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OCC Gives Bank Directors Guidance To Maintain Safe and Sound Conditions

WASHINGTON -- The Office of the Comptroller of the Currency announced today the availability of a toolkit to help bank directors perform their oversight responsibilities.

“Bank directors must assure that their institution has adequate internal controls and that they remain alert to any sign of weaknesses in their bank,” said Comptroller John D. Hawke, Jr. “This toolkit will give them the resources they need to discharge those responsibilities.”

The *National Bank Director’s Toolkit* includes three booklets designed for bank decision-makers:

- *Red Flags in Board Reports: A Guide for Directors* -- This is a detailed listing of bank activities with which board members must be familiar. “The board can monitor the operations of the bank through management reports, but it must do more than merely accept and review these reports; it must be confident of their accuracy and reliability,” the booklet states. This publication identifies various leading indicators of increasing asset and credit quality, liquidity, and interest rate risk as well as red flags on a variety of other risks that should be a part of ongoing board reports, and includes a section on Internet banking. The kit also includes a pocket guide version of this booklet.
- *Internal Controls--A Guide for Directors* -- This booklet emphasizes the importance of effective internal controls. It contains a questionnaire for use by boards.
- *The Director’s Book--The Role of a National Bank Director* -- The OCC’s popular 1997 general guide for directors of national banks contains a wealth of information about the responsibilities of bank directors.

Two copies of the toolkit have been distributed to every national bank. Individual publications from the toolkit can be obtained from the OCC. For pricing information and ordering, call 202-874-4960.

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The OCC charters, regulates and examines approximately 2,400 national banks and 58 federal branches of foreign banks in the U.S., accounting for more than 57 percent of the nation’s banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.

