



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.

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Publications and topics of interest

CAQ releases roadmap for audit committees on Non-GAAP measures

A new publication from the Center for Audit Quality, *Non-GAAP Measures: A Roadmap for Audit Committees*, is intended to help audit committees enhance their oversight of these measures used by company management. The roadmap provides key considerations for audit committees, including leading practices to assess whether a company's non-GAAP metrics present a balanced representation of the company's performance.

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In the Spirit of Full Cybersecurity Disclosure

This issue of *Heads Up* discusses the SEC's recent interpretation, *Commission Statement and Guidance on Public Company Cybersecurity Disclosures*, which refreshes guidance related to cybersecurity. It does not

establish any new disclosure obligations, but presents the SEC's views on how its current rules should be interpreted in the context of cybersecurity threats and incidents. SEC Chairman Jay Clayton has asked the Division of Corporation Finance to continue to monitor cybersecurity disclosures closely as part of its filing review process.

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Justifying judgment when recognizing revenue

In this article from CFO.com, Eric Knachel, a partner at Deloitte & Touche LLP, discusses challenges in applying the FASB's new revenue recognition standard. It presents several scenarios where judgment can influence how a company accounts for revenue under the standard, including transfer of control, measure of progress, and alternative use. It also outlines four steps that companies can take to manage the challenge.

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Tax and accounting highlights: Limitations on excessive employee compensation

In this recurring publication, Deloitte's National Tax Accounting Group offers insight into how corporate tax departments can mitigate risk and identify opportunities and highlight recent tax and accounting developments that may have implications in accounting for income tax (ASC 740). The March edition discusses the changes to limitations on deductions for excessive compensation and related tax accounting considerations.

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Rulemaking and standard-setting developments

FASB discusses feedback on proposed targeted improvements to the new leasing standard

The FASB conducted a recent meeting to discuss feedback on one of two amendments in a proposed Accounting Standards Update (ASU) issued on January 5, 2018. This proposed ASU addresses targeted improvements to ASU 2016-02, Leases. The meeting on March 7 specifically addressed the additional optional transition method in the new leasing standard.

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FASB issues proposed ASU on cloud computing arrangements

This issue of *Heads Up* discusses the FASB's proposed ASU, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract — Disclosures for Implementation Costs Incurred for Internal-Use Software and Cloud Computing Arrangements*, which would amend ASC 350-40. Comments on the proposed ASU are due April 30, 2018.

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Upcoming Dbriefs webcasts

Quarterly accounting roundup: Q1 2018 update on important developments

March 27, 2:00 pm ET

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Building and managing the models that drive strategic decision making

March 29, 2:00 pm ET

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