

## How to Use This Manual

The *Trust Services Audit Manual* has been developed in response to requests by subscribers of two other trust resource manuals published by Sheshunoff Information Services: *Trust Policies and Procedures* and *Trust Department Management Manual*. This manual is a companion product in that it addresses the corporate governance approaches detailed and underscored in the other manuals. Audit recommendations for revisions to trust department policies, procedures, and internal controls parallel samples provided in these other resources.

This manual represents a compilation of current research and hands-on experience. Numerous financial institutions, and their internal trust department policies and procedures to address fiduciary activities, have been reviewed and evaluated by Regulatory Compliance Associates, Inc. (REGCOM) staff. Insights gained through helping institutions develop and implement integrated, detailed policy and procedures for trust regulatory requirements and acceptable account procedures are critical when compiling a manual such as the *Trust Services Audit Manual*. In addition, interaction with various regulators, bankers, and industry experts has provided valuable insights and experiences to also support the writing of this manual. The compilation of past assignments and current efforts results in a handbook of facts, ideas, research, interviews, experiences, and examples.

The trust audit program and related procedures represent a specialized audit focus; there are other specialized audit program focuses that internal auditors must address, such as information technology, sale of retail nondeposit investment products, and insurance products. While it is critical that the trust audit program have specific procedures, internal questions, reporting processes, and tracking of corrective actions, it is important that this specialized audit focus also be a subset of the institution's overall audit program. Through consistent audit approaches, well-founded basic audit objectives, and standard programs and procedures, the board of directors will receive a consistent overview of all audited activities. Therefore, in developing a trust audit program, it is important to build off the basics of a solid total organizational internal audit program. The first three chapters detail the basic audit philosophies and mechanics of a sound internal/external audit program. These basic foundations are the standards under which a trust audit program should function; the remaining chapters build on these basic audit concepts and guidelines in describing a proactive trust audit program.

### THE ACCOMPANYING CD

The CD can be used to customize the sample policy, procedures, and training materials. As updates are issued, the CD will also be updated.

### RESOURCES

In developing this manual, a great deal of insight and material was provided through research and review of the following resources:

- *Office of Thrift Supervision*. Various publications, including brochures, issuances, and documents that detail the regulatory requirements and current guidelines pertaining to trust powers and fiduciary account administration.
- *Federal Deposit Insurance Corporation*. Various publications, including brochures, issuances, and documents that detail the regulatory requirements and current guidelines pertaining to trust powers and fiduciary account administration.

- *Office of the Comptroller of the Currency.* Various publications, including brochures, issuances, and documents that detail the regulatory requirements and current guidelines pertaining to trust powers and fiduciary account administration.
- *Board of Governors of the Federal Reserve System.* Various publications, including brochures, issuances, and documents that detail the regulatory requirements and current guidelines pertaining to trust powers and fiduciary account administration.
- *Account Profession Associations.* Various publications, including brochures, issuances, and documents that detail specific audit requirements and current guidelines pertaining to trust powers and fiduciary account administration.

A number of individuals, institutions, organizations, and regulatory agencies contributed valuable insights for this manual, both in materials and interviews. We thank all those who have provided assistance to REGCOM staff in writing this manual.