

**ACCESS BANK PLC.**

**ACCESS BANK INTERNAL CONTROL FRAMEWORK**

**February 10, 2020**

**Risk Rating: High**

<b>Table of Contents</b>		<b>Section Page</b>
<b>I.</b>	<b>ACCESS BANK PLC Internal Control Framework Policy</b>	<b>7</b>
1.1	Overview	7
1.2	Definition	8
1.3	Objectives of Internal control	9
1.4	Responsibilities in the control environment	10
<b>2.</b>	<b>ACCESS BANK Internal Control Framework Overview</b>	<b>13</b>
2.1	Joint responsibility for internal controls	15
2.2	Guiding Principles and Internal Control Standards	15
2.3	ACCESS BANK Policies and Procedures	15
2.4	Philosophy/Sanction Grid	15
2.5	International Financial Reporting Standards/Fair Presentation	16
2.6	Division Managements' Quarterly Report	16
<b>3</b>	<b>Guiding Principles and Internal Control Standards</b>	<b>17</b>
3.1	Introduction	17
3.2	Compliance with applicable laws and regulations of other regulating agencies	18
3.3	Other legal requirements	18
3.4	Reasonable assurance	18
3.5	Mitigating limitations in internal controls	18
3.6	Role of internal auditor	19
3.7	key success factor for internal audit and internal Control officer	19
3.8	Work ethics required for Conduct and Compliance officer	20
3.9	Authority of Conduct and Compliance officer	20
3.10	Linkage of internal control and quality	21
3.11	Responsibilities of managers and employees	21
<b>4</b>	<b>Internal Control Standards</b>	<b>22</b>
4.1	Documentation	22
4.2	Quarterly certification	22
4.3	Human resources – selection & development	22
4.4	Segregation of responsibilities	22
4.5	Approval of transaction	22
4.6	Reconciliation and verification of transactions	22
4.7	Safeguarding of assets & other company property	23
4.8	Policies and procedures	23
4.9	Risk assessment/review	25
4.10	Information technology	26
4.11	Financial controls and records	26

Proprietary

Page 2 of 100

Internal Control Framework

4.12	Assessment of the internal control framework	26
<b>5</b>	<b>Policy on business conduct</b>	<b>26</b>
5.1	Company funds, assets, record & payment	26
5.2	Conflicts of interest	27
5.3	Out-sourced business	27
<b>6</b>	<b>ACCESS BANK PLC Internal Control Framework</b>	
	Employee responsibilities – daily control activities.	27
6.1	Approval	27
6.2	Documentation	28
6.3	Segregation of duties	28
6.4	Recording of transactions	28
6.5	Proofing, Recording & Verifying	28
6.6	Open Items on suspense accounts & Nostro/ Our Accounts Reconciliation reports	29
6.7	General Ledger account ownership/management Of the bank's other assets provision	29
6.8	Safeguarding of assets	30
6.9	Compliance	30
6.10	Control/Risk based perfection measurement	30
<b>7.</b>	<b>Head Office Compliance Unit Procedures and Manual</b>	<b>31</b>
7.1	Managers' Cheque Review	31
7.2	Account Maintenance Control Review	33
7.3	Review of Transit Accounts	35
7.4	Review of Money Market Products	38
7.5	Review of General Ledger Report	43
7.6	Difference Accounts and Profit & Loss Accounts Review	45
7.7	Review of Expenses (Source Documents)	46
7.8	Procedure	46
7.9	Auditors Confirmation Procedure	47
7.10	Proofs & Ageing Reports	49
7.11	Non-Cash Funds Transfer (NCFT) Process Review	52
7.12	Statements Rendition	53
7.13	Credit Transaction Review	54
7.14	Fixed assets	55
7.15	Cash and Vault Administration	55
7.16	Clearing	57
7.17	Protection Management	58

## 8. **Call Over Attestation Procedures**

8.1	Introduction	58
8.2	Objective	59
8.3	Policy on Call Over Transaction	59
8.4	Call Over of Transaction (Pre)	60
8.5	Call Over of Transactions (During)	61
8.6	Call Over of Transactions (Post)	69
9.0	<b>Desk Manual</b>	70
	Appendix	71

## 1.0 INTERNAL CONTROL FRAMEWORK POLICY

### 1.1 Overview

The Access Bank Internal Control Framework provides a common understanding of the internal control responsibilities of all ACCESS BANK employees. This policy outlines basic principles of COSO framework which was re-titled “Enterprise Risk Management–Integrated Framework”. The COSO Board released in September 2017 is an update to the 2004 Enterprise Risk Management–Integrated Framework. The framework is used widely by management to enhance an organization’s ability to manage risk and determine its risk appetite. All Access Bank employees must comply not only with the letter of this policy, but also its spirit. An effective internal control system is a basic standard for both the operational and financial integrity of results, and is an integral component of a well-managed, quality operation.

### Enterprise Risk Management -17 key principles within each of the five components

<p><b>Control Environment</b></p>	<ol style="list-style-type: none"> <li>1. Demonstrate Commitment to Integrity and Ethical Values</li> <li>2. Exercise Oversight Responsibility</li> <li>3. Establish Structure, Responsibility, and Authority</li> <li>4. Demonstrate Commitment to Competence</li> <li>5. Enforce Accountability</li> </ol>
<p><b>Risk Assessment</b></p>	<ol style="list-style-type: none"> <li>6. Define Objectives and Risk Tolerances</li> <li>7. Identify, Analyze, and Respond to Risk</li> <li>8. Assess Fraud Risk</li> <li>9. Analyze and Respond to Change</li> </ol>
<p><b>Control Activities</b></p>	<ol style="list-style-type: none"> <li>10. Design Control Activities</li> <li>11. Design Activities for the Information System</li> <li>12. Implement Control Activities</li> </ol>
<p><b>Information &amp; Communication</b></p>	<ol style="list-style-type: none"> <li>13. Use Quality Information</li> <li>14. Communicate Internally</li> <li>15. Communicate Externally</li> </ol>
<p><b>Monitoring</b></p>	<ol style="list-style-type: none"> <li>16. Perform Monitoring Activities</li> <li>17. Remediate Deficiencies</li> </ol>

The Framework is a set of principles structured into five interrelated components:

- **Control Environment:** Governance sets the organization's tone, underlining the significance of, and establishing oversight responsibilities for Enterprise Risk Management. Culture relates to ethical values, desired behaviors, and understanding of risk in the organization.
- **Risk Assessment:** A risk appetite is established and aligned with strategy while serving as a basis for identifying, assessing, and responding to risk.
- **Control Activities:** Risks that may impact the accomplishment of strategy and business objectives need to be identified and evaluated. Risks are ranked by severity in the context of risk appetite. The organization then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.
- **Information and Communication:** Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organization.
- **Monitoring:** By assessing entity performance, an organization can consider how well the enterprise risk management components are functioning over time and considering significant changes, and what revisions are needed.

## 1.2 Definition

The term "**Internal Controls**" refers to the overall operating framework of practices, systems, organizational structures, management philosophy, code of conduct, policies and procedures and actions which exist in the BANK and designed to:

- Ensure that essential business objectives are met including the effectiveness and efficiency of operations and the safeguarding of assets against loss.
- Ensure the reliability of financial reporting and compliance with general accounting principles.
- Ensure compliance with applicable laws and regulations.
- Ensure systematic and orderly recording of transactions.
- Provide reasonable assurance that undesired events will be prevented or detected and corrected.

## 1.3 Objectives of internal control

The primary objective of internal control system in a bank is to help the bank perform better using its resources. Through internal control system, the bank identifies its weaknesses and takes appropriate measures to overcome the same. The main objectives of internal control are as follows:

- Efficiency and effectiveness of activities (**performance objectives**).
- Reliability, completeness and timelines of financial and management information (**information objectives**)

- Compliance with applicable laws and regulations (**compliance objectives**)

### **1.3.1 General Access Bank Internal Control Objectives**

- Achievement of Business Objectives.
- Safeguarding of assets
- Reliability of financial records.
- Customer and Regulation-Centric Internal Control Measures.
- Automation of Operational Control and Reconciliation activities in the Bank
- Elimination of Prudential provision on other assets.
- Minimize financial losses attributable to control infractions and reconciliation problems.
- Process/System Driven Operation and Reconciliation activities.
- Transaction Safety
- Risk Based independent control activities.
- Operational Control efficiency and effectiveness.
- Strict Compliance with regulations and internal policies.
- Zero tolerance for Control/regulatory infractions.
- Implementation of strict personal and Business Units responsibility for operational and control activities.
- Testing the effectiveness of the internal controls.

### **1.3.2 Key Access Bank Information Systems Control Objectives.**

- General information system integrity.
- Confidentiality of Information resources
- Information security
- Integrity of information resources
- Integrity of general operating system environments
- Integrity of sensitive and critical business application systems
- Database integrity
- Compliance with System Users' requirements/needs.
- Efficient Back Up/Recovery Procedures.
- Strict compliance with corporate policies or regulatory and legal requirements.
- Business Continuity and Disaster Recovery
- Information on ACCESS BANK automated systems should be secured against improper access and kept up to date
- Each transaction is authorized and entered only once.
- All transactions are recorded correctly for the appropriate period.
- All rejected transactions are logged and reported
- Duplicate transactions are reported
- Files are adequately backed up to allow for proper recovery
- All changes to the operating and business software are approved and tested.

## 1.4 Responsibilities in the control environment

### 1.4.1 The responsibilities of the Board of Directors

- The overall responsibility of establishing broad business strategy, significant policies and understanding significant risks of the bank rests with the Board of Directors.
- Through the establishment of Risk Management 'Audit Committee' the Board of Directors can monitor the effectiveness of internal control system.
- The internal as well as external audit reports will be sent to the board through the bank management and the board ensures that management takes timely and necessary actions as per the recommendations.
- Have periodic review meetings with the senior management through the relevant committees to discuss the effectiveness of the internal control system of the bank and ensure that the management has taken appropriate actions as per the recommendations of the auditors and internal control.

### 1.4.2 Responsibility of the Senior Management

Management has the responsibility to devise and maintain an adequate system of internal controls for operations worldwide. Management has an obligation to satisfy basic standards of financial integrity, prudent business practices and stewardship. This responsibility is a legal requirement, embodied in securities laws and the Nigerian Securities and Exchange Commission (SEC) regulations, as well as in other governmental regulations.

- In setting out a strong internal control framework within the Bank, the role of the Managing Director/CEO is very important as he will establish an Executive Committee (EXCO), which will be responsible for the overall management of the Bank.
- With governance & guidance from the Board of Directors the EXCO will put in place policies and procedures to identify, measure, monitor and control these risks.
- EXCO will also put in place an internal control structure in the bank's organization, which will assign clear responsibility, authority and reporting relationships. It will monitor the adequacy and effectiveness of the internal control system based on the bank's established policies & procedures. In other words, internal control is the overall means whereby managers of our operations ensure that clear objectives are set, risks are assessed and managed, appropriate reviews of operational performance are made, and information and communications occur in a timely, accurate and appropriate fashion, with due regard for protection of valuable proprietary information. These components of internal control contribute to the effectiveness and efficiency of operations in support of increasing stockholder value.
- Each quarter, the Chief Executive Officer and Chief Financial Officer attest to the SEC, our stockholders and the general public that ACCESS Bank's financial statements are prepared in accordance with International Financial Reporting

Standards, Banks and Other Financial Institutions Act (BOFIA), and all Central Bank of Nigeria's guidelines, that our reports fairly represent ACCESS Bank's financial position and results of operations, and that an effective internal control system is in place and properly functioning. The support of these representations comes from the actions and control practices executed by all employees of ACCESS BANK, and from the representations made by operating and financial managers and officers regarding the effectiveness of controls and the reliability of the financial statements.

- First Line of Defense will be reinforced with the deployment of Business Compliance Officers (BUCO) in each Strategic Business Units (SBUs) and establishment of Quality Assurance (QA) Desk in each of the Corporate Functions. The BUCOs and QA Officers shall have responsibility for the onsite monitoring and testing of the control effectiveness for their respective SBUS. Compliance Quality Assurance is specifically for consolidation of reports, guidance, and training. It will also carry out a semiannual audit of QAs activities in SBUs and report identified gaps to Enterprise Risk Management Committee (ERMC) and the Board

#### **1.4.3 Role & Responsibilities of Quality Assurance Team**

- Prepare QA/Metric reports for the Group Head or to the line ED of the division.
- Perform root cause analysis to identify and communicate process/procedure improvement opportunities to management.
- Test effectiveness of control functions in various business and operational units.
- Suggest improvement in customers' and stakeholder's service level.
- Carry out research and analysis in quality assurance on continuous basis.
- Participate in required meetings where policies & processes, audit examinations & Risk based Supervision (RBS) exceptions are discussed.
- Provide decision useful reports and update to the executive management on issues pertaining to the Group
- Facilitate engagement sessions where required between Risk management and Market facing counterparts.
- Ensure compliance with policies, both internal and external all year round.
- Identify bottlenecks that is impeding the quality of internal customer satisfaction.
- Review and report on the Audit ratings and quality ratings of each team in the Group.
- Escalate any significant compliance issues and trends to the line ED through the line Group Head.
- Review and advise on new and or revised business strategies, initiatives and projects which may include assisting businesses in assessing the risks associated with new/revised strategies and recommending and or assessing mitigation efforts to reduce risk exposure
- Assist the Compliance Group in the planning and delivery of compliance business unit training and provide ad hoc training as needed.

- Monitors Red Flags in the Group's activities (considering customers, documents and payments).
- Assist in the annual compliance risk assessment process - Oversee specific KRIs within areas of responsibility.
- Review business unit incidents and exceptions to assess compliance and/or reputational impact.
- Escalate any significant compliance issues and trends to the business unit and Compliance Ensure all compliance challenges faced by customers are addressed with the relevant regulatory authorities e.g. obtaining approvals and waivers.

#### **1.4.4 Roles & Responsibilities of Business Compliance Officers (BUCO)**

- They will ensure that an appropriate culture of compliance continues to develop in the daily activities of the business lines and support units.
- They develop and maintain appropriate compliance policies, programs and controls for area(s) of responsibility.
- They ensure adequate KYC documentations on all business engagements with customers, in accordance with the Bank's guidelines and in compliance with global financial regulations. Detailed KYC monitoring functions of BUCOs are enumerated in Appendix 1.
- They review and advise on new and or revised business strategies, initiatives and projects which may include assisting businesses in assessing the risks associated with new/revised strategies and recommending and or assessing mitigation efforts to reduce risk exposure
- They plan and deliver compliance training and provide ad hoc training as needed.
- They advise business units on the development of action plans to implement new or changed compliance regulatory requirements.
- They monitor Red Flags on all customers' business activities (considering customers, documents, payments, transaction and shipment) while adopting appropriate due diligence measures and STR/SAR filing.
- They assist in the annual compliance risk assessment process
- They review business unit incidents to assess compliance and/or reputational impact.
- They escalate any significant compliance issues and trends to the business unit and Compliance Management for prompt actions.
- They ensure all compliance challenges faced by customers are addressed with the relevant regulatory authorities e.g. obtaining approvals and waivers.
- They obtain and ensure the implementation of regulatory circulars and guidelines from the appropriate regulatory authorities.
- Participate in paying visits to customers at on-boarding to proactively address compliance expectations.
- They Carry out Compliance Testing of Business Activities, report findings and proffer recommendations to address the root cause(s).

- They develop compliance nuggets for specific Business Units.
- They attend to all compliance issues and enquiries from your SBUs

#### **1.4.5 Management Reporting System**

Effective internal control system requires that there is an effective reporting system of information that is relevant to decision making. The information should be reliable, timely accessible and provided in a consistent format.

- Information would have to include external market information about events and conditions that are relevant to decision making. Internal information includes financial, operational and compliance data.
- There shall be appropriate committees within the bank which shall evaluate data received through various information systems. This will ensure supply of correct and accurate information to the management.
- Internal information must cover all significant activities of the bank. These systems, including those that hold and use data in electronic form, must be secure, monitored independently and supported by contingency arrangements.
- Most importantly the channels of communication must ensure that all staff fully understand and adhere to policies and procedures affecting their duties and responsibilities, and that other relevant information is reaching the appropriate personnel.

#### **1.4.6 Monitoring Activities & Correcting Deficiencies**

Effectiveness of the Bank's internal controls should be monitored on an ongoing basis. Key/high risk items shall be identified and monitored as part of daily activities. In addition, there shall be periodic evaluation by the business lines and internal audit team.

- There shall be an effective and comprehensive audit of the internal control system carried out by operationally independent, appropriately trained and competent staff specially designated by the management. The significant deficiencies identified by the audit team shall be reported to the board on a periodic basis. The Risk Management/Audit Committee of the board shall be the one to whom such report should be forwarded for review.
- Internal control deficiencies, whether identified by business lines, internal audit or other control personnel shall be reported in a timely and prompt manner to the appropriate management level and addressed immediately.
- Material internal control deficiencies should be reported to senior management and board of directors with recommendations where necessary.

The bank shall set out its guideline regarding the guard branches. However, it should be noted that consideration shall be given to major financial exposure or loss, significant process lapses, serious employee misconduct etc.

### 1.4.7 Role of Compliance, Internal and External Auditors in Evaluating Internal Control System

**Internal Audit** -They will carry out the audit of performance of QAs in each functional business unit in line with their duties and report to ERMC and BRMC/BAC.

**Conduct & Compliance-** Through Compliance Quality Assurance, will carry out semiannual audit of QAs activities in SBUs and report identified gaps to Enterprise Risk Management Committee (ERMC) and the Board.

**External Auditors** by their independence from the management of the bank can provide unbiased recommendation on the strength and weakness of the internal control system of the bank. They can examine the records, transactions of the bank and evaluate its accounting policy, disclosure policy and methods of financial estimation made by the Bank. This will allow the board and the management to have an independent overview of the overall control system of the bank.

### 1.4.8 Regulatory Compliance

The Central Bank of Nigeria is the primary regulator of the Nigerian financial industry and governs the activities of banks. In addition, Tax Authority, Nigerian Deposit Insurance Corporation, Corporate Affairs Commission (CAC), Finance Ministry, etc. are different types of regulatory bodies whose directives have significant impact on the Bank's business

- The internal control system shall always consider the bank's internal processes to meet the regulatory requirement before conducting any operation.
- The internal control system of the bank must be designed in a manner that compliance with regulatory requirements is recognized in each activity of the bank. The bank must obtain regular information on regulatory changes and distribute the information among the concerned departments, so that they can take necessary action to adapt to such changes.
- The bank must develop an effective communication process which will allow smooth distribution of relevant regulations among different departments and personnel.

### 1.4.9 Establishment of a Compliance Culture

A bank is said to have strong compliance culture when throughout the organization employees are encouraged to comply with policies, procedures, and regulation. Even an individual at the lowest echelon should be empowered to speak up without the fear of reprisal if she/he identifies something noncompliant.

- The board of directors and the senior management must establish a compliance culture within the banking organization that emphasizes and demonstrates to all levels of personnel the importance of internal control.

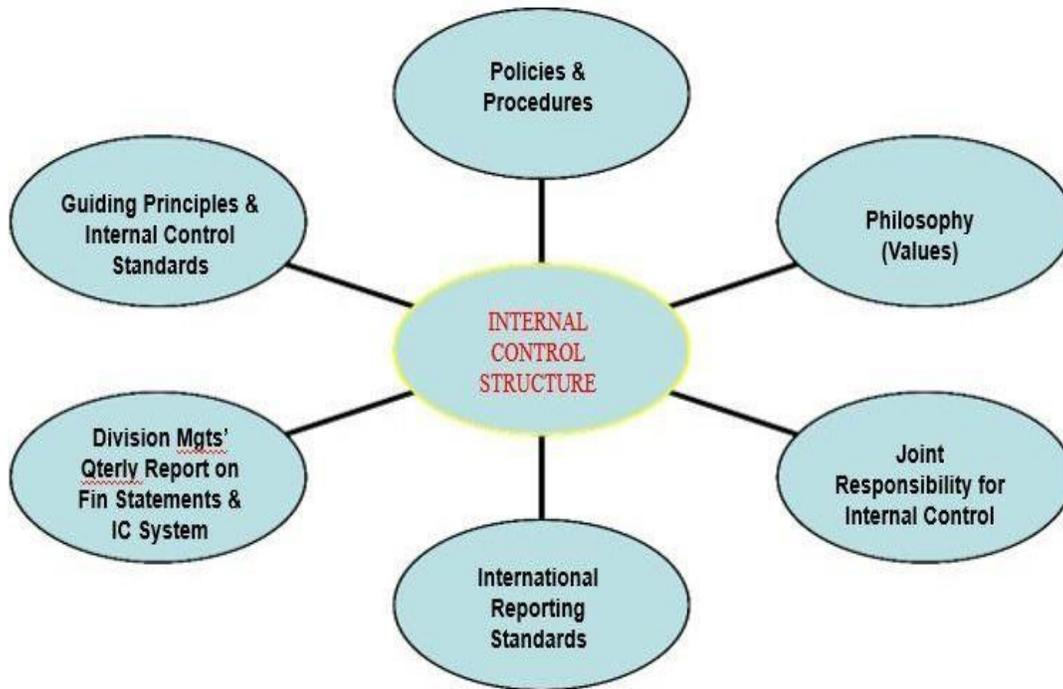
- In order to establish a compliance culture, the board of directors and senior management must promote a high ethical and integrity standard.
- In reinforcing ethical values, the bank shall avoid policies and practices that provide inadvertent incentive for inappropriate activities. Examples of such policies and practices include undue emphasis on performance targets or operational results, particularly short-term ones that ignore long term risks and compensation schemes that overly depend on short term performance.
- The board of directors and the senior management shall establish 'Code of Ethics' that all levels of personnel must sign and adhere to. Each ACCESS BANK business unit must comply with the Internal Control Framework, and will be expected to carry out an appropriate program of assessment, education, development and ongoing improvements in controls consistent with the standards outlined in this policy and in consultation with the Chief Financial Officer and the Corporate Control Officer.

## **2.0 ACCESS BANK INTERNAL CONTROL FRAMEWORK OVERVIEW**

Internal controls are fundamental to the accurate recording of transactions, preparation of reliable financial reports, business objective attainment and decision-making process of the Bank. Without adequate controls that ensure proper recording of transactions, the resulting financial data may become unreliable and undermine Management's ability to take decisions and its credibility with stockholders, regulators, auditors, rating agencies, employees and the public.

An effective internal control structure is comprehensive and involves people (including outsourced service providers) throughout the entire organization. Internal controls are the joint responsibility of operations, business development, back office personnel and outsourced service providers. The internal control system is built on a foundation of practices, policies and procedures that promote fraud/loss prevention, fraud/loss detection, fraud/loss remediation as well as timely and accurate financial reporting. Financial and operating management must work together to optimize internal controls by the continuous review of related practices and procedures. As the business process changes, the control system must change.

The ACCESS BANK Internal Control Framework is depicted in the following manner:



The ACCESS BANK Internal Control Framework consists of six components that are interrelated.

**2.1 Joint Responsibility for Internal Controls**

All personnel and outsourced service providers are jointly and severally responsible for internal controls. Financial and operating management must work together to optimize internal controls.

Generally, Board of Directors and Executive Management are responsible for the high-level internal control tone, culture, practice, policies and procedures established by the Bank. Heads of Directorate, Divisions, Business Office Managers, Group Heads, Team leaders etc. are responsible for and own ACCESS BANK internal control measures inherent in their respective activities. Individual Employees of the Bank are personally responsible and own ACCESS BANK internal control measures inherent in the performance of their functions.

Outsourced Functions – Heads of Directorate, Divisions, Business Office Managers, Group Heads, and Team leaders etc. supervising activities of a contractor, consultant and other outsourced service providers are responsible for enforcing ACCESS BANK internal control measures inherent in outsourced functions. This will be achieved by

ensuring that all outsourced functions have SLA, and the SLAs are renewed as and when due. They must ensure SLA have AML and ABC clause embedded to make it a valid SLA. Implementation of Internal Control measures is not restricted to the Control enforcement divisions of the bank (Conduct and Compliance, Risk Management, and Inspection) but extends to all employees and outsourced service providers of the Bank.

## **2.2 Guiding Principles and Internal Control Standards**

The Guiding Principles and Internal Control Standards provide comprehensive guidelines and definitions that are designed to comply with laws and regulations, ACCESS BANK Policies and Procedures, and to establish and maintain an effective internal control structure. These principles and standards are outlined in Section III.

## **2.3 ACCESS BANK Policies and Procedures**

The detailed ACCESS BANK Plc Accounting and Standard Operational Policy and Control Procedures are an integral part of the Internal Control Framework and are incorporated by reference.

## **2.4 Philosophy/Sanction Grid**

The ACCESS BANK Philosophy provides information and guidance to employees in understanding ACCESS Bank's code of conduct toward business conduct and the basic principles and standards governing that conduct. The ACCESS BANK philosophy is an integral part of the Internal Control Framework and is incorporated by reference. ACCESS BANK Sanction grid stipulates applicable sanctions for the various offences, control breaches and default by employees of the Bank. The sanction grid also specifies minimum penalty applicable to various contract breaches by outsourced service providers

## **2.5 International Financial Reporting Standards / Fair Presentation**

International Financial Reporting Standards provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries. This is particularly important for companies that have dealings in several countries.

Controlled affiliates and joint ventures must adopt or agree to operate in accordance with ACCESS Bank's Internal Control Framework. Business units must make and document good faith efforts, to the extent reasonable in the circumstances, to influence non-controlled affiliates to make and keep accurate books and records, in reasonable detail, and to devise and maintain a system of adequate internal controls. In addition to those duties, business units must encourage non-controlled affiliates, to the extent permitted by local law, to adopt the specific accounting, reporting and control procedures established by the Chief Financial Officer. These six components are the foundation of the ACCESS BANK Internal Control Framework.

## **2.6 Division Managements' Quarterly Report on the Financial Statements and Internal Control System**

On monthly basis, Conduct and Compliance reviews Proofs of the Bank's GLs, identify and analyze exceptions and confirm implementation of recommendations in line with Review GLs and Proofs Policy. On request, proofs and reconciliation of the Bank's GLs are forwarded to the auditors after consultation with relevant stakeholders to aid the review of the Bank's financials and system of internal control.

## **3.0 GUIDING PRINCIPLES**

### **3.1 Introduction**

This policy provides general internal control standards, and guidelines that are designed to comply with the Banks and Other Financial Institutions Act (BOFIA), CBN Act, Money Laundering Prohibition Act, EFCC Act, Failed Banks and Financial Malpractices Act, various tax laws, Pension Fund Act; NSITF Act, Nigerian Accounting Standard Act, Corporate Affairs Commission, CAC, the U.S. Sarbanes-Oxley Act of 2002, the Nigerian Securities and Exchange Commission (SEC) regulations, the Basel 2 Committee and the guidelines of the Central Bank of Nigeria.

All business units worldwide will support and maintain a system of internal control that is optimized to provide stockholders, the Board of Directors, and management with a reasonable assurance, based on a weighing of costs and benefits, that:

3.1.1 Transactions are executed in accordance with Management's general or specific authorization.

3.1.2 Transactions are recorded as necessary –

3.1.2.1 To permit preparation of financial statements in conformity with generally accepted accounting principles.

3.1.2.2 To maintain accountability and responsibility for assets and bank resources.

3.1.3 Transactions are consummated at reasonable cost, beneficial and necessary for the business of the Bank.

3.1.4 Access to assets and resources is permitted only in accordance with management's general or specific authorization.

3.1.5 Recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.1.6 Financial information is released outside ACCESS BANK only upon proper corporate authorization and after consideration of the interests of the bank.

3.1.7 Complete and accurate records and accounts are maintained to reflect transactions and the disposition of assets

3.1.8 Business Objectives will be met

### **3.2 Compliance with Applicable Laws and Regulations of Other Regulatory Agencies**

An effective system of internal control should provide compliance with all applicable laws and regulatory requirements such as tax laws, export laws, human resource requirements, government contracting and safety and environmental requirements. It is ACCESS Bank's policy to comply fully with all laws, regulations and standards of each country and local jurisdiction where its business is conducted. Violations of such laws can expose ACCESS BANK and its employees to severe civil and criminal penalties.

### **3.3 Other Legal Requirements**

The U.S. Federal Guidelines for Sentencing Organizations impose fines on corporations/organizations found guilty of a U.S. federal crime. The laws provide for lesser penalties on those corporations that implement an effective program to detect and prevent violations of the law. The Guidelines identify specific actions organizations can take to significantly reduce penalties and fines levied against them when violations do occur. Several actions specified focus on the underlying activities a Company has taken with respect to their internal control system. ACCESS Bank's Internal Control Framework is designed to satisfy these Guidelines.

### **3.4 Reasonable Assurance**

The concept of reasonable assurance recognizes that there must be a balance between the cost of internal control and the expected benefits.

The benefits consist of:

3.4.1 Fairly stated operating results, including all items of revenue, expense, and income, as well as assets, liabilities, and equity

3.4.2 The avoidance of material misstatement, and

3.4.3 The safeguarding of assets through proper authorizations and the management of risk. In addition, reasonable assurance recognizes that there are limitations inherent in all internal control systems. These may occur due to collusion, human error, or mistakes in judgment.

### **3.5 Mitigating limitations in control**

The Bank shall adopt the following approach towards mitigating control limitations. Every business manager must faithfully adopt these measures as minimum within the circumstance of their respective businesses.

#### **3.5.1 Control limitation Independent Mitigating Controls**

Changes in business Revised Operational risk process mapping, Control impact assessment of the process change, continuous improvement in independent evaluation/review procedures etc.

3.5.2 Collusion Programmed rotation of business managers, processing and CCO staff without disrupting business.

3.5.3 Management Override -Total prohibition of management override of controls at all levels. Establishment of clear control deviation procedures duly approved.

3.5.4 Absence/inadequate Development of Procedures and policies internal controls over for anticipated one-off and or unusual one-off/unusual transactions. Operational risk process mapping for one-off/unusual transactions, Control impact assessment over one off/unusual, Development of transaction risk appetite for the Bank that will provide list of prohibited one-off/unusual transactions/business

3.5.5 Human Error Processing Segregation of duties, Functional segregation of duties amongst Business Units/Divisions, Independence of Compliance officers from processing function, Coaching, Mentoring, dissemination of fraud/losses learning points to responsible staff, continuous training, use of experienced staff for key positions in the Bank, sound recruitment and placement procedures.

### **3.6 Role of Internal Auditor/Conduct & Compliance Officers**

The Conduct & compliance Group is responsible for monitoring compliance with the Internal Control Framework Standards. Access Bank Internal Auditors Conduct and Compliance Officers and other authorized individuals must have unlimited access to business units' records, and they must be provided with accurate and complete information, as required.

#### **Key Success Factors for Internal Auditor/Conduct and Compliance Officer**

- They must not be given deposit/profit/financial targets
- They must be independent of processing or business unit
- They must pay attention to compliance issues in line with the strategic focus of the bank on full regulatory compliance.
- They must ensure bank wide focus by harmonizing and standardizing the control practices in all subsidiary/associated companies.
- There must be proper profiling of the risk attributes and control vulnerability of all the branches of the bank to determine the staffing requirement.
- There must be proper profiling and standardization of the qualification and skill requirements of the internal audit/Internal Control staff.
- Staff quality must match risk rating of business offices.
- Independent Control functions to be carried out by Internal Audit/Conduct and Compliance Officers shall be based on proactive and preventive approach.
- Detective and Corrective independent controls shall be employed where preventive control measures are not adequate or impossible.
- Cluster Conduct and Compliance Officers shall support business without compromising controls.
- Quality Assurance in each business and operational unit would monitor and test effectiveness of internal control process.

### **3.7 Work Ethics Required for Internal Audit/Conduct and Compliance Officers**

- Independence
- Integrity
- Competence
- Professionalism
- Confidentiality
- Respect for the right of individuals

### **3.8 Authority of Internal Audit/Conduct and Compliance Officers**

- Plan the nature, scope and timing of independent verification/evaluation activities in the Bank.
- Have access to all premises, documents and records of the bank.
- Request any officer of the bank to supply such information and explanations as may be required
- Discuss with employees on observed control issues.
- Recommend cases of gross negligence, fraud or operational losses to the Bank's disciplinary bodies.
- Issue query to erring Processor.
- Provide documents, proofs and other explanations to External Auditors, CBN and NDIC Examiners on matters relating to the financial records of the Bank.
- Recommend issuance of caution/warning letters to erring processors.

### **3.9 Linkage of Internal Control and Quality Assurance**

Internal control is an important and necessary condition of achieving quality in our processes. An effective organization utilizes quality principles to build control "in" to operations, as opposed to adding control "on" to operations. This "built-in vs. built-on" aspect of quality controls also seek to avoid over-control as well as under-control. Each Group's dedicated QA Team will be set up by their Line Group Head and will report directly to the Group Head. Compliance Quality Assurance is specifically for consolidation of reports, guidance, and training. It will also carry out a semiannual audit of QAs activities in SBUs and report identified gaps to Enterprise Risk Management Committee (ERMC) and the Board. Internal Audit -They will carry out the audit of performance of QAs in the Bank in line with their duties and report to ERMC and BRMC/BAC.

### **3.10 Responsibilities of Managers and Employees**

The fundamental aspect of Management's stewardship responsibility is the obligation to provide stakeholders with reasonable assurance that the business is optimally controlled. This aim is much broader than the integrity of financial statements. It requires involvement by Management to establish that an effective system of internal control exists, that it is well documented, and that it is adequately maintained and regularly reviewed and modified as necessary to meet changing business requirements.

All managers shall be responsible for the implementation of the ACCESS BANK Internal Control Framework, including necessary distribution and training to ensure employee knowledge and compliance. Management is responsible for establishing an overall control environment, where employees have an appropriate level of control consciousness.

All employees are responsible for complying with this Policy. (See Appendix 6.0 for employee responsibilities.) Any employee having information concerning any prohibited or unlawful act shall promptly report such matter to ACCESS Bank's Legal Adviser. While this is the preferred reporting procedure, employees should also feel free to report to their line supervisors, anyone in Conduct and Compliance, Audit & Inspection, Risk Management, Strategic Management, or the Chief Financial Officer, where necessary. It could also be appropriate to contact the Risk Management Committee of the Board of Directors through its Chairman or Secretary.

There will be no reprisals for reporting such information and employees should be so advised. However, unsubstantiated accusations can damage reputations unfairly; accordingly, employees must exercise care and are expected to act responsibly in reporting suspected violations.

## **4.0 INTERNAL CONTROL STANDARDS**

### **4.1 Documentation**

Appropriate documentation and accessibility by all managers are important to each aspect of an evaluation of internal controls. The overall internal control structure is enhanced by written policies and procedures, formalized reporting responsibilities within the organization, and written descriptions of authority and responsibility.

### **4.2 Quarterly Certification**

As a basis for the Chief Finance Officer to make their reports to the SEC and stockholders, each Division will be required to make a similar report (see Appendix A) on its internal controls and financial statements to the Audit & Inspection Division on a quarterly basis.

### **4.3 Human Resources - Selection and Development**

Personnel with adequate training and education are an important part of any internal control structure. The bank's system of internal control is affected by the personnel it employs. The personnel policies shall identify the hiring, training, evaluation, and promotion objectives for employing highly competent personnel, and address ongoing development needs.

### **4.4 Segregation of Responsibilities**

Management shall assign responsibilities to employees to ensure the proper segregation

of responsibilities. Reassigning positions may be necessary due to the potential risks to the bank (e.g., only one employee performing a significant function in the organization) and can be accomplished through normal turnover in positions, planned rotation or temporary reassignment of duties during vacations. Where circumstances preclude the segregation of responsibilities for a specific function, other compensating controls such as more frequent internal reviews/audits should be devised to provide the necessary assurances.

#### **4.5 Approval of Transactions**

All decisions which directly or indirectly financially obligate ACCESS BANK or its business units worldwide to conduct a financial transaction must have manager approval within pre-established and documented authorization limits as defined in ACCESS BANK policies. Before documents are signed, reasonable inquiries must be made to ensure that the information is accurate and complete.

#### **4.6 Reconciling and Verifying Transactions**

All data used in preparing the financial statements should have traceable supporting detail (e.g., source documents and journals for accounts receivable, trial balances, perpetual inventory records, etc.), and should be regularly reconciled to the underlying balances and supporting detail. Financial records of physical assets, both monetary and property, should be periodically verified to the actual assets as determined by inspection and physical counts, statements from outside sources (e.g., bank statements), or converted to other assets (e.g., collection of cash for accounts receivable). Any differences identified in the reconciliation or verification processes should be promptly investigated and recorded in the financial statements

#### **4.7 Safeguarding of Assets and Other Company Property**

Physical safeguarding of assets and other Company property, appropriate to the asset value and risk of loss or misuse, should be maintained. Custodian responsibilities must be assigned to all assets including tangible and intangible assets regardless of whether capital or expense and should be documented in an appropriate manner. The Risk Management and Compliance Directorate is responsible for reducing the overall risk and exposure in event of loss due to theft or loss because of natural disasters.

#### **4.8 Policies and Procedures**

All business units must have written policies and procedures to assure complete processing of all transactions and obligations that they are responsible for, and to preclude duplicate processing and unauthorized changes. These policies and procedures must be the corporate developed policies and procedures, supplemented by locally developed policies and procedures. The local policies must be consistent with the overall corporate policies and must be approved by the Chief Compliance Officer.

The following policy documents form part of the internal control framework.

#### 4.8.1 Credit Policy Manual/Guideline

The main objective of lending money is to ensure maximum return from risk assets. This manual shall highlight the process starting from review of credit proposals, obligor risk rating, approving credit limit, disbursement of loans, monitoring of credit risk to repayment/pay down of outstanding obligations. Credit Risk Management shall be responsible for monitoring of limits and outstanding as per credit approval.

Various types of Management Information Systems (MIS) should be provided in order to have better control over assets of the bank.

Risk classes, lending limits and credit authorities

- Lending guidelines
- Approval processes
- Documentations
- Secured loans and collaterals

#### 4.8.2 Operations Manual

This manual shall contain the key roles of Credit Admin., Trade Finance, Reconciliations, Cash, Client's service, Treasury Back office etc. It should also reflect a clear guideline regarding Anti-Money Laundering activity in order to protect Bank's interest. The basic content of Operations manuals is:

- Account Opening and closing
- Cheque clearing
- Cash & teller Operations
- Payment monitoring procedures
- Nostro account reconciliation
- Letters of credit, collection, bank to bank reimbursement
- Loan Administration
- Treasury Operations
- Anti-money Laundering procedures

#### 4.8.3 Finance & Accounting Manual

This manual shall provide all financial activities regarding income and expenditure of a bank, and ensure there is no exaggeration of expenditure, and where it is necessary to get control. They will also ensure the profitability of the bank by projection of income, expenditure and thereby achieve ultimate targeted profit. Various types of MIS are to be submitted from External Reporting as per time schedule.

- Treatment of Land, Building & Equipment
- Capital Adequacy and Shareholders' Equity
- Treatment of expenditures
- Commission, fees and revenues
- Income tax procedures

- Write-off procedures

#### 4.8.4 Treasury/Market Risk Manual

This manual shall include activities of fund transfer and interbank fund management. The manual shall specify guidelines on how to manage and invest the bank's fund to ensure maximum profitability and security of the bank asset. The criteria for Investment on international or local money market subject to available opportunity must be clear in line with the bank's risk appetite.

- Liquidity
- Investments
- Capital management
- Dealing room activity
- ALCO

#### 4.8.5 HR Policy Manual

Human Capital Management will, at first, ensure proper distribution of available human resources in the bank. The rewarding method of that department should be impartial. They will also ensure staff welfare which will ultimately encourage people and create a healthy working atmosphere.

Highlights of the manual shall include:

- Recruitment policy
- Background checking policy
- Leave policy
- Compensation policy
- Reward and Recognition policy
- Termination & retirement policy
- Promotion and increment policy
- Training guidelines

#### 4.8.6 Internal Control/Compliance Manual

This manual should contain parts of internal control over the operating activities of bank. They will monitor the functions of various departments of the bank on regular basis. Depending on the requirement, control activities should include inspection, surprise checks in order to help avoid any fraudulent activities which in turn would strengthen the bank to set up sound structural base.

- Know your customer policy
- Customer Identification and acceptance policy
- Customer On-boarding process
- Anti-Money Laundering Policies, Procedures
- Identifying the Trade Product Customer
- Whistle Blowing
- PEP/FEP/NGO Compliance Plan
- Outsourcing – The role of Compliance

- Philosophy/Ethics
- Market Abuse and Insider Dealing
- Breach, Discipline and Enforcement and Sanctions
- General Data Protection Regulation Policy
- Gift giving and acceptance
- Code of Professional Conduct
- Travel Policy
- Dress Code
- Penalty Management framework
- Monitoring procedures
- Audit guidelines

This Internal Control Framework should be used in conjunction with the appropriate subject-matter policies and procedures.

#### **4.9 Risk Assessment/Reviews**

Identifying and managing risks is an ongoing process which is an important element of an effective system of internal controls. Management must focus on risk assessment at all levels of its organization and take the necessary actions to reduce such risks to acceptable levels. Risks can arise from external or internal developments. To effectively assess risks, it is necessary to identify and set clear objectives for the organization.

#### **4.10 Information Technology**

Information Technology is a principal strategic asset of the bank and it must be protected from unauthorized modification, destruction or entry, whether accidental or intentional.

#### **4.11 Financial Controls and Records**

ACCESS BANK is responsible for properly recording, preserving and reporting financial information to investors, government agencies, stockholders and others. The securities laws of Nigeria require ACCESS BANK to maintain accurate, reasonably detailed records worldwide which fairly reflect the bank's transactions and disposition of assets. They also require the Bank to maintain an effective system of internal control. This policy describes the high standards that we maintain for meeting those responsibilities. ACCESS BANK record-keeping and reporting must be consistent to provide a uniform basis for measuring, managing and reporting the bank's operations.

#### **4.12 Assessment of the Internal Control Framework**

Determination of whether a system of internal control provides reasonable assurance, such that the broad objectives of internal control are realized, is the joint responsibility of both front office and back office personnel. The Audit Group shall perform periodic assessments of the Internal Control Framework.

## 5.0 POLICY ON BUSINESS CONDUCT

The ACCESS BANK Philosophy is an integral part of the ACCESS BANK Internal Control Framework and is incorporated by reference. The following Policy on Business Conduct provides additional guidance relating to company funds, assets, records and payments, as well as conflicts of interest. This section should be read in conjunction with the Philosophy/Ethics/Code of Conduct.

### 5.1 Company Funds, Assets, Records and Payments

5.1.1 No bank funds or assets shall be used for any unlawful purpose. No employee shall pay bribes, illegal political contributions, or other illicit payments.

5.1.2 No undisclosed or unrecorded fund or asset shall be established for any purpose.

5.1.3 No false or artificial entries shall be made in the books and records of the bank for any reason, and no employee shall engage in any arrangement that results in such prohibited act, even if directed to do so by a supervisor.

5.1.4 No payment shall be approved or made with the agreement or understanding that any part of such payment is to be used for any purpose other than that described by documents supporting the payment

### 5.2 Conflicts of Interest

Every employee has a duty to avoid business, financial or other direct or indirect interest or relationships which conflict with the interests of the bank or which divide his or her loyalty to the bank. Any activity which even appears to present such a conflict must be avoided or terminated. A conflict or the appearance of a conflict of interest may arise in many ways.

Please consult the ACCESS BANK Policy and Procedure on Conflict of Interest and Personnel Policy for detailed guidance. Any employee who has a question about whether any situation in which he or she is involved amounts to a conflict of interest or the appearance of one, should disclose the pertinent details, preferably in writing, to his or her supervisor. Each supervisor is responsible for discussing the situation with the employee and arriving at a decision after consultation with or notice to the appropriate higher level of management. Division Management is responsible for advising Corporate Senior Management, in writing, of all disclosures and decisions made under this Policy. The ACCESS BANK Legal Department should be consulted for advice as necessary.

### 5.3 Gift & Hospitality

In consideration of services rendered, being rendered or to be rendered,

- i. Employees shall not ask for, receive, consent or agree to receive, any gift, commission, employment, service, gratuity, money, property or anything of value for their personal benefit or advantage or for that of their spouses and dependents from a customer of, or supplier to the Bank,

Proprietary

Page 25 of 100

- ii. Employees shall not receive any cash or gift of whatever description at any time from a customer or supplier to the Bank.
- iii. While it is recognized that exchange of gift is customary in festive seasons of Christmas/New Year, Id-el-Fitri and Id-el-Kabir, as well as Easter, employees shall not during these seasons accept gift of any kind from any customer or supplier whose value exceeds:
  - For Senior Managers and above – N100,000.00
  - All Other Employees – N25,000.00

#### **5.4 Outsourced Business**

Managers of Business units responsible for an outsource function must not have financial and personal relationship with the service provider. Negotiations and appointment of outsourced vendors must be based on predetermined criteria duly approved with clear internal control measures and penalty for breaches.

## **6.0 ACCESS BANK INTERNAL CONTROL FRAMEWORK: EMPLOYEE RESPONSIBILITIES - DAILY CONTROL ACTIVITIES**

ACCESS BANK employees throughout the world are faced with daily decisions that impact the strength of the Bank's system of internal control. This list serves as a reminder of those day-to-day activities that, when performed diligently, ensure operations are effective and efficient, reported financial results are reliable and business activities follow applicable laws and regulations.

All employees worldwide are responsible to comply with the following:

### **6.1 Approval**

6.1.1 Before committing the bank to expenditure, ensure that it has been properly authorized and is supported by the necessary documentation (e.g., Authority for Investment (AFI), purchase order, requisition, etc.).

6.1.2 Before executing a transaction, ensure that it has been approved by the appropriate authority level.

6.1.3 Before recording/posting a journal entry, ensure that it has been properly authorized.

6.1.4 Before issuing a cheque or other cash disbursement (e.g., wire transfer), ensure that the disbursement has been properly authorized.

### **6.2 Documentation**

6.2.1 For all transactions for which you are responsible, ensure that all required documentation has been completed, approved and distributed to appropriate parties.

6.2.2 Before recording/posting a journal entry, ensure that it is supported by the proper documentation.

6.2.3 Before issuing a check or other cash disbursement (e.g., wire transfer), ensure that it is supported by the necessary documentation (e.g., vendor invoice, receiving report, purchase order, etc.).

### **6.3 Segregation of Duties**

Ensure that the custodial and recording functions for assets do not lie with the same individual (access within computer systems should be considered as well). For example, the person depositing cheques or cash should not reconcile the related bank account nor post customer remittances to the financial records.

### **6.4 Recording of Transactions**

6.4.1 Ensure that transactions are processed and recorded in the period in which they have been incurred.

6.4.2 Ensure that all transactions are recorded in accordance with local Generally Accepted Accounting Principles (e.g. Nigeria Accounting Standards Board).

### **6.5 Proofing, Reconciling and Verifying**

6.5.1 All cash and short-term funds, other liquid assets (Cash, foreign monies etc.), other asset and liability accounts of the Bank must be proofed daily by the responsible processing Officers/team leaders. Weekly positions must be submitted to the Cluster Conduct and Compliance officers for independent review.

6.5.2 All Quoted and unquoted Investment General Ledgers (GLs), Control GLs, Contingent accounts, Accrual accounts, Prepaid accounts, Provision accounts,

6.5.3 Shareholder funds related GLs must be proofed weekly by the responsible processing Officers/Team leaders. Weekly Proof of the GL accounts must be submitted to the Cluster Conduct and compliance Officers for independent review.

6.5.4 Except for Other Assets and Liabilities, proof of other GL accounts must be carried out with independent memorandum records in the required format.

6.5.5 Differences in Proof of GL accounts and reconciliation reports must be resolved within 24hrs by the GL account owner.

6.5.6 Before signing, initialing or authorizing a document or schedule, ensure that it is complete and accurate.

6.5.7 Review your work before considering it final. Ask yourself does the result/conclusion make sense?

6.5.8 Ensure that the use of assets is properly reflected in the financial records of the bank.

6.5.9 Ensure that all financial account balances are supported by appropriate details and that balance sheet accounts, including inter-company accounts, are reconciled monthly.

6.5.10 Ensure that periodic physical verifications of assets are performed, and any adjustments are recorded in the financial records on a timely basis.

## **6.6 Open items on Suspense accounts and Nostro/Our Account Reconciliation reports.**

6.6.1 Open items on suspense accounts should not be older than limits established and approved by Executive Management.

6.6.2 Individual general ledger account owner shall be responsible for clearance of open items on suspense accounts.

6.6.3 Head, Group Conduct and Compliance, Conduct and Compliance Unit Heads and Branch Compliance Team Leads are empowered to sanction erring officers of the Bank that unduly create overdue open items beyond the threshold established by the bank.

## **6.7 General Ledger account Ownership/Management of the Bank's Other Assets Provision**

6.7.1 Every GL account in the Bank shall be assigned to specific officers who shall be regarded as the GL Owner.

6.7.2 GL Account Owners who must be the processing officer or team leader will be appointed by the Business Office Managers.

6.7.3 GL Account owners shall be responsible for the proofing, balancing, tracking, investigation and resolution of open items on the GL accounts maintained by them.

6.7.4 GL Account Owners shall be held personally responsible for overdue open items and its consequent prudential provision incurred by the Bank.

6.7.5 C o n d u c t a n d C o m p l i a n c e G r o u p will be responsible for the review of all proofs of GL accounts and preparation of Bank wide Provision on Other Assets.

6.7.6 Provision on Other Assets per Business Unit computed by Conduct and Compliance shall be charged to the Profit Center Report (PCR) of the respective units before arriving at Profit before tax.

## **6.8 Safeguarding of Assets**

6.8.1 Ensure that ACCESS Bank's assets are properly safeguarded (e.g., fences around facilities, locked file cabinets protecting sensitive/proprietary files and blank cheque stock, locked computer data rooms with appropriate fire and theft protection devices, etc.).

6.8.2 Ensure that all financial and other confidential or proprietary information is processed and maintained in a secure environment.

## **6.9 Compliance**

6.9.1 Ensure that the ACCESS BANK Policies and Procedures are followed as they relate to the assigned responsibilities of the individual.

6.9.2 Ensure that the ACCESS BANK Philosophy/Ethics/Code of Conduct is followed, and any known violations are reported to the appropriate authority or Conduct and Compliance officers.

6.9.3 Ensure that all laws and regulations are followed which relate to any activities assigned to the individual (e.g., environmental requirements, retirement benefit regulations, safety requirements, labour contract requirements, etc.).

## **6.10 Control/Risk Based Performance Measurement**

In addition to routine performance appraisal prepared by Business Unit Managers, Human Resources Management shall consider Control/risk-based rating of Operations and Business Unit employees before arriving at the final score and ranking of staff in the Bank

## **7.0 HEAD OFFICE AND BRANCH COMPLIANCE UNIT PROCEDURES AND MANUAL**

### **7.1 Managers' Cheque Review**

#### **7.1.1 Drafts Created Daily**

The process involves the issuance of local currency Banker's Cheques based on authorized requests. The instrument to request for local Banker's Cheques should be issued in favor of the bank with the Payee instructions stated on the reverse side of the Instrument. Daily, confirm that stock of Banker's Cheque/BC/MC exist in the branch. Confirm that the numbers of Banker's Cheques received from MICR are recorded. Ensure daily that working supply of Banker's Cheques, and manager's cheques are kept in the vault at close of business.

1. Confirm that Banker's Cheque was not issued manually and handwritten.
2. Manually issued Banker's Cheques are issued upon receipt of request from Customers for same. Instructions to issue Managers cheques are subjected to necessary control checks such as signature verification, clarity of instruction, as well as call back for amount over N1,000,000.00 and N500,000.00 for Corporate and Individual customers respectively.
3. All manually issued managers check must be recorded serially (sequential numbering) in a register where receipts of the MC shall be signed for by the customer or its representative. Sequential numbering of the MC must be adhered to in terms of issuance to customers.
4. Confirm all Banker's Cheques issued are registered in a Banker's Cheque Register maintained at the branch. This register will capture all relevant details like name of beneficiary, Amount, date, customer's name and account number, and signature of purchaser.
5. Ensure that all requesting customers are debited to the face value of the BC and income thereof is taken alongside VAT.
6. Branch Compliance Officer verifies that no alteration has been made to every BC value above N5, 000,000.00 (Five Million Naira only) presented for liquidation.
7. All the branches will keep original copies of BCs liquidated in the transaction ticket batch envelopes in their respective branches irrespective of the branch of issuance for ease of audit trail.
8. Verify correctness of entries passed as to whether the account was funded and debited at point of issuance and BC GL
9. Review the instrument for correctness as follows: Check that the date on the Instrument is valid i.e. not post-dated or stale. Ensuring the amount in figures is the same as that in words.
10. Ensure that the word "VOIDED" or "CANCELLED" is stamped/written on the face of the originals of cancelled or spoilt BCs.
11. Ensure that the signature line on the voided BC is torn off and pasted on the register with reason/s why it was voided or cancelled.
12. Sight original copies of issued and cancelled checks and call them back to the register
13. Any break in sequence should be promptly investigated and reported to the Unit

Head, Branch Compliance.

14. Confirm that Banker's Cheques issued are signed by two signatories, one of which must be an A signatory. However, Banker's Cheques below N100,000 can be signed by only one staff, who can be either "A" or "B" signatory
15. All Bankers Cheques must be embossed with an Access Bank embossing machine showing the value of the request.
16. Confirm that all Bankers Cheques issued are registered in a Bankers Cheque register maintained at the branch. This register will capture all relevant details like name of beneficiary, Amount, date, customer's name and account number, and signature of purchaser.
17. Ensure Instructions issued via cheque are in Favour of Access bank with an instruction at the back of the cheque stating the beneficiary of the Bankers Cheque.

#### 7.1.2 CBN/FCY Checks (Register Maintenance)

1. This process is being managed through Real-time Gross settlement System (RTGS)
2. Check that amount involved is duly authorized in line with the mandate on Bank's authorized signatory.
3. Check amount posted with amount approved
4. Tick off the number(s) on the register

#### 7.1.3 Personal Travel Allowance (PTA)/Business Travel Allowance (BTA) Review

- a) Confirm that customer's instruction is duly verified
- b) Confirm that the customer's account is duly debited for the BTA/PTA with applicable charges
- c) Confirm customer's international passport has not expired
- d) Ensure that PTA does not exceed USD4,000 and BTA does not exceed USD5,000 or their equivalent in other currencies quarterly
- e) Confirm that all PTA beneficiaries have account with the bank.
- f) Any person applying for P.T.A or B.T.A must have run an account with the Bank for a minimum of six month
- g) Originals of international passports and copy of the ticket must be presented for sighting and stamping of funds disbursed to the beneficiary and a copy made for the file along with other documentation requirements

## 7.2. Account Maintenance Control Review

Proprietary

Page 31 of 100

### 7.2.1 Introduction

Reviewer to obtain the BO report Transaction Description. The report captures all maintenance done in Head office and branches. The major objective of this review is to ensure all maintenance effected have authorized source documents. It is grouped according to the operation performed. Some of the files covered by the report are as follows.

- a. Account Maintenance Operations---Cheque books issuance, Account openings, etc.
- b. Interest & Charges---Parameters (Rules) maintenance, System Data Eleme
- c. Security Role Maintenance — User Access Maintenance (This section of the report is for IT Control Unit)

These are modules used for maintenance daily, some periodic files also exist. The review focuses on account(s) opened.

### 7.2.2 The Conduct and Compliance Officer ensures that:

- a. Data contained on the source documents are appropriately maintained on the various fields of the relevant files as per Maintenance Control log report. Any discrepancy noted is discussed with the concerned Unit and a memo issued to them as applicable. This is then followed up for appropriate corrective action.
- b. Customer's mandates are dully scanned into the system CCO affix crossing stamp across the mandate photograph such that it will not deface it.
- c. Customer accounts are reviewed for relevant account opening charges like search report, check book charge etc. usually seen in current accounts (corporate and individual).
- d. All relevant documents are in the file in line with the KYC&B requirements.

### 3. Account maintenance review is done to ensure the following:

- a. To ensure compliance with customer instructions;
- b. To ensure that maintenance instruction is executed accurately and timely;
- c. To ensure that all maintenance done on the systems are duly approved; and
- d. To ensure adequate documentation of the maintenance done on the systems.

### 7.2.2 Cheque Book Issuance

- a. Confirm that all existing customers' requisitions are properly completed and attached to the request sent out and properly filed.

- b. Confirm that all customers' requisition slips are Signature Verified; time stamped and signed off by CCO.
- c. Confirm that all cheque books requested and delivered to customer are recorded in the register.
- d. Conduct physical count on the cheque books and confirm that this agrees with the record.
- e. Confirm that ageing analysis of cheque books in the possession of the CCO is done and old ones processed for destruction. The ageing analysis should have headings like S/N, Name, A/C No, Cheque range, date received, age and remark
- f. Confirm that register for destroyed cheque books are maintained with adequate information.
- g. CCO to confirm from MICR that all cheque books are issued to account and ensure that they are acknowledged on system.
- h. Confirm that customer or his appointed representative sign for all cheque books. Cheque books should not be mailed or sent to customer by courier
- i. Confirm that Cheque books is not released to a customer's representative unless with a written instruction from the customers.

### 7.2.3 Stop Cheque

- a. Confirm that all stop cheque order is inputted on the system.
- b. Confirm that all stop cheques request are properly time stamped, Signature Verified and filed.
- c. Confirm that stop cheque charge is debited to the customer account
- d. Confirm that all stop cheque orders/instruction are requested by the customer.
- e. Ensure Customer is advised promptly if an item has been paid prior to receipt of stop payment instruction
- f. Ensure Cancellation notices is accepted by the same means of communication as original stop payment instructions and will be subject to the same processing requirements, as applicable, as original stop payment instructions. Records will be noted accordingly, and the original stop payment request will be removed from the system.
- g. Confirm that for cancellation instructions received by telephone, the original request is not removed from the system until written confirmation of the cancellation is received. If the item in question is presented for payment in the interim, it will be referred to the account officer for action.

### 7.2.4 Closure of Account

- a. Confirm that due diligence was performed before closing a customer's account

- b. Confirm that there are no outstanding loans being serviced by the account
- c. Verify that all Cheques issued on the account has been paid/retrieved/cancelled
- d. Confirm that the charges were duly applied and transferred to the appropriate income account
- e. Confirm that closeout withdrawal was done on the account, the account balance is zero (0) and that the account status reads 'ACCOUNT CLOSED'
- f. Verify that 'Closed Accounts Register' was updated with details of customers' accounts closed
- g. Confirm that the closed account packages are stored in the closed accounts cabinet or evidence that they have been sent to the archive
- h. Confirm that STR was sent for closure arising from inability to complete documentation or refusal to provide useful information or where the account is being operated fraudulently.
- i. Customer's file and signature file will be marked "ACCOUNT CLOSED"

#### 7.2.5 Outstanding Documentations in Account Opened

- a. Review the account opened for outstanding documentations in the Branch and CDMS.
- b. Ensure no account is opened with incomplete documentation except with deferrals approved by GMD/DGMD, and the account must be on PND.
- c. Withdrawals from account with approved deferral can only be made with the approval of GMD/DGMD.
- d. Deferral is only applicable to customers in private and corporate names. Ensure there is no deferrals for any other individual not in Private or corporate banking relationship with the bank.
- e. Confirm that ageing analysis on the O/S is done to reflect S/N, A/C No, Name, O/S documents, responsible RM, status (if a/c is on PND), and remark.
- f. Send your report to Compliance Unit for further information.

**N.B.** Reviewer of Maintenance Control log (account maintenance) should advise Conduct and Compliance (the verification unit head/Proof desk) of any internal account (leaf) opened or closed by FINCON noted during the daily review.

### 7.3 Review of Transit Accounts

#### 7.3.1 Objective

To ensure that items booked in clearing and cash General Ledger and the CBP (Clean Bills Purchased) account are liquidated within 24 hours.

## 7.3.2 Methodology

- a. Print Clearing and Cash General Ledger for all currencies through the generate sub-menu of the Report module. Another General Ledger are:

110102000	VAULT CASH - IN –TRANSIT
112110300	NET CLEARING POSITION
140060600	A/C RECEIVABLE - HOLD-OVER ITEMS
140060870	A/C RECEIVABLE - ACCESS BDC
140060900	A/C RECEIVABLE - STAFF ADVANCES
140061400	A/C RECEIVABLE - CLEARING CHQ ITEMS
140061650	WESTERN UNION RECEIVABLE
140061800	A/C RECEIVABLE - CLEARING OUTWARDS
140100100	DEFAULT SUSP. CLEARING/SETTLEMENT
250070700	A/CS PAYABLE - CLEARING INWARDS
250070993	CBI CHQ IN COURSE OF COLLECTION
250071100	A/CS PAYABLE - UNALLOCATED DEPOSITS
250071220	A/CS PAYABLE - ACCESSBDC
250072250	VALUCARD TRANSIT ACCOUNT
250073500	A/C PAYABLE - CASH-IN-TRANSIT
250081800	SUNDRY PAYABLES - H/O TRANSIT
250081900	OTHER PAYABLES
	ALL BRANCHES WITH CBN CURRENT ACCOUNT

## CENTRAL CLEARING

GL NO	GL DESCRIPTION
140061400	A/C RECEIVABLE - CLEARING CHQ ITEMS
250070700	A/CS PAYABLE - CLEARING INWARDS
140450100	INTERBRANCH CLEARING
112110300	NET CLEARING POSITION

## CASH MANAGEMENT

GL NO	GL DESCRIPTION
250072250	VALUCARD TRANSIT ACCOUNT

## CREDIT ADMIN

GL NO	GL DESCRIPTION
250081920	AFRO-EXIM OTHER PATABLES TRUST ACCOUNT

FUNDS TRANSFER

GL NO	GL DESCRIPTION
250071405	FUNDS RECEIVED OUTSTANDING

- b. Generate these General Ledger for previous day e.g. for 02-02-2020, print also for 01-02-2020.
- c. Deduct debit movements of previous day from credit movements of today's transactions.
- d. Any difference between these constitutes the variance in Clearing & Cash for that day.
- e. Obtain the Clearing ticket from Clearing Officer/CPC - Clearing with details of the debit movements confirm cast and match off.
- f. Reconcile and report any variance for today.

Follow up with the same process the next day to confirm reversing entries.

**7.4 Review of Money Market Products**

7.4.1 Commercial Papers

- a. Verify that all investment processed investment deals are within the approved rate guide or approved rate.
- b. Confirm that the customer's account was adequately funded for the transaction amount before processing
- c. Confirm that the customer's account that was debited for the transaction is the same account to be credited at maturity
- d. Confirm correctness of accounting entries passed;

**At Initiation:**

DR	Customers' account	with	Discounted amount
CR	Liability GL	with	Face value
DR	Prepaid interest GL	with	Discounted amount
DR	Customers' Account	with	WHT
CR	WHT payable GL	with	WHT

**Daily interest accrual:**

DR	Interest expense GL	with	Daily interest amount
CR	Prepaid interest GL	with	Daily interest amount

Proprietary

**At Maturity:**

DR	Liability GL	with	Face value
CR	Customers' account	With	Face value

## 7.4.2 Bankers' Acceptance

- Run SQL script to generate all Money Market investments booked at Domestic Funds Transfer Unit
- Ensure that all customers' instructions uploaded are duly time stamped and signature verified
- Ensure there is approval from ALM to book above rate guide and all other supporting documents for investment is in place
- Send all exceptions noted to the Unit Head, Domestic Funds Transfer Unit and Branch Managers
- Confirm correctness of accounting entries passed

**At Initiation:**

DR	Customers' account	with	Discounted amount
CR	Liability GL	with	Face value
DR	Prepaid interest GL	with	Discounted amount
DR	Customers' Account	with	WHT
CR	WHT payable GL	with	WHT

**Daily interest accrual:**

DR	Interest expense GL	With	Daily interest amount
CR	Prepaid interest GL	with	Daily interest amount

**At Maturity:**

DR	Liability GL	with	Face value
CR	Customers' account	with	Face value

## 7.4.3. Daily Data Integrity Check

- As part of daily review of Bankers Acceptances, the balances in the FLEXCUBE accounts are compared to the respective balances on the Money Market system. This is to ensure that variance between what we have on FLEXCUBE which is the bank's financial (if any) is investigated and resolved promptly.
- Print previous day's movement on account numbers respectively, (BILL DISCOUNTED SOLD), and (BILL DISCOUNTED).
- Print daily (previous day's) product balance for, Bills Discounted Sold and Bills discounted form the Money Market System.

- d. Compare the balances for the respective products on both FLEXCUBE and the Money Market system and highlight any variance.
- e. Investigate and issue a memo.
- f. Initial both printouts as evidence of review.
- g. File the reviewed printouts in chronological order.

#### 7.4.4 Treasury Bills & Bonds Deals Review

- Spool daily transactions processed from Kastle treasury for Bills and Bonds
- Confirm settlement of Cash via swift.
- Confirm settlement of securities via statement from CBN/CSCS.
- Review HTM / AFS GLs
- Get balances from GL and compare with Kastle balance
- Compare the entries in the GL proof to entries in Kastle.
- Review movement in GL entries and ascertain genuineness of transactions posted.
- Ensure booking of new entries are backed with source documents.
- Review the Bond/ Bills reconciliation to determine outstanding items and reasons for the outstanding.
- Obtain blotter from Treasury for review and compare against Kastle Treasury and GL.
- Send observations to Treasury Operations/ Treasury for response and regularization of issue.

#### 7.4.5 Daily Confirmation Process - TD, Placement, BAs, CP

- Time/Term Deposit, Commercial Papers (CP), Banker's Acceptance (Investment) below N10million will be posted at branches while for all deposits above N10million, the transaction will be forwarded to Domestic Funds Transfer (DFT) for processing.
- Upon receipt of scanned customer requests for investments above N10million, Domestic Funds Transfer Unit will process the transaction accordingly in line with the standard SLA
- On the next working day, the CCO generates Investment Advice for processed transaction
- Print Investment Advice for the customer from Infopool.
- Handover the Investment Advice to the customer and file the acknowledgement copy in a designated folder or cabinet for reference purpose
- For Placement deals, sign on to the Flexcube; enter the FX module Compare details on confirmation copy to control copy, initial both as evidence of review.
- Confirmation advices returned unsigned by customers are referred to the relevant RM for regularization.

- Monthly a report of all unconfirmed deals will be prepared and sent to the internal control for sign off. Is this still the process, ask the branch compliance to staff?

#### 7.4.6 RTGS/NEFT/T24

##### REAL TIME GROSS SETTLEMENT (RTGS)

- Obtain previous reconciliation report and save as the current date.
- Generate the balance for the RTGS suspense GL (112110212) using the query communicated to you. The bank should only have balances for branch '3' and '99'. Input the balance into the report saved above.
- Invert the balances inputted above. That is make a positive (+ve) figure negative (-ve) and vice versa.
- If any other branch has a balance, ascertain the exact transactions involved and have the responsible officer to reverse the transaction to the appropriate RTGS GL.
- Generate the transaction schedules using the FCC query communicated.
- Format the schedule in line with the current reconciliation report.
- Incorporate the formatted schedule into the current reconciliation report
- Log on to the CBN server (T24) and generate the reconciliation statement report and the Net Data list.
- Ensure the reconciliation statement report agrees with the physical RTGS statement received from CBN.
- Communicate any difference observed to TROPS for necessarily follow up with CBN- Please note that the physical RTGS statement supersedes the reconciliation statement generated online (T24) and therefore the balance on the physical statement is the accurate balance.
- Input the physical statement balance into the reconciliation report above.
- Incorporate the Net Data list (the schedules) into the RTGS statement and delete the applicable RTGS Net Settlement balance already therein.
- Format the adjusted RTGS statement in line with the reconciliation report.
- Incorporate the formatted RTGS statement into the current reconciliation report.
- The reconciliation report should be balanced at this point.
- Match similar transaction together. Please note that there might be multiple matching of transactions. These transactions include interest, placements and takings from other institutions, but the matching must be restricted to a counter party and no cross matching is allowed. Clearing transactions from CCU are also matched as 1 to 2 in most cases. (CBN posts the net while CCU posts the net

Inward and Outward transactions separately).

- It is pertinent to take value dates into consideration for all transactions involving TROPS.
- Please note that for branches and CCU, their transactions can be outstanding for as long as 7 days as shown below. This is because Access bank posts as the transactions occur while CBN posts when transactions clear. Anything outside this shall be considered as averaged.

#### Central Bank of Nigeria (CBN)

- Obtain previous reconciliation report and save as the current date.
- Generate the balance for the GL (112051500) using the query communicated to you. The bank should only have balances for branch “3” and “99”. Input the balance into the report saved above.
- Invert the balances inputted above. That is make a positive (+ve) figure negative (-ve) and vice versa.
- If any branch has a balance, ascertain the exact transactions involved and have the responsible officer to reverse the transaction to the appropriate CBN GL.
- Generate the transaction schedules using the FCC query communicated or spool and print the entries for the date whichever is convenient for you.
- If you are using the SQL (FCC) schedule, format the schedule in line with current reconciliation report.
- Incorporate the formatted schedule into the current reconciliation report.
- Obtain the physical statement received from the CBN and either transfer the details into excel or use the statement with the spool entries generated above and do a manual matching of the current transactions or...
- Input the physical statement transactions (excel format) into the reconciliation report above.
- Input the CBN statement balance into the reconciliation report. The reconciliation report should be balanced at this point.
- Match similar transaction together. Please note that TROPS transactions have some peculiarities and these involve transactions booked via contracts and could involve 1 to 2 matching or 1 to many. E.g. of these transactions include placement, takings, Bonds, BDC cash etc.

#### NEFT:

##### NEFT Inflows

- a. LZCC receives NEFT inflows from other banks
- b. LZCC downloads NEFT report from the NACS server
- c.

LZCC generates the Detailed Daily inward Report

- d. LZCC manually captures entries into beneficiary accounts on Flexcube
- e.

LZCC reconciles transactions captured with Daily Inward report

- f. LZCC captures transactions on the NEFT Inward General Ledger
- g. LZCC moves unapplied funds into the Unapplied NEFT General Ledger
- h. LZCC returns funds to originating bank not later than 24hrs of receipt of inflows

NEFT Outflows

- a. Review customer requests to transfer funds via NEFT
- b. Ensure that Clearing officer generates csv and transmit through the NACS server
- c. Confirm that Clearing officer transmits data on NACS server to NIBSS
- d. NIBSS Consolidates all transactions and sends report of both details and gross to all Banks.
- e. Ensure that Clearing officer downloads NEFT report from the NACS server

7.4.6 Confirming A Deal on Flexcube:

- a. Receive signed confirmation copy and letters from customers, signature verified, and time stamp and funding of the account is done before uploading on the gori application.
  - b. Based on the amount involved, confirm if there is approval in line with approval grid before the upload is done on the gori application.
  - c. Go to Flexcube and select Money market or Foreign Exchange Module (as the case may be)
  - d. Select contract input-(Detailed).
  - e. Compare details on confirmation copy to details on Flexcube after generating the detailed Inward Daily report.
  - f. Confirm that there is no variance, beneficiaries accounts are credited. If there are discrepancies, these are flagged and manually verified.
  - g. Where discrepancy occurs in confirmation, enter details in the discrepancy register and refer to RM.
- Otherwise;
- h. From the main menu select Action-(Processing), confirm
  - i. Refer unsigned advice to RM. For FX forwards, follow up on Treasury for purchase agreement from counter party.
  - j. For liquidated contracts, no follow up is required.
  - k. File off confirmation copies as appropriate.
  - l. Review all premature liquidations to ensure propriety (Signature Verified, time stamped)

## 7.5 Review of General Ledger Report

7.5.1 The General ledger report shows the real time balances of all accounts/leaves after end of day (EOD). The goal of this review is to ensure that ALL transit accounts such as TELLERS a/cs, Interdepartmental accounts carry zero balance as at the close of business the previous day. It is also to ensure that entries in deferred accounts are liquidated within the 24hour allowed transit time.

To carry out these reviews,

- a. Control officer should obtain a download (to spreadsheet) of the BO report for the previous working day. Go to the relevant rows containing the range of accounts being reviewed. Mark /select the range and print.
- b. Review Tellers (Tills)/ Tellers Suspense Cash accounts. All Tellers accounts must contain NIL balance. Any exception must be investigated and reported
- c. The statement(s) of accounts with non-zero balance is printed and in conjunction with the transactions journal for the day, the balance is investigated. Concerned Teller is advised copying the Conduct and Compliance Head, the Cash Officer or the Ops Head as the case may be.
- d. Sign off the printout as evidence of review
- i. TROPS suspense accounts.  
This is a transit account used by Trops (for Head office) and other branches for the booking of Time deposits for customers. TD investments are also liquidated into these accounts. The investment proceed should either be paid to the investing customer or rolled over promptly as per customer's mandate. The bank may incur loss in the form of interest payment to customers if their fund is not promptly paid back or re-invested as required. The objective of this review is therefore to see that funds are not over-staying in this account. Any overstayed fund not rolled over should be back valued to reflect the actual value date it ought to have started.
- ii. FX Deal Account  
When customers bid for FX, they provide fund to cover the bid. The fund is kept in this account. If the customer is successful, the fund is applied; otherwise the customer is credited back with the fund promptly. Otherwise, the customer may demand for interest payment for the period the bank has kept the fund.
- iii. Deferred Accounts items:  
As stated above, items in Deferred account are expected to be liquidated with 24 hours. Reviewer is to obtain the system report after importing it to spreadsheet. Statement for any of the accounts with outstanding balance is printed, investigated and a mail sent to the responsible person(s) to liquidate. The report is then signed off as evidence of review and filed accordingly.

- iv. VAT LCY a/c for debits over and above =N=1,000.00 or its equivalent in USD and other currencies other than Sundries Unit. (VAT Collected Awaiting Remittance for all currencies – EUR, GBP, NGN and USD).

### 7.5.2 Investigating Differences

Ordinarily, balances may occur in the following accounts: -

- Tellers Till (Cash) Accounts
- Inter-departmental Account
- Deferred Items Accounts
- EOD

To investigate these balances: -

- a. Print the ledger movement of the account involved using 'generate' option of the report module
- b. Endeavour to match off all the debit and credit entries.
- c. Confirm all open items to the source documents and the transaction journal.
- d. Suggest corrective action to be taken in a memo to the unit and all concerned parties.
- e. Other helpful reports for this reconciliation are the Transactions Journal and Trial balance reports.

### 7.5.3 Report

Obtain assurance report from the Head of Operations on the certification and balances in the General Ledger Balances.

## 7.6 Difference Accounts and Profit & Loss Accounts Review

### 7.6.1 Difference Accounts

Entries should not ordinarily be posted to the difference accounts. However, circumstances may arise that will necessitate the posting of entries into difference accounts.

- E.g.
- A Teller is out of proof
  - A Processor's batch did not balance
  - There is a shortage or overage in a cash account, etc. The procedure for this review is as follows: -
- a. Use the list of difference accounts as obtained daily for the previous business day
  - b. Print the various accounts statements for movement in the accounts.

- c. Obtain the ticket used in posting the difference account entry from the records and file team.
- d. Review all tickets for quality: Maker, Checker, Date, and Narration of Entry, Offset account and approval and initial them as evidence of review.
- e. File of the tickets into the difference account file.

### 7.6.2 Profit and Loss Accounts

This review is similar in scope and procedure to that of difference account review detailed above.

- a. Check movements in the accounts from by printing the account statements.
- b. Identify the items in the debit side of P & L to ascertain propriety arising from wrong expense head e.g. motor vehicle expense posted to stationery or diesel.
- c. Obtain the necessary tickets from records.
- d. Review for ticket quality
- e. Send tickets with comments to Control Head.
- f. Control Head reviews and initials the tickets
- g. Review and initial the report and file copies of the tickets for follow- up / liquidation.

### 7.6.3 Income Reversal

There are instances where income may be reversed basically due to customers' complaint on overcharge or errors on the part of the system software or processors.

- a. Check all the income lines on the General Ledger and P&L movement for any debit movement.
- b. Call up the affected P and L account on the system to see the processing
- c. Call for the supporting document and ensure that the necessary P and L reversal approval was obtained except for reversal of wrong posting
- d. Document and obtain relevant explanation for the exception observed.

## 7.7 Review of Expenses (Source Documents)

### 7.7.1 Introduction

This review is done by Conduct and Compliance for H/O and Branches other than Upcountry Branches. Upcountry Branch compliance staff performs the review for their respective Branches. The review is done by Conduct and Compliance staff each focusing on a set limit of expenses. The limits currently monitored by each staff are a) Expenses up to =N=100,000.00; and b) expenses above =N=100,000.00.

### 7.8. Procedure

- a. For this review, obtain the microfilmed and sorted expenses for this limit from

- Records Team.
- b. Review for correctness and adequacy, source documents pertaining to transactions over expense accounts (other than interest, PPE and amortized expenses)
- c. Ensure requirements of the Expense Approval manual are complied with.
- d. Review for wholly, reasonable, exclusiveness and necessary
- e. Check amounts in words and figures.
- f. Check the accounting entries raised and for the General Ledger codes.
- g. Confirm that the correct account numbers are being used.
- h. Maker, checker and authorized approvals.
- i. Check that all attachments, receipts and invoices are original copies and not photocopy, except for HR related expenses whose originals are kept in HR for audit purposes.
- j. Report and issue exceptions memos as appropriate.

## 7.9 Auditors' Confirmation Procedure

Auditors' confirmation request is usually from the external Auditors of our customers, with authorization by such customers (as per mandate) or direct request from our customers to independently confirm and authenticate their financial status with ACCESS Bank as at a date.

### 7.9.1 Inputs Required

- i. Customer account statement
- ii. List of Signatories to the account and the account mandate
- iii. Maturity reports on the following: -
  - a. Treasury Bills
  - b. Bankers Acceptances Sold
  - c. Bills Discounted
  - d. Commercial Papers
- iv. Outstanding Guarantees
- v. Outstanding Letters of Credit
- vi. Outstanding Bills for Collection and
- vii. Any other reportable products that may be introduced by the bank from time to time.

### 7.9.2 Process Steps on Input Gathering

- i. **LETTERS OF CREDIT**  
Report of outstanding Letters of credit is generated monthly by Global Trade department. Obtain a copy.
- ii. **BILLS FOR COLLECTIONS**  
Report of outstanding collections is generated monthly by Global Trade

department. Obtain a copy.

- iii. TIME & CALL DEPOSITS, LEASE, LOANS etc.  
Obtain a download of the BO report generated for month-end and import to spreadsheet. Sort and filter for au contract (Contract status "A"). Then sort by customer name and print.
- iv. Soft copies of T/BILLS, CPs, and GTEES are sent to Internal Control (monthly) through e-mail from Trops and Trade respectively.

### 7.9.3 Process Steps on Response to Auditors Request

The following steps will be taken when processing an Auditors Confirmation request:

- a. Conduct and Compliance Representative receives letters; time stamp and verifies signature or confirms that requester is authorized to have access to the information being requested.
- b. Logs request on the Auditors Confirmation register.
- c. Obtain a list of the entire customer's account. Generate the account statements for ALL accounts--Current, Time deposit, Loans, Outstanding lease and other products maintained on FLEXCUBE. Where account statements have been purged off system, send a request to records and reconciliation a subunit of internal control unit to print film copy.
- d. Collate other details from Flexcube required to complete the letter viz. List of signatories, mandate or signing rules to the account through Customer- (Detailed option of Flexcube).
- e. Input the Customer code and click on S.V to verify signature.
- f. Highlight the other signatories for the image(s) of their signatures.
- g. A check should also be made for any other outstanding products such as CP's, OAD, BA's, T/BILLS, and GTEES etc.
- h. Prepare the standard letter indicating the reference number.
- i. Insert a caveat as the last paragraph of the letter re-stating the officers of the bank from legal responsibility to such information.
- j. ACF letters are to be signed by authorized signatories, who must be a Supervisor in Conduct and Compliance and/or BM and BSM Back up at the branch.
- k. Customer letters are sent through our dispatch riders who usually returns

acknowledgement. The copy of reference letter is attached to the customer's original request and filed in the customer's file at the branch central reference letter file, in alphabetical order.

- I. The standard turn-around-time for preparing the letter is 5 working days.

## **7.10 Proofs & Ageing Reports**

### **7.10.1 PROOFS – (Departmental & Independent functions)**

Proof is a process through which every operations department validates the accuracy and propriety of transactions that make up their account balances. That is, the unit confirms that every item that makes up the balance in their account at any time was duly approved and that the details of this transaction correspond to the originating source media.

We have basically two types of account- Internal and External.

- a. External accounts are accounts we keep on behalf of our customers.  
These accounts are not proved because account statements are generated and sent to the customers periodically. Customers are required to review movements in and out of their account and inform the bank where there are discrepancies.
- b. Internal accounts are of different types- Assets & Liabilities, Contingent, Revenue and Expense accounts. Our proofs focus on Assets & Liabilities plus contingent accounts. Movement in and out of Revenue and Expense accounts are strictly controlled by various levels of approvals. FINCON also does variance analysis on the accounts and advise management of any unusual movements. Again, Conduct and Compliance reviews expense tickets during spot check.

The frequency with which an account is proved is as defined by the policy manual. What we do is to ensure that at a minimum, we meet the recommendation of the policy manual. Some accounts are required to be proved monthly, quarterly, semi- annually and annually.

There is a list of all accounts being proved, the unit responsible and the frequency of proof developed by Conduct and Compliance. In arriving at the frequency of proof, the policy manual recommendation serves as our guide. The frequency assigned must meet the minimum requirement set by the policy manual.

Information about new and closed internal accounts is obtained by the Conduct and Compliance personnel that handles Account maintenance log review and passed on to the proof desk. This is updated on the list.

### **7.10.2. The Proof Process.**

Currently proof cycle is to be done weekly at the branch and monthly at H/O to coincide with month-end. This is to enable senior management effectively compare the books of the bank

(ACCESS) using the same date.

- a. Consequent upon this, Conduct and Compliance is to conduct surprise proofs of internal accounts once weekly and monthly at the branch. That is, the proofing units will not be informed in advance.
- b. A memo is raised and sent to all operating units to submit proofs of their accounts as at the close of business on the chosen date. The memo should be clear on the type of proofs being called for. That is, whether weekly, bi-monthly, monthly, quarterly, etc.
- c. Note that monthly/quarterly proof for example will include accounts required to be proved weekly monthly as well as quarterly.
- d. It should be noted that like any Internal Control function, proof dates and days are varied. It is also necessary to call for proofs at a period that it will cause minimum disruption to the day-to-day operations. Dates close to month-end for example should be avoided.
- e. Simultaneously, as the proof call memo is being released, Conduct and Compliance officer spools the General Ledger Report as of the proof date. General Ledger Report contains balances of all the Bank's accounts (Both internal and external) as of the proof date. RECONCILIATED REPORT on the other hand contains detailed balances of the Miscellaneous credit accounts and is used in conjunction with the General Ledger Report for the review of aging reports
- f. Units are usually given 2 working days to submit the proofs. Extra days are allowed for the ageing reports.

### 7.10.3. The Callback Process

To ensure completeness, submitted proofs are called back to the list of accounts to be proved. This will enable Conduct and Compliance update senior management on the list of outstanding proofs as demanded.

All the proofs submitted are thereafter arranged in GL order (ascending order as the case may be). This will make the proofs appear in the same order as the General Ledger Report and then allows for easy call back and retrieval.

In calling back the proofs, we should note the following:

- a. That the proof balance agrees to the General Ledger Report balance. Where there is a difference, the difference is duly approved. Approval limit- Amount not more than N50,000-unit head. Amount above N50,000 the Group head and so on.
- b. That there is maker/unit head sign off.
- c. That the proof's as of date and date prepared are indicated

- d. That the proofing media is indicated
- e. That account name and account number is indicated.
- f. That the Branch and department name are indicated.

It is instructive to note that persons posting into a particular account are not allowed to proof such account. Therefore, the units are supposed to sign a certification attesting to this. Also, a NIL report for all accounts having NIL balance should also be submitted by each unit. This should be called back as well.

Efforts must be intensified to ensure the completeness of the proofs by following up for outstanding accounts (proofs), escalating to Senior management promptly.

#### Facts to Note About Internal Accounts

- a. Asset accounts are supposed to contain debit balances. Any of such account with credit balance is an exception.
- b. Liability accounts such as Sundry account should contain credit balances.

#### 7.10.5. Ageing Reports

Some of the internal accounts by their nature contain transit entries. Transit entries, such as travel advance, Advance payment to vendors, Account receivable, etc. are not expected to overstay in these accounts. These accounts are referred to as miscellaneous credit accounts. Examples are Pre-paid, a/c receivables and Sundry accounts. The RECONCILIATED REPORT gives the details of each entry together with their ages.

The essence of the ageing report is to confirm that adequate documentation exists for all items that have over-stayed in these accounts. Acceptable transit period is as defined by corporate policy. Concerned units are supposed to indicate efforts being made to liquidate outstanding items and proffer target date for liquidation.

The ageing report submitted is reviewed and exception(s) noted reported to top management.

### **7.11 Non-Cash Funds Transfer (NCFT) Process Review**

This review is guided by policy manual and procedure which is updated from time to time. Reviewer is therefore enjoined to use this procedure in conjunction with the said policy manual/procedure.

Normally, all customers' instructions to move funds from their accounts should be backed up by duly signed cheques. Any customer instruction for funds transfer, not backed up by a cheque constitutes NCFT. NCFT instructions therefore are all customers manually initiated funds transactions that end with a transfer of funds out of Access Bank, as well as customer instructions to move funds within Access Bank accounts. These are instructions

received externally from ACCESS BANK clients or internally from units, departments or branches that are initiated via fax, paper mail, voice mail, telephone, messenger, electronic mail, file transfers and other similar 'manual' transaction origination methods.

#### 7.11.1. Transactions Review:

- i. All NCFT transactions must be approved prior to processing following the GRID below:

Amount	Approving Authority	Indemnity Required?
=N=0.00 to =N=10 million	SM (who is Ops Unit Head)	Yes
=N=0.00 to =N=100 million	AGM and Above	Yes
=N=0.00 to =N=500 million	DGM and Above	Yes
=N=0.00 to =N=1.0 billion	GM and Above	Yes
Above N1.0 billion	Any Executive Director	Yes

- In addition, any NCFT instruction originated vide Scanned copy, or Telephone with value above N10 million and involving payment to a third party must be approved by minimum of an Executive Director.
  - Foreign currency equivalents of naira amounts indicated in the table above shall apply for foreign currency denominated transactions.
- ii. Approvals for transactions that arise out of extreme situations such as when a confirmation is initiated but customer is **not available** and processing is near closing timeline shall be done by staff of minimum AGM grade level in line with Approval Grid outlined in viii) above for AGMs and above.
- iii. Transaction and transfer instructions must not be amended or changed during confirmation. The customer must submit a new set of re-executed original instructions, where such an amendment is desired by the customer.
- iv. Processing Units and the branches are expected to register all transactions received in their respective units before processing. The "NCFT Register" should have columns for pertinent information like Date Received; Bar Sheet Reference Number; Account Name; Account Number; Beneficiary Name; Account Number; Amount; Date Processed; Telephone Number Called; Confirmed By; Processor; Authorizer; Remarks etc.
- v. All NCFT transactions not backed by original instructions duly signed by authorized signatories should not be handled at branch level, but in the center processing branch / hubs and Foreign Funds Transfer (FFT), Domestic Funds Transfer Unit (DFT), and Central Clearing Unit (CCU) designated in this document.

## 7.12 Statements Rendition

The e-statement rendition is the transmission of customer's statements via electronic means. The statement is sent in secure encrypted form via electronic channels (internet) directly to the customer's email addresses.

### 7.12.1. Statements Rendition Process:

- The process is initiated upon registration of new accounts with the bank. The Retail Operations staffs (CCO/BM) handle the registration of customers onto the e-statement platform. For existing customers with no prior e-mail address, the process is initiated upon request by the customer on submission of a valid e-mail address with the bank
- The e-statement application checks the Core Banking Application (FCUBS) every 24 hours for new 'e-statement request' by customers and includes them in the statement subscription list members
- The e-statement application automatically creates monthly statement subscription entries for all customers. The statements will be sent in PDF format by default. Other subscription types like weekly, daily and cumulative daily subscriptions are available on request for any customers of the bank who requests for it
- Monthly statements will be sent on the first day of the following month
- Weekly statements will be sent every Monday of the current week
- Daily statements will be sent every day for the previous day's transactions. (Daily Statement Customers will not receive statement for days with no transactions on their accounts)
- Cumulative daily statements will be sent everyday (Cumulative statements extend from the beginning of the month to the present day)
- The Customer Online Banking Account is a separate and distinct service from bank-generated electronic statement delivery
- A customer will not be allowed electronic statements without having a current postal mailing address and/or telephone number on record (file). All required documentation including KYC must be complete and in order before initiating electronic statement delivery
- The administration of the customer database and records will be following all applicable provisions of the Access Bank Information Technology Management and Files Policy. The rendering of electronic statements must be affected according to the Access Bank

### Information Security Standards

- By default, irrespective of the frequency of statement rendition specified by the customer, all customers will receive a monthly PDF copy of the e-statement to guide against any possibility of fraud
- The Relationship Managers will supply the list of their top customers who wish to continue to receive monthly paper statements to the respective unit who will treat accordingly. Such customers will belong to the UHNI, HHI, Public sector and the Institutional Banking Group. All other customers who wish to do so may approach their respective branches who will print upon request. The request will however attract the applicable charges on statements

#### 7.12.2. Dispatch:

- Monthly test to Customer Experience Team before dispatching to customers is required. The IT Group (Application Development) will send a test of the upcoming month's statement to a set of employees in the customer experience unit to review for corrections before final dissemination to all customers. This exercise will be achieved on the last day of every working month

#### 7.12.3. Final Report:

- A copy of the statement will be archived in a folder which will be backed up every month. The main folder will be deleted after a successful backup to conserve space

### 7.13 Credit Transaction Review

The basic function of a bank is to source fund (cash deposits) from the surplus side of the economy and give to the deficit side in form of loans and credits usually to finance businesses. In order to reduce the level of exposure of the Bank, it is therefore, necessary to review credit for propriety.

- a. Confirm that customers' requests were obtained and Signature Verified for all forms of credit. The request should be captured with the relevant details especially in a standardized format designed for each credit categories.
- b. Ensure that appropriate authorities approved the request as per the applicable authority limit
- c. Ensure that customer does not have a running loan unless it is exceptionally approved.
- d. Ensure that all conditions precedent to draw down are met

- e. Confirm that all security/collateral was perfected, and documents are in the bank's custody with relevant insurance cover noting the bank as the first loss payee.
- f. Call up all loans booking on the system to ensure that the correct loan repayment account is used as stated in the credit agreement.
- g. For cash/TD backed loans, ensure that there is letter of lien from the customer and certificates stamped 'PLEDGED FUND'.
- h. Confirm the pricing, interest and other charges conform to the agreed terms.
- i. Ensure that tenor must terminate on/or before the last working day of the loan period.
- j. Review the agreed liquidation terms to ensure that there is no default especially for loans repayable on monthly (quarterly) basis.
- k. Raise any exception observed to the processors and copy supervisor.

#### **7.14 Fixed Assets**

- a. Ensure there is fixed assets register and asset movement register for all assets in the Branch (H/O)
- b. Ensure that the register is properly formatted in terms of details and separated by asset type
- c. Carry out physical verifications of the assets in the Branch and ensure completeness of the asset register
- d. Check the existence, location, user, registration number (for cars) and log number to the information on the register
- e. Review the security over the fixed asset and ensure its adequacy
- f. Check to confirm that all assets are tagged
- g. Confirm that all assets sent out for repairs are returned
- h. Report any exceptions observed

#### **7.15 Cash and Vault Administration**

##### **7.15.1. Front Tellers**

- a. All items in the till box are either cash or working tools and the working tools in the

box relate to that teller

- b. Tellers till balances should be as advised by policy
- c. Daily review and confirmation that the tellers' proof are prepared signed by the Operations head. The proof must be time stamped and properly filed.
- d. Each teller must have a validating machine and the slug must be removed from the machine and kept in the till box at close of work.
- e. Ensure we carry out periodic cash count of tellers and vault
- f. The tellers must have ultra-bulb to check for security features and texture of the cheques presented before processing.
- g. Proper cash analysis done behind each instrument by the tellers
- h. Confirm that tellers have compartments and functional locks
- i. Personal properties/items are not kept in the teller's compartment and should be declared at begin of day
- j. Ensure that a register/record for conduct of integrity test on tellers is maintained.

#### 7.15.2. Bulk Tellers

- a. Confirm that the Slip free printer is activated for all the bulk tellers and it is working
- b. Review the BT stamps to ensure appropriateness of working tools.
- c. Confirm that the BT counting room is kept tidy always and devoid of empty bags, cartons and any other trash.
- d. Review the frequency and documentations of counterfeit notes in the counterfeit register
- e. Review boxed cash register for proper documentation.
- f. Review the cash adoption process between the bulk tellers, front tellers, and vault

#### 7.15.3. Vault Operations

- a. Review the level of orderliness inside the vault
- b. Confirm that external items such as cartons, empty bags etc. are not stored in the

- vault.
- c. Review the completeness and reasonableness of the information in the vault movement register and sign off
  - d. Ensure that you carry out a total cash count of the vault cash
  - e. Confirm that the vault cash book is promptly updated and signed off by the Branch Manager and Back-up.
  - f. Confirm that the vault limit and note whether there were excess cash holding thereafter obtain explanation for the excess and the action plan to clear the excess. Confirm if there was insurance cover for the excess cash.
  - g. Confirm the vault key holders, key is with the approved key holder and that a register is updated to ensure conformity and record of all vault attendance.
  - h. Observe and report any vault key compromise.

#### **7.16 Clearing**

1. Spool the daily transaction report from the NACS server and saved in the general Clearing folder"
2. Review all the entries posted by the Central Clearing Unit vis-à-vis the items transmitted via the NIBSS Server
3. Confirm that Cheques are truncated on the I-teller application by branches and NEFT outward filed initiated by branches and others, are confirmed against items transmitted via NIBSS server".
4. Confirm that necessary entries were passed on Flexcube Application
5. Raise exceptions and reverse and fill an attestation and forward to the Unit head for approval and sign off"

#### **7.17 Protection Management**

The following key areas are at ensuring the assets of the bank are secured and protected.

- a. On a weekly basis, review the off-hour register and the visitors' book to ensure that they are properly maintained.
- b. Carry out a security sweep monthly and deal with all noted issues in line with policy provision
- c. Carry out a network security check to ensure password are not compromised

- d. Ensure that all emergency lines are openly displayed and call weekly to reconfirm their functionality
- e. Confirm on a quarterly basis the functionality of the fire alarm/smoke detector and burglary alarm
- f. Ensure that the fire extinguishers are displayed and labelled with service charts indicating the frequency of service. This should be reviewed quarterly
- g. Ensure that a fire drill is conducted at your location on a quarterly basis
- h. Ensure there are exit doors. All exit doors and windows are equipped with strong metal protectors and these are locked at the close of work each day.
- i. Ensure that all customers files are kept in metal safe with additional lock in the vault
- j. Ensure the appointment of a daily security officer with the responsibility to switch off all electrical appliances at close of work each day.
- k. Any exceptions observed should be noted

## 6. CALL OVER ATTESTATION PROCEDURES

### 6.1 Introduction

The unit/department head of every branch and head office unit is expected to call over daily the transactions processed in the unit. **(See Access Bank Operation's Policy Manual Section 1.2.1.** In addition to this, a weekly attestation must be rendered in respect of the call over of transactions for the preceding week.

Listed below is the procedure for the call-over process and submission of the call over attestation:

At the end of every week, the operations head should:

- Go through all the items to be called over on the **checklist** and make sure every transaction carried out for the week is called over.
- The Branch/Unit would receive rulebook notification from Conduct and Compliance on status of callover.
- The Operations Head will complete attestation form online with the relevant date after confirming a satisfactory call over exercise.
- **Any branch/Unit head who failed to respond to rulebook on callover**

**attestation by 4:00 pm on the Monday following the week being attested will receive sanctions including, but not limited to suspension and loss of appraisal points.**

## **6.2 Objective**

The objectives of call over of transactions are stated below:

- i. To ensure transactions are posted correctly. (i.e. a debit is not posted as a credit and vice visa)
- ii. To ensure that a transaction is posted into the correct account
- iii. To ensure that the correct information, (amount, reference number etc.) is posted in respect of a transaction.
- iv. To ensure that a transaction posted is valid. (i.e. supported by a valid source media and authorized by a responsible officer of the bank).
- v. To ensure that all legitimate activities of the bank are posted.

In essence, it is to ensure the COMPLETENESS, ACCURACY, and VALIDITY, of all transactions entered by the bank with its customers and other internal activities.

## **6.3 Policy on Call Over of Transactions**

1. The daily transaction list for all transaction posted during the day must be obtained at the end of each business day. Each unit / branch operations are responsible for call over.
2. The primary call over official shall be the head of each branch or operations unit and shall assign roles in such a manner as to ensure that the designated call over official does not “call over” work he/she has inputted or checked. This ensures the integrity of the information.
3. The designated call over official calls over the posted vouchers to the transaction List by:
  - i. Account Number
  - ii. Voucher number (if any)
  - iii. Narration/Description
  - iv. Currency and rate
  - v. Amount
  - vi. Transaction date
  - vii. Value date for value dated items

4. The call over official must also evidence that the voucher was approved and authorized for processing i.e. two signatures other than the officials who prepared the voucher must sign the voucher. There must be Maker/Checker evidence.
5. The designated call over officials must sign the Transaction List, after calling over transactions
6. A senior official must check and sign the call over transaction list, after it has been signed by the designated call over official and record all errors in the specified register.
7. At the end of the Call Over, the supervisor must sign the call over attestation form and forward it to Conduct and Compliance as evidence that call over has been done.

#### **6.4 Call Over of Transaction (Pre)**

Prior to the commencement of the call over process, ensure the following:

1. The Unit Head will log on to online call over portal daily and assign a user to a teller for call over purpose.
2. The Unit Head, or in his absence, his back up should be in-charge of transaction batches. He is expected to monitor the movement of transaction batches amongst staff. He is also to ensure that the batch envelope is properly updated with the necessary information i.e. Date, Account Range/Posting Officer's name, Number of vouchers etc. This will minimize the risk of loss of sensitive transaction instruments.
3. A Call over schedule, rotating the call over activity is to be prepared by the unit head or his back up on a weekly basis.

The schedule will show the transaction batches to be called over by various staff daily. See sample attached (Appendix 1)

4. A Call over register to record the movement of transaction batches will be maintained and reviewed by the unit head.

The register will show the following information (the name and signature of staff who collected the batch for call over; date and time the batch was collected; date and time the batch was returned; signature of staff in- charge of batches signifying that the batch was returned and signature of the unit head confirming that all the batches have been called over and returned.

#### **6.5 Call Over of Transactions (During)**

The following are the steps to follow in calling over transactions (Note: these represent the major transactions at the branches and various Head Office Units.

### **851. Cheque withdrawal for Cash**

- i. Check that the amount on cheque agrees with that on the report and tick off.
- ii. Check that the account number on the cheque agrees with that on the report.
- iii. Check and verify that the status of the transaction posted on the report agrees with the instrument and tick off. e.g. “CSD” is for cash deposit, SCW is for cheque withdrawal and “CSW” is for savings withdrawal.
- iv. Check that the narrations conform to the data that is available on the instrument i.e. cheque number, savings withdrawal/deposit slip number, beneficiary etc.
- v. Check that the cheque is not postdated or stale.
- vi. Check that all alterations have been signed off by the Account Holder.
- vii. Check and confirm that the cheque was signed by customer and signature verified by the teller or responsible officer.
- viii. Check and confirm that the amounts in words and figures on the Cheque agree.
- ix. Check that the cash analysis, (of cash given to payee), was written at the back of the cheque and ensure that it agrees with the amount stated on the cheque.
- x. Check and confirm that the identification information of payee was collected and written at the back of cheque.
- xi. Check and ensure that the payee signs at the back of cheque, below the cash analysis to ensure that cash was verified before collection by the payee.
- xii. Check and confirm that withdrawals within the confirmation limit were confirmed with the Account Holders.
- xiii. If payee is an account holder, check and ensure that his/her signature verification of cash being collected agrees with the signature on the face of the cheque.

- xiv. Check and confirm that the cheque is voided with the “Paid” and “Posted” stamp.
- xv. Check for approvals on cheques paid on temporary overdraft, dormant accounts, stopped cheques, blocked accounts and other human decisions

**(Note: The first three checks (I-iii) are the very hub in the call over process; the others serve as a second check of what the teller should have done before the cheques are paid.)**

### **852 Request for Banker’s Cheque**

- i. Same as in i - xv of (1) above, except for cash related items.
- ii. Check and confirm that the account credited is the Bankers Cheque account.
- iii. Check and confirm that the cheque is stamped “Posted”.
- iv. Confirm that the beneficiary of the draft (stated on the BC) agrees with the beneficiary stated on the instruction at the back of the cheque.
- v. Ensure that the signature on the instruction at the back of the cheque is verified.
- vi. Check that the details of the issued BC are recorded on the BC register and that the customer signs off, as evidence of receipt of the BC on the register.
- vii. Confirm that the bank’s copy of the draft is properly filed, and the details agree with the details in the BC account.
- viii. Check that the BC is signed according to the bank’s mandate.
- ix. Check the casting of multiple beneficiaries of BC’s and ensure that total amount agrees to amount on the face of the cheque.

### **853. Inward Clearing Cheque**

- i. Same as in (i- xv) of (1) above except for the cash related items. The process only applicable to clearing officer.
- ii. Check and confirm that the cheque bears the collecting bank’s crossing stamp.

- iii Check and confirm that the rear of the cheque bears the presentation stamp and receiving stamp of the collecting bank and Access bank respectively, with the correct dates.
- iv Check to confirm that the cheque is not specially crossed to another bank

#### **854. Savings Withdrawal**

- (i) Check the withdrawal slip as in (i – xv) of (1) above.
- (ii) Check and confirm that the cash analysis is written at the back of the withdrawal slip.
- (iii) Check and confirm that the payee signs at the back of the withdrawal slip to evidence collection of the cash.
- (iv) Check and confirm that the teller signs at the back of the withdrawal slip.
- (v) Check to ensure that there are no third-party withdrawals.

#### **855. Cash Deposit**

- (i) Check and confirm that the amount on the deposit slip agrees with the amount on the report.
- (ii) Check and confirm that the account number on the deposit slip agrees with that on the report.
- (iii) Check and verify that the status of the transaction posted on the report agrees with the instrument and tick off. E.g. “CSD” is for cash deposit, SCW is for cheque withdrawal, “CSW” is for savings withdrawal, “CHD” for cheque deposit etc.
- (iv) Check and confirm that the amount in figures agree with amount in words.
- (v) Check and confirm that deposit slip is not post-dated or dated before the transaction date.
- (vi) Check and confirm that the deposit slip is stamped with the “received” and “posted” stamp.
- (vii) Check and confirm that alteration on the deposit slip has been signed off by the depositor.
- (viii) Check the casting of multiple cheques in deposit slip to ensure total value of cheques agree to total in deposit slip.

- (ix) Check that the copies of deposit slips have been properly distributed
- (x) Check that the amount agrees with the cash analysis on the deposit slip.

#### **856. Cheque Deposit**

- (i) Same as in (i-ix) of (5) above
- (ii) Check and confirm that the deposit slip is stamped with the “posted” stamp
- (iii) Check and confirm that the beneficiary stated on the copy of the “other bank” cheque attached is same as the account name in which the cheque is posted to.
- (iv) In the event that there is a disparity between the two stated in (iii) above, check and confirm that the customer has a “third party agreement with the bank as stipulated by policy and approval obtained if above the prescribed limit.
- (v) Check and confirm that cheque is neither stale nor post-dated.
- (vi) Check and confirm that there are no alterations on the cheque, or alterations have been confirmed okay to process by the Relationship Manager.
- (vii) Check and confirm that the cheque is stamped with Access bank domiciliation stamp.
- (viii) Check to ensure that the cheque is not specially crossed to two banks.

#### **857. Internal Funds Transfer**

- (i) Check and confirm that the amount on the funds transfer form agrees with that on the report.
- (ii) Check and confirm that the account debited and credited respectively agrees with that stated on the funds transfer form.
- (iii). Check and confirm that the funds transfer form was signature verified.
- (iv) Check and confirm that the funds transfer form was stamped “posted”
- (v) Check for confirmation if above threshold

### 8.5.8 Late Cash

- i. Confirm the customer has a signed agreement form with the bank for cash lodgment
- ii. Confirm cash is lodged in locked boxes provided by the bank
- iii. Ensure two professional staff receive the cash.
- iv. Ensure cash is bundle counted by the Bulk Teller in the presence of the customer.
- v. Confirm the customer locks the box and maintain custody of the key.
- vi. Confirm that the deposit slip filled by the customer is stamped "late deposit for next business day value" on each copy of the deposit slip.
- vii. Ensure boxed cash is registered in "Late cash deposit register" and Vault Register.
- viii. Confirm that boxed cash is posted to 110103000 Unprocessed Late Cash.
- ix. A detailed count must be done the next working day in the presence of the customer and a credit to customer's account while the transaction ticket stamped 'posted with the posting date'
- x. Confirm that Executive Management exceptional approval is obtained for same day credit for all boxed cash.

### 8.5.9 Bankers Cheque Liquidation

- (i) Check the system and register to ensure that the BC was still outstanding before liquidation date.
- (ii) Confirm that the transaction was genuine and ensure that the signature is verified.
- (iii) Ensure the BC register is updated with the date the BC was paid.
- (iv) Check the name of payee to ensure it agrees with the file copy.
- (v) Check for any alterations on the BC and confirm from the issuing branch.

### 8.5.10 Accounts Opened

- i. Generate a list of all accounts opened at the end of day.
- ii. Confirm that that all documentation required for the opening, maintenance and operation of that type of Account was obtained. (Refer to Account Opening Procedure for CBN requirements on Know Your Customer (KYC).
- iii. Ensure that no account with incomplete documentation was opened except with deferrals approved by a Group Head. (Deferrals shall be in place not longer than the specified period in the Operation's manual).

- iv. Ensure a process to follow up with deferrals is done at least weekly.
- v. Ensure the signatures and passport photographs of signatories are captured on the system.
- vi. Ensure all maintenances to open account is done on the system and evidenced by maker and authorizer's signatures with date on the source media.

#### **8.5.11. Closed Accounts**

- i. Generate a list of all accounts closed at end of the day.
- ii. Confirm that the customer wrote an instruction to close the Account or other source media from Group Head to that effect.
- iii. Confirm that the customer's signature on the instruction was verified.
- iv. Ensure that the bank's documents with the customer e.g. cheque books are retrieved from the customer.
- v. Confirm that the signature cards are marked "closed".
- vi. Ensure that the account is duly closed on the system and this is evidenced by a maker and authorizer signature with date on the source media.

#### **8.5.12. Reactivated Accounts**

- i. Generate a list of all accounts reactivated at the end of the day.
- ii. Confirm that the customer wrote an instruction to reactivate the Account.
- iii. Confirm that the customer's signature on the instruction was verified.
- iv. Confirm approval was given for the reactivation

#### **8.5.13. Signature and Photograph Capture**

- i. Ensure that the mandate card of all accounts opened for the day were scanned and captured on the system. This should capture the signature, photograph, account operating instruction and other information of the customer.
- ii. Ensure the imputer and authorizer sign the source media (i.e. the account opening documents)

#### **8.5.14. Western Union**

- i. Confirm that the beneficiary gave the right code or password.
- ii. Confirm the identification as provided by the beneficiary is a valid means of ID or BVN
- iii. Confirm that beneficiary wrote the first 6 digits of the code on the “To Receive form” while the remaining 4 digits are inputted via the Western Union keypad
- iv. Confirm that the correct amount was paid to the customer.
- iii. Confirm that the correct means of identification presented by the beneficiary is the same with the sender’s instruction.
- iv. Confirm that at least two person(s) were involved in the process of paying the beneficiary.
- v. Check to ensure that all the cash payouts, follow the checklist in item (1) above.

#### **8.5.15. Branch Opening and Closing Procedures**

- i. Confirm that the Policemen were around before the vault was opened.
- ii. Confirm that the vault key custodians did not compromise the procedure during the day.
- iii. Confirm that the vault key movement register was updated (where necessary) during the day.
- iv. Ensure the vault movement register is updated for all entry and exit to the vault.

#### **6.6 Call Over of Transactions (Post)**

After call over of transactions, ensure:

- I. Completeness of Call-over process:
  - Review the transaction journal for any transaction not ticked. This is evidence that a transaction has been posted without a source media. Investigate this immediately.
  - Review the batch envelope for tickets not found in the transaction journal. This is evidence that although source media was raised no entry was posted in the system. Investigate this immediately.
- ii. Every page of the transaction journal report, (the report), used for the call over is signed and dated by the person that called over the transaction (maker) and the unit head.

- iii. The report is replaced in the teller batch, and the maker and unit head sign the batch envelope and return it to the microfilming staff of Archive and EDMS.
- iv. The maker should sign off the “call over” register to evidence return of the transaction batch to the Archive and EDMS microfilming staff.
- v. The supervisor should review the “batch called over” and sign off on the Call over register as evidence that the call over has been done. In addition, the unit head must fill and sign the “call over” attestation form.
- vi. The signed “Call Over” attestation form is sent to Conduct and Compliance department at the head office on the due date.
- vii. Obtain Group head’s approval to correct errors identified. Errors are corrected only by reversing the initial wrong posting and posting the correct one.
- viii. Send a list of exceptions noted along with the Call over attestation stating:
  - Who is responsible?
  - What caused the error/ what happened?
  - Target date to resolve the error
  - Status

### **Controls**

Conduct and Compliance shall carry out spot checks monthly to verify that Call- over process is being carried out as specified. Weekly attestation reports to be submitted by respective Unit Heads/Branch Managers of business Units. A report will be sent to the Head, Conduct and Compliance.

## **9.0 DESK MANUAL**

Internal Control Desk Manual outlines the procedure section of the task to be carried out by Compliance officers and how it should be done. It is an extraction of Control functions in all Standard Operating Procedures. The Desk Manual can be assessed in the link \\abp-filesvr04\CONDUCT & COMPLIANCE GRP 2\PBPM\Desk Manual

## Appendix

### I. Checklist

Outlined below is a checklist of transactions expected to be reviewed.

1. Cash Withdrawal.
2. Cash Deposits.
3. Internal Fund transfers.
4. Outward clearing cheques.
5. Inward clearing cheques.
6. Subject to count deposits.
7. Bankers Cheques issued and liquidated.
8. NDLEA Reports.
9. Collections Remittances: VAT, Custom Duty, Withholding Tax, Nitel.
10. Accounts opened
11. Accounts closed.
12. Accounts reactivated.
13. Signature and Photograph Capture.
14. Valucard.
15. Western Union Money Transfer.
16. Branch Opening and Closing Procedures.
17. Term Deposits
18. Other transactions in Foreign Operations, Funds Transfer, Human Resources and Admin.
19. Inward and Outward Cheque Returns
20. Deposit of Access Bank Cheques
21. Payment and Deposit of Foreign Currencies
22. SMS
23. Credit and Admin.
24. Facilities booked/liquidated
25. Review of un-authorized credits
26. Blocking and un-blocking of accounts

This list is by no means exhaustive. Branches and Units should add to it as and when appropriate

Please note that in addition to this review, an exception report detailing all observed exceptions should be signed and sent with the attestation form weekly.



CLUSTER BRANCH COMPLIANCE OFFICER'S DAILY CHECK -LIST (reconfirm from BCTLS- this process seems to have changed and should be amended appropriately)

JOB DESCRIPTION: CALL-OVER EXERCISE

BUSINESS OFFICE:

1. Call-over entails checking transaction documents (tickets) against related computer-generated Journal/printout
2. Retrieve transaction tickets from processors before 10 am daily and print the Transaction Journal for the set threshold/limit
3. Ensure that transactions are posted to correct customer or bank GL/P&L accounts.
4. Ensure that each ticket has the relevant customer mandate and internal approval for the transaction type
5. Ensure that correct value dates are used to post the transactions
6. Ensure that the correct transaction codes (BI for bank Induced/ non-COT chargeable and CI for Customer Induced/ COT chargeable transactions) are used to post.
7. Check the TJ to ensure that all posted transactions are vouched/ticked, and all tickets also posted – Completeness Test
8. Document exceptions and send to Branch Managers for relevant corrective action
9. Input the relevant exceptions into daily report sent to Branch compliance

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	BC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Branch Compliance: Name & Signature

BC: Name & signature



CLUSTER BRANCH COMPLIANCE OFFICER'S DAILY CHECK -LIST JOB (no longer applicable) DESCRIPTION: REVIEW OF SYSTEM EXCEPTION OVERRIDE MESSAGE REPORT BUSINESS OFFICE:

- i. Generate Critical Exception Report from flexcube for review.
- ii. Use the Transaction ID on each exception message to trace the transaction ticket in the relevant processor' s Batch Envelop submitted
- iii. Check for relevant policy stipulated approval authority on the tickets
- iv. Review the account involved for any other exceptional/suspicious transaction
- v. Query the BSM or the processor involved for any exception observed (verbally or in writing depending on gravity)
- vi. Advice appropriate regularization/disciplinary action
- vii. Document exception where necessary on the exception report template.
- viii. You may also need to occasionally review the All Exceptions Override Message Report

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	BC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Branch Compliance: Name & Signature

BC: Name & signature



CLUSTER BRANCH COMPLIANCE OFFICER' S DAILY CHECK-L IST

JOBDESCRIP TION: REVIEW OF GL/P&L MOVEME NT REPORT BUSINESS OFFICE:

- Dow n load GL movement report on flexcube using appropriate Menu Option
- Format down loaded report on Excel
- Identify GL account with unusual/exceptional balances (e.g. asset accounts in credit Liability accounts in debit, teller balances over limit)
- Ensure that all suspense and Transit accounts are zeroized daily
- Trace exceptional /unusual balances to transaction journal and source documents
- Review the source documents for propriety (valid authorization, approval, AUTHENTICITY, existence etc)
- Call for the proof of the accounts w here necessary e.g. unusual spike
- Document exceptions and seek for satisfactory explanation

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	BC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Branch Compliance: Name & Signature

BC : Name & signature



JOB DESCRIPTION: REVIEW OF INCOME REVERSAL  
BUSINESS OFFICE

1. Check all the Income lines on the GL/P&L Movement report for any debit movement
2. Call up the affected P&L account on the system to see the processor
3. Call for the supporting document and ensure that necessary P&L reversal approval was obtained except for same day reversal of wrong posting.
4. Document and obtain relevant explanation for exception observed.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC	
JAN																																	
FEB																																	
MAR																																	
APR																																	
MAY																																	
JUN																																	
JUL																																	
AUG																																	
SEP																																	
OCT																																	
NOV																																	
DEC																																	

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER BRANCH COMPLIANCE OFFICER'S DAILY CHECK -LIST  
JOB:(during spot-check now) SERIAL ITY TEST/REVIE W OF MANAGE R  
CHEQU E/B ANK DRAFT BUSINESS OFFICE:

1. Generate a Bar sheet to show the serial number of MC/DR AFT cheques book in use by the Funds transfer officer.
2. Retrieve all the issued MC/DR AF Ts from the Batch envelop submitted and tick the numbers off on the printed Bar Sheet
3. Any break in seriality/unseen MC/DRAF T NOS should be escalated to the BM immediately.
4. Call up the MC/Draft Account on the system and check the offset entry for each transaction to ensure proper funding and proprietary of the debit accounts including bank's GL/P&L.
5. All copies of Cancelled MC/Draft should be retrieved from the processor
6. The stub of exhausted MC/Draft should also be retrieved from the processors for review and filling along with the duly completed Bar Sheet.
7. This daily off-site review should be complemented with regular on-site review of the MC/Draft register to ensure that it is properly maintained along with the account proof.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER BRANCH COMPLIANCE OFFICER'S DAILY CHECK -LIST  
JOB DESCRIPTION: REVIEW OF SUSPENSE/TR ANSIT/ P R  
OXY ACCOU NT S BUSINESS OFFICE:

- I. Call up all the relevant Suspense e/Transit accounts on the system and ensure that they closed with the required zero balances
- II. Ensure that all transactions that default to Proxy Accounts are subsequently posted/reversed to the appropriate accounts (even when the Proxy account has zero closing balance by default or otherwise e)
- III. Check for any exceptional/s suspicious transaction on all the suspense e/transit t accounts, trace and review the final disposition of the fund for propriety.
- IV. Ensure that all entries are supported with relevant documentation (this should be embedded in the TJ Call Over function)
- V. Document and obtain relevant clarification for observed exception.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC	
JAN																																	
FEB																																	
MAR																																	
APR																																	
MAY																																	
JUN																																	
JUL																																	
AUG																																	
SEP																																	
OCT																																	
NOV																																	
DEC																																	

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER COMPLIANCE OFFICER OFFICE R' S DAILY CHECK -L IST (on spot check basis)

B/OFFICE:

JOB DESCRIPTION: RECONCILIATION OF CLEARING SCHEDULE & SYSTEM REPORT

1. Check the clearing schedule/s system report and confirm that it is co-signed by the Clearing Officer and the BM.
2. Ensure that the clearing schedule is in congruence with the number and details of photocopied cheque.
3. Confirm that the photocopies of all cheque for the day are attached to the clearing schedule and are duly initialed by the BM.
4. Trace the physical instruments into the various customers' accounts for correctness to ensure that there is no third-party cheque lodgments and/or wrong posting
5. Ensure that the total value of cheques received from all the B/Offices Clearing through the Clearing B/Office agree with the total value of presented instruments in the Form and debited to our CBN account
6. Confirm that the total value of instruments contained in the Clearing Schedule agree with the total amount posted to the Clearing Transit account by both the sending B/office and the Receiving B/office and items in clearing accounts do not exceed 24hours
8. During visit to the originating B/Office confirm that the clearing schedule duplicate copies retained by the business office are properly filed with the acknowledgement copy returned by the Clearing business office
9. During visit to the branch confirm that caution notice is sent for all qualifying outward clearing instruments.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER COMPLIANCE OFFICER OFFICE R'S DAILY CHECK-LIST JOB DESCRIPTION: RECONCILIATION OF CLEARING & ADJUSTMENT ACCOUNTS BUSINESS OFFICE

- i. Ensure that all items booked to Clearing and Adjustment accounts are liquidated within 48 hours by debiting the customer with appropriate value dates or returning the instrument back to Clearing
- ii. Check for customer with recurring cases of suspended and unpaid items in the account to guide against cheque kiting or suppression of unauthorized overdraft
- iii. Call for proof of the Clearing and Adjustment account and photocopy of the supporting instrument.
- iv. During visit to the branch reconcile the physical instrument at hand with the balance in the Clearing and Adjustment account – check the back of the cheque to see the date it was received from Clearing to detect any time barred item.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	BCMU
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER BRANCH COMPLIANCE OFFICER'S DAILY CHECK -LIST  
 JOBDESCRIPTION: EXCEPTION LOG –EXCEPTION REPORT TEMPLATE  
BUSINESS OFFICE:

1. All exceptions in respect of Call Over and other Control review activities should be recorded on the exception report template
2. Exceptions must be Simple, Concise, clearly recorded and easy to understand.
3. To log in exceptions, record all exceptions observed in the course of your review work in a working paper.
4. Report all exceptions to the RC as previously recorded.
5. Make relevant follow up on open items.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER BRANCH COMPLIANCE  
OFFICER'S DAILY CHECK - LIST  
 JOB DESCRIPTION: REVIEW OF EXPENSES  
 (on spot-check basis)

1. Ensure that all expenses are duly approved, reasonable, allowable and complied with relevant policy approved limits e.g. hotel accommodation, feeding and un-receipted expense limit.
2. Ensure that all expenses are supported with relevant invoices with corresponding dates with the expense period.
3. Ensure that the Expense Tickets and Supporting Invoices are duly stamped as Processed to guide against duplication/re-circulation
4. Ensure that settlement of expense is not by cash but direct credit to the vendor or beneficiary staff's account
5. Confirm that all appropriate expenses are passed to the appropriate Expense account using the correct cost (MIS) center code
6. Carry out trend analysis of expenses
7. Retrieve expense and evidence your review with your initial on the ticket and file separately
8. Review cash advance and other internal GL accounts towards month-end to ensure that expenses are not "WAREHOUSE D" in wrong account.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	BC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER BRANCH COMPLIANCE OFFICER'S DAILY  
CHECK-LIST

JOB DESCRIPTION: CASH ADVANCE REVIEW B/OFFICE:

1. Ensure that all Cash Advances are duly approved, reasonable in sum and for allowable expenses of the bank
2. Ensure that amount requested complied with the policy approved limit and credited to the account of the beneficiary staff or his authorized personnel.
3. Ensure that Cash Advance is not used to pay contractor that are expected to have account with us or be paid with our Certified draft
4. Regularly obtain proof of the Cash Advance Account to ensure compliance with the bank's policy for liquidation deadline
5. Time barred Cash Advances should be
6. Review cash advance accounts towards month- end to ensure that expense es is not "WAREHOUS E D" in wrong accounts

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

CCO: Name & Signature

RC: Name & signature



CLUSTER COMPLIANCE OFFICER OFFICE R'S  
DAILY CHECK -LIST JOB DESCRIPTION: CREDIT  
TRANSACTION REVIEW B/OFFICE:

1. Confirm that customer' s request was obtained, and signature verified for all CREDITS. The request should capture all the relevant details like interest, tenor, account nt number, customer' s name, security type, fee (where applicable), type of business, owners of business, etc.
2. Ensure that appropriate authorities approved the request as per the applicable authority/transaction limit
3. Ensure that customer does not have an unexpired or an unpaid OD while seeking for another facility. (The account must be in credit).
4. Confirm that the correct debit interest rate is inputted on the system and all appropriate fees debited to the customer' s account
5. Confirm that all conditions precedent to draw down were met
6. For those that are secured with property, confirm that the security was perfected, and documents are in the bank's custody with relevant insurance cover noting the bank as first loss payee
7. Call up all loan bookings on the system to ensure that the correct loan repayment account is used as stated in the FAM, FSR
8. For cash/Fixed Deposit backed TODs, ensure that a letter of lien (signature verified) was obtained from customer and original investment certificate stamped "PLEGGED FUNDS" and the deposit moved to the Central Cash Collateral account.
9. For cheque discounting, indemnity letter should be in place.

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Cluster Compliance Officer: Name & Signature

RC: Name & signature



CLUSTER BRANCH COMPLIANCE OFFICER'S DAILY CHECK -LIST (spot-check basis)  
 JOB DESCRIPTION: TREASURY AND INVESTMENT PRODUCT  
 REVIEW BUSINESS OFFICE:

1. Ensure that all Treasury Transactions are supported with relevant deal slips and customer written instruction.
2. Ensure that interest rate applied complies with Treasury advised rate sheet and correctly inputted on the system
3. Ensure that Deposit booking account agree with the principal and interest liquidation account
4. Ensure that where deposit is by way of cheque deposit, liquidation should also be by our MC in favour of the same beneficiary on the original cheque
5. Review all premature liquidation and confirm that the penal charge of 10% is taken
6. Confirm that the TROPS officer maintains a file each for outstanding and liquidated investments and that outstanding investment are filed in maturity order while liquidated Investments are filed in liquidation date order.
7. Confirm that TROPS officer proofs deposit booking and deposit liquidation accounts on a daily basis
8. Confirm that deposit transactions are not back value for more than 5 days
9. Ensure that customers who consent to booking, rolling over and liquidating of deposits through their relationship officers submit relevant indemnity agreement
10. Confirm that original certificate is retrieved from customer after maturity or in the event of premature liquidation and attached to the deal slip

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	31
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																



**CLUSTER BRANCH COMPLIANCE OFFICER'S  
DAILY CHECK-LIST JOB DESCRIPTION: INCOME  
LEAKAGE REVIEW BUSINESS OFFICE: (spotcheck basis)**

1. From the Transaction Call Over exercise/account opening documentation review carry out the following checks:
2. Ensure that all relevant charges on returned inward and outward charges are collected.
3. Ensure that necessary charges are taken on all qualifying transactions
4. Ensure that all Large Cash Deposit Fees are collected as per policy
5. Ensure that all MC/Draft charges are collected as appropriate.
6. Ensure that Counter cheque commission is collected on all counter cheque issued to customer s
7. Ensure that all Legal Search Fees are collected
8. Ensure that all cheque book issued costs are collected from customer s
9. Ensure that all Stop payment fees are collected

2000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	RC
JAN																																
FEB																																
MAR																																
APR																																
MAY																																
JUN																																
JUL																																
AUG																																
SEP																																
OCT																																
NOV																																
DEC																																

Cluster Compliance Officer: Name & Signature

RC: Name & signature

CLUSTER MONITORING TEAM MONTHLY VERIFICATION PROOF CHART

BUSINESS OFFICE:

YEAR:

A. JOB DESCRIPTION: REVIEW OF BULK ROOM ACTIVITIES

- I. Confirm that the bulk room is kept tidy and devoid of empty bags, cartons and any other trash, which could aid concealment.
- ii. Confirm that each bulk teller maintains a register with columns for documentation of all cash deposit received and processed
- iii. Confirm that BTs are separated from each other in lockable cubicles and that the tellers make use of the mercury light to detect fake currency
- iv. Review the BTs' stamps to ensure that each teller uses the stamp assigned to him by the BOM and that they do not share stamps
- v. Confirm that bulk teller does not carry any money on them during working hours.
- vi. Confirm that the Cash Officer/ merchant teller/designated teller signs the bulk tellers' registers to evidence cash evacuation/receipt from the BTs
- vii. Review the frequency and documentation of counterfeit notes in the counterfeit register.
- viii. Review the late cash register to harmonize the balance with the physical boxed cash in the vault

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

B.JOB DESCRIPTION: REVIEW OF VAULT ADMINISTRATION:

- i. Confirm that the vault compartment is kept tidy and devoid of empty bags, cartons and any other trash, which could aid concealment.
- ii. Review the orderliness and the arrangement of items kept in the vault
- iii. Review the completeness and reasonableness of information contained in the Vault Movement register.
- iv. Confirm that the upper and lower locks of the Grill/Grate and outer vault doors are in a functional state
- v. Review bait register for adequacy of its record and confirm that the bait money (N10, 000.00) is maintained and displayed in the vault.
- vi. Review the Vault Cash register to confirm that it is promptly and accurately updated, and is signed off by both the Cash Officer and the OM. Ensure that all alterations in the register are signed off by the Cash Officer.
- vii. Perform accuracy test to confirm that the Vault Cash record agrees with the system balance
- viii. Ensure that the Cash Officer prepares the departmental cash proof daily and is co-signed by the OM.
- ix. Confirm the vault closing balance and where limit is exceeded, obtain explanation for, and the action plan to clear, the excess.
- x. Ensure that the Vault Key register is promptly and appropriately updated by the authorized key custodians especially for Saturday banking.
- xi. Confirm that the vault attending witness is not one of the key custodians
- xii. Ensure that appropriate approval was obtained for key not in the custody of designated officers.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

C. JOB DESCRIPTION: REVIEW OF ACCOUNT CLOSURE/TRANSFER

- i. Confirm that the CSO maintain a register with relevant columns to capture details on every account closure/transfer
- ii. Confirm that every account closure/transfer is backed with customer's instruction duly time stamped, and signature verified
- iii. Review the account closure/transfer register with customers' accounts to confirm that applicable charges were taken from the right account
- iv. Confirm that Cheque book/withdrawal slip was retrieved from the customer and properly perforated.
- v. Confirm that the customers' instructions for account closure or transfer are kept in separate files i.e. Account closure and Account Transfer files.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

D. JOB DESCRIPTION: REVIEW OF ACCOUNT OPENING DOCUMENTATION

- i. Review completeness of required documentation listed in the account opening package
- ii. Review the consistency of customer records captured on the system (CUMM) with those supplied on the account-opening package
- iii. Review the consistency of account mandate with system standard mandate.
- iv. Ensure that all internal references are duly signature verified
- v. Ensure that the CSO affixed the crossing stamp across the photograph and a portion of the mandate card. Also confirm that the name and signature of customer are clearly written at the back of the photograph.
- vi. Confirm, using ACS menu, that account opening register is updated with all the accounts opened for the day.
- vii. Confirm that the CSO maintains and properly updates an excel sheet for all accounts with outstanding documentations.
- viii. Obtain evidence that CSO advises BM with list of accounts with outstanding documentation regularly.
- ix. Confirm that there is no deferral for all walk-in customers and that all deferrals/ waivers have been properly approved
- x. Confirm that account-opening files are stored in a fireproof cabinet and that the two signature cards are shared to the customer's file and the signature box.
- xi. Confirm that relevant charges (e.g. Legal fees, etc) are taken on all applicable accounts
- xii. Ensure that you confirm mandates of all PSG accounts before opening the account and that any subsequent changes to the signatories are confirmed by you.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

E. JOB DESCRIPTION: REVIEW OF CHEQUE REQUISITION

- i. Confirm that all existing customer's requisitions are properly completed
- ii. Confirm that duly completed requisitions are attached to the official request to MICR and that they are properly filed
- iii. Confirm that customer s' requisitions are time stamped; signature verified and signed off by the CSO & BOM
- iv. Review the time cheque requisition was received and the time of cheque issuance to customer to confirm that SLA is been observed

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

F.JOB DESCRIPTION: REVIEW OF CHEQUE BOOK ADMINISTRATION

- i. Confirm that all chequebooks received from MICR unit by the CSO are duly registered
- ii. Check the list of unacknowledged chequebooks in Finacle (STBHOR EP) to confirm that CSO has acknowledged all chequebooks issued received from MICR.
- iii. Review the cheque book register to confirm that all checkbooks issued to customers were approved by the OM.
- iv. Confirm that relevant charges (e.g. cheque book charge, etc) are taken on all applicable accounts
- v. Confirm that the CSO maintains an excel file for outstanding chequebooks
- vi. Confirm that all chequebooks over 30 days are kept in a dual-lock box in the vault
- vii. Confirm that there is no cheque book over 180 days not yet destroyed or being processed for destruction.
- viii. Confirm that a register is maintained with adequate information on destroyed cheque books
- ix. Check the stock monitoring register to confirm that it is reviewed and signed off weekly by OM, and that the record agrees with the physical count

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

G. JOB DESCRIPTION: REVIEW OF FRONT TELLERS ACTIVITIES

1. Confirm that each Teller's closing balance does not exceed N20,000.00 each day and that their proofs are prepared daily, time stamped and properly filed by the Cash Officer.
2. Check to confirm that the Bait cash of N1,500.00 is maintained by each Teller.
3. Confirm that the Tellers' proofs are reviewed and signed off each day by the Cash Officer .
4. Ensure that all items in each teller's till are none other than cash and relevant working tools, all of which must relate to the each specific teller.eg. Stamp must not be that of another teller.
5. Confirm that each teller maintains a functional time-stamping machine and that the slug is removed and kept in the till box at the close of business each day.
6. Confirm that Tellers' cubicles have functional locks, and mercury light to ascertain cheque and cash qualities.
7. Ensure that proper cash analysis is clearly written out on transaction tickets for both cash received/cash paid by each Teller. Seek evidence that appropriate confirmation is obtained before honoring beneficiary's cheques of N100,000 and above and that such beneficiaries are regiscope d.
8. Ensure that Tellers do not keep personal items in their possession/cubicles during working hours
9. Ensure that tellers are properly dressed and are fully prepared to serve customers before 8:00 am
10. Confirm that the integrity record register is maintained and duly updated by the Cash Officer .
11. Confirm from processed tickets that tellers observe relevant procedures on Time-stamping, signature verification, cash analysis, amounts in figure/words , identification, etc.
12. Carry out periodic cash count on tellers

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

H. JOB DESCRIPTION: REVIEW OF ELECTRONIC PRODUCTS

1. Review all the entries in Electronic accounts including transaction fees payable accounts with the respective source documents
2. Ensure that all customers properly complete the request form
3. Confirm that account opening is reflected in the account opening register.
4. Confirm that all application forms are kept under dual lock in a fire proof cabinet under the dual custody of the BOM and CSO/Electronic banking Officer .
5. Confirm that PIN mailers are collected in person by customers resident in Nigeria while they are sent through special courier companies for those resident outside the country
6. Confirm that customers return the acknowledged copy of PIN mailer before systems administrator activates the customer's password and user ID on the system
7. For all other products (GSM, Telebanking, etc), carry out periodic stock count of items to confirm that the balance agrees with the register balance

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

I. JOB DESCRIPTION: REVIEW OF STORES

- 1. Ensure there is bin card for every store item
- 2. Ensure that the store keys are kept safely and that store items are neatly arranged on shelves
- 3. Check to confirm that store requisition forms are utilized for the requisition of items from stores and that the BM/BOM (or his designate) duly authorized all store takings.
- 4. Carry out a surprise stock count of sampled store items
- 5. Compare results with the balances on the bin cards/register
- 6. Obtain BOM/Office supervisor's response for any observed difference

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

J.JOB DESCRIPTION: REVIEW OF FIXED ASSETS

1. Ensure there is fixed assets register and assets movement register for the assets of the business office
2. Ensure that the register is properly formatted in terms of details and separated by asset type
3. Carry out a physical verification of the assets in the B/O and ensure completeness of the assets register. Besides checking for existence, check the location, user, registration number (for cars) and tag number to the information in the register
4. Review the security over the fixed assets and ensure it is adequate
5. Check to confirm that all assets are tagged
6. Check to confirm that assets taken away from the B/O and the ones brought into the premises are properly documented in the assets movement register
7. Check to confirm that items sent out for repairs are brought back after such repairs, and confirm the approval for movement of such assets.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

K.JOB DESCR IPTION: MICR OFFICE REVIEW

1. Confirm that all chequebook received were authorized by head office operations.
2. Confirm complete ness of bundle and cheque stock type in line with the order.
3. Confirm that all requisitions from the B/O were signature verified before they were processed
4. Sight copies of intranet mails – where requisitions were made via intranet mails.
5. Confirm that unprocessed cheques were serially issues for processing, and confirm that in preparing the cheques, serial number range was allocated through the cheque management system by the MICR officer
6. Ensure that charges were automatically debited to the customers' accounts
7. Ensure that requisition slips/forms are used in requesti ng for unprocess ed leaves from the vault
8. Ensure that details of all processed cheques are registered appropriately e.g. customer's name, account number, range number, type as in pocket, large, MC or draft
9. Ensure that processed cheques are dispatched to the relevant business offices within 6hours for offices within the MICR location and 24hours for B/Os outside the MICR location
10. Confirm that all processed cheques are enclosed in well-seal ed envelopes and addressed to the BOM of the requesting B/O
11. Confirm that processed cheques dispatched to business offices were recorded in the MICR dispatch register. For chequebooks sent via mail, ensure that the mail room officer signs the MICR dispatch register to evidence collection, indicating the date and time
12. Confirm that all chequebooks dispatched to business offices were accompanied by a manifest. Confirm that the manifest were signed and retained by MICR.
13. Confirm that acknowledgements are received from B/Os for chequebooks dispatched to them, not more than 3 working days after date of dispatch (sight intranet acknowledgements by the BOM)

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

L. JOB DESCRIPTION: REVIEW OF TRANSIT ACCOUNT

- i. Ensures that transit accounts have nil balances on daily basis
- ii. Ensures that all transactions in transit account are properly addressed and liquidated into appropriate accounts
- iii. Ensures that postings into another business office's transit account is not done after 6.00p m
- iv. Ensures that appropriate departmental codes are used while originating a transaction into Corporate Office transit account.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

M. JOB DESCRIPTION: GENERAL LEDGER PROOFING

- i. Ensures that the business office prepares the proofs of listed accounts for Cluster Compliance Officers' review: Vault Cash Account, Tellers Cash Accounts, Cash Advance Accounts, Accounts Receivable, Clearing Accounts Bank Cheque/Drafts Account, Sundries Account, Daily Suspense debit, General Expenses & Daily suspense credit etc
- ii. Ensures that long outstanding items are resolved same day.

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

N.JOB DESCRIPTION: REVIEW OF INVESTMENT

- i. Ensure that customer's application for investment is in place, duly time stamped and signature verified
- ii. Ensures that the following documents are in place:
  - Application letter
  - Offer/ Acceptance Letter
  - Completed mandate cards
  - Valid Identification
  - Passport Photographs.
- iii. Ensure that customers duly acknowledge investment advices
- iv. Ensure that each investment are properly stored with the use of arch-level file
- v. Ensure that deal slips are duly signed by the authorized signatories
- vi. Ensure that mode of liquidation is the same as mode of investment.
- vii. Ensure that pre-mature liquidation charge on accrued interest for the period is taken on investments liquidated before maturity date and no interest is credited to the customer if less than 2 weeks
- viii. Ensure the accuracy of interest paid to customer : No interest will be paid if investment is less than 14 days, 10% penalty charge is taken for premature liquidation above 14 days & 10% WHT is taken on interest on investment

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

O. JOB DESCRIPTION: SECURITY REVIEW

- i. Ensure that the security men are visibly present consistent with the management approved numbers for night and day
- ii. Ensure that the main banking hall door is opened by 8am and that armed Policemen resume by 7a.m.
- iii. Ensure that the security register is kept and properly updated
- iv. Ensure that the under listed security gadgets are in place: burglary alarm system, smoke detector, fire extinguisher & panic button
- v. Ensure that the security men are always at alert and strategically positioned

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec

Cluster Compliance Officer Name:

Regional Auditor Name:

Signature:

Signature

Date:

Date: