



I, **Véronique Long**, Secretary of the Financial and Consumer Services Commission, hereby certify that:

1. The Recognition Order below was issued by Members of the Financial and Consumer Services Commission at a meeting held on 24 June 2020 with an effective date of 1 August 2020.

Dated at Saint John, New Brunswick, this 25<sup>th</sup> day of June 2020.

*“Original signed by”*

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Véronique Long

IN THE MATTER OF THE *SECURITIES ACT*, S.N.B. c. S- 5.5

AND

IN THE MATTER OF

CANADIAN PUBLIC ACCOUNTABILITY BOARD

RECOGNITION ORDER

**(Pursuant to section 35(1)(e) of the *Securities Act*, S.N.B. c. S- 5.5)**

On 10 January 2013, the New Brunswick Securities Commission, predecessor to the current Financial and Consumer Services Commission (the “Commission”), recognized the Canadian Public Accountability Board (“CPAB”) as an auditor oversight body in New Brunswick pursuant to Section 35(1)(e) of the *Securities Act*, S.N.B. c. S-5.5 (the “Act”), until 31 July 2014.

The Commission continued the recognition of CPAB on 1 August 2014 and again on 1 August 2017. The current recognition order will expire on 31 July 2020. CPAB has applied to the Commission for a further continuation of recognition.

Based on the application, which includes CPAB’s By-Laws and Rules, as well as representations, acknowledgements and undertakings made by CPAB to the Commission, the Commission is satisfied that continuing recognition of CPAB will not be prejudicial to the public interest.

Terms used in this Order have the same meaning as terms defined in the *Act*, National Instrument 14-101 *Definitions* and National Instrument 52-108 *Auditor Oversight*.

**IT IS HEREBY ORDERED** pursuant to Section 35(1)(e) of the *Act* that the Commission recognize CPAB as an auditor oversight body on the following terms and conditions:

1. CPAB complies with the *Canadian Public Accountability Board Act* (Ontario), 2006 (the “*CPAB Act*”);
2. CPAB provides to the Commission a copy of the certificate required by the *CPAB Act* to be submitted to the Ontario Securities Commission (“OSC”) by the CPAB Council of Governors, as soon as possible after the delivery of the certificate to the OSC;
3. CPAB discloses to the Commission all issues arising from each annual assessment by the OSC of the CPAB annual report, as required by the *CPAB Act*, when, and to the extent, CPAB is aware of those issues;
4. CPAB provides the Commission with 30 days’ advance notice of any proposed material changes to any of the information in its application;
5. CPAB promptly notifies the Commission in writing, and includes the names of relevant reporting issuers and audit firms, when CPAB:
  - a. becomes aware of any violation by a Participating Audit Firm of Professional Standards or CPAB’s Rules relating to an audit or audits of one or more reporting issuers, that in CPAB’s opinion creates a heightened risk to the investing public,
  - b. advises a reporting issuer that it should seek the Commission staff’s view about any matter,
  - c. becomes aware that a reporting issuer will be re-filing annual or interim financial statements, or re-stating or potentially re-stating financial information for comparative periods in annual or interim financial statements for reasons other than the retrospective application of a change in accounting standard or policy or new accounting standard,
  - d. terminates the status of any audit firm as a Participating Audit Firm because of the firm’s non-compliance with its participation agreement with CPAB, or
  - e. receives information that suggests a reporting issuer may have materially misstated its financial statements or otherwise breached securities legislation.
6. CPAB staff discusses with the Commission on a semi-annual basis, CPAB’s:
  - a. plans for inspections of Participating Audit Firms as part of CPAB’s annual review program,
  - b. the general results of inspections CPAB has conducted as part of its annual review program since its last report to the Commission, and

- c. any issues related to subparagraph (a) or (b) above that in CPAB's opinion may be relevant to assessing compliance with securities legislation.

7. CPAB promptly:

- a. notifies the Commission of any plans to conduct a targeted review of one or more Participating Audit Firms or the audit files of one or more reporting issuers whose principal regulator is the Financial and Consumer Services Commission and the targeted review is not part of CPAB's annual review program,
- b. reports to the Commission the results of the targeted review, and
- c. reports to the Commission any issues related to sub-paragraphs (a) or (b) above that in CPAB's opinion may be relevant to assessing compliance with securities legislation.