



## 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](mailto:centerforboardeffectiveness@deloitte.com).

### **Generative AI's potential to revolutionize finance**

Generative AI has the potential to generate tremendous value for the finance function and broader enterprise over time. This *FEI Daily* article by Dipti Gulati, Chief Executive Officer of Audit & Assurance, Deloitte & Touche LLP, discusses key considerations, including talent, cybersecurity, and trust, to keep central to planning when it comes to exploring risks and benefits of Generative AI for your organization.

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### **Cybersecurity and ERM top audit committee agendas**

Cybersecurity and risk management were cited as top priorities on audit committees' agendas, according to a recent survey of audit committee members by Deloitte and the Center for Audit Quality. This *WSJ Risk & Compliance Journal* article highlights the impact of new cyber disclosure requirements, and the importance of ERM processes being calibrated to address emerging threats.

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### **The legacy of audit committees**

In a recent webcast in conjunction with the Center for Audit Quality, PCAOB board member, Christina Ho, highlighted the influence of technology, particularly AI, on the quality of audits today. She also motivated members of the audit committee to engage with the PCAOB during its rulemaking and standard-setting process and to leverage their platform to inspire the younger generation about the accounting profession.

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### **7 considerations for digital transformation in finance**

There are numerous pitfalls to overcome in achieving a successful digital transformation of the finance function, including a lack of involvement on the part of the business, insufficient data governance, and overly aggressive timelines. This *WSJ Risk & Compliance Journal* article offers several approaches for consideration to address potential issues and drive a more effective outcome.

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### **Take the Generative AI board governance survey**

Deloitte's Global Boardroom Program invites you to participate in a thought-provoking international survey examining the role of the board in one of the most prominent emerging topics on today's board agendas: board governance of Generative AI. The survey will remain open until June 15.

[TAKE THE SURVEY](#)

### **Root cause analysis – An effective practice to drive audit quality**

This *PCAOB Spotlight* highlights a root cause analysis (RCA) that can be performed by audit firms to identify common deficiencies within audits and to help improve audit quality. The publication notes that audit committees and others charged with governance may find the firm's RCA useful in their discussions with their audit firm.

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### **PCAOB releases new auditing and quality control standards**

The PCAOB recently adopted two new standards impacting audit firms. *General Responsibilities of the Auditor in Conducting an Audit and Amendments to PCAOB Standards* "addresses the general responsibilities of the auditor, such as due professional care and professional skepticism, when conducting an audit in accordance with the standards of the PCAOB." *A Firm's System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms* requires "all PCAOB registered firms to identify their specific risks and design a quality control system that includes policies and procedures to guard against those risks." Both standards are subject to SEC approval.

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June 5, 11:00 a.m. ET

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June 26, 1:00 p.m. ET

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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](mailto:centerforboardeffectiveness@deloitte.com).

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