

## - Region 3 Meeting -

### **Meeting Date and Location:**

- September 18<sup>th</sup> through the 20<sup>th</sup>, 2013 at the Farm Lane Branch of Michigan State University FCU in East Lansing, MI.

### **Meeting Cost and Information:**

ACUIA Members \$199; Non-Members \$249, if registered before 9/4/2013 when registration increases by \$50.

- Includes breakfast Wednesday-Friday and lunch Wednesday-Thursday. Meeting starts each morning at 9 am and goes to 5 pm on Wednesday-Thursday and until noon on Friday.
- For registration information, go to [www.ACUIA.org](http://www.ACUIA.org).
- Questions or need more information? Contact the Region 3 Director, Dean Swenson. Email at [dcswenson@wingsfinancial.com](mailto:dcswenson@wingsfinancial.com) or phone at 952-997-8131.

### **Who Should Attend?**

- Internal Auditors, Supervisory Committee and Board Members, Compliance Officers, Risk Managers.

### **Session Details:**

#### **The Role of Internal Audit in ERM and Auditing the ERM Function**

##### ***Dean Rhone, CliftonLarsonAllen LLP***

As credit unions grow in asset size and complexity and face increased regulatory burden the need for implementing enterprise risk management (ERM) has increased. This session will look at the role of internal audit related to a credit union's development of an ERM function. The session will also cover the ongoing involvement of internal audit in ERM and key areas to address in completing an audit of the ERM function.

#### **Branch Operational Audits**

##### ***Bob Parks, Doeren Mayhew***

With limited resources in your budget, how much time do you spend each year on branch audits? How do you determine which branches to audit? How do you effectively audit your branches? We will discuss these and other issues related to developing and implementing an effective and efficient branch audit program.

#### **Lending Controls**

##### ***Dustin Birashk and Carrie Kennedy, MossAdams, LLP***

In the aftermath of what is often referred to as the "Great Recession," there has been a renewed focus on internal controls surrounding lending in the hope that we all can avoid the credit quality problems of the past. We will provide you with some insight into how to identify, implement, and test effective and efficient lending controls to ensure the credit union is managing the lending area in accordance with your policies and procedures.

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## Payment Fraud – Risks and Protection Strategies for your Members

**Randy Romes, CliftonLarsonAllen LLP**

There are two sides to the payment fraud equation: the credit unions side, and your member's side. Fraudsters are constantly evolving their means to attack both sides. As defensive measures improve attackers change tactics to evade them. In this session we will use statistics from global fraud and information security studies combined with our first-hand experience with risk assessment, audit, and incident handling and hacker forensic investigations to provide attendees with up to the minute trends in risk and attack activity, as well as key strategies to safeguard both the credit union, and its members.

Attendees will leave with:

- Clear strategies to mitigate payment fraud risks
- An outline for enhancing member information security awareness training

## Fraud Prevention and Detection

**Dustin Birashk and Carrie Kennedy, MossAdams, LLP**

Internal fraud is an unfortunate reality in financial institutions. Understanding some of the key trends and statistics surrounding internal fraud can help you in your role at your credit union. We will share information with you about these trends and statistics, along with some best practices used in defending against internal fraud.

## The Internal Auditor's Duties Outside of Auditing

**Dean Rhone, CliftonLarsonAllen LLP**

Completing internal audits within a credit union is the number one priority, however many of the challenges facing credit union internal audit departments occur outside of completing the internal audit work. This session will consist of an interactive discussion related to facing these challenges, which will include providing information to the supervisory committee, the role of internal audit in training the supervisory committee, best practices and the role of internal auditor in working external auditors and regulators.

## New Credit Loss Impairment Model – What it means for the ALLL

**Bob Parks, Doeren Mayhew**

Over the past several years, the Financial Accounting Standards Board (FASB) and International Accounting Standard Board (IASB) have been pressured to address current accounting guidance on the "Incurred Loss" (IL) model's inability to help prevent global economic crisis. This session will cover FASB's proposed new impairment model – the Current Expected Credit Loss (CECL) model. This model means big changes for how your credit union accounts for credit losses.

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## Ethics Update – Responsibilities, Independence and Emerging Topics

**Duane M. Reyhl, Andrews Hooper Pavlik, PLC**

This session provides a refresher of existing requirements and reviews new ethics, independence, and related standards and rules adopted by the AICPA and other standard setters and regulators. Other topics include independence under *Government Auditing Standards*, how to handle difficult situations, and how the internal audit function integrates with the AICPA independence requirements.

## Auditing, Accounting, Reporting and Other Issues Related to Problem Assets

**Dave Lawrence, Crowe Horwath LLP**

Higher volumes of problem assets during the past several years have required increased internal audit attention and present more complex accounting, reporting and regulatory issues that are not nearly as significant in better economic times. This session will cover a variety of current “hot” topics including identifying troubled debt restructurings (TDRs) and understanding the accounting and reporting implications of those loans, key audit risks related to Other Real Estate (ORE) including monitoring fair values, dealing with valuation allowances and the accounting/reporting complexities that can be present when ORE is disposed of and a review of best practices and regulatory initiatives related to the foreclosure process and how your credit union should interact with members to help reduce the risk of regulatory criticism.

## Compliance Training for Staff

**Kathy Enbom, Wipfli LLP**

Training staff on regulatory compliance topic is not only required by regulators, it is an important risk mitigant for every compliance program. But year after year you cover the same topics and meet the same blank stares from your audience. Just because compliance training is necessary it doesn't have to be a “necessary evil”. During this session we will discuss best practices for combining various training methods including web based, instructor led, and independent study to get the most out of your education time and budget. We'll review the training topics and frequency requirements to satisfy regulatory guidelines, but most importantly we'll share creative ideas for incorporating fun into your learning so staff will actually look forward to attending compliance training. You'll leave this session with practical ideas that can be used to revitalize your training program.

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## Site Information:



### Michigan State University FCU

Farm Lane Branch

4825 E. Mt Hope Road

East Lansing, MI 48823

The Farm Lane Branch is 12 miles from the Airport.

## Hotel Information:

The Hampton Inn & Suites East Lansing / Okemos  
1-866-307-9227

The Fairfield Inn by Marriott East Lansing  
1-866-599-6675

The Holiday Inn Express Lansing / Okemos  
1-866-280-5236

All hotels listed are within five miles of The Farm Lane Branch of MSU FCU and are under \$125.00 per expedia.com as of 6/17/13.

## Meeting Schedule:

Start	End		Wed	Thursday	Friday
8:00	8:45	Breakfast	Sponsored by CroweHorwath		Sponsored by MossAdams, LLP
8:45	9:00		Welcome - MSUFCU		
9:00	10:30		Problem Assets -CroweHorwath-	Compliance Training -Wipfli-	Lending Controls -MossAdams-
10:30	10:45	Break			
10:45	12:15		Branch Operational Audits -Doeren Mayhew-	Role of Audit in ERM -CliftonLarsonAllen-	Fraud Prevention -MossAdams-
12:15	1:00	Lunch	Sponsored by Doeren Mayhew		Sponsored by CliftonLarsonAllen
1:00	2:30		New Credit Impairment Model -Doeren Mayhew-	Internal Auditor Duties -CliftonLarsonAllen-	
2:30	3:00	break			
3:00	4:30		Ethics Update -Andrews Hooper Pavlik-	Payment Fraud -CliftonLarsonAllen-	

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