

**MEMO# 29542**

December 14, 2015

# ICI Releases Updated Framework for Financial Intermediary Controls and Compliance Assessment (FICCA) Engagements

[29542]

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TO: ACCOUNTING/TREASURERS MEMBERS No. 24-15  
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INVESTMENT COMPANY DIRECTORS No. 35-15  
OPERATIONS MEMBERS No. 31-15  
SMALL FUNDS MEMBERS No. 48-15  
TRANSFER AGENT ADVISORY COMMITTEE No. 62-15 RE: ICI RELEASES UPDATED  
FRAMEWORK FOR FINANCIAL INTERMEDIARY CONTROLS AND COMPLIANCE ASSESSMENT  
(FICCA) ENGAGEMENTS

Today, the Investment Company Institute (ICI) is releasing an updated framework for Financial Intermediary Controls and Compliance Assessment (FICCA) [\[1\]](#) engagements designed to assist mutual funds with their oversight of intermediaries providing shareholder and recordkeeping services. This is the second update to the FICCA framework since its initial release in 2008. [\[2\]](#)

## 2015 FICCA Enhancements

A working group of ICI members, representatives of the national accounting firms and intermediaries met throughout 2015 to review the FICCA framework. The review was conducted to enhance the performance of future engagements and improve the reports issued in order to promote broader use by intermediaries and funds.

The review of the FICCA framework culminated in a variety of technical enhancements that have been incorporated into the 2015 matrix document as follows:

- All references to SSAE 16 were updated to refer to the American Institute of Certified Public Accountants (AICPA) attestation standard AT 801. SSAE 16 was codified in the standards as AT Section 801 (AT 801) in April 2010.

- The word completely was added to the “Management Description or Controls Testing” and/or “Points to Consider” for several control items to comply with the AICPA’s attestation standards. When evaluating a control, audit firms use several objectives to assess its design and effectiveness including completeness, accuracy, validity, and restricted access – known as CAVR.
- Where areas of focus are outsourced to third party vendors, clarifying language was added to the “Points to Consider” stating that the intermediary’s controls should address oversight of the sub-service providers, as opposed to the areas of focus being excluded from their FICCA engagement.
- Language was added to the “Points to Consider” in the Anti-Money Laundering and the Prevention of Terrorist Financing Program Section to clarify considerations related to compliance monitoring and annual independent testing of the program.
- Language was added to the “Points to Consider” in the Transaction Processing Section specifically referencing compliance with rule 22c-1 and 22c-2.
- The Blue Sky section was renamed “State of Sale Reporting (for Blue Sky purposes)” and language was added to the “Points to Consider” segment, both changes are to clarify the role of the intermediary in providing data to the fund or its designated Blue Sky agent.

A key goal of the working group continues to be preserving flexibility for intermediaries when providing funds with independent assessments of the 17 control areas defined in the framework. Because intermediaries may complete other attest engagements (such as a SSAE 16/AT 801) in which certain controls defined in the matrix are already tested, the working group continues to agree that intermediaries should not be required to have independent audit firms perform duplicate testing or reporting. Consistent with the 2014 FICCA framework, an intermediary may cover the 17 control areas through one comprehensive report, or a combination of reports (e.g., a SSAE 16/AT 801 report covering certain areas, and a FICCA report covering the remaining areas).

If you have any questions or comments about the FICCA documentation, please contact Joanne Kane, ICI Director, Operations and Transfer Agent at [joanne.kane@ici.org](mailto:joanne.kane@ici.org) or 202-326-5850 or Greg Smith, ICI Senior Director of Fund Accounting, at [smith@ici.org](mailto:smith@ici.org) or 202-326-5851.

We would like to extend our appreciation to the members of the ICI FICCA working group that contributed to this effort.

Martin A. Burns  
Chief Industry Operations Officer

[Attachment](#)

#### **endnotes**

[1] The FICCA documentation is available on the ICI website at [https://www.ici.org/pdf/ppr\\_15\\_ficca.pdf](https://www.ici.org/pdf/ppr_15_ficca.pdf).

[2] See ICI Memorandum No. [27847](#) (January 16, 2014) describing the development of the FICCA framework and the first update completed in January 2014.

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