

Audit Committee Self-Assessment

By Laurie De Armond, CPA

This article originally appeared in BDO USA, LLP's "Nonprofit Standard" newsletter (Summer 2019). Copyright © 2019 BDO USA, LLP. All rights reserved. www.bdo.com

What is the audit committee self-assessment?

This is a tool designed to assist the audit committee in evaluating how well the audit committee is executing their responsibilities. Please refer to [BDO's Effective Audit Committees for Nonprofit Organizations](#) audit committee self-assessment section to ensure that governance responsibilities are adequately aligned with the charter and are being fulfilled appropriately.

Why should audit committees perform a self-assessment?

As there is always room for improving quality and performance, we recommend that this document be used in conjunction with your organization's Audit Committee Charter (or similar document) to ensure that governance responsibilities are adequately aligned with the charter and are being fulfilled appropriately. You may choose to customize this self-assessment further to reflect specific attributes of your organization and develop specific action steps and estimated completion dates to enhance your audit committee's performance.

Who should use this self-assessment?

This Audit Committee Self-Assessment may be used by those charged with governance (in particular, audit committees) in performing an annual self-assessment. The audit committee chair would generally compile the results, which may be obtained from individual committee members on a confidential basis, but should also contemplate feedback from other key stakeholders such as the board, internal and external audit, and management.

When should the audit committee use this self-assessment?

The audit committee should perform a self-assessment at least annually with areas identified for improvement to be assessed throughout the year.

How should the audit committee use this self-assessment?

This self-assessment tool is to be used as a guide and in correlation with the responsibilities laid out within the audit committee charter approved by the full board. Thus, organizations may feel the need to tailor the self-assessment to their specific needs. At the discretion of the audit committee chair and members, an additional free-form commentary box could be included to allow for specific recommendations or observations to be captured for further consideration.

Areas of assessment

1. **Composition and Character**
2. **Chairman**
3. **Independence**
4. **Continuing Education**
5. **Setting Tone at the Top**
6. **Oversight of Internal Control Over Financial Reporting**
7. **Evaluation of and Communication with Management**
8. **Evaluation of and Communication with Internal Audit, if applicable**
9. **Evaluation of and Communication with External Auditors**
10. **Financial Statements and Other Information**
11. **Ethics and Code of Conduct**
12. **Authority and Funding**
13. **Overall Assessment**

Please see the full Effective Audit Committees for Nonprofit Organizations guide [here](#).

For more information, contact Laurie De Armond, Partner, BDO USA, at ldearmond@bdo.com.

About CapinCrouse

As a national full-service CPA and consulting firm devoted to serving nonprofit organizations, CapinCrouse provides professional solutions to organizations whose outcomes are measured in lives changed. Since 1972, the firm has served domestic and international outreach organizations, universities and seminaries, foundations, media ministries, rescue missions, relief and development organizations, churches and denominations, and many others by providing support in the key areas of financial integrity and security. With a network of offices across the nation, CapinCrouse has the resources of a large firm and the personal touch of a local firm. Learn more at capincrouse.com.

CapinCrouse is an independent member of the BDO Alliance USA.

