

AMG BancPath® Exam/Audit Checklist

As we have conversations with clients and regulators, we have compiled the following list that we feel should be checked prior to your next Exam, in no particular order.

- ✓ Verify that Policy Guidelines are updated and complete in the Ratios Report pages in the model.
 - ✓ Verify that your Model Certification is current for the version of the model currently being run. You can find the latest certificate in the Addendum of your BancPath® Reports, and the version number at the bottom of the cover page.
 - ✓ Have a current Independent Validation performed by either an internal or external source. This should be done annually. See our blog post on internal validation procedures. [Click Here](#).
 - ✓ Read and understand the Methodology and Disclosures section in the Addendum to your BancPath® Reports. Especially note how assumptions are calculated and handled within the report for **your** institution. The Bank Profile section in the addendum of the reports is a good place to see most of the assumptions in one place. The Input Audit page is a good place to see how offering rates on new business are calculated for your institution.
 - ✓ Review and understand the Key Assumptions Stress Tests in the Addendum of your reports. This is a report that isolates different assumptions and recalculates the Income and Market Values for various scenarios. These are designed to insure that a comment regarding MVE or Income calculations can be explained. Ensure that your ALM officers can explain these tests, and if needed, please contact your AMG for a private tutorial.
 - ✓ Verify that a discussion of your assumptions and the committee's "comfort level" with the methodologies used has been recorded in the minutes of the ALCO, and if a "User Defined" assumption is preferred, that it has been properly communicated to the BancPath staff.
 - ✓ If necessary, request an Audit Report for the exam report date. This is an excel report that gives more detail on the planning accounts, the various scenarios used, the ratios definitions and a glossary. Available upon request.
 - ✓ Ensure your ALCO minutes have been documented and any policy exceptions noted in the minutes.
 - ✓ **Contact your AMG Representative** for a detailed review of your reports, and the information they convey regarding the risk position of your institution.
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