By this Order, the Public Company Accounting Oversight Board ("Board" or "PCAOB") is (1) censuring Miguel Angel Asencio Asencio ("Asencio" or "Respondent"); (2) barring him from being an associated person of a registered public accounting firm;\(^1\) and (3) imposing on him a civil money penalty in the amount of $25,000. The Board is imposing these sanctions on the basis of its findings that Asencio: (1) violated PCAOB rules and standards in connection with an audit of the financial statements of an issuer audit client; and (2) failed to cooperate with a Board inspection by providing misleading information to the Board's inspections staff.

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 institution of these proceedings, and pursuant to PCAOB Rule 5205, Respondent 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 Respondent and the subject matter of these proceedings, which are admitted,\(^1\) Respondent may file a petition for Board consent to associate with a registered public accounting firm after two (2) years from the date of this Order.
ORDER

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

III.

On the basis of Respondent's Offer, the Board finds that: 3

A. Respondent

1. Miguel Angel Asencio Asencio, age 46, of Mexico City, Mexico, is a certified public accountant licensed by the State of New Hampshire (license no. 35019) and under the laws of Mexico (license no. 10795). At all relevant times and beginning in 2006, Asencio was a partner in the Mexico City, Mexico office of Galaz, Yamazaki, Ruiz Urquiza, S.C. ("Deloitte Mexico" or "Firm") and 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). The Firm is a member of the Deloitte Touche Tohmatsu Limited global network. Asencio served as a partner supervising the audit procedures performed for certain Mexican subsidiaries of Southern Copper Corporation ("SCC" or "Company") for the years ending December 31, 2009 through December 31, 2013. In the second quarter of 2014, Deloitte Mexico removed Asencio from the SCC audit engagement team, and in May, 2016 removed Asencio from the Firm's audit practice, after the discovery of his improper alteration of certain 2010 SCC audit work papers.

B. Issuer

2. SCC is a Delaware corporation headquartered in Phoenix, Arizona. SCC's public filings disclose that SCC is a large integrated copper producer with mining, smelting and refining facilities located in Peru and Mexico. Its common stock is listed on both the New York and Lima Stock Exchanges under the symbol "SCCO." At all

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

3 The Board finds that Respondent's conduct described in this Order meets the conditions set out in Section 105(c)(5) of the Act, 15 U.S.C. § 7215(c)(5), which provides that certain sanctions may be imposed in the event of: (A) intentional or knowing conduct, including reckless conduct, that results in a 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.
relevant times, SCC was an issuer as that term is defined by Section 2(a)(7) of the Act and PCAOB Rule 1001(i)(iii).

C. Summary

3. This matter concerns Respondent's violations of PCAOB rules and standards during the course of the Firm's audits of the Company's December 31, 2010 financial statements and the Company's internal control over financial reporting ("ICFR") as of December 31, 2010 (the "Audit"), as well as his misconduct in connection with a subsequent PCAOB inspection. During the Audit, Respondent and other members of the engagement team failed to timely assemble for retention all audit documentation required by PCAOB Auditing Standard No. 3, Audit Documentation ("AS3").

4. After the documentation completion date for the Audit, Respondent and certain other members of the engagement team improperly altered the documentation for the Audit. Specifically, in advance of a post-audit internal practice review performed by the Firm ("Practice Review"), Respondent and certain other members of the engagement team violated AS3 by deleting work papers from and making other alterations to the documentation that had previously been assembled for retention for the Audit. In addition, Respondent and certain other members of the engagement team made additions and other alterations to the previously assembled documentation, without identifying when the changes were made, who made them, and why they were made, in violation of AS3.

5. Beginning in March 2012, the staff of the Board's Division of Registration and Inspections ("Inspections") inspected the Audit. In connection with the inspection, the Firm made available to Inspections the Audit work papers Respondent and other members of the engagement team had previously improperly altered, as well as other misleading information. At no time did Respondent inform Inspections of the improper alterations and other misleading information. As a result, Respondent violated PCAOB Rule 4006, Duty to Cooperate with Inspectors.

4 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.


6 During the relevant period, the Firm performed annual audit practice reviews. According to the Firm's policies, audit practice reviews serve to provide reasonable assurance that the firm's system of quality control is appropriately designed, relevant, adequate, operating effectively and complied with in practice.
ORDER

D. Respondent Violated PCAOB Rules and Standards During the Course of the Audit

6. The Firm has been the external auditor for SCC since 2009. On February 25, 2011, the Firm issued unqualified opinions in the Audit reports that were included in the Company's Form 10-K filed with the U.S. Securities and Exchange Commission ("Commission") on February 28, 2011. The Audit reports stated that, in the Firm's opinion, the Company's financial statements presented fairly, in all material respects, the Company's financial position, and the results of its operations and cash flows in conformity with U.S. Generally Accepted Accounting Principles, and that the Company maintained, in all material respects, effective ICFR as of December 31, 2010. The Audit reports also stated that the Audit was conducted in accordance with PCAOB standards.

7. Respondent served as a second partner on the Audit and was supervised by the engagement partner. In his role as a second partner for the Audit, Respondent was responsible for supervising certain other members of the Audit engagement team that worked on the part of the Audit relating to SCC's Mexican subsidiary, Industrial Minera Mexico, S.A. de CV ("IMMSA").

8. PCAOB rules require that registered public accounting firms and their associated persons comply with applicable auditing and related professional practice standards.7

9. The auditor must prepare audit documentation in connection with each engagement conducted pursuant to the standards of the PCAOB.8 That documentation should be prepared in sufficient detail to provide a clear understanding of its purpose, source, and the conclusions reached.9

10. PCAOB audit documentation standards require 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 after the date on which the auditor grants permission to use its report.10 After the documentation completion date, audit

7 See PCAOB Rule 3100, Compliance with Auditing and Related Professional Practice Standards.
8 AS3 ¶ 4.
9 Id.
10 See id. ¶ 15.
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.\textsuperscript{11}

\begin{itemize}
  \item[11.] As the partner supervising the IMMSA audit work, Respondent was responsible for documentation of the audit procedures performed on the IMMSA subsidiary. It was the responsibility of Respondent and the engagement partner to ensure that the IMMSA audit work papers were assembled for retention by the documentation completion date for the Audit in accordance with PCAOB standards.
  \item[12.] The Audit engagement team assembled the SCC audit documentation for retention on April 11, 2011, the documentation completion date ("April Archive"). Within the April Archive was a work paper stating that the IMMSA work papers supporting the Audit reports were contained in a separate file. However, Respondent and the engagement partner failed to assemble those IMMSA-related work papers for retention by April 11, 2011. In fact, Respondent and the engagement partner did not assemble any IMMSA work papers for retention until June 8, 2011. As a result of this conduct, Respondent violated AS3.
\end{itemize}

\section*{E. Respondent Violated PCAOB Rules and Standards After the Issuance of the Audit Reports}

\begin{itemize}
  \item[13.] On or before July 20, 2011, Respondent was notified that the Audit had been selected for an internal Practice Review. The Practice Review, which was part of the Firm’s system of quality control, was scheduled to take place in early August 2011. In connection with the Practice Review, Respondent violated PCAOB standards by improperly altering Audit work papers.
  \item[14.] Upon learning of the impending Practice Review, in late July 2011, Respondent directed certain other members of the engagement team to review the IMMSA-related work papers that had been assembled for retention in June for completeness and to identify work papers that had been omitted.\textsuperscript{12} Through that
\end{itemize}

\textsuperscript{11} See id. ¶ 16.

\textsuperscript{12} As noted above, the IMMSA-related work papers were assembled for retention in June 2011, the month before Respondent was informed of the Practice Review. They had not been assembled for retention by the documentation completion date for the Audit, a violation of AS3.
process, Respondent and certain other members of the engagement team became aware of deficiencies in the IMMSA-related work papers for the Audit.

15. In response, Respondent and certain other members of the engagement team accessed the IMMSA-related work papers that had been assembled for retention ("IMMSA Reopening"). The form completed by the Respondent and other engagement team members stated that the IMMSA Reopening was necessary to make limited administrative corrections to add a single work paper, and no other changes would be made to the separate IMMSA file. The senior manager on the engagement thereafter signed and entered into the Firm's archiving system a declaration stating that, during the IMMSA Reopening, only one IMMSA-related work paper would be added to the previously-assembled work papers and no IMMSA-related work papers would be deleted or altered. Respondent signed and entered into the Firm's archiving system a similar declaration and approved the IMMSA Reopening. The Engagement Quality Reviewer for the part of the Audit related to IMMSA approved the IMMSA Reopening based on the information in these declarations.

16. Contrary to Respondent's declaration, during the IMMSA Reopening, Respondent and certain other members of the engagement team violated AS3 by improperly deleting from the separate IMMSA file 26 IMMSA-related work papers that had previously been assembled for retention, improperly altering 90 existing IMMSA-related work papers, and improperly adding 17 IMMSA-related work papers to the separate IMMSA file.

17. As a result of his improper alteration of IMMSA-related audit documentation, Respondent violated AS3.

**Respondent Failed to Cooperate with the Board's Inspection by Providing Misleading Information to Inspections**

18. On February 6, 2012, Inspections notified the Firm that it would inspect the Audit ("Board's Inspection"). The Act "requires the Board to conduct a 'continuing program of inspections to assess the degree of compliance of each registered public accounting firm and associated persons . . . with [the Act], the rules of the Board, the rules of the Commission, or professional standards.'"\(^{13}\)

19. PCAOB rules require an associated person of a registered public accounting firm to "cooperate with the Board in the performance of any Board..."

ORDER

This cooperation obligation "includes an obligation not to provide misleading documents or information in connection with the Board's inspection processes."15

20. Field work for the Board's Inspection took place during the weeks of March 26 and April 2, 2012. By that time, Respondent was aware that, in addition to the IMMSA-related work papers, other work papers for the Audit had been improperly altered in July 2011 in advance of the Practice Review. Those improperly altered work papers were then made available to Inspections in connection with the Board's Inspection of the Audit. During the inspection process, Respondent was interviewed by, and had discussions with, PCAOB inspectors based on the improperly altered work papers. Respondent provided misleading information to Inspections by participating in that interview and those discussions without informing Inspections that the interview and discussions were based on documents that had been improperly altered.

21. As a result of this conduct, Respondent failed to cooperate with the Board's Inspection, in violation of Rule 4006.

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), Miguel Angel Asencio Asencio, is hereby censured.

B. Pursuant to Section 105(c)(4)(B) of the Act and PCAOB Rule 5300(a)(2), Miguel Angel Asencio Asencio, 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),16

14 PCAOB Rule 4006.


16 As a consequence of the bar imposed in this Order, the provisions of Section 105(c)(7)(B) of the Act will apply with respect to Respondent. 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
ORDER

C. After two (2) years from the date of this Order, Miguel Angel Asencio Asencio, may file a petition, pursuant to PCAOB Rule 5302(b), for Board consent to associate with a registered public accounting firm; and

D. Pursuant to Section 105(c)(4)(D) of the Act and PCAOB Rule 5300(a)(4), a civil money penalty in the amount of $25,000 is imposed. 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. Miguel Angel Asencio Asencio shall pay this civil money penalty within ten (10) days of the issuance of this Order by (1) wire transfer in accordance with instructions furnished by Board staff; or (2) United States Postal Service money order, bank money order, certified check, or bank cashier's check (a) made payable to the Public Company Accounting Oversight Board, (b) delivered to the Controller, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006, and (c) submitted under a cover letter, which identifies Miguel Angel Asencio Asencio 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 Office of the Secretary, Attention: Phoebe W. Brown, Secretary, Public Company Accounting Oversight Board, 1666 K Street, N.W., Washington D.C. 20006.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

December 5, 2016

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."