DISCLAIMER:

The following materials were prepared by PCAOB staff for discussion purposes. Except for the Board's authorization to share the materials for discussion purposes, the materials have not otherwise been approved, adopted, requested, directed, selected, or authorized by the Board. The materials should not be construed as an indication that the Board has considered, discussed, endorsed, or is considering any of the matters, analyses, options, or actions described herein. The Board was not involved in identifying, selecting, or compiling the materials.

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2026 Inspection Report

JAMS LLP

(Headquartered in New York, New York)

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EXECUTIVE SUMMARY

Members of the PCAOB's staff conducted an inspection of JAMS LLP in 2026, pursuant to Section 104 of the Sarbanes-Oxley Act of 2002. Our 2026 inspection report on JAMS LLP provides information on our inspection to assess the degree of the firm's compliance with Public Company Accounting Oversight Board (PCAOB) standards and rules and other applicable regulatory and professional requirements.

The inspection included procedures related to the firm's system of quality control (QC) and reviews of selected issuer audit engagements. The PCAOB reviewed 50 audit engagements during the 2026 inspection year. Engagements were selected using a combination of quality-control-related selections, random selections, and risk-based selections. Additional information regarding the PCAOB's inspection approach is included in Appendix C.

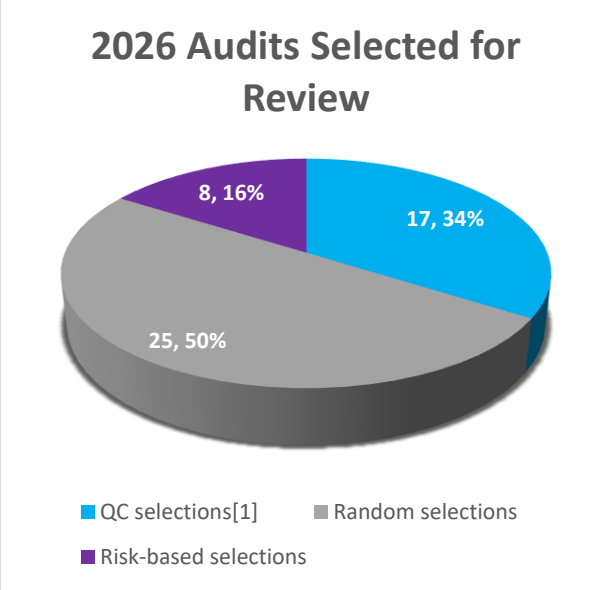
Inspection Risk Factors Considered

We use a risk framework to determine the nature, timing, and extent of our QC evaluation procedures and reviews of selected audit engagements. The risk factors considered informed our inspection scope and procedures and should be read together with the inspection observations discussed elsewhere in this report.

For JAMS LLP, these factors included, among others, the size and market capitalization of the firm's issuer portfolio, geographic concentration, use of artificial intelligence, the complexity of its issuer portfolio, prior PCAOB inspection results, certain aspects of the firm's system of QC, and other inspection-relevant information considered through the PCAOB's risk framework.

Inspection Scope

The following summarizes how the 50 audit engagements reviewed during the inspection were selected:

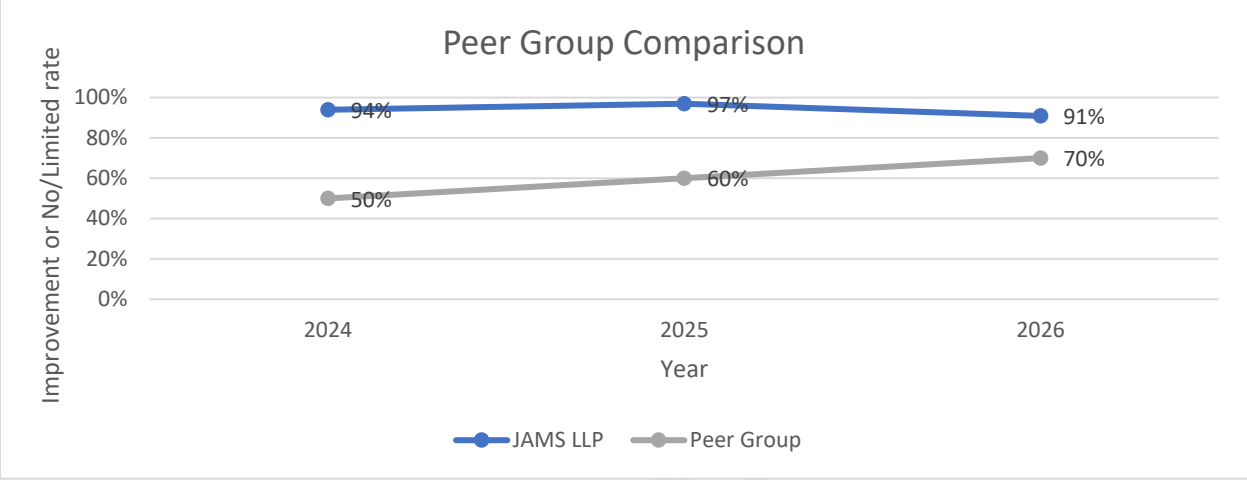


	Audit Selection Method	Count	% of Inspected Audits
	QC selections[1]	17	34%
	Random selections	25	50%
	Risk-based selections	8	16%
	Total Audits Reviewed	50	100%

[1] The PCAOB selects individual audit engagements for review in connection with its QC evaluation procedures; the nature of these procedures is typically more limited in scope than procedures performed for random and risk-based selections.

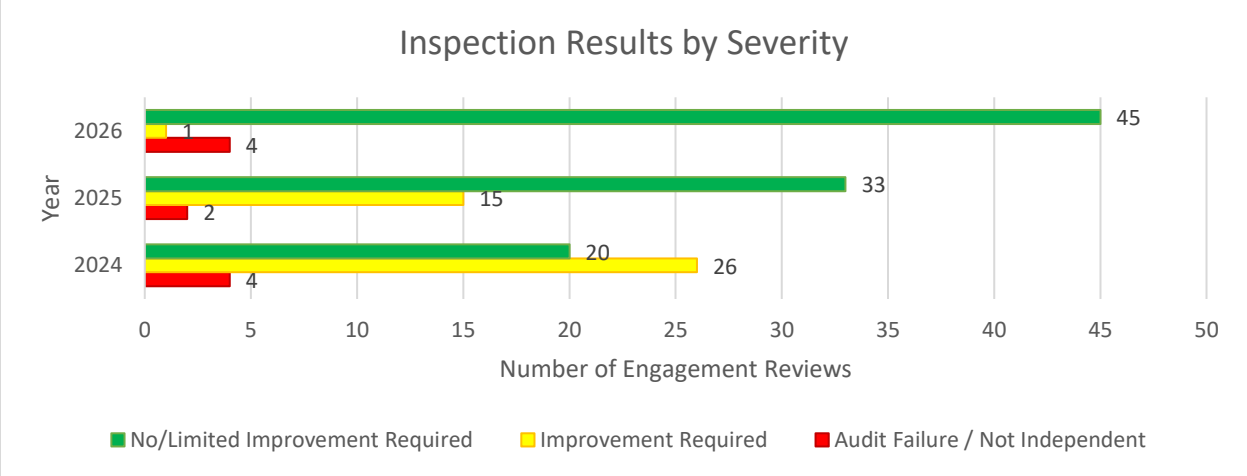
Overall Inspections Results[2]

Of the 33 random and risk-based audits selections reviewed in 2026, 30 were not audit failures, resulting in a compliance rate of **91%**.[3] The following represents this percentage as compared to its peer group:[4]



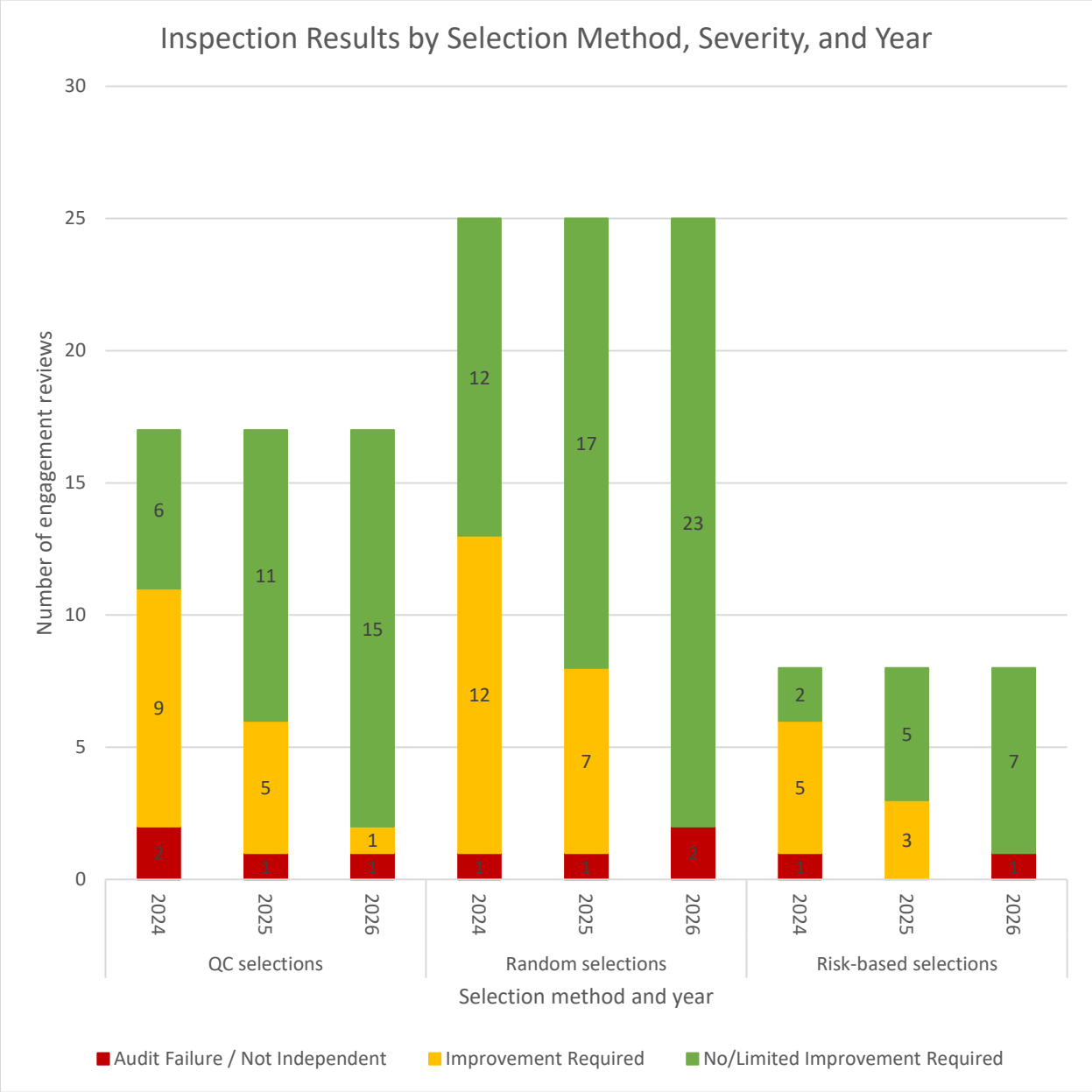
The firm's compliance rate remained consistently above the peer group throughout the period presented. Although the compliance rate decreased from 97% in 2025 to 91% in 2026, the firm continued to outperform its peer group by a significant margin, with most random and risk-based audit engagements reviewed requiring no or limited improvement.

The following illustrates results by severity category for the current inspection year and the two proceeding inspection years:[5,6]



[2] Selected inspection report data is available in a structured, machine-readable format at pcaobus.org/inspection-reports/data. Please visit pcaobus.org/transparency for more information.
[3] QC selections are excluded from the calculation of this percentage because of the limited scope of these reviews.
[4] Note: To be defined and potentially published as part of the complete modernized inspection report template development (e.g., by market cap range of issuers audited, industry concentration of issuers audited, inspection type).
[5] For audits with multiple engagement deficiencies, information is presented based on the most severe finding for each audit.
[6] Note: For triennial firms, to show the visualization for the current inspection year and the last triennial inspection year.

The following illustrates results by severity category for the current inspection year and the two proceeding inspection years by selection method:



The inclusion of deficiencies in this report does not necessarily mean that the firm has not addressed the deficiency. In certain cases, the firm may have performed remedial actions after the deficiency was identified.

Further, except where our report identifies an incorrect opinion, the inclusion of deficiencies does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist.

JAMS LLP AT-A-GLANCE

Network Information and PCAOB Inspection Frequency

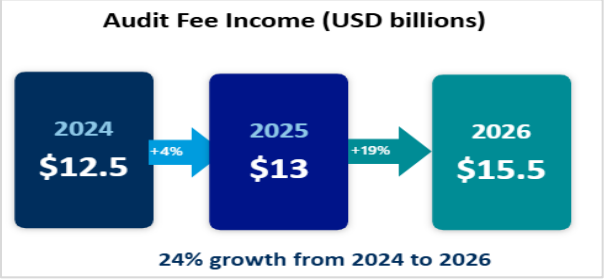
Description of Audit-related Memberships Affiliations, or Similar Arrangements (if applicable)[7]	PCAOB Inspection Frequency	Most Recent Prior Inspection
JAMS LLP is part of a global network of firms that operates under the JAMS network umbrella. There are 23 member firms in that network that are registered with the PCAOB to perform audits or play a substantial role in a PCAOB audit.	Annually	2025

Issuer Audit Practice[8]

Audits within the PCAOB's Inspection Scope				
Inspection Year	F100 Audits	F500 Audits	Smaller Audits	Total
2026	27	52	268	347
2025	26	51	299	376
2024	27	48	344	419

For the 2026 Inspection Year:	Non-accelerated Filers	Accelerated Filers	Large Accelerated Filers	Total Issuers	Employee Benefit Plan (11-K) Audits	Total PCAOB Audits
Audits (#)	200	50	76	326	21	347
Market Capitalization ($ billion)	$20	$140	$42,000	$42,160	N/A	N/A

Audits in which the firm was the lead auditor (#)	Percentage of Auditees with 12/31 Year-End	Aggregate Audit and Audit-Related Fees ($ billion)	Aggregate Audit and Audit-Related Fees as % of Total Firm Revenue	Engagement partners (#)
347	73%	$ 15.5	42%	200



[7] Source: Part V – Offices and Affiliations of Form 2 – Annual Report Form.
[8] Note: Information to be disclosed only to the extent publicly available.

Firm-Published QC Conclusion and Public Data on Restatements and Audit Report Amendments

The firm-published QC conclusion is entirely based on materials published by the firm and is provided for general information purposes only. The PCAOB has not assessed or verified the completeness, accuracy, reliability, or validity of the information in this section. The information in this section does not in any way represent the view or position of the PCAOB.

JAMS LLP's own conclusion regarding its system of quality control as of June 30[9]	**2026**	**2025**	**2024**
Effective in achieving the reasonable assurance objective	✓		
Effective in achieving the reasonable assurance objective, **except for** unremediated QC deficiencies that have a severe but not pervasive effect on the design, implementation, and operation of the QC system (and do not render the QC system not effective)		✓	
Not effective in achieving the reasonable assurance objective			✓

Restatements and Audit Report Amendments[10]	**2026**	**2025**	**2024**
"Big R" Restatements	- (0%)	1 (2%)	1 (2%)
"Little R" Restatements	- (0%)	- (0%)	1 (2%)
Revisions of Audit Reports on Issuer's Financial Statements[11]	- (0%)	1 (2%)	1 (2%)
Revisions of Audit Reports on Issuer's ICFR[12]	1 (2%)	1 (2%)	1 (2%)

[9] Source: JAMS LLP Transparency Report. **Note: The following statement would be included if the firm does not publish this information: "PCAOB standards do not require firms to publicly communicate conclusions related to their systems of quality control. JAMS LLP has not published a conclusion on its system of quality control for any of the three prior years."**

[10] Source: Obtained from public filings with the SEC

[11] Through Form 10-K/A or Form 20-F/A filings

[12] Through Form 10-K/A or Form 20-F/A filings

OBSERVATIONS RELATED TO QUALITY CONTROL [PUBLIC]

Criticisms of or potential defects in the firm's system of QC (QC criticisms) resulting from the 2026 inspection of JAMS LLP, if any, were communicated to the firm in the non-public portion of this inspection report. Under the statute,[13] no portions of the inspection report that deal with QC criticisms of the firm under inspection shall be made public if those QC criticisms are addressed by the firm, to the satisfaction of the Board, not later than 12 months after the date of the inspection report.

Previously Published QC Criticisms[14]

This section presents QC criticisms that were made public during the last three years prior to the date of this report. These QC criticisms were previously made public because the Board determined that the firm did not address those criticisms to the satisfaction of the Board within the applicable remediation period. The descriptions below are the same as the previously published QC criticism:

2023 Inspection Report

QC Deficiency: The Board identified a QC deficiency due to the firm's failure to establish effective supervisory and reporting lines for its AI Tools Innovation Center, which resulted in the ineffective design of certain AI tools deployed across the firm's audit practice during 202X. The matter is associated with the governance and leadership component of the firm's QC system and the quality objective in QC 1000.25(c), which provides that leadership demonstrates a commitment to quality through its actions and behaviors. The related specified quality response is QC 1000.27, which requires the firm to establish and maintain clear lines of responsibility and supervision, including defined authorities, responsibilities, accountabilities, and supervisory and reporting lines within the QC system.

EXAMPLE WORDING IF NO UNREMEDIATED QC CRITICISMS EXIST:

No Published Preexisting QC Criticisms

The Board has not made public any QC criticisms of JAMS LLP's system of quality control for the last three years from the date of this report.

Refer to **Appendix C** and the PCAOB's website for further discussion regarding the evaluation of a firm's system of QC, including the PCAOB's risk framework; determining whether criticisms of or potential defects in a firm's system of QC exist; our severity scale; and whether QC criticisms have been addressed to the satisfaction of the Board.

[13] SOX Sec. 104(g)(2).

[14] Note: Anything included within this section will be a verbatim copy from the expanded public report for preexisting QC criticisms that were not remediated to the satisfaction of the Board. No new disclosure beyond what is in the expanded report will be included here. Observations related to QC criticisms are disclosed publicly only when the Board determines that the firm did not address those criticisms to the satisfaction of the Board within the applicable time period.

ENGAGEMENT RESULTS BY ISSUER

This public section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work supporting the firm's opinion(s) on the issuer's financial statements and/or ICFR, as well as other instances of non-compliance with rules or standards, including those related to independence. **Appendix B** provides further description of the deficiencies discussed below.

When we review an audit, we do not review every aspect of the audit; our inspection findings are specific to the particular portions of the issuer audits reviewed and, within each issuer, are presented based on severity, which is defined at **Appendix C**.

The public section of our report includes only the portions of issuer audits reviewed that are considered Improvement Required or Audit Failure / Not Independent. The public section of our report does not include specific information about portions of audits reviewed that are considered No / Limited Improvement Required. Certain aggregate reporting related to the No / Limited Improvement Required category can be found in the *Overall Inspections Results* section of this report, with certain disaggregated information available in **Appendix A**.

The following table summarizes the deficiencies identified, grouped by issuer (e.g., Issuer A) and ordered by severity:

Audit Area	Relevant Report		Fraud risk	Significant risk	CAM	Severity	Brief Description of Deficiency
	F/S	ICFR					
ISSUER A – INFORMATION TECHNOLOGY							
Revenue and Related Accounts		✓	✓	✓	✓	Material Weakness	Includes failures in testing: 1) ITGCs, including around system access and segregation of duties, monitoring, and approval of system changes; (2) controls around data transfers; and (3) business process controls related to revenue recognition. **The issuer subsequently concluded that material weaknesses existed.**
Revenue and Related Accounts	✓		✓	✓	✓	Material Weakness	As a result of the ICFR deficiency, the firm did not obtain sufficient appropriate audit evidence. Additionally, the firm did not perform any substantive procedures to test revenue for two business units.
Supervision of the Audit Engagement	✓	✓	✓	✓	✓	Deficiency	The lead engagement partner did not perform review of audit work with due care.
CAM	✓	✓	✓	✓	✓	Deficiency	The firm did not perform procedures described in the CAM related to revenue in the audit report
Engagement Quality Review	✓	✓	✓	✓	✓	Deficiency	The engagement quality reviewer did not sufficiently evaluate the audit responses that resulted in the revenue-related deficiencies.
ISSUER B – HEALTH CARE							
Independence	✓	✓				Material Weakness	The firm prepared the financial statements and prepared closing entries for the issuer.
Goodwill		✓		✓	✓	Material Weakness	The firm did not evaluate whether the issuer's controls over goodwill were designed to address certain adverse conditions, such as declining stock prices and sales.

Audit Area	Relevant Report		Fraud risk	Significant risk	CAM	Severity	Brief Description of Deficiency
	F/S	ICFR					
Goodwill	✓			✓	✓	🛑	The firm did not evaluate whether the above adverse conditions would have required an additional goodwill impairment.
Revenue and Related Accounts		✓		✓	✓	🛑	The firm did not sufficiently test certain automated IT and related compensating controls.
Inventory		✓				⚠	The firm did not test any relevant controls at a service organization that was used in the issuer's cycle-count procedures.
Inventory	✓					⚠	As a result of the ICFR deficiency, the firm did not obtain sufficient appropriate audit evidence.
Client Acceptance	✓	✓				⚠	The firm did not perform sufficient procedures prior to accepting the initial audit engagement.
Supervision of the Audit Engagement	✓	✓		✓	✓	⚠	The lead engagement partner did not perform review of audit work with due care.
Engagement Quality Review	✓	✓		✓	✓	⚠	The engagement quality reviewer did not sufficiently evaluate the audit responses that resulted in the goodwill-related deficiencies.
ISSUER C – INFORMATION TECHNOLOGY							
Consultation on Revenue and Related Accounts	✓		✓	✓	✓	🛑	The firm, including its national office consultation group, did not identify and evaluate a misstatement related to revenue recognition resulting in a **GAAP departure** within the presentation and disclosure of revenue.
ISSUER D – INFORMATION TECHNOLOGY							
Goodwill		✓		✓	✓	🛑	The firm did not evaluate the review procedures over discount rates and other assumptions.
Lease Assets		✓				🛑	The firm did not test controls over accuracy and completeness of an important report.
Form AP						⚠	The firm did not file its report on Form AP by the relevant deadline or prior to being notified that Issuer C was selected for inspection.
Supervision of the Audit Engagement		✓		✓	✓	⚠	The lead engagement partner did not perform review of audit work with due care.
Audit Committee Communications	✓	✓		✓		⚠	The firm did not communicate to the audit committee all of the significant risks it identified through its risk assessment procedures, including the significant risk related to goodwill.
Independence	✓	✓				⚠	The firm failed to obtain required audit committee pre-approval before providing a permissible non-audit service but subsequently identified and remediated the matter before the audit was complete.
ISSUER E – UTILITIES							
Client Acceptance	✓	✓				⚠	The firm did not perform sufficient procedures prior to accepting the initial audit engagement.

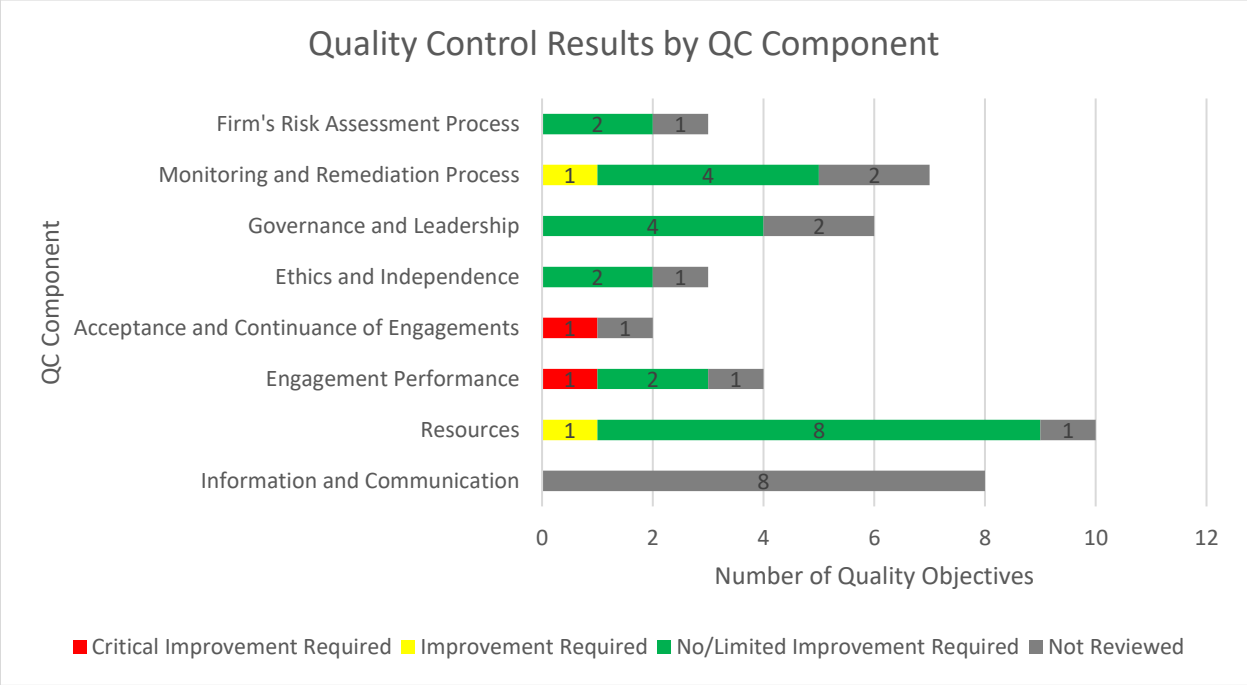
QUALITY CONTROL RESULTS [NON-PUBLIC]

This non-public section of our report discusses the review scope and observations, including potential defects in, the firm's system of quality control.

As part of our inspection, we assessed the components of the firm's system of quality control at the firm according to our severity scale. When we evaluate a firm's system of quality control, we do not evaluate every aspect of each component. The results shown below are specific to the scope of our procedures. Refer to **Appendix C** for additional description of our QC evaluation approach and severity scale.

Quality Control Results by QC Component

The following presents the scope and results of QC procedures beyond inquiry performed on quality objectives across the following components by severity scale:



Note: Not all quality control components or quality objectives and responses are necessarily subject to inspection procedures beyond inquiry in every inspection year. Components or quality objectives identified as "Not Reviewed" were outside the scope of the inspection procedures performed during the inspection year and should not be interpreted as having no deficiencies or as having been assessed as effective. Results presented above relate only to the quality objectives, quality responses, and procedures included within the inspection scope.

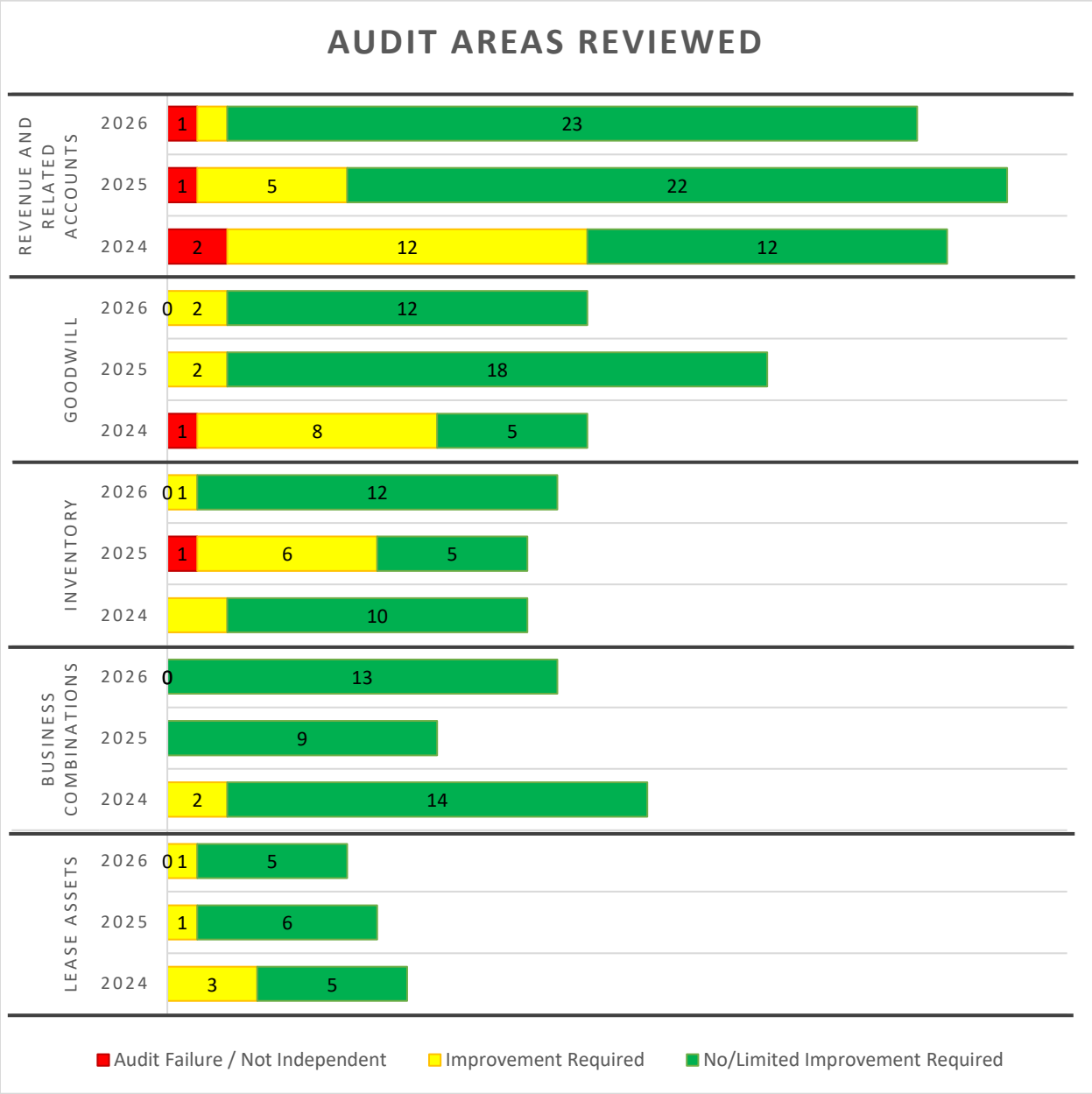
Refer to **Appendix D** for additional description of our QC observations.

APPENDIX A: ADDITIONAL INSPECTION OBSERVATION DATA

The following tables and graphs summarize inspection-related information for the firm, by inspection year, for 2026 and the previous two inspections. We caution against making any comparison of the data provided without reading the descriptions of the underlying deficiencies in each respective inspection report.

Audit Areas with Frequent Inspection Observations

The following represents the inspection results by severity for the five most frequently reviewed audit areas:

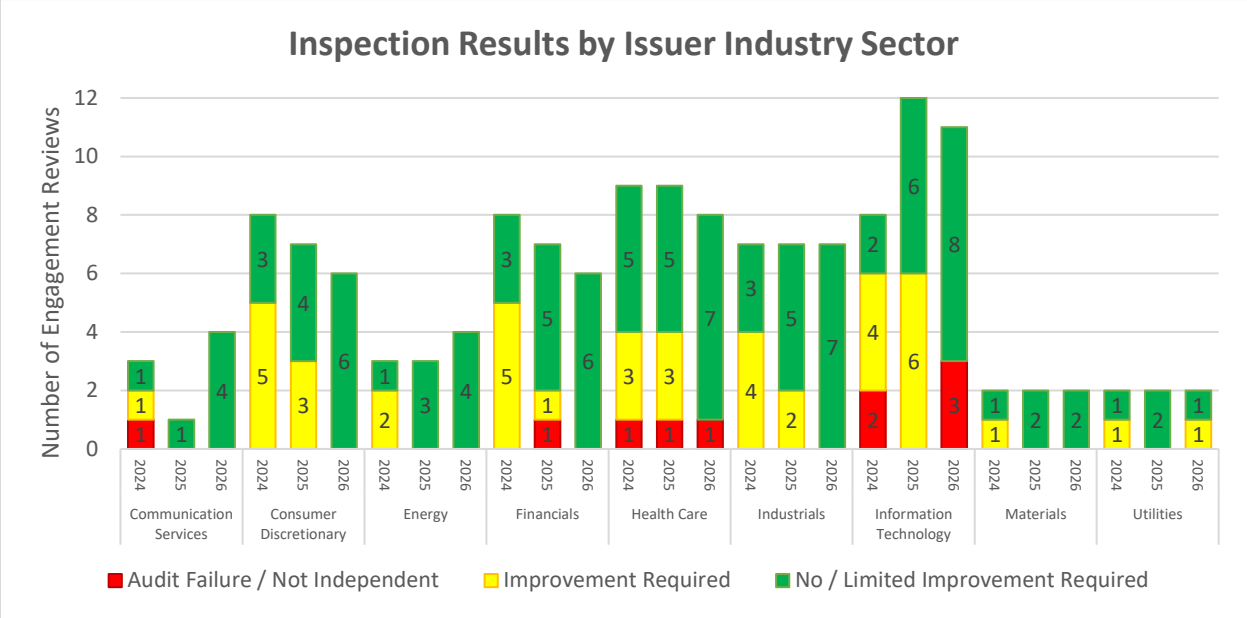


Auditing Standards Associated with Identified Deficiencies

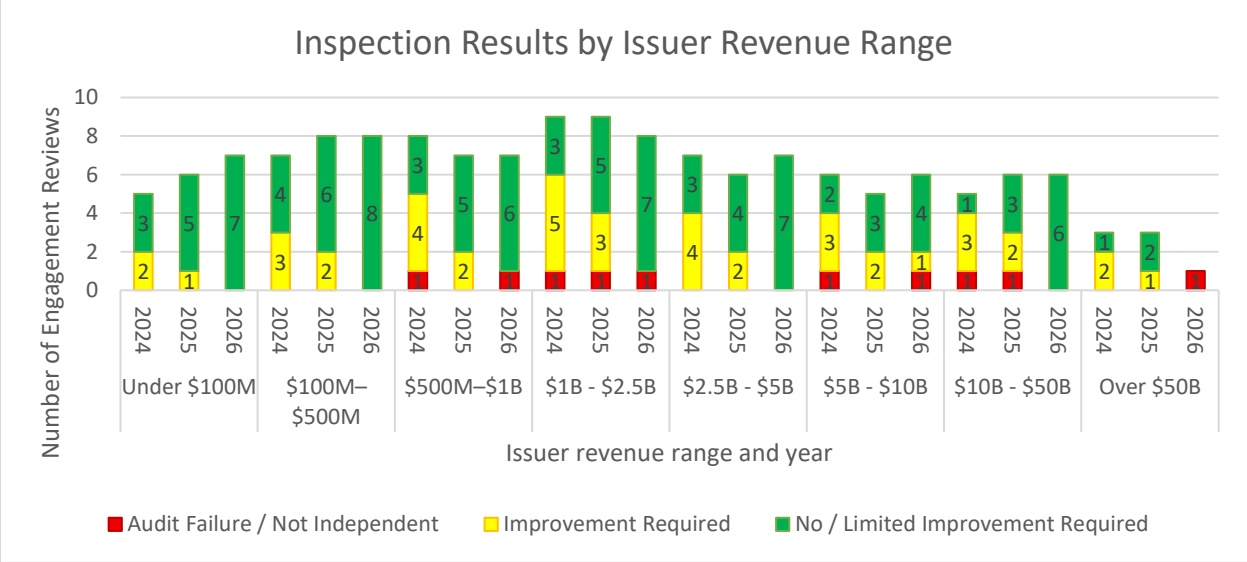
The following lists the auditing standards referenced in the inspection observations in 2026 and the previous two inspection reports, and the number of times that the standard is cited.

PCAOB Auditing Standard or Rule	2026	2025	2024
AS 1000, ***General Responsibilities of the Auditor in Conducting an Audit***	5	0	0
AS 1105, ***Audit Evidence***	2	8	9
AS 1201, ***Supervision of the Audit Engagement***	3	0	1
AS 1220, ***Engagement Quality Review***	2	0	1
AS 1301, ***Communications with Audit Committees***	2	3	6
AS 2101, ***Audit Planning***	0	1	2
AS 2201, ***An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements***	10	26	36
AS 2301, ***The Auditor's Responses to the Risks of Material Misstatement***	3	7	11
AS 2305, ***Substantive Analytical Procedures***	0	4	6
AS 2315, ***Audit Sampling***	1	4	3
AS 2415, ***Consideration of an Entity's Ability to Continue as a Going Concern***	0	1	3
AS 2501, ***Auditing Accounting Estimates, Including Fair Value Measurements***	0	3	4
AS 2510, ***Auditing Inventories***	1	7	8
AS 2810, ***Evaluating Audit Results***	1	4	5
AS 3101, ***The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion***	1	4	4
Rule 3211, ***Auditor Reporting of Certain Audit Participants***	1	1	7
Rule 3520, ***Auditor Independence***	2	0	0

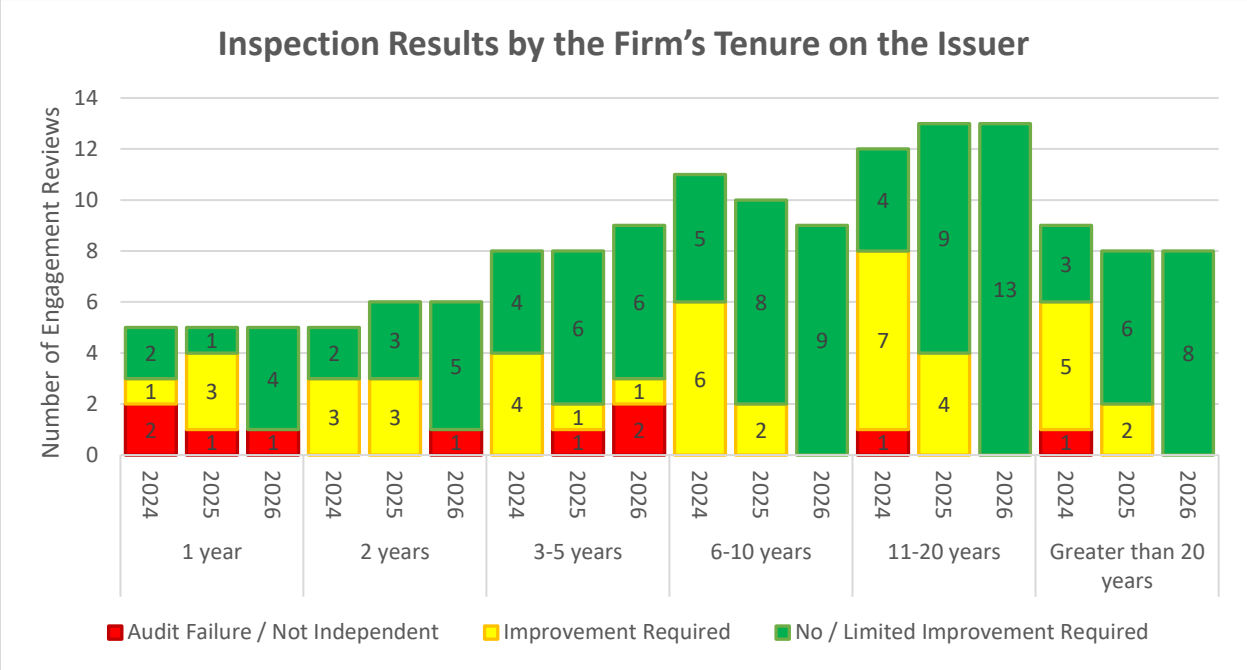
Inspection Results by Issuer Industry Sector



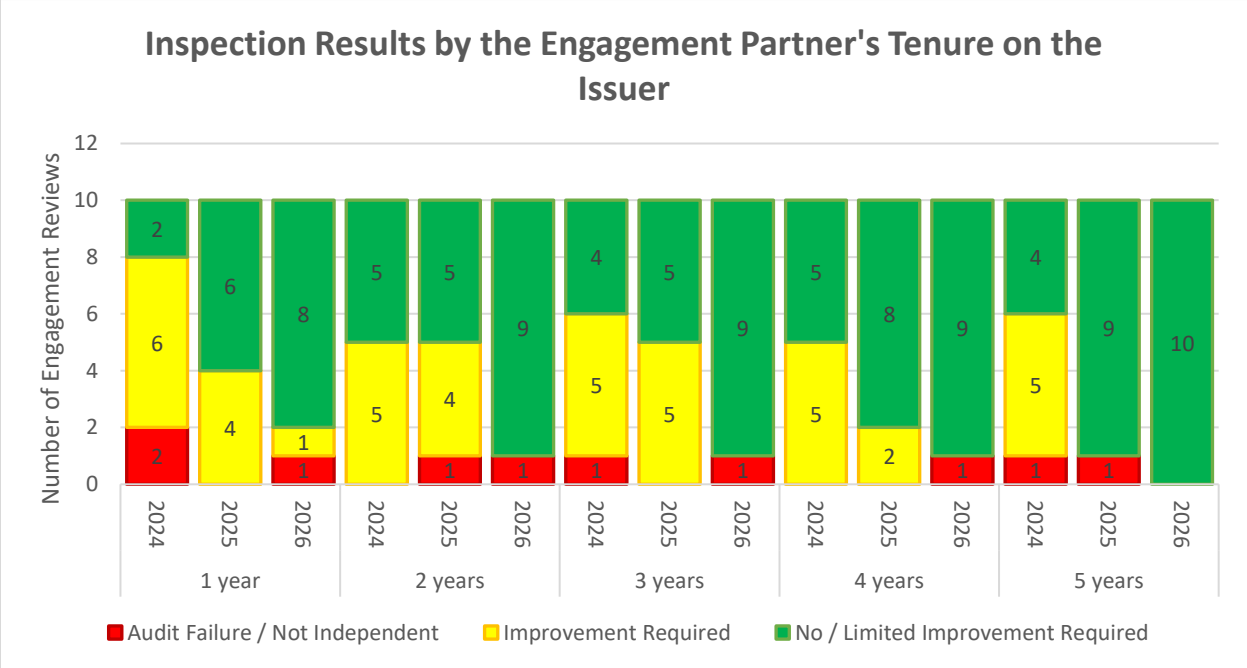
Inspection Results by Issuer Revenue Range



Inspection Results by the Firm's Tenure on the Issuer



Inspection Results by the Engagement Partner's Tenure on the Issuer



APPENDIX B: ENGAGEMENT OBSERVATIONS BY ISSUER

This appendix includes a more detailed description of the deficiencies related to PCAOB rules and auditing standards identified in the 2026 inspection of JAMS LLP. Each deficiency could relate to several auditing standards, but we reference the PCAOB standard(s) that most directly relates to the requirement with which the firm did not comply.

Issuer A – Information Technology – Financial Statement and ICFR Audits

Audit areas reviewed with deficiencies identified

- **Revenue and Related Accounts** (fraud risk, CAM, five business units totaling approximately 70% of total revenue affected)
  - ICFR audit:
    - The firm did not sufficiently test IT general controls (ITGCs) for revenue-related IT systems, including controls over (1) system access and segregation of duties for system changes; (2) approval of system changes; and (3) monitoring of system changes. (AS 2201.39, .42, and .44; AS 1105.10) As a result of this insufficient testing of ITGCs, the firm's testing of certain revenue-related automated and IT-dependent manual controls was not sufficient. (AS 2201.46)
    - The firm did not sufficiently test controls over the transfer of data between certain of the issuer's revenue-related systems and the general ledger, including not identifying and testing any controls over the accuracy and completeness of certain data transferred. (AS 2201.39, .42, and .44)
    - For three business units subject to more extensive audit procedures, the firm did not sufficiently test controls over (1) the identification and evaluation of contracts for appropriate revenue recognition; (2) the determination of the standalone selling prices allocated to multiple performance obligations; and (3) the accuracy and completeness of electronic delivery dates used to recognize revenue. (AS 2201.39, .42, and .44)

In connection with our review, the issuer reevaluated its controls over revenue, including IT controls, and **concluded that material weaknesses existed that had not been previously identified**. The issuer subsequently reflected these material weaknesses in a revision to its report on ICFR, and the firm revised and reissued its report on the effectiveness of the issuer's ICFR to include these additional material weaknesses.

  - Financial statement audit:
    - As a result of the insufficient controls testing described above, the firm did not perform sufficient substantive testing over revenue at three business units subject to more extensive audit procedures. (AS 1105.10; AS 2301.16, .18, and .37; AS 2315.19, .23, and .23A)

- For two business units subject to less extensive audit procedures, the firm did not perform any substantive procedures to test revenue. (AS 2301.08)

⚠ **Non-compliance with PCAOB standards** (Supervision of the Audit Engagement)

- The lead engagement partner did not perform review of audit work with due care to evaluate if the objectives of the procedures were achieved and the results of the work supported conclusions reached before the firm issued its report, including identifying noncompliance with PCAOB standards as described above. (AS 1201.05; AS 1000.10)

⚠ **Non-compliance with PCAOB standards** (CAM)

- The firm did not perform procedures described in the CAM related to revenue in the audit report. (AS 3101.14c)

⚠ **Non-compliance with PCAOB standards** (Engagement Quality Review)

- The engagement quality reviewer did not sufficiently evaluate audit responses to a significant risk in revenue that resulted in engagement deficiencies identified above. (AS 1220.10)

Issuer B – Health Care – Financial Statement and ICFR Audits

Audit areas reviewed with deficiencies identified

❗ **Non-compliance with PCAOB standards** (Independence)

- The firm prepared the financial statements that were filed with the SEC. In addition, the firm prepared and recorded several closing entries that were material as part of the issuer's financial reporting and close process. As a result, the firm may not be independent of the issuer under PCAOB Rule 3520 and SEC Rule 2-01(b).

❗ **Goodwill** (significant risk, CAM, 20% of total assets and 70% of goodwill affected)

❗ ICFR audit:

- The firm did not evaluate whether the issuer's controls over goodwill were designed to address certain adverse conditions, such as declining stock prices and sales. (AS 2201.42)

❗ Financial statement audit:

- The firm did not evaluate whether the above adverse conditions would have required an additional goodwill impairment assessment as of year end. (AS 2301.08)

Revenue (significant risk, CAM, one business unit totaling approximately 25% of total revenue affected)

ICFR audit:

- The firm did not sufficiently test certain automated application controls over revenue at one business unit. (AS 2201.42 and .44)
- For this business unit, the firm did not sufficiently test a compensating control to address identified control deficiencies over the issuer's review of sales prices applied to customer orders and used to recognize revenue. (AS 2201.68)

Inventory (not a significant risk, 3% of total assets and 10% of total inventory affected)

ICFR audit:

- The firm did not test any relevant controls at a service organization that was used in the issuer's cycle-count procedures. (AS 2201.39 and .B22)

Financial statement audit:

- As a result of the ICFR audit deficiency, the firm did not obtain sufficient appropriate audit evidence over the existence of the affected inventory. (AS 2510.11)

Non-compliance with PCAOB standards (Client Acceptance)

- The firm did not perform sufficient procedures prior to accepting the initial audit engagement to determine if the engagement was to be performed by an auditor who has competence to conduct an audit in accordance with applicable professional and legal requirements as the firm personnel assigned, including the engagement partner, did not have relevant industry experience. (AS 1000.07)

Non-compliance with PCAOB standards (Supervision of the Audit Engagement)

- The lead engagement partner did not perform review of audit work with due care to evaluate if the objectives of the procedures were achieved and results of the work supported conclusions reached before the firm issued its report, including identifying noncompliance with PCAOB standards as described above. (AS 1201.05; AS 1000.10)

Non-compliance with PCAOB standards (Engagement Quality Review)

- The engagement quality reviewer did not sufficiently evaluate audit responses to a significant risk in goodwill that resulted in an engagement deficiency identified above. (AS 1220.10)

Issuer C – Information Technology – Financial Statement and ICFR Audits

Audit areas reviewed with deficiencies identified

Consultation on Revenue and Related Accounts (fraud risk, CAM, one business unit totaling approximately 50% of total revenue affected)

Financial statement audit:

- The firm, including its national office consultation group, did not identify and evaluate a misstatement related to the aggregate transaction price allocated to remaining performance obligations that was not in conformity with FASB ASC Topic 606, *Revenue from Contracts with Customers*, resulting in a GAAP departure within the presentation and disclosure of revenue. (AS 2810.30 and .31)

Issuer D – Information Technology – Financial Statement and ICFR Audits

Audit areas reviewed with deficiencies identified

Goodwill (significant risk, CAM, 30% of total assets and 60% of goodwill affected)

ICFR audit:

- The firm did not evaluate the specific review procedures that the control owners performed to assess the reasonableness of the discount rate and revenue growth assumptions used in the only key control over the issuer's goodwill impairment analysis. (AS 2201.42 and .44)

Lease Assets (not a significant risk, 15% of total assets and 40% of lease assets affected)

ICFR audit:

- The firm did not identify and test any controls over the accuracy and completeness of a report used in the operation of a key control to compute the assets for certain lease transactions. (AS 2201.39)

Non-compliance with PCAOB rules (Form AP)

- The firm did not file its report on Form AP by the relevant deadline or prior to being notified that Issuer C was selected for inspection. (Rule 3211)

Non-compliance with PCAOB standards (Supervision of the Audit Engagement)

- The lead engagement partner did not perform review of audit work with due care to evaluate if the objectives of the procedures were achieved and results of the work supported conclusions reached before the firm issued its report, including identifying noncompliance with PCAOB standards as described above. (AS 1201.05; AS 1000.10)

Non-compliance with PCAOB standards (Audit Committee Communications)

- The firm did not communicate to the audit committee any of the significant risks it identified through its risk assessment procedures, including the significant risk related to goodwill. (AS 1301.09)
- The firm did not communicate to the audit committee the corrected and uncorrected misstatements the firm identified in the course of its audit. (AS 1301.18 and .19)

Non-compliance with PCAOB standards (Independence)

- The firm did not obtain the required audit committee pre-approval before providing a permissible non-audit service to the issuer. The matter was subsequently identified and addressed before completion of the audit engagement; however, the firm's compliance with the audit committee pre-approval requirements was not sufficient. (Rule 3520; SEC Rule 2-01(c)(7))

Issuer E – Utilities – Financial Statement and ICFR Audits

Audit areas reviewed with deficiencies identified

Non-compliance with PCAOB standards (Client Acceptance)

- The firm did not perform sufficient procedures prior to accepting the initial audit engagement to determine if the engagement was to be performed by an auditor who has competence to conduct an audit in accordance with applicable professional and legal requirements as the firm personnel assigned, including the engagement partner, did not have relevant industry experience. (AS 1000.07)

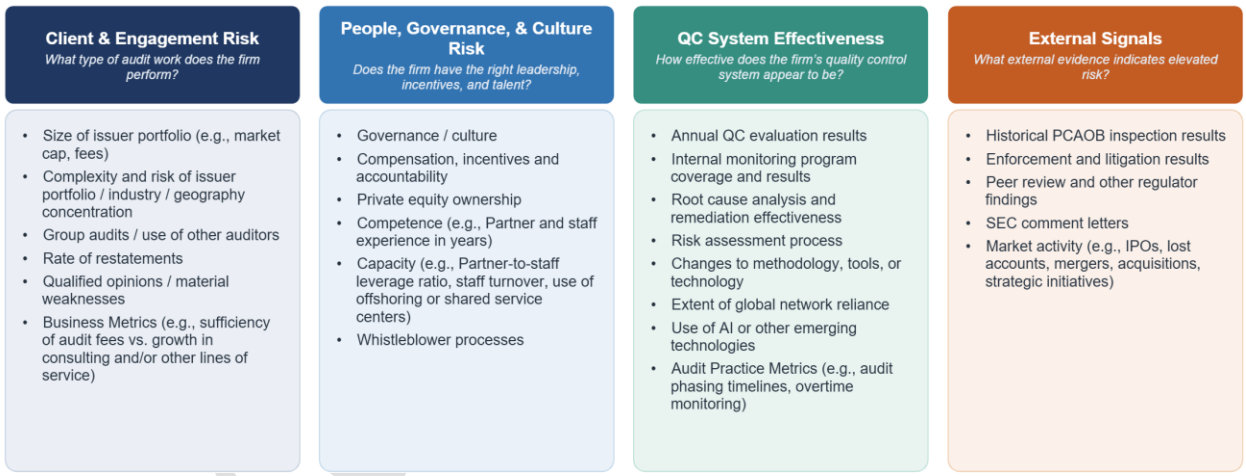
APPENDIX C: INSPECTION OVERVIEW AND APPROACH

The objective of the PCAOB's inspection program is to assess the degree of compliance of a registered public accounting firm, and associated persons thereof, with laws, rules, and professional standards. The inspection of a firm consists of two primary elements: (1) evaluation of a firm's system of quality control and (2) reviews of selected individual audit engagements.

Evaluation of a Firm's System of QC

A system of QC under QC 1000 includes components such as a process for identifying and responding to quality risks, governance and leadership, adherence to ethical and independence requirements, policies for accepting and continuing engagements, effective engagement performance, adequate resources, clear information and communication channels, and ongoing monitoring and remediation. In an effective system of QC, these components work together to provide reasonable assurance that audit engagements are performed consistently and meet professional standards.

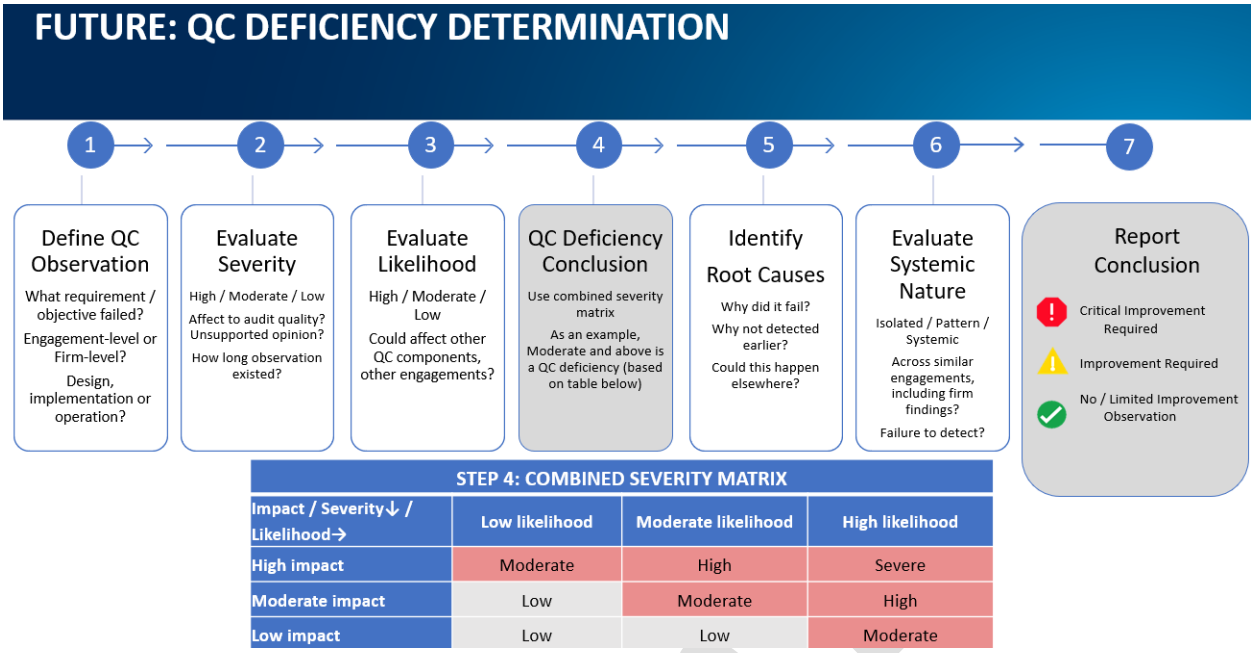
In determining the nature, timing, and extent of quality control procedures and engagement reviews, the PCAOB considered a series of risk factors related to the firm's profile, internal quality control performance, and external signals. These factors include, but are not limited to, the following:



Any criticisms of or potential defects in the firm's system of QC (QC Criticisms) were communicated to the firm in the non-public portion of this inspection report. Under the statute,[15] no portions of the inspection report that deal with QC Criticisms of the firm under inspection shall be made public if those QC Criticisms are addressed by the firm, to the satisfaction of the Board, not later than 12 months after the date of the inspection report. As such, QC Criticisms arising from the 2026 inspection of JAMS LLP, if any, were communicated to the firm in the non-public portion of the inspection report.

[15] SOX Sec. 104(g)(2).

We use the following QC Deficiency Determination to determine any QC Criticisms:



STEP 4: COMBINED SEVERITY MATRIX			
Impact / Severity↓ / Likelihood→	**Low likelihood**	**Moderate likelihood**	**High likelihood**
High impact	Moderate	High	Severe
Moderate impact	Low	Moderate	High
Low impact	Low	Low	Moderate

We use the following severity scale and symbols to illustrate the severity of identified QC Criticisms:

Symbol	Scale	Definition
	Critical Improvement(s) Required	A pervasive deficiency in a quality objective or response that creates a reasonable possibility the firm did not or will not achieve the reasonable assurance objective. (Severe and Pervasive)
	Improvement(s) Required	A deficiency in a quality objective or response where the impact is severe but does not rise to a pervasive level. (Severe, but Not Pervasive); or A deficiency in a quality objective or response that is pervasive but does not rise to a severe level. (Not Severe, but Pervasive)
	No / Limited Improvement(s) Required	No deficiency(ies) or a QC observation in a quality objective or response that is not severe or pervasive. (Not Severe, Not Pervasive)

The following factors are applied to evaluate the severity of QC deficiencies:

- Evidence of actual or potential quality impact
- Extent and pervasiveness
- Relative importance of the affected quality objective or control
- Nature of the deficiency
- Root cause(s)
- Compensating controls
- Remediation status
- Reoccurrence and duration

While inherently judgmental, transparency regarding factors promote consistency in the evaluation of severity.

Review of Selected Individual Audit Engagements

Our selection of audits for review does not constitute a representative sample of the firm's total population of issuer audits.

Engagement reviews assess whether – for the aspects of the audit reviewed – the engagement report issued by the firm is in accordance with applicable professional and legal requirements and help to corroborate our evaluation of the effectiveness of a firm's system of QC. The engagement performance component of a firm's system of QC requires establishing policies for proper planning, supervision, and review; providing access to technical consultation for complex issues; resolving differences of opinion effectively; maintaining thorough documentation; and issuing reports only after all quality requirements are satisfied. These measures help translate the firm's quality objectives into reliable, high-quality outcomes at the engagement level. A properly conducted engagement and the related report enhance the confidence of investors and other market participants in the company's information to which the firm's report relates.

As already mentioned, we use a risk framework to drive the nature, timing, and extent of both our QC evaluation procedures and reviews of individual audit engagements. Note that overlap is possible in our selections – e.g., QC evaluation procedures may overlap with individual audit engagement selections.

We use the following severity scale and symbols to illustrate the severity of identified engagement deficiencies:

Symbol	Scale	Definition
	**Audit Failure / Not Independent**	**Audit Failure[16] / Not Independent:** The firm either 1) did not obtain sufficient appropriate audit evidence to support one or both of its audit opinions[17] and should perform additional audit work to obtain reasonable assurance about whether the financial statements are materially misstated and/or whether a material weakness exists, or to substantiate the relevant audit opinion; or 2) may not be independent of its client (i.e., not capable of exercising objective and impartial judgment).
	Improvement Required	**Improvement Required:** The firm either: (1) did not comply with PCAOB standards in an area related to a significant account, disclosure, or relevant assertion and the deficiency is significant but does not rise to the level of an audit failure; or (2) had a significant instance(s) of non-compliance with PCAOB standards or rules. The deficiency (ies) does not rise to the level of an audit failure because the totality of audit evidence and/or procedures performed reduced the severity of the deficiency. Based on the evidence available, the deficiency is unlikely to result in a material misstatement or material weakness and does not require additional audit work to support one or both of its audit opinions.
	**No / Limited Improvement Required**	**No / Limited Improvement Required:** No deficiency, a deficiency that is not significant, or an instance of non-compliance with PCAOB Standards or Rules that is not significant. The audit has no or minor performance and / or documentation matters such that the file, as archived, supports the audit opinion(s).

[16] A subset of audit failures may have resulted in the firm identifying a material error in the financial statements and/or a material weakness in internal control over financial reporting that had not previously been identified, in which case(s) the issuer would have restated the financial statements and/or the firm was required to update one or more of its opinions.
[17] The opinion on the financial statements and/or the opinion on internal control over financial reporting, where applicable.

The following factors are applied to evaluate the severity of engagement deficiencies:

- Totality of procedures performed and evidence obtained (on an account assertion level basis)
- Magnitude (quantitative)
- Qualitative effect on users of financial statements/other reporting/covenants
- Volume and pervasiveness
- Relative importance of related rule or standard
- Relationship to associated risk, including significant risks, CAMS and/or CAEs, as well as the sufficiency or appropriateness of the firm's risk assessment
- Review of AS 2901 actions (e.g., results, extent of additional procedures required, need for additional information from issuer)

While inherently judgmental, transparency regarding factors promote consistency in the evaluation of severity.

Refer to the PCAOB's website for a full discussion regarding the design of its inspection program.

APPENDIX D: QUALITY CONTROL OBSERVATIONS BY COMPONENT [NON-PUBLIC]

This appendix includes a more detailed description of the quality control observations related to PCAOB quality control standards identified in the 2026 inspection of JAMS LLP.

Quality control components with deficiencies identified

Acceptance and Continuance of Engagements

The firm's system of quality control does not provide reasonable assurance that the firm's processes for making decisions about whether to **accept or continue engagements** are suitably designed and being effectively applied. (QC 1000.40)

The firm's policies and procedures regarding the acceptance and continuance of engagements did not address situations in which the firm becomes aware of information subsequent to accepting or continuing an engagement that could have caused the firm to decline such engagement had that information been known prior to acceptance or continuance.

Engagement Performance – Partner Supervision

The firm's system of quality control does not provide reasonable assurance that engagement partner responsibilities are understood and fulfilled in accordance with applicable professional and legal requirements, including properly supervising the work performed by firm personnel and other participants. (QC 1000.42a)

The firm's policies and procedures regarding partner assignment and monitoring partner workload did not identify workload situations which posed risk to performance of supervisory activities, including reviews of audit work, performed by the firm's engagement partners to meet the requirements of AS 1201.

Monitoring and Remediation Process – Completed Engagements

The firm's system of quality control for the firm's **engagement monitoring** activities are not suitably designed and being effectively applied. (QC 1000.62)

The firm's internal inspection program is one of the firm's primary mechanisms to assess compliance with firm policies and procedures, and applicable professional and regulatory standards. The firm inspects, on a cyclical basis, at least one completed engagement for each engagement partner. However:

- The firm used a cycle that is longer than three years without demonstrating how that cycle is adequate to provide a reasonable basis for detecting engagement deficiencies and quality control deficiencies, taking into account all of the relevant factors in QC 1000.64.
- The firm continued a longstanding practice of notifying the engagement partner of its internal inspection selections in advance of the issuer's fiscal year end. As a result, the firm did not design policies and procedures that incorporated the required level of unpredictability in their selections.

Resources

The firm's system of quality control for the firm's **resources component**, including policies and procedures related to regulatory compliance, are not operating effectively to ensure that the firm complies with applicable legal and regulatory requirements necessary to perform audit engagements in relevant jurisdictions.

Specifically, the firm did not identify that it was not appropriately licensed to perform audit services in the relevant jurisdiction.

These matters are indicative of deficiencies in the firm's system of quality control related to **regulatory compliance oversight and assignment of work**, including the firm's ability to ensure that it satisfies jurisdictional prerequisites before performing audit engagements. (QC 1000.50)