

## Order Making Findings and Disapproving Registration Application

*In re Registration Application of KPMG Audit SRL*

PCAOB Release No. 102-2022-002

July 7, 2022

### I.

On January 19, 2022, the Public Company Accounting Oversight Board (“PCAOB” or “Board”), pursuant to PCAOB Rule 2106(b)(2)(ii), issued a Notice of Hearing on the Registration Application of KPMG Audit SRL (“Applicant”). The Notice of Hearing afforded Applicant an opportunity for a hearing under PCAOB Rule 5500 to determine whether to approve or disapprove Applicant’s application for registration with the PCAOB. The Board received from Applicant a timely request for a hearing on the registration application.

### II.

Pursuant to PCAOB Rule 5205, Applicant has submitted an Offer of Settlement that the Board has determined to accept. Solely for the purpose of this proceeding and any other proceedings brought by or on behalf of the Board, or to which the Board is a party, and without admitting or denying the findings herein, except as to the findings described in III.A and III.C through III.F below, which are admitted, Applicant consents to the entry of this Order Making Findings and Disapproving Registration Application as set forth below.

### III.

On the basis of information obtained by the Board in connection with consideration of Applicant’s registration application, the Board finds<sup>1</sup> that:

- A. Applicant is a limited liability corporation headquartered in Bucharest, Romania.
- B. Romania is a non-U.S. jurisdiction where PCAOB inspections are currently prevented due to the lack of a cooperative agreement with the relevant

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<sup>1</sup> The findings herein are made pursuant to Applicant’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Romanian regulator, the Autoritatea pentru Supravegherea Publica a Activitatii de Audit Statutar (“ASPAAS”).

- C. Pursuant to PCAOB Release No. 2010-007,<sup>2</sup> the Board asked Applicant, in connection with its application, to state its understanding of whether a PCAOB inspection of Applicant would currently be allowed by Romanian law or Romanian authorities, and if the response were that the inspection would be allowed, to supply written confirmation from the appropriate Romanian regulatory authority that the inspection would be allowed. The Board’s request to Applicant explained that one option available to Applicant was to allow its application to remain pending, without Board action, by delaying a response to the request until such time as Applicant could provide written confirmation that an inspection would be allowed. Applicant has stated its understanding that, at the current time, there does not appear to be an avenue for PCAOB inspection of Applicant given the absence of a cooperative agreement between the PCAOB and ASPAAS, and requested that the Board take action on its application.
- D. Applicant played a role in the preparation or furnishing of four audit reports with respect to Endava PLC (“Endava”) for the fiscal years ended June 30, 2020; June 30, 2019; June 30, 2018; and June 30, 2017. Endava is an issuer as defined by the Sarbanes-Oxley Act of 2002 (the “Act”) and PCAOB Rules. The role played by Applicant in the preparation or furnishing of the audit reports constituted a “substantial role” as defined by PCAOB Rule 1001(p)(ii).
- E. At the time Applicant played a substantial role in the preparation or furnishing of the four audit reports with respect to Endava, Applicant was not a registered public accounting firm.
- F. Applicant violated Section 102(a) of the Act and PCAOB Rule 2100 by playing a substantial role in the preparation or furnishing of the four Endava audit reports while not being a registered public accounting firm.

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<sup>2</sup> [Consideration of Registration Applications From Public Accounting Firms in Non-U.S. Jurisdictions Where There Are Unresolved Obstacles To PCAOB Inspections](#), PCAOB Release No. 2010-007 (Oct. 7, 2010).

- G. The violations described above resulted from Applicant's failure to exercise the degree of care that the Board would expect of a public accounting firm under the circumstances.

IV.

In view of the foregoing, and to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, it is hereby ORDERED:

That Applicant's application for registration with the PCAOB is disapproved, provided, however, that with respect to any new application for registration submitted by Applicant after the later of (1) one year from the date of this Order, or (2) a six-month period following the date upon which a cooperative agreement is entered into between the PCAOB and ASPAAS (or any relevant Romanian regulator) that allows for PCAOB inspections in Romania, the Board will not issue a Notice of Hearing to determine whether to approve or disapprove such application based solely on the Applicant's violations that are the subject of the findings contained in this Order.

ISSUED BY THE BOARD.



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Phoebe W. Brown  
Secretary

July 7, 2022