2023 Inspection

KPMG LLP

(Headquartered in New York, New York)

June 20, 2024

<u>THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT</u>

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

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

PCAOB RELEASE NO. 104-2024-109

EXECUTIVE SUMMARY

Our 2023 inspection report on KPMG 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 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).

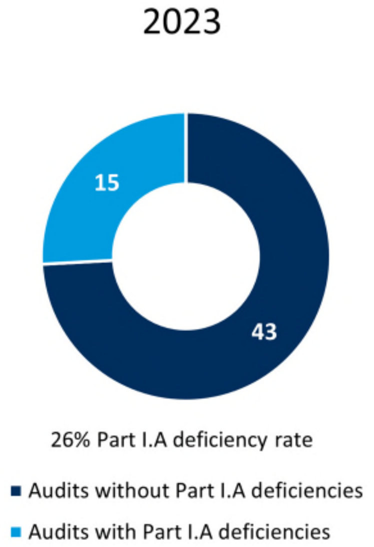
- Part I.B of the report discusses certain deficiencies ("Part I.B deficiencies") that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances 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 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 2023 Deficiencies Included in Part I

Fifteen of the 58 audits we reviewed in 2023 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 investment securities and revenue and related accounts.



The most common Part I.A deficiencies in 2023 related to performing substantive testing to address a risk of material misstatement, identifying controls related to a significant account or relevant assertion, and testing controls over the accuracy and completeness of data or reports used in the operation of controls.

The Part I.B deficiencies in 2023 related to retention of audit documentation, audit committee communications, audit planning, risk assessment, critical audit matters, and the firm's audit report.

The most common Part I.C deficiencies in 2023 related to audit committee pre-approval, non-audit services, and financial relationships.

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2023 INSPECTION

In the 2023 inspection of KPMG 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 58 audits of issuers with fiscal years generally ending in 2022. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

We also selected for review three reviews of interim financial information ("interim reviews"). Our reviews were performed to gain a timely understanding of emerging financial reporting and auditing risks associated with issuers in the banking industry. We did not identify any instances of non-compliance with PCAOB standards related to these reviews.

What's Included in this Inspection Report

This report includes the following sections:

- **Overview of the 2023 Inspection and Historical Data by Inspection Year:** Information on our inspection, historical data, and common deficiencies.
- **Part I – Inspection Observations:**
    - **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.
    - **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.
    - **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.

2023 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.

Our target team performs inspection procedures in areas of current audit risk and emerging topics and focuses its reviews primarily on evaluating the firm's procedures related to that risk or topic. In 2023, our target team focused primarily on the planning and execution of multi-location audits, on audits of issuers engaged in distributed ledger technology activities, and on interim reviews of issuers in the banking industry.

For the interim reviews, similar to our approach for reviewing audits, our target team did not review every aspect of the interim review.

View the details on the scope of our inspections and our inspections procedures.

OVERVIEW OF THE 2023 INSPECTION AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2023 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.

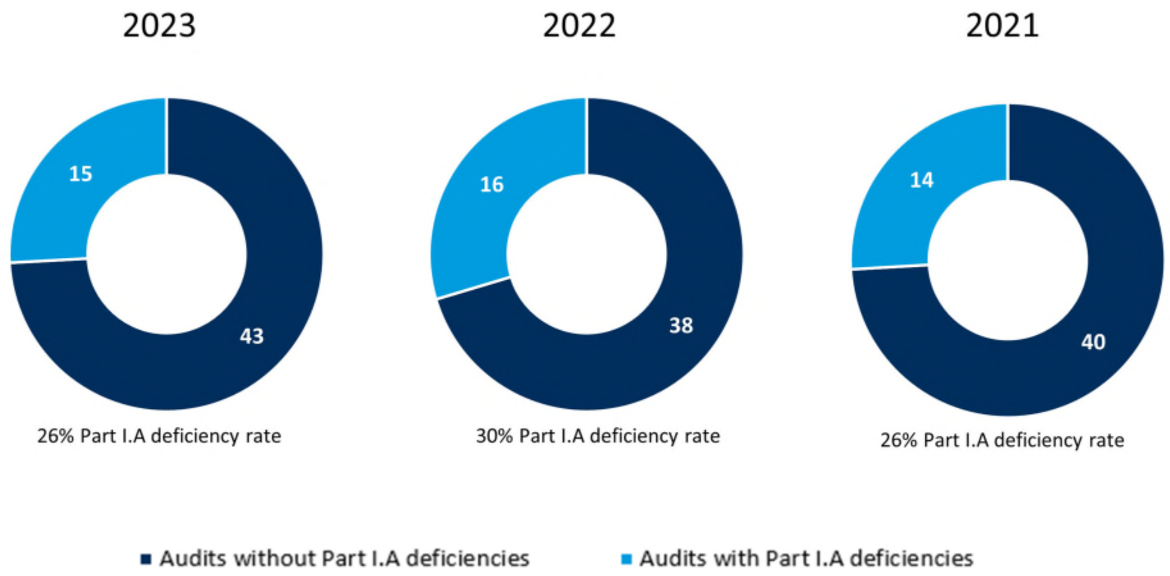
Audits Selected for Review

	2023	2022	2021
Total audits reviewed			
Total audits reviewed	58	54	54
Selection method			
Risk-based selections	43	37	25
Random selections	10	13	25
Target team selections[1]	5	4	4
Total audits reviewed	**58**	**54**	**54**
Principal auditor			
Audits in which the firm was the principal auditor	57	53	54
Audits in which the firm was not the principal auditor	1	1	0
Total audits reviewed	**58**	**54**	**54**
Audit type			
Integrated audits of financial statements and ICFR	52	43	45
Financial statement audits only	6	11	9
Total audits reviewed	**58**	**54**	**54**

[1] For further information on the target team's activities in 2022 and 2021, refer to those inspection reports.

Part I.A Deficiencies in Audits Reviewed

In 2023, 11 of the 15 audits appearing in Part I.A were selected for review using risk-based criteria. In 2022, 14 of the 16 audits appearing in Part I.A were selected for review using risk-based criteria. In 2021, nine of the 14 audits appearing in Part I.A were selected for review using risk-based criteria.

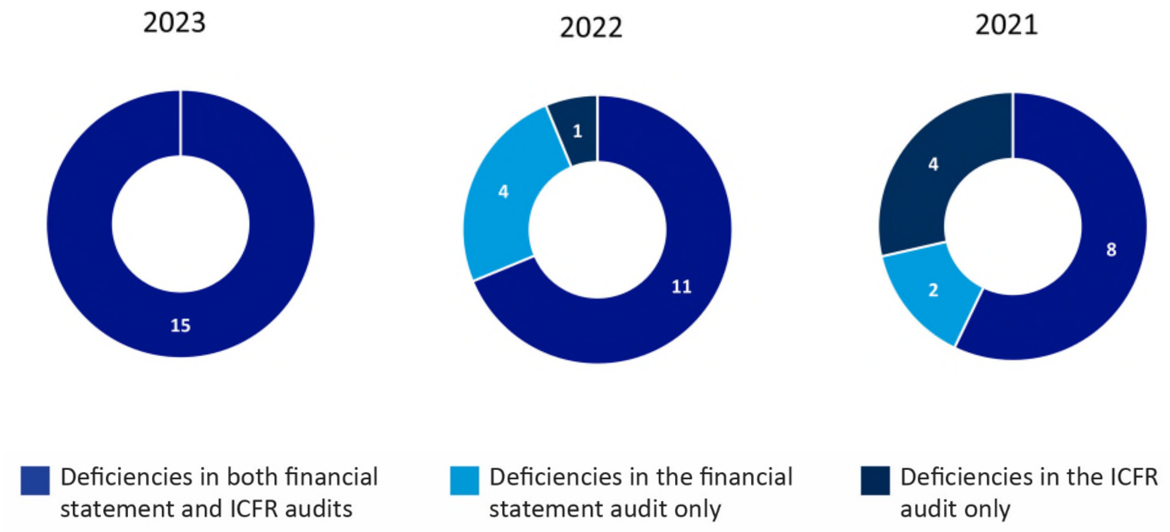


If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing additional 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



In connection with our 2023 inspection procedures for one audit, the issuer corrected a misstatement in a subsequent filing by adjusting the prior-period amounts.

In connection with our 2022 inspection procedures for one audit, the issuer restated its financial statements to correct a misstatement, and the firm revised and reissued its report on the financial statements. The issuer also revised its report on ICFR, and the firm revised and reissued its report to include additional material weaknesses.

The following tables and graphs summarize inspection-related information, by inspection year, for 2023 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		
	2023	2022	2021
Did not perform sufficient testing related to a significant account or disclosure or to address an identified risk	9	6	1
Did not perform sufficient testing of data or reports used in the firm's substantive testing	6	3	5
Did not sufficiently evaluate the appropriateness of the issuer's accounting method or disclosure for one or more transactions or accounts	5	2	1

Deficiencies in ICFR audits	Audits with Part I.A deficiencies		
	2023	2022	2021
Did not identify and test any controls that addressed the risks related to a significant account or relevant assertion	8	4	5
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	8	4	6
Did not perform sufficient testing of the design and/or operating effectiveness of controls selected for testing	6	5	9

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.

2023			2022			2021		
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	40	6	**Revenue and related accounts**	37	6	**Revenue and related accounts**	32	6
Inventory	20	2	**Inventory**	16	2	**Long-lived assets**	15	1
Investment securities	13	7	**Business combinations**	13	1	**Debt**	12	0
Goodwill and intangible assets	10	1	**Accruals and other liabilities**	12	1	**Goodwill and intangible assets**	11	1
Business combinations	9	0	**Long-lived assets**	11	1	**Cash and cash equivalents**	11	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	2023		2022		2021	
	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed
Investment securities	7	13	1	11	1	8
Revenue and related accounts	6	40	6	37	6	32
Allowance for credit losses	2	5	1	9	3	9
Inventory	2	20	2	16	2	9
Deposit liabilities	1	2	2	4	0	1
Going concern	1	8	1	1	2	6

Investment securities: The deficiencies in 2023 related to substantive testing of, and testing controls over, the valuation and disclosures of investment securities. The deficiencies in 2022 related to substantive testing of, and testing controls over, the issuer's disclosures related to its investment securities. The deficiency in 2021 related to testing a control over the evaluation of investment securities for possible impairment.

Revenue and related accounts: The deficiencies in 2023 primarily related to substantive testing, and testing controls over, revenue. The deficiencies in 2022 related to substantive testing of, and/or testing controls over, revenue and deferred revenue. The deficiencies in 2021 related to substantive testing of, and testing controls over, revenue.

Allowance for credit losses: The deficiencies in 2023 related to the substantive testing of, and/or testing controls over, the allowance for credit losses, including model validation controls. The deficiency in 2022 related to testing controls over the allowance for credit losses. The deficiencies in 2021 primarily related to testing controls over the allowance for credit losses.

Inventory: The deficiencies in 2023 primarily related to substantive testing of, and testing controls over, the valuation of inventory. The deficiencies in 2022 related to substantive testing of, and testing controls over, inventory, including cycle-count controls. The deficiencies in 2021 primarily related to testing controls over the existence of inventory.

Deposit liabilities: The deficiency in 2023 related to disclosures for deposit liabilities. The deficiencies in 2022 related to substantive testing of, and testing controls over, items the issuer placed in certain cash and/or deposit suspense accounts for further evaluation.

Going concern: The deficiencies in 2023, 2022, and 2021 primarily related to substantive testing of the issuer's evaluation of its ability to continue as a going concern.

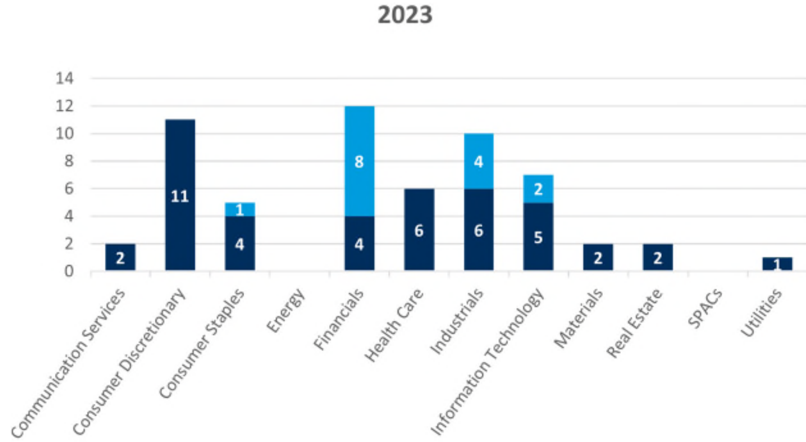
Auditing Standards Associated with Identified Part I.A Deficiencies

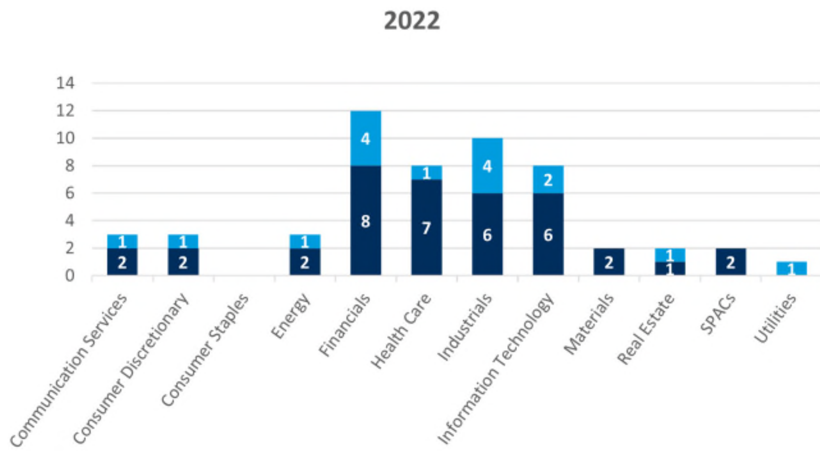
The following lists the auditing standards referenced in Part I.A of the 2023 and the previous two inspection reports, and the number of times that the standard is cited in Part I.A.

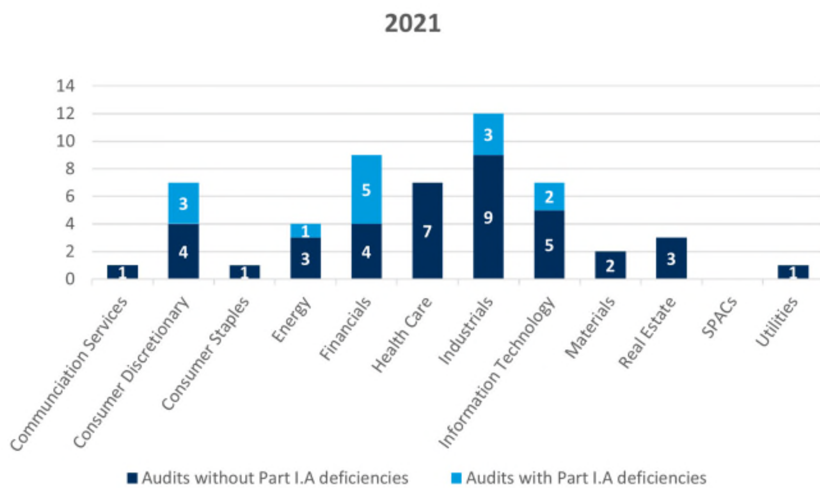
PCAOB Auditing Standards	2023	2022	2021
AS 1105, *Audit Evidence*	7	9	11
AS 1201, *Supervision of the Audit Engagement*	1	0	0
AS 2101, *Audit Planning*	0	1	0
AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*	36	16	29
AS 2301, *The Auditor's Responses to the Risks of Material Misstatement*	19	10	6
AS 2305, *Substantive Analytical Procedures*	3	0	0
AS 2315, *Audit Sampling*	4	2	5
AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*	1	2	1
AS 2501, *Auditing Accounting Estimates, Including Fair Value Measurements* (effective for fiscal years ending on or after December 15, 2020)	2	3	2
AS 2501, *Auditing Accounting Estimates* (effective for fiscal years ending before December 15, 2020)	-	-	1
AS 2510, *Auditing Inventories*	0	1	1
AS 2601, *Consideration of an Entity's Use of a Service Organization*	0	0	1
AS 2810, *Evaluating Audit Results*	6	3	1

Inspection Results by Issuer Industry Sector

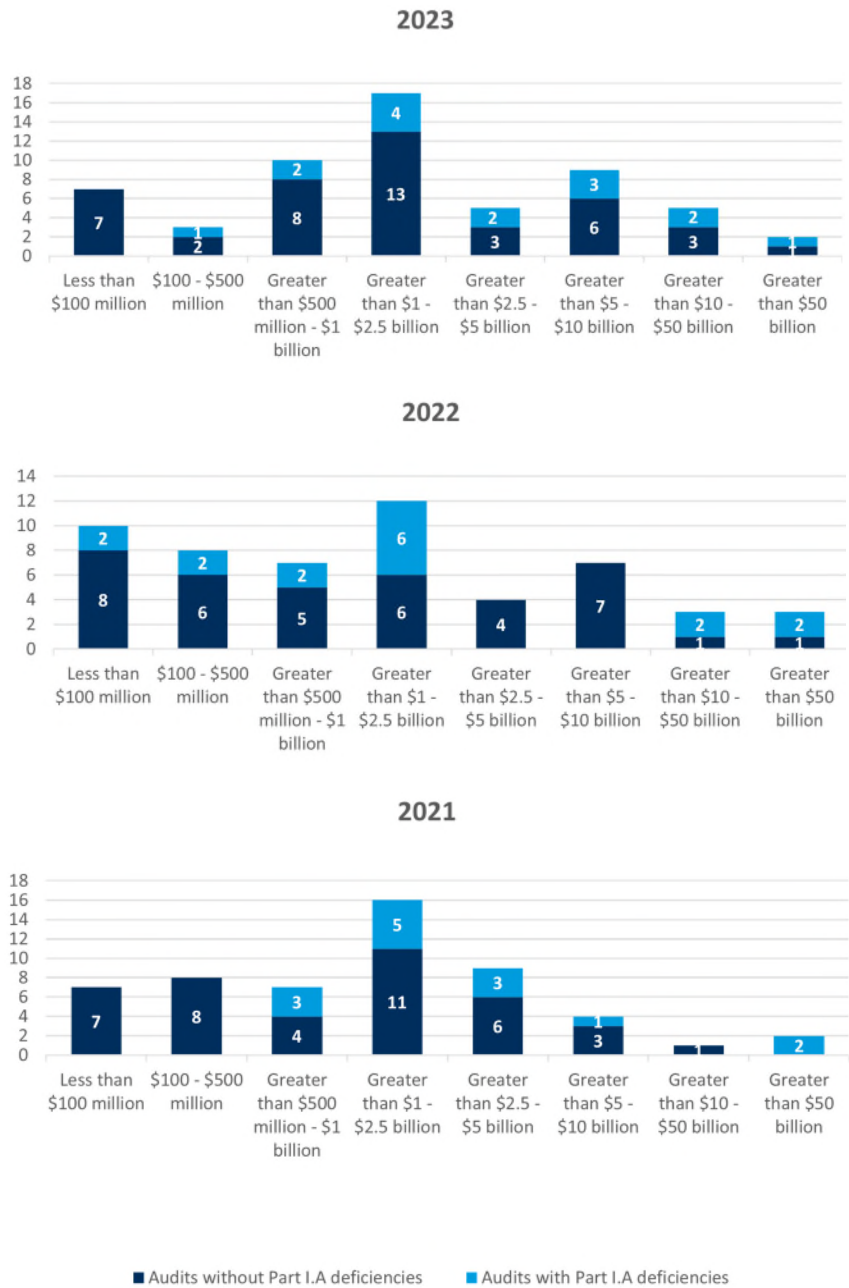
The majority of industry sector data is based on Global Industry Classification Standard (GICS) data obtained from Standard & Poor's (S&P). In instances where GICS data for an issuer is not available from S&P, classifications are assigned based upon North American Industry Classification System data.



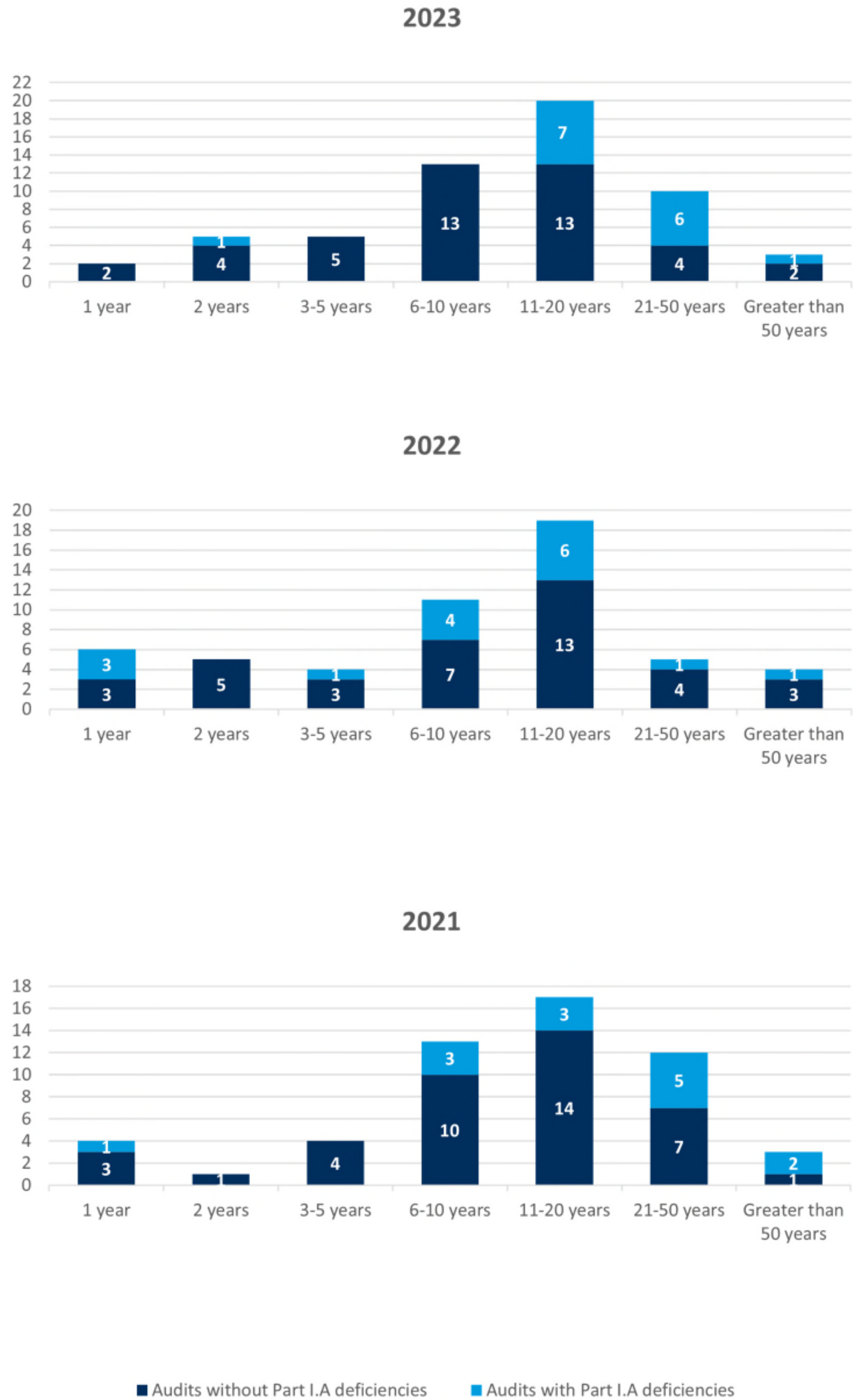




Inspection Results by Issuer Revenue Range

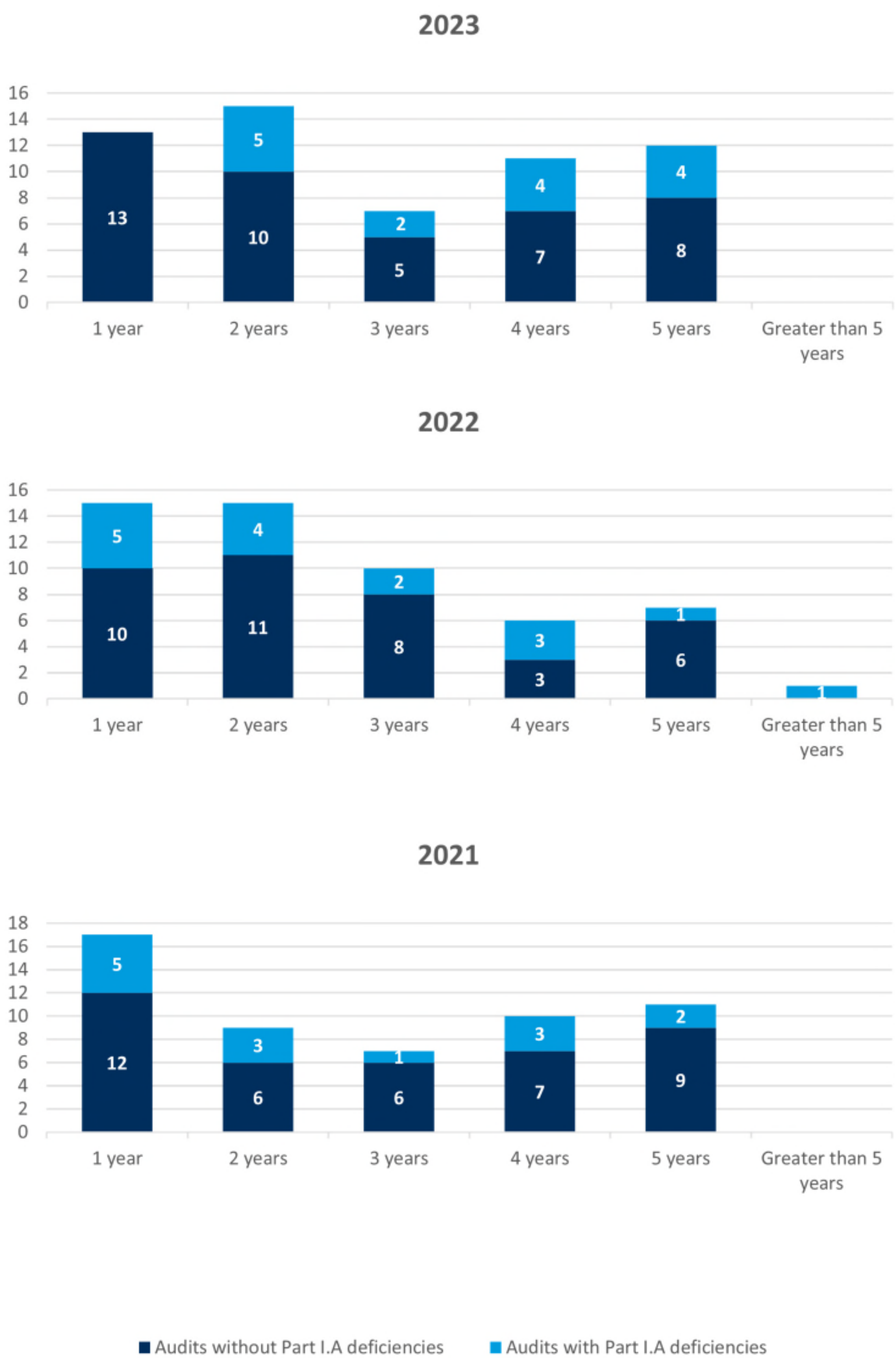


Inspection Results by the Firm's Tenure on the Issuer



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

For audits in which the firm was not the principal auditor, the engagement partner's tenure on the issuer may be up to seven years.



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.

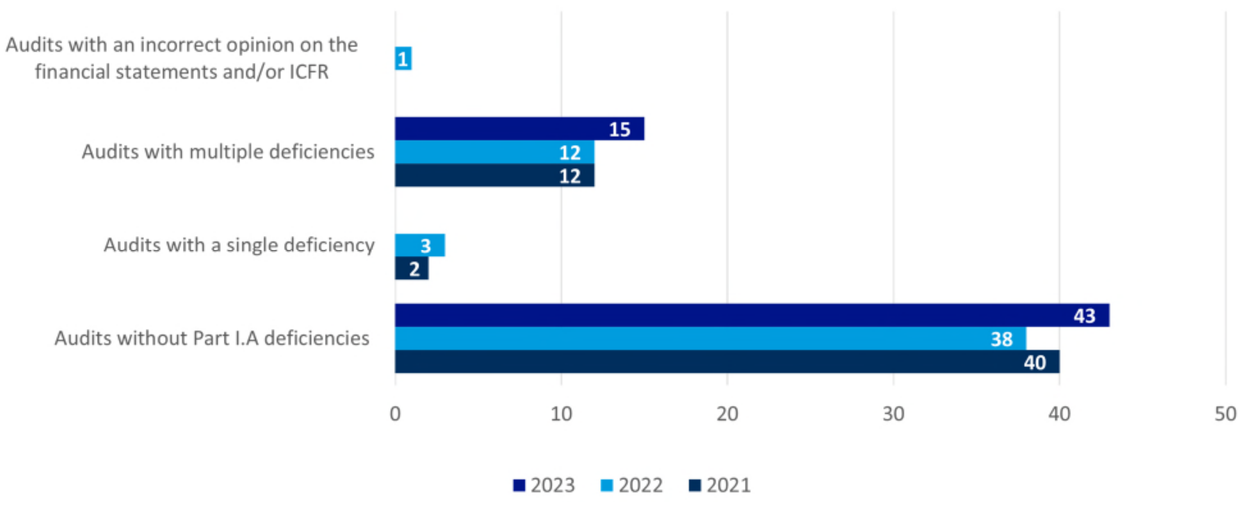
Audits with Multiple Deficiencies

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 – Financials

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Going Concern**, **Debt**, and **Investment Securities**.

Description of the deficiencies identified

With respect to **Going Concern**:

The firm did not evaluate certain conditions and events that were present at the issuer prior to the issuance of the financial statements that indicated that there could be substantial doubt about the issuer's ability to continue as a going concern for a reasonable period of time. (AS 2415.03)

With respect to **Debt**:

The firm did not identify and evaluate that the issuer's presentation of certain debt as long term was not in conformity with FASB ASC Topic 470, *Debt*. (AS 2810.30 and .31) In addition, the firm did not identify and evaluate a misstatement in the issuer's disclosures under FASB ASC Subtopic 860-30, *Transfers and Servicing – Secured Borrowing and Collateral*, related to the carrying amount of its assets pledged as collateral. (AS 2810.30 and .31)

The firm did not perform any substantive procedures to test the issuer's presentation and disclosure of its unused financing arrangements. (AS 2301.08)

With respect to **Investment Securities**:

The firm did not identify and test any controls over the issuer's amortization of premiums and accretion of discounts on its investment securities. (AS 2201.39)

The firm did not perform any substantive procedures to test the issuer's amortization of premiums and accretion of discounts on these investment securities. (AS 2301.08)

The firm did not identify and test any controls over the issuer's (1) classification of certain investment securities and (2) evaluation of whether certain other investment securities were impaired. (AS 2201.39)

The firm did not perform any substantive procedures to test the (1) issuer's classification of certain investment securities and (2) whether certain other investment securities were impaired. (AS 2301.08)

Issuer B – Financials

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Debt**, the **Allowance for Credit Losses (ACL)**, and **Investment Securities**.

Description of the deficiencies identified

With respect to **Debt**:

Certain of the issuer's debt was collateralized by the issuer's loans and investment securities that were held in custody by the lending party. As of the current year end, the issuer disclosed information related to assets pledged as collateral for this debt and amended its prior-year comparative disclosure. The following deficiencies were identified:

- The firm did not identify and evaluate the issuer's omission of required disclosures related to (1) the carrying amount of its assets pledged as collateral as of the current year end under FASB

ASC Subtopic 860-30 and (2) the amendment of its assets pledged as collateral as of the prior year end under FASB ASC Topic 250, *Accounting Changes and Error Corrections* (AS 2810.30 and .31)

- The firm used certain information provided by the issuer to test the loans pledged as collateral but did not perform any procedures to test, or test any controls over, the accuracy and completeness of this information. (AS 1105.10)

With respect to the **ACL**, for which the firm identified a significant risk:

The firm selected for testing a control that consisted of the issuer's review of certain assumptions used to estimate the quantitative component of the ACL but did not identify and test any controls over the accuracy and completeness of an issuer-prepared analysis that the control owners used in the operation of this control. (AS 2201.39)

The firm identified and tested a control that consisted of the issuer’s review of the ACL, including a comparison of certain metrics between the issuer and its peers. The firm did not evaluate the specific review procedures that the control owner performed to determine which peers to select for comparison. (AS 2201.42 and .44) In addition, the firm did not test the aspects of this control that addressed the accuracy and completeness of the peer information that the control owner used in the operation of this control. (AS 2201.42 and .44)

With respect to **Investment Securities**:

The firm did not identify and test any controls over the issuer’s valuation and presentation and disclosure of certain investment securities. (AS 2201.39)

The firm did not perform any substantive procedures to test the valuation of these investment securities. (AS 2501.07)

The firm did not perform any substantive procedures to evaluate the appropriateness of the issuer’s categorization of these investment securities within the fair value hierarchy set forth in FASB ASC Topic 820, *Fair Value Measurement*, beyond tracing the balances that were disclosed for each category to issuer-prepared schedules. (AS 2301.08)

Issuer C – Financials

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Investment Securities** and **Deposit Liabilities**.

Description of the deficiencies identified

With respect to **Investment Securities**:

The issuer recorded the fair values of certain of its available-for-sale (AFS) securities based on broker quotes. The following deficiencies were identified:

- The firm did not identify and test any controls over the reasonableness of the methods and assumptions the issuer used to value these securities. (AS 2201.39)
- The firm did not identify and test any controls over the observability of the pricing inputs, at the individual instrument level, that the issuer used to determine the categorization of these securities within the fair value hierarchy as set forth in FASB ASC Topic 820. (AS 2201.39)
- The firm did not perform any substantive procedures to evaluate the appropriateness of the issuer's categorization of these securities within the fair value hierarchy, beyond tracing the balances that were disclosed for each category to issuer-prepared schedules. (AS 2301.08)
- The sample size the firm used in its substantive procedures to test the valuation of these investment securities was too small to provide sufficient appropriate audit evidence because these procedures were designed based on a level of control reliance that was not supported due to the deficiencies in the firm's control testing discussed above. (AS 2301.16, .18, and .37; AS 2315.19, .23, and .23A)

With respect to **Investment Securities** and **Deposit Liabilities**:

The issuer disclosed (1) the lowest available credit rating by security type for its held-to-maturity securities and (2) the size and maturity date of certain deposit liabilities. The following deficiencies were identified:

- The firm did not identify and test any controls over the accuracy and completeness of the issuer-prepared schedules used to develop these disclosures. (AS 2201.39)
- The firm used these issuer-prepared schedules in its testing of these disclosures but did not perform any procedures to test, or (as discussed above) test controls over, the accuracy and completeness of these schedules. (AS 1105.10)

Issuer D – Financials

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Goodwill** and the **ACL**.

Description of the deficiencies identified

With respect to **Goodwill**:

The issuer reduced the number of its reporting units in the current year and reallocated the goodwill balance to the remaining reporting units based on their relative fair values. The following deficiencies were identified:

- The firm did not identify and evaluate that this reallocation was not in conformity with FASB ASC Topic 350, *Intangibles – Goodwill and Other*. (AS 2810.30 and .31)
- The firm did not perform sufficient procedures to evaluate whether the goodwill associated with any of the previous reporting units may have been impaired at the time of the issuer's reduction

in the number of reporting units because its procedures were limited to reading an issuer-prepared memorandum and inquiring of management. (AS 2301.08)

In connection with our review, the issuer reevaluated its allocation of goodwill to its reporting units and determined that an error existed that had not been previously identified. The issuer did not file an amended Form 10-K or Form 8-K indicating that its previously issued financial statements should not be relied on. Instead, the issuer adjusted this allocation in a subsequent filing.

With respect to the **ACL**, for which the firm identified a significant risk:

The issuer used an internally developed model to estimate the quantitative component of the ACL for loans collectively evaluated for impairment. The following deficiencies were identified:

- The firm selected for testing a control that consisted of the issuer's annual validation of this model as of an interim date. The firm did not evaluate whether this control's operation six months prior to year end was sufficient to address the risks of material misstatement at year end. (AS 2201.42)

- The firm's approach for substantively testing the quantitative component of the ACL for loans collectively evaluated for impairment was to test the issuer's process, and the firm used an auditor-employed specialist to evaluate the methods and significant assumptions used by the issuer. The firm did not sufficiently evaluate whether the methods used by the issuer were appropriate because the firm did not identify that the auditor-employed specialist did not perform any procedures to test the issuer's model at year end. (AS 1201.C6 and .C7; AS 2501.10)

Issuer E – Industrials

Type of audit and related areas affected

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

Description of the deficiencies identified

With respect to **Revenue**:

The firm identified a control deficiency related to the review of the prices the issuer used to recognize revenue for certain locations. The firm identified compensating controls that it believed would mitigate this deficiency but did not test these controls. (AS 2201.68)

The firm did not identify and test any controls related to certain revenue disclosures. (AS 2201.39)

The firm did not perform any substantive procedures to test these revenue disclosures. (AS 2301.08)

The firm did not identify and test any controls over sales allowances. (AS 2201.39)

The firm did not perform any substantive procedures to test sales allowances. (AS 2301.08)

With respect to **Inventory**:

The firm did not identify and test any controls over the issuer's evaluation of the lower of cost or net realizable value for certain inventory. (AS 2201.39)

The firm did not perform any substantive procedures to test whether this inventory was recorded at the lower of cost or net realizable value. (AS 2301.08)

The firm did not identify and test any controls over the issuer's allocation of labor and overhead costs to inventory. (AS 2201.39)

The firm did not perform any substantive procedures to test whether the labor and overhead costs the issuer capitalized to inventory were appropriate. (AS 2301.08)

The firm identified various control deficiencies related to inventory. The firm identified and tested compensating controls that it believed would mitigate certain of these deficiencies but did not identify that these controls were dependent on the operating effectiveness of the deficient controls. (AS 2201.68)

Issuer F – Industrials

Type of audit and related areas affected

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

Description of the deficiencies identified

With respect to **Revenue**:

The issuer recognized revenue from certain contracts as single performance obligations satisfied over time.

With respect to the issuer's revenue recognition:

The firm did not identify and test any controls over the issuer's identification and evaluation of contract terms with its customers that could affect revenue recognition. (AS 2201.39)

The firm did not perform any substantive procedures to evaluate the issuer's contract terms with its customers to determine whether the issuer recognized this revenue in conformity with FASB ASC Topic 606, *Revenue from Contracts with Customers*. (AS 2301.08)

With respect to the issuer's disclosures of its unsatisfied performance obligations:

The firm did not identify and test any controls over the issuer's identification and evaluation of contracts that could be cancelled by the customer, which could affect the issuer's disclosures of unsatisfied performance obligations. (AS 2201.39)

The firm did not perform any substantive procedures to identify whether the issuer's contracts could be cancelled by the customer and evaluate the effect of those contract terms to determine whether the issuer's disclosures of unsatisfied performance obligations were in conformity with FASB ASC Topic 606. (AS 2301.08)

With respect to **Segment Reporting**:

The firm selected for testing a control that included the issuer's review of its segment disclosures but did not test the aspect of the control that addressed the accuracy and completeness of the issuer-prepared schedules used to prepare these disclosures. (AS 2201.42 and .44)

The firm did not identify and evaluate certain misstatements in a required disclosure under FASB ASC Topic 280, *Segment Reporting*. (AS 2810.30 and .31)

Issuer G – Industrials

Type of audit and related areas affected

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

Description of the deficiencies identified

With respect to **Revenue** and **Accounts Receivable**:

The issuer used an information-technology (IT) system to process transactions related to revenue that automatically assigned predefined codes to each transaction. These codes were used by the issuer's system to determine revenue and certain related adjustments. The following deficiencies were identified:

- The firm did not identify and test any controls that addressed whether certain of these codes were appropriately assigned by the IT system. (AS 2201.39)
- The firm selected for testing a control that included the issuer's review of revenue transactions that exceeded a monetary threshold but did not evaluate whether this threshold was sufficiently precise to detect misstatements that could be material. (AS 2201.42). In addition, the firm did not evaluate the specific review procedures that the control owners performed to determine whether the amount to be recorded as revenue was appropriate. (AS 2201.42 and .44)

The sample sizes the firm used in certain of its substantive procedures to test revenue and accounts receivable were too small to provide sufficient appropriate audit evidence because these procedures were designed based on a level of control reliance that was not supported due to the deficiencies in the firm's control testing discussed above. (AS 2301.16, .18, and .37; AS 2315.19, .23, and .23A)

With respect to **Accounts Receivable**:

The firm did not identify and test any controls over the accounts receivable allowance and bad debt expense. (AS 2201.39)

The firm did not perform any substantive procedures to test the accounts receivable allowance and bad debt expense. (AS 2301.08)

Issuer H – Financials

Type of audit and related area affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Investment Securities**.

Description of the deficiencies identified

The issuer disclosed various information about its investment securities that were in unrealized loss positions at year end. The following deficiencies were identified:

- The firm did not identify and test any controls over the accuracy and completeness of the issuer-prepared schedules used to develop this disclosure. (AS 2201.39)
- The firm used these issuer-prepared schedules in its testing of this disclosure but did not perform any procedures to test, or (as discussed above) test controls over, the accuracy and completeness of these schedules. (AS 1105.10)
- The firm did not identify and evaluate a misstatement in this disclosure. (AS 2810.30 and .31)

Issuer I – Financials

Type of audit and related area affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Investment Securities**.

Description of the deficiencies identified

The issuer recorded most of its AFS securities at fair value based on prices, including broker quotes, it obtained from external pricing services. The following deficiencies were identified:

- The firm selected for testing a control that consisted of the issuer's evaluation of the appropriateness of the methods and assumptions used by the external pricing services. The firm did not evaluate the specific review procedures that the control owner performed to assess the reasonableness of the methods and assumptions underlying broker quotes obtained from the pricing services. (AS 2201.42 and .44)
- The firm did not identify and test any controls over the observability of the pricing inputs related to broker-priced AFS securities, at the individual instrument level, that the issuer used to determine the categorization of these AFS securities within the fair value hierarchy as set forth in FASB ASC Topic 820. (AS 2201.39)
- The firm did not perform any substantive procedures to evaluate the appropriateness of the issuer's categorization of these AFS securities within the fair value hierarchy, beyond tracing the balances that were disclosed for each category to issuer-prepared schedules. (AS 2301.08)

For AFS securities for which prices could not be obtained, the issuer used the original purchase price to approximate fair value. The firm did not identify and test any controls that addressed whether the issuer's use of purchase price was an appropriate approximation of fair value for these AFS securities. (AS 2201.39)

Issuer J – Financials

Type of audit and related area affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Investments**, for which the firm identified a fraud risk.

Description of the deficiencies identified

The issuer held certain investments in portfolio companies that were categorized as level 3 within the fair value hierarchy as set forth in FASB ASC Topic 820. The following deficiencies were identified:

- The firm selected for testing a control that consisted of the issuer's review of the fair values of these investments. The firm did not evaluate the specific review procedures that the control owners performed to assess the reasonableness of the assumptions that the issuer used to determine the fair values, including the relevance of certain external market data. (AS 2201.42 and .44)

- The sample sizes the firm used in certain of its substantive procedures to test the valuation of these investments were too small to provide sufficient appropriate audit evidence because these procedures were designed based on a level of control reliance that was not supported due to the deficiencies in the firm's control testing discussed above. (AS 2301.16, .18, and .37; AS 2315.19, .23, and .23A)

Issuer K – Consumer Staples

Type of audit and related area affected

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

Description of the deficiencies identified

The issuer valued inventory for one of its segments using the last-in, first-out (LIFO) method and determined its quarterly LIFO adjustments based on the LIFO inventory balances for each of its inventory categories. The following deficiencies were identified:

- The firm identified a control deficiency related to the issuer's quarterly review of the LIFO adjustment for each inventory category. The firm identified and tested a compensating control that it believed mitigated this deficiency but did not identify that this compensating control did not operate at the inventory-category level and involved the review of gross margins before they were adjusted for LIFO. (AS 2201.68)

- The firm's substantive procedures to test the issuer's year-end LIFO adjustment consisted of performing substantive analytical procedures. The firm did not determine whether the expectations it used in these analytical procedures were based on predictable relationships. (AS 2305.13 and .14) In addition, the expectations the firm used were not sufficiently precise to identify differences that could be potential material misstatements, individually or in the aggregate, because the data used to develop the expectations did not address the issuer's determination of LIFO adjustments at the inventory-category level. (AS 2305.17)

Issuer L – Information Technology

Type of audit and related area affected

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

Description of the deficiencies identified

The issuer disclosed the aggregate amount of transaction prices allocated to unsatisfied performance obligations and, during the year, made modifications to certain existing contracts that resulted in a change in the time frame for a performance obligation to be satisfied. The following deficiencies were identified:

- The firm did not identify and test any controls over the accuracy and completeness of the issuer-prepared schedules used to develop the disclosure of unsatisfied performance obligations. (AS 2201.39)
- The firm used these issuer-prepared schedules in its testing of this disclosure but did not perform any procedures to test, or (as discussed above) test any controls over, the accuracy and completeness of these schedules. (AS 1105.10)
- The firm did not perform any substantive procedures to evaluate the modifications to certain existing contracts to determine whether the issuer's disclosures of unsatisfied performance obligations were in conformity with FASB ASC Topic 606. (AS 2301.08)

Issuer M – Financials

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Derivatives** and **Investment Securities**.

Description of the deficiencies identified

With respect to **Derivatives**:

The issuer designated certain instruments as net investment hedges under FASB ASC Topic 815, *Derivatives and Hedging*. The following deficiencies were identified:

- The firm selected for testing a control that included the issuer's review of its hedge accounting but did not evaluate the specific review procedures that the control owner performed over the accuracy and completeness of the issuer-prepared schedules used to evaluate the hedge accounting. (AS 2201.42 and .44)
- The firm's substantive procedures to test these net investment hedges consisted of substantive analytical procedures. The firm used data produced by the issuer to develop its expectations but did not test, or test any controls over, the accuracy and completeness of these data. (AS 2305.16)

With respect to **Investment Securities**:

The issuer disclosed various information about its investment securities that were in unrealized loss positions at year end. The following deficiencies were identified:

- The firm selected for testing a control that consisted of the issuer's review of this disclosure but did not identify and test any controls over the accuracy and completeness of the data that the control owners used in the operation of this control. (AS 2201.39)
- The firm used these data in its substantive testing of this disclosure but did not perform any procedures to test, or (as discussed above) test any controls over, the accuracy of these data. (AS 1105.10)

Issuer N – Information Technology

Type of audit and related area affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Revenue**. The firm's internal inspection program had inspected this audit and reviewed this area but did not identify the deficiencies below.

Description of the deficiencies identified

The issuer used two internally developed IT systems to process transactions related to certain revenue. In its testing of controls over this revenue, the firm tested various automated controls that used data generated or maintained by these IT systems. As a result of the following deficiencies in the firm's testing of IT general controls, the firm's testing of these automated controls was not sufficient. (AS 2201.46)

With respect to change management:

- The firm selected for testing controls over change management for these IT systems but did not perform any procedures to determine whether the population of changes from which it made its selections for testing represented the complete population of changes made to these systems. (AS 1105.10)
- The firm selected for testing a control that consisted of the review of segregation of duties for these IT systems. The firm did not test, beyond inquiry, the aspect of the control that addressed whether certain users with the ability to develop changes also had the ability to implement those changes. (AS 2201.42 and .44)

The sample size that the firm used in certain of its substantive procedures to test this revenue was too small to provide sufficient appropriate audit evidence because these procedures were designed based on a level of control reliance that was not supported due to the deficiencies in the firm's control testing discussed above. (AS 2301.16, .18, and .37; AS 2315.19, .23, and .23A)

Issuer O – Industrials

Type of audit and related area affected

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

Description of the deficiencies identified

The issuer used two IT systems to initiate, process, and record transactions related to one type of revenue. The firm tested automated controls that used certain data that were input into these systems but did not identify and test any controls that addressed the accuracy and completeness of these data. (AS 2201.39)

The issuer recognized certain of this revenue upon delivery based on the delivery dates that were manually entered into the system. The firm did not identify and test any controls that addressed the accuracy and completeness of those delivery dates. (AS 2201.39)

The firm used certain data from these systems in its substantive testing of this revenue but did not perform any procedures to test, or (as discussed above) test any controls over, the accuracy and completeness of these data. (AS 1105.10)

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 four of 58 audits reviewed, the firm did not include all relevant work papers in the final set of audit documentation it was required to assemble. In these instances, the firm was non-compliant with AS 1215, *Audit Documentation.*

- In one of 33 audits reviewed, the firm did not make certain required communication to the issuer's audit committee related to the names, locations, and planned responsibilities of other persons not employed by the firm that performed audit procedures in the audit. In one additional audit reviewed, the firm did not make these required communications prior to the issuance of the auditor's report. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In 16 of 31 audits reviewed, the firm did not perform procedures to determine whether all individuals who participated in the audit were in compliance with independence requirements. In these instances, the firm was non-compliant with AS 2101, *Audit Planning*.

- In nine of 58 audits reviewed, the firm did not appropriately evaluate certain factors when determining that there were no risks of material misstatement related to certain relevant assertions for one or more significant accounts and disclosures. In these instances, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.

- In one of 58 audits reviewed, the firm did not revise its risk assessment related to a significant account and disclosure after obtaining audit evidence that contradicted the audit evidence on which the firm originally based its risk assessment. In this instance, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.

- In two of 45 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 these instances, 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*. These instances of non-compliance do not necessarily mean that other critical audit matters should have been communicated in the auditor's report.

- In one of 57 audits reviewed, the firm's audit report was incorrectly dated. 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 six audits reviewed, the firm's audit report did not include explanatory language about the firm's responsibilities with respect to ICFR in a non-integrated audit. In this instance, the firm was non-compliant with AS 3105, *Departures from Unqualified Opinions and Other Reporting Circumstances*.

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. Although this section includes instances of potential non-compliance that the firm brought to our attention, there may be other 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.

PCAOB-Identified

We did not identify any instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

Firm-Identified

During the inspection, the firm brought to our attention that it had identified, through its independence monitoring activities, for a 12-month period, 219 instances across 97 issuers,[2] representing approximately 9% of the firm's total reported issuer audits, in which the firm or its personnel appeared to have impaired the firm's independence because it may not have complied with Rule 2-01(c) of Regulation S-X or PCAOB Rule 3523 related to maintaining independence. Approximately 94% of these instances of potential non-compliance involved non-U.S. associated firms.

While we have not evaluated the underlying reasons for the instances of potential non-compliance, the number, large or small, of firm-identified instances of potential non-compliance may be reflective of the size of the firm, including the number of non-U.S. associated firms in the global network; the design and effectiveness of the firm's independence monitoring activities; and the size and/or complexity of the issuers it audits, including the number of affiliates of the issuer. Therefore, we caution against making any comparison of these firm-identified instances of potential non-compliance across firms.

The most common instances of potential non-compliance related to audit committee pre-approval requirements, non-audit services, and financial relationships:

- The firm reported 202 instances of potential non-compliance with Rule 2-01(c)(7) of Regulation S-X regarding audit committee pre-approval. In the current year, the firm identified that certain non-U.S. associated firms requested that the firm obtain pre-approval for those firms to perform statutory audits but did not report to the firm certain other services that also required pre-approval that those firms provided in connection with those statutory audits. As a result, the firm obtained pre-approval for the statutory audits but did not obtain pre-approval for the additional services provided. In response to this, the firm surveyed all non-U.S. associated firms that provided statutory audits associated with the firm's issuer audit clients in the past three

[2] The firm-identified instances of potential non-compliance do not necessarily relate to the issuer audits that we selected for review.

years and identified 192 total instances in which additional services were provided by non-U.S. associated firms that were not pre-approved.

- The firm reported seven instances of potential non-compliance with Rule 2-01(c)(4) of Regulation S-X regarding non-audit services. Six of these instances related to services provided by the firm or by non-U.S. associated firms that the firm determined to be prohibited, such as performing management functions for a company that was an affiliate of an issuer.
- The firm reported six instances of potential non-compliance with Rule 2-01(c)(1) of Regulation S-X regarding financial relationships, all of which occurred at the firm or involved its personnel. Of these instances, four related to investments in audit clients and two related to other financial relationships with audit clients. All four of the investments in audit clients related to a member of an engagement team.

The firm has reported to us that it has evaluated these instances of potential non-compliance and determined in all instances that its objectivity and impartiality were not impaired. The firm also reported to us that it communicated, or has plans to communicate, these instances to the issuers' audit committees as required by PCAOB Rule 3526.

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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May 6, 2024

Ms. Christine Gunia
Director - Division of Registration and Inspections
Public Company Accounting Oversight Board 1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: Response to Part I of the Draft Report on the 2023 Inspection of KPMG LLP

Dear Ms. Gunia:

KPMG LLP is pleased to provide our response to the Public Company Accounting Oversight Board's ("PCAOB") Draft Report on the 2023 Inspection of KPMG LLP (the "Report").

We learn from every inspection and deeply respect and appreciate the commitment and professionalism of the PCAOB staff throughout the inspection process. The observations from inspections provide valuable insights and are important inputs in our continuous improvement process. Our focus on creating sustainable improvements in audit quality requires us to design actions and make decisions that align with the root causes of matters identified in the inspection process and result in an ongoing effort to strengthen our system of quality control including further developing our people and continuing to invest in tools, methodology and technology. We are confident our commitment to investment and continuous improvement will better enable our auditors to identify and respond to risks in the financial reporting process and enhance audit quality.

KPMG LLP is committed to our shared goal with the PCAOB: maintaining confidence and integrity in the capital markets through high quality audits. Our firm has a deep appreciation for the great responsibility that comes with our role of protecting capital markets and we remain committed to continuous improvement in our system of quality control and delivering high quality audits.

We have reviewed the observations identified in Part I of the Report and taken appropriate actions to address the engagement-specific findings in accordance with PCAOB auditing standards as well as our own policies and procedures.

We value and respect the inspection process and look forward to continued dialogue with the PCAOB on our audit quality improvements. We believe our audit quality initiatives will strengthen our audit process and the reliability of financial reporting more broadly to the benefit of the capital markets, individual investors, and the global economy.

Sincerely yours,

KPMG LLP

Paul J. Knopp
Chair and CEO

Scott D. Flynn
Vice Chair – Audit