

Autumn 2021



*Irish League*  
of *Credit Unions*

# CU Focus

# IMAGINE

CREDIT UNION ART COMPETITION 2021





# Editorial

## Welcome to the Autumn edition of CU Focus

Although we are heading into the long Winter months, there is a renewed sense of optimism in the air following the Government announcement of the opening up of society on October 22nd. We are all looking forward to returning to some form of normality where we can meet our friends and family without restriction while at the same time taking the necessary precautions to ensure our own and others' safety.

Credit unions across the island have remained open for their members, continuing to provide the excellent member experience with which credit unions have become synonymous, despite the barriers posed by the COVID-19 pandemic and the subsequent lockdowns, north and south of the border.

In this edition of CU Focus, there is an emphasis on children and young people as we announce the launch of the Credit Union Art Competition 2021, which is now in its 38th year and is still as popular with children and young people. The competition links participants with their local credit union where hopefully they begin a life-long relationship. That relationship also begins with Junior Savers Week which, this year, runs from 20th to 26th September.

The ILCU has partnered with Twinkl.ie, the online educational resource for Primary School teachers and parents, to develop a financial education module 'Start Smart Money' tailored for each class level which explains finance in a fun, easy to follow, and engaging format. Details of how credit unions across the Republic of Ireland and Northern Ireland, can encourage parents and teachers how to access the resource are provided in the article. For children, saving in a credit union, which is so embedded in their community, is of real benefit, and also teaches them the value of being part of that community. As the old Irish proverb goes "Tús maith, leat na hoibre" - A good start is half the work!

The 'Money on your Mind' content series with Spun-out.ie, looks at the main financial concerns of 18-25 year old's, and gives advice and support for those who need it. The series covers topics such as money management, financial stress and financial knowledge/literacy, and aims to provide helpful, jargon-free information to support young people when it comes to navigating the many financial issues they will face through college and beyond.

We remember the late Paddy Gannon through a moving poem written by his son Micheál, which catches the essence of the man and his early days in the credit union movement. We also remember the late Pat Hume, who passed away in the past few weeks, just a year after the passing of her husband John.

Ar dheis Dé go raibh a n-anamacha.

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**Main Cover Image:**  
*The 2021 All Ireland Credit Union Art Competition has been officially launched. This year's theme is 'Imagine'*

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## ILCU Launch

# Credit Union Art Competition 2021

**The 2021 Credit Union Art Competition has launched and credit unions will be encouraging people to draw, paint or sketch to the theme 'Imagine More' once again for year's competition. Following the success of last year's theme for the Credit Union Art Competition, credit unions will once again be asking entrants to tap into their imagination. This year's theme "Imagine", encourages people to explore their thoughts, hopes and dreams, and portray them on paper or canvass.**

To quote Albert Einstein, "Imagination is more important than knowledge. Knowledge is limited. Imagination encircles the world." Imagination is a powerful tool which helps people escape from reality. Imagination can also be the start of a brilliant idea which could change the world.

This year's competition encourages participants to use their imagination to explore the amazing world which exists inside our thoughts. Using their imagination to escape from the everyday worries and stresses of life, and to use art and imagination hand in hand to create a masterpiece, entrants to this year's competition will all bring something exciting and creative to the competition.

The Credit Union Art Competition, now in its 38th year, is dedicated to supporting and developing the arts in Irish society. Art plays an important role in building community spirit and inspires everyone to the contribution that we can make to its development. Promoting and encouraging involvement in the arts across communities is an important message we want to spread.

The competition is free to enter and there are no age limits to the competition and it is open to children aged seven years and under right through to 18 years and over. There is also an additional needs category. Winners at local level will go on to a regional level, and regional winners will progress to the national awards ceremony in February 2022.

Speaking about this year's competition, Paul Bailey, ILCU Head of Communications said "The Credit Union art competition is an open call and is a fantastic opportunity for anyone with an interest in art to get involved. It doesn't matter if you're a first time entrant or have entered the last number of years, we are urging everyone to enter. The Credit Union art competition has been running for the past 38 years, and year after year we are blown away by the amazing entries that come in. We're really looking forward to seeing this year's entries."

The annual competition is part of the Irish League of Credit Unions' (ILCU) commitment to supporting the artistic development of both young and old in communities throughout Ireland.

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**Entrants to this year's competition will all bring something exciting and creative to the competition.**

Winners, runners-up and merit award-winners at local level will go on to represent the credit union at regional level and from there, winning artworks will go forward to national level. Local winners will receive their prizes at a local level. National winners will be announced at an award ceremony to be held in early 2022.









# 2021 Credit Union Back to School Research

The Irish League of Credit Unions (ILCU) published its annual national back to school research survey results in July. Research was carried out in both the Republic of Ireland (ROI) and Northern Ireland and included additional research on parents' concerns as a result of the Covid-19 pandemic.

Despite the pandemic lockdowns and children being home schooled for the early part of the year, back to school spending is a topic that dominates parents budgets as they prepare for the new school year.

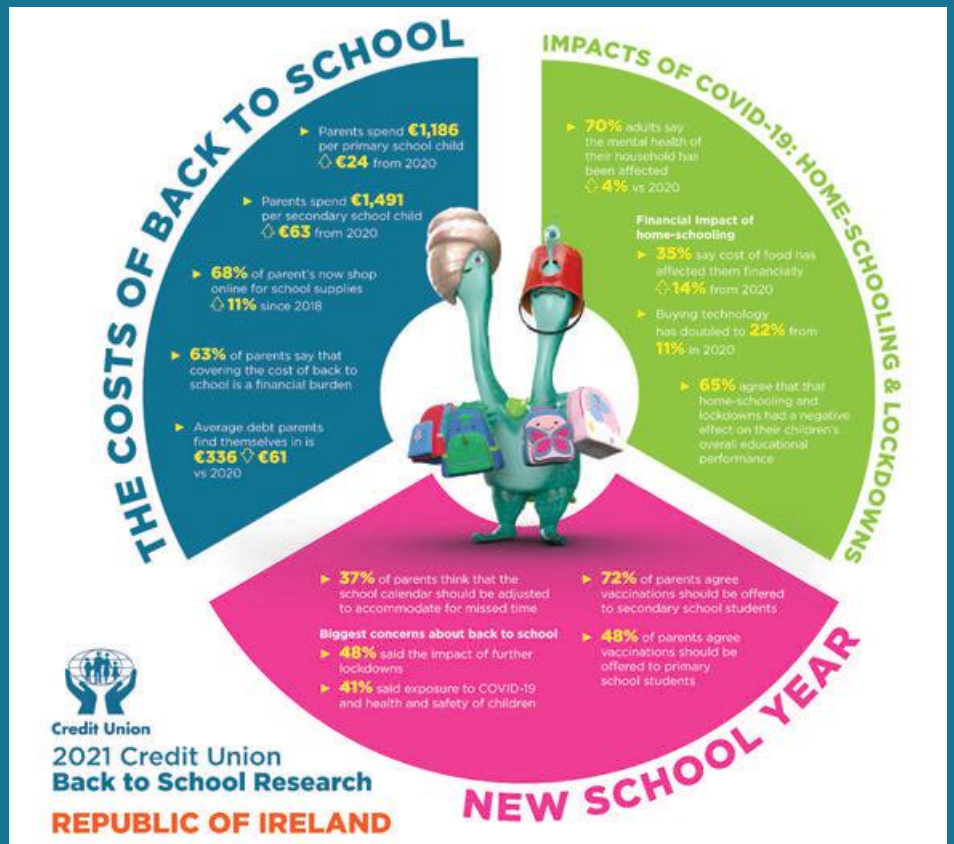
ROI back to school costs shows the overall spend on school items is up for both primary and secondary schools. The cost of sending a child to primary school this coming year is just shy of €1,200 at €1,186, up €63 on last year, while parents of secondary school children can expect to pay an average of €1,491, up from €1,467 last year.

The survey results for NI revealed that the overall spend on school items is down slightly for both primary and secondary schools. The cost of sending a child to primary school this September is coming in at £866, down £5 from last year, while for secondary school parents the average spend is £1,034, down £42 on last year.

In ROI, school books once again top the list this year as the most expensive item for parents of secondary school children at €211, up from €196 last year. Extracurricular activities are the top cost for primary school parents at €178, up from €167 last year. Spending on gym gear/sports equipment has increased for both primary school (€77, up €15 from 2020) and secondary school (€121, up €11 from 2020). Significantly, 43% of parents say they will have to deny their children new gym gear, a sharp increase of 16% from 2020. Parents also reported that 71% of schools are still seeking so called 'voluntary contributions'.

The most expensive item this year for both primary and secondary in NI was school uniforms at £126 for primary, a decrease of £5 from 2020 and £181 for secondary, an increase of £4. Spending on shoes has increased for primary school to £74 (up £11 from 2020). Spending on gym gear/sports equipment has increased for secondary (£113, up £14 from 2020).

Funding back to school continues to be a challenge for parents with 63% of parents in ROI and 62% of parents in NI saying that covering the cost of back to school is a financial burden.



Families in Northern Ireland are getting into more debt to meet those back to school costs. Over a third get into debt covering the costs of back to school, with an average debt of £256, an increase of £34 from last year. 14% have debts over of £500, which is an increase of 5% from 2020. The ILCU have been carrying out back to school research in Northern Ireland since 2018 and, it is evident that there has been a steady increase in the average debt parents are getting into. In the past three years, there has been an increase of £64 in the average debt.

Nearly a quarter of respondents in ROI (24%) are getting into debt to cover the costs of back to school. Of these, three quarters have debts of over €200 with 21% having debts over €500. The average debt parents find themselves incurring is €336 which encouragingly is down €61 on last year's figure.

The survey results revealed that cutting back on family holidays is still one of the biggest sacrifices that families in NI make to cover back to school costs at 33%, an increase of 10% from 23% last year. Significantly, 39% are forced to deny their child/children school trips because they cannot afford them, an increase of 9% from last year. 33% of parents say they will have to deny their children new gym gear, also an increase of 7% from 2020.

Over two thirds (68%) of Irish parents in ROI said they use their monthly income to pay for back to school costs, followed by savings at 36%. 70% of Northern Ireland parents said they use their monthly income to pay for back to school costs, followed by credit cards at 20%. Unsurprisingly, the number of parents using savings is up 2% from 2020 in ROI and up 6% in NI, possibly due to reduced spending during the lockdown.

In ROI, those relying on their credit card to pay for back to school costs is also slightly down at 17%, a reduction of 3%. However, the number of Dublin parents relying on their credit card for back to school purchases is worryingly high at 31%. A credit union loan is the preferred choice of 5% of parents, while 3% are still turning to moneylenders. 14% of parents rely on the state's Back to School allowance, up 1% from last year.

### Impacts of COVID-19 – Home-schooling and Lockdowns

For the second year running, the ILCU survey also looked at the impact and concerns brought about by the COVID-19 pandemic.

COVID-19 has had a profound impact on families, with 7 in 10 adults surveyed

reporting that the mental health of their household has been affected, and almost a third saying that their physical health has suffered. In NI, 68% of those surveyed reported that the mental health of their household has been affected and 58% believing that their children's wellbeing has been affected, a significant increase of 31% compared to last year.

As expected, households struggled with the challenges of home schooling with almost 1 in 3 parents in ROI and 34% in NI saying they found it difficult to juggle home-schooling with work commitments and over a quarter agreeing that home-schooling was a burden. Interestingly, over a quarter of Northern Ireland parents found that more involvement in their children's education was a positive.

More than half of parents in NI (52%) and 35% in ROI felt the cost of feeding children at home impacted them.

A third (32%) of parents in NI reported that expenditure on laptops/tablets to support home-schooling has had an impact on their household finances compared to 7% in 2020. Over one fifth (22%) of parents in ROI reported that expenditure on laptops/tablets to support home-schooling has had an impact on their household finances compared to 11% in 2020.

In both ROI and NI, 65% of respondents agreed that that home-schooling and lockdowns had a negative effect on their children's overall educational performance.

One of the biggest impacts of home schooling and lockdowns, according to 88% of parents, was that children missed their friends and social activities. 60% also said that, despite this, children enjoyed being at home and spending more time with family.

### New School Year

As a result of schools being closed for a number of weeks at the start of the year, 37% of parents in ROI and 36% of parents in NI think that the school calendar should be adjusted to accommodate for missed time. 31% of respondents believe that a focus should be put on children's mental health when they return to school in September. 46% of parents in Northern Ireland think that a focus should be put on children's mental health when they return to school in September.

The biggest concern for parents about their children returning to school is the impact of a further lockdown (48% ROI and 53% NI), while 41% in ROI and 43% in NI are worried about exposure to COVID-19 and the health and safety of their children.

Commenting on this year's findings, ILCU Head of Communications, Paul Bailey said "Since we began carrying out our back to school research over six years ago, we have seen a steady increase in the cost of school books and uniforms. It now costs a staggering €1,500 to send one child to secondary school, while the cost for a primary school child is not that much cheaper at nearly €1,200.

For parents with more than one school going child, these costs can place huge financial pressure on a family. Our survey shows that nearly a quarter of parents go into debt to pay for back to school costs with a fifth of these incurring debt of over €500. If parents are unable to pay for back to school from their household income or through their savings, I would encourage them to explore cheaper forms of finance, by talking to their local credit union or bank, rather than using a credit card or going to a moneylender.

For the second year in a row, we asked parents how COVID-19 had impacted their family life. One third of parents found home schooling and working a struggle, with over two thirds worried about the impact on their children's overall educational performance. While many parents expect their children to return to school in September, they are concerned about the effect of further lockdowns and their child's exposure to the COVID virus. Many households incurred extra costs as a result of home schooling such as buying more food and having to invest in laptops and tablets to support their children's education. Again, I would encourage parents to talk to their local credit union to see how they can help".





# JUNIOR SAVERS WEEK

As CU Focus goes to print, credit unions will be in the middle of promoting this year's Junior Savers Week which runs from the 20th-26th September.

The aim of Junior Savers week, as always, is to encourage children aged 5-12 to save with the credit union and to raise awareness on the importance of saving for the future.

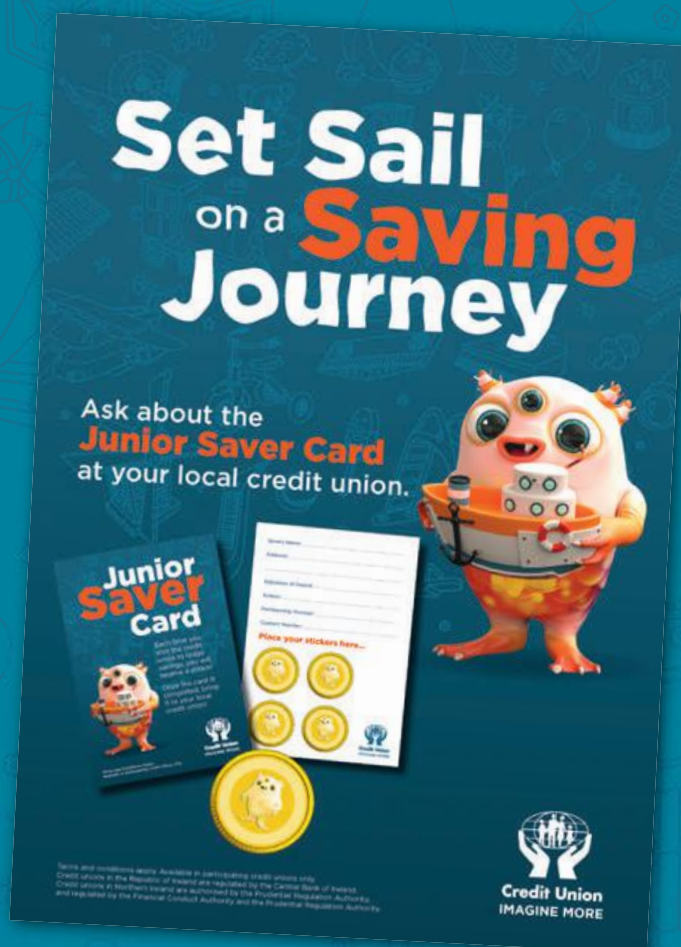
Studies\* show that giving kids hands-on, real-world experience with money is essential to prepare them financially for adulthood.

In a focus group of Irish parents conducted by the Irish League of Credit Unions and insights company Parents and Brands,\* many parents confirmed that physical experiences – like putting coins in piggy bank or savings account, or shopping with a list, was the best way to teach children about money.

As part of the week, participating credit unions will have launched a Junior Savers Reward Scheme. Junior Savers sticker cards are made available to members and each time a child lodges money into their account, a sticker will be placed on the card, and a reward given once the card is full. Junior Savers Week is designed to be fun and enjoyable for children, while also highlighting the value of money and the benefits of prudent spending.

A huge part of the credit union ethos is financial education for the everyone in the community and ensure that future generations are financially educated and empowered. Teaching children the value of money is a real benefit to them in the future and habits learned from an early age last a lifetime. The aim of the week is to promote the development of a regular savings habit during Junior Savers Week and encourage all children to join the credit union and open their very first savings account!

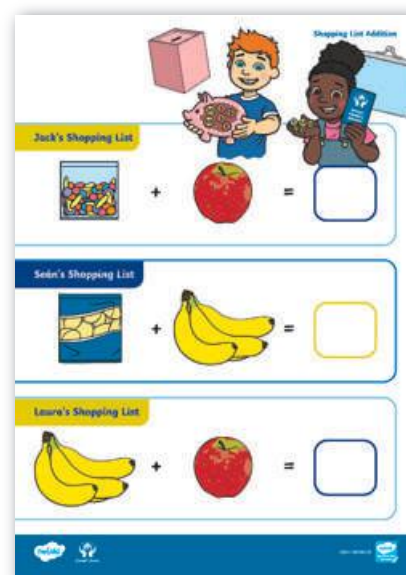
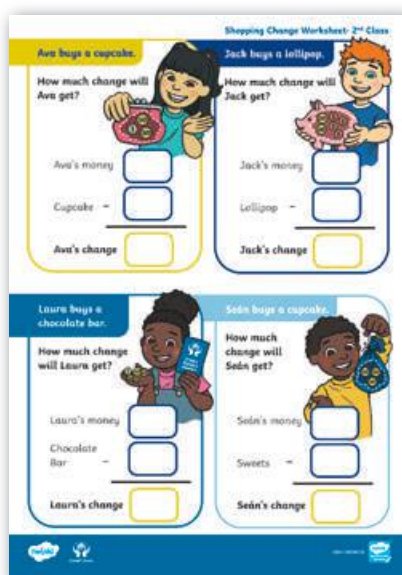
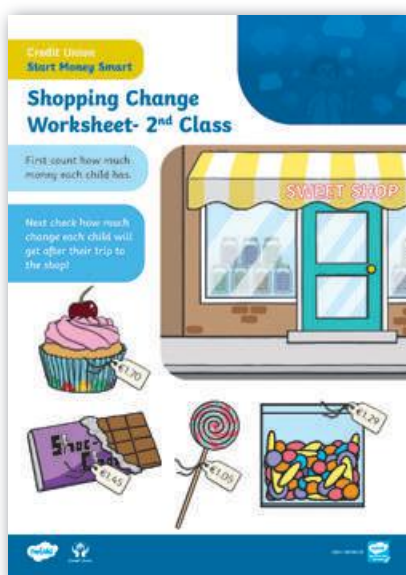
The Credit Union have also partnered with educational company Twinkl, to provide free, educational resources for children in primary school, called 'Start Money Smart' specifically focused on finance and money. All the materials are available for parents and teachers to download on [twinkl.ie](https://www.twinkl.com), and will be a great campaign for credit unions to share during the week.





# The Credit Union Partners with Twinkl to Provide Financial Education Resources for Primary School

The ILCU and National Youth Committee have partnered with educational company Twinkl, to develop a financial education resource for children in primary school



The resource, called 'Start Money Smart', is aimed at teachers and parents for children at all primary schools levels across the Republic of Ireland and Northern Ireland, and has been developed by teachers in line with the curriculum subjects of maths, history and SPHE or personal development.

The resource is tailored for each class level and explains finance in a fun, easy to follow, and engaging format. It teaches students how money works with activities that include real-life scenarios, problem solving and story-telling. It also allows them to explore their relationship with money so they can make more informed decisions.

**Start Money Smart** has been designed for delivery by teachers in a classroom setting. Parents can also download the resource for fun activities at home with children.

Students are taken through the resource via a set of slides and accompanying notes guide the teacher through each one. Teachers will also be provided with display items for their classrooms, which include banners, posters, and word cards.

The topics include money and maths, earning money, budgeting, spending and saving, impulse buying vs investing, financial literacy, and the history of a credit union and how it works. These areas are taught through interactive and engaging exercises such as planned activities, loop and prompt cards, word searches, quizzes, board games, fact files and worksheet challenges.

Credit Unions may encourage members, parents and teachers to access the resource by registering on Twinkl.ie.

"Start Money Smart is a brilliant new resource for primary school children. Starting financial education from an early age sets the foundation to make more informed financial decisions as they grow up. Start Money Smart has been developed for use by teachers in the classroom and for parents to have fun activities at home with their children. I would encourage all Credit Unions to direct teachers and parents to this resource by registering on twinkl.ie." - Robert O'Reilly, Chairperson, National Youth Committee.

Credit Unions can read more about the resources in the affiliate area of the credit union website.

All members, teachers and parents can download the resource by visiting and registering on Twinkl.ie.



# MINISTER FOR FINANCE, PASCHAL DONOHOE, APPOINTS DERMOT GRIFFIN, CEO OF CUSOP, TO THE CREDIT UNION ADVISORY COMMITTEE

CUSOP is pleased to announce the appointment of Dermot Griffin, CEO, to the Credit Union Advisory Committee (CUAC) for a three-year term commencing on 1st September 2021.

**The CUAC plays an important role in advising the Minister for Finance regarding: the improvement of the management of credit unions; the protection of the interests of members and creditors of credit unions; and other matters relating to credit unions.**

The CUAC meets on a monthly basis in the Department of Finance. It regularly invites credit union stakeholders to meetings to share their views on various topics.

Dermot brings a wealth of experience to the Committee, having served as CEO for the National Lottery for 14 years prior to joining CUSOP where he was responsible for the development of online and mobile services. Dermot also led the transition of the National Lottery from public to private ownership and was a director of the successful Euromillions group.

Prior to joining the National Lottery, Dermot was Commercial Director of Vodafone Ireland and a Director of Vodafone Marketing International. Dermot spent 15 years in the telecoms industry, most of which was in the mobile phone sector.

He is a member of the Institute of Directors and an elected member of the Council of Dublin Chamber.

When asked to about the appointment and his views on the development of credit unions in the coming years, Dermot commented;

“With CUSOP being the largest provider of electronic payment services to credit unions across the island of Ireland, we are in constant contact with Credit Unions providing us with clear insights to matters affecting their business. With this finger on the pulse, I intend to raise matters critical to the success of credit unions for the attention of the CUAC and the Minister for Finance. We are proud of the fact that we are enabling Irish credit unions along



*Dermot brings a wealth of experience to the Committee, having served as CEO for the National Lottery for 14 years*

their technological and service delivery journey. Consumer behaviours are changing and more and more we are seeing the need for faster, secure and more convenient means of payment. With the recent announcements of some banks pulling out of Ireland and closing

branches, credit unions play an increasingly important role in satisfying the public demand for a personalised, community based service. I look forward to working with the Committee to help capitalise on the opportunities that lie ahead for the Credit Union sector.”



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# Money on your Mind

## CREDIT UNION PARTNER WITH SPUN-OUT.IE TO LAUNCH FINANCIAL SUPPORT SERIES FOR 18-25 YEAR OLDS

What do young people worry about most when it comes to money? From rent prices, tuition fees, and employment in an uncertain COVID landscape – this year has been harder than ever before.

'Money on your Mind', a content series from the **Credit union and Spun-out.ie**, looked at the main financial concerns of 18-25 year old's, and gave advice and support for those who need it.

The campaign shared real stories of how young people have navigated the past year, with information to help them cut costs, budget, and save – so they can focus on the things that really matter.

### Survey

The series started with the results of a survey which asked over 1,000 young people a range of questions from their level of financial literacy, to how they manage money, to what their main financial concerns are.

The insights from this survey shaped the content and advice within the campaign.

### Objective

The objective of the Money on Your Mind series with Spunout.ie is to align the credit union brand with a particular 18-24 year old audience, to gain insight into their behaviour and attitudes when it comes to finance, and to provide useful information to support them. This will hopefully generate a positive brand affinity, as well as giving us insightful information about this young audience.

### Content

The series covered topics such as money management, financial stress and financial knowledge/literacy, and its aim was to provide helpful, jargon-free information to support young people when it comes to navigating financial issues.

It included real-life stories from young people around their financial struggles and successes. These sit in the 'Voices' section of the spun-out.ie website; stories written for young people, by young people.

### YIChat

Spunout provided a week-long helpline and chat service for you people where they could get in touch with any queries they had on the topics raised in the series.

# MONEY ON YOUR MIND



spunout 

## Results of ILCU and spunout survey

The survey\* carried out by the Irish League of Credit Unions (ILCU) and spunout, Ireland's youth information website found that nearly half of all college students say they struggle to afford living expenses and while 88% worry about money, over 40% stress about money all of the time.

Finding and keeping a job, travel expenses, paying rent, as well as college fees and books, were some of their biggest financial concerns.

In order to cover third level expenses, the majority (71%) plan to work part-time, followed by a mix of support from parents (59%) and the student grant (40%).

When it came to financial topics, over a quarter (26%) of those surveyed said they don't have much understanding at all. When asked what areas they'd like to know more about, nearly two thirds (60%) said they'd like to improve their money management/budgeting skills.

The majority (70%) said they did not use budgeting apps or online tools to manage their money.

### Main Findings

- 40% of respondents say they sometimes struggle to afford living expenses, while 7% say they struggle all of the time.
- 88% worry about money, with 41% of respondents saying they stress about money a lot of the time.
- Over 50% are worried about travel expenses, finding or keeping a part-time job, and missing out on social occasions.
- Over 40% are concerned about paying for rent/accommodation, paying college fees, paying for books and other expenses, and not being able to keep up with their friends.

### Understanding Finance

When it comes to understanding financial topics, over a quarter (26%) of those surveyed say they don't have much understanding at all. Over half (52%) have some understanding, while 20% said they have a good understanding.

When it came to specific areas of finance:

- The majority of students (79%) felt they were not at all knowledgeable about Personal Contract Plans (PCPs).
- 31% weren't at all knowledgeable about mortgages.
- 40% weren't at all knowledgeable about investments.

When asked what areas they'd like to know more about;

- Over half (60%) said they'd like to improve their money management/budgeting skills.
- Over two-thirds (73%) would like to know how to invest.
- Over half (51%) would like to learn more about mortgages.
- 47% want to know more about how interest rates work.
- 44% would like to know about different types of bank accounts.
- 42% would like to know more about loans.

### Current Behaviour

The majority of students (72%) go to friends or family to learn more about finance, followed by news websites and social media. 70% said they did not use budgeting apps or online tools to manage their money.

\* The national study was compiled by the Irish League of Credit Unions (ILCU), and carried out by spunout - Ireland's youth information website, in August 2021. 1,026 adults responded to the online survey.



# MATURE RISK MANAGEMENT



CREDIT UNION COMPLIANCE CENTRE  
culture | people | protection

At the ILCU AGM on 24th April 2021, the Registry of Credit Unions (RCU) advised that their supervisory engagement in 2021 would include a thematic review of credit union risk management - in particular to assess the level of embeddedness. That review is underway, focused on risk management maturity.

## Where is your credit union on this scale?

| Level of embedding and criteria |   |
|---------------------------------|---|
| 5                               | Approaches to managing risk are fully embedded in day-to-day business processes and strategies. |
| 4                               | Approaches are adopted and improving but not fully embedded.                                    |
| 3                               | Implementation has been completed in key areas.   |
| 2                               | Implementation is planned but not delivered.  |
| 1                               | There is a level of awareness or understanding but no action has been taken.                    |

As part of the preparation to support our subscribers, and anticipating the potential sectoral outcome of this review, the risk advisory team in the Credit Union Compliance Centre (CUCC) have compiled various support material relevant to all credit unions. In this article, we focus in particular on:

- Risk Culture
- Indicators of a Sound Risk Culture
- Embedded Risk Culture
- Risk Maturity Measures
- Key considerations for the Board

## Indicators of a Sound Culture

### TONE FROM THE TOP

- Leading by example
- Assessing espoused values
- Ensuring common understanding and awareness of risk
- Learning from past experiences

The Board and senior management are the starting point for setting the risk culture – their behaviour must reflect the core values that is expected of all staff. They must be seen to act with the highest standard of integrity especially if it is the expectation that all staff act with integrity by doing the right thing and raising any issues promptly. Board and senior management should continuously monitor and assess the overall culture of the organisation and, where necessary, make changes.

### ACCOUNTABILITY

- Ownership of risk
- Escalation process
- Clear consequences

It is expected that all staff regardless of position are aware of their responsibilities with regard to risk management and understand the credit union's overall attitude to risk. The risk culture of the credit union should be one where everyone accepts ownership of risk management. They also should be aware that they will be held accountable for their actions and accept the consequences for any action that is not in line with the credit unions risk culture.

### EFFECTIVE COMMUNICATION & CHALLENGE

- Open to alternate views
- Stature of control functions

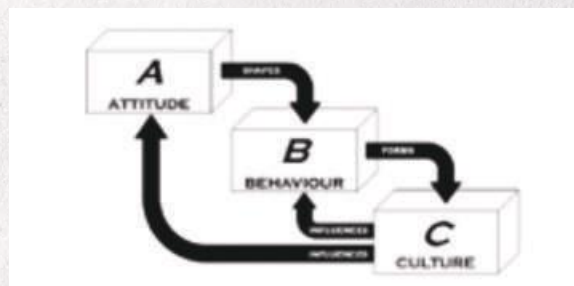
The credit union should promote an environment of 'open communication and effective challenge' among all staff. All decision-making processes within the credit union should encourage a range of views from the staff that are all considered before a final decision is made. A culture of transparency and openness should be encouraged and staff should not be afraid to 'raise their hand' if an issue arises.

### INCENTIVES

- Remuneration and performance
- Succession planning
- Talent development

The credit unions remuneration and performance management processes should be reflective of how staff are expected to behave in order to support the credit unions desired risk culture. "The power of a positive culture in risk management lies in its ability to motivate employees to want to control risks because sound risk taking is valued and enforced" (FSB "Guidance on Supervisory Interaction with Financial Institutions on Risk Culture").

## Risk Culture



There are a number of definitions of risk culture, including:

*"the institution's norms, attitudes and behaviours related to risk awareness, risk taking and risk management, or the institution's risk culture"* – **Financial Stability Board**

*"Culture is a term describing the values, beliefs, knowledge and understanding shared by a group of people with a common purpose."* – **Institute of Risk Management**

*"put simply, culture is the consequence of our attitudes and behaviours. It is the way we think, act, speak to each other and make decisions, sometimes subconsciously."* (Remarks by Director of Insurance Supervision, Sylvia Cronin, at the Association of Compliance Officers in Ireland, January 2017) – **Central Bank of Ireland**

A risk culture exists where risk management informs decision making – it is not a legal tick box nor a response to regulatory pressure. Think of the major decision that your credit union has made in the past few months – what was the role of the risk management officer or compliance officer in making those decisions? Risk culture is **"how we do things around here"**.





## Embedded Risk Culture

Focus on behaviours, beliefs, ethics and principles as well as governance and rules



Risk appetite dynamic in line with business strategy



Integration into all aspects of the credit union actions and decisions consider risk, continuously review



How breaches are managed, escalated and recorded - active learning from incidents/near misses



How issues raised on risk report/internal audit/RMPs are managed

Tone at all levels: not just the top



Provide training and support



Don't "shoot the messenger" - strengthen the hand of those in oversight roles



Risk management skills are valued, encouraged and developed

Risk management and compliance officers offer more than a response to a legal or regulatory requirement – they can enable better decision making

## Maturity Measures

### TRACKING

- Number and frequency of broken risk limits
- Causes of limits being exceeded

### SELF-RAISED ISSUES

- Extent of control failures or issues self-identified rather than discovered by oversight

### RESPONSE TO BAD NEWS

- Manner in which audit and others issues are addressed
- Don't just address the symptoms of a controls issue, find the root cause and address
- How staff who violate policies are dealt with – also handling and reporting of unintentional mistakes

### TRACKING

- Number and frequency of broken risk limits
- Causes of limits being exceeded



## Key Considerations for the Board

The Institute of Risk Management (IRM) issued a guidance document on risk culture that set out a list of questions that the board should ask themselves when assessing risk

culture in their credit union. These questions have been adapted for credit unions from the IRM document "Risk Culture: Under the Microscope Guidance for Boards".

By honestly answering the questions outlined above, the board can identify and begin to effectively address any deficiencies in their risk culture model.

### Ten questions a board should ask itself

1. What tone do we set from the top? Are we providing consistent, coherent, sustained and visible leadership in terms of how we expect our staff to behave and respond when dealing with risk?
2. How do we establish sufficiently clear accountabilities for those managing risks and hold them to their accountabilities?
3. What risks does our current organisational culture create for the credit union, and what risk culture is needed to ensure achievement of our goals? Can people talk openly without fear of consequences or being ignored?
4. How do we acknowledge and live our stated values when addressing and resolving risk dilemmas? Do we regularly dismiss issues in these terms and has it influenced our decisions?
5. How does the credit union's structure, processes and reward systems support or detract from the development of our desired risk culture?
6. How do we actively seek out information on risk events and near misses – both ours and those of others - and ensure key lessons are learnt? Do we have sufficient organisational humility to look at ourselves from the perspective of our members and stakeholders and not just assume we're getting it right?
7. How do we respond to whistle-blowers and others raising genuine concerns? When was the last time this happened?
8. How do we reward and encourage appropriate risk taking behaviours and challenge unbalanced risk behaviours (either overly risk averse or risk seeking?)
9. How do we satisfy ourselves that new employees will quickly absorb our desired cultural values and that establish staff continue to demonstrate attitudes and behaviours consistent with our expectations?
10. How do we support learning and development associated with raising awareness and competence in managing risk at all levels? What training have we as a board had in risk?

## Further Support

Watch back the CUCC and BASS Webinar – Mature Risk Management (incorporating CBI Thematic Review) in the Events section of the [www.creditunion.ie](http://www.creditunion.ie) affiliate website.

For our subscribers, we offer additional support material on our dedicated website [www.cucc.ie](http://www.cucc.ie) - and through individual, bespoke evaluations of your risk management framework.

The Credit Union Compliance Centre Risk Advisory Service has been providing tailored, affordable risk and compliance advice to subscribing credit unions for over 6 years.

If you would like to talk to us further about our services and how we can support you to develop an embedded, robust and practical risk management system for your credit union, contact us at [risk@creditunion.ie](mailto:risk@creditunion.ie) or 01-6146711.





# CORE CREDIT UNION BECOME THE FIRST CREDIT UNION IN IRELAND TO SIGN UP TO HIDDEN DISABILITIES SUNFLOWER SCHEME



Scott McKenna, Core Credit Union Sallynoggin Supervisor with the Hidden Disabilities Sunflower Lanyard Scheme box



Sunflower expanding in Ireland through Core Credit Union. Businesses that join the Sunflower are demonstrating their approach to disability inclusion. Core Credit Union have made a commitment to train their staff so that customers and colleagues that have an invisible disability will be met with kindness, patience and understanding when visiting or at work.”

**Core Credit Union recently announced that they have signed up to the Hidden Disabilities Sunflower Scheme. The Hidden Disabilities Sunflower scheme is a global initiative aimed at supporting people who have a disability, not immediately obvious to others – such as autism, asthma, chronic illness or visual or or being hard of hearing or deaf – by providing them with a discreet way to let people know they may need additional support, help or a little more time.**

The scheme has already been introduced in Dublin and Cork Airports and Dundrum Town Centre. Core Credit Union is the first credit union in Ireland to sign up to the scheme. There will be a box of Sunflower products on display in each Core Credit Union office where members, who may have an invisible disability, are free to take one of the products to wear. Wearing the Hidden Disabilities Sunflower discreetly indicates to people around the wearer, including staff and colleagues, that they may need additional help, support or a little more time.

Michael Byrne, CEO of Core Credit Union said “We are incredibly proud to be rolling this scheme out across our offices. We are always looking to improve the services on offer to our members at Core Credit Union and we hope that the introduction of the Hidden Disabilities Sunflower scheme will make a difference for our members who might be in need of a little more help and support”

“This is a free service that we are offering to all our members, aimed at raising awareness among our staff and members that not all disabilities are visible. All our staff have been trained to recognise the Sunflower products and will be on hand to provide extra support to members who choose to wear one. We are delighted to be the first credit union to become involved in this ground breaking initiative and we hope that other credit unions across Ireland follow suit and sign up to the Hidden Disabilities Sunflower Scheme.”

Paul White, CEO Hidden Disabilities Sunflower said “We are excited to see the presence of the

## About the Hidden Disabilities Sunflower Scheme

- The Hidden Disabilities Sunflower exists to help those with disabilities that are not immediately obvious such as autistic spectrum condition, chronic pain, dementia, anxiety, visual impairment or being hard of hearing or deaf. Our aim is to help make the invisible, visible.
- Wearing the Hidden Disabilities Sunflower discreetly indicates to people around the wearer including staff, colleagues and health professionals that they need additional support, help or a little more time.
- The Hidden Disabilities Sunflower was established in 2016. Since then it has been adopted globally by major airports and venues and in the UK, by many supermarkets, railway and coach stations, leisure facilities, the NHS, a number of police, fire and ambulance services, and an increasing number of small and large businesses and organisations.
- Hidden Disabilities Sunflower is dedicated to helping businesses identify customers with a non-obvious disability.

# LAUNCH OF NEW PROCUREMENT HUB RESOURCE

The ILCU has recently launched a new Procurement Hub, which is a new resource of materials developed to help credit unions in both jurisdictions when considering outsourcing a service to a third party or when purchasing goods and services for their credit unions. Objective 4.3 in the ILCU Strategy is to “support and provide opportunities for shared procurement and facilitate credit union collaboration”. Feedback and discussion with credit unions had shown that it would be helpful to make available a set of standardised documents for procurement, outsourcing and management of contracts.

The new hub includes policies and template tendering documentation which can help when preparing and planning for a wide variety of tendering exercises from simple quotations to more complex services or goods. In addition, other documentation including guides for terms and conditions of contracts and management of contracts have also been developed.

## What is procurement?

Procurement focuses on the strategic process of sourcing goods and services. It includes processes such as assessing requirements, monitoring market dynamics and availability of products and services as well as new and emerging technologies and trends. While the emphasis in procurement and purchasing has traditionally been on value for money, there is also an increasing awareness of the need to integrate environmental and social considerations into these processes to minimise adverse effects on communities and the environment. Credit unions should be cognisant of this as an aspect of procurement decisions.

## What is outsourcing?

Outsourcing is an abbreviation for “outside resource using” and takes place when a credit union transfers the ownership of a service or function that



used to be done in-house to a service provider. Additional regulatory obligations will apply when outsourcing a credit union function.

## Why is procurement important for an overall business strategy?

The effectiveness of the procurement process can contribute directly to the credit union’s profitability and to its operational success and, as such, should be seen as a strategic activity.

It is recognised that there is an opportunity to leverage the scale and strength of the movement in procuring products and services and in

negotiating contracts, and our intention is for this hub to provide some fundamental purchasing support to empower credit unions when procuring or outsourcing services, thereby paving the way to achieving such synergies across the sector. Over time we hope to build a Knowledge Centre where credit unions can share experiences and develop communities of best practise in this area.

## Access

Credit unions can access the Procurement Hub in the affiliate area of the [creditunion.ie](http://creditunion.ie) website.



## Best in Class: Irish Institute of Training and Development Awards

The annual Irish Institute of Training and Development (IITD) Awards 2021 took place virtually this week. As the leading learning and development profession body in Ireland the IITD recognise excellence in practice by organisations in their awards.

The credit union movement and the ILCU Learning and Development Department were recognised as the **Best Not for Profit Collaboration** in this year's awards. The Learning and Development project *Keep Saving with Virtual Learning*, planned to pivot learning from in-person events to the virtual classroom, began in March 2020 was used as a case study to demonstrate success.

This award assessed how the ILCU and the Learning and Development Department, in partnership credit unions meet organisational needs while employing innovative solutions. This was demonstrated by results that brought added value from learning as a result of social distancing in the learning space. At the root of this has been the resilience show by credit unions to maintain delivery of their services during Covid-19 while embracing an evolving



Eoin McGeeney, Head of Learning and Development

learning culture that delivered significant time savings.

In accepting the award from guest host Marty Whelan, Head of Learning and

Development Eoin McGeeney identified the importance of maintaining services for credit union members through the movement's networks of dedicated staff and volunteers.

Eoin McGeeney commented, "This award is a true recognition of credit union people. From all points of the movement we have collectively contributed to this success, the Learning Development team rolled out a new learning model at short notice, our trainers reskilled for virtual delivery and our learners joined us on the journey", he added "a special thanks is owed to Marie McBryan, Chair of HSSCU who helped us tell our story to the panel of judges."

The savings made in our collective virtual pivot in 2020 are detailed in the infographic. Greater engagement through 2021 means that we are recording improved savings for this year.

Learning and Development will publish the results of the *Keep Saving with Virtual Learning* project for 2021 in the coming months which can be accessed through circulations or news items on [www.creditunion.ie](http://www.creditunion.ie)



# Core Function Modules

One of the unexpected benefits of our collective pivot to virtual classrooms has been the opportunity to review and remodel elements of our training that can have an enhanced impact through virtual delivery. This autumn will see CU L&D introduce a selection of core function modules, enabling you to choose the learning that suits you best.

Your feedback told us you want to access virtual learning in 2-3 hour brackets and this is now available to you in our autumn schedule. Learners can now book onto single modules or multiple modules depending on their training needs and availability. This modular approach offers more flexibility in terms of only having to take a short period of time out of your busy day to attend virtual training from the benefit of your place of work or when working from home.

An overview of our **Personal Lending** suite is provided to illustrate the modular approach.

The **Personal Lending** suite provides choice to learners as they can select what types of loans are most relevant to them.

These are:

- **Personal lending for staff**

Suitable for CU officers new to the credit union or new to lending and focussed on small to average value loans in the credit union, including loans within shares, such as would be within typical credit officers authorisation limits.

- **Personal lending for larger loans**

Suitable for more experienced lenders who are dealing with larger value personal loan applications, typical of home renovation or car purchase type lending.

- **Personal lending to a sole trader**

Suitable for experienced lenders who are dealing with personal loan applications from a member who is self-employed and therefore the lender may want to know how to evaluate the member's business and analyse their accounts to allow prudent borrowing.

- **Personal lending to higher risk groups**

Suitable for all lenders who may be dealing with loan applications from members on lower incomes – or those whom may have availed of door step loans in the past. This module will focus on accessing affordability within sustainable lending solutions for members and the credit union.



Below is a table of the full list of micro learning modules available in our Autumn Schedule. The intention will be expand this out to other areas of content based on the feedback received to this new approach.

| Previous Course Name  | New Core Function Modules  |
|---|--|
| <b>Nomination Committee</b>   | <ul style="list-style-type: none"> <li>• NC1 - Role of the Nomination Committee (Overview)</li> <li>• NC2 - Applying Fitness &amp; Probity in the Credit Union</li> <li>• NC3 - Volunteer Recruitment &amp; Succession Planning</li> <li>• NC4 - Training Needs Analysis for the Board</li> </ul>          |
| <b>Board Oversight Committee</b>                                    | <ul style="list-style-type: none"> <li>• BOC1 - Board Oversight Committee – Overview</li> <li>• BOC2 - Board Oversight Committee – Key Areas to Assess</li> <li>• BOC3 - Board Oversight Committee – Reporting Requirements</li> <li>• BOC4 - Board Oversight Committee – Sharing Best Practice</li> </ul> |
| <b>Fundamentals of Lending</b>                                      | <ul style="list-style-type: none"> <li>• PL1 - Personal lending for staff</li> <li>• PL2 - Personal lending for larger loans</li> <li>• PL3 - Personal lending to a sole trader</li> <li>• PL4 - Personal Lending to higher risk groups</li> </ul>   |
| <b>Advanced Lending</b>   | <ul style="list-style-type: none"> <li>• BL1 - Preparing for Business Lending</li> <li>• BL2 - Business Lending – Lending to the SME</li> <li>• BL3 - Business Lending – Underwriting for Larger Loans</li> </ul>  |
| <b>Fundamentals of Credit Control &amp; Advanced Credit Control</b> | <ul style="list-style-type: none"> <li>• CC1 - Credit Control – Assisting Members in Debt</li> <li>• CC2 - Credit Control - Preventing Arrears</li> <li>• CC3 - Credit Control – Dealing with Loans in Arrears</li> <li>• CC4 - Credit Control – Personal Insolvency</li> </ul>                            |
| <b>CU Operations – Fundamentals &amp; CU Operations - Advanced</b>  | <ul style="list-style-type: none"> <li>• CUOps1 - Member Services</li> <li>• CUOps2 - Complaint Handling</li> <li>• CUOps3 - Vulnerable Members – Assisted Decision Making</li> </ul>  |



It is never too early to start planning for the future, in setting objectives we should ensure we reach them. An important part of forward planning is ensuring you have the people and the skills required to reach your goals. For example, the 5 Year Strategic Plan for your credit union is forward planning to ensure the future stability and longevity of your credit union, including succession planning, training and education. Pathways Accredited Programmes are a way of ensuring your credit union officers are equipped with the capabilities and expertise to support your credit union objectives.

**Coming in Spring 2022:**

The **Certificate in Credit Union Business** provides an insight to the crucial business aspects of credit unions from an operations and governance perspective. The Certificate is an ideal starting point for officers who are new to the credit union sector and covers the induction requirement for new directors. It is also suitable for officers who wish to update their credit union knowledge. The Certificate sits at Level 7 on the National Framework of Qualifications ROI (NFQ) and is equivalent to Level 6 on the Qualifications and Credit Framework NI (QCF).

The **Diploma in Financial Services for Credit Unions** is the next step for credit union officers who have completed the Certificate in Credit Union Business, or equivalent, and wish to advance their understanding of credit union business and the broader financial sector. The Diploma sits at Level 7 on the National Framework of Qualifications ROI (NFQ) and is equivalent to Level 6 on the Qualifications and Credit Framework NI (QCF).

All modules for the Certificate in Credit Union Business and the Diploma in Financial Services for Credit Unions are delivered online via live, tutor-led webinars. Webinars will be recorded and available for viewing by students for the duration of the programme. Internet access is required. Modules are also supported by a downloadable manuals and support materials.

Further details including registration opening and closing dates have been forwarded to credit union learning coordinators.



Join us and begin telling your credit union story with our **Employing Storytelling for Volunteer Recruitment and Marketing** course

Don't miss out on our new Volunteer Recruitment and Retention Toolkit. Download Now from the Learning and Development page at [www.creditunion.ie](http://www.creditunion.ie)

THE CREDIT UNION VOLUNTEER RECRUITMENT & RETENTION TOOLKIT

*“It has forced me to challenge myself and identify where my knowledge gaps were. Without the structure of the modules, it’s unlikely I would have afforded myself the time to get to know these things.”*

— Pathways Student



*\*Running of the Certificate in Credit Union Business and the Diploma in Financial Services for Credit Unions is subject to minimum numbers.*

# Are you ready for a challenge?

The International Development Foundation in conjunction with the League are hosting the first ever credit union challenge. Join us as we undertake - **10 million steps in 10 days**. Together, we are aiming to bring awareness and raise funds for the continued development of credit unions in Sierra Leone, to be able to provide much needed access to affordable and ethical savings and loans and empower their members.

From the **11th - 20th October**, we want staff and volunteers from the Irish credit union movement to join together to 'virtually' walk/ run from the League's office on Mount Street, Dublin to the Foundation's field office on Fort Street, Sierra Leone.

Online registration is open at the [www.idoante.ie](http://www.idoante.ie) website – search for step up cu challenge.

Credit unions are encouraged to enter teams made up of staff and volunteers and over the 10 days walk as many steps as they can. Will your credit union go the distance and claim the top spot?

If you need more information, visit the Foundation's website: [ilcufoundation.ie](http://ilcufoundation.ie) or email [foundation@creditunion.ie](mailto:foundation@creditunion.ie). This is a 'virtual event' so keep updated across our social media channels (Facebook, Twitter, Instagram and LinkedIn) and use the hashtags #CUSStepUp and #MountSt2FortStreet.



**Together lets step up  
for Sierra Leone**





# Upskilling Credit Union Volunteers in Sierra Leone

In August, 60 credit union leaders (i.e. Board members) participated in basic IT training. The aim of the training is to help build their understanding of computers and their capacity to use MIS to effectively perform their governance roles as leaders within their credit unions. The training was conducted by a local IT provider in Freetown. Leaders from 10 credit unions participated in the four day training, and the topics covered included:

- Introduction to Microsoft Word, Excel and PowerPoint
- Open and configure an email account
- Introduction to remote video call platforms Zoom and Skype
- Introduction to financial reporting
- Online safety and security measures
- Build and improve typing skills

Credit unions in Sierra Leone operate using a manual system. The team in Freetown are using an MS Excel-based monitoring systems to assist a small number of credit unions to move from manual to automated systems gradually. The Excel-based system will allow credit unions to create reports in a timely manner and provide essential information for credit union Boards to make decisions in order to improve credit union performance in the area of financial management, loan management and credit control. This basic IT training will assist the Boards to use computers and assist in their role in governing the credit union. The development of effective accountability and governance systems is key to ensuring the sustainability of credit union movement growth in Sierra Leone.

Audits of credit unions are on-going and once COVID-19 restrictions are lifted in Sierra Leone, credit unions will be in a position to hold their AGMs. The co-funded Financial Inclusion for Resilience in Sierra Leone three-year project is coming to an end, and an independent final evaluation will be undertaken in September.



*CU Focus New employees of the recently formed Amhara SACCO Federation, Ethiopia undergo orientation and training to run services.*



*The Addis Ababa City Administration Saving and Credit directorate director Ms. Gelila presented on the Addis Ababa SACCO movement.*



*Sierra Leone Audit Audit of Tonkolili Teachers Credit Union, undertaken by auditors from the Department of Cooperatives\_*



IT training for leaders of Port Loko Credit Union



IT Training in Pujehun Credit Union



IT Training in progress with Bombali Teachers Credit Union on the how to use Ms Word & Excel

## New Staff

Ashley Harte has joined the Foundation team as the new Engagement Officer. She has recently returned to Northern Ireland after 6.5 years living in Phnom Penh, Cambodia. Ashley is taking over from Sinéad Lynam who was in the role for 3 years. Sinéad will be staying with the Foundation in a different role of training and fundraising.

## Annual Report

Annual Report: The Foundation's Annual Report 2020 is available to read on our website at <https://www.ilcufoundation.ie/annual-reports/>



Keep up to date with our work on Facebook, Twitter, Instagram and LinkedIn. For more information on the Foundation contact Ashley on 01 614 6739 | email [aharte@creditunion.ie](mailto:aharte@creditunion.ie)



# Legislative Update



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## **Transfer of Data from Central Credit Register (CCR) to the Central Statistics Office (CSO)**

The ILCU Legal Department has engaged with the Central Bank of Ireland (CBI) regarding concerns about the transfer of data from the Central Credit Register (CCR) to the Central Statistics Office (CSO). Credit unions will have received an email recently from the CBI regarding a statutory request from the CSO of data held on the CCR. We understand that as part of the process of considering the statutory request, a Data Protection Impact Assessment (DPIA) was performed by the CCR, and that the CBI is satisfied that the transfer of data is necessary and proportionate in the circumstances.

The CBI noted that a Memorandum of Understanding between the CBI and the CSO will be published on their website ([www.centralcreditregister.ie](http://www.centralcreditregister.ie)) prior to the transfer of information.

To assist the public, there are 2 high level FAQs on the Central Credit Register website at

<https://www.centralcreditregister.ie/borrower-area/faqs/> (select Data Protection from the drop down menu.) To explain the rationale for the transfer of this Central Credit Register data more clearly, the CSO has also published a comprehensive FAQ on its website.

## **Updates relating to Anti-Money Laundering/Countering the Financing of Terrorism (AML/CTF)**

The EU's Fifth Anti-Money Laundering Directive ("5AMLD") was transposed into Irish law on 24th April 2021, by way of the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021. Consequently, the Central Bank of Ireland (the "Central Bank") undertook a review and update of the Central Bank's Anti-Money Laundering and Countering the Financing of Terrorism Guidelines for the Financial Sector (the "Guidelines"). In addition to changes necessitated by the transposition of 5AMLD, certain sections of the 2019 Guidelines have been amended. The new Guidelines were published on 23rd June 2021 and are available on the Central Bank website..

## **Update regarding Post-Brexit Data Flows between the EU-UK**

One of the most notable implications resulting from Brexit is how data will continue to flow between the EU/EEA and the UK. The UK left the EU on 31 January 2020 and entered a transition period, which ended on 31 December 2020. Restricted transfers from the UK to other countries, including to the EEA, became subject to transfer rules under the UK GDPR regime. These UK transfer rules broadly mirror the EU GDPR rules. This means that for transfers of data out of the UK and into the EU/EEA, the UK Government has made its own Adequacy Decision in favour of the EU/EEA, to ensure there are no impediments to data flows.

The European Commission has also adopted an Adequacy Decision in favour of the UK under the General Data Protection Regulation (GDPR) and the other for the Law Enforcement Directive (LED). As a result, personal data can now flow freely from the EU/EEA to the UK where it benefits from an essentially equivalent level of protection to that guaranteed under EU law. This reciprocity has meant that data flows can continue unimpeded between the jurisdictions.

# Legislative Update

NI

## Data protection after Brexit

### UK Adequacy Decision Adopted by the European Commission

Following the end of the transition period and the UK's exit from the European Union (EU) on 31 December 2020, those with a data protection interest had been keenly awaiting whether the EU would offer the UK an adequacy decision to allow the continuation of personal data to flow from the EU to the UK.

Although the UK had already adopted an adequacy decision in favour of the UK earlier on in the Brexit process, it was the EU decision which was the more eagerly awaited.

That decision came on 29 June 2021, with the adoption by the European Commission of adequacy decisions in favour of the UK (one under the General Data Protection Regulation (GDPR) and the other for the Law Enforcement Directive).

There will be a 'sunset clause' in place which means that the decisions will automatically expire four years after their entry into force. After that period, the adequacy findings might be renewed, however, only if the UK continues to ensure an adequate level of data protection. During these four years, the Commission will continue to monitor the legal situation in the UK and could intervene at any point, if the UK deviates from the level of protection currently in place. Should the Commission decide to renew the adequacy finding, the adoption process would start again.

Information Commissioner, Elizabeth Denham said

*"This is a positive result for UK businesses and organisations.*

*"Approved adequacy means that businesses can continue to receive data from the EU without having to make any changes to their data protection practices.*

*"Adequacy is the best outcome as it means organisations can carry on with data protection as usual. And people will continue to enjoy the protections that their data will be used fairly, lawfully and transparently."*

*"The result is also a testament to the strength of the UK's data protection regime."*

### ICO Consultation on International transfers outside of the UK

On 11 August 2021, the ICO launched a consultation on the documents which will replace the existing EU standard contractual clauses (SCCs). This will now be known as the internal data transfer agreement (IDTA). The EU had published updated SCCs at the start of 2021. In recognition of this, the ICO is proposing that the new EU SCCs can be used for exports of personal data from the UK subject to the completion of a UK addendum to the EU SCCs.

The consultation by the ICO follows in the footsteps of both the UK's exit from the EU and the Schrems II judgment last year. In Schrems II, the EU Court of Justice of the European Union invalidated the EU-US Privacy Shield; and confirmed the validity of the SCCs but required organisations transferring personal data to carry out an assessment on a case-by-case basis to verify whether the SCCs provide an adequate level of protection for the personal data transferred, and to implement additional safeguards where that is not the case.

The ICO consultation is split into three sections, offering a selection of proposals and options to consider:

- proposal and plans for updates to guidance on international transfers;
- transfer risk assessments; and
- the international data transfer agreement.

The consultation closes on 7 October 2021.



# PERFORMANCE MANAGEMENT – CONTINUOUS ASSESSMENT

**One of the areas we get a lot of queries on in the HR Department is Performance Management and the process of reviewing staff in the credit union. Performance Management is the cornerstone of both good leadership and good HR Practice, Peter Drucker has stated “The fundamental task of management is to make people capable of performance through common goals, common values, the right structure, and the training & development they need to perform and to respond to change”.**

The primary objectives of an effective performance management process are:

- To allow the development of greater versatility and flexibility in matching strengths and career interests of employees with the needs of the Credit Union;
- To provide an effective process for the development of employees; and
- To provide a forum for coaching and communication.

Performance management is a process that provides feedback, accountability, and documentation for performance outcomes, in a frank discussion between both parties. It helps employees to channel their talents toward organisational goals; which are reached through the achievement of agreed key objectives linked to those of the credit union.

Performance Management Should NOT be:

- A one-way conversation from manager to employee
- A salary discussion – this is the remit of the Remuneration Committee
- A surprise (or contain any major surprises)
- A disciplinary interview

Key Principles of Effective Performance Management include:

- Aligned, Near Term Objectives;
- Frequent Feedback;
- Regular Support from Manager;
- Employee Recognition; and
- Personal & Career Development.

Over years there have been many issues identified with Annual

Appraisals, these include the fact that:

- Managers don't like doing them;
- Employees don't like them;
- Not seen as Adding Value;
- They identify problems but not solutions;
- Not seen as improving performance or engagement;
- Tend to be Past-Focused rather than Future-Focused; and
- Objectives set 12 months ago are often irrelevant by the time of the annual meeting.

Therefore one of the suggestions that the ILCU HR Department is making is to change from the traditional Annual Appraisal to Continuous Assessment. In a recent report<sup>1</sup> 67% of employees say their Managers spend too little time having ongoing conversations with them about individual performance, this needs to be addressed in order to

increase productivity and employee engagement. Many firms are changing their current process to continuous feedback, rather than the traditional annual review.

In order for Review Meetings to be both effective and successful the Key Components required are:

- Regular Review Conversations
  - Conversation – not completion of forms
- Adaptable Goals
  - Small number of Short Term Objectives
  - Reviewed Periodically
  - Achieved more quickly
- Real Time Feedback
  - Not only when something requires correction
  - Give & receive feedback as things happen

### Key differences

| Traditional Performance Appraisal                     | Continuous Performance Review                                |
|---|--|
| One-time annual event                                 | Continuous, ongoing process                                  |
| A long cycle to evaluate past performance             | Consecutive small cycles that offer real-time feedback       |
| Inflexible goals set at the beginning of the year     | Flexible short-term goals revised frequently                 |
| A tool for measuring employee past performance        | A tool for coaching and development                          |
| No follow-up or plan for improvement                  | Periodic feedback and guidance to improve future performance |
| Process considered to be a burden and a waste of time | Process is agile, faster, continuous and lighter             |
| Negative effect on employee morale                    | Creates a positive work environment                          |

<sup>1</sup>Towers Watson – Ireland Performance Management Survey

Key to success is **Regular Review Conversations**<sup>2</sup> where both parties discuss the employee's progress against the previously agreed objectives; and agree forthcoming priorities for the individual; the department; and linking to the needs of the credit union. A main part of the discussion is based around the employee's personal development and their career goals. There should also be a discussion regarding any issues or concerns either the employee or their manager has, with a focus on solutions to address these; in addition to identifying any support required. Finally a number of action points, to be completed before the next meeting should be addressed.

Prompts for Discussion during the meeting:

- Actions from Last Meeting
  - Have agreed actions been completed?
  - If not what can be done to ensure they are completed in the next week / month?
- Objectives
  - What progress has been made?
  - Are there obstacle to achieving them on time?
  - Do any objectives need to be added or changed
- Feedback
  - What has been done particularly well?
  - What could have been done better?
  - What feedback has been given recently?
- Using Strengths
  - Has the individual been able to do what they do best in their role recently?
  - How do they better utilise their strengths?
- Priorities
  - What are the priorities for the next few weeks?
    - Individual
    - Team
  - Have credit union priorities changed recently
- Issue of Concerns



- Does either party have any issues or concerns?
- What are the options for addressing them?
- Help and Support
  - What help and/or support is need from the Manager

#### DEALING WITH DIFFICULT CONVERSATIONS

At some point, most managers / supervisors have probably had to have a difficult conversation with an angry employee. The main reasons for this anger differs from person to person but research shows that the main reasons tend to be because the employee feels they've been treated unfairly; that colleagues aren't pulling their weight; that they're not paid enough; that the boss is being unreasonable; or that they have been subjected to unjustified disciplinary action.

Sometimes people's performance is not at the required standard, ignoring under-performance can affect the whole team leading to resentment from other employees.

#### How to handle a difficult review

- **Prepare Well** - Think about how you will handle the Review; identify and know the issues do you want to highlight; consider how the individual is likely to respond; ensure you know what outcome you are hoping to achieve; in order for this to occur what needs to change and how will the employee make the shift.
- **Take a step back** - Talk to others who have interaction with the employee; try not to allow one aspect of someone's performance to cloud your perspective about the rest
- **Be Direct & Specific** - Don't skirt around the edges, you will need to be upfront and direct or the employee may not fully understand the issue. Make your comments specific rather than general and give concrete examples of where people have done something wrong or behaved inappropriately.
- **Dig Deep** - Make the review a dialogue not a rant. You need to be clear about what needs to change,



but you also need to make the employee feel they can open up if there are problems you may not be aware of. Often, there are hidden issues behind poor performance. The person may not have adequate resources or is not being given enough time to do their job properly. They may not be getting support from colleagues or feel they are being bullied by another member of the team. Sometimes, people may be struggling with ill-health or personal issues they haven't previously disclosed. It's not about allowing people to make excuses, but about making sure you have a correct handle on the situation.

- **Help Build Self Awareness** - Sometimes, people lack the self-awareness to pick up when they are upsetting colleagues with a brusque approach or that their sense of humour isn't appreciated by everyone. If the performance issue is around inter-personal skills, try and find ways to help the individual build their self-awareness.
- **Manage your emotion** - Delivering a difficult message is never comfortable. However carefully you plan, there is always the chance the individual will react badly and get either upset or angry. Make sure you keep calm and keep your own emotions in check. It can also be very difficult to remain firm if you are having to pull a liked and respected colleague up on their performance, particularly if it becomes obvious they are feeling wounded and betrayed by someone they thought was 'on their side'. Keep calm and try to retain a clear perspective.
- **Set specific goals for improvement** - Be very clear about exactly what you want to change and by when and agree a date when you will get together again to review progress. Offer coaching, support and whatever training may be needed to help the individual improve. Make sure you involve the employee in the solution. People are more likely to commit to a

course of action if they feel they have been part of the discussion.

- **Put the conversation on record** - Make sure you record whatever has been discussed and agreed. Keeping proper records is important so that if at any point the situation escalates and you find yourself in a disciplinary situation, you have 'evidence' of the fact that issues have previously been raised and individuals have been treated fairly. Make sure you are not blurring the lines between an appraisal and a disciplinary.

#### Dealing with an angry employee

- Don't go on the defensive - When faced with an angry employee, our first instinct is often to defend ourselves or counter-attack. The best approach is just to listen, let the person get the anger out of their system. They won't want to listen to you if they are still churning up with fury inside.
- Don't blank them - It's tempting to 'tough it out' when someone is standing in front of you shouting and waving their arms. You need to keep control of your own emotions, but don't be afraid to show that the anger is affecting you.
- Show positive intention - Once you allow the person to vent their anger, try to discover the facts. Ask for examples of the behaviour that wound them up the wrong way; talk through why that made them feel the way they did, and what would make it better in the future. Make it clear that you genuinely want to try to help resolve the issue. Help them think about next steps and positive actions they can take to move the situation on. Make sure you reflect back to them before the end of the meeting anything that's been agreed, so that

you both have the same understanding.

- Be realistic - about what you can achieve and think about what your criteria for a successful exchange would be. Have you managed to bring the temperature down and shift the focus to the future? Have you made some progress in the conversation, even if you haven't managed to resolve the situation? What are the next steps you need to take?

If you felt you didn't handle the situation well, ask for training, or perhaps involve others who have more experience of mediation. People management is a tough role, and it's important to make sure that you get the support you need.

Remember, over time you have probably dealt with angry members in your role within the credit union and the principles for dealing with an angry employee and an angry member are the same.

#### In summary to make Performance Management more meaningful:

- Make feedback an ongoing process – hold regular review conversations
- Know what you want to achieve
- Make it a dialogue (not a rant)
- Focus on the positive
- Look ahead

One action to take this week:

When was the last time you sat down with your direct reports and had an informal performance conversation? Make time this week to talk to your team and catch up on how they're doing.

*1-Towers Watson – Ireland Performance Management Survey  
2-Continuous Performance Review Form available on ILCU Website*

For further advice, on any of the above or indeed any HR Issue, credit unions should contact the ILCU HR Department:

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Maura Behan, HR Executive [mbehan@creditunion.ie](mailto:mbehan@creditunion.ie) +35316146941

## W.B.R Credit Union host 'Donate 4 Donut' fundraiser



W.B.R. Credit Union Manager, Alan Griffin and Bernie Byrne, Fundraising Officer launch their 'Donate 4 Donut' fundraiser in aid of Southern Area Hospice Services

W.B.R Credit Union recently hosted a 'Donate 4 Donut' fundraiser to raise vital funds for the Southern Area Hospice Services. The 'Donate for Donut' fundraiser took place on Friday, 10th September at the W.B.R office in Warrenpoint. W.B.R Credit Union were delighted to have local donut venue Friscos providing individually boxed donuts on the day. Alan Griffin, Manager W.B.R Credit Union said "We are delighted with how 'Donate 4 Donut' fundraiser went and are very proud of the amount we raised on the day. The Southern Area Hospice Services are a very worthy cause and provide invaluable care and support to patients in the community".

## Comhar Chreidmheasa Corca Dhuibhne - Recipients of Qmharc, Irish language award

Comhar Creidmheasa Chorca Dhuibhne were delighted to be awarded the Gradam Qmharc Gnó le Gaeilge as recognition of their use of Irish in business earlier this year. This is the second time receiving this award and this recognition gives the credit union great encouragement to continue with their efforts to serve their members bilingually.

The vision of Q-Mharc Gnó le Gaeilge is to acknowledge business organisations that evaluate, develop and capitalize on the use of the Irish language as a complementary business and marketing tool throughout the island of Ireland. Q-Mharc Gnó le Gaeilge signifies awareness of and commitment to bilingualism in business and culture through language, enhancing indigenous characteristics or 'Irishness'.

Dúirt Bainisteir Micheál Ó Cinnéide "Ba mhór an onóir dúinn glacadh leis an



Foireann an Chomhair Chreidmheasa: Siún Dowd O'Connor, Mairéad Sheehy, Cristina Ní Mhóráin, Sharon Hickey, Ruth Uí Ógáin agus an Bainisteoir Micheál Ó Cinnéide

nGradam Qmharc ó Fhoras na Gaeilge níos luaithe i mbliana. Is aitheantas é an gradam seo ar an iarracht a dhéanaimid an Ghaelainn a úsáid sa ghnó. Is é seo an tarna huair againn an gradam seo a fháil agus spreagann sé sinn chun leanúint orainn ag freastal ar chearta teangan an phobail."





# In Memoriam Paddy Gannon (1935 – 2021)



Paddy Gannon grew up in Renvyle, Connemara in the bleak war years and like most Connemara men he spent the fifties as an emigrant in England. He returned home in the sixties and spent the rest of his life building his family and his community. He was part of an exceptional community in North Connemara which established over thirty co-operatives and community organisations – agricultural, maritime, tourism, sporting, craft, educational, media and financial. In the 1970s this community transformed the bleak Letterfrack Industrial School building into the thriving Connemara West Centre. Tullycross Credit Union (est. 1972) was at the heart of this co-operative development. Paddy was a founder member and served in many roles. He was a passionate believer in the principle that the people who need and use services should own and manage them themselves.

Paddy was a dedicated representative of his Credit Union and Chapter. He was a strong advocate for rural Credit Unions and for the West of Ireland.

Paddy started school in his bare feet and left at the age of fourteen to work and then emigrate. He raised a large family and financed their education through long evenings on the bog cutting and saving turf to sell in time to pay the school and university fees. The Credit Union loan was always critical. He returned to education himself as an adult, motivated and encouraged by his involvement in the Credit Union movement. He graduated with a Diploma from University College Galway.

He was a fine Gaelic footballer and representative of the Renvyle GAA club, where he learned the skills of volunteer organising at an early age. He traded in the football for the golf ball and played into his eighties. He cut a dash on the dance floor and brought home a few waltzing trophies to sit beside the sporting and community accolades.

Paddy is survived by his wife Mary and over fifty children, grandchildren and great grandchildren.

Ar dheis Dé a anam uasal.

## Treasurer

*In Memoriam Paddy Gannon 1935 – 2021  
Tullycross Credit Union Founder Member 1972*

We kids play table tennis  
in the dancehall after Mass  
as a line forms by a side-room  
to go into my father.  
It's like confessions,  
but with cigarette smoke and chatter.

Cars pull up beside me  
as I dawdle on the long acre,  
the envelope out the window,  
“give that to your father”.

As the nights draw in  
a woman calls, often,  
and sits on our couch for hours  
‘til he comes home.  
She puts her money  
into his hand only.

The suit comes out and, dolled up,  
he goes to Chapter,  
solitary night drives  
through the heart of Connemara.  
At Inagh he meets the ghost of a hill farmer.  
At a crash scene he says a last prayer  
into the ear of a dying young driver.

At home, in the small hours, we wait  
for the magnificent sweep of headlight  
through the window, banishing black night  
when he swings into the street.

After Congresses his speaking notes  
sit in his suit pocket, carefully chosen words.  
The pocket where a daughter  
found his wedding speech for her,  
when they laid him over boards.

Long before GDPR,  
neighbours trusted my father  
with hopes, plans,  
pennies to save

and secrets to keep,  
now gone to his grave.

*by Micheál Gannon*

## Portadown Credit Union Manager Retires

Elizabeth Donnelly, Manager of Portadown Credit Union has decided to retire having served the Credit Union movement for 47 years. Elizabeth started as a Volunteer with Newry Credit Union in 1974. She would call to the Catherine Street office a few days after school to record the monthly dividend points for individual accounts.

On 3rd August 1976 Elizabeth started her full-time career with Newry Credit Union. She was part of the team which designed and implemented the first computer system in Newry Credit Union. In 1978 having attended a meeting of the Institute of Credit Co-operative Administration in Dublin, her Manager, the late Joe Hughes nominated her for the position of Secretary. A position she still holds to this day.

Elizabeth took up the role of Manager in Armagh in 1998 before moving to Portadown in 2013. In 2010 Elizabeth was the recipient of the inaugural Credit Union award for the “Most Influential Single Benefactor” which was presented by the then President of WOCCU Bobby McVeigh at a ceremony in London.



Elizabeth has been involved in many roles within the Credit Union both at local, chapter and national levels. She has made presentations to Chapters, addressed delegates at various AGMs and set up the Chapter 4 Manager’s group and the NI Wellington Users group together with organizing numerous ICCA seminars over the last 47 years.

We wish Elizabeth a long, happy and well earned retirement.

## Derry Credit Union tribute to Pat Hume

We are saddened at the news of the passing of Pat Hume, a key figure in the founding and growth of Derry Credit Union. Pat was a quiet, dignified, and strong woman who loved her family, Derry, and her faith. She was also an ardent advocate of the credit union for she understood the value of credit union membership, particularly for women. She believed that a woman’s knowledge of finance and budgeting was the foundation of success for families in both good times and bad. Pat was a feminist before feminism.

We will miss Pat’s visits to our office. We are grateful that she felt welcome to drop by at any time, to chat with our staff, and to share memories. We cherished her friendship. We are grateful, too, that one aspect of Pat’s legacy will be the tremendous role she played in quietly helping Derry Credit Union succeed and grow in its earliest days by counting cash, making deposits, marking up books, educating potential members, and promoting the credit union far and wide. Our members today are enjoying the benefits of the vision and hard work of the men and women like Pat Hume who founded Derry Credit Union nearly 62 years ago.

May she rest in peace.



*Derry Credit Union 50th anniversary celebrations in 2010.*





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