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Following Sweep, PCAOB Sanctions Four Audit Firms for Failing to Disclose Who Worked on Audits

PCAOB imposes censures, remedial undertakings, fines on four firms that failed to file Form APs

Washington, Oct. 4, 2022

The Public Company Accounting Oversight Board (PCAOB) today announced settled disciplinary orders sanctioning four audit firms for failing to file required Form APs, which disclose who led specific audits for the firm and whether any other firms were involved in those audits. The violations were found during a sweep, which enables the PCAOB to collect information on potential violations from a number of firms at the same time. In July, PCAOB Board Chair Erica Y. Williams announced the PCAOB is conducting sweeps as part of its overall effort to strengthen enforcement.

Failure to file Form APs on time is a violation of PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*. All four firms have since filed the Form APs in question, but only after the PCAOB took action.

“Investors and the public rely on Form AP disclosures to understand exactly who has a hand in the audits of public companies. Timely disclosure is critical for transparency and accountability in our capital markets, and the PCAOB will be vigilant in enforcing disclosure rules,” said Chair Williams.

The firms — who, without admitting or denying the findings, consented to the PCAOB’s orders and the disciplinary actions — are the following:

- [Yarel + Partners](#) – \$35,000 civil money penalty and censure

- [Shanghai Perfect CPA Partnership](#) – \$20,000 civil money penalty and censure
- [James Pai CPA PLLC](#) – \$20,000 civil money penalty and censure
- [Liebman Goldberg & Hymowitz LLP](#) – \$20,000 civil money penalty and censure

In addition, each firm consented to undertake remedial measures to establish policies and procedures directed toward ensuring future compliance with PCAOB reporting requirements.

“Today’s settlements underscore the importance of timely filing Form APs in order to provide investors with information they need to make informed decisions,” said Mark A. Adler, PCAOB Acting Director of Enforcement and Investigations. “This requirement must be taken seriously by audit firms.”

PCAOB enforcement staff members Kevin J. Matta and Dave Eccard conducted the investigation, supervised by Kyra C. Armstrong.

The PCAOB oversees auditors’ compliance with the Sarbanes-Oxley Act, provisions of the securities laws relating to auditing, professional standards, and PCAOB and SEC rules. Strengthening enforcement is one of the four key goals that the Board has identified in its draft strategic plan. To advance this goal, the Board in 2022 has increased average penalties, pursued enforcement actions involving certain types of violations for the first time, and taken steps to proactively seek out wrongdoing by increasing the use of sweeps against firms where there may be a violation of PCAOB standards or rules.

Further information about the PCAOB Division of Enforcement and Investigations is [available on the PCAOB website](#). Firms or individuals wishing to report suspected misconduct by auditors, or to self-report possible misconduct, may visit the PCAOB [Tips and Referrals page](#).

About the PCAOB

The PCAOB is a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect investors and further the public interest in the preparation of informative, accurate, and independent audit reports. The PCAOB also oversees the audits of brokers and dealers, including compliance reports filed pursuant to federal securities laws.

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