



January 16, 2014

Mr. Kam Grewal
Vice President
Canadian Public Accountability Board
150 York Street, Suite 900
Toronto, Ontario M5H 3S5
Email – consultation@cpab-ccrc.ca

Dear Mr. Grewal:

Draft Protocol for Audit Firm Communication of CPAB Inspection Findings with Audit Committees

We appreciate the opportunity to comment on the draft protocol. We would also like to recognize CPAB's outreach to various stakeholders in development of the draft protocol, including the Institute of Corporate Directors, parties involved with the Enhancing Audit Quality project, and various auditors and counsel. We believe that this outreach was key to the development of the draft protocol.

CPAB's role is to promote high quality audits of the financial statements of Reporting Issuers in order to ensure investor confidence in those financial statements. Transparency of inspection results is a key element to ensuring confidence, and is legitimately expected by audit committees of Reporting Issuers for which the audits have been subject to inspection.

At the same time, CPAB's role in promoting high quality audits is achieved through open, candid dialogue and reporting between CPAB and the participating audit firms. In our view, the greatest value in this part of the process is achieved when this dialogue and reporting occurs on a confidential basis. There are times, however, where the public interest is best served through disclosure of underlying facts or circumstances that indicate more serious concerns. Those situations are addressed through the proposals of the Canadian Securities Administrators with respect to National Instrument 52-108 (Auditor Oversight). We have indicated our support of those proposals in a recent response to the Canadian Securities Administrators.

We think that the draft protocol, together with the CSA proposals, strike an appropriate balance between transparency and confidentiality, all with the goal of continuous improvement in audit quality and ensuring investor confidence in audited financial statements. Based on our strong working relationship with CPAB, we believe that the protocol can be practically implemented, and it is our intent to implement the protocol, if it is finalized, as drafted.

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We would be pleased to discuss our comments if requested. Any questions can be directed to Michael Tambosso (michael.a.tambosso@ca.pwc.com or (416) 941-8388) or Kerry Gerber (kerry.d.gerber@ca.pwc.com or (416) 365-8834).

Yours very truly,

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants