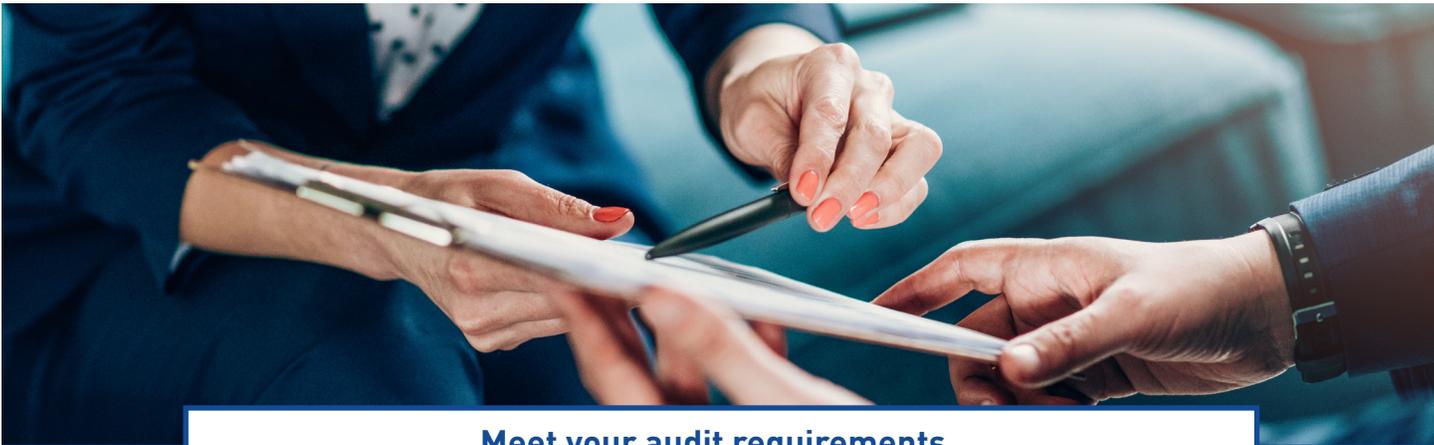




# COMPLIANCE & AUDIT SERVICES

TWO NEEDS — ONE TRUSTED SOURCE



## Meet your audit requirements.

### SUPERVISORY COMMITTEE AUDIT REVIEW (SCAR) (REQUIRED ANNUALLY)

Encompasses an in-depth examination of your credit union's balance sheet. The contracted scope of the engagement will satisfy the requirements of a complete SCAR review as set forth in the NCUA Rules and Regulations, section 715.7(c). The review is designed to provide reasonable assurance of detecting material errors and/or irregularities in the financial statements.

### BSA/CIP/OFAC COMPLIANCE REVIEW

The BSA/CIP/OFAC Compliance Review assesses the credit union's system of internal controls and procedures that maintain ongoing compliance in accordance with the financial recordkeeping and reporting requirements of the Bank Secrecy Act, 31 C.F.R. Part 103. The Bank Secrecy Act is a combination of various statutes that require credit unions to retain certain transactional records, as well as report certain financial transactions to the Federal Government.

### ACH AUDIT (REQUIRED ANNUALLY)

An ACH Compliance Review conducted in accordance with appendix eight of the ACH Rules for all credit unions offering ACH services. The review is required to be performed annually by December 31.

### SAFE ACT AUDIT (REQUIRED ANNUALLY)

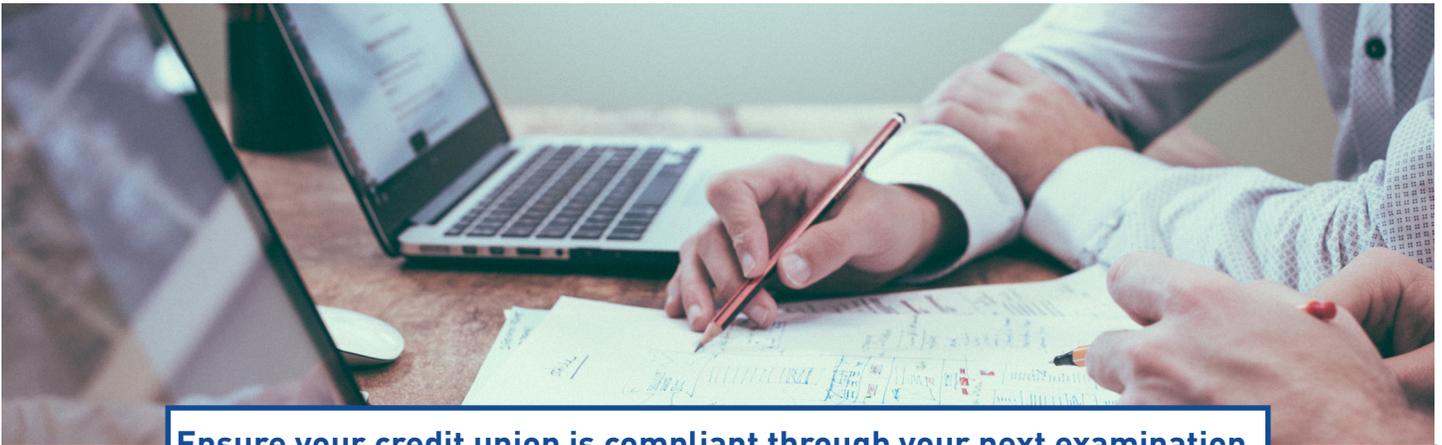
The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 established a mandated nationwide licensing and registration system for residential mortgage loan originators. The SAFE Act review is conducted in accordance with SAFE Act Examination Guidelines to monitor and ensure mortgage loan originators are properly licensed and registered in the states where they are doing business, and that the credit union has proper policies in place appropriate to the size and complexity of the institutions mortgage activities. The SAFE Act review is normally conducted at the same time the SCAR audit is performed.

### OTHER AUDIT SERVICES

- Member Account Verification
- Vendor Management Review
- DOR Assistance
- Specialty Audits as requested



For additional information please contact Kim Zelna at [kzelna@CrossState.org](mailto:kzelna@CrossState.org) or 717-839-2235.



## Ensure your credit union is compliant through your next examination.

### INTERNAL OPERATIONS REVIEW (SUPERVISORY COMMITTEE ASSISTANCE)

Changes in regulations, operating procedures, and employee turnover can weaken a strong internal control environment. Let us help you maintain and strengthen your operations!

Internal Operations Reviews are designed to perform the procedures necessary to maintain a

sound internal control environment and to evaluate internal processes in order to strengthen the operations of your credit union. The reviews are generally one to four days per quarter and can be customized to your credit union's needs. The reviews are performed by audit professionals with years of internal auditing experience.

#### *Internal Operational Reviews (IOR) = Supervisory Committee Duties which includes, but is not limited to:*

- Sending negative confirmation letters for new or closed accounts, or new loans and credit cards (could be a sample or all of them)
- New loan file review (sample determined by credit union/supervisory committee (percentage)
- Review of insider accounts (Board, Supervisory Committee, and all employees)
- Meeting with the Supervisory Committee (training, answering questions, discussing findings for visit)
- Review of reactivated dormant accounts, dormant accounts report, and escheated accounts
- Review of File Maintenance reports (Share and loan, supervisor overrides, etc.)
- Review of Corporate Credit Card statements – tracing to receipts, general ledger postings, etc.
- Random Cash counts of teller drawers and/or vaults
- Review of Negative accounts report – reviewing accounts, verifying policy compliance
- Review of Below Par report
- Review of ALLL methodology and general ledger posting of charge-offs and recoveries
- Review of Board of Director Meeting minutes
- BSA Audit, ACH Audit, or SAFE Act Audit (Can be included in a 3 or 4 day/quarter Engagement)
- Completion or review of ACH, BSA/OFAC Risk assessments
- Review of New Accounts – compare documentation to membership card, membership eligibility, etc.
- Review of Corporate Credit Union, Bank and/or Federal Reserve Bank reconciliations
- Review of Investments – trace board reports to balance sheet, compare board reports to broker statements and/or safekeeping receipts
- Review of Credit card reports (cardholder journal, stolen/blocked cards reports, offer profitability report, and executive report)
- Review of Paid Ahead Loans report
- Review of delinquency report
- Following up on NCUA/Department of Banking examination report exceptions
- Following up on previous Annual review exceptions
- Review of Bad Address and No mail report
- Board of Director Financial Literacy training
- Review of Employee Vacation Schedule
- Review of Active out of state member accounts
- Review of Liabilities section of balance sheet
- Review of Income and Expense general ledger accounts
- Wire Transfer Reviews
- Call Report Training
- Branch Audits



**Kim Zelna,**  
CPA, CUCE, BSACS  
*VP, Compliance and  
Audit Services*

Kim has been with CrossState Credit Union Association for the past five years, overseeing the compliance and audit departments. Before joining CrossState, Kim served as the CEO of P&G Mehoopany Employees FCU for five years, and served as CFO prior to that. She possesses a Bachelor's Degree in accounting from Mansfield University and is a Certified Public Accountant.



**Donna Pancoast, CUCE,**  
BSACS  
*Manager, Compliance  
Services*

Donna has worked with the CrossState team for 11 years. In all, she has over 30 years of experience in the financial services industry and 20 years in Compliance and Operations. Donna has a degree in International Business (French) from Holy Family University and has completed the Public Speaking program from Dale Carnegie Institute.



**Greg Westwood,**  
AAP, BSACS, CCUIA  
*Manager,  
Audit Services*

Greg has delivered on CrossState's Audit Services for 11 years, with his expertise culminating in a promotion to Senior Auditor, then Audit Services Manager in 2014. Greg earned a BS in Accounting from Penn State University and is currently pursuing his Master's in Accounting from Northcentral University.



**Lonnie Leh,**  
CPA, CFSA, CRP  
*Sr. Audit  
Consultant,  
Audit Services*

Lonnie has been with the association for five years. Lonnie has thirty years of banking experience in the Accounting and Auditing fields.



**Jim Hancox,**  
BSACS  
*Senior Auditor,  
Audit Services*

Jim has been with the association for three years. Prior to that, he served in the U.S. Army for 22 years, where he earned numerous awards. Jim is a member of the Institute of Internal Auditors.



**Erika Church**  
*Auditor,  
Audit Services*

The newest member to join CrossState's Audit Services team, Erika hopped aboard in 2020 with a rich financial background. Possessing a Bachelor's in Accounting from Virginia State University, and a Master's in Finance from Lincoln University, she previously worked with Wells Fargo and BNY Mellon.



**Dana Fischer,**  
BSACS  
*Auditor, Audit  
Services*

Prior to Dana's addition to CrossState's auditing team in 2018, she worked at PG&W FCU, followed by Penn East FCU. Dana earned a BS in Business Administration from Widener University.



**Joanne Broderick,**  
CUCE, BSACS, CUBLP  
*Compliance Consultant,  
Compliance Services*

Joanne has been with CrossState Credit Union Association for 11 years. She has been in the financial services industry for 28 years, including seven spent as a compliance officer.



**Sabrina Forano,**  
MBA, CUCE, BSACS  
*Compliance Consultant,  
Compliance Services*

Sabrina has been with CrossState since 2011 after working in credit unions for more than 10 years. She earned a BA in Psychology from Montclair State University and an MBA in Management with a Business Ethics Certificate, both from Loyola University Chicago.



**Justin Rosenberg,**  
J.D., BSACS  
*Compliance Consultant,  
Compliance Services*

Justin joined CrossState's Compliance team shortly after graduating from Widener University Law School in May of 2019, where he earned his Juris Doctor degree. He earned his bachelor's from East Carolina University, and previously worked in the PA Department of Revenue.



For additional information please contact Kim Zelna at [kzelna@CrossState.org](mailto:kzelna@CrossState.org) or 717-839-2235.