



November 10, 2011

Office of the Secretary,
PCAOB,
1666 K Street, N.W.
Washington, D.C.
20006-2803

RE: Rulemaking Docket Number 37

The following represents my views with respect to the PCAOB Concept Release No. 2011-006 dated August 16, 2011 on mandatory audit firm rotation, and its impact on the auditor's independence – real and perceived.

My response to this matter is in my capacity as the Chief Financial Officer of a small publicly traded company listed on the Toronto Stock Exchange and on NASDAQ. In my view, the key issue is the provision of financial statements provided to all stakeholders that are accurate and timely, providing full and proper disclosure to its users. In this context, it is the auditor's role to provide objective assurances to the stakeholders that such is the case. The auditor accomplishes this through the audit process, which is the procedural application of their experience and training to assess the accuracy of the company's internal controls and its financial statements. While independence is a significant element in the ability to provide appropriate assurances without the real or perceived stigma of a conflict of interests, I do not believe the movement to audit firm rotation would positively impact the outcome.

Apart from the anticipated negative impact on the audit costs and efficiencies, the evidence indicating that the quality of the audit suffers in the first couple of years suggests that audit firm rotation adds a level of risk without evidence of any measurable benefit.

There is a presumption that a lengthy audit firm relationship with a client is to the detriment of the investors and the capital markets. There are significantly more long term relationships that have been to the benefit of the investors and the capital markets. In fact, open dialogue with management is often an effective method of determining areas where further review is required.

On many key and complex issues, there can unfortunately be more than one correct disclosure. In such instances audit firms can disagree on the treatment they consider appropriate. Changes as a result of audit rotation and the application of these different interpretations could create additional market uncertainty in these instances, potentially weakening, not strengthening investor confidence.

Also, if sectoral expertise is developed within an audit firm, and rotation occurs, perhaps the experts change firms to follow the work. What would this accomplish? This is particularly relevant in smaller markets where not all audit firms would have the required industry knowledge and experience.

The key elements to maintain investor confidence is experience and training applied diligently, ethically, and objectively, with "independence of mind" to the job at hand. The key expectations from a professional, is to be able to apply the requisite skills in this manner. If they can't do this, then rotating auditing firms could simply shift this inadequacy to another company, not remove it from the environment.

The relationship with the audit firm is managed through the audit committee. This relationship should be strengthened, not weakened. As the board and its committees work on behalf of the shareholders, it is their task to maintain the required balance in the relationship. Mandatory audit firm rotation, with a fixed term mandate, and less flexibility for the audit committee, would weaken this dynamic. On November 9, 2011 our audit committee reviewed the PCAOB proposal and this letter of response. They concurred with the responses I have outlined herein, strongly affirmed their concerns about the weakening of the role and flexibility of the audit committee that implementation of the mandatory audit firm rotation would cause, and asked that I include these concerns in my letter to the PCAOB.

There seems to be an undertone suggesting that unless the audit firm is contrarian, it is not acting independently or objectively, and also, that an audit firm working with the client to determine and present the best possible disclosure, is not acting independently. While this is possible, it is not the most likely result. I would submit that, in the vast majority of cases, the appropriate disclosure is the outcome.

The issue of the company (management?) paying the auditor for audit services creating a conflict of interest doesn't create a sufficient argument for audit firm rotation. As the control of the process is through the audit committee, it is the shareholders' appointees who effectively direct this activity.

In reviewing the many items raised in the concept release, I would submit that focus and continued improvement in the following areas would have more immediate and lasting positive impact on the process.

Considerations for Improvement:

Education, training and experience for audit staff, and continued improvements and efficiencies in quality control processes within the audit firms

Entity controls and tone at the top for the audit firms and companies alike, with consequences for inappropriate actions

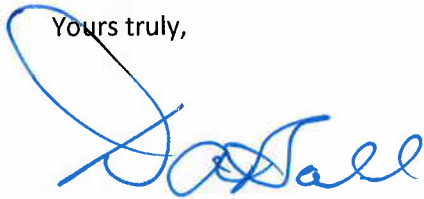
PCAOB activities and findings communicated to companies and audit committees

Communications with audit committees to focus on issues –awareness, training

Support audit committees in providing access to expert opinions in areas of concern. Not "opinion shopping" but perspective broadening and education supporting proper governance practices

I respectfully submit that the requirement for mandatory audit firm rotation would not have the positive impact desired, and should not be pursued.

Yours truly,

A handwritten signature in blue ink, appearing to read "Doug Ball". The signature is fluid and cursive, with a large loop at the beginning.

Doug Ball, C.A.

Chief Financial Officer

Oncolytics Biotech Inc.