CircleSquare

Pre-exam AI checklist: 14 things a CCO should be able to answer

For SEC-registered advisers, $250M–$5B AUM. None of this is regulatory advice; what a rule requires of *your* firm belongs to your compliance consultant.

THE INVENTORY

- [ ] **1.** A dated inventory of every AI tool in use, including what an adviser bought on a personal card
- [ ] **2.** A risk assessment for each tool, dated **before** that tool went live
- [ ] **3.** The vendor's data-processing terms saved as a PDF, dated the day you retrieved them
- [ ] **4.** A named owner and a review date on every row

THE SERVICE PROVIDER LAYER

- [ ] **5.** A register of every service provider with access to customer information, not the list finance pays
- [ ] **6.** For each one, the due diligence record and the monitoring record
- [ ] **7.** For each one, the 72-hour unauthorized-access notification arrangement your policies must establish

THE INCIDENT LAYER

- [ ] **8.** The record of every incident in the last five years
- [ ] **9.** The determination of whether notification was required, including where you concluded it was not
- [ ] **10.** An incident response program that contemplates an AI failure, not only a breach

THE REVIEW LAYER

- [ ] **11.** One completed test of an AI output against its source, with findings and a re-run date
- [ ] **12.** Where a human reviews before anything reaches a client, in writing, with a name on it
- [ ] **13.** A retention decision for AI transcripts, made in advance at the category level
- [ ] **14.** A notetaker vendor retention setting that matches that decision

> Two dates. Reg S-P compliance was due December 3, 2025 at $1.5B or more and June 3, 2026 below it; both passed, and the extension ten trade associations sought on November 19, 2025 was not granted. Rule 206(4)-7 does not require a written report of the annual review — that is practice, not rule text — but an undocumented review reads as none.