

DEVELOPING THE BSA/AML EXAMINATION PLAN

Objective: *Based on the bank's risk profile, develop and document the BSA/AML examination plan, including the BSA/AML examination and testing procedures to be completed.*

Examiners must review a bank's BSA/AML compliance program during each examination cycle by conducting appropriate examination and testing procedures.¹ While the BSA/AML examination plan may be adjusted as a result of examination findings, an initial examination plan enables the examiner to establish the examination and testing procedures needed to assess the adequacy of the bank's BSA/AML compliance program, relative to its risk profile, and the bank's compliance with BSA regulatory requirements.

Examiners should develop and document an initial BSA/AML examination plan based on their review of the information highlighted in the [Risk-Focused BSA/AML Supervision](#) section in this Manual. At a minimum, examiners should assess the adequacy of the BSA/AML compliance program using the examination and testing procedures included in this section (*Developing the BSA/AML Examination Plan*) and in the [Risk-Focused BSA/AML Supervision](#), [BSA/AML Risk Assessment](#), [Assessing the BSA/AML Compliance Program](#), and [Developing Conclusions and Finalizing the Examination](#) sections.

In addition to the minimum examination and testing procedures, the following factors should be considered when determining additional examination and testing procedures, if any, to assess the adequacy of the bank's BSA/AML compliance program and the bank's compliance with BSA regulatory requirements:

- The bank's risk profile, size or complexity, and organizational structure.
- The quality of independent testing.
- Changes to the bank's BSA/AML compliance officer or department.
- Expansionary activities.
- Innovations and new technologies.²
- Other relevant factors.

Examiners should consider which examination and testing procedures in the *Assessing Compliance with BSA Regulatory Requirements* section are appropriate. BSA/AML examination and testing procedures specific to the bank's products, services, customers, and geographic locations are found in *Risks Associated with Money Laundering and Terrorist Financing*. Not all of the examination and testing procedures are likely to be applicable to every bank or during every examination. Examiners should document any changes to the examination plan resulting from findings that occur after the examination has started.

¹ Section 8(s) of the Federal Deposit Insurance Act and section 206(q) of the Federal Credit Union Act require a BSA/AML compliance examination during each supervisory cycle. ([12 USC 1818\(s\)](#); [12 USC 1786\(q\)](#)).

² "Joint Statement on Innovative Efforts to Combat Money Laundering and Terrorist Financing," issued by the Federal Reserve, FDIC, FinCEN, NCUA, and OCC, December 3, 2018.

At larger or more complex banking organizations, examiners may complete various types of BSA/AML examinations or targeted reviews throughout the supervisory plan or cycle to assess BSA/AML compliance. These reviews, which are used to collectively assess the bank's BSA/AML compliance program and compliance with BSA regulatory requirements, may focus on one or more business lines or customer types (e.g., private banking, trade finance, foreign correspondent banking relationships, or currency exchangers), or bank systems (e.g., suspicious activity monitoring or customer due diligence) based on the bank's BSA/AML risk assessment, independent testing, and previous BSA/AML examination findings.

Examiners should determine examination staffing needs based on the scope of work in the examination plan. Consideration should be given to specific BSA/AML expertise needs based on the risk and complexity of the institution as well as information technology sources, systems and processes.

Request Letter Items

Once the examiner determines the necessary examination and testing procedures to be performed, the examiner should prepare a request letter to the bank. Request letter items should be based on the bank's products, services, customers, and geographic locations and should be tailored to the examination plan areas that will be reviewed rather than submitting a comprehensive list to the bank. Additional materials may be requested as needed. Examples of request letter items are detailed in [Appendix H - Request Letter Items](#).

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