

Deloitte denies HP claim on audit missteps

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The keyboard of a Hewlett-Packard desktop computer. The audit and consulting firm Deloitte on Wednesday rejected claims by US tech giant Hewlett-Packard that it missed "accounting improprieties" at the British firm Autonomy ahead of a takeover.

The audit and consulting firm Deloitte on Wednesday rejected [claims by US tech giant Hewlett-Packard](#) that it missed "accounting improprieties" at the British firm Autonomy ahead of a takeover.

Deloitte's comments came a day after [HP](#) reported a massive loss and blamed deliberate financial misstatements from the British software firm it bought in 2011.

A statement from the London office of Deloitte said the firm "was not engaged by HP, or by Autonomy, to provide any due diligence in relation to the acquisition of Autonomy."

It added that Deloitte UK "was auditor to Autonomy at the time of its acquisition by HP" but that it never uncovered any irregularities.

"Deloitte categorically denies that it had any knowledge of any accounting improprieties or [misrepresentations](#) in Autonomy's financial statements," the statement said.

"We conducted our audit work in full compliance with regulation and professional standards. We are unable to discuss our audit work further due to client confidentiality. We will cooperate with the relevant authorities with any investigations into these allegations."

HP said Tuesday it was taking a writedown of \$8.8 billion, largely because of the reduced value of the software company acquired just over a year ago for more than \$10 billion.

While writedowns under accounting rules are not unusual for slumping firms, HP said this was a case of deliberately misleading statements by Autonomy that went unnoticed until now, and it called for probes by US and British authorities.

HP chief executive [Meg Whitman](#), who took over after the acquisition, said the HP board at the time "relied on audited financials, audited by Deloitte."

She said another audit firm, KPMG, was hired "to audit Deloitte, and neither of them saw what we now see."

HP said it launched an internal investigation "after a senior member of Autonomy's leadership team came forward," prompting a fresh review by PricewaterhouseCoopers.

As a result, HP said it "now believes that Autonomy was substantially overvalued at the time of its acquisition."

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