

ORDER

Respondents consent to entry of this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order").¹

III.

On the basis of Respondents' Offers, the Board finds that:

A. Respondents

1. Maillie LLP is, and at all relevant times was, an accounting firm organized under Pennsylvania law, and headquartered in Mont Clare, Pennsylvania. The Firm is registered with the Board pursuant to Section 102 of the Act and PCAOB rules, and is licensed by the Pennsylvania State Board of Accountancy (license no. AF000423L). At all relevant times, the Firm was the external auditor for the issuers identified below.

2. Laurie Harvey, CPA, age 52, is, and at all relevant times was, a certified public accountant licensed by the Pennsylvania State Board of Accountancy (license no. CA033148L). At all relevant times, Harvey was the head of the assurance practice at the Firm. Harvey is, and at all relevant times was, an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i).

B. Summary

3. This matter concerns the Firm's failure to comply with Auditing Standard No. 7, *Engagement Quality Review* ("AS 7"), with respect to two issuer audit clients. In the case of the Firm's audits of the issuers' 2012 and 2013 year-end financial statements, the Firm failed to have an engagement quality review performed by a partner or another individual in an equivalent position.

4. This matter also concerns Harvey's direct and substantial contribution to the Firm's violation of PCAOB rules and standards concerning the requirement for engagement quality reviews. With respect to the Firm's audits of two issuer clients, Harvey took or omitted to take actions knowing, or recklessly not knowing, that her acts or omissions would directly and substantially contribute to the Firm's violations of PCAOB rules and auditing standards.

¹ The findings herein are made pursuant to the Respondents' Offers and are not binding on any other person or entity in this or any other proceeding.

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C. Respondents Violated PCAOB Auditing Standards

5. In connection with the preparation or issuance of an audit report, PCAOB rules require that a registered public accounting firm and its associated persons comply with the Board's auditing and related professional practice standards.²

6. For audits of financial statements for fiscal years beginning on or after December 15, 2009, AS 7 requires that an engagement quality review be performed on audits and interim reviews conducted pursuant to PCAOB standards.³ AS 7 also provides that an engagement quality reviewer from the firm that issues the engagement report must be a partner or another individual in an equivalent position.⁴

7. In addition, PCAOB rules prohibit an associated person of a registered public accounting firm from "tak[ing] or omit[ting] to take an action knowing, or recklessly not knowing, that the act or omission would directly and substantially contribute to a violation by that registered public accounting firm of the Act, rules of the Board, the provisions of the securities laws relating to the preparation and issuance of audit reports and the obligations and liabilities of accountants with respect thereto, including the rules of the [Securities and Exchange] Commission issued under the Act, or professional standards."⁵

8. As described below, Respondents failed to comply with PCAOB rules and standards.

Audit of Teleflex's Financial Statements

9. At all relevant times, Teleflex 401(k) Plan ("Teleflex") was a Delaware corporation headquartered in Wayne, Pennsylvania. The company's public filings disclose that it is a defined contribution plan. At all relevant times, Teleflex was an "issuer" as defined in Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

² PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*.

³ See AS 7 ¶ 1.

⁴ Id. at ¶ 3.

⁵ See PCAOB Rule 3502, *Responsibility Not to Knowingly or Recklessly Contribute to Violations*.

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10. The Firm was engaged as Teleflex's external auditor in 2012 and 2013. The Firm was engaged to audit the financial statements of Teleflex for the year ended December 31, 2012. The Firm issued an audit report, dated June 26, 2013, which was included in Teleflex's Form 11-K filed with the Securities and Exchange Commission ("Commission" or "SEC") on June 28, 2013.

11. The Firm issued its audit report after obtaining an engagement quality review and concurring approval of issuance from another individual at the Firm. That individual who performed the engagement quality review was a manager and was not a partner or another individual in an equivalent position. As a result, the Firm violated AS 7.

12. The Firm was also engaged to audit the financial statements of Teleflex for the year ended December 31, 2013. The Firm issued an audit report, dated June 23, 2014, which was included in Teleflex's Form 11-K filed with the Commission on June 27, 2014.

13. The Firm issued its audit report after obtaining an engagement quality review and concurring approval of issuance from another individual at the Firm. That individual who performed the engagement quality review was a manager and was not a partner or another individual in an equivalent position. As a result, the Firm violated AS 7.

Audit of Penn Virginia's Financial Statements

14. At all relevant times, Penn Virginia Corporation and Affiliated Companies Employees' 401(k) Plan ("Penn Virginia") was a Virginia corporation headquartered in Radnor, Pennsylvania. The company's public filings disclose that it is a defined contribution plan. At all relevant times, Penn Virginia was an "issuer" as defined in Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

15. The Firm was engaged as Penn Virginia's external auditor in 2012 and 2013. The Firm was engaged to audit the financial statements of Penn Virginia for the year ended December 31, 2012. The Firm issued an audit report, dated June 24, 2013, which was included in Penn Virginia's Form 11-K filed with the Commission on June 26, 2013.

16. The Firm issued its audit report after obtaining an engagement quality review and concurring approval of issuance from another individual at the Firm. That individual who performed the engagement quality review was a manager and was not a partner or another individual in an equivalent position. As a result, the Firm violated AS 7.

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17. The Firm was also engaged to audit the financial statements of Penn Virginia for the year ended December 31, 2013. The Firm issued an audit report, dated June 26, 2014, which was included in Penn Virginia's Form 11-K filed with the Commission on June 30, 2014.

18. The Firm issued its audit report after obtaining an engagement quality review and concurring approval of issuance from another individual at the Firm. That individual who performed the engagement quality review was a manager and was not a partner or another individual in an equivalent position. As a result, the Firm violated AS 7.

Harvey Contributed to the Firm's Violations
of PCAOB Rules and Standards

19. Harvey served as the head of the assurance practice at the Firm. She determined who served as the engagement quality reviewers on the 2012 and 2013 audits of Teleflex and Penn Virginia.

20. Harvey knew, or was reckless in not knowing, that she was directly and substantially contributing to the Firm's violations when she improperly allowed individuals at the Firm who were not partners or in equivalent positions to perform the engagement quality reviews. As a result, Harvey violated PCAOB Rule 3502.

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, the Board determines it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), Maillie LLP and Laurie Harvey, CPA are hereby censured;
- B. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of \$2,500 is imposed upon Maillie LLP. All funds collected by the Board as a result of the assessment of this civil money penalty will be used in accordance with Section 109(c)(2) of the Act. Maillie LLP shall pay this civil money penalty within 10 days of the issuance of this Order by (a) wire transfer in accordance with instructions furnished by Board staff; or (b) United States postal money order, certified

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check, bank cashier's check or bank money order; (c) made payable to the Public Company Accounting Oversight Board; (d) delivered to the Controller, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington, D.C. 20006; and (e) submitted under a cover letter which identifies Maillie LLP as a Respondent in these proceedings, sets forth the title and PCAOB Release Number of these proceedings, and states that payment is made pursuant to this Order, a copy of which cover letter and money order or check shall be sent to the Office of the Secretary, Attention: Phoebe Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington, D.C. 20006; and

C. Pursuant to Section 105(c)(4)(G) of the Act and PCAOB Rule 5300(a)(9), the Firm is required:

1. within ninety (90) days from the date of this Order, to establish policies and procedures, or review and/or supplement existing policies and procedures, for the purpose of providing the Firm with reasonable assurance of compliance with Auditing Standard No. 7, *Engagement Quality Review*;

2. within ninety (90) days from the date of this Order, to establish a policy of ensuring training, whether internal or external, on an annual or more frequent basis, concerning Auditing Standard No. 7, of any Firm audit personnel who participate in any way in the planning or performing of any audit services (as defined in PCAOB Rule 1001(a)(vii));

3. within ninety (90) days from the date of this Order, and before the Firm's commencement of any audit services, to ensure training pursuant to the policy described in paragraph C(2) above on at least one occasion;

4. to provide a copy of this Order—

a. within (30) days from the date of this Order, to all audit personnel employed by, or associated with (as defined in PCAOB Rule 1001(p)(i)), the Firm as of the date of this Order;

b. within (30) days from the date of this Order, to any client of the Firm as of the date of this Order for which the Firm has performed or has been engaged to perform audit services;

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c. before the commencement of any audit services, to any future client for which the Firm is engaged within three (3) years of the date of this Order to perform such audit services; and

5. to certify in writing to the Director of the Division of Enforcement and Investigations, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, the Firm's compliance with paragraphs C(1) through C(4)(b) above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Firm shall submit such certification within one hundred twenty (120) days from the date of this Order. The Firm shall also submit such additional evidence of and information concerning compliance as the staff of the Division of Enforcement and Investigations may reasonably request.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

June 14, 2016