

Red-Hot SEC Exam Topics and How to Prepare for Your Next Exam

- **Mark Dowdell, Assistant Regional Director, SEC's Philadelphia Regional Office**
- **Michael McGrath, Partner, K&L Gates**
- **Chuck Martin, Managing Director, Vigilant Compliance LLC**

A photograph of Independence Hall in Philadelphia, a large red brick building with a prominent clock tower and a white dome, illuminated at dusk. The building is set against a clear blue sky with some bare tree branches visible in the foreground.

SEC Examinations

- **The status of the National Exam Program**
 - Examining X% of population
 - Exams were increasing
 - Impact of the gov. shutdown?
- **The types of exams the SEC conducts**
 - Risk-based
 - Correspondence
 - Never-before-examined
 - Sweeps

A photograph of Independence Hall in Philadelphia, a large red brick building with a prominent clock tower and a white dome. The building is illuminated from within, and the sky is a deep blue. The image is partially obscured by a white circular glow on the right side.

SEC Examinations

- **What the SEC currently weighs when affixing a firm's risk profile**
 - How is OCIE using Form ADV data?
 - Internal process to risk rate firms?
- **Update on exam sweeps underway/upcoming**
 - Cyber 3 exam sweep
- **Highlights of 2019 risk alerts**
- **Any upcoming OCIE risk alerts?**



SEC Examinations

- **The current Top 5 deficiency areas and how to avoid them**
 - How does OCIE handle situation when there is ambiguity around a rule (eg. inadvertent custody)?
 - How handle when a rule is under review (eg. the Advertising rule)?
- **The enforcement referral rate for IAs/B-Ds/ICs**
 - What are some of the factors that go into making an enforcement referral?
 - Credit for self-reporting?

SEC Examinations

- **Current Exam Focus Areas**
- **Preview of 2020 OCIE exam priorities**
- **Trends currently seeing on client exams**

-Procedural

-Content

- **What works/what doesn't with examiners?**

SEC Examinations

- **Before the Exam best practices**
 - Suggested prep steps
 - Document request letters review
 - Mock audits
 - Annual review
 - Data maintenance
 - Staff training (interviews)
 - Creation of “Day 1” presentation
- **During the Exam best practices**
- **After the Exam best practices**

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