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.

Publications and topics of interest
Growing tech fluency on the board
In this article, Deloitte Chair, Janet Foutty offers insight on how boards can help identify the optimal value and impact of technology investments; understand the ethical implications of digital design and use; prepare for the talent implications of AI and robotics adoption; and increase the tech-saviness of the board as a whole.


Sustainability disclosure trends
This article from Deloitte sustainability leaders discusses how stakeholder expectations for transparency and disclosures are broadening into nonfinancial aspects of company operations. Environmental, social, and governance topics have taken on greater importance to investors who are concerned how companies balance broader responsibilities with purely fiscal concerns.

This article originally appeared in Deloitte Insights in CFO Journal from The Wall Street Journal on September 23, 2019. The Wall Street Journal News Department was not involved in the creation of this content. More
CAQ releases survey results on investor confidence
The Center for Audit Quality released its 2019 Main Street Investor Survey measuring retail investor confidence in capital markets, public companies, and audited financial information. Respondents named independent auditors the most effective among a number of entities that help advance investor protection. More

CAM lessons from initial filings
FEI Daily interviewed Lisa Smith, Audit & Assurance Managing Director, Deloitte & Touche LLP, who is leading Deloitte’s critical audit matter (CAM) implementation. Smith discusses trends among the S2 large accelerated filers who received the first CAMs and outlines leading practices for filers yet to undergo the CAM process. More

Impact of non-audit services on audit quality
This report from several accounting bodies, including the International Federation of Accountants, analyzes how audit quality is affected by a multidisciplinary model where professional services organizations provide both audit and nonaudit services. The report details the basic elements of an audit and how specialists are incorporated in the audit process. It also looks at evidence relevant to the multidisciplinary approach, including academic literature, expert views, and the current regulatory frameworks for audits. More

Fifteen years of Sarbanes-Oxley
Audit Analytics evaluates the trends in the Sarbanes-Oxley Section 404 disclosures of internal controls over financial reporting (ICFR) since 2002. The analysis highlights the differences between adverse auditor attestations of ineffective ICFR and adverse management attestations. Finally, this summary looks at the reasons for ineffective ICFR systems as reported by both auditors and management. More

Rule-making and standard-setting developments
SEC expands the “test-the-waters” rule to all issuers
The SEC will adopt a new rule extending the “test-the-waters” accommodation to all issuers. This rule allows issuers to gauge market interest in an initial public offering through discussions with institutional investors before filing a registration statement. More

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