

Subject: Internal and External Audits
Date: December 30, 2016

To: Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches of Foreign Banks; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Description: Revised Comptroller's Handbook Booklet and Rescissions

Summary

The Office of the Comptroller of the Currency (OCC) issued today the “Internal and External Audits” booklet of the *Comptroller's Handbook*. This revised booklet replaces the “Internal and External Audits” booklet issued in April 2003. The revised booklet provides guidance to examiners assessing audit exposures, associated risks, and risk management practices.

In addition, this revised booklet replaces two sections of the *Office of Thrift Supervision Examination Handbook*—section 350, “External Audit,” and section 355, “Internal Audit.” These sections, and their various parts, were issued in February 2002 and April 2011 for the examination of federal savings associations. This revised booklet also reflects current OCC compliance efforts with the Economic Growth and Regulatory Paperwork Reduction Act of 1996.

Note for Community Banks

The “Internal and External Audits” booklet applies to examinations of OCC-supervised banks.

Highlights

The revised booklet

- provides guidance to examiners for identifying risks directly associated with internal and external audit functions, along with related risk factors.
- establishes supervisory expectations for managing internal and external audit risk.
- includes expanded examination procedures to assess the effectiveness of the audit functions and their impact on the quantity of risk and quality of risk management.

For further information, contact the Operational Risk Policy Division at (202) 649-6550.

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Related Link

- [“Internal and External Audits” \(PDF\)](#)