

GENERAL MATTERS

PLANNING

Background Information

Step: Review previous W/Ps, copies of previous audit report, management responses and permanent file.

Presentation Letter

Step: Prepare the Presentation Letter and List of Personnel to be provided to the Unit Manager in the Entrance Meeting. Also, ascertain that the Assistant Administrative receives a copy of the Presentation Letter to update the audit log.

Walk Thru

Step: Performs a walk-through of the audit area. Interviews Branch Region Supervisor Team to determine whether a risk assessment is performed. Prepare the Risk Assessment for the Unit based on the 35 EMR Risk Categories. Update narratives/ flowcharts included in the Permanent File.

Changes in Unit's Operations

Step: Identifies and analyzes the nature and extent of major changes in the unit's operation (new systems, procedures or products).

Update or Prepare Permanent File

Step: Ensure that the Permanent File include the below mentioned items. If yes, Updates the following information in the permanent file:

- ◇ Organization chart
- ◇ List of key personnel and duties
- ◇ Job Descriptions
- ◇ Long-range objectives of the unit (Strategic Planning)
- ◇ Chart of Accounts
- ◇ Accounting Manuals
- ◇ List of policies and procedures
- ◇ List of Forms and Reports utilize by the branch
- ◇ List of laws and regulations applicable to the branch

A.1.PS - Update Audit Program

Step: Structures the audit program into exposure areas (major risk areas).

Identifies objectives for each major risk area and designs tests needed to verify if controls are in place and well functioning. Considers all auditing techniques appropriate to the circumstances, including observation, analysis, inspection, inquiry, computation, and confirmation.

The preparation of audit programs is logically based on the identified potential risks and control structures. The process requires the structuring of the examination into major risk areas, which will help to distribute audit tasks among the audit team.

The audit program should be clear and concise. It should include compliance and substantive tests.

Writes new audit programs or updates the ones used during prior examinations before commencement of the fieldwork.

Risk Assessment/Grading Schedule

Step: Based on the information gathered, applies professional judgment to identify general and specific risks of the unit or activity subject to audit. Identifies controls that should be in place to limit the materialization of risks. Outlines the audit objectives.

Summarizes all risks and expected controls into Major Risks Areas within the Grading Schedule. Determines which are more relevant than others and assigns percentages of importance to totalize 100%.

The criteria that internal auditors consider to weight each risk situation generally include:

- Materiality, liquidity and sensitivity of assets and liabilities and off-balance sheet items, controlled by the unit under examination;
- auditees' experience and knowledge of the accounts and functions undertaken by the unit;
- management oversight;
- adequate policies, procedures and limits;
- comprehensive internal controls.

Planning Memo

Step: Prepares a planning memo to document the engagement's broad approach. The planning memo should include:

- General audit objectives.
- Scope of work for the major risks areas subject to examination.
- Most relevant individual functions and accounts, which will be tested during the audit, field work.
- Past internal audit experience, including grading and major issues for special consideration during the current period.
- Issues mentioned by external auditors or regulators during their last examination.
- Sampling method and criteria for major examination tests to achieve audit objectives.
- Specific staffing needs or special training to develop skills of participant auditors.

The planning memo should be discussed with the audit team. Objectives, scopes, and due dates of the engagement are well understood by all members assigned to the audit. Every auditor participating in an engagement should be familiarized with all areas under examination and sign the planning memo as evidence of discussion.

In addition the planning memo should contain the list of branches to be visited and the criteria for selection

Note: The Planning Memo should be read and sign off by each participant.

A.1.PS - First Day Meeting

Step: Discusses the following aspects during the entrance meeting.

- Introduces all auditors participating in the audit.
- Provides the auditee an overall idea of the areas to be covered and the objectives of the audit.
- Explains how and when will the findings and recommendations be brought to management's attention.
- Identifies key unit's personnel to establish communication between auditee and auditors.
- Explains the Grading System and assures the unit's management understands and agrees with the criteria used to establish the relevance of each risk situation.
- Presents management with the Evaluation of Internal Audit Function, and explains its purposes.
- Requests access to files, and other sources of information.

Requests in writing, specific documents for detailed testing.

A.1.PS - Prepares the Budget Area and Time Distribution

Step: Prepares the Budget Area and Time Distribution Schedule and submits it to the Audit Supervisor for review and Approval.

AIC-ADMINISTRATION FUNCTIONS

Status Reports

Step: Keeps the Audit Manager, Supervisor or Assistant General Auditor, abreast of audit progress through weekly status reports, meetings or telephone conversations during the field work.

Updates the Budget Area and Time Summary and submits an updated copy to the Supervisor, Manager or Assistant General Auditor including the estimate time to complete each area.

Submits a replica of those areas that had already been completed to the Audit Supervisor, Audit Manager or Assistant General Auditor for their review.

Findings and Recommendations

Step: After each area is completed, the in-charge auditor should review the working papers and the findings and recommendations prepared by the auditor. Also keep management informed of all relevant situations that require corrective action and/or will be included in the final audit report.

The completed area should be sent to the Audit Supervisor, Audit Manager or Assistant General Auditor for their review, including any findings and recommendations.

After the working papers and the corresponding findings and recommendations had been reviewed, provides and discussed the findings and recommendations with the unit's management throughout the fieldwork.

Weekly Status Report

Step: Ascertains that the time and expenditures summary schedules are prepared. Submits the updated weekly status report for the same period to the audit manager not more than three working days after the closing date.

Confidential Information

Step: Protects confidential information gathered in the course of the audit and ascertains adherence to working paper standards and techniques.

Workpaper Review

Step: Responsible of performing a review of the audit documentation included in the working papers during the fieldwork. The review includes:

- ascertaining working papers adequately support the audit findings, conclusions, and recommendations.
- review each working paper to ensure that it is complete, neat and legible.
- ascertain that all steps required by the audit program have been duly completed and the audit objectives have been achieved. (The audit manager should authorize the justification for any step not completed).
- ascertain that the audit team has complied with the standards for the professional practice of internal auditing and the Internal Auditing Division's standards. Refer to the Working Paper Standards Manual for additional details on these matters.

FINALIZATION

Previous Audit Report

Step: Attach previous audit report. Review previous audit report and management's responses. Indicate which recurrent findings.

Mgmt Responses to Findings

Step: Review the responses provided by the auditee for the recommendations presented during the fieldwork. If no satisfactory answer received, contact the auditee to clarify any pending issues.

Grading Schedule

Step: Prepare the grading schedule taking into consideration management's responses.

Complete grading schedule in accordance with our Audit Standards. X-refer the steps to the exceptions presented to the auditee.

Point For Next Audit

Step: Document any issues to perform additional detail testing on the next audit.

Rotation

Step: Document the programs/steps rotated.

1st Draft Report

Step: Prepare the first draft of the report in accordance with the Audit Manual Standards. If management's responses received to the recommendations are adequate include them on the report.

Note: Management's response should include the following:

- Management's corrective actions taken for issues cited and to prevent issue from re-occur again.
- If corrective action is pending, a target date for completion should be included.

Hours Status

Step: Complete the Status Report and include all hours charged to the audit. Hours in the Status Report should match to the Time Sheet given to audit manager.

Final Audit Report

Step: Attach the final report issued to management and management's responses to the final Report. In addition, prepare a memorandum indicating the adequacy of responses received.

BRANCH REGION ADMINISTRATION

Branch Selection

Step: Prepare a comparative analysis for each branch under the Branch Region's supervision and select the branches to be visited. Use the following indicators:

1. Obtain from the Finance Department the Sundry losses balances as of year-to-date.
2. Obtain the latest Re-aged Outstanding Deferred & Suspense items reports. Sum the total number of items by numbers and dollar amounts.
3. Obtain the General Ledger Balance for the teller differences as of year-to-date.
4. Obtain the latest Norb reports from National Balancing Application Unit and Finance to obtain the total of reconciled items outstanding per branch.
5. Obtain from the CTR Quality Control Unit the total number of CTRs filed per branch as of year-to-date.
6. Obtain from the CTR Quality Control Unit the total number of CTR's errors done by each branch as of year to date.
7. Obtain from the National SAR Investigation Unit the total number of Suspicious Activity Reports generated s of year-to date.
8. Obtain the total number of Outgoing Wire Transfer Report over \$2,000 per branch.
9. Obtain a total number of customers' complains received via the National Call Center or via the State Banking.
10. Obtain from the Administrative Assistance the total number of Irregularities Reports received as of year to date for each branch.
11. Obtain the Cash Limits per Branch.
12. Prepare a job request from INFORMENT for the deposit accounts overdrawn for more than 30 days. Total the number of items by volume and dollar amount.
13. Prepare a job request from INFORMENT for the deposit accounts overdrawn for more than 30 days. Total the number of items by volume and dollar amount. Prepare a job request from INFORMET for new accounts opened as year to date for each branch.
14. Prepare a job request from INFORMENT for fees waived per branch.
15. Prepare a job request from INFORMENT for debits processed to income accounts as of year to date.
16. Prepare a job request from INFORMENT for Statement codes to ascertain whether the branches held any mail at the branch.
17. Obtain a report (Alarm Company) from the Security Officer regarding the number of times the alarms have being triggering at the branches.
18. Obtain from the LPU Unit an Exception List regarding Consumer Loans Documentation as of year to date.
19. Obtain from Human Resources the turnover ratio and turnover reports for each branch.
20. Obtain from Human Resources the Incentive and Compensation programs related the branch personnel.
21. Obtain from the Retail Executive Management the Goals and Budget for each branch.
22. Obtain the last audit date for each branch, grading and score.
23. Obtain the last BSA Assessment performed for each branch and grading (if applicable).
24. Obtain the last Retail Administration Assessment performed for each branch and grading (if applicable).

Branch Concerns-Finance

Step: Communicate with the Finance Area and determine if any specific concern exists with any branches in the Region. Adjust the audit scope accordingly.

Branch Concerns-Operations

Step: Communicate with the Operations Area (Deposit Services, Item Returns, CTR Quality,) to determine whether any concerns exist with any branch in the Region. Adjust the audit scope accordingly.

Branch Concerns-Operations

Step: Communicate with the Security Officer to determine whether any concerns exist with any branch in the Region. Verify whether any major investigations were conducted for the last 6-12 months. Adjust the audit scope accordingly.

BSA/Compliance Assessments performed

Step: Obtain the latest BSA Assessments or Compliance Assessments performed the branches under the Branch Region supervision and verify that corrective actions were taken.

Management's Reports related to Retail Banking

Step: Obtain from the Bank's website any management reports used by the Branch Region Supervision and the branches. Verify validity.

Internal Control Questionnaires

Step: Provide the Branch Region Supervisor (RBS) an internal control questionnaire (ICQ) regarding the internal controls established at each branch as well as the monitoring and supervision done by the RBS. Evaluate the responses provided and perform additional testing where deemed necessary.

Note: Include the ICQ's as part of the W/Ps Supporting Documentation file.

Training

Step: Determine if the Branch Region has established a training program for their employees. Examine the trainings offered during the last year with respect to new procedures, operational instructions, legal compliance and other. Specifically evaluate the procedures established by the Branch Region to ascertain that all required personnel of the Branch Region and the corresponding branches have attended Bank Secrecy Act Seminars and other compliance regulations seminars, including refresher courses, as established in the procedures.

Internal Branch Reports

Step: Evaluate the adequacy of internal verification and verify whether the reports are submitted to regional management team and ascertain that the Branch Region Administration has established a follow-up process for branches that do not submit the reports on timely basis.

When visiting the branches, randomly confirm whether the branch maintains evidence of cash proofs performed during the months.

Branch Assessments

Step: Determine whether the Branch Region Administration has conducted any Branch Assessments. Obtain the latest Branch Assessment performed and determine whether the scope coverage is adequate.

Cash Analysis

Step: Analyze the cash movement of the Region's branches using Informet and determine if the branches are complying with the cash limits established.

- a. Evaluate the documentation maintained or efforts made with respect to those branches that are not complying with the cash limits.
- b. Determine if in those cases that the Unit exceed the authorized cash limit, are request was made to the Branch Region to review the cash limits.

Irregularities Reports

Step: Determine whether the Branch Region Administration reviews, investigates and takes corrective actions on irregularities reports received from the Branches.

5-Deferred/Suspense Items

Step: Obtain the last Outstanding Deferred/Suspense Items Aging of all the branches of the Region. Analyze the most significant items considering the amount, nature, and date since it was issued.

Ascertain that comments included in the aging are reasonable, well documented and that deferred items are being reversed within the seven days established by the Bank. The Branch Region Administration should already document any items over seven days. Any suspense item over 180 days should be cleared or charged-off. Any items over 180 days should be already documented and approved by the Region's Management.

Ascertain that collection efforts of suspense items pending are properly documented and that items considered uncollected are submitted to be charged off when they have 150 days.

Monitoring Overdrawn Collection Efforts

Step: Evaluate the Branch Region Administration's efforts to monitor that the Branch Managers perform adequate collection efforts regarding overdrawn balances over 30 days. In addition, analyze collection efforts to ensure that the Bank charges that created the overdraft are being reversed.

3-Loan Documentation Exceptions

Step: Obtain a list of loan documentation exceptions from the LPU and the Regional Loan Documentation Unit to determine whether the Unit has taken corrective action to ensure that the Branches correct deficiencies noted.

7-Previous Audit Findings

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Step: Obtain and review the most recent Internal Audit Reports and BSA Assessment performed for the Region's Branches verify that the Retail Banking has established a process to ensure that corrective action have been taken on all findings cited. Please attach any report or a summary of findings noted.

10-Charge-Offs

Step: Select, based on materiality, a sample of items charged - off during the last year. Obtain the information and reports maintained by the Branch Region and ascertain that adequate collection efforts have been performed and are properly documented; and the Branch Region authorized the charge-off request.

11-Staffing

Step: Analyze the number of employees at the branches. Compare the number of employees with the transactions volume to determine whether the branches have adequate staff.

12-Annual visits

Step: Document and verify the procedures established by the Branch Region to follow up on the annual plan established by the branches of the Region. Examine the supporting documents maintained by the Region.

MANAGEMENT CONTROLS

1 - Administration of Combinations

Step: Evaluate procedures surrounding administration (of combinations of main vault, drawers, lockets, etc.)

Do current key and combination assignments for cash, ATM, and special depositories have proper assignment and segregation?

Evaluate and document the established procedures of the combination and duplicate key control. Ascertain compliance with Operating Instruction 21-13.

- a. The same person should not control both combinations (superior and inferior).
- b. Ascertain that the combination changes are sent to the Security Department on the same day they are performed using form GEN-42, Combination Change.
- c. Observe that the vault gate is maintained closed and that there is an adequate control over the key.
- d. Verify the combinations of the compartments where cash and other valuables are kept are not left fixed.
- e. Ascertain that the duplicate keys of the teller buses, under counter units, cash or valuables compartments are maintained under dual custody.
- f. Ascertain that the combinations are changed at least once every two year, even though the custodian of the compartments, vault, etc is the same person.

2 - Encashment Limits

Step: Evaluate the adequacy of encashment limits and the use of officer's overriding capacity. Evaluate the reasonability of the limits established

3 - G/L Tickets

Step: Verify that all entries to Cash and other Cash Items control accounts are reviewed and approved by someone with no access to cash and cash items (i.e. tellers). Verify that all entries to the consigned financial items memorandum accounts are reviewed and approved by someone with no responsibility for the custody of valuables. Also review transaction tickets for completeness.

Use discovery sample selection

4 - Security Procedures

Step: Ensure through observation, physical inspection, and review of the Unit's records that the following security procedures are being performed:

- a) Management to ensure that they are functioning inspects the locks and doors periodically.
- b) Management checks the video/camera system on a daily basis to ensure proper coverage, time/date, and a clear picture image.
- c) Videos are maintained under management's control..
- d) Floors are free from hazards.
- e) Security Reports (monthly or quarterly) are completed and forwarded to the Security Department.
- f) Branch keys are properly handled according to Bank's procedures.

5 - Security Procedures

Step: Obtain the Branch's current listings of keys and combinations and review to ensure the following:

- a) Key and combination assignments have been segregated to establish the proper level of custody.
- b) Assignments of keys and combinations are commensurate with the employee level of authority and responsibility.
- c) Combinations have not been passed back and forth to incompatible employees without being changed. For example, person A may have part A of a combination. Person B may have part B. For some reason person B is out. Person A ends up with part B and person C gets part A. Person A now has knowledge of both parts of the combination and thereby has sole access to the device.
- d) Verify that procedures are in place for the surrendering of keys immediately upon termination of employment and that significant combinations are changed when "key" people leave.
- e) Verify that signatures are obtained on the office key/combination log from employees demonstrating receipt of their assigned keys or combinations.

6 - Safekeeping Items

Step: Ascertain that safekeeping items are maintained under dual control and history cards are properly filed.

7 - Safe Deposit Boxes - unrented box

Step: Determine whether the Unit complies with the Bank's procedures regarding renting safe deposit boxes by Select a sample of unrented safe deposit box keys to ensure that the keys are maintained under dual control.

8 - Safe Deposit Boxes - new rented box

Step: Select a sample of new rented safe deposit boxes within the last six months to ascertain that the Unit obtains all the necessary documents required by the Bank's operating instruction 24-05 regarding the rental of safe deposit boxes. Ascertain that safe deposit box contract and information to identify the customer was obtained. Verify the following is included in the contract:

- Rent
- Method of payments
- Evidence of delivery of the two safe deposits boxes key
- The box number is prominently displayed
- Billing information is clearly indicated
- The number of keys provided to the customer is clearly indicated
- There is an indication that all the owners signed the contract in from t of an employee
- The contract is signed and dated by an employee
- All blank lines are canceled in ink to prevent the unauthorized addition of any new names
- There is clear indication of the forms of identification used to verify the people signing the contract.

9 - Safe Deposit Boxes - visits

From the sample selected above verify the Visit Register and determine the following:

- a) the records identify who is providing access to customer safe deposit boxes and whether the individual is an assigned custodian or an alternate. Also compare the signature in the register with the Contract.
- b) Ascertain that the customer is properly identified providing any access to the box
- c) Ascertain that the date, time and signature was included in the register
- d) Verify that the custodian who escorts the customer to the box signs the access document.

10 - Safe Deposit Boxes - Delinquent Boxes

Step: Select a sample of delinquent safe deposit boxes and ensure collection efforts are being executed and documented. (Document work performed on Record work done below)

11 - Safe Deposit Boxes - General Controls

Step: Through inquiry and observation ascertain that the custodian verifies the safe deposit boxes area after the customer leaves the area to ascertain that there are no items or documents left. Ascertain that the keys of the safe deposit boxes that are available for rent are maintained in a secured envelope under dual custody; and Keys are maintained at safe deposit box under the dual custody.

12 - Internal Control Questionnaires

Step: Evaluate the responses provided by branch personnel regarding the internal control questionnaire and determine whether the Unit's personnel have adequate knowledge of the internal controls.

Note Include the ICQ's as part of the W/Ps

13 - User Profile

Step: Obtain the User Profile Report for all users of the Teller and Platform Automated System and determine the following:

- Are the User security levels functions in agreements with the User's job responsibilities?

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- Is there adequate segregation of duties?
- Is the User ID changed or deleted when an User is terminated or moved to a new assignment?

Note Retain copies of all documentation pertain to the sample selected

14 - Software License

Step: Select a sample of the computers assigned to the Unit and review their hardware to determine whether that software stored in the "C" drive are properly license (Any software installed on the Network should not be tested)

CASH AND CASH ITEMS

1 - Teller Differences

Step: Review tellers' individual short/over records over \$300 and note any trends (such as many shorts incurred by a single teller) or patterns (such as always short the day before pay day) and reversals of large overs that may need follow-up.

Request the teller difference report and ascertain that the branch is complying with the Cash Differences and Irregularities Policy for Tellers.

- a. Review debit and credit tickets for short and over accounts. Verify that adequate details are given describing the shortage or overage and that the ticket has been reviewed and approved by a supervisor.
- b. Verify that the results of short and over investigations are properly documented.
- c. Ascertain that the Unit reconciles the Teller's Difference Reports on the Teller Platform to the General Ledger Records.

2 - Cash Proofs

Step: Reconcile the cash and cash items totals on the tellers' settlement sheets to the general ledger account balance. Investigate any differences.

Observe whether joint cash custodians bundle count vault cash in joint custody and compare it to cash in vault register.

Observe that vault cash is maintained in effective joint custody.

3 - Cash Shipments

Step: Ascertain that the cash shipments are properly prepared, sealed under dual control and maintained in the vault until the carrier pick-up.

4 - Cash Reserve Count

Step: If cash controls are not adequate, Perform a bulk count of the cash reserve funds.(record count on W/P C.1.2)

Examine size of packages and weight of coin bags for reasonableness and "riffle" the packages randomly to verify bills denominations. Bill straps should bear a current date and tellers ID' stamp. Agree to the vault register and to the teller's settlement sheets. Ensure that teller settlement sheet bear teller's initial and stamp.

5 - Vault Cash

Step: Verify that the responsibility for vault cash is assigned to two employees: vault teller and joint cash custodian, one of who should be an officer. If alternate custodians have been appointed, verify that the number of alternate custodians is not excessive, that each person so appointed is specifically an alternate to one of the main custodians, and that one of any pair of alternates is an officer.

6 - Bait Money and/or Dye Packs

Step: Ascertain that bait money and/or dye packs are held in all cash compartments and that a listing of the bait money maintained in a secure location.

- a. Through inquiry and observation, verify that each teller maintains "bait" money or other chemical or electronic devices, such as dye packs, in his/her cash drawer. Bait money should be strapped and stamped with the teller's number and a reasonably current date. Note any straps that are stale dated.
- b. Verify that a listing of pre-recorded, serial-numbered bills (i.e., bait money) is maintained in dual custody.
- c. Obtain the listing of bait money and compare it with Teller's Cash Sheets to determine that the bail money is maintained with each teller's working cash and straps are changed at least monthly.
- d. Interview the vault teller to determine how many cash compartments the unit has and whether bait money is held in all of them.

- e. If dye packs are used in addition to bait money, use the same distribution and documentation procedures, after ensuring that each dye pack bears a unique identification number.

7 - Counterfeit Currency

Step: Interview personnel regarding procedures for handling counterfeit currency. Determine whether proper procedures are observed under the following conditions:

- A counterfeit bill is detected during a customer transaction.
- A counterfeit bill is detected after the customer leaves the teller window or during a cash count.
- A doubtful or questionable bill is received.

Ascertain that the personnel of the branch have knowledge and comply with Operating Instruction 21-16, False, Doubtful or Altered bills.

- a. Verify when a false or doubtful bill is detected that it is retained and the *Counterfeit Note Report* is completed.
- b. Ascertain that this report is sent to the Secret Service by mail and that an acknowledgment of receipt is obtained (Yellow copy of the receipt).

8 - Reserve cash control Register

Step: Ascertain that the reserve cash control register is accurately maintained. Review the register for significant transfers of large bills (50s and 100s), especially if there is significant transfer of regular denominations (10s and 20s) to ensure that the Unit is not exchanging small bills for large bills from customers (indication of money laundering).

Ensure that cash movements to and from the vault are recorded on the reserve cash control register and initialed by both custodians. This includes outgoing and incoming cash transfers and shipments.

Note Retain copies of all documentation pertain to the sample selected

9 - Teller Working Cash Limit

Step: Select a sample of tellers for at least two consecutive days to ensure that the teller's individual cash/coin fund is not in excess of the maximum limited allowed (\$15,000).* Re-count tellers for which an adequate reasons was provided for the overage.

* Confirm with the regional management team the teller's maximum limited allowed to have.

10 - Controls over cash and valuables

Step: Determine if adequate dual custody exist over cash, values, and during certain processes, which require dual control as required by the Bank's policies.

Ascertain that adequate controls exist over the custody and control of teller cash.

- a. Observe that teller cash is maintained under the separate control of the one and only assigned teller for that particular cash supply.
- b. Observe that keys are maintained in the personal possession of the assigned teller at all times. When tellers leave their stations, cash drawers must be locked and the key removed. Teller stamps should also be locked away and teller machine tapes should be initialed or terminals should be signed-off.
- c. Because cash drawer locks can wear out, ask a couple of tellers to use their keys to attempt to open all other cash drawers (while in the presence of the cash officer and head teller) to see if the same key opens more than one drawer.
- d. Ensure that after day-end the teller's cash is counted and adequately stored and protected from unauthorized access.

11 - Teller Transfers

Step: Ascertain that transaction between tellers are properly documented and signed by the receiving tellers. Observe whether the receiving teller immediately details counts the cash in the presence of the paying teller and whether the exchange is documented. The most usual instance where documentation is avoided is when tellers are exchanging different denominations of the same currency (e.g., a teller changes one \$100 bill for two \$50 bills).

Obtain the teller transaction journals to select sample. Document only exceptions on Work Paper.

12 - ATM access cards controls

Step: Evaluate the procedures followed by the Unit with regards to the administration of ATM combinations and proof process. Verify that the "start-up and "access" cards are maintained under dual control. Determine the custodian for the Start Up and Access Cards. Verify that the ATM proof is performed before 3:00pm.

Note: Retain copies of all documentation pertain to the sample selected

13 - ATM Proof Rotation

Step: Ascertain that the proving of ATM is periodically rotated by reviewing the ATM settlement sheets. Establish the pattern used by the Unit to rotate the personnel.

14 - ATM Proof Process

Step: Observe the Unit's process followed to proof and reconcile the ATM. Trace totals on the ATM settlement sheet to the ATM journal. Investigate any difference.

Review cash replenishing and replacement procedures.

- a. Cash should be balanced daily, however physical cash count is perform once a week in NY/NJ Region.
- b. Proper procedures should be followed when an out-of balance condition exists.
- c. The number of physical envelopes should agree to the total number of deposits and payments indicated on the audit tape.
- d. Cash discrepancies and empty envelopes must be verified by two employees and sign the envelope of evidence of verification.
- e. Cash supplies should be transported under proper custody.
- f. The cash compartment should be opened under dual control.
- g. The card is blocked, logged in appropriate records and place in double custody when found in the machines or lobby.

In addition, perform an analysis of adjustments/differences by obtaining an ATM adjustment/differences report generated by Fiserv system to identify any patterns or high frequencies.

Verify that the ATM proof is performed before 3:00pm.

15 - ATM Envelopes Processing

Step: Observe the process of retrieving ATM Envelopes. If any deficiencies noted, select a sample of deposit envelopes processed and ascertain that:

- a. Deposit envelopes bear the initials of the employees who processed the transaction as evidenced of dual control.
- b. Deposits processed as per system agree to amount registered on envelopes and deposit slip.
- c. Final disposition and approval of adjustments properly documented

Note Retain copies of all documentation pertain to the sample selected

16 - Rapid Deposit

Step: Observe during fieldwork how the Unit is handling the processing of deposit envelopes received thru the "Rapid" chute. Focus your attention to:

- . Access compartment under dual control
- . Recording bags/envelopes on register under dual control
- . The register is adequately completed
- . Controls over the combination and keys are adequate

DEPOSIT ACCOUNTS

1 - New Accounts

Step: Select the number of new accounts for review and perform the following:

1 - New Demand Deposits Accounts

Step: For demand deposit accounts selected ascertain, as applicable, that:

- a. The Signature card is properly completed.
- b. Officer authorization to open account is properly documented (Officer has no access over cash or record keeping responsibilities)
- c. Checking contract is properly completed.
- d. Completed Certificate of Corporate Resolution or Trade Name Agreement.
- e. Proper Identification taken at account opening
- f. Completed Call Report as evidence of management visit to the customer's business location.

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- g. Checksystem performed (verify the confirmation on the system) Customer verified against the OFAC list.
- h. Utility Bills on file as evidence of proof of address (two acceptable forms)
- i. Social security number on account records
- j. TIN certification for interest bearing accounts on file
- k. Bank Reference letter and credit reference letter on file when applicable
- l. Original business certificate on file
- m. Checklist (effective 6/2000) properly completed.

If waivers of any documents must be approved by Management and should not be frequent. The reasons for waiving document should be documented.

1 - New Time Deposit Accounts

Step: For time deposit account selected ascertain,

- a. Checksystem performed (verify the confirmation on the system) Customer verified against the OFAC list.
- b. Utility Bills on file as evidence of proof of address (two acceptable forms)
- c. Proper Identification taken at account opening
- d. Officer authorization to open account is properly documented (Officer has no access over cash or record keeping responsibilities)
- e. Completed Certificate of Corporate Resolution or Trade Name Agreement.
- f. Social security number or tax identification number on account records
- g. Tin certification for interest bearing accounts on file
- h. Certificate receipt given to the customer
- i. Checklist (effective 6/2000) properly completed.

- Change of Address

Step: Ascertain that the changes of address are authorized by the customer in writing and it is properly processed through the system. Confirm address changes when signed forms are not available.

Note Retain copies of all documentation pertain to the sample selected

5 - Paid Checks

Step: Review paid checks for at least two consecutive days during the audit as to appropriate endorsement, customer identification, signatures, date, proper authorization (with claim ticket, if applicable) and terminal validation. Determine the following:

- Are beneficiaries properly identified before the check is paid?
- Are balances verified before checks are paid and a "hold" placed on the customer's account?

Note Retain copies of all documentation pertain to the sample selected

6 - Savings Withdrawals

Step: Examine savings withdrawals made for at least two consecutive days during the audit as to proper authorization (considering amount, dormant account status, etc), customer identification, verification with signature card, date proper recording in teller's terminal and validation.

7 - Dormant Accounts Signature Cards

Step: Select a representative sample of dormant accounts to ascertain that the corresponding signature card is maintained under dual control. Verify that the authorization stamp is maintained under dual control away from unauthorized access.

8 - Overdraft Approvals

Step: Ascertain that the Unit obtains proper approval (from the commercial lending area) on overdraft and overdrawn accounts over the branch manager's limit.

CONSUMER LOANS

1 - Cash Collateral Consumer Loans

Step: Select a statistical sample of consumer loans with cash collateral approved at the Region's branches.

- a) Request a copy of the Authorization for approval, when the collateral being offered is a savings account and of the collateral offered is Certificate of Deposit. The documents should be signed by the customer, include the amount that is being offered as collateral and the signature of an officer of the Bank. Verify the signature included in the CD against the signatures cards or the certificates of deposit contracts, as applicable.

- b) Verify in the administrative system under Option 1, Demand Deposits and 11, Certificates of Deposit that the corresponding hold was placed in the system to the account indicated in the documents and for the amount established.

2-Pending Loan Notes

Step: Determine if there are any consumer loan notes over 30 days and the efforts being performed by the Branch Region to ascertain that all consumer Loan notes were obtained and forwarded to the Loan Documentation Unit. Include a comment in the report based on the results of the work performed if considered necessary.

WIRE TRANSFERS

1- Out going Wire Transfer Forms

Step: Select a representative sample of fund transfer done by the Unit and ensure that the following was performed and documented:

- Wire Transfer form was completed properly such as
 - reference number, amount
 - collected fees
 - transmissions costs
 - execution date
 - originator's account number, name of the originator, address, social security number, and alien ID or passport type and identification number
 - name of the recipient and account number to be credited, or name and address of the recipient
 - numerical identifier of the financial institution.
- Corporate resolution, Certificate of Partnership, Unincorporated, or Trade Name Resolution is on file for businesses only.
- Signature card
- Confirmation letters and contracts if made via telephone. General Ledger ticket was properly authorized
- Accurate fees were collected.

Note Retain copies of all documentation pertain to the sample selected

3 - Authorize Personnel

Step: Ascertain that fund transfer service is provided only to customers that have a checking or savings account with the Institution.

4 - Authorize Personnel

Step: Determine who in the unit can authorized wire transfers and review the following:

- a. The branch manager should have authorized the employee.
- b. The employee should have received orientation regarding the risk involved in this area.
- c. The employee must have a limit. Above that limit has to be referred to the manager.

5 - Test Key Controls

Step: Ascertain that the controls surrounding the "Test Keys" are adequate:

- The "Funds Transfer Authentication Chart Table IV" Test Keys must be maintained under dual control after banking hours and locked during working hours. The individuals who are authorized to originate wire transfers **should not** have control or access to this chart.
- The "Funds Transfer Authentication Chart Table I, II, II" Code Tables must be in sole custody of the individuals authorized to originate transfers. In a locked drawer during working hours and inside the vault after banking hours.

6 - Confirmation test

Step: Confirm any wire transfer for which proper documentation was not obtained.

7 - Funds Transfer from Foreign Countries

Step: Ascertain that an Incoming Transfer of Funds was completed with the following information:

- Amount.
- Check number.
- Name and Address of Beneficiary
- Type of identification and Number
- Social Security Number or Alien Registration or Passport.

Interview the personnel that perform funds transfers to ascertain that the Unit only accepts incoming funds transfers that will be credit to customers' accounts. If another person other than the one received the transaction to which the transfer was issued to, ascertain that the name and address of the person and type of identification and Social Security Number or Passport or Alien Registration were obtained.

COMPLIANCE

HOME MORTGAGE DISCLOSURE ACT & COMMUNITY REINVESTMENT ACT

1a - EHL log and statement

Step: Ascertain that the Equal Housing Lender log and statement is displayed in the branch lobby.

1b - HMDA Disclosure

Step: Ascertain that the Bank has posted the notice of availability of HMDA Disclosure Statement in the lobbies of its home and branch office that are located in MSAs. Verify that the HMDA Disclosure Statement is available in the home office and at least one branch office located in each MSA within 30 days after it received it from its supervisory agency to the public (confirm with the CRA Officer which branches are considered in MSA).

1c - Public Comment File

Step: Ascertain whether the Bank maintains a Public Comment File ready available for public inspection as required by Regulation BB. (If the public file is not maintained at the branch, verify that the Unit's personnel are aware where the public file is maintained.) The following items should be included as part of the Public File:

- All signed written comments received from the public within the past two years that relate to the CRA statement, the Bank's record of helping meet its community's needs and the Bank's CRA performance evaluation.
- Any responses to the comments that the Bank elected to make.
- All CRA statements in effect for the past two years.
- The public section of the Bank's most recent CRA performance evaluation.
- Evidence that the Bank is reaching out to its communities.

In addition, verify that the branch manager prepared at least 10 call reports per month as evidence of its visits to members of its community

1d - CRA Notice

Step: Review the CRA Notice to assure that such Notice contains the required information and a disclosure of the availability of the evaluations to the public. Verify that the CRA Notice is posted in the lobby.

SECURITY PROTECTION ACT

2a - Branch Security Devices

Step: Review security devices in place at the branch facility to ascertain whether the following controls are in place:

- A means of protecting cash and other valuable assets, such as vaults, safe or other secure space.
- A lighting system for illuminating, during the hours of darkness.
- Tamper resistant locks on exterior doors and windows that open.
- An alarm system or other appropriate device for promptly notifying the nearest responsible law enforcement officers of an attempted or perpetrated robber or burglary.

2b - Security Guidelines

Step: Verify that the Unit complies with the following security guidelines:

- During non-business hours, currency and other valuables are kept in a vault or safe that is opened as late as practical before business hours and locked as soon as practical after business hours.
- The branch is opened by two authorized personnel and pre-determine signal is given to the other employees if the premise is safe and security devices are turned on and operating during the periods in which such devices are intended to be used.

2c - Inspection, Testing, Servicing

Step: Review records of inspection, testing, and servicing of all security devices in the branch to determine whether they are being performed according to policy schedules.

2d - Emergency Evacuation Plan

Step: Through interview and testing verify that a written evacuation plan exists, containing:

- designated emergency assembly area, with diagram.
- Designated employee positions to act as evacuation personnel.
- Procedures for rapidly securing the institution's facilities, assets, and records.
- Telephone numbers to notify emergency-service agencies.
- Emergency-notification telephone numbers for all employees.
- Interview management and staff to verify that individuals demonstrate knowledge and proficiency in emergency-activation procedures.

2e - Robbery Suspect Description Form

Step: Verify by observation or by interview with the appropriate supervisor that standardized forms are available for Suspect description (robbery). Through observation verify that appropriate emergency telephone numbers have been placed with the forms.

EXPEDITED FUNDS AVAILABILITY ACT –REGULATION CC

3a - Funds availability Disclosures

Step: Verify that the Bank's specific availability policy disclosures. Determine if the specific availability policy disclosures accurately reflect the Bank's funds availability within the required time period and verify that such procedures are displayed in the depository lobby.

3b – New Accounts-30 Day Rule

Step: If the initial deposit for new account is checks. Verify that the 30 days rule for availability of funds was implemented.

3c - Funds availability

Step: Select a sample of each of the types of deposits and verify the funds availability time frames. Determine whether the Bank's procedures provide funds availability within the required time period.

3d - Exception Notices

Step: Select a sample of case-by-case holds and determine whether the Unit makes the funds available for withdrawal within the required time frames and provided the customer with a notice as required by Regulation CC section 229.16(c)(2). Determine if the notice meets the following:

- The following content requirement;
 - The account number of the customer
 - The date and amount of the deposit
 - The amount of the deposit that is being delayed
 - The reason the exception was invoked
 - The day the funds will be available for withdrawal, unless the emergency conditions has been invoked
- The timing requirements that indicates that such notice must be provided to the customer at the time of the deposit or if the deposit is not made in person to an employee if the Bank or the decision to extend the time when the deposited funds will be available is made after the time of the deposit, then such notice is provided to the customer no later than the first business day following the banking day the deposit is made.
- The Bank should not add more than four business days to the maximum time periods in the federal availability schedule for the deposit, unless the Bank can demonstrate that a longer delay is reasonable as required by Section 229.13(h)

Note Retain copies of all documentation pertain to the sample selected

3d - Paid Checks

Step: Select a sample paid checks and verify the funds availability time frames. Determine whether the teller places the "hold" on account in accordance with the applicable State Funds Availability Schedule.

3e - Disclosures provide to customers

Step: Verify if the Branch personnel provide the initial disclosures prior to accepting funds to open a new transaction account, or mail the disclosures within one business day of receiving a written request by mail or a telephone request to open a new account.

INTERNAL REVENUE SERVICES

4a - Missing TIN-NewAccts

Step: For new accounts selected for review, determine whether the Tax Identification Number certification was obtained prior to opening an interest bearing account.

Obtain a report of accounts without tax identification number and ascertain whether the Unit has established procedures to obtain the missing information.

4b - Missing TIN-Existing Accts

Step: Obtain a report of accounts without tax identification number and ascertain whether the Unit has established procedures to obtain the missing information.

4c - Back up Withholding

Step: Ascertain that the 31% backup on interest payments is being withheld for all domestic or foreign accounts for which a TIN was not obtained at the time of opening the account.

TRUTH IN SAVINGS ACT – REGULATION DD

5a - Disclosures to Customer

Step: For interest bearing accounts, determine whether the Branch personnel provide all initial disclosures required by the Truth In Savings Act before opening account or service is provided.

5b - Advertise Rates

Step: Verify whether the Unit advertise any rates on signs inside the Bank's premises and ascertain that such signs states the annual percentage yield and no other rate, except the interest rate to which it relates. Assure that such rates area actually offered by the Bank. *Add only exceptions on the work paper*

ELECTRONIC FUNDS TRANSFER ACT

F.6.PS - 6a - Disclosures to Customers

Step: Verify that the Unit provided the initial disclosures of terms and conditions to the users of fund transfers services (such as ATM, Direct Deposit, etccc)

6b - Customer's inquiry/errors

Step: Evaluate the adequacy of responding to customer's inquiry/error resolutions pertaining to fund transfer services.

DEPOSIT REQUIREMENTS

F.7.PS - 7a- Premature CDs Cancellation

Step: Select a sample of savings certificates closed prior to maturity and verify that the interest forfeitures are in compliance with the Bank's policy.

NON-DEPOSIT INVESTMENTS GUIDELINES

8a - Non-Deposit Investments

Step: Determine whether the Bank's products are separated from the Bank's retail non-deposit investment sales. Ascertain the following:

- The physical sale area is clearly and distinctly identified as the retail non-deposit investment sales area and separated from the deposit taking area of the branch lobby.
- Signs or other means of identifying the sales of retain non-deposit investments products are clearly displayed.
- Bank's deposit products information is not displayed at this location.
- The non-deposit investment sales area is used exclusively but the salesperson and no Bank business is conducted at such location.

OTHER STATE & FDIC REGULATIONS

9a - Broken open Safe Deposits Boxes

Step: Select a representative sample of safe deposit boxes broken-open and ascertain that the State Law regarding breaking in safe deposit boxes is followed. Verify that the sample selected break-opens for the following reasons: lessee's death; lost or keys by the lessee; lessee's request; delinquency; and court order.

9b - FDIC

Step: Verify that the FDIC log is being displayed at each teller window station and the FDIC Certification is displayed at the platform area.

BANK SECRECY ACT/ANTI-MONEYLAUNDERING ACT

10a - BSA Training Received

Step: Verify with the Training Department when was the last formal BSA training received by each employee at this branch.

10b - BSA Questionnaire

Step: Analyze the questionnaire given to employees regarding Bank Secrecy Act issues and determine adequacy of training received.

10c - BSA Hot Line

Determine whether the Unit's personnel is aware of the BSA Hot-Line procedures and whether the BSA Hot-line poster is located at the lunch area.

10d - OFAC-Listing

Step: Verify if the Branch has procedures to assure that clients identified as prohibited do not make any transactions or have accounts with the Bank. In addition, ascertain that the Branch has the most recent list of Individuals and Countries that are sanctioned by OFAC.

10e - EDD Policy

Step: Ascertain whether the Unit complies with the Bank's "know your customer policy". Verify that:

- The Unit has established an action plan to visit/contact the customers periodically and review supporting documentation.
- The Unit has identified all high-risk customers and started to visit/contact these customers and document such visits.

10f - On-going Investigations BSA/AML Department

Step: Communicate with the BSA/AML Department of the Corporate Compliance Division to determine if any specific concern exists with the specific branch to be examined or if there is a current investigation with respect to any customer of this branch. Modify the scope of the audit work accordingly.

10g - High Risk Customer

Step: Select a sample of high-risk customers (check cashers, money remitters or currency exchange) and ensure that they have been coded into Fiserv system as high risk

10h - Transactions Over \$10,000

Step: Select all the cash transactions over \$10,000 picked up by the Atchley system for this branch and verify the following:

- Verify with the CTR Quality Unit to how many errors in completing these CTRs and how promptly did the branch responded to the CTR Quality Unit's requests for additional information.
- Determine who many invalid CTRs were created because the Branch processed transactions incorrectly.
- Obtain the non-aggregation transaction report generated from Atchley to identify transactions no associated with deposit accounts that required the branch to complete a CTR.
- Ascertain that the Unit retains the most recent List of Exempt Customers and verify that the Unit retains CTR's for a period of 5 years. Currency transaction includes transactions involving the physical transfer of currency from one person to another. (e.g. cash loan payments, payments to credit cards, issuance of time deposits, cash advances from credit cards, etc.).

10i - Negotiable items over \$3,000

Step: Determine whether the Unit retains records of the issuance or sale of Bank checks or drafts, cashier's checks, money orders or traveler's checks for more than \$3,000 or more in currency.

- If the purchaser has a deposit account, the name of the purchaser, the date and types of instruments purchased, and the serial numbers of each instruments purchased should be recorded.
- If the purchaser does not have a deposit account, the name and address of the purchaser, the social security number of the purchaser, the date of birth of the purchaser, the serial number of each instrument purchased; and the amount in dollar of each instrument purchased should be recorded.
- Ascertain that the unit verified the identity of the purchaser prior to issuance or sale of instruments.

10j - Suspicious Activity-Wire Transfer

Step: Review all wire transfers request forms for the past two months to determine whether potential suspicious activity exists.

For cash transaction over \$10,000 wire transfer, ensure that a CTR is file.

10k - Suspicious Activity-Monetary

Step: Review all the sales of monetary instruments (GEN 25 and any other documentation) for the past month to determine whether potential suspicious activity exists such as large or frequent purchases done by the same individual. (Any names suspected should be checked against the wire transfer request and the account opening documentation.)

REGULATION P-PRIVACY

11a – Initial Disclosures

Step: Determine whether the Unit provides the Bank's Privacy Policy Notices to the new customer at the time the account is opened.

11b - Observation

Step: Through observation verify the following:

- a. Customer data (e.g., signature cards, account statements, loan applications, documentation) and sensitive internal records (e.g., reconciliation forms, spreadsheets, personnel documents, internal memos) are not left on desks or counters by employees while servicing subsequent customers. It is essential that confidential information is not accessible to customers.
- b. Computer terminals displaying customer account information are cleared immediately.

11c – Verification Procedures

Step: Verify that the Unit limits the circumstances under which customer information may be disclosed by telephone.

F.11.PS - 11d – Verification Procedures

Step: Determine whether the Unit follows verification procedures for new accounts. These could involve using independent sources to confirm information submitted by a customer; calling a customer to confirm that the customer has opened a checking account or credit card; or verifying information through an employer identified on an application form.

11e – Fraud Prevention-Change of Address

Step: Determine whether the customer's information is verified before executing an address change and send a confirmation of the address change to both the new address and the address of record.

11f – Fraud Prevention-New Accounts

Step: Determine whether the Unit when opening new account check to ensure that information provided on an application has not previously been associated with fraudulent activity.

**USA PATRIOT ACT & International Money Laundering Abatement & Anti-Terrorist
Financing Act of 2001**

12a – Corresponding Accounts with Shell Banks

Step: Determine whether the Unit has opened any correspondent accounts with "Shell Banks" (Foreign Banks that have no physical presence in any jurisdiction). If the Unit does have correspondent accounts with "Shell Banks". The "Shell Bank" must be an affiliate of the Bank.

12b – Foreign Accounts

Step: Determine whether the Foreign Accounts are not used to indirectly provide banking services to "Shell Banks".

12c – Foreign Accounts

Step: Ascertain that the Bank has obtained adequate information about the ultimate users of the payable through accounts (PTA) and monitors the PTAs to ensure that they are not being used for money laundering or other illicit purposes.

12c – Foreign Accounts

Step: Review the Bank's contracts with foreign banks and ascertain that such contracts:

- Address procedures for opening sub-accounts;
- Require the master account holder to provide the Bank with the true identity of sub-account holders;
- Require the foreign bank to investigate suspicious transactions and report findings to the bank; and
- Clearly, state the liability of both the bank and the foreign bank to which the payable through service is being offered.

CONSIGNED ITEMS & OFFICIAL CHECKS
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1 - Physical Inventory

Step: Review the overall controls and registers over official checks, money orders and American express. If controls are not adequate perform a count the inventory of official checks and money orders as of the audit date and reconcile the totals to the respective control registers.

In addition, verify that Unit reconciles their inventory to the corresponding records on the monthly basis.

2 - Confirmation with consignor

Step: Verify that the Unit reconciles their inventory of consigned items with their own records and the consignor's records on a monthly basis.

3 - Sale of consigned items

Step: Select a sample of checks/money orders issued and ascertain that Gen 25 contain the following information:

- All checks issued are approved by an authorized signer
- Amount
- Residential Address
- Social Security Number
- Identification Obtained
- Customer Signature
- Payment Method
- Fees are being charged
- Application is being completed for items over \$2,000
- Official approval was obtained for any waived charges

If the payment method was in cash of more than \$10,000, determine if a Currency Transaction Report was filed. Also ascertain that the Unit reconciles the checks/money orders sold to the "Official Check & Money Order Issued Report from Finesse.

4 - Reconcile Finesse to Sales

Step: Ascertain that the Unit reconciles the checks/money orders sold to the "Official Check & Money Order Issued Report from Finesse.

5 - Lost or stolen traveler's check

Step: Verify adherence to procedures described below are made prior to any refunds being made:

- a) Claimants must complete an Affidavit and Agreement for Refund of Traveler's Checks, and the affidavit should be notarized, if a notary is available.
- b) The purchaser's copy of the Traveler's Checks Application should be obtained.
- c) A designated officer must determine the following from the claimant prior to authorizing refunds:
 - The claimant is the original purchaser.
 - Checks were not countersigned when lost.
 - Checks were not payable to anyone.
 - Claimant has proper identification (driver's license, passport).
 - If checks were stolen, claimant filed a police report.

NIGHT DEPOSITORY

1 - Review Handling of Bags

Step: Observe for 2 days during fieldwork how the Unit is handling the processing of night deposit bags. Focus your attention to:

- Access compartment under dual control
- Recording bags/envelopes on register under dual control
- The register is adequately completed

Controls over the combination and keys are adequate.

2 - Night Deposits

Step: Select a sample of night deposit received and ascertain the following:

- Trace deposits processed to entry in teller terminal (ticket validation).
- Evaluate final disposition and approval of adjustment(s) entries to processed deposits.
- Review night depository registers as to completeness and proper documentation of audit trails.
- Ascertain that any bags held overnight containing values are properly recorded and kept on the vault under dual control.

Ascertain that a Night Depository Contract is on file.

3 - Contracts

Regional Branch Audit Program

Step: Select 5 Night Depository contract issued within the last 6 months and verify that the contract is properly completed in accordance with the Bank's procedures. In addition, verify the Corporate Resolution is include in the file.

Review the night depository contract to determine that it clearly stated the following:

- the institution's responsibility and liability is limited;
- the type of service desired (carrier deposits, open or no-open bags);
- the amount of any key deposit to be held by the institution and returned to the customer upon surrender of the key;
- the statement that only locked bags will be accepted and processed by the institution;
- has blank spaces for the number of keys provided to and received by the customer for the bag;
- and all people authorized to pick up the bag or carrier deposit receipt.

4-Night Deposit Register

Step: Examine the Night Depository Register of those deposits processed. Ascertain that it includes the following:

- a) the account number of each deposit included in the bag,
- b) the amount of the deposit,
- c) the bag number,
- d) the initials of the teller and officer that opened the bag and registered the deposits, the name and initials of the teller that processed the deposit,
- e) the number of deposits included in the bag and the signature of the officer and of the employee that verified the deposit processed,
- f) differences found and documentation of procedures performed.

Ascertain by verifying the accounts in the deposits system that all deposits were credited to the corresponding accounts.