

## **Branch Operation Audits**

Our Branch examinations consist of comprehensive review of the controls and compliance within the respective branch. The review includes the following sections:

- Management Reporting Control
- Deposits
- Cash Control and Special Deposits
- Regulatory Compliance
- Personnel
- Security

### **Management Reporting Control:**

- Observe customer service for management and staff response.
- Review operating reports: Suspect Regulation D, Large Cash Items by TIN, ATM reports, and any other daily reports for evidence of daily review, resolution, and officer initials.
- Review of Suspense accounts
- Review reconciliation of General Ledger and tickets
- File Maintenance Review
- Review of prior examinations to ensure corrections were implemented.
- Review of monthly, quarterly, and annual certification packages

### **Deposits:**

- Testing of New Accounts (DDA, TCD, Savings, MMA, and IRA) for both consumer and business customers to ensure the Branch has completed signature card, test for BSA/CIP compliance, OFAC, TIN verification and review and approval.
- Review of Taxpayer ID Number collection, analysis of accounts without TIN and procedures for back-up withholding
- Testing of TCD accounts with Penalties for correct amounts and collection or reasons for waiver and approvals

### **Cash Control and Special Deposits:**

- Cash shipments – Processing and dual control & review for reasonableness with branch transactions
- Negotiable Instruments-Review of sale, monitoring, safekeeping, and approvals
- Safe Deposit Box-New and Closed Accounts, Signature Cards, Access, and safekeeping, if applicable

- Mail, Night Depository and Courier deposits- Dual control, Night Depository/Courier Agreements, and recordkeeping
- Telephone Transfers-Verify Branch is verifying identity of callers, input and call back of transaction and notification to customer.
- Teller Cash and Transactions- Review of daily balancing, limits and over/short, repeat outages and recovery, bundle count and officer review.
- Vault Cash-Verify dual control, authorized access, cash distribution/receipt, daily balancing, and limits.
- Branch Records-Verify daily balancing, dual control, review of over limits, over/short and reversals, officer approval.
- Review approvals of large items, teller exchanges and general ledger tickets • Trace daily work to system reports to ensure the data validity.
- Bait Money Records and Certification

### **Regulatory Compliance:**

- CRA File Review and interview with staff
- Truth in Savings Act
- Regulation D-Money Market Activity
- Consumer Complaint Log and Processes
- Branch Advertising, Brochures, and Disclosures
- Escheat and Unclaimed Property
- Right to Financial Privacy
- Adverse Action Notice-Deposit Accounts
- Review for subpoenas, credit rating and legal orders
- Review control and use of Medallion stamp
- Branch Compliance & Security Training Records
- Mystery Shop for Compliance and new account knowledge

### **Personnel:**

- Vacation schedule review for employees to ensure adherence to policy and best practices.
- Review timecards for completion, absences, tardiness, and overtime approval as well as adherence to State and Federal employee laws.

### **Security:**

- Branch Open/Close records and procedures
- Vault Open/Close records and procedures
- Video Surveillance equipment for Vault/Branch monitoring and inspections
- Key and Combination records, segregation of duties, verify records.
- Written evacuation plan for securing branch assets and records, emergency personnel
- Utilization of locked shred bins and security of documents.

- Password Security & Policy