

Compliance Audit V: Branch Operations

Triac Compliance LLC

Schedule

Compliance audits typically focus on efforts established in the main office. A branch operations compliance audit, however, gives key compliance areas a review on a branch level. It is scheduled as needed, although many institutions opt to have one conducted each year at each branch.

Areas of Review

A branch operations compliance audit is designed to cover common trouble areas that occur on a branch level in the following regulations:

- *Interest on Deposits*
- *Bank Secrecy Act, including Customer Identification Program (CIP) and beneficial ownership collection requirements*
- *Right to Financial Privacy*
- *Expedited Funds Availability*
- *Electronic Funds Transfers*
- *Truth in Savings*

Scope of Review

The scope of the review is modified to meet the needs of each client. Typically, however, it is designed to be limited to one-half day. As such, the audit would be broad-based, focusing on areas prioritized by the bank. The audit of each branch would be limited to one-half day, and could address issues from the following areas, as directed by the bank:

- **Interest on Deposits:** Branch adherence to eligibility rules for the various types of accounts; a review of training; branch displays; handling of pass-through insurance disclosure, if applicable.
- **Bank Secrecy Act:** Review of the branches' BSA policy; a review of BSA training; Customer Identification Program (CIP) and beneficial ownership collection practices at new-account opening; handling of exemptions; handling of monetary instruments; handling

and detection of structured transactions; taxpayer identification practices; recordkeeping practices; and handling and detection of transactions with "blocked entities."

- **Security and Minimum Security Devices:** Review of the security program and security training.
- **Right to Financial Privacy:** Review of approach to fulfilling requests for consumer financial records from government authorities and related matters.
- **Expedited Funds Availability:** Review of use of holds and related matters.
- **Electronic Fund Transfers:** Review of handling of EFT stops, disclosures, and errors, including confirmation of overdraft opt-in / Regulation E disclosures at account opening.
- **Truth in Savings:** Review of understanding of TISA policies, procedures and practices; and account opening disclosures and procedures.

Upon the conclusion of each branch audit, TRIAC would provide an oral exit review describing its findings and making recommendations for addressing any noted deficiencies. TRIAC would subsequently submit to the bank copies of its workpapers. If desired, TRIAC could also prepare for the bank a written report addressing its findings and recommendations.

Proposal

Depending on the needs of the institution, this review typically requires one to two days per branch. Written reports are optional for branch audits. For a specific fee proposal for your institution, please contact Frank Young at 702.217.7566 or fyoung@triaccompliance.com.

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