
2019 Inspection Moss Adams LLP

(Headquartered in Seattle, Washington)

December 17, 2020

PCAOB

Public Company Accounting Oversight Board

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

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

PCAOB RELEASE NO. 104-2021-012A

(Includes portions of Part II and Appendix A of the full report that were not included in PCAOB Release No. 104-2021-012)

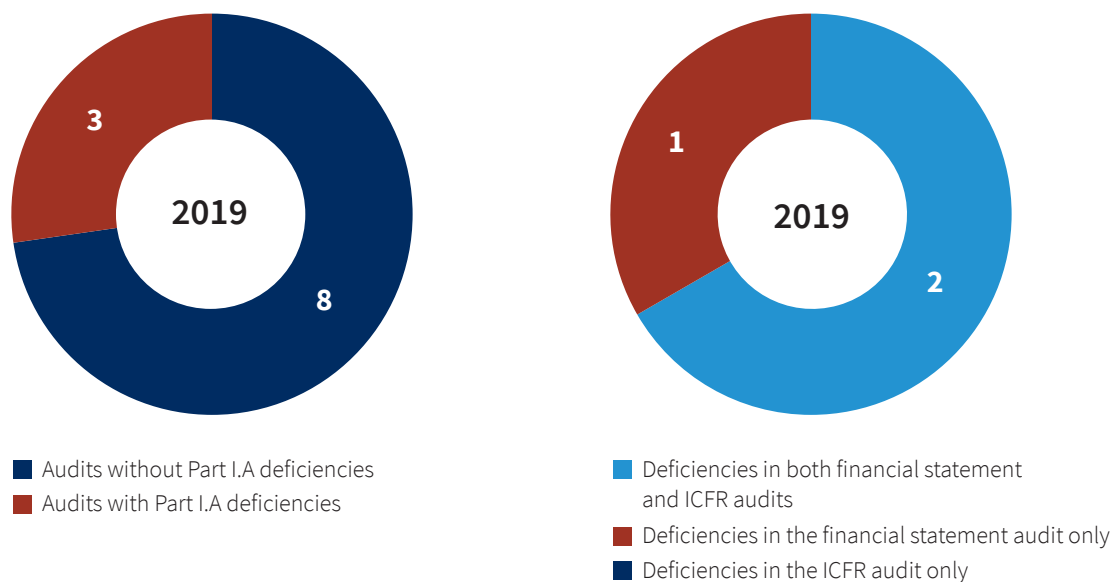
Executive Summary

Our 2019 inspection report on Moss Adams LLP provides information on our inspection to assess the firm’s compliance with Public Company Accounting Oversight Board (“PCAOB”) standards and rules and other applicable regulatory and professional requirements. This executive summary offers a high-level overview of: (1) Part I.A of the report, which discusses deficiencies (“Part I.A deficiencies”) in certain issuer audits that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion on the issuer’s financial statements and/or internal control over financial reporting (“ICFR”), and (2) Part I.B of the report, which discusses deficiencies that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

The fact that we have included a deficiency in this report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — does not necessarily mean that the issuer’s financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. If a deficiency is included in Part I.A or Part I.B of this report, it does not necessarily mean that the firm has not addressed the deficiency.

Overview of the 2019 Deficiencies Included in Part I

Three of the 11 issuer audits we reviewed in 2019 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, the allowance for loan losses, and inventory.



The Part I.A deficiencies in 2019 related to evaluating the appropriateness of the issuer’s accounting method or disclosure, performing substantive analytical procedures, evaluating significant assumptions or data that the issuer used in developing an estimate, testing the design or operating effectiveness of controls selected for testing, and testing controls over the accuracy and completeness of data or reports and the resulting overreliance on controls when performing substantive testing.

Other deficiencies identified during the 2019 inspection that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s), which appear in Part I.B, related to the firm’s audit report and Form AP.

Table of Contents

2019 Inspection	3
Overview of the 2019 Inspection and Historical Data by Inspection Year.....	4
Part I: Inspection Observations	12
Part I.A: Audits with Unsupported Opinions	12
Part I.B: Other Instances of Non-Compliance with PCAOB Standards or Rules.....	14
Part II: Observations Related To Quality Control	15
Appendix A: Firm’s Response to the Draft Inspection Report.....	A-1

2019 Inspection

During the PCAOB's 2019 inspection of Moss Adams LLP, we assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies.

We selected for review 11 audits of issuers with fiscal years ending in 2018. 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 2019 Inspection and Historical Data by Inspection Year:** Information on our inspection, historical data, and common deficiencies.
- **Part I – Inspection Observations:**
 - o Part I.A: Deficiencies that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion on the issuer's financial statements and/or ICFR.
 - o Part I.B: Deficiencies that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.
- **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 Sarbanes-Oxley Act ("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.

2019 Inspection Approach

In selecting issuer audits for review, we use both risk-based and random methods of selection. We make most 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 select the remaining audits randomly to provide an element of unpredictability.

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

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

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

Overview of the 2019 Inspection and Historical Data by Inspection Year

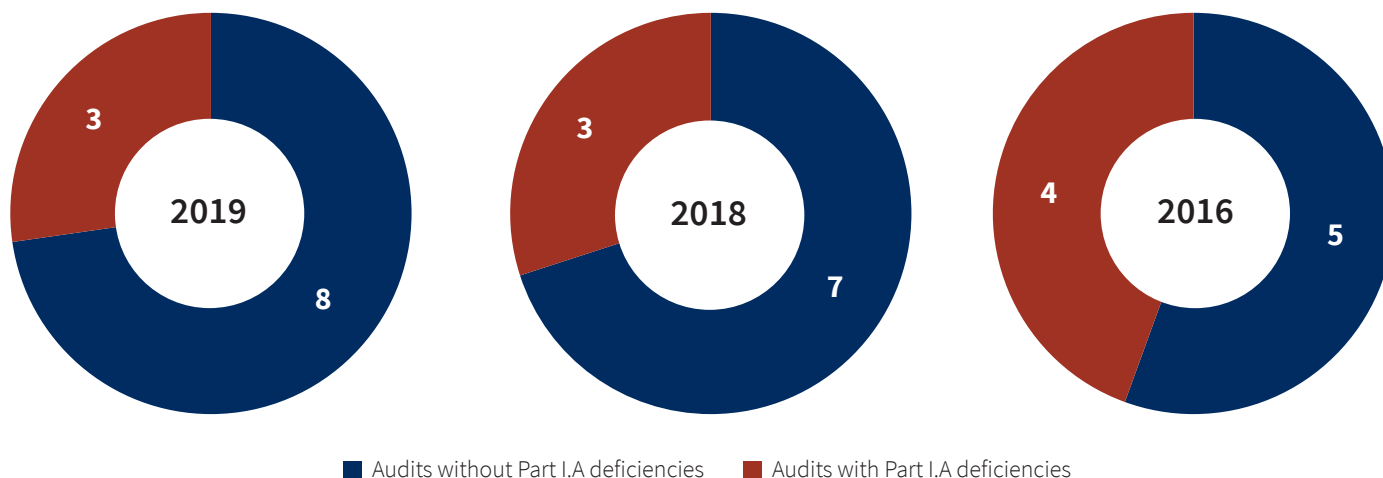
The following information provides an overview of our 2019 inspection as well as data from the previous two inspections. We use a combination of risk-based and random methods to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, 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 Reviewed

	2019	2018	2016
Total audits reviewed	11	10	9
Audits in which the firm was the principal auditor	11	10	9
Integrated audits of financial statements and ICFR	7	6	7
Risk-based selections	9	10	9
Random selections	2	0	0

Part I.A Deficiencies in Audits Reviewed

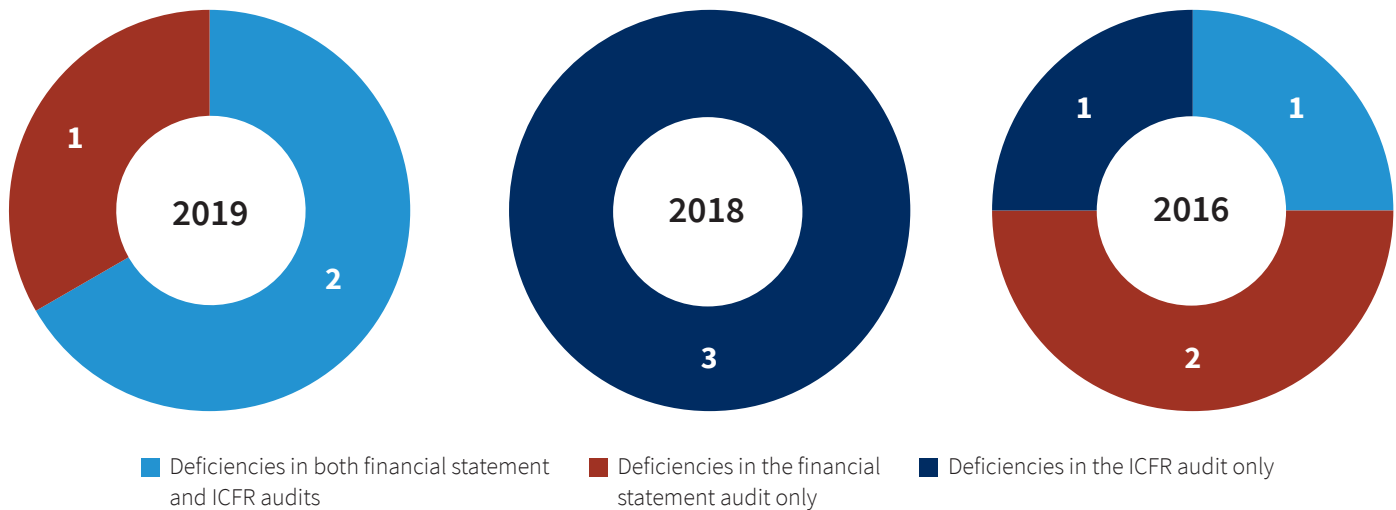
All audits appearing in Part I.A in 2019, 2018, and 2016 were selected for review using risk-based criteria.



If a deficiency is included 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 issue 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 normally includes 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.

The fact that we have included a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — 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 2019 inspection procedures involved one audit for which the issuer, unrelated to our review, restated its financial statements and revised its report on ICFR and the firm revised and reissued its report on the financial statements.

The following tables and graphs summarize inspection-related information, by inspection year, for 2019 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		
	2019	2018	2016
Did not sufficiently evaluate the appropriateness of the issuer's accounting method or disclosure for one or more transactions or accounts	1	0	0
Did not perform sufficient, appropriate analytical procedures when analytical procedures were intended to provide substantive assurance	1	0	2
Did not perform substantive procedures to obtain sufficient evidence as a result of overreliance on controls (due to deficiencies in testing controls)	1	0	1
Did not sufficiently evaluate significant assumptions or data that the issuer used in developing an estimate	1	0	0

Deficiencies in ICFR audits	Audits with Part I.A deficiencies		
	2019	2018	2016
Did not perform sufficient testing of the design and/or operating effectiveness of controls selected for testing	1	3	2
Did not identify and/or sufficiently test controls over the accuracy and completeness of data or reports that the issuer used in the operation of controls	1	1	1

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.

2019			2018			2016		
Audit area	Audits reviewed	Audits with Part I.A deficiencies	Audit area	Audits reviewed	Audits with Part I.A deficiencies	Audit area	Audits reviewed	Audits with Part I.A deficiencies
Revenue and related accounts	6	1	Revenue and related accounts	6	3	Revenue and related accounts	6	4
Business combinations	4	0	Inventory	3	1	Business combinations	4	1
Allowance for loan losses	3	1	Allowance for loan losses	3	0	Investment securities	3	0
Long-lived assets	2	0	Investment securities	3	0	Allowance for loan losses	2	0
Cash and cash equivalents	2	0	Cash and cash equivalents	2	0	Inventory	2	0

Audit Areas with Frequent Part I.A Deficiencies

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

Audit area	2019		2018		2016	
	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	1	6	3	6	4	6
Allowance for loan losses	1	3	0	3	0	2
Inventory	1	1	1	3	0	2
Loans and related accounts	1	2	0	1	0	0
Business combinations	0	4	0	1	1	4

Revenue and related accounts: The deficiencies in 2019 and 2016 related to substantive testing of, and testing controls over, revenue and related accounts. The deficiencies in 2018 related to testing controls over revenue and related accounts.

Allowance for loan losses: The deficiencies in 2019 related to substantive testing of, and testing controls over, the allowance for loan losses.

Inventory: The deficiencies in 2019 related to substantive testing of, and testing controls over, the accuracy and completeness of data or reports. The deficiencies in 2018 related to testing controls over inventory, including cycle-count controls.

Loans and related accounts: The deficiency in 2019 related to substantive testing of a note receivable from a related party.

Business combinations: The deficiencies in 2016 related to testing controls involving the issuer’s review of inputs and assumptions used to value acquired assets.

Auditing Standards Associated with Identified Part I.A Deficiencies

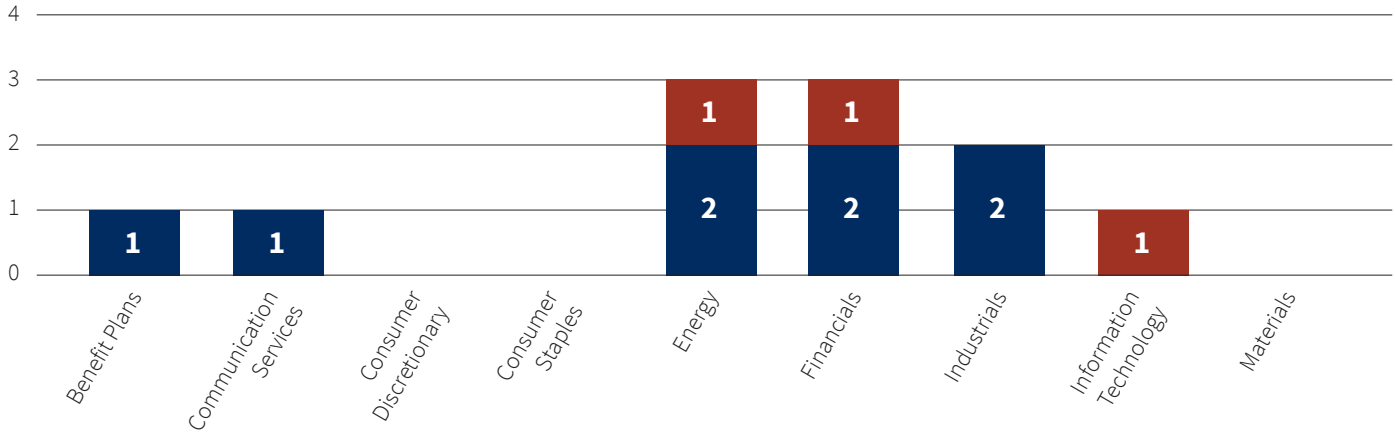
The following lists the auditing standards referenced in Part I.A of the 2019 and the previous two inspection reports and the number of times that the standard is cited in Part I.A.

PCAOB Auditing Standards	2019	2018	2016
<i>AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements</i>	3	5	3
<i>AS 2301, The Auditor’s Responses to the Risks of Material Misstatement</i>	1	0	2
<i>AS 2305, Substantive Analytical Procedures</i>	1	0	2
<i>AS 2315, Audit Sampling</i>	1	0	1
<i>AS 2501, Auditing Accounting Estimates</i>	1	0	0
<i>AS 2810, Evaluating Audit Results</i>	1	0	0

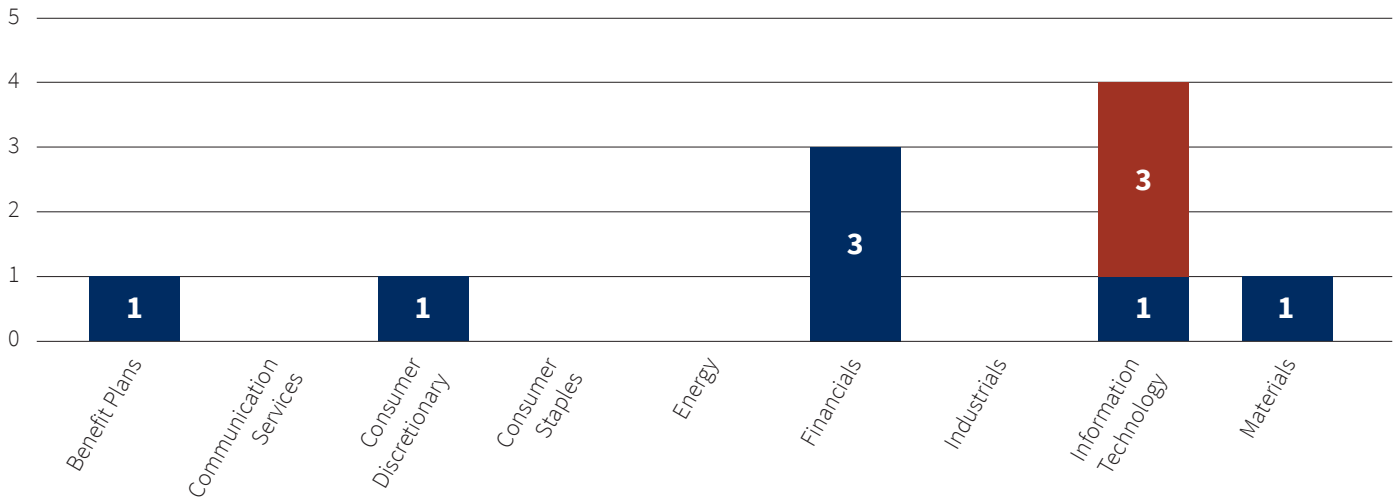
Inspection Results by Issuer Industry Sector

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.

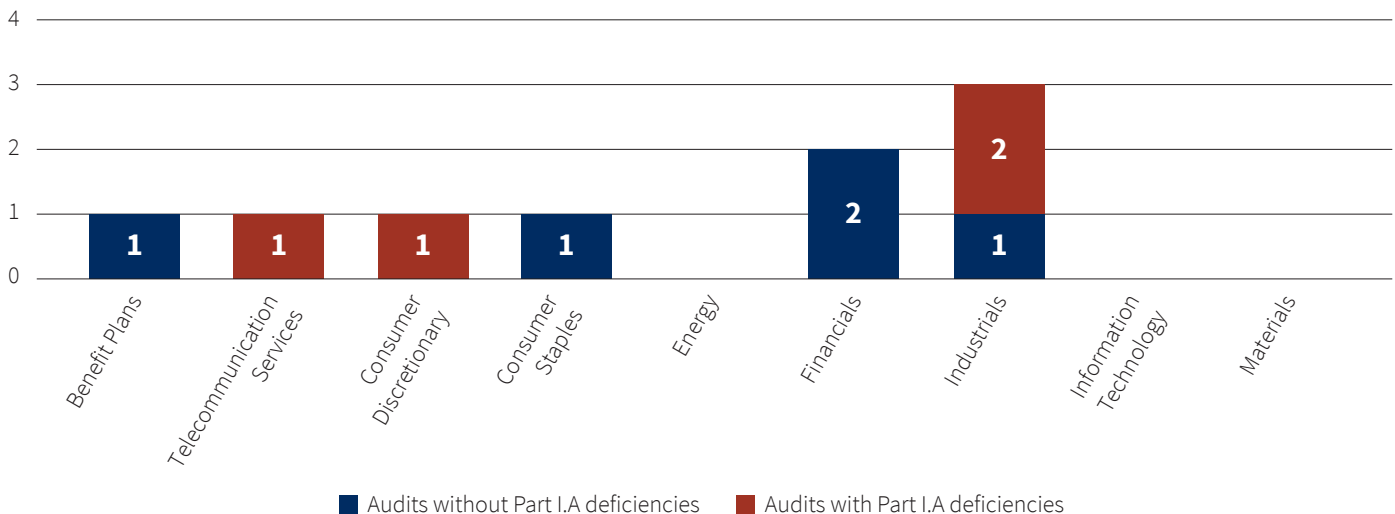
2019



2018



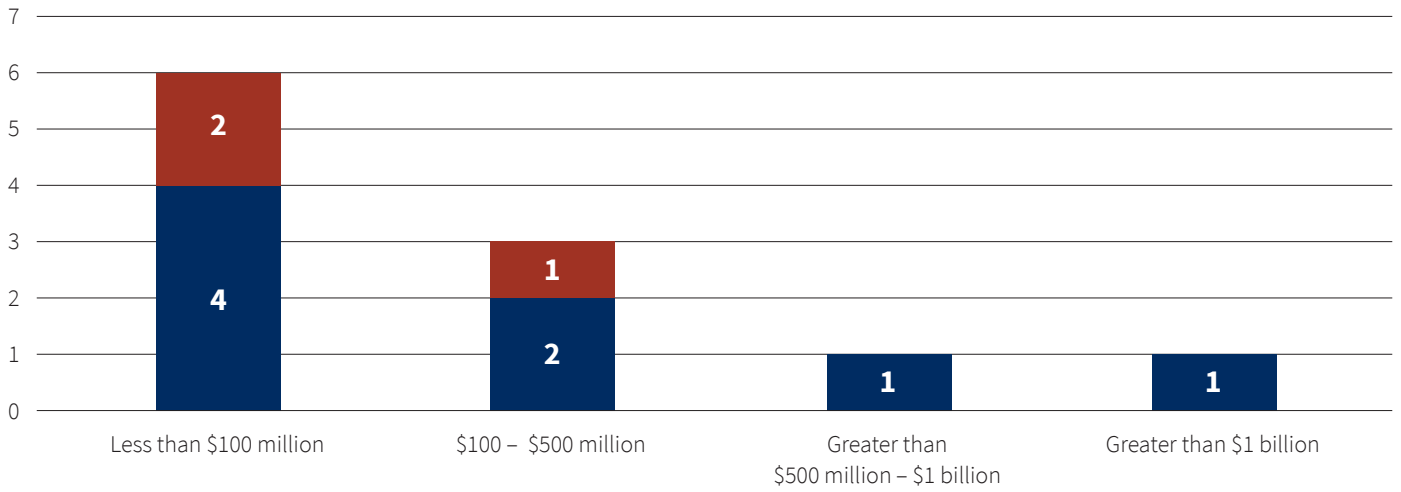
2016



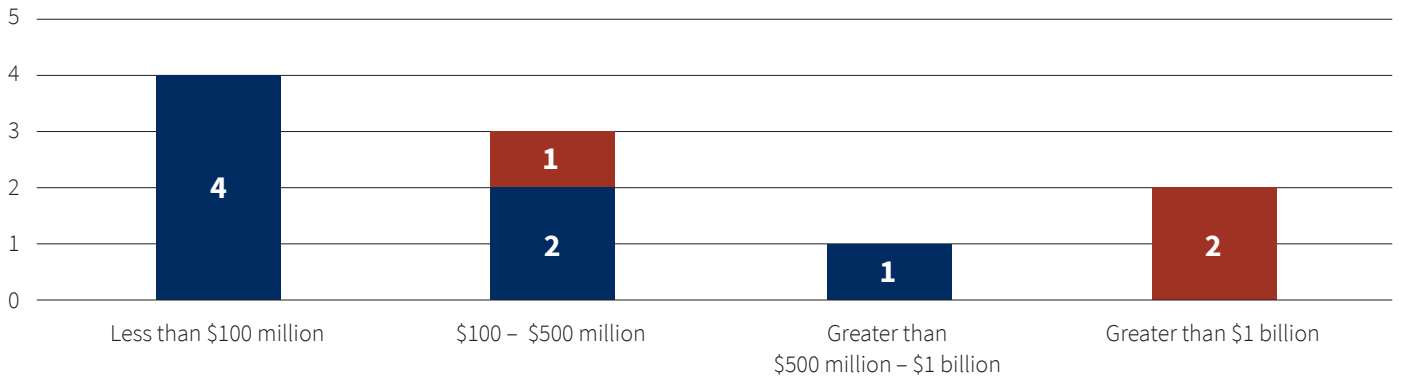
■ Audits without Part I.A deficiencies ■ Audits with Part I.A deficiencies

Inspection Results by Issuer Revenue Range

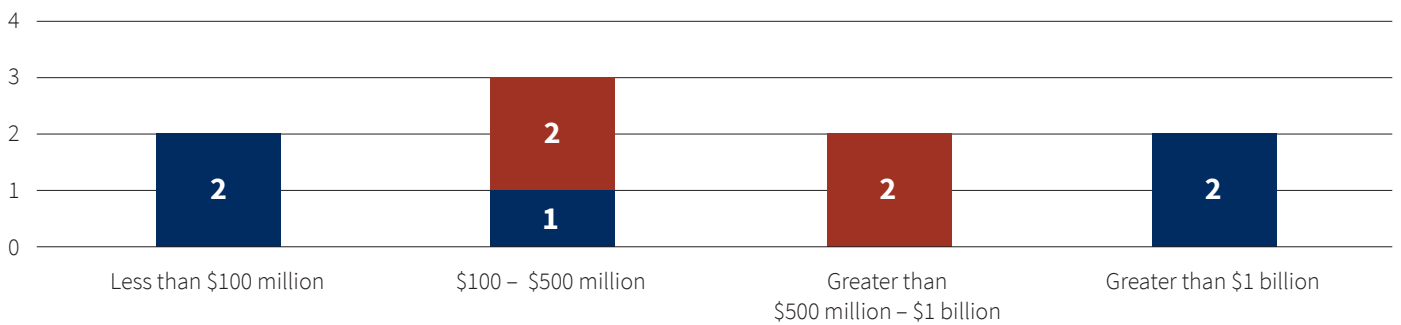
2019



2018



2016



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

Classification of Audits with Part I.A Deficiencies

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

The sole 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 modified 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. Any deficiencies identified in connection with our reviews of these audits would be included in the audits with multiple deficiencies or audits with a single deficiency classification below.

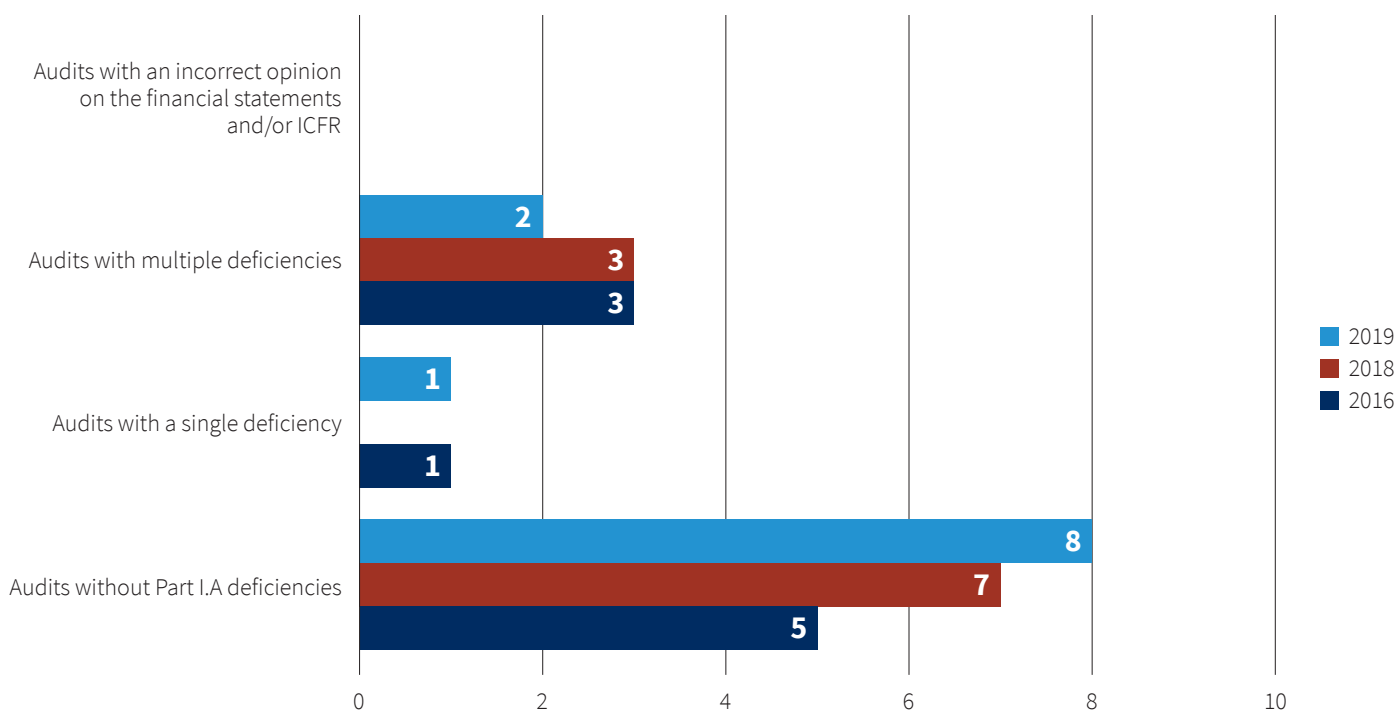
Audits with Multiple Deficiencies

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 on the issuer's financial statements and/or ICFR. Part I.B discusses deficiencies that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules. 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. Any such criticisms or potential defects are discussed in Part II. Further, you should not infer from any Part I deficiency or combination of deficiencies that a quality control finding is identified 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 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.

Issuer audits are presented 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 area affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to the **Allowance for Loan Losses (“ALL”)**.

Description of the deficiencies identified

The issuer developed the qualitative component of the general reserve of the ALL by applying certain qualitative factors to each of its classes of loans. The following deficiencies were identified:

- The firm selected for testing a control that consisted of the issuer's review of the ALL, including the development and review of the qualitative factors. In evaluating the design of this control, the firm did not assess the effect of the same individuals both developing and reviewing the qualitative factors. (AS 2201.42) In addition, the firm did not evaluate the review procedures that the control owners performed, including the procedures to identify items for follow up and the procedures to determine whether those items were appropriately resolved. (AS 2201.42 and .44)
- With respect to the firm's substantive procedures to test the qualitative component of the reserve, the firm did not evaluate the reasonableness of certain adjustments that the issuer made to the qualitative factors, beyond reading the issuer's ALL memorandum and comparing the current year's general reserve to the prior year's. (AS 2501.07)

Issuer B – Information Technology

Type of audit and related areas affected

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

Description of the deficiencies identified

The issuer used an information technology (“IT”) application to record revenue and inventory. The firm selected for testing certain automated and IT-dependent manual controls over revenue and inventory that used information generated or maintained by this application. The accuracy and completeness of this information depended on effective IT general controls (“ITGCs”). The firm’s testing of ITGCs was not sufficient because it did not identify and test a complete population of operating system changes that could potentially affect change management controls over the application. As a result, the firm’s testing of the automated and IT-dependent manual controls was not sufficient. (AS 2201.46)

The sample sizes the firm used in certain of its substantive procedures to test revenue and inventory 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 deficiency in the firm’s control testing discussed above. (AS 2301.16, .18, and .37; AS 2315.19, .23, and .23A)

The firm’s substantive procedures to test revenue included analytical procedures. The firm used the information generated from this revenue application to develop its expectations but did not test, or (as discussed above) sufficiently test controls over, the accuracy and completeness of this information. (AS 2305.16)

Audits with a Single Deficiency

Issuer C – Energy

Type of audit and related area affected

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

Description of the deficiency identified

The issuer held a note receivable from a related party that was collateralized by shares of the issuer’s stock and guaranteed by other parties. The issuer recognized interest payments received from the borrower as income. On various occasions, the issuer extended the maturity date and modified certain payment terms rather than enforcing the guarantees by either requiring the (1) redemption of the collateral or (2) repayment of the receivable when it was due and payable. The firm did not identify, and appropriately address, that the issuer’s accounting treatment for the receivable and related interest payments was not in conformity with FASB ASC Topic 310, *Receivables*. (AS 2810.30)

Unrelated to our review, the issuer reevaluated its accounting for the receivable and related interest payments and concluded that a material misstatement existed that had not been previously identified. The issuer subsequently restated its financial statements, and the firm revised and reissued its report on the financial statements. The issuer also reevaluated its controls over the note receivable and concluded that a material weakness existed that had not been previously identified. The issuer subsequently revised its report on ICFR to reflect this material weakness.

Part I.B: Other Instances of Non-Compliance with PCAOB Standards or Rules

This section of our report discusses any deficiencies we identified that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules. 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 otherwise selected for review and may include 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 audit, the firm's audit report contained inaccurate information about the year the firm began serving consecutively as the company's auditor. 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 11 audits reviewed, the firm's report on Form AP omitted information related to the participation in the audit by an other accounting firm. In this instance, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

Part 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.

Deficiencies are included 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.

Any changes or improvements to its system of quality control that the firm may have brought to the Board's attention may not be reflected in this report, but are taken into account during the Board's assessment of whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

Criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified, are nonpublic when the reports are issued. 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, any such deficiency will be made public.

Testing Controls

The inspection results indicate that the firm's system of quality control does not provide reasonable assurance that the work performed by the firm's personnel with respect to testing controls will meet the requirements of AS 2201 ****. (QC 20.03 and .17)

In [one audit],¹ **** which [is] included in Part I.A, the inspection team identified deficiencies related to the firm's testing of **** controls that included a review element ****.

* * * *

¹ Issuer A ****

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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December 2, 2020

Mr. George Botic, Director
Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006

Re: Response to Part I of Draft Report on 2019 Inspection of Moss Adams LLP

Dear Mr. Botic:

On behalf of Moss Adams LLP, we are pleased to provide our response to the Public Company Accounting Oversight Board's (the "PCAOB") Draft Report on the 2019 Inspection of Moss Adams LLP (the "Draft Report").

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Moss Adams LLP".

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



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December 2, 2020

Mr. George Botic, Director
Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006

Re: Response to Part II of Draft Report on 2019 Inspection of Moss Adams LLP dated October 30, 2020

Dear Mr. Botic:

We are pleased to provide our response to the non-public portion included in Part II of the Public Company Accounting Oversight Board's (the "PCAOB" or "Board") Draft Report on the 2019 Inspection of Moss Adams LLP (the "Draft Report"). We support the PCAOB inspection process and believe the inspection comments and observations assist in the achievement of our shared objective of improving audit quality.

For the Board's convenience, the comments received in Part II of the Draft Report have been included in this response letter.

Testing Controls

The inspection results indicate that the firm's system of quality control does not provide reasonable assurance that the work performed by the firm's personnel with respect to testing controls will meet the requirements of AS 2201. (QC 20.03 and .17)

In [one] audit included in Part I.A, the inspection team identified deficiencies related to the firm's testing of controls that included a review element

*** REDACTED. Comments on Non-public Aspect of Report

Response:

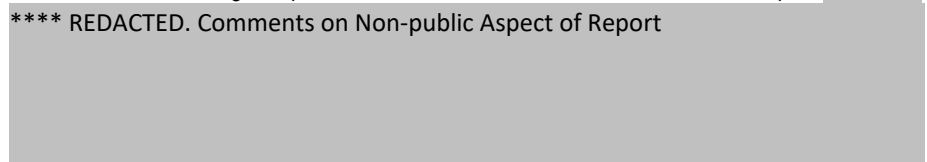
*** REDACTED. Comments on Non-public Aspect of Report

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

To improve the performance of our engagement teams with respect to issues identified during the 2019 PCAOB inspection related to testing controls in audits of ICFR, we have taken steps to address the findings, including but not limited to, the following:

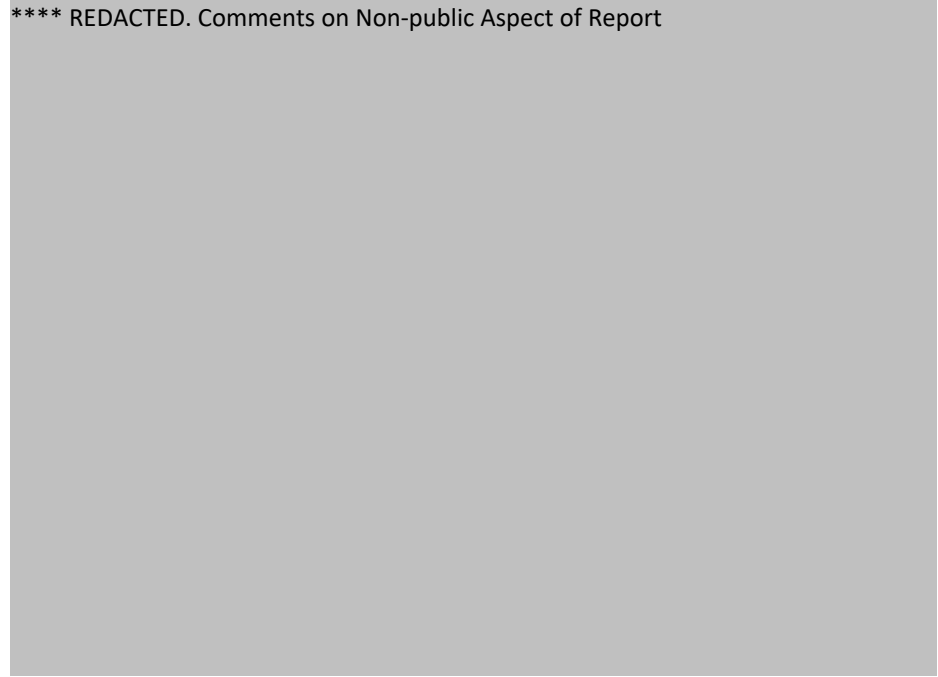
- Required training on relevant ICFR topics that was delivered to firm SEC personnel in different formats and varied content in June 2019 and August 2020. The respective trainings emphasized the issues identified in the 2019 Firm Report ****

**** REDACTED. Comments on Non-public Aspect of Report



We will continue to evaluate the causes of the identified deficiencies and will provide additional training and adopt changes in practices and policies as considered necessary.

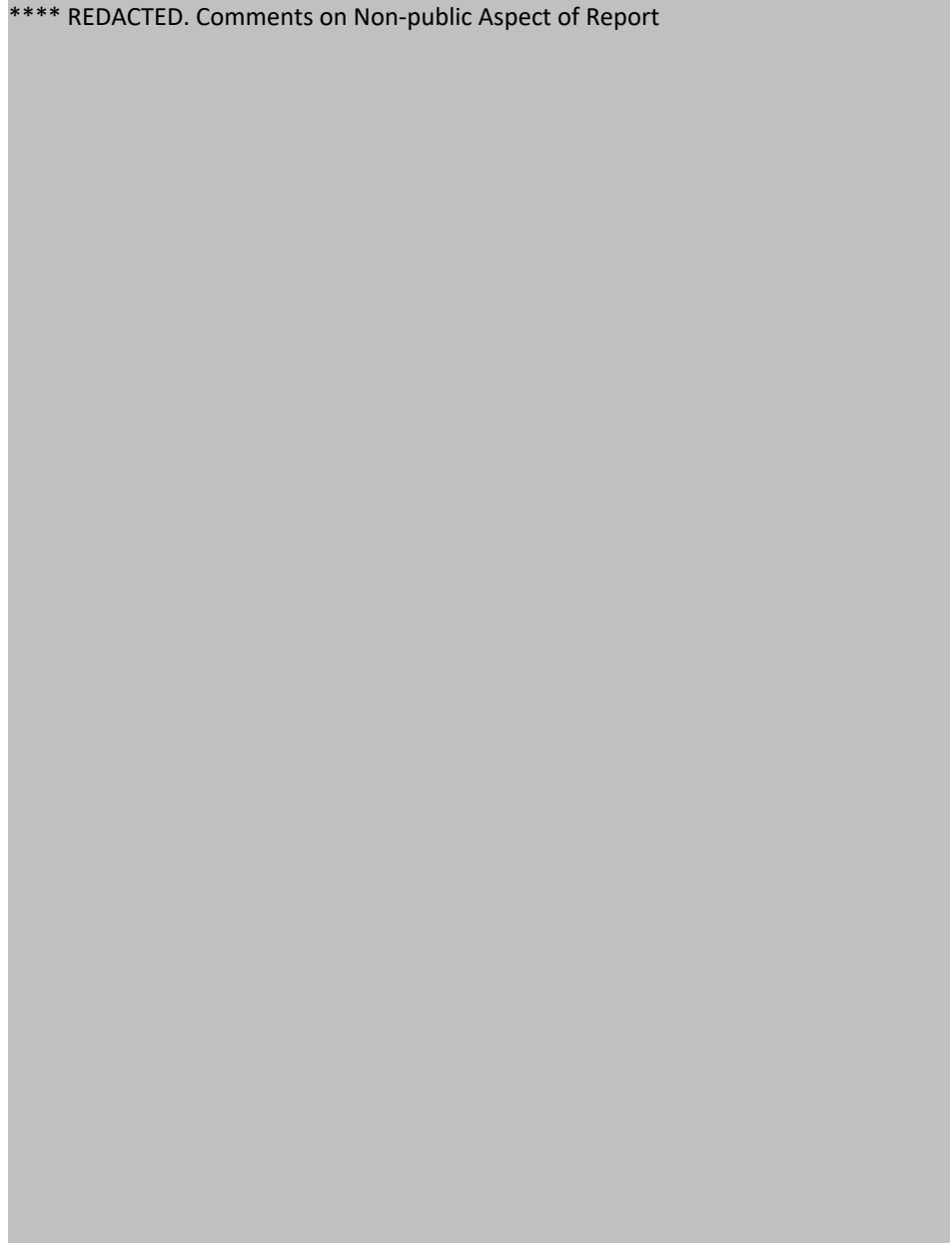
**** REDACTED. Comments on Non-public Aspect of Report



**** REDACTED. Comments on Non-public Aspect of Report



*** REDACTED. Comments on Non-public Aspect of Report



**** REDACTED. Comments on Non-public Aspect of Report





Mr. George Botic
December 2, 2020
Page ****

We are available to the Board and its staff to discuss our response in further detail. In addition, upon receipt of the final report we will initiate dialog with you and work towards providing you with appropriate evidence of our remediation of **** Part II of the Draft Report. If you should require additional information at this time or have any questions do not hesitate to contact Jeff Brown, Chief Risk Officer and Director of Assurance Services, at 206.302.6814.

Sincerely,

Moss Adams LLP

