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January 24, 2014

Canadian Public Accountability Board
150 York Street, Suite 900
Toronto, Ontario M5H 3S5
Canada

Email: consultation@cpab-ccrc.ca

Dear Sir/Madame:

**Re: Protocol for Audit Firm Communication of CPAB Inspection
Findings with Audit Committees**

The Canadian Bankers Association¹ (“CBA”) appreciates the opportunity to respond to the Canadian Public Accountability Board’s (CPAB) consultation paper - “Protocol for Audit Firm Communication of CPAB Inspection Findings with Audit Committees” (the “Protocol”).

We are supportive of the proposed Protocol given the enhanced transparency it will bring to audit committees on CPAB’s findings. This will provide additional input for audit committees as they oversee the work of the auditor, and will assist in improving overall audit quality. We however recommend the inclusion of a mechanism within the Protocol to address any subsequent feedback or communication between CPAB and the audit firm, as it relates to the reporting issuer’s findings.

In addition, we have considered and have concluded that the confidentiality of a reporting issuer’s file specific inspection findings will be appropriately protected if shared by the auditors under the proposed Protocol.

While we see the Protocol as a positive step forward, we believe it would be beneficial to engage in a dialogue on whether or not to include a recommendation for relevant firm wide findings to be made available to audit committees by the auditors. Providing specific firm wide information to audit committees could enhance the Protocol and potentially have a greater effect on audit quality in the long run. Firm wide findings often impact the application of professional and regulatory standards,

¹ The Canadian Bankers Association works on behalf of 59 domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 275,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada’s economy. The Association also promotes financial literacy to help Canadians make informed financial decisions and works with banks and law enforcement to help protect customers against financial crime and promote fraud awareness. www.cba.ca.

including quality control and independence monitoring processes, on all audits managed by the firm. Equipping those responsible for oversight of the audits including approval of fees with this level of

information, could further assist the Audit Committees in discharging their responsibilities. We do however acknowledge the confidential nature of certain firm wide findings, for example, information specifically related to other clients of the firm.

We would be pleased to discuss any questions you may have on our comments.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Charles", written in a cursive style.