



November 24, 2023

By email: consultation@cpab-ccrc.ca

Jeremy Justin
Vice President, External Outreach and Chief Risk Officer

Kristina Heese
General Counsel

Dear Jeremy Justin and Kristina Heese:

Re: Request for comment on the Canadian Public Accountability Board's proposed rule change

Thank you for the opportunity to comment on the Canadian Public Accountability Board's (CPAB) proposed rule changes published in September 2023. The Office of the Superintendent of Financial Institutions (OSFI) is Canada's prudential regulator and supervisor of federally regulated financial institutions (FRFIs) and private pension plans. OSFI acts to protect depositors, policyholders, financial institution creditors and pension plan members, while allowing financial institutions to compete and take reasonable risks.

OSFI values high audit quality as our oversight of FRFIs relies on external auditors' opinion for the fairness of financial statements. In addition, OSFI's mandate includes monitoring and evaluating system-wide or sectoral developments that may have a negative impact on the financial condition of FRFIs. Our interest in CPAB's regulatory disclosures extends beyond FRFIs to all public accounting firms that audit Canadian reporting issuers.

OSFI supports CPAB's proposed rule changes as they contribute to enhancing audit quality, protecting the public interest, and increasing public confidence in financial reporting. Specifically, we strongly support:

- disclosing individual firm inspection reports for every audit firm inspected by CPAB within a given year, and
- mandating the CPAB protocol for disclosure of reporting issuer specific significant inspection findings to the reporting issuer's audit committees.

If you wish to discuss the contents of this letter further, Kenneth Leung, Managing Director, Accounting Policy Division or Kathy Huynh, Director, Accounting Policy Division would be pleased to meet with you.

Yours sincerely,

Tolga Yalkin
Assistant Superintendent
Regulatory Response Sector