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Russia Suspends U.S. Auditor Deloitte

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A worker guides part of a Deloitte sign before its installation on a new office building in Toronto, Canada. **Chris Helgren / Reuters**

U.S auditing company Deloitte has been sanctioned by Russia's Federal Treasury, the Kommersant newspaper reported Wednesday.

The Russian Treasury suspended Deloitte and Touche CIS from Russia's self-regulatory Auditing Chamber of Russia, preventing the company from taking part in tenders or entering into new contracts for the next 30 days.

The Federal Treasury has not announced the reasons behind the sanction, but Deloitte's press service said that an unannounced spot-check was carried out in relation to work done in 2014.

Cases of audit companies having their membership suspended in self-regulatory organizations are relatively rare, with only five firms suffering similar sanctions in 2015.

"Such injunctions are issued after the discovery of serious violations," said Olga Nosova, the director of the Commonwealth self-regulatory organization, told Kommersant. In practice, it often means that a violation of auditor ethics has taken place, or that an individual without

proper accreditation has signed off on a contract, she said.

Deloitte can now challenge the sanction in court, Kommersant reported. Its membership to the Auditing Chamber of Russia will be automatically reinstated when the company corrects the initial violation.

The move comes as a serious blow at what is considered to be "peak season" for the industry. Deloitte stated that it does not expect the sanction to have a “significant effect” on its relations with clients.

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