

## Supervisory Committee Job Description

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**Reports to:** WECU Members

**Term:** Three years

**Purpose and Obligations:** See WECU Bylaws, Article VI.

See also (*below*) RCW's:

31.12.335

31.12.326

31.12.345

31.12.285

**Attendance:**

- 1) Regularly attend Supervisory Committee meetings as scheduled (approximately 12 per year) unless excused. A Supervisory Committee member shall no longer serve if he/she misses 4 regular Supervisory Committee meetings in a 12-month period.
- 2) Regularly attend board meetings as scheduled (approximately 13 per year). It is desirable that Supervisory Committee members attend at least two-thirds of all scheduled board meetings.
- 3) Attendance at Supervisory Committee/Board retreats, in-service workshops, and other Supervisory Committee activities is encouraged.
- 4) Attendance at annual membership meetings, where annual written report is provided, is encouraged.

**Desired Skills and Traits:**

- 1) Show commitment to Board and Supervisory Committee activities.
- 2) Be well-informed on issues and agenda items in advance of meetings.
- 3) Contribute skills, knowledge, and experience when appropriate.
- 4) Listen respectfully to other points of view.
- 5) Assume leadership roles in Supervisory Committee activities.
- 6) Be receptive to the needs of the credit union's members, and represent the credit union to the public and to private industry.
- 7) Complete, within the first year of being on the Supervisory Committee, and as monitored by the chair, the following volunteer training program modules:
  - a. A Director's Guide to Credit Union Regulations and Exams
  - b. Managing Risk
  - c. Supervisory Committee: Duties and Responsibilities
  - d. Auditing 1
  - e. Auditing 2
- 8) Ability to understand and evaluate procedures.
- 9) Ability to read and understand financial statements.
- 10) Ability to evaluate board policy and methods by which policies are set.

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- 11) Ability to review audits and understand management's responses.
- 12) Ability to understand and evaluate information regarding technology systems and security-related issues.

### **Supervisory Committee Duties:**

- 1) The chair of the Supervisory Committee is elected after the reorganizational meeting each February.
- 2) The chair is responsible for arranging meetings with management and notifying Supervisory Committee members.
- 3) The chair will assure that accurate minutes of Supervisory Committee meetings are taken and distributed to Supervisory Committee and Board members.
- 4) The chair will assure that committee files are maintained.
- 5) The Supervisory Committee shall select an independent auditor(s) and/or consultant(s) for the annual opinion audit, annual membership verification and for periodic internal audit engagements. The Supervisory Committee will report its findings and recommendations to the Board, and to the membership at the annual meeting.
- 6) The Supervisory Committee attends exit interviews with the independent auditor and/or state examiners. The auditor's compliance report is sent to the Supervisory Committee. Management will prepare its response to the findings and will present those to the Supervisory Committee. Findings will be reported by the Supervisory Committee to the Board, pursuant to the Carver model.
- 7) It is recommended that committee members strive to complete the entire volunteer training program.

**RCW 31.12.335**

**Supervisory committee — Duties.**

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(1) The supervisory committee of a credit union shall:

(a) Meet at least quarterly;

(b) Keep fully informed as to the financial condition of the credit union and the decisions of the credit union's board;

(c) Perform or arrange for a complete annual audit of the credit union and a verification of its members' accounts; and

(d) Report its findings and recommendations to the board and make an annual report to members at each annual membership meeting.

(2) At least one supervisory committee member may attend each regular board meeting.

### **RCW 31.12.326**

#### **Supervisory committee-Membership-Terms-Vacancies-Operating Officers and employees may not serve.**

(1) A supervisory committee of at least three members must be elected at the annual membership meeting of the credit union. Members of the supervisory committee shall serve a term of three years, unless sooner removed under this chapter or until their successors are qualified and elected or appointed. The members of the supervisory committee shall be divided into classes so that as equal a number as is possible is elected each year.

(2)(a) If a supervisory committee member is absent from more than one-third of the committee meetings in any twelve-month period in a term without being reasonably excused by the committee, the member shall no longer serve as a member of the committee for the period remaining in the term.

(b) The supervisory committee shall promptly notify the member that he or she shall no longer serve as a committee member. Failure to provide notice does not affect the termination of the member's service under (a) of this subsection.

(3) A supervisory committee member must be a natural person and a member of the credit union. If a member of the supervisory committee ceases to be a member of the credit union, the member shall no longer serve as a committee member. The chairperson of the supervisory committee may not serve as a board officer.

(4) Any vacancy on the committee must be filled by an interim member appointed by the committee, unless the interim member would serve a term of fewer than ninety days. Interim members appointed to fill vacancies created by expansion of the committee will serve until the next annual meeting of members. Other interim

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members may serve out the unexpired term of the former member, unless provided otherwise by the credit union's bylaws. However, if all positions on the committee are vacant at the same time, the board may appoint interim members to serve until the next annual membership meeting.

(5) No operating officer or employee of a credit union may serve on the credit union's supervisory committee. No more than one director may be a member of the supervisory committee at the same time, unless provided otherwise by the credit union's bylaws. No member of the supervisory committee may serve on the credit committee or investment committee of the credit union while serving on the supervisory committee.

### **RCW 31.12.345**

#### **Suspension of members of a committee or members of the board by supervisory committee — For cause.**

(1) The supervisory committee may, by unanimous vote, for cause, suspend a member of the board, until a membership meeting is held. The membership meeting must be held within thirty days after the suspension. The members attending that meeting shall vote whether to remove the suspended party or parties. The supervisory committee may, by unanimous vote, for cause, suspend members of other committees until a membership meeting is held. The meeting must be held within thirty days after the suspension. The members attending that meeting shall vote whether to remove the suspended party or parties.

(2) For purposes of this section, "cause" includes demonstrated financial irresponsibility, a breach of fiduciary duty to the credit union, or activities which, in the judgment of the supervisory committee, threaten the safety and soundness of the credit union.

### **RCW 31.12.285**

#### **Suspension of members of board or supervisory committee by board — For cause.**

The board may suspend for cause a member of the board or a member of the supervisory committee until a membership meeting is held. The membership meeting must be held within thirty days after the suspension. The members attending the meeting shall vote whether to remove a suspended party. For purposes of this section, "cause" includes demonstrated financial irresponsibility, a breach of fiduciary duty to the credit union, or activities which, in the judgment of the board, threaten the safety and soundness of the credit union.