

## Independent Accountant's Report

To Management  
Thomson Reuters (Tax and Accounting) Inc.

We have examined:

- The content related to the relevant standards and interpretive guidance in Thomson Reuters' quality management materials (QMM) titled *PPC's Practice Aids for Audits of Broker-Dealers*, September 22, 2025, 13th Edition, accessible through [EngagementManager.ThomsonReuters.com](https://www.thomsonreuters.com/engagementmanager) (formerly [AdvanceFlow.com](https://www.advanceflow.com)) and available for download on [Checkpoint.RIAG.com](https://www.checkpoint.com/riag) (the "QMM Content")
- The accompanying description prepared by Thomson Reuters titled, "Description, as of September 30, 2025, of Thomson Reuters' *PPC's Practice Aids for Audits of Broker-Dealers*, September 22, 2025, 13th Edition" (the "Description")

Management of Thomson Reuters (Tax and Accounting) Inc. is responsible for the QMM Content being in accordance with the QMM Content Criteria included in Attachment A and for the Description being in accordance with the QMM Description Criteria included in Attachment A (collectively, the "QMM Criteria"). Our responsibility is to express an opinion on the QMM Content and the Description based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the QMM Content and the Description are in accordance with the QMM Criteria in all material respects. An examination involves performing procedures to obtain evidence about the QMM Content and the Description. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the QMM Content and the Description, whether due to fraud or error. In making an assessment of the risks of material misstatement, we considered and obtained an understanding of internal control relevant to the subject matter in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, in all material respects:

- The QMM Content is in accordance with the QMM Content Criteria specified in Attachment A.
- The Description is in accordance with the QMM Description Criteria specified in Attachment A.

This report is intended solely for the information and use of management of Thomson Reuters (Tax and Accounting) Inc., users and potential users of the QMM Content, and users' peer reviewers and regulators.

This report is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

March 31, 2026

## **Attachment A: QMM Content Criteria and QMM Description Criteria**

### **QMM Content Criteria**

The quality management materials (QMM) are in accordance with the following criteria:

**CC1:** The content of the quality management materials (QMM) identified in the description (QMM content) accurately reflects the standards and interpretive guidance relevant to the QMM that are addressed by the QMM and address them in the manner described in the description, including the following:

- a. QMM content reproduced in whole or in part from standards and interpretive guidance does the following:
  - i. Appropriately references the relevant standards and interpretive guidance to enable user firms to locate the content
  - ii. Agrees with the relevant standards and interpretive guidance
- b. QMM content derived from the standards and interpretive guidance explains, elaborates, interprets, or paraphrases the relevant standards and interpretive guidance in a manner that does not change the meaning and intent of the standards and interpretive guidance.
- c. QMM content that illustrates the application of the relevant standards and interpretive guidance is not in conflict with the standards and interpretive guidance.

**CC2:** QMM content

- a. Identifies assumptions or judgments made in developing QMM content related to the relevant standards and interpretive guidance, if any.
- b. Identifies QMM content that is based on widely recognized or generally accepted practice rather than on the relevant standards and interpretive guidance.
- c. Identifies QMM content that represents the QMM provider's opinion or interpretation of the relevant standards and interpretive guidance.
- d. Uses the same terminology and definitions used in the relevant standards and interpretive guidance.

**CC3:** QMM content does not omit relevant principles, topics, requirements, considerations, procedures, or other aspects of the relevant standards and interpretive guidance, other than those identified in the description of the QMM in accordance with DC9 or DC10.

**CC4:** If the description indicates that a purpose of the QMM content is to provide a means to document compliance with the standards and interpretive guidance addressed by the QMM, the QMM content enables user firms to do so.

### **QMM Description Criteria**

The description of the content of quality management materials (the description) contains the following information:

**DC1:** An identification of the quality management materials (QMM) addressed by the description, including the following:

- a. The title of the QMM, including the version name, number, or date
- b. The format of the QMM and, if the QMM are in the format of application software, the delivery method

**Attachment A: QMM Content Criteria and QMM Description Criteria  
(Continued)**

**DC2:** An identification of any elements of the QMM content that are provided by another QMM provider

**DC3:** An identification of any elements (parts) of the QMM content that are not addressed by the description. If applicable, identify how the elements relate to the entirety of the QMM.

**DC4:** The date of the description

**DC5:** A statement that “[*Identification of the QMM addressed by the description*] are quality management materials (QMM). The AICPA defines QMM as materials (for example, manuals or tools), including industry- or subject matter-specific materials, intended to enable the operation of a firm’s system of quality management and promote consistency in performing quality engagements. QMM may be made available through technology, for example, through automated tools and techniques, and IT applications. QMM address standards and interpretive guidance related to accounting; audit, attestation, review, compilation, or preparation engagements, or other services that CPA firms may provide; or ethics, independence, quality control, quality management, peer review, or practice monitoring related to those services. QMM would be considered an intellectual resource as described in QM section 10, *A Firm’s System of Quality Management*.”

**DC6:** An identification of the characteristics of the QMM, including the following:

- a. The type of QMM and purpose of the type of QMM
- b. The topics addressed by the QMM
- c. If the QMM are intended to be used for a specific type of engagement or specific aspects of an engagement, an identification of the characteristics of that engagement, including the following:
  - i. The relevant characteristics of the type of client for which the QMM are intended to be used, including the following:
    - Area of practice
    - Industry
    - Form or type of organization
    - Operational characteristics
  - ii. The characteristics of the type of engagement for which the QMM are intended to be used, including the following:
    - Area of service
    - Level of service
    - Unique characteristics of the engagement

**DC7:** An identification of QMM, other than the QMM identified for DC1, necessary to accomplish the purpose of the QMM as noted in DC6a.

**DC8:** An identification of the standards and interpretive guidance relevant to the QMM that the QMM address, including the following:

- a. The standard-setting body that issued the standards and interpretive guidance
- b. Either:
  - i. The date through which the QMM address issued and effective standards and interpretive guidance (date approach), or
  - ii. The number and title of the most recently issued and effective standards and interpretive guidance addressed by the QMM (title approach)

**Attachment A: QMM Content Criteria and QMM Description Criteria  
(Continued)**

**DC9:** An identification of standards and interpretive guidance relevant to the QMM that were issued and effective up to the date (if using the date approach referred to in DC8bi) or the number and title (if using the title approach referred to in DC8bii) but:

- a. Not addressed by the QMM
- b. Not fully addressed by the QMM, including why the relevant standards and guidance were not fully addressed, and how they were addressed by the QMM

**DC10:** A description of how the QMM address standards and interpretive guidance relevant to the QMM that were issued but *not effective* up to the date (if using the date approach referred to in DC8bi) or the number and title (if using the title approach referred to in DC8bii), including the following:

- a. The title and effective date of the standards and interpretive guidance
- b. Whether the standards and interpretive guidance are addressed by the QMM and, if so, how they are addressed
- c. Whether the standards and interpretive guidance allow for early implementation or adoption

**DC11:** A description of the QMM provider's policy for updating the QMM content, including the nature and anticipated timing of updates

**DC12:** A statement that user firms are responsible for the following:

- a. Determining whether the QMM are suitable for the user firm's purposes
- b. Understanding that the QMM are not intended to be a substitute for the standards and interpretive guidance, an evaluation thereof, or professional judgment
- c. Using QMM that reflect the most current (up-to-date) relevant standards and interpretive guidance that are applicable in the circumstances and accessing and using relevant standards and interpretive guidance that are applicable in the circumstances that are not addressed or not fully addressed by the QMM
- d. Properly implementing the QMM and using professional judgment in the application of the QMM based on the facts and circumstances (for example, of each engagement)
- e. Providing the appropriate training for the use of the QMM and performing the appropriate supervision and review procedures regarding the use of the QMM, based on the skill, training, knowledge, and experience of individual users within the user firm
- f. Identifying that there may be certain facts, circumstances, risk factors, or specific issues that exist for a particular client, engagement, or user firm that may not be addressed by the QMM; in that case, understanding that the QMM will require tailoring and augmentation to address such facts, circumstances, risk factors, or specific issues
- g. Monitoring the activities of standard-setting bodies for changes that would affect the user firm, including amendments of standards and interpretive guidance and deferrals of effective dates
- h. Complying with relevant professional standards and interpretive guidance
- i. Understanding that the effectiveness of the QMM is dependent on the user firm fulfilling the preceding responsibilities and the effectiveness of its actions

## **Description, as of September 30, 2025, of Thomson Reuters' *PPC's Practice Aids for Audits of Broker-Dealers*, September 22, 2025, 13th Edition**

*PPC's Practice Aids for Audits of Broker-Dealers*, September 22, 2025, 13<sup>th</sup> edition, (the Practice Aids), are accessible through [EngagementManager.ThomsonReuters.com](https://EngagementManager.ThomsonReuters.com) (formerly [AdvanceFlow.com](https://AdvanceFlow.com)) and available for download on [Checkpoint.RIAG.com](https://Checkpoint.RIAG.com). The Practice Aids consist of introductory text and multiple practice aids, including audit programs, checklists, reports, and confirmation and correspondence letters. The Practice Aids are editable Microsoft Word and Excel documents.

Thomson Reuters Guided Assurance (formerly Checkpoint Engage) and PPC's SMART Practice Aids are Workflow Tools that are not included in this description. They are designed to enhance productivity, efficiency, and quality when used in combination with the Practice Aids.

- Thomson Reuters Guided Assurance is a fully integrated online audit solution that provides enhanced technological functionality of the content and engagement methodology in the Practice Aids.
- PPC's SMART Practice Aids is a desktop application that provides similar functionality.

### **Definition of QMM**

*PPC's Practice Aids for Audits of Broker-Dealers* are quality management materials (QMM). The AICPA defines QMM as materials (for example, manuals or tools), including industry- or subject matter-specific materials, intended to enable the operation of a firm's system of quality management and promote consistency in performing quality engagements. QMM may be made available through technology, for example, through automated tools and techniques, and IT applications.

QMM address standards and interpretive guidance related to accounting; audit, attestation, review, compilation, or preparation engagements or other services that CPA firms may provide; or ethics, independence, quality control, quality management, peer review, or practice monitoring related to those services. QMM would be considered an intellectual resource as described in QM section 10, *A Firm's System of Quality Management*.

### **Other QMM Providers**

The elements of the QMM provided and within this description are delivered by Thomson Reuters (Tax and Accounting) Inc. (Thomson Reuters) and no other QMM provider.

### **Characteristics of the QMM**

The Practice Aids are a full set of practice aids to perform an audit of the financial statements of noncarrying broker-dealers in accordance with auditing standards of the Public Company Accounting Oversight Board (PCAOB). The Practice Aids also address agreed-upon procedures and exemption review engagements for exemption reporting, as required by the Securities Investor Protection Corporation (SIPC) Series 600 Rules, specific to noncarrying broker-dealers in accordance with attestation standards of the AICPA and the PCAOB. The Practice Aids are intended to be used in conjunction with the guidance in *PPC's Guide to PCAOB Audits* (PCA).

The Practice Aids provide a means to document compliance with relevant standards and interpretive guidance and include illustrative reports; engagement, management representation, confirmation, and other illustrative letters; checklists; and audit programs. The unique characteristics and the necessary responses and procedures that would apply to carrying broker-dealers are not addressed within the Practice Aids. The Practice Aids are designed to complement rather than replace PCA. As such, the audit, accounting, and reporting guidance included in the chapters of PCA are not repeated in the Practice Aids. Accordingly, references to PCA are included throughout the Practice Aids to direct auditors to that extensive guidance.

The Practice Aids address engagement-level quality management requirements but do not address firm-level quality management system requirements. Consequently, with regard to the PCAOB's *Interim Quality Control Standards* that consist of the AICPA's *Statements on Quality Control Standards* in existence as of April 16, 2003, the Practice Aids are intended to be used in conjunction with *PPC's Guide to Quality Management*.

**Description, as of September 30, 2025, of Thomson Reuters' *PPC's Practice Aids for Audits of Broker-Dealers*, September 22, 2025, 13th Edition (continued)**

**Relevant Standards and Interpretive Guidance Addressed by the Practice Aids**

***Auditing and Attestation Standards and Interpretive Guidance***

The Practice Aids address relevant auditing and attestation standards and interpretive guidance issued and effective by the PCAOB through September 22, 2025.

Although the following are not fully effective at the time of publication, the user applying the guidance in the Practice Aids must evaluate each standard's applicability and effective date based on the period covered in each specific engagement. The following auditing standards and conforming amendments were issued before September 22, 2025, and are fully incorporated into the Practice Aids, unless otherwise noted:

- PCAOB Release No. 2023-008, *The Auditor's Use of Confirmation, and Other Amendments to PCAOB Standards*, is effective for audits of financial statements for fiscal years ending on or after June 15, 2025. Dual guidance provided with extant guidance retained.
- PCAOB Release No. 2024-004, *General Responsibilities of the Auditor in Conducting an Audit and Amendments to PCAOB Standards*, is effective for audits of financial statements for fiscal years beginning on or after December 15, 2024, with the exception of the provision related to document completion dates. The provision amending the documentation completion date requirement is effective for registered firms that, during the calendar year ending December 31, 2024, issued audit reports with respect to more than 100 issuers, for audits of financial statements for fiscal years beginning on or after December 15, 2024. For all other registered firms, the new documentation completion date is effective for audits of financial statements for fiscal years beginning on or after December 15, 2025.
- PCAOB Release No. 2024-005, *A Firm's System of Quality Control; And Other Amendments to PCAOB Standards, Rules, and Forms*, as issued, is effective on December 15, 2025. On August 28, 2025, however, the PCAOB announced a one-year delay of the effective date, to December 15, 2026. (As of the date of these Practice Aids, no changes have been made to the text of the standard and related amendments.)
- PCAOB Release No. 2024-007, *Amendments Related to Aspects of Designing and Performing Audit Procedures that Involve Technology-Assisted Analysis of Information in Electronic Form*, is effective for audits of financial statements for fiscal years beginning on or after December 15, 2025.

***AICPA Professional Standards***

The Practice Aids address relevant attestation (agreed-upon procedures and review) standards and interpretive guidance issued and effective by the Auditing Standards Board (ASB) of the AICPA before September 22, 2025, and up to SSAE No. 23, *Amendments to the Attestation Standards for Consistency With the Issuance of AICPA Standards on Quality Management*. SSAE No. 23 is not applicable to the Practice Aids.

The Practice Aids also address the following AICPA Audit and Accounting Guides:

- AICPA Audit and Accounting Guide, *Brokers and Dealers in Securities*, as of August 1, 2024.
- AICPA Audit and Accounting Guide, *Revenue Recognition*, as of July 1, 2022.

The Practice Aids incorporate professional standards from the AICPA, beyond the attestation standards, that are relevant to the Practice Aids. These include standards relating to ethics from the AICPA *Code of Professional Conduct* in the context of their application to the Practice Aids.

***Accounting Standards and Interpretive Guidance***

The primary focus of the Practice Aids is on PCAOB engagement standards rather than accounting standards; however, they do provide limited relevant industry accounting guidance. In addition, accounting standards with disclosure requirements are included in the Disclosure Checklists (PBK-CX-13.1 and PBK-CX-13.2).

The Practice Aids address relevant accounting standards issued and effective by the Financial Accounting Standards Board (FASB) through September 22, 2025, and up to FASB Accounting Standards Update No.

**Description, as of September 30, 2025, of Thomson Reuters' PPC's Practice Aids for Audits of Broker-Dealers, September 22, 2025, 13th Edition (continued)**

2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to Accounting for Internal-Use Software.*

Although the following may not be fully effective at the time of publication, the user applying the guidance in the Practice Aids must evaluate each standard's applicability and effective date based on the period covered in each specific engagement. The following relevant accounting standards were issued before September 22, 2025, and dual guidance is provided.

- ASU No. 2023-05, *Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*, is effective prospectively for joint ventures with a formation date on or after January 1, 2025. Early adoption is permitted for financial statements that have not been issued.
- ASU No. 2023-06, *Disclosure Improvements—Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, is effective for entities subject to the existing disclosure requirements of the Securities and Exchange Commission (SEC) that are required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, on the date that the SEC's removal of each related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. As of September 22, 2025, the SEC had not removed the related guidance; thus, the effective date had not yet been defined.
- ASU No. 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*, is effective for all entities for fiscal years beginning after December 15, 2024, including interim periods within those years. Early adoption is permitted for financial statements that have not been issued.
- ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, is effective for public business entities for fiscal years beginning after December 15, 2024. Early adoption is permitted for financial statements that have not been issued.
- ASU No. 2024-02, *Codification Improvements—Amendments to Remove References to the Concepts Statements*, is effective for public business entities for fiscal years beginning after December 15, 2024, including interim periods within those years. Early adoption is permitted for financial statements that have not been issued.
- ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Disclosure Checklist has not been updated with the corresponding disclosure requirements.
- ASU No. 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, is effective for all entities for annual reporting periods beginning after December 15, 2025, including interim reporting periods within those years. Early adoption is permitted for certain entities.
- ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, is effective in conjunction with ASU No. 2024-03. The Disclosure Checklist has not been updated with the corresponding disclosure requirements.
- ASU No. 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, is effective for all entities for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those years. Early adoption is permitted for financial statements that have not been issued.
- ASU No. 2025-04, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer*, is effective for all entities for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those years. Early adoption is permitted for financial statements that

**Description, as of September 30, 2025, of Thomson Reuters' *PPC's Practice Aids for Audits of Broker-Dealers*, September 22, 2025, 13th Edition (continued)**

have not been issued.

- ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, is effective for all entities for annual reporting periods beginning after December 15, 2025, including interim reporting periods within those years. Early adoption is permitted for financial statements that have not been issued.
- ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to Accounting for Internal-Use Software*, is effective for all entities for annual reporting periods beginning after December 15, 2027, including interim reporting periods within those years. Early adoption is permitted as of the beginning of the year for financial statements that have not been issued.

The Practice Aids also address relevant final rules and interpretive guidance issued by the SEC through September 22, 2025.

**Policy for Updating the QMM Content**

Thomson Reuters updates *PPC's Practice Aids for Audits of Broker-Dealers* annually and generally releases a new edition each fall to reflect changes in standards and interpretive guidance, content enhancements, and the corrections of minor errors not previously updated. The Practice Aids referenced herein were completed on September 22, 2025, and no changes have been made to this specific edition of the Practice Aids since then.

**User Firm Responsibilities**

User firms are responsible for the following:

- a. Determining whether the QMM are suitable for the user firm's purposes
- b. Understanding that the QMM are not intended to be a substitute for the standards and interpretive guidance, an evaluation thereof, or professional judgment
- c. Using QMM that reflect the most current (up-to-date) relevant standards and interpretive guidance that are applicable in the circumstances and accessing and using relevant standards and interpretive guidance that are applicable in the circumstances that are not addressed or not fully addressed by the QMM
- d. Properly implementing the QMM and using professional judgment in the application of the QMM based on the facts and circumstances (for example, of each engagement)
- e. Providing the appropriate training for the use of the QMM and performing the appropriate supervision and review procedures regarding the use of the QMM based on the skill, training, knowledge, and experience of individual users within the user firm
- f. Identifying that there may be certain facts, circumstances, risk factors, or specific issues that exist for a particular client, engagement, or user firm that may not be addressed by the QMM; in that case, understanding that the QMM will require tailoring and augmentation to address such facts, circumstances, risk factors, or specific issues
- g. Monitoring the activities of standard-setting bodies for changes that would affect the user firm, including amendments of standards and interpretive guidance and deferrals of effective dates
- h. Complying with relevant professional standards and interpretive guidance
- i. Understanding that the effectiveness of the QMM is dependent on the user firm fulfilling the preceding responsibilities and the effectiveness of its actions