

In-House Corner: Onboarding Audit Committee Members

Recently, we started a new feature of this blog – where our in-house readers share tips, anecdotes and thoughts about things that come up in their daily practice. Last week, we ran our [first blog about virtual annual meetings](#) (and the week before that, we ran our [first blog about shareholder proposals](#)). This particular batch of thoughts is about the practice of onboarding new members of a board's audit committee [we will have a Part 2 soon enough; feel free to ping me and share your thoughts – they will be posted anonymously or with attribution, whichever you desire]: 1. "I find that putting together a book with relevant policies, filings, charters and SOX related documents and uploading it to the Board portal for a new member's review is very helpful. If you can get this uploaded prior to their meetings with executives and other Audit Committee meetings, then it should give them a helpful background to 'hit the ground running.'" – Raj Dave

2. "Directors' learning styles and experiences vary. Ask the new audit committee member how they prefer to approach the process. Some like to come to a meeting or two before starting orientation. Others like to come to their first meeting fully briefed. Some like to read a lot of materials. Some like to learn by talking with people. Ask, then adapt your approach." – Hannah Doe

3. "Think about which of your colleagues the new audit committee member should meet. Usually that includes the ones who attend audit committee meetings regularly. But if the member is also new to the board, there may be colleagues outside the financial function who can help the new member understand your company, your business, your drivers, and your risks." – The Original John Doe

4. "Take the opportunity to review the charter and annual audit committee agenda together so the new member sees when - and how - the committee fulfills its responsibilities. Doing this also gives the new member a sense of the cadence for the year and a sense of comfort that they know what to expect." – Debbie Doe

5. "This isn't a comprehensive list, just a few things that come to mind that should be included on the agenda: - An executive session with the outside auditors - Discussion with the controller on critical accounting estimates, disclosure controls and internal control process - Discussion with chief internal auditor on current auditing plan - Discussion with the chief compliance officer on key components of the compliance program and a review of key compliance policies and whistleblower program - Discussion with chief risk officer on risk management program and top risks - Discussion with chief information security officer on cybersecurity risk" – Petra Doe

6. "We give new Audit committee members materials in advance and (more importantly) provide them an opportunity to meet with the independent auditors, internal audit, finance and legal leadership in addition to the C-Suite. We also offer education opportunities. I have a CAO who makes sure to provide deep dives for each new audit committee member to company specific accounting topics that may require the application of judgment." – Carol Doe

7. "One-on-meetings are helpful. Arrange for meetings with the chair, CFO, CAO, internal audit and external audit." – James Fenimore Cooper Doe

8. "Audit committee members tend to be cool customers. I think you'll like them" – Kenny G. Doe

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