

MEMO# 22859

September 11, 2008

Conference Call Scheduled Thursday, September 18 At 3:30 PM To Elicit Feedback On A New Auditor Compliance Attestation

[22859]

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TO: INTERNAL AUDIT ADVISORY COMMITTEE No. 4-08 RE: CONFERENCE CALL
SCHEDULED THURSDAY, SEPTEMBER 18 AT 3:30 PM TO ELICIT FEEDBACK ON A NEW
AUDITOR COMPLIANCE ATTESTATION

Representatives from the Institute's Operations Committee, together with the "big four" accounting firms, have been working on a project, headed up by Tom Hamblin of Capital Research, to develop an auditor attest engagement relating to the oversight of intermediaries that distribute fund shares. The purpose of this engagement is to provide fund sponsors with assurance that the selling intermediary is complying with its obligations under the funds' prospectuses and selling agreements. The attest engagement would be performed under recently adopted AICPA SOP 07-2, Attestation Engagements That Address Specified Compliance Control Objectives and Related Controls at Entities That Provide Services to Investment Companies, Investment Advisers, or Other Service Providers. It is expected that the auditor would provide the opinion from the engagement to the selling intermediary, who could then share it with fund organizations to assist them in fulfilling their oversight obligations under the mutual fund compliance program rule, Rule 38a-1.

To acquaint the members of the ICI's CCO and Internal Audit Advisory Committees with the proposed engagement and obtain their feedback on it, a conference call of these two committees has been scheduled for Thursday, September 18 from 3:30-4:45 (Eastern). To obtain the call-in information and passcode, please contact Lynnette Smith of the ICI by

email (lsmith@ici.org) or by phone (202-326-5818).

During the call, Mr. Hamblin, Nick D'Angelo of PriceWaterhouseCoopers, and Greg Smith of the ICI's Operations Department will lead the discussion on the engagement and respond to any questions from members of the Committee. To better acquaint you with the engagement prior to the call, attached please find:

- A powerpoint slide show that provides an overview of the engagement;
- A "Financial Intermediary Controls and Compliance Assessment" matrix that details the activities performed by the intermediary that may be covered by the engagement; and
- A draft form of an auditor's opinion that might be issued pursuant to such an engagement.

Persons unable to participate in the call who have comments or questions about this project should direct them to Greg Smith by email (smith@ici.org) or by phone (202-326-5851).

Tamara K. Salmon
Senior Associate Counsel

[Attachment](#)

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