



## 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).

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### **Publications and topics of interest**

#### **Coronavirus Disease 2019 (COVID-19) developments, impact, and updates**

As the effect of COVID-19 on businesses and the economy continues to develop, audit committees should be aware of potential financial reporting implications and other risks to their companies. Stay apprised of developments with these resources:

- [Accounting, Disclosure, and Internal Control Considerations](#)
- [SEC Provides Conditional Regulatory Relief and Assistance for Companies Affected by COVID-19](#)
- [Additional Resources](#)

#### **On the board's agenda | The atmosphere for climate-change disclosure**

Discussions and debates regarding the importance of environmental, social, and governance (ESG) disclosure have continued their fast-paced trajectory over the past several months. BlackRock, State Street, World Economic Forum, and International Business Council are all emphasizing the importance and need for more standardized, high-quality, and business-aligned ESG reporting. These and other developments have shone a spotlight on ESG performance and disclosures specific to climate-change. It is important for boards and audit committees to be aware of the increased focus being placed on climate-change disclosures and determine how best to exercise their oversight role to respond to this focus.

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### Restatements are declining while audit quality is improving

Julie Bell Lindsay, executive director of the Center for Audit Quality, writes about the decline in financial revisions and restatements for four consecutive years, which are at an 18-year low. Continual improvement in audit quality and increased transparency and integrity in disclosures may be contributing factors.

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### Investor perspectives and decisions are evolving

Investors are increasingly looking to sources outside the audited financial statements, such as non-GAAP and sustainability metrics, when making investment choices. This article discusses how investors use this non-audited information and how it may impact the way auditors view their role.

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### Rule-making and standard-setting developments Regulators and Big Four accounting firms discuss audit quality in emerging markets and coronavirus

The SEC and PCAOB released a statement about their continuing dialogue with senior audit executives of the Big Four public accounting firms about audit quality in China and other emerging markets, as well as reporting considerations related to coronavirus.

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### SEC proposes amendments to the exempt offering framework

The SEC has suggested enhancements and changes to the exempt offering framework. The amendments are intended to eliminate complexity, promote capital formation, and increase investment opportunities, while preserving and improving investor protections.

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### Upcoming Dbriefs webcasts

#### Quarterly accounting roundup: Q1 2020 update on important developments

March 24, 1:00 pm EDT

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#### Driving value through M&A: The vital role of the board

March 26, 2:00 pm EDT

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