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ORDER INSTITUTING DISCIPLINARY  
PROCEEDINGS, MAKING FINDINGS,  
AND IMPOSING SANCTIONS

*In the Matter of Simone Pacheco Lemos do  
Amaral,*

Respondent.

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) PCAOB Release No. 105-2016-042  
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) December 5, 2016  
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By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is: (1) censuring Simone Pacheco Lemos do Amaral ("Amaral" or "Respondent"); and (2) barring Amaral from being an associated person of a registered public accounting firm.<sup>1</sup> The Board is imposing these sanctions on the basis of its findings that Amaral violated PCAOB rules and standards in connection with a Board inspection.

I.

The Board deems it necessary and appropriate, for the protection of investors and to further the public interest in the preparation of informative, accurate, and independent audit reports, that disciplinary proceedings be, and hereby are, instituted pursuant to Section 105(c) of the Sarbanes-Oxley Act of 2002, as amended (the "Act"), and PCAOB Rule 5200(a)(1) against Respondent.

II.

In anticipation of the institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondent has submitted an Offer of Settlement ("Offer") that the Board has determined to accept. Solely for purposes of these proceedings 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 Board's jurisdiction over her and the subject matter of these proceedings, which are admitted, Respondent

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<sup>1</sup> Amaral may file a petition for Board consent to associate with a registered public accounting firm after one (1) year from the date of this Order.

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consents to entry of this Order Instituting Disciplinary Proceedings, Making Findings, and Imposing Sanctions ("Order") as set forth below.<sup>2</sup>

**III.**

On the basis of Respondent's Offer, the Board finds<sup>3</sup> that:

**A. Respondent**

1. Simone Pacheco Lemos do Amaral, 38, was, at all relevant times, a senior manager at the PCAOB registered firm Deloitte Touche Tohmatsu Auditores Independentes ("Deloitte Brazil" or "Firm"). Amaral was an associated person of a registered public accounting firm, as that term is defined by Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). The Firm terminated Amaral in July 2016.

**B. Respondent Violated Applicable PCAOB Rules and Standards**

Applicable PCAOB Rules and Standards

2. In connection with the preparation or issuance of an audit report, PCAOB rules require that associated persons of registered public accounting firms comply with applicable auditing and related professional practice standards.<sup>4</sup> Auditing Standard No. 3, *Audit Documentation* ("AS3"), requires that the complete and final set of documentation for an audit be assembled for retention by the "documentation completion date," a date no later than 45 days from the date on which the auditor grants permission to use its report.<sup>5</sup> After the documentation completion date, audit

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<sup>2</sup> The findings herein are made pursuant to Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.

<sup>3</sup> The Board finds that Respondent's conduct described in this Order meets the conditions set out in Section 105(c)(5), which provide that certain sanctions may be imposed in the event of: (A) intentional or knowing conduct, including reckless conduct, that results in violation of the applicable statutory, regulatory, or professional standard; or (B) repeated instances of negligent conduct, each resulting in a violation of the applicable statutory, regulatory, or professional standard.

<sup>4</sup> See PCAOB Rule 3100, *Compliance with Auditing and Related Professional Practice Standards*; PCAOB Rule 3200T, *Interim Auditing Standards*. All references to PCAOB rules and standards are to the versions of those rules and standards in effect at the time of the relevant conduct.

<sup>5</sup> AS3 ¶¶ 14, 15.



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documentation must not be deleted or discarded from the audit file, but it may be added as long as the auditor documents the date of the addition, the name of the person who prepared the additional documentation, and the reason for adding the documentation.<sup>6</sup>

3. PCAOB Rule 4006, *Duty to Cooperate with Inspectors*, requires registered firms and their associated persons to cooperate with inspections conducted by the Board. The cooperation requirement of Rule 4006 includes an obligation "not to provide misleading documents or information in connection with the Board's inspection processes."<sup>7</sup>

### Respondent Violated PCAOB Rules and Standards in Connection with a PCAOB Inspection

4. During the relevant time period, one of Deloitte Brazil's audit clients was a company ("Issuer") that was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii). In early 2011, the Firm issued two unqualified audit reports concerning the Issuer's 2010 financial statements and internal control over financial reporting ("ICFR"). The Issuer included those reports in a Form 20-F filed with the U.S. Securities and Exchange Commission ("Commission") during the first half of 2011. Both the "report release date"<sup>8</sup> and the documentation completion date for the Firm's audit of the Issuer's 2010 financial statements and ICFR ("2010 Issuer Audit") occurred prior to the end of 2011.

5. In March and April 2012, the PCAOB Division of Registration and Inspections ("Inspections") performed primary field work procedures for an inspection of Deloitte Brazil, including an inspection of the 2010 Issuer Audit. Amaral had served as a senior manager on the 2010 Issuer Audit. Inspections staff informed the Firm that the 2010 Issuer Audit had been selected for inspection on or about March 8, 2012.

6. During the PCAOB inspection, a partner on the 2010 Issuer Audit ("Partner")<sup>9</sup> directed Amaral to create three work papers to document certain work purportedly performed by the engagement team during the 2010 Issuer Audit. The Partner informed Amaral, who was in a different Deloitte Brazil office, that his request related to the inspection. Amaral created the three work papers as requested. Although

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<sup>6</sup> See *id.* ¶ 16.

<sup>7</sup> *Nathan M. Suddeth, CPA*, PCAOB Rel. No. 105-2013-007 (Sept. 10, 2013).

<sup>8</sup> AS3 ¶ 14.

<sup>9</sup> See *Marco Aurelio Paulino Neves*, PCAOB Rel. No. 105-2016-041 (Dec. 5, 2016).

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she prepared the work papers months after the documentation completion date for the 2010 Issuer Audit, she did not document the date on which she prepared the work papers or the reason for adding the work papers after the documentation completion date. In fact, Amaral falsely indicated on the work papers that they had been prepared in January 2011, during the 2010 Issuer Audit.

7. Amaral provided the three work papers to the Partner on or about April 2, 2012, and the Partner subsequently added the work papers to the binders of manual work papers that had previously been provided to Inspections.

8. Through her actions, Amaral violated PCAOB audit documentation standards and her duty to cooperate with Inspections.<sup>10</sup>

**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 Respondent's Offer. Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 105(c)(4)(E) of the Act and PCAOB Rule 5300(a)(5), Simone Pacheco Lemos do Amaral is censured;
- B. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Simone Pacheco Lemos do Amaral is barred from being 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);<sup>11</sup> and

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<sup>10</sup> See AS3 ¶ 16; PCAOB Rule 4006.

<sup>11</sup> As a consequence of the bar, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Amaral. Section 105(c)(7)(B) provides: "It shall be unlawful for any person that is suspended or barred from being associated with a registered public accounting firm under this subsection willfully to become or remain associated with any issuer, broker, or dealer in an accountancy or a financial management capacity, and for any issuer, broker, or dealer that knew, or in the exercise of reasonable care should have known, of such suspension or bar, to permit such an association, without the consent of the Board or the Commission."

**ORDER**

- C. After one (1) year from the date of this Order, Simone Pacheco Lemos do Amaral may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm.<sup>12</sup>

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

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Phoebe W. Brown  
Secretary

December 5, 2016

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<sup>12</sup> In considering such a petition, the Board will address all of the factors described in PCAOB Rule 5302(b) and, among other things, will give weight to whether Amaral has, in the period after the date of this Order, completed at least 20 hours of continuing professional education directly related to ethics.