Currency Transaction Reporting Examination and Testing Procedures

Objective. *Assess the bank’s compliance with BSA regulatory requirements for the reporting of currency transactions.*

| **Procedure** | **Comments** |
| --- | --- |
| 1. Review the bank’s policies, procedures, and processes that address the preparation, filing, and retention of CTRs. Determine whether the bank adequately addresses the requirements for preparing, filing, and retaining CTRs.
 |  |
| 1. Review correspondence that the bank has electronically received from FinCEN’s BSA E-Filing System. Determine the significance of any errors reported by FinCEN and whether management has taken corrective action, when necessary.
 |  |
| 1. Review the information technology sources, systems, and processes the bank uses to identify transactions that may be required to be reported in a CTR. Determine whether the bank appropriately aggregates currency transactions, including throughout bank branch offices.
 |  |
| 1. Determine whether the bank’s internal controls are designed to assure ongoing compliance with CTR requirements and are commensurate with the bank’s size or complexity and organizational structure. This may include reviewing processes for overriding currency aggregation systems.
 |  |
| 1. Select a sample of filed CTRs (electronic format or paper copies) to determine whether:
* CTRs are filed in accordance with FinCEN instructions for currency transactions identified by the information technology sources, systems, and processes the bank uses.
* CTRs are filed within 15 calendar days after the date of the transaction(s).
* CTRs filed contain accurate and complete information. Determine whether management has taken corrective action when errors are identified internally or by FinCEN’s BSA E-Filing System.
* Any discrepancies exist between the bank’s records of CTRs and the CTRs reflected in the BSA reporting database.
* The bank retains copies (electronic format or paper copies) of CTRs for five years from the date of the report.
 |  |
| 1. On the basis of examination and testing procedures completed, form a conclusion about the adequacy of policies, procedures, and processes the bank has developed to meet BSA regulatory requirements associated with reporting of currency transactions.
 |  |