

NACUSAC News Spring 2011

Article #1

Lessons from Japan: Why Disaster Recovery is Everyone's Business

The catastrophic earthquake, tsunami and breakdown of one of Japan's nuclear plants has held the attention of the world as its citizens face the country's worst natural disaster in modern history. Even if you knew little about Japanese culture, you quickly learned from watching and reading news reports that they possess two qualities which most likely helped prevent a greater number of casualties--grace under pressure and the ability to maintain order in a critical situation. While it is impossible to prepare for every possible outcome of a disaster, there are important lessons that can be learned from these events.

Less than a month after the earthquake in Japan, NACUSAC held a phone seminar for supervisory committees on disaster recovery. Seminar presenter, Brian Pye, who is a manager with LarsonAllen, discussed the key elements of an effective disaster recovery plan, as well as how to identify and mitigate weaknesses in a plan.

Begin with a Solid Foundation

Preparing for any type of disaster requires a multi-faceted approach. With so many areas to consider in disaster planning, it can be difficult to know where to begin. The first step involves good governance. Boards and committees are ultimately responsible for developing policies that support ongoing disaster recovery planning.

Communicate, Train...And Don't Stop

Pye noted how even the best plan can fail when there is a lack of communication. Everyone at your credit union needs to have a clear idea of their responsibilities during a disaster. He advised credit unions to assign responsibilities by position or title rather than by name to account for key staff attrition. He also noted that inadequate training undermines the effectiveness of a good plan and advised credit unions to train employees on an ongoing basis, not only on their first day.

Use Risk Assessment to Prioritize

There is no one-size-fits-all disaster plan. However, there are basic areas that all credit unions should address. For example, Pye pointed out, "Risk assessment encourages a credit union to dedicate its recovery plan and resources to the most likely forms of disaster by priority, rather than treating all risks equally." This involves identifying types of disaster events, then ranking them by criticality, probability and duration.

Consider Commonly Overlooked Areas

An area many credit unions neglect in disaster recovery planning is compliance of third-party service providers. Any agreement the credit union enters into should contain some verbiage that outlines areas vendors are responsible for during a disaster. These contracts and agreements must be routinely evaluated and updated on an ongoing basis.

If you missed NACUSAC's highly-rated seminar on disaster recovery, an audio-CD recording is available for purchase. For details go to www.nacusac.org.

Article #2

Three Incumbent Directors Run for Re-Election to NACUSAC Board

On June 10, three directors are expected to be re-elected by an acclamation vote during NACUSAC's 2011 Annual Business Meeting in Seattle. Here are brief biographies for each:

Robert T. Butler

Butler's volunteer service with PrimeWay Federal Credit Union of Texas spans four decades. He began as a member of the supervisory committee in 1971. He was elected to the board of directors in 1977, where he served as board chairman for a number of years. He eventually returned to the supervisory committee where he currently serves as chairman. His contribution as a volunteer also includes the positions of past president of the Texas Telephone Credit Union Association and past chairman of the Information Technologies Credit Union Association. Butler, a decorated U.S. Army veteran of Vietnam, had a 31-year career with Southwestern Bell prior to his retirement.

Maureen McCabe

Since 1999, McCabe has been a supervisory committee member of Fairwinds Credit Union, a billion dollar plus credit union, considered one of the top ten financial institutions in the Orlando area. Her other credit union service has included membership on the Oversight Committee, as well as membership on the Building Facilities Committee, the committee centered around the construction of the credit union's Administration Building. She is a broker with Coldwell Banker Residential Real Estate in Winter Springs, Florida. Her community service includes judging of the Parade of Homes.

Tom Suter

Tom Suter has been chairman of Wescom Credit Union's Supervisory Committee since 1994. He began his volunteer work with the California-based credit union in 1983 when he served on the credit committee. Suter had a 38-year career with Pacific Telephone/Pacific Bell, where he began as a transmission man and worked his way through a variety of positions including central office space planner and senior power technology consultant. Suter continues to work as a consultant. A dedicated volunteer, Suter has completed most of the volunteer achievement modules offer by CUNA's Center for Professional Development.

Article #3

NACUSAC Associate Members Recognized

NACUSAC's Associate Members provide a wide range of services to credit unions--including auditing, accounting, compliance, and IT security consulting. "We are fortunate to have a core group of auditors and consultants who understand the credit union difference and can address our specific needs," commented Bob Butler, NACUSAC Chairman and Supervisory Committee Chairman of PrimeWay Federal Credit Union. "By contributing their knowledge and expertise during NACUSAC's conferences and seminars, they help us as volunteers become better at what we do."

NACUSAC would like to give special recognition to the following firms:

Affiliated more than 10 years:

Cindrich, Mahalak & Co., P.C.
The Curchin Group
Doeren Mayhew
Orth, Chakler, Murnane & Co., CPAs
Richards & Associates

Affiliated more than five years:

Crowe Horwath
Digital Defense, Inc.
LarsonAllen LLP
McGladrey

Newly affiliated:

BDO USA
Firley, Moran, Freer & Eassa, PC
Moss Adams LLP
Plante & Moran PLLC
Rebowe & Company
Reinsel Kuntz Leshner LLP
Turner, Warren, Hwang & Conrad AC

Many of these firms will be speaking on the program and/or hosting a Resource Center booth during NACUSAC's 2011 Annual Conference in Seattle, June 8-11. For a directory of these firms on NACUSAC's website, [click here](#).

Article #4

NACUSAC Newsbriefs

Nominate a colleague for Golden Service Award

Do you know someone who has been an outstanding credit union supervisory or auditing committee member? Consider nominating them for [NACUSAC's Golden Service Award](#). The award will be presented at the [2011 Annual Conference](#) in Seattle this June. To submit your nomination simply send an email to celeste@nacusac.org detailing the accomplishments and achievements of the NACUSAC member you are recommending for the award. Nominations must be submitted than April 29, 2011.

2011 Dues Reminder

Dues statements were mailed to members in mid December along with a courtesy copy to the internal audit contact. If you missed the first invoice a reminder was sent last week. The reasonable dues rate covers the entire supervisory committee and internal audit staff. Has any of your committee's contact information changed recently? Now is a good time to email your changes to nacusac@nacusac.org.

New Associate Member Joins

[Firley, Moran, Freer and Eassa](#) is the most recent auditing firm to become an associate member of NACUSAC. Located in Central New York, they have one of the largest, most diverse credit union

practices in the state. To see a list of the full range of the services they provide credit unions, visit their [online credit union page](#).

Last Call for Golden Service Award Nominations

Do you know someone who has been an outstanding credit union supervisory or auditing committee member? Consider nominating them for [NACUSAC's Golden Service Award](#). The award will be presented at the [2011 Annual Conference](#) in Seattle this June. To submit your nomination simply send an email to celeste@nacusac.org detailing the accomplishments and achievements of the NACUSAC member you are recommending for the award. Nominations must be submitted than April 29, 2011.

NACUSAC Welcomes Three New Members!

Coastline Federal Credit Union (Jacksonville, FL)

Committee Members: Joseph Fitzmayer (Chairman), Kathy Coleman, Martha Rosenbaum, William Dixon III, Thomas N. Whitelaw, Joe McMahan

Complex Community Federal Credit Union (Odessa, TX)

Committee Members: Gene Fisher (Chairman), Dale Cole, Jack Westerfeldt, Jr., Juan M. Alcantar, Eric Easley

Moss Adams LLP (Spokane, WA)

NACUSAC Events Calendar

May 12, 2011

[NACUSAC's Spring Phone Seminar](#)

May 16, 2011

NACUSAC Conference Hotel Reservation Deadline

June 8-11, 2011

[NACUSAC's 2011 Annual Conference & Expo](#)

Fairmont Olympic Hotel, Seattle, WA