

Audit Committee Practices Report

Common Threads Across
Audit Committees, 4th edition

FEBRUARY 2025

Deloitte.



CAQ



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01

Introduction

Introduction

We're excited to publish the fourth edition of the *Audit Committee Practices Report*, a joint effort between Deloitte's Center for Board Effectiveness (Deloitte) and the Center for Audit Quality (CAQ). Our goal is to provide directors—especially audit committee members—and governance professionals with insights into relevant priorities, challenges, and opportunities. In addition, the data that informs this report is reflective of leading practices to promote audit committee effectiveness.

A total of 237 respondents participated in this year's survey, primarily on boards of US (89%) public (86%) companies with \$2 billion or more in market cap (72%). Directors on boards of financial services companies made up 27% of the respondents.

We developed this survey four years ago to understand audit committee priorities and challenges and to obtain information on questions audit committees and governance professionals regularly ask us. Each year, we repeat some questions to understand how audit committees are evolving and identify emerging trends. We also include new questions that reflect the current environment in which audit committees are operating. New this year, we asked about participation of non-audit committee members in audit committee meetings and how audit committee members assess the quality of the independent auditor.

Outside of financial reporting and internal controls, the top three priorities of the audit committee over the next year are consistent with last year:

- **Cybersecurity**
- **Enterprise risk management (ERM)**
- **Finance and internal audit talent**

Beyond these, there were slight changes in the remaining priorities compared to last year, as seen in the following chart.¹

Ranking	2025 priorities	Change	2024 priorities
1	Cybersecurity	↔	Cybersecurity
2	Enterprise risk management	↔	Enterprise risk management
3	Finance and internal audit talent	↔	Finance and internal audit talent
4	Compliance with laws and regulations	↑ 1	Finance transformation
5	Finance transformation	↓ 1	Compliance with laws and regulations
6	ESG reporting	↑ 1	AI governance
7	AI governance	↓ 1	ESG reporting
8	Third-party risk	↔	Third-party risk
9	Data privacy	↔	Data privacy

Introduction

We also found that a majority of respondents are interested in enhancing the effectiveness of audit committee meetings. When presented with various strategies to achieve this, the two most prominent areas identified were the quality of presentations during meetings and the level of discussion and/or engagement from members. These and other observations on committee effectiveness are further explored in the report.

We are confident that you, your fellow committee members, and those who work with audit committees can use this survey to benchmark your committee against others and help set priorities for the months ahead. Read on to explore the key themes and review the appendices to see responses to all questions, including a breakdown by respondents from financial services and non-financial services companies.

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“Audit committees have been preparing for a new year that is expected to bring shifts in the regulatory landscape, potential policy changes, and increasingly sophisticated cyber risks. To navigate this time, it is important to maintain open communication with management. This will help in planning and prioritizing efforts to ensure that audit committees are well-prepared to govern emerging risks while staying focused on financial reporting.”

—Dipti Gulati, Chair and Chief Executive Officer, Deloitte & Touche LLP



02

Key findings

Key findings

Top three priorities of the audit committee

Cybersecurity

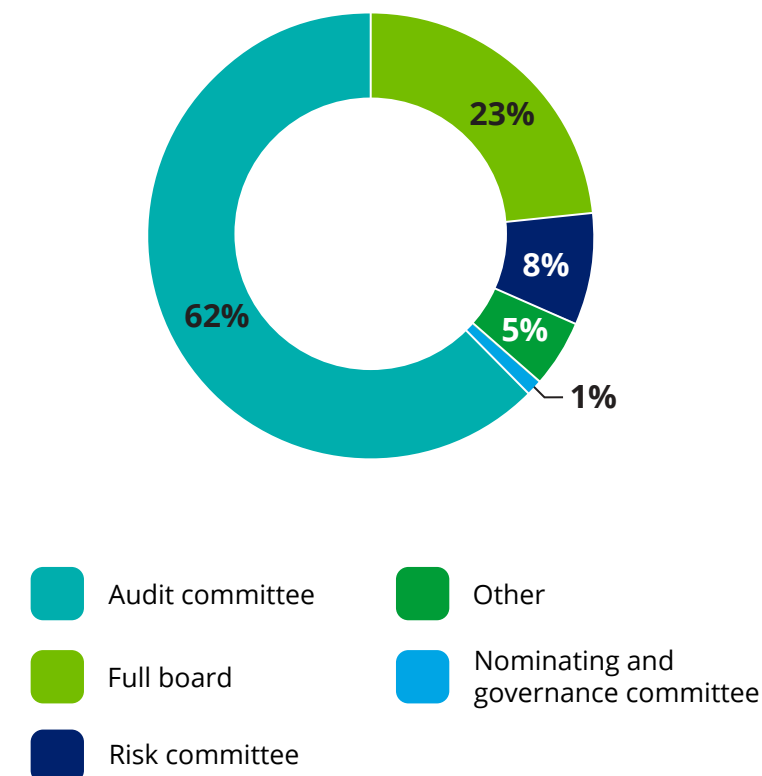
Beyond financial reporting and internal controls, 93% of respondents identified cybersecurity as one of their top three areas of focus, with 50% ranking it as the number-one area of focus for the audit committee over the next 12 months. This is consistent with results since we started publishing this report in 2022.

According to our survey, 62% of audit committees have primary oversight of cybersecurity risk, while 23% responded that their full board has oversight. This is consistent with the 11th annual [Audit Committee Transparency Barometer](#), published by the CAQ and Ideagen Audit Analytics, which found that 64% of S&P 500® companies delegate oversight of cybersecurity risk to the audit committee.

As we've seen in previous years, the breakdown varies among financial services and non-financial services companies, with nearly three-fourths of non-financial services companies (70%) delegating cybersecurity oversight to the audit committee. The percentage of financial services company respondents reporting that the audit committee has oversight for cybersecurity risk decreased to 41%, with 24% citing the risk committee as having primary oversight. This is not surprising given that most large financial services companies are required to have a risk committee.

Who has primary oversight?²

(n = 237)



Key findings

Top three priorities of the audit committee

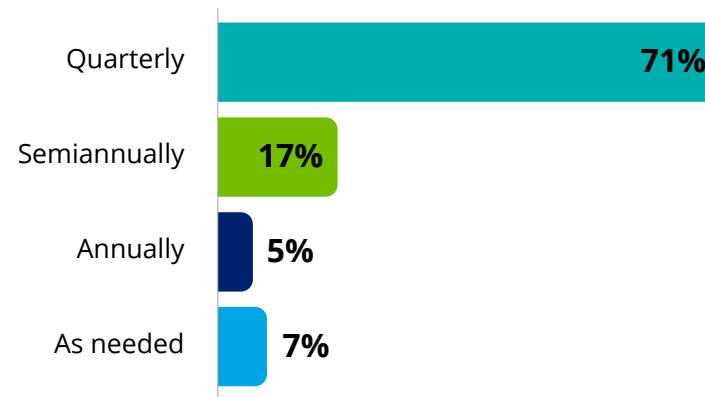
Cybersecurity (cont.)

How frequently is cybersecurity on the audit committee agenda? For 71% of our respondents, the answer is quarterly, with 17% reporting it is on their agenda semiannually. Just 5% discuss cybersecurity annually, and another 7% responded it's on the agenda "as needed."

Considering that cybersecurity is the top area of focus for audit committees over the next year, do they feel they have the appropriate skills on the committee to oversee it? Nearly a third (31%) of respondents pointed to cybersecurity as the skill most likely to enhance the audit committee's effectiveness. In fact, half of respondents (50%) ranked cybersecurity in their top three skills most likely to enhance audit committee effectiveness in the next 12 months.

How frequently is this discussed by the audit committee?³

(n = 229)



"Cybersecurity is not an IT issue/risk; it's a critical business risk requiring focus as the threat landscape is constantly evolving. For the audit committee, it's important to have robust oversight to protect the organization's assets, reputation, and ability to recover."

—Karen Golz
Audit Committee Chair,
Analog Devices Inc., Aspen Technology, Inc.,
iROBOT Corporation

Key findings

Top three priorities of the audit committee

Cybersecurity (cont.)

AUDIT COMMITTEE CONSIDERATIONS

- Receive regular updates on current cybersecurity threats, trends, and regulatory requirements, as well as cybersecurity risks, incidents, and mitigation strategies.
- Review and assess the company's cybersecurity policies, frameworks, and incident response plans on a periodic basis.
- Oversee regular cybersecurity risk assessments to identify vulnerabilities and threats.
- Assess the resilience of the company's cybersecurity program and understand how the company would recover from an attack.
- Consider cyberattacks reported by other entities and ask management to assess how your company would have responded to a similar incident.
- Be prepared to comply with SEC cybersecurity disclosure requirements, which includes having a good understanding of the framework used by the company to determine materiality for purposes of reporting.

Questions for audit committees to consider asking:

1. How are new technologies affecting the threat landscape?
2. How are new employees trained to mitigate the risk associated with phishing and other attacks?
3. How have third parties been considered as it relates to cybersecurity?

Key findings

Top three priorities of the audit committee

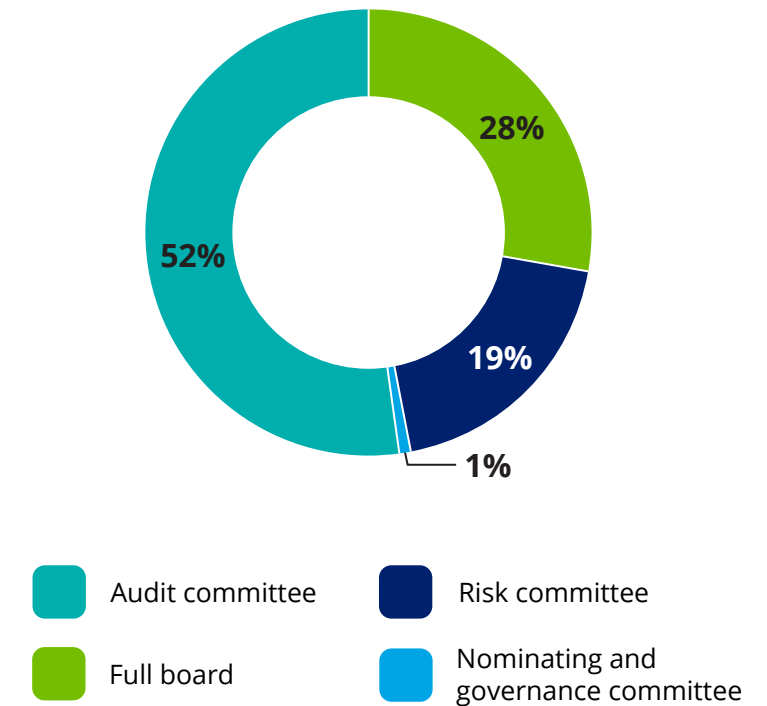
Enterprise risk management

Consistent with our 2024 report, the clear second priority for audit committees—beyond financial reporting and internal controls—is ERM. Effective ERM is crucial for achieving organizational objectives, safeguarding the company's reputation and stakeholder relationships, and supporting long-term success.

When asked who is responsible for oversight of ERM within their companies, our survey respondents indicated the audit committee (52%), the full board (28%), and the risk committee (19%). Financial services companies are less likely to assign audit committees primary oversight responsibility for ERM (21%) than companies in other industries (63%). Instead, nearly half (48%) of financial services respondents delegated this responsibility to the risk committee with 8% of non-financial services companies using a risk committee for ERM oversight.

Who has primary oversight?

(n = 237)



Key findings

Top three priorities of the audit committee

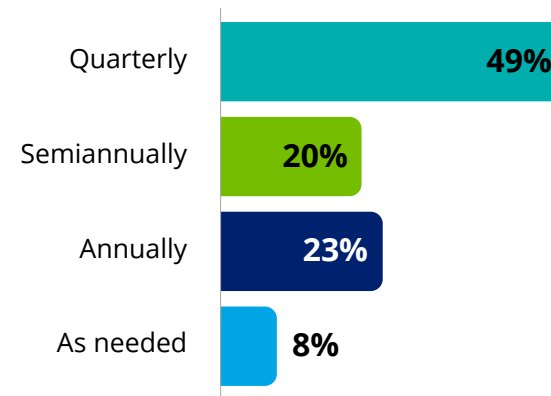
Enterprise risk management (cont.)

ERM is on the audit committee agenda quarterly, according to nearly half (49%) of survey respondents. Another 20% of respondents discuss ERM semiannually, and 23% discuss it annually.

When asked to rank the skills needed to enhance audit committee effectiveness over the next 12 months, 8% of respondents identified ERM as the top priority, and 27% included it in their top three.

How frequently is this discussed by the audit committee?⁴

(n = 229)



“While responsibility for creating the ERM program lies with management, the board should pay attention to ERM on several fronts. The role of the board is to ‘challenge, inspect, and review,’ and the same applies to management’s ERM process.”


—David Herzog
Audit Committee Member, MetLife

Key findings

Top three priorities of the audit committee

Enterprise risk management (cont.)

AUDIT COMMITTEE CONSIDERATIONS

- 
- Remain aware of emerging risks and ask management how they are being considered in the ERM program. To help with their oversight role, directors should request tools from management to help them understand how management is assessing risk. These tools could include the results of periodic risk assessments, key risk indicators (KRIs) that help measure key business risks and monitor how the company is doing against each risk appetite definition, and a list of emerging risks that management is monitoring.
 - Understand management's process for updating their risk assessment outside of their usual cycle. For example, are there triggering events that would initiate an update? This dynamic approach to ERM monitoring prepares boards and management to adapt when an issue arises.
 - Consider whether your directors' backgrounds are sufficiently diverse to offer varied perspectives, enhance risk identification, and improve the board's oversight and support of management.

Key findings

Top three priorities of the audit committee

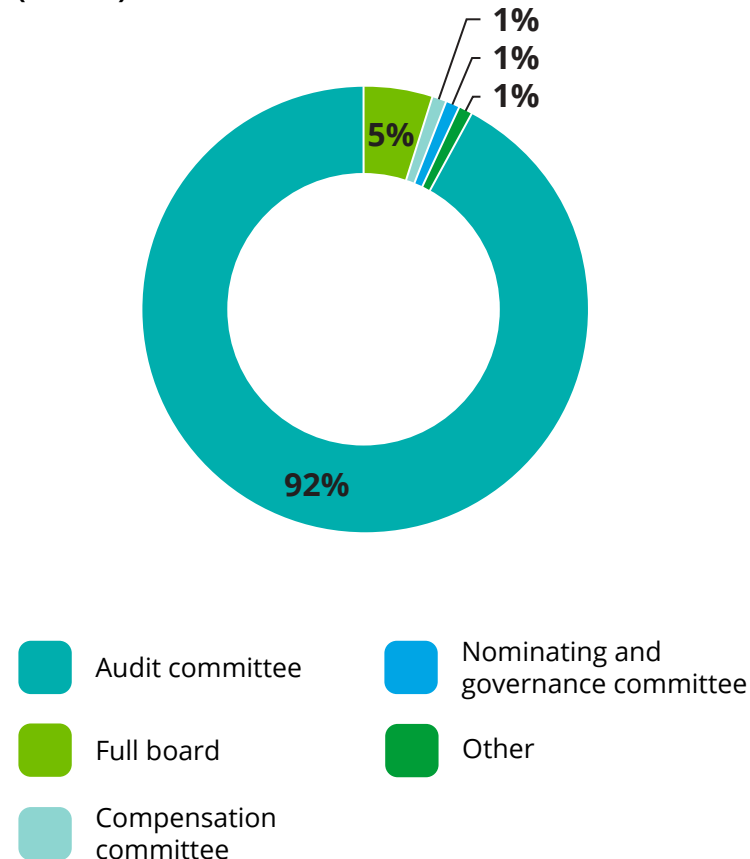
Finance and internal audit talent

Oversight of finance and internal audit talent is the primary responsibility of the audit committee for 92% of our survey respondents. The topic is on the agenda quarterly for 38% of audit committees, semiannually for 18%, annually for 23%, and as needed for 21%.

Talent is a high priority for audit committee members, perhaps in part given the fast-paced changes in technology, including generative artificial intelligence (AI). While such technology provides exciting opportunities, finance and internal audit functions will likely continue to need highly skilled individuals to implement and utilize the technology. The use of AI may also automate routine tasks for enhanced productivity, creating new roles while displacing some traditional ones. The audit committee should understand how management is addressing evolving talent needs within their teams.

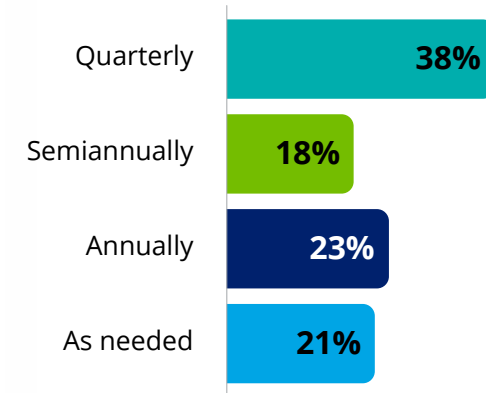
Who has primary oversight?

(n = 237)



How frequently is this discussed by the audit committee?⁵

(n = 229)



Key findings

Top three priorities of the audit committee

Finance and internal audit talent (cont.)

Survey respondents indicated that they continue to value the work of internal audit stating the following:

Internal audit... (n = 218)	Agree or strongly agree
has a high level of understanding about business operations	89%
plans are promptly updated in response to emergent risks	86%
is effective at assisting management in identifying new risks	82%
professionals (other than the chief audit executive/internal audit director) bring needed insights to stakeholders	77%

Despite the strong views on internal audit, 82% agree or strongly agree that there is an opportunity to extract more value from internal audit. To maximize the value from internal audit, audit committees should consider enhancing collaboration and communication with internal audit teams, ensuring they are fully integrated into the risk management and strategic planning processes. Additionally, they could focus on aligning internal audit activities more closely with strategic objectives and emerging risks to maximize their impact.

In January 2024, The Institute of Internal Auditors (The IIA) released the new [Global Internal Audit Standards™](#) (Standards) to elevate the quality and effectiveness of a company's internal audit function and its activities. The new Standards aim to elevate internal audit practices globally, enhance the credibility and relevance of internal audit functions, and support internal audit activities in providing greater value to companies through improved

governance, risk management, and control processes. Understanding the new Standards and their implications will help audit committees ensure their company leverages the internal audit function effectively, achieving greater value from their internal audit activities.

“As audit committee chair, build a strong relationship with your CFO and chief audit executive, particularly if they are new to their roles. Serve as a mentor and ally, demonstrating your commitment to their success. Establishing trust and open communication during stable times creates a foundation that will prove invaluable when there are challenges. Moreover, meaningful mentoring relationships not only boost effectiveness but are personally rewarding as well.”

—Sandra Helton
Audit Committee Chair, Optinose Inc.

Key findings

Top three priorities of the audit committee

Finance and internal audit talent (cont.)

AUDIT COMMITTEE CONSIDERATIONS

- Cultivate strong relationships with both the finance and internal audit leaders.
- Focus on succession planning for key finance and internal audit team members. By understanding the depth of the pipeline for key positions, potential successors to the chief financial officer, chief accounting officer, and chief audit executive can be assessed.
- Understand the bench strength and leadership style of the finance and internal audit teams.
- Receive periodic updates on key talent metrics, including involuntary turnover of high performers.
- Consider the sufficiency of resource allocation to finance and internal audit functions such that appropriate investments can be made in long-term system and process improvements to support the company and high-quality corporate reporting.
- Audit committees should understand how technology advancements may affect talent and confirm that management has plans in place to manage the risk this imposes.
- Be aware of The IIA's new Standards and consider how they can be leveraged to achieve greater value from internal audit. Learn more about how the Standards can have an impact on the audit committee in Deloitte's [*On the Audit Committee's Agenda: Governing a relevant, effective, and valued internal audit function.*](#)

KEY INSIGHT

Oversight of AI

While not among the top three areas of focus for the next 12 months, there has been an increase in the percentage of respondents (20%) who identified the audit committee as having primary oversight of AI governance, up slightly from 14% in our 2024 report. For most respondents, such oversight is the responsibility of the full board (58%), with 10% allocating oversight to the risk committee. Notably, in last year's survey, 17% of respondents replied "Don't know" when asked which committee had primary oversight. This year, a smaller percentage of respondents (6%) said "Don't know," suggesting that as AI becomes a bigger focus, boards are increasingly clarifying and defining their oversight responsibilities around it.

Key findings

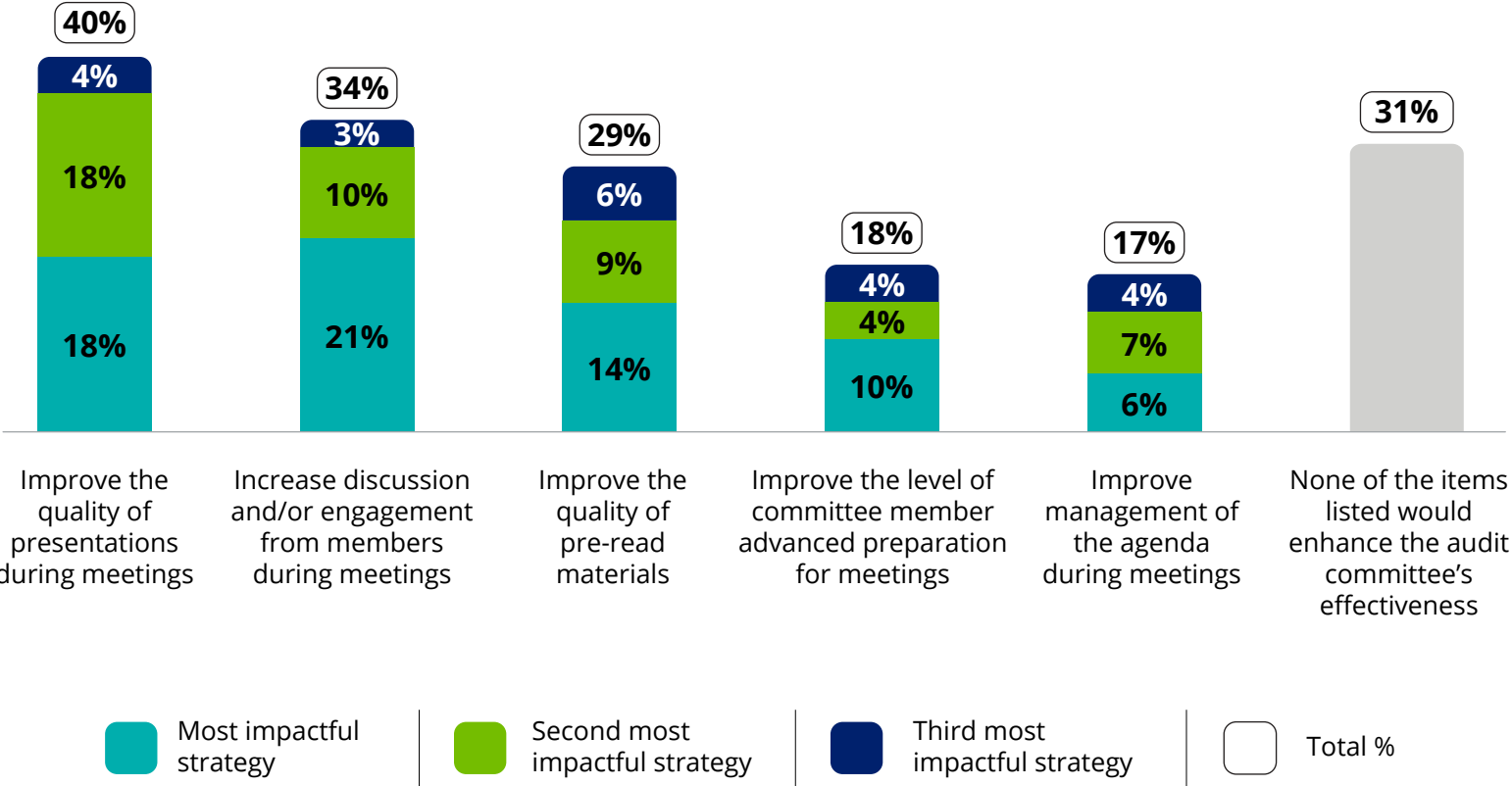
Audit committee practices and effectiveness

When interacting with audit committees, we frequently hear that the way they perform their duties is crucial to their effectiveness. This encompasses how they set agendas, the quality of information they receive, and their engagement with key stakeholders and each other. For this reason, a key section of the survey focused on audit committee effectiveness.

Survey respondents were presented with various strategies to enhance the effectiveness of audit committee meetings. Approximately one-third of respondents (31%) indicated that none of the suggested options would improve meeting effectiveness, implying that their meetings are already operating effectively. Conversely, 69% of respondents felt that at least one of the proposed options could enhance meeting effectiveness. This reflects a slight increase from last year, when 65% of respondents identified at least one option for improvement.

Which of the following strategies would likely enhance the audit committee's effectiveness during meetings?⁶

(n = 215)



Key findings

Audit committee practices and effectiveness

Forty percent indicated that the committee's effectiveness would be enhanced by improving the quality of presentations during meetings. This was third (26%) in 2024, suggesting audit committee members are less satisfied with the presentations they are receiving this year. A few tactics to consider for enhancing the quality of presentations include:

- Advise presenters to begin their presentation where the pre-reads end;
- Encourage presenters to limit the number of slides presented during meetings;
- Discourage presenters from flipping slides; and
- Encourage management to highlight key changes from the prior period, significant judgments, and close calls when presenting financial information.

The next two opportunities to enhance effectiveness are increasing discussion and/or engagement from members during meetings (34%) and improving the quality of pre-read materials (29%).

These three opportunities are inter-connected. In addition to these recommendations, presenters should consider including executive summaries for each report. Further, the audit committee should encourage presenters to allocate the majority of their allotted time to discussion rather than prepared remarks (e.g., one-third of the time for prepared remarks and two-thirds for discussion).

Key findings

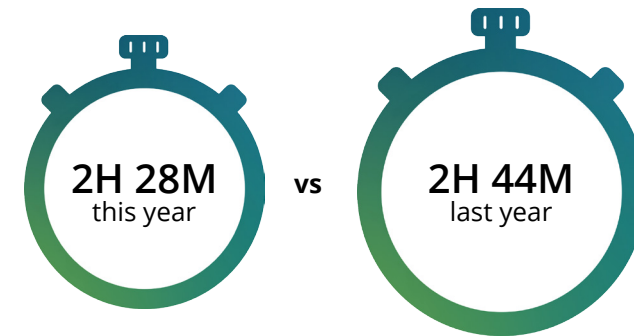
Audit committee practices and effectiveness

Establishing effective processes for agenda setting, information management, and meeting conduct is critical, as audit committees are challenged to cover everything on their agenda. While most respondents (88%) agree or strongly agree there is sufficient time to cover agenda items, 12% disagree or strongly disagree. The average amount of time allocated to quarterly audit committee meetings is two hours and 28 minutes, which is down slightly from two hours and 44 minutes in 2024. For committees that find it challenging to get through their agenda in the allotted time, they may consider extending the meeting or implementing strategies to improve time efficiency.

Other than the noted concern regarding the ability to cover all agenda items, respondents are overwhelmingly satisfied that their expertise is leveraged effectively, meetings are an efficient use of their time, audit committee members ask challenging questions, and the audit committee effectively addresses disagreements between management and the external auditor.

How much time is currently allocated to the quarterly audit committee meeting?

(n = 217)



Does the audit committee have sufficient time to cover all items on the agenda?

(n = 215)

YES

88%

12%

NO

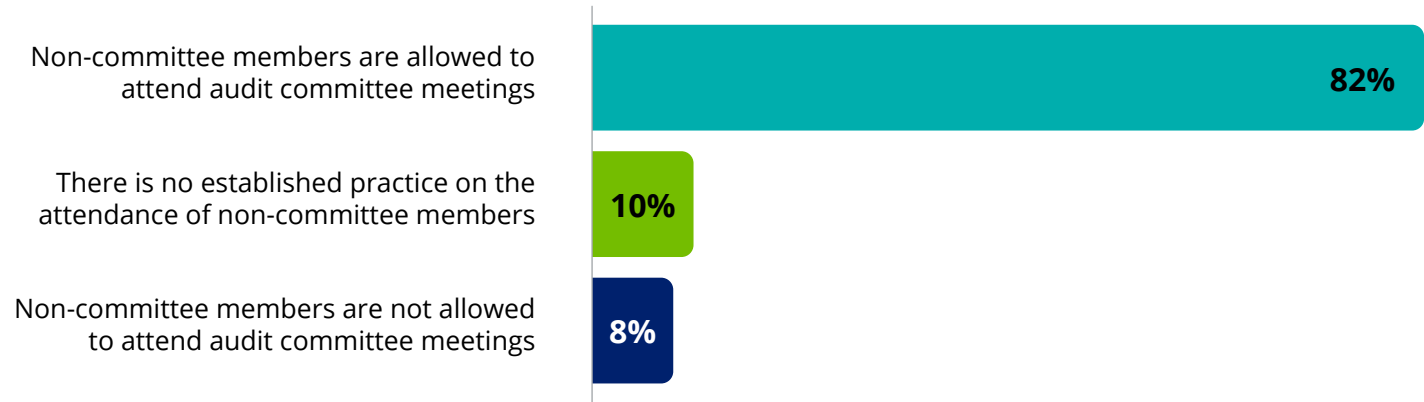
Key findings

Audit committee practices and effectiveness

Another topic often raised by audit committees relates to the participation of non-committee members in audit committee meetings. New this year, we asked if there are established practices to allow non-committee member participation. Overall, 82% responded that non-committee members are allowed to attend audit committee meetings, while 8% indicated that non-committee members are not allowed to attend the meetings. Additionally, 10% said there is no established practice around this, suggesting an opportunity to formalize a clear practice around who can attend meetings.

Is there an established practice on the attendance of non-committee members at audit committee meetings?⁷

(n = 214)



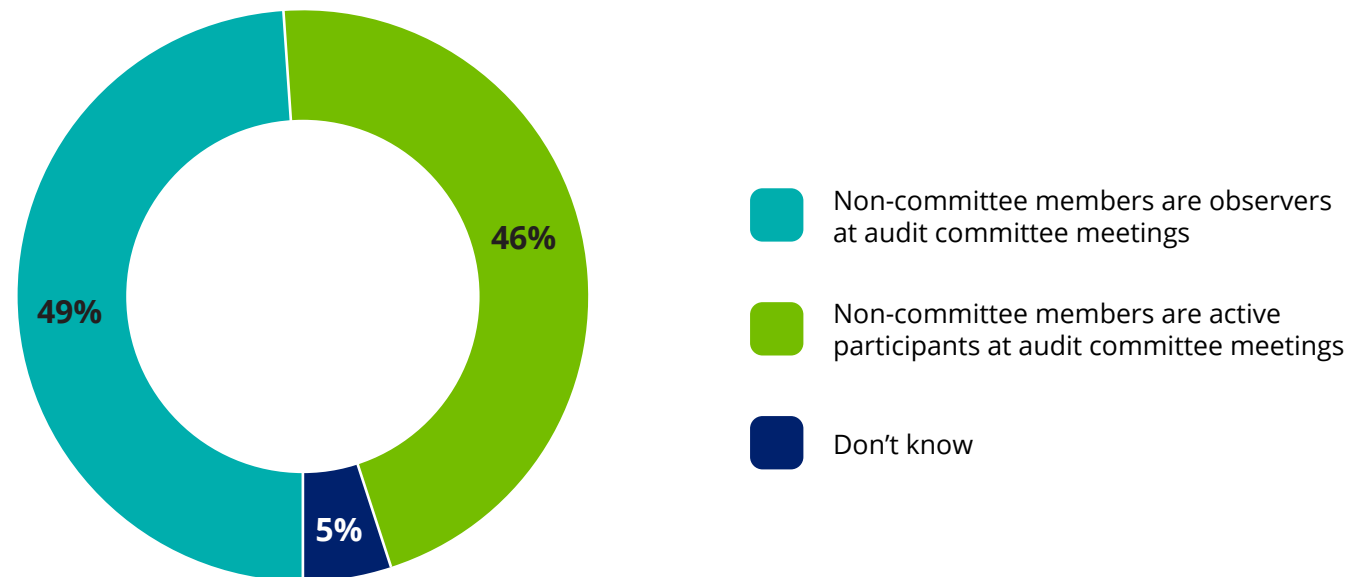
Key findings

Audit committee practices and effectiveness

In companies where non-committee members are permitted to attend audit committee meetings, there is a relatively equal split in how they participate with 49% being observers and 46% being active participants. When non-committee members actively participate, the audit committee chair will need to manage the discussions to ensure meetings are effective and efficient.

Which best describes the audit committee chair's expectations on the participation of non-committee members in meetings?⁸

(n = 197)



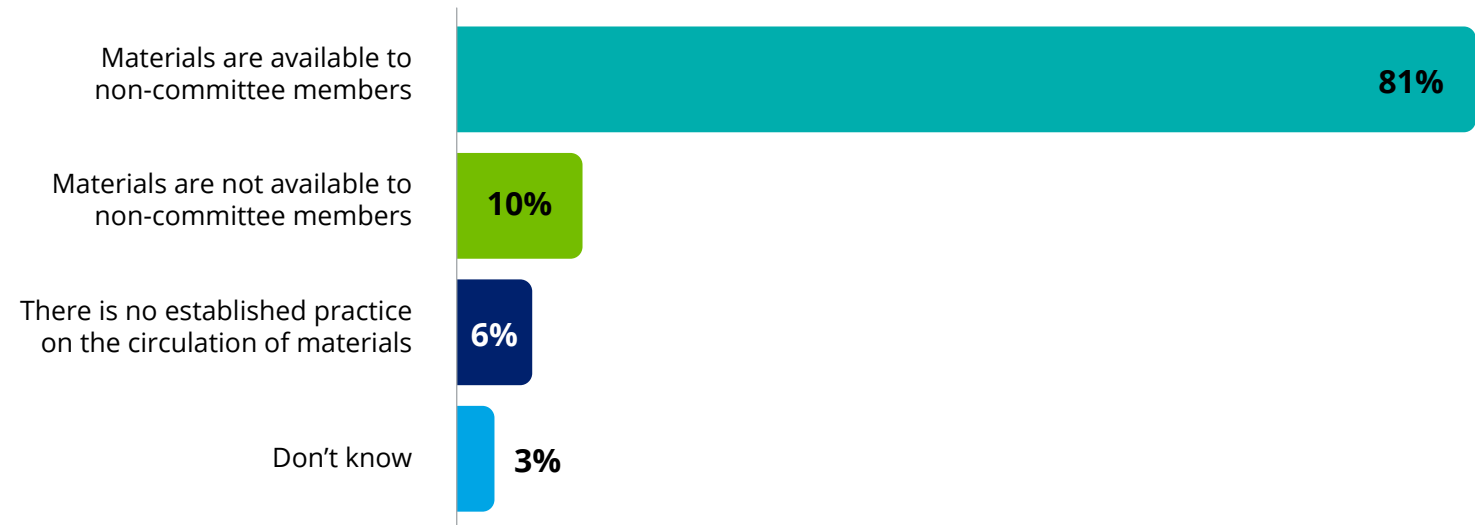
Key findings

Audit committee practices and effectiveness

Regarding the availability of audit committee meeting materials to non-committee members, 81% of respondents make them available to all board members, while 10% do not. Additionally, 9% either lack an established practice or are unaware of it, again suggesting an opportunity to clarify the practice around sharing committee materials.

Is there an established practice on the circulation of audit committee meeting materials to non-committee members?

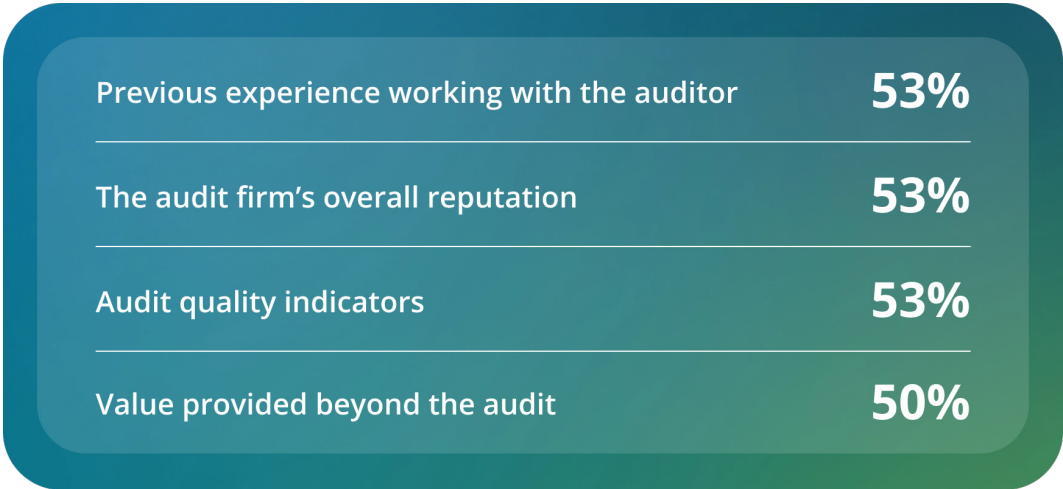
(n = 216)



Key findings

Quality of the independent auditor

One of the audit committee’s core responsibilities is oversight of the independent auditor. A variety of factors may go into an audit committee’s assessment of audit quality. When asked to identify which three factors are most important when making this assessment, four areas rise to the top (*n* = 222):



Lower on the list are a formal evaluation process (42%) and use of metrics and trend analyses (15%).

When considering how to assess audit quality, audit committees should focus on understanding the key metrics that drive it. They should actively engage with their audit engagement partners to discuss various factors that could affect the quality of the company’s audit, including engagement staffing, audit milestones, and the risk assessment that informs the audit strategy. Additionally, audit committees should provide information on how they oversee their independent auditor in their annual proxy statement disclosure. See examples and leading practices in the [Audit Committee Transparency Barometer](#).

Conclusion

The fourth edition of the *Audit Committee Practices Report* underscores the evolving priorities and challenges faced by audit committees, with cybersecurity, ERM, and finance and internal audit talent remaining at the forefront. Respondents continue to highlight the importance of effective meeting management. The report provides additional insights on the participation of non-committee members in meetings and the critical role of the independent auditor.

By leveraging the insights and data presented in this report, directors and governance professionals can benchmark their practices, address emerging risks, and enhance the overall effectiveness of their audit committees. We hope this report serves as a valuable resource in navigating the complexities of audit committee responsibilities and fostering robust governance practices.





03

Detailed survey results

Appendix A:

All respondents compared to financial services respondents

Appendix A: All respondents compared to financial services respondents

1. How is primary oversight divided across the board of directors and its committees?

Survey question 5.1

Finance/internal audit talent

All respondents (n = 237)	5%	Board
	92%	Audit
	1%	Compensation
	1%	Nom/Gov
	0%	Risk
	1%	Other
	0%	Don't know

Financial services (n = 63)	8%	Board
	89%	Audit
	0%	Compensation
	3%	Nom/Gov
	0%	Risk
	0%	Other
	0%	Don't know

Finance transformation

All respondents (n = 237)	21%	Board
	71%	Audit
	0%	Compensation
	0%	Nom/Gov
	1%	Risk
	5%	Other
	2%	Don't know

Financial services (n = 63)	27%	Board
	65%	Audit
	0%	Compensation
	0%	Nom/Gov
	3%	Risk
	3%	Other
	2%	Don't know

Cybersecurity

All respondents (n = 237)	23%	Board
	62%	Audit
	0%	Compensation
	1%	Nom/Gov
	8%	Risk
	5%	Other
	0%	Don't know

Financial services (n = 63)	27%	Board
	41%	Audit
	0%	Compensation
	0%	Nom/Gov
	24%	Risk
	8%	Other
	0%	Don't know

Data privacy

All respondents (n = 237)	24%	Board
	54%	Audit
	0%	Compensation
	3%	Nom/Gov
	12%	Risk
	5%	Other
	2%	Don't know

Financial services (n = 63)	25%	Board
	40%	Audit
	0%	Compensation
	3%	Nom/Gov
	25%	Risk
	6%	Other
	0%	Don't know

ERM

All respondents (n = 237)	28%	Board
	52%	Audit
	0%	Compensation
	1%	Nom/Gov
	19%	Risk
	0%	Other
	0%	Don't know

Financial services (n = 63)	29%	Board
	21%	Audit
	0%	Compensation
	3%	Nom/Gov
	48%	Risk
	0%	Other
	0%	Don't know

Legal/regulatory compliance

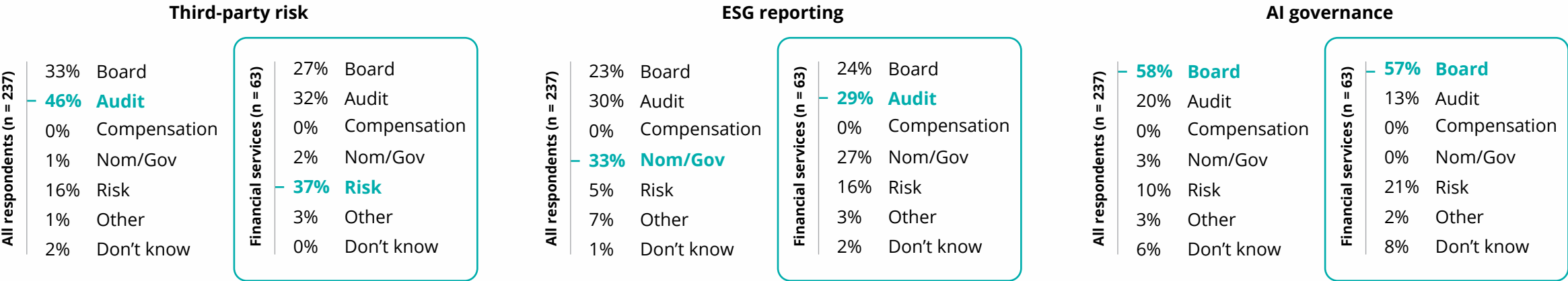
All respondents (n = 237)	31%	Board
	51%	Audit
	0%	Compensation
	7%	Nom/Gov
	9%	Risk
	2%	Other
	0%	Don't know

Financial services (n = 63)	27%	Board
	46%	Audit
	0%	Compensation
	5%	Nom/Gov
	22%	Risk
	0%	Other
	0%	Don't know

Appendix A: All respondents compared to financial services respondents

1. How is primary oversight divided across the board of directors and its committees? (cont.)

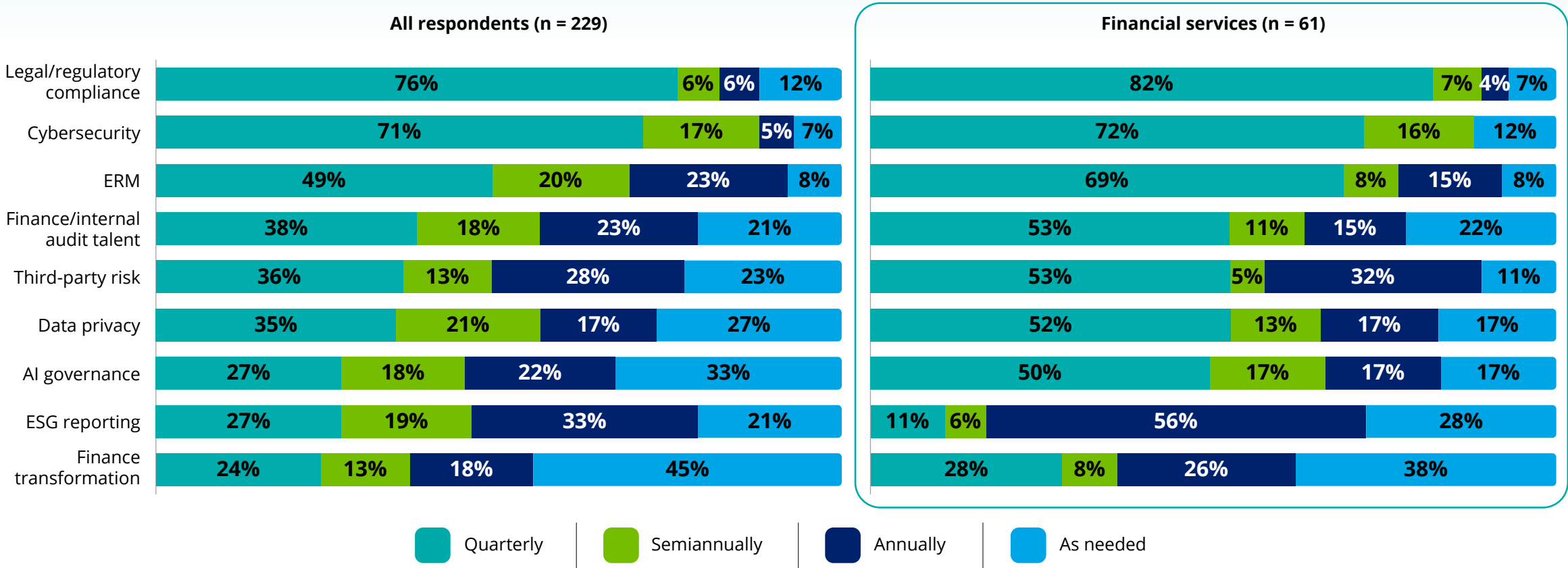
Survey question 5.1



Appendix A: All respondents compared to financial services respondents

2. How frequently did each of the following areas appear on the audit committee’s agenda in the past 12 months?

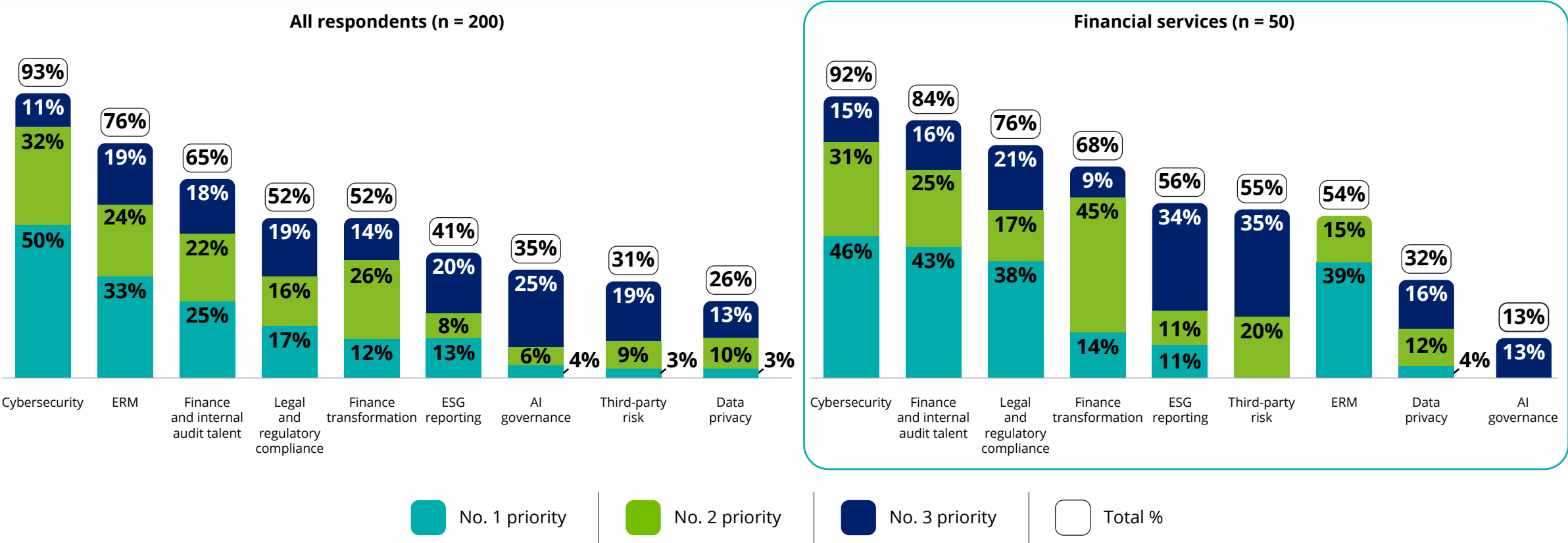
Survey question 5.2



Appendix A: All respondents compared to financial services respondents

3. What are the top priorities of the audit committee over the next 12 months?

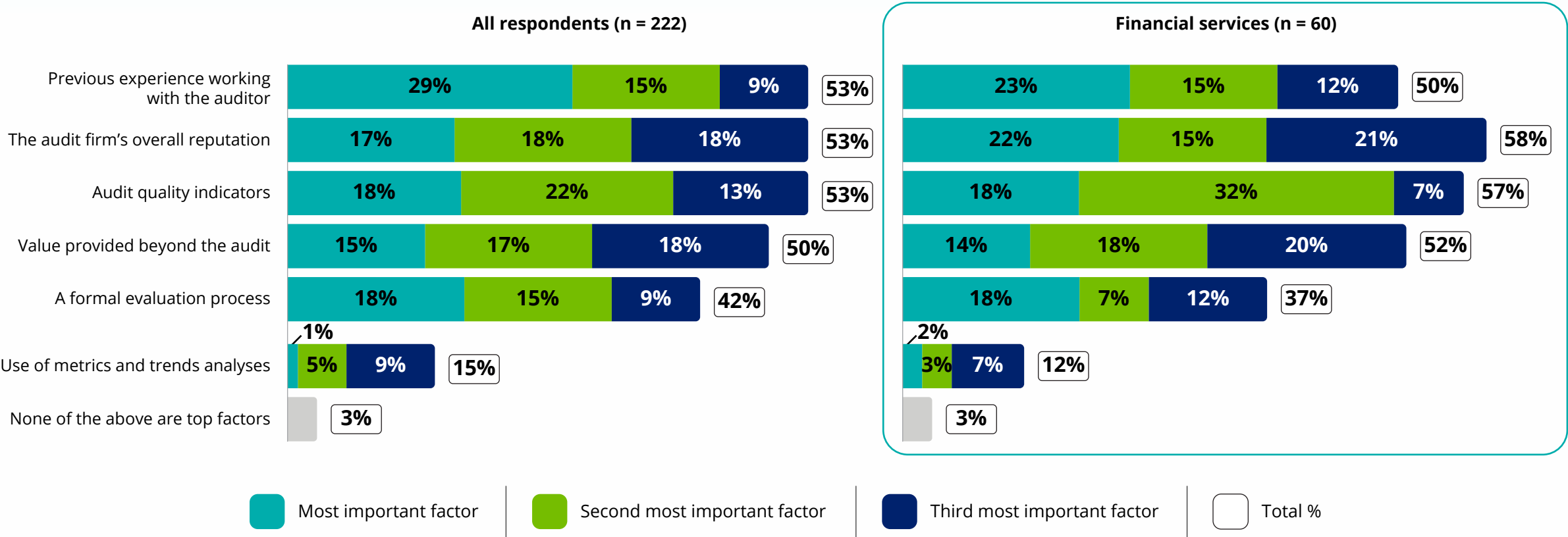
Survey question 5.3/5.4



Appendix A: All respondents compared to financial services respondents

4. What are the most important considerations for assessing the quality of the company’s independent auditor?⁹

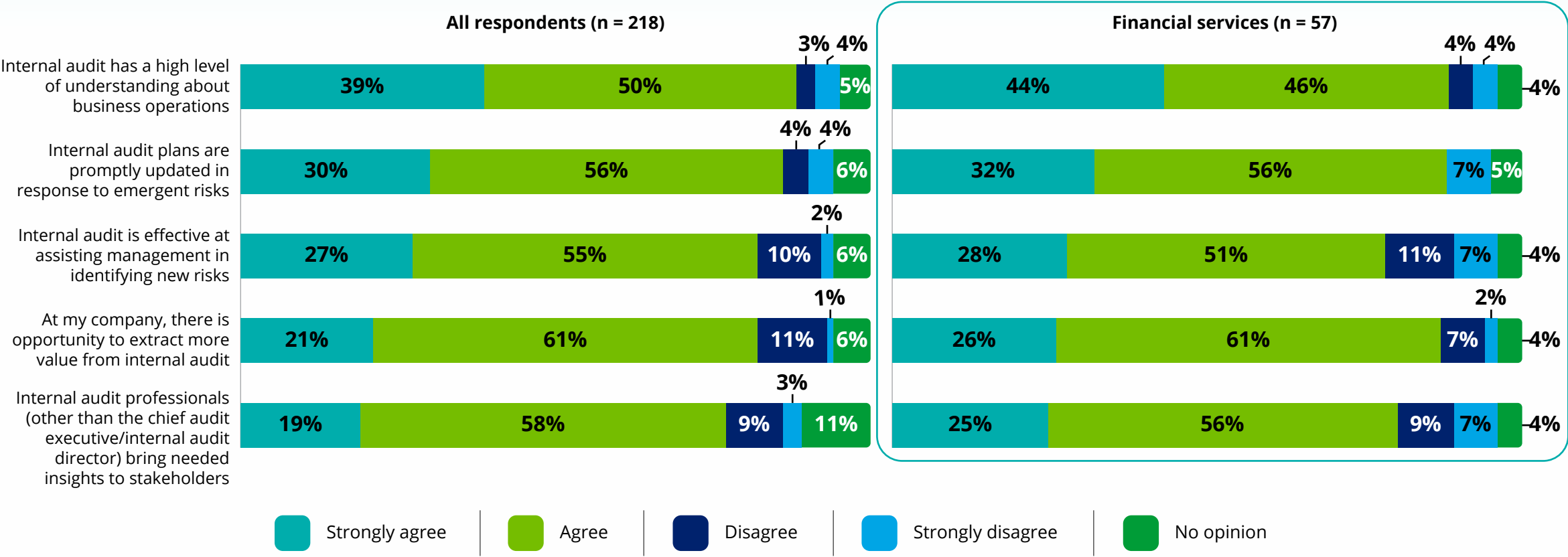
Survey question 6.1/6.2



Appendix A: All respondents compared to financial services respondents

5. What is your level of agreement with the following statements about the company’s internal audit function?

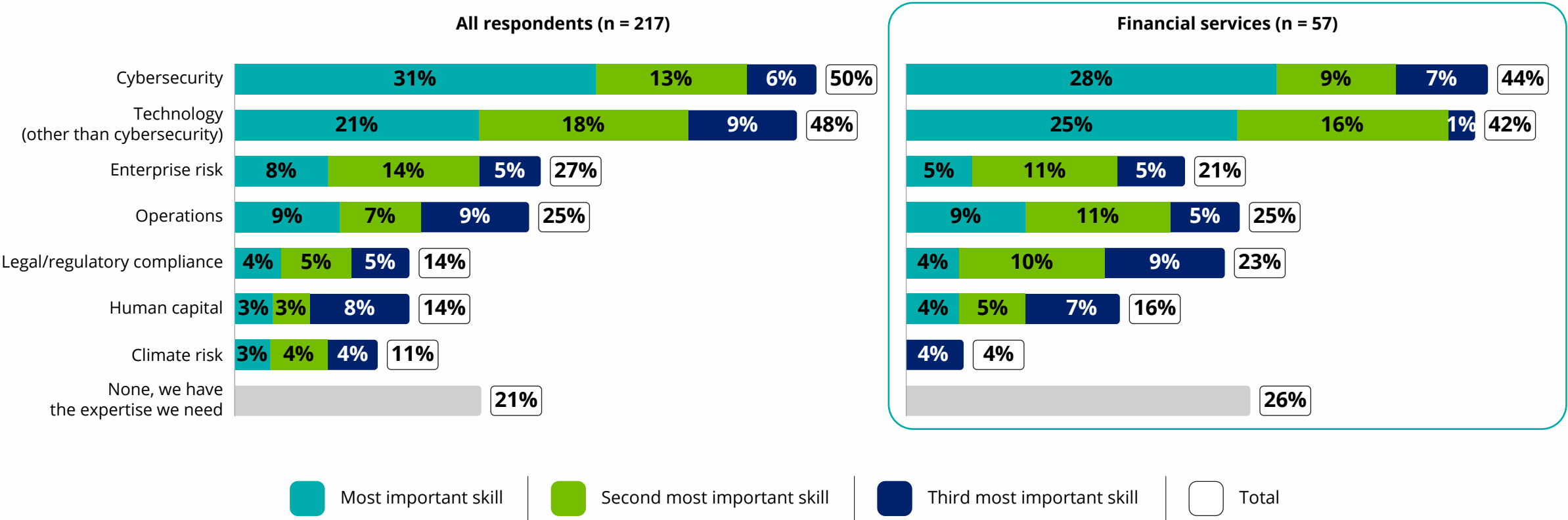
Survey question 6.3



Appendix A: All respondents compared to financial services respondents

6. What additional expertise would enhance the audit committee’s effectiveness over the next 12 months?¹⁰

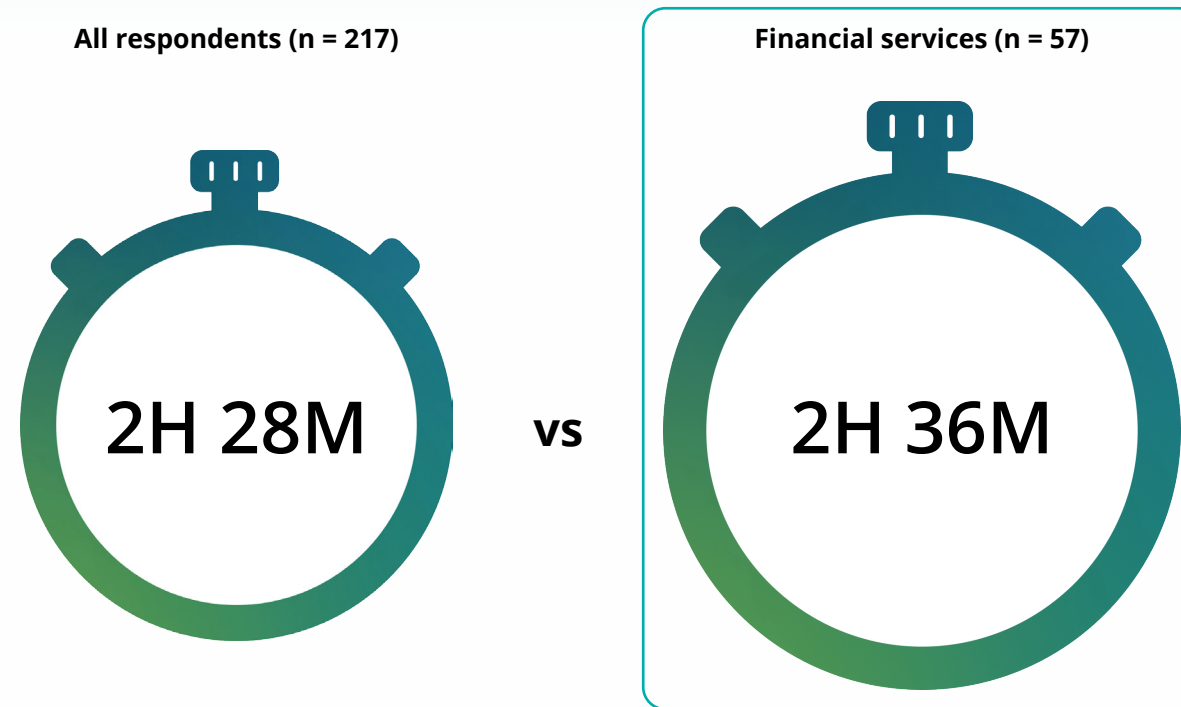
Survey question 7.1/7.2



Appendix A: All respondents compared to financial services respondents

7. How much time is currently allocated to the quarterly audit committee meeting?

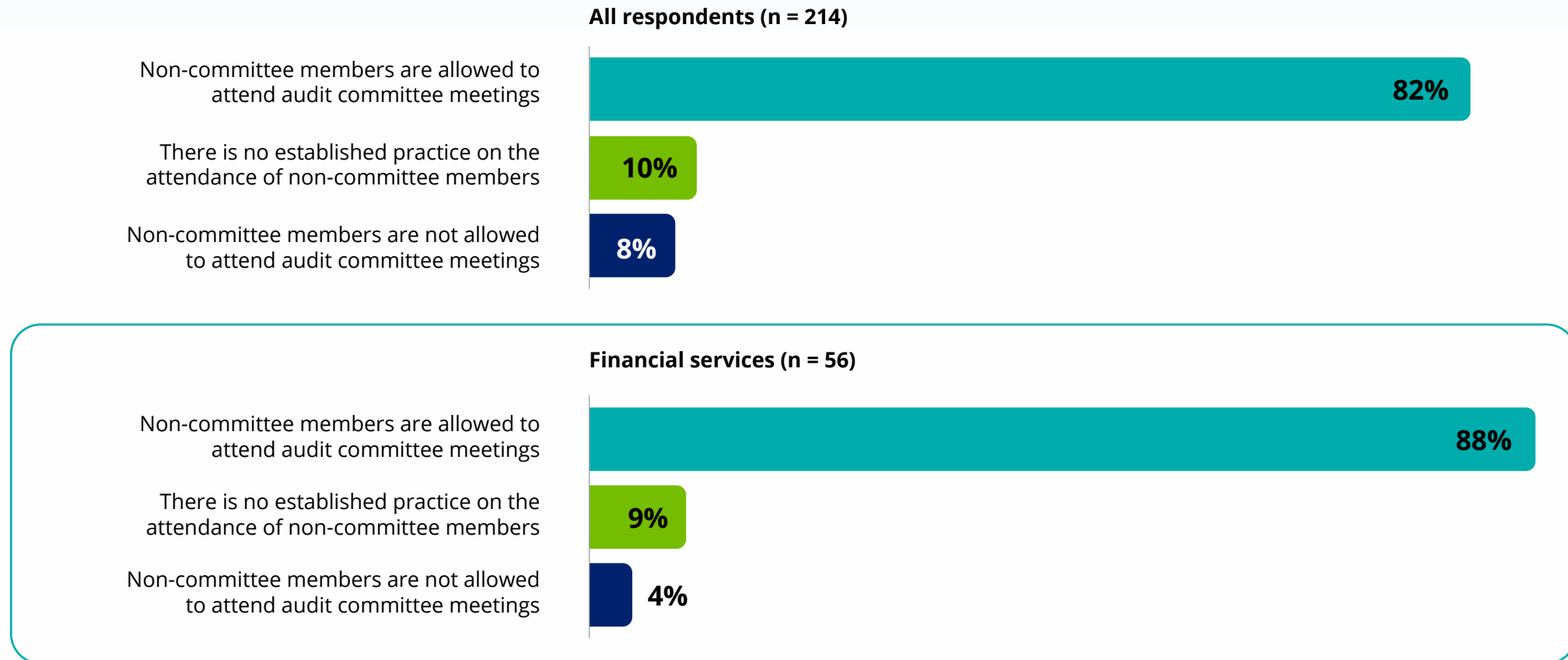
Survey question 8.1



Appendix A: All respondents compared to financial services respondents

8. Is there an established practice on the attendance of non-committee members at audit committee meetings?

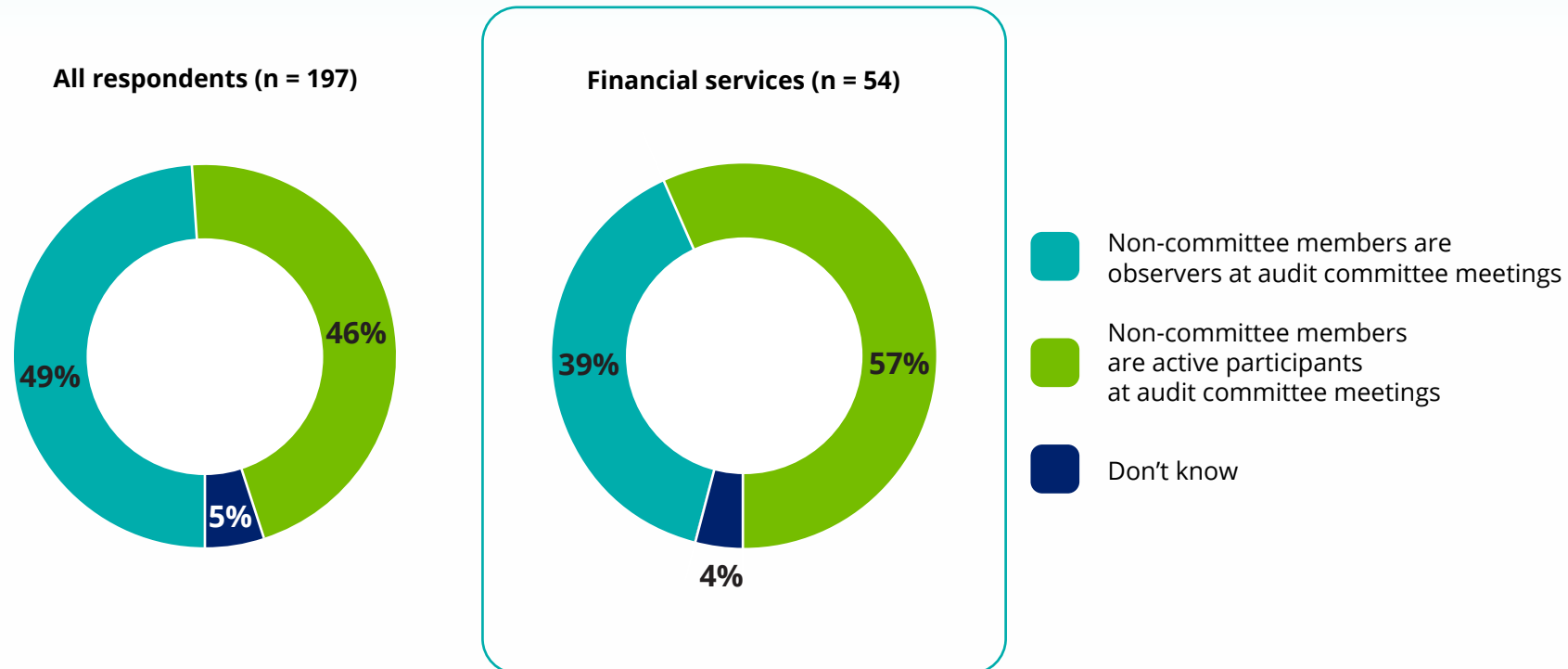
Survey question 8.2



Appendix A: All respondents compared to financial services respondents

9. Which best describes the audit committee chair's expectations on participation of non-committee members in meetings?

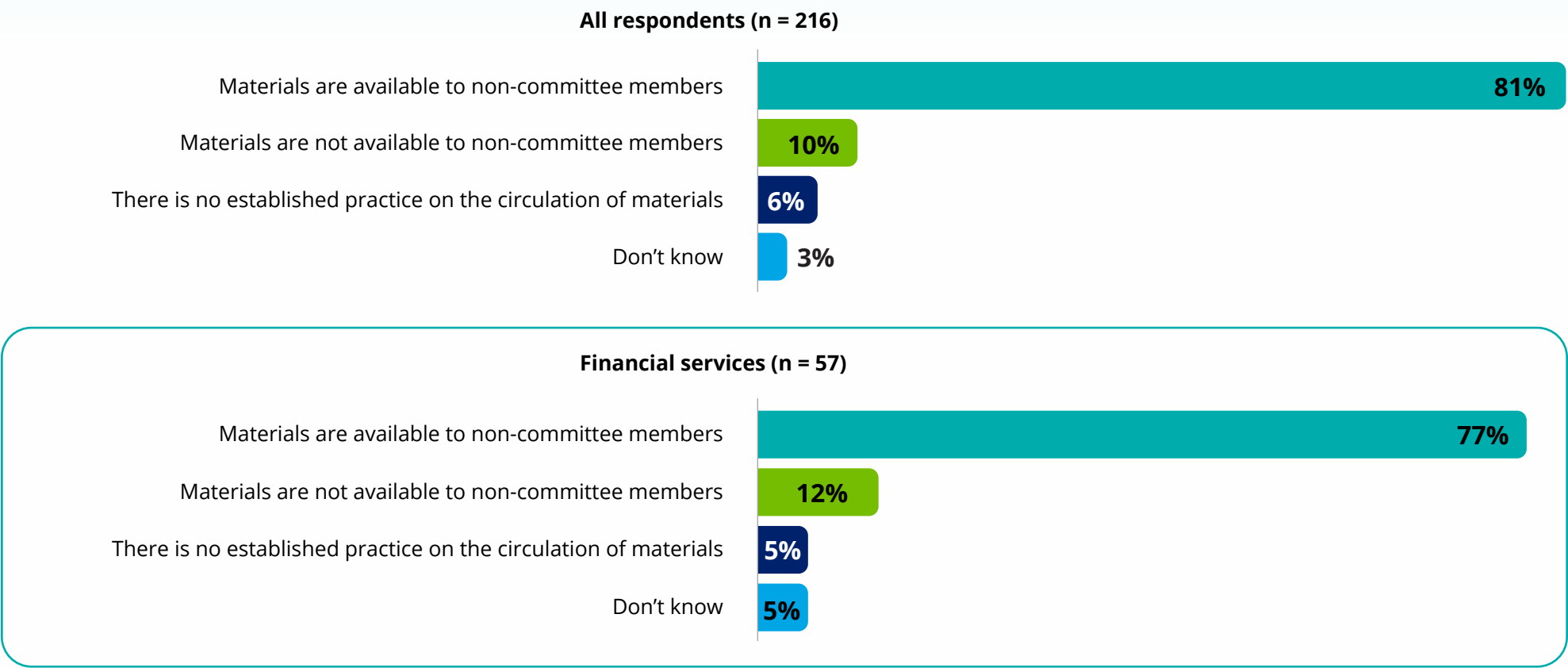
Survey question 8.3



Appendix A: All respondents compared to financial services respondents

10. Is there an established practice on the circulation of audit committee meeting materials to non-committee members?

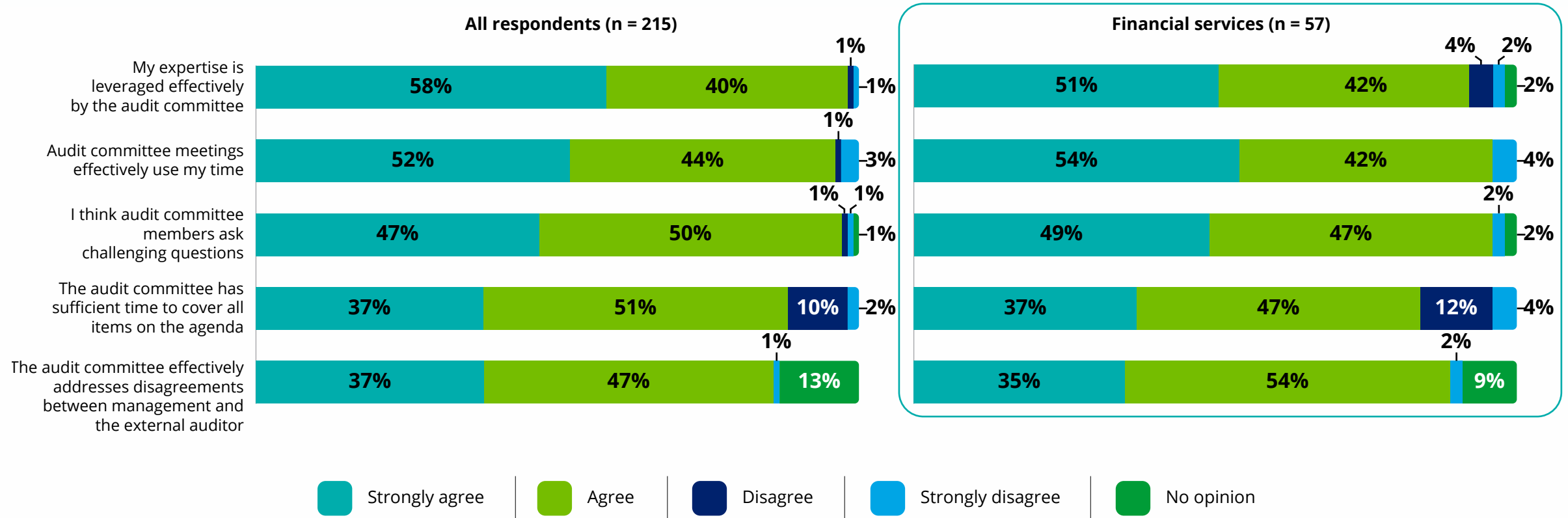
Survey question 8.4



Appendix A: All respondents compared to financial services respondents

11. Based on your experiences attending audit committee meetings in the last 12 months, what is your level of agreement or disagreement with the following statements?

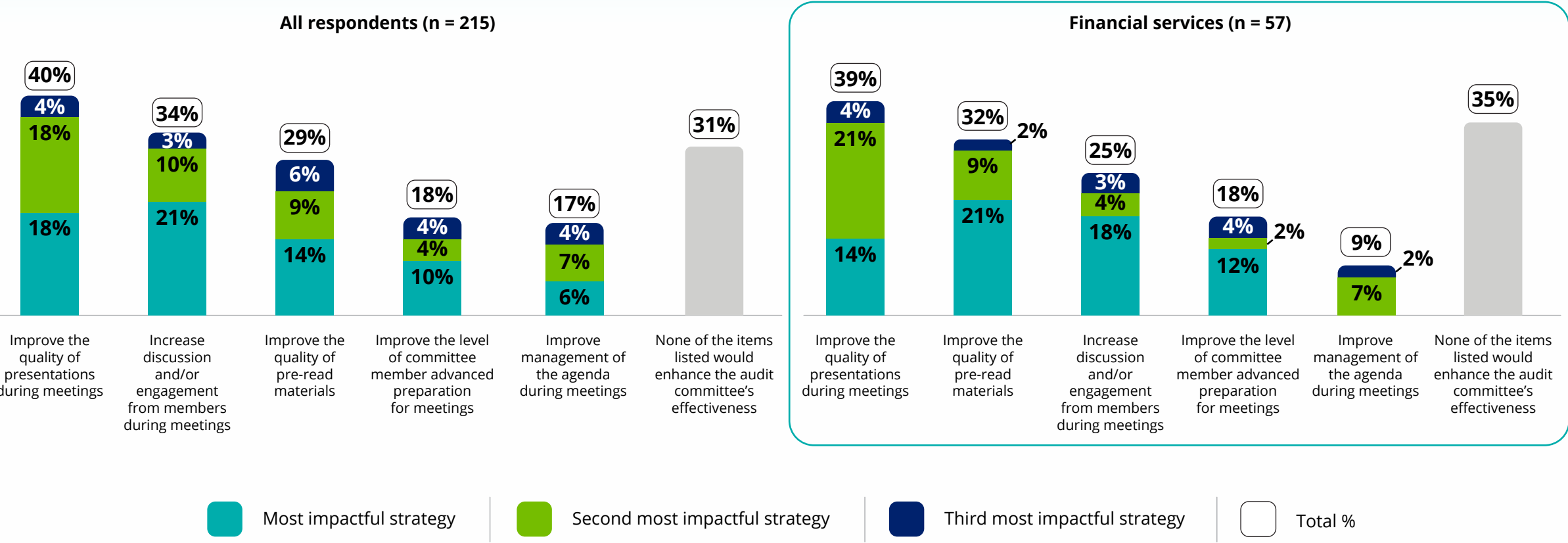
Survey question 8.5



Appendix A: All respondents compared to financial services respondents

12. Which of the following strategies would likely enhance the audit committee’s effectiveness during meetings?

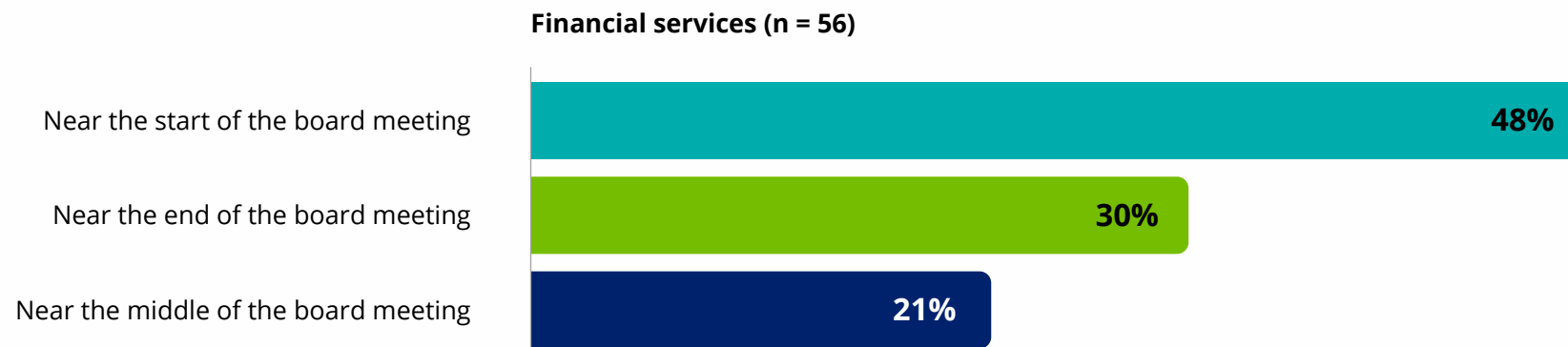
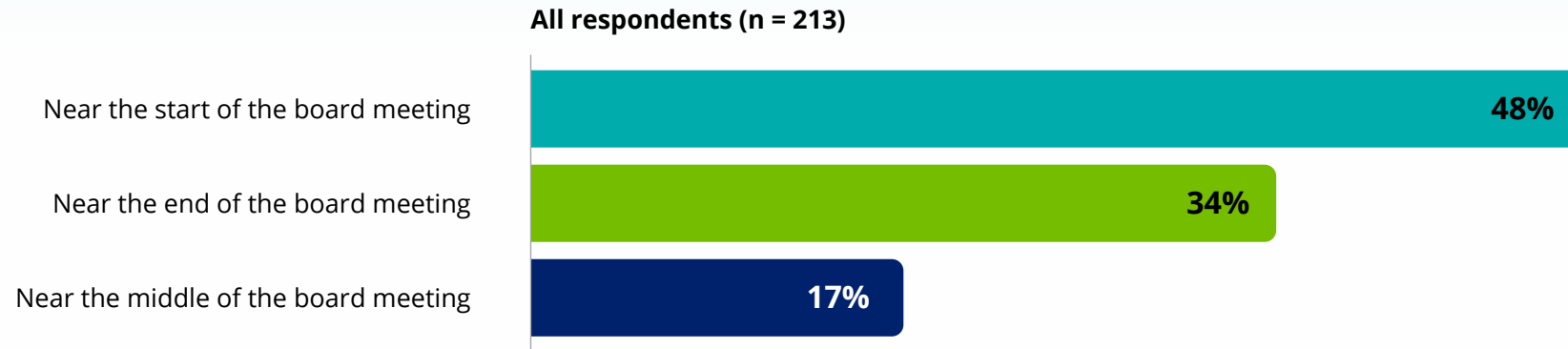
Survey question 8.8/8.9



Appendix A: All respondents compared to financial services respondents

13. At board meetings, when does the audit committee chair usually provide the report out from the audit committee meeting?

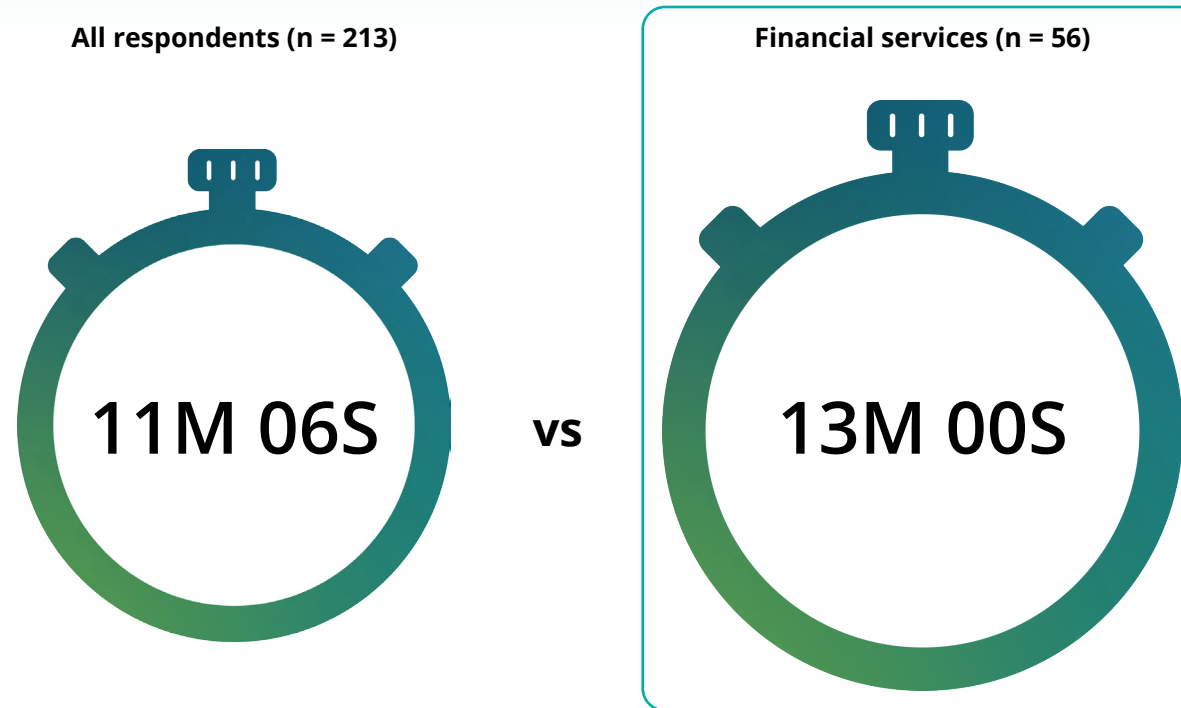
Survey question 8.10



Appendix A: All respondents compared to financial services respondents

14. What is the average duration (in minutes) of the audit committee chair's report out to the board in the past 12 months?

Survey question 8.11



Appendix B:

All respondents compared to non-financial services respondents

Appendix B: All respondents compared to non-financial services respondents

1. How is primary oversight divided across the board of directors and its committees?

Survey question 5.1

Finance/internal audit talent

All respondents (n = 237)	5%	Board
	92%	Audit
	1%	Compensation
	1%	Nom/Gov
	0%	Risk
	1%	Other
	0%	Don't know

Non-financial services (n = 174)	5%	Board
	93%	Audit
	2%	Compensation
	0%	Nom/Gov
	0%	Risk
	1%	Other
	0%	Don't know

Finance transformation

All respondents (n = 237)	21%	Board
	71%	Audit
	0%	Compensation
	0%	Nom/Gov
	1%	Risk
	5%	Other
	2%	Don't know

Non-financial services (n = 174)	19%	Board
	73%	Audit
	0%	Compensation
	0%	Nom/Gov
	0%	Risk
	6%	Other
	2%	Don't know

Cybersecurity

All respondents (n = 237)	23%	Board
	62%	Audit
	0%	Compensation
	1%	Nom/Gov
	8%	Risk
	5%	Other
	0%	Don't know

Non-financial services (n = 174)	22%	Board
	70%	Audit
	0%	Compensation
	1%	Nom/Gov
	3%	Risk
	4%	Other
	4%	Don't know

Data privacy

All respondents (n = 237)	24%	Board
	54%	Audit
	0%	Compensation
	3%	Nom/Gov
	12%	Risk
	5%	Other
	2%	Don't know

Non-financial services (n = 174)	23%	Board
	60%	Audit
	0%	Compensation
	2%	Nom/Gov
	7%	Risk
	5%	Other
	3%	Don't know

ERM

All respondents (n = 237)	28%	Board
	52%	Audit
	0%	Compensation
	1%	Nom/Gov
	19%	Risk
	0%	Other
	0%	Don't know

Non-financial services (n = 174)	28%	Board
	63%	Audit
	0%	Compensation
	0%	Nom/Gov
	8%	Risk
	0%	Other
	1%	Don't know

Legal/regulatory compliance

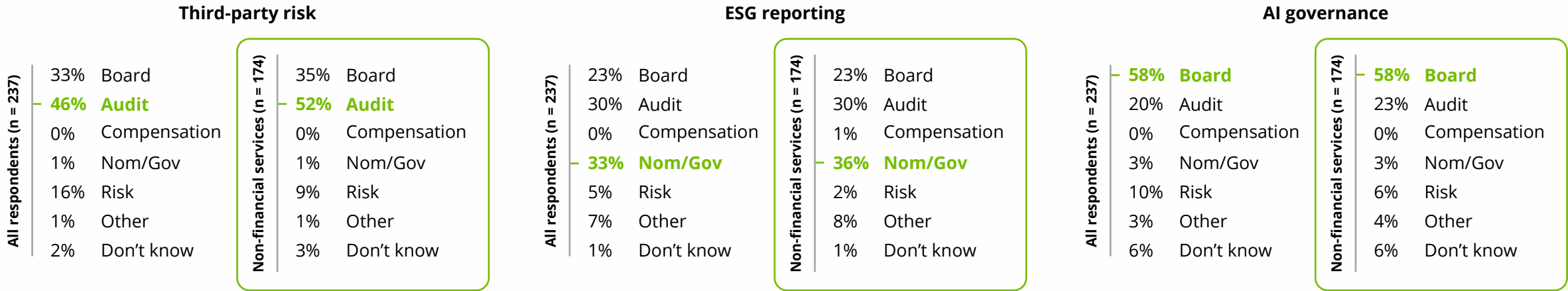
All respondents (n = 237)	31%	Board
	51%	Audit
	0%	Compensation
	7%	Nom/Gov
	9%	Risk
	2%	Other
	0%	Don't know

Non-financial services (n = 174)	32%	Board
	53%	Audit
	0%	Compensation
	7%	Nom/Gov
	5%	Risk
	2%	Other
	2%	Don't know

Appendix B: All respondents compared to non-financial services respondents

1. How is primary oversight divided across the board of directors and its committees? (cont.)

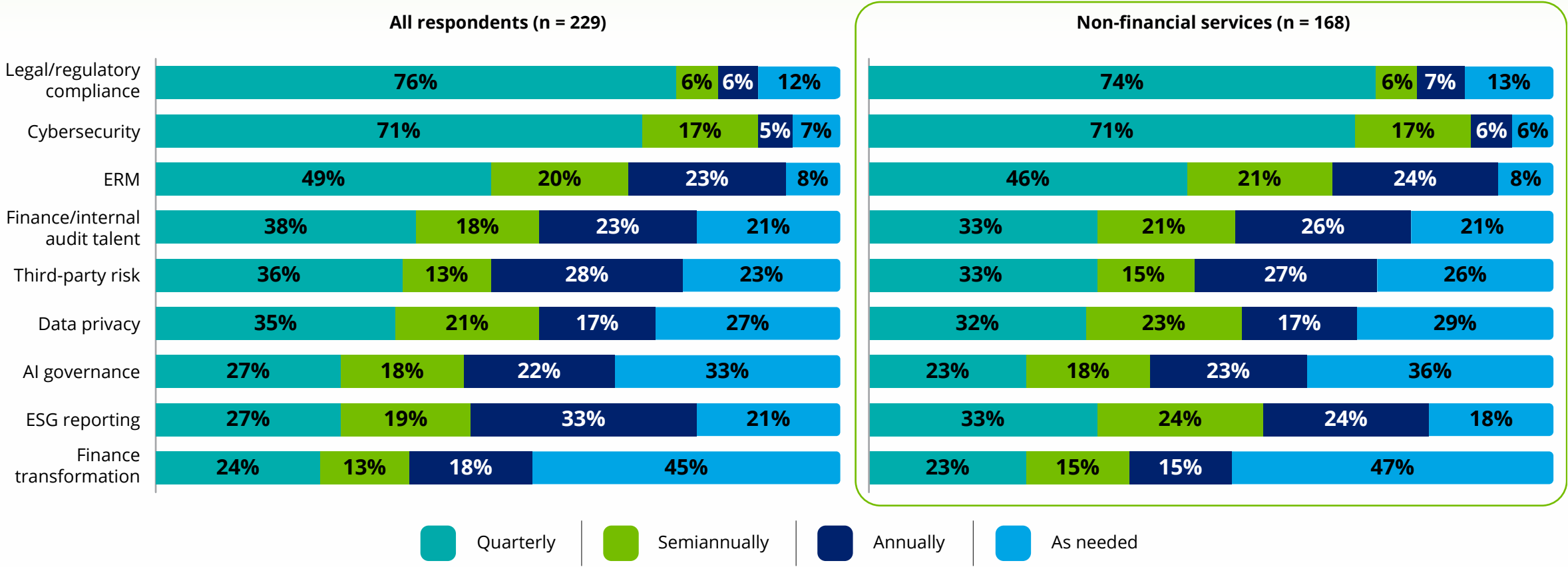
Survey question 5.1



Appendix B: All respondents compared to non-financial services respondents

2. How frequently did each of the following areas appear on the audit committee’s agenda in the past 12 months?

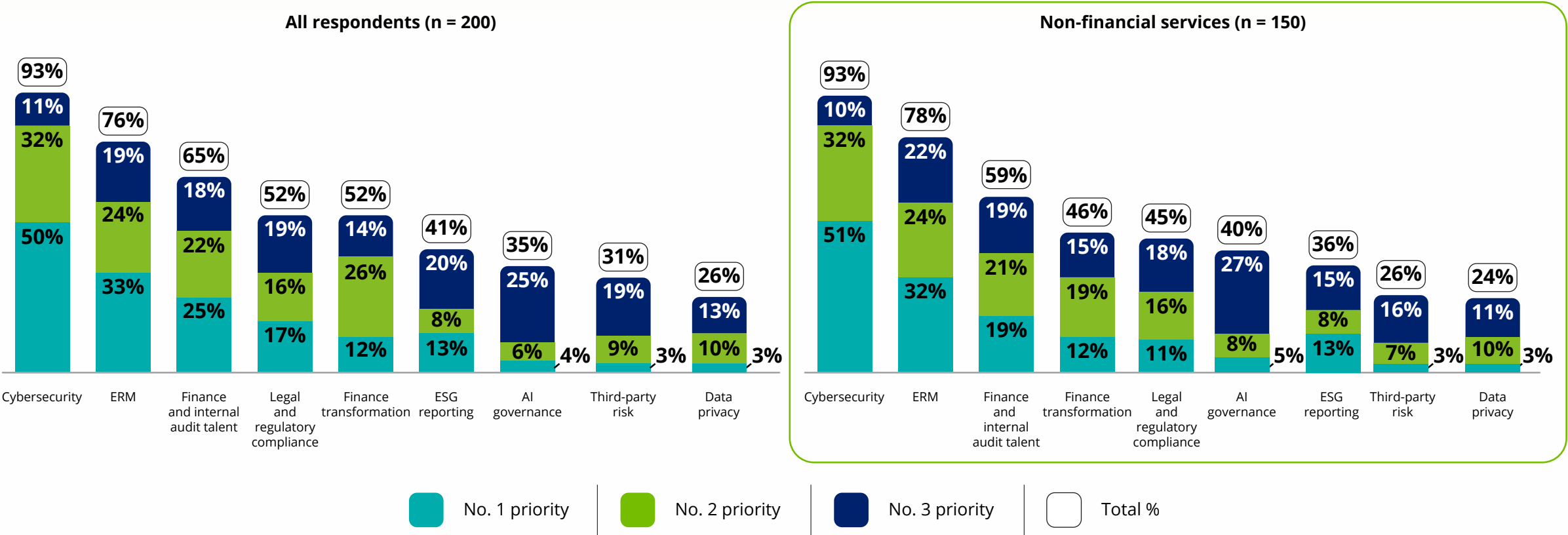
Survey question 5.2



Appendix B: All respondents compared to non-financial services respondents

3. What are the top priorities of the audit committee over the next 12 months?

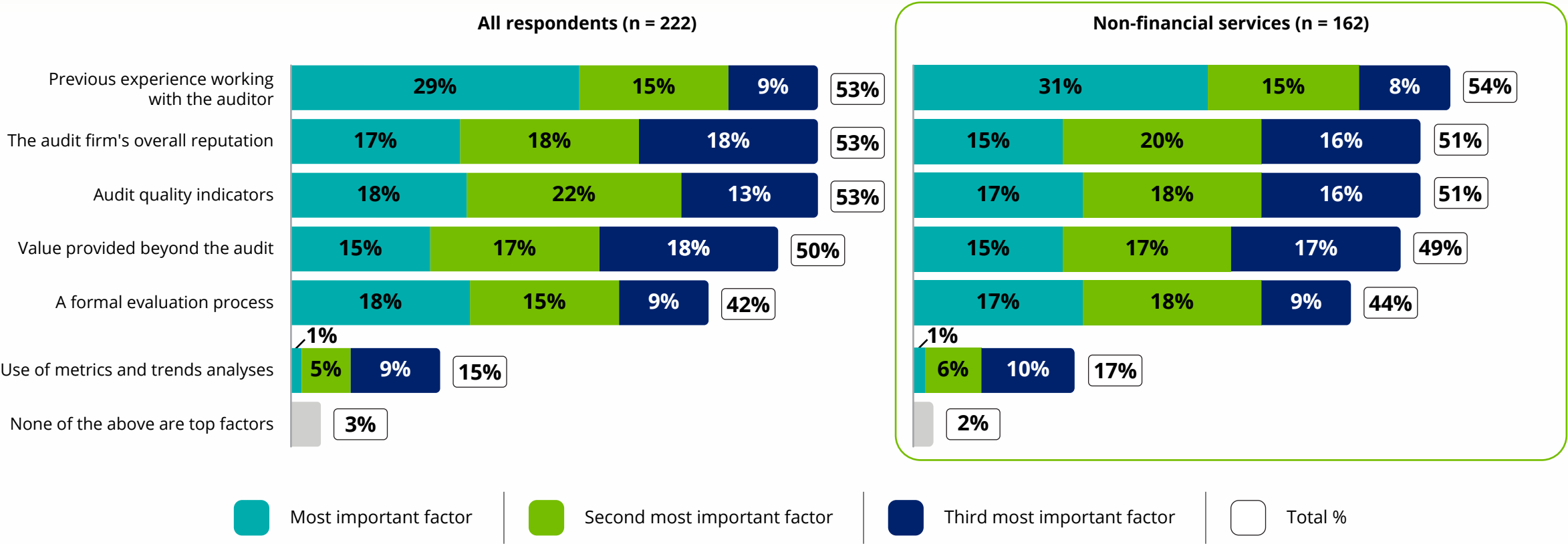
Survey question 5.3/5.4



Appendix B: All respondents compared to non-financial services respondents

4. What are the most important considerations for assessing the quality of the company's independent auditor?

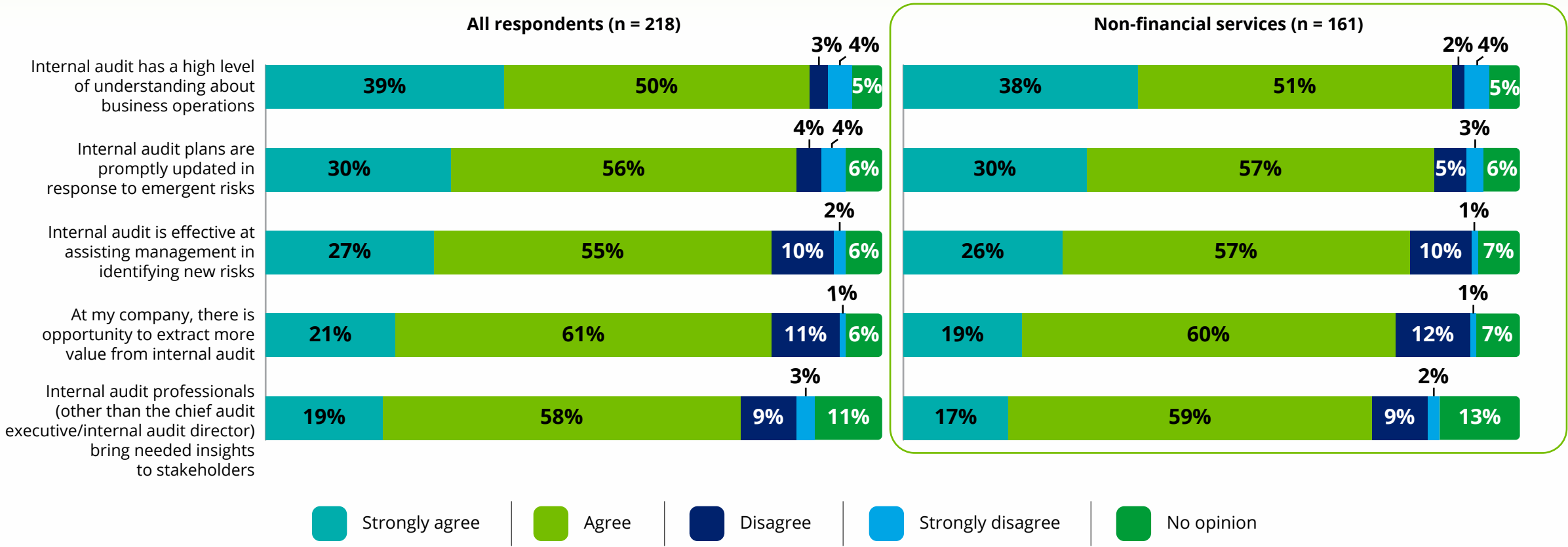
Survey question 6.1/6.2



Appendix B: All respondents compared to non-financial services respondents

5. What is your level of agreement with the following statements about the company’s internal audit function?

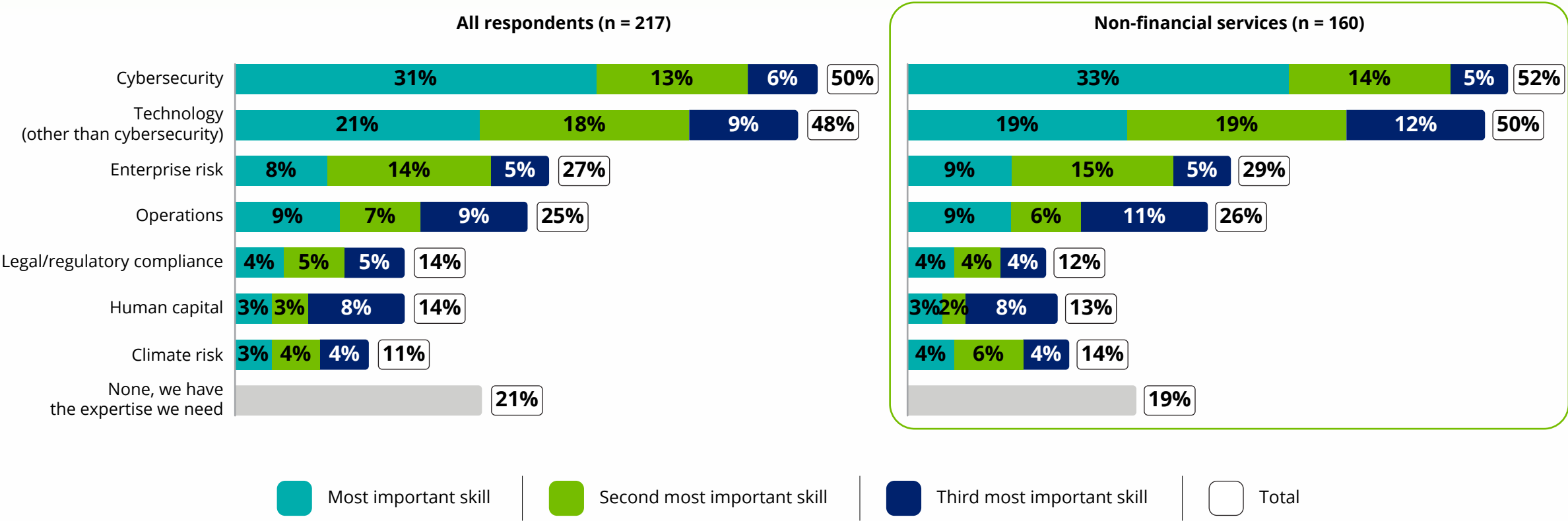
Survey question 6.3



Appendix B: All respondents compared to non-financial services respondents

6. What additional expertise would enhance the audit committee’s effectiveness over the next 12 months?

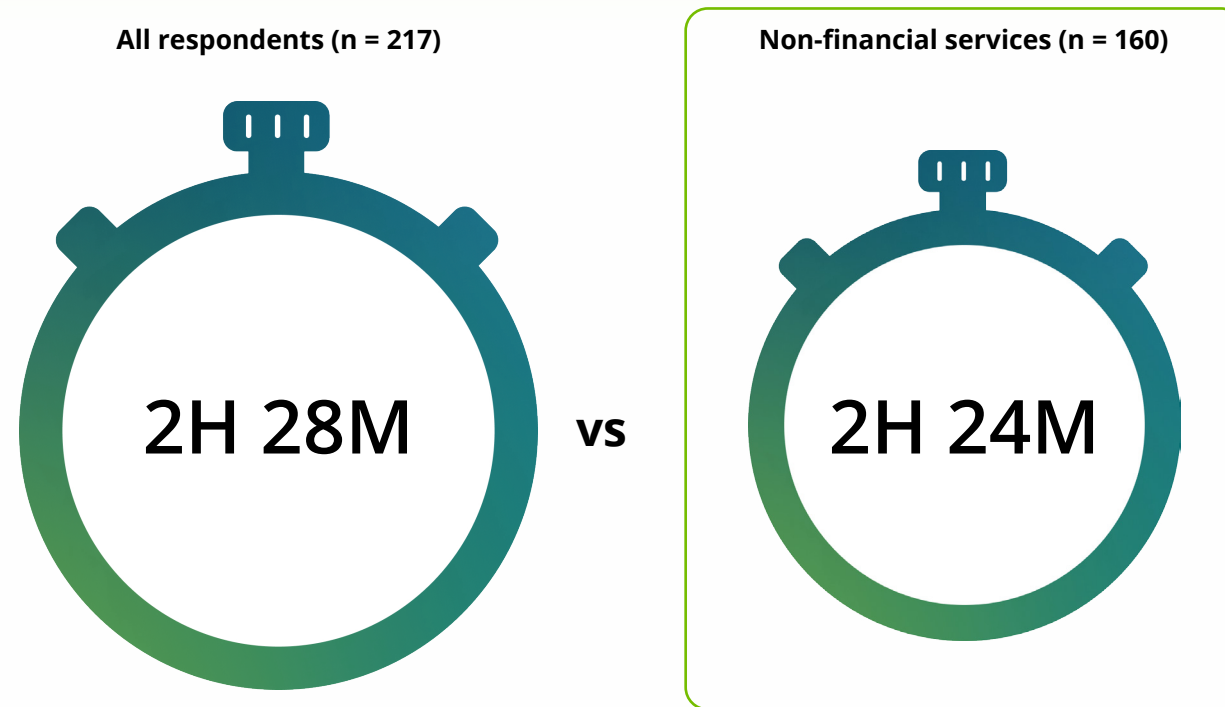
Survey question 7.1/7.2



Appendix B: All respondents compared to non-financial services respondents

7. How much time is currently allocated to the quarterly audit committee meeting?

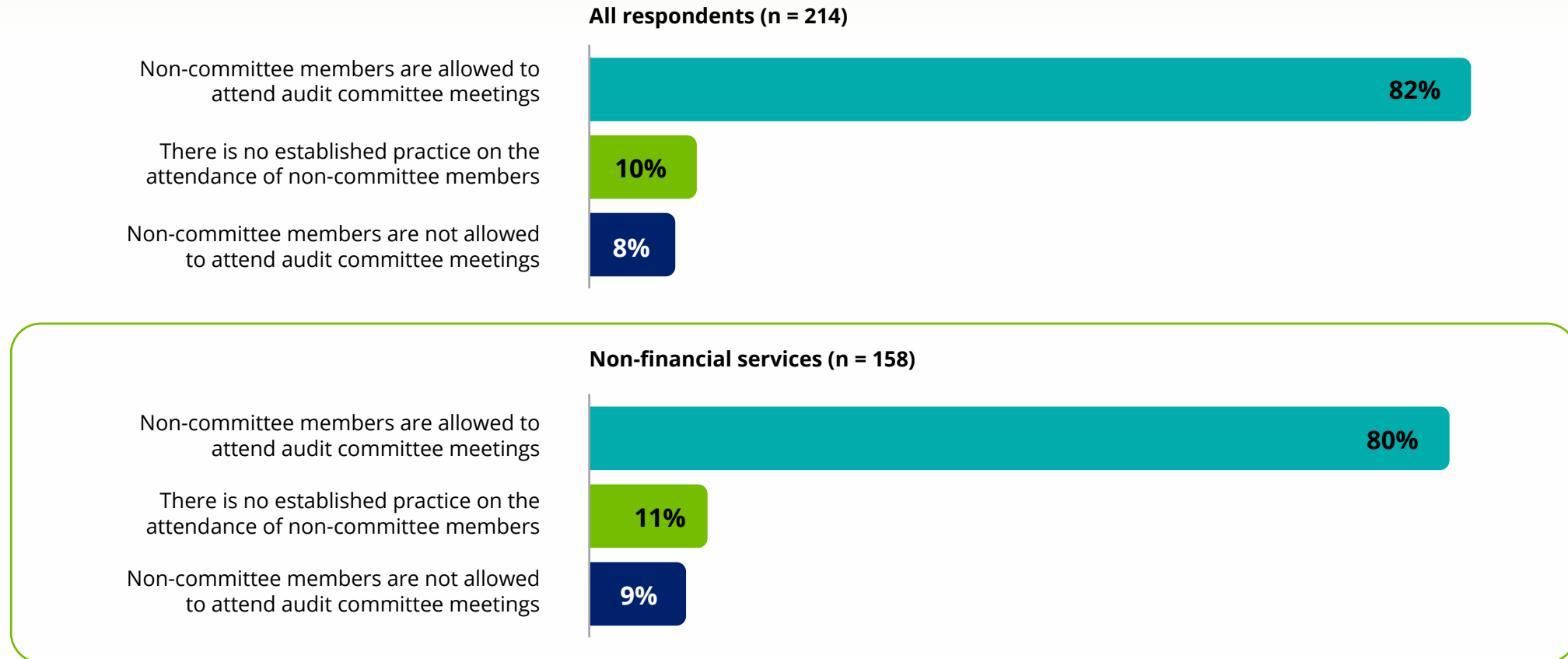
Survey question 8.1



Appendix B: All respondents compared to non-financial services respondents

8. Is there an established practice on the attendance of non-committee members at audit committee meetings?

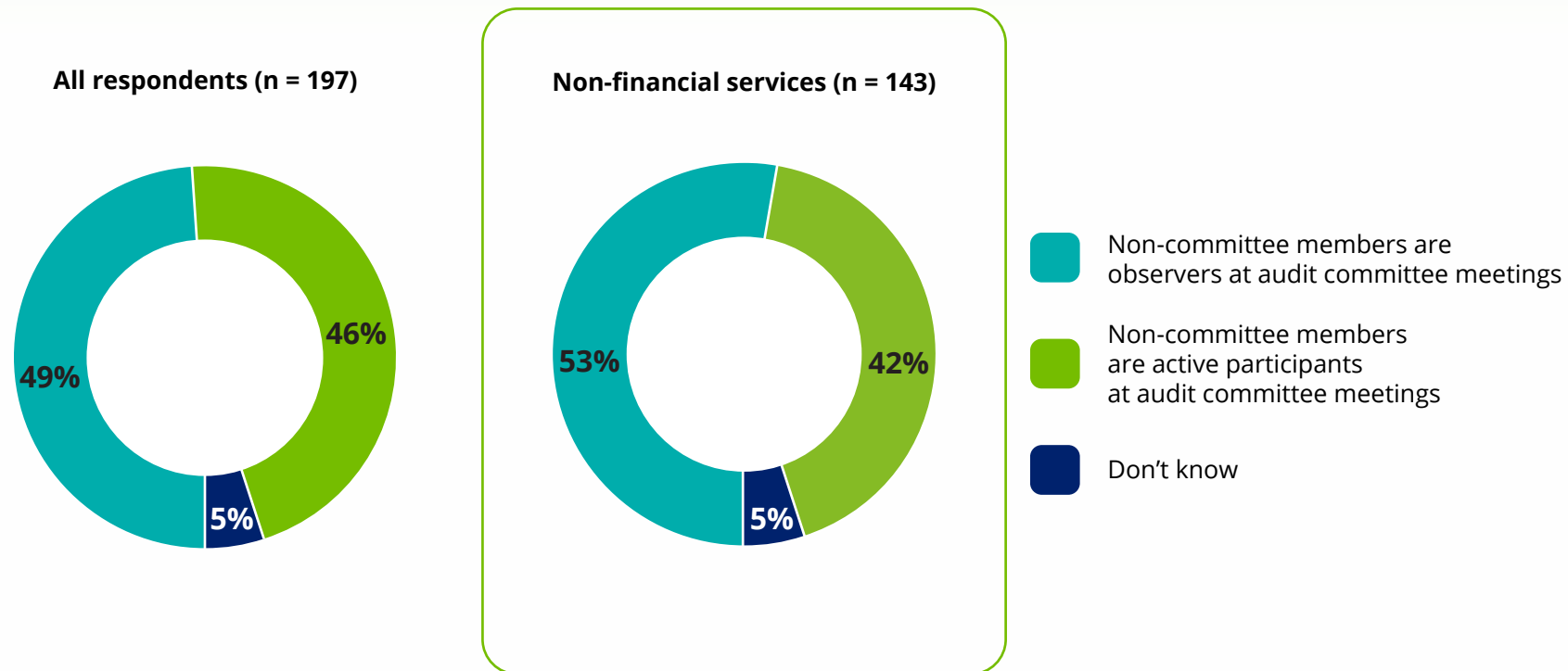
Survey question 8.2



Appendix B: All respondents compared to non-financial services respondents

9. Which best describes the audit committee chair's expectations on participation of non-committee members in meetings?

Survey question 8.3

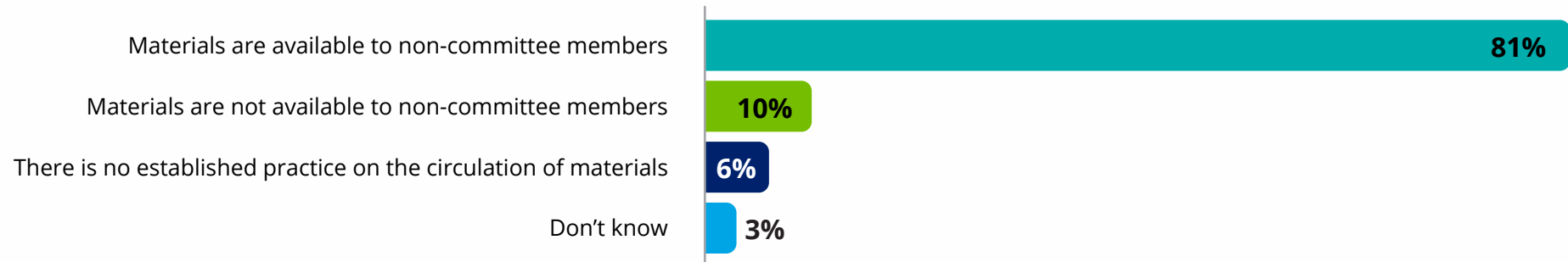


Appendix B: All respondents compared to non-financial services respondents

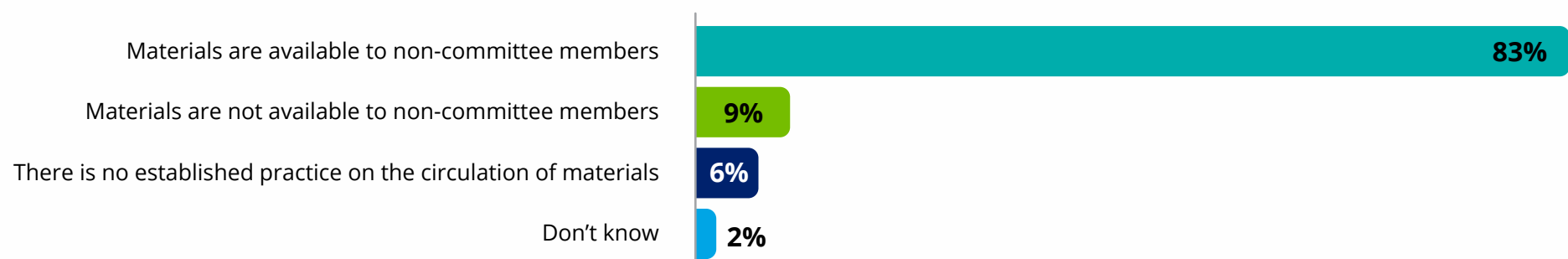
10. Is there an established practice on the circulation of audit committee meeting materials to non-committee members?

Survey question 8.4

All respondents (n = 216)



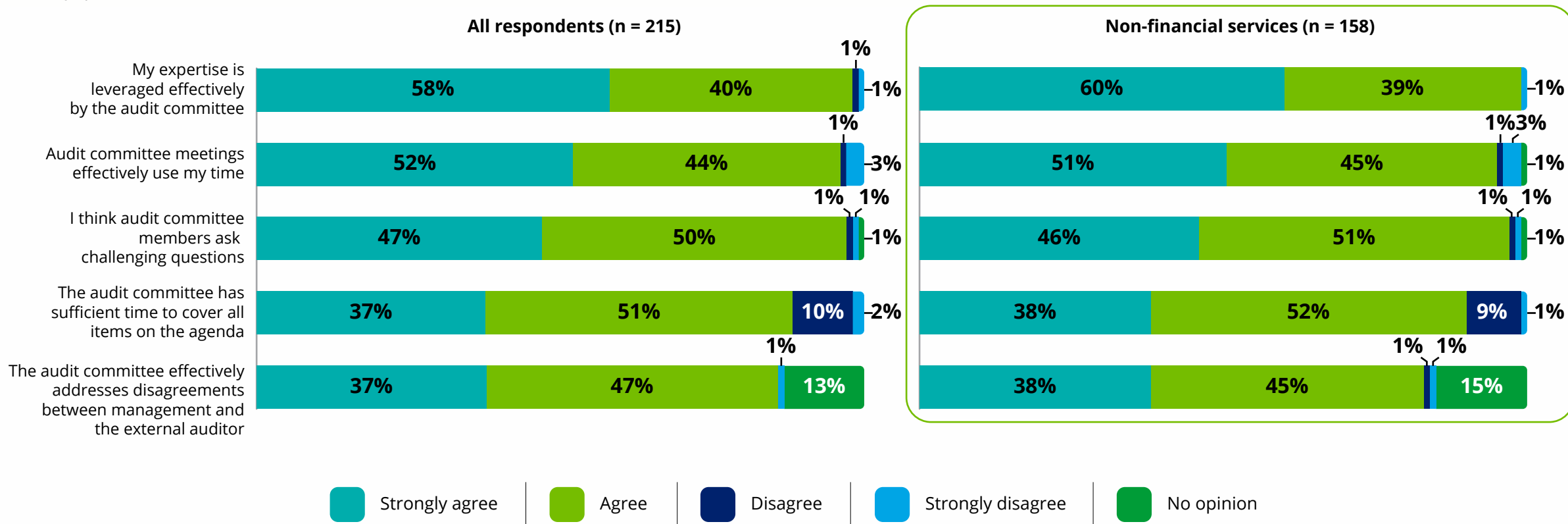
Non-financial services (n = 159)



Appendix B: All respondents compared to non-financial services respondents

11. Based on your experiences attending audit committee meetings in the last 12 months, what is your level of agreement or disagreement with the following statements?

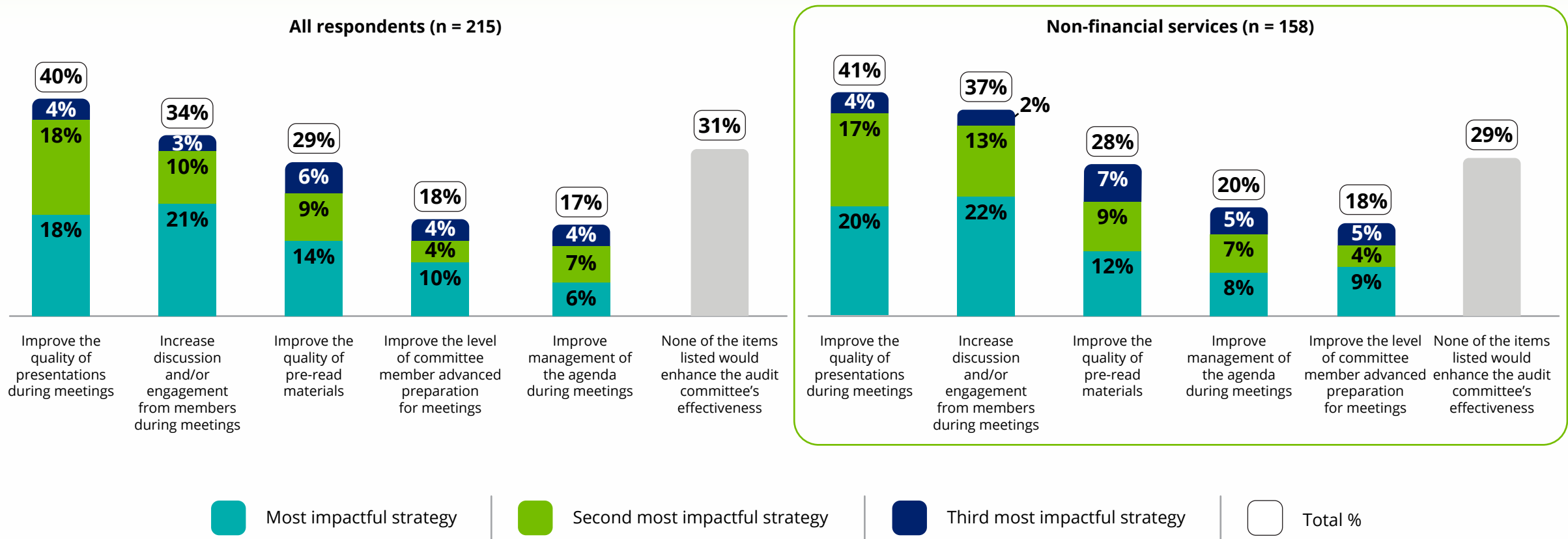
Survey question 8.5



Appendix B: All respondents compared to non-financial services respondents

12. Which of the following strategies would likely enhance the audit committee's effectiveness during meetings?

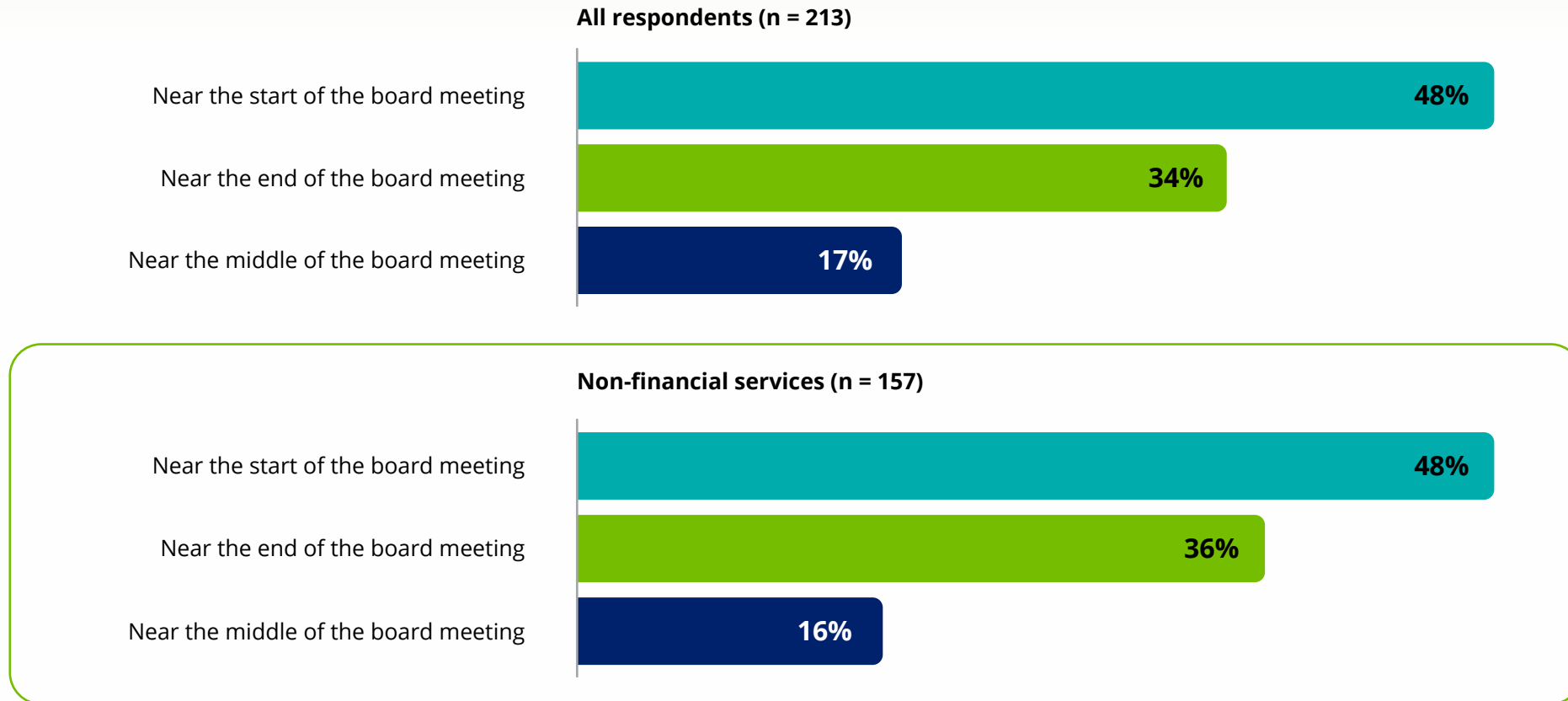
Survey question 8.8/8.9



Appendix B: All respondents compared to non-financial services respondents

13. At board meetings, when does the audit committee chair usually provide the report out from the audit committee meeting?

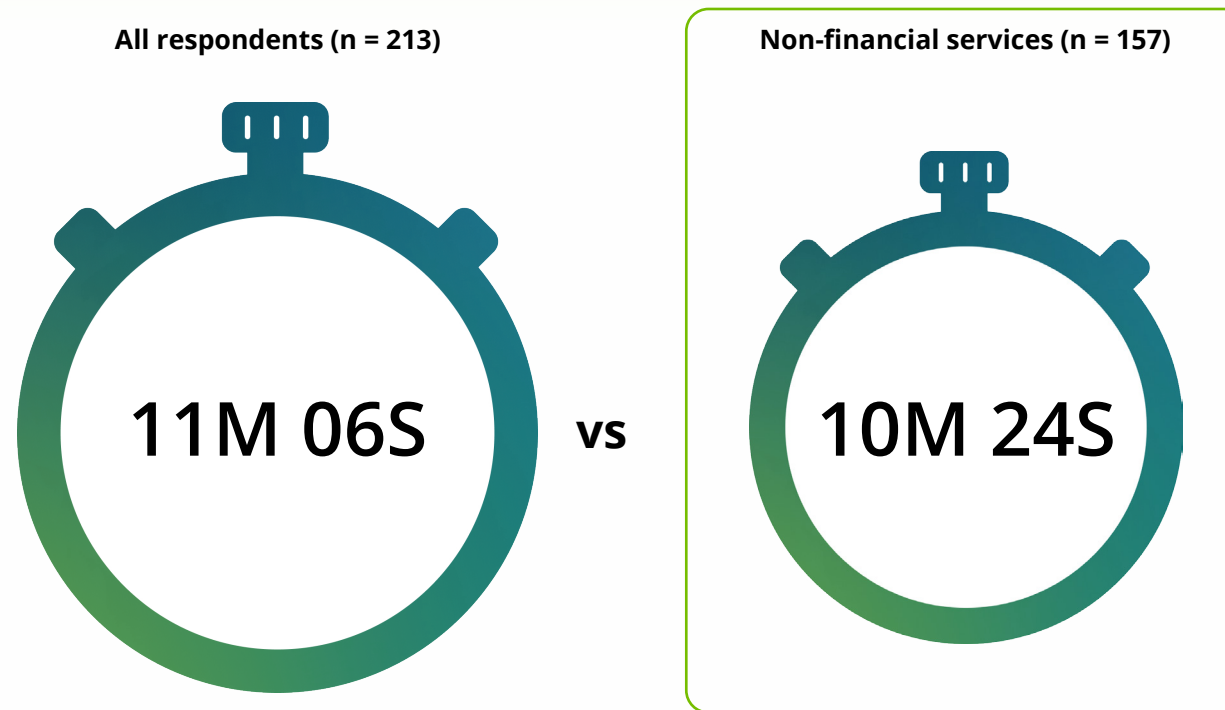
Survey question 8.10



Appendix B: All respondents compared to non-financial services respondents

14. What is the average duration (in minutes) of the audit committee chair's report out to the board in the past 12 months?

Survey question 8.11





04

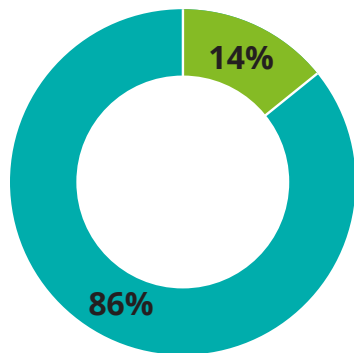
Demographics and methodology

Demographics and methodology

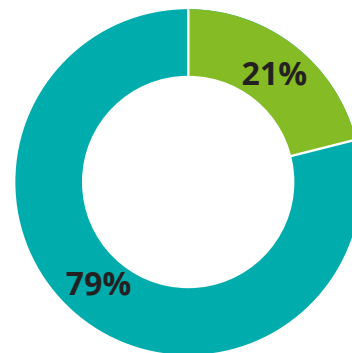
1. What is your role at the largest company where you serve on the audit committee?

Survey question 1.2

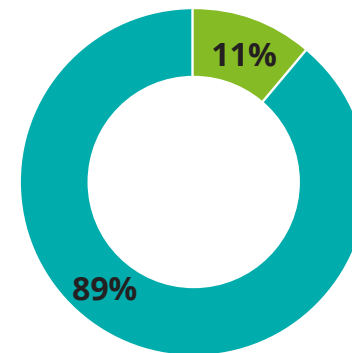
All respondents (n = 237)



Financial services (n = 63)

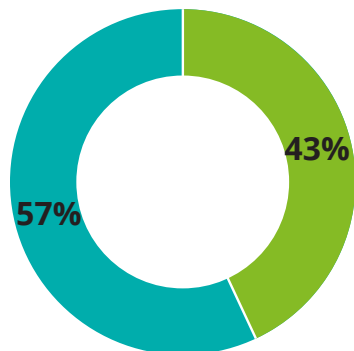


Non-financial services (n = 174)

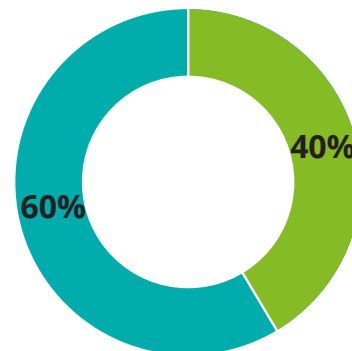


Public Private

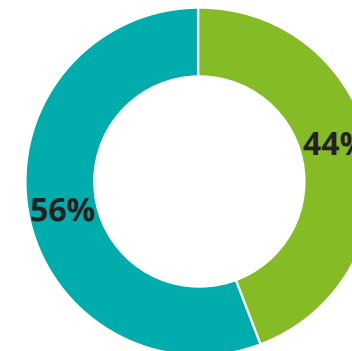
All respondents (n = 237)



Financial services (n = 63)



Non-financial services (n = 174)

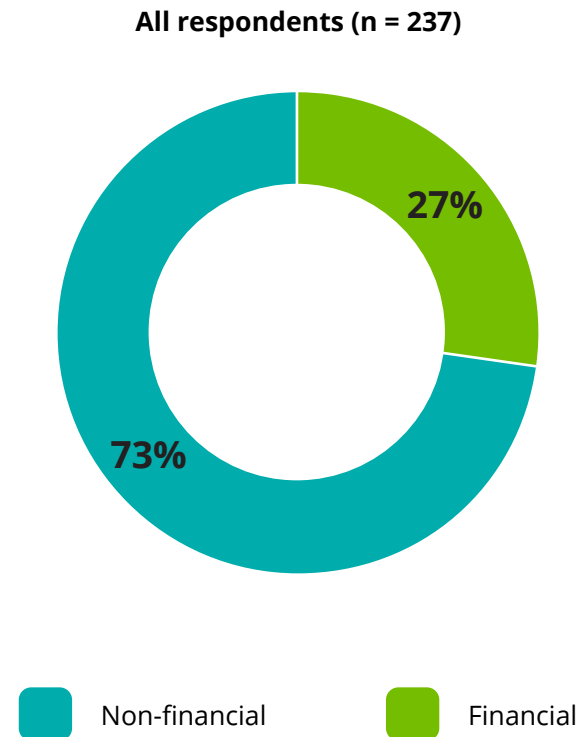


Chair Member

Demographics and methodology

2. Are you responding on behalf of a company which primarily operates in the financial services industry?

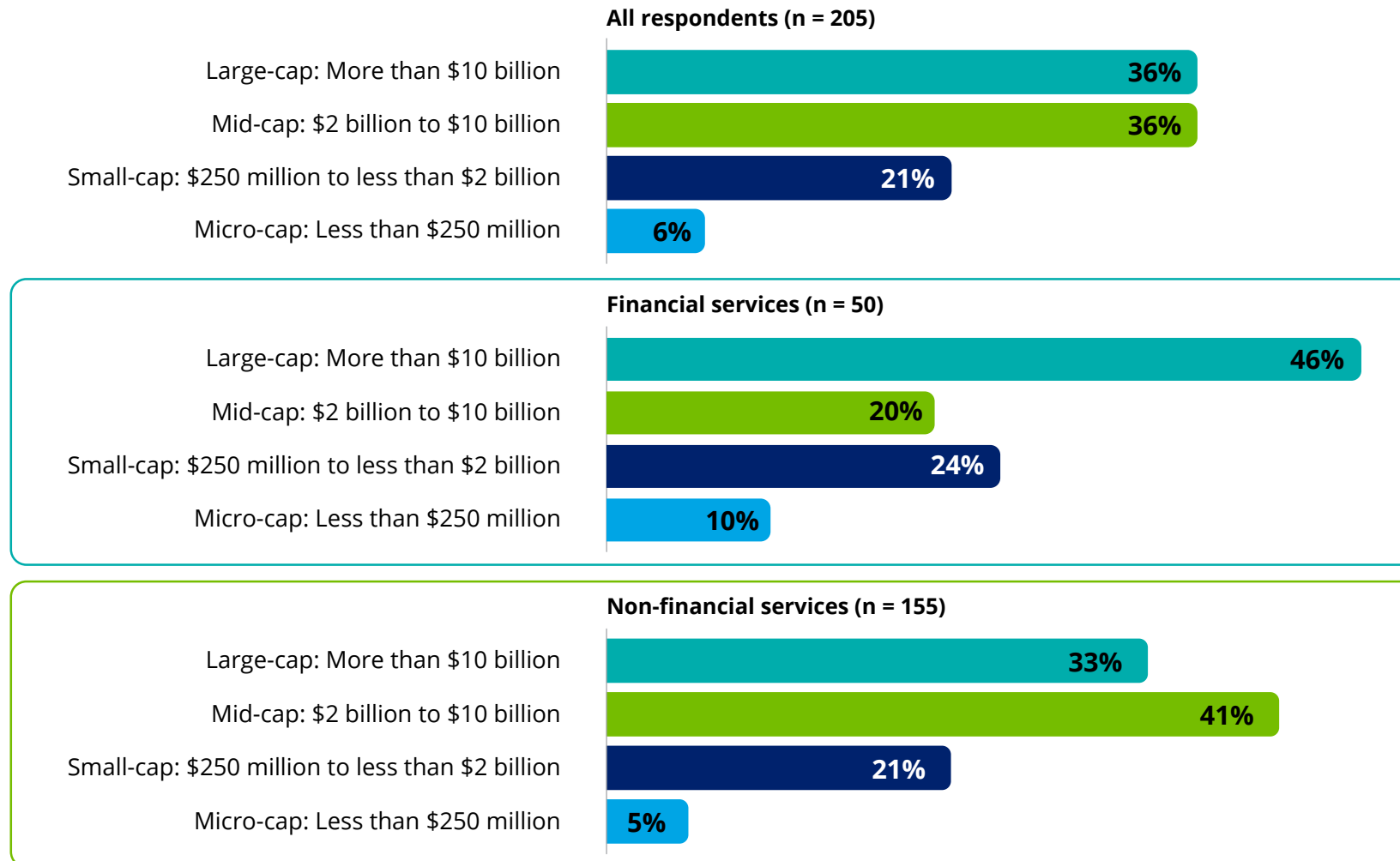
Survey question 4.1



Demographics and methodology

3. What was the company's market capitalization at the end of its most recent fiscal year?¹¹

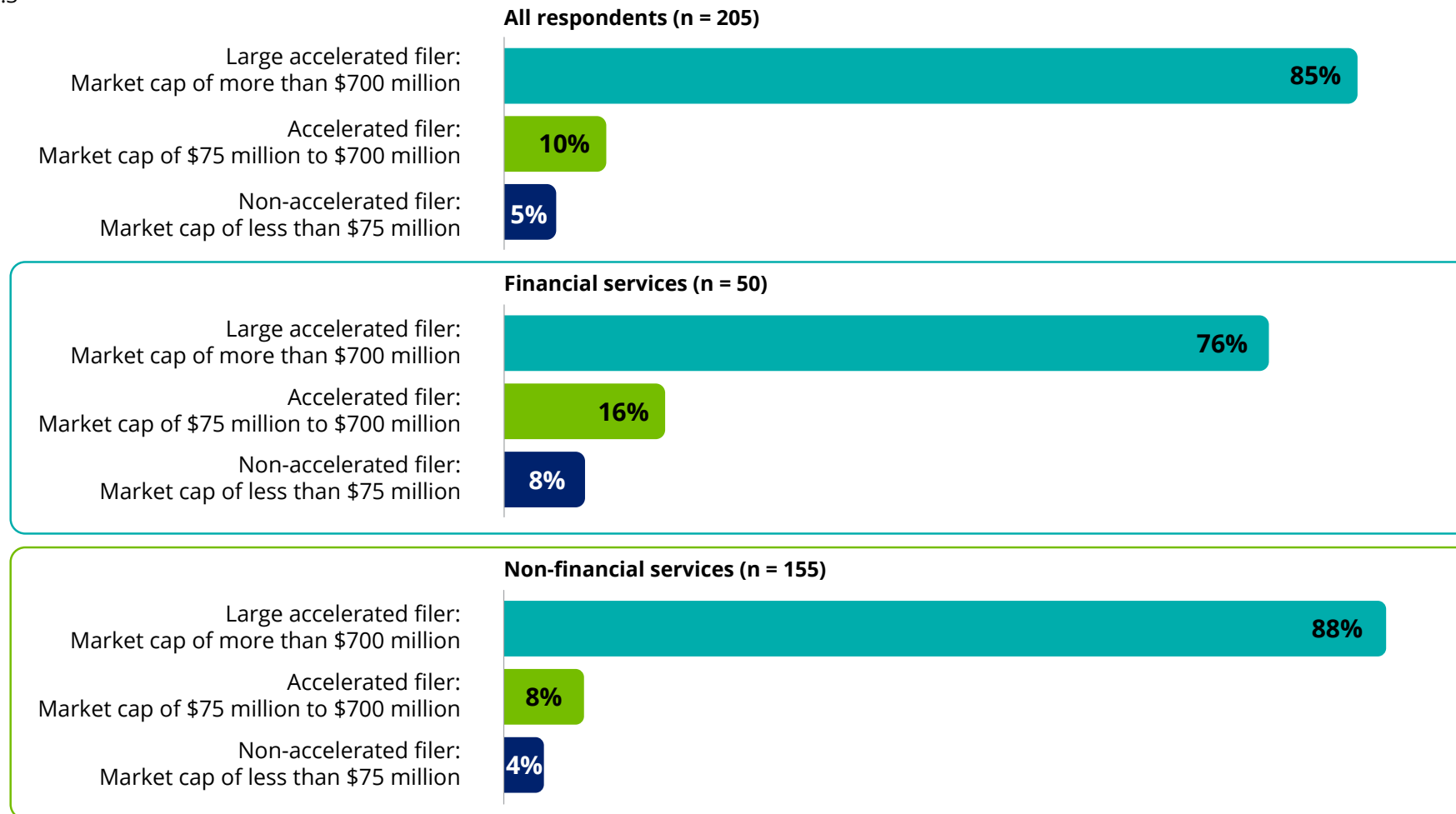
Survey question 4.2



Demographics and methodology

4. What was the company's filing status as of its most recent fiscal year?¹²

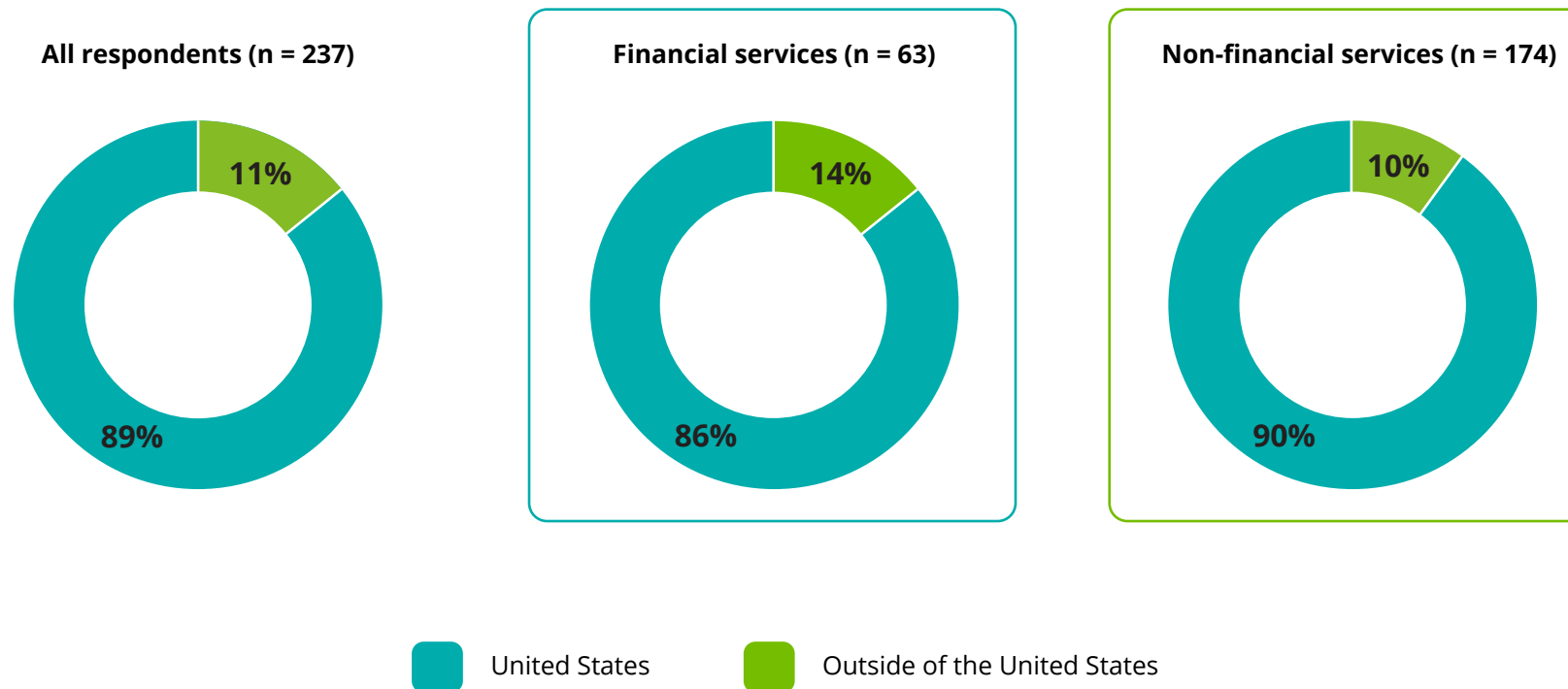
Survey question 4.3



Demographics and methodology

5. What is the primary location of the company's operations?

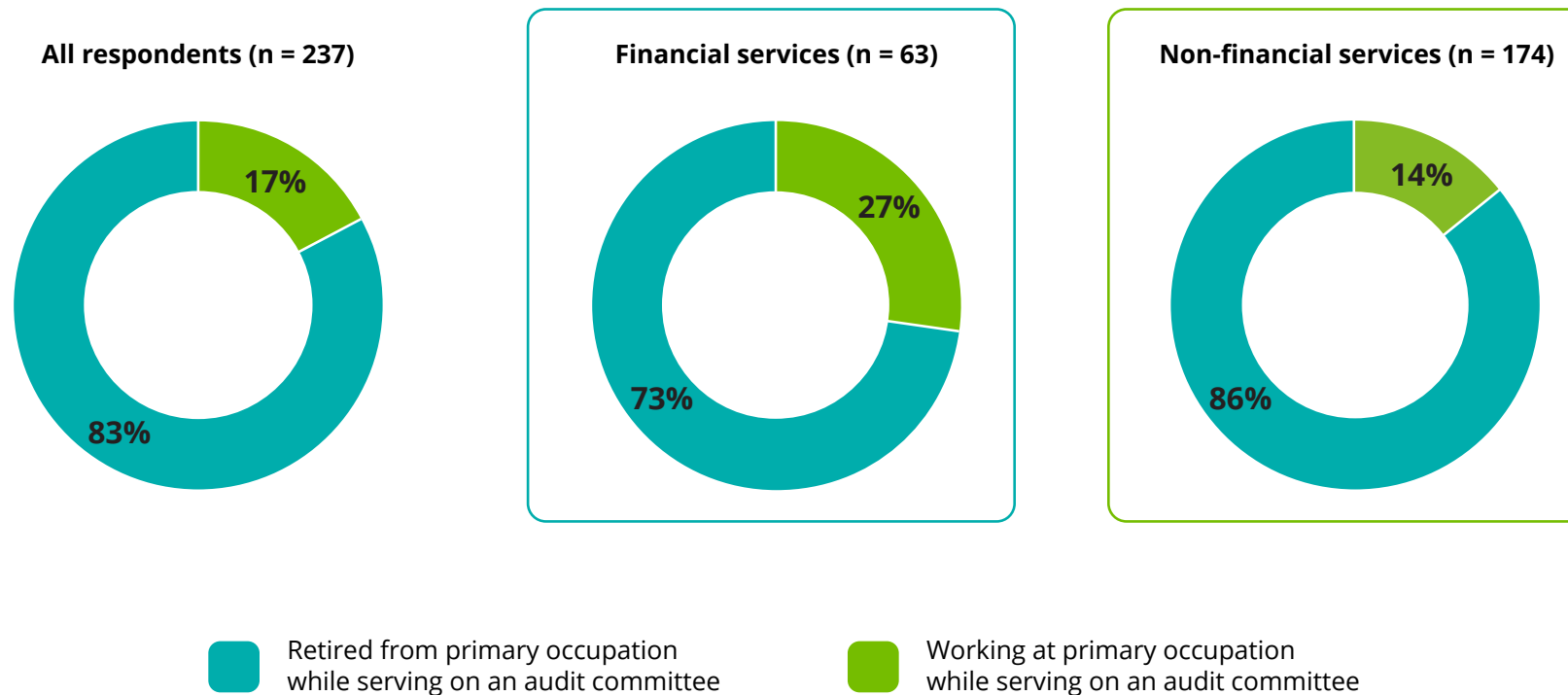
Survey question 4.4



Demographics and methodology

6. Which best describes your employment status?

Survey question 4.5



Demographics and methodology

Each year, Deloitte's Center for Board Effectiveness and the Center for Audit Quality jointly field the *Audit Committee Practices Survey*. Now in its 4th edition, the questionnaire is designed to collect data audit committees can use to effectively carry out their oversight duties. The survey opened on September 16 and closed on October 11. During this time frame, audit committee chairs and members at public and private companies were invited to complete the survey.

Data from the survey has been cleansed to remove (1) respondents who indicated they did not serve on an audit committee in a filter question and (2) partial responses that contained only demographic data. There were 29 partially and 208 fully completed questionnaires, for a total of 237 responses.¹³

Survey communications noted that the first 200 qualifying responses would trigger a charitable contribution.¹⁴ Respondents could select one of the following nonprofit organizations as the recipient of a \$100 donation at the end of the survey (or divide it evenly). A total of \$20,000 was apportioned based on respondent preferences and donated to:





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About this publication

About this publication

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The Center for Audit Quality (CAQ) is a nonpartisan public policy organization serving as the voice of US public company auditors and matters related to the audits of public companies. The CAQ promotes high-quality performance by US public company auditors; convenes capital market stakeholders to advance the discussion of critical issues affecting audit quality, US public company reporting, and investor trust in the capital markets; and

using independent research and analyses, champions policies and standards that bolster and support the effectiveness and responsiveness of US public company auditors and audits to dynamic market conditions.

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Endnotes

1. Respondents were asked to identify the top three priority areas (beyond financial reporting and internal controls) for the audit committee in the next 12 months.
Rank is determined by dividing (1) the total selections for each priority by (2) the total unique respondents indicating their audit committee had primary jurisdiction over the area. In effect, this gives less weight to cases where a respondent's audit committee does not have primary jurisdiction of an area they selected as a top three priority. Previous analyses did not use the relative ranking methodology, so the order of the 2024 priorities does not match what was published in the previous report.
2. In certain instances, values may not sum to 100 due to rounding.
3. Respondents only answered this question if they indicated the audit committee had primary oversight. "Don't know" was an option, but was excluded due to the low response rate.
4. Ibid.
5. Ibid.
6. Respondents could make up to three selections. It was assumed respondents who made one selection would also consider it as the top strategy to enhance audit committee meeting effectiveness.
7. "Don't know" was an option, but was excluded due to the low response rate.
8. Respondents were only shown this question if they indicated non-committee members were allowed to attend or that there was no established practice in a filter question.
9. Respondents could make up to three selections. It was assumed respondents who made one selection would also consider it their top factor.
10. Respondents could make up to three selections. It was assumed respondents who made one selection would also consider it as the top skill for audit committee effectiveness.
11. This question was only displayed to respondents at public companies. Capitalization ranges were derived from the definition provided by the [Financial Industry Regulatory Authority \(FINRA\)](#).
12. Respondents identifying as mid-cap or large-cap did not see this question, but they have been added as large accelerated filers.
13. Due to both partial completions and use of display logic, total responses per question will vary.
14. Defined as a survey submitted by any individual currently serving on an audit committee at a public or private company.

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