



Quarterly Perspectives: Financial Reporting & Beyond / Q4 2025

January 8, 2026

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Meet the Presenters From Forvis Mazars A&A Professional Standards Group



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Looking Back



What Has Caught Our Eye

- Regulatory uncertainty and the impact of the government shutdown
- Communication breakdowns that lead to accounting errors
- The intersection between accounting and auditing standard setting and the political environment

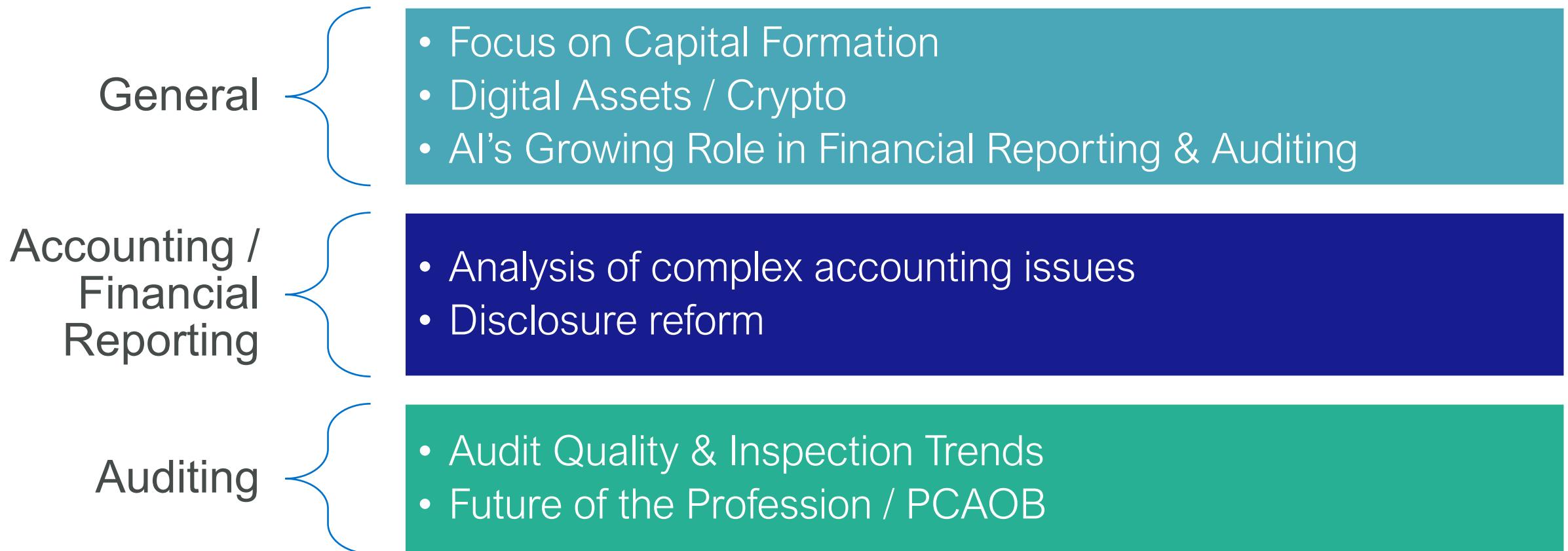
Here & Now



AICPA & CIMA Conference on Current SEC and PCAOB Developments

General Themes and Overarching Topics

Key Themes



AICPA & CIMA Conference on Current SEC and PCAOB Developments

Key Themes from the SEC Chair and Chief Accountant

Paul Atkins, SEC Chair

- “Back to basics” with Commission working to reduce unnecessary burdens to becoming and remaining public (e.g., disclosure reform)
- No more regulation through enforcement
- Focused on the next iteration of a PCAOB board with an interest in implementation of QC 1000

Kurt Hohl, SEC Chief Accountant

- Emerging issues
- FASB oversight
- PCAOB oversight
- International standard setting and convergence considerations
- Personnel focus within OCA

General theme for accounting firms
– focus on audit quality with a critical need for strong governance

- Robust monitoring
- Accountability
- Auditor independence
- Adopting to emerging trends (e.g., AI)

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Use of AI in Financial Reporting

Risk Assessment

Governance

Impact to Internal Controls

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Segment Reporting Reminders and Focus

Observations ... and likely on a Corp Fin reviewer's radar for 2025 10-Ks

- Determining the “required” measure of segment profit or loss
 - Two GAAP measures ... use the one with the most GAAP items (e.g., operating income better than gross profit)
 - One GAAP measure and one non-GAAP measure ... use GAAP measure
 - Two “adjusted” GAAP measures (i.e., two non-GAAP measures) ... use one with fewer adjustments or more pure GAAP items (e.g., EBITDA over adjusted EBITDA)
 - Explain how CODM uses the measure(s) to assess performance and allocate resources
- Significant segment expenses
 - If determined no disclosure of significant expenses is necessary for certain reportable segments, must state that fact and discuss nature of expense information CODM uses to manage the business
 - Need clear disclosure of each significant expense category once determined, including how they are measured if different from GAAP, avoiding the use of confusing naming conventions

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Segment Reporting Reminders and Focus (Continued)

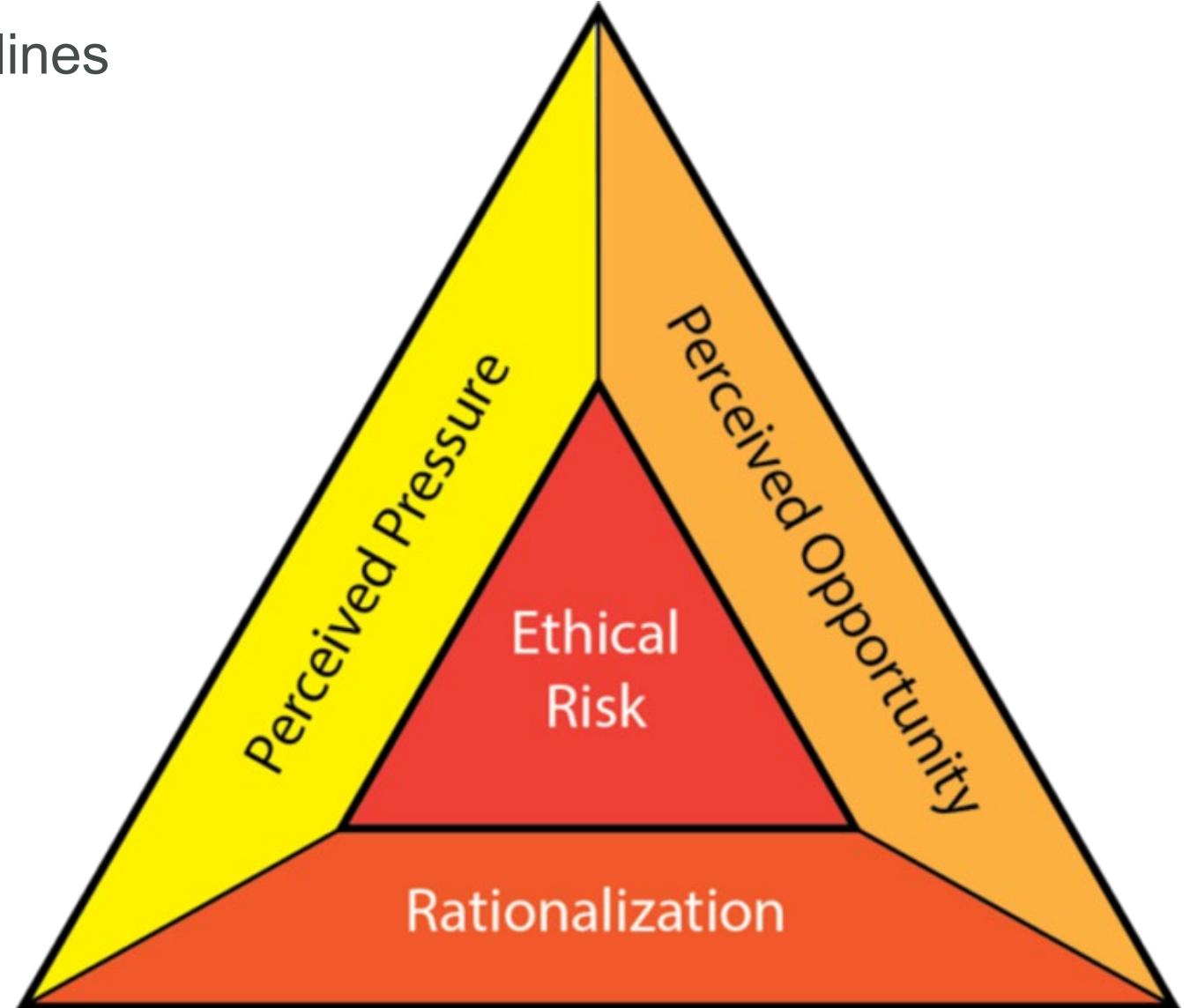
Observations ... and likely on a Corp Fin reviewer's radar for 2025 10-Ks

- Single segment registrants
 - Permissible, but must still make all the required disclosures ... simply referring to the face of the financial statements is likely insufficient (e.g., how can the narrative requirements be covered that way?)
 - For significant expenses, it depends on what is provided to CODM, which can be expenses NOT presented separately on the income statement
 - If determined no disclosure of a significant expense outside that on the income statement is necessary, disclose that fact
- “Buried” or contrived non-GAAP measures
 - Be careful not to create non-GAAP measures within the segment footnote by including additional measures or subtotals beyond ASC 280 requirements
 - The same inappropriate presentation can be achieved through partial groupings and “pseudo-consolidation” of reporting and non-reportable segments

Fraud Cases Continue to Grab Headlines

- **The Fraud Triangle:**

- Incentive (external or internal pressure)
- Opportunity (Why climb the mountain? Because it's there.)
- Rationalization (Everyone else is doing it ... and a whole host of other reasons)



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Management's Responsibilities – Directly From a U.S. GAAS Audit Opinion

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these financial statements are available to be issued [or within one year after the date that these financial statements are issued].

Auditor Responsibilities for Detecting Errors

- Detect material errors with reasonable assurance
 - Reasonable is a high level but not absolute level of assurance
 - Fraud is more difficult to detect for a variety of factors, including collusion, false statements, purposeful acts
 - Be skeptical
 - Identify risks
 - Design an audit to reduce risk to an acceptably low level
 - Be skeptical
 - Have I said...Be skeptical!
 - Skeptical is NOT neutral

What Did We Learn From the 2024 ACFE Report on Occupational Fraud?

- **Whistleblower tips are the best way to “hear” about fraud**
 - Give your people many ways to report – phone/internet/mail
- Tone at the top matters - A LOT
 - “Walk the walk” and “talk the talk” – don’t say one thing but “do” another
- Provide employees guidance on what is and is not acceptable – some people need to be told
- Pay attention to your people, know when they are stressed
 - Understand that internal control may need to adapt
 - Eliminate opportunity; recognize incentive

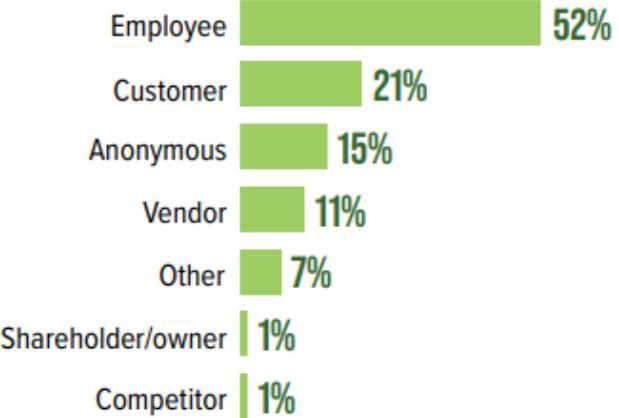


2024 ACFE Report on Occupational Fraud

FIG. 13 HOW IS OCCUPATIONAL FRAUD INITIALLY DETECTED?



FIG. 14 WHO REPORTS OCCUPATIONAL FRAUD?



Source: "Occupational Fraud 2024: A Report to the Nations" – Association for Certified Fraud Examiners

FASB ASUs in the Fourth Quarter 2025

A busy quarter for the FASB

- [ASU 2025-08](#) - Financial Instruments—Credit Losses (Topic 326): Purchased Loans
- [ASU 2025-09](#) - Derivatives and Hedging (Topic 815): Hedge Accounting Improvements
- [ASU 2025-10](#) - Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities
- [ASU 2025-11](#) - Interim Reporting (Topic 270): Narrow-Scope Improvements
- [ASU 2025-12](#) - Codification Improvements

Conversations You Should Be Having



A Conversations You Should Be Having Hearing

Liz Gantnier



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- [Understand & Defend Against Modern Cyberthreats](#)
- [Fraud Busters: Future-Proof Your Fraud Strategy for 2026](#)

Thank you!

Please join us again on April 16, 2026, for the first installment of the 2026 Quarterly Perspective webinar series, as well as the following dates for the entire 2026 series:

- July 16, 2026
- October 15, 2026
- January 7, 2027

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