



## 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).

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### Featured resources

#### **COVID-19 resources site keeps business leaders informed**

Deloitte's COVID-19 resources site can help audit committees keep current on how financial reporting may be impacted by the pandemic. The site can be searched by topic and category to find insights on the areas most impacting your organization.

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#### **Webcast: Audit committee priorities during times of disruption**

June 24, 1:00 pm EDT

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### Publications and topics of interest

#### **Report details audit committee disclosures of critical audit matters**

*Audit Analytics* examined 770 proxy statements filed between July 1, 2019, and March 31, 2020, to understand disclosures relating to the audit committee's role in critical audit matters (CAMs). Just over 6 percent of S&P 1500 companies included a disclosure regarding the audit committee's role with CAMs, 61 percent of which were from the

S&P 500. Disclosures often identified the audit committee's role as either reviewing the CAMs, discussing the CAMs with the independent auditor, or both.

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### **Changes made to the use of XBRL in digital financial reporting**

This issue of *Heads Up* summarizes developments related to the use of eXtensible Business Reporting Language (XBRL) in digital financial reporting. Specifically, it highlights the key considerations for issuers that submit financial data in the United States or a European Union-regulated market.

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### **Rule-making and standard-setting developments**

#### **The SEC and PCAOB emphasize risk disclosures for companies in emerging markets**

Leaders of the SEC and PCAOB issued a joint statement regarding emerging markets' investment risk, noting the increasing exposure of US investors to companies based in or with significant operations in emerging markets. They stressed it is important for such companies, their audit committees, and auditors to fulfill their responsibilities concerning financial and risk disclosures.

Subsequently, SEC chairman Jay Clayton announced that the SEC staff will host a roundtable this summer to hear the views of investors, other market participants, regulators, and industry experts on how to continue raising investor awareness of these risks and explore potential mitigations. The date, agenda, and logistics will be announced when finalized.

[Joint statement](#)

[SEC staff roundtable](#)

#### **PCAOB requests comment on CAMs**

The PCAOB issued a request for comment, seeking input on its initial implementation of CAMs from financial statement users, including audit firms, preparers, audit committees, and investors. The PCAOB's goal is to complete this interim analysis before the second phase of CAM implementation begins. Comments are due by June 15, 2020.

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#### **FASB provides guidance on cash flow hedge accounting during pandemic**

This issue of *Heads Up* discusses the FASB's document, issued on April 28, 2020, that addresses how the COVID-19 pandemic might affect entities' application of the cash flow hedge accounting guidance in ASC 815.

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### **Upcoming Dbriefs webcasts**

#### **The future of work: A path to reimagining the possibilities**

May 28, 2:00 pm EDT

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#### **Special edition | Cyber risk in the wake of COVID-19: Building greater resilience**

June 1, 1:00 pm EDT

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#### **Blockchain 2020: From promise to reality**

June 4, 1:00 pm EDT

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#### **Quarterly accounting roundup: Q2 2020 update on important developments**

June 29, 11:00 am EDT

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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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