

In-House Corner: Onboarding Audit Committee Members – Part 2

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. We received so much feedback on the [first blog](#) about the practice of onboarding new members of a board's audit committee that we now have this Part 2 [feel free to ping me and share your thoughts – they will be posted anonymously or with attribution, whichever you desire]:

-
1. "We recently onboarded a new audit committee chair. An important part of the onboarding process was a series of calls that we set up between this new director and our CFO, head of audit, head of internal audit, head of FP&A, etc. to provide background about our company's key financial reporting matters, practices and procedures. Our new audit committee chair has a very different style than the predecessor - very inquisitive and not afraid to ask pointed questions. Make sure that your management team is prepared so that the meetings are productive and they can make a good first impression." – Mike Doe

 2. "Bearing in mind that additional independence and knowledge/experience requirements apply to audit committee members, kindly request that they complete an appropriate questionnaire early in the process, prior to being appointed by the board. Also consider doing your own diligence on the prospective audit committee member to help process the analysis around the person's qualifications and to get ahead of any issues that might arise as part of that analysis." - Hagen Ganem

 3. "Leverage the 'resource' section of your Board portal to store helpful reference materials (e.g. Related Party Transaction Policy, Auditor Engagement Policy, Committee Charter, Committee contact info, etc.)" – Mercedes Doe

 4. "The role of the audit committee at many companies has expanded to include oversight of areas of risk like cyber and physical security, particularly for companies with critical infrastructure. While onboarding for new directors tends to focus on the financial aspects of the members' role on the audit committee, an introductory education on important non-financial areas of oversight responsibility will make later discussions more productive and less awkward due to this foundational knowledge. For some of the more difficult and technical topics, consider having one-hour educational sessions in advance of formal meetings. The pre-education you provide for the new directors will make those sessions more meaningful. While the education is time-consuming for both the presenters and the directors, I have never experienced objection from a board member to some advance education, nor from an employee who has an opportunity to get in front of the board." – Elmer Fudd Doe

 5. "Some audit committee members have a strong financial background on paper, but might be retired and a little behind the current literature. Have your CFO and Controller help sleuth out how much education they might need to get brought up-to-speed because the new audit committee member might not volunteer that they have that need." – Elvira Doe

 6. "In addition to providing induction information and setting introductory and periodic follow-up meetings with management and the relevant external advisers for the committee members, a key element to the onboarding of audit committee members is providing them with ongoing professional development opportunities, particularly ensuring that they are obtaining sufficient exposure to industry issues and regular updates of the evolving/changing circumstances of the business." - Paul Wierbicki

 7. "I'm at a private company and my challenge with audit committee orientation here has always been the

occasional resistance to orientation - but at a public company, there shouldn't be an option for audit committee members to decline orientation due to the serious nature of the financial reporting oversight role. It should be mandatory." – Private Pete Doe

Explore more in

[Corporate Law](#)

Blog series

Public Chatter

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

[Subscribe ?](#)

[Visit Public Chatter Resources for Guides, Quick Alerts and Programs](#)

[View the blog](#)