

Verifier Independence Checklist

If you answer the questions below with “yes” then these would be red flags that would need additional discussion and possibly documentation in the GIPS Compliance Policy Manual.

Yes No – N/A

Has your verifier:

- *been responsible for establishing your firm’s policies and procedures?*
- *provided systems used to calculate underlying data or valuation/reconciliation services?*
- *Made or make decisions about GIPS compliance issues on behalf of the firm?*
- *implemented a new performance measurement system for your firm?*

Yes No – N/A

Does the verifier function as a member of the firms GIPS Compliance management team?

- *Management functions include determining discretion and firm definition, selecting benchmarks, creating composite criteria, classifying pooled funds and assigning accounts to composites*

Yes No – N/A

Has the verifier performed any of the below activities on behalf of the firm? If so, there’s likely an independence issue.

- *Creating and maintaining composites*
- *Preparing GIPS Reports*
- *Calculating returns or statistics on behalf of the firm*
- *Collecting or creating underlying data used to calculate returns*
- *Identifying all portfolios of the firm/calculating total firm AUM*

Yes No – N/A

Does your verifier or any of its employees have personal or professional relationships that could create an independence issue?

- *Are any immediate family members or the verification team employed at the firm?*
- *Do you receive relationship discounts on other products provided by the verification firm/affiliates, such as software or an errors and omissions insurance policy?*
- *Does your verifier receive referral fees from your performance software provider whenever they successfully recommend the software to a verification client?*

Firms should also review the Guidance Statement on Verifier Independence in its entirety. If you have any questions, please contact us here. We are happy to help.