

7-9-23 Supervisory committee -- Duties -- Suspension or removal of officer, director, or credit committee member.

- (1)
 - (a) Appointees to the supervisory committee shall hold office until the next annual meeting of the members and until successors are appointed.
 - (b) One member of the board of directors, except the chair of the board and the president, may be appointed to the supervisory committee.
 - (c) The president and other employees of the credit union may not be appointed to the supervisory committee.
- (2)
 - (a) The commissioner may remove any member of the supervisory committee for:
 - (i) any violation of this chapter or the bylaws of the credit union;
 - (ii) failure to fulfill the duties of office;
 - (iii) malfeasance; or
 - (iv) maladministration in office.
 - (b) The board of directors shall fill any vacancy created by removal of a supervisory committee member.
- (3) It is the duty of the supervisory committee to:
 - (a) make or cause to be made an examination of the affairs of the credit union at least annually, including an inspection of the credit union's books, securities, cash, accounts, and loans;
 - (b) investigate or cause to be investigated any complaint that action by the credit union, board of directors, committees, officers, or employees does not comply with the law or the credit union's bylaws;
 - (c) make or cause to be made supplemental audits and examinations it considers necessary, or as required by the commissioner or board of directors;
 - (d) make a written report to the board of directors of its findings following each audit or examination; and
 - (e) make or cause to be made a verification of member accounts:
 - (i) annually by statistical sampling or otherwise, in accordance with generally accepted accounting principles; or
 - (ii) at least every two years by a complete verification.
- (4)
 - (a) The supervisory committee may, by majority vote, recommend to the board of directors:
 - (i) the suspension or removal of a credit union officer or a member of the credit committee; or
 - (ii) any other action the board of directors could lawfully take.
 - (b) Within 30 days after submission of the recommendation to the board of directors, if the board fails to adopt the material aspects of the recommendation, the supervisory committee may, by unanimous vote and after notifying the commissioner, call a meeting of the credit union members to consider the recommendation. The members may, by majority vote of those present at the meeting, adopt the supervisory committee's recommendation.
- (5)
 - (a) The supervisory committee may, by unanimous vote, suspend or remove a director for any violation of this chapter or the bylaws of the credit union, malfeasance, or maladministration in office.
 - (b) Within 30 days after the suspension or removal of a director, the supervisory committee shall, after notifying the commissioner, call a special meeting to present the matter to the membership of the credit union. The members may, by majority vote of those present, ratify or reject the action of the supervisory committee. If the members vote to remove the

director, they may at the same meeting elect a replacement. If the members vote to reject the suspension or removal, they shall reinstate the director.

(6) The bylaws may prescribe other duties and responsibilities of the supervisory committee.

Amended by Chapter 260, 2000 General Session