

## Forging New Opportunities

***Internal Auditing** - is a catalyst for improving an organization's governance, risk management and management controls by providing insight and recommendations based on analyses and assessments of data and business processes.*



1727 King Street Suite 300  
Alexandria, VA 22314  
P 703.688.2284 | f 703.348.7602  
[www.ACUIA.org](http://www.ACUIA.org)

Connect:



# 2016 Annual Report



## Message from Chairman & Executive Director

2016 proved to be a watershed year for the ACUIA with a wealth of activities and events. We are pleased to report that ACUIA has continued to make significant strides in strengthening our own financial position and long term stability.

This continued growth and stability has increased our presence and influence to profession and beyond. As internal audit professionals' role and responsibilities continue to expand, reaching into risk management, compliance and IT cyber-security, we are actively working to further develop our resources to meet the increasing needs of members working in these areas.

### ANNUAL CONFERENCE & ONE DAY SEMINAR

In June we marked our 26<sup>th</sup> anniversary with a capacity crowd at our annual conference and one day seminar in Reno. Hosted once again by Emmy Award® winning entertainer Todd Newton, this event brought together long time members to lead and inspire the next generation of up and coming members.

### ADVOCACY

In November, as part of our annual strategic planning meeting, we had the privilege of meeting with then NCUA Chairman Rick Metsger. We discussed issues faced by credit unions including Field of Membership reform, small credit union examinations and cyber-security. We also met with NCUA Examination & Insurance director Larry Fazio for a candid discussion of upcoming changes to the exam platform and movement towards remote examinations. ACUIA will continue to keep an active and open line of communication with NCUA and will stay vigilant in our efforts to remain informed of changes to the regulatory landscape.

### CERTIFICATION PROGRAM

Education has always been a major focus of our association - the annual conference and one day seminar traditionally serves as the prime focal point of training opportunities. After several months of discussions, we finalized a partnership with CUNA to jointly launch the Certified Credit Union Internal Audit (CCUIA) program. The first school, held in October 2016, sold out within 45 days and was acknowledged as a resounding success. The second school held in March of 2017 once again sold out with a growing waiting list for a the third school scheduled for September 2017. We have far surpassed our initial goals and objectives as we make a significant impact on the quality of educational resources available for our profession.

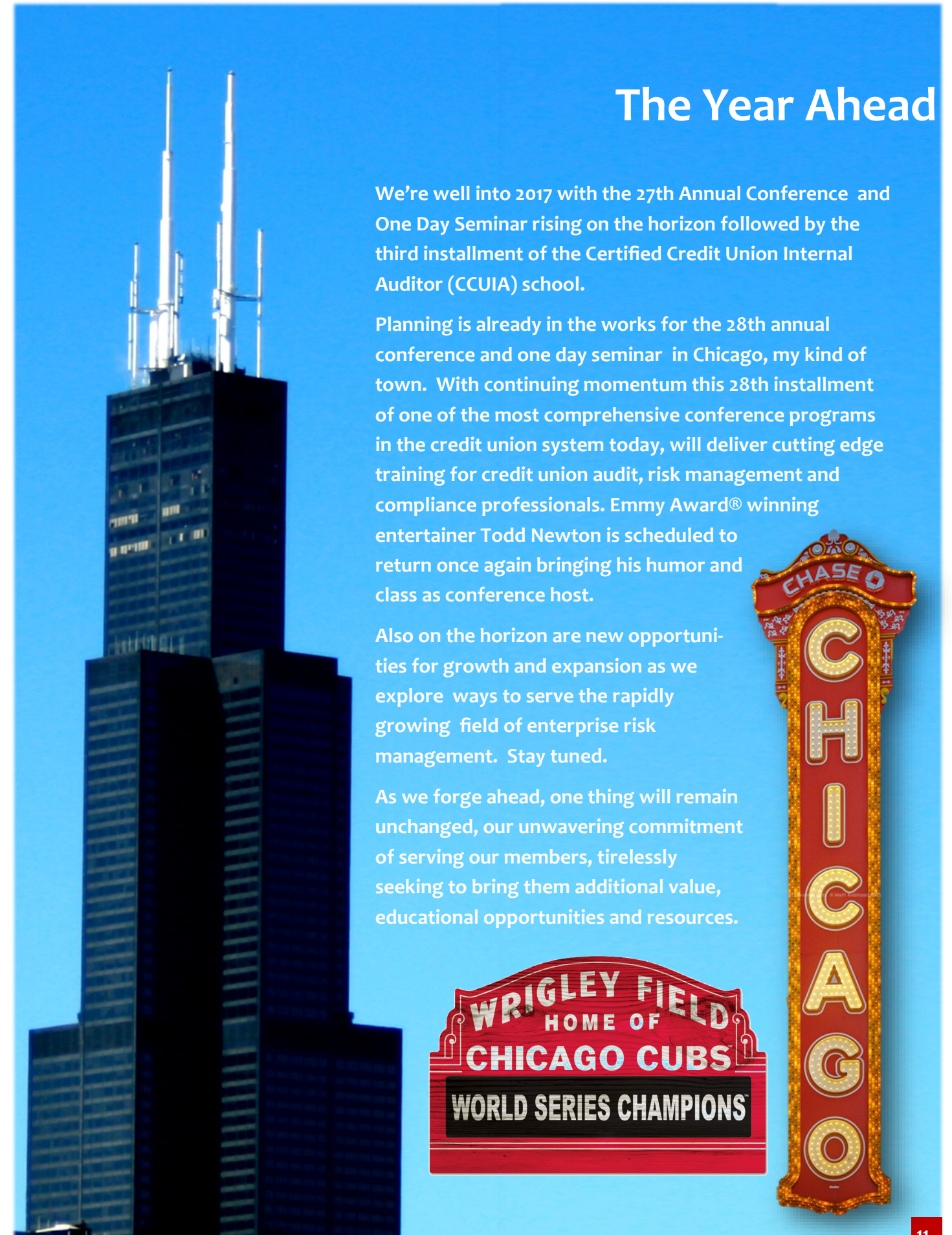
## The Year Ahead

We're well into 2017 with the 27th Annual Conference and One Day Seminar rising on the horizon followed by the third installment of the Certified Credit Union Internal Auditor (CCUIA) school.

Planning is already in the works for the 28th annual conference and one day seminar in Chicago, my kind of town. With continuing momentum this 28th installment of one of the most comprehensive conference programs in the credit union system today, will deliver cutting edge training for credit union audit, risk management and compliance professionals. Emmy Award® winning entertainer Todd Newton is scheduled to return once again bringing his humor and class as conference host.

Also on the horizon are new opportunities for growth and expansion as we explore ways to serve the rapidly growing field of enterprise risk management. Stay tuned.

As we forge ahead, one thing will remain unchanged, our unwavering commitment of serving our members, tirelessly seeking to bring them additional value, educational opportunities and resources.





# Internal Audit

## Certification Program

Training and professional development are an increasingly essential part of an Internal Auditors’ professional growth and an integral part of ACUA’s mission. Working together with CUNA, the ACUIA board led by Chair John Gallagher, developed and launched the **Certified Credit Union Internal Auditor (CCUIA) training school** and designation to offer a more comprehensive educational approach to professional development within the credit union internal audit profession.

As credit unions grow increasingly complex and regulated, a strong approach to internal auditing is essential. Internal auditors play a vital role in helping credit unions balance efficiency, compliance, risk and growth.

As testament to this educational need, the inaugural school in October of 2016, sold out in less than thirty day with capacity attendance. A resounding success, the second school scheduled for March of 2017 sold out just as quickly with over 80 students in attendance. Reviews continue to be strong and the third school—already near sell-out—is scheduled for September of 2017.



ACUIA - CUNA CCUIA CLASS - SPRING 2017

Our Board has had an active and engaging year as well. We are fortunate to have dedicated board members who give generously of their time and expertise.

In July we welcomed Doug Wright as the newest member of our board. Doug served previously as an associate board member; it’s a pleasure to have him a full-fledged board member.

With the dedication and commitment of both our staff and board, we have a solid foundation upon which to continue building.



### LOOKING AHEAD

As we forge ahead into 2017, we are focused on three key strategic functional areas:

Certification	Develop and maintain education standards for future professionals who are competent and ethical
Member Value	Supporting members by providing tools, resources and networking opportunities to be leading, highly effective professionals
Standards & Advocacy	Actively work to shape a more fluid industry dialogue to create standards in the best interests of all

No one is more important than our members. We aim to continue improving the value we bring to our members to help them become the best professionals possible. Our focus will be on expanding member resources as well as extending our reach and support to risk management, compliance and supervisory committee professionals. To ensure strong growth we must move to include these rapidly expanding areas of our profession. Finally, we will be working to become a more vocal advocate for our members.

In closing, we want to extend a sincere THANK YOU to all our volunteers who serve in a variety of capacities throughout the association. Without you, we couldn’t begin to achieve our goals.

Sincerely,

  
John Gallagher  
Board Chairman

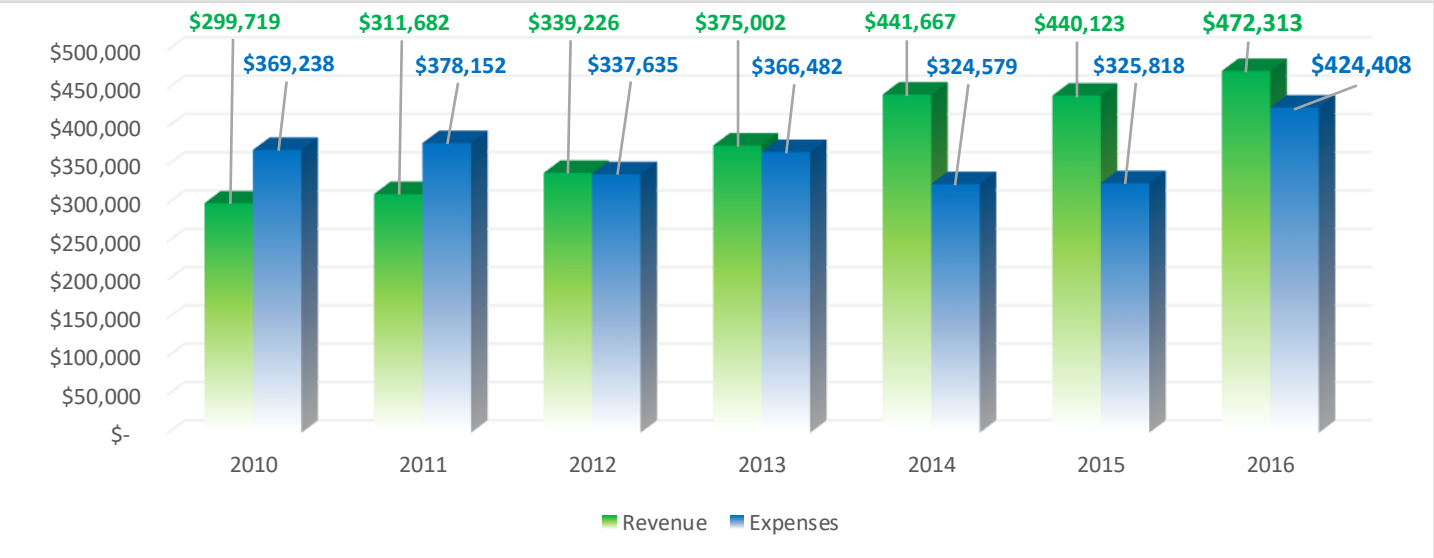
  
Geoff Bacino  
Executive Director



# 2016 Financial Position

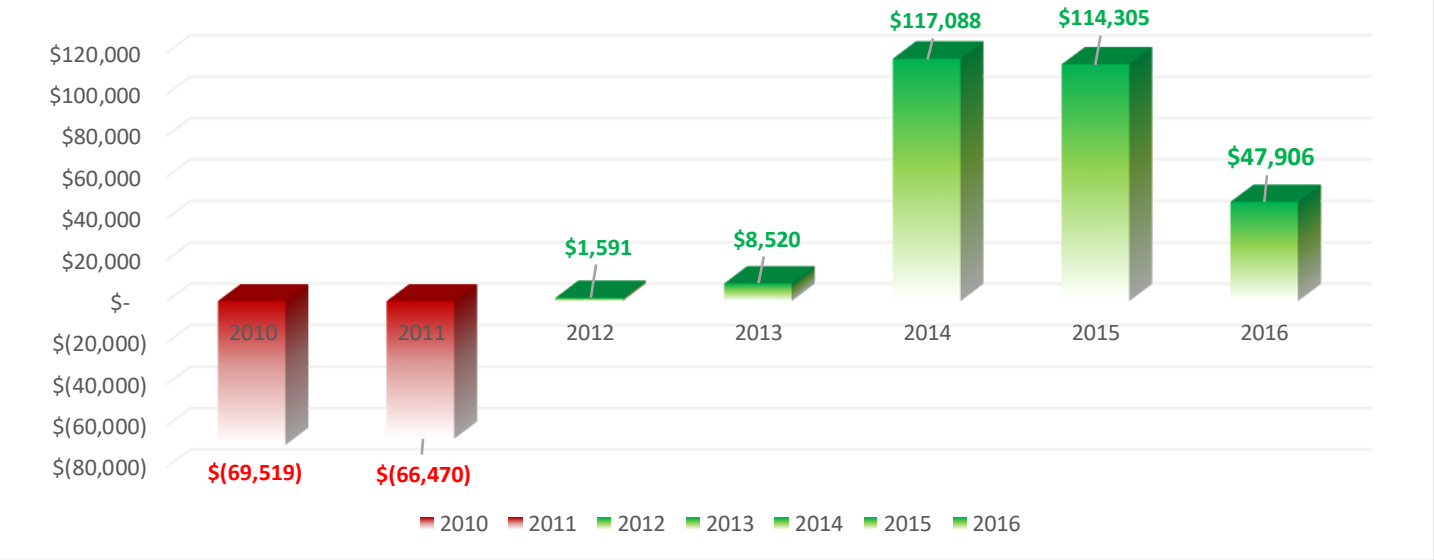
Once again ACUIA finished the year in a strong financial position. Through steady growth and a more solid financial foundation; ACUIA continues to meet the needs of our membership. With increased revenue, the board authorized several initiatives in infrastructure and member resources. During 2016, investments were made to enhance user features, accessibility and security of the website platform ensuring a more robust and accessible web presence.

## REVENUE AND EXPENSES



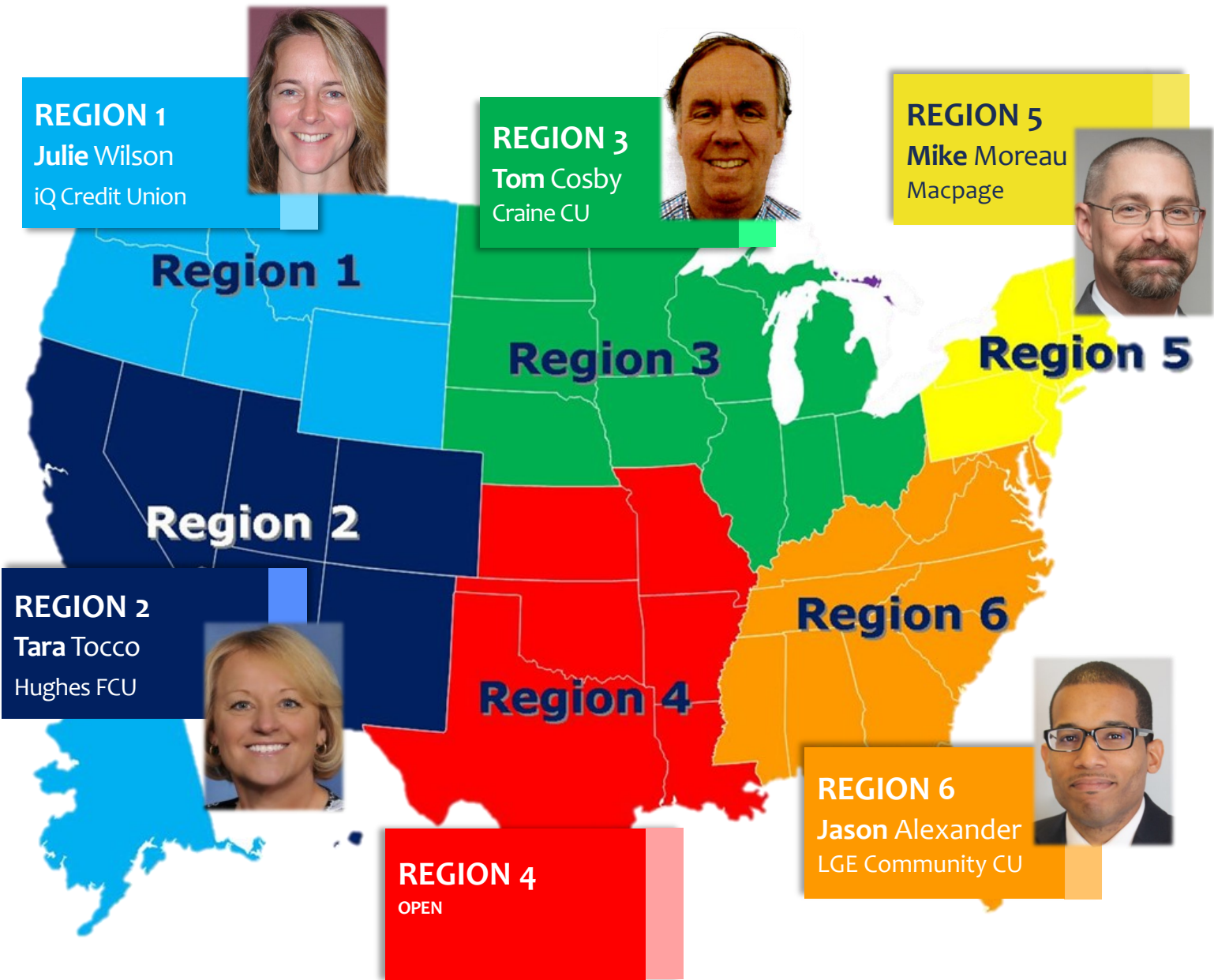
To better meet the needs and requests of members, the board unanimously approved restarting the print edition of the **Audit Report** magazine. Available to all active members, the print edition offers distribution opportunities “for those who want to take ACUIA along with them”.

## NET INCOME



# Regional Directors

ACUIA’s Regional Directors are committed to ensuring membership value is maximized within the six ACUIA US geographic regions. One of the directors’ primary functions is to plan and coordinate an annual regional meeting held within their region. Additionally, directors encourage cooperative relationships among members to facilitate the exchange of information and ideas along with promoting ACUIA and the credit union internal audit profession. One other key function is the development of local Chapter Coordinators within their regions to extend ACUIA’s reach at the ‘grassroots’ local IA community. In 2016, the Regional Directors under the leadership of board liaison Bobby Nichols collectively developed nine new local chapter coordinators—an ACUIA record. This expansion helps ensure strong future member growth of ACUIA



# Leadership

## 2017 Board

**CHAIR**  
**John** Gallagher  
SEFCU



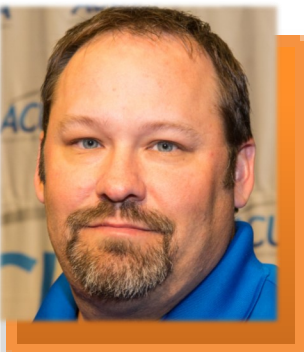
**VICE CHAIR**  
**Margaret** Chamberlain  
OneAZ CU



**TREASURER**  
**Barry** Lucas  
DESCO CU



**SECRETARY**  
**Dean** Swenson  
Wings Financial CU



**DIRECTOR**  
**Jill** Meznarich  
Schools First FCU



**DIRECTOR**  
**Bobby** Nichols  
SECU



**DIRECTER**  
**Doug** Wright  
BCU



The ACUIA Board of Directors is the governing body of the association elected by active members to serve a three year term.

ACUIA is fortunate to have these dedicated men and women who generously share their time and expertise to provide leadership and guidance ensuring clear direction and a stable future.

# Statement of

## Financial Position

### ASSETS

	Dec. 31, 2016	Dec. 31, 2015
Current Assets		
Checking/Savings		
Cash		
Cash - CD Account	\$ 100,740	\$ 0
Cash - Operating	166,581	259,641
Cash - Savings	<u>5</u>	<u>5</u>
<b>Total Cash</b>	<b>267,326</b>	<b>259,346</b>
Total Checking/Savings	267,326	259,646
Other Current Assets		
Receivables	11,656	0
Prepaid expenses	<u>10,250</u>	<u>0</u>
Total Other Current Assets	<u>21,906</u>	<u>0</u>
<b>Total Assets</b>	<b>289,232</b>	<b>259,646</b>

### LIABILITIES & EQUITY

Current Liabilities		
Other Current Liabilities		
Accounts Payable	18,328	1,436
Deferred Revenue	18,000	19,251
Total Other Current Liabilities	36,328	20,687
Total Current Liabilities	36,328	20,687
<b>Total Liabilities</b>	<b>36,328</b>	<b>20,687</b>
Equity		
Retained earnings	238,959	191,053
Net Income	<u>13,945</u>	<u>47,906</u>
<b>Total Equity</b>	<b>252,904</b>	<b>238,959</b>
<b>Total Liabilities &amp; Equity</b>	<b>289,232</b>	<b>259,646</b>



# Member Benefits

Professional Development & Continuing Professional Education are a key member benefit. ACUIA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. Most, if not all, of the programs offered by ACUIA provide a forum for CPE credits to be awarded.



**In 2016 ACUIA issued over 3,600 CPE credits to Members.**

## Member Forum

One of the major technological updates during the year addressed accessibility of the ACUIA Member Forum. New topics now appear on the website homepage in real-time allowing active users to easily monitor and seamlessly enter the discussion.

The forum provides a venue for ACUIA members to come together to discuss audit, compliance, policy and procedure issues, as well as regulatory standards. Many ACUIA members cite the interaction the forum offers as one of the primary benefits of membership while allowing the opportunity to leverage IA resources.

## Webinars

As another way to maximize member value, ACUIA includes complementary webinars as a benefit of annual member dues. Held throughout the year, webinars are presented by industry experts on a wide variety of topics.



## Audit Report Magazine

The **Audit Report** magazine is the official, quarterly publication of ACUIA and is an exclusive benefit for all active members.



Widely read and circulated in credit unions across the country, the board made the decision to bring back the print edition of the magazine to better meet the and desires of members.



The magazine just completed it's 25th consecutive year of publication, making it the longest-running journal for credit union audit professionals in the credit union movement.

# Annual Awards and Recognition

Each year, ACUIA recognizes outstanding Internal Audit professionals and presents several awards during a special awards ceremony held during the Annual Meeting, at the Annual Conference & One-Day Seminar.

## 2016 Award Recipients

**Terry McEachern**  
Internal Auditor of the Year Award

**Jill Meznarich**  
Schools First FCU



**Randy Manscill**  
Excellence in Service Award

**Doug Wright**  
BCU



**Pat Richey Best**  
Article of the Year Award

**Barry Lucas**  
DESCO FCU



**Credit Union**  
Best Practice Award

1<sup>st</sup> Place

**Wings Financial**  
"Audit Risk Assessments"

2<sup>nd</sup> Place

**BayPort Credit Union**  
"Audit Plan Dashboard"

3<sup>rd</sup> Place

**Royal Credit Union**  
"Audit Services in Year End Review"