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The Audit Committee Chair of the Future

Embracing change, inspiring leadership, and empowering the next generation of leaders

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Introduction

Global perspectives on the audit committee chair

While markets continue to experience rapid, and seemingly constant waves of change, organizations are impacted by factors that span industries, geographies, and cultures. Emerging risks, advancing technologies, and evolving demands from stakeholders require audit committee chairs to remain agile as they navigate new waters and lead with intention.

To understand this evolution, nearly 50 audit committee chairs representing global companies in the Americas, Asia, Europe, and Africa were interviewed. This broad approach explores how the role is evolving across a diverse set of industries, sectors, and cultures.

What emerged from these conversations was intriguing. Across the regions interviewed, there was remarkable consistency in governance practices, an encouraging sign that companies and boards, regardless of location, share a commitment to financial oversight, risk management, and transparency. This convergence is a reason for optimism. It suggests that the foundational principles of audit committee leadership transcend borders and that organizations worldwide are united in their pursuit of good governance.

At the same time, the interviews revealed important differences. In some regions, particularly in Europe, sustainability reporting and integration have become central topics, driven by evolving regulations and stakeholder expectations. Likewise, the rapid advancement of technology, and AI in particular, is reshaping risk oversight and committee agendas, with audit committee chairs highlighting the need to understand, govern, and disclose AI-related risks and opportunities.

These findings, originally published in the US and expanded to include perspectives from around the world, draw on the insights of audit committee chairs to provide practical guidance for navigating complexity and driving change.

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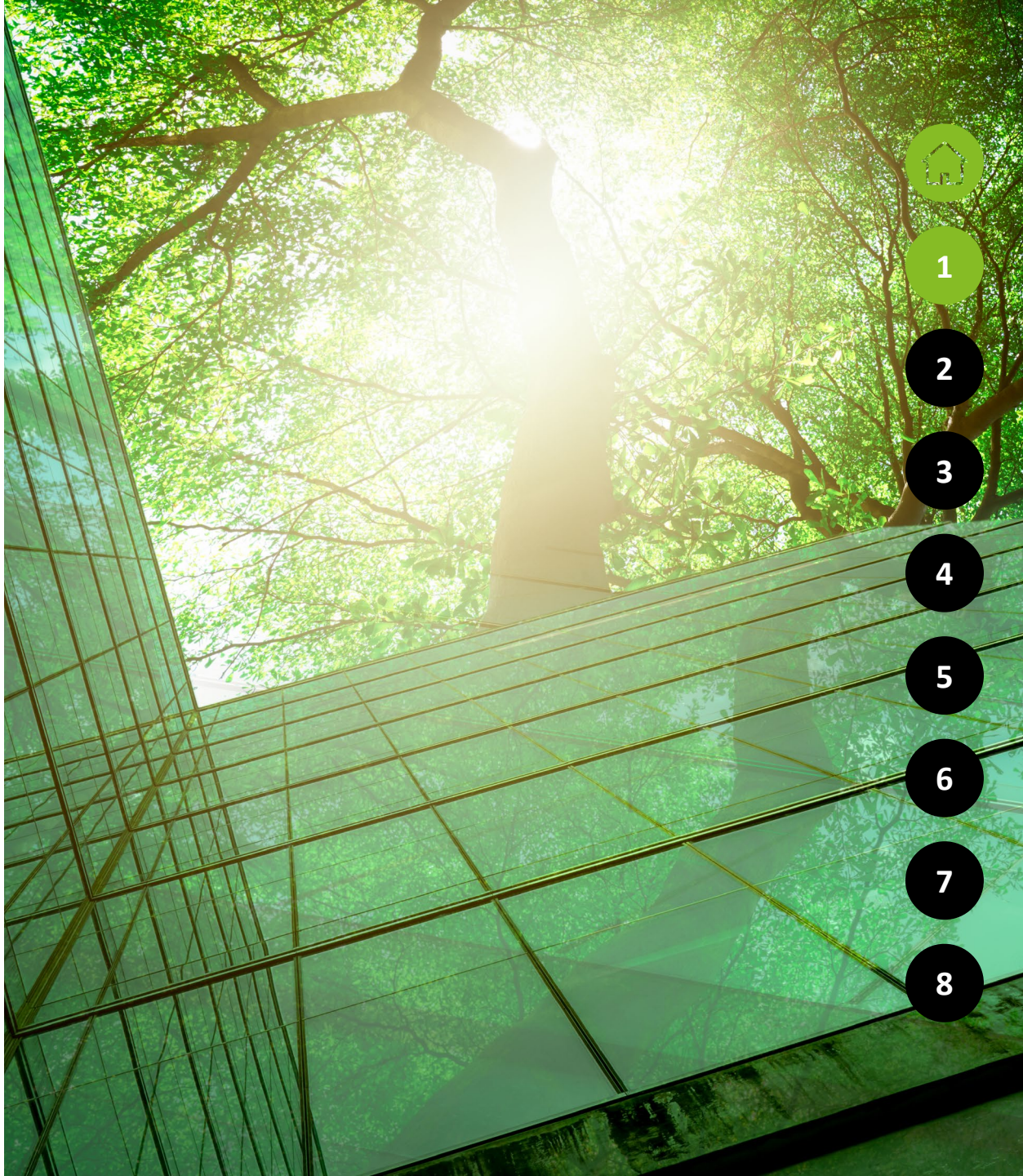

Introduction (cont.)

Global perspectives on the audit committee chair

In addition to established responsibilities that include corporate reporting oversight, internal and external audits, and risk and controls, audit committee chairs report facing growing demands and challenges in five key areas that they are expected to address to effectively lead audit committees into the future

By weaving together the perspectives of audit committee chairs from around the world, these findings aim to help equip leaders with the insights and tools they may need to anticipate disruption, foster resilience, and guide their organizations through an era of transformation.

These areas raise important questions for audit committee chairs to reflect on:

Anticipating and navigating emerging risks

What does it take for today's audit committee chair to navigate the landscape of enterprise risk, technology, sustainability, and stakeholder scrutiny?

Evolving from technical experts to strategic leaders

What skills, experiences, and leadership qualities are essential for audit committee chairs—and members—to be effective in the future?

Cultivating continual learning and curiosity

How can audit committee chairs foster a culture of continual learning and intellectual curiosity across the committee?

Modernizing committee processes for agility

How can chairs modernize audit committee structures and processes to enhance agility and effectiveness in overseeing emerging risks and evolving responsibilities?

Populating the committees of tomorrow

What should professionals who seek to serve on future audit committees keep in mind as they navigate their journeys to board membership?

Anticipating and navigating emerging risks

> *You can't have control functions still sitting and doing things the way they always did. It's about linking the emerging opportunities and risks to existing agenda items.*
>
> *The role of technology is changing completely. We are going from automating a few old processes... to changing the processes and doing things in a different way based on statistics using AI.*

As the remit of the audit committee has expanded over the past several years, so too has the role of the audit committee chair. In the view of some audit committee chairs interviewed, the chair's role has been elevated to one of the most demanding and influential positions on the board.

No longer focused solely—or perhaps even primarily—on financial reporting and compliance with accounting and auditing standards, the scope of the audit committee chair's role extends into numerous and far-reaching areas of the enterprise. An increasingly complex web of risks, expanding and evolving regulatory requirements, and evolving stakeholder expectations are combining to drive this growing scope for audit committee chairs.

The audit committee chairs interviewed said they are expected to provide oversight not only of financial reporting but also of a diverse array of risks related to cybersecurity, data privacy, and sustainability, requiring a "proactive and adaptive approach to risk oversight." Technology risk is also an important priority, especially amid the rapid acceleration of artificial intelligence (AI), and some chairs even pointed to increasing discussions within the audit committee about risks related to tariffs, supply chains, and geopolitical shifts.

"The audit committee is increasingly absorbing broader risk oversight responsibilities that once belonged to other board committees," said one audit committee chair. "Some say it should be renamed to the Audit and Risk Committee," said another.

Furthermore, AI is reshaping the reporting and communication landscape, and audit committees report being challenged to understand new risks and controls and adapt quickly to technological and regulatory changes. One audit committee chair remarked that "AI represents a major shift comparable to the advent of the internet, demanding new thinking and control capabilities," and others stated that controls will need to change and adapt to the technologies going forward. AI topics likely to shape audit committee agendas in the future include[1]:

- Identifying and addressing AI risks to help ensure they are properly mitigated,
- Approving vendors and use cases for AI implementation,
- Understanding how AI is used in financial reporting and ensuring disclosures about AI are included in the financial statements, and
- Continuously assessing the impact of emerging AI regulations across relevant jurisdictions to maintain compliance and adapt to changes.

Beyond technological changes, many regions have navigated the recent implementation of sustainability reporting regulations. A recent Deloitte Global report based on an analysis of 200 Wave 1 of Corporate Sustainability Reporting Directive (CSRD) reporters noted that "most reporting organizations (reporters) found the transition to mandatory reporting under the CSRD more demanding than anticipated, highlighting the need for robust data management systems, cross-functional collaboration, and a cultural shift toward integrating sustainability into core business operations." With this impact on corporate reporting and potential financial risk driven by these continuously evolving regulations, many expect sustainability could remain on many audit committee agendas into the future, and audit committee chairs will likely find themselves needing to closely collaborate with sustainability specialists.

Source: AI Board Governance Roadmap | Deloitte US

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Anticipating and navigating emerging risks (cont.)

As the role of the audit committee chair expands to include broader responsibilities such as risk management, sustainability, and AI governance, some chairs said oversight will increasingly require attention to the talent and processes beyond just finance and accounting. Ongoing dialogue is needed with both internal and external auditors about how these technologies and reports are being leveraged, both from a risk and opportunities standpoint. What's more, audit committee chairs for companies in highly regulated industries or sectors may have even further oversight responsibilities for risks specific to those industries or sectors. This expanded mandate calls for the chair to be more engaged with enterprise risk management and to collaborate with other board committees for effective oversight. In organizations without dedicated risk or technology committees, the audit committee—and by extension its chair—often oversees enterprise risk management and emerging risks that fall outside other committees' charters.

As oversight of enterprise risk becomes centralized within many audit committees, the chair needs to skillfully manage a broad and evolving risk landscape so that the committee is overseeing management's process to address both current and emerging threats. One chair interviewed feels "audit committees could become quite dynamic around risk," anticipating a more proactive and strategic role in the future, requiring anticipation of emerging matters, active management of relationships and talent impacts, preparing for advances in AI and quantum computing, and a focus on scenario planning and forward-looking risk assessment. The increasing complexity of these topics has also led to a greater demand for skills and experience in areas beyond traditional accounting and finance. This requires audit committee chairs to assess the skills and experience present within their committee to determine when it is appropriate to engage external advisors to supplement the committee's capabilities.

Regulatory changes and heightened public scrutiny have further raised the stakes for audit committee chairs in several regions who engage more frequently with internal and external auditors, regulators, and major shareholders than audit committee members. In some organizations, the role has evolved beyond providing quarterly updates to require more active and ongoing dialogue with both the external and internal audit functions. This heightened visibility and responsibility means that chairs should be prepared to clearly and credibly articulate the company's approach to audit quality, risk oversight, and non-financial disclosures, often in high-pressure settings.

In this environment—where the audit committee chair is "always on," as one chair stated—the relentless pace of change calls for vigilance, adaptability, and agility to continually monitor and engage in a dynamic environment where the risk landscape rarely pauses.

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Evolving from technical experts to strategic leaders

> *The audit committee chair has to be forward-looking to understand the strategic discussions at the board and bring them forward in the audit committee before they materialize and become hard to manage.*
>
> *The role of the audit committee chair is to be a true sparring partner for the CFO, and also for the heads of key control functions—internal audit, risk, and compliance.*

With expanded responsibility comes a need for audit committee chairs to have skills, experience, and leadership attributes that go beyond financial reporting or accounting. While having a certain level of financial expertise remains important to the role, many interviewees stressed the importance of having broader business acumen, both for chairs and committee members.

Most chairs said that the committee benefits from having members with experience in areas such as business operations, risk management, technology, and cybersecurity, as well as experience in specific industries or sectors and the global environment. Interviewees generally agreed, however, that while having specialists on the board can be valuable, it is not necessary to have a dedicated specialist for every possible topic. Instead, boards and audit committees should focus on having a well-rounded mix of skills and experience and bring in outside experts as needed.

Given the broader array of responsibilities falling to the audit committee today, the chairs interviewed said they need to bring strong leadership and organizational skills to their roles to support the committee's effectiveness. Chairs said they need to be thoughtful in how they manage the agenda, giving adequate attention to critical areas and allocating time accordingly.

Audit committee effectiveness is highly dependent on the culture and dynamics of team collaboration, and several chairs acknowledged that "it's all about the people." Audit committee chairs increasingly feel they should create an inclusive culture where members feel comfortable participating and asking questions while also "fostering a culture of transparency by encouraging open dialogue and balanced presentations of both opportunities and risks." They also find actively engaging each member, striking a healthy balance between challenge and mutuality, and helping ensure members come to discussions and meetings prepared and ready to contribute improves both effectiveness and efficiency. One chair noted, "in my eyes, it's actually quite important that the discussions take place in the meetings," rather than raising points afterward when debate is no longer possible. This often requires the chair to spend more time preparing for meetings, both independently and in prep sessions with management.

The audit committee chairs interviewed indicated some specific competencies and attributes they and their committee members should exhibit to be successful, including:

Intellectual agility and adaptability. Audit committee chairs and members should have an ability to function effectively in uncertain or unfamiliar environments. They should be able to comfortably navigate different industries and synthesize information from diverse sources. Without being limited to a single domain, they should have a generalist mindset with enough depth to challenge management on a variety of topics.

Leadership and interpersonal skills. It's important for audit committees to demonstrate an ability to build trust and encourage open, honest dialogue and to communicate in a clear and compelling manner. They should focus on balancing collegiality with accountability so that they can effectively ask tough questions when necessary. They should set a constructive tone that enables candid conversations across the entire committee and with the board to enable effective oversight.

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Evolving from technical experts to strategic leaders (cont.)

A trusting relationship with the CFO. An open and honest relationship between the audit committee and the CFO is essential for resolving matters constructively. Several chairs mentioned their roles as mentors and "sparring partners" for the CFO, helping to enhance communications as well as supporting the CFO's transition and onboarding processes as needed. One chair, also currently holding a CFO role, said it "brings more depth in understanding both sides of the challenge," and you know "what questions to ask in an audit committee because you have an understanding of the pitfalls and leadership it takes" to be a CFO.

Ability to link the numbers, strategy, and board decisions. Audit committees serve as a link between company strategy, the financials, and board decisions. The chair should be forward-looking to "bring [strategic topics] to the audit committee before they materialize", helping ensure numbers are "intertwined with strategy" and board decisions, such as those involving capital allocations, are considered for long-term financial impact. "Audit committee chairs must raise their hand and say, 'This decision may have an impact on the balance sheet in five years' time. Are we aware of this?'" This shift from hindsight to foresight is facilitated by strong internal controls, dynamic risk management, early warning systems, and close alignment with the board, a key focus of audit committees today.

Global, industry, and strategic perspective. Audit committees should look beyond their own organizations to understand the broader risk landscape. This includes staying informed about regulatory and geopolitical developments, both domestic and international, as well as trends within their own industries and adjacent sectors. Committees should adopt an outside-in perspective, challenge assumptions, and consider how external factors may impact the organization.

Varied board service. Some chairs said serving on multiple boards enhances the contributions of audit committee members as well as their own ability to effectively lead the committee. Some also caution against overextending oneself, emphasizing the importance of allowing adequate time to properly commit to proactively serving in this important and expanding role.

Cultivating continual learning and curiosity

> *If you believe in lifelong learning—as I do—then it's the best thing that can happen to you. Because if you want to do the job well, you're forced to stay up-to-date.*
>
> *You don't have to understand how the electrons work in artificial intelligence, but you need to have some sense of what it can do and what the risks are.*

Audit committees, not just their chairs, are coming under greater focus as organizations face a rapidly changing risk landscape and heightened expectations from regulators, investors, and other stakeholders. To help keep skills and critical thinking sharp in such an environment, most committee chairs emphasize the importance of embracing a culture of intellectual curiosity, ongoing education, and continual learning, both for themselves and as an expectation of other committee members.

Ongoing education has become critical for audit committee members, given the evolution and broadening of their responsibilities. As the risk landscape continues to shift, audit committee chairs are expected to be agile, intellectually curious, and proactive so that they are better able to anticipate what's next and prepare the committee to address new challenges before they reach the agenda.

This means audit committee members likely cannot rely solely on their existing capabilities; instead, they can continually refresh their knowledge, stay current with industry trends, and seek out learning opportunities on topics like technology, regulation, and global business dynamics. Chairs said it is not necessary to understand all topics at a deep level, but enough to grasp what risks they may pose. Staying curious and being able to ask the right questions is paramount.

As ongoing education is not explicitly required in most geographies, chairs indicated that the boards on which they serve have widely varying practices with respect to requiring members to engage in continuing education, tracking education experiences that members have completed, and assuming the related costs. Some audit committee chairs say they support more formal tracking of education for their audit committees as a leading practice.

Audit committee chairs play an important role in establishing a culture of continual learning and intellectual curiosity within the committee. They can set the tone by modeling a commitment to ongoing education—by planning learning opportunities for committee members, attending governance programs, seeking out specialized training on emerging topics, and encouraging committee members to do the same. One chair said, "Every half year at least, I go to some classical educational sessions... it doesn't do any harm, nor is it humiliating, to go back to the bench and get the latest update," and another feels "that all of us, myself included, need to continually update our knowledge, because as you climb higher towards the vertex of the pyramid, you have to focus on more concepts and interrelate them."

By prioritizing learning and setting a good example, audit committee chairs help their committees remain curious, forward-looking, and capable of providing robust oversight in an increasingly complex and dynamic environment.

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Modernizing committee processes for agility

> *As the risks between financial oversight, technology, and enterprise intertwine, the traditional audit committee structure is becoming obsolete. There is a need to move toward multidisciplinary, flexible teams capable of adapting in real time to emerging threats and opportunities.*

Committee structure and process are increasingly being tested by the evolving demands on audit committees. The landscape of risk, compliance, and oversight is shifting rapidly, impacted by factors such as technological change, regulatory complexity, and the need for real-time information. As a result, the traditional boundaries and practices of audit committees are being challenged, raising questions in the minds of some audit committee chairs about whether the existing structure and processes will remain fit for purpose in the future. Some specific topics discussed in these areas include:

Meeting cadence: Looking ahead, the audit committee structure will likely need to become more agile and responsive, several chairs said. The traditional quarterly meeting cadence may no longer be sufficient in an environment where risks can emerge and evolve rapidly. There may be an increasing need for more frequent, shorter meetings, or even ad hoc sessions to address urgent matters as they arise. Real-time reporting and continual evaluation of certain risks may become increasingly important, requiring committees to adapt their processes and further leverage technology to stay informed.

Committee composition: Among business leaders, regulators, and corporate governance specialists, an important question remains a topic of ongoing debate: Should boards and audit committees add specialists to the board or audit committee to address emerging risks, such as cybersecurity and AI?

Each organization should answer this question based on its own facts and circumstances, but the audit committee chairs interviewed said today's boards need directors who embody the broad perspective of the business itself. When it comes to the audit committee, "you need non-financial accounting people who have an appreciation for the broader business." One chair even noted: "The best questions come from the people who don't have the deepest expertise in certain areas."

Committee coordination: The coordination between the audit committee and other committees can also be a critical consideration. As committee mandates increasingly overlap and interconnect, some organizations have created more integration between the audit and other committees with overlapping membership and shared mandates.

This can provide a comprehensive view of the organization's risk profile and prevent emerging risks from becoming siloed. However, this also increases the workload and complexity for committee chairs, necessitating careful coordination to avoid duplication and confusion about responsibilities. In some organizations, joint meetings or presentations are used to help ensure that topics spanning multiple committees receive appropriate attention, but this can also lead to information overload and inefficiency if not managed carefully.

As responsibilities ebb and flow among committees, responsibility falls to the chair to strike a balance between integration and focus, helping ensure that each committee retains clear accountability while also facilitating effective collaboration and information sharing. Some audit committee chairs say they regularly engage one-on-one with the board chair and other committee chairs to clarify roles and confirm alignment and coverage of key topics. This helps define what matters remain with the audit committee, are assigned to another committee, or are escalated to the full board.

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Modernizing committee processes for agility (cont.)

Use of technology: Some chairs said that emerging technologies like AI could transform audit committee operations by enabling more efficient prioritization and synthesis of vast volumes of information. AI tools may help evaluate key valuation drivers, generate executive summaries, improve documentation, and automate processes such as minute-taking, allowing committees to focus on the most critical matters. However, while the potential benefits are promising, questions remain around confidentiality and how to effectively and responsibly leverage AI in the boardroom, and none of the chairs interviewed have fully resolved this challenge.

Meeting materials: Committee chairs acknowledge that the increasing volume and complexity of materials can make it difficult for members to identify key considerations. While thoroughness and transparency are important, volume and complexity can sometimes obscure what matters most. Interviewees offered several guidelines they can introduce, as chairs, to address this challenge:

- Consider having management provide video pre-reads for certain areas such as business results or new product launches.
- Mandate one-page executive summaries for each report that clearly state the report's purpose—informational, for discussion, or for approval—and provide a high-level overview.
- Establish clear guidance on the distinction between pre-read versus presentation materials.
- Set timelines for distributing materials—to allow sufficient time for committee members to review.
- Preview materials with management in advance—sometimes in draft form—to anticipate committee questions and enhance the quality of materials provided to the full committee.

Some audit committee chairs have also engaged legal counsel or advisors to review materials and recommend reductions or ways to streamline. Additionally, some believe that AI could help generate or summarize materials but have yet to figure out how to do so effectively.

In this rapidly evolving environment, audit committee chairs can continually reassess their committees' structures and processes to support effective oversight. Proactively embracing agility may help audit committee chairs stay ahead of emerging risks and add greater value to the board and organization.

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Populating the committees of tomorrow

Insights from experienced chairs

As the next wave of audit committee members begin their journeys, the wisdom of experienced audit committee chairs offers invaluable guidance. In the interviews, the chairs were asked, “What advice would you give future audit committee members looking for their first role?” Here’s what they said:

Choose the right company.

Seek out organizations whose values and purpose align with your own.

Build strong relationships.

Develop open, transparent connections with the CFO, board chair, and external auditors.

Demonstrate key skills.

Show business acumen, curiosity, and independent thought. Don’t hesitate to ask probing questions, even if they challenge conventional thinking.

Commit to lifelong learning.

Embrace continuous education and stay informed of emerging trends.

Be prepared for responsibility.

Fully commit to the role and draw on experts for input when needed.

Be diligent.

Read all available meeting materials ahead of time and be ready for in-depth discussions.

Apply professional judgment.

Have the courage to take a stand in tough situations, balancing attention to detail with a broader strategic perspective.

Enjoy the role.

Serving on an audit committee is both challenging and rewarding. Embrace the opportunity to engage in meaningful discussions and help shape the organization’s future.

The role of the audit committee member is tremendously important. Following in the footsteps of seasoned chairs, future members can continue to help organizations navigate complexity and drive change.

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Summary

The audit committee chair's path forward

As organizations navigate a landscape marked by accelerating risks, regulatory shifts, and technological disruption, audit committee chairs stand at the intersection of tradition and transformation, positioned to help shape the future of governance.

At the beginning it was asked, what does it take to navigate the landscape of enterprise risk? The chairs underscored the importance of being proactive, vigilant, and deeply engaged across a broad spectrum of risks, including AI and sustainability in some regions. Chairs are expected to anticipate disruption and guide their committees in responding with agility and foresight.

What skills, experiences, and leadership qualities are now essential? In addition to business operations experience, risk management insight, and strong interpersonal skills, chairs should build an inclusive culture to foster trust and encourage open dialogue while also challenging assumptions and driving accountability. This focus extends beyond the audit committee itself to relationships with the CFO and wider board.

How can audit committee chairs foster a culture of continual learning and intellectual curiosity across the committee? Participating in and encouraging formal and informal education while fostering an environment where members are comfortable asking questions and challenging assumptions contributes to this open environment.

How can chairs improve agility and effectiveness? They can rethink many aspects of committee structure and processes to keep the committee's eye on the most relevant risks and opportunities.

And finally, what words of wisdom do chairs pass along to the next generation of audit committee members? It starts with making an informed choice on which organization to join, followed by executing and learning in the role, and importantly, remembering to have fun along the way.

The ability of audit committees and their chairs to meet future challenges may hinge on their willingness to adapt, improve information flows, foster a culture of open dialogue, embrace continual learning, engage and equip members to contribute and add value, and feed into the next generation. The most effective audit committees are likely to be those that balance tradition with innovation, leveraging the strengths of their members while remaining agile and responsive to a world of change.

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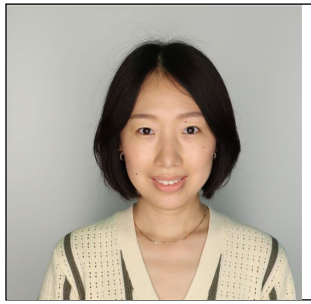

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Additional resources

The following resource can support audit committees in maintaining a leading edge in their roles:

- **Audit Committee Effectiveness Framework:** As demands and expectations of the audit committee continue to grow, audit committee effectiveness is essential to help ensure that the committee is equipped with the capabilities, processes, and resources to best fulfill its role. The framework can be used in several ways, including as a self-assessment tool for the committee itself or to frame conversations with the board chair.

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