

ACLS SUMMARY OF THEMES

Audit Committee Effectiveness, Board of the Future, Tax Governance & Strategy and Dialogue with Corporate Secretaries

September/October 2025



On September 30 and October 1, 2025, members of the Audit Committee Leadership Network (ACLN) and European Audit Committee Leadership Network (EACLN) met in New York, USA. Topics included:

- **Audit Committee Effectiveness** (a members-only discussion)
- **Board of the Future** with Jeanne Boillet, Global GCSP Council – Assurance Lead, EY, Tiffany Bachmann, Partner, Global Assurance Value & Distinctive Client Experience Leader, EY, and Jeff Rosen, Partner, Debevoise & Plimpton
- **Public Policy Update** with Bridget Neill, Americas Vice Chair, Public Policy, EY and Josh Jones, Americas Director of Audit and Chief Auditor, EY
- **Mental Health and Corporate Productivity** with Kathy Pike, CEO, One Mind
- **Tax Governance and Strategy** with Ray Beeman, Principal and Leader, Washington Council EY, and Marlies De Ruiter, Partner, EY Netherlands and Global International Tax Services Policy Leader, EY
- **Dialogue with Corporate Secretaries** with Marty Cohen, Director of Company Law and Corporate Secretary, Morgan Stanley, and Jennifer McGarey, Corporate Vice President and Secretary, Northrop Grumman

For a list of meeting participants, see Appendix 1 (page 10).

This *Summary of Themes*¹ provides an overview of the following discussions:

[Audit Committee Effectiveness](#)

[Board of the Future](#)

[Tax Governance and Strategy](#)

[Dialogue with Corporate Secretaries](#)

Audit Committee Effectiveness

“It is hard to know whether your committee is effective,” noted a member, *“but you need to know where it is not effective and work on that.”* In a members-only discussion, audit chairs exchanged good practices, practical strategies and innovations to strengthen audit committee effectiveness in today's complex governance environment. Key themes included:

- **Meeting structure and length**
 - Audit committee meetings vary widely in duration – one regularly runs for around 7 hours, but most are shorter. Company and agenda complexity, frequency of meetings and the audit committee's scope all affect meeting length. In many companies, the cadence and length of meetings have changed to accommodate evolving risks. *“My audit committee meets a week before to go through the compliance and financial items, which means the scheduled audit committee meeting can be more strategic,”* said a member.
 - Pre-meetings and strategic agenda planning help focus discussions on high-priority issues and enable time to be spent more strategically.
- **Meeting agenda management and material preparation**
 - Clear identification of key discussion points makes meetings more effective.
 - Concise, actionable materials using executive summaries and cover sheets to highlight key issues for discussion allow members to digest information efficiently and spend meeting time in discussion rather than on presentations. One company provides not only a page-length executive summary for each presentation, but a briefer summary of the summary as well.
 - Regularly changing the order of agenda items helps maintain energy and focus.
- **Executive sessions**
 - Executive sessions before and/or after audit committee meetings help surface concerns, allocate agenda time, and promote continuous improvement.
 - Rotating management participants, strictly limiting presentation time, and focusing only on critical topics helps keep an audit committee productive.
- **Technology and innovation**
 - Some audit chairs report that video content, digital platforms, and remote meetings have improved committee engagement and efficiency.
 - Committees are using technology both for meetings and education. A member noted that recorded presentations are sent before in-person meetings instead of meeting materials. But there needs to be discipline to not repeat the presentations and keep the meetings tight.
- **Board education and training**
 - Investing in ongoing education on emerging topics such as cybersecurity, AI, and regulatory changes is essential to keeping directors informed and confident.

- Separating education and training sessions from regular meetings ensures ongoing focus on evolving topics.
- **Risk management**
 - Some members schedule annual or special meetings focused on risk, while others integrate risk topics into every meeting. Some companies have now established dedicated risk committees, even when not required to do so, although some members cautioned against isolating risk discussions from the audit committee.
- **Board and committee structures**
 - Overlap of membership between audit, risk, finance, and compliance committees is common; regularly reviewing these overlapping roles and responsibilities is critical to avoid duplication or gaps. The effectiveness of oversight depends on clear delegation and coordination between the board and committees. Even where a board delegates limited authority to its audit committee, in most situations the full board must ratify decisions like the appointment of an external auditor, and it retains oversight responsibility.
- **Audit firm transition**
 - Changing external auditors requires careful planning, relationship-building, and changeover management with clear transition plans.
 - Shadowing by the new incumbent, clear communication, and involvement of senior audit firm leadership are recommended for successful transitions.

Reflection questions

- How might changes to your audit committee's meeting structure, agenda, or information flow create more space for forward-looking and strategic discussion, and less on routine matters?
- How is your audit committee using technology to enhance engagement, insight, and efficiency? Where could innovation further strengthen how the committee learns, collaborates, and exercises oversight?

Board of the Future

"Given the pace of change and the existential threats to our companies, it's not about rewriting the rules of governance. It is about creating a culture where you are challenged. We need to be very deliberate about the culture that we need as a board to support management and the CEO," said a member.

Members discussed the sustainability of the current board governance model and how boards could evolve to meet rapidly changing risks, regulations, and stakeholder expectations. EY's Jeanne Boillet and Tiffany Bachmann presented findings of interviews with 21 board members representing 90 boards globally, and Debevoise partner Jeff Rosen joined this discussion to offer his insights.

Although the research found that only 18% of directors believe current governance models are fully fit for

the future, members did not think the model itself needs a significant overhaul. All recognized that adaptations are needed to accommodate overflowing agendas, information overload, and rapid technological and geopolitical change.

Areas discussed included:

- **Board effectiveness and strategic focus**
 - Members said too much time is spent on compliance and not enough on strategic discussion, risk anticipation, and value creation.
- **Board composition and skills**
 - Members have different views on the ideal mix of soft skills (curiosity, adaptability) versus deep technical expertise (AI, cyber).
 - Cognitive and experiential diversity is a significant driver of value.
 - Tenure and age surfaced as divisive topics; experience matters more than age alone.
 - Active CEOs as non-executive directors bring unique perspectives but pose scheduling and engagement challenges.
- **Culture and innovation**
 - Board culture is critical: trust, openness to dissent, and constructive challenge foster better decisions.
 - Some members reflected that boards may suffer from behavioral inertia and lack of innovation.
 - Board conversations need space for contrarian views.
 - The most sustainable boards have strong and collaborative relationships with the CEO and executive management.
- **Role of technology and AI:**
 - Many point to opportunities for AI to help directors and boards with real-time insights, compliance validation, and risk monitoring, but current use in the boardroom is limited.
 - Boards must consider how to harness technology to support both board and broader company operations.
- **Compensation and Pipeline:**
 - Board roles are becoming riskier and complex, while compensation has remained largely unchanged; this can reduce the attractiveness of board roles, especially for potential directors with specialized skills.
 - Members had mixed views on US versus European board compensation but agreed that US directors benefit from stronger liability protection.

Takeaways on enhancing the current governance model included:

- **Spend more time on strategic matters:** Boards should prioritize forward-looking discussions and challenge management to think beyond the next 12 months.
- **Demand better board materials:** Require management to provide clear, concise, and actionable information.
- **Foster a culture of trust and challenge:** Encourage open debate and contrarian views while maintaining respect and collaboration.
- **Embrace diversity in skills and perspectives:** Balance technical expertise with adaptability and curiosity.
- **Leverage AI and technology:** Use digital tools to enhance effectiveness and oversight.
- **Review compensation structures:** Ensure board roles remain attractive and competitive as demands on individuals increase.

EY have recently published [initial findings from their research](#) on this topic.

Reflection questions

- How well does your board's current mix of skills, experiences, and perspectives position it to navigate emerging risks, technologies, and stakeholder expectations—and where might there be gaps for the future?
- What deliberate steps could your board take to strengthen its culture of trust, constructive challenge, and openness, ensuring that diverse perspectives truly influence decision-making?

Tax Governance and Strategy

This session brought together EY tax experts Marlies de Ruiter and Ray Beeman to discuss the latest developments in global and US tax policy, including the impact of the US government shutdown, new legislation, international negotiations, and compliance challenges for large multinational companies.

Matters discussed included:

- **US Government shutdown**
 - The US government shutdown creates uncertainty around IRS services to large companies including tax guidance, audits, and regulatory processes.
 - The IRS may continue limited operations using mandatory funding, but regulatory bottlenecks (e.g., Federal Register closures) can delay new rules.
 - The statute of limitations for audits will not be lengthened because of the shutdown, but companies should proactively manage deadlines.

- **US tax landscape and strategic planning**
 - The One Big Beautiful Bill Act (OBBBA) creates more certainty for tax planning, with many provisions made permanent. However, there are some exceptions (e.g., expensing for factories) that sunset in 2028.
 - Companies must carefully plan around complex interactions between provisions, especially regarding cash flow and deductions.
- **Energy credits and strategic industries**
 - Energy credits and incentives vary by technology (wind, solar, nuclear), affecting investment decisions.
 - The ability to trade credits is preserved, but regulatory details are still evolving.
- **International tax provisions – BEPS Pillar Two**
 - There is still significant uncertainty around adoption of BEPS Pillar Two and its interaction with the US tax rules. The “side by side” approach agreed in OECD negotiations aims to achieve a set of minimum tax rules where the existing US rules and the global minimum tax rules of the OECD co-exist, but progress is slow and complex and still being finalized.
 - Competitive disadvantage is a concern, especially for EU companies versus US companies due to differences in incentives and calculation methods.
- **Global negotiations and future risks**
 - OECD and EU negotiations on BEPS Pillar Two are ongoing, with targeted agreement by mid-November. If the US is carved out, non-US companies may face competitive disadvantages and additional compliance costs, unless changes to the global minimum tax rules are agreed simultaneously.
 - Strategic sectors (pharma, digital, advanced manufacturing) are most affected by differences in tax treatment.
 - New disclosure rules in the US (e.g., disaggregated tax rates) may create headline risks and affect competitiveness.

Going forward, audit committees should:

- **Monitor policy developments:** Stay vigilant for changes in US and global tax policy, especially around mid-November when key agreements may be reached.
- **Assess competitive position:** Evaluate the impact of Pillar Two and side by side approaches on your company’s competitiveness, especially if operating in multiple jurisdictions.
- **Undertake strategic tax planning:** Revisit investment plans and take advantage of new opportunities or incentives, while managing risks from legislative uncertainty.
- **Engage with advisors:** Maintain close relationships with tax advisors and policy experts to navigate evolving rules and optimize tax strategy.

Reflection questions

- How is your audit committee staying ahead of rapid shifts in US and global tax policy? How do you assess which developments pose the greatest strategic or compliance risks for your company?
- How does your audit committee ensure effective engagement with tax advisors and policy experts, and how have these partnerships influenced the governance and execution of your tax strategy?

Dialogue with Corporate Secretaries

“It’s important that the corporate secretary helps directors distill things – do the blocking and tackling and help us focus on what is really important,” said a member. The discussion with Marty Cohen and Jennifer McCary, two experienced corporate secretaries, explored the evolving role of the corporate secretary in supporting the board and governance practices. The following highlights the main themes discussed:

- **Role evolution and industry differences**
 - The corporate secretary’s role has grown in complexity due to regulatory changes and rising governance expectations.
 - The corporate secretarial function is increasingly involved in strategic and leadership projects and activities.
 - The role of the corporate secretary is structured differently at each company – sometimes it is separate to the general counsel and sometimes one individual oversees both functions.
 - Responsibilities and engagement with the board vary significantly by company and industry, influenced by board composition, company size, regulatory environment and individuals in place.
 - Mr. Cohen and Ms. McCary both emphasized the importance of a deep understanding of the company and its risks in light of new and evolving responsibilities and activities being undertaken by corporate secretaries.
- **Audit committee support**
 - In addition to agenda planning, risk management, and ensuring compliance with evolving regulations, corporate secretaries now help facilitate deep dives into business segments, onboard new directors, and tailor education to individual needs.
 - Corporate secretaries increasingly help audit committees focus in the current environment of agenda overwhelm.
 - Strong relationships with audit committee chairs, management liaisons (CFO, HR, General Counsel), and external advisors are essential for the corporate secretary.

- Successful agenda planning and risk oversight requires close collaboration between the corporate secretary, audit committee chair, CFO, internal audit, and general counsel. *“There is no straight line, but it’s iterative, and it really has to be collaborative,”* said a member.
- **Staying ahead of regulatory change**
 - Boards are adapting to fast-changing regulations. Regular review of recurring topics ensures coverage of emerging risks (e.g., cyber, climate, regulatory changes). Corporate secretaries can help directors assess which regulatory changes are material to their industry and the company.
- **Director education and onboarding**
 - Corporate secretaries should drive tailored orientation and ongoing education for directors to understand industry-specific risks and governance requirements. Directors should leverage available resources and share learnings with peers.
- **AI and technology are slowly transforming board processes**
 - Companies are experimenting with AI tools for preparing materials and streamlining administrative tasks, including in the corporate secretarial function.
 - Corporate secretaries can help support the company’s thoughtful adoption of AI while ensuring human oversight and confidentiality remain priorities.
- **Minutes**
 - Approaches to board minutes vary: some reference pre-reads and avoid attributing comments to individuals; others, especially in highly regulated industries, require more robust documentation. AI is generally not used in minute taking.
 - Executive session minutes tend to be brief, focusing on decisions rather than detailed discussion.
- **Engagement with industry and advocacy groups**
 - Companies are balancing streamlined disclosure with core values, responding to shifting trends in shareholder proposals and external expectations.
 - Engagement with industry groups and advocacy organizations is evolving, with more information sharing than coalition-building.

Reflection questions

- As governance and board dynamics continue to grow more complex, how has your audit committee’s relationship with the corporate secretary evolved—and how do you spot what might still be missing, such as deeper support in education, agenda design, or long-term planning?
- What would change if your audit committee viewed the corporate secretary as a catalyst for foresight—someone who helps anticipate emerging risks, technologies, and stakeholder expectations before they reach the boardroom agenda?

At this joint meeting, members also discussed recent regulatory and public policy developments with EY's Bridget Neill and Josh Jones, as well as aspects of corporate mental health and productivity with One Mind CEO Kathy Pike.

The perspectives presented in this document are the sole responsibility of Tapestry Networks and do not necessarily reflect the views of network members or participants, their affiliated organizations, or EY. Please consult your counselors for specific advice. EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Tapestry Networks and EY are independently owned and controlled organizations. This material is prepared and copyrighted by Tapestry Networks with all rights reserved. It may be reproduced and redistributed, but only in its entirety, including all copyright and trademark legends. Tapestry Networks and the associated logos are trademarks of Tapestry Networks, Inc., and EY and the associated logos are trademarks of EYGM Ltd.

Appendix 1: Participants

The following members participated in all or part of the meeting:

Werner Baumann, Cencora
Judy Bruner, Applied Materials
Jeff Campbell, Aon and Marathon Petroleum
Christine Catasta, Erste Group Bank
Pam Craig, Merck
Ted Craver, Wells Fargo
Lynne Doughtie, Boeing
Eric Elzvik, Ericsson and Volvo
Gretchen Haggerty, Johnson Controls
Laura Hay, MetLife
Bob Herz, Morgan Stanley
Liz Hewitt, Glencore
Maria Jelescu Dreyfus, Exxon Mobil
Akhil Johri, Cardinal Health
Arjun Murti, ConocoPhillips
Tom Schoewe, Northrop Grumman
Leslie Seidman, Alumnus
Carolyn Slaski, Charter Communications
Darrell Thomas, British American Tobacco
Tracey Travis, Accenture
Marna Whittington, Phillips 66

The following members participated virtually in part of the meeting:

Leanne Caret, RTX and Deere
Charles Holley, Amgen and Carrier Global
Amity Millhiser, The Coca-Cola Co.
Kimberly Ross, Cigna
Cindy Taylor, AT&T

EY was represented by the following in all or part of the meeting:

Julie Boland, EY Americas Area Managing Partner and EY USLI Regional Managing Partner
Dante D'Egidio, Americas Vice Chair – Assurance
Jennifer Lee, Managing Director, Americas Center for Board Matters
Pat Niemann, Partner, Americas Center for Board Matters Leader

The following Tapestry Networks representatives participated in all or part of the meeting:

Beverley Bahlmann, Executive Director
Jonathan Day, Chief Executive
Laura Koski, Project and Event Manager
Todd Schwartz, Executive Director

Endnotes

- 1 *Summary of Themes* reflects the network's use of a modified version of the Chatham House Rule whereby names of members and their company affiliations are a matter of public record, but comments are not attributed to individuals or corporations. Quotations in italics are drawn directly from members and guests in connection with the meeting but may be edited for clarity.