



## 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).

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

#### **SEC approves PCAOB standard requiring changes to the auditor's report**

In the SEC's statement announcing its approval of the standard that significantly modifies the auditor's reporting model, Chairman Jay Clayton stated his strong support for the objective of the rule, namely for the auditors to provide investors with meaningful insights into the audit. In his statement, Chairman Clayton highlighted the important role of the audit committee and noted that the SEC and PCAOB will monitor the results of the new standard's implementation, including consideration of any unintended consequences. The new auditing standard retains the current "pass/fail" approach but substantially increases the information that must be included in the auditor's report.

[Read the SEC statement](#)

[Read Deloitte's \*Heads Up\* on the PCAOB's standard](#)

[Read the recent CAQ Alert: \*The Auditor's Report - New Requirements for 2017\*](#)

#### **Ways and Means Republicans release detailed tax reform proposal**

House Ways and Means Committee Republicans have unveiled a tax reform legislative draft that, among other things, calls for ambitious cuts to tax rates for corporations, pass-through entities, and individuals; a more generous expensing regime; repeal of the estate tax and the individual alternative minimum tax; and a shift to a territorial system for taxing foreign-source income of US multinationals.

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#### **NACD calls on boards to take a proactive approach to culture oversight**

The National Association of Corporate Directors released its report on culture as a corporate asset, which recognizes the strong influence culture has on long-term corporate success and value. The report also offers some suggestions for raising the bar in areas

like CEO selection and performance, how management discusses strategy and risk, and cultural dynamics in the boardroom.

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### **CAQ releases 2017 Audit Committee Transparency Barometer**

The annual report issued jointly by the Center for Audit Quality and Audit Analytics, the *Audit Committee Transparency Barometer*, suggests that audit committees are engaging in more voluntary disclosure related to oversight of the work of external auditors. The report notes that 37 percent of S&P 500 companies' proxy statements present enhanced discussion of the audit committee's considerations in recommending the appointment of the auditor, up from 13 percent in 2014.

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[Read Deloitte's recent analysis of the 2017 S&P 100 proxies](#)

### **Rulemaking and standard-setting developments SEC Comment Letters — Including Industry Insights (2017)**

The 2017 edition of Deloitte's SEC Comment Letter series features: an update on the SEC's priorities; a summary of comment letter trends related to the top 10 topics of frequent comment in the 12-month period ended July 31, 2017; and recent topics of focus related to disclosures associated with financial statement accounting, SEC reporting, initial public offerings, foreign private issuers, and industry-specific matters.

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### **IFRS in Your Pocket 2017**

This guide includes information about the IASB, use of IFRS around the world, recent pronouncements, summaries of standards and related interpretations, IASB agenda and research topics, and the IFRS Interpretations Committee agenda.

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### **SASB releases ESG disclosure standards**

The Sustainability Accounting Standards Board (SASB) released its draft standards for environmental, social, and governance (ESG) disclosure, launching a 90-day public comment period ending December 31, 2017. These standards set forth ESG annual disclosure topics covering public companies in 11 sectors and 79 industries.

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### **Upcoming Dbriefs webcasts**

#### **Boardroom agenda 2018: Hot topics and the future landscape**

November 29, 2:00 pm ET

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