

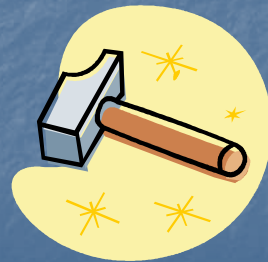
Committee Behaviors That Keep You in the Game



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Committee's Authorities:

- Determine Committee Officers
- Determine Accuracy of Financial Statements
- Compliance:
 - Board Policies
 - Regulations
- Member Advocate:
 - Complaints
 - Other
- Remove Directors for Cause



Committee's Duties:



- Audit, annually:
 - Compliance w/board policies & rules
 - Accurate financial statements
 - Test internal controls
 - Documentation
 - Verification on Members' Accounts
 - Safekeeping of records

Committee's Duties:

- Ethical Oversight
- Awareness of External Forces
- Ask Questions
 - CU's Future Addressed
 - Organization's Growth Supported



Necessary Relationships



"Strive to be Democratic not Congressional!"

CU Organization Chart

The Members Own the CU

Supervisory Comm.	Sends findings to	Elects Directors	Sends findings to	Credit or Loan Com.
Hires Auditor(s)		Hires & Evaluates Chief Professional Officer		
		Hires & Evaluates Staff to assist & serve		

The Members Purchase Services from CU

Board of Directors



- Manages Risks
 - Policy maximums & minimums
 - Budgets for Operations & Assets
- Plan Strategies to assure for future
- Hires and sets Goals & Standards for CEO & that's it!

Chief Executive Officer

- Reports to Board
- All staff reports to CEO
- Your work is double check CEO is not mislead

stuck in the Middle

CFO, Controller, other managers...



- Observe: do not instruct
- Document findings
 - Your work is double check they are not misled

Internal Auditors

- Report to Your Committee
 - You set their priorities & program

*"Internal Auditor" who reports to CEO
is really in a "Quality Assurance" role.*

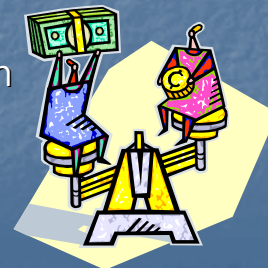
External Auditors

- Committee Hires the Best Fit
 - Board must approve budget

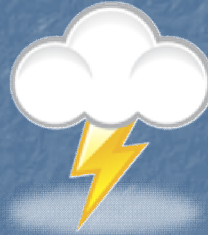


Members

- Appeal after Management Action
- “Trusted & Respected” Evaluators
 - Advocate
 - Accuracy & Compliance
- Respectful Communicators
 - Newsletter – Website Information
 - Dealing with Angry People



Specifics to Avoid



- “Must”
- Expressing Judgments
 - “Be Like Woman in GPS”

Right Things to Do

- Concise Written Reports
- Be Continuous Learners
- Stay in the Loop
 - Observe Board Meetings, Staff Training, etc.
- Help with Challenge of “Maturing”
 - Governance practices
 - Best Practices

Right Things to Do

- Element of Surprise
 - Audit Date – rotate every few years
 - Monthly Program
 - Travel expenses
 - Cash count
 - HR documents
 - Data security testing
 - Marketing to 3rd parties opt-out process

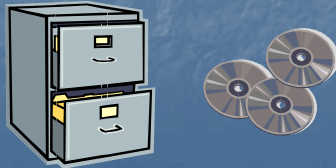
Seven Steps of Active Listening

1. Listen for their Emotions
2. Respond to their Emotions First
3. Use Problem Solving Language
4. State What CAN be Done
5. Build a Resolution Together
6. Check for Satisfaction
7. Follow up: Later & Always



Documentation: What to Keep

- "Record Retention & Destruction Policy"
 - NCUA Rules & Regulations Part 749
- Always keep minutes, financial & audit reports, signature cards, member statements, etc.
- Keep Information: format does not matter



What's the Goal of the Supervisory Committee?

- To preserve **TRUST**
 - No one will let you hold their money without it!

What Questions do You Have?



What Are Your Plans?

- What will you do differently because you attended this session?
 -
 -
 -
 -
 -

Reliable Resources

- Texas Credit Union League
 - www.tcul.coop
- CUNA <http://www.cuna.org>
 - <http://www.cuna.org/newsnow/> (free subscription)
- CUNA Mutual Group
 - <http://www.cunamutual.com>
- NCUA Requirements
 - <http://www.ncua.gov/CreditUnionResources/index.htm>
- Carolyn Warden, CCUE
 - www.CarolynWarden.com Carolyn.Warden@live.com
 - 224-656-6081 720-841-1413

If I don't know, odds are I know someone who does.