

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

In the Matter of)
BDO USA, LLP's) PCAOB Release No.104-2015-189
Quality Control Remediation)
Submissions)
November 4, 2015

I.

The Public Company Accounting Oversight Board ("Board" or "PCAOB") has evaluated the submissions of BDO USA, LLP ("the Firm") pursuant to PCAOB Rule 4009(a) for the remediation periods ended December 18, 2013 and October 22, 2014 concerning the Firm's efforts to address certain quality control criticisms included in the nonpublic portions of the Board's December 18, 2012 and October 22, 2013 inspection reports on the Firm ("the Reports"). The Board has determined that as of December 18, 2013 and October 22, 2014, respectively, the Firm had not addressed certain criticisms in the Reports to the Board's satisfaction. Accordingly, pursuant to Section 104(g)(2) of the Sarbanes-Oxley Act of 2002 ("the Act") and PCAOB Rule 4009(d), the Board is making public the portions of the Reports that deal with those criticisms.¹

The Firm has notified the Board that it will not seek Securities and Exchange Commission review of the determination, which the Firm has a right to do under the Act and Commission rules. The Firm has requested that a related statement by the Firm be attached as an Appendix to this release, and the Board has granted that request. By allowing the Firm's statement to be attached as an

¹ Those portions of the Report are now included in the version of the Report that is publicly available on the Board's web site. Observations in Board inspection reports are not a result of an adversarial adjudicative process and do not constitute conclusive findings of fact or of violations for purposes of imposing legal liability.

Appendix to this release, however, the Board is not endorsing, confirming, or adopting as the Board's view any element of the Firm's statement.

II.

The quality control remediation process is central to the Board's efforts to cause firms to improve the quality of their audits and thereby better protect investors. The Board therefore takes very seriously the importance of firms making sufficient progress on quality control issues identified in an inspection report in the 12 months following the report. Particularly with the largest firms, which are inspected annually, the Board devotes considerable time and resources to critically evaluating whether the firm did in fact make sufficient progress in that period. The Board makes the relevant criticisms public when a firm has failed to do so to the Board's satisfaction.

It is not unusual for an inspection report to include nonpublic criticisms of several aspects of a firm's system of quality control. Any Board judgment that results in later public disclosure is a judgment about whether the firm made sufficient effort and progress to address the particular criticisms articulated in the report on that firm in the 12 months immediately following the report date. It is not a broad judgment about the effectiveness of a firm's system of quality control compared to those of other firms, and it does not signify anything about the merits of any additional efforts a firm may have made to address the criticisms after the 12-month period.

ISSUED BY THE BOARD.

/s/ Phoebe W. Brown

Phoebe W. Brown
Secretary

November 4, 2015



Statement of BDO USA, LLP on the PCAOB's November 4, 2015 Release No.104-2015-189

BDO USA is committed to audit quality and continuous improvement to serve our clients and all of the stakeholders in the capital markets system. The firm regularly dedicates time and resources to the ongoing enhancement of our quality control programs and the audit services we provide our clients. For these reasons, BDO has always been supportive of the PCAOB's inspection process and its goal of protecting investors and building confidence in the audit profession.

Accountability is among the core values that define how we work at BDO. The PCAOB informed us of its determination to make public portions of Part II of our 2011 and 2012 annual PCAOB inspection reports (the "Reports"). This determination was based on the PCAOB's conclusion that our efforts to satisfactorily address certain criticisms raised by the PCAOB within the 12-month remediation periods, following the issuance of those Reports, were insufficient. We accept that determination.

We have taken steps to address the areas cited in the public portions of Part II of our Reports, which include investments in our training, tools, and resources. We continue to develop these and other areas, demonstrating our ongoing commitment to audit quality to our clients, professionals, stakeholders, and the PCAOB.