Compliance Audit II:
Bank Secrecy Act Emphasis

Triac Compliance LLC

Schedule

This review may be conducted at any point during the year.

Area(s) of Review

Although this audit includes a general review of operations compliance, the emphasis is the annual, independent Bank Secrecy Act review, including the bank's Customer Due Diligence and beneficial ownership program.

Scope of Review

The scope of the review is modified to meet the needs of each client. Typically, however, it includes the following:

- Review of the bank's procedures and performance in addressing Bank Secrecy Act issues, including internal controls, independent testing, proper designation of a BSA Officer, and training for appropriate personnel, consistent with the FFIEC BSA/AML Examination Manual and FinCEN's AML/CFT national priorities.
- Review of the bank's Customer Due Diligence (CDD) program, including beneficial ownership identification and verification for legal entity customers, consistent with FinCEN's CDD Rule as updated by Order FIN-2026-R001 (effective February 13, 2026), which limits re-verification of beneficial owners to first account opening or when reliability concerns arise, rather than at every new account opening.
- Review through sampling of the bank's completed CTRs for the previous year.
- Review of the bank's exemption system.
- Review of completed Suspicious Activity Reports and suspicious activity monitoring systems.
- Review of the bank's monetary instrument sales tracking system.
- Review of the bank's recordkeeping compliance systems.
- Review of the bank's OFAC monitoring system.
- In addition to the BSA portion of the audit, Compliance Audit II encompasses a limited general operations review (Compliance Audit IV addresses operations regulations in more detail), including:
- Review of lobby disclosures/posters for accuracy and completeness.
- For Expedited Funds Availability, a sampling review of holds over the past six months placed by the bank for accuracy and timeliness in removal of hold and computation of interest. We would further evaluate the bank's compliance in providing disclosures when opening accounts and at required locations.
- For Electronic Funds Transfer, review the bank's handling of billing errors over the past six months, including compliance with the overdraft opt-in rule, the Prepaid Account Rule, and the Remittance Transfer Rule, as applicable.
- For Interest on Deposits, we would review whether the bank was ensuring compliance to transaction limitations for savings accounts.
- For Truth in Savings, we would review operations advertisements over the past six months for accuracy with TISA and membership requirements and sample one periodic statement per major product area for accuracy with interest computations.
- For Right to Financial Privacy compliance, we would evaluate the proper handling of applicable government requests over the past six months.

Proposal

Depending on the needs of the institution, this review typically requires three to four days. For a specific fee proposal for your institution, please contact Frank Young at 702.217.7566 or fyoung@triaccompliance.com.

Services for financial institutions since 2005.

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