

Dear Q&A

Should the chief executive officer review audit committee minutes prepared by the secretariat before the audit committee chair and members review them?

Answer

The audit committee is an important independent mechanism within an organisation's governance environment.

It reports to those charged with governance, usually the board of directors. Even in situations where this might be the chief executive officer such as occurs in many government organisations, the audit committee charter should make it evident the committee is independent. This means it should be free from management direction and control.

Audit committee minutes are the official record of the proceedings at an audit committee meeting, therefore only the audit committee chair and voting members have authority over what is contained in the minutes.

To give proper effect to these foundations, draft minutes should be prepared by those assigned responsibility for that task which is often the secretariat. The minutes should then be referred directly to the audit committee chair as the first source of review, and not to the chief executive officer or other executives for review, and certainly not for filtering or vetting.

Where there is any dispute over the minutes, the audit committee voting members have final authority in determining the record to be made on any matter, in accordance with voting rules which should be set out in the audit committee charter.