

Financial Executives International

The CFO's Role in Good Governance The Perspective of an Audit Committee Chair

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The Audit Committee Chair

- The new Audit Committee
- Expectations of CFO
- Expectations of External Auditors
- Role of AC Chair as Facilitator

Audit Committee as Part of Corporate Governance

- Assume experienced CFOs in attendance
- Transition from old to new
- CFO plays major role

The Effective Audit Committee

- Mandate and Charter
- Doing things right – doing right things
- Strive to improve always

Expectations of the CFO

- Manage the process
 - Charter, Meetings, Communications
- Manage relationships
 - CEO, Auditors, Audit Committee
- Work plan

Expectations of the CFO

- Management of Risk
- Other Matters
 - Whistle Blower
 - Disclosure Roles/Certification
 - D&O Coverage

The External Auditor and the CFO/Audit Committee

- Different Relationships:
 - Shareholders, Audit Committee, Management
- Clear Message:
 - Expectations, clear communication
 - AC has role
- CFO has important role to play
 - Dialogue with all parties
- Key Relationships
 - No surprises – needs to be managed

Audit Committee Chair as Facilitator

- Not easy – complex set of relationships
- Board, Management, External Auditors
- Gone are days of being beholden to management
- Critical that Chair manages these relationships
 - Requires open communications
 - Atmosphere of trust and accountability
 - Requires commitment, dedication, perseverance and time



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