



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.

Gain insight into leading audit committee practices

Curious about the key discussions and strategies that drive effective audit committee meetings and engagement? Contribute your valuable perspectives by participating in our brief **Audit Committee Practices Survey**, that will remain open until October 11. Your input will help shape the fourth annual *Audit Committee Practices Report*, a comprehensive resource published by Deloitte and the Center for Audit Quality. Join your peers in sharing and discovering leading practices that can enhance your committee's effectiveness.

[TAKE THE SURVEY](#)

PCAOB update on outreach activities related to generative artificial intelligence in audits and financial reporting

PCAOB staff recently conducted outreach to several audit firms and companies to gain perspectives on their use of GenAI in auditing and financial reporting processes. This PCAOB *Spotlight* highlights where GenAI is most frequently being used, the risks that are being navigated, and the policies and governance that are being put in place as its usage increases. The PCAOB continues to seek input from audit committee members, preparers, and other stakeholders as it assesses the need for enhanced guidance or regulatory action due to GenAI and other technology advances.

[READ MORE](#)

Navigating the EU AI Act and the broader AI regulatory environment

The EU's AI Act is arguably the most comprehensive regulatory activity taken to date related to AI governance. The regulation applies to organizations globally that provide, deploy, or distribute AI-based products, services or other innovations that are available to EU citizens. This *WSJ Risk & Compliance Journal* article discusses this and other enacted and proposed rules over AI. It also shares strategies for navigating compliance with global AI regulations and highlights how trust can be driven through the adoption of AI governance technologies.

[READ MORE](#)

PCAOB releases publication on inspection observations related to auditor independence

This PCAOB *Spotlight* highlights recent staff observations on independence, including common deficiencies, which resulted in the issuance of comment forms, good practices, and other reminders, including considerations for audit committees on their oversight responsibilities regarding their auditor's independence.

[READ MORE](#)

SEC staff clarifies considerations related to non-GAAP segment disclosures

FASB issued Accounting Standards Update (ASU) 2023-07 late last year to improve the information that public entities disclose about reportable segments. This updated issue of Deloitte's *Heads Up* provides in [Appendix B](#) insights into some of the questions that have emerged regarding the relationship between the SEC's non-GAAP rules and implementation of ASU 2023-07, based on recent comments from, and discussions with, SEC staff.

[READ MORE](#)

PCAOB releases publication on 2023 inspection activities

This PCAOB *Spotlight* summarizes observations from its 2023 inspection activities. It highlights trends in the frequency and type of deficiencies identified and offers questions for audit committees to consider in overseeing the quality of the work of independent auditors. The report also includes good practices the inspectors noted in the areas of long-lived assets and revenue, as well as some reminders regarding consideration of fraud.

[READ MORE](#)

Board oversight of culture

This *Board Practices Quarterly* looks at how boards oversee corporate culture. It presents findings from a survey of members of the Society for Corporate Governance that included questions pertaining to the board's role in approving the company definition for culture; where primary oversight of culture resides; information being reported to the board—and how often and by whom; and shareholder engagement.

[READ MORE](#)

Pulling on compliance threads to enhance sustainability efforts

This *WSJ Risk & Compliance Journal* article focuses on the important role the ethics and compliance (E&C) team plays in collaborating with other corporate functions to achieve corporate sustainability objectives. The E&C team can partner with functions such as finance, internal audit, corporate strategy, and human resources to bolster sustainability governance and risk management.

[READ MORE](#)

Upcoming virtual experiences

Strengthening CEO-board dynamics*

October 9, 1:00 p.m. ET

[REGISTER](#)

Geopolitics and the US election: What boards need to know

October 16, 11:00 a.m. ET

[REGISTER](#)

The board's role in the climate challenge: Looking ahead to COP29

November 20, 11:00 a.m. ET

[REGISTER](#)

The board's role in GenAI*

December 4, 1:00 p.m. ET

[REGISTER](#)

*May be eligible for CPE

View the full list of upcoming [Dbriefs](#).

Other Deloitte resources

Subscribe to the [Audit Committee Brief](#) and other publications

[On the Radar](#): Emerging issues and trends related to accounting and financial reporting

[Audit Committee Brief](#): Archived editions

[Deloitte US 2023 Audit Quality Report](#)

[Audit Committee webpage](#)

[On the Audit Committee's Agenda](#)

[Center for Board Effectiveness](#)

[The Wall Street Journal, Risk & Compliance Journal](#)

[Daily Executive Briefing](#)



This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

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.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.