



*Helping Credit Union Supervisory Committees Perform at Their Peak*





# PROGRAM OVERVIEW

## NACUSAC UNIVERSITY CURRICULUM

By enrolling in NACUSAC University, you are committing to further your knowledge and skills in all areas of credit union oversight. NACUSAC University's curriculum consists of two levels of courses covering subjects from the core duties of the committee to the specialized subjects of auditing, accounting, fraud, compliance, governance and more. Program highlights include:

- ✓ Increase your knowledge base to become a more effective committee member
- ✓ Participate in high quality learning provided by industry experts
- ✓ Graduate before a group of your peers at NACUSAC's Annual Conference
- ✓ Earn recognition in NACUSAC's online publication, NACUSACnews, and a press release sent to your credit union and national trade publications
- ✓ And, a budget-friendly investment of \$149 to enroll!

Satisfy courses during NACUSAC's Annual Conferences and by participating in FREE webinars offered each spring and fall. By fulfilling coursework consisting of two levels and twelve courses, most enrollees graduate in three to four years.

### LEVEL 1

#### Completion of ONE (1) of the following courses:

- NACUSAC Training Seminar for New Supervisory and Auditing Committee Members (or)
- NACUSAC Self-Study Basic Training Manual (or)
- CUNA Volunteer Achievement Program's "Supervisory Committee: Duties and Responsibilities" Module

### LEVEL 2

#### Required Courses (must satisfy all TEN (10)):

Financial Statements	Disaster Recovery
Information Systems Security	Ethics/Governance
External Audit Selection	Internal Controls
Regulatory Compliance	Internal Fraud
Audit Plans	External Fraud

#### Elective Courses (must satisfy TWO (2)):

Allowance for Loan/Lease Losses	Fraud Investigation
Asset Liability Management	Internal Audit
Business Lending	Emerging Electives
Risk Models	Strategic Planning
CUSOs	





# My Path to NACUSAC University Graduation

## A PERSONAL WORKSHEET

Name: \_\_\_\_\_ Credit Union: \_\_\_\_\_

### My Goals

I want to graduate from NACUSAC University in order to (list three objectives):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

I would like to graduate by: \_\_\_\_\_ (year)

### Tracking My Progress

I started NACUSAC University on: \_\_\_\_\_ (date)

#### Level 1

I satisfied this requirement in 20\_\_\_\_(year) by completing: (check one)

- NACUSAC Training Seminar for new Supervisory and Auditing Committees
- NACUSAC Self-Study Basic Training Manual
- CUNA Volunteer Achievement Program's "Supervisory Committee: Duties & Responsibilities" Module



# My Path to NACUSAC University Graduation

## A PERSONAL WORKSHEET

### Level 2

I began satisfying requirements the first year, and continued by attending Annual Conferences & Webinars

(Fill in the year in the top row, then check off which requirements you fulfilled within that year moving down the column, fill in subsequent years in the next columns, until all needed courses have been checked as complete.)

Required Courses (must satisfy ALL 10)	20__	20__	20__	20__	20__	20__
Audit Plans						
Disaster Recovery						
Ethics/Governance						
External Audit Selection						
External Fraud						
Financial Statements						
Information Systems Security						
Internal Controls						
Internal Fraud						
Regulatory Compliance						

Elective Courses (must satisfy 2)	20__	20__	20__	20__	20__	20__
Allowance for Loan/Lease Losses						
Asset Liability Management						
Business Lending						
CUSOs						
Fraud Investigation						
Internal Audit						
Risk Models						
Strategic Planning						
Emerging Electives						



# ENROLLMENT FORM

## INFORMATION & PAYMENT

### Applicant Information

APPLICANT NAME

CU TITLE/POSITION

CREDIT UNION

CREDIT UNION ADDRESS

CITY

STATE

ZIP CODE

PHONE NUMBER

ALTERNATE (HOME) ADDRESS

CITY

STATE

ZIP CODE

EMAIL (REQUIRED)

### Payment

Enrollment fees must be post-marked or received within 30 days of submitting this application in order to receive credit for courses completed. NACUSAC University enrollment fees are non-refundable and non-transferrable. The one-time enrollment fee of \$149 includes the cost of all general administration, testing, and transcript retention for NACUSAC University.

Payment enclosed

Please invoice the credit union:

CU CONTACT NAME

TITLE

ADDRESS

EMAIL (REQUIRED)

Remit check to: NACUSAC  
PO Box 160  
Del Mar, CA 92014



# GUIDELINES

## ENROLLEE AGREEMENT

- To be eligible for NACUSAC University, an individual must currently be a member of the Supervisory/Audit Committee and their credit union must be a dues-paying member of NACUSAC.
- If the credit union's membership in NACUSAC lapses for more than six months, the individual's enrollment in the program will be suspended until the membership is renewed. Membership lapses of more than one year will result in forfeiture of program credits.
- Level 1 must be completed prior to taking courses in Level 2. Any Level 2 courses taken more than 30 days prior to completion of Level 1 will not receive credit and need to be retaken.
- The NACUSAC University program should be completed in no more than four (4) years.
- Tests taken before an individual is enrolled in NACUSAC University will not count toward program credits.
- At least eight (8) course credits must be obtained through live participation and satisfactory testing during sessions at NACUSAC's Annual Conferences. Up to four (4) course credits may be obtained by live participation in webinars and/or listening to audio-CDs of past seminars deemed eligible for credit.
- Transcripts are mailed or emailed to enrollees following the Annual Conference in June. It is the responsibility of the individual to retain this transcript and track his/her progress in the program.
- All courses must be completed prior to the NACUSAC Annual Conference in which the individual will be recognized as a graduate.

**I have read and understand the guidelines set forth by NACUSAC and agree to adhere to these guidelines to the best of my ability.**

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APPLICANT SIGNATURE

DATE

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NACUSAC REPRESENTATIVE SIGNATURE

DATE



# PROGRAM OUTLINE

## CURRICULUM

### Level One Requirement

ONE (1) of the following courses must be completed, including satisfactory testing, in order to continue to the next level of NACUSAC University courses.

- a. NACUSAC Training Seminar for New Supervisory and Auditing Committee Members (or)
- b. NACUSAC Self-Study Basic Training Manual (or)
- c. CUNA Volunteer Achievement Program's "Supervisory Committee: Duties and Responsibilities" Module

### Level Two Requirements

TWELVE (12) of the following required and elective courses must be completed, including satisfactory testing, in order to graduate. Courses can be completed during the NACUSAC Annual Conference and/or webinars. Dates and times of upcoming Annual Conferences and webinars can be found at [www.nacusac.org](http://www.nacusac.org).

#### Required Courses (must satisfy all TEN (10):

Financial Statements	Disaster Recovery	Internal Controls
Information Systems Security	Ethics/Governance	Internal Fraud
External Audit Selection	Audit Plans	
Regulatory Compliance	External Fraud	

#### Elective Courses (must satisfy TWO (2):

Allowance for Loan/Lease Losses	Fraud Investigation	Strategic Planning
Asset Liability Management	Internal Audit	CUSOs
Business Lending	Emerging Electives	
Risk Models		



# REQUIRED COURSES

## COURSE DESCRIPTIONS

### Disaster Recovery

Every credit union should have a disaster recovery plan in place. Credit unions must go beyond their information systems and develop comprehensive contingency plans for all critical resources. As primary financial institutions for millions of members, credit unions must ensure they can rapidly provide a minimally acceptable level of critical member services during a disaster.

### Financial Statements

Being able to read and understand credit union financial statements is a core competency of supervisory committee members. NCUA regulations and a changing economy have affected key areas of the balance sheet. Knowing the latest financial analysis techniques, being able to identify key risk areas, and recognize improper accounting methods are aspects of this function. Committees of federal credit unions should pay particular attention to volunteers' compliance with NCUA's regulation on financial literacy.

### Information Systems Security

As part of information security, management should determine all applications are developed and maintained in a manner that appropriately addresses risks to the confidentiality, availability, and integrity of members' data. In their oversight role, supervisory committees need to make sure those systems are evaluated and tested regularly to ensure its effectiveness.

### External Fraud

External fraud is perpetrated in various ways, including identity theft, social engineering, plastic card scams, check fraud, and more. What makes fraud particularly difficult to fight is that its constantly changing and evolving. Credit unions that stay informed of the latest types of fraud are more readily prepared to identify and prevent the most costly forms of fraud.

### External Audit Selection

Engaging an outside auditor is an important task for the supervisory committee. It is critical to ensure the independence and integrity of the audit process. There are many steps in the process that contribute to a successful selection process. This includes a plan that outlines what to expect before, during, and after the audit.

### Internal Controls

The first line of defense against losses are the internal controls. The committee should ensure an effective internal control environment is in place. Being able to identify the weaknesses in the internal control structure can often prevent future losses from recurring and deter internal fraud.

For more information, visit our website at [www.nacusac.org](http://www.nacusac.org)

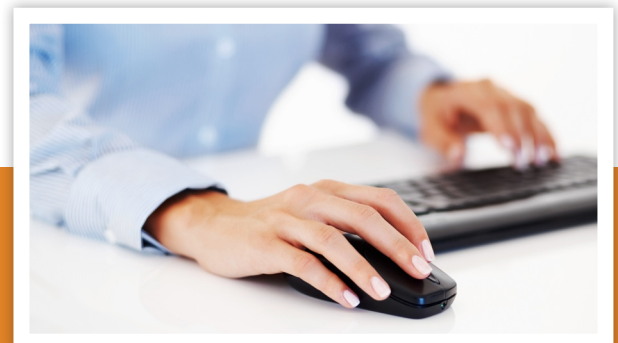
NACUSAC

*Helping Supervisory Committees Perform at Their Peak*

PO Box 160, Del Mar, CA 92014

Phone 800.287.5949

Fax 760.690.4453







# REQUIRED COURSES

## COURSE DESCRIPTIONS

### Internal Fraud

Ranked as one of the top nine security threats, internal fraud is on the rise at many credit unions. There are many important considerations in this type of fraud including legal ramifications, effective detection and monitoring systems and proper investigation methods. Supervisory committees represent an important part of the reporting process and must know how to address internal fraud properly.

### Ethics/Governance

Governance is the process and structure used to direct the affairs of the credit union, with the objective of enhancing member value, which includes ensuring the financial viability of the business and the achievement of strategic objective on behalf of the membership, within the required legal and regulatory framework. Ethics and code of conduct are in the context of governance.

### Audit Plans

Generally speaking, an audit plan details the objectives and steps the auditor must take to ensure all important issues of an audit are covered. Specifically, credit union audit plans identify various areas of risk within the organization's operations. The supervisory committee should work with the internal audit staff, or audit firm who handles the internal audit function, to ensure the audit plan is followed.

### Regulatory Compliance

As the regulatory environment becomes more complex for credit unions, it presents a challenge to stay abreast of the latest regulations and compliance changes. Supervisory committees need an effective method for disseminating and implementing changes, as well as having resources available to assist with compliance issues.





# ELECTIVE COURSES

## COURSE DESCRIPTIONS

### Allowance for Loan/Lease Losses

**(ALLL)** Also known as the Loan Loss Provision, this expense entry is used to account for loans that are not expected to be repaid in full. The methodologies and documentation that support this provision must be consistent with GAAP (general accepted accounting principles). Committees are responsible for the oversight of the ALL process, including coordination and communication with the credit union's independent, qualified external auditor.

### Asset/Liability Management (ALM)

Asset/liability management is an important tool in determining a credit union's balance sheet risk. Committees must ensure that regular testing and reporting of the ALM is performed, and that the policies set forth are being adhered to within reasonable limits and actions. They must also verify that the integrity of the ALM model is periodically audited and verified.

### Credit Union Service Organizations

(CUSOs) - As with any outside partnership it engages in, credit unions who partner with a CUSO must perform due diligence to ensure the CUSO's compliance with current regulations and its use of sound financial practices. For the partnership to be beneficial to the credit union, it is also important that the CUSO's mission and values align with those of the credit union.

### Strategic Planning

Strategic planning is the process by which credit unions make decisions about policies and procedures, operations and marketing strategies for the coming year and beyond. While the board and management primarily work on the strategic plan, the supervisory committee should be invested in the process. It is within the committee's purview to assert itself if the actions of the credit union do not consistently align with the strategic plan..

### Internal Audit

Internal audit encompasses both the process and function performed by the internal audit staff or outside firm. Considerations for the committee include maintaining independence throughout the process, developing an acceptable reporting timetable, obtaining qualified audit assistance, determining reasonable cost for services performed and the development of an audit plan.

### Business Lending

Member business lending (MBL) is an area that requires special accounting and auditing considerations for the credit union. Supervisory committees must ensure the credit union is following specific regulations and policies that address this specialized area of lending. As with any type of lending, risk is inherent and must be monitored closely.

### Fraud Investigation

Detection of fraud is only as precise as the means by which it is investigated. Any misstep in the process can jeopardize the entire outcome. It may result in a lost opportunity to uncover the fraud or to prosecute the perpetrators. It can also place the credit union in legal peril if evidence of the fraud cannot be substantiated. Every credit union should have a detailed plan for conducting an investigation, which also includes a clear, consistent procedure for reporting the fraud.

### Risk Models

Risk modeling refers to the use of formal measurement techniques to determine the comprehensive risk in a financial portfolio. Risk models are the systematic processes a credit union employs to address various types of financial risk, including credit risk, liquidity risk, interest rate risk and operational risk. The credit union must determine if the risk model is an effective tool in managing risk.

### Emerging Electives

This encompasses courses that do not typically fall under the supervisory committee's basic duties and responsibilities. For example, credit union mergers are a specialized area that do not occur on an ongoing or regular basis.