

Planning tool:  
Audit committee  
calendar of activities



## Planning tool: Audit committee calendar of activities

Audit committees can use this tool to help plan their annual activities and meeting agendas. It considers the requirements for the audit committees of U.S. public companies, including NYSE- and NASDAQ-listed companies, as well as common practices in the marketplace, and it is subject to change if additional guidance is issued. The “Results From:” section indicates if the action or responsibility results from a requirement of SEC rule-making, the NYSE, the NASDAQ, or a common or emerging practice. The action or responsibility, as described, may not be an explicit legislative or regulatory requirement or proposal, but may be an action that logically results from other legislative or regulatory requirements or proposals. The “Suggested Frequency” section offers a benchmark for how often the activity could be performed, while the “Meeting Month” section provides an area where the audit committee can mark the months in which an activity should be performed. The audit committee can use this tool in conjunction with the “Sample Audit Committee Charter” and tailor it to reflect the responsibilities in the company’s audit committee charter.

This document is not an all-inclusive list of activities that an audit committee should or must execute. The planning tool contains general information only and does not constitute, and should not be regarded as, legal or similar professional advice or service. Deloitte & Touche LLP does not accept any responsibility for any errors this publication may contain, whether caused by negligence or otherwise, or for any losses, however caused, sustained by any person that relies on it. The information presented can and will change; we are under no obligation to update such information. Deloitte & Touche LLP makes no representations as to the sufficiency of these

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This planning tool is designed for U.S. public companies; exceptions to the requirements noted below may apply for certain issuers, including investment companies, small-business issuers, and foreign private issuers. Many of the items presented here are not applicable to voluntary filers. All companies should consult with legal counsel regarding the applicability and implementation of the various activities identified.

Action/responsibility	Results from:				Suggested frequency	Meeting month											
	SEC requirement	NYSE listing standards	NASDAQ listing standards	Common practice		January	February	March	April	May	June	July	August	September	October	November	December
<b>General responsibilities</b>																	
Monitor audit committee members' compliance with applicable independence rules and regulations.	■	■	■		Ongoing												
As necessary, engage outside legal, accounting, or other advisers and provide funding to compensate those advisers.	■	■	■		As needed												
Report regularly to the board of directors regarding the execution of duties and responsibilities.		■		■	Each board meeting												
Review the financial literacy and expertise of all audit committee members. Determine audit committee financial expert status and determine that members are in compliance with applicable rules and regulations.	■	■	■		Annually												
Disclose in the Form 10-K (or equivalent annual filing) whether at least one member of the audit committee has been determined to be an "audit committee financial expert," as defined by the SEC. If the board determines that someone on the audit committee meets the definition, disclose his/her name and whether he/she is independent. If more than one audit committee member is determined to fulfill the definition, determine if the names and independence of those individuals will be disclosed. If there is not an audit committee financial expert, disclose why not.	■				Annually												
Conclude each regular audit committee meeting with an executive session of the committee, without members of management.				■	Each audit committee meeting												
Periodically, meet with management privately to discuss any necessary matters.		■		■	Quarterly												
Consider and plan for succession of audit committee members.				■	Annually												
Review, with management, the company's finance function, including its budget, organization and quality of personnel.				■	Annually												

Action/responsibility	Results from:				Suggested frequency	Meeting month											
	SEC requirement	NYSE listing standards	NASDAQ listing standards	Common practice		January	February	March	April	May	June	July	August	September	October	November	December
<b>Review of financial/controls information</b>																	
Review and discuss with management and the independent auditor the company's annual financial statements prior to filing, including the company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations."	■	■			Annually												
Recommend to the board of directors whether the financial statements should be included in the annual report on Form 10-K.	■				Annually												
Review and discuss with management and the independent auditor the company's quarterly financial statements prior to their filing, including the company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations."		■		■	Quarterly												
Review the internal controls report.	■				Annually												
Review management certifications required by the SEC.	■				Quarterly												
Review other reports rendered by the independent auditor and submitted by the company to any governmental body or the public.				■	As needed												
Discuss earnings press releases, including the type and presentation of information, paying particular attention to any pro forma or adjusted non-GAAP information. This discussion may be in general terms.		■		■	Quarterly												
Discuss the financial information and earnings guidance provided to analysts and ratings agencies. This discussion may be in general terms.		■		■	Annually												
Review the regular internal reports to management prepared by the internal audit function and management's response.				■	Semiannually												

Action/responsibility	Results from:				Suggested frequency	Meeting month											
	SEC requirement	NYSE listing standards	NASDAQ listing standards	Common practice		January	February	March	April	May	June	July	August	September	October	November	December
<b>Independent auditor relationship</b>																	
Appoint the independent auditor.	■	■			Annually												
Compensate, retain, and oversee the work of the independent auditor for the purpose of preparing or issuing an audit report or related work.	■	■			Ongoing												
Review the performance of the independent auditor, including the lead audit partner. Ensure that partners are rotated in accordance with applicable requirements.		■		■	Annually												
Preapprove audit and nonaudit services provided by the independent auditor.	■				In accordance with policy (as necessary)												
Consider the independence of the auditor, including engaging in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence, objectivity, and professional skepticism of the auditor, and take appropriate actions to oversee independence.		■		■	Annually and as needed												
Oversee the resolution of disagreements between management and the independent auditor if they arise.	■				As needed												
Review with the independent auditor any problems or difficulties encountered in the course of the audit and management's response.		■			Annually												
Review the audit plan and scope with the independent auditor.				■	Annually												

Action/responsibility	Results from:				Suggested frequency	Meeting month												
	SEC requirement	NYSE listing standards	NASDAQ listing standards	Common practice		January	February	March	April	May	June	July	August	September	October	November	December	
<p>Prior to filing periodic financial statements, receive the report from the independent auditor required by Rule 2-07 of Regulation S-X. This report includes:</p> <ul style="list-style-type: none"> <li>- Critical accounting policies</li> <li>- Alternative treatments of financial information within GAAP related to material items that have been discussed with management, the ramifications of using these alternative disclosures and treatments, and the treatment preferred by the independent auditor</li> <li>- Other material written communications between the independent auditor and management, including (but not limited to) the management letter and schedule of unadjusted differences.</li> </ul>	■				As reported by the independent auditor													
Receive from the independent auditor the communications required by the standards of the PCAOB.				■	As reported by the independent auditor													
Periodically, meet with the independent auditor privately to discuss any matters necessary.		■		■	Quarterly													
Review hiring policies for personnel of the independent auditor.		■		■	As needed													
<p>Obtain and review a report by the independent auditor describing:</p> <ul style="list-style-type: none"> <li>- The independent auditor's internal quality-control procedures</li> <li>- Any material issues raised by the most recent internal quality-control review, peer review, or any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to independent audits carried out by the independent auditor, and any steps taken to deal with such issues</li> <li>- All relationships between the independent auditor and the company.</li> </ul>		■			Annually													

Action/responsibility	Results from:				Suggested frequency	Meeting month											
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<b>Financial reporting processes, accounting policies, and internal control</b>																	
In consultation with the independent auditor and the internal audit function, review the integrity of the company's financial reporting processes (both internal and external) and the internal control structure (including disclosure controls and procedures and internal control over financial reporting).				■	Quarterly												
Meet with representatives of the disclosure committee to discuss any anomalies encountered in the management certification process.				■	Quarterly												
Review with management major issues regarding accounting principles and presentation of the financial statements, including any significant changes in the company's selection or application of accounting principles, major issues as to the adequacy of the company's internal controls, and any special audit steps adopted in response to material control deficiencies.		■		■	Quarterly												
Review management's analyses of financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.		■		■	Quarterly												
Review with management the effect of regulatory and accounting initiatives, as well as off-balance-sheet structures, on the financial statements of the company.		■		■	As needed												
Review and approve all related-party transactions.		■		■	Quarterly												
Review the adequacy of procedures for the receipt, retention, and treatment of complaints regarding accounting, internal control, or auditing matters, including procedures for confidential, anonymous submissions by company employees.	■	■			Annually												
Receive and review reports or complaints of questionable accounting, auditing, or internal control matters.	■	■			Semiannually or quarterly												

Action/responsibility	Results from:				Suggested frequency	Meeting month											
	SEC requirement	NYSE listing standards	NASDAQ listing standards	Common practice		January	February	March	April	May	June	July	August	September	October	November	December
<b>Internal audit activities</b>																	
Review and advise on the selection or removal of the internal audit director.				■	As needed												
Meet with the director of the internal audit function privately to discuss any necessary matters.		■		■	Quarterly												
Review with the internal audit director any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.				■	Annually												
Review the activities and organizational structure of the internal audit function, as well as the qualifications of its personnel.				■	Annually												
Review the internal audit charter and recommend any necessary changes.				■	Annually												
Discuss, with the independent auditor, the internal audit function's responsibilities, budget, and staffing.		■		■	Annually												
<b>Ethical compliance, legal compliance, and risk management</b>																	
Review the company's code of ethical conduct and the company's systems to monitor compliance with and enforce this code. Determine whether the code is in compliance with applicable rules and regulations.				■	Annually												
Receive and review reports of code violations and how they were identified and treated.				■	Quarterly												
In consultation with the company's legal counsel, review legal compliance and legal and regulatory matters that could have a significant impact on the organization's financial statements.		■		■	Semiannually or more often as needed												
Discuss with management significant risk exposures, including major financial and accounting risk exposures, and the steps taken by management to control them.		■		■	Annually												

Action/responsibility	Results from:				Suggested frequency	Meeting month											
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<b>Other responsibilities</b>			■	■	Annually												
Review the audit committee charter; recommend to the board of directors any necessary amendments, as conditions dictate.			■	■	Annually												
Review, with the independent auditor, the internal audit function, and management, the extent to which changes or improvements in financial or accounting practices have been implemented.				■	Annually												
Receive and approve the report that the SEC requires to be included in the company's annual proxy statement.	■	■			Annually												
Participate in appropriate continuing education.				■	As needed												
Assess performance relative to the audit committee's purpose, duties, and responsibilities.		■		■	Annually												

## For more information

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