

US Corporate Law News: PCAOB issues practice alert regarding audits of customer contract revenue

29 OCTOBER 2017

CATEGORY:
ARTICLE

CLIENT TYPES:
PUBLIC COMPANIES



The Public Company Accounting Oversight Board (PCAOB) recently issued Staff Audit Practice Alert No. 15. The Financial Accounting Standards Board (FASB) had previously released new accounting standards applicable to revenue from customer contracts, and the latest PCAOB alert addresses the application of the PCAOB's standards to the new revenue standards. The alert takes into consideration the fact that companies will implement the new FASB revenue standards in interim reviews and year-end audits. Topics covered in the PCAOB alert include auditing management's transition disclosures in financial statement notes, auditing transition adjustments, fraud risks and determining whether or not financial statements include required revenue disclosures. For more information, see <https://pcaobus.org/Standards/QandA/SAPA-15-revenue-accounting-standard.pdf>.