



**NC Commissioner of Banks**

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**EXAMINING COMMITTEE REPORT**

*( To be completed only if the examination was performed by a CPA firm. )*

To the Board of Directors of \_\_\_\_\_,

\_\_\_\_\_, N.C.

We, the Examining Committee appointed by you to examine the assets and liabilities of the above named Bank and in compliance with Section 53-83 of the North Carolina General Statutes, do hereby certify that the examination was made at the close of business \_\_\_\_\_.

Management of the bank is responsible for the accuracy of the financial statements included with this report, which are prepared in accordance with generally accepted accounting principles. Additionally, management is responsible for establishing and maintaining an adequate internal control structure to safeguard the bank’s assets from material loss or misuse.

With the approval of the Board of Directors, the examination was performed by the following independent certified public accounting firm:

Name of Accounting Firm: \_\_\_\_\_

The following should be attached to this report:

- The independent accounting firm’s management letter
- The bank’s response to the management letter
- A copy of the bank’s annual report

**(If the external audit was performed at the holding company level, remit the holding company's annual report, management letter, and the holding company's response.)**

The Examining Committee of the bank acknowledges the review of the examination findings and recommendations made by the certified public accountants. The attached questionnaire has been completed.

## EXAMINING COMMITTEE REPORT

*(To be completed only if the examination was conducted by the **Examining Committee**.)*

To the Board of Directors of

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, N.C.

We, the Examining Committee appointed by you to examine the assets and liabilities of the above named Bank and in compliance with Section 53-83 of the North Carolina General Statutes, do hereby certify that the examination was made at the close of business .

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The Examining Committee of the bank has elected to examine the assets and liabilities of the Bank with the assistance of the holding company's Audit Department, the bank's Audit Department, or the audit personnel of an affiliated financial institution.

The attached Statement of Condition on Schedule A and the questionnaire have been completed.



## EXAMINING COMMITTEE REPORT

### Questionnaire

*(To be completed by all banks.)*

#### INTERNAL CONTROL QUESTIONS

1. Are bank policies reviewed and approved by the Board of Directors annually and updated as needed?    Yes            No
  
2. Are audit procedures in effect to ensure compliance with Board approved policies and procedures for all banking locations and departments?    Yes            No
  
3. Does the Executive Committee or the Board of Directors approve the following:

New Loans	Yes	No
Investments purchased	Yes	No
All Charge-Offs	Yes	No
Detailed Income/Expense Reports	Yes	No
  
4. Are duties adequately segregated in the loan functions and in the bookkeeping functions?  
Yes            No
  
5. Does the bank perform continual loan documentation reviews to ensure all necessary loan documents are on file and current, including the following

Collateral Appraisals	Yes	No
Title Certificates	Yes	No
Financial Statements	Yes	No
Corporate Resolutions	Yes	No
Partnership Declarations	Yes	No
Insurance Policies	Yes	No
  
6. Is a loan grading system and Watch List maintained?    Yes            No
  
7. Is the Allowance for Loan and Lease Losses reviewed at least quarterly?  
Yes            No
  
8. Is a Liability Ledger properly maintained?    Yes            No
  
9. Are general ledger accounts, including income and expense accounts, reviewed and approved for activity, proper posting, and reasonableness?    Yes            No
  
10. Are reconcilements of accounts properly reviewed and approved?    Yes            No
  
11. Is a daily record of cash items maintained?    Yes            No

