

COMPLIANCE PROGRAM CHECKLIST

Consider the Dynamics of Your Cybersecurity Program

- Confirm Incident Response Plan is comprehensive and outlines roles and responsibilities and includes preventative measures and response priorities.
- Ensure that vulnerability assessments and penetration testing are performed at least annually.
- Perform a risk assessment of your cybersecurity policies, procedures and safeguarding protocols to ensure adequate controls are in place.

Confirm Marketing and Advertising is Being Reviewed

- Ensure that business presentations, commentaries, websites, social media sites, and other marketing materials are up-to date, contain all necessary disclosures, have been reviewed by compliance, and are retained as part of the firm's required books and records.

Prepare for Year-End Registration and Regulatory Filings

- Pull the IARD Preliminary Renewal Statement on or after November 13th and pay the annual required filing fees within the required deadline.
- Ensure all applicable required federal and/or state filings are made. Examples include Form 13F, Form 13H (Large Trader), Schedule 13D/G, Form PF and Form D (private funds), state net capital filings, state registrations, state notice filings and state blue sky filings.
- Review current registration forms and client disclosure documents (e.g., Form BD, Form N1-A, Form ADV, client agreements, prospectus and statement of additional information, and private placement memorandums) to confirm they reflect current information and contain required and applicable disclosures.
- Have all registered personnel review their currently filed Form U-4 and confirm in writing whether it contains up to date and accurate information or needs updating.

Analyze Current Testing and Assessment Steps

- Sample test client files to confirm that investment objectives have been documented and appear current and in-line with portfolio investments.
- Audit the billing process to ensure fees are calculated correctly.
- Review solicitor arrangements to confirm that agreements are up-to-date and in compliance with Rule 206(4)-3 of the Advisers Act. Also verify that solicited clients received a copy of the solicitor's disclosure statement.
- Make sure the firm's business continuity plan has been/will be fully tested and include both localized business disruptions and wide spread disasters.
- Review maintenance and safeguarding controls for required books and records, including client, corporate and financial records, as well as consideration for the revised performance advertising books and records requirements.
- Confirm all branch offices have/will receive a compliance review in accordance with firm policies.

Confirm Scheduling of Financial and Custody Audits

- For private funds, verify that the annual audit of the fund's financials is scheduled, and that internal controls are in place to ensure timely mailing of the audited financial statements to investors within the required period.
- Make sure, if applicable, that the annual surprise custody audit has been performed and Form ADV-E filed with the SEC via the firm's IARD account.
- Confirm the accounting firm hired to perform an annual financial audit or surprise exam is registered with, and subject to the Public Company Accounting Oversight Board (PCAOB), as required by the custody rule.

Perform Employee Training

- Ensure compliance training has been provided to firm personnel covering firm policies and procedures, Code of Ethics and fiduciary responsibility, business continuity, cybersecurity, identify theft and safeguarding client non-public information.

Don't Forget Ad Hoc Activities

- Have legal counsel review standard client agreement(s) for necessary provisions and consistency with disclosures in Form ADV Part 2A as well as on the clarity of the services and fees associated with the servicing mandates.
- Confirm that due diligence reviews of service providers have been performed and documented.

Should you need assistance, please give us a call at (619) 278-0020