

AuditOne Regulatory Advisory

From Bud Genovese, Chairman

NACHA Issues New ACH Rules

The 2010 ACH Rules issued by NACHA require that all DFIs (depository financial institutions) using Automated Clearing House prepare an ACH Risk Assessment. This new rule, which becomes effective June 18, 2010, emphasizes the importance of understanding the nature and range of ACH-related risks; of performing appropriate due diligence on customers and transactions; of establishing limits and other controls on ACH operations (particularly as they relate to ACH originators and third-party senders); and of having the information and reporting systems that management needs in order to manage and monitor the risks involved.

At AuditOne, we already perform dozens of ACH audits (i.e., the annual NACHA assessment and certification) each year. In recognition of the demands posed by this new rule, as well as the relatively short time-frame for implementation, we have put together a process and framework for assisting DFIs in meeting this Risk Assessment requirement. If you would like further information or a proposal for such an engagement, please contact Kevin Watson (kevin.watson@audit-one.com) or Jeremy Taylor (jeremy.taylor@audit-one.com) at 562-802-3581.

*Bud Genovese is Chairman of AuditOne LLC, a California-based internal audit firm that focuses only on banks and their service providers. Mr. Genovese pioneered the concept of providing comprehensive, affordable, independent internal audit and credit review services by gathering wide-ranging, extraordinary expertise within one firm. AuditOne now serves over 160 clients throughout the Western United States, and **nationally**. Contact Bud Genovese at 408-980-8099 or bud.genovese@audit-one.com*