



December 19, 2024

**Via Electronic Mail**

Mr. G. Alan Skinner  
Carr, Riggs & Ingram LLC  
901 Boll Weevil Circle, Suite 200  
Enterprise, Alabama 36330

Re: Final Report of Inspection

Dear Mr. Skinner:

Attached please find a copy of the final inspection report issued on December 19, 2024 by the Public Company Accounting Oversight Board (PCAOB) concerning the inspection of Carr, Riggs & Ingram LLC. Please confirm receipt of the final inspection report upon receipt.

The PCAOB is issuing this report in accordance with the requirements of the Sarbanes-Oxley Act of 2002. The PCAOB is releasing to the public Part I, the first four paragraphs of Part II, and portions of Appendix A that consists of your firm's comments, if any, related to public portions of the report.

If you make a submission or wish to submit a draft submission to facilitate dialogue with the staff, please do so by following the link to the [Registered Firm Portal](https://pcaobus.appiancloud.com/suite/?signin=firm) (<https://pcaobus.appiancloud.com/suite/?signin=firm>) by sending your submission to the "Remediation Mailbox." Please include in the subject line your firm's Firm ID number and inspection report name in the following format: Firm ID number, Remediation Response (or Draft Response) for Report on 20XX Inspection of FIRM NAME.

If you have questions concerning the process for seeking Securities and Exchange Commission ("Commission") review of the final inspection report, please see Rule 140 of the Commission's Rules on Informal and Other Procedures, 17 C.F.R. § 202.140, and direct any questions to staff in the Commission's Office of the Chief Accountant. Please note that if your firm makes a request to the Commission for review, the Commission's rule requires that your firm "provide a copy of its review request to the PCAOB simultaneously with its submission to the Commission." Any such copy should be sent to the attention of Phoebe W. Brown, Secretary, either by e-mail by following the link to [Rule140@pcaobus.org](mailto:Rule140@pcaobus.org), by fax to (866) 210-1148, or by delivery to the mailing address shown on the letterhead above.



Mr. G. Alan Skinner  
Carr, Riggs & Ingram LLC  
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If you have any questions, please feel free to contact Richard Wei at (202) 262-3297 or [weir@pcaobus.org](mailto:weir@pcaobus.org) or me at (202) 538-4104 or [guniac@pcaobus.org](mailto:guniac@pcaobus.org).

Sincerely,

Christine Gunia  
Director  
Division of Registration and Inspections

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# 2024 Inspection Carr, Riggs & Ingram LLC

(Headquartered in Enterprise, Alabama)

December 19, 2024

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## 2024 INSPECTION

In the 2024 inspection of Carr, Riggs & Ingram LLC, 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 one audit of an issuer with a fiscal year ending in 2023. For the 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 AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2024 inspection as well as data from the previous inspection. 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	2021
<b>Firm data</b>		
<b>Total issuer audit clients in which the firm was the principal auditor</b>	4	2
<b>Total engagement partners on issuer audit work<sup>1</sup></b>	4	2
<b>Audits reviewed</b>		
<b>Total audits reviewed</b>	1	1
<b>Audits in which the firm was the principal auditor</b>	1	1
<b>Integrated audits of financial statements and internal control over financial reporting (ICFR)</b>	0	0
<b>Audits with Part I.A deficiencies</b>	0	0
<b>Percentage of audits with Part I.A deficiencies</b>	0%	0%

<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*) during the twelve-month period preceding the outset of the inspection.

## Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2024 inspection and the previous 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		2021	
Audit area	Audits reviewed	Audit area	Audits reviewed
Revenue and related accounts	1	Significant account	1
Accruals and other liabilities	1	Investment securities	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.

### PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

In the 2024 inspection, we did not identify any deficiencies that were of such significance that we believe the firm, at the time it issued its audit report, had not obtained sufficient appropriate audit evidence to support its opinion on the issuer's financial statements.

### 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. 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. 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.

We identified the following deficiency:

In the audit reviewed, the firm, when testing journal entries for evidence of possible material misstatement due to fraud, did not have an appropriate rationale for limiting its testing of entries it identified as having certain fraud risk characteristics to certain entries. In this instance, the firm was non-compliant with AS 2401, *Consideration of Fraud in a Financial Statement Audit*.



## 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 an instance of potential non-compliance that the firm brought to our attention, there may be other instances of non-compliance with SEC or PCAOB rules related to independence that were not identified through our procedures or the firm's monitoring activities.

### PCAOB-Identified

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

### Firm-Identified

During the inspection, the firm brought to our attention that it had identified, through its independence monitoring activities, one instance for one issuer,<sup>2</sup> in which the firm or its personnel appeared to have impaired the firm's independence because it may not have complied with Rule 2-01(c) of Regulation S-X related to maintaining independence.

While we have not evaluated the underlying reasons for the instances of potential non-compliance, the number, large or small, of firm-identified instances of potential non-compliance may be reflective of the size of the firm, including any 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 these firm-identified instances of potential non-compliance across firms.

The instance of potential non-compliance related to financial relationships:

The firm reported one instance of potential non-compliance with Rule 2-01(c)(1) of Regulation S-X regarding a financial relationship, which occurred at the firm or involved its personnel. This instance related to a financial relationship with an audit client where a partner in the same office as the engagement partner for an issuer had a financial relationship with that issuer.

The firm has reported to us that it has evaluated this instance of potential non-compliance and determined that its objectivity and impartiality were not impaired. The firm also reported to us that it communicated this instance to the issuer's audit committee as required by PCAOB Rule 3526.

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

## 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.

In the 2024 inspection, we did not identify any deficiencies that we considered to be a criticism of, or potential defect in, the firm's system of quality control.

## 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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November 1, 2024

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

**Response to Report on 2024 Inspection of Carr, Riggs & Ingram LLC**

Dear Ms. Gunia:

We appreciate the opportunity to review and submit our response to the Public Company Accounting Oversight Board ("PCAOB") report on the 2024 inspection of Carr, Riggs & Ingram LLC.

We support the PCAOB's mission to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports. We believe the inspection process is a fundamental element of the PCAOB's mission and we are committed to continuing to work with the PCAOB to strengthen the public's trust in the integrity of the independent audit.

We appreciate the dedicated performance of the PCAOB staff and their efforts toward our mutual objective of improving audit quality.

Very truly yours,

*Carr, Riggs & Ingram, L.L.C.*

