2025 Inspection PricewaterhouseCoopers LLP

(Headquartered in New York, New York)

June 12, 2026

PCAOB RELEASE NO. 104-2026-088

PCAOB
PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

EXECUTIVE SUMMARY

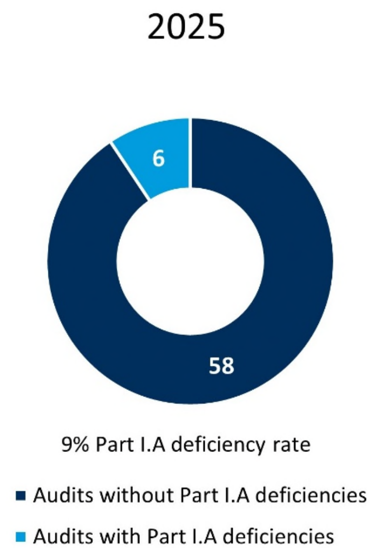
Our 2025 inspection report on PricewaterhouseCoopers LLP provides information on our inspection to assess the firm's compliance with Public Company Accounting Oversight Board (PCAOB) standards and rules and other applicable regulatory and professional requirements. This executive summary offers a high-level overview of what is included in this report:

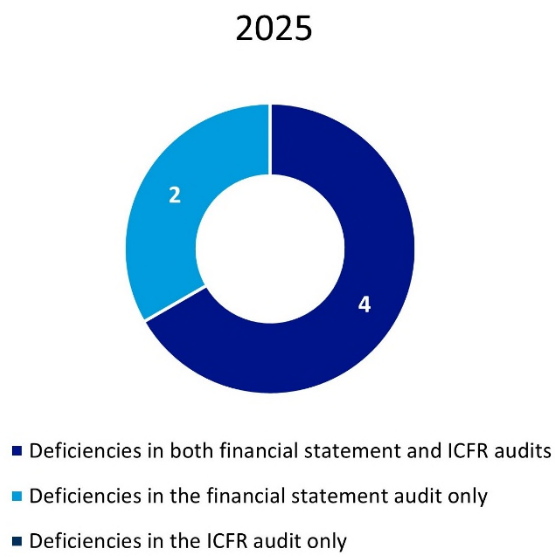
- Part I.A of the report discusses deficiencies ("Part I.A deficiencies") in certain issuer audits that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial 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 apparent non-compliance with rules related to maintaining independence.
- Part I.C of the report discusses instances of apparent non-compliance with 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 2025 Deficiencies Included in Part I

Six of the 64 audits we reviewed in 2025 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 and related accounts and long-lived assets.





The most common Part I.A deficiencies in 2025 related to evaluating the appropriateness of the issuer's accounting method or disclosure, testing the design or operating effectiveness of controls selected for testing, and testing an estimate.

The Part I.B deficiencies in 2025 related to audit committee communications, management communications, critical audit matters, the firm's audit report, and Form AP.

The most common Part I.C deficiencies in 2025 related to audit committee pre-approval, unpaid fees, financial relationships, and non-audit services.

Table of Contents

2025 INSPECTION

In the 2025 inspection of PricewaterhouseCoopers LLP, the PCAOB assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of issuers.

We selected for review 64 audits of issuers with fiscal years generally ending in 2024. 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 2025 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 apparent non-compliance with rules related to maintaining independence.
  - **Part I.C:** Instances of apparent non-compliance with 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.

2025 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 2025, our target team focused primarily on audit areas in which the firm outsourced certain audit procedures to offshore shared service centers; on audits in which the firm played a role but was not the lead/principal auditor; and on the firm's procedures to test the statement of cash flows, segment reporting, and supplier financing arrangement disclosures.

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

OVERVIEW OF THE 2025 INSPECTION AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2025 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.

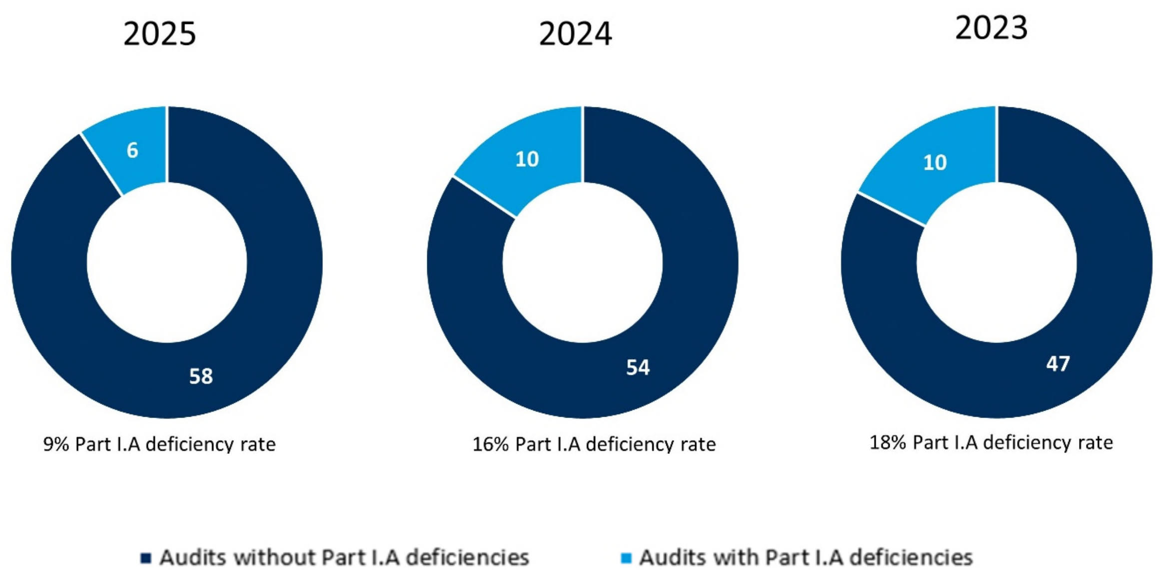
Audits Selected for Review

	2025	2024	2023
Total audits reviewed			
Total audits reviewed	64	64	57
Selection method			
Risk-based selections	48	48	43
Random selections	12	12	10
Target team selections[1]	4	4	4
Total audits reviewed	**64**	**64**	**57**
Lead/Principal auditor			
Audits in which the firm was the lead/principal auditor	63	64	56
Audits in which the firm was not the lead/principal auditor	1	0	1
Total audits reviewed	**64**	**64**	**57**
Audit type			
Integrated audits of financial statements and ICFR	55	54	50
Financial statement audits only	9	10	7
Total audits reviewed	**64**	**64**	**57**

[1] For further information on the target team's activities in 2024 and 2023, refer to those inspection reports.

Part I.A Deficiencies in Audits Reviewed

In 2025, five of the six audits appearing in Part I.A were selected for review using risk-based criteria. In 2024, seven of the 10 audits appearing in Part I.A were selected for review using risk-based criteria. In 2023, eight of the 10 audits appearing in Part I.A were selected for review using risk-based criteria.

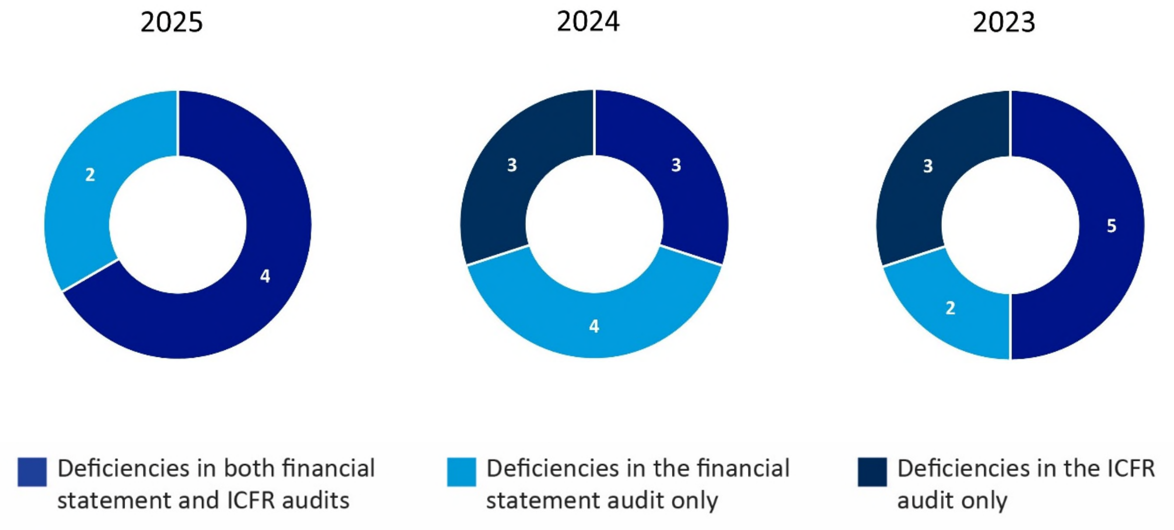


If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In certain cases, the firm may have performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing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



Our 2025 inspection procedures involved one audit for which the issuer, unrelated to our review, 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 its opinion on the effectiveness of the issuer's ICFR to include a material weakness and reissued its report.

In connection with our 2024 inspection procedures for one audit, the issuer restated its financial statements to correct misstatements, and the firm revised and reissued its report on the financial statements.

In connection with our 2023 inspection procedures for one audit, the issuer revised its report on ICFR, and the firm revised its opinion on the effectiveness of the issuer's ICFR to express an adverse opinion and reissued its report.

The following tables and graphs summarize inspection-related information, by inspection year, for 2025 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		
	2025	2024	2023
Did not sufficiently evaluate the appropriateness of the issuer's accounting method or disclosure for one or more transactions or accounts	3	1	0
Did not sufficiently test an estimate	2	4	2
Did not perform sufficient testing related to a significant account or disclosure or to address an identified risk	2	6	3

Deficiencies in ICFR audits	Audits with Part I.A deficiencies		
	2025	2024	2023
Did not identify and test any controls that addressed the risks related to a significant account or relevant assertion	2	2	2
Did not perform sufficient testing of the design and/or operating effectiveness of controls selected for testing	2	4	6

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.

2025			2024			2023		
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	49	3	**Revenue and related accounts**	47	5	**Revenue and related accounts**	39	3
Business combinations	15	1	**Goodwill and intangible assets**	17	0	**Inventory**	17	1
Goodwill and intangible assets	13	0	**Inventory**	15	0	**Goodwill and intangible assets**	13	3
Inventory	12	0	**Investment securities**	12	1	**Investment securities**	12	1
Long-lived assets	8	2	**Business combinations**	11	1	**Business combinations**	6	1

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	2025		2024		2023	
	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	49	5	47	3	39
Long-lived assets	2	8	0	4	1	4
Business combinations	1	15	1	11	1	6
Allowance for credit losses	0	4	2	6	0	3
Goodwill and intangible assets	0	13	0	17	3	13

Revenue and related accounts: The deficiencies in 2025 primarily related to the substantive testing of revenue, including evaluating the appropriateness of the issuer's disclosures of its remaining performance obligations. The deficiencies in 2024 primarily related to substantive testing of revenue, including arrangements with multiple performance obligations. The deficiencies in 2023 primarily related to substantive testing of, and testing controls over, revenue, including arrangements with multiple performance obligations.

Long-lived assets: The deficiencies in 2025 related to substantive testing of, and testing controls over, long-lived assets, including oil and gas properties. The deficiencies in 2023 related to substantive testing of, and testing controls over, depletion expense for acquired oil and gas properties.

Business combinations: The deficiencies in 2025 and 2023 related to substantive testing of, and testing controls over, the valuation of assets acquired in a business combination. The deficiency in 2024 related to testing a control over the accuracy and completeness of data used to value liabilities assumed.

Allowance for credit losses: The deficiencies in 2024 related to substantive testing of, and/or testing controls over, the allowance for credit losses.

Goodwill and intangible assets: The deficiencies in 2023 primarily related to evaluating intangible assets for possible impairment or testing controls over the review of impairment indicators.

Auditing Standards Associated with Identified Part I.A Deficiencies

The following lists the auditing standards referenced in Part I.A of the 2025 and the previous two inspection reports, and the number of times that the standard is cited in Part I.A.

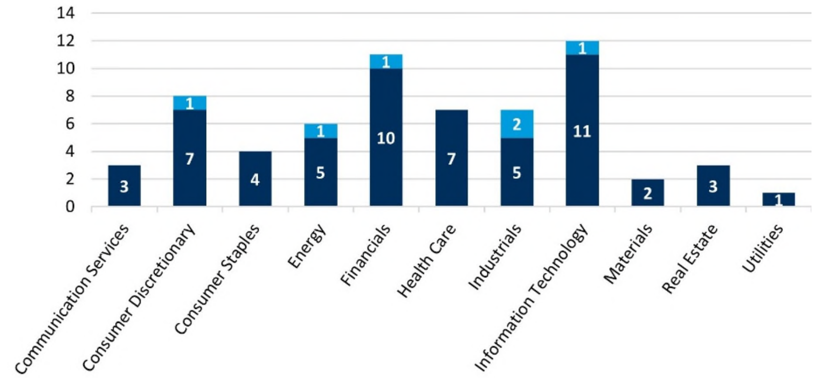
PCAOB Auditing Standards	2025	2024	2023
AS 1105, *Audit Evidence*	2	1	9
AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*	6	10	13
AS 2301, *The Auditor's Responses to the Risks of Material Misstatement*	2	10	5
AS 2310, *The Confirmation Process*[2]	0	1	0
AS 2401, *Consideration of Fraud in a Financial Statement Audit*	0	1	0
AS 2501, *Auditing Accounting Estimates, Including Fair Value Measurements*	1	7	4
AS 2510, *Auditing Inventories*	0	0	1
AS 2810, *Evaluating Audit Results*	3	3	1

[2] The citations in this report refer to AS 2310, *The Confirmation Process*, which was in effect for this audit. This standard was replaced by AS 2310, *The Auditor's Use of Confirmation*, which became effective for audits of financial statements for fiscal years ending on or after June 15, 2025.

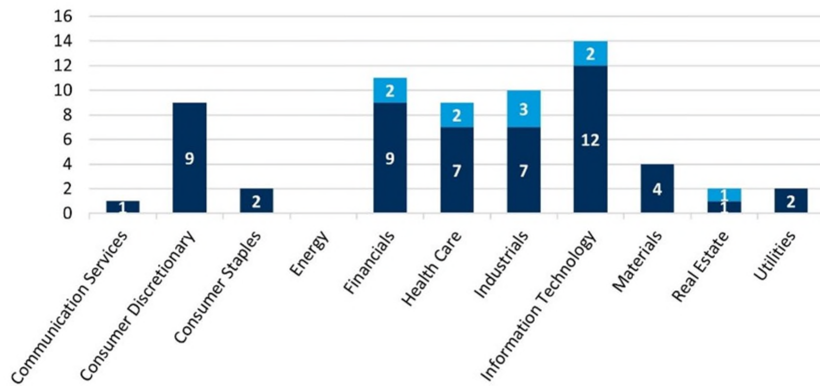
Inspection Results by Issuer Industry Sector

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.

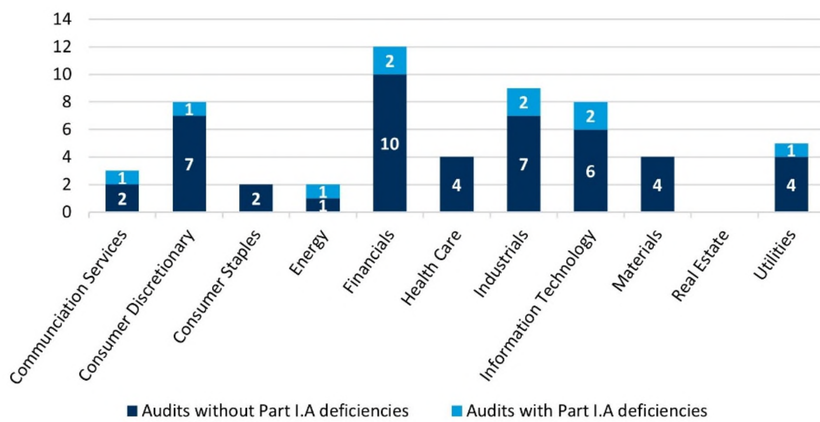
2025



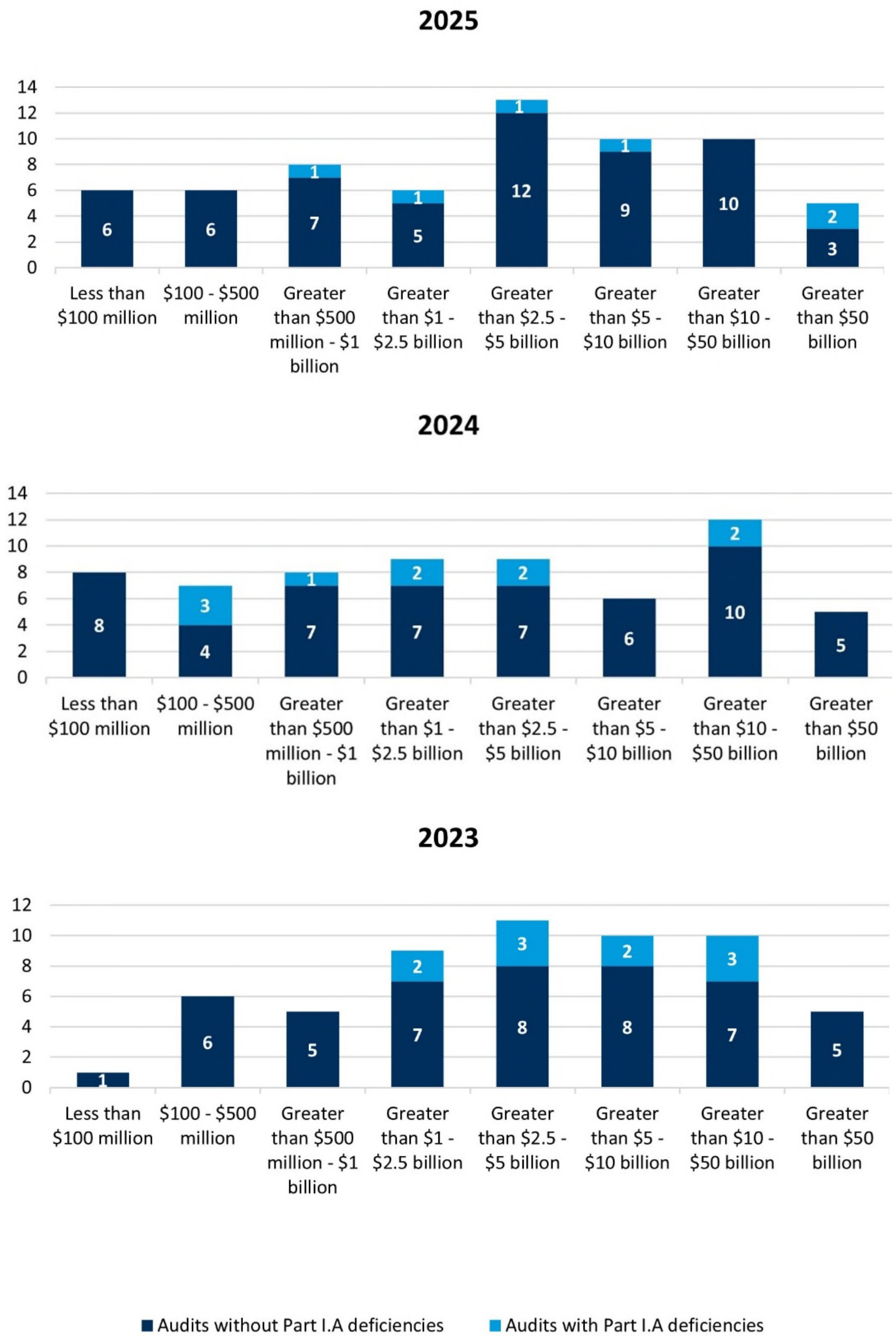
2024



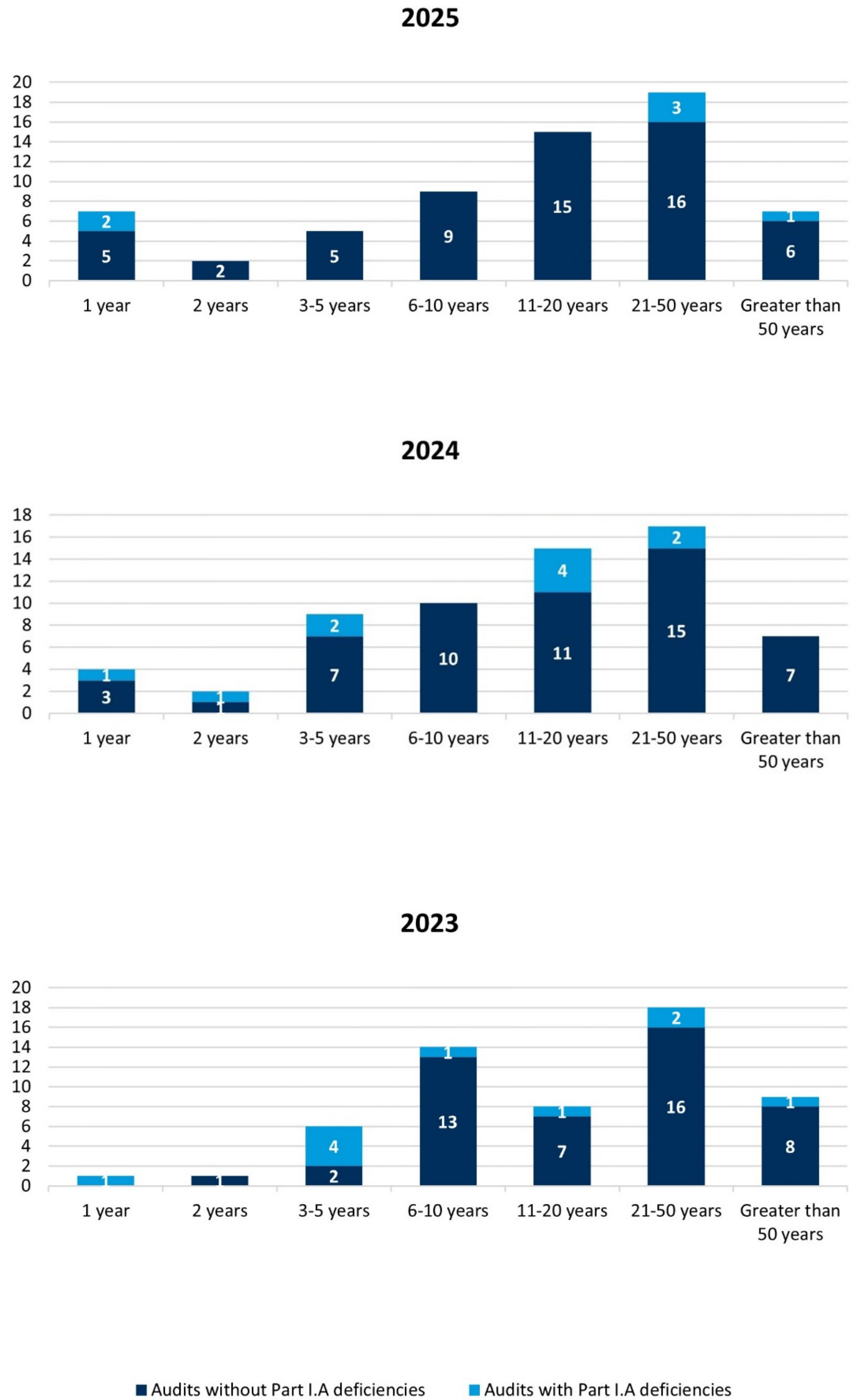
2023



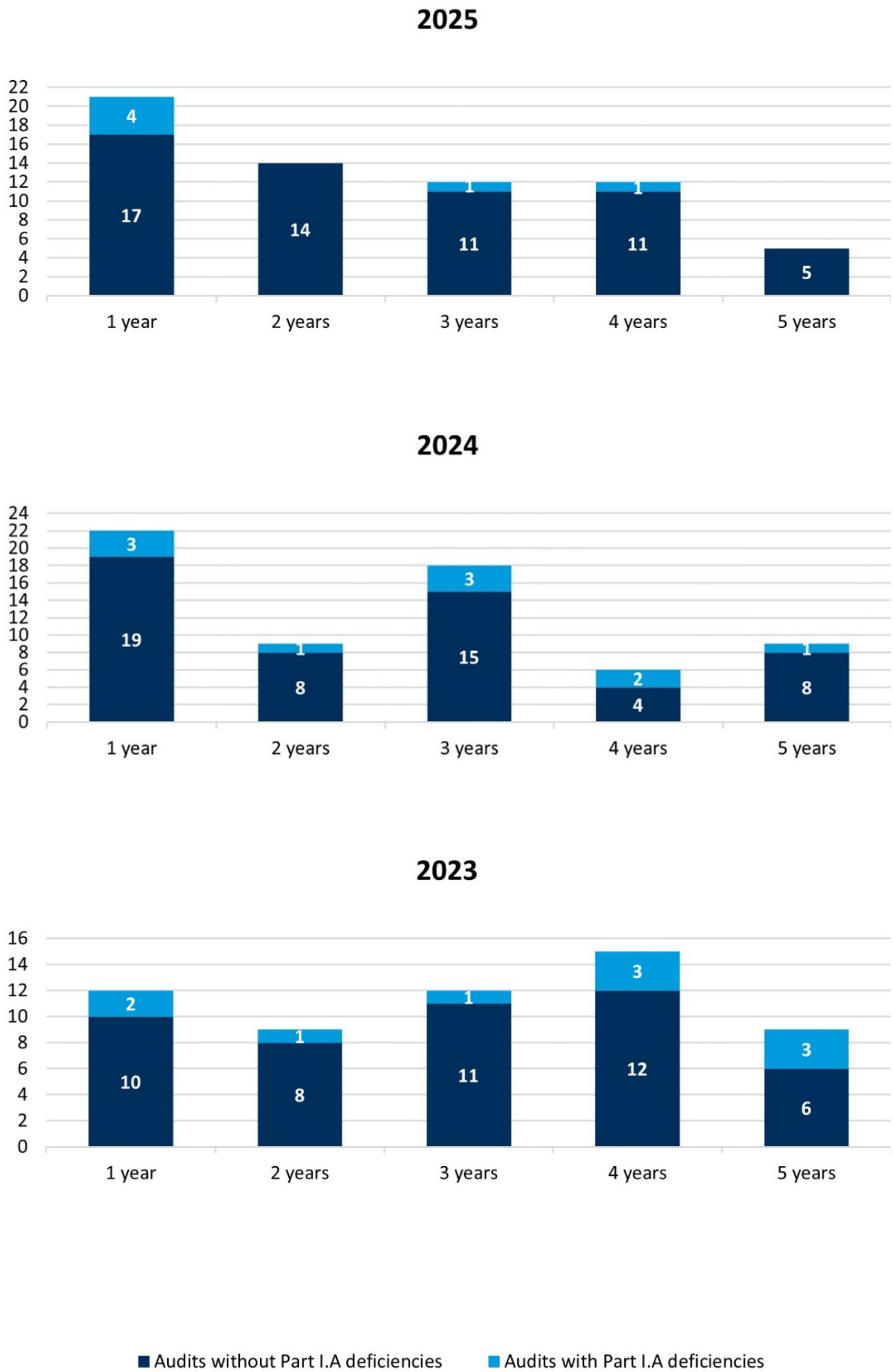
Inspection Results by Issuer Revenue Range



Inspection Results by the Firm's Tenure on the Issuer



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



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.

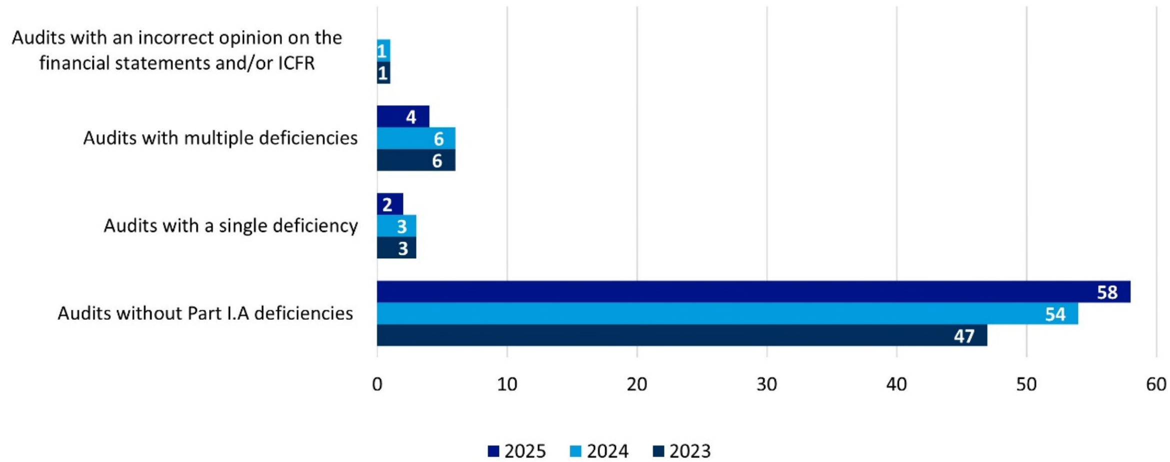
Audits with Multiple Deficiencies

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 apparent non-compliance with rules related to maintaining independence.

Part I.C discusses instances of apparent non-compliance with 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 – Industrials

Type of audit and related area affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Debt**. This was the firm's initial audit of this issuer.

Description of the deficiencies identified

The firm did not identify and test any controls that addressed whether the issuer's classification of its convertible debt as a long-term liability was appropriate. (AS 2201.39)

The firm did not identify and evaluate that the issuer's classification of its convertible debt as a long-term liability was not in conformity with FASB ASC Topic 470, *Debt*. (AS 2810.30 and .31)

Unrelated to our review, the issuer reevaluated its classification of this convertible debt and concluded that a material misstatement existed that had not been previously identified. The issuer subsequently corrected this misstatement in a restatement of its financial statements, and the firm revised and reissued its report on the financial statements. The issuer also reevaluated its controls over this convertible debt and concluded that a material weakness existed that had not been previously identified. The issuer subsequently reflected this material weakness in a revision to its report on ICFR, and the firm revised its opinion on the effectiveness of the issuer's ICFR to include this material weakness.

Issuer B – Energy

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to a **Business Combination** and **Oil and Gas Properties**.

Description of the deficiencies identified

During the year, the issuer acquired a business. The acquired assets primarily consisted of oil and gas properties that had oil and gas reserves assigned ("proved properties") and properties that had no oil and gas reserves assigned ("unproved properties"). The issuer used company specialists to estimate the issuer's oil and gas reserves that were used in the (1) valuation of the acquired oil and gas properties and (2) calculation of depletion expense for its oil and gas properties at year end.

With respect to a **Business Combination**:

The issuer determined the fair values of the acquired proved and unproved properties based on discounted cash flows it developed using various assumptions, including future production volumes. The company's specialists used financial and non-financial data produced by the issuer and assumptions developed by the issuer or the company's specialists to estimate the oil and gas reserves underlying the future production volumes.

The following deficiencies were identified:

- The firm selected for testing a control that included the issuer's review of the future production volumes assumption used for the acquired proved and unproved properties but did not evaluate the specific review procedures that the control owners performed to assess the reasonableness of the non-financial assumptions used to determine the future production volumes. (AS 2201.42 and .44)
- The firm did not sufficiently evaluate the reasonableness of the non-financial assumptions that appeared to the inspection team to be significant that were developed and used by the

company's specialists to develop the future production volumes for the acquired proved and unproved properties because the firm's procedures were limited to inquiring of the company's specialists, performing certain analytical procedures, and testing historical production volume information for producing properties. (AS 1105.A8b)

With respect to **Oil and Gas Properties**:

The issuer recorded depletion expense for its oil and gas properties using the oil and gas reserves that the company's specialists estimated using financial and non-financial data produced by the issuer and assumptions developed by the issuer or the company's specialists. The following deficiencies were identified:

- The firm selected for testing a control that included the issuer's review of the future production volumes assumption used for one of the issuer's business units but did not evaluate the specific review procedures that the control owner performed to assess the reasonableness of the non-financial assumptions used to determine the future production volumes for certain properties. (AS 2201.42 and .44)
- The firm did not sufficiently evaluate the reasonableness of the non-financial assumptions that appeared to the inspection team to be significant that were developed and used by the company's specialists to develop the future production volumes for this business unit because the firm's procedures were limited to inquiring of the company's specialists and testing historical production volume information for producing properties. (AS 1105.A8b)

Issuer C – Consumer Discretionary

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Long-Lived Assets** and **Leases**.

Description of the deficiencies identified

The issuer performed an impairment analysis for its long-lived assets and lease right-of-use assets using cash-flow forecasts that were based on a profit and loss report, adjusted for certain expenses, for each asset group. The following deficiencies were identified:

- The firm selected for testing a control that consisted of the review of the accuracy and completeness of the reports the issuer used in its impairment analysis. The firm did not evaluate the specific review procedures that the control owner performed to assess whether the adjustments that the issuer made to determine the cash-flow forecasts were appropriate. (AS 2201.42 and .44)
- The firm selected for testing a control that included the review of the assumptions that the issuer used in the cash-flow forecasts. The firm did not evaluate the specific review procedures that the control owners performed to assess the reasonableness of the revenue growth rate assumption that the issuer used for one asset group. (AS 2201.42 and .44)

- The firm did not perform any substantive procedures to evaluate whether the adjustments that the issuer made to determine the cash-flow forecasts were appropriate. (AS 2301.08)
- The firm did not evaluate whether the issuer had a reasonable basis for the revenue growth rate assumption that it used in the cash-flow forecasts for one asset group, including taking into account the issuer's ability to carry out its planned course of action for this significant assumption. (AS 2501.16 and .17)

Issuer D – Financials

Type of audit and related area affected

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

Description of the deficiencies identified

The firm did not identify and test any controls over the accuracy of certain contractual terms. (AS 2201.39)

The firm's substantive procedures to test revenue included testing customer payments for a selection of contract amendments. For each item tested, the payment that the issuer received occurred before the effective date of the contract amendment. The firm did not evaluate whether these customer payments were made in exchange for services provided under the amended contracts. (AS 2301.08)

Audits with a Single Deficiency

Issuer E – Industrials

Type of audit and related area affected

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

Description of the deficiency identified

The firm did not identify and evaluate a misstatement in a required disclosure under FASB ASC Topic 606, *Revenue from Contracts with Customers,* related to the aggregate transaction price allocated to the remaining performance obligations. (AS 2810.30 and .31)

Issuer F – Information Technology

Type of audit and related area affected

In our review, we identified a deficiency in the financial statement audit related to **Revenue.**

Description of the deficiency identified

The firm did not identify and evaluate a misstatement in a required disclosure under FASB ASC Topic 606 related to the aggregate transaction price allocated to the remaining performance obligations. (AS 2810.30 and .31)

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

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 apparent non-compliance with 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 62 audits reviewed, the firm did not make a required communication to the audit committee related to the name, location, and planned responsibilities of an other accounting firm that performed audit procedures in the audit. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In one of 55 audits reviewed, the firm did not communicate, in writing, to the audit committee a significant deficiency identified during the audit prior to the issuance of the auditor's report. In this audit, the firm also did not communicate to management, in writing, all control deficiencies identified during the audit prior to the issuance of the auditor's report. In these instances, the firm was non-compliant with AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*.
- In one of 55 audits reviewed, the firm reported in writing to the audit committee that no significant deficiencies were identified during the audit, even though an ICFR audit does not provide assurance that all deficiencies less severe than a material weakness have been identified. In this instance, the firm was non-compliant with AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*.
- In two of 59 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 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 nine 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*.

- In one of 63 audits reviewed, the firm, as part of its communication of interim review results, reported in writing to the audit committee that it was not aware of any significant deficiencies, even though a review is not designed to provide assurance on internal control or to identify significant deficiencies. In this instance, the firm was non-compliant with AS 4105, *Reviews of Interim Financial Information*.
- In four of 61 audits reviewed, the firm's report on Form AP included inaccurate information related to the participation in the audit by certain other accounting firms. In these instances, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

PART I.C: INDEPENDENCE

PCAOB Rule 3520, *Auditor Independence*, requires a firm and its personnel to be independent of the firm's audit clients. This requirement encompasses not only an obligation to satisfy the independence criteria set out in PCAOB rules and standards but also an obligation to satisfy all other independence criteria applicable to an engagement, including the independence criteria set out by the SEC in Regulation S-X, 17 C.F.R. § 210.2-01, *Qualifications of Accountants* ("Rule 2-01").

This section of our report discusses identified instances of apparent non-compliance with PCAOB Rule 3520. An instance of apparent non-compliance with PCAOB Rule 3520 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 apparent non-compliance with PCAOB Rule 3520 that we identified and the firm brought to our attention, there may be other instances of non-compliance with 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 apparent non-compliance with PCAOB Rule 3520:

- Under Rule 2-01(c)(7), 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 62 audits reviewed, we identified two instances across two issuers in which certain services were not pre-approved by the audit committee as is necessary to satisfy the independence criteria.
- Under PCAOB ET § 191.103-104, independence is considered to be impaired if, when the audit report on the current year is issued, billed or unbilled fees, or a note receivable arising from such fees, remain unpaid for any professional services provided more than one year prior to the date of the audit report. In 62 audits reviewed, we identified one instance for one issuer in which this circumstance appears to have occurred.

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, 132 instances across 71 issuers,[3] representing approximately 4% of the firm's total reported issuer audits, in which the firm or its personnel may not have complied with Rule 2-01(b) and/or Rule 2-01(c) or PCAOB Rules 3523 or 3500T related to maintaining independence. Approximately 26% of these instances of apparent non-compliance involved non-U.S. associated firms.

While we have not evaluated the underlying reasons for the instances of apparent non-compliance with PCAOB Rule 3520, the number, large or small, of firm-identified instances of apparent non-compliance

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

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 those issuers. Therefore, we caution against making any comparison of these firm-identified instances of apparent non-compliance across firms.

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

- The firm reported 96 instances of apparent non-compliance with Rule 2-01(c)(1) regarding financial relationships, all but five of which occurred at the firm or involved its personnel. Of these instances, 74 related to investments in audit clients and 22 related to other financial relationships with audit clients. The majority of the financial relationships were instances where a partner in the same office as the engagement partner for an issuer had a financial relationship with that issuer. Twenty-nine of the financial relationships related to a member of an audit engagement team.

- The firm reported 19 instances of apparent non-compliance with Rule 2-01(c)(7) regarding audit committee pre-approval, 11 of which related to a service provided over multiple years across three issuers. Of these 19 instances, 18 related to services provided by non-U.S. associated firms without those engagements having been pre-approved by the audit committee.

- The firm reported six instances of apparent non-compliance with Rule 2-01(c)(4) regarding non-audit services. All of these instances related to services provided by non-U.S. associated firms that the firm determined to be prohibited, such as performing management functions or actuarial services for companies that were affiliates of an issuer.

The firm has reported to us that it has evaluated the instances of potential non-compliance for issuer audit clients in which the firm was the lead/principal auditor and determined in all instances that its objectivity and impartiality were not impaired. In addition, the firm reported to us that it has communicated the remaining instances of potential non-compliance to the respective lead/principal auditor for the lead/principal auditor to evaluate its objectivity and impartiality. The firm also reported to us that it communicated 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.

February 20, 2026

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

Re: Response to Draft Report on the 2025 Inspection of PricewaterhouseCoopers LLP

Dear Ms. Gunia:

On behalf of PricewaterhouseCoopers LLP (the "Firm"), we are pleased to provide our response to the Public Company Accounting Oversight Board's (the "PCAOB" or "Board") Draft Report on the 2025 Inspection of our Firm's 2024 audits (the "Report"). We recognize the inspection process provides a valuable opportunity to further enhance the quality of our audits. Performing quality audits remains our top priority, including addressing the matters raised in the Report in a thorough and thoughtful way.

We have evaluated the observations set forth in *Part I: Inspection Observations* and have taken appropriate responsive actions. Our response included those steps we considered necessary to comply with 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,* and AS No. 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*.

Redacted. Confidential Treatment Request Granted by the Board Pursuant to PCAOB Rule 4007(b)

We appreciate that many of our stakeholders will review the PCAOB's final report and this response. To provide additional context, we invite stakeholders to review our **2025 Audit Quality Report**, which describes the investments we have made in training, tools, and guidance we provide to our people to support them in maintaining independence, upholding our values, and executing a quality audit. We are fortunate to have capital markets that are aided by a strong and mature ecosystem and a strong regulatory environment. As technological change accelerates across the profession, maintaining a strong foundation of audit quality is essential to adapting effectively and continuing to serve the capital markets with integrity and confidence. PwC is proud to be a leader in fostering this quality within the ecosystem, while recognizing the importance of thoughtfully addressing the matters raised in the Report.

PricewaterhouseCoopers LLP
300 Madison Avenue, New York, NY 10017
+1(646) 471-3000

www.pwc.com

We look forward to continuing our dialogue with the PCAOB and would be pleased to discuss any aspects of this response or any other questions you may have.

Sincerely,

Paul Griggs
PwC US Senior Partner

Deanna Byrne
PricewaterhouseCoopers LLP CEO and PwC US Assurance Leader