



OUTSOURCED INTERNAL AUDIT AND COMPLIANCE TESTING SERVICES

For many banks, outsourcing internal audit is a very attractive option:

Continuous expertise, with no increase in head-count or training expenses.

ADI makes this option work for its clients.

We provide a comprehensive audit program covering all your internal audit needs, or a customized set of audits – such as ACH, BSA, etc. – to address your specific needs.

Of course, experience matters, and your work will be performed by our own, time-tested, local team. The team's work has been reviewed by federal regulators and by external auditing firms. Our auditors have decades of experience.

So, our client receives this expertise in a set of services it designs to fit its needs and budget. It is no wonder this option is attractive.

CONSIDER THESE THREE EXAMPLES:

INDEPENDENT TESTING OF ANTI-MONEY LAUNDERING CONTROLS

Independent Testing is a requirement for all financial institutions. ADI delivers annual testing that becomes a reliable component of clients' BSA/AML compliance programs. Our clients are banks, credit unions, and MSBs.

1. We review policies and procedures, risk assessment, monitoring reports, and other program components.
2. We test a sample (often 100%) of SARs, CIP records, CTRs, monetary instrument log, OFAC checks, and 314(a) request processing, and other compliance activities.
3. We review transactions monitoring reports, and ensure that underlying transactions tie back to those reports.
4. We evaluate training material and administrative record keeping.
5. We review the BSA Officer's qualifications.

We deliver an examiner-ready report and all work papers. We are ready to present our report to senior management, if asked.

ACH AUDITS

ACH Audits are an annual requirement. We follow the best guidance for all audits, and our ACH Audit Requirements is a good example. The audit includes the following steps:

1. We request information and documents for the audit – e.g., policies and procedures, prior review reports, systems documentation, and statistical information.
2. We discuss all potential issues with management to obtain more detailed information based on our review of the requested information.
3. We determine the scope of the audit based on our assessment of the statistical information and the complexity of the client's ACH activities.
4. We begin our on-site review with a walk-through of the client's processes.
5. We test all types of transactions.
6. We review any issues we identify with management.
7. We prepare a draft report for management's review and comment.
8. We deliver a final report, submitting it along with work papers.

Our client's product is an ACH audit that fully meets its annual requirement and is ready to share with examiners.

We adapt our full-scope audit plan to each client's needs. The resulting program includes audits in the best combination of all areas:

<i>ACH</i>	<i>Investment Services</i>
<i>ALLL</i>	<i>Lending</i>
<i>Act Fixed Assets/Leases</i>	<i>Loan Funding</i>
<i>Bank Secrecy Act/ Anti-Money Laundering</i>	<i>Loan Review</i>
<i>Branches</i>	<i>Lockbox</i>
<i>Business Continuity</i>	<i>Online Banking</i>
<i>Call Reports</i>	<i>Privacy Others</i>
<i>Controller/Re-conciliations</i>	<i>Proof and Control</i>
<i>Deposits</i>	<i>Shareholders' Equity</i>
<i>Fair Credit Reporting</i>	<i>Treasury</i>
<i>Information Security</i>	<i>Vendor Management</i>
	<i>Wire Transfers</i>

We schedule audits throughout the year, and we deliver each final audit report and work papers when management has reviewed and responded. We prepare all material for each audit committee meeting, and we store copies of all audit materials on a secure website maintained for and fully accessible to each client.

COMPREHENSIVE INTERNAL AUDIT PROGRAM

CONTACT

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