



## **How to improve the functioning of Audit Committees ?**

*Responsibilities of audit committees in a changing environment*

**Carol Lambert France – Deloitte Center of Corporate Governance**

## ***Audit Committee : potential areas for improvements How to anticipate and respond to the changing environment ?***

- For listed companies, Audit Committee as a principle is no longer a debate : they exist and are at work but :
  - alone they aren't a 100% guarantee
  - the next question is to have a strong Audit Committee
- The areas for special attention and/or improvements :
  - Composition of AC members, information, training and responsibilities
  - Interaction with the internal executives
  - The scope of AC's mission
    - Oversight of auditors' independence
    - Risk, IT, internal control, valuation and impairment, financing, off balance sheet and contingent liabilities
    - Emerging issues : non financial information
    - Coordination with other committees : strategy, remuneration, governance, CSR...
  - Reporting to the board and control of the delegated task
  - Reporting to and dialogue with investors
- Substance not form consistently and constantly applied