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Apr. 20, 2017



KPMG LLP, the audit, tax and advisory firm, recently determined that six individuals in its Audit practice, including the head of the Audit Practice, four other partners and one employee, had violated the firm's Code of Conduct and they are leaving the firm.

The firm learned in late February, from an internal source, that an individual who had joined KPMG from the PCAOB subsequently received confidential information from a then-employee of the PCAOB, and shared that information with other KPMG personnel. That information potentially undermined the integrity of the regulatory process.

[More details on the KPMG audit snafu here.](#)

KPMG immediately reported the situation to the PCAOB and the SEC, and retained

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Chairman and CEO, KPMG LLP. "Quality and integrity are the cornerstones of all we do and that includes operating with the utmost respect and regard for the regulatory process. KPMG is committed to the highest standards of professionalism, integrity and quality, and we are dedicated to the capital markets we serve. We are taking additional steps to ensure that such a situation should not happen again."

The firm, which continues to cooperate with its regulators, intends to name a new Vice Chair of Audit shortly.

In a separate announcement, KPMG chairman and CEO Lynne Doughtie announced the appointment of Frank Casal as Vice Chair – Audit.

A former member of the firm's Board of Directors, Casal will be responsible for helping to maintain the highest quality audit standards at KPMG. During his 38-year tenure with the firm, Frank has established an extensive track record working at the highest levels with many of KPMG's largest audit clients. He has served previously as the lead audit engagement partner on some of KPMG's largest, publicly held financial services and industrial manufacturing clients.

"Frank is a proven leader and is widely regarded as a champion of professionalism and integrity," said Doughtie. "His strong commitment to professional excellence and his intense focus on audit quality will provide valued and effective leadership. Frank will work closely with the Audit leadership team to execute and implement the practice's strategic priorities."

Doughtie also announced the appointment of Jackie Daylor as National Managing Partner for Audit Quality and Professional Practice.

Daylor has been with KPMG for 28 years serving primarily large global clients in consumer and retail businesses, both public and private. Daylor is a member of KPMG's Board of Directors and the firm's Professional Practice, Ethics and

Compliance Committee. Prior to joining the Board, she served on the firm's Legal,

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