



January 23, 2014

BY EMAIL (Consultation@cpab-ccrc.ca)

Canadian Public Accountability Board
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Dear Sirs/Mesdames:

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

This letter is provided in response to the Consultation Paper published by the Canadian Public Accountability Board (“**CPAB**”) in November 2013 in respect of the proposed “Protocol for Audit Firm Communication of CPAB Inspection Findings with Audit Committees” (the “**Protocol**”). As the principal stock exchange in Canada for junior issuers, with approximately 2,450 listed issuers, TSX Venture Exchange (“**TSXV**” or the “**Exchange**” or “**we**”) appreciates CPAB providing the opportunity for interested parties to review and provide comments on the Protocol.

The Exchange considers effective corporate governance as a necessity for issuers in our market and believes that the audit committee forms an integral component of an issuer’s corporate governance structure. The ability of an audit committee to properly perform its role is dependent, in part, upon the ability of its members to recognize, identify and understand relevant issues and considerations applicable to financial reporting requirements, the audit process and related matters. Correspondingly, given that the Protocol will provide a means for audit committees to be made aware and develop an understanding of key issues and considerations applicable to the audit process and audit quality that have been identified by CPAB on an annual basis, the Exchange considers the Protocol to be a positive step in terms of assisting audit committees in their oversight role and improving audit quality.

One matter the Exchange recommends that CPAB assess before finalizing and implementing the Protocol is whether there is any direct or indirect cost element that will be borne by issuers as a result of the Protocol. Assuming there is no material cost element that will be borne by issuers as a result of the Protocol, the Exchange is supportive of the implementation of the Protocol and its applicability to issuers listed on the Exchange.

If you would like to discuss any of the matters set forth in this letter further, please do not hesitate to contact the undersigned at your convenience. In addition, if CPAB would like the Exchange's assistance in obtaining specific market or other information related to Exchange-listed issuers that may assist CPAB in further assessing this matter, we would be more than happy to provide whatever assistance we can.

Respectfully yours,

TSX VENTURE EXCHANGE INC.

Per: (signed) *Zafar Khan*

Zafar Khan
Policy Counsel