

CCO Checklist

August 2021		Date Completed
<p>Complete Firm's Annual Risk Assessment- Ensure each topic on the Risk Matrix has been reviewed and documented. Address all high-risk areas and review your policies and procedures for this topic. Update the Compliance Manual, as necessary. Save the completed assessment in your compliance files. This is an actual request from examiners when a firm is examined. -<i>Annually</i></p>	<input type="checkbox"/>	
<p>Audit Terminated IAR Access- For all advisors no longer at your firm, complete an audit of previously managed accounts. Ensure each account has been "de-linked" and the advisor no longer has access. If your firm currently does not have an established process for this, please refer to CRP's IAR Termination Checklist. -<i>Annually</i></p>	<input type="checkbox"/>	
<p>FORM CRS FILES – Review current Form CRS is posted to the website, communication has been made to clients if an updated Form CRS has been filed on IARD. Copies of all communication to clients is maintained in Compliance Files.</p>		
<p>Alternative/Complex Exchange Traded Products- Does your Firm recommend Alternative or Complex Products to Clients? Are Risks disclosed in ADV? Are Policies and Procedures updated to allow for use? Is the firm using the Alternative Investments Acknowledgement Form with clients to document review of Risks, Liquidity, Suitability? Review listing of complex products used with clients and review client list of those who hold such products. Are the current Risk Profiles in line with use of such products. - <i>Annually</i></p>	<input type="checkbox"/>	
<p>Disciplinary Review of Supervised Person-At least semi-annually, the CCO will review the firms disciplinary report for all registered persons on IARD. SEC registered firms must disclose on the Form CRS and ADV Brochures if firm has a reportable disclosure. <i>Semi-Annually</i></p>	<input type="checkbox"/>	
<p>Review Client Address Changes with Custodian- Ensure all client address changes have been received and updated within the Firm's CRM -<i>Annually</i></p>	<input type="checkbox"/>	
<p>Trusted Contact Client Folder Review- Ensure you have Trusted Contact forms on file or have documentation that you offered the Trusted Contact form, with all clients over the age of 62 (or age as defined by your Manual). Attached is the CRP template for documentation. - <i>Annually</i></p>	<input type="checkbox"/>	
<p>SLOA Custody Review (if applicable) (AUGUST)- Pull SLOA report from Custodian, review the report based on firm's policy on third party money movements and document your review accordingly. <i>Semi-Annually</i></p>	<input type="checkbox"/>	
<p>Professional Designation Review- If any IARs at your firm have Professional Designations, confirm the designation(s) are in good standing and active. <i>Annually</i></p>	<input type="checkbox"/>	
<p>New Account Review- Conduct random sample review of recently opened new client accounts to verify that account has been placed in a model and properly allocated to the portfolio. Compare the account's data to the client's paperwork and ensure the appropriate fee is billed –<i>Quarterly</i></p>	<input type="checkbox"/>	

<p>Review Quarter-End Client Performance Reports- Select sample of client files to review quarter end performance reports. Compare these against Custodian statements to ensure accuracy of financial reporting. <i>-Quarterly</i></p>	<input type="checkbox"/>	
<p>Federal Filings Review--**ONLY SEC Firms with \$100m+ Equities and ETFs** Review Year-End Holdings Report for Potential 13-H/F/G/D Required Filing. Schedule 13D and certain 13G filings are required to be filed, at any time during the year, within 10 days of the initial triggering transaction and filing requirements remain continuous, not only at year end. Filing dates are usually 45 days after quarter-end.</p>	<input type="checkbox"/>	
<p>Review Checks Received Blotter- Review the checks received/disbursed log for all client checks received by the RIA. The rule state these checks must be made payable to a third party (Custodian), then logged and forwarded to the appropriate third party by following business day. Client securities need to be delivered directly to the custodian by the client. Investment Advisors CANNOT receive securities without taking custody. If a client has securities to be delivered, it is best practice for you to provide an overnight package with a carrier that provides a tracking service (UPS / FedEx) to the appropriate third party. <i>-Quarterly</i></p>	<input type="checkbox"/>	
<p>Review Billing Statements/ Fee Calculations Report - Review billing statements/fee calculations report from custodian or billing program; take any necessary corrective action and document review; maintain in books and records <i>-Quarterly</i></p>	<input type="checkbox"/>	
<p>Review of Client Portfolios- Random review of client portfolios for consistency with Client objectives, restrictions and asset allocations and any unusual variances from the benchmark. <i>- Quarterly</i></p>	<input type="checkbox"/>	
<p>Review Trade Blotter- Download Report from Custodian and review for any irregular trading patterns or trade discrepancies. <i>-Monthly</i></p>	<input type="checkbox"/>	
<p>Review of Company Financials- The CCO should review the company's accounting records to confirm the company is in compliance with its home state's net capital requirements. If the firm is SEC registered, please make sure the company is solvent at all times. <i>- Monthly</i></p>	<input type="checkbox"/>	
<p>Correspondence and Email Review- Review staff correspondence, including email. <i>-Monthly</i></p>	<input type="checkbox"/>	

AUGUST FOCUS: FORM CRS DELIVERY

CCO TAKEAWAYS:

- REVIEW CURRENT VERSION FORM CRS IS POSTED ON FIRM WEBSITE
- COPIED BELOW ARE ACTUAL SEC EXAM REQUESTS REGARDING FORM CRS:
 - Copies of all versions of Form CRS, amended Form CRSs, and any disclosures communicating Form CRS changes to clients. **BE SURE TO MAINTAIN COPIES FOR YOUR FILES, FIRMS ARE REQUIRED TO SEND OUT CHANGES TO CLIENTS WITHIN 60 DAYES OF AN UPDATE**
 - Form CRS Delivery. The dates each Form CRS, and any amendments to Form CRS, was given to each client and the method of delivery. If Form CRS was delivered to any client electronically, provide a copy of the email (or other electronic delivery method) sent to one of those clients. **MAINTAIN COPIES OF COMMUNICATION TO CLIENTS FOR YOUR FILES AND LIST OF WHO IT WAS SENT TO!**
 - USE CRP'S SAMPLE FORM CRS LOG TO HELP TRACK DELIVERY TO CLIENTS
 - **STATE REGISTERED FIRMS – CHECK WITH CRP to see if your STATE HAS ADOPTED A VERSION OF REG BI!**