



## Center for Board Effectiveness

# Audit Committee *Brief*

The *Audit Committee Brief* focuses on the timely coverage of issues and insights important to audit committees. Questions, comments, or suggestions should be directed to [centerforboardeffectiveness@deloitte.com](mailto:centerforboardeffectiveness@deloitte.com).

### ARCHIVED EDITIONS

#### Featured resource

##### On the Radar

Introducing *On the Radar*, a new series of executive-level overviews on subjects addressed in Deloitte's Roadmap series, periodic collections of accounting guidance on select topics of broad interest to the financial reporting. Included below is a recently published issue that is relevant to audit committee members. Additional overviews will be published throughout the year and available as they are released in the resource library below.

[Fair Value Measurements and Disclosures](#)

[Access the On the Radar library](#)

## Publications and topics of interest

### **The Strategic Audit Committee: Navigating 2021**

This *CFO Journal* article discusses a governance framework that can help audit committees organize processes and procedures that support their activities in times of calm and crisis. This article originally appeared in Deloitte Insights in *CFO Journal* from *The Wall Street Journal* on March 23, 2021. The Wall Street Journal News Department was not involved in the creation of this content.

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### **The CAQ releases an overview of ESG reporting and assurance**

The Center for Audit Quality (CAQ) has released *The Role of Auditors in Company-Prepared ESG Information: A Deeper Dive on Assurance*, which provides an overview of auditors' responsibilities related to environmental, social, and governance (ESG) information. This publication also details a range of assurance services useful for ESG, as well as questions board members can consider.

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### **Artificial intelligence and machine learning to mitigate fraud risk**

This Anti-Fraud Collaboration publication, *Fraud and Emerging Tech: Artificial Intelligence and Machine Learning*, examines how technology can help mitigate the risk of fraud.

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### **PCAOB staff outlook for 2021 inspections and CAQ guide to PCAOB inspections**

The PCAOB publication highlights changes in the inspection reports and provides insights for audit committees on current challenges and emerging topics. Also, referenced below is the CAQ overview of these inspections, including the PCAOB's responsibilities, how it conducts inspections, and the content of inspection reports.

[PCAOB 2021 Inspections Outlook](#)

[CAQ's Guide to PCAOB Inspections](#)

### **The CAQ updates its External Auditor Assessment Tool**

The CAQ has updated its *External Auditor Assessment Tool: A Tool for Audit Committees*, which includes sample questions to help audit committees appoint, oversee, and determine compensation for the external auditor.

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### **FASB staff releases a paper on ESG and accounting standards**

The FASB staff has released *Intersection of Environmental, Social, and Governance Matters with Financial Accounting Standards* for investors and other interested parties. The paper focuses on how ESG matters intersect with accounting standards and also provides examples on how companies may consider the effects of significant ESG matters when implementing the accounting standards.

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### **ERP-enabled finance function can transform business**

This *CFO Journal* article discusses how ERP-enabled finance transformation can help CFOs elevate the performance of the finance function that results in delivering a greater business impact. It takes stakeholder collaboration, a strong vision, and a detailed road map to get there. This article originally appeared in Deloitte Insights in *CFO Journal* from *The Wall Street Journal* on April 2, 2021. The Wall Street Journal News Department was not involved in the creation of this content.

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## Rule-making and standard-setting developments

### **The PCAOB approves formation of a new standards advisory group**

The PCAOB has approved the charter of a new Standards Advisory Group (SAG) that will allow investors and other stakeholders to advise the board on standards addressing auditing and attestation, quality control, and ethics and independence. The charter provides that three members shall be either on the audit committee or the board of an entity that must have a PCAOB audit.

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[PCAOB solicitation of SAG nominees](#)

### **The SEC requests public input on climate-related and other ESG disclosures**

This issue of *Heads Up* discusses the SEC's activities related to ESG disclosures, including its recent request for input on climate change disclosures. Allison Lee, acting chair, asked to receive feedback by June 13, 2021, and noted that the 2010 interpretive release identifies four topics related to climate change that public companies should consider in their filings. The SEC also launched a landing page for ESG information.

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[SEC's landing page for Climate and ESG Risks and Opportunities](#)

### **Upcoming Dbriefs and programs**

#### **Business in China—midyear update**

May 18, 11:00 a.m. ET

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#### **The Board's Role in Overseeing Financial Crime Risk Management**

May 12, 10:00 a.m. ET

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#### **Diversity and the Board**

June 3, 9:00 a.m. ET

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#### **Private Company Governance Summit 2021**

June 9–11

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### **About the Center for Board Effectiveness**

The [Center for Board Effectiveness](#) helps directors deliver value to the organizations they serve through a portfolio of high-quality, innovative experiences throughout their tenure as board members. Whether an individual is aspiring to board participation or a veteran of many board experiences, the center’s programs enable them to contribute effectively and provide focus in the areas of governance and audit, strategy, risk, innovation, compensation, and succession. For more information, contact us at [centerforboardeffectiveness@deloitte.com](mailto:centerforboardeffectiveness@deloitte.com).

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