

## 2014 Report of the Audit Committee



The Audit Committee (“Committee”) operates under the Guidelines of section 125 of the Credit Unions and Caisses Populaires Act 1994 and as per DUCA Financial Services Credit Union Ltd., (“DUCA”) Governance Policies and Bylaws. The Committee meets on a regular basis to discuss and review the reports of the Internal Auditor, the External Auditor, Management, DICO, and FINTRAC.) The Committee provides oversees and investigates as required the outcome of examinations and audit reports. The Committee also monitors compliance and risk management practices in accordance with regulatory guidelines and applicable legislation.

The Internal Auditor directly reports, on a regular basis, to the Committee and provides to the Committee: a) specific detailed audits and findings based according to an annual audit plan, b) process control review and improvement findings; c) enterprise risk management reviews; and d) compliance reports regarding all pertinent legislative and regulatory requirements. In addition, the performance of the Internal Auditor has been reviewed and has provided to the Committee his upcoming draft audit plans for next fiscal year. The Audit Committee has had the full co-operation of the Internal Auditor, Senior Management and staff. There continues to be an open book approach from all stakeholders involved during this fiscal year.

KPMG LLP, (“KPMG”) as the External Auditors of DUCA for fiscal year 2014 has been in contact with the Committee during this fiscal year to outline their auditing plan and to review their findings. KPMG have provided to DUCA a signed Section 172 Report, a written confirmation, to affirm to the Committee that there is no relationship between DUCA and KPMG that may reasonably be thought to bear on their independence.

Submitted respectfully by the Audit Committee