AuditLink
CU*ANSWERS Management Services

2016

"CU*BASE has some of the best analytical tools to handle best practice requirements and tasks associated with regulatory requisites. This brochure describes some of my favorite software features which save our credit unions countless hours and money, thereby lowering the cost of compliance."

Jim Vilker

AuditLink

Vice President, Professional Services, CU*Answers

Audit & Compliance

Our Favorite Dashboards and Reports

CU*ANSWERS
A Credit Union Service Organization

Get to Know the Expert

Since joining the credit union industry in 1985, Jim Vilker has been a strong advocate of managing and educating staff in compliance and audit functions. He launched his career as an examiner where he gained knowledge and depth of insight into regulatory compliance requirements of credit unions. Jim studied a broad scope of business and operational procedures leading to a deep understanding of best practices significant to credit union audit activities.

Over the next eight years Jim was actively entrenched in the business as Executive Vice President of a credit union. Jim has earned his NCCO certification through specialization in the field of auditing and compliance. His software product of choice serving as the compliance and auditing tool, was the forerunner of the current CU*BASE.

Jim's tenure at CU*Answers began in 1998 where his knowledge and skills were immediately recognized as the CUSO's resident advisor on regulatory compliance and audit functions. Jim has been instrumental in developing the strategic Audit Link business, educating clients through an online Advisor newsletter and designing premier training plans for clients of Audit Link and internal staff of CU*Answers' credit unions. His experience in working with clients and CU*BASE tools, uniquely qualifies him to write and instruct in the monitoring of regulated activities.

Why These Reports Fit

"I selected the following sample dashboards and reports to draw attention to the power of the data analytics the system provides and areas where your executive team can get immediate answers to more complex questions.

We pride ourselves in helping our owners meet new regulatory and third-party audit requirements utilizing already existing data and member activity in record time. This is done in a cooperative environment including multiple compliance professionals throughout the network.

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Jim Vilker, Vice President, Professional Services, AuditLink, CU*Answers

These dashboards and reports change on an annual basis as new regulations and loss mitigation come to light. It is a living document.

Abnormal Activity Monitoring Dashboard

Why Jim thinks this report is an important tool to remain in compliance:

"This software feature was developed for a number of reasons including the FFIEC's Guidance letter on managing high-risk account activity, elder abuse, and low-level BSA and ACH activity. It goes hand in hand with the coding of member due diligence levels for the ongoing monitoring and detection of high-risk accounts."

What you can analyze with this dashboard:

Use this time-saving tool to quickly identify abnormal or high-risk transactions according to the parameters set by your credit union. Use this screen to monitor abnormal activity for a number of member groups including regular members and commercial fiduciary, and to detect smurfing.

How to access this dashboard:

Access this dashboard by selecting *Monitor Abnormal Activity* on the ERM: Transaction Risk Management Tools (MNRSK5) menu.

Other related resources:

Refer to the "Abnormal Activity Monitoring" booklet for more details.

Wire Transfer Tracking Dashboard

Why Jim thinks this report is an important tool to remain in compliance:

"The auditor just asked you where your wire transfer log is and your face went blank. He said according to BSA you are required to retain this log and verify the activity in it relating to tracking of transactions which meets BSA requirements. Don't worry, it's been there all along."

What you can analyze with this dashboard:

You would use this dashboard to review abnormal wire-related activity which will answer important questions about internal procedures. OFAC scans, and potential money laundering activity.

How to access this dashboard:

Access this dashboard by selecting **Wire Transfer Tracking** on the ERM: Transaction Risk Management Tools (MNRSK5) menu.

Other related resources:

Also check out the Wire Transfer tracking report accessed via **Wire Transfer Activity Report** on the Reports D (MNRPTD) menu. Refer to the "Wire Transfers in CU*BASE" booklet for more details.

Loan with Interest Due Above Payment

Why Jim thinks this report is an important tool to remain in compliance:

"This report is a pre-emptive tool which will keep you one step ahead of your examiner. The same math that we are using to uncover potentially negatively amortizing loans is used by examiners when you supply them with your AIRES file. Make sure your employees create a collection Tracker describing the situation for every one of these loans."

What you can analyze with this report:

This report lists accounts with interest due that is greater than the payment amount and not delinquent. It identifies loans with potentially inherent collections problems which are not always apparent to credit union management.

How to access this report:

Access this report by selecting *Loan w/ Int Due Above Pmt Amt* on the Auditing Functions (MNAUDT) menu.

Loan Portfolio Concentration Risk Summary

Why Jim thinks this dashboard is an important tool to remain in compliance:

"Since 2010 credit union have been required to evaluate, analyze, and report on concentrations of loans and specific segments. This tool was developed to help you manage and trend all your concentration risk segments. It is the premiere software tool provided to credit unions from a compliance perspective in the last few years."
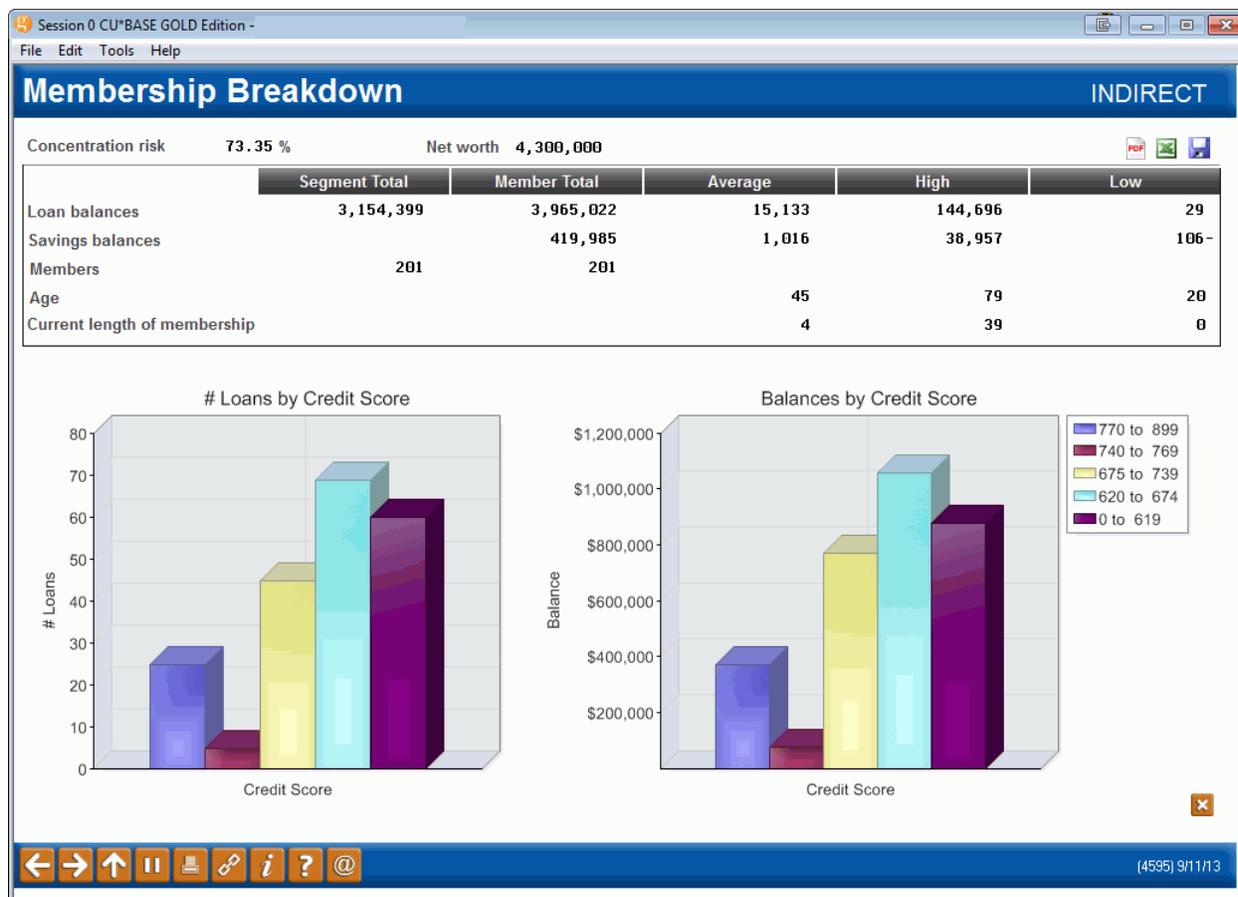
What you can analyze with this dashboard:

This is the first of four analysis screens which help you monitor the policy limits you have in place, analyze the credit quality of the segment itself, and to review the membership, product, and collateral makeup of the loans found in the segment. Vital to this feature is your ability to save your analytics month over month for trending purposes.

How to access this dashboard:

Access this dashboard via **Ln Portfolio Concentration Risk** on the ERM: Concentration Risk Management Tools (MNRSK4) menu. Define a segment and select *Summary* (F12).

Work Dormancy Summary Dashboard

Why Jim thinks this dashboard is an important tool to remain in compliance:

"How many active members do you really have? Use this dashboard when determining not only members no longer using you, but what your actual active member count is. How well is your team mitigating risk through the evaluation of recent activity on inactive accounts and how is your strategy for reengaging inactive members working out? This dashboard will answer that and many other questions. "

Session 0 CU*BASE GOLD Edition - Dormancy Summary

Monitored as of May 03, 2013

Months Dormant	Regular Dormancy		Dormancy Suspended		Escheat Pending	
	# Accounts	Balance	# Accounts	Balance	# Accounts	Balance
0 to 11	134	317,205.67	14	402.59	1	2,483.24
12 to 23	72	481,385.74	1	176.72	4	1,849.99
24 to 35		0.00	5	87,317.94	15	9,944.21
36 to 47		0.00		0.00		0.00
48 to 59		0.00		0.00		0.00
60 +		0.00		0.00	2	0.00
Total	206	798,591.41	20	87,897.25	22	14,277.44

Continue

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What you can analyze with this dashboard:

This handy tool calculates and displays a summary of all funds in dormant accounts, suspended dormant accounts, and accounts ready to be escheated to the state, according to the length of time the member has been on the dormancy list.

How to access this dashboard:

Access this dashboard via **Work Dormant Members** on the Auditing (MNAUDT) menu, then *Summary* (F15).

Other related resources:

Also check out the Dormancy Master Listing report accessed via **Print Dormancy List** on the Auditing Functions (MNAUDT) menu. Refer to the "CU*BASE Dormancy and Escheat Monitoring" booklet for more details.

Employee Security Reports

Why Jim thinks these reports are an important tool to remain in compliance:

"Your auditor just asked you for a list of all your employees and what access they have to the core system. Or you are updating the accounts your employees have inside the credit union for your monthly monitoring. This is the go-to for both of these tasks, to name a few."

Session 0 CU*BASE GOLD Edition - Employee Security Audit Report

Report Options	Response	
Maintenance on Employee ID	☐	Optional
☑ **P**rint profile and special security (SECMAST)		
☑ **P**rint account security (ACTSEC)		
☑ **P**rint employee menu security (SECMENU)		

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What you can analyze with these reports:

The Employee Security Audit Reports list several different employee security settings, including: Profile and Special Security (update special security), Account Security (update account security), and Employee Menu Security (menu security).

How to access these reports:

Access these reports via **Employee Security Reports** on the ERM: Transaction Risk Management Tools (MNRSK5) menu. Then select *Employee Security Reports.*

Transaction Register Report Accounts with Wrong Addresses

Why Jim thinks this report is an important tool to remain in compliance:

"This report is an important loss mitigation tool for detecting insider dishonesty. It always floors me that a member actually performed a transaction at a teller window with the address highlighted as "wrong address," not to mention if you're sensitive to Regulation E requirements related to dispute-resolution timelines."

What you can analyze with this report:

Use this report to monitor members flagged with wrong addresses that have activity across any channel, including ACH, debit card, online banking, etc.

How to access this report:

Access this report via **General Transaction Register** on the Reports C (MNRPTC) menu.

Bank Secrecy Act (BSA) Dashboard

Why Jim thinks this dashboard is an important tool to remain in compliance:

"This is the techie way to manage your Bank Secrecy audit functions. The screen populates with the same data found on your daily BSA reports but gives you an online working queue and a way for you to electronically keep track of your verification process. You can even use this electronic log to transmit CTRs to FinCEN—no retyping required!"

What you can analyze with this dashboard:

Use the BSA Activity Inquiry to verify transactions against the various reports your credit union is required to submit. This inquiry allows you to mark items as "verified" as you check them against the Currency Transaction Report and/or Suspicious Activity Reports your credit union is required to file.

How to access this dashboard:

Access this dashboard via **Work Daily BSA/CTR Activity** on the ERM: Compliance Risk Management Tools (MNRSK6) menu or on the Auditing (MANUDT) menu.

Other related resources:

Also check out the Bank Secrecy Act Report accessed via **Print BSA/SAR Activity Report** on the Compliance Risk Management Tools (MNRSK6) menu. Refer to the "Bank Secrecy Monitoring" booklet for more details.

E-Statement Batch Unenrollment

Why Jim thinks this report is an important tool to remain in compliance:

"This is yet another tool to comply with Reg. E's requirement to prove that members qualify to receive electronic communication!   There is no time better than selling e-Statements at the time the member is sitting across the desk from you. However, it is many trade organizations' opinion that the member must also agree to receive electronic statements and notices through Internet channels. Use this report to audit those members who have yet to agree electronically and give them a call."
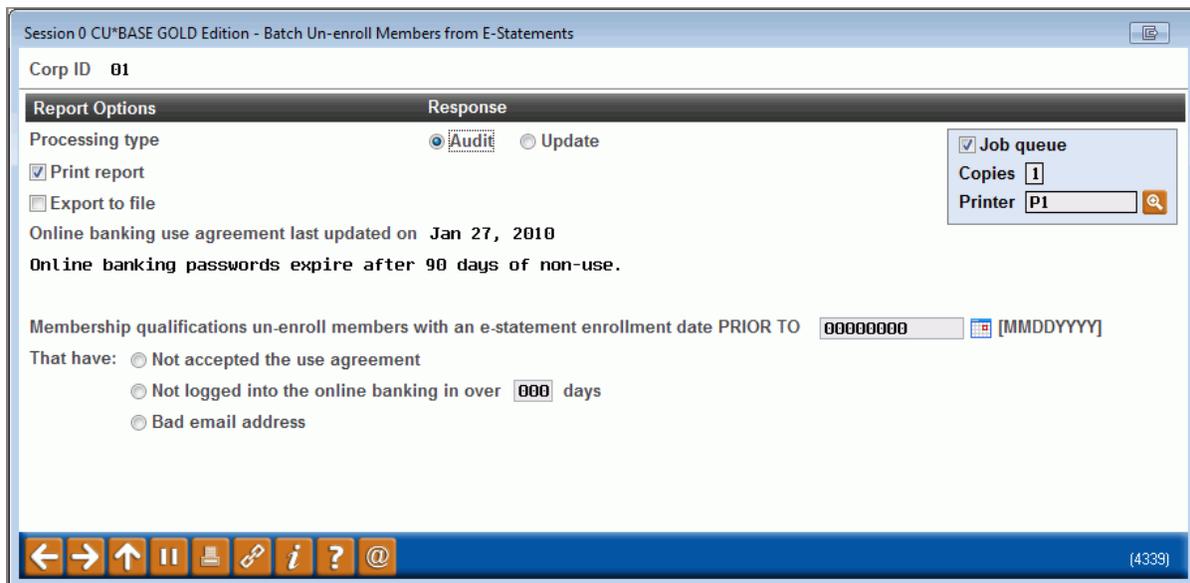
What you can analyze with this report:

This feature allows you to un-enroll members based on several criteria: not having accepted the online banking use agreement, not having logged in over a certain   period, or having an email address marked as invalid by the system. Select to run an audit report; then run a final update to the system.

How to access this report:

Access this dashboard via **e-Statement Batch Un-enrollment** on the ERM: Compliance Risk Management Tools (MNRSK6) menu.
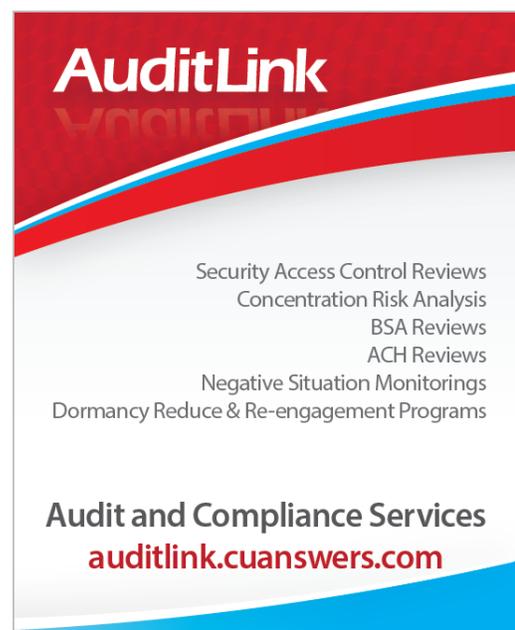
AuditLink

Security Access Control Reviews
Concentration Risk Analysis
BSA Reviews
ACH Reviews
Negative Situation Monitorings
Dormancy Reduce & Re-engagement Programs

Audit and Compliance Services
auditlink.cuanswers.com

Member Account Adjustment Report

Why Jim thinks this report is an important tool to remain in compliance:

"Our Audit Link staff uses this report to drill down to research how many teller transactions are being reversed when cash is involved. It is a vital report for monitoring the number of teller mistakes and for verifying that reversed cash transactions are reapplied appropriately."

What you can analyze with this report:

This report is used by head tellers, back office staff, and auditors. From a head teller perspective this report will show mistakes made by the staff when applying cash. From a back office perspective this report can be a vital tool in researching why the cash account is off. From an auditing perspective this report shows cash transactions that have been reversed. Auditors will use this report to verify that the cash was reapplied appropriately.

How to access this report:

Access this report via **Member Account Adjustment Rpt** on the Reports C (MNRPTC) menu.