BSA Compliance Officer

Examination Procedures

Objective: *Confirm that the bank’s board of directors has designated a qualified individual or individuals (BSA compliance officer) responsible for coordinating and monitoring day-to-day compliance with BSA regulatory requirements. Determine whether the BSA compliance officer has the appropriate authority, independence, access to resources, and competence to effectively execute all duties.*

| **Procedure** | **Comments** |
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| 1. Confirm that the bank’s board of directors has designated an individual or individuals responsible for the overall BSA/AML compliance program.
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| 1. Confirm that the BSA compliance officer regularly updates the board of directors and senior management about the status of ongoing compliance with the BSA and pertinent BSA-related information, including the required notification of SAR filings.
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| 1. Determine whether the BSA compliance officer is competent, as demonstrated by knowledge of the BSA and related regulations, implementation of the bank’s BSA/AML compliance program, and understanding of the bank’s ML/TF and other illicit financial activity risk profile associated with its banking activities.
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| 1. Determine whether the BSA compliance officer has the appropriate authority
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| 1. Determine whether the BSA compliance officer has the appropriate independence. Indicators of appropriate independence may include, but are not limited to:
* Clear lines of reporting and communication ultimately up to the board of directors, or a designated board committee, that do not compromise the BSA compliance officer’s independence.
* The ability to undertake the BSA compliance officer’s role without undue influence from the bank’s business lines.
* Identification and reporting of issues to senior management and the board of directors.
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| 1. Determine whether the BSA compliance officer has access to suitable resources. Indicators of suitable resources may include, but are not limited to:
* Adequate staffing with the skills and expertise for the bank’s overall risk level (based on products, services, customers, and geographic locations), size or complexity, and organizational structure.
* Systems to support the identification, measurement, monitoring, reporting, and management of the bank’s ML/TF and other illicit financial activity risks.
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