

April 26, 2019

Gerard Poliquin, Secretary to the Board
National Credit Union Administration
1775 Duke Street
Alexandria VA 22314

RE: Supervisory Committee Audits and Verifications RIN 3133-AE91

Dear Secretary Poliquin:

Belco Community Credit Union (Belco) appreciates this opportunity to comment on proposed amendments to NCUA Regulation Part 715, Supervisory Committee Audits and Verifications. Belco has approximately \$614 million in assets and serves 66,000 members. Belco is a federally insured, state-chartered credit union. We look to Part 715 of the NCUA Rules and Regulations for additional guidance in satisfying audit requirements.

Overall, we support the changes detailed in the proposal. The Supervisory Committee audit alternatives proposed in section 715.7 and Appendix A provide credit unions that can undergo a supervisory committee audit additional flexibility in completing the audit. The criteria appear detailed enough to produce an adequate audit scope while reducing some compliance burden.

In section II of the background to the proposal, NCUA asks if the scope of Appendix A should include pay and benefits to employees and board members of the credit union. NCUA offers no additional context. There is no discussion of a safety and soundness issue. Under the Federal Credit Union Act, the board of directors sets the direction and control of the credit union. We view compensation and personnel policies as within the purview of the board. The reasonableness of salary and benefits can be demonstrated in the budget and business plan. Accordingly, we do not believe that pay and benefits should be included in Appendix A.

Section 715.9 of the proposal removes the 120-day time limit for delivery of the audit report. The engagement letter can specify the date of delivery. We support this change. It offers additional flexibility, enabling a longer time period if circumstances warrant.

We would be happy to address any questions raised by our comments.

Sincerely,
BELCO COMMUNITY CREDIT UNION

A handwritten signature in black ink, appearing to read "Samuel Glesner", written over a white background.

Samuel Glesner
SVP of Corporate Support