



Audit Committee Practices Report Webinar

The program will begin shortly

Make sure to complete all participation checks in order to receive credit for this webinar

Certificates will be emailed within three weeks



Today's Panelists

Vanessa Teitelbaum, Senior Director, Professional Practice, Center for Audit Quality (Moderator)

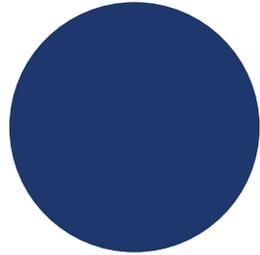
Krista Parsons, Managing Director, Audit & Assurance Governance Services and Audit Committee Program Leader, Center for Board Effectiveness, Deloitte & Touche LLP

Karen Golz, Board Member, Analog Devices, Inc., Aspen Technology, Inc., iROBOT Corporation and Osteon Holdings/Exactech

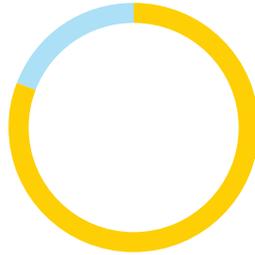
Tony Anderson, Board Member, Exelon Corporation; AAR Corp.; and Marsh & McLennan Companies; former Vice Chair and Midwest Area Managing Partner of Ernst & Young LLP

Polling Question: What is your role at your company or as a board member?

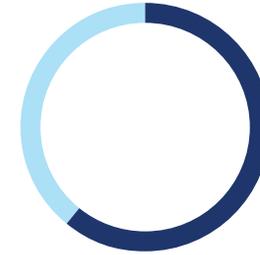
Overview of 3rd Annual Audit Committee Practices Report



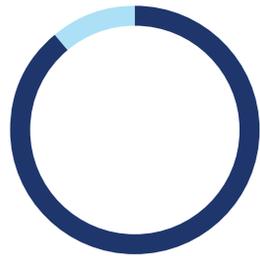
266
Responses



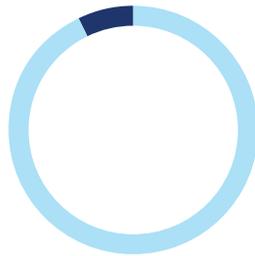
81%
More than \$700 Million
Market Capitalization



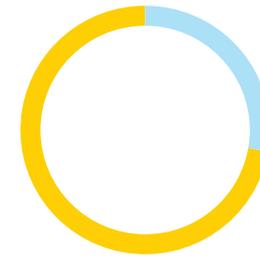
61% Audit Committee Chair
39% Audit Committee Member



89%
Public Company



93%
Primary Operations in
the United States



28% Financial Services Industry
72% Non-Financial Services Industry

Top Priorities For Audit Committees

1



Cyber

2



Enterprise Risk Management

3



Finance and Internal Audit Talent

4



Compliance with Laws and Regulations

5



Finance Transformation

Audit Quality

What top 3 items have the most impact on overall audit quality?

Communication
between the auditor,
audit committee, and
management (81%)

Quality of the audit firm
(e.g., inspection results,
restatement history, and
similar) (53%)

Industry experience
(59%)

Technical knowledge
(45%)

Polling Question: At your company, how is Internal Audit sourced?

Internal Audit

89% agree or strongly agree

Internal audit has a high level of understanding about business operations

86% agree or strongly agree

Internal audit is effective at assisting management in identifying new risks

76% agree or strongly agree

Internal audit professionals bring needed insights to stakeholders

87% agree or strongly agree

Internal audit plans are promptly updated in response to emergent risks

79% agree or strongly agree

At my company, there is opportunity to extract more value from internal audit

Polling Question: On average, how long is your quarterly audit committee meeting?

Audit Committee Effectiveness During Meetings

The following would likely enhance the audit committee's effectiveness during meetings:

29% Increasing discussion and/or engagement from members during the meetings

28% Improving the quality of pre-read materials

26% Improving the quality of presentations during meetings

35% None of the above would improve the AC effectiveness

Other less common responses:

- Improving the level of committee member advanced preparation
- Increasing the length of existing meetings,
- Improving management of the agenda during meetings,
- Increasing the total number of committee members

Polling Question: Are all board members able to attend audit committee meetings?

Audit Committee Meetings

2.73

Hours are allocated to the quarterly audit committee meeting (including executive session)

89%

There is sufficient time to fully address all agenda items in audit committee meetings

51%

Earnings release is discussed as part of the regular quarterly meeting

49%

Earnings release is discussed in a separate meeting

The AC meet separately, without management and non-independent directors present, as part of their regular meeting:

- Yes, after the meeting - 92%
- Yes, before the meeting – 17%
- No – 3%



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Thank you for attending

CPE Certificates will be emailed directly to you
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