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# 2024 Inspection Elkana Amitai CPA

(Headquartered in Mizpeh Netofa, Israel)

December 8, 2025

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

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## 2024 INSPECTION

In the 2024 inspection of Elkana Amitai CPA, the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies.

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

### 2024 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make 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. In certain situations, we may select all of the firm's issuer audits for review.

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 necessarily 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 or 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 2024 INSPECTION

The following information provides an overview of our 2024 inspection, which was our first inspection of this firm. We use a risk-based method 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 inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

### Firm Data and Audits Selected for Review

	2024
<b>Firm data</b>	
Total issuer audit clients in which the firm was the principal auditor	3
Total issuer audits in which the firm was not the principal auditor	0
Total engagement partners on issuer audit work <sup>1</sup>	1
<b>Audits reviewed</b>	
Total audits reviewed	3
Audits in which the firm was the principal auditor	3
Integrated audits of financial statements and internal control over financial reporting (ICFR)	0
Audits with Part I.A deficiencies	3
Percentage of audits with Part I.A deficiencies	100%

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.

<sup>1</sup> The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201, *Supervision of the Audit Engagement*) or for the firm's role in an issuer audit during the twelve-month period preceding the outset of the inspection.

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 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.

## Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2024 inspection. 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.

2024	
Audit area	Audits reviewed
Goodwill and intangible assets	2
Equity and equity-related transactions	1
Revenue and related accounts	1
Other investments	1
Significant transactions	1

# PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, 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, if any, 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, if any, 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. 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.

## 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.

# 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 on the issuer's financial statements.

We identify each issuer by a letter (e.g., Issuer A). Each deficiency could relate to several auditing standards, but we reference the PCAOB standard 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

### Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Equity-Related Transactions** and **Goodwill**.

## Description of the deficiencies identified

With respect to **Equity-Related Transactions**, for which the firm identified a fraud risk:

The firm's approach for substantively testing the valuation of certain equity-related transactions was to test the issuer's process. The firm did not perform sufficient procedures to evaluate whether the issuer had a reasonable basis for certain of the significant assumptions used to estimate the valuation of these equity-related transactions because the firm did not evaluate how the issuer considered certain relevant factors required under GAAP when developing these significant assumptions. (AS 2501.16)

In addition, the firm did not identify and evaluate departures from GAAP related to:

- the issuer's method used to record estimated expenses associated with these transactions; (AS 2501.10) and
- the issuer's omission of certain disclosures required under GAAP for these transactions. (AS 2810.30 and .31)

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

The issuer engaged a specialist to perform an assessment of goodwill for possible impairment. The firm's approach for substantively testing this impairment assessment was to test the issuer's process. The firm did not perform procedures to evaluate the reasonableness of certain significant assumptions developed by the issuer and used in this impairment analysis. (AS 2501.16) In addition, the firm did not perform procedures to evaluate the reasonableness of certain other significant assumptions developed by the issuer and used in this impairment analysis, beyond performing a sensitivity analysis. (AS 2501.16)

## Issuer B

### Type of audit and related areas affected

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

### Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The firm did not perform substantive procedures, beyond obtaining certain cash receipt evidence, to evaluate (1) whether the performance obligations had been satisfied before revenue was recognized and (2) the accuracy of the transaction price used to record revenue. (AS 2301.08 and .13)

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

The issuer engaged a specialist to perform an assessment of goodwill for possible impairment using cash-flow forecasts. The firm's approach for substantively testing this impairment assessment was to test the issuer's process. The following deficiencies were identified:

- The firm did not perform procedures to evaluate whether the issuer's method to determine the fair value used in the assessment that excluded certain costs from these cash-flow forecasts was in conformity with GAAP. (AS 2501.10)
- The firm did not perform sufficient procedures to evaluate the reasonableness of a significant assumption developed by the issuer because its procedures were limited to comparing this assumption with the assumption used in prior years' impairment assessments. Further, the firm did not evaluate a significant difference between this assumption and the issuer's historical experience. (AS 2501.16)
- The firm did not perform sufficient procedures to evaluate the reasonableness of another significant assumption developed by the issuer because it did not evaluate the consistency of this assumption with historical or recent experience taking into account that this assumption was based on certain conditions or events that affected the company in the current year that may not recur in future years. (AS 2501.16)
- The firm did not perform sufficient procedures to evaluate the reasonableness of a significant assumption developed by the company's specialist because the firm did not perform any procedures to evaluate the reasonableness of a component of this assumption. (AS 1105.A8b)

## Issuer C

### Type of audit and related area affected

In our review, we identified deficiencies in the financial statement audit related to a **Significant Transaction**.

### Description of the deficiencies identified

During the year, the issuer entered into a significant transaction. The following deficiencies were identified:

- The firm did not identify and evaluate certain departures from GAAP related to the issuer's accounting for and disclosures associated with this transaction. (AS 2810.30 and .31)
- The firm did not evaluate the appropriateness of certain other aspects of the issuer's accounting for this transaction. (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 three audits reviewed, the firm provided certain services to the issuer but did not document that the audit committee had approved the engagement before the issuer engaged the firm to provide the services. In this instance, the firm was non-compliant with AS 1215, *Audit Documentation*.
- In the three audits reviewed, the firm did not (1) communicate to the audit committee all of the significant risks identified through its risk assessment procedures and (2) provide a copy of the management representation letter to the audit committee beyond, for one audit, the one member of the audit committee who signed the management representation letter. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*, and AS 2805, *Management Representations*.
- In two of three audits reviewed, the firm did not make all required inquiries of management about fraud risks. In these instances, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.
- In one of two audits reviewed, the firm's communication of critical audit matters in the audit report did not describe for a matter the principal considerations that led the firm to determine that the matter was a critical audit matter. 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 the three audits reviewed, the firm's report on Form AP included inaccurate information related to the participation in the audit by one or more other accounting firms. In these instances, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.
- In one of three audits reviewed, the firm did not affirm to the audit committee, in writing, that, as of the date of the communication, the firm was independent in compliance with PCAOB Rule

3520. In this instance, the firm was non-compliant with PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*.

## 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 we identified, 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 identified the following instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence:

Under Rule 2-01(c)(7) of Regulation S-X, an accountant is not independent if it is engaged to render audit or non-audit services to an issuer or its subsidiaries without that engagement having been pre-approved by the audit committee. In three audits reviewed, we identified two instances for one issuer in which the firm could provide no persuasive evidence of the necessary audit committee pre-approval.

### Firm-Identified

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.

While the firm did not bring to our attention any 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 associated firms; 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 those issuers. Therefore, we caution against making any comparison of firm-identified instances of potential non-compliance across firms.

## 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.



November 13, 2025

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

RE: Response to Part I of the Draft Report on the 2024 Inspection of Elkana Amitai  
CPA

Dear Ms. Gunia:

We appreciate the opportunity to respond to Part I of the Public Company Accounting Oversight Board's ("PC AOB") Draft Report on the 2024 Inspection of Elkana Amitai CPA dated October 17, 2025 (the "Draft Report").

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

We have reviewed and evaluated the findings identified by the Board's inspection team, as described in Part I of the Draft Report. We have accordingly taken actions as appropriate to address the specific findings in a manner consistent with PCAOB auditing standards and our policies.

We remain dedicated to evaluating and improving our system of quality management, including monitoring audit quality and implementing changes to our policies and practices to enhance audit quality. We understand our responsibility for our policies and practices in order to enhance audit quality. We understand our responsibility to investors and other participants in the capital markets and are committed to continuing to work constructively with the PCAOB to improve audit quality and build confidence in the auditing profession.

Sincerely,

Elkana Amitai CPA



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