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**VIA EMAIL**

**Kristina Heese**

General Counsel

Canadian Public Accountability Board

150 York Street, Suite 900

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**RE: Public consultation regarding CPAB proposed Rule amendments**

Dear Ms. Heese,

This letter is in response to CPAB's request for comment on CPAB's proposed rule changes.

On behalf of Deloitte LLP, Ernst & Young LLP, KPMG LLP and PricewaterhouseCoopers LLP (the "Firms"), we would like to thank you for the opportunity to participate and provide additional input into CPAB's proposed Rule amendments.

The Firms continue to be supportive of CPAB's efforts to increase transparency and support many of CPAB's proposed amendments. The Firms were pleased to see many of their earlier comments reflected in the updated amendments. However, several significant concerns remain unaddressed. Those concerns were set out in detail in the chart to our letter dated February 13, 2023 and will not be repeated here.

The Firms wish to highlight concerns on two remaining issues:

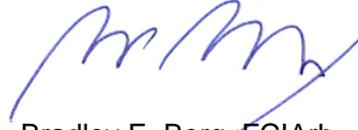
1. We understand that CPAB is considering parallel proposed changes with respect to Quebec. Especially for firms with national practices, it will be important to maintain consistency across the country to avoid confusion and ensure the highest quality in audit services for our clients and the public. The Firms remain very concerned about the prospect for having a bifurcated disclosure regime in Canada, particularly given the frequency with which an audit can involve CPAs registered with several provincial institutes, making it difficult to determine which audits would be subject to CPAB disclosure and which would not. Arguably, such a regime would also have the effect of skewing perception that audits by firms with greater Quebec representation have fewer inspection findings or are subject to less rigorous oversight, since there will be less frequent (or no) disclosure of significant findings for audits done by those firms.

2. Regarding the newly proposed Rule 413(b), the Firms appreciate CPAB's publication of the EFR process and details of certain procedural safeguards on its website. While this information is helpful, the procedural safeguards appear to be the same as previously in place. Given the significance that public disclosure of findings can have on an audit firm, the Firms believe it is important to bolster the procedural safeguards. In particular, under the current process, the only opportunity an audit firm has to communicate directly with the EFR panel is before the firm has an understanding of the panel's decision and the reasons for it.

The Firms propose that the process be updated to (i) ensure that in each case the background document prepared by the inspection team for the EFR panel is shared with the audit firm, such that the audit firm can comment directly on the backgrounder in its submission to the EFR panel, and (ii) require the EFR panel to issue its decision and the reasons supporting it to the audit firm for comment prior to issuing a final decision. Absent these safeguards, the audit firm has no opportunity to engage with the EFR panel's decision (including to provide additional information and improve the decision) and, instead, the matter moves directly to remediation.

The Firms wish to reserve their rights to participate in any further discussions or consultation processes. We also understand CPAB is pursuing legislative amendments. The Firms would appreciate the opportunity to further consider and provide comments once CPAB is able to share the details of the legislative amendments it may be seeking.

Yours very truly,



Bradley E. Berg, FCI Arb.

c: Doug McLeod, *Blakes*  
Alysha Li, *Blakes*