



## 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**

#### ***Cybersecurity Risk Management Oversight: A Tool for Board Members***

The CAQ has released a publication outlining questions board and committee members can ask as they discuss cybersecurity risks and disclosures with management and CPA firms. It also includes references to cybersecurity resources from the CAQ, the AICPA, the National Association of Corporate Directors, and others.

[More](#)

#### ***Boards: Understand the Rules for Ethics and Compliance Oversight***

This article from the *Risk and Compliance Journal*, an adjunct of the *Wall Street Journal*, highlights the responsibilities of executives, boards of directors, and audit committees for the oversight and management of ethics and compliance programs.

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#### **SEC Chief Accountant addresses financial reporting conference**

SEC Chief Accountant Wes Bricker shared his perspective on the importance of financial reporting and discussed several key topics, including new accounting standards and non-GAAP measures during the 2018 Baruch College Financial Reporting Conference. In addition to highlighting the audit committee's involvement in the review and presentation of non-GAAP measures, he noted the importance of independent, diverse thinking on corporate boards, and particularly, audit committees, as a strong element of corporate governance.

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### **Global report seeks input on good practices for audit committees supporting audit quality**

The International Organization of Securities Commissions (IOSCO) published *Consultation Report on Good Practices for Audit Committees in Supporting Audit Quality*, to seek stakeholder feedback on ways that audit committees can support audit quality. Feedback on the proposed good practices is being accepted until July 24. [More](#)

### **What private companies should know about the new revenue recognition standard**

This issue of *Deloitte's Heads Up* sets forth the new five-step model for recognizing revenue under ASC 606 and the standard's effective date for private companies. It also outlines practical measures for private companies with respect to the standard's disclosure requirements and internal control considerations. [More](#)

### **SEC publishes graphs illustrating financial reporting structure for public issuers**

The SEC has posted three graphs on its website to summarize the US financial reporting structure for public issuers. The graphs consist of a blueprint illustrating the participants in the financial reporting process, including the audit committee; a flow chart showing a simplified version of the larger blueprint; and a segment chart outlining the reporting requirements for domestic issuers, foreign private issuers, and private companies. [More](#)

### **Rulemaking and standard-setting developments SEC proposes amendments to auditor independence rules**

The SEC has issued a proposed rule, *Auditor Independence with Respect to Certain Loans or Debtor-Creditor Relationships*, which would "refocus the analysis that must be conducted to determine whether an auditor is independent when the auditor has a lending relationship with certain shareholders of an audit client." Comments on the proposal are due on July 9. [More](#)

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