



# Audit Committee Quarterly Update

SECOND QUARTER 2023

*This newsletter highlights some important 2023 second quarter issues facing audit committees. The content is not all-inclusive. You may also be interested in our quarterly publication, which summarizes accounting, financial reporting, and regulatory matters that may impact both public and private companies.*

## SEC adopts amendments to modernize share repurchase disclosure

In May 2023, the SEC adopted **amendments** to modernize the disclosure requirements relating to repurchases of an issuer's equity securities, including requiring issuers to provide daily repurchase activity on a quarterly or semiannual basis, depending on the type of issuer. The amendments will improve disclosure and provide investors with enhanced information to assess the purposes and effects of share repurchases. The timing and disclosure requirements are outlined in the amendment.

## Digital assets tool for audit committees

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In May 2023, the Center for Audit Quality (CAQ) published a resource for audit committee members, “**Continuing Your Digital Assets Journey: A Tool for Audit Committees**,” with oversight of companies that hold or transact with digital assets that includes information on topics and questions for audit committees to consider, such as:

- **Legal and regulatory environment:** The digital asset legal and regulatory environment is rapidly evolving with domestic and international regulators and legislators prioritizing this topic.
- **Risk assessment:** Engaging with digital assets can introduce new or heightened risks for companies, including risks of fraud.
- **Safeguarding digital assets:** Custody practices are a key focus for companies holding and transacting with digital assets.
- **Third-party service providers:** Companies that rely on third-party service providers in the digital asset ecosystem must perform due diligence on the third parties they plan to engage with.
- **Accounting and auditing considerations:** Engaging with digital assets introduces a number of new accounting and auditing considerations.

*We recommend that audit committees and management consult this publication as it provides helpful information in assessing digital assets.*