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Alberta Securities Commission
The Manitoba Securities Commission
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Securities Commission of Newfoundland and Labrador
Nova Scotia Securities Commission
Saskatchewan Financial Services Commission
Office of the Attorney General, Prince Edward Island
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut
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RE: Proposed Multilateral Instrument 51-108 *Auditor Oversight*

We have read the above-mentioned document and in response to the specific questions in the request for comment, we have the following comments for your consideration:

Part 2:

Do you agree that public accounting firms in foreign jurisdictions should be required to participate in the CPAB Oversight Program? If not, what other alternatives should be considered? For example, should a public accounting firm based outside Canada that is subject to oversight by a comparable body in a foreign jurisdiction, such as the PCAOB, be treated differently?

Yes, we agree that public accounting firms in foreign jurisdictions should be required to participate in the CPAB Oversight Program.

With respect to implementation of the oversight program, if there is a comparable body in a foreign jurisdiction, such as PCAOB, that will be performing quality assurance reviews, then we believe it would be beneficial for all parties to have a reciprocal agreement with that governing body. This agreement should be structured to allow CPAB to review and accept the results of the comparable body rather than require the public accounting firm in the foreign jurisdiction to undergo reviews by the two separate oversight bodies. As a reciprocal agreement, we would expect that the PCAOB would review and accept the results of the quality assurance reviews performed by CPAB on Canadian public accounting firms.

Part 3:

Do you think that five business days is an appropriate length of time for a public accounting firm to provide notice to its audit clients? Do you agree that an audit firm should only be required to provide notice to its audit clients when it fails to address defects within the time period prescribed by the CPAB? Are there other more effective means of having information about sanctions or restrictions communicated? For example, should the CPAB disclose to the public on a timely basis any sanctions or restrictions it imposes on a public accounting firm?

We are very uncomfortable answering this question without a full understanding of the process that CPAB proposes to follow. The current inspection process used by the Provincial Institutes has due process and publication of disciplinary notices occurs only at the conclusion of this due process. Given the potential implications of a sanction from CPAB, we believe it is critical that this process is communicated quickly. The intent of these proposed rules is to improve investor confidence, however, if the information regarding sanctions and restrictions is not properly communicated to the public, it could potentially result in unwarranted fear in the investment community.

Assuming that the process that CPAB proposes would follow an appropriate level of due process, we do not believe that five days would be sufficient to communicate with our audit clients. The number of clients that we could be required to communicate with is substantial and it is not clear the manner in which we need to communicate with them (i.e. regular mail, e-mail etc).

We do agree that an audit firm should only be required to provide notice to its audit clients when it fails to address defects within the time period prescribed by the CPAB. If the CPAB is going to grant an audit firm time to address defects, then during this period, there should be no public notice. This will encourage the audit firms to address their defects without the negative reaction from the public if this information is made available to the public.

We strongly believe that any communication regarding sanctions and restrictions should be communicated to clients by their audit firms. Publication of this information by CPAB could be misunderstood by the public and could have a very detrimental affect on an audit firm as a whole.

Thank you for your consideration of the above-noted comments.

Yours truly,

Kelly E. Miller

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