

PROTOCOLS AND INTERVIEW TIPS



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PROTOCOL PURPOSE

Audit protocols are intended to streamline the audit process, ensure that all appropriate individuals are involved from the outset of the audit/review, reduce the overall time associated with the process, and assure that any audit findings are based on correct information.

Use protocols to manage the process; reduce disruption in your organization; limit drive-by interviews; and ensure findings are correct.

Intent is to make the examiners a partner in the credit union collaboration process.

WHO IS USING A PROTOCOL?

*CU*Answers*

*CU*Answers – board of directors*

Other credit unions throughout the country

What agencies have agreed to a protocol?

NCUA

OFIR (Michigan)

ODFI (Ohio)

IRS

PREPERATION FOR AN EXAM

Designate a coordinator for the examination: responsible for taking notes and gathering information (this person will be essentially out of commission during this period).

Develop a strategy on how to handle information requests.

Develop a strategy for interviews.

Be responsive; no need to agree to everything, but if there is a finding that the credit union agrees with, then the credit union needs to remediate the finding.

The background of the slide is a stylized, semi-transparent illustration of the United States flag. It features the stars and stripes in a light, muted color palette, with the stars appearing as soft, greyish-blue shapes and the stripes as light red and white wavy bands. The flag is positioned behind the text, creating a patriotic and official atmosphere.

SCHEDULING

Requests for audits should be made in advance to the credit union. Advance arrangements ensure that the appropriate individuals are available to assist the examiners, relevant records are located and available, any interviews are scheduled to provide minimum disruption of departmental activities, and required facilities and services are available.

ENTRANCE CONFERENCE

During the entrance conference, request for the following:

- scope of audit;
- timing of the audit, including estimated start and completion dates; deliverables and reports;
- requesting agency or individual as applicable, external audit team personnel, including designation of an audit lead;
- contact information and work schedules of onsite visits;
- processes to allow the executive management the opportunity to review and comment on the deliverables and reports, including any draft findings and the final audit report.

As appropriate, weekly status calls and/or meetings may be requested and scheduled. Written track will be kept of all follow-up items, and these items will be reviewed at the next meeting.

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CHANGES TO SCHEDULE

Request to be informed as soon as possible of any known changes in audit timelines, deadlines or changes in scope, external audit team personnel, contact information or other pertinent or important information.

INFORMATION REQUESTS

All anticipated material and interview requests should be made at least 30 days prior to the audit start date. Information in these requests will be prepared and provided to the external auditors by the audit start date. Interviews will be scheduled by the credit union. All requests for information must be in writing, including the requested return date of the information.

If the request for information is considered informal, the external auditor may contact the examination coordinator but the request must be followed up in writing. The coordinator will inform the external examiners if the audit requests cannot be reasonably accommodated in the requested time and provide an estimated deliverable date.

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ON SITE REQUESTS AND INTERVIEWS

Information requests made on-site may take more than one day, depending upon the information requested. Request a minimum of 48 hours to respond to and provide large data and information files to on-site examiners.

An team member and appropriate personnel will accompany external auditors on all visits with staff. This includes walk through visits of any facility. Take notes and request follow-up meetings for clarification.

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FINDINGS

Request findings to be communicated to the coordinator as soon as possible. Ask for a minimum of thirty days to prepare and offer rebuttal to any potential findings. If any external auditor experiences a delay, lack of responsiveness, or an item of concern from personnel, the examiner shall inform the coordinator of the issue immediately.

Make every reasonable effort to assist in the resolution of the problem.

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EXIT CONFERENCE

Upon notification from the auditors that the onsite audit has been completed, the coordinator will schedule an exit conference. The exit conference may be held via telephone, teleconference or in person, as long as mutually agreed upon by all affected parties. The external auditors will not introduce any new findings or information at the exit conference. As long as proper protocol is followed, all issues, findings, information, and concerns will have been provided and discussed prior to the exit interview.

The external auditors shall provide written documentation of potential findings to management. A mutually agreed upon response time shall be discussed during the exit interview or subsequent communication between auditors and the credit union.

INTERVIEW TIPS

Interviews can be among the most stressful parts of an examination. There are ways to handle interview examinations that can improve credit union findings and help take some stress away from staff.

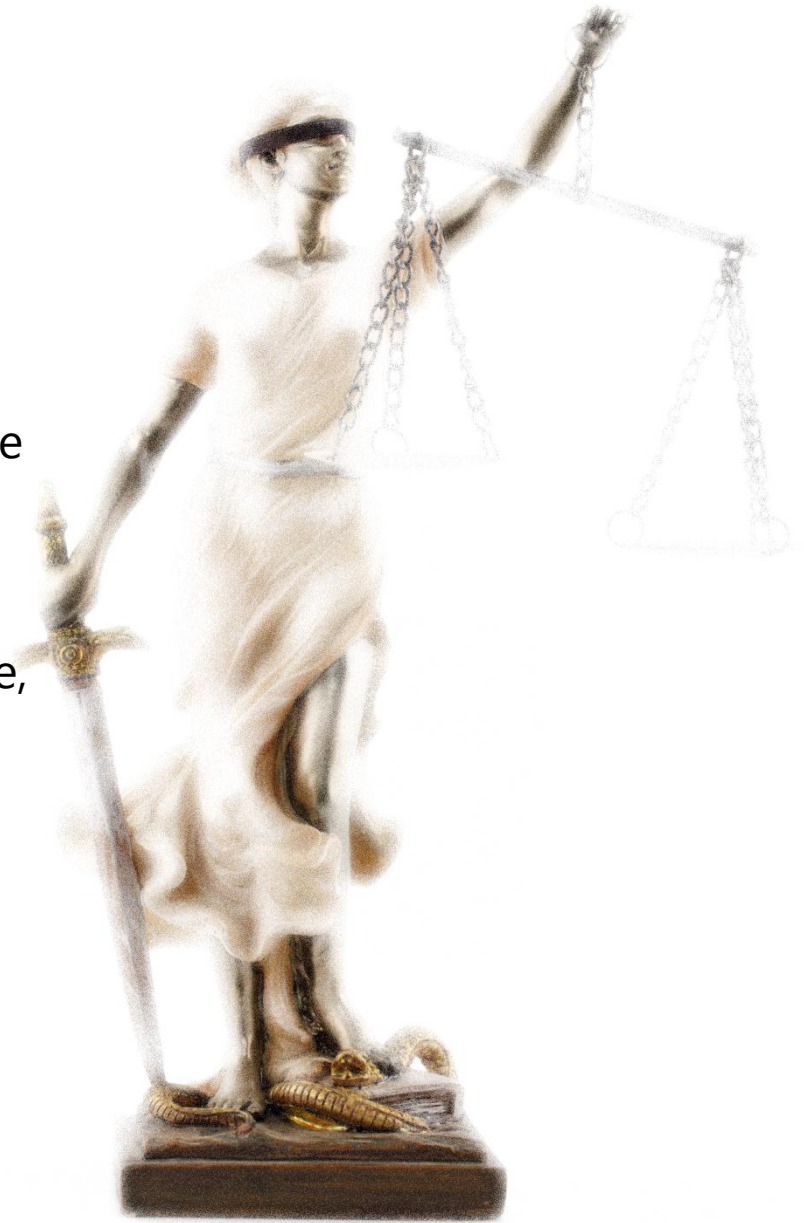


STAFF CONFIDENCE

Staff should believe that they will not be punished for findings as long as they have been following the policies of the credit union.

If policies and procedures need to change, that should not be the fault of the staff.

This does not apply, of course, if staff haven't been following policies.



TRANSPARENCY

Expect all employees to give truthful answers to any questions. Truthful responses allow the credit union to discover and remedy any compliance or security issues before suffering serious liability.

Reputation depends on the ability to honestly evaluate compliance and security protocols and revise them if necessary.



COURTESY

Be polite, sincere and courteous at all times. A vigorous examination may occasionally seem like a personal attack, but adherence to good practices interests the examiner, not the person. Do not go on the defensive, and answer as truthfully as possible the facts as you know them.

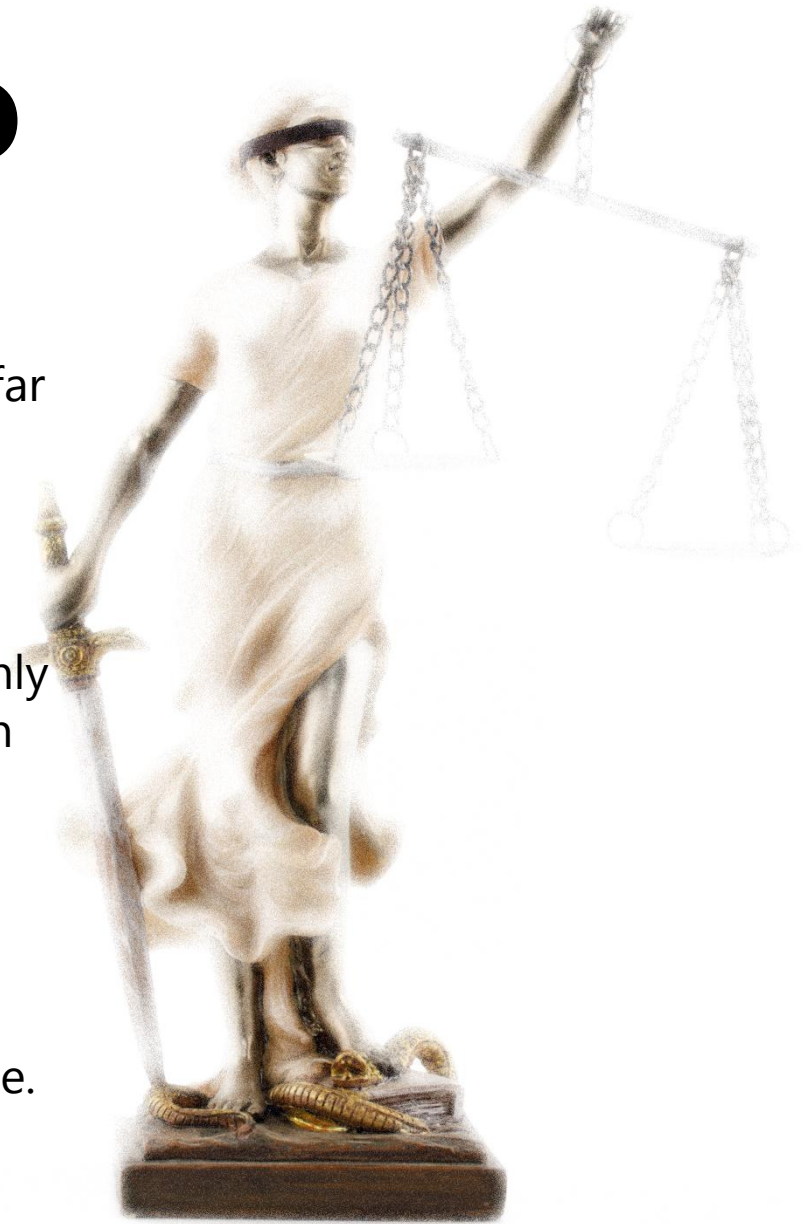


UNDERSTAND

Some staff are “too helpful” and wander far away from the question or topic at hand.

Staff should listen carefully to every question and be sure to understand it before answering. Staff should answer only that question. Staff should not ramble on or volunteer information.

If staff do not understand a question, say so. **Never answer any question that is not understood**, and feel free to request clarification from the examiner at any time.



POSITIVE ANSWERS

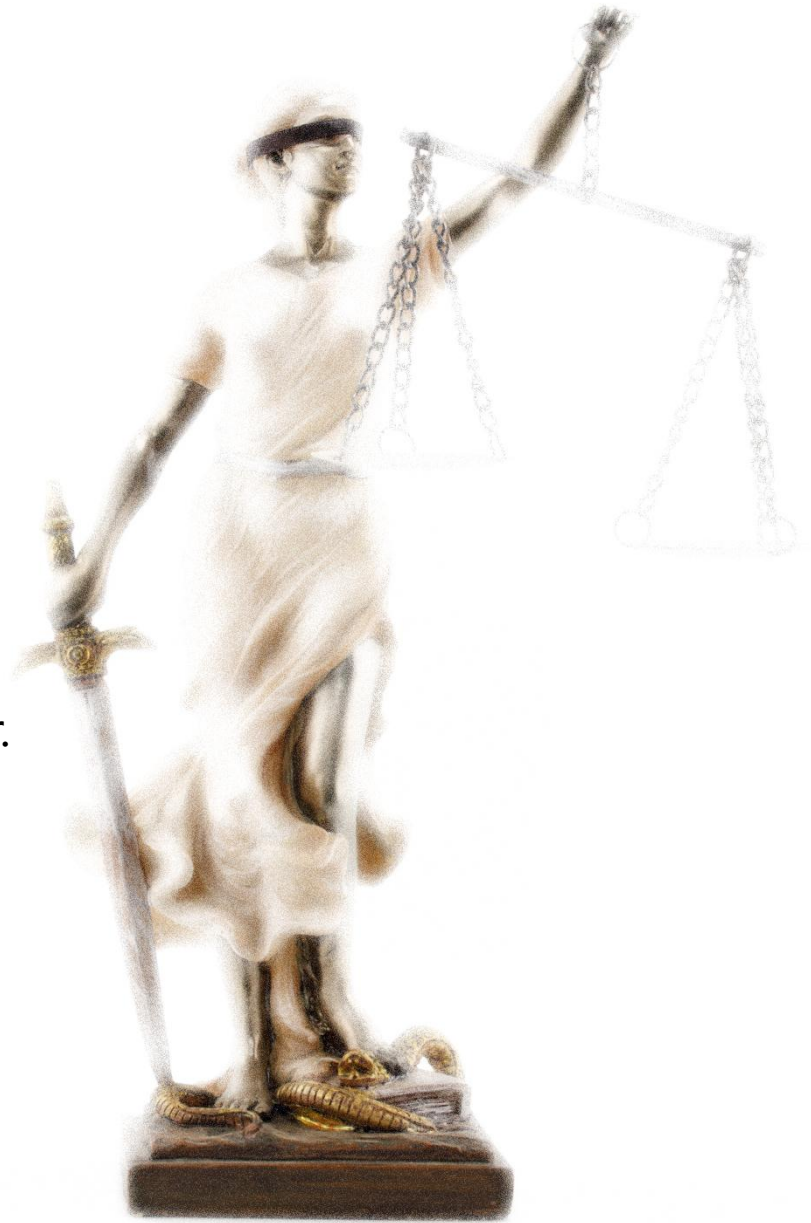
Give positive, clear and direct answers to every question whenever possible.



EXPERTISE

Staff should **always refuse** to answer a question outside the scope of their expertise.

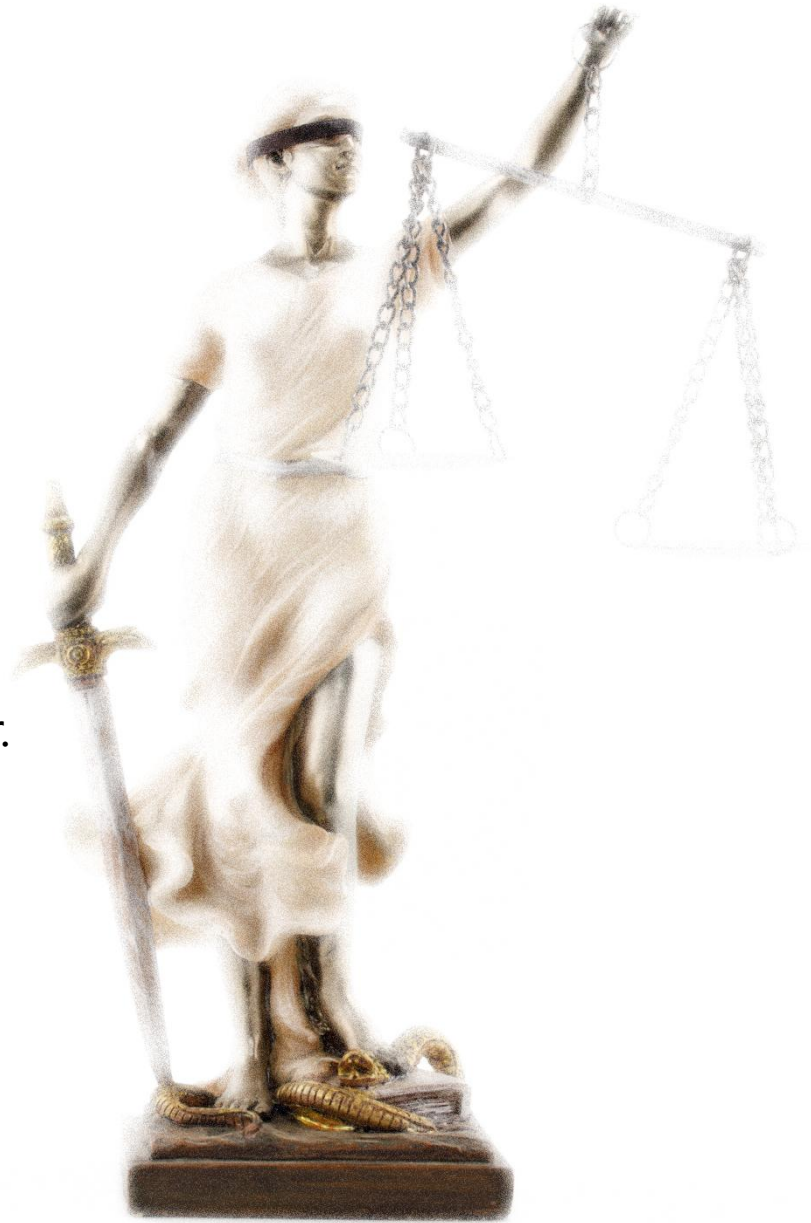
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EVASIVENESS

Staff should **never** attempt to evade answering a question unless it is out of their scope of expertise. Even then, the refusal to answer should be confident.

Evasiveness always appears that the person or organization has something to hide (even if it is just shyness or nervousness).



NO COACHING

Staff should not look to the examination coordinator for coaching. If the staff cannot answer, the coordinator needs to find someone who can.



EXAMINER MISUNDERSTANDING

If it is clear that the examiner misunderstood, staff should politely correct the examiner before moving on to the next topic.



NO CHALLENGE

If the examiner indicates there is a problem or finding based on the interview, the staff should not challenge the examiner, other than to correct misunderstandings.

Challenges to findings should be made only by management.



CONCLUSION

The goal needs to be ensuring that findings are correctly based on accurate facts.

Staff should feel confident in the policies and procedures of the organization.

