

FRONTBURNER

Welcome to the November edition of **The FrontBurner**! As November is upon us, we all start to really focus on the many things in our lives for which we are thankful. I just want to take a moment to make an expression of gratitude on behalf of VolCorp. We are so thankful for the credit unions who partner with us daily to meet your needs, enabling us to help you serve your members in extraordinary ways. We never lose sight of the end recipient of all we do here at VolCorp – your members. Thank you for blessing us with the opportunity to be a part of your credit unions’ stories for the last 41 years and thank you for allowing us to come alongside you now to write the next chapters on your journey. We are truly grateful.

And, speaking of being thankful, I have had a number of credit unions, large and small, reach out to me and tell me how thankful they are for VolCorp’s decision to create and launch our wholly owned CUSO, Symphony. The service offerings of Symphony have already proven to be valuable for credit unions ranging in size from as small as under \$5 million to over \$5 billion. In this month’s edition of **The FrontBurner**, we will highlight one of Symphony’s service offerings which has gained a lot of traction this year and really proven to be helpful for smaller and mid-sized credit unions – Supervisory Committee Audits.



With that, I hope you enjoy this month’s edition of **The FrontBurner**.


Jeff Merry, President/CEO

SYMPHONY: Your Partner for Supervisory Committee Audits

There is a word that can create a bit of uneasiness with your credit union staff: auditor. Auditors are not bad people at all. It’s really the audit process we tend to dread. There is the prep work, getting all the documents together. Then there is the audit, when the team sets up shop in your credit union and you are constantly wondering if there’s a “GOTCHA” moment on its way. Once the audit is over, there is the process of waiting for the final report. We get it.

The good news is that VolCorp’s CUSO, Symphony, provides supervisory committee audits for credit unions. Our consultants can help you avoid “GOTCHA” moments.

Symphony can take your credit union beyond the basics by leveraging our expert team to complete your annual supervisory committee audit.

Regular committee testing of policies, procedures, and internal controls serves to protect both the company and employees, while detecting potential errors on a

timely basis. Symphony can provide a variety of audits for your credit union throughout the year.

Supervisory Committee Audits

Supervisory committees perform a vital role in oversight of the credit union’s accounting and operating practices. Per NCUA regulation 715.3, the basic responsibilities of a credit union’s supervisory committee are to:

- Meet required financial reporting objectives; and
- Establish practices and procedures sufficient to safeguard members’ assets.



Credit Union supervisory committees are charged with fulfilling those basic obligations

through the execution of an annual audit. Per NCUA regulations, credit unions less than \$500 million in assets may bypass the costly and complex financial statement opinion audit and elect to perform a cost-effective, yet valuable, supervisory committee audit.

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When Symphony performs a supervisory committee audit, you can expect:

- A comprehensive supervisory committee audit which fulfills NCUA requirements and performed in accordance with NCUA Rules and Regulation 715.7
- Thorough audit report detailing each procedure performed and the results of our findings
- Feedback from our team, including industry best-practices intended to strengthen your internal controls, which can assist in safeguarding against errors and fraud
- Assurance that your credit union adheres to policies and procedures
- Upon completion, a meeting with credit union officials to discuss results

Interim Audits

Periodic interim audits can further enhance your credit union’s internal controls. Symphony offers interim audits on a quarterly or semi-annual basis and conducts these audits in accordance with select procedures of NCUA regulation 715.7, *Other Supervisory Committee Audits*.

Obtaining interim audits from Symphony provides your credit union with expert external feedback throughout the year. Symphony’s interim audits allow your staff to strengthen credit union practices and procedures throughout the year rather than waiting for your annual audit to address all findings.

With an interim audit from Symphony, you can expect:

- Your supervisory committee or management will partner with an experienced Symphony employee to determine the parameters and scope of your interim audits
- Our team will help sustain and support your credit union’s areas of strength, while areas of concern will receive enhanced attention

- More timely resolution of findings versus solely relying on annual audits
- A thorough report which will detail the scope of the audit and any findings identified
- Exit meeting to cover the audit results with credit union officials

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Member Account Verification

NCUA regulation 715.8, *Requirements for verification of accounts and passbooks*, requires all credit unions to perform a member account verification at least every two years. The verification of accounts may be performed as part of the Supervisory Committee Audit, or it may stand alone as a separate review. Regardless of the path your credit union takes, an independent review by Symphony’s team provides enhanced controls over the member account verification.

When Symphony performs a member verification audit for your credit union, you can expect:

- Symphony’s experienced team will meet with your credit union to determine the methodology for account verification
- All methods utilized by Symphony meet NCUA requirements
- External verification provides enhanced control over the account verification process, decreasing the risk of fraud throughout the process
- Symphony will provide a report of methods used, and any discrepancies identified during the member account verification process

The Symphony team is passionate about partnering with credit unions and brings nearly 50 years of experience in credit union strategy, operations, and accounting. Our audits incorporate meeting a regulatory requirement with a useful tool to strengthen internal controls and financial reporting.

