 <b>Office of Credit Unions</b> <b>Policies and Procedures</b>	<b>POLICY NUMBER</b>
	<b>10115</b>
<b>MANAGEMENT</b>	<b>EFFECTIVE DATE</b>
	<b>11/01/2018</b>
<b>SUBJECT</b> <b>Supervisory Committee</b>	<b>REVISION DATE</b>
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## I. PURPOSE

The Supervisory Committee's primary duty is to ensure management practices and procedures are sufficient to safeguard members' assets. Supervisory Committee minutes should be analyzed to draw conclusions about the oversight of the institution's officials and management. Supervisory Committee actions which must be completed as required by the Bylaws and Michigan Credit Union Act. If there is no Supervisory Committee, the Board of Directors assumes the duties of the Supervisory Committee.


## II. PRIMARY REFERENCES / RELATED REGULATIONS

1. Michigan Credit Union Act:
  - a. [Section 341](#)
  - b. [Section 345](#): Supervisory Committee; duties
  - c. [Section 344](#): **Audits**
2. Article IX of the Bylaws: Supervisory Committee
3. [NCUA Rules and Regulations, Part 715](#)
4. [NCUA Supervisory Committee Guide](#)
5. [Bulletin 2005-2-CU](#) Annual Comprehensive Audit

## III. MINIMUM PROCEDURES

Review the minutes to determine whether the Supervisory Committee has complied with the requirements of Article IX of the Bylaws.

- a. At the first meeting following the Annual Meeting of the credit union, the committee must elect, from the committee members, a chairperson and a secretary.
- b. The secretary shall prepare, maintain and have custody of full records of the work performed and action taken by the committee. The offices of chairperson and secretary may be held by the same person.
- c. The committee shall meet as often as necessary, with a majority constituting a quorum for the transaction of business.
- d. To make, or cause to be made, as required by the MCUA, a comprehensive audit of the credit union's books and records, not less than annually. Refer to Division Policy 10210 "Audit Review". This may include other audits (such as BSA, ACH, Information Technology, etc.)
- e. Ensure the Supervisory Committee has verified, or causes to be verified, all member accounts at least once every 24 months.

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- f. Review the documentation of the reviews performed by the Supervisory Committee to ensure management is appropriately safeguarding member's assets. This should include but is not limited to:
1. Ensuring annual audit and biannual verification of accounts is completed as required by the credit union Bylaws.
  2. Review the ongoing or supplemental audits performed or obtained by the supervisory committee, as deemed necessary.
  3. Ensure appropriate review and follow-up of internal controls within the credit union. The Supervisory Committee is responsible for ensuring policies and procedures are sufficient to safeguard against error, conflict of interest, self-dealing and fraud.
  4. Review supervisory committee follow-up and documentation of examination and external audit findings/recommendations.
  5. Complete the applicable AIREs questionnaires.