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# 2022 Inspection Moss Adams LLP

(Headquartered in Seattle, Washington)

November 7, 2023

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM  
THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)  
(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB RELEASE NO. 104-2024-042



**PCAOB**  
PUBLIC COMPANY ACCOUNTING  
OVERSIGHT BOARD

# EXECUTIVE SUMMARY

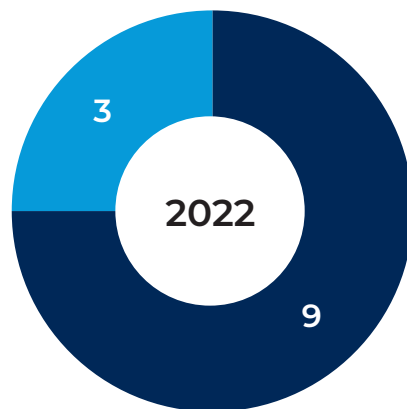
Our 2022 inspection report on Moss Adams LLP provides information on our inspection to assess the firm's compliance with Public Company Accounting Oversight Board (PCAOB) standards and rules and other applicable regulatory and professional requirements. This executive summary offers a high-level overview of what is included in this report:

- Part I.A of the report, which discusses deficiencies ("Part I.A deficiencies") in certain issuer audits that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or internal control over financial reporting (ICFR); and
- Part I.B of the report discusses certain deficiencies ("Part I.B deficiencies") that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.
- Part I.C of the report, which is new commencing with our 2022 inspection reports, discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence ("Part I.C deficiencies").

If we include a Part I.A or Part I.B deficiency in this report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. If we include a Part I.C deficiency in this report, it does not necessarily mean that the Board has concluded the firm was not objective and impartial throughout the audit and professional engagement period. If we include a deficiency in Part I.A, Part I.B, or Part I.C of this report, it does not necessarily mean that the firm has not addressed the deficiency.

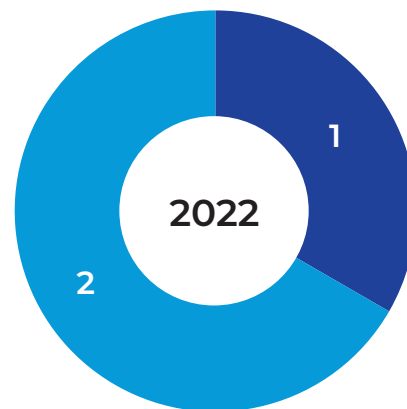
## Overview of the 2022 Deficiencies Included in Part I

Three of the 12 audits we reviewed in 2022 are included in Part I.A of this report due to the significance of the deficiencies identified. The identified deficiencies primarily related to the firm's testing of controls over and/or substantive testing of revenue, inventory, cash, and a liability.



25% Part I.A deficiency rate

- Audits without Part I.A deficiencies
- Audits with Part I.A deficiencies



- Deficiencies in both financial statement and ICFR audits
- Deficiencies in the financial statement audit only
- Deficiencies in the ICFR audit only

The most common Part I.A deficiencies in 2022 related to testing of data or reports used in the firm's substantive testing and performing substantive testing to address a risk of material misstatement.

The Part I.B deficiencies in 2022 related to audit committee communications, critical audit matters, and Form AP.

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# 2022 INSPECTION

In the 2022 inspection of Moss Adams LLP, the PCAOB assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies.

We selected for review 12 audits of issuers with fiscal years generally ending in 2021. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

## What's Included in this Inspection Report

This report includes the following sections:

- **Overview of the 2022 Inspection and Historical Data by Inspection Year:** Information on our inspection, historical data, and common deficiencies.
- **Part I – Inspection Observations:**
  - o **Part I.A:** Deficiencies that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR.
  - o **Part I.B:** Certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.
  - o **Part I.C:** Instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II.

- **Part II – Observations Related to Quality Control:** Criticisms of, or potential defects in, the firm's system of quality control. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.
- **Appendix A – Firm's Response to the Draft Inspection Report:** The firm's response to a draft of this report, excluding any portion granted confidential treatment.

## 2022 Inspection Approach

In selecting issuer audits for review, we use both risk-based and random methods of selection. We make the majority of our selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. We also select audits randomly to provide an element of unpredictability.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work nor of all of the audit procedures performed for the audits reviewed.

View the details on the [scope of our inspections and our inspections procedures](#).

# OVERVIEW OF THE 2022 INSPECTION AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2022 inspection as well as data from the previous two inspections. We use a combination of risk-based and random methods to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from year to year and firm to firm. As a result of this variation, we caution that our inspection results are not necessarily comparable over time or among firms.

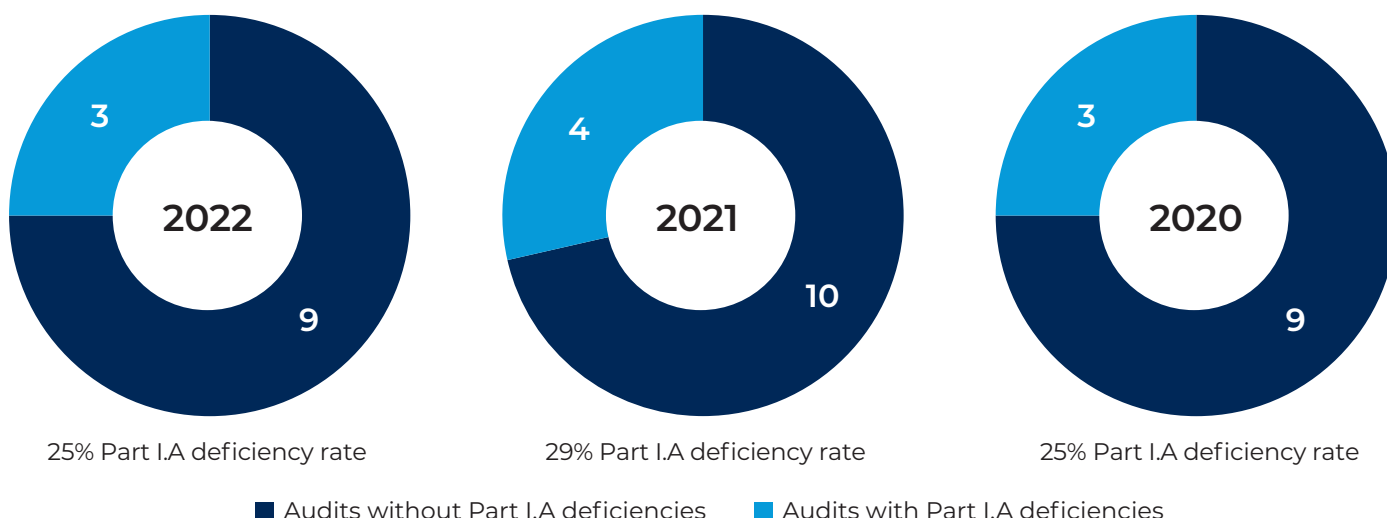
## Audits Selected for Review

	2022	2021	2020
<b>Total audits reviewed</b>			
Total audits reviewed	12	14	12
<b>Selection method</b>			
Risk-based selections	10	8	10
Random selections	2	4	2
Target team selections <sup>1</sup>	0	2	0
Total audits reviewed	12	14	12
<b>Principal auditor</b>			
Audits in which the firm was the principal auditor	12	14	12
Audits in which the firm was not the principal auditor	0	0	0
Total audits reviewed	12	14	12
<b>Audit type</b>			
Integrated audits of financial statements and ICFR	3	5	5
Financial statement audits only	9	9	7
Total audits reviewed	12	14	12

<sup>1</sup> For further information on the target team's activities in 2021, refer to that inspection report.

## Part I.A Deficiencies in Audits Reviewed

In 2022, all of the audits appearing in Part I.A were selected for review using risk-based criteria. In 2021, all of the audits appearing in Part I.A were selected for review using risk-based criteria. In 2020, two of the three audits appearing in Part I.A were selected for review using risk-based criteria.



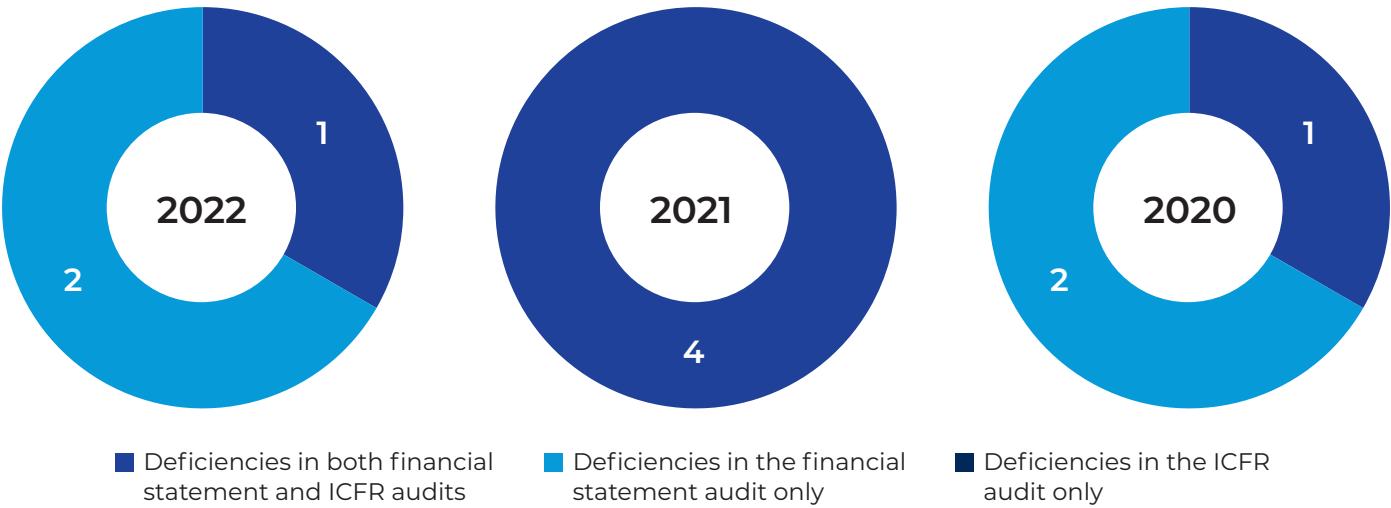
If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing additional audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

Our inspection may include a review, on a sample basis, of the adequacy of a firm's remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a Part I.A or Part I.B deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer's public disclosures. We do not have direct access to the issuer's management, underlying books and records, and other information.



# Audits Affected by the Deficiencies Identified in Part I.A



The following tables and graphs summarize inspection-related information, by inspection year, for 2022 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.

## Most Frequently Identified Part I.A Deficiencies

Deficiencies in audits of financial statements	Audits with Part I.A deficiencies		
	2022	2021	2020
Did not perform sufficient testing of data or reports used in the firm's substantive testing	2	1	0
Did not perform sufficient testing related to a significant account or disclosure or to address an identified risk	2	0	2
Did not sufficiently test an estimate	1	3	1
Did not perform sufficient procedures related to the scoping of the audit, including multi-location audits	1	0	0

Deficiencies in ICFR audits	Audits with Part I.A deficiencies		
	2022	2021	2020
Did not perform sufficient testing of the design and/or operating effectiveness of controls selected for testing	1	4	1
Did not identify and test any controls that addressed the risks related to a significant account or relevant assertion	1	1	1
Did not identify and/or sufficiently test controls over the accuracy and completeness of data or reports that the issuer used in the operation of controls	1	1	1
Did not perform sufficient procedures related to the scoping of the audit, including multi-location audits	1	0	0

## Audit Areas Most Frequently Reviewed

This table reflects the five audit areas we have selected most frequently for review in each inspection year (and the related Part I.A deficiencies). For the issuer audits selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2022			2021			2020		
Audit area	Audits reviewed	Audits with Part I.A deficiencies	Audit area	Audits reviewed	Audits with Part I.A deficiencies	Audit area	Audits reviewed	Audits with Part I.A deficiencies
Revenue and related accounts	6	3	Revenue and related accounts	6	2	Revenue and related accounts	7	2
Business combinations	4	0	Long-lived assets	6	1	Allowance for loan losses	5	0
Debt	3	0	Allowance for credit losses/ Allowance for loan losses	3	2	Inventory	4	1
Inventory	3	1	Investment securities	3	1	Business combinations	3	1
Cash and cash equivalents	2	1	Cash and cash equivalents	2	0	Loans and related accounts	2	0

## Audit Areas with Frequent Part I.A Deficiencies

This table reflects the audit areas with the most frequently identified Part I.A deficiencies in each inspection year with the corresponding results for the other two years presented.

Audit area	2022		2021		2020	
	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed
Revenue and related accounts	3	6	2	6	2	7
Accruals and other liabilities	1	1	0	0	0	1
Cash and cash equivalents	1	2	0	2	0	0
Inventory	1	3	0	1	1	4
Allowance for credit losses/ Allowance for loan losses	0	2	2	3	0	5
Business combinations	0	4	0	0	1	3

**Revenue and related accounts:** The deficiencies in 2022, 2021, and 2020 related to substantive testing of, and/or testing controls over, revenue.

**Accruals and other liabilities:** The deficiencies in 2022 related to testing the valuation of a liability, including the information used in substantive testing.

**Cash and cash equivalents:** The deficiency in 2022 related to excluding cash related to certain business units from controls and substantive testing.

**Inventory:** The deficiencies in 2022 and 2020 related to substantive testing of, and testing controls over, inventory.

**Allowance for credit losses/Allowance for loan losses:** The deficiencies in 2021 related to substantive testing of, and testing controls over, significant assumptions underlying the estimate of the allowance for credit or loan losses.

**Business combinations:** The deficiency in 2020 related to substantive testing of the fair value of certain consideration transferred in a business combination.

## Auditing Standards Associated with Identified Part I.A Deficiencies

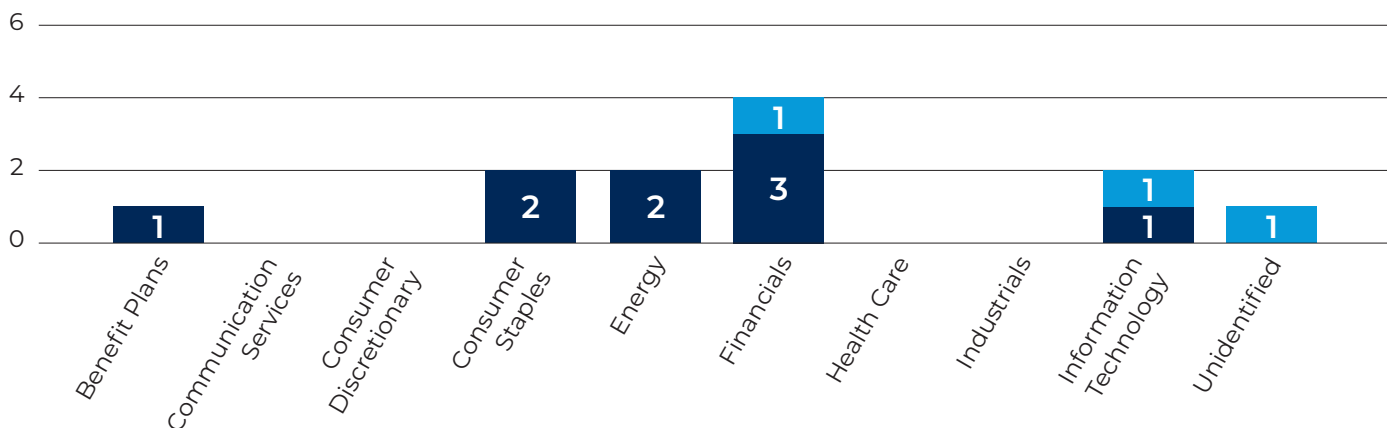
The following lists the auditing standards referenced in Part I.A of the 2022 and the previous two inspection reports, and the number of times that the standard is cited in Part I.A.

PCAOB Auditing Standards	2022	2021	2020
<i>AS 1105, Audit Evidence</i>	4	2	0
<i>AS 2101, Audit Planning</i>	1	0	0
<i>AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements</i>	6	8	7
<i>AS 2301, The Auditor's Responses to the Risks of Material Misstatement</i>	2	1	3
<i>AS 2305, Substantive Analytical Procedures</i>	0	1	0
<i>AS 2310, The Confirmation Process</i>	1	1	0
<i>AS 2315, Audit Sampling</i>	0	0	1
<i>AS 2501, Auditing Accounting Estimates, Including Fair Value Measurements</i> (effective for fiscal years ending on or after December 15, 2020)	1	3	-
<i>AS 2502, Auditing Fair Value Measurements and Disclosures</i> (effective for fiscal years ending before December 15, 2020)	-	0	1

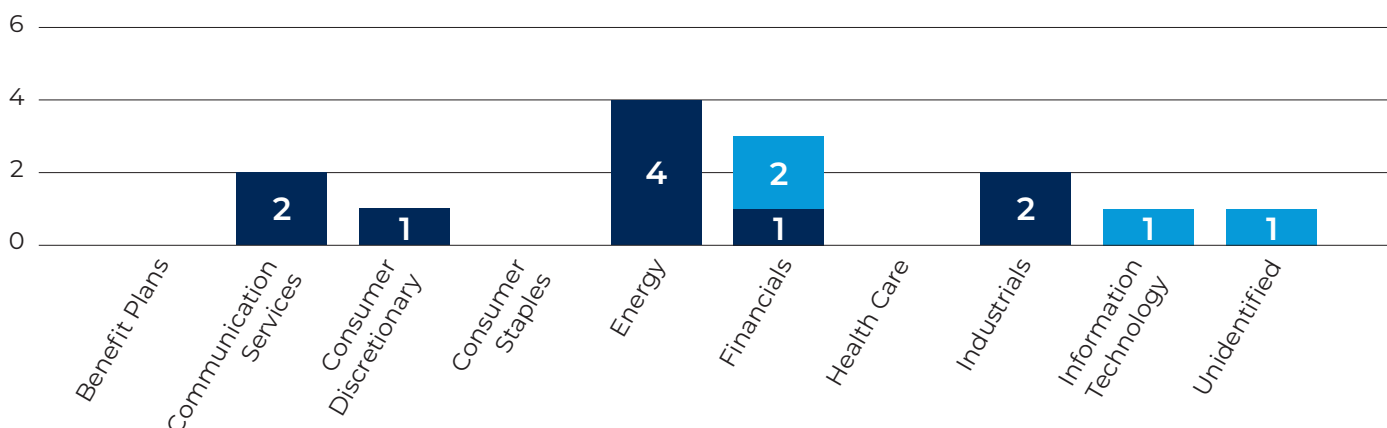
# Inspection Results by Issuer Industry Sector

The majority of industry sector data is based on Global Industry Classification Standard (GICS) data obtained from Standard & Poor's (S&P). In instances where GICS data for an issuer is not available from S&P, classifications are assigned based upon North American Industry Classification System data. In instances where classifying an issuer using its industry sector could make an issuer identifiable, we have instead classified such issuer(s) as "unidentified."

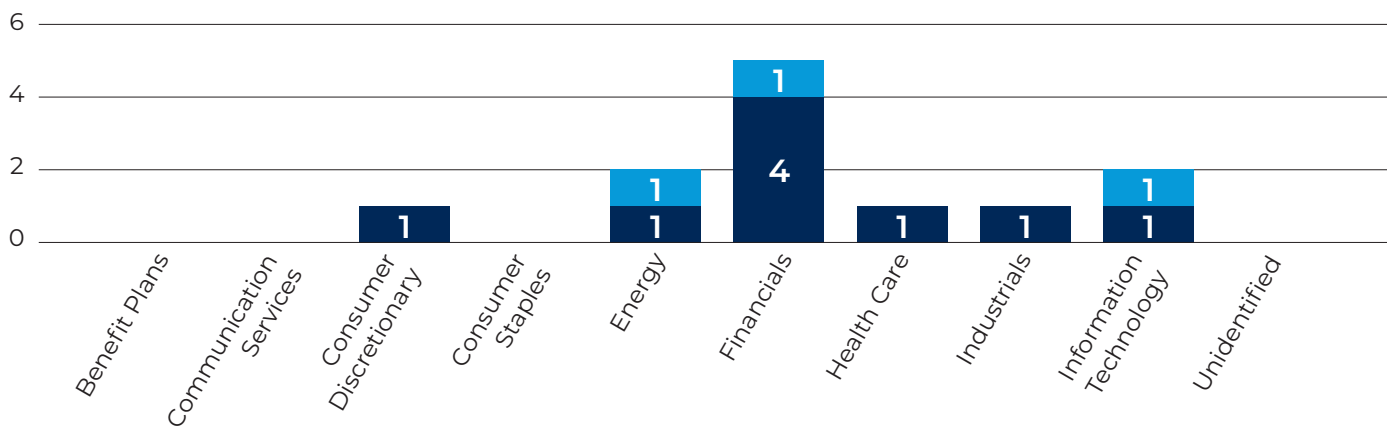
## 2022



## 2021



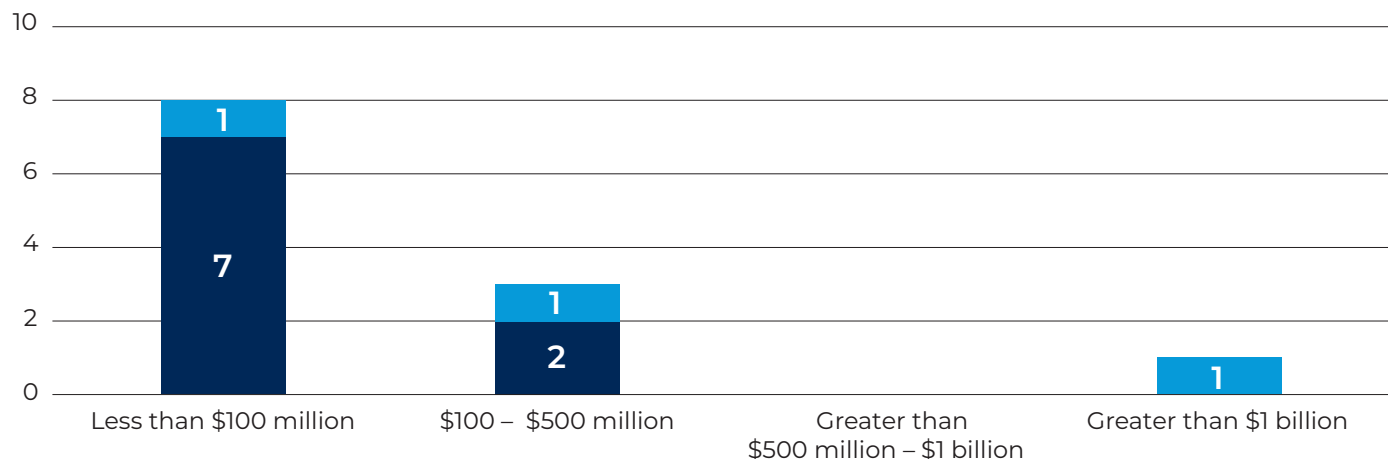
## 2020



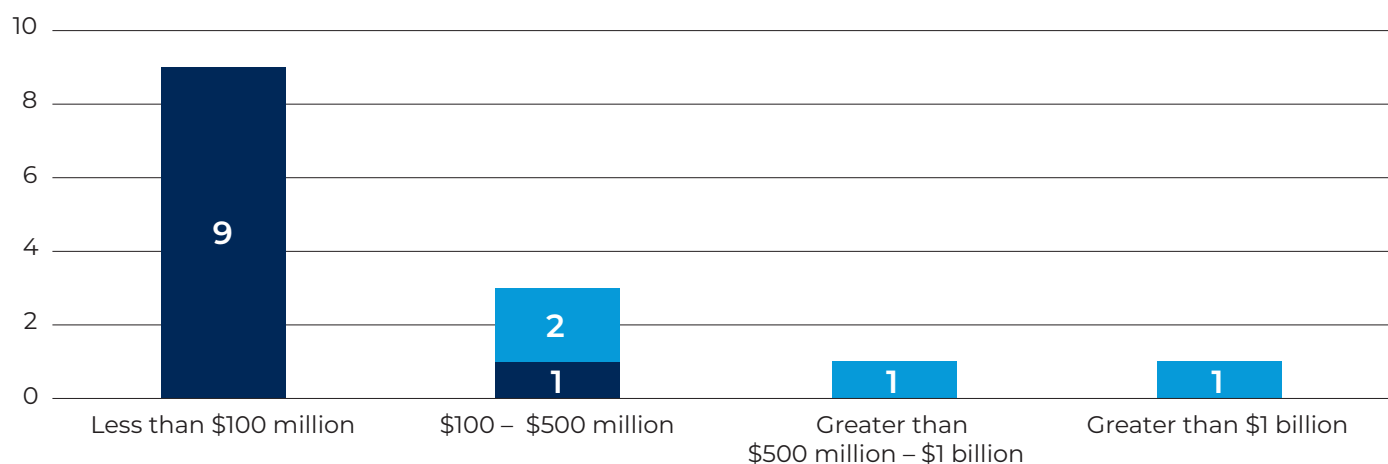
■ Audits without Part I.A deficiencies ■ Audits with Part I.A deficiencies

## Inspection Results by Issuer Revenue Range

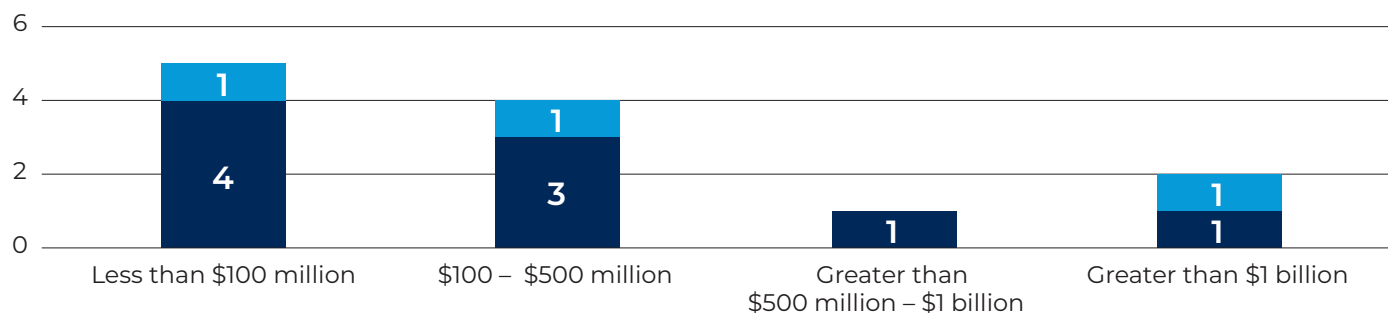
**2022**



**2021**



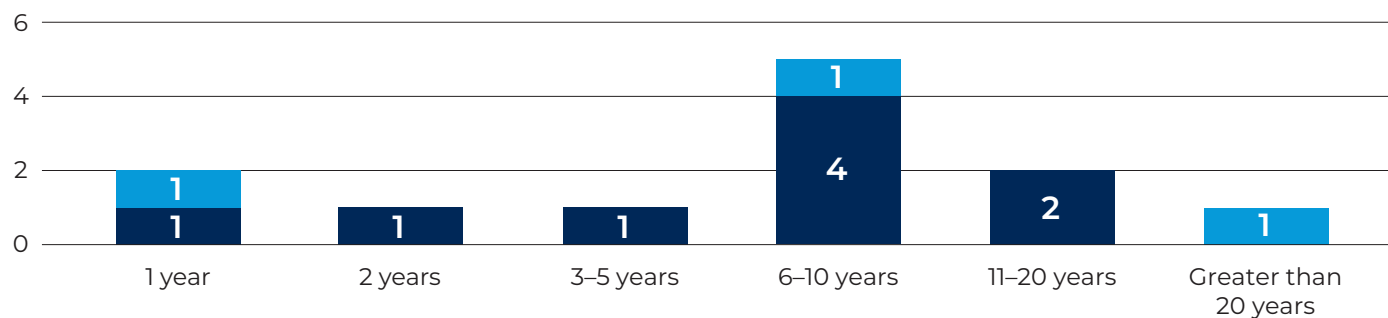
**2020**



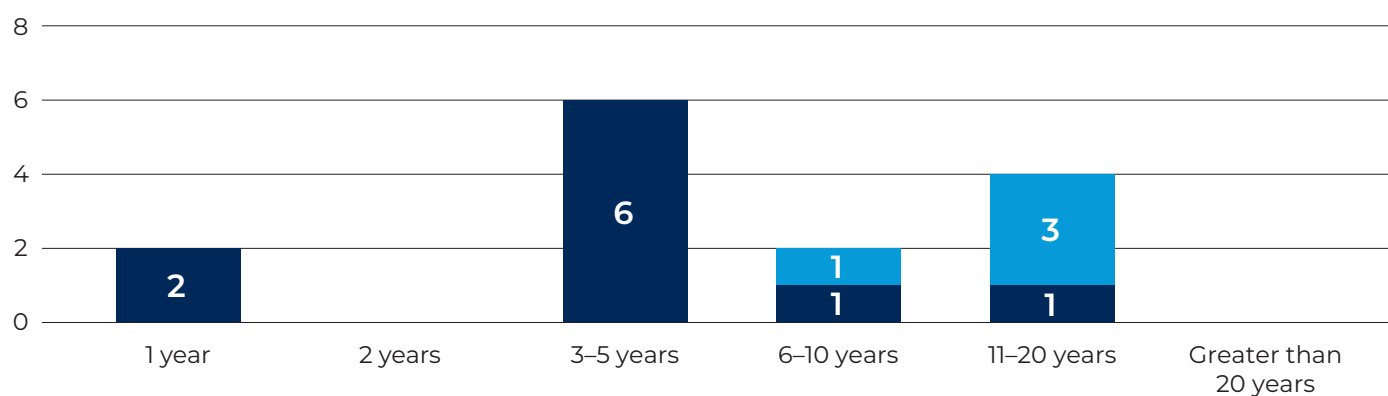
■ Audits without Part I.A deficiencies ■ Audits with Part I.A deficiencies

## Inspection Results by the Firm's Tenure on the Issuer

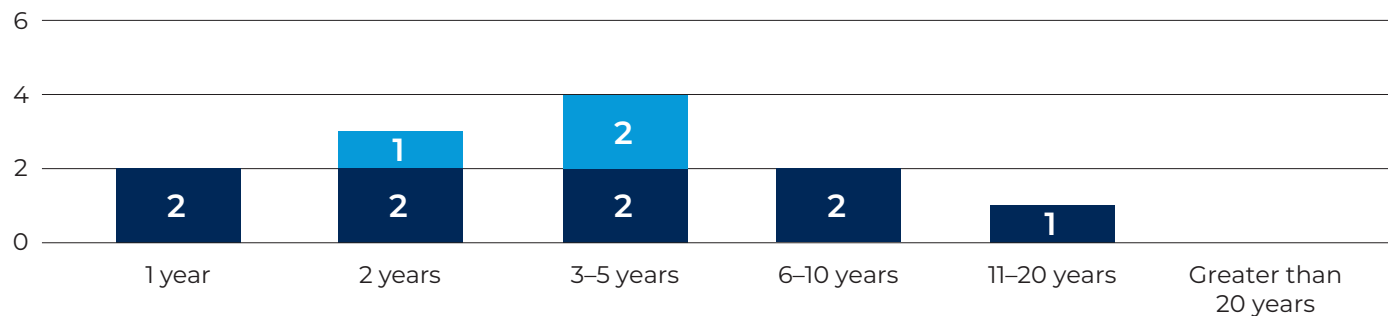
**2022**



**2021**



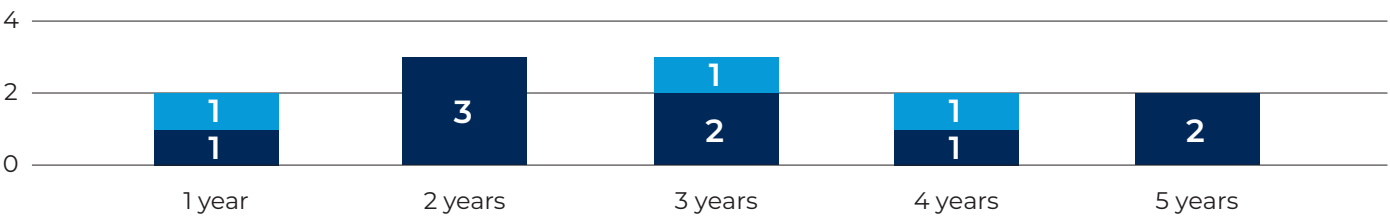
**2020**



■ Audits without Part I.A deficiencies ■ Audits with Part I.A deficiencies

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

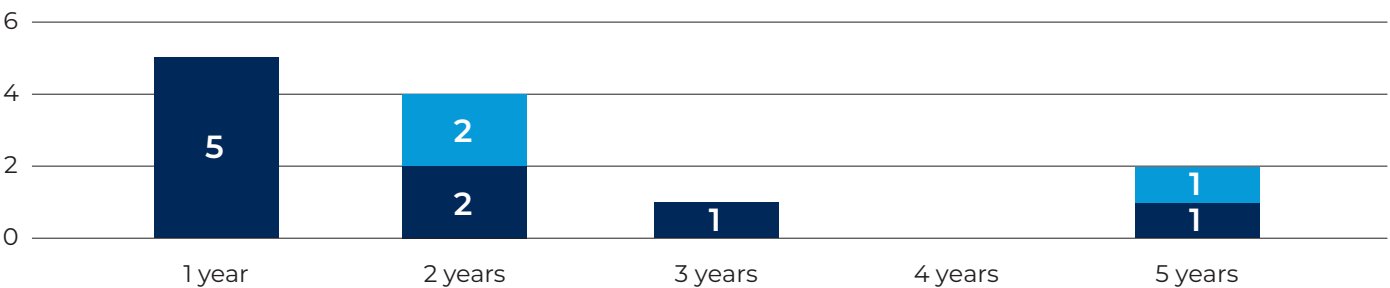
## 2022



## 2021



## 2020



■ Audits without Part I.A deficiencies    ■ Audits with Part I.A deficiencies



## Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

### Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR. This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

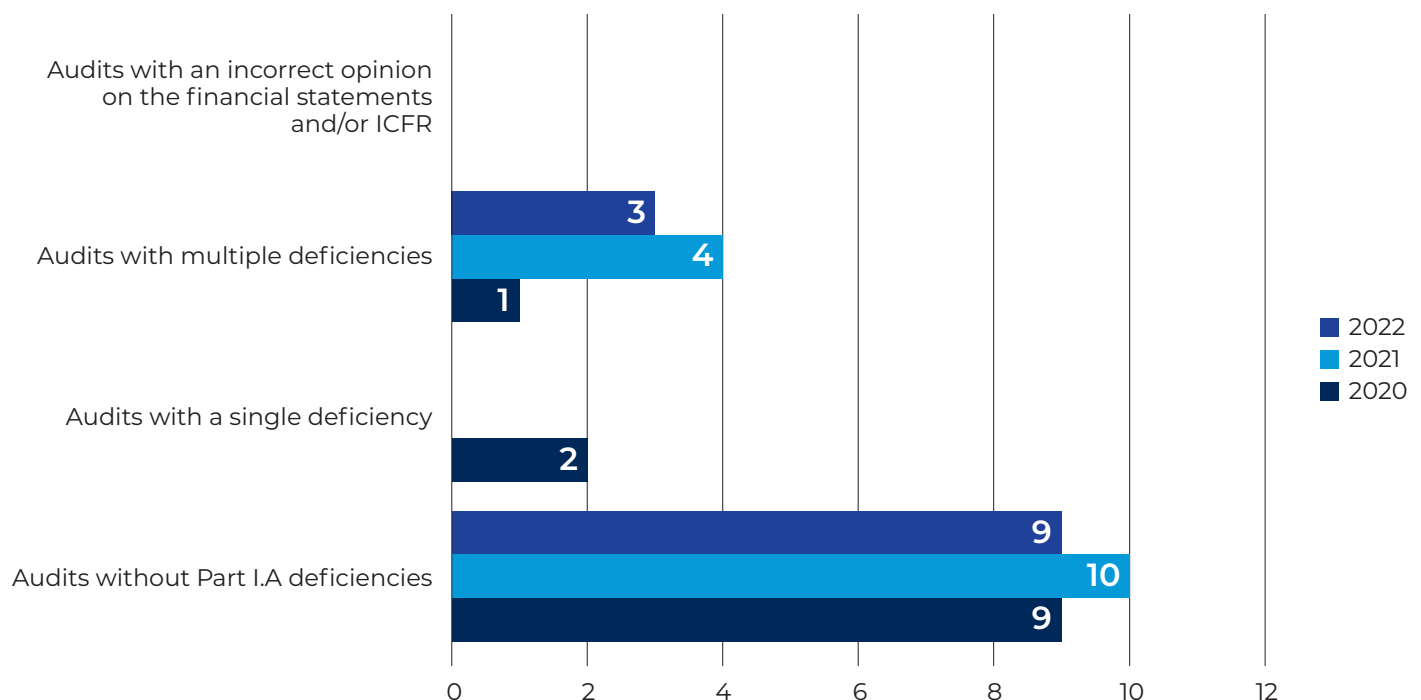
### Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

### Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

## Number of Audits in Each Category



# PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR.

Part I.B discusses certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

Part I.C discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

Consistent with the Act, it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II.

## PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This 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.

We identify each issuer by a letter (e.g., Issuer A) and industry sector. 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.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies, taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

### Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

### Audits with Multiple Deficiencies

#### Issuer A – Information Technology

##### Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Revenue**, **Inventory**, and **Cash**.

##### Description of the deficiencies identified

With respect to **Revenue** and **Inventory**:

The issuer used an information-technology (IT) system to process and record transactions related to revenue and inventory. The firm selected for testing controls over the issuer's granting and monitoring of user access to this system but did not evaluate the specific review procedures that the control owners

performed to determine whether to grant access to users or whether access that had been previously approved continued to be appropriate. (AS 2201.42 and .44)

The firm selected for testing certain automated and IT-dependent manual controls over revenue and inventory. The firm's approach to testing the accuracy and completeness of the data used in these controls depended on effective IT general controls, including controls over user access. As a result of the deficiency in the firm's testing of the controls discussed above, the firm's testing of these automated and IT-dependent manual controls was not sufficient. (AS 2201.46) In addition, the firm's testing of the automated controls was not sufficient because the firm did not test the configuration or programming of these controls or perform other procedures that would have provided sufficient appropriate audit evidence that these controls were designed and operating effectively. (AS 2201.42 and .44)

With respect to **Revenue**:

For certain automated controls over revenue, the firm tested a sample of one transaction for each control in the issuer's IT testing environment, rather than in its production environment. The firm's testing of certain of these controls was not sufficient because the firm did not perform any procedures to determine whether the testing environment was consistent with the production environment. (AS 2201.44)

With respect to **Inventory**:

For two business units, the issuer held certain inventory at locations owned by external parties. The firm performed confirmation procedures to test the existence of this inventory but did not maintain control over the confirmation requests because the issuer sent the requests. (AS 2310.28)

For certain inventory at another business unit, the firm did not identify and test any controls over the issuer's process to record costs related to this inventory, including the calculation of variances between standard and actual costs. (AS 2201.39)

With respect to **Cash**:

The firm excluded from the scope of its financial statement and ICFR audits cash related to certain business units but did not evaluate certain factors that were relevant to the assessment of the risks of material misstatement associated with this cash, including the materiality of the recorded cash balances and the location of certain of these business units. (AS 2101.11 and .12; AS 2201.B10)

## Issuer B – Financials

### Type of audit and related area affected

In our review, we identified deficiencies in the financial statement audit related to a **Certain Liability**, for which the firm identified a fraud risk, and **Revenue**.

### Description of the deficiencies identified

With respect to a **Certain Liability**:

The issuer recorded an estimated liability for certain known and expected losses. The firm's approach for substantively testing this liability was to develop an independent expectation. The firm developed its expectation primarily based on historical losses that included (1) various loss information produced from certain of the issuer's IT systems and (2) a recorded accrual for certain known losses. The following deficiencies were identified:

- The firm did not perform any procedures to determine whether it had a reasonable basis for using historical losses to estimate losses for the current year. (AS 2501.22)

- The firm did not perform any substantive procedures to test, or test any controls over, the completeness of certain of the loss information used in its expectation. (AS 1105.10) In addition, the firm did not sufficiently test the accuracy of this information because it did not subject certain types of losses to testing. (AS 1105.10)
- The firm did not perform any procedures to test the reliability of the recorded accrual used in its expectation. (AS 1105.04 and .06)

With respect to **Revenue**:

The issuer's process related to revenue was highly automated, with transactions being initiated, processed, and recorded by numerous information-technology (IT) systems. The issuer identified a material weakness related to ineffective IT general controls over certain IT systems. For the sample of revenue transactions that the firm selected for testing, the firm did not perform any procedures to test whether certain information that the issuer used to record revenue was appropriate, beyond comparing it to information that was generated by and maintained in certain of the issuer's systems that were affected by the material weakness. (AS 2301.08)

## Issuer C

### Type of audit and related area affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue**, for which the firm identified a fraud risk. This was the firm's initial audit of this issuer.

### Description of the deficiencies identified

For three types of revenue, the firm used certain system-generated information in its substantive testing of revenue but did not perform any procedures to test, or test any controls over, the accuracy and completeness of this information. (AS 1105.10)

For two other types of revenue, the issuer recorded revenue based on information provided by an external service provider. The firm used this information in its substantive testing of this revenue but did not perform any procedures to test the accuracy and completeness of this information. (AS 2301.08)

## Audits with a Single Deficiency

None

## PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

When we review an audit, we do not review every aspect of the audit. As a result, the areas below were not necessarily reviewed on every audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In one of nine audits reviewed, the firm did not communicate to the issuer's audit committee all of the significant risks identified through its risk assessment procedures. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In one of seven audits reviewed, the engagement team performed procedures to determine whether or not matters were critical audit matters but, in performing those procedures, did not include certain matters that were communicated to the issuer's audit committee and that related to accounts or disclosures that were material to the financial statements. In this instance, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. This instance of non-compliance does not necessarily mean that other critical audit matters should have been communicated in the auditor's report.
- In one of seven audits reviewed, the firm's communication of a critical audit matter in the audit report included language that was inconsistent with information in the firm's audit documentation. In this instance, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.
- In one of four audits reviewed, the firm's report on Form AP omitted information related to the participation in the audit by an other accounting firm. In this instance, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

## PART I.C: INDEPENDENCE

This section of our report discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence. An instance of potential non-compliance with SEC rules or an instance of non-compliance with PCAOB rules does not necessarily mean that the Board has concluded the firm was not objective and impartial throughout the audit and professional engagement period.

In the 2022 inspection, we did not identify, and the firm did not bring to our attention, any instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence. Although this section does not include any instances of potential non-compliance that we identified or the firm brought to our attention, there may be instances of non-compliance with SEC or PCAOB rules related to independence that were not identified through our procedures or the firm's monitoring activities.

## PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

# APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to Section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.





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October 27, 2023

Ms. Christine Gunia, Acting Director  
Division of Registration and Inspections  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 20006

Re: Response to Part I of Draft Report on the 2022 Inspection of Moss Adams LLP

Dear Ms. Gunia:

Moss Adams is pleased to provide its response to the Public Company Accounting Oversight Board's (the "PCAOB") Draft Report on the 2022 Inspection of Moss Adams LLP (the "Draft Report").

Our Firm is committed to the highest standards of audit quality. We continually monitor our methodologies, policies, procedures and practices, including consideration of inspection comments and observations, and seek every opportunity to make changes when we identify improvements that could enhance audit quality.

We have carefully evaluated the matters described in the Draft Report and, in each case, we have taken actions to fulfill our professional responsibilities in accordance with PCAOB standards AS 2901, *Consideration of Omitted Procedures After the Report Date*, and where applicable, AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*.

We support the PCAOB inspection process and believe the inspection comments, observations and dialogue with the PCAOB inspection staff assist in the achievement of our shared objective of continual improvement in audit quality.

Sincerely,

*Moss Adams LLP*

Assurance, tax, and consulting offered through Moss Adams LLP. Investment advisory services offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLC.

