

Via E-Mail: Consultation@cpab-ccrc.ca

Canadian Public Accountability Board
Suite 200
150 York Street
Toronto, Ontario
M5H 3S5

January 24, 2014

Dear Sirs:

re: Protocol for Audit Firm Communication of CPAB Findings with Audit Committees

Thank you for providing us with a copy of the Canadian Public Accountability Board's November 2013 Consultation Paper on the above noted topic. I circulated a copy of this Consultation Paper to all of the firm's partners for their review and comment. As such, this submission reflects the consensus comments of the firm's partners. In general, we agree with the direction proposed by this Consultation Paper but believe that it may be improved upon to aid transparency of CPAB's inspection findings with all Audit Committees.

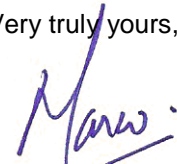
We agree with the Protocol that audit firms be required to provide Audit Committees all of their RI's with a copy of CPAB's public report on an annual basis. This requirement however will be of limited assistance to Audit Committees. This is because the report reflects CPAB's findings that are common across all audit firms in Canada and are not specific to the deficiencies identified with the particular audit firm's professional services. Therefore, these findings may not be reflective of the deficiencies identified with a particular RI's audit firm.

We also concur with CPAB that its findings specific to the inspection of an individual RI are of most relevance to its Audit Committee and can directly improve audit quality and the Audit Committee's oversight of the auditor. To achieve this objective we concur with CPAB's recommended Protocol that, in the event that CPAB has inspected the audit file of a RI, the audit firm will provide the Audit Committee of the inspected RI with the information outlined in paragraph 7 of the Protocol. We believe however that the RI should also be provided with the complete Inspection Report. Although there are insignificant matters discussed, the number and nature of the insignificant findings can assist Audit Committees in evaluating an audit firm's progress in improving its adherence to professional auditing standards over time.

We also believe that audit quality can be improved by providing a redacted copy of CPAB's Inspection Report to the firm's other RI's. Although the particular audit findings may not be relevant as to their nature, they will provide the RI's Audit Committee with information that will assist them in verifying their audit firm's

dedication to continual audit quality improvements. The fact that the report is redacted will ensure that confidential client information is not disclosed to inappropriate parties. I thank you for the opportunity to provide my firm's comments on this Protocol. On behalf of my partners and staff we believe that full and complete disclosure is the best avenue for continual audit quality improvements.

Very truly yours,



Marco F. Simone
Managing Partner