2016 Focus Groups

CFO Strategies Roundtable

Wednesday, March 23, 2016
9:00am – 12:00pm

CU*ANSWERS
A Credit Union Service Organization

Today's Agenda

Audits and Examinations

45 minutes

Let's hear from each other and talk about what's new from CU*Answers and AuditLink

The Future of CU*BASE Budgeting and Modeling Tools

45 minutes

Review recent software releases and our plans for 2017 and beyond

My CU Today Plus

A New Web-based Financial Analysis Toolkit

45 minutes

Discuss our plans for this valuable new resource for credit union CFOs, CEOs, and Board Directors

Let's Get Acquainted

- Introduce yourself
  - Name and credit union name
  - Your role at the CU and how long you have worked there
- How do you see the CFO Focus Group opportunity inside our network?

Why a CFO Roundtable?

- Does it make sense?
- Can we activate a Focus Group
- Or should we stick to the Accounting Top 10 Group and CU*BASE tool discussions?

Audits and Examinations

- What is your role in your credit union's examination process?
- What is your role in credit union audits?
  - Financial
  - Others (network, cybersecurity, etc.)

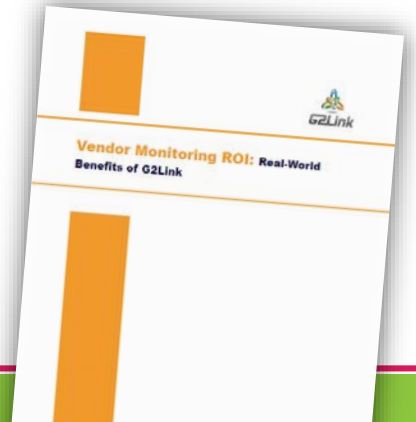
Audits and Examinations

- The future of AuditLink
  - Introducing Vendor Management via G2Link

AuditLink VM (Vendor Management)

THE REASON AND CHANGING REGULATORY EXPECTATIONS

- Supervisory focus for NCUA for two years running
  - Knee-jerk reaction
  - Following other regulatory bodies
- Has now been tied to cybersecurity and is mentioned 11 times in FFIEC guidance papers and assessment tool
- According to G2Link, **46% of bank exams listed vendor management as a deficiency**
  - NCUA's are probably close or higher
- Last year at NAFCU's compliance conference NCUA made it very clear it was a priority during exams and that they would be following the FFIEC and OCC in requiring it be a more **dynamic operational process**
  - It is estimated that the cost of monitoring critical vendors will continue increase and potentially double



AuditLink VM

VENDOR MANAGEMENT BASICS

- Assessing the criticality
  - Is member data involved?
  - Impact of losing the vendor on credit union operations and understanding of how critical it would be to replace them
- Determining what intelligence you need to have for monitoring and assessing risk
- Designing a process for gathering business intelligence and frequency of that task
- Analyzing and documenting the intelligence you have gathered
- Finally, determining if action must be taken based on your findings

AuditLink VM

THE NEW SERVICE OFFERING

- Partnered with G2Link
- Web-based application that continuously monitors vendors
- Tracks critical events and alerts when the trust of the vendor has been violated
- Full contract management system with archival and automated notification of critical events
- Our audience is credit unions, CUSOs, vendors, and regulators

AuditLink VM

THE NEW SERVICE OFFERING

- Developing a new service where the AuditLink team will:
  - Assess vendor criticality
  - Create the companies and categorize them on the monitoring system
  - Create critical event tables with real time monitoring
  - Curate the company and determine what public information to monitor
  - Monitor critical events and alerts daily
  - Communicate with vendors directly related to obtaining the required information
  - Report to the credit union on a monthly/quarterly basis
  - Develop a pool of due diligence information that can be leveraged in many ways

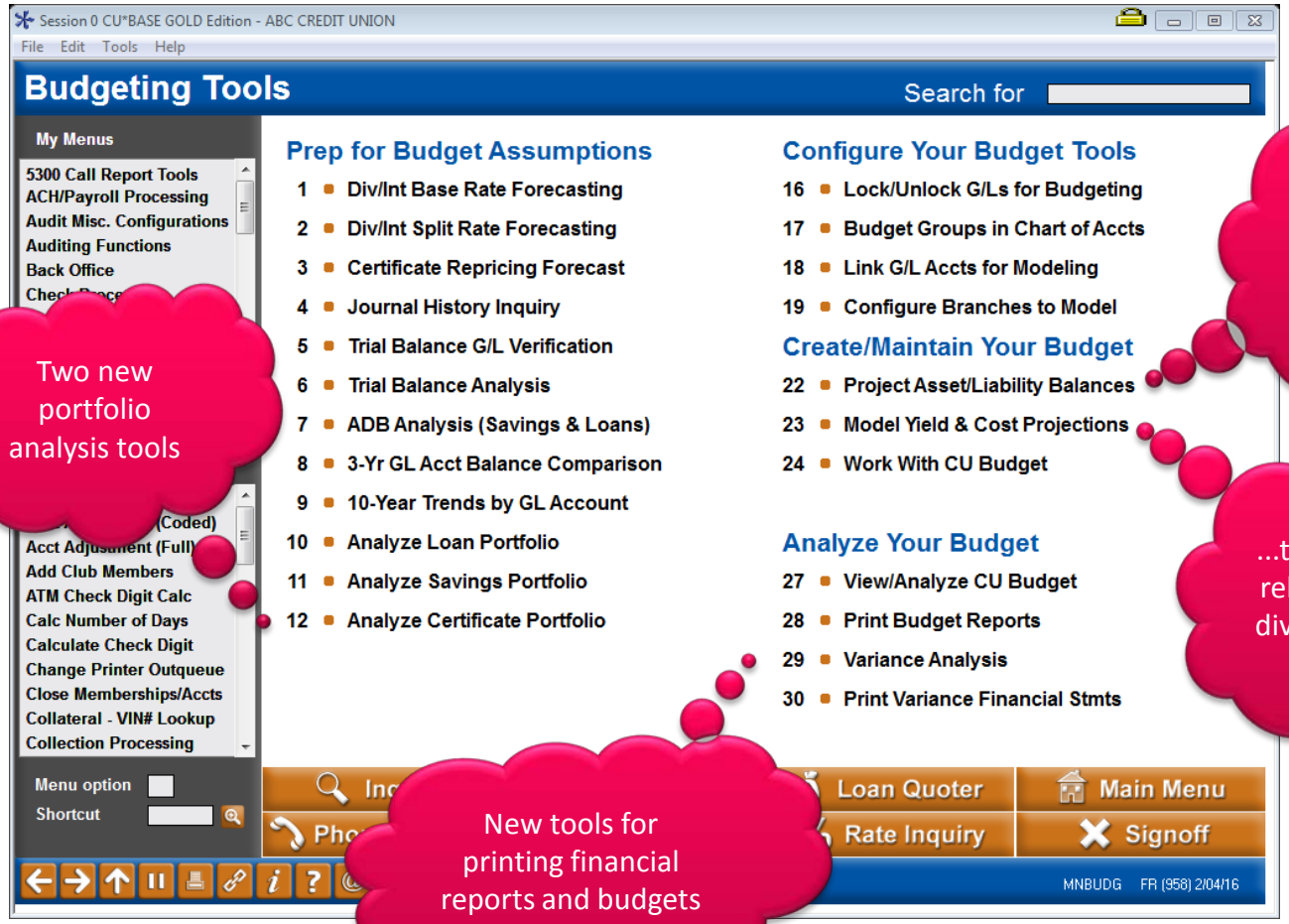
AuditLink + G2Link

The Future of CU*BASE Budgeting and Modeling Tools

- Did you use any of the new tools for your 2016 budget?

CU*BASE Budgeting and Modeling Tools

THE 2016 BUDGET/MODELING RELEASE



Two new portfolio analysis tools

Project balances for loan assets and savings liabilities...

...then model the related yield and dividend expense

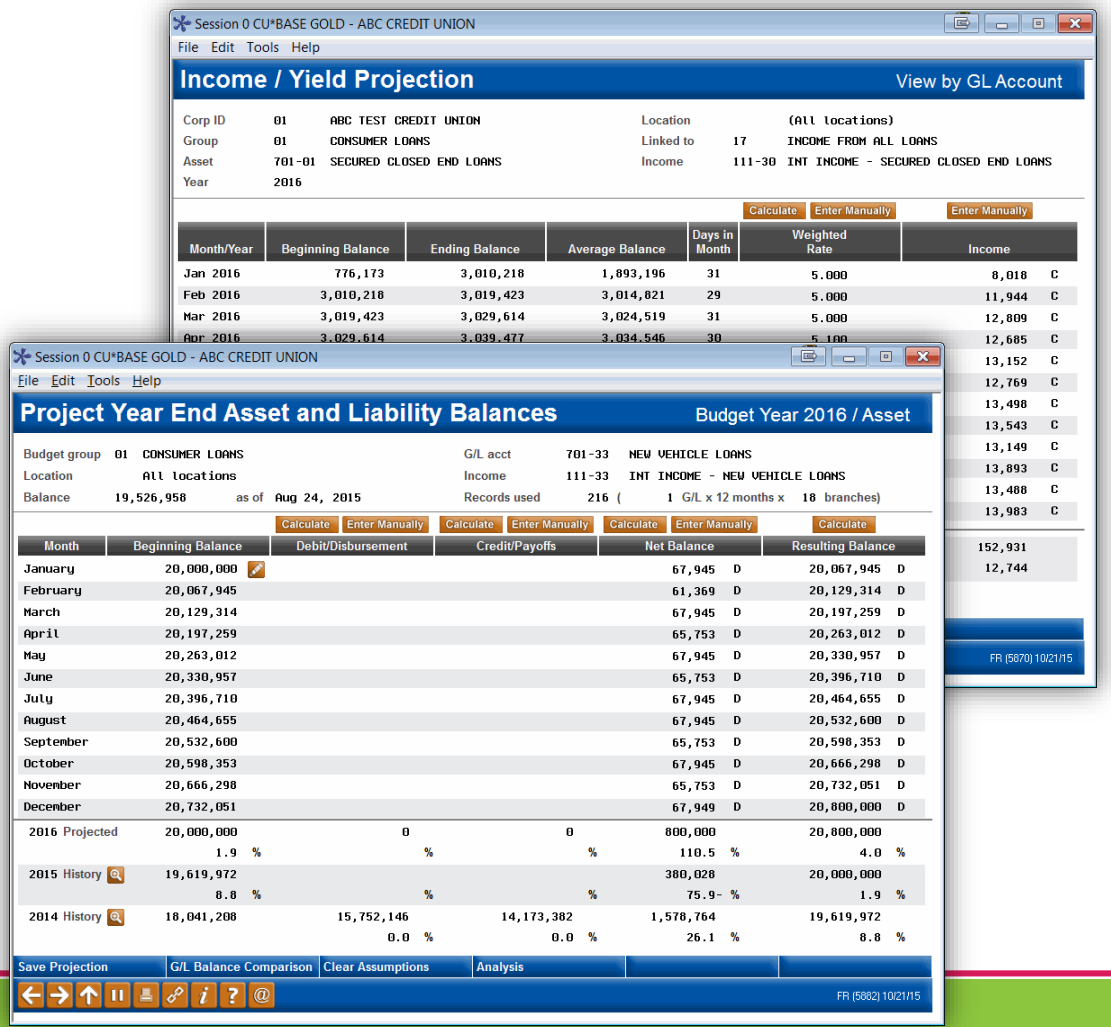
New tools for printing financial reports and budgets

From the training presentation...

The Future of Modeling

WHAT OTHER MODELING APPROACHES SHOULD WE FOCUS ON?

- Current Modeling tools can be used to
  - Project growth in asset balances...then project the associated income
  - Project growth in liability balances...then project the associated expense
- What should be next?



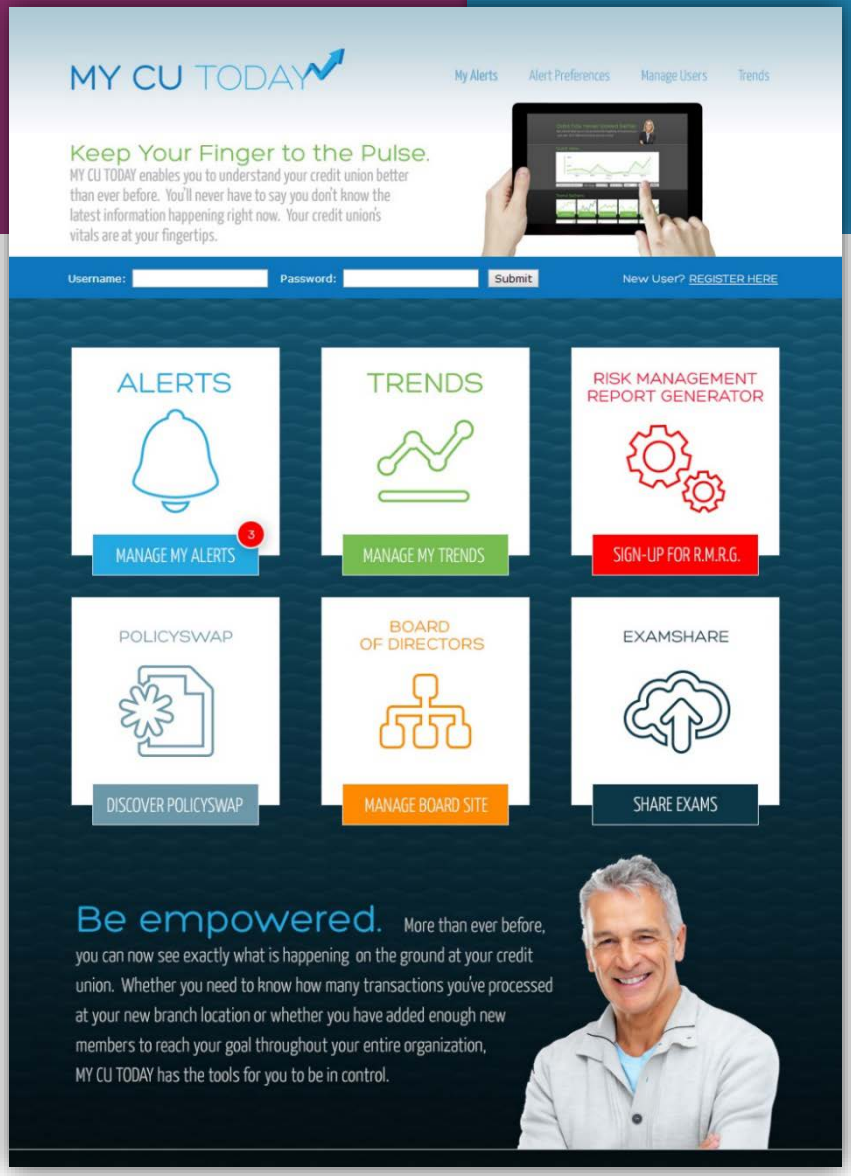
My CU Today Plus

- How many of you are already using **My CU Today**?

My CU Today Plus

A NEW WEB-BASED FINANCIAL ANALYSIS TOOLKIT

- **My CU Today**
  - We continue to enhance and add capabilities for CFO, CEOs, and Board Directors

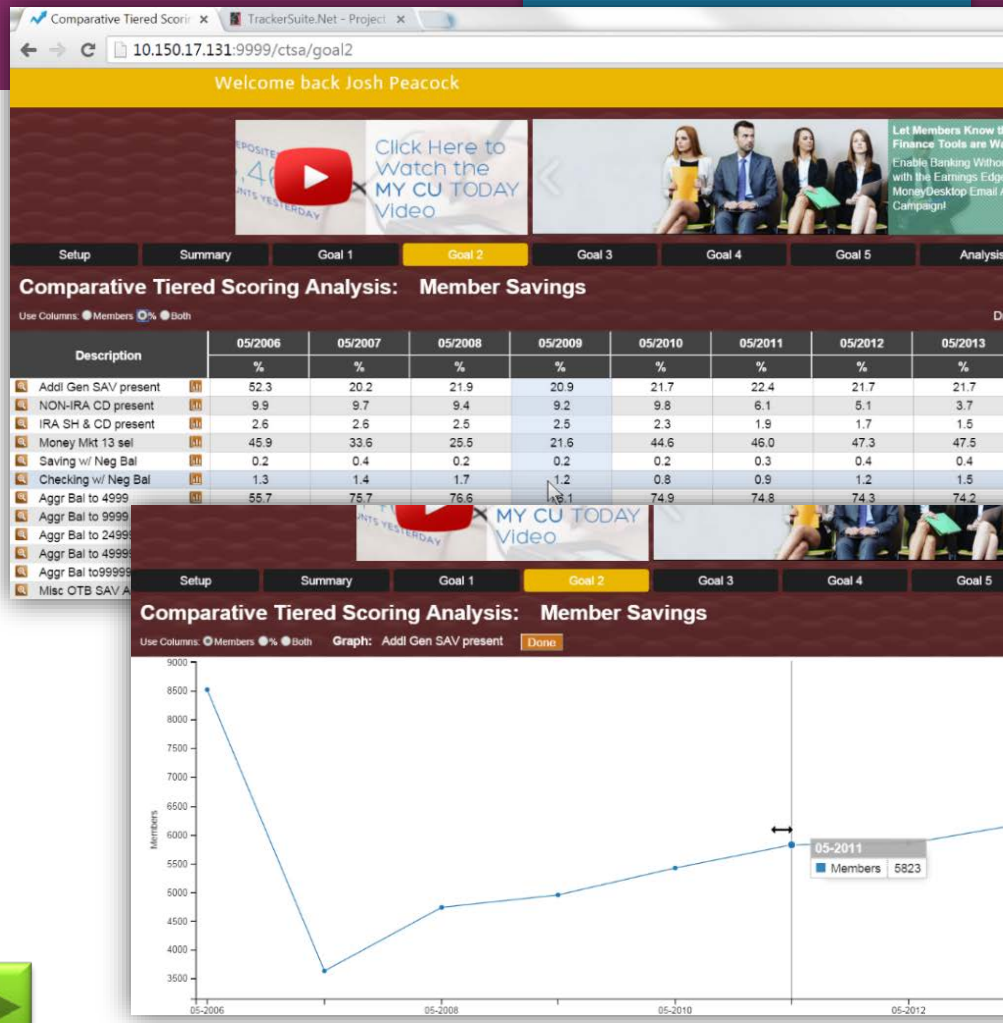


What we previewed in CEO School last November...

My CU Today Plus

A NEW WEB-BASED FINANCIAL ANALYSIS TOOLKIT

- Introducing **My CU Today Plus**
  - Dashboards that mirror CU*BASE tools

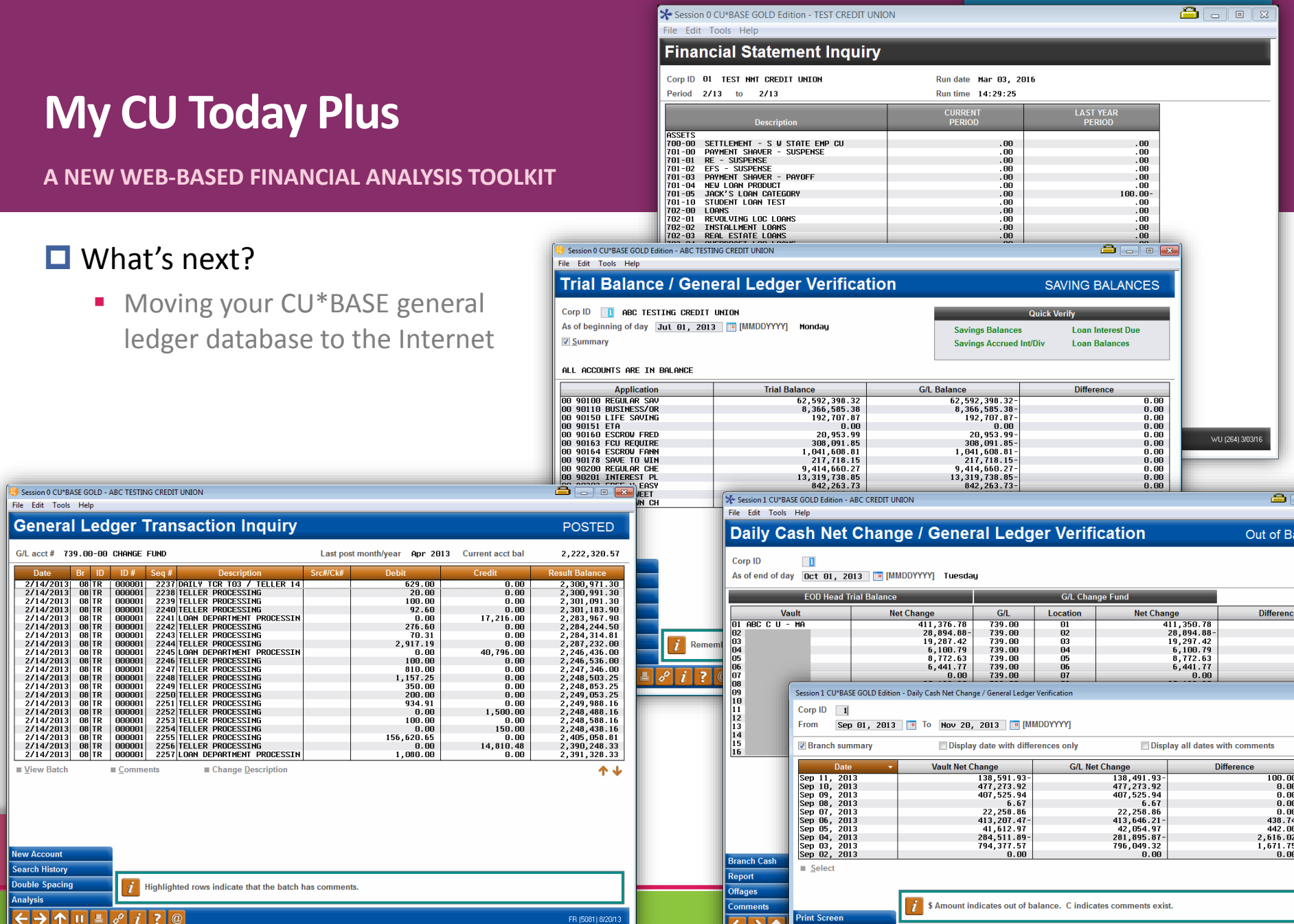


What we previewed in CEO School last November...

My CU Today Plus

A NEW WEB-BASED FINANCIAL ANALYSIS TOOLKIT

- What's next?
  - Moving your CU*BASE general ledger database to the Internet



Thanks for the morning!