
CAQ Provides Revenue Recognition Tool for Audit Committees

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The Financial Accounting Standards Board's comprehensive new revenue recognition standard (ASC 606) will become effective for calendar-year reporting companies on January 1, 2018, a little over a year from now. As previously noted, the SEC staff has emphasized the need for companies to provide disclosures about the transition to the new standard in their upcoming 10-K reports. (See our posts from [November 8, 2016](#) and [December 16, 2016](#)). The Center for Audit Quality recently released *Preparing for the New Revenue Recognition Standard: A Tool for Audit Committees*, a new publication to assist audit committees in oversight of their companies' transition to the new standard. The publication provides information including detailed questions for audit committees to ask their managements and external auditors, in four areas:

- Understanding the New Revenue Recognition Standard – What Is It?
- Evaluating the Company's Impact Assessment – How Will Revenue Recognition Change?
- Evaluating the Implementation Project Plan – How Do We Need to Prepare?
- Other Implementation Considerations – What Else Do We Need to Consider?

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