Entity Name: Prepared by:

NMLS/License Number:       Date:

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Examiners should use this template to evaluate the entity’s compliance management system. The review should cover the items listed below (and detailed on the following pages) that are the common elements of an effective compliance management program.

[I. Compliance Audit [#]](#_Toc322683954)

[I-1. Exam report comment [#]](#_Toc322683954)

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| Examination Procedures – Compliance Audit | |
| ***To determine the adequacy of the compliance audit program, examiners should:*** | ***Comments*** |
| 1. Request the supervised entity’s audit plans and schedules for the prior year, current year, and the following year. | [Click&type] |
| 1. If compliance audit is performed by a third party, request and review the engagement letters or contracts covering the prior year and the current year. | [Click&type] |
| 1. Determine the basis for the audit plan and schedule and whether reporting is to the board of directors or to an audit committee or other committee of the board. | [Click&type] |
| 1. Request and review all compliance audit reports for a specified period of time, including any fair lending audit reports. | [Click&type] |
| 1. Determine whether written audit reports identify the scope, sampling techniques, findings/deficiencies, recommendations for corrective action, and management responses with time frames for corrective action. | [Click&type] |
| 1. Determine whether audit scopes include previous audit and examination findings, new requirements, new products and channels, and self-identified higher risk areas of the supervised entity’s operations. | [Click&type] |
| 1. Request and review audit workpapers for a sample of audits covering potential unfair, deceptive, or abusive practices; or other areas that may pose heightened risks to consumers. | [Click&type] |
| 1. Determine whether corrective actions are tracked and any delay in appropriate management response or lack of corrective action is escalated. | [Click&type] |
| 1. Determine whether the supervised entity’s chief compliance officer and appropriate business unit head(s) receive copies of audit reports, so that adjustments can be made to compliance program elements in a timely manner. | [Click&type] |
| 1. Review audit function structure and policies and procedures to ensure that the audit function, whether internal or external, is sufficiently independent of the business line and compliance management function. | [Click&type] |
| **Conclusions – Compliance Audit** | |
| Draw preliminary conclusions about the strength, adequacy, or weakness of the compliance audit. Consider whether:   1. The audit program is sufficiently independent and reports to the board or a committee of the board; 2. The audit program addresses compliance with all applicable state and federal consumer financial laws; 3. The schedule and coverage of audit activities is appropriate to the size of the entity, its consumer financial product offerings, and its manner of conducting its consumer financial products business; 4. All appropriate compliance and business unit managers receive copies of audit reports in a timely manner; and 5. Audit results lead to appropriate, timely corrective action.   Confirm the preliminary conclusions by identifying areas for further review based on gaps in audit coverage or to confirm the accuracy of audit findings and reporting. | |
| [Click&type] | |
| **INSERT COMMENTS FOR USE IN THE EXAMINTION REPORT. COMMENTS SHOULD INCLUDE ANY REQUIRED CORRECTIVE ACTIONS IF DEFICIENCIES ARE FOUND.**  When drafting these comments, use Times New Roman, 12 pt font and justify the right margin. | |