

MEMORANDUM

To: Subscribers to *Trust Department Internal Control Manual*

From: Sheshunoff Information Services

Subject: Highlights

Enclosed is the most recent update to Sheshunoff's *Trust Department Internal Control Manual*. This update includes addition of new materials to assist your organization in addressing various aspects of corporate governance, specifically the implementation and monitoring of internal controls to address risk management issues.

- *Risk Management*. New internal control checklists provided in Chapter 6 address a wide range of topics:
 - Trust – Specific: IRA Checklist, Pension Plan, Closely Held Business Interests
 - Trust – Additional: Purchase of Insurance, Control Reviews
 - Trust – Other: Personnel Accounting and Recordkeeping Services

Each of these checklists is developed to review functions and activities that financial institution management often must address each business day. Through utilization of these checklists, a point-in-time snapshot review may be performed, and if deficiencies or concerns are noted, specific corrective actions may be implemented. These additional elements reflect components of recent concern in regulatory examination reports. By performing these internal controls assessments in your institution, you will gain insights on how these elements exist in your organization, and the responses will help management teams to further refine internal control systems, and describe how they function.

- *Top-Level Support*. Internal controls remain a critical focus in today's risk profile assessments and profile analysis culture. The How to Use This Manual section has been enhanced with the addition of insights about setting the control's culture at the top of the organization. Through a top-down approach, management and staff will receive consistent management and corporate-wide support to embrace a proactive risk management culture based on sound controls.