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
SEC issues final rule to update and simplify disclosure requirements
This issue of Heads Up discusses SEC Final Rule Release No. 33-10532, Disclosure Update and Simplification, which amends disclosure requirements the SEC has determined to be redundant, outdated, or superseded. Issued as part of an ongoing disclosure effectiveness initiative, the final rule is effective 30 days after its publication in the Federal Register.
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Readiness for the new leases standards
The leases standards issued in the first quarter of 2016 by the International Accounting Standards Board (IFRS 16) and the FASB (ASC 842) are mostly converged. For most companies, the standards take effect for financial reporting periods beginning in 2019. Deloitte conducted a survey of global IFRS 16 and ASC 842 readiness to assess the complexities involved in implementing the standards. With a few regional exceptions, the survey indicates that many issues are similar regardless of organization size and industry.
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Frequently asked questions about tax reform
This Financial Reporting Alert responds to frequently asked questions about the effects of tax reform legislation in accordance with ASC 740, Income Taxes. The alert has been updated to amend, add, or delete information on measuring the US deferred tax impact of global intangible low-taxed income inclusions for companies under the deferred method.
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Quarterly earnings reports at center of debate
The Journal of Accountancy highlights the practice of quarterly earnings guidance after President Donald Trump’s recent tweet, asking the SEC to study whether a six-month reporting system would be better than
quarterly reporting. The article outlines several perspectives on the quarterly earnings guidance practices, including a focus on enabling better performance indicators.

**Rulemaking and standard-setting developments**

**Updated guidance on the auditor’s report**

The PCAOB issued guidance on its new auditor reporting standard, which focused primarily on the elements of the standard that were effective on December 15, 2017. These include standardized ordering, enhanced descriptions of the auditor’s role, and auditor firm tenure.

**FASB amends guidance on cloud computing arrangements**

This *Heads Up* discusses the FASB’s ASU 2018-15, *Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The ASU aligns accounting for the costs to implement cloud computing as a service with guidance on capitalizing costs associated with software for internal use.

**FASB amends disclosure of fair-value measurements**


**Upcoming Dbriefs webcasts**

**Quarterly accounting roundup: Q3 2018 update on important developments**

September 20, 2:00 pm ET

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**Reestablishing the perimeter: Extending the risk management ecosystem**

October 25, 2:00 pm ET

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Center for Board Effectiveness

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**About the Center for Board Effectiveness**

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