



ACUIA Region 3 Meeting

September 22-24 2010

Penton Building, Room A

1300 E 9th Street

Cleveland OH 44114

THIS YEAR WE CAN ONLY ACCOMMODATE 40 PARTICIPANTS. SO, PLEASE REGISTER EARLY TO RESERVE A SPOT.

CPE Credits Available: 16.8

Wednesday, September 22, 2010:

8:00 am – 8:45 am

Registration & Full Breakfast

8:45 am - 9:00 am

Welcome Address

Tony Coniglio, President/CEO, Century Federal CU

9:00 am - 10:30 am

Title: *Vulnerability Assessment and Penetration Testing*

Learning Level: Basic

Field of Study: Specialized Knowledge

Course Description: Security breaches can have a far reaching impact not only to a credit union's finances, but to its reputation as well. Credit unions are required to demonstrate their compliance with regulations and may be held liable for their failure to do so. There is an expectation from members, employees and partners – anyone that entrusts the credit union with their sensitive information – that this information will be protected. Credit unions must consider all of the potential damage that can occur if sensitive data is lost or stolen...lawsuits, negative publicity, loss of member confidence and a permanently tarnished reputation. Therefore, it is essential that credit unions take a proactive approach to identifying potential cyber threats and the areas of vulnerability within their own infrastructure.

Objectives:

- Understand the importance of vulnerability assessments and penetration testing beyond compliance.
- Identify new and emerging threats to the credit union industry.
- Identify security awareness techniques and how to implement them within the credit union.

Speaker: Scott Sturkie, Account Executive, CUDefense. CUDefense is a leading security provider to the credit union industry. Offering solutions for perimeter security, professional services and anti-social engineering, CUDefense is capable of addressing the many security needs of credit unions. Mr. Sturkie regularly attends credit union conferences and often presents information regarding Security Awareness for credit union organizations.

10:30 am - 10:45 am

Networking Break

10:45 am - 12:00 pm

Title: *Audit/Supervisory Committees Roles in Governance*

Learning Level: All

Field of Study: Specialized Knowledge

Course Description: Today it is important that an Audit/Supervisory Committee (Committee) and management look at the current expanded risks, especially the external risks. Not making any changes may no longer be sustainable. Committee expectations have reached new heights. Committee involvement today requires greater understanding, commitment, engagement, due diligence, and proactive foresight. Has your Committee considered: Is the Credit Union monitoring the current economy and projecting future events? Has the Credit Union identified strategic objectives that are measurable and able to be monitored? Has the Credit Union identified the risks that could hinder the Credit Union from achieving its strategic objectives? Do the Credit Union's risk management practices and corporate governance policies reflect the risks impacting the Credit Union today? Are the Credit Union's internal controls "one size fits all"? Does the Committee receive pertinent information for effective decision making?

Objectives:

- Understanding the impact of the current economic developments on the risks facing the credit union
- Learning the expanding and evolving role of the Committee and their responsibilities
- Reviewing the Committee's oversight role regarding risk and corporate governance practices

Speaker: Eileen Iles, CPA, Partner Crowe Horwath. Eileen has twenty-five years experience in the financial services industry. She has spent the most recent nine years with Crowe Horwath delivering risk management services, including internal audit, regulatory compliance, Bank Secrecy Act, loan review, information technology, and human resources to financial institution clients ranging from de novo to \$12 billion in total assets. In addition to her professional experience, Eileen served as an accounting adjunct faculty member at the University of New Mexico for five years. Currently, she develops and instructs risk courses for the Credit Union National Association. Eileen has served on the Institute of Internal Auditor's Program Committee for the 2005 International Conference held in Chicago, Illinois.

12:00 pm - 1:00 pm

Networking Lunch

1:00 pm – 2:30 pm

Title: *Email Encryption: Ensuring Compliance and Privacy*

Learning Level: All

Field of Study: Specialized Knowledge

Course Description: We all read stories or headlines about the number of breaches reported, hear about the damage those breaches can inflict and the costs associated with remediation. We also know the regulatory environment continues to intensify in an effort to safeguard personal healthcare and financial information. If you blend the increased threats and increased regulation with an ever increasing use of email, then it is obvious why you'd want the best email encryption solution possible. You also want it to be easy to use and install while ensuring the highest level of compliance.

Objectives:

- Understanding email risks and exposures and benefits of email encryption

Speakers: Scott Sturkie, Account Executive, CUDefense (see above) .

Zix Corporation. Zix Corporation delivers the only email encryption service designed with your most important relationships in mind. More than 1,200 hospitals and over 1,300 financial institutions, including the most influential companies and government organizations use ZixCorp's proven Email Encryption Service, including Wellpoint, Humana, the FDIC and the SEC. ZixCorp's Email Encryption Service is powered by ZixDirectory™, the largest email encryption community in the world.

2:30 pm – 3:00 pm

Networking Break

3:00 pm - 4:30 pm

Title: *Bank Secrecy Act*

Learning Level: All

Field of Study: Specialized Knowledge

Course Description: It's no secret that examiners have a mandate to make BSA a main focus of their examination. It is therefore important to understand how to keep the credit union in compliance in filing Suspicious Activity Reports (SAR) and Currency Transaction Reports (CTR). Credit unions are increasingly caught between stricter regulations concerning member data and increasingly broad powers of government to acquire this data.

Objectives:

- Understanding of BSA requirements
- Identifying issues that need to be addressed

Speaker, Robert Rutkowski, Weltman, Weinberg and Reis Co., L.P.A. Attorney, blogger, podcast producer and nationally-recognized speaker, Rob Rutkowski is Managing Partner of the Credit Union department of Weltman, Weinberg & Reis Co., L.P.A. Through his work at WWR, Mr. Rutkowski advises credit

unions on compliance, contract negotiation and employment law as well as a vast array of collection and legal issues. Mr. Rutkowski is a well-known lecturer nationwide on topics such as marketing and lending compliance, director and officer liability, disaster recovery, identity theft, credit union accounts and a variety of laws impacting credit unions, such as the Bank Secrecy Act. He is a regular speaker at credit union leagues across the United States and has served a speaker for CUNA, NAFCU and CUES.

Optional Event: For those interested, Rock and Roll Hall of Fame is open until 9:00pm on Wednesdays. The Rock and Roll Hall of Fame is downtown, a short walk from the conference and hotel sites. We'll get a group together to go, but tickets are not included in conference registration

Thursday, September 23, 2010:

8:00 am – 8:30 am

Full Breakfast

8:30 am – 9:30 am

Title: *Compliance Hot Topics*

Learning Level: All

Field of Study: Specialized Knowledge

Course Description: Making of a Perfect Storm – this phrase has grown in popularity since the movie of the same name and has grown to mean “any event where a combination of circumstances will aggravate a situation drastically.” That pretty much sums up 2010. We started off with squalls from the CREDIT Card Act, Regulation Z, Regulation CC, and not to mention the stormy Regulation E and it looks like a tropical storm is on the horizon with the Regulatory Reform Law. Isn't compliance wonderful?! We will discuss the atmospheric changing regulations and the climatic predictions for 2011

Speaker: Bonnie Gall, Risk Manager, Century Federal Credit Union. Bonnie has been in credit union land for over 25 years as collections manager, BSA compliance officer and now Risk Manager at CFCU. Bonnie is a NAFCU Certified Compliance Officer.

9:30 am - 10:00 am

Networking Break and Walk to Federal Reserve Bank

THE FEDERAL RESERVE CAN ONLY ACCOMMODATE **30 PERSONS**. THE FOLLOWING 2 SESSIONS ARE ONLY AVAILABLE TO THE FIRST 30 REGISTRANTS, SO PLEASE REGISTER EARLY. IDENTIFICATION (DRIVERS LICENSE) WILL BE REQUIRED.

10:00 am - 11:15 pm

Title: *Red Flags/Emerging Trends in Credit Unions*

Learning Level: All

Field of Study: Specialized Knowledge

Course Description: Despite not making commercial loans (to any meaningful extent), many credit unions fell on hard times during the past 24 months just like their bank and thrift counterparts. Many times the decline in financial performance was tied to weak underwriting standards, which was governed by

poor lending policies and procedures. Eroding credit unions condition further was the general economic decline which pressured asset quality and made managing capital levels to become paramount. Due to their mutual make-up, once a credit union has suffered significant losses, it is hard to recapitalize.

Objectives:

- Understand asset quality problems observed at credit unions
- Learn the counter party risk from corporate credit unions
- Discuss the preservation of capital

Speaker: Adam J. Cirolì, Examiner and Condition Monitoring Analyst, Federal Reserve Bank of Cleveland. Adam Cirolì is an examiner in the Surveillance Unit of the Supervision and Regulation Department and a condition monitoring analyst in the Credit Risk Management Department at the Federal Reserve Bank of Cleveland. Working out of the Bank's Cincinnati Branch, he is responsible for quarterly financial analysis of state member banks, bank holding companies, thrifts, and credit unions in the Fourth Federal Reserve District, which includes Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia. A native of Cleveland, Mr. Cirolì earned a bachelor of science degree in business administration from Ohio University. He is currently pursuing an MBA at Cleveland State University.

11:15 am - 12:00

Title: *Tour of Federal Reserve Bank*

12:00 pm - 1:00 pm

Networking Lunch

1:00 pm – 2:30 pm

Title: *Internal Auditing from A-Z*

Learning Level: Basic

Field of Study: Auditing

Course Description: Review of internal audit basics including a self-assessment handout. Topics include roles, independence, proficiency, risk assessment, audit plan, GRC (governance, risk and controls), audit programs, and audit reports

Objectives:

- Identify what is expected of professional internal auditors
- Learn best practices for meeting those expectations

Speaker: Pat Richey, CFE, NCCO has been Director of Internal Audit at Finance Center FCU in Indianapolis IN for 20 years. Pat had been an ACUIA member since 1989, is an ACUIA Director Emeritus, and has been serving as ACUIA Region 3 Director 4 years. Pat is a member of the Institute of Internal Auditors, and Association of Certified Fraud Examiners

2:30 pm – 3:00 pm

Networking Break

3:00 pm - 4:30 pm

Title: *Avoiding and Understanding Robbery*

Learning Level: All

Field of Study: Specialized Knowledge

Course Description: In this economic time branch safety and security can be an important factor as to whether you will be a target for robbery. Has your level of appropriate safety and security been evaluated, and if so, is it appropriate?

Objectives:

- Preparing for and avoiding the robbery
- Training for the “event”
- Taking care of your employees after the incident
- Making your branches less attractive to the “robber”

Speaker: Arvin Clar, CFE, has experience in a wide range of premises security and safety issues including evaluating the level of appropriate safety and security, professional investigation services, violent criminal acts, security survey and analysis, and accident investigation. Mr. Clar specialties are bank and credit union premise security and investigation. He has performed assessments of branches throughout the U.S. He has authored training programs for bank robbery and identity theft, and has been a featured guest of National Public Radio. He is also very qualified by experience in the areas of investigation of fraud and financial crime and recently was hired to work as a resident security agent for Major League Baseball

Optional Event: For those interested, the Cleveland Indians play the Kansas City Royals at 7:00pm. Progressive Field is downtown, a short walk from the conference and hotel sites. We'll get a group together for the game. Tickets not included in conference registration

Friday, September 24, 2010:

8:00 am – 8:30 am

Full Breakfast

8:30 am - 10:00 am

Title: *Regulatory Compliance Effects On The Bottom Line*

Learning Level: All

Field of Study: Accounting

Course Description: In the wake of the financial crisis, Congress has been extremely active on passing new laws to regulate the financial services sector. In today's environment, credit unions are facing ever-changing regulatory compliance issues that are impacting operational cost and revenue opportunity. This session is designed provide insight on the regulatory compliance financial impact to credit unions.

Objectives:

- Understanding of the true bottom line impact associated with new regulatory compliance.

Speaker: Robert M. Parks, CPA is the Director of Audit and Consulting Services for the Financial Institutions Group at Doeren Mayhew. Over the past 19 years, Bob has specialized in providing services to credit union clients. His expertise includes

audits (certified, internal, supervisory committee, fraud, and compliance), forensic accounting experience, extensive experience in accounting system design analysis, and operational improvement consulting projects for credit unions. In addition, Bob provides financial management and internal control training to credit unions. Bob is a member of the AICPA, ACUIA, NACUSAC. He is a frequently sought-after speaker for numerous credit union organizations, including the ACUIA, AICPA, NACUSAC, CUNA, CUES, state leagues, state examiners and NCUA examiners.

Andrea Badics, CPA, MSA is Senior Staff Auditor for the Financial Institutions Group at Doeren Mayhew. Andrea has over twelve years of experience working with financial institutions, including five years providing public accounting services to credit unions, community banks, mortgage companies, and CUSOs. Throughout her career, she has assisted financial institutions ranging in asset size from \$50 million to over \$1 billion with certified opinion audits, internal audits, compliance reviews, information technology assurance, and consulting services. Andrea has also utilized her broad knowledge of information systems to assist many clients with information systems reviews.

10:00 am - 10:30 am

Networking Break

10:30 am - 12:00 pm

Title: *Fair Value and Post Merger Accounting and Auditing Implications*

Learning Level: example: Advanced

Field of Study: Auditing, Accounting

Course Description: Determining the fair value for certain aspects of a credit union's balance sheet during a business combination (merger) is complex and can require outside valuation expertise. The purpose of the new accounting standards for business combinations is to ensure greater consistency and comparability of financial statements to enable better sound financial decisions. Once the business combination transaction has been recorded, there are critical accounting and auditing considerations during future periods.

Objectives:

- Understanding the new standards and how fair value is measured
- Identifying the Accounting implications and auditing approach to test fair value
- Learning the practical solutions for assumptions and testing procedures
- Potential future changes to fair value reporting requirements

Speaker: Bob Parks and Andrea Badics, Doeren Mayhew (see above)

HAVE A SAFE TRIP HOME!

GENERAL INFORMATION:

How to Register

Acceptable methods of payment are check, money order, American Express, Discover, MasterCard, or VISA.

Fax

If you are paying for your registration with a credit card, fax the registration with payment information to 703-683-0295

Mail

Send your completed registration form with payment to:

ACUIA
815 King Street
Suite 308
Alexandria, VA 22314

Continuing Professional Education Credits

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. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Nashville, TN 37219-2417 or www.nasba.org. No prerequisite courses, advance preparation or experience is required for admittance to the meeting.

CPE Credits Available: 16.8

Cancellation, Substitution & Refund Policy

Cancellation notices must be sent in writing to the ACUIA Executive Office. No refunds will be made on cancellations made after September 15, 2010 due to committed funds and forfeited fees cannot be applied to future meetings due to IRS reporting requirements.

For more information regarding refund, complaint, and program cancellation policies, please contact our Executive Office at 703-535-5757

Confirmations

Registrants will receive written confirmations/receipts of registration either by email or mail.

Attire

Attire for this educational meeting is business casual. As with most events, the temperature in different meeting rooms tends to vary. We recommend that you dress in layers to accommodate the variance in temperatures.

Smoking

In consideration of others, we ask that you refrain from smoking during meeting functions and throughout the meeting area.

Disclaimer

If ACUIA cannot hold the Region Meeting due to the acts of God, war, government regulations, disaster, civil disorder or curtailment of transportation facilitating other emergencies making it inadvisable, illegal, or impossible to provide the facilities or to hold the meeting, each prepaid attendee will receive a copy of handouts and any other materials that would have been distributed. Fixed conference expenses will be paid from the pre-registration funds. Remaining funds will be refunded to pre-registrants. ACUIA is not responsible for any other costs incurred by pre-registrants in connection with the meeting.

The views and opinions expressed by presenters are their own and do not necessarily represent those of ACUIA. ACUIA disclaims any responsibility for the use and application of information presented at this meeting.

MEETING LOCATION

Penton Building, Room A
1300 E 9th Street
Cleveland OH 44114

DRIVING DIRECTIONS FROM AIRPORT

Take 71 North (becomes I-90 E) to E 9th. St. exit, take E. 9th St. to 1300 block.

TAXI/BUS OPTIONS FROM AIRPORT

Taxi service is available from the Cleveland Hopkins International Airport. Approximate cost to downtown is \$34-40 one way for one passenger.

The Cleveland RTA (Regional Transit Authority) has a Red Line train station below the airport. Cost is \$2.25 for one ride (or \$5 for an all day pass) to Tower City (Downtown stop). Escalators will accommodate luggage. Connecting bus lines are available (additional fee without all day pass), or a taxi to your hotel. Exact routes and times can be found on the Cleveland RTA website www.riderta.com

HOTEL OPTIONS

The following are 3 hotel options with proximity to **The Penton Building** for your consideration.

Crowne Plaza

The Crowne Plaza is connected to the Penton Building
777 St. Clair Avenue
216-771-7600
www.crowneplaza.com

Directions: From airport, take 71 north (becomes I-90 E) to E 9th St exit; E. 9th St. to St. Clair Ave. Make a left onto St. Clair Ave, hotel is on right

Hyatt Regency at the Arcade is 4 blocks from the Penton Building. ACUIA has negotiated a \$139/night room cost for ACUIA participants.

420 Superior Avenue,
216-575-1234

<http://cleveland.hyatt.com/hyatt/hotels/index.jsp>

From Airport (13.02 miles): North on I-71 (becomes I-90 E). Merge onto US-422 West / OH-14 West / OH-8 West / OH-87 North via Exit 171B toward Ontario St. Turn right onto Superior Ave. Hotel will be on the right.

From East: Take the I-90/Route 2 West. When approaching downtown, Stay in right 2 lanes to split to Route 2 (Shoreway). Exit to the right on East 9TH St. Turn left at East 9th Street (going South). Take East 9th Street to Superior Ave., turn right on Superior. Hotel is on the left.

From West: I-90 East via Exit 170B toward Cleveland / Columbus. Merge onto US-422 West / OH-14 West / OH-8 West / OH-87 North via Exit 171B toward Ontario St. Turn right onto US-20 / Superior Ave East / US-322 / US-6. Continue to follow Superior Ave East / US-322 / US-6. Hotel will be on the right.

From South (60.02 miles or more)

From I-90 East, take Exit 163C toward E 9TH St. Turn slight right onto E 14TH St. Turn slight right onto Orange Ave / US-422 / OH-8 / OH-87. Continue to follow US-422 West / OH-8 West / OH-87 North. Turn right onto US-20 / Superior Ave East / US-322 / US-6. Continue to follow Superior Ave East / US-322 / US-6. Hotel on the right.

Hampton Inn is 2 blocks from the Penton Building.

1460 E 9th Street

216-241-6600

<http://hamptoninn.hilton.com/en/hp/hotels/index.jhtml?ctyhocn=CLEDTHX>

Directions: From I-71, I-77, and I-90 Eastbound - Exit at East 9th St., north to Superior Ave. The hotel is on the left, at corner of E 9th and Superior. From I-90 Westbound - Follow Route 2 and exit at East 9th St., south on E 9th to Superior Ave. The hotel is on the right.

Regional Meeting Sponsorships Still Available!

Please contact the Executive Office at 703-535-5757

ACUIA would like to thank Century Federal Credit Union for all their help with the Region 3 Meeting.