

OUTLIERS BOARD EXCELLENCE CENTRE™

Audit Committee Toolkit™

Operate an effective audit committee

Audit Committee Chairs / Members · Flagship Edition 2026

Outliers Professionals Ltd — Board Excellence Centre Resource Library

1. Executive Overview

This toolkit helps the audit committee operate effectively — financial-reporting oversight, internal control and audit, external audit, and committee effectiveness.

This toolkit is part of the Outliers Board Excellence Centre™ and is anchored to NCCG 2018, the OECD Principles, King IV and ISO 37000 (by name). It develops the board itself, giving chairs, directors, committees and company secretaries an applied, end-to-end kit to build, run, evaluate and improve board effectiveness in this domain.

2. Objectives

The outcomes this toolkit helps the board achieve:

- Oversee financial reporting
- Oversee internal control and internal audit
- Oversee external audit
- Maintain committee competence
- Evaluate and improve committee effectiveness

3. Governance

The audit committee operates under board delegation, led by its chair and assured by internal and external audit:

Layer	Role
Board chair	Leads the board and this area of practice
Board	Owns its own effectiveness
Board committees	Discharge delegated oversight
Company secretary	Enables information, process and evaluation
Management	Supports the board and implements decisions

4. Framework

The framework operates an effective audit committee — financial-reporting oversight, internal control and audit, external audit, and committee effectiveness — aligned to NCCG 2018 and FRCN expectations by name.

Maturity model

L1 Initial	L2 Developing	L3 Defined	L4 Managed	L5 Optimised
Informal / compliance-driven	Basic, inconsistent	Structured & governed	Measured & evaluated	High-performing & renewing

5. Roles & Responsibilities

Role	Responsibility
Audit committee chair	Leads the committee
Audit committee members	Provide competent oversight
CFO / finance	Reports to the committee
Internal audit	Provides assurance
External auditor	Reports to the committee

6. Practice / Effectiveness Matrix (sample)

Illustrative matrix of board practices and how they are operated and evidenced. Full working versions ship as editable XLSX with owners, scores and RAG.

Ref	Practice / Focus	How it is operated	Owner	Cadence	Evidence
AC-01	Financial reporting	Review of reports and judgements	Committee chair	Per meeting	Minutes
AC-02	Internal audit	Plan, reports and actions reviewed	Committee	Quarterly	IA reports
AC-03	External audit	Plan, findings and independence	Committee	Annually	Audit reports
AC-04	Effectiveness	Committee effectiveness assessment	Committee chair	Annually	Assessment

7. Sample Practices / Actions

- A committee annual workplan operating
- Financial-reporting oversight evidenced
- Internal and external audit overseen
- Committee competence maintained
- A committee effectiveness assessment completed

8. Assessment & Evaluation Approach

Assess maturity first, then evaluate effectiveness in practice. Use the scale: Effective / Partially effective / Ineffective, and the 0–100 maturity index where a scored workbook is provided.

Area	Method	Basis	Cadence
Financial reporting	Review reporting controls and judgements	Sample	Per meeting
Audit oversight	Review audit plans, findings and actions	Full	Quarterly
Effectiveness	Run the committee effectiveness assessment	Committee	Annually

Record results in the relevant workbook (e.g. Board Evaluation Questionnaire, Board Maturity Assessment Workbook) and track actions to closure.

9. Implementation Roadmap

Phase	Focus	Outcome
Phase 1	Review committee mandate and composition	Clear mandate
Phase 2	Operate the workplan	Effective oversight
Phase 3	Strengthen competence and assurance	Strong committee
Phase 4	Evaluate and improve	Assured committee

10. Templates

This toolkit is supported by the following editable templates and working files in the Resource Library:

- Audit Committee Charter
- Audit Committee Effectiveness Checklist
- Audit Committee Annual Workplan
- Committee Effectiveness Assessment (XLSX)
- Financial Oversight Checklist

11. Checklists

- Committee charter current

- Annual workplan in place
- Financial reporting overseen
- Internal audit overseen
- External audit overseen
- Risk/compliance interface clear
- Committee competence maintained
- Committee effectiveness assessed

12. Board Reporting Examples

Standard board report: executive summary · effectiveness vs target (RAG) · key metrics · actions · decisions sought.

Metric	Current	Target	RAG	Action
Audit committee index	[]	≥80	Amber	Strengthen oversight
Audit actions closed in SLA	[]	≥90%	Amber	Accelerate
Workplan delivery	[]	≥90%	Amber	Deliver workplan
Committee competence	Good	Strong	Amber	Develop

13. Committee / Board Reporting

Illustrative one-page summary for the board or committee (replace with live data):

Item	Status	Commentary
Audit committee	Amber	Effective; being strengthened
Internal audit	Amber	Actions in progress
External audit	Green	No significant issues
Decisions sought	—	Approve workplan and competence plan

14. RAG Examples

How to read the RAG status used across this toolkit and its workbooks:

RAG	Meaning	Board interpretation	Action
Green	On track	Practice effective; at or above expectation	Maintain and monitor
Amber	Watch	Practice partially effective or below target	Improve and re-evaluate
Red	Off track	Practice ineffective or materially below target	Escalate and act

Notes & Disclaimer

This resource is a professional board-effectiveness template, not legal, governance or investment advice. It is anchored to the Nigerian Code of Corporate Governance (NCCG 2018), FRCN, SEC Nigeria, CBN, NAICOM, CAMA, the OECD Principles of Corporate Governance, the IFC Corporate Governance Methodology, King IV, ISO 37000, the IoD Global Governance Principles and WEF board-governance publications — referenced by name only, with no copyrighted content reproduced and no legal provisions, regulatory requirements, statistics or case studies fabricated. Calibrate roles, criteria, thresholds and practices to your board and confirm requirements against the current instruments. Bracketed fields [like this] and sample entries are editable, illustrative placeholders.