

For those Practitioners required to engage a Supervisor, this document must be signed by the Practitioner and the Supervisor to confirm the understanding of the responsibilities as set out on page 2 & 3 (which must also be initialed). Please scan and email the signed copy to CPABC at practicereview@bccpa.ca.

SUPERVISOR CONFIRMATION

(Letter to be prepared on the letterhead of the Supervisor)

CPABC
800 – 555 West Hastings Street
Vancouver BC V6B 4N6

Attention: Director, Practice Review

I have been engaged by _____ (“the Practitioner”) to act as a Supervisor on their **(circle one) audit / review/ assurance** engagements until such time that I am informed by CPABC that this arrangement is no longer required.

As a Supervisor, I agree to be involved throughout the Practitioner’s **(circle one) audit / review/ assurance** engagements to provide coaching and support related to planning, the design and execution of assurance procedures, analysis of accounting issues, and concluding on the financial statements. (See Appendix A for summary of responsibilities of the Supervisor for these engagements.)

I confirm that the Practitioner has provided me with a complete copy of their inspection report, including the letter finalizing the results, the Practice Review Officer’s Report and the Summary of Reportable Deficiencies, from their most recent CPABC Practice Review.

I understand that, as part of the Supervisor engagement, I am required to provide to CPABC a report (<https://www.bccpa.ca/member-practice-regulation/public-practice/practice-review/supervisor/>) for each engagement file where I have provided assistance to the Practitioner. This report will summarize the areas in the file where assistance was provided and the nature of this assistance.

I confirm that I am aware of the period for which a firm can engage a Supervisor included on Appendix B and the Supervisor report submission deadlines included on Appendix C.

I understand that any financial arrangements for this engagement are negotiated between the Practitioner and myself.

(Print Name) **Supervisor**

(Supervisor Signature)

(City, Date)

(Print Name) **Practitioner**

(Practitioner Signature)

(City, Date)

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Appendix A - Supervisor Responsibilities

The Supervisor is expected to be involved throughout the Practitioner's audit / review / assurance engagements (as specified by the Confirmation Letter) to provide coaching and support related to planning, the design and execution of assurance procedures, analysis of accounting issues, and concluding on the financial statements. Examples of the type of assistance a Supervisor may provide to the Practitioner are listed below.

Planning

- Consideration of engagement acceptance / continuance.
- Obtaining an understanding of the entity, including their processes and controls.
- Determining materiality based on the needs of the users of the financial statements.
- Identifying areas of risk based on their understanding the entity.

Design and Execution of Assurance Procedures

- Creating appropriate assurance procedures to address risks identified.
- Executing the assurance procedures.
- Discussion of potential issues that are identified as a result of performing these procedures.

Analysis of Accounting Issues

- Assisting in the identification of any unusual transactions and providing guidance on the related accounting treatment.
- Evaluate the Practitioner's ability to exercise good professional judgment.

Concluding on the Financial Statements

- Discussing misstatements identified during the engagement to determine where adjusting entries should be proposed to the client.
- Evaluation of adjusting entries and communication of these adjustments to management and those charged with governance (e.g. Board of Directors).
- Reviewing financial statements for appropriate disclosures.
- Preparing communications to those charged with governance.

Professionalism

- Consider the co-cooperativeness of the member.
- Consider if files were received within agreed-upon deadlines.
- If acting as a Supervisor on multiple files, determining if issues raised in one file were resolved on subsequent files.

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Appendix B - Supervisor Engagement Period

Supervisor Reports are reviewed to determine if the Practitioner could meet standards independently, based on the number and nature of issues raised.

The Practitioner is required to have a Supervisor until such time that there are sufficient reports to demonstrate the Practitioner can meet standards independently. If the Practitioner is unable to demonstrate that they can meet standards on these engagements independently, the Practitioner may be restricted from performing further engagements in this category where a Supervisor is required.

Should the Practitioner wish to perform work in the category in which there has been a restriction placed in the future, the Practitioner will need to apply to the Public Practice Committee to have the restriction lifted.

Practitioner initials _____

Supervisor initials _____

Appendix C – Submission Deadlines

1. Supervisor Reports and the related review notes / queries must be submitted to CPABC via email practicereview@bccpa.ca within **ten business days** of the engagement release by the Practitioner.
2. If no engagements have been released six months from the Supervisor appointment date, the Practitioner is responsible for confirming this in writing to CPABC and providing subsequent confirmations **every six months thereafter** via email to practicereview@bccpa.ca and including the Supervisor on this email.
3. Failure to submit the Supervisor reports or a confirmation in writing that the firm has performed no work requiring a Supervisor within the required time period **may result in a firm being restricted from performing engagements in a category where a Supervisor was required.**

Practitioner initials _____

Supervisor initials _____