the most critical, and time-consuming elements of implementing the new report, and may well require changes to underlying systems.

Changes to Regulation S-X

The SEC proposed significant changes to the portfolio reporting regime contained in Articles 6 and 12 of Regulation S-X, including:

- Specific schedules for each major type of derivative (written and purchased options, futures, foreign exchange forward contracts, and swaps) including, among other things, a description of the contract, the number of contracts/notional amount, exercise price (options only), counterparty (for non-exchange traded derivatives only), settlement/expiration date, and value. Also required to be shown for swap contracts would be the amounts of any up-front payments and the resulting appreciation/depreciation; futures contract values would require disclosure of variation margin in a manner which would allow the totals to be reconciled to the corresponding amounts on the fund's balance sheet. For derivatives based on tailored indices or baskets (at notional) not publicly available and exceeding 1% of fund net asset value, separate disclosure of each investment comprising the index or basket would be required. For each derivative type, the fund would also be required to present gross unrealized appreciation/depreciation on a tax basis, similar to the current requirement for investment securities.
- All investments and derivatives determined to be valued using significant unobservable inputs (i.e., "Level 3" valuations in the FASB valuation hierarchy) or deemed by the fund to be "illiquid" would be individually identified by footnote reference.
- All derivatives schedules would be required to be presented immediately after investment schedules, and not presented separately in the footnotes.
- Investment portfolios would be required to be classified by all of investment type, industry, and geography or country. Variable rate fixed income security descriptions would also be required to present not just the current rate but the basis upon which the rate is determined (e.g., LIBOR plus 1%). For securities making income payments in-kind, disclosure of both the in-kind and cash rates would be required.
- Each investment position on loan in whole or in part would be required to be identified. Further, in a footnote, a fund engaging in lending during the period would be required to present net income from securities lending activities, gross income and expenses (including rebates paid) on loans, a summary of the terms of lending agreements (including any profit split between the fund and lending agent), details of any other fees paid directly or indirectly through lending arrangements, and monthly average value of securities on loan.
- Amendments were proposed to streamline the presentation of "controlled investments" in the required schedule of affiliated investments and to reconcile certain information more readily with the required captions in fund's statement of operations.
- Eliminate the requirement for specific disclosures of written option activity (i.e., written option rollforward).
- Finally, the fund's statement of operations would be revised to report realized and unrealized gain and loss by derivative type, consistent with the derivatives schedules above, and to require reporting of any income recognized from non-cash dividends and payment in-kind interest.

Observations

1. The proposed requirement to present gross tax appreciation and depreciation by derivative type may be difficult to implement as written given the complex tax rules governing numerous types of derivatives, in particular transactions designated as hedges for tax purposes.

2. The proposed disclosure requirement to separately disclose each investment comprising a tailored index or custom basket referenced by a derivative contract may result in the disclosure of a significant number of individual notional positions. While we do not disagree with the SEC staff that such disclosure may assist investors in better understanding and evaluating the full risks of the derivative, the volume of notional positions which could be disclosed could make it more difficult to distinguish between actual and notional portfolio positions.
3. The proposed requirement to disclose whether individual investment securities and derivatives are "illiquid" may result in an inconsistent disclosure of the same asset across registrants as such determination is often subjective in nature. In addition, this disclosure may prove to be difficult to audit.
4. We also believe that some of the proposed disclosures related to securities lending arrangements will prove controversial.

Proposed Replacement of Form N-SAR with Form N-CEN

The SEC proposed to replace Form N-SAR, its current semi-annual statistical report, with new annual Form N-CEN, filed 60 days after the end of the fund's fiscal year. One of the main benefits of the change to the SEC is that information filed on Form N-SAR is difficult to extract and analyze; the SEC proposes that Form N-CEN filings be XML-based, also making them available for more effective and efficient SEC staff analysis. The content of Form N-CEN will be streamlined, eliminating data which duplicates data received in other filings (including shareholder reports, fund prospectuses, and the proposed Form N-PORT). A new section will be established to gather information on exchange-traded funds (ETFs) and exchange-traded managed funds (ETMFs), including, for ETFs, data about return tracking differences from the stated index. Also, the Commission will gather information about "financial support" events (using the same definition of "financial support" applicable to money market funds); reliance by funds on exemptive relief; material changes in valuation methods; reprocessing of shareholder transactions to correct NAV computation errors; and investments in controlled foreign corporations (typically used by funds maintaining "blocker" subsidiaries to invest in commodities). Additional securities lending information would also be requested, as well as specific information (including name, address, and telephone number) of the fund's chief compliance officer.

Observation

1. This proposal likely will benefit financial reporting and compliance personnel by eliminating a semi-annual reporting requirement but at the cost of some additional disclosures at year-end.

Website Transmission of Shareholder Reports

The Commission would permit, for the first time, funds to make shareholder reports (including Regulation S-X compliant quarterly portfolios) available electronically in lieu of delivering paper copies to each investor. Several conditions would be placed on this ability, including:

- Making the report available on a website maintained by the fund beginning no later than the date of transmission in reliance on this option. (Directing shareholders to the fund's required filings on the SEC's EDGAR system would not be a permitted method of compliance.)
- Obtaining shareholder consent, either explicit or implied. "Implied" consent would be obtained by notifying shareholders that future reports will be made available electronically at no charge and that reports will not be mailed unless the shareholder notifies the fund of his or her desire to receive them (a toll-free telephone number and written reply form are to be provided for this purpose).
- Sending each shareholder a notice of report availability.
- Delivering a printed report to any shareholder requesting one at no charge.

Observation

1. The SEC also proposed that funds opting for electronic delivery not be allowed to also provide condensed portfolio schedules as currently permitted by Regulation S-X Rule 12-12C, reasoning that a) the greatest benefit to the funds from use of the summary schedule is to reduce printing costs, which would be even further reduced by electronic availability; and b) shareholders should not have to click on one page to obtain a shareholder report and then move to still another page to obtain a full portfolio. Assuming that electronic delivery is widely adopted, the use of summary portfolios would therefore likely decline substantially.

Effective dates

In recognition of the significant systems changes that would be required to implement Form N-PORT, the SEC proposed a tiered implementation – 18 months after the effective date of a final rule for fund complexes with net assets of $1 billion or more, and 30 months after the effective date for smaller complexes. No tiered implementation would be adopted for the implementation of Form N-CEN, with all funds subject to its provisions 18 months after the effective date.

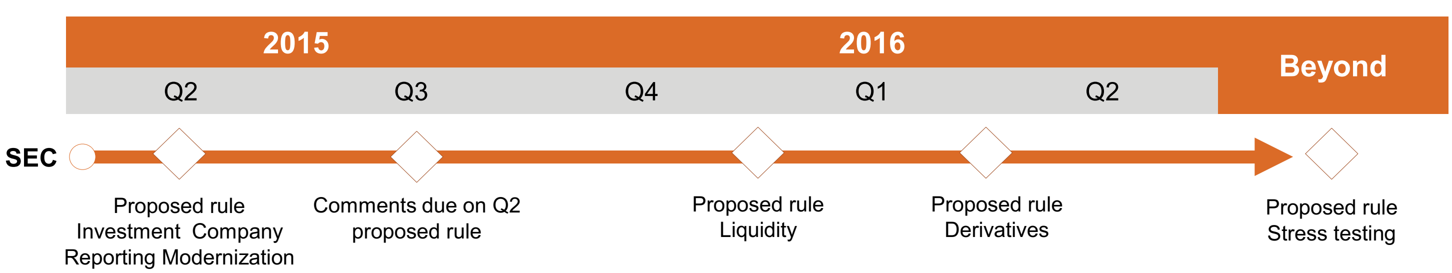
The SEC viewed many of the proposed amendments to Regulation S-X as consistent with existing practices and proposed a compliance date of eight (8) months after the effective date of final amendments. For the use of electronic shareholder report delivery, the SEC proposed immediate effectiveness, since reliance on the rule would be optional.

The comment period on the proposed amendments extends for 60 days after their publication in the Federal Register. Even though the SEC released the proposals on May 20, 2015 they were not published in the Federal Register until June 12, 2015; therefore, comments are due by August 11, 2015.

Looking ahead

The SEC's proposed rule is the first in a series of guidance releases expected by the SEC in the upcoming months for asset managers. Future guidance is expected to provide additional requirements around liquidity risk management, the use of derivatives, stress testing, and transition planning. We expect the new requirements to primarily affect traditional mutual funds and their advisers, with the new stress testing rule potentially being very impactful. The chart reflects anticipated timing of SEC actions in the upcoming period.

SEC timeline



Please refer to our publication *A Closer Look – Asset Managers: The SEC's road ahead* for a summary of the various actions expected by the SEC that will impact asset managers in the near future.

SEC considers changes to audit committee disclosure of auditor oversight

The SEC is seeking public input on whether investors would benefit from enhanced disclosure relating to the audit committee's oversight of the independent auditor and, if so, what information would be useful.

What happened?

On July 1, 2015, the SEC published a concept release to solicit public input on possible changes to its audit committee disclosure requirements. The concept release is focused on disclosures relating to the audit committee's oversight of the independent auditor.

Current audit committee disclosure requirements

Audit committees play a critical role in protecting the interests of investors, and disclosures about audit committee interactions with the independent auditor promote investor confidence. The majority of the SEC's current audit committee disclosure requirements were adopted in 1999. Since that time, there have been significant changes in audit committee responsibilities, including the 2002 Congressional mandate that the audit committee of a listed issuer be directly responsible for the appointment, compensation, retention, and oversight of the work of the independent auditor.

Current audit committee disclosure requirements (e.g., that the committee has discussed certain required communications with the auditor and has received written communications relating to the auditor's independence) provide some information about the audit committee's role in overseeing the independent auditor. However, the SEC's current rules do not provide insight into how the audit committee executes its responsibilities.

Focus of the concept release

The concept release seeks public input on a number of potential changes to the SEC's audit committee disclosure requirements on topics such as:

- Communications between the audit committee and the auditor;
- Frequency of meetings between the audit committee and the auditor;
- Discussions about the auditor's internal quality review and most recent PCAOB inspection report;
- How the audit committee assesses, promotes, and reinforces the auditor's objectivity and professional skepticism;
- How the audit committee assessed the auditor (including the auditor's independence, objectivity and audit quality) and its rationale for selecting or retaining the auditor;
- Whether the audit committee sought proposals for the independent audit and if so, the process the committee undertook and the factors it considered in selecting the auditor;
- Policies for an annual shareholder vote on the selection of the auditor, and the audit committee's consideration of the voting results;
- Disclosures of certain individuals on the engagement team (e.g., the naming the engagement partner);
- Audit committee input in selecting the engagement partner;
- The number of years the auditor has served as the company's independent auditor; and
- Information relating to other firms involved in the audit.

Some of these topics (e.g., naming the engagement partner and disclosing auditor tenure) are the subject of on-going projects by the PCAOB. The SEC is also seeking input on those topics so it can evaluate whether the disclosures, if they are important, would be more appropriately placed (or perhaps repeated) in company filings where they can be made in the broader context of the audit committee's oversight of the independent auditor.

Why is this important?

High quality, independent audits are critical to the proper functioning of the capital markets because they give the public confidence in the credibility and reliability of financial statements. Audit committees promote confidence through their oversight of the independent auditors.

In this concept release, the SEC is exploring whether additional disclosure about the audit committee's oversight of the independent auditor could be beneficial to investors, for instance, by providing useful information for making investment decisions or helping inform voting decisions regarding the ratification of auditors and the election of directors who are members of the audit committee.

It is important to note the SEC's current audit committee disclosure rules establish the "floor" for audit committee disclosure, not the "ceiling." Many audit committees have already gone beyond these minimum reporting requirements to provide enhanced disclosures around their independent auditor oversight activities. In November 2013, a group of nationally recognized corporate governance and policy organizations known as the Audit Committee Collaboration published *Enhancing the Audit Committee Report: A Call to Action* to encourage audit committees to voluntarily strengthen their disclosures. The Audit Committee Collaboration recently published its *External Auditor Assessment Tool: A Reference for US Audit Committees* to assist audit committees in evaluating the external auditor. Audit committees may find these resources helpful as they consider their own disclosures.

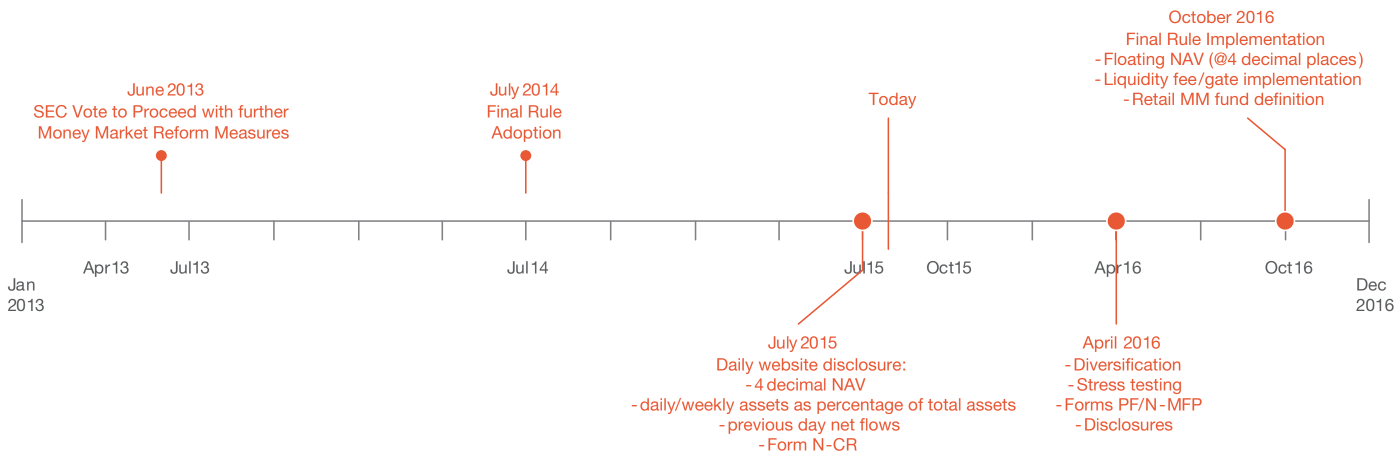
What's next?

Comments are due within 60 days after the concept release is published in the Federal Register. The SEC will use the input it receives to evaluate whether to propose changes to its rules. The issuance of the concept release is only the first step in the rulemaking process.

Money market reform: one year on

One year ago in July 2014, the Securities and Exchange Commission (SEC) adopted changes to the rules governing money market funds. Fundamentally, money market reform: 1) requires institutional prime money market funds to float their net asset values and complete intraday pricing to the 4th decimal place (e.g., $1.0000); 2) provides guidelines to discourage runs by investors through the use of redemption fees and gates; and 3) modifies portfolio diversification, stress testing and disclosure requirements.

Separate rule changes by the Internal Revenue Service (IRS) allow investors, among other things, to use simplified tax accounting methods to track gains and losses, and to obtain relief from "wash sale" requirements when investing in floating net asset value money market funds. As outlined in the chart below, initial compliance deadlines are quickly approaching which require focus and planning to ensure various stakeholders are prepared.



With some deadlines coming up rapidly, and the rest now little more than a year away, asset managers must weigh the current issues against the potential impacts on their business as well as on any third parties they may rely on for daily processing. Asset managers across the industry are in various stages of assessing and implementing changes required by the new rules; within this article, we have outlined below some of the primary considerations that impacted groups face regarding money market funds.

Fund Boards

Summary of Impact

Policies, financial statement disclosures, and compliance oversight programs governing money market funds will need to be revisited in light of these new regulatory requirements. Decisions will need to be made around the extent of use of amortized cost, if any, in floating NAV funds, as well as policies and procedures over "shadow pricing" for investments with a maturity of 60 days or less (and all investments for "retail" and US government funds) will need to be established. In addition, certain funds may now involve Board oversight over valuation as disclosed in the SEC's recently issued FAQs (issued April 22, 2015). These FAQs answered certain questions Board members had pertaining to expectations of Fund Boards over valuation, particularly where pricing vendors are used in the process.

Considerations

Boards may consider establishing a formal process with management in the event of circumstances that result in discussion of implementation of a fee or a gate. While revisiting existing policies and procedures, Boards may also want to take this opportunity to evaluate various risks across the complex (e.g., operational, compliance, liquidity, valuation, counterparty) to assess the responsiveness of policies and oversight models to them. The broad scope of changes required by this regulation requires early planning and monitoring in order to meet aggressive deadlines and may be a recurring discussion item for Boards until fully implemented.

Investment Manager

Summary of Impact

Money market fund sponsors are actively considering the various implications to their product lineup including the changing landscape associated with investor demand for low risk cash-equivalent products. We continue to see fund consolidations and conversions as sponsors rationalize their product mix ahead of regulatory deadlines. In addition, restrictions in the types of securities or changes in when during the day trades can be executed may also have an impact on portfolio management.

Considerations

Fund sponsors should continue their dialogue with Boards of Directors in their evaluation of the product mix existing within the fund complex and the associated investor demands given the changing regulatory landscape. Management should also continue to keep Boards apprised of their assessment of the operational readiness, including where relevant of the fund's key service providers, supporting both operational and data driven demands under the new regulations. Preparing for valuation oversight as it relates to money market instruments may include establishing a "fair value" process specific to these instruments as well as establishing vendor choices and reporting to valuation oversight committees or groups.

Transfer Agent

Summary of Impact

Primarily an exercise in data management and reporting, transfer agents (TAs) are significantly impacted by investor definition requirements (i.e., definition of a "retail" investor), ability to respond to liquidity and fee requirements, and data requirements to facilitate intra-day and four decimal place record keeping.

Considerations

Management should continue to evaluate TAs' readiness to support operational differences resulting from the regulation and keep the Board updated of significant matters. From standardization of data elements used for investor identification to operational and technology enhancements to facilitate intra-day pricing and fee/gate cutoff requirements, management should reassess fund governance policies and communication protocols as well as establish appropriate testing considerations well ahead of regulatory requirements. Management should also consider the type of data required to facilitate and support the Board's oversight process and consider establishing Service Level Agreements ("SLAs") to confirm availability of information during times of stress.

Distributor/Broker Dealer

Summary of Impact

Broker dealers are looking at ways to manage their existing business model in the face of regulatory-driven change. Evaluating options related to how sweep assets are managed on a day to day basis is a primary focus for broker dealers. In addition, managing products in an environment where a stable NAV is not assumed presents operational and system complexities that boards continue to ensure management has considered.

Considerations

Management can proactively communicate with the Board as they deal with the changes in product landscapes, investment style/mandate with existing funds as well as the increased transparency requirements needed to facilitate seamless operation in the new environment. Distribution channels may need to review product mixes in light of changes in demand for various fund offerings. Additionally, management will work with distribution channels to ensure a process is in place to categorize investors accurately to ensure investor restrictions contemplated in the new standard are adhered to. Finally, Boards can assess if management has established appropriate reporting to manage timely decision making in the event liquidity concerns arise.

Administrator/Fund Accountant

Summary of Impact

Typically relied upon most heavily for source information used in the proper functioning of the lifecycle of the fund, the administrator needs to consider risks from pricing and accounting through to legal and reporting considerations. Fund administrators need to re-evaluate their systems and processes to ensure daily activities are flexible to allow for intra-day pricing as well as data availability to allow for accurate decision making on fund liquidity and to facilitate fund governance decision making processes. For example, cutting a NAV multiple times during a day will require detailed analysis of up-stream and down-stream process impacts to ensure duplication of tasks does not occur and data accuracy for stakeholders is maintained. The administrator will also be a primary source feeding updated reporting and disclosure requirements. Portfolio stress testing will most likely be facilitated by front office trading information; however, historical data may need to be accessed via accounting systems data.

Considerations

Management needs to set clear requirements up front with administrators and understand the administrator's timeline to allow for compatibility with new regulatory requirements. The administrator plays a crucial role in the proper functioning across all service providers to a fund. Key areas of focus should include readiness to handle new reporting requirements as well as the administrator's ability to establish liquidity reporting early to accommodate disclosure requirements established in the regulations. Many administrators already support intra-day pricing; however, processes supporting money market funds will need to be addressed to allow for these processes to mesh with updated requirements.

Tax Compliance

Summary of Impact

IRS guidance released in conjunction with money market reform changes tax rules applicable to both money market fund sponsors and investors. Investors in floating NAV money market funds will need to decide whether to adopt the "NAV method of accounting" and determine what processes and procedures will be necessary to compute gain and loss amounts on the redemption of shares. In addition to relief provided to fund investors, tax authorities granted money market fund administrators an exception to tax information reporting requirements to eliminate lot-by-lot reporting on redemptions of floating NAV money funds.

Considerations

Management should assess the released tax guidance and evaluate the impact to the fund complex. Notwithstanding the positive impacts of present relief, a number of uncertainties still exist and further guidance may be needed from tax authorities. Specifically in regard to the tax impact of liquidity fees, cash contributions, and the division of existing money market funds, management may wish to discuss the risks associated with these uncertainties with the Board.

Closing remarks

While not all directors work in a fund complex that sponsor money market funds, given the far reaching impact of this regulation, management should be keeping Boards apprised of the possible ramifications of these changes. Business models and product availability will change which require early identification of potential impacts to enable a sound response by those charged with governance. In the lead up to the various implementation dates of the new rules, a thoughtful framework and project plan with clear accountability and deliverables can assist various impacted groups in the roll out of new processes and procedures.

Highlights of the first PCAOB Audit Committee Dialogue

Background

As a result of its regular inspections over registered accounting firms, the PCAOB is in a position to offer insights that may be helpful to audit committees in their ongoing oversight of their auditors. On May 7, 2015, the PCAOB issued the first installment in a new digital outreach communication to audit committees with their Audit Committee Dialogue.[1] The first "Dialogue" summarizes insights from PCAOB inspections, and discusses recurring areas of concern, and emerging risks. This article highlights some of the items within the PCAOB's communication that may be relevant to mutual fund audit committees in their roles.

Highlights

The PCAOB described four key recurring areas of concern that have come out of their recent inspections of the six largest global accounting firms. One of the areas, cross-border audits, rarely if ever applies to mutual funds. The other three areas are discussed in more detail below, including questions proposed by the PCAOB that audit committees can consider raising in their discussions with their auditors.

Assessing and responding to risks of material misstatement

The identification and assessment of risks of material misstatement are critical activities in an audit. The PCAOB has identified two instances within their Dialogue where the auditors' responses to assessed risks have been deficient. First, they focus on instances where risks have changed due to changes in the company's business and its environment. Second, they discuss instances where insufficient audit procedures have been performed for certain locations during integrated audits of large companies (rarely applicable to mutual funds). In both cases, insufficient and/or ineffective planning by the auditors led to the deficiencies identified by the PCAOB.

Certain questions that can be raised by the audit committee during audit planning discussions with their auditors are:

- Which audit risks are designated by your auditor as having significant risks of material misstatement and what procedures are planned to address those risks?
- In your auditor's view, how have the areas of significant risk of material misstatement changed since the prior year? What new risks has your auditor identified? What is your auditor's process to make sure that it identifies new or changing risks of material misstatement and tailors the audit plan appropriately?

Although not covered within the Dialogue document, audit committee members should also be made aware that on June 10, 2014, the PCAOB adopted a new auditing standard for related parties, which is effective for fiscal years beginning on or after December 15, 2014. *Auditing Standard No. 18 – Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions and Other Amendments to PCAOB Auditing Standards*, serves to strengthen auditor performance requirements in three critical areas that historically have represented increased risks of material misstatement in company financial statements:

- Relationships and Transactions with Related Parties;

1 http://pcaobus.org/sites/digitalpublications/audit-committee-dialogue

- Significant Unusual Transactions; and
- Financial Relationships and Transactions with Executive Officer

The Standard will require auditors to make inquiries of the audit committee or its chair regarding the audit committee's understanding of the fund's relationships and transactions with related parties that are significant to the fund, and whether any member of the audit committee has any concerns regarding relationships or transactions with related parties. There will also be additional required communications by the auditor to the audit committee regarding related parties.

Auditing accounting estimates, including fair value measurements

The PCAOB notes that there have been a large number of significant deficiencies in the auditing of accounting estimates over the years. Although inspectors have seen positive remedial steps recently, specifically in the auditing of fair value measurements, significant deficiencies in this area, including the testing of related controls, continue to be observed.

In recent remarks to the AICPA Conference on Current SEC and PCAOB Developments,[2] Helen Munter, a director at the PCAOB, noted that they have seen positive remediation steps by auditors in examining the data used to develop the estimate of fair value. They have seen firms centralize valuation processes, require more detailed information for asset classes and provide additional tools to their audit teams. As a result, they have seen a decline in inspection comments related to the use of pricing services. However, Ms. Munter notes that audit firms should keep a focus on the auditing of allowance for loan losses, inventory reserves, and tax related estimates and the identification and evaluation of asset impairments.

Within their Dialogue document, the PCAOB has suggested a series of questions to prompt discussion between audit committees and their auditors regarding this topic. The following is a sample of the questions that the PCAOB highlighted within the Dialogue:

- What does your auditor do to obtain a thorough understanding of the assumptions and methods the company used to develop critical accounting estimates, including fair value measurements?
- What is your auditor's approach to auditing critical accounting estimates?
- Will your engagement team use its firm's in-house valuation specialists? If so, how are the specialists integrated into the engagement team? How are the specialists supervised, and how are significant issues they identify resolved?

Auditing internal control over financial reporting

Properly executed audits of internal control over financial reporting (ICFR) could help inform the audit committee of material weaknesses or significant deficiencies in ICFR. However, the PCAOB has found that auditors may not be performing sufficient procedures to test the effectiveness of controls, or in instances where the auditors have identified control deficiencies, did not sufficiently evaluate whether the deficiencies constituted material weaknesses.

While most mutual funds are not required to have integrated audits of ICFR, the PCAOB noted in the Dialogue that many of the adjustments and restatements identified in company reports either were not preceded by reporting of a material weakness, or the reporting of the weakness came at the same time as, or after, the adjustment/restatement. Accordingly, as audit committees consider ICFR for their funds, communication with the auditor can serve as a tool for gaining additional perspectives and these discussions may help identify areas of potential concern within the control environment. The following are a sample of the questions that the PCAOB highlighted for audit committees:

2 http://pcaobus.org/News/Speech/Pages/12102014_Munter_AICPA.aspx

- If the company or your auditor has identified a potential material weakness or significant deficiency in internal control, what has been done to probe the accuracy of its initial description? Could the identified control deficiency be broader than initially described? Could it be an indication of a deficiency in another component of internal control?
- What are the points within the company's critical systems processes where material misstatement could occur? How has the audit plan addressed the risks of material misstatement at those points? How will your auditor determine whether controls over those points operate at a level of precision that would prevent or detect and correct a potential material misstatement?
- What is your auditor's approach to evaluating the company's controls over financial reporting for significant unusual transactions or events? If the company enters into a significant unusual transaction during the year, how will your auditor adjust the audit plan?

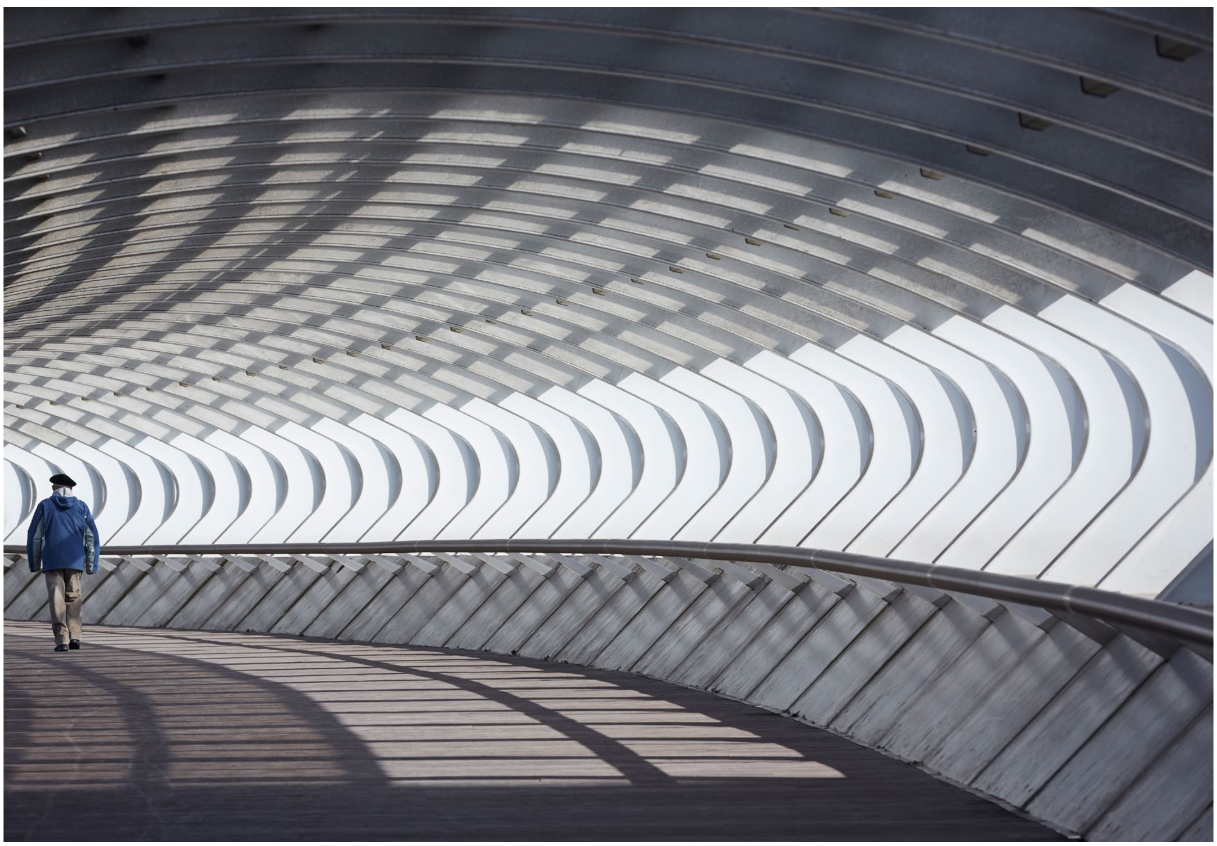
The PCAOB also highlights new risks that they are monitoring with the changing landscape for public companies. These risks include:

Increase in mergers and acquisitions – Business combinations present higher complexity for auditors and the increased activity in this area, coupled with a lack of experience in the auditing ranks due to the preceding lull in merger activity, could lead to a failure to detect material misstatements. Audit committees could inquire as to their auditor's expertise in this area and their ability to address audit issues that may arise from reporting requirements related to business combinations.

Falling oil prices – Declining oil prices raise a variety of issues impacting companies outside of that sector. Specific areas of focus include impairment and valuation issues and collectability of loans. Audit committees could inquire as to whether their auditors have identified declining oil prices as a significant risk and whether they have changed their audit approach to testing accounting estimates. They can also inquire as to the potential impact on the financial statements and the need to disclose certain significant risks and uncertainties in the statements and potential subsequent events disclosures related to the movement in oil prices subsequent to year-end.

The PCAOB's insights into the audit firms can serve as a valuable tool to audit committees as they navigate the audit process with management and their auditors. Their Dialogue serves as a key first step in opening that line of communication with these key constituents.

Summary of recent accounting and financial reporting, auditing and regulatory developments



Accounting and financial reporting matters from the FASB, SEC, and others

Investments using NAV practical expedient

On May 1, 2015, the FASB issued Accounting Standards Update 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* The guidance allows reporting entities to exclude investments measured at net asset value (NAV) per share under the existing practical expedient in ASC 820 from the fair value hierarchy. In addition, when the NAV practical expedient is not applied to eligible investments, certain other disclosures are no longer required. The new guidance is effective in 2016 for calendar year-end public business entities. All other entities will have an additional year to adopt the guidance. Early adoption is permitted.

Presentation of debt issuance costs

On April 7, 2015, the FASB issued Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount.

The new guidance was framed around how to account for outside issuance costs related to term debt. It did not address how to present fees paid to lenders or other costs to secure revolving lines of credit. At the June 18, 2015 meeting of the FASB's Emerging Issues Task Force (EITF), the SEC observer stated that given the absence of authoritative guidance within ASU 2015-03 for debt issuance costs related to revolving debt arrangements, the SEC staff would not object to an entity deferring and presenting such costs as an asset and subsequently amortizing them ratably over the term of the revolving debt arrangement. Costs associated with revolving debt arrangements can be significant. The SEC observer's announcement confirms that revolver arrangement costs are not in the scope of the new guidance.

For public business entities, the standard is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the standard is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued. The new guidance will be applied on a retrospective basis.

New revenue standard

The FASB voted on April 1, 2015 to propose a deferral of the effective date of the new revenue standard by one year, but to permit entities to adopt one year earlier if they choose (i.e., the original effective date). The FASB decided, based on its outreach to various stakeholders and the forthcoming exposure drafts, which amend the new revenue standard, that a deferral is necessary to provide adequate time to effectively implement the new revenue standard. The FASB plans to issue a proposed Accounting Standards Update on the deferral of the effective date with a 30-day comment period.

Consolidation standard

The FASB issued a new consolidation standard on February 18, 2015 that makes targeted amendments to the current consolidation guidance. The changes are designed to address most of the concerns of the asset management industry and end the deferral granted to investment companies from applying the Variable Interest Entity (VIE) guidance.

The new guidance also provides a new scope exception to registered money market funds and similar unregistered money market funds. The standard is effective in 2016 for calendar year-end public business entities, and 2017 for other reporting entities. Early adoption will be permitted.

Elimination of "extraordinary items" designation

On January 9, 2015, the FASB issued Accounting Standards Update 2015-01, *Income Statement—Extraordinary and*

Unusual Items, to simplify income statement classification by removing the concept of extraordinary items from US GAAP. The standard is effective for both public and private companies for periods beginning after December 15, 2015. Early adoption is permitted, but only as of the beginning of the fiscal year of adoption. Upon adoption, a reporting entity may elect prospective or retrospective application.

Auditing matters from the PCAOB, AICPA, and SEC

Potential audit quality indicators

On July 1, 2015, the Public Company Accounting Oversight Board ("PCAOB") issued a concept release to seek public comment on a group of twenty-eight potential audit quality indicators ("AQIs") and the availability and value of those AQIs to audit committees, audit firms, investors, PCAOB and others. The AQIs are meant to enhance the dialogue on ways to evaluate audit quality. The concept release follows the PCAOB's outreach process through public meeting with its Standing Advisory Group and Investor Advisory Group and receipt of input from others, including the Center for Audit Quality. Comments on the concept release are due no later than September 29, 2015. Additionally, the PCAOB will host a public roundtable to discuss views on the concept release on a date to be determined during the fourth quarter of 2015.

Engagement partner name in auditor's report

On June 30, 2015, the Public Company Accounting Oversight Board ("PCAOB") issued a supplemental request for comment on its 2013 reproposal to require auditors to disclose in the auditor's report the name of the engagement partner and information about certain other participants in the audit. The PCAOB is considering an alternative to disclosure of this information in the auditor's report, whereby the information would be required to be disclosed on a new PCAOB form, *Auditor Reporting of Certain Audit Participants* ("Form AP"). Comments on the supplemental request are due no later than August 31, 2015. The PCAOB is considering making the requirements effective to auditors' reports issued or reissued on or after June 30, 2016, or three months after the approval of the requirements by the SEC, whichever occurs later.

Standard-setting agenda

On June 30, 2015, the PCAOB issued an updated standard-setting agenda which provides a brief project overview of the board's current standard-setting agenda and outlines key milestones on various standard-setting projects. Key items to note are:

- Supervision of other auditors and multi-location audit engagements –plan to issue proposal, Q3 2015
- Going concern – plan to issue Staff Consultation Paper, Q3 2015
- Auditor's reporting model – plan to repropose, Q4 2015
- Auditing accounting estimates, including fair value measurements and related disclosures – plan to issue proposal, Q4 2015

Other projects:

- Quality control standards, including assignment and documentation of firm supervisory responsibilities – plan to issue Staff Consultation Paper, 2016
- Confirmations – plan to re-propose

Auditor using work of specialists

On May 28, 2015, the Public Company Accounting Oversight Board ("PCAOB") issued for public comment a staff consultation paper on potential standard-setting activities related to the auditor using the work of specialists. The staff consultation paper discusses the increased use and importance of specialists in recent years due, in part, to the increasing complexity of business transactions reported in a company's financial statements. The staff consultation paper also raises questions about whether PCAOB standards adequately address the auditor's use of the work of an auditor's or a company's specialists, and whether more rigorous standards and specific procedures are needed in this regard to help the auditor respond to the risks of material misstatement in financial statements. Comments on the staff consultation paper are due no later than July 31, 2015.

PCAOB reorganization of auditing standards

On March 31, 2015, the PCAOB approved the reorganization of its auditing standards to help users navigate the standards more easily. The board adopted amendments to its rules and standards to implement a topical system that integrates the existing interim and PCAOB-issued auditing standards. The amendments also remove references to superseded standards and inoperative language and references. They do not impose new requirements on auditors or change the substance of the requirements for performing and reporting on audits under PCAOB standards.

Regulatory matters from the SEC and others

On July 1, 2015, the SEC published a concept release to solicit public input on possible changes to its audit committee disclosure requirements. The concept release is focused on disclosures relating to the audit committee's oversight of the independent auditor. Comments are due by September 8, 2015.

In June 2015, the SEC issued Investment Management Guidance Update, *2015-03, Personal securities transactions reports by registered investment advisers: securities held in accounts over which reporting persons had no influence or control.* The SEC Division of Investment Management has published this guidance to expresses its views on the application of Rule 204A-1 of the Investment Advisers Act of 1940 for the adviser's Code of Ethics in the context of certain advisory personnel's trusts and third-party discretionary accounts.

On May 20, 2015, the SEC proposed rules, forms and amendments to modernize and enhance the reporting and disclosure of information by investment companies and investment advisers. The investment company proposals aim to enhance data reporting for mutual funds, exchange-traded funds (ETFs) and other registered investment companies. They would require a new monthly portfolio reporting form and a new annual reporting form that would require census-type information. They would also require enhanced and standardized disclosures in financial statements, and permit mutual funds and other investment companies to provide shareholder reports by making them accessible on a website. The proposed amendments to the investment adviser registration and reporting form (Form ADV) would require investment advisers to provide additional information for the SEC and investors to better understand the risk profile of individual advisers and the industry. Comments are due on both proposals by August 11, 2015.

In February 2015, the SEC issued Investment Management Guidance Update, 2015-02, Cybersecurity guidance. The SEC Division of Investment Management has published guidance on cybersecurity risks. The Division has identified the cybersecurity of registered investment companies ("funds") and registered investment advisers ("advisers") as an important issue. Both funds and advisers increasingly use technology to conduct their business activities and need to protect confidential and sensitive information related to these activities from third parties, including information concerning fund investors and advisory clients. This guidance update highlights the importance of the issue and discusses a number of measures that funds and advisers may wish to consider when addressing cybersecurity risks.

In February 2015, the SEC named David Grim as Acting Director of the Division of Investment Management. He replaced Norm Champ, the division's former director, who left the SEC at the end of January.

In February 2015, the SEC issued Investment Management Guidance Update, 2015-01, *Acceptance of gifts or entertainment by fund advisory personnel*. The staff is issuing this guidance to remind mutual fund industry participants that the receipt of gifts or entertainment by fund advisory personnel, among others, also may implicate the prohibition in section 17(e)(1) of the 1940 Act on accepting compensation other than wages "for the purchase or sale of any property to or for the fund." In the staff's view, therefore, this topic should be addressed by funds' compliance policies and procedures required by rule 38a-1 under the 1940 Act.

Recent publications of interest

PwC quarterly developments for mutual fund audit committees

PwC

PwC quarterly developments for mutual fund audit committees during the one year ended December 31, 2014

March 31, 2015
This edition of Current Developments includes articles on the following topics:

- PwC Annual CEO Survey – Asset Management industry highlights
- Social media risks and compliance for mutual funds
- Follow up to Organization of Economic Co-operation (OECD) on Base Erosion and Profit Shifting reports – Impact on mutual funds industry
- Investment spotlight on term loans

December 31, 2014
This edition of Current Developments includes articles on the following topics:

- ETF 2020: Preparing for a new horizon
- Intermediary oversight: Monitoring the blue sky state registration process
- Highlights from PwC's 2014 Financial Services Audit Committee Forum
- President Obama signs law changing mutual fund tax rules

September 30, 2014
This edition of Current Developments includes articles on the following topics:

- Regulatory hot topics affecting asset managers and mutual funds
- Cybersecurity considerations in financial services
- Asset management benchmarking study for traditional asset managers
- Seed capital – Investing in product innovation

June 30, 2014
This edition of Current Developments includes articles on the following topics:

- Money market fund reform developments
- Liquid alternatives – Operational and regulatory considerations
- FATCA – Mutual funds may need to identify a responsible officer for certain non-US entities
- Investment spotlight on sovereign debt

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Evolution of the mutual fund transfer agent: embracing the challenges and opportunities, July 2015

The mutual fund industry landscape has changed over the past 30 years to accommodate investors' moves toward using intermediaries. There have also been changes in the relationships among mutual funds, their transfer agents, and intermediaries. In a process that offers investors a more efficient way to access a wider choice of mutual funds, the industry has evolved toward the use of omnibus subaccounting.

In Brief: PCAOB seeks comment on potential audit quality indicators, July 2015

The Public Company Accounting Oversight Board ("PCAOB") issued a concept release to seek public comment on a group of twenty-eight potential audit quality indicators ("AQIs") and the availability and value of those AQIs to audit committees, audit firms, investors, PCAOB and others. The AQIs are meant to enhance the dialogue on ways to evaluate audit quality. The concept release follows the PCAOB's outreach process through public meeting with its Standing Advisory Group and Investor Advisory Group and receipt of input from others, including the Center for Audit Quality. Comments on the concept release are due no later than September 29, 2015.

In Brief: SEC considers changes to audit committee disclosure of auditor oversight, July 2015

On July 1, 2015, the SEC published a concept release to solicit public input on possible changes to its audit committee disclosure requirements. The concept release is focused on disclosures relating to the audit committee's oversight of the independent auditor. Comments are due within 60 days after the concept release is published in the Federal Register.

Point of view: Fair value — The audit committee's role, June 2015

This publication discusses audit committee oversight of fair value measurement, a subjective estimate that may increase financial reporting risk. In its oversight of financial reporting, the audit committee might focus on fair value measurements, if significant. This could entail considering how "big picture" changes in the business or the marketplace may impact the use of fair value currently and in the future; the processes and controls related to valuation; and the procedures performed by internal and external auditors to test them.

Audit Committee Excellence Series: Achieving excellence – Role, composition, and performance, June 2015

This edition discusses why a properly defined role, the right composition, and self-assessments are critical to audit committees. It also focuses on desirable attributes for committee membership, best practices for committee evaluations, and the challenges facing audit committees to evaluate whether the scope of their responsibilities is workable.

Audit Committee Excellence Series: Achieving excellence: Dealing with investigations, June 2015

This edition addresses key considerations related to the committee's role in investigations. It addresses how adequate preparation can make a big difference, including capturing allegations; lining-up the right external advisors; and potentially developing relationships with certain regulators. It also discusses making decisions when an allegation surfaces, performing an investigation, and responding after an investigation.

The quarter close – Directors edition, June 2015

The quarter close – Directors edition is designed to keep directors informed about the latest accounting and financial reporting issues. Topics featured in this edition include (1) addressing financial statement effects of foreign currency volatility, (2) FASB unveils a not-for-profit proposal that could be a bellwether for all companies, (3) FASB and IASB approach changes to the new revenue standard in different manners, (4) SEC proposes "pay vs. performance" disclosures, (5) shareholder activists spark fireworks in boardrooms, (6) expansion of audit committee responsibilities requires a fresh look at role, composition, and performance, and (7) how diversity affects directors' approach to board oversight. This edition also includes video perspectives on various hot topics.

Regulatory and standard setting developments, June 2015

This publication provides a summary of activities of the Public Company Accounting Oversight Board, SEC, and FASB, and related international developments that are of interest to audit committees and companies. The FASB section highlights new proposals to the revenue standard, the simplification guidance issued for debt issuance costs, and changes in not-for-profit financial reporting that may signal changes ahead for all companies. An update from the SEC includes the status of certain Dodd-Frank Act and JOBS Act mandates, personnel changes, and recent comments from SEC Chief Accountant James Schnurr regarding IFRS. Developments at the PCAOB include the issuance of the Audit Committee Dialogue paper and a staff consultation paper addressing auditor's use of the work of specialists.

In depth: Investments using NAV practical expedient removed from fair value hierarchy, June 2015

New FASB guidance allows reporting entities to exclude investments measured at net asset value (NAV) per share under the existing practical expedient in ASC 820 from the fair value hierarchy. In addition, when the NAV practical expedient is not applied to eligible investments, certain other disclosures are no longer required. The new guidance is effective in 2016 for calendar year-end public business entities. All other entities will have an additional year to adopt the guidance. Early adoption is permitted.

In brief: SEC weighs in on treatment of costs related to revolving debt arrangements, June 2015

In April, the FASB issued Accounting Standards Update No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. Under the new guidance, debt issuance costs will be presented as a direct deduction from the carrying value of the associated debt, consistent with the existing presentation of a debt discount. The new guidance was framed around how to account for outside costs related to term debt. It did not address how to present fees paid to lenders or other costs to secure revolving lines of credit. The SEC observer's announcement confirms that revolver arrangement costs are not in the scope of the new guidance.

Asset managers: The SEC's road ahead, May 2015

This publication provides PwC's view of the upcoming regulations and timeline for SEC action. Upcoming rules will address reporting, liquidity, and stress testing.

Not a game of chance: The case for stronger collateral management, May 2015

Everyone in the capital markets these days is rethinking collateral management. The sell side, the buy side, market utilities, and regulators all want to make the most of it as they strive to reduce risk and boost liquidity. The rewards are significant, but so are the costs and risks. Financial institutions need a strategic approach that optimizes capital, integrates operations, and is enabled by straight-through processing technologies.

Boardroom Direct, May 2015

This edition includes an article on how boards and management can address the strategic development and execution gap. It also includes short items on: (1) SEC's proposed pay vs. performance disclosure rules, (2) SEC Chair White's comments on the whistleblower program, (3) DOJ's latest cybersecurity guidance on smaller organizations, (4) release of Guiding Principles of Good Governance, (5) PCAOB's paper titled Audit Committee Dialogue, and (6) PwC's point of view on stakeholder engagement in standard-setting.

In Brief: PCAOB issues staff consultation paper for the auditor's use of the work of specialists, May 2015

The PCAOB issued for public comment a staff consultation paper on potential standard-setting activities related to the auditor using the work of specialists. The staff consultation paper discusses the increased use and importance of specialists in recent years due, in part, to the increasing complexity of business transactions reported in a company's financial statements. The paper also raises questions about whether PCAOB standards adequately address the auditor's use of the work of an auditor's or a company's specialists, and whether more rigorous standards and specific procedures are needed in this regard to help the auditor respond to the risks of material misstatement in financial statements. The PCAOB staff is seeking feedback on: (1) current practices, (2) the potential need for changes, (3) possible alternatives to address the issues discussed in the staff consultation paper, and (4) relevant economic data about potential economic impacts to inform the PCAOB's economic analysis associated with standard-setting in this area.

2014 Annual Corporate Directors Survey — The gender edition, May 2015

PwC's Center for Board Governance introduces the gender edition of its *2014 Annual Corporate Directors Survey*. This report compares insights from male and female respondents to the survey, and the findings show that male and female directors do have different perspectives on some important corporate governance issues.

In depth: New consolidation standard—updated insights, May 2015

The updated publication on the FASB's new consolidation standard reflects clarification obtained through discussions with the FASB, as well as additional points of consideration that PwC noted. Specifically, the publication includes additional information about the manner in which related party interests are considered throughout the VIE model. It also introduces a discussion around evaluating whether a general partner has power, and whether series mutual funds represent separate legal entities.

Significant others: How financial firms can manage third party risk, May 2015

Are third parties worth the risk for financial institutions? It's a multibillion-dollar question when every week, yet another business interruption, data breach, or compliance failure seems to surface in the news. We believe the answer is "yes"—provided a firm takes the right approach to risk management. Ultimately, a robust third party risk management program may even make using third parties less risky than keeping those functions in-house.

Swap Guidance, May 2015

This alert explores some of the recent developments regarding the highly-anticipated section 871(m) regulations and updates to the notional principal contract ("NPC") regulations.

Outsourcing: How cyber resilient are you? April 2015

Despite millions of dollars spent on enhancements, cybersecurity remains the area of risk management with the largest gap between threat and preparedness. This gap is especially important for financial institutions, which by our estimate are over 30% more likely to be targeted by cyber crime. This publication provides (a) an overview of the current state of cyber risk management practices, (b) an analysis of the regulatory response to the recent uptick in cyber threats, and (c) our view on what financial institutions should be doing to become cyber resilient.

In the loop: New revenue guidance — where does it stand? April 2015

It hasn't been all smooth sailing for the new global revenue accounting standard: a first batch of amendments is coming soon and now the FASB is proposing to delay the required adoption date until 2018. The FASB and IASB have jointly discussed implementation issues, but they haven't always agreed on the best solution. In general, the FASB has decided to make more changes to the guidance than the IASB. Although US GAAP reporters will likely have an extra year to prepare, the implementation effort should not be underestimated.

The extra mile: Risk, regulatory, and compliance data drive business value, April 2015

The multitude of compliance, risk, and regulatory requirements for financial institutions will continue to increase on several fronts, leading to additional cost and complexity. At the same time, current market and economic conditions make it challenging to drive revenue and reach other strategic goals. In our view, financial institutions can leverage the results generated by risk, regulatory, and compliance activities to drive profitable growth.

Ditch the product pitch: Winning through customer-focused content, April 2015

In today's media-saturated world, financial firms need to adopt a human-centric approach that uses storytelling to rise above the flood of content. Many executives know this, but face numerous barriers in connecting with customers. How can chief marketing officers transform their operations into ones that deliver content that reaches hearts and minds, deepens customer loyalty, and does it all in a cost-effective way?

Key considerations for board and audit committee members, 2014-2015 edition

This edition addresses topics for today's changing boardroom agenda and focuses on topics that directors may want to consider in the coming year as part of their evolving oversight roles. These topics include shareholder activism, emerging technologies, cybersecurity, the new revenue recognition standard, and noteworthy investor perspectives.

The quarter close – Directors edition Q1, 2015

The quarter close – Directors edition is designed to keep directors informed about the latest accounting and financial reporting issues. Topics featured in this edition include (1) accounting implications of the plunge in oil and natural gas prices, (2) Affordable Care Act – should your company accrue for "pay or play" penalties, (3) private companies – application nuances in accounting for intangibles, (4) new revenue recognition standard – FASB, IASB and TRG make headway on implementation issues, (5) cloud computing – FASB to issue new guidance, (6) FASB blazing trails to simplify share-based payment accounting, and (7) corporate governance – involving the audit committee when there is an accounting change, and integrating evolving governance into your board agenda. This edition also includes video perspectives on various hot topics.

In brief: FASB proposes one year deferral of new revenue standard, April 2015

The FASB voted on April 1, 2015 to propose a deferral of the effective date of the new revenue standard by one year, but to permit entities to adopt one year earlier if they choose (i.e., the original effective date). The FASB plans to issue a proposed Accounting Standards Update on the deferral of the effective date with a 30-day comment period. The publication discusses the key provisions.

In brief: FASB issues a final standard to simplify the presentation of debt issuance costs, April 2015

On April 7, 2015, the FASB issued Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. For public business entities, the standard is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the standard is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued. The new guidance will be applied on a retrospective basis.

Regulatory and standard-setting developments, March 2015

This publication provides a summary of activities of the PCAOB, SEC, and FASB, and related international developments that are of interest to audit committees and companies. The FASB section highlights the new consolidation guidance, the simplification proposal for income tax and share based payment accounting, recent developments from the January 2015 Transition Resource Group (TRG) meeting and accounting implications of dips in oil and natural gas prices. An update at the SEC includes the status of certain Dodd-Frank Act mandates, the settlement with the Chinese affiliates of the Big Four public accounting firm networks, and recent developments in proxy voting.

Developments at the PCAOB include updating its standard setting agenda. Priorities in the agenda include the auditor's reporting model, supervision of other auditors and multilocation audit engagements, use of specialists and going concern.

Internationally, the IAASB released its revised auditor reporting standards.

Audit Committee Excellence Series: Achieving excellence — Overseeing accounting changes, February 2015

This edition addresses understanding proposed accounting changes; assessing financial reporting, disclosure and communication implications; and taking a holistic approach to an accounting change. Also discussed is the new revenue recognition standard, with a focus on financial reporting and adoption considerations and the broader business implications.

BoardroomDirect: February 2015

The edition includes an article on the proxy access shareholder proposals in the 2015 proxy season. It also includes short items on: (1) President Obama's new agency for analysis of cyber threats, (2) The NACD's 2015 Public Company Governance Survey results on the adequacy of cybersecurity-related information from management, (3) ISS's release of FAQs on its equity plan scorecard, (4) SEC's proposed rules for hedging disclosure, and (5) FASB's amendment of consolidation guidance.

In depth: Classification and measurement of financial instruments — What to expect, February 2015

The FASB has substantially completed deliberations on its financial instruments—classification and measurement project. The new standard, expected to be issued later this year, makes only targeted changes to current US GAAP, with the most significant change related to investments in equity instruments. Most of those investments will be required to be measured at fair value, with subsequent changes in fair value recognized in net income. No significant changes are expected to the classification and measurement guidance for investments in loans and debt securities.

The issuance date of the final standard will partly depend on whether the FASB chooses to align the effective date of the classification and measurement project with the effective date of the still to be completed impairment project.

ETF2020: Preparing for a new horizon, January 2015

The ETF (Exchange Traded Fund) market is growing at a rapid pace. Growing far beyond their initial function of tracking large liquid indices in developed markets, ETFs now hold over $2.6 trillion of assets globally. In this report, PwC has surveyed asset managers, service providers and other industry participants around the world in an effort to better understand regional developments in ETFs and use their expertise as a sounding board for our own perspectives. ETF 2020: Preparing for a new Horizon, leverages the results of our global survey and our insights to paint a picture of how the ETF business and landscape is likely to develop globally over the next six years. To help asset managers prepare to compete in this fast changing environment, we have considered the ongoing evolution, barriers to growth and the opportunities that lie ahead, and how they can plan for 2020.

In brief: FASB removes concept of extraordinary, retains guidance on unusual items, January 2015

On January 9, 2015, the FASB issued Accounting Standards Update 2015-01, Income Statement—Extraordinary and Unusual Items, to simplify income statement classification by removing the concept of extraordinary items from US GAAP. The standard is effective for both public and private companies for periods beginning after December 15, 2015. Early adoption is permitted, but only as of the beginning of the fiscal year of adoption. Upon adoption, a reporting entity may elect prospective or retrospective application.

Point of view: Audit Committee evolution – 2014 and beyond

Audit committees' agendas continue to expand as companies are faced with a rapidly-changing global business landscape, the proliferation of standards and regulations, increased stakeholder scrutiny and a heightened enforcement environment. As a consequence, audit committees must continue to transform and evolve to maintain and increase their effectiveness. What actions are they taking? Leading audit committees are setting a strong tone at the top, owning their agenda, building strong relationships with auditors, evaluating their informational and educational needs, and critically assessing their own performance.

What matters in the boardroom? Director and investor views on trends shaping governance and the board of the future, December 2014

In the summer of 2014, PwC conducted two separate surveys to gain insights from both public company directors and institutional investors on trends that we believe are shaping corporate governance. 70% of directors who responded serve on the boards of companies with more than $1 billion in annual revenue. At the same time, institutional investors with over $11 trillion in aggregate assets under management responded to PwC's 2014 Investor Survey. This research compares the responses of PwC's 2014 Annual Corporate Directors Survey and PwC's 2014 Investor Survey in order to identify areas where viewpoints are shared or different perspectives may exist between directors and investors.

Annual Corporate Directors Survey: Trends shaping governance and the board of the future, 2014

A total of 863 public company directors responded to our 2014 Annual Corporate Directors Survey. Of those, 70% serve on the boards of companies with more than $1 billion in annual revenue. The survey addresses the following areas and provides insight about the trends that are affecting what goes on in the boardroom: 1) Board performance and diversity; 2) Board priorities and practices; 3) IT and cybersecurity risk; 4) Executive compensation and director communications; and 5) Strategy and risk oversight.

18th Annual Global CEO Survey (2015)

Asset management CEOs are increasingly optimistic this year, reflecting the recent rise in equity markets and a strong outlook for their businesses over the years to 2020. They're actively investing for growth, looking to make acquisitions, add headcount and increase technology spending.

The quarter close – Directors edition Q4, 2014

The quarter close – Directors edition is designed to keep directors informed about the latest accounting and financial reporting issues. Topics featured in this edition include (1) the tie between the new revenue standard and compensation plans, (2) concern about modifying debt that could constitute embedded derivatives, (3) elimination of extraordinary items, (4) new mortality tables that may extend the run of benefits, (5) upcoming standard for private companies that could reduce the cost and complexity of accounting for business combinations, (6) an interview with Troy Paredes, former SEC commissioner, regarding the SEC's focus on financial reporting, its efforts regarding the disclosure regime, and the possibility of a decision on using IFRS in the US, and (7) corporate governance – insights on key governance trends.

In depth: Year-end financial reporting considerations, December 2014

This publication revisits financial reporting topics that continue to challenge financial reporting professionals because of their prevalence, complexity or unique nature – the so-called "usual suspects." Additionally, it summarizes the FASB's newly issued standards, some of which are eligible for adoption in the 2014 reporting cycle.

Regulatory and standard-setting developments, December 2014

This document provides a summary of the activities of the FASB, SEC, and PCAOB, and describes related international developments that may be of interest to audit committees, companies, and their stakeholders. This issue highlights the themes that were discussed during the AICPA National Conference on Current SEC and PCAOB Developments, recent developments at the FASB/IASB transition resources group, pushdown accounting, PCC standards, and financial instruments. An update at the SEC includes the status of certain Dodd-Frank Act mandates and the recently released fiscal year 2014 enforcement results. Recent developments at the PCAOB include updates for the proposed changes to the auditor's report, including critical audit matters, enhancements to the auditor's responsibility and reporting on other information, and discussions at the November Standing Advisory Group meeting. Internationally, member states have begun considering the EU audit reform rules that came into force in June.

In depth: AICPA National Conference on Current SEC and PCAOB developments, December 2014

Key themes of the 2014 AICPA Conference were disclosure effectiveness, comparability, and the need for simplification. The 2014 AICPA National Conference on Current SEC and PCAOB Developments (the Conference) brought together presenters from across the accounting landscape: regulatory and standard setting bodies, auditors, users, preparers, and industry experts. The SEC staff provided an update on regulatory and financial reporting matters including areas of frequent staff comment, consultation trends, and enforcement actions. Speakers from the FASB, IASB and PCAOB each provided updates on current standard setting activities and areas of focus in the coming year.

An overarching theme of the Conference was the importance of providing investors and other stakeholders with decision-useful information through financial reporting. More specific areas of discussion related to the implementation of the new revenue recognition standard, ongoing projects on disclosure effectiveness and simplification, reminders on certain technical accounting and reporting matters, and building investor confidence in the audit opinion through a focus on audit quality. Updates on conflict minerals and integrated reporting initiatives were also provided.

BoardroomDirect, December 2014

This edition includes highlights of the 2014 edition of the comparative report of PwC's Annual Corporate Directors Survey and Investor Survey. There is also an article on the importance of board oversight of management's social media policies and risk management plans. There is news about the proposed CEO/median pay ratio rule, the 2014 SEC whistleblower report to Congress, the PCAOB looking to issue a concept release on audit quality indicators, and the findings of an audit committee transparency barometer.

State of Compliance 2014 Financial services industry brief

The 2014 annual Compliance function survey notes four themes capturing important elements of the state of compliance in the financial services sector:

- Financial services organizations are devoting increasing attention and resources to compliance.
- There is no consensus among financial services organizations as to where the chief compliance officer (CCO) fits in the organizational chart.
- CCOs and compliance committees are challenged to better understand their organizations' business strategies, activities, and operations.
- CCOs are challenged to report compliance matters to the board and senior management in a way that supports their organizations' strategies.

Asset managers: FSOC stands down, SEC stands up, November 2014

In August, the Financial Stability Oversight Council (FSOC) announced that rather than designating individual asset managers as systemically important financial institutions, it would focus on examining systemic risk posed by asset managers' products and activities. Although FSOC's shift away from designating large asset managers marks a significant victory for the SEC and the industry, the move is by no means the end of increased regulatory scrutiny. FSOC and other regulators now expect the SEC to assume a prudential supervisory role, in addition to exercising its traditional mandate of investor protection. The brief (a) provides background on the ongoing debate regarding the systemic risk potentially posed by asset managers, (b) outlines our view of the next steps the SEC will likely take, and (c) assesses the impact of global regulatory efforts on US asset managers.

Stay informed: 2014 SEC comment letter trends – Financial Services, November 2014

This paper discusses the recent areas of focus and applicable accounting or reporting guidance in SEC staff's comment letters issued over the past few years to registrants within the financial services industry and the identified trends of hot topic areas, including Asset Management sector specific highlights.

Threat smart: Building a cyber-resilient financial institution, October 2014

The traditional information security model – controls and compliance based, perimeter-oriented, and aimed at securing data and the back office – does not address the realities or complexities of cyber risk today. Financial institutions should see cyber risk management as an integral aspect of managing their business and controlling risks. While this doesn't eliminate cyber risks, it allows you to manage those risks through an informed decision-making process.

Regulatory and standard-setting developments, September 2014

This document provides a summary of the activities of the FASB, SEC, and PCAOB, and describes related international developments that may be of interest to audit committees, companies, and their stakeholders. This issue highlights recent developments at the FASB on the consolidation, simplification, revenue, leasing, going concern and financial instruments projects. Updates at the SEC include the appointment of a new Chief Accountant along with internal control updates and COSO considerations. Recent developments at the PCAOB include the issuance of a staff consultation paper on the auditing of accounting estimates and fair value measurements, an update on the auditor reporting model and the issuance of a Staff Audit Practice Alert for auditing revenue.

BoardroomDirect, September 2014

This edition includes a summary of the latest Audit Committee Excellence Series – Achieving excellence: Overseeing external auditors. It also includes short items on: (1) initiatives by two large institutional investors to boost gender diversity on boards, (2) what is important about board self-evaluations, (3) an update on Dodd-Frank Act rulemaking, and (4) FASB and PCAOB actions regarding going concern disclosures.

Audit Committee Excellence Series: Achieving excellence — Overseeing external auditors, September 2014

This edition addresses communications with the external auditor, the audit committee chair's working relationship with the lead audit partner, auditor independence, and the preapproval process for auditor services. Some other topics discussed include the external auditor relationship with internal audit; the influence of other parties, such as the PCAOB, Center for Audit Quality and proxy advisory firms; and evaluating the auditor.

In depth: FASB defines management's going concern assessment and disclosure responsibilities, September 2014

On August 27, 2014 the FASB issued a new standard — Accounting Standards Update No. 2014-15, Disclosure of *Uncertainties about an Entity's Ability to Continue as a Going Concern*, which defines management's going concern assessment and disclosure responsibilities. The new standard will explicitly require management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. According to the new standard, substantial doubt exists if it is probable that the entity will be unable to meet its obligations within one year after the financial statement issuance date. The likelihood threshold of "probable" is used similar to its current use in US GAAP for loss contingencies. Disclosures will be required if conditions give rise to substantial doubt. Management will need to assess if its plans will alleviate substantial doubt to determine the specific disclosures. The publication provides a summary of the key provisions.

In brief: PCAOB seeks comments on auditing accounting estimates and fair value measurements, August 2014

On August 19, 2014, the PCAOB issued for public comment a staff consultation paper on standard-setting activities related to auditing accounting estimates and fair value measurements. The staff consultation paper discusses and solicits comment on certain issues related to auditing accounting estimates and fair value measurements in order to assist the PCAOB staff in evaluating whether the existing PCAOB auditing standards can and should be improved. The article provides an overview of the consultation paper.

In Brief: SEC issues final rules to reform money market funds, July 2014

On July 23, 2014, the SEC issued final rules aimed at reducing the risk of a run by investors on money market funds. The new rules mandate the use of a floating net asset value for institutional prime money market funds. In addition, the rules provide boards the ability to impose liquidity fees, as well as implement redemption gates during periods of stress. The rules are not expected to alter the designation of money market funds as cash equivalents.

In the loop: EU audit reform – the impact beyond Europe, July 2014

This issue discusses how audit reform in the European Union (EU) doesn't directly apply to US companies—but certain European subsidiaries could be scoped in. The new requirements apply to subsidiaries that meet the definition of an EU public interest entity, including EU banks and insurers. The rules become effective in 2016, except for mandatory firm rotation, which is subject to a transition period. However, US multinationals should take steps now to understand if and how the legislation affects their EU subsidiaries. Complying with the requirements could be challenging and require advance planning, especially if EU statutory audits are performed by the same audit firm performing the US company consolidated audit.

Asset Management Alert: Certain total return derivatives facing increased scrutiny, July 2014

On July 22, 2014, the Senate Permanent Subcommittee on Investigations ("PSI") held a hearing entitled "Abuse of Structured Financial Products: Misusing Basket Options to Avoid Taxes and Leverage Limits." Although the purpose of the hearing was to probe the use of a particular trading strategy by certain hedge funds, it may result in increased scrutiny around total return derivatives and may further shed a negative spotlight on the industry.

Audit Committee Excellence Series: Achieving excellence — Overseeing internal audit, July 2014

This edition is about effective oversight of the internal audit function and includes discussion of directors' role in maximizing internal audit's value proposition.

Regulatory Brief: SEC sweep on liquid alternative funds, June 2014

This Regulatory Brief (a) provides background on liquid alts, (b) describes the SEC's concerns, (c) suggests areas of future exam focus, and (d) offers suggestions on what industry participants can do now to prepare.

In Brief: PCAOB adopts final standard on related parties and related amendments to other auditing standards, June 2014

On June 10, 2014, the PCAOB adopted Auditing Standard No. 18, Related Parties, and amendments to other auditing standards to strengthen auditor performance requirements in three critical areas of the audit: (1) related party transactions, (2) significant unusual transactions, and (3) a company's financial relationships and transactions with its executive officers. The new standard and amendments will be effective for audits of financial statements for fiscal years beginning on or after December 15, 2014, including reviews of interim financial information within these fiscal years.

In Brief: FASB amends repo accounting and enhances disclosures, June 2014

The new standard amends the accounting guidance for "repo-to-maturity" transactions and repurchase agreements executed as repurchase financings. This issue summarizes the new accounting and disclosure requirements. Public business entities are required to apply the accounting changes and comply with the enhanced disclosure requirements for the first interim or annual reporting period beginning after December 15, 2014. For repurchase and securities lending transactions reported as secured borrowings, the new standard's enhanced disclosures are effective for annual periods beginning after December 15, 2014 and interim periods beginning after March 15, 2015.

In depth: The standard is final–A comprehensive look at the new revenue model, June 2014

This issue summarizes the new revenue recognition model. Accompanying the issue is an initial release of industry-specific supplements with examples and further insights into ways entities within the industry are likely to be affected by the revenue standard. Additional supplements will be released over the coming weeks.

In the loop: Reporting revenue — new model, new strategy? June 2014

This issue of discusses the newly issued revenue guidance and how it could impact a company's business practices and go-to-market strategies.

Five megatrends and possible implications: Directors edition, April 2014

The publication looks at the complexities and interconnectedness of the megatrends, and the potential implications on business— now and in the future. It offers a high-level view of the megatrends for directors to discuss with their companies. The megatrends are: 1) accelerating urbanization; 2) climate change and resource scarcity; 3) demographic shifts; 4) a shift in economic power; 5) technological breakthroughs.

Audit Committee Excellence Series—Achieving excellence: Financial reporting oversight, May 2014

This edition discusses the importance of press releases covering preliminary results, considerations for audit committees before releasing results, and tips for reviewing actual filings.

Board oversight of risk: Defining risk appetite in plain English, May 2014

This board-level report provides an overview of the risk appetite process, the board's role in risk appetite, and questions boards should consider asking management about risk appetite.

Point of view: Financial statement disclosures – Enhancing their clarity and understandability, April 2014

Preparers can take actions today to make sure they are preparing clear and understandable disclosures based on the facts and circumstances. Other capital market participants also have a role to play by encouraging disclosure of only important, relevant information. Within established rules and legal requirements, exercising well-reasoned judgment to determine relevant disclosures should streamline financial statement presentation and provide users with the information that is most important for decision making. Organization, formatting and cross-referencing also can enhance navigation within the financial statements.

Asset Management 2020: A Brave New World, 2014

The publication sets out how the operating landscape for asset managers will change by 2020 and explains how asset managers can prepare for the challenges ahead and turn them into competitive advantages.

PwC webcasts and industry conferences

PwC webcasts

CPE eligible webcast: Quarterly Current Accounting and Reporting Developments Webcast

PwC's National Professional Services Group's 'Current Accounting and Reporting Developments Webcast' features insights from a broad range of PwC specialists who will update you on the current state of technical topics and emerging issues that may impact your business.

Q2, 2015 webcast original air date: June 17, 2015
Q1, 2015 webcast original air date: March 18, 2015

CPE eligible webcast: Navigating the FASB's new consolidation standard. Financial services industry

The webcast provides insight into the impact that the FASB's new consolidation standard (Topic 810) will have on companies. The new consolidation standard will be effective for public business entities beginning after December 15, 2016 and December 15, 2017 for all other entities (Note: effective dates were deferred for an additional year subsequent to this webcast). Early adoption is permitted, including in an interim period. The changes in the standard are extensive and apply to all companies.

Our PwC specialists discuss the following key changes made by this new standard and its effects, in particular, on companies within the financial services industry.

Original air date: March 10, 2015

Key considerations for board and audit committee members

Mary Ann Cloyd, Leader of PwC's Center for Board Governance, Mike Gallagher, Managing Partner of Assurance Quality, PwC and Wayne Carnall, Partner, SEC Services, PwC and former Chief Accountant of the SEC Division of Corporation Finance, discuss the SEC's active agenda, the current enforcement environment, and leading practices when responding to investigations. They also discuss the ins and outs of the new standard on revenue recognition and its implications for companies, as well as other significant FASB standard setting activities. The PCAOB's key priorities and rulemaking, including proposed changes to the auditor's reporting model, are also on the webcast's agenda.

Original air date: Thursday, February 19, 2015.
Expires: February 14, 2016

Perspectives from the board and investors

Significant changes in the economic, political, and business environment have necessitated that corporate directors evolve and adapt now more than ever. Drawing on insights from PwC's 2014 Annual Corporate Directors Survey and PwC's 2014 Investor Survey, PwC leaders discuss the survey findings in the context of an increasingly active regulatory environment, the need for heightened transparency and a deeper understanding of investor concerns, and other critical issues impacting the boardroom.

Original air date: November 5, 2014
Expires: October 31, 2015

Industry conferences

ICI

2015 Tax and Accounting Conference
Sunday, September 27– Wednesday, September 30, 2015
Orlando, FL

2015 Closed-End Fund Conference
Wednesday, November 4, 2015
New York, NY

2015 ICI Cybersecurity Forum
Thursday, November 5, 2015
Washington, DC

2015 Securities Law Developments Conference
Wednesday, December 16, 2015
Washington, DC

www.ici.org

IDC

2015 Fund Directors Conference
Monday, October 26, 2015 – Wednesday October 28, 2015
Chicago, IL

2016 Fund Directors Workshop
Thursday, May 19, 2016
Washington, DC

2016 Fund Directors Conference
Tuesday October 25–Thursday, October 27, 2016
Chicago, IL

www.idc.org

Mutual Fund Directors Forum

Director Discussion Series, Open Forum
Wednesday, September 9, 2015
Greenwich, CT

2016 Directors' Institute
Tuesday, January 26 – Thursday, January 28, 2016
San Diego, CA

2016 Policy Conference
Tuesday, March 29 – Wednesday, March 30, 2016
Washington, DC

www.mfdf.org

PwC

PwC Financial Services Audit Committee Forum
Thursday, October 1, 2015
New York, New York

To learn more about the Financial Services Audit Committee Forum and register, please contact Steve Gruber at steven.b.gruber@us.pwc.com.

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