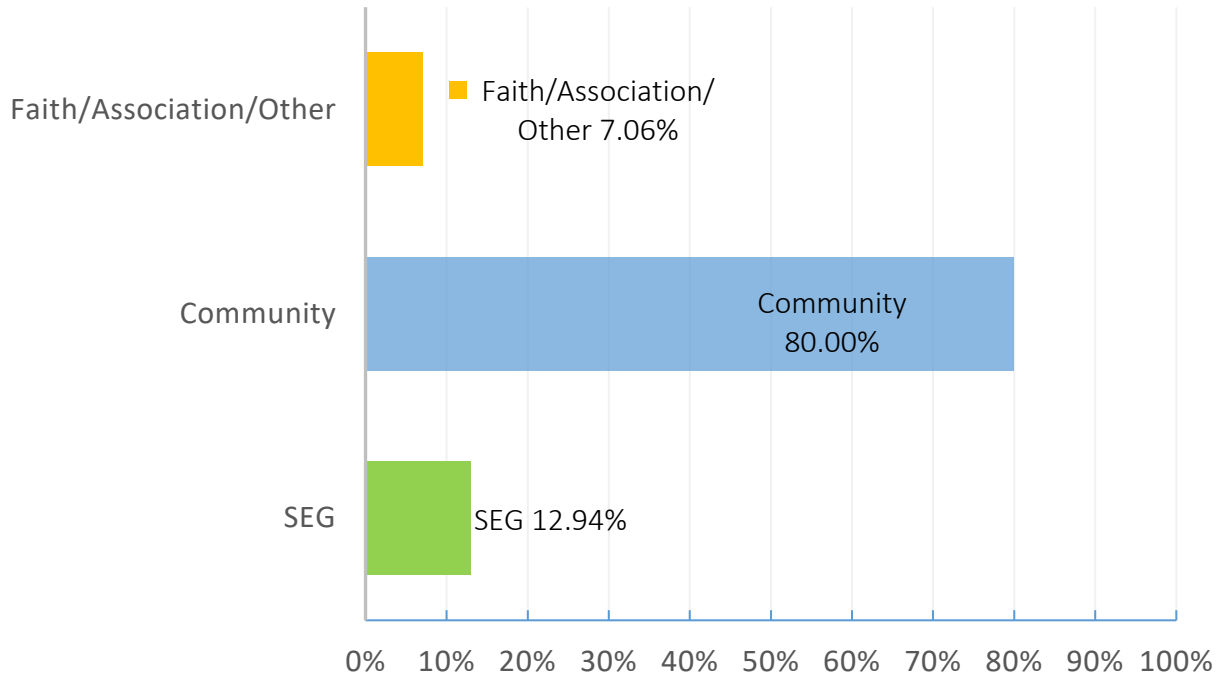
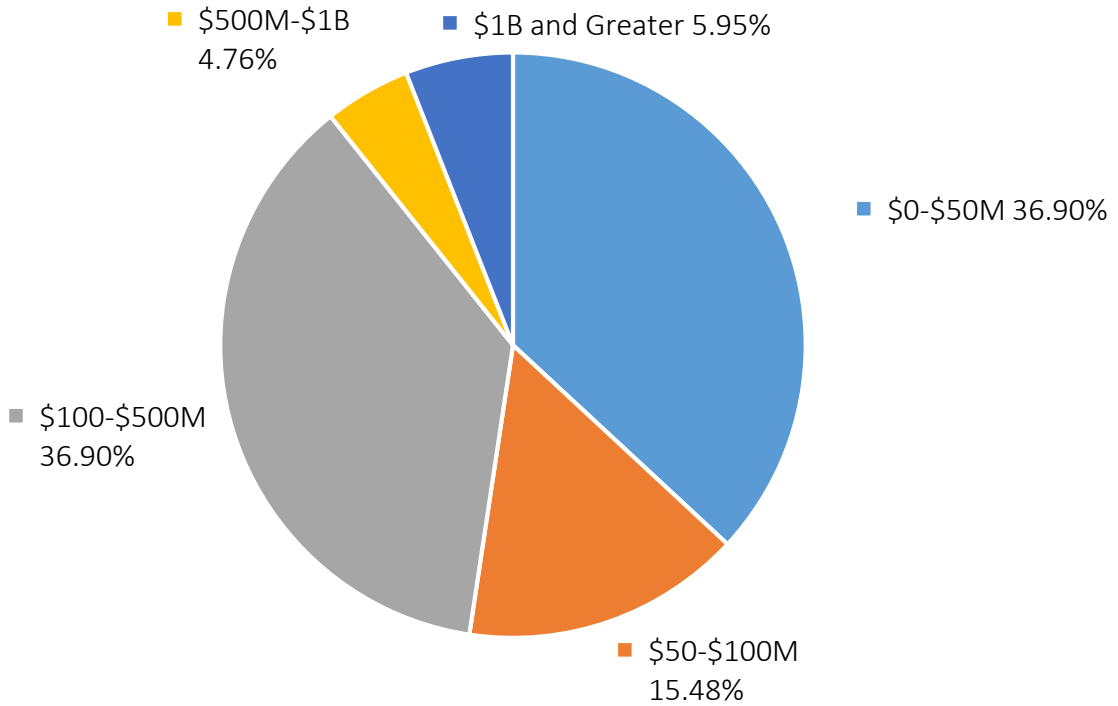
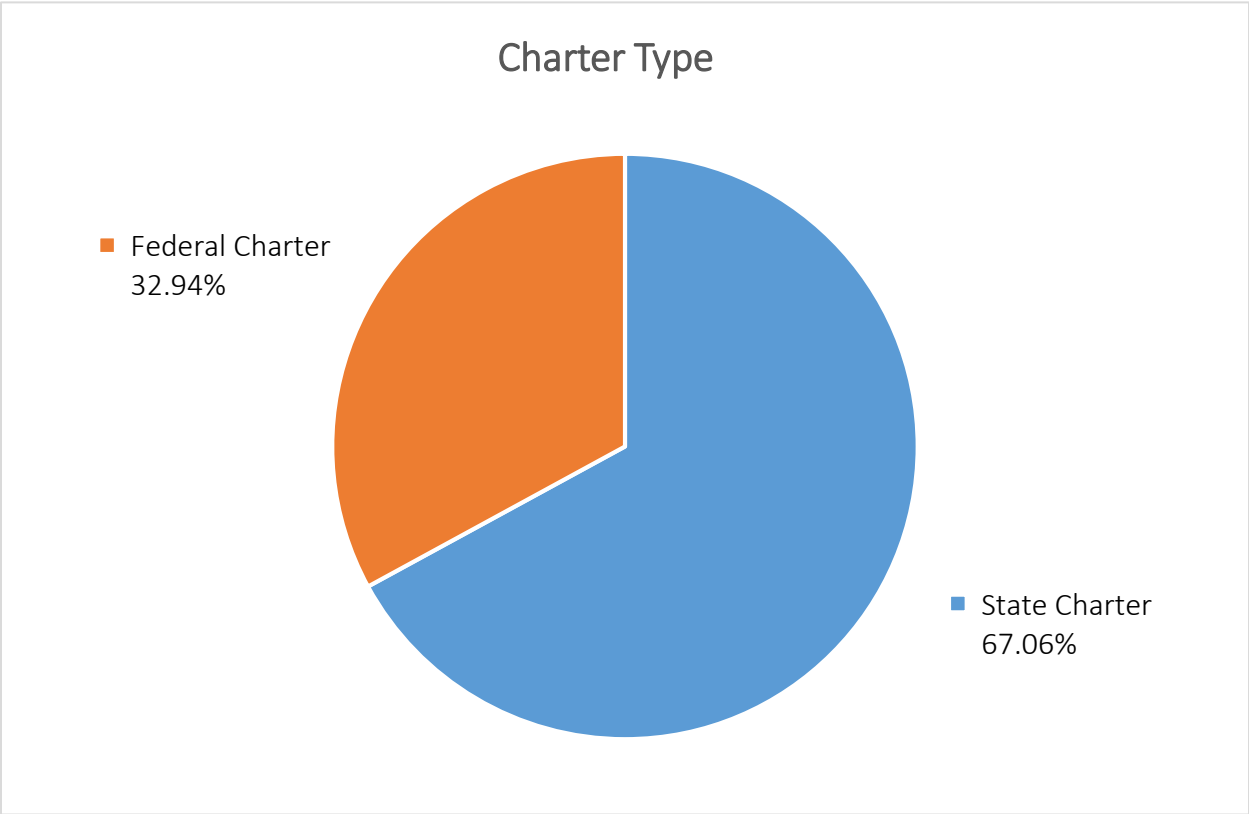


Field of Membership

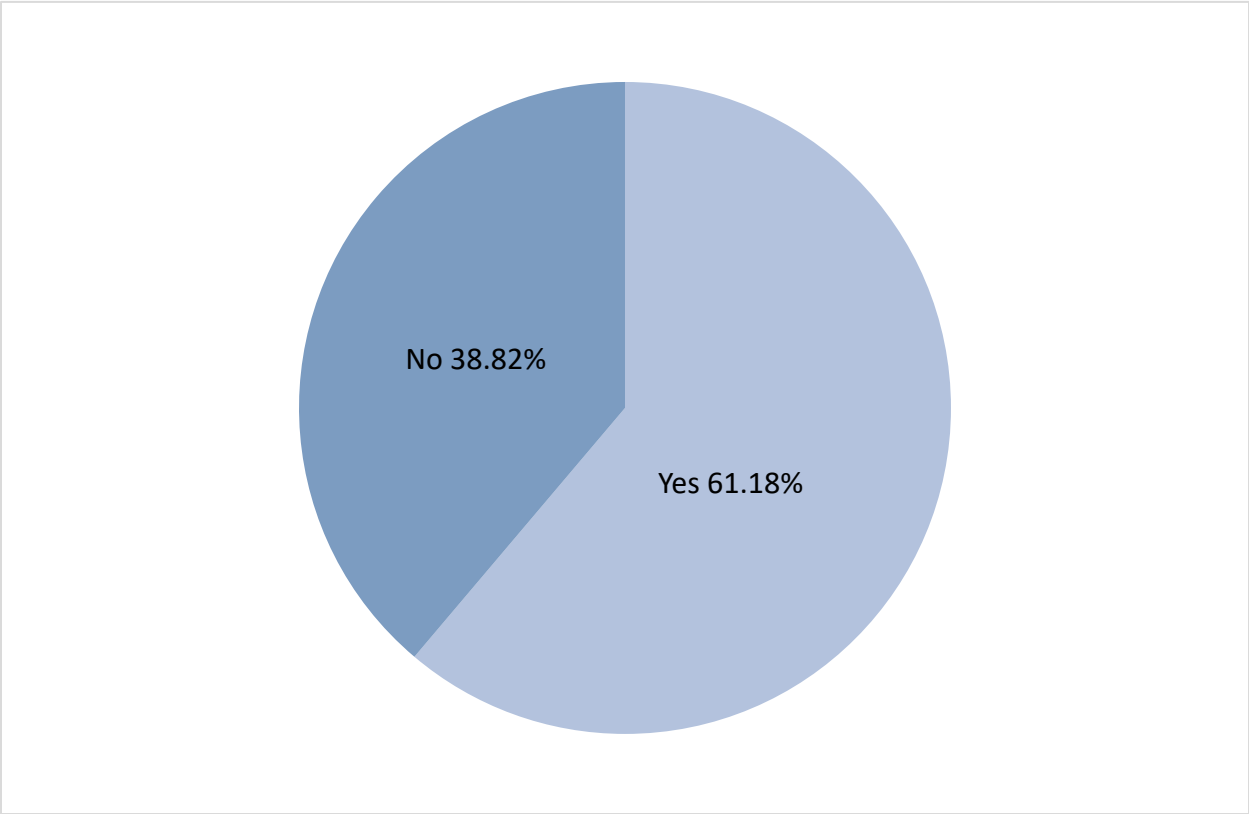


Asset Size

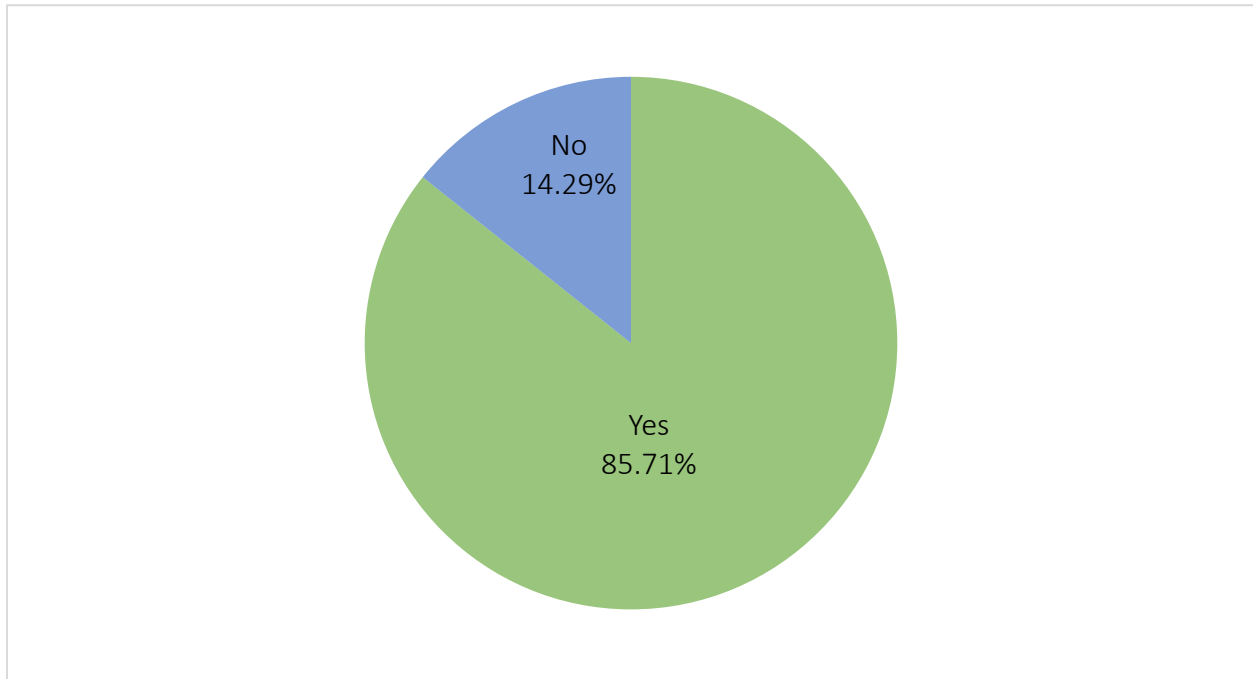




Do you periodically have an internal control audit from a third party to test your internal control environment?



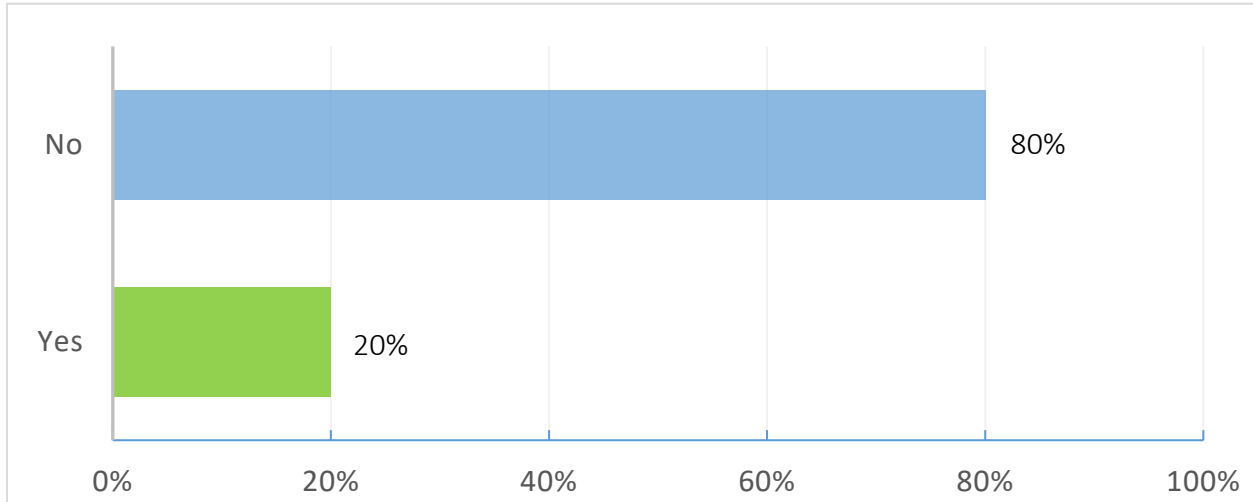
Does your credit union have a Supervisory Committee?



The survey asked respondents, who answered “yes” to the previous question, to provide the scope and frequency of reviews conducted as well as the level of experience of the committee members. Responses included the following:

- “Monthly reviews, annual audit”
- “Quarterly review of external audits and recommends follow up action. Committee consists of one CPA, one corporate audit head and one business leader.”
- “The Supervisory Committee reviews check registers, reviews member transactions and does teller balancing on a random basis.”
- “Periodic surprise cash counts on teller, vault and ATM. Review CEO and VP level personal account audits monthly.”
- “Monthly –teller cash surprise audit, dormant accounts, staff/board personal account review, new loan/closed loan review, delinquent account review, corporate credit card review, new share/closed share review and status of any open audit findings.”

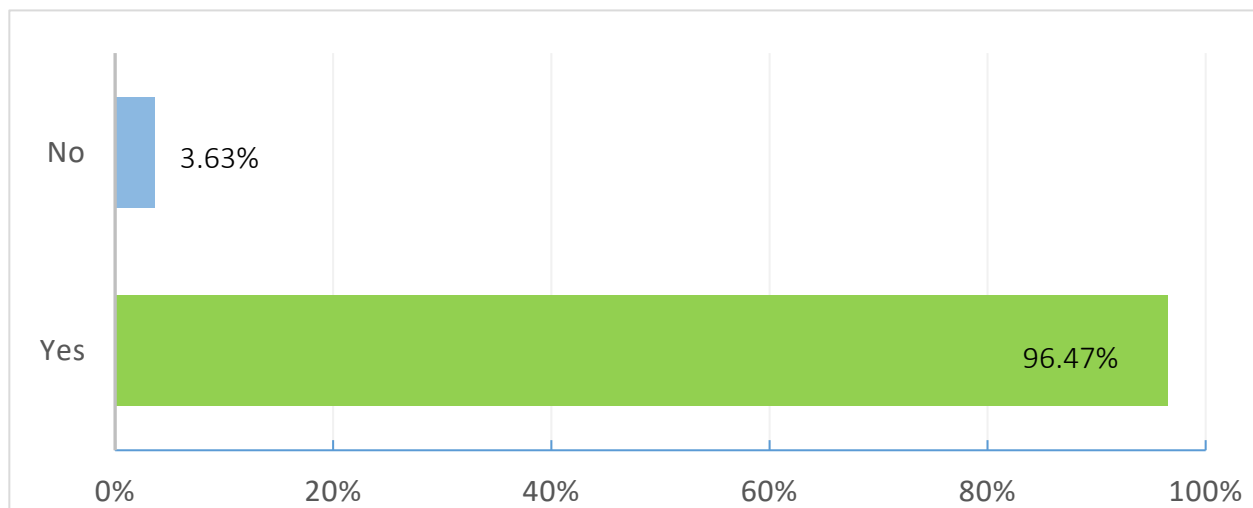
Does your credit union have an Audit Committee?



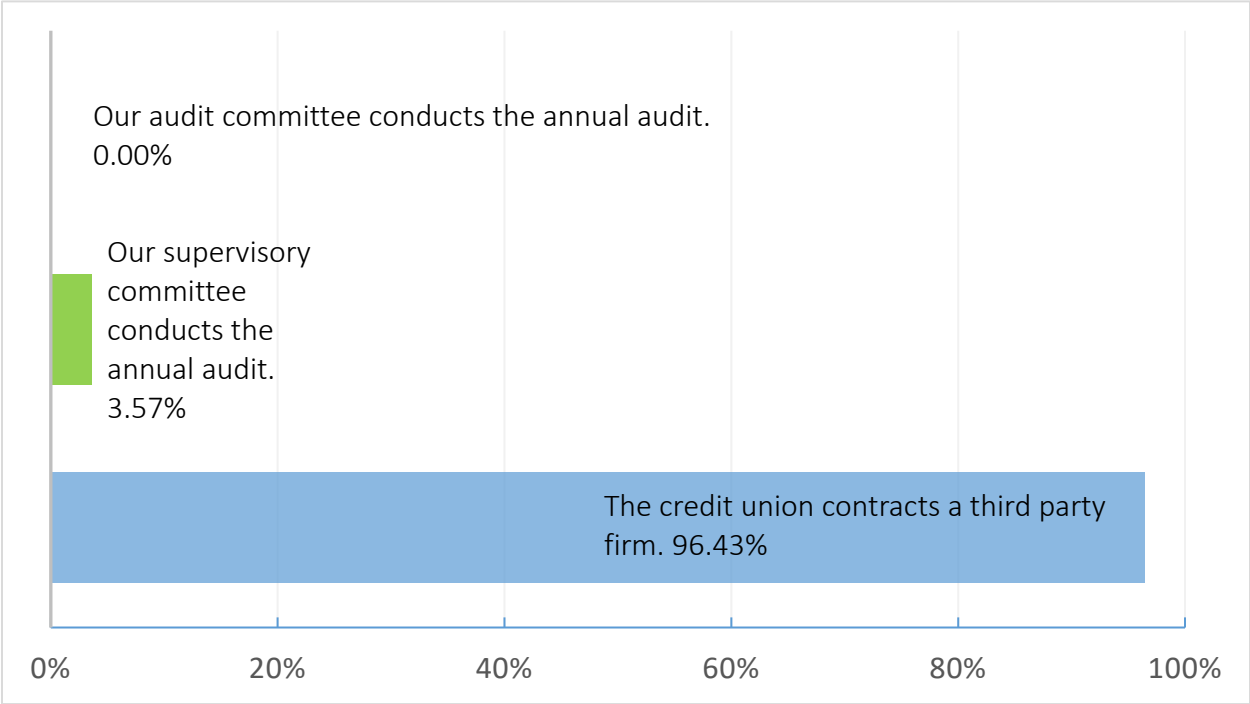
The survey asked respondents, who answered “yes” to the previous question, to provide the scope and frequency of reviews conducted as well as the level of experience of the committee members. Responses included the following:

- “They oversee all audits and meet quarterly”
- “Monthly, quarterly and annually. The committee consists of the CEO, operations manager, and directors from the board with varying years of experience.”
- “They are presented all of the audits on a monthly basis to review and approve. The internal auditor gathers the information and presents it to the committee. They are board members with varying levels of experience.”

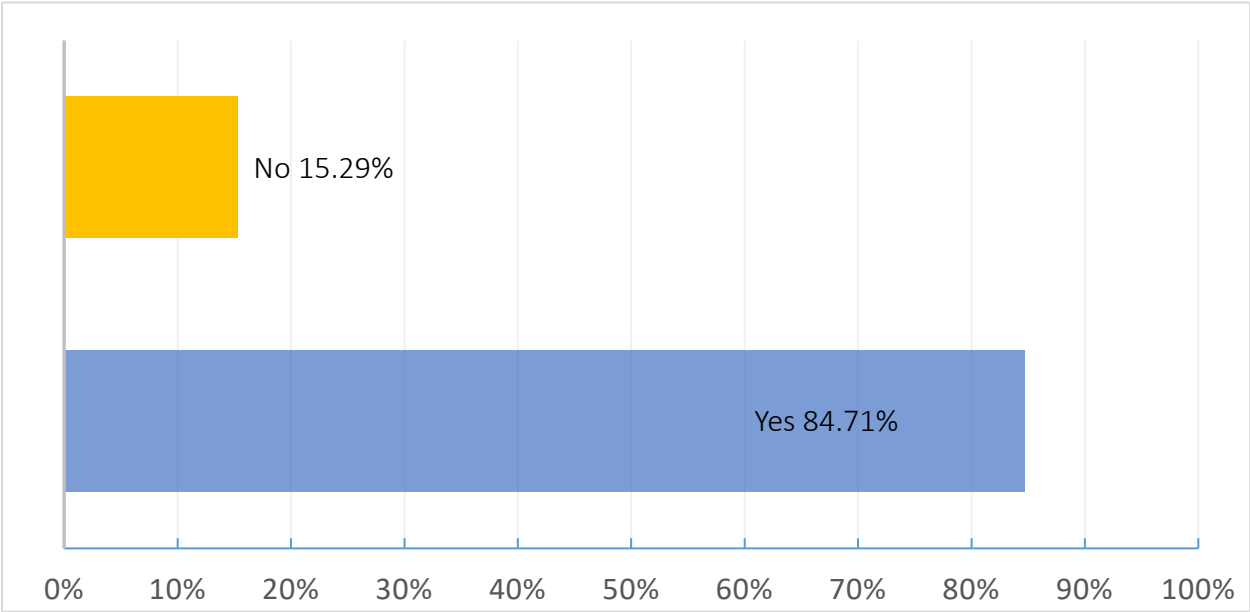
Does your credit union contract for a third party annual audit?



Does your credit union conduct an external audit even if not required by Federal or State statute?



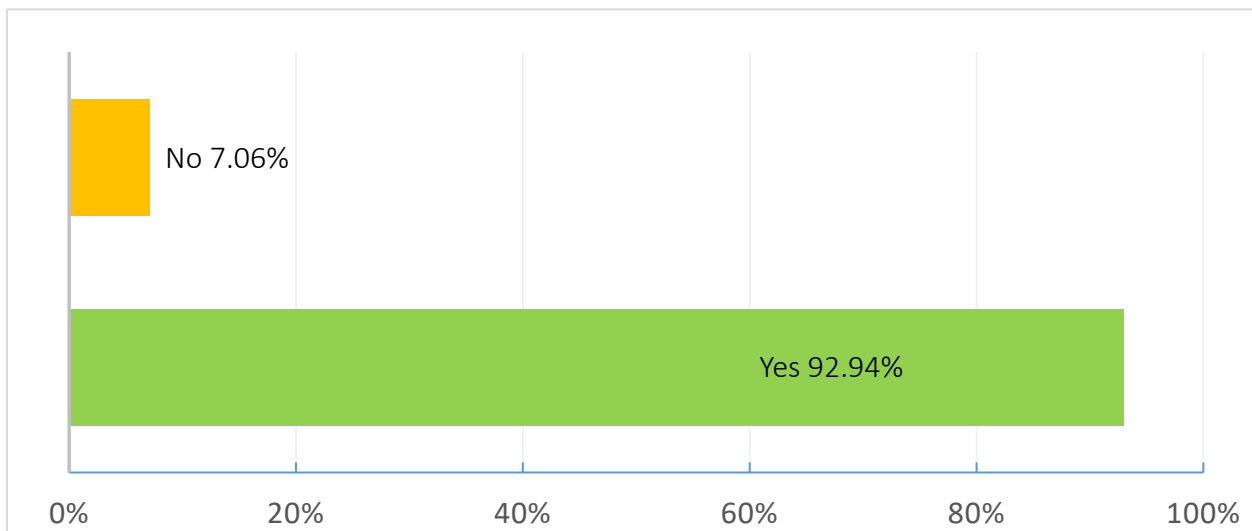
Does your credit union provide for cross-training of staff and a rotation of duties?



Respondents provided comments addressing cross-training and rotation of duties. Comments reflect the following:

- “Require five consecutive days off and job functions be performed while they are out.”
- “Critical or high-risk functions identified by the credit union have a primary and back-up that performs the role.”
- “All departments have cross-training to ensure that all responsibilities are covered when other employees are not available.”
- “Rotation is done only when needed, such as vacations, etc.”
- “Since we have limited staff the cross-training is limited just enough to cover for vacations.”

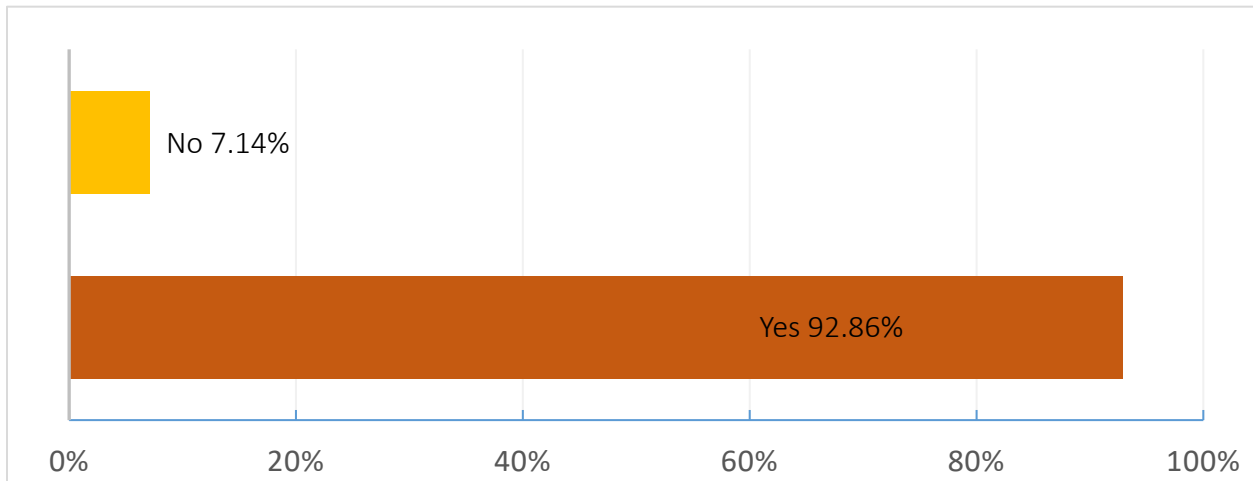
Is there a segregation of duties among credit union staff, for example, the origination of a transaction, the posting of a transaction, and the audit of a transaction?



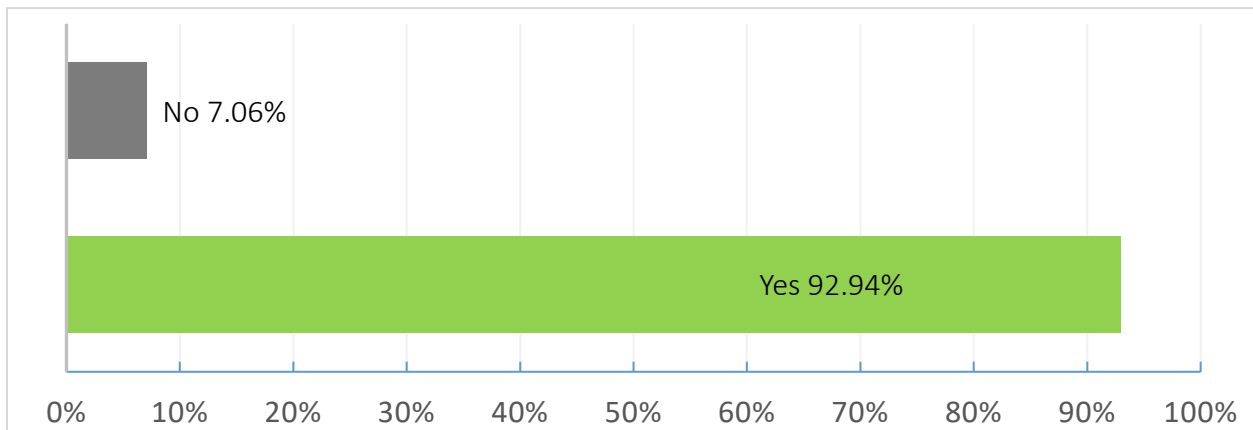
Respondents provided comments addressing segregation of duties among credit union staff. Comments reflect the following:

- “Our core processing system permissions enforce segregation of duties addressed.”
- “Separation of duties exists for process that handle cash, wires, ACH, corporate checks, loan funding, etc.”
- “Loan originators cannot approve loans. Individuals taking member wire requests cannot send the wires. Most executives are ‘view only’ on many systems. For those who are not, all transactions are reviewed by the CEO.”
- “We have a loan review process performed by our risk management department to ensure proper controls and that loans are approved within our underwriting policy guidelines. Segregation of duties are in place for all key processes.”
- “A loan officer cannot approve a loan and fund a loan. If necessity dictates that they had to (due to limited staff), then that loan is automatically selected for audit. Mortgage loan officers do not process their own file. Vault cash and keys are under dual control. Internal audit verifies cash periodically. All teller drawers are audited at least monthly and prior to any extended vacations.”

Are Vaults, ATMs, Cash Dispensers and Alarm Systems managed under dual control?



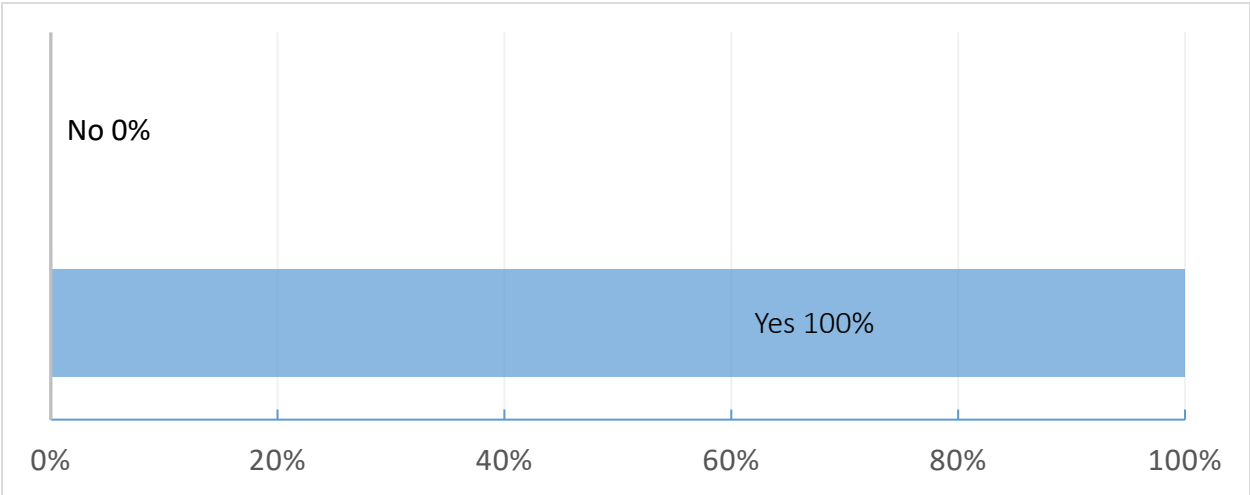
Are surprise cash counts of the conducted periodically by auditors or the supervisory committee?



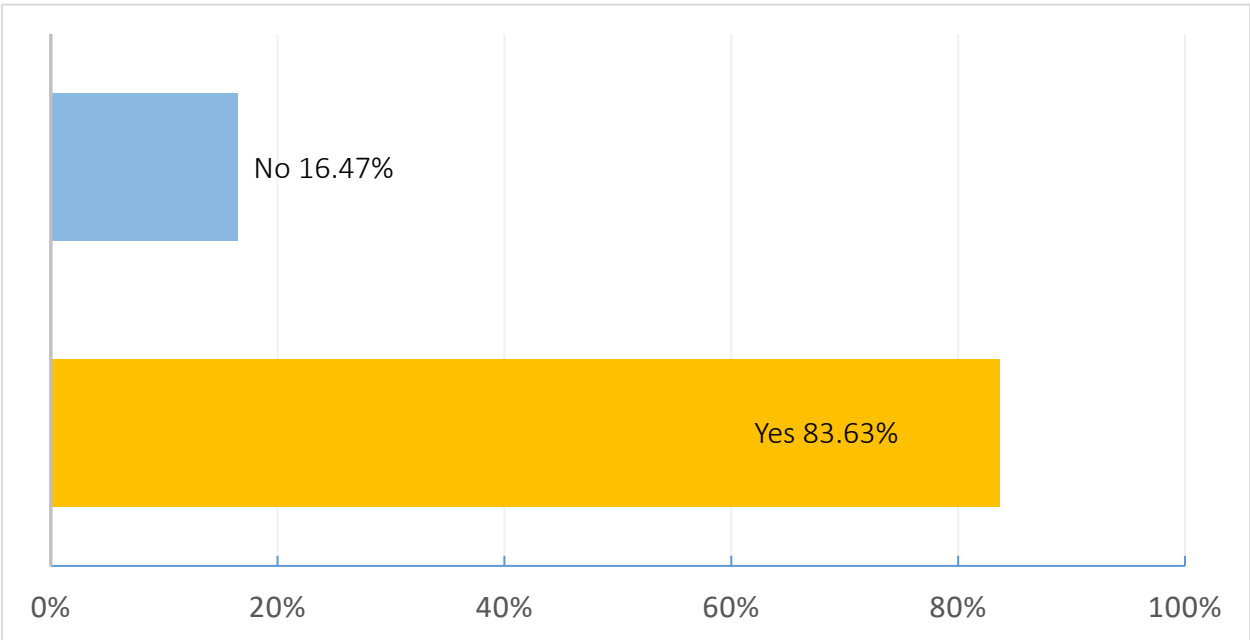
Respondents provided comments regarding frequency of surprise cash counts as follows:

- "Conducted monthly by the accounting supervisor and quarterly by the supervisory committee."
- "Conducted monthly and quarterly by internal staff under dual control. Three times a year by external audit. We also conduct random audits, vacation audits and vault ownership changes and audits."
- "Supervisory Committee quarterly; auditor annually, counts by management when staff go on vacation."
- "Internal Audit conducts. The frequency is based on a location's risk profile as determined by an Internal Audit."

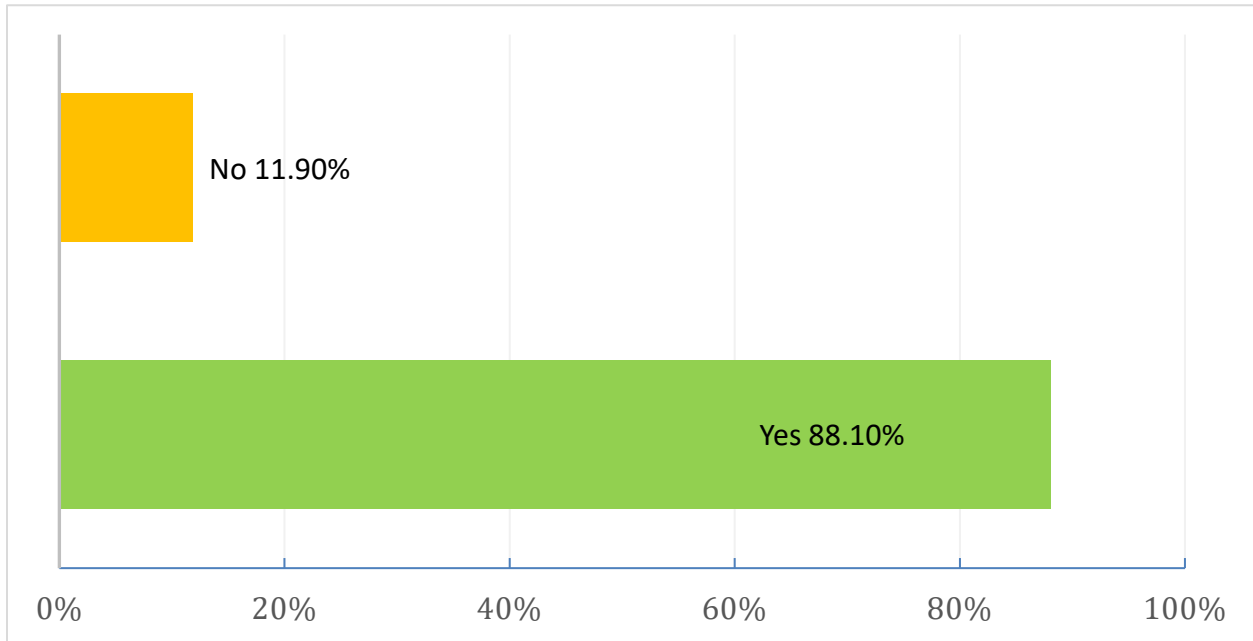
Are records of teller overages and shortages maintained by management?



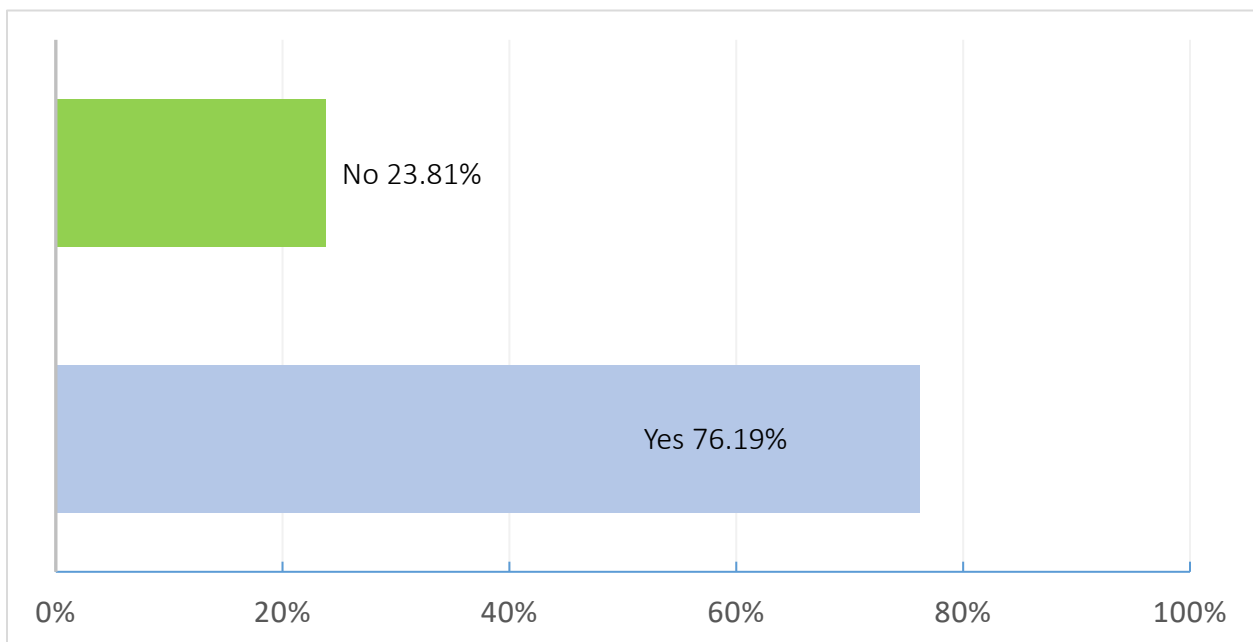
Are system parameters updated or reflect changes to accounts of family members and significant others?



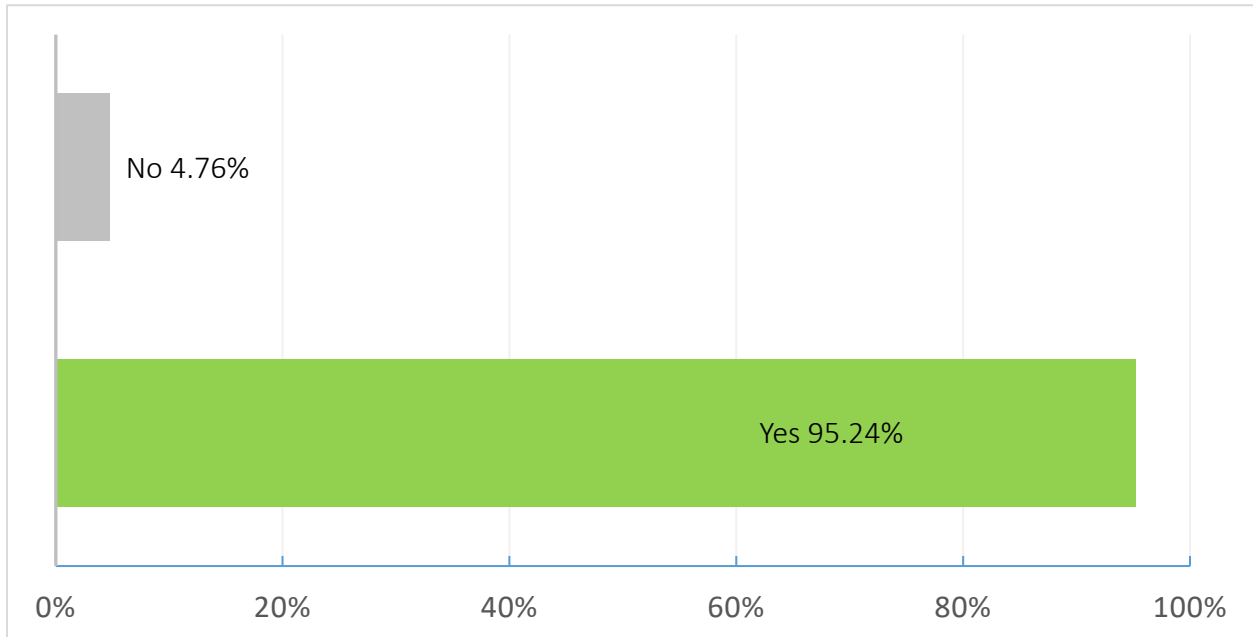
Is an independent review of transactions made to accounts of employees, their family members or individuals living at the same address periodically conducted?



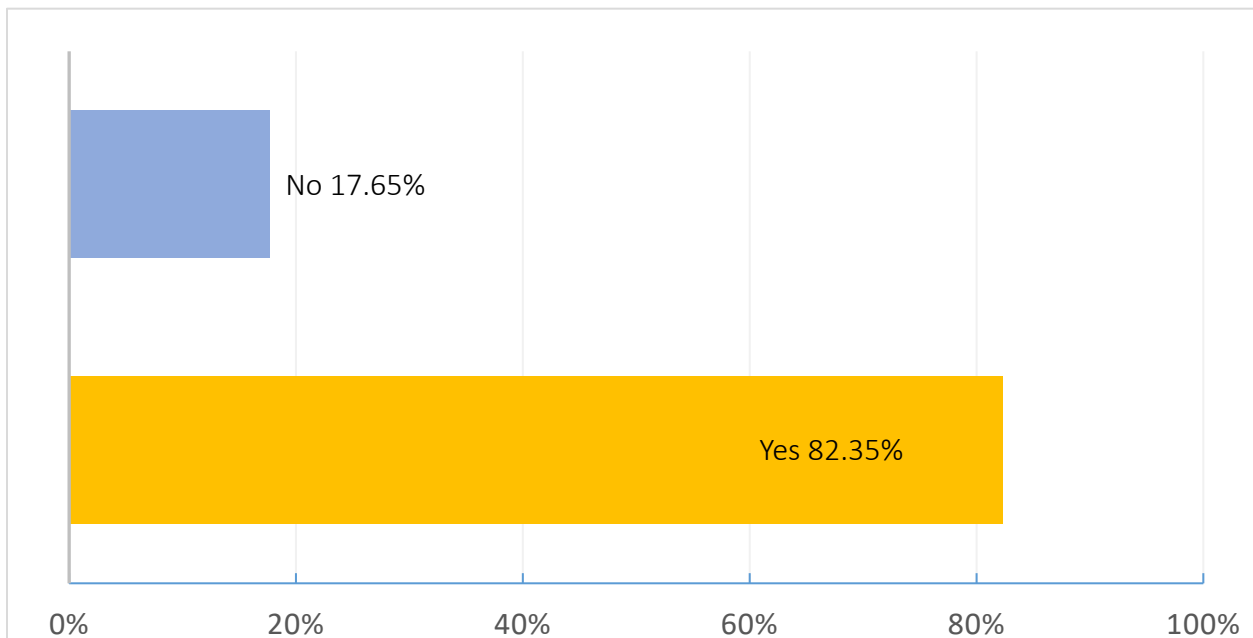
Is there a segregation of duties among staff who can open new accounts vs. approve new loans?



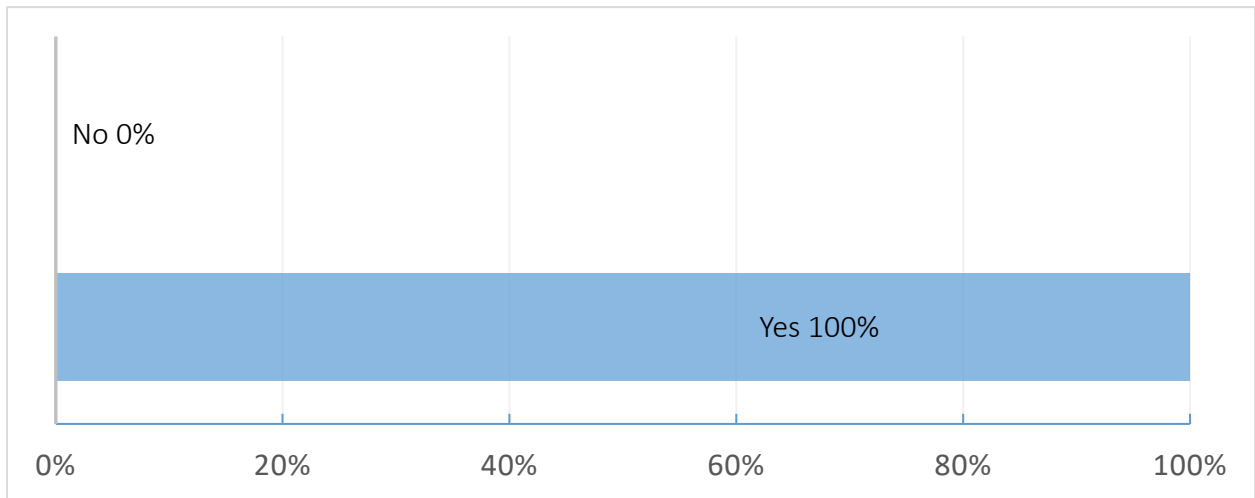
Are supervisory overrides in place to restrict specific employee transactions?



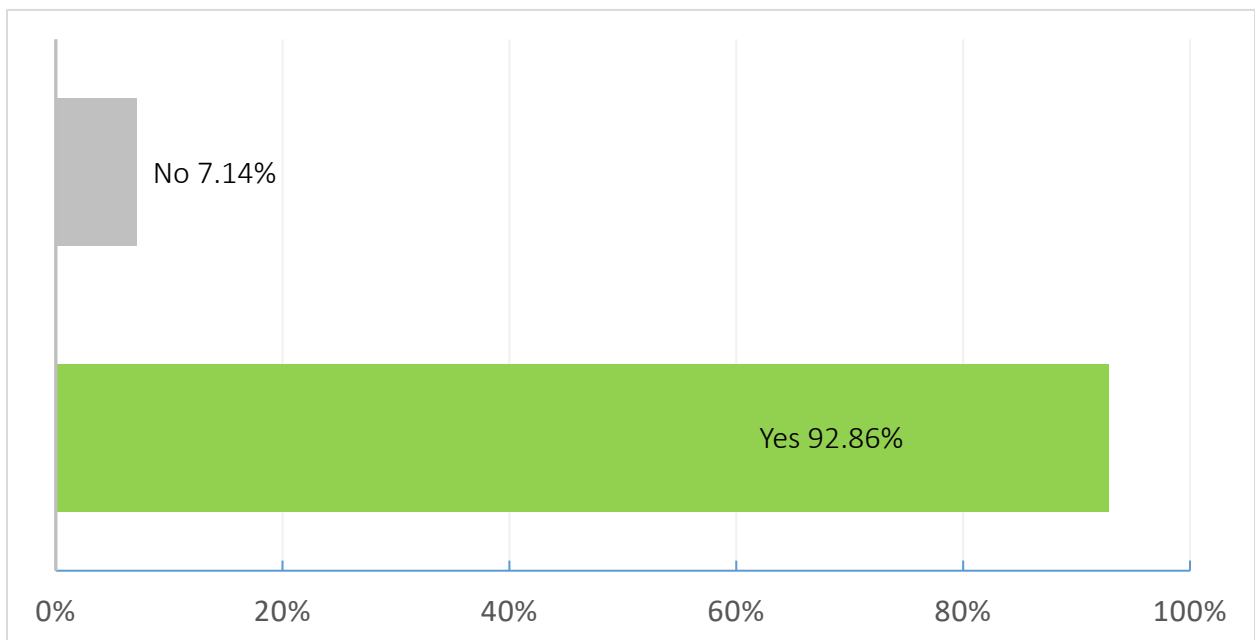
Are override reports generated and reviewed regularly by management, internal audit, audit committee or supervisory committee members to assure all override transactions were authorized?



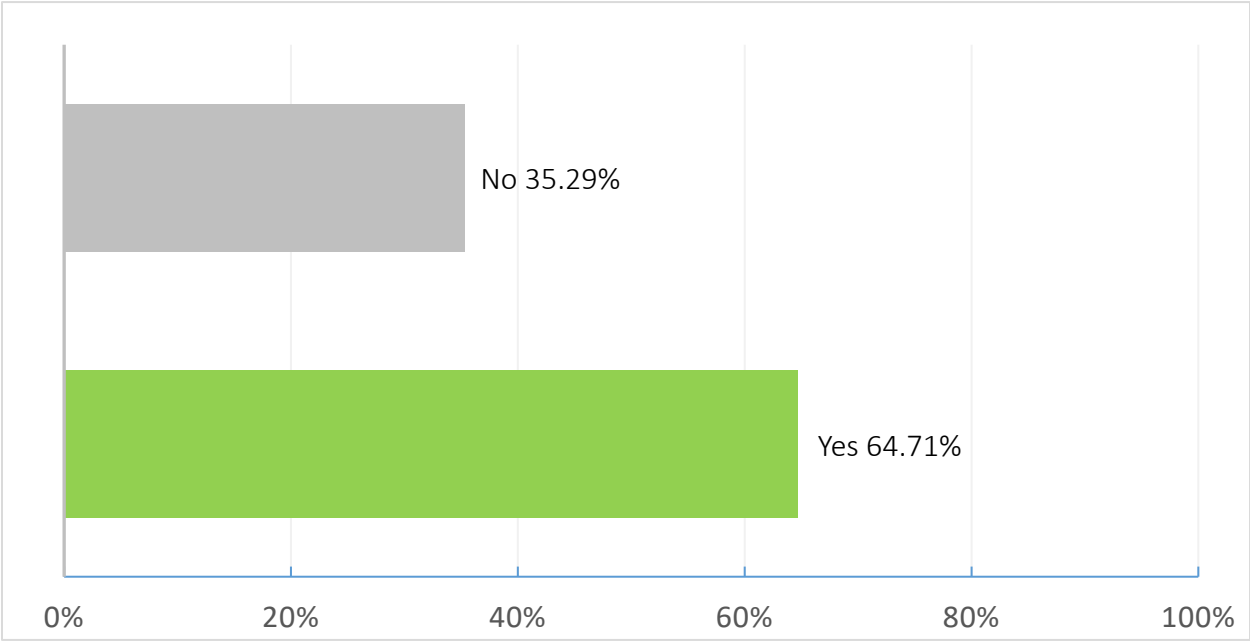
Are accounts flagged for dormancy/inactivity after 12 months or in accordance with the credit union's policy and are such accounts monitored for activity?



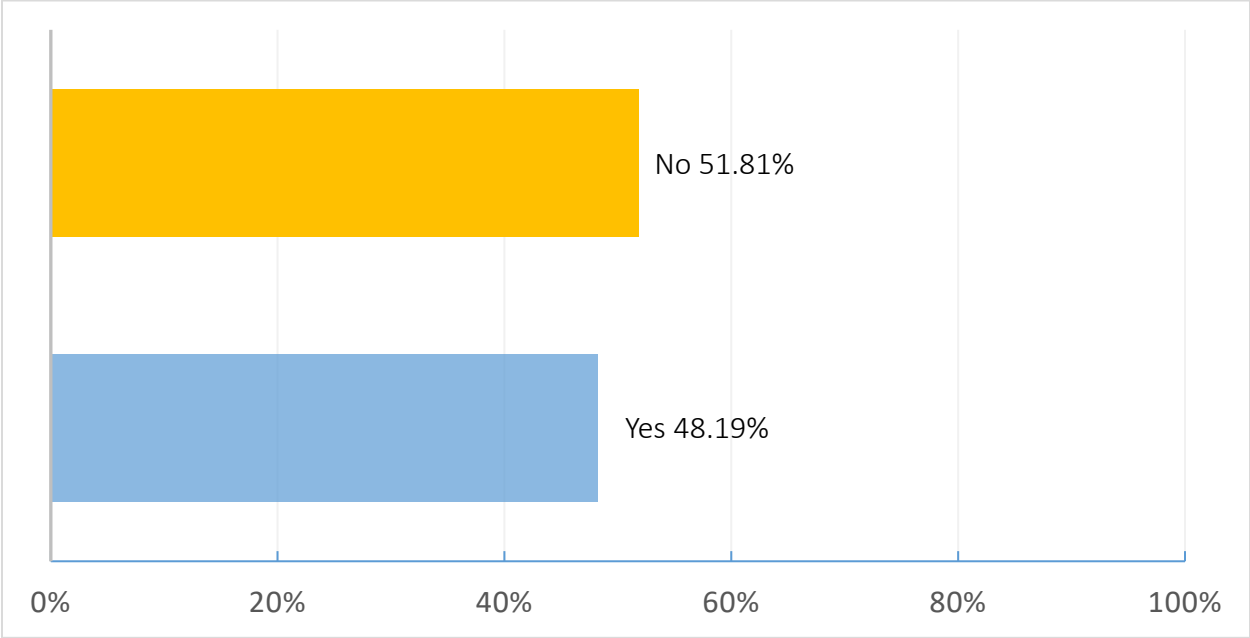
Are file maintenance reports monitored and reviewed by management, internal audit, audit committee or the supervisory committee regularly? The type of file maintenance that should be reviewed include data changes at an account or member level.



Does the credit union separate loan approval and disbursement duties? An increase in fictitious/unauthorized loans results when loan approval and disbursement are handled by the same employee.



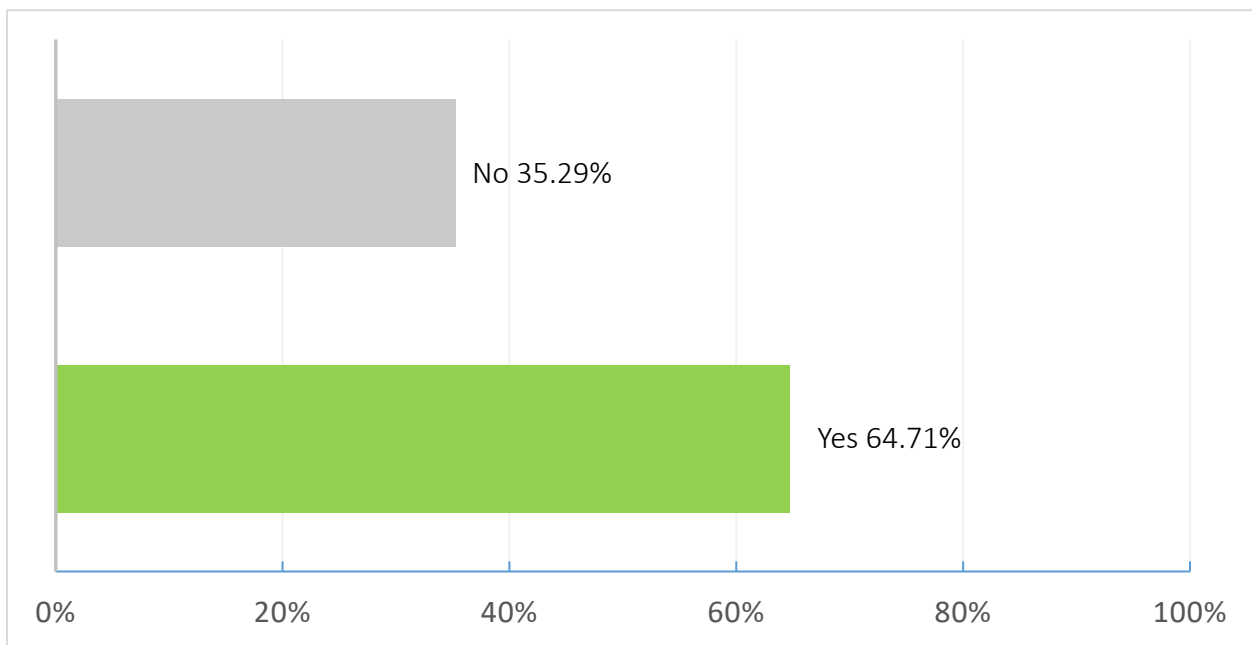
Does credit union collection staff have loan approval authority or file maintenance authority?



Respondents provided comments as to the approval and file maintenance authority for collection staff as follows:

- “Group can perform loan modifications. Final approval is restricted to the manager. Dual control through the COO.”
- Employees responsible for collections are able to perform loan modifications or extensions. However, dual controls exist governing the approval and disbursement during this process. These employees can also make file maintenance changes, however, file maintenance reports are reviewed by Internal Audit on a daily basis.”
- “Collection Manager can modify rate and terms related to modifications and TDRs. A report is reviewed weekly for any file maintenance changes.”
- “The Collection Department is able to approve work out loans with the correct approvals from management.”

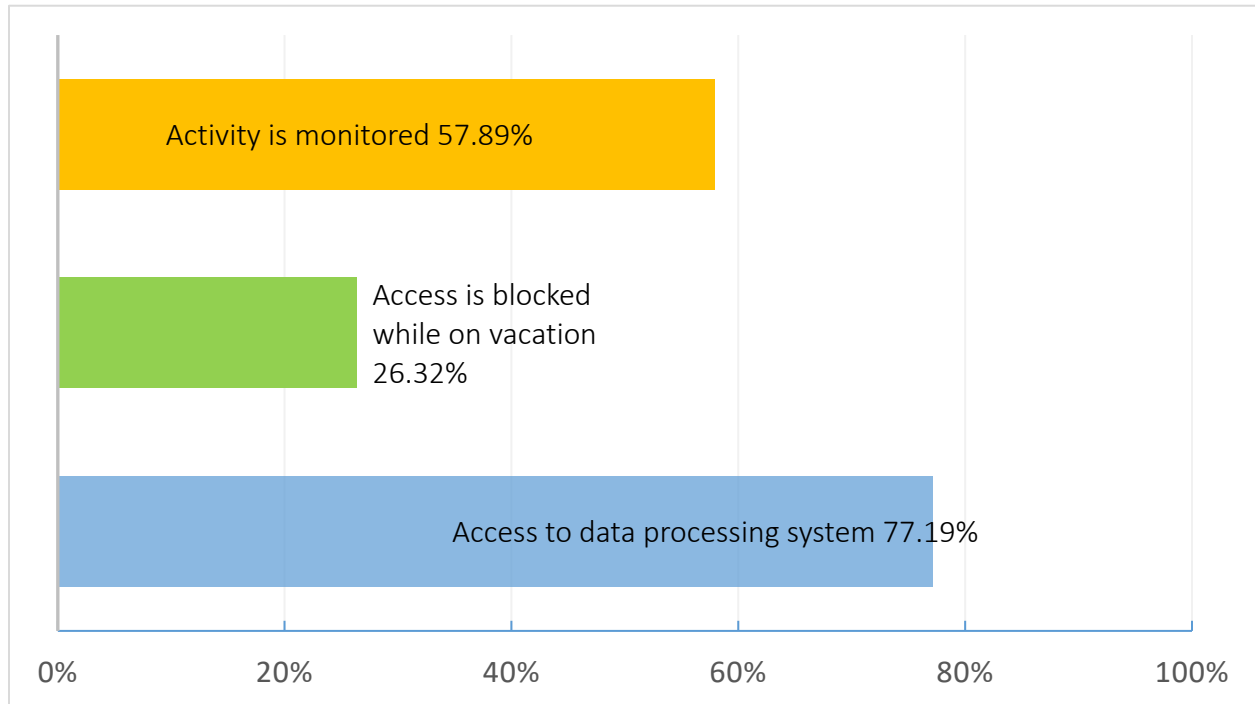
Is there a segregation of duties and rotation among staff handling credit union investments and are these transactions handled under dual control?



Comments addressing segregation of duties among staff handling investments included:

- “The CEO makes the investment decisions, the VP of lending books the investments, and the VP of compliance wires the funds for the investments.”
- “Investments are approved by the CEO however transfer of funds must be completed by a second person.”
- “Our CEO creates the investment, the accounting manager or supervisor will verify and wire funds, another accounting clerk does the balancing, and it is also checked by the audit/compliance department.”

If credit union management and staff are permitted remote access what is their level of access and are controls in place? *(please select all that apply)*



Respondents further discussed the restrictions imposed as follows:

- “Limited to those with need to have that access. Remote access activity is reported weekly and reviewed by CEO and IT Support team member. Remote access is blocked for a minimum of one week when an individual(s) is on vacation.”
- “There is no remote access permitted.”
- “We only have email remote access. No financial access.”
- “Leadership teams are removed from access to critical data processing and other critical software during their vacation.”
- “Only a couple of senior managers have access remotely and can only view shared folders and NOT the data processing system.”