

BSA/AML/OFAC RISK ASSESSMENT

A. CUSTOMER DUE DILIGENCE CHECKLIST

Use this checklist to review the adequacy of the institution's BSA risk-assessment and Customer Due Diligence (CDD) process.

	Yes	No	N/A
1. Are the institution's CDD policies, procedures, and processes appropriate given the institution's risk profile?			
2. Does the institution have processes in place for obtaining information at account opening, in addition to ensuring current customer information is maintained?			
3. Do the institution's policies, procedures, and processes allow for changes to a customer's risk rating or profile?			
4. Determine who is responsible for reviewing or approving such changes.			
5. If the institution's policies, proceduresXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXX			
6. Does the institution have adequate enhanced due diligence procedures and processes to identify customers that may pose higher risk for money laundering or terrorist financing?			
7. Does the institution XX XXXXXXXXXXXXXXXXXXXX			
8. On the basis of a risk assessment, prior examination reports, and a review of the institution's audit findings, XXXXXXXXXXXXXXXXXXXXXXXX (Note: Normally you can answer this question after completing the procedures for the Customer Identification Program and Suspicious Activity Reporting.)			
Comments:			

B. BSA/AML/OFAC RISK ASSESSMENT CHECKLIST

Yes No N/A			
A. Compliance Program			
1. Does the institution have a written BSA/anti-money laundering compliance policy?			
2. Was the compliance program approved by the institution's Board of Directors and approval noted in the minutes?			
3. Is there a system of internal controls to ensure ongoing compliance?			
4. Is independent testing XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
5. Is there designation XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
6. Is there training for appropriate personnel?			
7. Does the institution comply XXXXXXXXXXXXXXXXXXXXXXXX			
Comments:			
B. Internal Controls			
1. Does the institution's compliance program include procedural guidelines for the detection, prevention, XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
2. Does the institution's program reach all operations of the institution that are affected by BSA (retail, trust, private banking, commercial, wire transfer, teller, discount brokerage, etc.)?			
3. Does the institution XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
4. Does the institution file a Form XXXXXXXXXXXXXXXXXXXXXXXX			
Comments:			
C. Independent Testing			
1. Is the BSA internal audit program xxxxxxxx			
Comments:			
D. Training			
1. Is the BSA training adequate?			
2. Is the scope and frequency of the training adequate?			
3. Based on interviews with personnel xxxxxxxxxxxxxxxxxxxxxxxx			

	Yes	No	N/A
<i>Comments:</i>			
E. Anti-Money Laundering Program			
1. Has the institution performed a BSA and anti-money laundering risk assessment and, based on these risks, instituted appropriate policies and procedures to institute compliance XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
2. Do the institution's anti-money laundering policies extend to all of its operations?			
3. Does the institution have a high level of internal controls XXXXXXXXXXXXXXXXXXXX			
<i>Comments:</i>			
F1. Suspicious Activity Reporting			
1. Based on a review of SARs, do any accounts or functional areas of the bank require further investigation?			
2. If so, are there any weaknesses in these areas that require strengthening to address suspicious activities that are taking place?			
3. Should any XX			
4. Based on a review of various reports for any transactions that appeared suspicious and met the reporting threshold, was a Suspicious Activity Report filed?			
5. Based on XX XXX			
6. Based on a review of a sample of SARs that were filed:			
• Was the SAR XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
• Does the institution retain XX			
• Did management of the XXXXXXXXXXXXXXXX			
• Did the institution keep the filing of the SAR confidential?			
<i>Comments:</i>			
<p><i>The following checklist is a list of actions, related to suspicious activities, that are encouraged by the regulatory agencies to help insure an adequate system for the monitoring and reporting of suspicious activities, even though they may not be specifically required by regulation.</i></p>			
F2. Suspicious Activity Reports			
1. Does the institution have an individual responsible for preparing and filing Suspicious Activity Reports (SARs)?			
2. Does the institution conduct employee training regarding Suspicious Activity Reports?			

	Yes	No	N/A
3. Does the institution have a process for ensuring that transaction amounts are consistent with the type and nature of the business or occupation of the customer?			
4. Does the institution have a process for reviewing accounts that are exempted from CTR reporting for unusual or suspicious activity?			
5. Does XX			
6. Does the institution XX			
7. Does the XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
8. Does the institution XX			
9. Does the institution XXX			
10. Does the institution have a system (automated or manual) to detect structured transactions (both cash in and cash out) that are under the \$10,000 reporting threshold?			
11. Does the XXXXXXXXXXXXXXXXXXXXXXX			
12. Does the XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
13. Does the XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			
14. Does the institution have procedures for documentation of decisions not to file a SAR?			
<i>Comments:</i>			
G. Currency Transaction Reports			
1. Does the institution have an XXX XXXXXX			
2. Based on a XXXXXXXXXXXXXXXXXXXXXXX			
3. Based on a sample of all currency transactions during a period of time, did the institution XXXXXXXXXXXXXXXXXXXXXXX			
4. For any currency transactions that appeared suspicious, was a Suspicious Activity Report filed?			
5. Are CTRs:			
• Properly completed in accordance with Internal Revenue Service instructions?			
• Consistent XXXXXXXXXXXXXXX			
• Filed within 15 calendar days after the date of the transaction (25 days if electronically filed)?			
• If the institution XXX			
<i>Comments:</i>			

	Yes	No	N/A
H. Exemptions			
1. For the exempted customer, if required, has the financial institution filed a proper exemption form within 30 days of the first exempted transaction?			
2. Does the institution:			
• Take steps XXXXXXXXXX			
• Document the XXXXXXXXXX			
<i>Automatically Exempt Customers:</i>			
3. Do exempted customers qualify for the exemption?			
<i>'Non-Listed Business' Exemptions:</i>			
4. Is the business of a type that is eligible for an exemption?			
5. Has each non-listed business:			
• Maintained a transaction XXXXXXXXXXXXXXXX			
• Frequently XXXXXXXXXXXXXXXX			
• Incorporated or XXXXXXXXXXXXXXXX			
<i>Payroll Customer Exemptions:</i>			
6. Have exempted payroll customers:			
• Maintained a transaction account XXXXXXXXXX			
• Operated a XXXXXXXXXXXXXXXX			
• Incorporated or organized under the laws of the U.S. or a state, or is registered and eligible to do business?			
<i>Non-Listed Business and Payroll Customer Exemptions:</i>			
7. Does the institution have a monitoring system for each exempted non-listed business and payroll customer that is XXXXXXXXX			
8. For each non-listed business and payroll customer exemption, does the institution annually review and XXXXXXXXXXXXXXXX			
<i>Review of Exempt Accounts:</i>			
9. Are exempt customer's accounts monitored or periodically reviewed for unusual or suspicious activity?			
<i>Comments:</i>			
I. OFAC Restrictions			
1. Does the institution have policies and XXXXXXXXXXXXXXXXXXXXXXXXXXXX			
2. Does the U.S. financial institution XXXXXXXXXXXXXXXX			
3. Are new accounts compared to the OFAC listings when they are opened?			
4. Are established accounts compared to current OFAC listings when the listings change?			