



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE RULE 02-133

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

a. In s. DFI-CU 73.02 (2), the last two sentences are substantive and should be placed elsewhere in the rule.

b. In s. DFI-CU 73.02 (7), the second sentence appears to be a description of generally accepted accounting principles, rather than a direction from the department as to what those principles include. Consequently, this sentence should be placed in a note to the rule.

c. The last sentence of s. DFI-CU 73.02 (10) seems more appropriately placed in the definition of “financial statements.”

d. In s. DFI-CU 73.02 (14), the term “Call Report” should be not capitalized. [See also s. DFI-CU 73.08 (4) and (5) (intro).]

e. Section DFI-CU 73.03 (1) should be rewritten to read: “The board of directors shall ensure that financial reporting objectives are met and shall establish practices and procedures sufficient to safeguard member’s assets.”

f. In s. DFI-CU 73.03 (2) (f), in order to maintain structural consistency, the phrase “must cover” should be replaced by the word “covers.”

g. In s. DFI-CU 73.07 (3), the word “subsections” should be replaced by the notation “subs.” and the word “includes” should be replaced by the word “include.”

4. Adequacy of References to Related Statutes, Rules and Forms

a. Since s. DFI-CU 73.06 (1) (c) incorporates standards by reference, consent of the Revisor of Statutes and Attorney General is needed. [s. 227.21 (2), Stats.] The analysis should indicate whether that consent has been given.

b. In s. DFI-CU 73.08 (4) and (5), there should be a cross-reference to s. DFI -CU 73.06 (1) (c).

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. In s. DFI-CU 73.02 (2) “. . . means the examination . . .” should be changed to “. . . means an examination . . .”

b. In s. DFI-CU 73.02 (3), the rule would be clearer if the term “compensated person” were changed to “compensated auditor.” “Compensated auditor” is the term use in s. DFI-CU 73.08. Further, “. . . each calendar year” should be changed to “. . . in a calendar year.”

c. In s. DFI-CU 73.02 (5) and (6), what are “regulatory accounting procedures”?

d. In s. DFI-CU 73.02 (10), “. . . reporting and safeguarding of assets . . .” should be changed to “. . . reporting and to safeguard assets . . .”

e. In s. DFI-CU 73.02 (13), is the intent to limit the definition to only those matters “coming to the attention” of an auditor qualify as reportable conditions? Thus, a significant deficiency that an auditor fails to notice is not a reportable condition. If that is the case, the term might be more accurate if it were “reported condition.” In addition, “. . . adversely affect its ability . . .” needs to be modified to replace “its” with either “the credit union’s” or “the auditor’s.”

f. In the note to s. DFI-CU 73.02 (14), “includes” should be “include.”

g. In s. DFI-CU 73.02 (15), would it be more accurate to change the term to “state licensed accountant”?

h. In s. DFI-CU 73.02 (16), since “director” is defined as the director of the office of credit unions, it might be clearer if “. . . be a director other than . . .” were changed to “. . . be a member of the board of directors other than . . .”

i. In s. DFI-CU 73.03 (1), what are “financial reporting objectives”? The same question applies to ss. DFI-CU 73.03 (2) (a) and 73.07 (3) (a).

j. In ss. DFI-CU 73.04 and 73.05, could the phrase “To fulfill its audit requirement . . .” be deleted, or does it refer to requirements other than those contained in ch. DFI-CU 73?

k. In s. DFI-CU 73.06 (1) (b), who is “management”? Further, s. DFI-CU 73.06 (1) (b) requires that “report of examination” be conducted a “state-licensed person,” but the definition of that term seems to allow a broader group of people to conduct the report of examination. The two provisions should be harmonized.

l. In the example in s. DFI-CU 73.06 (1) (c), “include” should be “includes.” Further, the example should be moved into the body of par (c) and combined with the last sentence to create a clear definition of “qualified person.”

m. In s. DFI-CU 73.07 (3), “. . . if the sampling methods includes . . .” should be changed to “. . . if the nonstatistical sampling methods include . . .”

n. In s. DFI-CU 73.07 (3) (a), who is “management,” and what is “management’s financial reporting objectives”?

o. In s. DFI-CU 73.08 (3) (e), “. . . and notice . . .” should be “. . . and provide notice . . .” Further, the paragraph should specify to whom the written report is delivered. Also, the word “compensated” should be inserted before the word “auditor” and before the word “auditor’s.”

p. In s. DFI-CU 73.08 (3) (f), “. . . date of delivery . . .” should be “. . . date for delivery . . .” and “. . . days from date of calendar . . .” should be “. . . days from the date of the calendar . . .”

q. In s. DFI-CU 73.08 (5) (b) and (c), “. . . committee audit” should be changed to “. . . committee guide audit.”

r. The note to ch. DFI-CU 73 indicates where copies of forms may be obtained. If there is an agency web site at which the forms may be obtained, the address of the web site also should be provided.