



A CONFIDENTIAL SELF-ASSESSMENT INSTRUMENT

The Caribbean Audit Committee Effectiveness Scorecard

Composition · Cadence · Information · Inquiry · Stewardship

THE CARIBBEAN AUDIT IMPERATIVE

GATED LEAD ASSET · COMPANION TO ARTICLE 11

The Caribbean Audit Committee Effectiveness Scorecard

*A structured self-assessment instrument across five domains —
composition, cadence, information, inquiry, and stewardship.*

Issued by

Dawgen Global · Audit & Assurance Practice

An independent, integrated Caribbean professional services firm

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How to Use This Scorecard

The Caribbean Audit Committee Effectiveness Scorecard is a confidential self-assessment instrument designed for use by audit committee chairs of Caribbean entities. It is not a regulatory submission, a public document, or a deliverable to the board's nominating committee. It is a private instrument the audit committee can use to take its own measure — honestly, in confidence, and with the purpose of identifying specific changes the committee can implement before the next audit cycle.

The Five Domains

The instrument assesses the audit committee's effectiveness across five domains, each carrying five indicators for a total of twenty-five indicators. The five domains are:

- Composition — who sits on the committee, their independence, their expertise, the chair's engagement, and the balance of tenure.
- Cadence — how often the committee meets, how long the meetings run, the shape of each scheduled meeting, and the discipline of private sessions.
- Information — the quality of the committee's information flow: agendas, papers, the auditor's ISA 260 communication, standing dashboards, pre-read time.
- Inquiry — the substantive questions the committee puts to the auditor, to management, and to itself.
- Stewardship — the committee's continuous engagement with risk, its relationship with the auditor outside the meeting cycle, and its annual self-assessment discipline.

The Rating Scale

Each indicator is rated on a four-point scale by the audit committee chair, ideally in consultation with the committee's most engaged independent members. The scale is:

- 4 — Established and operating well. The indicator is fully in place, observable in practice, and supported by evidence.
- 3 — Largely in place, some refinement needed. The indicator is in place in substance but with identifiable areas for improvement.
- 2 — Partially in place, material gaps. The indicator is acknowledged in principle but not yet operating reliably.
- 1 — Not in place or requires fundamental review. The indicator is either absent or so weak that fundamental change is required.

Scoring and Interpretation

Each domain produces a subtotal out of twenty (five indicators × four). The five subtotals combine to a total out of one hundred. Three interpretation bands apply:

- 80 – 100 — Strong. The committee operates at a substantive level across all five domains. Maintain discipline; review for refinement.
- 60 – 79 — Developing. Clear improvement opportunities exist in one or more domains. Identify the lowest-scoring domain and implement specific changes before the next audit cycle.
- Below 60 — Structural attention required. The committee has material effectiveness gaps that the board should address as a matter of governance priority. Consider external facilitation of the next self-assessment cycle.

How to Conduct the Assessment

- Time required: approximately 45 to 60 minutes for the audit committee chair, plus an additional 30 minutes for committee discussion if undertaken jointly.
- Frequency: annually, conducted in advance of the year-ahead planning meeting so findings can shape the committee's priorities for the cycle.
- Confidentiality: the completed Scorecard is a private instrument. Findings may be shared with the board chair and the nominating committee at the audit committee's discretion, but the instrument itself is not for circulation.
- Honesty: the Scorecard is only useful if the ratings are honest. A committee scoring itself at 4 across all twenty-five indicators is either exceptional or not engaging with the instrument substantively. Most well-run committees score in the 70s on first application.

The Scorecard does not capture every dimension of audit committee effectiveness, nor does it substitute for the judgment of an experienced facilitator. It does provide a structured starting point for the committee's honest conversation about its own work — which is, in most cases, where the conversation has been waiting to be held.

Domain 1 | Composition

Composition is the first decision the board makes about its audit committee. Five indicators distinguish well-composed Caribbean audit committees from those whose composition has been allowed to drift. Rate each indicator on the four-point scale.

INDICATOR	1	2	3	4
<p>1.1.</p> <p>All members of the audit committee are non-executive directors, and a majority — ideally all — are independent in fact and in appearance, free of relationships with management or controlling shareholders that would compromise judgment on a difficult call.</p>				
<p>1.2.</p> <p>The committee includes at least one member with recent and relevant financial reporting, audit, or financial management experience, serving as a substantive resource on technical questions. For entities of scale, two financially experienced members.</p>				
<p>1.3.</p> <p>The committee includes sector experience relevant to the entity — financial services, tourism, regulated, manufacturing, distribution, or similar — not as a peripheral credential but as part of operational competence.</p>				
<p>1.4.</p> <p>The audit committee chair is independent, substantively engaged, accessible between meetings, and represents the committee at the board with credibility. The chair sets the agenda and runs the meetings actively, not ceremonially.</p>				
<p>1.5.</p> <p>Tenure across the committee is balanced — long-serving members bring continuity; newer members bring fresh perspective. Maximum tenure does not exceed nine years on the committee, with the chair role serving no more than five of those years.</p>				
<p>Subtotal — Composition</p>	/ 20			

Notes / Comments on Composition

Domain 2 | Cadence

Cadence determines how the committee uses time. Four meetings a year, each at least two hours, each with a private session, with additional meetings as circumstances require — this is the baseline. Rate each indicator on the four-point scale.

INDICATOR	1	2	3	4
<p>2.1.</p> <p>The committee meets at least four times a year, with additional meetings called as circumstances require. Meetings run a minimum of two hours; the committee does not attempt to conduct substantive governance in ninety-minute sessions.</p>				
<p>2.2.</p> <p>Each scheduled meeting has a recognisable shape aligned to the audit cycle — planning, half-year/interim, year-end fieldwork, post-audit/outlook — with the committee engaging substantively with the auditor at each stage.</p>				
<p>2.3.</p> <p>The committee holds private sessions with the external auditor (without management present) at every scheduled meeting, and separate private sessions with internal audit and/or the CFO where relevant. The private session is used substantively, not as a formality.</p>				
<p>2.4.</p> <p>Additional meetings are convened by the chair between scheduled meetings when matters require attention before the next cycle — cyber incidents, regulatory developments, material transactions, market events.</p>				
<p>2.5.</p> <p>Meeting management is disciplined: agendas are tight and time-allocated, papers are circulated with at least five working days of pre-read time, and discussions stay focused on the items the committee was convened to address.</p>				
<p>Subtotal — Cadence</p>	/ 20			

Notes / Comments on Cadence

Domain 3 | Information

The quality of an audit committee’s discussion is determined, more than any other single factor, by the quality of the materials it receives in advance. A well-prepared committee pack is concise, substantive, and arrives with sufficient time for serious reading. Rate each indicator on the four-point scale.

INDICATOR	1	2	3	4
<p>3.1.</p> <p>Meeting papers are circulated to the committee with at least five working days of pre-read time. The committee does not receive its papers two days before the meeting and then attempt to read them in the meeting itself.</p>				
<p>3.2.</p> <p>The agenda is focused, time-allocated, and structured around substantive matters — not a procedural list of topics. Papers are clearly referenced against agenda items so members can navigate the pack efficiently.</p>				
<p>3.3.</p> <p>The auditor’s communication to the committee is structured in the form ISA 260 (Revised) contemplates — planned scope, identified risks, significant findings, significant deficiencies, matters of concern — not a procedural summary.</p>				
<p>3.4.</p> <p>Management papers on substantive matters are full and honest — the financial statements draft with key judgments highlighted, the going-concern memorandum with cash flow forecast and sensitivities, the risk register, the compliance report, the internal audit findings.</p>				
<p>3.5.</p> <p>A standing dashboard tracks key indicators over time — audit independence indicators, fraud-relevant exception trends, control deficiency status, regulatory correspondence summary, whistleblowing case summary — enabling the committee to detect drift.</p>				
Subtotal — Information	/ 20			

Notes / Comments on Information

Domain 4 | Inquiry

Inquiry is the substantive work of the audit committee — the questions put to the auditor, to management, and to itself. The questions distinguish a substantive committee from a ceremonial one. Rate each indicator on the four-point scale.

INDICATOR	1	2	3	4
<p>4.1. The committee engages substantively with the auditor’s scoping, methodology, fraud risk assessment, and going-concern conclusion. It does not accept these on the auditor’s reading; it tests the work the auditor has done.</p>				
<p>4.2. The committee asks management the harder questions on significant accounting estimates — ECL provisions, impairment assessments, fair values, insurance reserves, deferred tax — rather than deferring to management’s working without scrutiny.</p>				
<p>4.3. Where the entity is regulated, the committee engages substantively with the regulatory implications of the audit — file structure, supervisor communication, prudential return reconciliation — not as a peripheral matter but as a board-level concern.</p>				
<p>4.4. The committee asks management substantive questions on internal control, fraud risk, cyber posture, regulatory compliance, and emerging risks. The chair drives the discussion when it would otherwise stall.</p>				
<p>4.5. The committee escalates matters to the board appropriately when warranted, and the board is genuinely engaged with what the audit committee escalates. The committee is not isolated from the rest of the board’s governance.</p>				
Subtotal — Inquiry	/ 20			

Notes / Comments on Inquiry

Domain 5 | Stewardship

The audit committee’s work does not end with the year-end audit. Stewardship is continuous engagement with risk, an active relationship with the auditor outside the meeting cycle, and a discipline of annual self-assessment taken seriously. Rate each indicator on the four-point scale.

INDICATOR	1	2	3	4
<p>5.1.</p> <p>The committee maintains continuous awareness of how the entity’s principal financial and operational risks evolve between meetings — cyber incidents, regulatory developments, major transactions, market events — not just at scheduled meetings.</p>				
<p>5.2.</p> <p>The audit committee chair and the lead audit partner maintain a working relationship outside the meeting cycle, enabling urgent matters to be raised in either direction without formality. The relationship is professional, accessible, and active.</p>				
<p>5.3.</p> <p>The committee assesses its own effectiveness annually, against a structured framework, with the output being specific changes the committee implements before the next cycle. The self-assessment is substantive, not ceremonial.</p>				
<p>5.4.</p> <p>The committee’s engagement with sustainability assurance, cybersecurity oversight, and other emerging assurance domains is active, not deferred. The committee has begun building the data infrastructure and governance for areas it knows are coming.</p>				
<p>5.5.</p> <p>The committee’s overall posture is one of stewardship rather than compliance — it sees its role as continuous oversight of the entity’s financial integrity and governance environment, not as completion of an annual cycle.</p>				
Subtotal — Stewardship	/ 20			

Notes / Comments on Stewardship

Scoring Summary

Enter each domain subtotal in the table below. The total is the sum of the five domain subtotals, out of a maximum of one hundred.

DOMAIN	MAX	YOUR SCORE
1. Composition	/ 20	
2. Cadence	/ 20	
3. Information	/ 20	
4. Inquiry	/ 20	
5. Stewardship	/ 20	
TOTAL SCORE	/ 100	

Interpretation Bands

SCORE	BAND	INTERPRETATION
80 - 100	Strong	The committee operates at a substantive level across all five domains. Maintain discipline; review the lowest-scoring indicators for refinement. Reapply the Scorecard annually as a discipline of self-monitoring.
60 - 79	Developing	Clear improvement opportunities exist in one or more domains. Identify the lowest-scoring domain and implement specific changes before the next audit cycle. Use the action plan on the following page to record priorities.
Below 60	Attention	The committee has material effectiveness gaps that the board should address as a matter of governance priority. Consider external facilitation of the next self-assessment cycle. Dawgen Global offers confidential facilitation.

Committee Action Plan

Following the assessment, the audit committee chair records below the priority changes the committee will implement before the next cycle. Five action lines are provided; well-performing committees typically identify between two and four substantive changes each year.

#	PRIORITY AREA	OWNER	TARGET COMPLETION
1	Priority area / change	Owner / responsible	Target completion
2	Priority area / change	Owner / responsible	Target completion
3	Priority area / change	Owner / responsible	Target completion
4	Priority area / change	Owner / responsible	Target completion
5	Priority area / change	Owner / responsible	Target completion

Committee Chair Signature / Date

Confidential Facilitation

The Caribbean Audit Committee Effectiveness Scorecard is designed for confidential self-administration by the audit committee chair. Some committees prefer to bring in independent facilitation — particularly where the self-assessment surfaces tensions the committee would rather not navigate alone, where the entity is preparing for a board renewal cycle, or where the committee scores below sixty on first application and a structured improvement programme is warranted.

Dawgen Global offers confidential facilitation of audit committee self-assessment, conducted by senior practitioners independent of the entity's audit engagement. The engagement is private, the findings remain with the committee, and the deliverable is a structured set of recommendations the committee can act on. Facilitation engagements are scoped individually based on the entity's size, sector, and the committee's specific priorities.

To Engage the Conversation

- Write to info@dawgen.global with "Audit Committee Effectiveness" in the subject line. The firm will respond within two working days with a confidential scoping discussion.
- Visit dawgen.global for the firm's broader audit, assurance, and governance advisory offerings.
- Follow the Caribbean Boardroom Perspectives newsletter for ongoing thought leadership on Caribbean governance and assurance matters.

About the Caribbean Audit Imperative Series

This Scorecard is the gated companion to Article 11 of The Caribbean Audit Imperative, a twelve-article series by Dr. Dawkins Brown published through Caribbean Boardroom Perspectives. The series addresses, across twelve weekly articles, what the modern Caribbean audit must do, who is best placed to do it, and how audit committees can ensure the work is being done. The full series is available at dawgen.global.

Issued by

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An independent, integrated multidisciplinary professional services firm operating across more than fifteen Caribbean territories.

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