

Establishment of a Practice Inspection Program

May 6, 2016

Comments Must Be Received By: August 31, 2016

This Exposure Draft concerning the proposed establishment of a Practice Inspection Program is issued by The Canadian Institute of Chartered Business Valuators for comment. The Practice Inspection Program may be modified in light of the comments received.

Individuals and organizations are invited to send written comments on the Practice Inspection Program proposed by this Exposure Draft. Comments are requested from those who agree with the Exposure Draft as well as from those who do not.

Comments are most helpful if they refer to a specific paragraph or group of paragraphs, and when expressing disagreement with the Exposure Draft, they clearly explain the issue, and include a suggested alternative supported by specific reasoning.

To be considered, comments must be received by August 31, 2016, addressed to:

Robert H. Boulton, CPA, CA, CBV
Executive Vice President and COO
CICBV
277 Wellington Street West,
Suite 710
Toronto, Ontario
M5V 3H2

It is preferable that comments be sent by email, to: Robert.Boulton@cicbv.ca

Establishment of a Practice Inspection Program - Exposure Draft

Introduction to Exposure Draft

The CICBV is in the process of establishing a Practice Inspection Program. Such programs are common in professional organizations, and have a wide variety of purposes, including:

- Assisting professions in maintaining or improving the quality of services provided;
- Helping to ensure that professional standards are upheld;
- Constituting a form of self-regulation; and
- Enhancing the confidence that the public and regulatory or other bodies have in the profession.

The purpose of this Exposure Draft is to:

- a) Document the details of the Practice Inspection Program that is proposed to be established by the CICBV; and
- b) To give Members, Registered Students, and other interested parties the opportunity to offer comments on the Practice Inspection Program as proposed.

Self-Regulation

In Canada, CBVs practice in a self-regulated profession, not controlled or regulated by any governmental authority or other form of oversight. One of the hallmarks of a self-regulated profession is that it has a form of practice inspection to enable it to be proactive in monitoring its members. Maintaining high standards of practice and self-regulation are essential to maintaining the level of autonomy and respect that the CBV profession in Canada enjoys.

Public Trust

The objective of a practice inspection program is the protection of the public who uses the services of a profession. This is done by:

- a) Enabling the representatives of a professional organization to assess its members' compliance with professional standards, and
- b) Enabling the professional organization to take appropriate follow-up steps or remedial action in instances of non-compliance, including (but not limited to) supplementary education to members who have undergone a practice inspection which yielded less than satisfactory results.

Establishment of a Practice Inspection Program - Exposure Draft

The CICBV has established a system whereby complaints about a CBV's performance can be initiated, investigated, and appropriately dealt with. However, this is a reactionary mechanism that is effective only when someone actually files a complaint. The failure to proactively investigate potentially unsatisfactory practices harms the reputation of the profession, and erodes public trust.

Quality Control

A practice inspection program will assist practitioners in improving their adherence to professional standards through the identification of areas where adherence to CICBV Practice Standards and CICBV Code of Ethics (collectively, the "Standards") could be improved.

In the United States the Securities and Exchange Commission has expressed concerns about the diverse nature of the valuation profession. The Practice Inspection Program is a way of ensuring that all practitioners are on a level playing field in terms of quality and adherence to the Standards.

Establishment of a Practice Inspection Program - Exposure Draft

Questions for Respondents

In addition to any specific comments, responses are particularly invited to the questions summarized below. Not all questions need be answered. Please indicate the question to which any answer relates. These questions are also contained within the body of the Exposure Draft.

- Question 1:** Do you agree that only those who sign or take responsibility for work product should be subject to Practice Inspection?
- Question 2:** Do you agree that Registered Students who sign or take responsibility for work product should be subject to Practice Inspection?
- Question 3:** Do you agree that Practice Inspection should not entail the Inspector having to agree with the conclusion reached in the work product?
- Question 4:** Do you agree that a four year inspection period is appropriate?
- Question 5:** Do you agree that the proposed extent of inspection is appropriate?
- Question 6:** Do you agree that during the implementation phase of a Practice Inspection Program that significant deficiencies would be referred to the Conduct and Discipline Committee?
- Question 7:** Do you agree that the cost of the Practice Inspection Program should be an Institute cost that is borne by all Members?

Establishment of a Practice Inspection Program - Exposure Draft

Table of Contents

Who is Subject to Inspection?	6
Practice Activity Subject to Inspection	6
Implementation Timing	7
Annual Filing of Activity	7
Frequency and Inspection Period	7
Selection for Inspection	7
Internal Compliance Review Reliance.....	8
Extent of Inspection.....	8
Practice Inspection Process and Result of Inspection.....	9
Place of Practice Inspection	10
Access to Reports and Files.....	10
Inspectors	10
Administration.....	11
Cost	11
Communication of Practice Inspection Results to Members and Registered Students.....	11

#

Establishment of a Practice Inspection Program - Exposure Draft

Who is Subject to Inspection?

All CBVs or Registered Students (the “Practitioner”) who sign or otherwise take responsibility for a work product that is addressed by the Standards will be subject to a Practice Inspection. This excludes work product prepared solely for internal use by the Practitioner’s employer or firm, such as work product utilized in audit support or investment decisions.

It is contemplated that where more than one Practitioner is involved with a work product, it will only be the Practitioner who signs (or signs off on, in the case of a work product that is issued under the signature of a firm), a work product who will be potentially subject to Practice Inspection for that report. Such “Report Issuers” potentially include Registered Students as Registered Students are not precluded from signing reports.

As only individuals have affiliation status with the CICBV, only individuals can be subject to Practice Inspection. Unlike the accounting and legal professions where firms are regulated by their governing bodies, firms are not regulated by the CICBV.

Question 1: *Do you agree that only those who sign or take responsibility for work product should be subject to Practice Inspection?*

Question 2: *Do you agree that Registered Students who sign or take responsibility for work product should be subject to Practice Inspection?*

Practice Activity Subject to Inspection

The intent of the Practice Inspection Program will be to ensure that the work of the Practitioner is in accordance with the Standards, and will entail consideration of completed work (including final reports and engagement-related working files) to determine if:

- a) applicable CICBV Practice Standards have been complied with;
- b) the CICBV Code of Ethics has been followed;
- c) the technical aspects of the analysis in support of a conclusion is consistent with:
 - i. The nature of the engagement;
 - ii. The expected practice of a competent Practitioner.

It is not intended that:

- a) The Practice Inspection will entail second-guessing areas of professional judgement;
- b) The Inspector will attempt to determine whether they agree with the conclusion reached in the work product (if a conclusion was in fact reached).

Establishment of a Practice Inspection Program - Exposure Draft

The standard expected by the CICBV and the assigned Inspector will be of “reasonable”, not “perfect”, practice.

A draft checklist for the inspection of a Valuation Report is attached as Appendix A as an example of the nature of the Practice Inspection process that is contemplated.

Question 3: *Do you agree that Practice Inspection should not entail the Inspector having to agree with the conclusion reached in the work product?*

Implementation Timing

It is proposed that the Practice Inspection Program would commence on January 1, 2017. Work product that is finalized from that date forward would be subject to inspection by the program. The first inspections would commence during 2018.

Annual Filing of Activity

In order to enable the CICBV to determine if a Practitioner has completed work in the past year that is potentially subject to the Practice Inspection Program, all CBVs and Registered Students will be required to make an annual declaration to the CICBV as to whether they have taken responsibility for a work product as to matters that are contemplated by the Standards (i.e., a “Positive Declaration”), identifying them as potentially subject to inspection.

Frequency and Inspection Period

A Practitioner will not be potentially subject to a Practice Inspection more frequently than once during a four year period, with only the work product finalized during the preceding four year period being subject to inspection.

Question 4: *Do you agree that a four year inspection period is appropriate?*

Selection for Inspection

Practitioners who have made a Positive Declaration may be randomly selected for Practice Inspection from a list of all such Practitioners. This list will exclude Practitioners who have been selected for Practice Inspection during the prior four years. Initially, the annual number of Practitioners to undergo Practice Inspections will not be extensive. The Institute will annually evaluate the number of Practitioners to undergo Practice Inspections, taking into consideration the results from the inspections previously completed.

Establishment of a Practice Inspection Program - Exposure Draft

Shortly before the date of a scheduled Practice Inspection, the Practitioner will be required to submit to the Institute a listing of all reports issued during the inspection period. This list will include the date of the report, the type of report issued and the purpose for which it was prepared so that the report can be identified without inclusion of the name of the client for whom it was prepared. The Institute will select from the list provided those files which are to be subject to a Practice Inspection. The file selection criteria will be determined by the Practice Inspection Committee.

The CICBV will rely on the truthfulness of such disclosures, unless there is some indication to the contrary. If there is an indication that an untruthful disclosure has willfully been made, the matter will be referred to the Conduct and Discipline Committee.

Internal Compliance Review Reliance

In those circumstances where a Practitioner is associated with an organization that has a documented internal compliance review process that covers substantially all aspects of the CICBV Practice Inspection Program (e.g. Appendix A for Valuation Reports), such internal process will be reviewed by the Inspector, and if warranted (as determined by the Inspector), will be relied upon by the Inspector to reduce the extent of the Inspection. In order for such an internal process to warrant reliance, it must include evidence as to the nature of the review (such as checklists) and its completion by a CBV who was not part of the engagement team. See Appendix B for a draft of an Internal Compliance Review Checklist.

The checklists used in the CICBV's Practice Inspection Program will be available to all Members and Registered Students to assist in the design of such internal processes as well as to provide transparency concerning the Practice Inspection Program.

To the extent that is reasonably feasible, the CICBV will carry out inspections of Practitioners who work in the same office of an organization concurrently, to enhance the efficiency of the inspection process for all concerned parties.

Extent of Inspection

The Practice Inspection will be generally limited as to the number of reports inspected, but may be influenced by the results of prior Practice Inspections. It is estimated that four reports would normally be selected for inspection within a four year inspection period. Reliance on an internal compliance review program would result in the inspection of fewer reports.

Question 5: *Do you agree that the proposed extent of inspection is appropriate?*

Establishment of a Practice Inspection Program - Exposure Draft

Practice Inspection Process and Result of Inspection

The primary purpose of the Practice Inspection process will be to highlight areas where a Practitioner's practices may be deficient, so that feedback that is constructive or educational in nature can be provided to the Practitioner. The emphasis will be on highlighting areas of concern so that corrective actions can be taken by the Practitioner.

The Practice Inspection process will be as follows:

- a) The CICBV chooses the work product files selected for review and informs the Practitioner;
- b) The Inspector attends the office of the Practitioner and if relevant, reviews the Practitioner's internal review processes to determine the extent to which the Inspector can rely on them and adjust his/her inspection accordingly;
- c) The Inspector reviews the selected reports and files, and completes the Practice Inspection checklists;
- d) A draft of the Inspector's report is reviewed and discussed by the Inspector with the Practitioner. The Practitioner's comments on any noted deficiencies will form part of the Practice Inspection Report.
- e) The CICBV's Director of Practice Inspection issues a draft report to the Practitioner for comment as to action that the Practitioner proposes to take to address any noted deficiencies;
- f) The Practitioner will provide explanations and documentation for any disagreements with respect to deficiencies noted in the draft report;
- g) The CICBV's Director of Practice Inspection will amend the draft report as appropriate after giving consideration to the responses received from the Practitioner and the related documentation. This draft report will not recommend any course of action with respect to any noted deficiencies;
- h) If no deficiencies are noted, the Practice Inspection will be closed and the Practitioner will be so informed.
- i) Where there are deficiencies, a final report will be submitted by the Director of Practice Inspection to the CICBV's Practice Inspection Committee (or a panel thereof).

The CICBV's Practice Inspection Committee will make a determination as to the significance of a deficiency and its effect. The Practice Inspection Committee will be comprised of CBVs appointed by the CICBV Board of Directors and will be representative of the CICBV membership. The process which will be undertaken by the Practice Inspection Committee upon receipt of the Director of Practice Inspection's final report will be as follows:

- a) If the deficiencies are trivial or minor in nature, the inspection will be closed;
- b) If there are non-trivial deficiencies, then the Practice Inspection Committee may:

Establishment of a Practice Inspection Program - Exposure Draft

- i) Require further written submissions from the Practitioner on the intended course of corrective action to address any identified deficiencies;
- ii) Require the Practitioner to take certain remedial action to address the identified deficiencies; or
- iii) Order a further inspection within a reasonable period of time.

If the deficiencies identified are such that remedial action or re-inspection before the normal four year period between inspections is complete is not judged as sufficient or where there is a continuing history of deficiencies, a complaint will be made by the Chair of the Practice Inspection Committee to the CICBV Conduct and Discipline Committee for its separate and independent consideration.

Question 6: *Do you agree that during the implementation phase of a Practice Inspection Program that significant deficiencies would be referred to the Conduct and Discipline Committee?*

Place of Practice Inspection

Practice Inspections will normally be carried out at the office of the Practitioner to facilitate access to files and reports and discussions with the Practitioner. This will also limit the requirement to make copies of reports and files, and will minimize the information removed from and stored outside the Practitioner's office.

Access to Reports and Files

Section 501.3 of the CICBV Code of Ethics provides that disclosures in connection with a peer review that is required is not a breach of confidentiality of client information. It will be the Practitioner's responsibility to ensure access to the reports and files that are necessary for the completion of the Practice Inspection. It may be prudent for all Practitioners to inform clients of the need to comply with the Practice Inspection Program.

Inspectors

Practice Inspection Inspectors will be CBVs who have had a minimum of five years of post-qualification practice experience. Inspectors will be Institute staff and will work under the direction and supervision of the Institute. In all instances, Inspectors will be required to perform their duties with strict adherence to confidentiality with respect to the Practice Inspection process, including the materials and information that they may have access to, and the results of a Practice Inspection.

Establishment of a Practice Inspection Program - Exposure Draft

Administration

The administration of the Practice Inspection Program will be the responsibility of the CICBV. Findings of deficiencies will be reported to a Practice Inspection Committee. While this committee will be appointed by the CICBV Board of Directors, it will not report to the Board on the execution of its mandate. Similarly, the CICBV President and CEO will report to the Board of Directors only on the operational aspects of the Practice Inspection Program, and will not discuss case-specific issues or results.

Cost

The cost of the Practice Inspection Program will be an Institute expense, with the exception that costs associated with any re-inspection or intensification of the inspection process ordered by the Practice Inspection Committee in response to deficiencies will be paid by the Practitioner so affected.

The rationale for the cost of the Practice Inspection Program being an Institute cost funded by all Members is: (i) as only a sampling of Practitioners will be inspected it is not fair to allocate the cost of the program to only those who are selected to be inspected, and (ii) all Members will receive the benefits associated with the implementation of a Practice Inspection Program.

Question 7: *Do you agree that the cost of the Practice Inspection Program should be an Institute cost that is borne by all Members?*

Communication of Practice Inspection Results to Members and Registered Students

To encourage self-assessment and improve the quality of practice, the Practice Inspection Committee will publish a summary of areas where it found that adherence to Standards might be improved. Such publications will not include any firm, individual, or file-specific details which would enable a third party to identify the engagement to which a communication is referring.

Establishment of a Practice Inspection Program - Exposure Draft

Practice Inspection Checklist

Appendix A

Standard 110 – Valuation Reports - Report Disclosure Standards	
1. No indication of inappropriate use of draft reports	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. To whom the report is being provided	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Description of the shares, assets or interest being valued	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Effective date of the valuation	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Date of the report	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. Purpose for the which the report is prepared	Yes <input type="checkbox"/> No <input type="checkbox"/>
7. Name of the firm responsible for preparing the report, as well as the name of the Valuator when the report is prepared for litigation purposes	Yes <input type="checkbox"/> No <input type="checkbox"/>
8. Type of report provided (Comprehensive/Estimate/Calculation)	Yes <input type="checkbox"/> No <input type="checkbox"/>
9. Statement that report was prepared by Valuator acting independently and objectively	Yes <input type="checkbox"/> No <input type="checkbox"/>
10. Statement that Valuator’s compensation is not contingent on an action or event resulting from the use of the report	Yes <input type="checkbox"/> No <input type="checkbox"/>
11. Definitions for terms of value used	Yes <input type="checkbox"/> No <input type="checkbox"/>
12. Extent to which special purchasers were considered (and reasons why) in the determination of FMV	Yes <input type="checkbox"/> No <input type="checkbox"/>
13. Scope of review that clearly identifies the specific information relied upon	Yes <input type="checkbox"/> No <input type="checkbox"/>
14. For Estimate and Calculation reports – disclosure that scope of review is inherently limited and conclusion may have been different had a Comprehensive Valuation Report been provided	Yes <input type="checkbox"/> No <input type="checkbox"/>
15. Sufficient information to allow reader to understand how Valuator arrived at conclusion (giving consideration to scope of review, intended purpose, type of report)	Yes <input type="checkbox"/> No <input type="checkbox"/>
16. Basis of valuation, approach and methods used	Yes <input type="checkbox"/> No <input type="checkbox"/>
17. Statement of Key Assumptions made	Yes <input type="checkbox"/> No <input type="checkbox"/>
<i>For Comprehensive and Estimate Valuation Reports:</i>	
18. Description of valuation calculations	Yes <input type="checkbox"/> No <input type="checkbox"/>
19. Where interests are other than common shares, a full description of the classes of shares and rights attached	Yes <input type="checkbox"/> No <input type="checkbox"/>
20. Summary of relevant financial information	Yes <input type="checkbox"/> No <input type="checkbox"/>
21. Description of business being valued sufficient to enable the reader to understand the valuation basis and approaches adopted as well as the various earnings/cash flow risk factors present	Yes <input type="checkbox"/> No <input type="checkbox"/>
22. Reference to trading volumes and price ranges for publicly traded securities	Yes <input type="checkbox"/> No <input type="checkbox"/>

Establishment of a Practice Inspection Program - Exposure Draft

Practice Inspection Checklist

Appendix A

23. Description of economic context and industry outlook taking into account the past and foreseeable future as well as conditions at valuation date – <i>For Comprehensive Valuation Report</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<i>For All Reports</i>	
24. Any restrictions that affect the Valuator’s conclusion such as the following: a) Statement restricting use or report by persons for whom it was prepared and only for stated purpose b) Statement denying responsibility for losses resulting from any unauthorized or improper use of the report c) Statement giving Valuator right to make revisions and/or to further support the conclusion under specified circumstances such as when facts existing at the valuation date become apparent to the Valuator after the report is issued	Yes <input type="checkbox"/> No <input type="checkbox"/>
25. Any qualifications that affect the conclusion <i>For Comprehensive and Estimate Valuation Reports</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>
26. Conclusion as to value	Yes <input type="checkbox"/> No <input type="checkbox"/>

Summary of Initial Observations		
#	Observed Deficiency	Notes From Discussion with Member

Establishment of a Practice Inspection Program - Exposure Draft

Practice Inspection Checklist

Appendix A

Standard 110 – Valuation Reports – Scope of Work Standards	
27. Evidence of Valuator obtaining clear instructions including the type of Valuation Report required (note: engagement letter is not a requirement)	Yes <input type="checkbox"/> No <input type="checkbox"/>
28. Work performed by person(s) having adequate technical training and proficiency (financial analysis / business valuation concepts)	Yes <input type="checkbox"/> No <input type="checkbox"/>
29. No indication of lack of due care	Yes <input type="checkbox"/> No <input type="checkbox"/>
30. No indication of lack of objectivity	Yes <input type="checkbox"/> No <input type="checkbox"/>
31. No indication of inadequate planning, execution or supervision of assistants	Yes <input type="checkbox"/> No <input type="checkbox"/>
32. No indication that Valuation Report and conclusion were not supported by sufficient evidence (based on inspection/inquiry/computation/analysis) considering the exercise of judgement by the Valuator, type of report provided and its intended use.	Yes <input type="checkbox"/> No <input type="checkbox"/>
33. No indication that access to essential information was denied or unavailable without notation in report of qualification of conclusion and limitation of scope of work.	Yes <input type="checkbox"/> No <input type="checkbox"/>
<i>For Comprehensive and Estimate Valuation Reports</i>	
34. No indication that Valuator did not obtain a sufficient understanding of the subject of the valuation	Yes <input type="checkbox"/> No <input type="checkbox"/>
35. No indication that Valuator did not obtain a sufficient understanding of underlying business operations	Yes <input type="checkbox"/> No <input type="checkbox"/>
36. No indication that Valuator did not obtain sufficient information (past results and future prospects)	Yes <input type="checkbox"/> No <input type="checkbox"/>
37. No indication that Valuator did not obtain a sufficient understanding of the relevant industry	Yes <input type="checkbox"/> No <input type="checkbox"/>
38. No indication that Valuator did not obtain sufficient information relating to the general economic conditions affecting the business operations	Yes <input type="checkbox"/> No <input type="checkbox"/>
39. No indication that Valuator did not determine the appropriate valuation basis and approach	Yes <input type="checkbox"/> No <input type="checkbox"/>
40. No indication that Valuator did not consider the key valuation components and assumptions	Yes <input type="checkbox"/> No <input type="checkbox"/>
41. No indication that Valuator did not consider the necessity of relying upon the work of a specialist	Yes <input type="checkbox"/> No <input type="checkbox"/>
42. No indication that Valuator did not determine the necessity of obtaining written client/management representations	Yes <input type="checkbox"/> No <input type="checkbox"/>

Summary of Initial Observations		
#	Observed Deficiency	Notes From Discussion with Member

Establishment of a Practice Inspection Program - Exposure Draft

Practice Inspection Checklist

Appendix A

Standard 110 – Valuation Reports – File Documentation	
43. Work performed was documented and files maintained in organized manner	Yes <input type="checkbox"/> No <input type="checkbox"/>
44. Form and extent of working papers suit the circumstances and needs of the engagement taking into consideration the type of report	Yes <input type="checkbox"/> No <input type="checkbox"/>
45. Identities of individual(s) performing the engagement documented	Yes <input type="checkbox"/> No <input type="checkbox"/>
46. Copy of final report retained on file	Yes <input type="checkbox"/> No <input type="checkbox"/>
47. Engagement letter <u>or</u> a memo either of which summarises the purpose of the mandate, nature of instructions received and the type of Valuation Report required	Yes <input type="checkbox"/> No <input type="checkbox"/>
48. Summaries of key meetings, discussions and correspondence	Yes <input type="checkbox"/> No <input type="checkbox"/>
49. Retained in file or access to information relied upon	Yes <input type="checkbox"/> No <input type="checkbox"/>
<i>For Comprehensive and Estimate Valuation Reports</i>	
50. Valuation approach and techniques selected documented, along with reasons for selection	Yes <input type="checkbox"/> No <input type="checkbox"/>
51. Key valuation components considered and valuation assumptions	Yes <input type="checkbox"/> No <input type="checkbox"/>
52. Valuation calculations including necessary explanations and supporting documentation	Yes <input type="checkbox"/> No <input type="checkbox"/>
<i>For All Reports</i>	
53. Conclusions of specialists relied upon (written report if prepared)	Yes <input type="checkbox"/> No <input type="checkbox"/>
54. Client/management representation letter or notation why no such letter was obtained	Yes <input type="checkbox"/> No <input type="checkbox"/>
55. Copy of draft copy of Valuation Report where relied upon for representations	Yes <input type="checkbox"/> No <input type="checkbox"/>

Summary of Initial Observations		
#	Observed Deficiency	Notes From Discussion with Member

Establishment of a Practice Inspection Program - Exposure Draft

Internal Compliance Review – Inspection Review Checklist

Appendix B

Internal Review – Process Considerations	
1. Does Practitioner (or Practitioner’s firm) have an internal compliance review (or quality control) process?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Is the process documented?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Are all aspects of the CICBV Practice Inspection scope covered by the internal review process?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Is the internal review completed by a CBV not involved in the delivery of services that is the subject of the engagement?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Is the internal review process documentation signed by the reviewing CBV?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. Should reliance on internal compliance review process be planned?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Explanation/Comments	

Summary of Observations		
#	Observed Deficiency	Notes From Discussion with Member

Establishment of a Practice Inspection Program - Exposure Draft

Internal Compliance Review – Inspection Review Checklist

Appendix B

Testing of Sample of Internal Review Documentation	
7. Review documentation signed by CBV who was not part of engagement team.	Yes <input type="checkbox"/> No <input type="checkbox"/>
8. No deficiencies from CICBV Practice Standards / Code of Ethics were noted.	Yes <input type="checkbox"/> No <input type="checkbox"/>
9. CICBV review agreed with internal compliance review conclusions.	Yes <input type="checkbox"/> No <input type="checkbox"/>
10. Is reliance on internal review process warranted (#7 - #9 answered Yes)?	Yes <input type="checkbox"/> No <input type="checkbox"/>

Summary of Observations		
#	Observed Deficiency	Notes From Discussion with Member