

Corporate Governance

Presented by:
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Agenda

- Overview
- Independence
- Reporting
- Approvals
- Record Retention
- Questions

Overview

- Corporate Governance*:
 - A set of relationships between a company's management, its board and its shareholders which provide the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance.
 - Helps define the way authority and responsibility are allocated and how corporate decisions are made.

*Basel Committee on Banking Supervision, 2015

Overview

- Set the CU's strategy & objectives
- Select and oversee personnel
- Operate the CU's day-to-day business
- Protect depositors & shareholders
- Set corporate culture

Overview

- Corporate Governance Internal Audit:
 - Effective Board Oversight
 - Enterprise Risk Management
 - Proper Internal Controls
 - Robust Compliance Management System

Overview

- Board Responsibilities:
 - Ultimate responsibility/ERM
 - Oversight of Senior Management
 - Can delegate where appropriate
 - Board involvement should be documented
 - Policies
 - Independent judgement

Overview

- Senior Management:
 - Accountable to the Board
 - Roles should be clearly defined
 - Competent personnel
 - Establish proper tone at the top

Independence

- Reg Exam Concerns
 - Audit Firm Selection
 - Established Roles
- Risk Management Function
 - S/B Independent
 - Properly resourced
 - Access to the Board

Independence

- Internal Audit:
 - Independence S/B in place via Charter, etc.
 - Direct Report to Board Supervisory/Audit Committee
 - Audit Reports directly to SC/AC

Reporting

- Board Packets
 - Sufficient, accurate information
- Committee Minutes
 - Again, sufficient & accurate
 - Review process
- Committee Attendance
 - Should be monitored by the Board

Approvals

- Approvals
 - Process S/B structured
 - Again, document discussions
 - Properly documented

Approvals

- Supervisory/Audit Committee Approves IA & EA:
 - Firm (Selection and/or removal)
 - Scope
 - Remuneration

Record Retention

- Board should maintain appropriate records:
 - Meeting minutes
 - Summaries of matters reviewed
 - Recommendations made
 - Decisions taken
 - Dissenting opinions

Record Retention

- Records should:
 - Document the Board/Committee’s fulfilment of their responsibilities
 - Show effectiveness of the Board/Committees

Questions





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Thank You!

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