

Date: [Insert Date]

To: [Board of Directors / Audit Committee / Senior Management]

From: [Name of Auditor/Internal Audit Department]

Subject: Annual Audit Report: Suspicious Activity Reporting (SAR) Protocols

1. Executive Summary

This letter summarizes the findings of the annual audit regarding the organization's Suspicious Activity Reporting (SAR) protocols for the fiscal year [Year]. The objective was to ensure compliance with [Insert Local Regulatory Body, e.g., FinCEN/BSA] requirements and internal policy effectiveness.

2. Scope of Audit

The audit covered the following areas:

- Identification and escalation of suspicious transactions.
- Accuracy and completeness of filed SAR forms.
- Timeliness of filings within the mandated 30-day window.
- Confidentiality and "No Disclosure" protocols.
- Quality and retention of supporting documentation.

3. Audit Findings

[Insert Summary of Findings - e.g., "The audit found that SAR protocols are generally robust, with 98% of filings submitted on time. However, minor documentation gaps were identified in the narrative section of three reports."]

4. Status of Previous Recommendations

[Insert Status - e.g., "All recommendations from the previous audit cycle have been successfully implemented."]

5. New Recommendations

[Insert Recommendations - e.g., "Implement mandatory refresher training for the monitoring team regarding narrative clarity."]

6. Conclusion

In our opinion, the current SAR protocols are [Satisfactory/Needs Improvement/Unsatisfactory]. Management is expected to address the noted findings by [Insert Date].

Sincerely,

[Signature]

[Name of Lead Auditor]

[Title]

[Department]