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SECTOR RELEASE

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To all Boards of Directors, Managers and CEOs

Examinations Program Update

We are writing to provide you with an update on our examinations program. With the recent proclamation of the revisions to the *Credit Unions and Caisses Populaires Act*, DICO is now responsible for administering the various provisions of the Act and regulations dealing with solvency matters. As a result, we are in the process of updating our examinations program.

Examination Manual

Now available on our website is a revised version of the Examination Manual which provides all insured institutions and their staff, management and boards references to the revised Act and regulations. We will be continually updating the manual as our examination process evolves.

Frequency and Types of Examinations

We have received enquiries regarding the frequency and types of examinations for various types of institutions. All Class 1 credit unions and caisses populaires will be examined at least annually. The examination process will continue to focus on areas such as governance, credit risks and internal controls.

Class 2 credit unions and caisses populaires will be examined on a frequency based on our assessment of risk levels. The focus of these examinations will continue to be on major risk areas as outlined in the manual. We will continue to perform and intend to expand commercial credit reviews. In addition, we intend to perform examinations without advance notice on a random as well as a selective basis. Managers and CEOs are encouraged to inform staff about the possibility of these types of reviews. Those caisses populaires that are affiliated with La Fédération des caisses populaires will be examined on a schedule determined jointly by La Fédération and DICO pursuant to our agreement.

Service Levels

DICO's staff will endeavor to conduct their review in a manner that will not impede member service activities. All staff conducting these reviews will carry appropriate DICO identification. As with other Examinations, recommendations and findings will be discussed with the credit union in an exit interview before the final report is issued. If you have any questions about this process, please do not hesitate to contact your DICO regional manager at 1-800-268-6653.

Copy : Credit Union/Caisse Populaire External Auditors

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Ce communiqué est également disponible en français; pour obtenir un exemplaire veuillez téléphoner à Carmen George à la SOAD en composant le (416)325-9444 (à Toronto) ou le 1-800-268-6653, sans frais d'Interurbain