

## 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 [auditcommittee@deloitte.com](mailto:auditcommittee@deloitte.com).

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### **Publications and topics of interest**

#### **Audit committees discuss the growing demand for disclosure**

An article from *Compliance Week* notes that audit committees are weighing the risks and benefits of expanding their proxy disclosure this season, especially related to the oversight of the external auditor. This follows an SEC concept release and several studies showing increasing voluntary disclosures in recent years.

[Read more](#)

[Read more about Deloitte's study on audit committee disclosure](#)

#### ***Understanding Cybersecurity and the External Audit***

A new Center for Audit Quality resource explains the role US public-company auditors can play regarding cybersecurity in two important contexts: the audits of financial statements and internal control over financial reporting, and disclosures.

[Read more](#)

#### ***Interacting With Audit Committees: The Way Forward for Internal Audit***

This new report from the Institute of Internal Auditors examines how well internal audit departments are meeting the needs of the audit committee, and whether internal audit is receiving the proper support and oversight from the audit committee. Ultimately, the answer is that both groups are doing better, but there are many opportunities for improvement.

[Read more](#)

#### **SEC outlines priorities at annual conference**

Modernizing disclosure requirements, making it easier for multinationals to report pertinent financial information, and continuing to focus on gatekeepers in enforcement investigations were among the priorities for 2016 discussed at the February SEC Speaks conference.

[Read more](#)

#### **Reaching a consensus on management review controls**

Requirements from the PCAOB are causing auditors to require a level of precision and specificity for management review controls (MRCs) beyond prior years. Establishing a constructive dialogue between companies, auditors, and regulators to define "how much is enough" with respect to MRCs will help to address the lack of clarity in what exactly is sufficient and how precise they need to be.

[Read more](#)

### **COSO ERM update will seek to elevate risk discussions**

The refresh of COSO's ERM framework is expected to be published as a draft for exposure and public comment in the spring, according to COSO Chairman Robert Hirth. This blog post from *Compliance Week* outlines that the update is expected to suggest that companies should integrate ERM into their strategy-setting process and propose that entities make it standard practice to incorporate risk considerations into the decision-making process.

[Read more](#)

### **CAQ videos examine critical issues, including PCAOB priorities**

The state of auditing and the role of technology was discussed by Dan Sunderland, Deloitte's national leader of Audit and Assurance Services, and Cindy Fornelli, director of the Center for Audit Quality, during a recent episode of Profession in Focus. A discussion with PCAOB member Jeanette Franzel on the board's priorities and its engagement with audit committees was among the other topics addressed in February.

[View the videos](#)

### **Rulemaking and standard-setting developments**

#### **FASB's new standard brings most leases onto the balance sheet**

This *Heads Up* provides an overview of the FASB's new standard on leases, which introduces a lessee model that brings substantially all leases onto the balance sheet, and highlights a number of implementation considerations.

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#### **Upcoming Dbriefs webcasts**

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March 17, 2:00 pm EDT

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March 29, 2:00 pm EDT

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