

Credit Union Director Achievement Program



Foundations of Governance (Level A)

Experience the evolution of the *CUDA*[®] Program

The *CUDA* Program brings you the most current thinking about credit union corporate governance. **It's an evolution that is starting right with the core – with the Foundations of Governance or Level A.**



The *CUDA*[®] Program: Foundations of Governance (Level A)



Experience the evolution of the *CUDA*[®] Program

The goal of this evolved Level A of the *CUDA* Program is to provide easier, quicker access to current governance concepts and information – the support needed to be an effective director. On completion of Level A, directors will receive a certificate attesting to their understanding of the Foundations of Governance.

The 'Foundations of Governance' Certificate

Complete just 2 steps to receive the *Foundations of Governance* Certificate:

- Step 1:** The 7 totally refreshed modules and tests, and
- Step 2:** The 1-day workshop - Foundations of Governance in Theory and Action

The 7 Modules

Each of the 7 modules takes approximately 30 minutes to complete. Module 1 provides the framework of the system and helps to put your credit union into a national context. Modules 2 to 7 each covers a different aspect of corporate governance and includes printable cases which apply the concepts presented. All modules end with a short test—score of 80% or higher on each test “completes” the module.

Two ways to complete. The 7 modules can be completed either:

- a) Online. Independently, on your own *or*
- b) In a 2-day classroom session. This session will cover the same material as the online modules.

Either way, to complete Level A and receive a certificate, a director must pass the short online test at the end of *each* module and participate in the one-day *Foundations of Governance in Theory and Action* workshop described below.

Foundations of Governance in Theory and Action Workshop

After completing the 7 modules, this case-based, one-day workshop gives a director a variety of opportunities to apply what has been learned about governance “in theory”.

The workshop is divided into 2 parts:

- Part 1:** Focuses on the 6 cases drawn from modules 2 through 7.
- Part 2:** Presents a comprehensive case study from a governance perspective.

Experience the evolution in governance learning!

To learn more about the *CUDA* Program, contact Client Solutions at clientsolutions@cusource.ca or at 1.888.367.1386.

Foundations of Governance (Level A)

The 7 Modules

- 1. Overview of the Credit Union System** - The Canadian credit union system has a rich history spanning more than 100 years. Currently, more than 1 in 4 Canadians is a member of a credit union. As a board member, you are among an elite group of more than 3,000 credit union directors who govern more than 400 credit unions in English-speaking Canada. These credit unions have been entrusted to manage more than \$120 billion in assets for their members. In this module, you will become oriented to the breadth, scope and span of our system; you will learn about our local, provincial and national structure and the nine foundational credit union operating principles.

There is no case study for this module.

- 2. The Board's Roles and Responsibilities** - As a member of the board, you will be introduced to your collective responsibilities and how they are linked to the functions that are regularly performed, including policy development, corporate governance and planning. You will learn how the board's responsibility to the corporation is fulfilled along with the responsibility to create and protect value for shareholders.

Case Study – The Board's Roles and Responsibilities

The CEO of Your Own Credit Union is a strong and aggressive business professional; she is a very capable manager and her board has traditionally followed her lead. However, as directors of the credit union, the members of the board begin to realize how important it is that they take on leadership roles in directing and overseeing the credit union on behalf of shareholders. In this case study, you will witness how a partnership between the board and managers were established wherein each party is working collaboratively to create and protect value for members.

- 3. A Director's Roles & Responsibilities** - In addition to the board's collective responsibilities, you will be oriented to your role as an individual director including the knowledge and skills that are required to ensure that you are able to exercise due care and diligence on behalf of the members.

Case Study – A Director's Roles and Responsibilities

In this case, you will learn about a credit union that was operating below optimal levels. Witness how the actions of a single director can motivate a full board and how a board can change the direction of a credit union resulting in greater value for members and other stakeholders.

- 4. Legal Basics** - Credit unions operate in a highly regulated industry. Directors must understand this environment to ensure compliance at all times. In the legal module, you will be exposed to the regulatory and legislative environment which governs Canadian credit unions with specific emphasis being placed on deposit protection, consumer protection, capital adequacy, and lending. Upon completion of this module, you will have gained the knowledge to enhance your confidence as a credit union director.

Case Study – Legal Basics

In this case, you will see the impact of legislation and regulation on routine credit union operations such as service charge policies, lending practices and interest rates policies. Decisions that are made around the board table can have far reaching consequences. This case highlights the importance of the board being aware of the legislative and regulatory environment in which the credit union operates.

Foundations of Governance (Level A)

The 7 Modules

- 5. Financial Statements** - The financial module will expand your introduction to the foundations of good governance with a focus on financial competence. During this module, you will enhance your understanding of financial statements, learn about the financial impact of policy decisions, and investigate the concepts of diversification and financial flexibility. You will also learn the importance of your credit union being sufficiently well capitalized and liquid.

Case Study – Financial Statements

This case follows Mary, a new director, who enters her role on the board with a strong credit union and co-operative background, but little financial experience or expertise. Through a process of education and development, personal initiative and probing questions, Mary grows to become a strong contributor to her credit union in terms of financial oversight.

- 6. Asset Liability Management** - In the asset liability management module, you will delve into more detail regarding a crucial area of financial management and learn how credit, investment and interest rate risk can be managed.

Case Study – Asset-Liability Management

This case follows Roger, a newly elected director as he familiarizes himself with the asset liability management practices of his credit union and the role of the board in overseeing this important aspect of the credit union's operations. Elements of risk management, the relationship between market events, member behaviour, interest rate setting practices and financial sustainability are all reviewed in this case.

- 7. Monitoring Credit Union Performance** - Directors are accountable to direct and oversee the business. In this case, you will be exposed to the concept of a balanced scorecard which allows you to monitor your credit union's performance against the strategic goals and objectives which have been established. Through this oversight, you can ensure that your credit union is creating and protecting value for its shareholders.

Case Study – Monitoring Credit Union Performance

This case highlights the relationship between planning, implementation, performance monitoring and results and follows the process implemented at Rainbow Credit Union to achieve a higher standard of performance.

Workshop: Foundations of Governance in Theory and Action

The six cases from modules 2 through 7 will be discussed in Part 1 of the one-day workshop, *Foundations of Governance in Theory and Action*.

Part 2 of that workshop will focus on a comprehensive case study that applies governance concepts and theories to the 6 principles of the **Foundations of Governance model**.



Overview of the Full Program

Your Roadmap to Credit Union Corporate Governance

The Foundations of Governance - Level A

The 7 Modules (*Choice to complete independently online, or in a 2-day classroom session*)

- › Overview of the Credit Union System
- › The Board's Roles and Responsibilities
- › A Director's Roles and Responsibilities
- › Legal Basics
- › Financial Statements
- › Asset-Liability Management
- › Monitoring Credit Union Performance

Workshop: Foundations of Governance in Theory and Action (*One-day in class*)

Certificate: Foundations of Governance

A new introduction to Level A. This certificate will be awarded upon successfully passing each of the module short tests and participating in the workshop.

Governance in Action - Level B

Total of 4 Workshops (*In class*)

- › Accountability and Risk Oversight (*one day*)
- › Strategy: Planning and Oversight (*one day*)
- › Board Development and Performance Evaluation (*half day*)
- › Management Recruitment, Performance Planning and Evaluation (*half day*)

Governance Application - Level C

Total of 4 Workshops

- › The Role of the Audit Committee (*half day*)
- › Credit: Policy and Monitoring (*half day*)

Plus, complete a total of 2 workshops from the selection of Continuing Development courses. These can be a combination of full or half-day sessions.

Overview of the Full Program

CUDA Program Graduate

Recognition for completing the *CUDA* Program will be given to directors who complete all of the courses described in Levels A, B, and C.

Program graduates will receive a certificate from CUSOURCE Credit Union Knowledge Network, acknowledging their achievement.

Accreditation

Having completed the *CUDA* Program, go on to become an **Accredited Canadian Credit Union Director** by writing the 2.5 hour accreditation exam.

The accreditation is awarded jointly by CUSOURCE Credit Union Knowledge Network (*CUIC*, Inc.) and Dalhousie University to directors who successfully pass an exam on Levels A, B, C and who meet the annual requirements for continuing education credits.



CUDA Program nationally recognized since 1988

Continuing Development

This section of the *CUDA* Program is comprised of a dynamic list of topics which reflect current issues, current topics of interest, as well as more in-depth information on some of the core governance subjects above. For directors working through the Program, these courses count for credit in Level C of the Program and provide continuing education (CE) credits for Accredited Canadian Credit Union Directors.

A total of 4 continuing education credits must be completed annually for directors to maintain their designation. Accredited Directors earn **two (2)** CE credits when they participate in a ½ day course and **five (5)** CE credits when they participate in a 1 day course.





Contact Information

Please contact us for more information on the *CUDA*[®] Program.

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