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DELOITTE AUDIT COMMITTEE STUDY

Inside Swiss Audit Committees: Driving Progress

December 2025

Inside Swiss Audit Committees: Driving Progress

Dear Audit Committee Chairs
Dear Audit Committee Members

Titled 'Inside Swiss Audit Committees: Driving Progress', this first-of-its-kind study by Deloitte in partnership with the Institute of Law and Economics at the University of St. Gallen (ILE-HSG), examines **Audit Committee (AC) effectiveness among the top 50 listed Swiss companies**.

Our research addresses a significant gap in public knowledge regarding the specific practices of Swiss ACs – which have not previously been explored. It discusses **how the AC's role is evolving** in today's high-paced environment, **explores current trends and emerging topics, and provides clear, actionable insights** into AC best practices.

Our methodology focused on three critical pillars that define 'how' effective ACs function.

We **first examined current 'spotlight topics'**, investigating how AC are responding to growing strategic risks – like the oversight of new technologies and AI governance, organisational resilience & crisis management, the increasingly complex regulatory and compliance landscape, and finance talent. We then **turned to the core responsibilities** of ACs in Switzerland, analysing the established duties around financial reporting, controls, and audit oversight. We also explored what other topics may be on the ACs agenda in the future. Finally, we **assessed the ways of working**, evaluating the dynamics of internal collaboration and the effectiveness of processes like self-evaluation and long-term planning.

Our findings confirm that while Swiss AC maintain high standards in core financial oversight, they face a strategic imperative. The rapid pace of technological and regulatory change, the integration of ESG reporting into strategy, the need to balance the short- and the long-term – all this requires organisations to continue their evolution from a reactive, compliance-based approach of control to a **forward-oriented governance framework** which considers strategic impact, resilience and integrity as the basis for sustained success.

We are sincerely grateful to the 33 AC members and Chairs of the top 50 Swiss listed companies who contributed their time and expertise to this study. Your candid participation and valuable insights were essential in developing a comprehensive and timely view of the future of AC work.

We hope these findings will serve as a meaningful catalyst for progress and peer exchange across the governance and AC community in Switzerland. We look forward to exchanging with you on your questions and inputs, and hope you enjoy the read.

Alessandro Miolo
Deloitte Switzerland

Jan Meyer
Deloitte Switzerland

Dr. Cornel Germann
Institute of Law and Economics,
University of St. Gallen

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KEY TAKEAWAYS

New Technologies and AI
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AC members anticipate that the **oversight of new technologies will become significantly more important** on their agenda over the next 3-5 years – this is the area with the highest anticipated increase (88%).
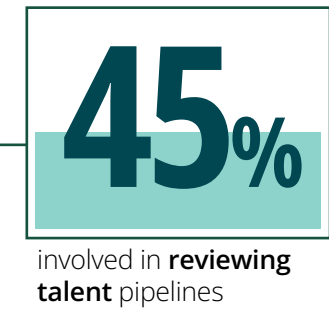
However, only **27%** rated their AC's composition positively for **information technology and cybersecurity** skills, expertise, and backgrounds.

Finance Talent
Page 17

ACs have an **opportunity for greater engagement** in identifying and coaching internal talent for future CFO and key finance roles.

45%

involved in **reviewing talent** pipelines

KEY TAKEAWAYS

91%

Organisational Resilience & Crisis Management
Page 18

said that the organisation is prepared or very prepared to respond to significant disruptions or crises.

94%

AC's ability to contribute to the overall success of our organisation

agree or strongly agree that the AC contributes to the overall success of the organisation.

21%

Short-term vs. Long-term Tension
Page 28

have a strong emphasis on the future (3-5 years or more) when discussing risks and opportunities.

36%

New Technologies and AI
Pages 15 – 16

occasionally oversee risks associated with the company's use of new technologies.

42%

Divergent Regulatory Landscape
Page 19

responded that the divergent regulatory landscape negatively impacts their organisation's operational efficiency.

KEY TAKEAWAYS

Audit Committee Responsibilities
Pages 20 – 22

While the core focus on financial reporting and controls remains, ACs face a **potential time constraint**, as more time must be allocated to emerging areas expected to grow in importance.

Anticipated Increase
Rank and % of respondents expecting an increase in these areas on the AC agenda over the next 3-5 years.

1 88%	2 58%	3 52%	4 48%

Current status
Rank and % importance of each area on the overall AC agenda in the past year.

10 3%	6 18%	11 0%	5 30%

Oversight of new technologies	Compliance with regulatory landscape	Organisational resilience & crisis management	Environmental, Social and Governance (ESG) and non-financial reporting

KEY TAKEAWAYS

Non-financial & Integrated Reporting
Pages 23 – 24

55%
Strategy-focused

ESG[1] reporting is centred on sustainability as a source of competitive advantage, and is integrated into the broader organisational strategy.

27%
Opportunity-driven

Corporate strategy is starting to integrate elements of sustainability, and its value is recognised in selected aspects of the business.

18%
Compliance-focused

Sustainability is a regulatory obligation and is not integrated into the corporate strategy.

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[1] ESG refers to non-financial reporting on environmental, social, and governance topics
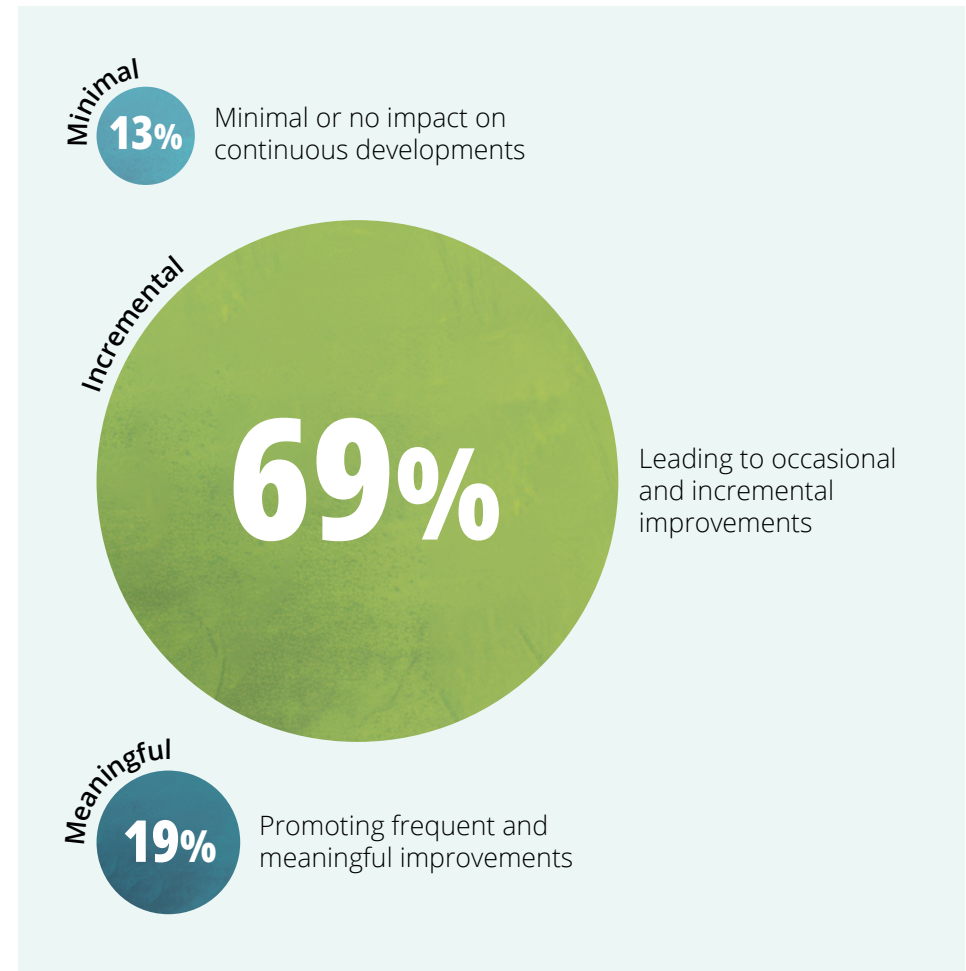
KEY TAKEAWAYS

Return on Self-Evaluation
Page 25

Regular self-evaluation processes are in place, promoting incremental improvements.

The vast **majority of ACs perform self-evaluations;** and...

18%

said they perform self-evaluation processes **every two years**.

73%

said they perform self-evaluation processes **once or more per year**.

...69% consider they lead to **occasional and incremental improvements**.

Minimal
13% Minimal or no impact on continuous developments

Incremental
69% Leading to occasional and incremental improvements

Meaningful
19% Promoting frequent and meaningful improvements

KEY TAKEAWAYS

Training
Page 26

The AC members **receive training through a balanced mix of channels**, with the majority indicating that some training sessions are organised by the company. However, keeping up to date remains primarily the individual responsibility of AC members.

33% Trainings are **organised by the company for all members of the AC**.

36% **some trainings are organised**, but keeping up to date is primarily AC members individual responsibility.

30% mainly the **responsibility of the AC members**.

Collaboration within the AC
Page 27

Almost all participants rated collaboration within their AC positively.

97% rated collaboration positively

?

Critical challenge within the AC
A key question for the future is how this collaborative culture aligns with the need to foster 'constructive dissent'.
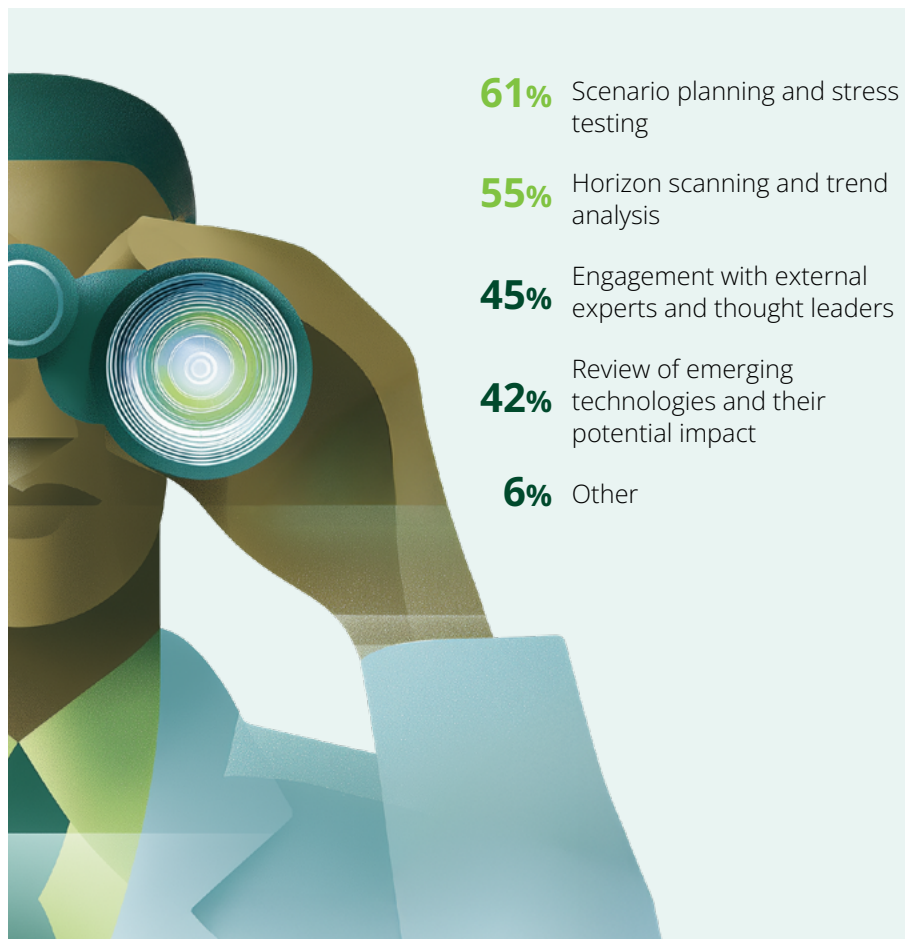**Page 33**

KEY TAKEAWAYS
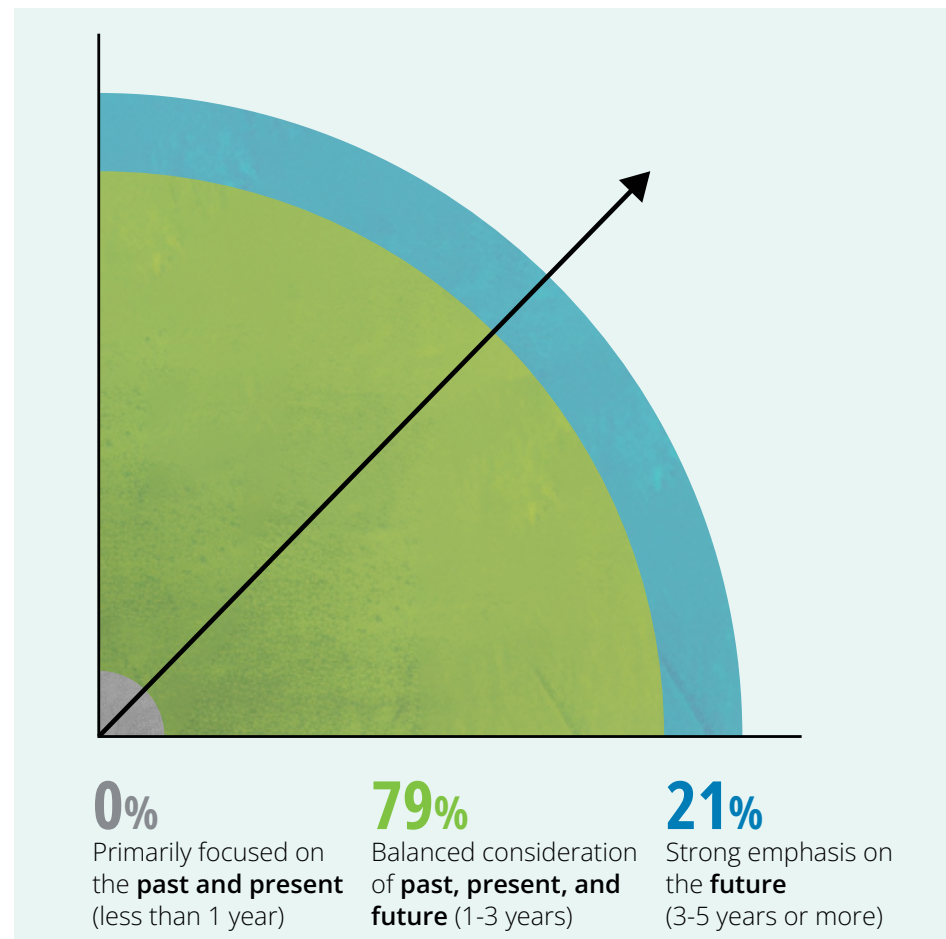
Short-term vs. Long-term Tension
Page 28

The majority of ACs perform scenario planning and stress testing, and when discussing risks and opportunities, the majority adopt a balanced approach, considering past, present, and future factors over a 1-3 year horizon.

ACs' activities to anticipate future risks and opportunities

61% Scenario planning and stress testing

55% Horizon scanning and trend analysis

45% Engagement with external experts and thought leaders

42% Review of emerging technologies and their potential impact

6% Other

Typical time horizon considered by the AC when discussing risks and opportunities

0% Primarily focused on the **past and present** (less than 1 year)

79% Balanced consideration of **past, present, and future** (1-3 years)

21% Strong emphasis on the **future** (3-5 years or more)

02 Introduction

INTRODUCTION

Objectives, Scope, Methodology, Participants, and Focus Areas

Objectives and scope

The primary objective of this study is to provide a **strategic analysis of the effectiveness of ACs in Switzerland**. By focusing on the top 50 listed Swiss companies – the SMI Expanded – the study aims to benchmark current Swiss AC practices, providing clear and concise perspectives on the current state and potential future evolution of the AC role.

This initiative is designed to offer practical guidance to AC members, enabling them to understand their standing relative to peers and address critical emerging issues, ultimately driving tangible improvement in AC work and the quality of corporate governance across the Swiss market.

Methodology and participants

The foundation of this study is a mixed-methods approach, combining **quantitative and qualitative insights**. The data collection began with a structured survey conducted among AC members, resulting in responses from 33 AC chairs and members across all industries. This was followed by in-depth, semi-structured interviews conducted with five highly experienced AC chairs and members. These interviews provided crucial qualitative validation and depth to the survey data, enriching the final insights with practical, narrative context.

Focus areas
Our study was built around three key pillars

Spotlight topics

In-depth look at responsibilities requiring practical elevation. It focuses on the AC's response to the most critical accelerating risks, specifically the oversight of new technologies and AI governance, organisational resilience & crisis management, the increasingly complex regulatory and compliance landscape, and finance talent.

Core responsibilities

Areas of responsibilities, analysing the established areas of oversight over financial reporting, external and internal audit, controls and emerging topics on the AC's agenda. This pillar also examines the expected changes in the relative importance and perception of AC duties, allowing their evolution on the AC's agenda to be mapped.

Ways of working

Organisational and cultural aspects that underpin effective AC performance. It assesses aspects such as collaboration, composition, effectiveness of internal processes, commitment to continuous improvement through mechanisms like self-evaluation and training, and internal and external stakeholder engagement.

03 Inside Swiss Audit Committees

New Technologies and AI

Increasing importance, new opportunities and risks, and the call for an AI governance framework

New technologies a key emerging topic

88% of the AC members anticipate an increase of the importance of the **oversight of new technologies** on the AC's agenda over the next 3-5 years, the area with the highest anticipated increase.

AC's oversight of risks & encouragement to leverage new technologies

64% are very actively or regularly **overseeing risks associated** with the company's use of new technologies

vs. 36% indicated they do it occasionally

77% are very **actively promoting AI adoption or regularly discuss AI** opportunities with management

vs. only 9% indicated they rarely do it or not at all

Increasing importance on the AC agenda

New technologies and in particular AI are **disrupting many business models** fast and at a large scale. Almost 9 out of 10 surveyed AC members expect that new technologies, including AI topics will become more important on their agendas over the next years – either moderately (64%) or significantly (24%)[2].

Focus is on opportunities first, then on risks

AC members interviewed believe management is in charge of identifying opportunities for the use of new technologies, including AI and for their deployment in the organisation. The AC's **focus is on the opportunities** brought by new technologies first, and second on risk oversight.

Almost 8 out of 10 AC members either actively promote AI adoption (12%) or regularly discuss AI opportunities (64%). When it comes to overseeing risks however, 6 out of 10 AC members say they do this at least regularly. When asked about risks from new technologies or AI, interviewees mentioned the following: confidentiality and data privacy, cybersecurity, 'black box' effects from the use of AI, and compliance with relevant legal frameworks.

[2] Moderately corresponds to a value 4 and significantly to a value of 5 on a 5-point scale, with 5 being the highest value

Development of a framework for oversight

There is consensus that the AC's role is to provide oversight and critically challenge management on the use of new technologies and AI tools, rather than directing the use itself.

Meanwhile practical aspects of usage of new technologies and AI are still evolving at many organisations. This calls for a **technology or AI governance framework** which ACs can use.

"AI requires the Audit Committee to raise its overall level of understanding of this new technology. Every seat on the board is precious, so we should engage with outside experts to improve our understanding rather than add AI experts to the board."

Mary J. Steele Guilfoile
AC Chair at Avolta

New Technologies and AI

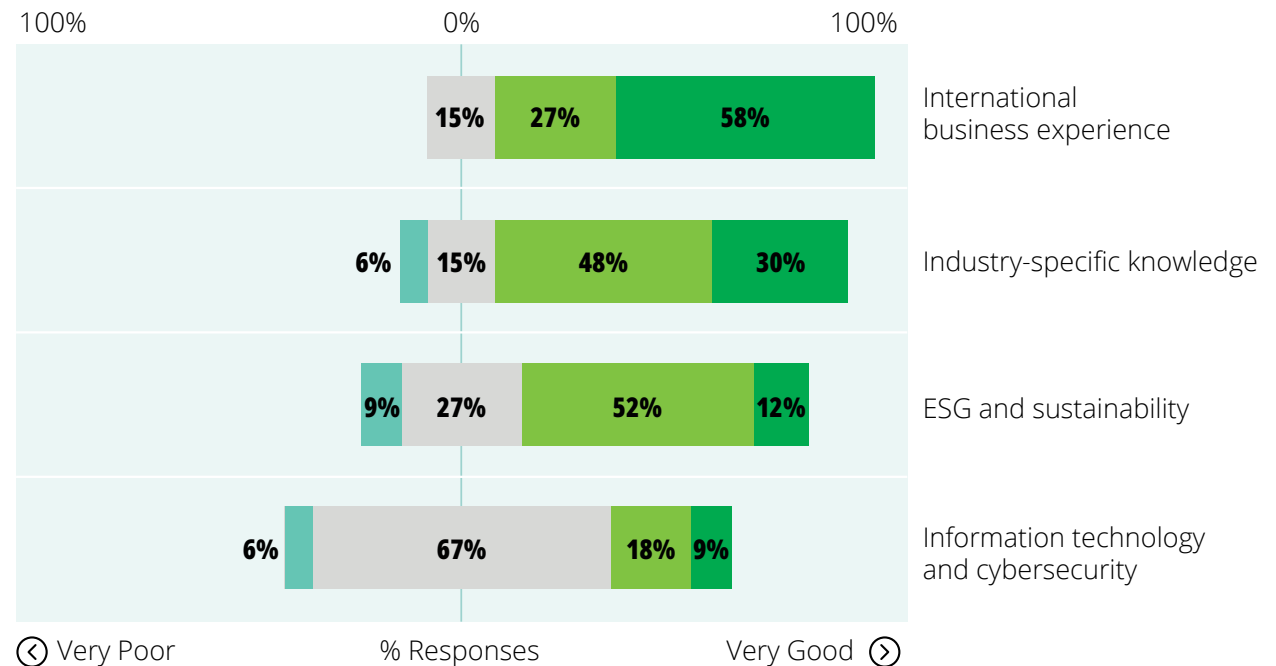## A shift in required skills and expertise

The need for learning and more engagement with experts and the IT function

9 out of 10 AC members rate the composition of their AC to cover accounting and financial reporting, internal controls and risk management, legal and regulatory compliance, and senior leadership skills as good or very good. This reflects the more established responsibilities of ACs. On the other hand, ACs see information technology and cybersecurity as the lowest area of expertise when assessing their committee's competencies.

Interviewees believe that AC members do not need to be experts in the field of new technologies and AI. Nevertheless, AC members need to understand how these new tools can be used, **understand how they disrupt their organisation's business models**, and ultimately be able to challenge management on opportunities and risks. This requires learning (e.g. through inviting external speakers, attending trainings) or engagement with the IT function – with only 12% of ACs closely collaborating with IT right now.

Rating of the AC's composition in terms of skills, expertise, and backgrounds
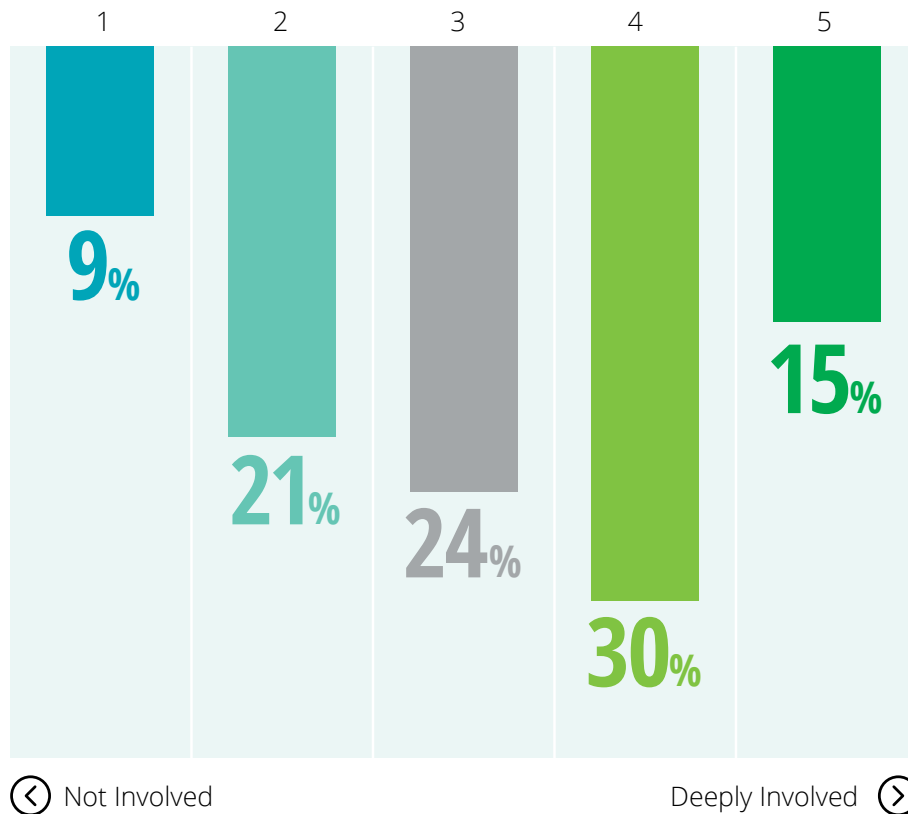Lowest-rated areas of expertise[3]

100% ... 0% ... 100%	
15% · 27% · 58%	International business experience
6% · 15% · 48% · 30%	Industry-specific knowledge
9% · 27% · 52% · 12%	ESG and sustainability
6% · 67% · 18% · 9%	Information technology and cybersecurity

◀ Very Poor   % Responses   Very Good ▶

[3] 4 lowest-rated out of 8 areas

Finance Talent

ACs have limited involvement in talent pipeline reviews and succession planning

AC's involvement in reviewing talent pipelines and succession planning for key leadership roles within finance

1	2	3	4	5
9%	**21**%	**24**%	**30**%	**15**%

◀ Not Involved   Deeply Involved ▶

Limited involvement in talent pipeline review and succession planning

More than half of the AC members surveyed indicated that they are **less or not at all involved in reviewing talent pipelines and succession planning** for key leadership roles within the finance function. This suggests a significant opportunity for ACs to increase their engagement to identify and coach internal talents for future CFO and senior finance roles.

The value of an AC's increased engagement in discussing finance talent topics

An increased engagement in finance talent topics by the AC offers several advantages. It makes it possible to identify potential internal successors for senior finance roles who understand the company's culture, people dynamics, and strategic priorities. It also allows the AC to engage in a discussion around the **collaborative characteristics it expects from its future finance leaders** and lays the foundation for improved engagement of the AC with internal stakeholders in the future. Lastly, it allows the organisation to expose its future finance talent to experiences that help candidates build the necessary skills and capabilities for future senior finance leadership roles – e.g. through a temporary assignment in internal audit or finance transformation projects.

Only **45%** said that they are involved in reviewing talent pipelines and succession planning

Organisational Resilience & Crisis Management

Nine out of ten organisations feel prepared for crisis

Full preparedness is not achievable

While almost every AC member surveyed says their organisation is **prepared to respond to significant disruption or crisis events**, interviewees stated that full preparedness is not achievable – considering it is impossible to foresee every likely, high-impact event.

Practical ways to enhance resilience

Nevertheless, there are ways – other than the more **established tools of written remediation plans or scenario planning** - for organisations to prepare for crisis and disruption. Based on the insights from our interviews, these are some of the ways:

- Real-life experience plays a critical role in effective crisis preparation and response. Organisations should not just write plans but practise them (e.g. through table-top exercises, simulations);
- Maintaining a prudent, long-term perspective is essential;
- A speak-up and learning culture helps learn from past mistakes and fosters an improvement mindset;
- Listen to signals from customers and competitors and invest in innovation;
- Focus on data and system recovery, and consider the impact of cloud computing;
- At the board level, cross-committee coordination is vital to successfully steer through crisis and disruption.

"A crisis cannot be anticipated, so you should be in a constant state of readiness. You should keep a prudent, longer-term focus. And should you be in a situation of crisis, this is when experience matters."

Larry Zimpleman
AC Member at Swiss Re

Organisation's preparedness to respond to significant disruptions or crises

1	2	3	4	5
0%	0%	9%	70%	21%

Not Prepared   Very Prepared
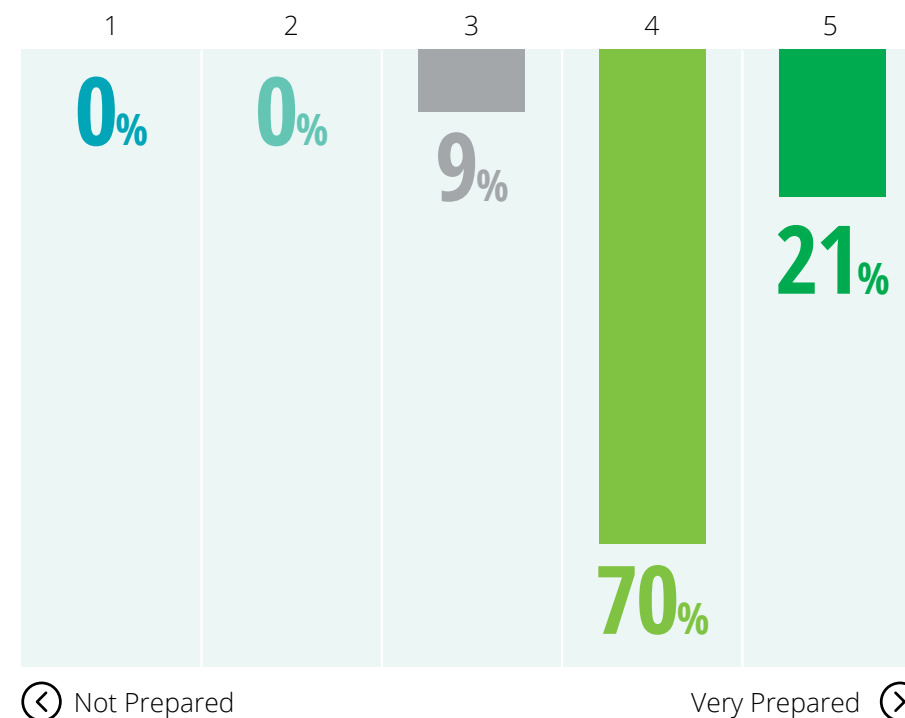
Divergent Regulatory Landscape

The cost of not knowing what regulation is coming

Regulatory divergence is creating additional costs for organisations...

42% of respondents said the divergence in regulations between different regions is slowing organisations down.

Diverging regulations **create additional costs in monitoring and implementation**. However, this is the cost of doing business the right way. Compliance can be approached with the view that organisations should apply the strictest regulatory requirements to which they are subject. Real challenges emerge when organisations have to apply regulations that contradict each other (e.g. around sustainability or the discussion of acceptability of IFRS in the US).

Politically driven changes to regulations are much less predictable and harder to manage than regulatory changes in the technical domain. It is this uncertainty which makes compliance with new legislation costly, requiring a risk-based approach. Ultimately, the cost of not knowing is what challenges organisations.

"Regulatory changes are often a chance. If you see something developing which impacts your customers, you build something that meets these new needs. The hardest part with regulation is when you don't know what is coming."

Claudia Pletscher
AC member at Flughafen Zürich AG

...but may also present opportunities for competitive advantage

On the other hand, 3 out of 10 respondents say regulatory divergence is impacting their operational efficiencies positively.

Effective management of new regulatory topics (e.g. gender diversity, environmental regulations) can help shape **competitive advantages and be real differentiators** if organisations' responses establish best practices.

Early engagement with standard setters, observation of public hearings, etc. make it possible to prepare for what is coming next. When you are informed, you can understand the impact new legislations may have on the business well in advance.

Impact of the divergent regulatory landscape on the organisation's operational efficiency

27% responded that the divergent regulatory landscape has a **positive or very positive effect**

30% responded that it has **no impact**

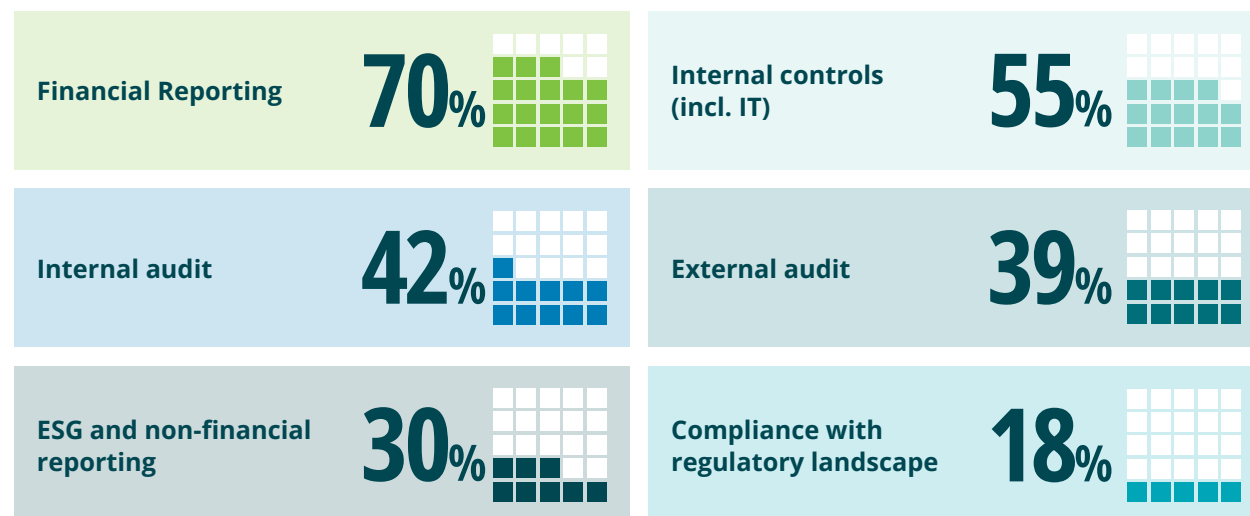**42%** responded that it has a **negative impact**
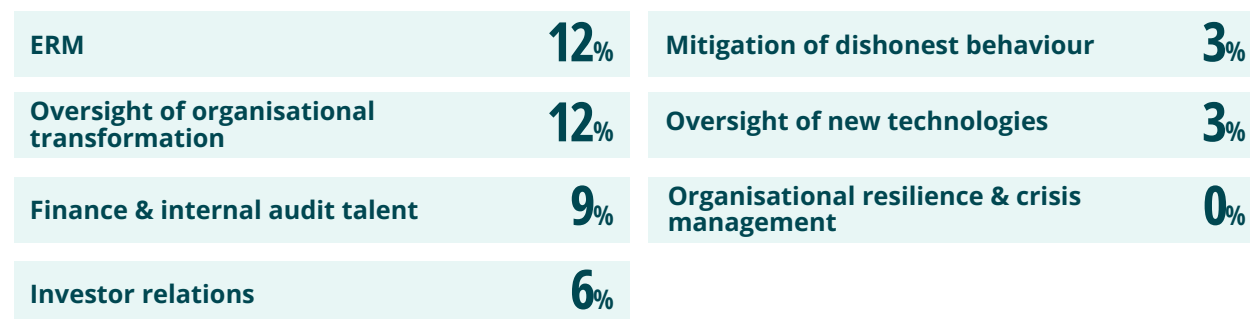
Audit Committee Responsibilities

Integrity of financial reporting and effectiveness of internal controls remain at the core of ACs' work

Most important areas on the AC's agenda over the past year
% of selection of the topic[4]

Financial Reporting	**70%**
Internal controls (incl. IT)	**55%**
Internal audit	**42%**
External audit	**39%**
ESG and non-financial reporting	**30%**
Compliance with regulatory landscape	**18%**

Less important topics

ERM	**12%**	**Mitigation of dishonest behaviour**	**3%**
Oversight of organisational transformation	**12%**	**Oversight of new technologies**	**3%**
Finance & internal audit talent	**9%**	**Organisational resilience & crisis management**	**0%**
Investor relations	**6%**		

Established oversight responsibilities remain AC priorities

The established responsibilities continue to form the backbone of Swiss ACs' agendas: 70% of respondents selected financial reporting as one of their top-three areas in the past year and 55% indicated that internal controls (incl. IT) was also one of their top-threes on the agenda. These figures **underpin the traditional AC role as the 'guardians'** of financial reporting integrity and of the effectiveness of internal controls. Oversight of internal audit (42%) and external audit (39%) also continue to be topics of significant relevance, key to ensuring both the quality of financial reporting and internal control processes.

Immediately following these established duties, ESG and non-financial reporting secured the fifth spot, chosen by 30% of respondents. In the European environment, where regulatory requirements are increasingly focused on the assurance-ready quality of sustainability data and CSRD reporting, ESG has already emerged as a new, critical task. 48% of AC members surveyed anticipate a moderate to significant increase in the importance of ESG over the next three to five years, and so ESG is expected to be a more frequent agenda topic for Swiss ACs.

However, the **top 3 emerging topics** (see page **21**) – oversight of new technologies, compliance with regulatory landscape, and organisational resilience & crisis management – have **not yet become important and recurring items** on the ACs' agendas.

[4] In this question participants were asked to select their top 3

Audit Committee Responsibilities

Emerging areas on the AC's agenda: technology, compliance, and organisational resilience

Emerging responsibilities define the future agenda

Established topics such as financial reporting and external audit are expected to remain important. This means that the **AC's agenda is going to be complemented** with emerging, high-velocity topics.

88% of respondents expect an increase in relative importance of oversight of new technologies, 58% an increase in compliance with the regulatory landscape, and 52% an increase in organisational resilience & crisis management over the next three to five years. With these new topics on the agenda, we can expect required **time commitment from AC members to increase**.

ESG and non-financial reporting is a topic which displays both, high levels of expected increase and decrease in relative importance. This makes it one of the topics with the least respondents saying importance is likely to remain the same.

"The AC's scope has expanded beyond financial oversight to include broader topics such as risk, compliance, and emerging issues."

Daniel Hochstrasser
AC Member at Novartis

Anticipated relative change in importance

	Decrease significantly		Decrease moderately		Remain the same
	Increase moderately		Increase significantly		
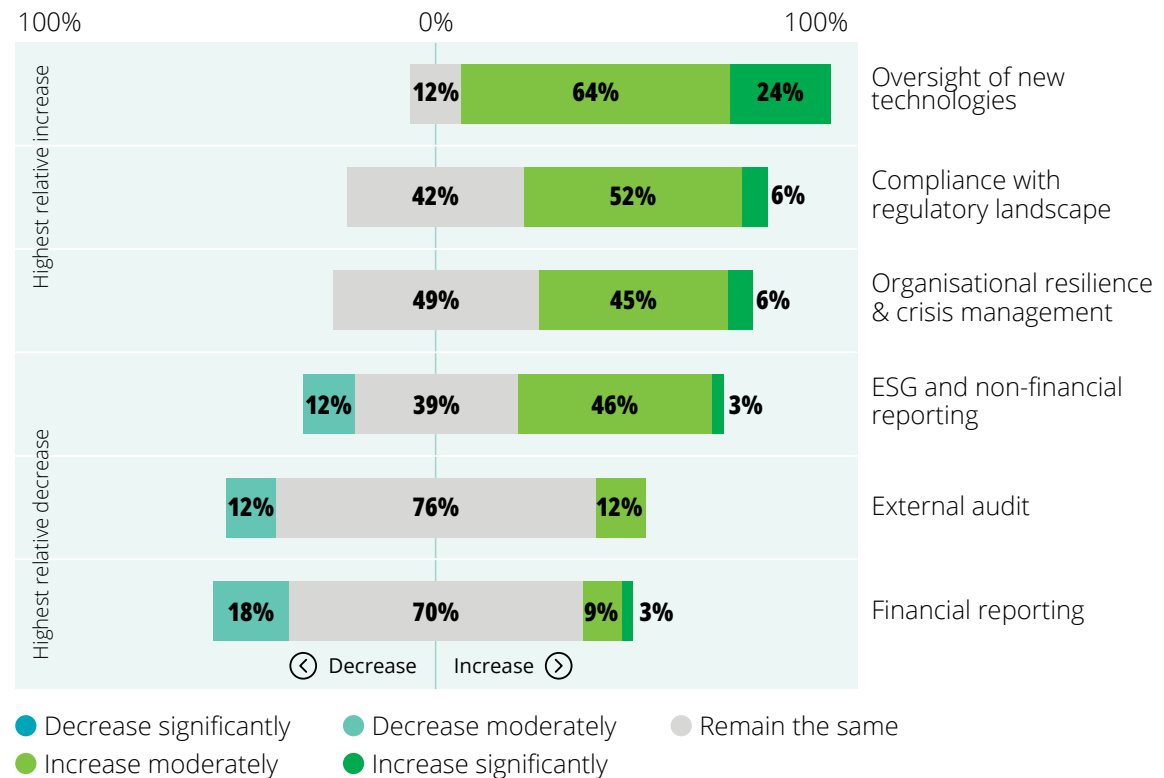
Audit Committee Responsibilities

Making the time to discuss emerging topics

Sufficient time for 'governance as usual', but less for emerging topics and disruption

A clear majority of 67% of respondents are of the view that their **AC has enough time to address all its responsibilities effectively**. One third of survey respondents see time pressures arising when there are complex issues to address, unexpected events, and emerging topics to consider. More specifically, 18% consider that they have sufficient time for their main responsibilities but struggle to dedicate enough time to emerging areas or risks. Another 15% report that they occasionally face time constraints when dealing with complex or unexpected events.

This suggests that the broad view that ACs have sufficient time for their work may be tenuous. The overall increased complexity and disruption caused by new technologies, the compliance landscape, and organisational resilience & crisis management leave little room for manoeuvre.

Increased importance of AC chairs in setting the agenda strategically

Hence, the capacity to proactively oversee the most critical future risks – a key aspect of effective governance – is under pressure. This demands a strategic approach to agenda setting, especially from the AC chair. The trend is for AC's work to shift **from quarterly meetings to continuous engagement with management**, internal and external audit, alongside ongoing monitoring of risk and compliance.

In this context, **effective agenda setting is an essential tool** for modern AC chairs. With the responsibilities of ACs expanding, AC chairs must thoughtfully priorities agenda items to ensure critical areas receive adequate time and attention. This demands that AC chairs evolve from technical and financial experts into strategy leaders able to strike balance between established and emerging topics.

Time needed to adequately address AC's main responsibilities

67% of the respondents consider that the AC has **sufficient time to address all its responsibilities** effectively

18% consider that the AC has **sufficient time for its main responsibilities** but struggles to dedicate enough time to emerging topics or risks

15% think that the AC has **sufficient time but occasionally faces time constraints** when dealing with complex issues or unexpected events

vs. 0% considering the AC does not have sufficient time to adequately address all of its responsibilities

Non-financial & Integrated Reporting

Half of Swiss ACs believe sustainability is integrated into corporate strategy

Stage of maturity of the organisation's ESG reporting journey

55% selected the option **strategy-focused**, i.e. sustainability as a way to create competitive advantage and part of the corporate strategy

27% selected **opportunity-driven**, i.e. corporate strategy is starting to integrate elements of sustainability, and its value is recognised in selected aspects of the business

18% selected **compliance-focused**, sustainability is a regulatory obligation and is not integrated into corporate strategy

Sustainability as a key component of corporate strategy

Slightly more than half of respondents (55%) believe their current ESG reporting is centred on **sustainability as a source of competitive advantage** and is integrated into the broader organisational strategy.

Meanwhile, 27% describe their approach as opportunity-driven and 18% take a compliance-focused approach to ESG.

This suggests **different stages of maturity in ESG reporting**. Generally, what starts as a 'compliance exercise' increasingly drives business improvements and strategic value over time. Organisations then learn how to effectively leverage what started as compliance to support informed strategic decision-making.

"ESG requirements should translate into strategic value – with KPIs that are relevant, focused on outcomes and designed to encourage desired behaviours."

Kory Sorenson
AC Chair at SGS

"What drives the distinction between viewing non-financial reporting purely as a compliance exercise and seeing it as a valuable tool is the ability to use it to diagnose your own environment and understand where you stand today. It serves as a commitment check against your strategy."
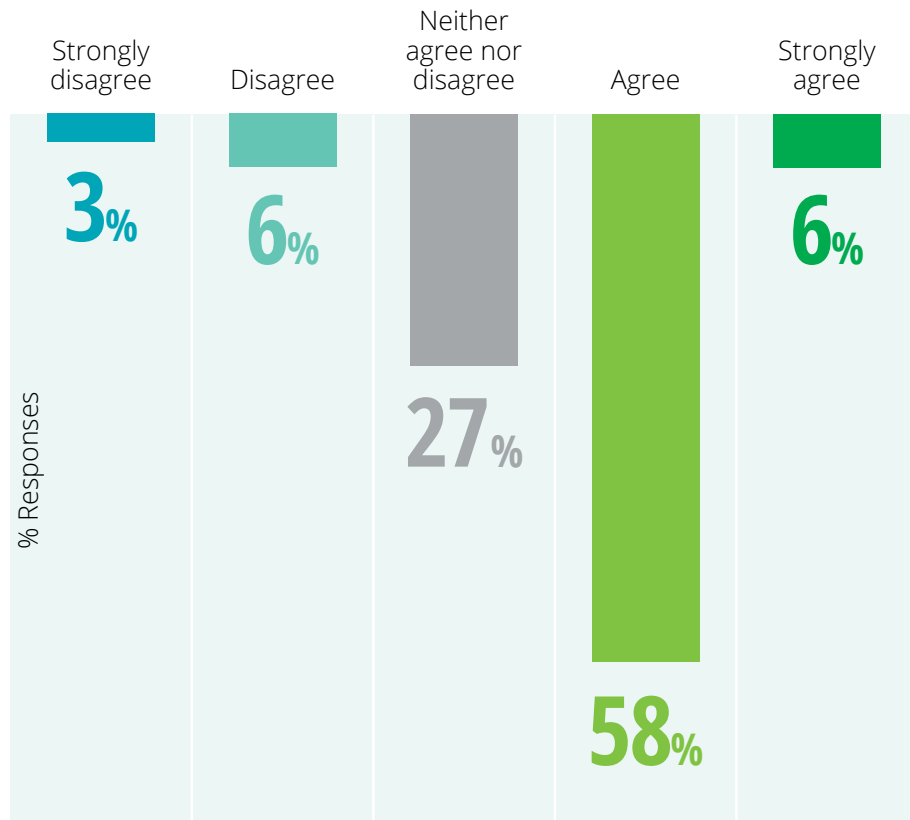
Claudia Pletscher
AC Member at Flughafen Zürich AG

Non-financial & Integrated Reporting

Strong confidence in the ability to use non-financial reporting data

AC's ability to use non-financial reporting data to direct the organisation and take informed decisions

% Responses

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
3%	6%	27%	58%	6%

Strong confidence in using non-financial reporting data despite limited ESG expertise

More than six out of ten respondents agree or strongly agree that they feel **confident in their ability to use non-financial reporting data** to guide decision-making. This represents a high level of confidence, also when **contrasted with the AC's composition in terms of skills, expertise, and backgrounds.** ESG and sustainability received the second-lowest rating – only ahead of IT and cybersecurity (see page **16**).

This observation reflects an interesting dynamic: While confidence in using non-financial data is strong overall, there is potential for ACs to further strengthen their expertise in ESG. This raises important questions: What specific expertise does the AC need in ESG and sustainability? And how can this expertise be added? Ultimately, ACs will have to understand and articulate how ESG and sustainability data link to an organisation's strategy.

64% feel confident in the AC's ability to use non-financial reporting data to direct the organisation and take informed decisions

Self-Evaluation

Regular self-evaluation processes are in place, promoting gradual improvements

ACs' self-evaluation frequency

73% responded they perform self-evaluation processes **once or more per year**

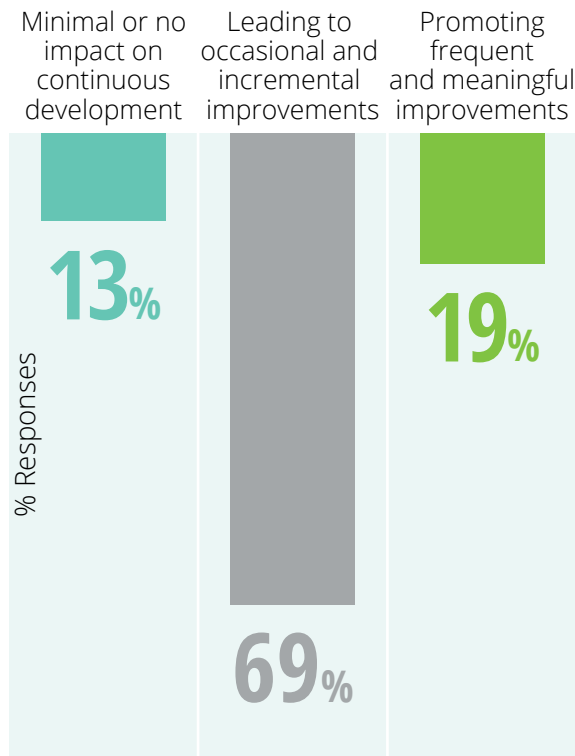**18%** responded they perform self-evaluation processes **every two years**

vs. only 6% responded they perform self-evaluation processes **every three years or more**

and only 3% responded they **never** perform self-evaluation processes

The vast majority perform AC self-evaluation processes and **69%** consider they lead to occasional and incremental improvements

Effectiveness of the AC self-evaluation process in promoting continuous development[5]

Minimal or no impact on continuous development	Leading to occasional and incremental improvements	Promoting frequent and meaningful improvements
13%		**19%**
	69%	

% Responses

[5] Question only applicable if 'Never' was not selected in the self-evaluation frequency question

Frequent AC self-evaluations with occasional and incremental improvements

Self-evaluation is widely practised by ACs. The majority of ACs (73%) **conduct a self-evaluation at least once per year**, and among those that undertake these evaluations, many (69%) **believe that the process leads to occasional and incremental improvements**. This suggests that the frequency of self-evaluations may contribute to gradual enhancements over time.

19% of AC members believe the exercise drives frequent and meaningful improvements. 13% view the effects from self-evaluation as minimal or even non-existent.

This data suggests that **consistency over time is key to drive relevant improvements in AC work** – a leap from one year to another can only be achieved in exceptional circumstances.

"It's a good touchpoint to ensure your committee members have a channel to give feedback on how meetings have gone; if everyone takes it seriously with a focus on continuous improvement, there are always things we can do better, rather than it being just a box-ticking exercise."

Mary J. Steele Guilfoile
AC Chair at Avolta

Audit Committee Training

Keeping up to date is primarily an individual AC member's responsibility

How do AC members receive trainings?

33% responded that trainings are **organised by the company for all members of the AC**

36% responded that **some trainings are organised**, but keeping up to date is primarily AC members' individual responsibility

30% responded that trainings are **mainly the responsibility of the AC members**

Balanced training approaches

AC members **receive training through a balanced mix of channels**, with the majority indicating that at least some training sessions are organised by the organisation. However, keeping up to date remains primarily the individual responsibility of AC members.

Moreover, our analysis reveals a **positive correlation between a stronger perception of the impact of self-evaluations and greater organisational involvement** in coordinating training for all AC members. This suggest that where organisations take an active role in organising AC trainings, AC members are more likely to identify meaningful improvements in their self-assessment cycles.


Promoting **frequent** and meaningful improvements

Occasional and incremental improvements

Minimal or **no impact** on continuous development

Impact of the self-evaluation

Training

Mainly the **responsibility of the AC members** | **Some trainings are organised** by the company | **Organised by the company** for all members of the AC

Collaboration

Openness and transparency are essential for effective AC collaboration

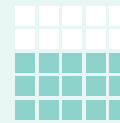### Most relevant characteristics for an effective collaboration within the AC[6]

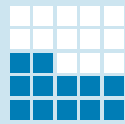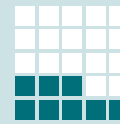**Open and transparent communication**
97%
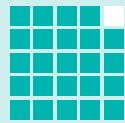
Trust and respect
61%

Commitment and engagement
48%

Diverse perspectives
30%

Clear roles and responsibilities
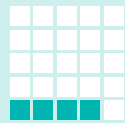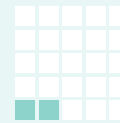**21**%
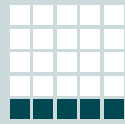
Shared purpose
18%
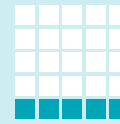
Efficient problem-solving
15%

Adaptability
9%

97% rated collaboration within the AC positively

Making the AC work as a group

Almost all participants rated the collaboration within their AC positively. When asked to select the **top 3 factors that contributed most to effective collaboration**, open and transparent communication, trust and respect, and commitment and engagement were named as the most critical.

Communication skills, regard for fellow AC members, and personal involvement in the group are much more important to successful collaboration than what individuals on their own can bring (diverse perspectives, shared purpose, adaptability), clear, written guidelines (roles and responsibilities) or matters of efficiency. Effectively working ACs should consider **how to make the group more than just the sum of its parts** – encouraging first and foremost an open and transparent dialogue.

[6] In this question participants were asked to select their top 3

Short-term vs. Long-term Tension

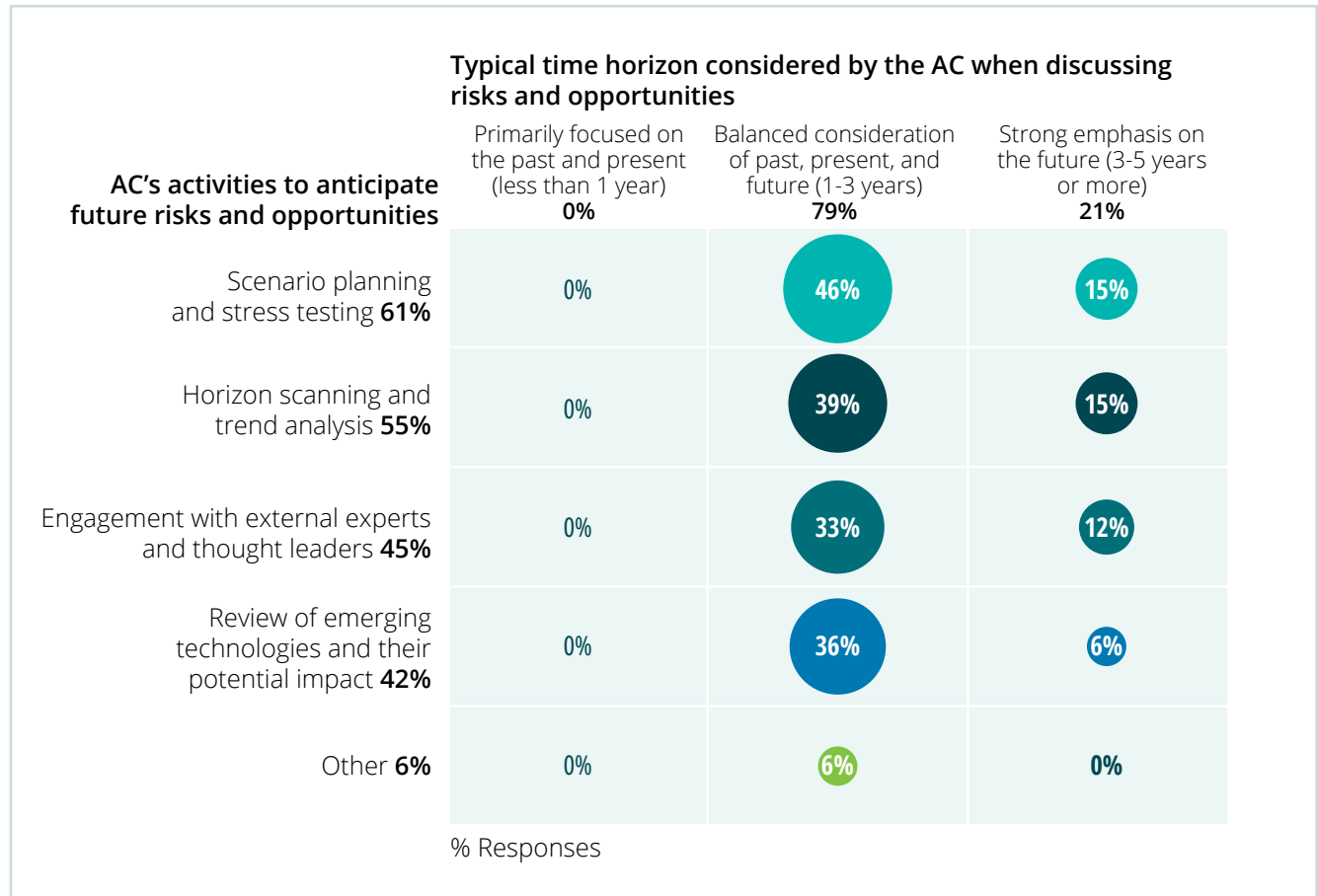## Risks and opportunities: The focus is on one to three years

What ACs do to anticipate future risks and opportunities – and over what horizon

When asked what they do to anticipate future risks and opportunities, AC members surveyed mentioned a broad variety of different activities. The **majority of the respondents indicated they perform scenario planning and stress testing** (61%), followed by horizon scanning and trend analysis (55%).

When discussing risks and opportunities, the majority of ACs (79%) **adopt a balanced approach, considering a one-to-three-year horizon**. No AC focuses primarily on past and present (less than one year), and a minority of 21% places strong emphasis on the longer-term future, looking into a time horizon of three to five years or even beyond. Most ACs balance short-term responsibilities (such as quarterly results) with an analysis of mid-term risks and opportunities. Additionally, there is no correlation of a certain activity with a specific time horizon.

"Our focus is to make the company as robust as possible and to ensure it is a strong business for the long term. I have not observed short-termism in the Audit Committee."
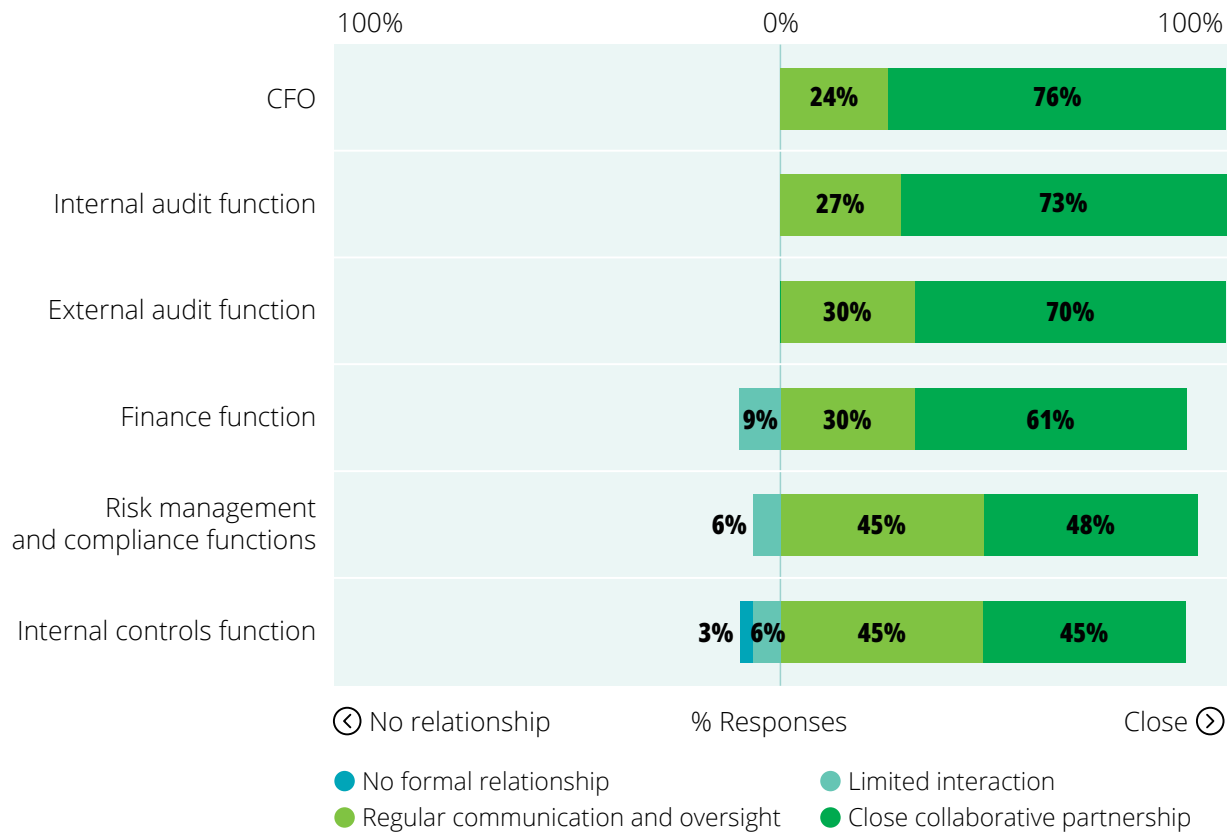
Kory Sorenson
AC Chair at SGS

Typical time horizon considered by the AC when discussing risks and opportunities

AC's activities to anticipate future risks and opportunities	Primarily focused on the past and present (less than 1 year) 0%	Balanced consideration of past, present, and future (1-3 years) 79%	Strong emphasis on the future (3-5 years or more) 21%
Scenario planning and stress testing **61%**	0%	46%	15%
Horizon scanning and trend analysis **55%**	0%	39%	15%
Engagement with external experts and thought leaders **45%**	0%	33%	12%
Review of emerging technologies and their potential impact **42%**	0%	36%	6%
Other **6%**	0%	6%	0%

% Responses

Internal Engagement

AC's closest collaborative relationships are with CFOs, finance, audit, risk and controls

AC internal engagement
Higher levels of collaboration

CFO — 24% / 76%
Internal audit function — 27% / 73%
External audit function — 30% / 70%
Finance function — 9% / 30% / 61%
Risk management and compliance functions — 6% / 45% / 48%
Internal controls function — 3% / 6% / 45% / 45%

◁ No relationship   % Responses   Close ▷

● No formal relationship   ● Limited interaction
● Regular communication and oversight   ● Close collaborative partnership

Strong engagement with finance, audit, risk and controls functions

When asked about the AC engagement with internal stakeholders and external audit, respondents generally reported either **regular communication and oversight or close collaborative partnerships across functions** related to: finance, audit, risk management and compliance, and internal controls.

These results correspond with the four most named agenda topics by ACs: financial reporting, internal controls and internal as well as external audit (see page **20**). This aligns with the areas of expertise within the AC (see next page).

Internal Engagement

AC skills, expertise and background determine who it collaborates with most

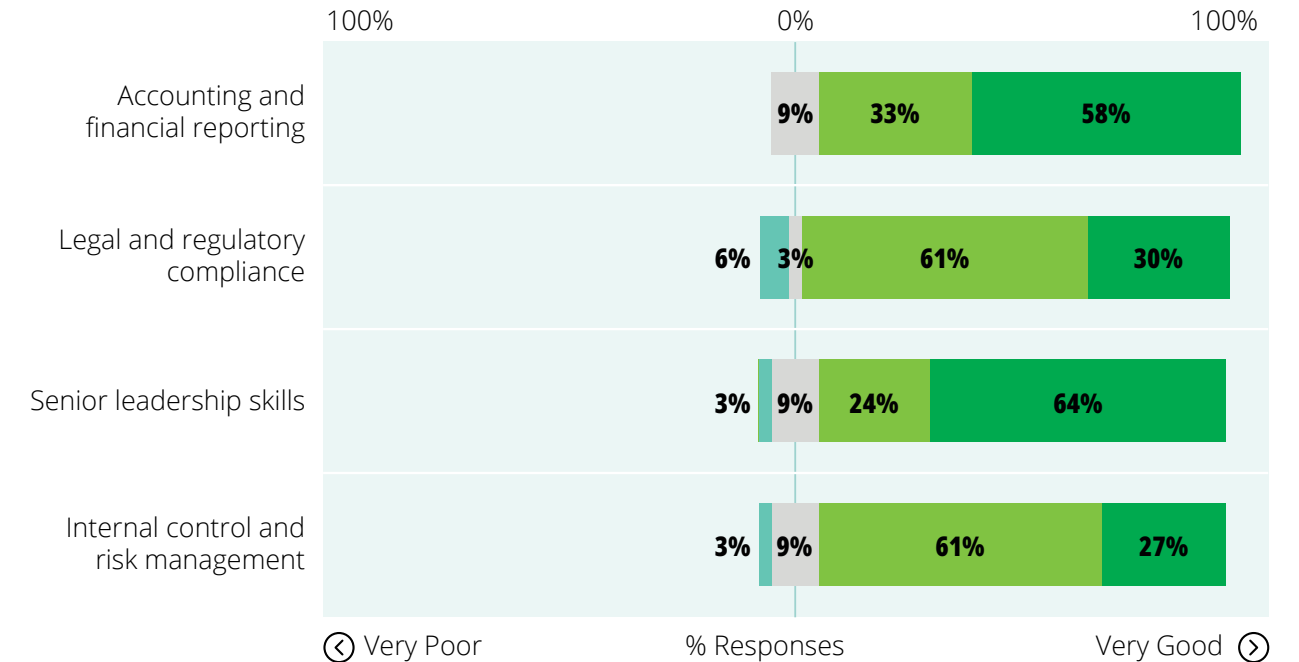### Cultural alignment reinforces strength of collaboration with internal stakeholders

The close collaborative relationships with finance, audit, risk and control functions – as discussed on page **29** – not only align with the AC's more established responsibilities, but also show a significant **correlation with the areas of expertise that receive the highest ratings** in terms of skills, expertise and backgrounds within the AC.

The AC's level of engagement with internal stakeholders therefore mirrors the skills, expertise and backgrounds of the committee. This suggests that 'speaking the same language' and 'being in sync' – hence **cultural alignment – acts as a lever for increased engagement**.

While cultural alignment seems to strengthen internal collaboration, especially when considering emerging topics (see page **21**) ACs are challenged on how to strengthen collaboration with functions outside finance, audit, risk, and the control area.

Rating of the AC's composition in terms of skills, expertise, and backgrounds
Top-rated areas of expertise[7]

	Very Poor			Very Good
Accounting and financial reporting		9%	33%	58%
Legal and regulatory compliance	6%	3%	61%	30%
Senior leadership skills	3%	9%	24%	64%
Internal control and risk management	3%	9%	61%	27%

Very Poor ← % Responses → Very Good
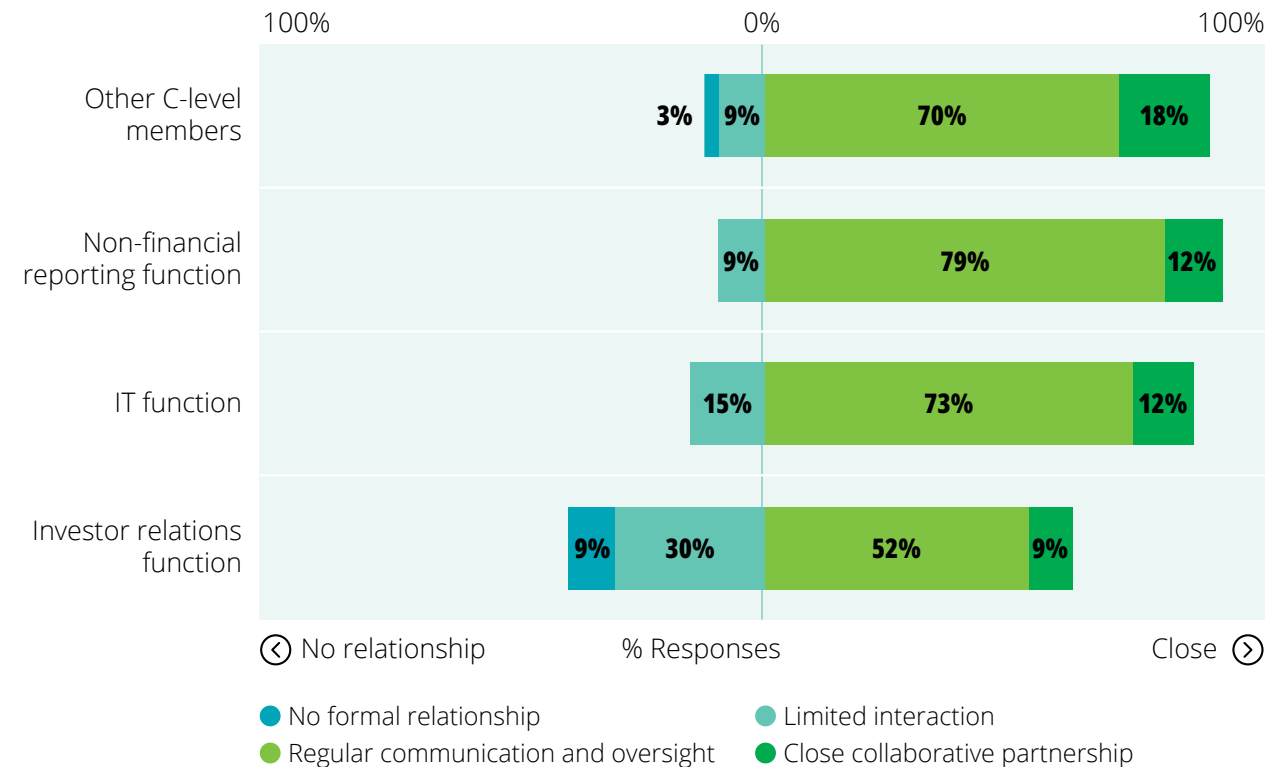
[7] 4 top-rated out of 8 areas

Internal Engagement

Non-financial reporting, IT and investor relations show greatest potential for stronger collaboration

AC internal engagement
Lower levels of collaboration

100%	0% 100%

Other C-level members: 3% 9% 70% 18%

Non-financial reporting function: 9% 79% 12%

IT function: 15% 73% 12%

Investor relations function: 9% 30% 52% 9%

◀ No relationship   % Responses   Close ▶

● No formal relationship   ● Limited interaction
● Regular communication and oversight   ● Close collaborative partnership

Lower levels of collaboration with non-finance-related internal stakeholders

ACs collaborate to a **lesser extent with non-finance-related functions**: other C-level executives, non-financial reporting (NFR), IT, and investor relations functions.

While 3 out of 10 AC members surveyed indicated that ESG and Non-Financial Reporting was one of their top 3 agenda items (see page **21**), only 12% say they closely collaborate with their organisation's non-financial reporting function. The implication is that this is an **area which requires increased collaboration**. In the context of the increasing importance of overseeing new technologies (see page **21**) and the fact that two-thirds of ACs rate their technology and cybersecurity skills as 'neutral' (see page **16**), increased collaboration with IT is also an area for improvement. Currently, only 12% closely collaborate with the IT function.

The area with most potential for stronger collaboration is investor relations. While almost 8 out of 10 AC members surveyed believe that outside perspectives from investors help ACs challenge management more effectively, only 9% say they closely collaborate with their organisation's investor relations function.

04 Future Outlook

FUTURE OUTLOOK

'Next-Gen' Oversight

How do Swiss Audit Committees navigate an era of unpredictability?

ACs to steer for strategic impact, resilience and integrity

Our study's original aim was to provide clear perspectives on the evolution of the AC's role and to serve as a catalyst for progress. The results show that while Swiss ACs are built on a strong foundation in their core oversight areas, they also stand at a critical juncture. **Audit Committees of the future** need to continue to evolve away from a compliance-based, 'reactive' control approach to a **forward-oriented governance framework which considers strategic impact, enhances organisational resilience and is founded on integrity**.

Our data reveals several friction points that need to be addressed for ACs to continue their transformation journey:

- **Technology gap is burning:** The observed low rating of expertise in information technology and cybersecurity (27% positive) remains a critical vulnerability – especially when considering the high anticipated growth of AI-related risks.
- **Agenda time crunch:** The ability to dedicate sufficient time to emerging topics is likely to further constrain. This increases the tension between short-termism and the strategic, long-term view.
- **Consensus is not enough:** Collaboration and consensus within the AC are extremely strong (97% positive). But it is important to ensure this does not prevent critical challenge.

How do we proceed from here? The research agenda

We are planning our next study for 2026 to help Swiss ACs drive progress, with our research agenda focused on these 'spotlights':

- **The power of AI:** Continue to understand how AI governance frameworks are practically applied and how ACs best bring in and utilise expert knowledge for oversight.
- **Skills for the future:** A deeper analysis of the specific ESG and technology competencies that committee members need to enable effective scrutiny and challenge for strategic impact.
- **The 'long view':** Understand how ACs can bridge the gap between short-term reporting cycles and long-term strategic viability. This requires discussion of questions such as: When are resilience and preparedness for crisis on the AC's agenda, and how are they discussed? What structured approach to trainings supports receiving the 'right' external inputs for topics of strategic relevance?
- **A culture of 'constructive dissent':** Moving our focus away from purely measuring how ACs effectively reach consensus to scrutinising the quality of engagement and challenge. AC members should have the courage to listen to uncomfortable opinions. ACs should instead feel discomfort when 'everyone agrees'.

We invite you to share your inputs on our research agenda, and we look forward to continuing this important dialogue with you.

05 Appendix

Methodology

Deloitte 2025 audit committee study instruments

To explore the characteristics and practices of ACs in Switzerland, we designed a comprehensive data-gathering approach that combined an online survey with in-depth interviews conducted during the third quarter of 2025. Our target population consisted of **AC members from the 50 largest publicly listed companies** on the Swiss equity market, the SMI Expanded as of May 2025. These companies represent a diverse range of industries and sectors – including financial services, pharmaceuticals, telecommunications, industrial manufacturing, chemicals, and others – ensuring broad sectoral coverage and relevance to the Swiss corporate landscape.

The survey was **developed in a collaboration between Deloitte and the Institute for Law and Economics, University of St. Gallen** (ILE-HSG), and was grounded in a robust study framework that identified key dimensions relevant to AC effectiveness. The questionnaire covered spotlight topics, AC responsibilities, and committee ways of working. Respondents provided responses reflecting their current practices and perspectives on future developments within the Swiss market.

To ensure rigorous analysis we applied advanced statistical techniques to the survey data, enabling us to derive meaningful insights at both the overall and topic-specific levels[8]. This quantitative analysis was complemented by qualitative data gathered through follow-up interviews. Five AC chairs and members, who volunteered via the survey, participated in **semi-structured interviews** lasting 30 minutes each. These discussions provided rich, contextual insights that deepened our understanding of the survey findings and supported more nuanced interpretation of the data.

Together, this **mixed-method approach** – combining quantitative survey data with qualitative interview insights – allowed for a comprehensive and reliable assessment of the effectiveness and evolving practices of ACs within Switzerland's largest publicly listed companies.

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[8] Results from statistical data were rounded to the nearest percent. Due to this rounding, answers to a question do not always add up to 100 percent

Methodology

Survey instrument

A Deloitte and University of St. Gallen working group collaboratively designed and tailored the survey to **comprehensively address the selected topics for assessing AC effectiveness in Switzerland**. The questionnaire aimed to capture the current conditions, challenges, and evolving needs of ACs in today's dynamic environment. The survey questions were carefully selected based on the following criteria:

- Each question was developed by the Deloitte and University of St. Gallen working group to align with the Deloitte 2025 AC Study framework, ensuring coverage of both current and emerging trends impacting AC responsibilities and practices in Switzerland. This approach ensured the survey remained relevant in today's environment, a key aspect of the study.

- All questions were relevant to the experiences and perspectives of all the invited companies and their AC members, ensuring broad applicability across the sample.

Furthermore, the working group adapted the survey's methodology and design to incorporate emerging best practices, thereby enhancing its suitability as a strategic instrument for evaluating AC effectiveness.

The survey was administered online using the Qualtrics platform and distributed via personalised email invitations containing individualised links. Individuals targeted for the survey included the **total population of 171 AC members** (as of May 2025). AC members were either contacted directly or through Board secretaries. One reminder was sent to encourage participation and maximise the response rate during the survey period.

The questionnaire was **standardised for all participants and comprised 29 structured questions**, including single-choice, multiple-choice, and open-ended formats, with an estimated completion time of approximately 10 minutes.

Methodology

Survey instrument

A survey response was considered complete only if all required questions were answered; partial completions were excluded from the analysis. AC members serving on multiple ACs were asked to respond based on their overall experience across the organisations.

The survey tool settings ensured confidentiality, and all survey responses were anonymised, with no collection of identifiable information beyond publicly available demographic data. Consequently, the dataset does not include details such as job titles, and access to the data is restricted to the study's working group staff. This report presents only **aggregated response rates and data at the overall population level across all sections**[9]; no statistical extrapolations or estimations have been performed on the results.

Participation in the survey was voluntary, and although the high response rate was approximately 19% of the total population, the findings reported pertain solely to the sample of respondents.

Survey population, responses and participation

Invitations to participate were extended to all AC members of the selected companies. The survey achieved a strong response rate, with 19 companies participating and 33 audit committee members completing the questionnaire, representing a participation rate of 19.3%. The distribution of respondents across industries is illustrated in the following figure highlighting the representativeness of the sample.
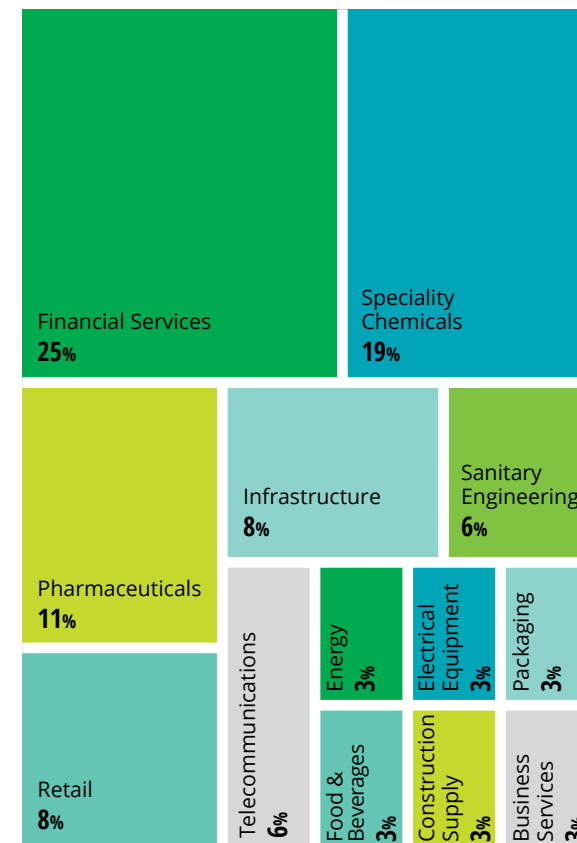
171 AC members in the Swiss top 50

19 companies participated

19% participation rate

33 responses from AC members

Participation per industry

Financial Services **25%**	Speciality Chemicals **19%**
Pharmaceuticals **11%**	Infrastructure **8%** / Sanitary Engineering **6%**
Retail **8%**	Telecommunications **6%** / Energy **3%** / Electrical Equipment **3%** / Packaging **3%** / Food & Beverages **3%** / Construction Supply **3%** / Business Services **3%**

[9] Please feel free to contact us for detailed information about the survey or interview content and results, using the contact details provided in Section 06

Methodology

Interviews instrument

In addition to the survey, the Deloitte 2025 Audit Committee Study was supplemented by **five in-depth interviews with audit committee chairs and audit committee members** representing the same survey population. These interviews provided valuable qualitative insights that helped shape the study's research findings and deepened the understanding of emerging trends.

Survey respondents were invited to volunteer for follow-up interviews by providing their contact details within the survey. Those who opted in participated in **semi-structured interviews lasting approximately 30 minutes** each. The interview phase was conducted alongside the survey during Q3 2025. The working group shared a preliminary list of questions with interviewees in advance to facilitate meaningful discussions focused on key topics identified from the survey results.

The interviews were conducted via an online meeting platform by a mixed team comprising members from Deloitte and the ILE-HSG.

Interviewees

Daniel Hochstrasser
AC Member
Novartis

Claudia Pletscher
AC Member
Flughafen Zürich AG

Kory Sorenson
AC Chair
SGS

Mary J. Steele Guilfoile
AC Chair
Avolta

Larry Zimpleman
AC Member
Swiss Re

Definitions

AC/ACs   Audit Committee/Audit Committees

AI   Artificial Intelligence

CSRD   Corporate Sustainability Reporting Directive

ERM   Enterprise Risk Management

ESG   Environmental, Social, and Governance

IFRS   International Financial Reporting Standards

ILE-HSG   Institute for Law and Economics, University of St. Gallen

IT   Information Technology

NFR   Non-financial Reporting

06 Acknowledgements

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Additional Contributors

The Deloitte 2025 Audit Committee Study working group wishes to express its gratitude to all survey respondents and interview participants for their valuable time and insights.

We also thank the partners and colleagues who contributed to the development, promotion, and administration of the study. Their efforts were instrumental in its successful execution.

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