

AccountancyAge

Deloitte US slapped with \$2m fine over audit violation

by Richard Crump

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DELOITTE'S US ARM has been hit with a \$2m (£1.2m) fine by America's audit watchdog for violating Sarbanes-Oxley and allowing a former partner to continue working while under a suspension order.

The \$2m sanction, which equals the single largest civil financial penalty levied by the PCAOB, was levied against the Big Four firm after it allowed a suspended auditor to continue working as a salaried director and continue working on public [company](#) audits.

The former partner, Christopher Anderson, was suspended by the PCAOB in 2008 and fined

\$25,000 after the watchdog found he had violated its rules when auditing the 2003 financial statements of a unit of Navistar International [Corporation](#).

According to the PCAOB, Deloitte knew of the suspension order, but permitted Anderson to keep working without the consent of the Securities and Exchange Commission.

"When the board suspends an auditor, it does so to protect investors," said James Doty, chairman of the PCAOB. "Deloitte permitted the former partner to conduct work precluded by the Board's order and put investors at risk.

"Considering the magnitude of the penalty, firms should recognise the importance of abiding by the limitations imposed on a PCAOB-suspended auditor," he added.

Deloitte was not immediately available for comment.

The firm's UK arm was recently hit with a [record-breaking £12m fine](#) from the FRC's independent tribunal for its work advising the owners of MG Rover in 2000. Deloitte has appealed the decision.

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