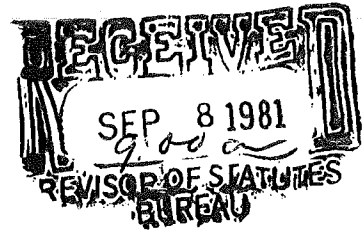


CU 67



STATE OF WISCONSIN)
) SS
OFFICE OF THE COMMISSIONER OF CREDIT UNIONS)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Richard Ottow, Acting Commissioner of the Office of the Commissioner of Credit Unions and custodian of the official records of said commission do hereby certify that the annexed rules relating to audits of credit unions by certified public accountants in lieu of examinations by the state of Wisconsin were duly approved and adopted by this commission on May 27, 1981.

I further certify that said copy has been compared by me with the original on file in this agency and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Commissioner of Credit Unions in the City of Madison, this 31ST Day of August, 1981.

Richard Ottow
Richard Ottow,
Acting Commissioner

ORDER OF THE OFFICE OF THE COMMISSIONER OF CREDIT UNIONS
ADOPTING, AMENDING OR REPEALING RULES

Pursuant to authority vested in the Office of the Commissioner of Credit Unions by s. 186.23 and 186.26 (1) (b), Stats., the Commissioner of Credit Unions hereby repeals, amends, and adopts rules interpreting s. 186.26 (1) (b), Stats., as follows:

Chapter CU 67 of the WISCONSIN ADMINISTRATIVE CODE is created to read:

CHAPTER CU 67
CERTIFIED PUBLIC ACCOUNTANT AUDITS OF CREDIT UNIONS
IN LIEU OF EXAMINATIONS BY THE STATE OF WISCONSIN

CU 67.01 Purpose. The commissioner may accept an audit report of a certified public accountant who is not an employe of the credit union in lieu of all or a portion of the routine examination which is made by or caused to be made by the commissioner as required by s. 186.26 (1) (a), Stats.

CU 67.02 Definitions. 1. "Commissioner" means the commissioner of credit unions.

2. "Accountant" means a certified public accountant who is not an employe of the credit union and is licensed in the state of Wisconsin.

CU 67.03 Routine examination procedures. An examination of a credit union shall include the ordinary and accepted procedures necessary to determine:

- (1) the solvency of the credit union;
- (2) the business of the credit union is being conducted in accordance with the Wisconsin statutes and applicable federal and state regulations and laws;
- (3) the credit union is complying with:
 - (a) the rules of the commissioner, Wisconsin administrative code;
 - (b) the credit union's bylaws;
 - (c) the credit union's charter.
- (4) the credit union is not conducting its business in an unauthorized manner;
- (5) the credit union is not in an unsafe and unsound condition to transact its business;
- (6) the capital of the credit union is not impaired;
- (7) the credit union can, with safety and expediency, continue business; and
- (8) the credit union is operating in accordance with regular accepted credit union accounting principles.

CU 67.04. Requirements for audits by accountants. In order for an examination to be accepted by the commissioner, the accountant shall:

(1) Satisfy each of the examination procedures in s. CU 67.03;

(2) Submit a copy of the audit report, management audit report and all worksheets in support of the reports prepared by the accountant for review and analysis by the commissioner or the commissioner's representative; and

(3) Submit an additional special report on forms provided by the commissioner. These special report forms are the regular routine examination forms completed by staff examiners of the commissioner during the course of their routine examinations.

NOTE: Forms CUE 2, CUE 4, CUE 5, CUE 10, and CUE 12 may be obtained at no charge from the office of the commissioner of credit unions.

(4) The credit union requesting the commissioner to accept an audit by an accountant shall pay to the commissioner the current hourly examination fee established by s. 186.04 (3), Stats., for the review and analysis of the audit report, management report and the special report on the forms supplied by the commissioner.

CU 67.05 Acceptance of audits by accountants in lieu of examination by the commissioner. (1) The commissioner will analyze and review or cause to have analyzed or reviewed the reports and worksheets required by s. CU 67.04 (2) and (3) and determine if they satisfy s. CU 67.03.

(2) The credit union will be notified within a reasonable period of time by the commissioner as to the decision whether the audit and worksheets are acceptable in lieu of all or a part of an examination by the commissioner.

(3) If the reports are accepted by the commissioner, a solvency or abbreviated examination of the credit union may be made by examiners of the office of the commissioner of credit unions. Every effort shall be made to avoid significant duplication of examination procedures.

CU 67.06 Miscellaneous. (1) For the purposes of this chapter, examination standards of all credit unions chartered under ch. 186, Stats., shall be under the control and supervision of the commissioner.

(2) The accountant shall supply, within 30 days, any information requested by the commissioner as to the audit of the credit union by the accountant.

(3) If the information requested of the accountant is not supplied to the commissioner within the requested period of time, the commissioner may order a special examination of the credit union to satisfy the areas of concern. The cost of the special examination shall be paid by the credit union.

(4) If the reports from the accountant which are required by s. CU 67.03 disclose information which represents areas of concern to the commissioner, a special examination by the commis-

sioner may be ordered for that credit union. The cost of the special examination shall be paid by the credit union as established by s. 186.04 (3), Stats.

The rules contained in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.026 (1), Stats.

Dated: Aug 31, 1981

OFFICE OF THE COMMISSIONER OF CREDIT UNIONS

By: Richard Ottow
Richard Ottow, Acting Commissioner