



State of North Carolina

OFFICE OF THE COMMISSIONER OF BANKS

AUDIT COMMITTEE REPORT OF TRUST DEPARTMENT/TRUST COMPANY

Bank/Trust Company Name: _____
(Full and exact legal title of the bank/trust company)

at the close of business on: _____
(day/month/year)

Instructions: Refer to the GUIDE TO PERFORMING DIRECTORS' EXAMINATION OF THE TRUST DEPARTMENT/TRUST COMPANY AND PREPARATION OF AUDIT COMMITTEE REPORT (Form 8). Form 8, as required by [04 NCAC 03D .0201](#) of the North Carolina Administrative Code, must be signed by three directors and returned to the NC Office of the Commissioner of Banks (NCCOB) annually by June 30.

We, the directors serving on the Audit Committee, appointed by the Board of Directors to examine the assets and liabilities of the above named bank/trust company hereby certify that examination was made as of the close of business on the above date, and a report of our findings is submitted herewith. Requirements for [04 NCAC 03D .0201](#) are incorporated by reference in Schedule RC-T (Bank)/Form 29TC (Trust Company).

As part of our examination, a review was made of Schedule RC-T (Bank)/Form 29TC (Trust Company) as of the close of business on the above date and found to be accurate, or if inaccurate, discrepancies are listed below:

Securities of Trust Department Held to Secure Uninvested Trust Funds

LOCATION: 316 W. EDENTON STREET, RALEIGH, NC 27603
MAILING ADDRESS: 4309 MAIL SERVICE CENTER, RALEIGH, NC 27699-4309
(919) 733-3016 FAX (919) 733-6918 INTERNET: WWW.NCCOB.GOV
AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

[04 NCAC 03D .0302\(g\)](#)

(Not applicable to trust companies.)

Description	Rate	Maturity	Par Value

Total of net uninvested balances not fully insured under provisions of Federal Deposit Insurance Corporation \$_____.

Questionnaire

A. Pursuant to [04 NCAC 03D .0302](#):

1. Is the operation of the trust department separate and apart from every other department of the bank/trust company? Yes No

2. Has the Board of Directors, by action duly entered in the minutes, assigned any of its fiduciary responsibilities to officers and employees that are qualified and competent to administer trust business? Yes No

3. Has the Board of Directors appointed any committees to supervise the Trust Department/Trust Company? Yes No
If yes, complete the following:
 Trust/Executive Committee? Yes No
 Trust Investment Committee? Yes No
 Other: _____

4. Has the Board of Directors delegated its responsibility to approve and accept new trust business? Yes No

5. To whom has the Board of Directors delegated the responsibility for approving the acceptance and closing of accounts?

6. Is a written record maintained covering the acceptance and closing out of each account? Yes No

7. To whom has the Board of Directors delegated the responsibility for the review of accounts in which the trust department/trust company has investment responsibility?

8. Are all assets held in accounts, for which the state trust entity has investment responsibility, promptly reviewed following their acceptance? Yes No

9. Are all assets held in each account, for which the state trust entity has investment responsibilities, reviewed during each calendar year and within 15 months of the last review? Yes No
List exceptions:

10. Are all officers and employees taking part in the administration of trust business adequately bonded? Yes No
11. Has competent legal counsel been designated, employed, or retained for the purpose of advising on the trust business conducted? Yes No
12. Are negotiable and tangible assets held by the trust department/trust company stored in its own vaults under the joint custody of at least two bonded officers or employees designated by the Board of Directors? Yes No

B. Pursuant to [04 NCAC 03D .0303](#):

1. Does the trust department/trust company maintain a separate and distinct set of books showing all transactions pertaining to trust business? Yes No
2. Do files contain original or authenticated copies of instruments creating each trust? Yes No
3. Is a permanent record kept of minutes of meetings for each committee? Yes No

C. Pursuant to [04 NCAC 03D .0304](#), for each Collective Investment Fund maintained (if not applicable, go to Section D):

1. Is the fund operated pursuant to a written plan? Yes No
2. When was the plan approved by a resolution of the Board of Directors? _____
(month/day/year)
3. When was the plan approved by competent legal counsel? _____
(month/day/year)
4. When was the plan filed with the Commissioner of Banks? _____
(month/day/year)
5. Has the fund been operated in conformity with the plan and the rules and regulations issued by the State Banking Commission and/or Commissioner of Banks? Yes No

D. General Questions:

1. Is opinion of competent counsel obtained and filed in connection with all important matters pertaining to trusts? Yes No
2. Are available cash balances of trust funds promptly invested? Yes No
3. Are proper releases secured for either partial or full distribution of trust assets? Yes No
4. Are reports properly filed with the courts or others entitled thereto? Yes No
5. Has the trust department/trust company given any guarantees or assurances of any nature in connection with its trust activities? Yes No
6. Is there pending or threatened litigation in which the trust department/trust company is involved on account of any fiduciary relationship? Yes No
7. Have trust investments been purchased from any trusts, its directors, officers, employees, or their interests? Yes No
8. Have trust investments been sold to the trust department/trust company, its directors, officers, employees, or their interests? Yes No
9. Does the trust department/trust company make a practice of selling trust assets from one trust to another? Yes No
10. List other comments pertinent to the affairs of the trust department/trust company:

E. Management/Administration Questions (note: not applicable to bank trust departments):

1. Is the board comprised of at least five directors? ([N.C.G.S. § 53-352](#)) Yes No
2. Does the board hold at least one regular meeting each quarter? ([N.C.G.S. § 53-353](#)) Yes No
3. At each regular meeting, does the board approve the minutes of the prior meeting and review the operations, activities, and financial condition of the state trust company? ([N.C.G.S. § 53-353](#)) Yes No

4. For duties delegated to a committee by the board, does the board approve or disapprove of the committees' reports at each regular meeting? ([N.C.G.S. § 53-353](#)) Yes No
5. If any changes in the chief executive officer or the directors were made, was the change reported to the Commissioner within 48 hours on form TC- 002 or form 2T? ([N.C.G.S. § 53-351](#)) Yes No

Certification

We, directors serving on the Audit Committee, certify that this report is correct to the best of our knowledge and belief (must have three Audit Committee Member signatures below).

NAME

SIGNATURE
