

RCW 30B.12.100 Audit—Fiduciary audit committee. (1) A state trust company shall have a fiduciary audit committee, which shall exercise fiduciary responsibilities, administer fiduciary powers, and report to the board of directors consistent with the requirements of this section, RCW 30B.24.030, and in conformity with the contents of the state trust company's written statement of principles of trust management, pursuant to RCW 30B.24.040.

(2) At least once during each calendar year, a state trust company shall arrange for a suitable audit by internal or external auditors of all significant fiduciary activities, under the direction of its fiduciary audit committee, unless the state trust company adopts a continuous audit system in accordance with subsection (3) of this section. The state trust company shall note the results of the audit, including significant actions taken as a result of the audit, in the minutes of the board of directors.

(3) In lieu of performing annual audits under subsection (2) of this section, a state trust company may adopt a continuous audit system under which the state trust company arranges for a discrete audit by internal or external auditors of each significant fiduciary activity on an activity-by-activity basis, under the direction of its fiduciary audit committee, at an interval commensurate with the nature and risk of that activity. Under such a system, certain fiduciary activities may receive audits at intervals greater or less than one year, as appropriate. A state trust company that adopts a continuous audit system pursuant to this subsection shall note the results of all discrete audits performed since the last audit report, including significant actions taken as a result of the audits, in the minutes of the board of directors at least once during each calendar year.

(4) A state trust company's fiduciary audit committee may consist of the entire board of directors, or it may comprise either a committee of the bank's directors or an audit committee of an affiliate of the state trust company. However, in either case, the committee:

(a) Must not include any officers of the state trust company or an affiliate who participate significantly in the administration of the state trust company's fiduciary activities; and

(b) Must consist of a majority of members who are not also members of any committee to which the board of directors has delegated power to manage and control the fiduciary activities of the state trust company.

(5) The requirements of subsections (1) through (4) of this section shall be separate from and in addition to any audits of the nonfiduciary operations of the state trust company, if any. [2019 c 389 § 38; 2014 c 37 § 356.]