

## MEMORANDUM

To: Subscribers to *NAFCU's Internal Controls for Credit Unions*

From: Sheshunoff Information Services

Subject: Highlights

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Enclosed is the most recent update for your subscription. This update includes materials to help your credit union implement and monitor internal controls to address environment elements. Internal control checklists are excellent tools to utilize when performing internal monitoring or assessment of controls within your institution. Internal controls should provide reasonable assurance that assets are safeguarded, information is timely and reliable, and that errors and irregularities are discovered and promptly corrected.

The How to Use This Manual section has been enhanced with the addition of insights about setting the control's culture at the top of the organization. Through a top-down approach, management and staff will receive consistent management and institution-wide support to embrace a proactive risk management culture based on sound controls.

New internal controls questionnaires have been added to Volume II in the following areas:

- Lending
  - Credit Risk
  - Commercial Real Estate
- Operations
  - Controls Review

These new checklists reflect areas of increased focus in recent regulatory examinations. Through careful review of internal controls and related procedures, management can ensure proper monitoring and control of these topic areas.