

SEC. 2. *And be it further enacted*, That this Act shall take effect July 1, 1968.

Approved March 22, 1968.

CHAPTER 17
(Senate Bill 106)

AN ACT to repeal and re-enact, with amendments, Section 147 of Article 11 of the Annotated Code of Maryland (1957 Edition), title "Banks and Trust Companies," subtitle "Credit Unions," relating to the accounting principles in the audit procedure of supervisory committees of credit unions.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 147 of Article 11 of the Annotated Code of Maryland (1957 Edition), title "Banks and Trust Companies," subtitle "Credit Unions," be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

147.

The supervisory committee shall inspect the securities, cash and accounts of the corporation. It shall make at least a semi-annual audit of the affairs of the corporation and make a full report thereon to the directors. The report for the period ending December 31 shall be read at the annual meeting of the membership and be preserved with the records of the corporation. The audit procedure of the supervisory committee shall embrace the following accounting principles to determine:

- (a) That the cash reserve was found to be sufficient.
- (b) That the check book stubs were examined and the balance found to be correct.
- (c) That the bank statements were examined and found to be in agreement with the reconciliation thereof.
- (d) That the dates of deposits as shown on the bank statements were checked with the collection sheets, showing that collections have been deposited promptly.
- (e) That the balance of the check book on (date) plus all outstanding checks agreed with the balance shown on the (date) bank statement.
- (f) That new notes for personal loans during the period audited were examined and compared with the loan accounts.
- (g) That new loan applications for the period audited were found to be in good order as required by the bylaws.
- (h) That all loans one month or more in arrears (delinquent) were listed for submission to the board of directors for action.
- (i) That share, deposit and loan accounts were found to be posted up to date.