

YOUNG, SHERON

From: RUPP, MARY F
Sent: Monday, April 03, 2006 7:27 AM
To: YOUNG, SHERON
Subject: FW: Comments on Part 715 ANPR, Supervisory Committee Audits

From: L Walker [mailto:velvetcatt@gmail.com]
Sent: Saturday, April 01, 2006 11:14 PM
To: _Regulatory Comments
Subject: Comments on Part 715 ANPR, Supervisory Committee Audits

I am writing to comment on the 22 questions for which the NCUA is requesting input:

- 1.** No, I don't think an attestation on internal controls should be required of the Credit Union has an independent internal audit program already in place.
- 2.** I'm not in support of this requirement (see #1 above), therefore I have no suggestions for a minimum threshold.
- 3.** Yes - if there's going to be a minimum asset size threshold set, it should apply to both natural person and corporate credit unions.
- 4.** Should definitely apply to financial statement audits.
- 5.** Yes - it's the most cost effective way to handle it, and the auditor would be in the best position to make the attestation.
- 6, 7, & 8.** See #1 and #2 above.
- 9.** The standard should be the same for all Credit Unions.
- 10.** Regardless of asset size, all Supervisory Committees should be required to have at least one member with financial, auditing and/or accounting background, and that ALL committee members be required to complete courses offered through VAP and/or other educational resources available the Credit Union Volunteers, including conferences and workshops.
- 11.** There's no need for Supervisory Committee members to have access to outside legal counsel because the Credit Union should be bonding each member, which should take care of legal costs if any are incurred.
- 12.** No, Supervisory Committee members should not be prohibited from associating with ANY customer of the Credit Union, as the Committee is independent of management and there is no conflict of interest.
- 13.** There could possibly be some difficulty in recruiting volunteers to serve if these restrictions

were prohibitive to being able to perform the functions of the Supervisory Committee.

- 14.** Just the AICPA standards because credit unions are not regulated by the SEC.
- 15.** No - a full financial statement audit would provide a truer picture than just the balance sheet audit.
- 16.** Yes - it's important to provide the option to credit unions with much smaller assets (under \$50 million) based on their audit needs.
- 17 & 18.** No - credit unions should not be required to provide NCUA with any documentation issued by internal auditors, as long as the information is available as part of their on site review.
- 19.** The Supervisory Committee should definitely review and discuss all reports with the external auditor, whether there is a requirement to forward to NCUA or not. This should be a mandatory part of the Committee's function.
- 20.** There is no need to change the target of 120 days. Sanctions, if any, should be on a case by case basis.
- 21.** No - credit unions should not be required to notify NCUA when entering into an engagement with an auditor, nor when dismissing an auditor or when an auditor resigns, so long as the reason(s) for the dismissal or resignation are clearly documented.
- 22.** Yes - in my opinion, this is beyond the scope of the Supervisory Committee.

Thank you.

Sincerely,

Linda Walker
Central Florida HealthCare FCU - Orlando, FL