

SUPERVISORY COMMITTEE REPORT TO ANNUAL GENERAL MEETING

At the Annual General Meeting held on May 28, 2013, seven persons were elected to serve on the Supervisory Committee. The committee convened meetings on ten occasions. Table 1 below lists the members and our attendance record for these meetings.

Table 1.

Members	Possible Meeting	Attended Meetings	Excused
Leonie Emden (Chairman)	10	9	1
Macherie Hamilton-Clarke (Secretary)	10	10	0
Hugh Meredith	10	9	1
Cosmo Walker	10	9	1
Neuton Nelson	10	8	2
Hyacinth Ennis	10	9	1
Lochinvar Lungren	10	6	4

AREAS REVIEWED

For the period under review, the Supervisory Committee focused on significant areas of concerns, which are listed below:

1. The Clareti System findings, as contained in the Symptai Report dated June 2013.
2. Bank of Jamaica Report findings on management compliance dated December 2013.
3. Findings and Recommendations tabled in the report from The Registrar of Cooperatives and Friendly Societies, dated November 2013.
4. Details within the Internal Audit Report on Human Resources Management, dated April 2014.

5. Findings and Recommendations in the Internal Audit Report, on Investments. This audit was conducted November 2013.

In addition to the Audits conducted by the JCCUL Auditors and inspections done by the Registrar of Cooperatives and Friendly Societies, the Committee reviewed the following areas of the Credit Union's operations:

- Issues relating to staff welfare,
- The process with respect to unsecured loan applications for volunteers,
- IECCU Compliance with respect to POCA and KYC requirements,
- Declined loans procedures,
- Audit of member's files to ensure compliance with regulatory requirements

FINDINGS

Operating System

The Symptai Report on the Clareti System was comprehensive and indentified concerns with respect to the efficiency, vulnerability and adaptability of the system to serve the Credit Union's operations optimally. This was further confirmed in a meeting with a Representative of Symptai and the Supervisory Committee. To date, the Clareti system has yet to function at a level where it fulfills the requirements of the Credit Union.

However, the Board of Directors took the decision to implement changes recommended in the report, assess those that require customization and make a decision on the way forward by the end of June 2014, with a view that the Credit Union becomes fully efficient in this area of it's operation. The unfulfilled promises of the Clareti System have a negative impact on staff morale and other areas of the Credit Union's operations. The Supervisory Committee awaits the Board's decision on the current status.

As it pertains to the Bank of Jamaica findings, the Supervisory Committee has seen evidence of the Management's compliance and commitment to correct most of the areas of concerns highlighted in the Bank's report. The exercise however, has to be ongoing until full compliance in all areas is achieved.

GENERAL OBSERVATIONS

During the period of review as it pertains to areas of Credit Union activities examined, there was evidence that corrective measures in some areas were taken. There were some areas however, where concerns raised in previous Audits/Inspections, have not been addressed as yet. It must be noted that in most instances where these lapses exist, the response of management when made aware, was immediate and positive.

ACKNOWLEDGEMENT

The Supervisory Committee wishes to take this opportunity to express our sincere appreciation to the members of the Credit Union for the confidence you have placed in us to serve you. We also wish to thank the members of The Board of Directors as well as other committees who from time to time provided us with assistance where necessary, the Management and staff, the Jamaica Credit Union League and their Internal Auditors, and the Office of the Registrar of Cooperatives and Friendly Societies. These last two entities provided invaluable advice and support to the Committee during our term of office.

I wish to thank as well, the members of the Supervisory Committee, for their time and commitment to be of service to the Committee, staff, volunteers and members at large.

A handwritten signature in cursive script, appearing to read 'Leonie Emden', written in black ink on a light-colored background.

Leonie Emden

Chairman