

Spotlight

Audit Committee Meeting Practices

Highlights from the *Audit Committee Practices Report*, 3rd Edition



The ***Audit Committee Practices Report: Common Threads Across Audit Committees*** provides insight into committee priorities, emerging trends, and committee practices. The third edition of the report, a collaboration between Deloitte’s Center for Board Effectiveness and the Center for Audit Quality, summarizes the survey results from 266 audit committee members of primarily large-cap, US public companies.

Spotlight provides a closer look at some of the findings from the full report. This edition focuses on **audit committee meeting practices**.

What’s the average quarterly meeting time?

The average quarterly meeting time slightly varies between financial services (FS) and non-financial services (NFS) companies. As we might expect, audit committees at FS companies have meetings that are about 12% longer than those at NFS companies.



2H 44M All respondents



2H 59M Financial services

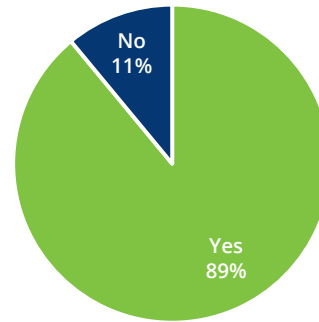


2H 38M Non-financial services

Total n=239 FS n=65 NFS n=171

Is the meeting length sufficient to address all agenda items?

The answer to whether the quarterly meeting provides enough time is specific to each audit committee. Most respondents in the survey said the length of their quarterly meeting was appropriate. There were no major differences between FS and NFS companies.



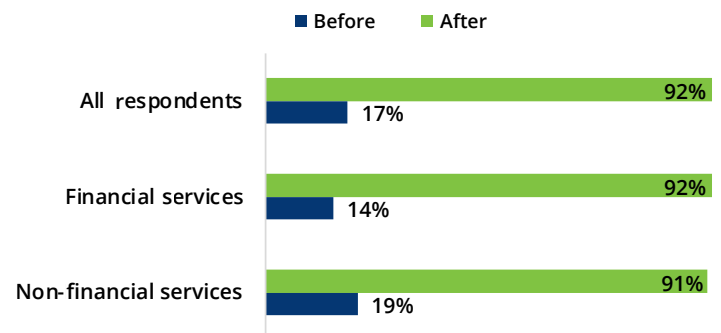
Total n=239

Do audit committee members meet separately (without management and non-independent directors present) before/after quarterly meetings?

While there were minor industry differences, most audit committees tend to convene separately after their quarterly meeting. This can enable the chair to gather insights from members on the meeting’s effectiveness, gather follow-up items, and secure real-time feedback.

While most don’t meet separately before meetings, doing so can provide the chair an opportunity to share information from pre-calls and obtain insights on what stood out to the members in the pre-read materials.

Only 2% said they did not meet separately before or after meetings.



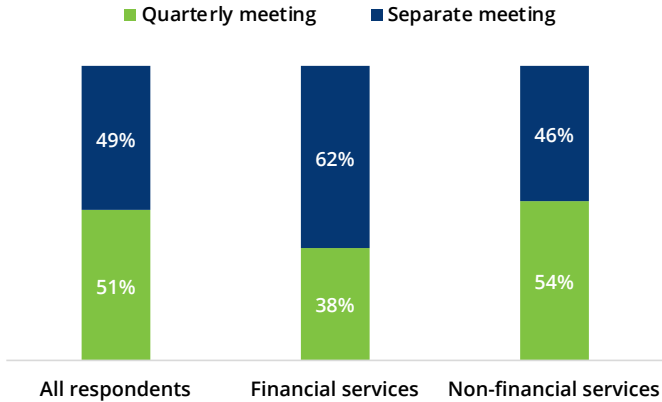
Total n=239 FS n=65 NFS n=171

Note on graphs: Totals may not sum to 100% due to rounding. Overall response counts are displayed for each question and labeled as n. The sum of industry responses (FS and NFS) may not equal the overall response count due to partially completed surveys.

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When is the earnings release discussed?

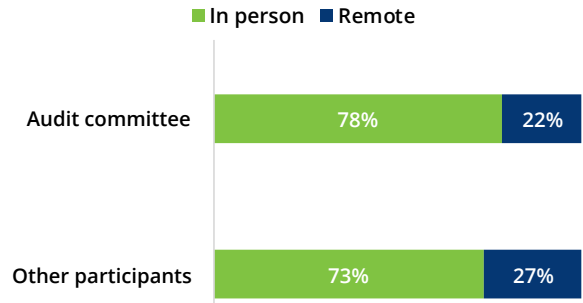
Audit committees are split on whether they have one meeting per quarter or two separate meetings, with one focused on discussing the earnings release. But importantly, the overall data masks industry differences. FS audit committees are much more likely to have a separate meeting to discuss their earnings release.



Total n=213 FS n=50 NFS n=161
 Note: Only seen by public companies.

What proportion of meeting attendees participate remotely?

Has the pandemic era’s widespread use of remote meetings become normalized? The data suggests it has not, with most indicating their committees prefer physical presence. Guests and other non-committee members have a slightly higher likelihood of attending a meeting virtually. This pattern is similar across FS and NFS companies.



Total n=236

Take a look back

What’s changed? Here are some meeting practices from the *Audit Committee Practices Report*, 1st Edition (2022).

- A majority of respondents indicated that they allocated 2 (21%), 2.5 (21%), or 3 (20%) hours to the average audit committee meeting.
- The amount of time allocated to audit committee meetings was considered adequate by 86% of respondents.
- 48% of respondents indicated that the earnings release was discussed as part of the regular quarterly meeting.
- 62% of respondents spent between 30 and 90 minutes discussing the earnings release.

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