

Automate Your Compliance Testing with Supervise



There are three certainties in the life of an advisory firm's compliance director—death, taxes, and regulatory reviews.

Since the release of our Compass app last year, we've been tirelessly adding new tools to give you a complete toolkit that will help you stay on top of all aspects of your compliance program.

Our latest tool, Supervise, helps you create a testing regimen that can automatically run the right reports at the right time, and save you a great deal of prep work over manual review processes.

Let's take a look at the many ways you can use Supervise to help save you time when you're completing your regular supervisory reporting requirements.

Why Supervise is an Essential Compliance Testing Tool

Building out a comprehensive testing regiment is more than a good idea, it's required.

We created Supervise to address the requirements established under section 206(4)-7 of the Advisers Act. Need a refresher? Here it is:

If you are an investment adviser registered or required to be registered under section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3), it shall be unlawful within the meaning of section 206 of the Act (15 U.S.C. 80b-6) for you to provide investment advice to clients unless you:

(a) Policies and procedures. Adopt and implement written policies and procedures reasonably designed to prevent violation, by you and your supervised persons, of the Act and the rules that the Commission has adopted under the Act;

(b) Annual review. Review, no less frequently than annually, the adequacy of the policies and procedures established pursuant to this section and the effectiveness of their implementation; and

(c) Chief compliance officer. Designate an individual (who is a supervised person) responsible for administering the policies and procedures that you adopt under paragraph (a) of this section.

(If you want to read more, you can head over to the SEC website [here](#).)

Supervise helps you address each requirement of section 206(4)-7 by establishing a supervisory exception reporting system that can aid you in quickly reviewing portfolio management, trading practices, billing, and the many other items necessary to reduce the risk to your firm. The actual list of items required for review will depend on each individual advisory firm.

At its core, Supervise can help you reduce manual processes and help you realize vast time savings, depending on the amount of data your firm is required to review. Here's one time-saving example:

Before Supervise: If you needed to review buy transactions in a certain set of models, you would follow this workflow: Every morning, log into the Data Queries app in Orion Connect, select your query, paste in the models you want to review, and then run your query. Export the results to a spreadsheet, filter out any cash transactions or "sell" transactions, and then look through the remaining "buy" transactions to ensure no restricted assets were purchased.

With Supervise: The filtering and scheduling is done for you. Set up your query parameters once with the models and type of transactions you want to see, and Supervise will run the query for you each morning. You can even review the results within Supervise, saving even more time by not exporting to a spreadsheet. Reviewing results in Supervise also creates a permanent record of your completed review.

Through Supervise, you can schedule any number of individual and regularly

occurring compliance queries and supervisory exception reports to run automatically, and review them much more efficiently.

Who Benefits from Supervise

As an app custom-built for compliance professionals, Supervise will benefit the person in your firm responsible for managing your oversight program.

Depending on the size of your firm, that could be a dedicated Chief Compliance Officer, or it could be yourself if you're a one-person show.

Ultimately, though, your clients receive the benefits of you running a well-regulated firm that stays current with all your compliance reporting requirements.

A business with a smoothly-run compliance department can put more time and focus on client relationships, and that is what Supervise allows you to do.

How to Use Supervise in Your Advisory Firm

Supervise can help you easily automate tasks and identify possible risk items, but first you have to know how to use it. In this last section, we'll do a brief overview of the tool.

You'll access Supervise through the left-side navigation menu in the Compass app in Orion Connect. The five tabs you'll see include:

- **Open Items:** All queries that have run, but have not yet been reviewed.
- **Completed Items:** All queries you have reviewed to 100% completion. By default, this list is filtered to show only items completed during the last week.
- **All Items:** A complete list of all Open and Completed Items.
- **Scheduled Queries:** A list of all queries you have scheduled to run, including the last run time and next run time for each.
- **Query Templates:** A list with descriptions of all pre-populated query templates created by Orion and all new templates you create.

When you first log into Supervise, you'll want to begin with the Query Templates tab. Review the templates we've created to see if any fit your needs. A few of the pre-created templates include reviews of households by state, active accounts without a balance, and specific transaction reviews.

If you choose to create your own template via the **Actions** button, you'll go through a simple tutorial wizard to complete each necessary step.



After creating a template, you can schedule your queries to run via the Scheduled Queries tab. Once a query has run, you can access its results on the Open Items page.

Double-click an Open Item to view its results within Supervise. As you check off each line as reviewed (either with multi-select or individually), the progress meter will fill up. Once it hits 100% your Open Item will automatically move to the Completed Items list.



The daily time you can save on compliance review items with Supervise can be significant. But even better, the automated scheduling of data queries ensures you won't forget to do your due diligence, even when things get busy.

If you forget for a week, your review items are still there and waiting for you to help you complete your supervisory processes and stay current on any risk items in your firm.

If you'd like to learn more about Supervise, please log into Orion Connect to access the on-demand Ascent training course [here](#).

Not working with Orion yet? [Click here](#) to get in touch with us.

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