

DORMANT ACCOUNTS AUDIT PROGRAM

1. Obtain a report showing all inactive and dormant DDA and savings accounts.
2. Determine if there has been any activity in these accounts since the date classified as inactive or dormant.
3. If activity is found, trace the transaction back to the deposit or withdrawal slip.
4. Check the signature with the signature card.
5. Inquire as to why the account has not been reclassified as "active".
6. On all inactive and dormant DDA accounts, determine that they are being charged a monthly service fee.
7. Compare the prior audit's report of accounts to the current report. For any accounts that have become active since the last audit, trace the item that re-activated the account and verify that the customer made the transaction. Also trace authorization for reclassifying the account.
8. Determine management's policy for reviewing inactive/dormant accounts and whether the policy is being followed.
9. Send confirmations:
 - a) Positive confirmations on all dormant accounts closed since last audit, to determine that customer received the funds.
 - b) Positive confirmations on all accounts reclassified from dormant to active since last audit.
 - c) Positive confirmations on all dormant/inactive accounts.
10. Verify signature cards on dormant accounts are maintained under dual control.