



**A TOOL FOR AUDIT
COMMITTEES**

PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD



**CENTER
FOR AUDIT
QUALITY**

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Introduction

With required effective dates beginning in January 2019, the new leases accounting standard¹ is broad and will fundamentally change how companies account for leases. Investors are seeking to understand the impact of the new standard, and it is important now for audit committee members, auditors, and company management to understand that impact and to plan appropriately for a timely implementation.

Implementation of the leases standard is a significant effort. It will affect multiple functional areas of an organization, including (but not limited to) accounting, tax, financial reporting, financial planning and analysis, investor relations, treasury (e.g., debt covenants), operations, procurement, legal, information technology, and real estate. It involves judgments and estimates, thoughtful reassessments of accounting policies, and new required disclosures.

Adding to this challenge, this standard comes into effect just one year after the effective date of the new revenue recognition standard,² also a high-profile accounting change that requires immense implementation effort and resources.

The Center for Audit Quality (CAQ) has developed this tool to help audit committee members succeed in their oversight responsibilities. This tool provides important questions to consider, such as the following:

- ▶ How will accounting for leases change?
- ▶ Is the company on track for successful implementation?
- ▶ How is the company preparing investors and creditors to understand the impact to the company and its financial reporting?

“A successful transition to the [leases and other] new accounting standards will require engagement across your organization and will require the very best from your accounting function.”

Wesley Bricker, Securities and Exchange Commission (SEC) Chief Accountant, Remarks before the Financial Executive International 36th Annual Current Financial Reporting Issues Conference, November 14, 2017

- ▶ Are new processes and controls being developed to address the accuracy of the adoption of and ongoing accounting required by the standard?
- ▶ Are the appropriate disclosures being developed?

The new leases standard will take effect for public companies and certain other entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.³ That is, for a calendar year-end public company, the effective date is **January 1, 2019**. For most other entities, the new standard on leases will take effect for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020.⁴ Early application is permitted for all organizations.

This publication is organized into four sections and, while not all-inclusive, provides examples of questions audit

1 In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, codified as Topic 842. The International Accounting Standards Board issued its final standard on leases (IFRS 16) on January 13, 2016.

2 ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606).

3 The new standard is effective for any of the following entities: (1) a public business entity; (2) a not-for-profit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market; or (3) an employee benefit plan that files financial statements with the SEC.

4 At the July 20, 2017, Emerging Issues Task Force (EITF) meeting, the SEC Observer stated that the SEC would not object to certain public business entities (PBEs) adopting the new leases standard using the timeline otherwise afforded to private companies. The FASB's definition of PBE includes entities whose financial statements or financial information are included in an SEC filing, such as when a registrant's equity method investee is considered significant under Rule 3-09 or Rule 4-08(g) of Regulation S-X and when an acquired entity's financial statements are required to be filed under Rule 3-05. The announcement allows entities that are PBEs solely due to the inclusion of their financial statements or financial information in another entity's filing with the SEC to apply the new leases standard using the effective dates applicable to private companies. These entities may still elect to adopt the new leases standard in accordance with the effective dates for PBEs. This announcement does not apply to entities that meet any of the other criteria of a PBE.



PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD

A TOOL FOR AUDIT COMMITTEES

committees may ask of management and auditors (where appropriate) related to the company’s implementation efforts.

I. Understanding the New Leases Standard – This section provides a brief overview of the core principles of the standard.

II. Evaluating the Company’s Impact Assessment – This section assists audit committees in discussing with management and auditors (where appropriate) the impact the new standard will have on the company.

III. Evaluating the Implementation Project Plan – This section assists audit committees in their efforts to understand and evaluate management’s implementation project plan.

IV. Other Implementation Considerations – This section assists audit committees with other considerations, such as transition methods and new disclosure requirements.

I. Understanding the New Leases Standard

Under current Generally Accepted Accounting Principles in the United States (GAAP), a lessee does not recognize operating leases on the balance sheet. That approach will change under the new leases standard, Accounting Standards Update (ASU) No. 2016-02, *Leases*, codified as Topic 842. The core principle of the new standard is that a lessee should recognize the assets and liabilities that arise from lease arrangements.⁵ Consequently, a lessee should recognize on the balance sheet a liability to make

lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term.

Under the new standard, there continues to be a differentiation between finance leases (previously referred to as capital leases) and operating leases,⁶ as summarized in the table below:

	FINANCE LEASES	OPERATING LEASES
Balance Sheet	Recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments. ⁷	Recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments.
Income Statement	Recognize the interest expense on the lease liability and amortization of the right-of-use asset. These amounts are not required to be presented as separate line items and shall be presented in a manner consistent with how the entity presents other interest expense and depreciation or amortization of similar assets, respectively.	Recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis. This lease expense shall be included in the lessee’s income from continuing operations.
Statement of Cash Flows	Classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease payments within operating activities.	Classify all cash payments within operating activities.

⁵ For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. When determining if the lease term is 12 months or less, the lessee must consider all extension, purchase, and termination options that are reasonably certain of exercise. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term (consistent with current operating lease accounting).

⁶ ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). See also 842-20-45-1 through 5.

⁷ In accordance with 842-20-45-3, a lessee is prohibited from presenting finance lease right-of-use assets in the same line item as operating lease right-of-use assets. Similarly, finance lease liabilities may not be presented in the same line item as operating lease liabilities.



PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD A TOOL FOR AUDIT COMMITTEES

While the accounting for lessors is largely unchanged, some changes are likely to affect a significant number of lessors. For example, as compared with current GAAP, Topic 842 (not an exhaustive list)

- ▶ narrows the population of initial direct costs eligible for deferral,
- ▶ changes a lessor's accounting for issues of collectability of the lease payments,
- ▶ changes the model applied to lease modifications, and
- ▶ significantly increases a lessor's disclosure requirements.

Audit committees should expect that some systems, processes, and control changes will likely be necessary as a result of these accounting and reporting changes.

Audit committees should be aware of the key judgments required by the new standard, such as the following:

- ▶ **Has the company identified all contracts that are or contain leases?** Topic 842 defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.⁸ Control over the use of the identified asset means that the customer has both (1) the right to obtain substantially all of the economic benefits from the use of the identified asset and (2) the right to direct the use of the identified asset.^{9,10} An arrangement does not contain an identified asset if the supplier has a substantive right to substitute such asset.¹¹ Companies should consider both traditional existing leases and other contracts that could include embedded leases under the new definition, unless they have elected a transition package of practical expedients that requires companies to use the existing definition of a lease in the current leases standard, Accounting Standard Codification (ASC) Topic 840, for evaluating existing contracts.¹² Any

“The lease standard will require several steps including (but not limited to) the following: identifying relevant legal contracts, evaluating whether an arrangement is or contains a lease, and applying the new leases standard to arrangements within its scope. These steps can potentially be time consuming and are another reminder of why getting started as soon as possible is a best practice.”

*Sagar Teotia, SEC Deputy Chief Accountant,
Remarks before the San Diego Chapter of the
Financial Executives Institute,
September 21, 2017*

contracts entered into, or modified, after the effective date of the new standard should be reassessed using the definition of a lease under the new standard. A lease is present if the contract includes an identified asset and the customer has the right to control the use of the asset during the lease term. In making this determination, consideration should be given to the following factors:

- Is an identified asset explicitly or implicitly specified in an arrangement? Does the supplier have substantive substitution rights? In other words, does the supplier have the practical ability to substitute the asset and would the supplier economically benefit from substituting the asset (i.e., will the economic benefits exceed the costs of substitution)?

⁸ Topic 842-10-15-3.

⁹ Topic 842-10-15-4.

¹⁰ In accordance with Topic 842-10-15-1, the new standard does not apply to any of the following leases: (1) leases of intangible assets; (2) leases to explore for or use minerals, oil, natural gas, and similar nonregenerative resources; (3) leases of biological assets, including timber; (4) leases of inventory; and (5) leases of assets under construction.

¹¹ Topic 842-10-15-9 through 15-15.

¹² In accordance with Topic 842-10-65-1(f), a company can elect a package of practical expedients upon adoption of the new guidance. One of these expedients permits companies to not reassess whether any contracts are or contain leases at the initial application date. If the package of practical expedients is not elected, companies will need to consider all contracts based on the definition of a lease under Topic 842.



PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD

A TOOL FOR AUDIT COMMITTEES

- Does the company have control over the use of the identified asset? Does the customer (the lessee) have decision-making authority over how and for what purpose the asset is used (e.g., what it is used to do or transport, where it is used or travels, how often and how much it is used or how much output it produces)? Does the lessee have the right to obtain substantially all economic benefits from the use of the asset?

► **How will the company measure the new right-of-use asset and lease liability?** When measuring assets

and liabilities that arise from a lease, a lessee should include fixed payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. Similarly, optional payments to purchase the underlying asset should be included in the measurement of lease assets and lease liabilities only if the lessee is reasonably certain to exercise that purchase option. “Reasonably certain” is a high threshold that is consistent with and intended to be applied in the same way as the reasonably assured threshold in the previous leases guidance.¹³

II. Evaluating the Company’s Impact Assessment

The new standard is expected to have a significant impact on many companies. However, the degree of impact may vary based on a variety of company-specific factors. Management would likely perform an *impact assessment* to consider what impact the new standard will have on the company (e.g., limited, moderate, or significant impact and key areas of impact). The impact assessment may be useful to guide the implementation plan, including consideration of needed resources.

The following questions may help audit committees evaluate management’s impact assessment:

1. How has the impact of the leases standard on the company been assessed? If no assessment has been completed, what is the company’s plan to adequately assess the impact of the leases standard on the company?
2. Were all relevant parties involved, such as accounting, tax, financial reporting, financial planning and analysis, investor relations, treasury (e.g., debt covenants), operations, procurement, legal, information technology, and real estate?
3. What factors were considered in management’s impact assessment? Some of these factors may include the following:

- a. Company industry
 - b. Extent and nature (e.g., lessee or lessor, typical types of arrangements giving rise to leases) of activities that could be defined as leasing under the new standard
 - c. Geographic footprint, including international activities
 - d. Approach to authorizing and maintaining contracts that are or may contain leases (i.e., centralized or decentralized) and related systems
 - e. Steps that have been taken to verify that the population of leases is complete
4. What are other considerations that may affect the company under the new standard? These considerations might include the following:
 - a. Debt covenants linked to total assets, total liabilities, or other metrics that may be affected by changes in working capital¹⁴
 - b. Income tax effects
 - c. Financial planning and analysis

¹³ Topic 842 Summary, page 3.

¹⁴ 842-20-45-1 states, “A lessee shall either present in the statement of financial position or disclose in the notes all of the following: a. Finance lease right-of-use assets and operating lease right-of-use assets separately from each other and from other assets b. Finance lease liabilities and operating lease liabilities separately from each other and from other liabilities. Right-of-use assets and lease liabilities shall be subject to the same considerations as other nonfinancial assets and financial liabilities in classifying them as current and noncurrent in classified statements of financial position.”



PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD

A TOOL FOR AUDIT COMMITTEES

- d. Investor relations
 - e. Regulatory compliance
 - f. Lease versus buy decisions
 - g. Lease contracting practices
 - h. Systems, processes, and controls
5. When will management provide pro-forma financial statements, including disclosures, to the audit committee to demonstrate the expected impact of the new standard on the financial statements?
6. How does the company's external auditor view the company's impact assessment? How has the external auditor been involved, and what are the auditor's views on the impact of adopting the new leases standard, changes to critical accounting policies and practices, and the company's overall readiness?

III. Evaluating the Implementation Project Plan

Due to the breadth and scale of the new leases standard, companies should develop an implementation project plan and communicate it to the audit committee.

Audit committees should consider asking the following questions of management and auditors (where appropriate) regarding management's implementation project plan, including outreach.

THE IMPLEMENTATION PROJECT PLAN

1. How are milestones established and monitored? If this has not yet occurred, what is the company's timeline for establishing relevant implementation milestones?
2. How will the audit committee be apprised of status?
 - a. How will the audit committee know if the project is on plan? Audit committees may want to consider requesting a quarterly progress report from management.
 - b. How is management updating the audit committee on the progress of outside constituents that support management in implementation (e.g., internal auditors, outside legal counsel, IT vendors, other consultants)?
3. What is the view of the external auditor as it relates to the implementation project plan?
4. Has the company developed a staged approach to auditor involvement that will satisfy the auditor's plan and timeline to complete the audit of both the financial

statements and internal controls over financial reporting in a timely manner as it relates to both the transition adjustments and the post-adoption periods?

5. What are the views of third-party vendors (e.g., consultants) who have been engaged by management regarding the implementation plan?
6. How does the company's implementation project plan compare to other companies' plans and best practices? Should the audit committee be aware of any concerns?
7. What information needs to be collected to implement the new standard, and what is the anticipated level of effort to collect that information?

CULTURE AND RESOURCES

8. Does a strong tone at the top support the effort required to implement the new standard? Is implementation of the new standard receiving the appropriate resources (in-house and third-party) and priority?
9. If third-party resources are being used for implementation, have sufficient internal resources been engaged in the process to take ownership of the implementation of the new standard, as well as the accounting post-implementation?
10. Is the company's accounting team experienced with a sufficient level of knowledge to understand the impact of the new standard, or have external resources with such knowledge been engaged to assist the internal accounting team? Will significant judgments about



PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD

A TOOL FOR AUDIT COMMITTEES

implementation be made and approved centrally (e.g., at corporate headquarters) or at different levels of the organization (e.g., at a business-unit level)?

INVOLVEMENT OF STAKEHOLDERS

11. Has an internal communication plan been established (such that key internal stakeholders are aware of how the new standard will affect the company)? Are key decision makers aware of the judgments and process/control changes that need to be made at a business-unit level?
12. How will training be developed and rolled out across the organization?
13. What is the plan to communicate the impact of the adoption of the new leases standard to investors and creditors? In addition to robust transition disclosures, how will the company manage investor and creditor expectations?
14. Should other external stakeholders, such as bankers (if debt covenants will be affected), suppliers (if the company wants to consider amending certain contracts), or customers (if a lessor), be considered?

ACCOUNTING POLICY AND SIGNIFICANT ACCOUNTING JUDGMENTS

15. Who within the company is responsible for new accounting policy decisions, and how does the company plan to revise written accounting policies?
16. How is the company keeping current on developments (e.g., ASU updates) from FASB and the SEC?
17. Who has evaluated the completeness and accuracy of the company's lease population?
18. Who within the company has reviewed significant contracts that are or contain leases and determined how to account for the contracts in accordance with the new leases standard? Who has approved such judgments? Have significant judgments been

“Like the revenue standard, the leases standard will require reasonable judgment in certain areas, and developing well-reasoned judgments frequently requires time.”

*Wesley Bricker, SEC Chief Accountant,
Remarks before the Financial Executive
International 36th Annual Current Financial
Reporting Issues Conference,
November 14, 2017*

documented by management and communicated to the audit committee?

19. What decisions have been made about the election of the transition and accounting alternatives? What factors were considered in making those decisions?
20. Have significant judgments been discussed with the external auditor? Does the auditor have concerns with the company's implementation of the new standard?¹⁵
21. How do significant accounting judgments compare to those by peers and competitors?
22. Have accounts been evaluated for appropriate presentation and disclosure based on the new standard?

SYSTEMS

23. Are existing systems adequate to account for leases under the new standard?
24. Are leases currently being tracked outside the financial reporting systems (manually or by spreadsheet)? If yes, is that process sustainable?

¹⁵ *Public Company Accounting Oversight Board (PCAOB) Auditing Standard 1301, Communications with Audit Committees*, paragraph 13(f), states that for new accounting pronouncements the auditor should communicate to the audit committee “situations in which, as a result of the auditor's procedures, the auditor identified a concern regarding management's anticipated application of accounting pronouncements that have been issued but are not yet effective and might have a significant effect on future financial reporting.”



PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD A TOOL FOR AUDIT COMMITTEES

25. Is a new system or improvements to an existing system needed? Has a suitable vendor been identified, and does the vendor have adequate time for the work? What is the status of the system implementation, if applicable?

CONTROLS

26. Are internal controls related to the adoption of the standard, including disclosure of the adoption impact, being appropriately designed and tested by management? Has the timing of external auditor involvement in assessing the design and operating effectiveness of such controls been appropriately considered?

27. Are changes in internal controls due to the adoption of the new leases standard material and required to be disclosed?¹⁶

28. How will internal control over financial reporting be affected? Who is responsible for changing, updating, and reviewing processes, controls, and related documentation affected by the new standard? How

will existing control deficiencies, including significant deficiencies or material weaknesses, affect control considerations in implementing this new standard?

29. How are leases (preexisting and new), including amendments or modifications, maintained?

a. Are leases maintained manually or via a system?

b. Are leases maintained centrally?

c. How will new leases and lease amendments or modifications be identified, tracked, maintained, and assessed timely for accounting purposes?

d. How will events or circumstances that require remeasurement of leases or impairment of right-of-use assets be identified and assessed timely for accounting and disclosure purposes?

30. What controls are in place to address the completeness and accuracy of accounting for leases, including accuracy of data input into a manual spreadsheet or system?

IV. Other Implementation Considerations

TRANSITION METHOD

To adopt the new standard, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.¹⁷ The new standard includes a number of optional practical expedients that entities may elect to apply. An entity that elects to apply the practical expedients will, in effect, continue to account for leases that commence before the effective date in accordance with previous GAAP unless the lease is modified. However, lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value

of the remaining minimum rental payments that were tracked and disclosed under previous GAAP.¹⁸

The following questions may be helpful to audit committees as they engage with management and auditors (where appropriate) during the implementation.

1. If the [proposed ASU](#) is adopted, has the company considered the option to apply the transition requirements in Topic 842 at the effective date with the effects of initially applying Topic 842 recognized as a cumulative-effect adjustment to the opening balance of retained earnings (or other components of equity or net assets, as appropriate) in the period of adoption?

16 In accordance with SEC rules, paragraph (c) of Item 308 of Regulation S-X requires the company to disclose in each quarterly and annual report whether changes in the company's internal controls in the last quarter have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

17 On January 5, 2018, the FASB issued a [proposed ASU](#) that would add an option for transition to the new standard that would permit an organization to apply the transition provisions of the new standard at its effective date instead of at the earliest comparative period presented in its financial statements. If this proposed ASU is adopted, and an organization elects this option, a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption would be recognized. With this election, comparative periods (for a calendar year-end company, the years 2017 and 2018) would not be required to be adjusted for the new guidance in the footnotes.

18 ASU No. 2016-02, *Leases*, Summary, page 6. See also 842-10-65-1(f) and (g).



PREPARING FOR THE NEW LEASES ACCOUNTING STANDARD A TOOL FOR AUDIT COMMITTEES

2. How has the external auditor been involved, and what are the auditor's views on the transition adjustment?¹⁹ Have internal controls over the transition adjustments been considered in the overall assessment of internal control over financial reporting?
3. Under the modified retrospective approach, how does the company plan to handle dual recordkeeping efforts between the new standard and the old standard due to the retrospective impact?²⁰
5. Has the company considered if it will elect the transition practical expedients?²¹
6. Has the company considered early adoption, as permitted?

DISCLOSURES

6. Has the company disclosed the potential effects of the future adoption of the new standard²² in interim and annual filings leading up to the effective date? If quantitative amounts are not known, has the company provided qualitative or directional disclosures?²³ Has the company disclosed information about its intended transition method and election of available transition options (e.g., election or nonelection of transition practical expedients)?
7. What is management's strategy for drafting and communicating to the audit committee the new financial statement disclosures required by the new standard?
8. To the extent that information for new disclosures is not currently available, how will the company develop new processes and controls to obtain and produce the required information?

OTHER CONSIDERATIONS

9. Has the auditor considered how new or modified

19 PCAOB Staff Audit Practice Alert No. 15, *Matters Related to Auditing Revenue from Contracts with Customers*, provides guidance relevant to auditing the implementation of the new accounting standard for revenue from contracts with customers. Auditors and auditing firms might also find certain matters discussed in this practice alert to be relevant to their preparations for auditing the application of new accounting standard on leases.

20 Dual recordkeeping would not be needed if the proposed ASU is adopted by the FASB and elected by the company.

21 842-10-65-1(f) and (g)

22 SEC Staff Accounting Bulletin (SAB) No. 74 (Topic 11.M), *Disclosure of the Impact That Recently Issued Accounting Standards Will Have on the Financial Statements of the Registrant When Adopted in a Future Period*, requires that when a recently issued accounting standard has not yet been adopted, a registrant discuss the potential effects of the future adoption in its interim and annual SEC filings. SAB 74 disclosures are required in both the notes to the financial statements and Management Discussion & Analysis. See also the CAQ's alert published on June 28, 2017, *SAB Topic 11.M—A Focus on Disclosures for New Accounting Standards*.

23 ASC 250-10-S99-6 states the SEC staff expects the additional qualitative disclosures to include a description of the effect of the accounting policies that the registrant expects to apply, if determined, and a comparison to the registrant's current accounting policies. Also, a registrant should describe the status of its process to implement the new standards and the significant implementation matters yet to be addressed.

"The SAB 74 transition disclosures provide information to investors about the anticipated effect of the standards. We urge preparers to appropriately disclose the state of the company's implementation efforts and, if a company is behind (which may be reflected in the SAB 74 disclosures), for audit committees to hold management accountable for developing an implementation plan for the new GAAP standards."

*Wesley Bricker, SEC Chief Accountant,
Statement in Connection with the 2017 AICPA
Conference on Current SEC and PCAOB
Developments, December 4, 2017*

processes and systems to gather contract data, develop new estimates, and support new financial statement disclosures might affect the auditor's risk assessment?

10. What is the impact on statutory reporting? Does the company have reporting requirements under both US GAAP and International Financial Reporting Standards (IFRS), or report to an IFRS parent? This is important because the new leasing guidance under IFRS 16 is different from US GAAP.



WE WANT TO HEAR FROM YOU

So that we can provide resources that are informative and best address the needs of our stakeholders, we would appreciate your response to three, short questions.

Survey URL: https://thecaq.qualtrics.com/jfe/form/SV_3KSbAQBZtrRfSeN

SHARE FEEDBACK

Resources

Executive Summaries

- ▶ AICPA: *New Leases Accounting Standard—Learning and Implementation Plan*
- ▶ AICPA: *Financial Reporting Brief: Leases*
- ▶ BDO: *Flash Report: FASB Issues ASU on Leases* (March 2016)
- ▶ Crowe Horwath: *Something Borrowed, Something New—Get Ready for the New Lease Accounting Standard* (April 2016)
- ▶ Deloitte: *An Executive Summary of the FASB’s New Lease Accounting Standard* (May 2016)
- ▶ EY (in collaboration with the Financial Executives Research Foundation): *Paving a Path to Success: Preparing for New Lease Accounting Standards* (June 2016)
- ▶ Grant Thornton: *Audit Committee Spotlight: Getting Ready for Lease Accounting Changes* (June 2017)
- ▶ KPMG: *Executive Accounting Update—Lessees* (February 2016)
- ▶ PwC: *10 Minutes on the New US Lease Standard* (August 2016)
- ▶ RSM: *Leases: Overview of the New Guidance* (March 2016)

Other Technical Resources

- ▶ AICPA: *Accounting for Leases Project Page*
- ▶ BDO: *BDO Knows: FASB—Topic 842, Leases* (July 2016)
- ▶ Deloitte: *Heads Up—Frequently Asked Questions about the FASB’s New Leases Standard* (April 2017)
- ▶ EY: *Financial Reporting Developments, A Comprehensive Guide, Lease Accounting (ASC 842)* (January 2018)
- ▶ FASB: *Leases Project Page*
- ▶ KPMG: *Leases Handbook* (December 2017)
- ▶ PwC: *Leases Guide* (March 2017)
- ▶ RSM: *Leases: New Accounting Requirements for Lessees* (May 2016)



About the Center for Audit Quality

The CAQ is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high-quality performance by public company auditors; convenes and collaborates with other stakeholders to advance the discussion of critical issues that require action and intervention; and advocates policies and standards that promote public company auditors' objectivity, effectiveness, and responsiveness to dynamic market conditions. Based in Washington, DC, the CAQ is affiliated with the American Institute of CPAs.



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