CANADIAN PUBLIC ACCOUNTABILITY BOARD
CONSEIL CANADIEN SUR LA REDDITION DE COMPTES

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January 13, 2010

Mr. Greg Tanzer
Secretary General
IOSCO General Secretariat
Calle Oquendo 12
28006 Madrid
Spain

Dear Mr. Tanzer:

Re: Public Comment on Auditor Communications: Consultation Report

The Canadian Public Accountability Board (CPAB) is pleased to comment on the consultation report "Auditor Communications".

Audit Report

CPAB is supportive in principle of global consistency in audit reporting. We believe a standard audit report is useful to investors and a change from a binary (pass/fail) model may be more confusing for investors and make it more difficult to understand whether financial statements achieve fair presentation in accordance with an accounting framework.

Levels of Assurance

The consultation report explores the possibility of the auditor providing different levels of assurance on different financial statement elements. We would not be supportive of a move in this direction as the overall level of assurance being provided to investors under such a model may be reduced when compared to the level of assurance investors currently receive. This may also lead to confusion amongst investors in understanding the assurance they are receiving and has the potential to undermine the concept of reasonable assurance currently provided on the financial statements taken as a whole.

Communications with Audit Committees

The consultation report contemplates a requirement to publicly disclose communications historically provided by auditors only to those charged with governance. We caution a move in this direction as this may lead to less forthright and transparent dialogue between the auditor and

those charged with governance with potentially negative consequences for audit quality. In our experience, we have noted situations where the communications with Audit Committees should have been more forthright and transparent. Examples include ranges of estimates and financial statement disclosure that was lacking in clarity. However, we believe it would be worthwhile exploring the potential disclosure of additional information about the audit by the auditor outside of the standard audit report. For example, disclosure of the more significant audit risks and related audit responses as well as other information related to the scope, conduct and outcome of the audit.

CPAB appreciates the opportunity to provide input on the consultation report.

We would be pleased to discuss any of the above comments.

Yours very truly,

Brian Hunt, FCA
Chief Executive Officer