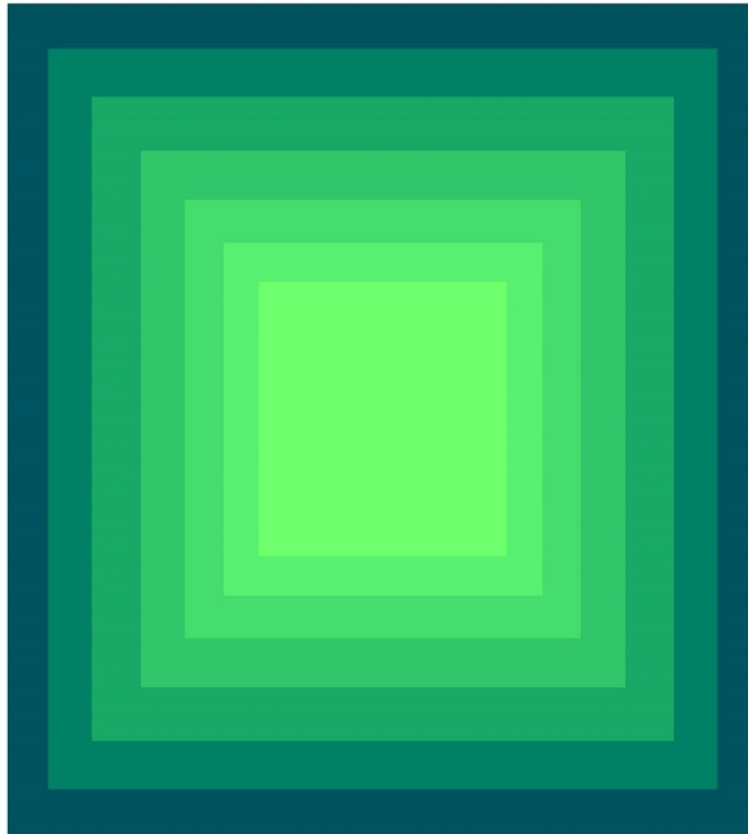




AUDIT OVERSIGHT BOARD  
The Independent Audit Regulator



# AUDIT COMMITTEE TOOLKIT

## GUIDANCE ON THE ROLES AND RESPONSIBILITIES OF AUDIT COMMITTEES

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# Key audit committee questions related to review of internal audit

The following are examples of questions audit committees may wish to ask management/the internal audit unit related to the review of internal audit:

- Does the head of internal audit report functionally to the audit committee and administratively to the chief executive officer?
- Does internal audit have a clear set of performance expectations that are aligned with the success measures of the audit committee and measured and reported to the audit committee?
- Has the internal audit unit developed a risk based internal audit plan?
- Does the internal audit unit have adequate resources to implement its internal audit plan?
- Is the internal audit plan aligned to the primary risks of the organization and other assurance activities? Is internal audit's risk assessment process linked to the company's enterprise risk management activities appropriately?
- Is internal audit flexible and dynamic in addressing new risks promptly and meeting the needs of the audit committee?
- Does the internal audit unit collectively have the skills and experience to effectively audit the company's operations? Does the chief internal auditor have a professional certification, such as certified internal auditor, and participate in relevant continuing education programs?
- Does the internal audit unit assess its own effectiveness periodically?
- Which professional standards are used by the internal audit unit in the execution of its responsibilities?
- Is the charter of the internal audit unit reviewed on a regular basis? Does the internal audit operate in accordance with its charter?
- Is internal audit effective in using the advance technologies, such as data analytics to improve audit quality?
- Has the internal audit unit participated in any fraud investigations or suspected violations of company policies and procedures?
- Does the internal audit function have and demonstrate the level of independence needed to execute its responsibilities properly?

- Does internal audit meet with the independent auditor regularly to discuss risk assessments, the scope of procedures, or opportunities to achieve greater efficiencies and effectiveness in the company's audit services?
- Does internal audit report issues in a timely manner and address them with management?
- Are issues identified and reported by internal audit highlighted to the audit committee appropriately, and is the progress of remediation tracked and reported?
- Are reports and other communications from internal audit to the audit committee of an appropriate standard and do they provide value?