



January 2, 2020

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut
(Collectively the "Canadian Securities Administrators" or "CSA")

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Dear Canadian Securities Administrators:

Subject: Request for comment: Proposed Amendments to National Instrument 52-108 Auditor Oversight and Proposed Changes to Companion Policy 52-108 Auditor Oversight

We are pleased to have the opportunity to comment on the proposed amendments to National Instrument 52-108 ("NI 52-108"), Auditor Oversight and the proposed changes to Companion Policy 52-108, Auditor Oversight.

We are in support of the objective of the Canadian Public Accountability Board ("CPAB") in relation to obtaining access to work performed by significant component auditors, particularly putting more onus on reporting issuer management in assisting the participating audit firm in meeting the requirements of CAS 600. We do however have some concerns as to the means in which it is proposed to be achieved as the proposed amendments appear to be an attempt to include a change to the auditing standards through a National Instrument. If CPAB does not believe International Standard on Auditing ("ISA") and Canadian Standard on Auditing ("CAS") 600 provides sufficient information as to what is sufficient appropriate audit evidence to support the work performed by the component auditor, we feel this should be addressed through the standard setting process for ISA / CAS 600 Revised versus through a National Instrument. If the aim is to address a practice issue, we would suggest that such an issue could be more appropriately managed through the continued development of application guidance.

Our response to the CSA's specific question is attached as Appendix A. Should you wish to discuss any of our comments, please contact Greg Weber (greg.weber@ca.gt.com).

Yours sincerely,

Greg Weber, CPA, CA
Grant Thornton LLP

Appendix

- 1. The proposed definition of significant component auditor captures audit work on financial information related to a component, whose activities the reporting issuer has the power to direct on its own or jointly with another person or company. Are there specific limitations or concerns with the inclusion of components where the reporting issuer has power to directly on its own or jointly with another person or company? If so, please explain.**

We do not have an issue, nor believe there are specific limitations or concerns, regarding the inclusion of components where the reporting issuer has power to directly on its own or jointly with another person or company. However, we would advise that the CSA needs to be cautious when providing a definition in a National Instrument of a concept that is also defined in ISA/CAS 600. There is the risk that the two definitions will not be in alignment and this may confuse auditors and cause application issues to arise when auditors are required to meet the requirements of both the National Instrument and the group auditing standard. With the current ISA 600 in the process of being revised, there is an even greater risk that the definitions could be misaligned.