

SUPERVISORY COMMITTEE REPORT

APRIL 1, 2010 – MARCH 31, 2011

Ask Not What Your Credit Union Can Do For You, But What You can do For Your Credit Union.

While some of you may take humor at our motto, it was these very inspiring words that guided the activities of the Supervisory Committee during the year 2010- 2011. These words gave us the impetus to suggest new ideas for customer appreciation, guided us during deliberations on serious internal matters and pushed us to make constructive criticism for better management.

So what did we do for our Credit Union this year?

The Belizean and Credit Union flags that now proudly fly in front of the offices on Eve Street was a Supervisory Committee initiative. A Vehicle and Generator Logbook to document and monitor the use of fuel was a Supervisory Committee initiative. The Mother's Day Thank You Snacks and Tokens were a Supervisory Committee initiative. The much needed radio broadcasts were the result of a letter from the Supervisory Committee to the Education Director.

These were a few of the initiatives we pushed management to implement in an effort to improve the internal operations, professionalism and customer appreciation at the Credit Union.

This year, our proudest achievement was the realization of the Delinquency Officer: this post will for the first time, exclusively track loan accounts that are not being repaid as agreed and bring back the persons or their co-makers to the Credit Union to fulfill their obligations. You will agree that the timely repayment of loans should always be a priority at any financial institution. These activities were not being carried out as aggressively as they should have been. This was obviously not a situation the Supervisory Committee could accept. And so we decided to take action.

Mrs. Maureen Reyes, an existing member of staff, has been appointed to the post. We are sure she will be happy to answer any questions regarding her activities over the last several months.

Your Supervisory Committee has undertaken a review of all staff loans, utility bills and committee expenses to make sure they were within reasonable limits. Where Committee expenses were clearly unreasonable, recommendations were made to the Board of Directors to place a limit on the amount each officer could spend for meals during official functions.

June and July of 2010 saw the publication of two monthly reports by Supervisory for the membership. The aim of the reports was to inform members of the activities being carried out by the Supervisory Committee.

As the year progressed, the usual activities of a Supervisory Committee were completed including:

- Review of Member Passbooks
- Review of Staff and Officers' Loans
- Review of the Financial Statements

Computer technology has been a pivotal point for the Credit Union Movement in Belize. It allows management to update and monitor customer records electronically; thus freeing up much needed time that can be used otherwise. However, computerization has also come with shortfalls in data security, questions of network authorization and confidentiality of customer information. And from time to time, we hear on the news of data breaches involving even some of the largest companies.

This Supervisory Committee, along with local computer specialists, carried out a review of the data security and access to customer information.

Allow us to inform you that from all the tests carried out to try and “hack” or gain illegal entry to the SMCU network, we were unsuccessful. We can sincerely tell you, therefore, that we believe the electronic information stored on the SMCU computers are as safe as is technologically possible at this time. And we recommend that the electronic services to the membership be expanded to include secure online banking.

Security cameras, to enhance monitoring of the premises for members’ and staff safety, we believe, are not being adequately addressed at this time. It has been a concern of the Supervisory Committee especially considering the brazen attacks on the Belize Bank in San Ignacio and Scotiabank in Spanish Lookout in the recent past. Despite our written and verbal requests we are still waiting for Management to fully implement a security system with an adequate number of cameras.

Corrective action needs to be taken in the sponsorship of public events such as basketball games. The Supervisory Committee found it unacceptable that over three thousand dollars was invested in one basketball tournament and attention was not given to the following errors: (1) the basketball backboards were indicating the “Atlantic Bank” logo (2) the participants were using strong language throughout the competition (3) there was not a large banner to indicate to the audience that this was an event wholly sponsored by SMCU (4) there was no clear definition of the objective of the tournament except providing a few games to the youth.

After many years of sponsoring this activity, the Supervisory Committee has expressed to the Manager that all these details should have been clarified well in advance and the entire tournament properly coordinated to reflect the seriousness of the investment of money that was made.

Governance of a Credit Union that is growing exponentially cannot be taken lightly. The Board of Directors and Management should always be providing leadership and direction for the Credit Union; more so in a very competitive financial environment such as Cayo where there are several aggressive banks offering similar services. A strategic plan is the “road map” that can help to provide guidance, point into the direction of growth, set targets and create a competitive spirit for the future success of the institution. We encourage the completion of this strategic plan as quickly as possible.

Finally, a financial institution that is owned by its members, should be operated with the input of its membership. The Supervisory Committee of 2010-2011 calls on all members to engage more in their credit union, ask questions, request regular updates on activities and put forward suggestions for its improvement. We believe that women, owning a large percentage of the shares of this institution should take a larger role in the Board of Directors. And we recommend that this becomes a fact starting in this new financial year.

Allow us to say thank you to everyone who assisted and encouraged us this year, including the Staff at the Central Bank of Belize. With limited time, and working hand in hand with all of you, we made our best efforts to make St. Martin’s Credit Union a better financial institution that can serve this generation and many more generations to come.

Sincerely,

Emil Rodriguez
Chairman

Debbie Martinez (Mrs.)
Member

Mr. Emir Quiroz
Secretary