



Certified General
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Comptables généraux
accrédités

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August 16, 2005

Greg Shields, CA
Director, Auditing and Assurance Standards
Auditing and Assurance Standards Board
277 Wellington Street West
Toronto, Ontario M5V 3H2

Dear Mr. Shields:

We have reviewed your Exposure Draft "The Auditor's Written Consent to the Use of the Audit Report in a Continuous Disclosure Document". You asked for comments on three specific questions, which we have included below.

1. Do you agree with the proposed guidance as to the procedures the auditor would perform before issuing a written consent to the use of the audit report? In particular, do you agree that the auditor would need to review the most recently issued interim financial statements in accordance with the procedures in Section 7050?
 - We agree with the proposed guidance referenced in your first question in that the auditor needs to perform a review of the most recently issued interim financial statements. The one variation that we would suggest is the review engagement report for the period under review would only be prepared in written form. The standards applicable to review of interim Financial Statements as discussed in CICA 7050.26, in the reporting guidelines section, allow review engagement reports to be made verbally. We would suggest that a conforming amendment be prepared to only allow written review engagement reports when the consent being contemplated by this section is being provided. Therefore, the standard would be that "Prior to the auditor providing the consent to use the Auditor's report in a continuous disclosure document they should issue a written review engagement report on the most recent interim financial statements."
2. Do you agree with the proposed wording of the auditor's written consent?
 - The Auditors consent should include a comment on whether or not interim financial statements have been reviewed between the date of the auditors consent and the date of the year end noted in the written consent.

3. Is there additional guidance that would be desirable?

- Additional guidance would be helpful for the situation when there is a change in auditors. The situation may come about where the company decides that it is appropriate to change the auditors before the continuous disclosure document is issued. This could lead to some confusion regarding what consents are required and from whom. If the consent is to be provided before the first interim report is issued then the prior auditor should provide the consent as described in the exposure draft. If there has been an interim report issued the new auditor would review the statements and provide a similar but modified consent (review statements only) and the old auditor would provide the consent for the audited statements. This should alleviate any potential confusion in this regard.

Thanking you for the opportunity to comment. For any questions, we invite you to contact Amar Goomar, Senior Analyst, Research and Standards, at agoomar@cga-canada.org or telephone # (613) 789-7771 ext. 223.

Regards,

[Original signed by:]

Anthony Ariganello, FCGA, CPA (Delaware)
President & CEO