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Companies committed to fighting racism must embrace their purpose

Outrage over racism has spurred millions of people to join protests across the US in recent months. Many corporate leaders share those frustrations, but may struggle to align their companies’ mission with those values. Although 68% of US corporate leaders who participated in a recent PwC survey believe “companies today are committed to creating an economy that serves all citizens,” only 15% of consumers agree. When asked to identify the top barriers to becoming a more purpose-driven company, the competing priorities of key stakeholders (44%) and stakeholders who are focused on short-term financial results (37%) were executives’ top responses.

On a subsidiary board? Here’s how to navigate your role

Many subsidiaries are governed primarily by their parent’s board. But some have their own oversight structures in place, including having independent or non-executive directors. Serving in such a role comes with unique challenges. Requirements will vary across companies. But there is a common element—namely, the need to manage duties and obligations to both the parent and subsidiary companies. Understanding how corporate governance activities flow from the parent to the subsidiary and vice versa, is key to minimizing unproductive conflict and inefficiency. For leading practices and insights, read PwC’s Navigating subsidiary governance challenges: A guide for directors.

Sullivan & Cromwell releases 2020 proxy review

Sullivan & Cromwell has published its review of the 2020 proxy season, highlighting key trends in shareholder proposals. The firm found that fewer proposals on environmental, social, and political (ESP) issues were submitted, but that both the percentage voted and the number of proposals passing increased. Despite the overall decline in ESP proposals, the number of environmental proposals submitted rose to 82 from 69 during the 2019 season. Of the 82, only 4 passed, all of which related to climate change risks.

Additionally, an increase of about 160% in the number of workplace diversity proposals over the 2019 season helped drive an overall increase in human capital management and social capital management proposals. About half of the human capital management proposals submitted reached a vote; however, average support remained low.
Getting the most out of internal audit: How can the audit committee help maximize the value of internal audit?

The audit committee is a key player in ensuring the internal audit (IA) function is high performing, effective, and viewed as an important part of the organization. Doing so helps the audit committee fulfill its risk oversight responsibilities. There are several key steps boards should take to support an effective IA function; among these, empowering and developing the role of chief audit executive should be a high priority. Read the full report.

Audit committees & COVID-19: Beyond financial reporting

Audit committees are facing an unprecedented challenge this year. In addition to remaining focused on their financial reporting duties, they must also balance a number of other audit oversight responsibilities. These include risk management, internal and external audit, and compliance, among others. Stephen Parker, a partner with PwC’s Governance Insights Center, appeared on a recent episode of the web series Inside America’s Boardrooms to discuss these issues. Watch the video.

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