

**Kent Savers Credit Union: Eleventh Annual General Meeting**  
Virtual Meeting hosted by the Association of British Credit Unions (ABCUL)  
5:30 pm Wednesday 20<sup>th</sup> April 2022

AGM has been recorded and can be accessed via the link below along with the full statements and statutory accounts:

<https://www.kentsavers.co.uk/about/agm/>

**1. Apologies for absence**

*Apologies:* Chris Goulding

*Panel Attendees:* Adam Male, Lucy Swannell, Stephen Sidebottom, Gavin Richards, Muhitur Rahman,

*Member Attendees:* Tina Scrivens, Kay Murphy, Kathy Cox, Karen Richardson, John Stokes, Bridget Shone, Elizabeth Mincer, Rosie Grgurevic, Mary Anum, Rebecca Atkinson, Alberto Martellini, Fiona McDonald, Paul Bartlett, Samantha Bagnal, Mojisola Bamiwuye, Mary Oparaocha

**2. Minutes of 2021 AGM, matters arising**

Full reports and recording of 2021 AGM available on KSCU website

*Poll 1 Acceptance of Minutes*

Voting 86% Accepted 58% Abstain: 42%

**3. Chair's statement – Stephen Sidebottom** (*refer to Appendix 1 for full statement*)

Focused on steering CU through difficult times. Our lending business is weighted to those that have experienced financial impact due to pandemic and we continue to contact members and doing what we can to put appropriate support in place. SS thanked GR for all his work as treasurer and advised that he will be stepping down as Treasurer at end of the year. SS introduced Adam Male who will be appointed CEO upon regulatory approval, following previous CEO, Catherine Parker who left in Summer 2021. Kent Savers remains committed to fair loans, safe savings, and the long-term benefits of membership.

**4. Business development report – Adam Male** (*refer to Appendix 2 for full statement*)

Impact from Covid19 pandemic still being felt on the credit union. Seeing an increase in membership with focus on smaller emergency loans to young families against child benefit. Working to build new support networks and try to reach more people especially those with no access financial products. Working closely with Maidstone Council and others to understand the impact of loan sharks. CUs are overlooked as key replacements to these loan sharks. Key focus to expand reach & exposure of KS by partner outreach program to reach out to those who need our product but don't know we exist. Housing Associations prime example as 17% of social renters live without essential items such as fridge or cooker. Looking to introduce financial training to HA staff to be able to identify key points and refer individuals to KS before they make decisions to use loan sharks or high interest options. New website complements increased social media campaigns and weekly newsletter. AM congratulated Mary Anum on her promotion to Financial and Operational Director and welcomed

new member of staff focusing on credit control. AM thanked KS team for continued support in running the CU and the board for supporting independence and being open to receiving feedback.

**5. Treasurer's report – Gavin Richards** (refer to Appendix 3 for full statement)

GR advised this his third & final report and pleased to report on continued improved financial situation and return to profitability with surplus of £20k. Continuing to receive grants and donations from local authorities and donations from members. Continue to see increase in demand but still below pre-pandemic performance. Capital ratio 12.59% which is significantly above 3% required by regulators. Cost of living crisis especially cost of energy will mean current year challenging and more customers struggling with meeting payments, so we expect further loss for remainder of this year. GR advised had considered issuing a dividend but as surplus only achieved from grants and donations, it was felt to not be appropriate to issue a dividend. GR thanks Mary Anum for leading on the year end reporting.

Poll 2 Approval of Statutory accounts

Voting 86% Accepted 100%

**6. Supervisory committee report - Muhitur Rahman** (refer to Appendix 4 for full statement)

MR explained that the supervisory committee works on behalf of the CU members to ensure the CU is operating appropriately. The SC should have 3 members, however since the previous SC chair left in Sep21 it has been operating with 2 members and has been able to meet objectives. Recruitment is underway for additional members. The SC has been able to attend every board meeting and has completed 7 internal audits. Focus for remainder of the year is to strengthen the committee to increase capability and succession for the future.

**7. Questions from members**

No questions were put forward by the members, but one comment was received:

(Tina Scrivens) "I know it's not a question, I just wanted to say it is a brilliant idea to help families and would like to say thank you, when I took out the loan it really did help a lot".

**8. Motions:**

Board members are not able to vote on-line so have pre-voted and accepted the motions

- a) This AGM permits the Board to declare interim dividends and to establish differentiated dividend rates as it sees fit

Voting 86% Approved 92% Abstain 0% No 8%

- b) This AGM agrees to the payment of a zero dividend for 2021-2022 as recommended by the Board of Directors

Voting 86% Approved 100%

**9. Any other business**

No other business was raised and the Chair thanked members for attending and closed AGM at 18:07.

## Appendix 1 - Chair's statement – April 2022

I am focused, along with the Board, on steering Kent Savers through these challenging times, delivering value to our members, and contributing to the financial resilience of our community.

Our lending business is weighted towards people who have experienced severe financial impact as a result of the pandemic and now the cost-of-living crisis. We continue to contact members in need and put appropriate arrangements in place to support them.

I am grateful to the Kent Savers team and volunteers for the incredible work they have done over the last twelve months. In particular I would like to thank Gavin Richards for his service as Treasurer. He will step down this autumn at the end of Kent Savers' financial year.

Catherine Parker, our previous CEO, left Kent Savers in summer 2021 and the Senior Managers took over her responsibilities. We appointed Adam Male as business development director in October 2021. He has brought valuable focus to our social media and communication approach and the development of business plans to support our strategy. Adam will step into the role of CEO once we receive regulatory approval.

Kent Savers remains committed to fair loans, safe savings, and the long-term benefits of membership. This Purpose is articulated in the Credit Union's mission statement:

***Kent Savers is a community financial organisation owned and controlled by members for their benefit that operates with care, efficiency, and integrity.***

***We aim to build lifelong relationships with our members by meeting their financial needs and supporting their financial well-being. We encourage saving and wise use of credit.***

***We aspire to grow our membership to support the needs of more people and build community financial resilience, while maintaining our long-term financial stability.***

Four key values underpin how we behave with members and other stakeholders:

- ***Caring:*** we look after our members
- ***Responsive:*** we listen to our members and respond promptly to them
- ***Ethical:*** we support our communities by helping the most disadvantaged
- ***Trustworthy:*** we offer high levels of integrity and professionalism which inspires trust

The role that Kent Savers plays in building financial strength and resilience in our community and addressing the risk of growing and persistent problem debt is recognised by our partners and members, and we are grateful for the financial support and capital contributions we received from them in the past year.

Our strategy remains to grow the support Kent Savers offers to members and to achieve a sustainable business surplus over the cycle underpinned by increased funding and capital.

We look forward to continuing to serve members over the coming year.

## **Appendix 2 - Business development report - April 2022**

I have been with Kent savers for six months, starting at a time when the team were re-entering the office having been through, two lockdowns within a pandemic of which we have never experienced before and hopefully will never experience again. Whilst we are still seeing the effects of COVID the country is returning to its new normal, however, the impact on our credit union is still being felt. We continue to see increasing membership and loan book with our focus being on smaller emergency loans to young families who require emergency funding primarily written against their child benefit payments. Writing a loan against child benefit does not guarantee the repayment, however it does decrease the likelihood of default, enabling us to provide funding to those most in need and those who are financially excluded from the mainstream products so many of us can easily apply for. We continue to see many loan applications with a 50% approval rate showing the hard work the team put into working with the borrowers to get them over the line.

I'd like to extend my thanks to our membership for their continued support of our credit union. A newcomer myself to the credit union space my background being investment banking then subsequently landlord/tenant technology, credit unions perhaps are not the most obvious of charitable or community driven causes. However, the work the team do on your behalf on a daily basis makes an incredible difference especially during the difficult times we have faced with the pandemic and now the energy crisis, where so many families are faced with less coming in than is going out.

Now more than ever it is critical our credit union sustains support from our partners, and this is where I will be working to ensure we build new support networks and enhance existing ones to reach more people in deprived marginalised communities who, as already mentioned, simply do not have access to financial products through no fault of their own. Giving them the chance to have exposure to basic credit or even a bank account enabling the ability to build up their credit history and achieve financial stability.

However, sadly, there is a more sinister side to this industry in the form of loan sharking. I've worked closely with Maidstone council, loan shark victim support charities and the illegal money laundering department to learn more about loan sharking and I'm shocked at the many forms it takes. From school mothers in the playground to medical consultants, this year has seen a number of loan sharks in many shocking forms face prosecution. A small loan of £50 can turn in to £1000s in repayments not to mention the intimidation and potential violence that can be involved. It is truly an evil exploitation of people at their most vulnerable. I feel that community finance providers and credit unions such as Kent Savers are overlooked as key solutions to these horrific problems. The generosity of members placing their savings or making their borrowings from credit unions such as ours really can make a difference to the communities that we support. Last year many local councils in Kent showed their support through grant making. I am working with those councils this year to provide continued support and potentially structure loan programmes to help those with spiralling debt problems. I will be working closely with people in the appropriate departments to ensure they fully understand the products and the help that credit unions can offer to the right people at certain trigger points before they make difficult financial decisions.

### **Partnership outreach programme**

Having spent six months finding my feet within the credit union space and understanding the impact and footprint Kent Savers has within Kent and Bexley, my key focus is now to expand the reach and exposure of Kent Savers to deprived communities. I will be doing this by developing and executing the partnership outreach programme. This programme will infiltrate businesses, associations,

charities, churches, councils and organisations within our communities where the people who need our products and simply do not know we exist are embedded. This may take many forms, not only those in emergency need but those in need of financial education and planning in its most basic form of saving. Housing associations are a prime example. Kent includes over 90,000 social housing homes with many thousands of tenants. 17% of social renters are living without an essential item (a washing machine, cooker, fridge or freezer) and this can cause them to pay a significant 'poverty premium' amounting to over £1000 a year to complete basic household tasks. Going without can also lead to serious detriments to physical and mental health and wellbeing. Housing officers within housing associations are on the front line of understanding when someone is in financial need and potentially vulnerable to high interest lending or worse taking steps towards loan sharks.

Implementing structured training plans for Kent Savers to deliver solutions within financial inclusion teams in housing associations can offer solutions to vulnerable tenants, before they make financial decisions which could get them into spiralling debts or endanger them with illegal lending. I plan to engage with housing associations and ensure they have full training on how to refer people at the key trigger points. This is just the start; it is not only about offering financial support at critical points, financial education is also vital. We will engage with social tenants through the housing associations providing financial education in formats that suit the user such as email newsletters, social media, and webinars. Partnering with organisations such as Moneyhelper.org to help us provide content and tools which will assist people to make better financial decisions, ensuring they know the choices that are available to them which may not be as obvious as the mass marketed high interest options.

### **IT and online systems**

We continue to use our new front end system and app Incuto with our back-office system Progress and have implemented improvements this year to the communication between those systems specifically around withdrawals, increasing efficiencies within our administration teams. Our fantastic new website was launched at the beginning of last year and it complements social media campaigns and the new weekly newsletters aimed at promoting financial education and money saving tips. The coming year will see more social media engagement and an effort at creating interesting ways of promoting financial control and stability to complement the partnership outreach programme.

### **Credit Control and Team Changes**

Congratulations to Mary Anum who has been promoted to Financial and Operations Director. Part of the focus in the last few months has been credit control. Credit control continues to be an important part of our daily work and unfortunately, we have seen both part time members of staff who control this function move on this year. We have hired a replacement to encompass both roles, the new hire will spend more time in the office enabling them to work closer with our administration, lending, and management team. I have looked at several technical options to help us streamline the process and we have implemented increased functions and processes within the back-office system Progress to assist with efficiencies and reporting.

Finally, this year saw the exit of the previous CEO Catherine Parker. I'd like to thank the entire team and the Board for their continued support in the running and the growth of our credit union. We have some fantastic plans for the coming year, and I look forward to executing them enabling us to reach into the communities within our common bond to support financial resilience where it is needed most.

### **Appendix 3 – Treasurer report - April 2022**

In my third and final report as Treasurer I am pleased to report the continuing trend of improved financial performance despite the continuing impact of Covid during the year to the end of September 2021.

I am pleased to report that for the first time since 2016 Kent Savers and returned to profitability with a surplus of £20,150. The surplus was achieved due to two main changes in performance. Firstly, our bad debts reduced to by nearly 50% to £87,935, £61,930 of the impairment related to loans underwritten by the London Borough of Bexley via their loan fund to alleviate homelessness. Secondly, we continued to receive grant and donations support from the Kent County Council, other local authorities in Kent and the Kent Community Foundation with grant funding which totalled £115,576. We also received donations from members of £7,046 to support the work we do to help our financially vulnerable customers.

Demand for our loans improved in year with new loans issues increasing to £557,980, up from £453,803. Although an improvement, this remains below our pre pandemic loan issuance and therefore has held back our improving financial performance.

The surplus for the year and funding to the London Borough of Bexley loan fund which is treated as capital pending utilisation has improved our capital ratio to 12.59% from 3.77%, this was significantly above the minimum 3% required by our regulators.

Looking forward to the current year we are continuing to see improved performance with increased outstanding loans and a marginal reduction in the percentage of loans that are not performing. We are however aware of the cost of living crisis that has been building over the last year especially the rising energy and day to day living costs. We therefore anticipate that the current financial year will remain challenging with weaker loan demand and more customers struggling with repayments due to less disposable income. In light of this we are anticipating a loss for the current financial year.

A dividend has been considered by the Board especially in view of the surplus made in the year to September 2021, however as this was only achieved through grant and donations and with a forecast loss for the current year, it is recommended that no dividend is paid this year. We will continue to keep this under review in view of the backdrop of rising interest rates.

I would like to thank the whole team at Kent Savers for their hard work and diligence and especially our Finance and Operations Director, Mary, who continues to lead on our monthly financial and yearend reporting.

## Appendix 4 – Supervisory Committee Annual Report – March 2021 – March 2022

### Purpose

The Supervisory Committee is an independent Committee designed to monitor the operation of Kent Savers CU to ensure that agreed policies and procedures are followed. The Committee provides the Board with a continuous appraisal of the Credit Union’s systems of internal control, governance, and risk management.

We work on behalf of the Members to provide objective challenge and to assess the effectiveness of the controls operating throughout the Credit Union. Principally this is achieved through delivery of internal audit checks, which include the review of documentation, systems and processes, and through attendance of Board meetings to observe the decision making and governance arrangements in practice.

The purpose of this report is to provide Members with a summary of our activity for the year and to evidence that we have discharged our duties and responsibilities in accordance with our Terms of Reference (**Appendix A**).

### Composition

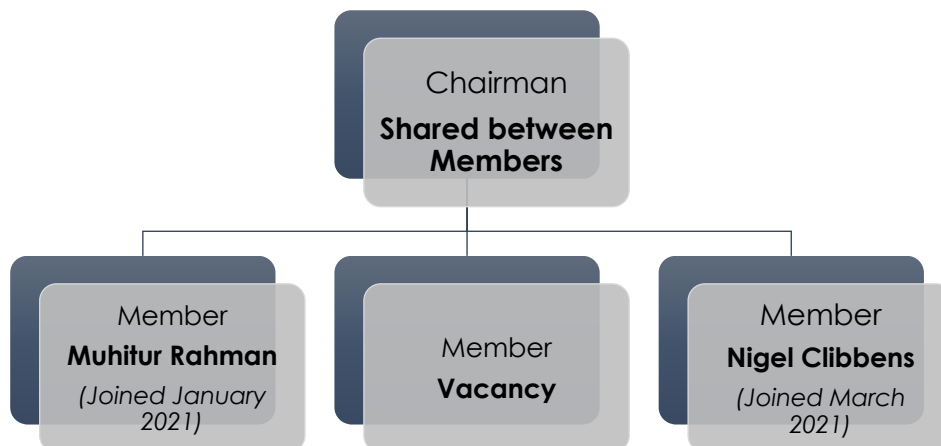
We aim to have **three** members of the Supervisory Committee to ensure a good mix of skills, experience, and resilience to undertake our role. For half of 2021/22 the Committee has comprised two voluntary Members, as such, a key current objective this year is for us to recruit at least one additional member. We are currently running a recruitment campaign in collaboration with the Board of Directors.

Russell Heppleston, who was elected to the Supervisory Committee in 2016, and became Chairman of the Committee in January 2018, resigned at the end of September 2021. Since that time, the role of Chairman and Secretary has been shared between the remaining members. Active rotation of Members is useful, especially in a compliance / oversight role, as it allows objectivity to be reset and for new and fresh ideas to be brought to the work programme.

### 2022 & beyond

Regarding membership, our focus for the year ahead will be on recruitment and succession.

The structure for the Supervisory Committee as it stands in March 2022 is:



## External audit provision

In accordance with our Terms of Reference the supervisory Committee will:

*Undertake the procurement and appointment of suitable External Audit for KSCU, and provide oversight and support where necessary*

At the previous AGM, Alexander Sloan were re-appointed as external auditors for Kent Savers Credit Union for the accounts from 30 September 2021 and 30 September 2022 with an option to extend for a third year if both parties are agreeable.

## Attendance at Board Meetings

The Terms of Reference for the Supervisory Committee sets a commitment for us to have regular attendance at Kent Savers board meetings. These are generally held monthly. Our role at these meetings is as follows:

*Maintain a regular presence at monthly Board meetings to provide challenge, oversight and ensure that the Credit Union is being governed in accordance with the regulations and the agreed Policy and Procedures Manual*

Our attendance record is set out below:

Board Meeting	Supervisory Committee Member Present?	Attended By:
27 April 2021	<input checked="" type="checkbox"/>	RH, MR & NC
25 May 2021	<input checked="" type="checkbox"/>	MR & NC
29 June 2021	<input checked="" type="checkbox"/>	RH & MR
27 July 2021	<input checked="" type="checkbox"/>	RH, MR & NC
31 August 2021	<input checked="" type="checkbox"/>	RH, MR & NC
28 September 2021	<input checked="" type="checkbox"/>	RH, MR & NC
26 October 2021	<input checked="" type="checkbox"/>	MR & NC
30 November 2021	<input checked="" type="checkbox"/>	MR & NC
28 December 2021	Meeting not held	-
25 January 2022	<input checked="" type="checkbox"/>	MR & NC
22 February 2022	<input checked="" type="checkbox"/>	MR
29 March 2022	<input checked="" type="checkbox"/>	MR

The Board met monthly with exception of December 2021. The Supervisory Committee, either as a group or individually, have been present at each meeting. During meetings, the Committee has provided regular update and audit reports, oversight, and challenge where it was felt necessary.

The Supervisory Committee has met independently formally three times and many more times informally to progress our work programme. The purpose of these meetings was to discuss and agree our work plan (**Appendix B**) for the year and consider how to further develop and enhance the Committee. Our plan was presented to the Board for comments in March 2022 and sets out our priorities, duties, and key projects for delivery over the remainder of the financial year.

One member of the Committee attended the New Directors Training in September 2021 and the International Credit Union Day in October 2021.

Our current work includes the annual PRA audit review and revised process mapping in advance of our planned audits for the period April 2022 - March 2023.



## Duties & Responsibilities

The remainder of this report sets out how we have discharged our duties and responsibilities, in accordance with our Terms of Reference:

Key Responsibilities	How did we do?
<p><i>Perform the Internal Audit for KSCU to assess the effectiveness of the internal control, governance and risk management processes as set out in an annual internal audit plan</i></p>	<p>Since the last AGM the following internal audits were completed as per our plan:</p> <ul style="list-style-type: none"> <li>• New Memberships (April)</li> <li>• Loan Applications (April)</li> <li>• PRA Review 2020 (May)</li> <li>• Retrospective PRA Review 2019 (June)[Covid-19 Pandemic]</li> <li>• Credit Control (September)</li> <li>• Bad Debts and Provisioning (September)</li> <li>• PRA Review 2021(March 2022)</li> </ul>
<p><i>Report the findings and conclusions of any Internal Audit review to the Board and follow-up on the implementation of recommendations</i></p>	<p>Copies of the internal audit reports have all been presented to the board together with minutes from the formal Supervisory Committee meetings. The Supervisory Committee regularly follow up on the closure recommendations made in audit reports.</p>
<p><i>Undertake the procurement and appointment of suitable External Audit for the Credit Union, and provide oversight and support where necessary</i></p>	<p>Exercise completed within the last 12 months.</p>
<p><i>Provide a written report to the Annual General Meeting (AGM) setting out how the Committee has discharged its duties over the course of the year</i></p>	<p>The annual report will be presented at the AGM on 29 March 2022</p>
<p><i>Deal with any complaints related to the Complaints Officer, or complaints referred by the Board. The Committee shall provide oversight of complaint investigations of Board Members</i></p>	<p>We have had no complaints referred for investigation in 2021/22. We will consider how best to provide oversight of complaint investigations of Board Members later this financial year.</p>
<p><i>Consider relevant matters referred to them by the Board</i></p>	<p>We have had no matters formally referred to us from the Board 2021/22.</p>
<p><i>Maintain a regular presence at monthly Board meetings to provide challenge, oversight and ensure that the Credit Union is being governed in accordance with the regulations and the agreed Policy and Procedures Manual</i></p>	<p>We have attended every Board Meeting held over the past 12 months.</p>

Key Responsibilities	How did we do?
<i>Keep under consideration the Policies and Procedures specific to the operation of the Supervisory Committee, and provide updates where necessary for Board approval</i>	We have proposed no changes during the year.

### Report on specific other regulatory items

We are required by the Prudential Regulatory Authority (“PRA”) to report on the following items:

Key Requirement
<i>Kent Saver’s compliance, or otherwise, with PRA rules concerning Depositor Protection: Rules 11, 12, 14, 15, as applicable</i>
<i>Whether Kent Savers has always maintained a policy of insurance complying with PRA rule 2.10</i>
<i>Any additional activities as described in PRA rules 3.3, 3.5, Chapter 4, 6.4 or Chapter 7 that Kent Savers is carrying out and whether these are in compliance with any requirement of the PRA rules applicable to those additional activities</i>

### Conclusion

Based on the work undertaken during the year, it is our conclusion that we have progressed and demonstrated work in accordance with our Terms of Reference. The continued development of the work plan that was refreshed last year has enabled us to re-prioritise our areas of focus for the Committee including our own development. The focus is now on recruiting new Committee Members to increase our capability and strengthen our succession for the future.

**Muhitur Rahman and Nigel Clibbens**  
**Supervisory Committee Members**  
**Kent Savers Credit Union**

## Appendix A

### Kent Savers Credit Union

#### Supervisory Committee: Terms of Reference

##### Purpose of the Committee

The Supervisory Committee is an independent Committee designed to monitor the operation of Kent Savers Credit Union (KSCU) to ensure that agreed policies and procedures are followed. The Committee provides the Board with a continuous appraisal of the Credit Unions systems of internal control, governance and risk management arrangements. In addition to helping to ensure that the Credit Union operates in accordance with relevant rules and legislation.

For KSCU the Supervisory Committee also fulfils the role of the internal audit function, and will conduct a series of reviews each year into how the Credit Union operates, and report the findings to the Board. These reviews are set out in the Internal Audit Plan which is agreed by the Board annually.

##### Composition

The Supervisory Committee is comprised of between 2 and 3 voluntary Members of KSCU, usually elected as part of the Annual General Meeting (AMG). A Member may be co-opted during the year, upon agreement by the Committee, and that appointment is then ratified at the next AGM. While not essential, the Committee may elect a Chairman to provide direction and ensure that the duties of the Committee are fulfilled.

Members shall generally hold office for 3 years at which point they shall retire at the Annual General Meeting, but are eligible for immediate re-election.

##### Restrictions

In order to safeguard the independence of the Supervisory Committee, Members must not be:

- A member of the Board of Directors
- A member of any other permanent committee of the Credit Union
- An employee of the Credit Union
- An undischarged bankrupt

##### Regulations

Credit unions are regulated by the Financial Conduct Authority. The credit union sourcebook (CRED) [section 8](#) deals specifically with supervision, and gives authority for the Supervisory Committee. Further guidance is set out in the Financial Services handbook supervision chapter known as [SUP](#). The Committee's duties, responsibilities and activities are all undertaken with full regard to these regulations.

##### Authority

Members of the Supervisory Committee can attend any meeting of KSCU and have the right to be heard at these meetings. However, they shall not have any decision making or voting rights at these meetings.

In accordance with the credit union policies and procedures, Members of the Supervisory Committee have the right to access the office, staff and all systems and documents of the credit unions for the purposes of fulfilling the duties and responsibilities of the Committee. Staff and Board Members will also cooperate with requests made by the Supervisory Committee associated with fulfilment of its role and responsibilities.

### **Duties & Responsibilities**

The Supervisory Committee shall:

- Perform the Internal Audit for KSCU to assess the effectiveness of the internal control, governance and risk management processes as set out in an annual internal audit plan
- Report the findings and conclusions of any Internal Audit review to the Board and follow-up on the implementation of recommendations
- Undertake the procurement and appointment of suitable External Audit for KSCU, and provide oversight and support where necessary
- Provide a written report to the Annual General Meeting (AGM) setting out how the Committee has discharged its duties over the course of the year
- Deal with any complaints related to the Complaints Officer, or complaints referred by the Board. The Committee shall provide oversight of complaint investigations of Board Members
- Consider relevant matters referred to them by the Board
- Maintain a regular presence at monthly Board meetings to provide challenge, oversight and ensure that the Credit Union is being governed in accordance with the regulations and the agreed Policy and Procedures Manual
- Keep under consideration the Policies and Procedures specific to the operation of the Supervisory Committee, and provide updates where necessary for Board approval

### **Procedure**

The Supervisory Committee will meet a minimum 4 times during the year, and the outcomes of these meetings will be documented and circulated to the Board. Actions arising for the Supervisory Committee will be tracked and followed-up by Members of the Committee and reported to the Board.

The Supervisory Committee will undertake their duties in accordance with the Policies and Procedures KSCU.

### **Review**

These Terms of Reference will be kept under review and any proposals to formally update will be reported to the Board prior to the AGM each year.

Appendix B

2022/23 SUPERVISORY COMMITTEE WORK PLAN

Area	Objective	2022/23 Activities	Progress – To be noted quarterly
Committee Membership	Grow the skills, expertise, and knowledge of the Committee so that it can operate effectively to provide robust oversight, challenge, insight and added value.	<ul style="list-style-type: none"> <li>Recruit to fill existing vacancy</li> <li>Undertake an annual evaluation of skills, competencies, and knowledge (in line with current skills evaluation template)</li> <li>Attend training and industry events as appropriate</li> </ul>	
Regulatory Compliance	To ensure that the Committee is best placed to support the delivery of the regulatory compliance regime and can provide foresight on changes to requirements	<ul style="list-style-type: none"> <li>Incorporate relevant regulatory compliance checks into quarterly audits</li> <li>Undertake annual review of PRA observations</li> <li>Review board responsibility and accountability for the various areas of regulatory compliance</li> </ul>	
Board Oversight	To maintain a regular presence at Board meetings to provide robust oversight, challenge and stimulate debate.	<ul style="list-style-type: none"> <li>Attend all Board meetings &amp; report on progress against the audit plan</li> <li>Provide insight and challenge on key areas of debate</li> <li>Fulfil regulatory obligations with regard to Directors' conduct and activities</li> </ul>	
Quarterly Audits	To deliver a programme of quarterly internal audit checks over key systems and processes. The audits will align to the policy framework for the CU. Undertake reactive audits of specific risk issues that may arise. Reporting outcomes to the Board, including any actions for control improvements.	<ul style="list-style-type: none"> <li>Hold the Board to account on clearing agreed outstanding audit recommendations</li> <li>Delivery quarterly audits as per plan</li> <li>Undertake reviews requested by the Board</li> <li>Report audit findings and recommendations to the board promptly</li> <li>Follow up on the implementation of recommendations as appropriate</li> </ul>	
Profile & Networking	To connect with other Supervisory / Compliance functions to share best practice and raise the profile of the Committee within the sector.	<ul style="list-style-type: none"> <li>Attend appropriate Industry events</li> <li>Consider interaction with other CU functions with similar responsibilities</li> </ul>	

## Extract from CREDS 2.2.45 setting out minimum audit coverage

### System of Internal Control

The system of internal control is the process for assuring achievement of the credit union's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. It incorporates both financial and non-financial systems.

Assurance over the system of internal control is provided mainly through completion of the internal audit plan, which takes into account the key risks in each area of the credit union's business. The objective of each audit review is to determine the adequacy and effectiveness of the controls in place to address those risks.

### Minimum Areas for Internal Audit

#### Areas that should be covered CREDS 2.2.45

- Verification of cash (counting and reconciliation) without prior notification
- Bank reconciliation (checking records against bank statements)
- Verification of passbooks or account statements
- Checking compliance with policies and procedures
- Checking compliance with relevant Acts, secondary legislation and rules
- Checking minutes and reports of the Board for compliance, and assessing regularity and completeness
- Checking loan applications
- Verification of the credit unions assets and investments

#### Areas that should be covered (risk based)

- Physical Cash and Negotiable item count;
- Review of Investments;
- Bank Account reconciliation;
- Random Sample and review of outstanding loans and loans granted in past 6 months;
- Review of loans on the delinquent loan list;
- Compliance with policies and procedures;
- Determination that general ledger account balances with their subsidiary ledgers;
- Verification of opened and closed accounts;
- Review of employee and directors savings, shares and loan accounts; and
- Review of internal control reports.