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March 24, 2006

Ms. Mary Rupp
Secretary of the Board
NCUA
1775 Duke Street
Alexandria, VA 22314-3428

Re: NCUA Advance Notice of Proposed Rulemaking: Supervisory Committee Audits

Dear Ms. Rupp:

On behalf of Visions FCU in Endicott, New York, I would like to respond to the questions posed in your recent notice concerning proposed changes on Supervisory Committee Audits.

Responses:

1) We do not believe that "attestation on internal controls" on any minimum asset size credit union is necessary or would be productive. A recent report to the Federal Reserve by the Thrift Institutions Advisory Council, of which I am a member, states that the banks and thrifts going through implementation of documentation and testing requirements "...feel that the costs of section 404 implementation significantly outweigh the benefits. In particular, the effort and expense resulting for additional certifications, documentation and testing requirements are not commensurate with the risks from operations." The attestation from management and the auditors being proposed by this regulation would only lead to the same need for additional documentation, testing, and cost resulting in very little benefit to the Credit Union. Management, staff and Internal Audit will have the entire responsibility to design, document and test controls only to result in the external auditors to come in afterwards reviewing whether things were done correctly.

2) & 3) We do not feel that any minimum asset size should be required to attest to Internal Controls for the same reasons documented in response number 1 listed above. If a minimum asset size must be listed, perhaps $50 billion in assets would be an appropriate size for both a natural person and corporate credit union.

4) If the rule is adopted, only the Income Statement and Statement of Financial Condition should be attested to by management and the auditor.

5) The same auditor should be allowed to perform the financial attestation audit and financial reporting. The reason for this would be to reduce expenses from what would already be an expensive regulation.

27

the "attestation on internal controls" is required for credit unions, it should be quired no more than every five years unless you receive a qualified report from ur CPA firm or a CAMEL rating of 4 or 5.

he "attestation on internal controls" is required for credit unions, the requiremer ould not become effective until 2010 in order to allow credit unions time to train aff up, and budget for the changes.

he "attestation on internal controls" is required for credit unions the AICPA's AT 1 for non-public companies should be used since this would be more appropria our ownership structure.

e believe that NCUA should mandate COSO's Internal Control – Integrated amework as the standard all credit union management must follow when ablishing, maintaining and assessing the effectiveness of the internal control ucture and procedures, since COSO is already established and proven and is a sy model to follow. Because of the varying size and uniqueness of credit union y should be allowed to choose their own assessment standards rather than ow the COSO framework.

ce credit unions are composed solely of Volunteers, Supervisory Committee mbers should not be required to have a minimum level of financial experience, matter the asset size. This would greatly hamper recruiting and the retention of unteers. Most if not all credit unions make educational plans and training ilable for new volunteers, and all credit union leagues make this training ilable.

pervisory Committee members should not be required to have their own legal nsel, regardless of the asset size of the credit union.

pervisory Committee members should be prohibited from being associated with large customer of the credit unions. There are many-checkpoints in existing ulations to prohibit insider problems. Now with commercial and indirect lending hose credit unions not using sound judgment, a regulation to prohibit a ervisory committee member not to be associated with any large customer of th dit union further emphasis makes sense. However, are there enough problems his type to require this erroneous regulation?

have stated in 10-12 above, if the restrictions suggested in the regulation were osed on credit unions, our Credit Union definitely would have more trouble uiting and finding good Supervisory Committee members

AICPA's independence standards are strict today. Many of the Thrifts noted in TIAC review mentioned above indicates audit firms are already dropping Thrifts ause of the complexity for small or medium size institutions.

15) & 16) Credit Unions with less than $ 500 million in assets should be allowed the option of both balance sheet audit and Supervisory Committee Guide Audit as listed in 715.7 (a) & (c) to keep expenses to a minimum.

17) & 18) Since the NCUA examiner reviews the audits and management letters, etc. when they do the exam, it is not necessary for audits or management letters to be sent to NCUA after being completed except for CAMEL 4 or CAMEL 5 credit unions.

19) If credit unions were required to forward audit reports to NCUA, they should be reviewed with the Supervisory Committee first to allow for any challenges, explanations, or clarifications.

20) The requirement of an audit report within 120 days is acceptable. No sanctions should be assessed against credit unions.

21) NCUA does not need to be notified that a credit union has entered into an agreement with an auditor or when an auditor resigns or is dismissed. This would serve no purpose.

22) If the Supervisory Committees are not given some flexibility in the auditor liability language in their engagement contracts, it will make the task on engaging an audit more difficult.

In conclusion, we do not feel that credit unions of any size should come under these additional requirements for attestation, nor should requirements for the education or experience levels of our Supervisory Committee members be mandated by regulation. To do either of these actions will, as has already happened in other thrift institutions, cause expense and inefficiency without improvement to the safety and soundness of the credit union system.

Sincerely,

Frank E. Berrish
President/CEO