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Survey Roundup: Activist Investors, Political Risk Map

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While companies and boards once viewed activist investors in a negative light, lead directors now recognize that in some instances activists can bring positive change to companies, a report on shareholder activism by King & Spaulding found. There is both an increase in activist activity at large public companies and a more widespread acceptance by institutional investors of activist tactics, the report said.

The percentage of S&P 500 companies that fired their CEO was the lowest since 2010, according to report from The Conference Board. The study found that 23.8% of all CEO turnover events by companies in the index in 2013 were due to dismissal, compared to 24% in 2010 and 25.5% in 2011.

A survey of 6500 IT professionals found 65% of respondents had experienced SQL injection attacks over the past year. But only one-third of the respondents agreed or strongly agreed their organization had the technology or tools to quickly detect these SQL injection attacks, the Ponemon Institute first-ever survey on this subject found.

Federal banking regulators manipulated standards for favored companies, leaving taxpayers with the costs of bailing out troubled institutions, a study by the Cato Institute concluded. By doing this, regulators broke their own rules, abandoned traditional analysis of soundness and over-hyped dangers to sell bailouts that would benefit favored institutions, the study said.

The Political Risk Map from Aon, which measures risk levels in 163 emerging markets, countries and territories, found an increased risk rating for Brazil, Russia, South Africa, India and China. All five countries have experienced a broad-based increase in political risk for political violence, government interference and sovereign non-payment risk, the review found.

After compiling audit inspections from 30 regulators around the world, the International Forum of Independent Audit Regulators said auditors of public firms were most likely to be cited for: improperly auditing fair value measurement, troubles in internal control testing and evaluating the adequacy of companies' financial statements and disclosures. Deficiencies in audits of fair value measurement for complex assets rose 28% from 2012, while issues with internal control testing rose 33%, the report found.

With the approach of the May 31 deadline to report on use of conflict minerals, a significant number of public companies are still in the early stages of compliance and risk falling behind, according to PwC's conflict minerals survey. The survey of 700 respondents found companies continue to find compliance with the reporting requirement to be challenging, with 62% of respondents saying they need the equivalent of one to two people for their conflict minerals compliance efforts, and 21% saying they need the equivalent of three to five people.

There were 160 federal securities litigation class actions filed last year, up 6.9% from 2012, according to the annual securities litigation survey from PwC. Of these cases, there were 69 settlements, a decline of 14.8% from the five-year average of 81. The average settlement value last year was \$49.6 million, 32% higher than 2012 and 21% better than the five-year average.

A survey of 163 institutional investors found 89% said non-financial performance information played pivotal role at least once in decision-making in the last 12 months. The Ernst & Young survey found while two-thirds of investors are using some kind of technique to evaluate non-financial disclosure, only half have a structured evaluation or have a process in place.

If Congress doesn't vote to extend the Terrorism Risk Insurance Act federal spending could increase between \$1.5 billion and \$7 billion if there is another terrorist attack similar in scope to 9/11 or a major natural disaster like Hurricane Katrina, a study by Rand Corp. concluded. The greater federal spending without TRIA would result from less insurance coverage, leading to greater uninsured loss and hence greater demand for federal disaster assistance.