

# CU Focus



**Irish League**  
of **Credit Unions**

The magazine of the **Irish League of Credit Unions** – Autumn 2017

## 2017 ALL IRELAND CREDIT UNION ART COMPETITION



**ILCU**  
**Response**  
**to CP 109**

Brian McCrory;  
New WOCCU  
Chairman



**Results of**  
**2017 ILCU**  
**Surveys**

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**Cover image:** Brian, Kate and Donal Hewson launching the 2017 All Ireland Credit Union Art Competition. The theme of this year's competition is 'Set Your Imagination Free'.

The lucky winner of our summer competition for an overnight stay at Citywest Hotel, Dublin was Maria Murray from Belfast, Co Antrim

**CONTRIBUTIONS**  
Letters to the Editor / contributions may be submitted via email to [editor@creditunion.ie](mailto:editor@creditunion.ie).

# Editorial

We offer heartiest congratulations to Brian McCrory who was elected President of the World Council of Credit Unions (WOCCU) at its recent Annual General Meeting held in Vienna, Austria. Brian is a member of the Irish League of Credit Unions (ILCU) Board, and immediate past-president of the ILCU.

The role of WOCCU as Brian sees it is “trying to enhance cooperation among cooperatives. It is through these collaborations, not based on self-interest, but based on mutual interest, we can capture, foster and enable cooperation on a global basis for our members, and our members’ members.”

It is a singular honour which has been bestowed on Brian and indeed on the Irish credit union movement. We wish him every success in his new office and we know he will bring his own brand of energy, dedication and enthusiasm to his work at World Council level as he has done at home.

## Lending – Our Continuing Challenge

The establishment of a ‘Lending Group’ by the ILCU Board in 2014 to examine how to deal with the falling loan book situation in credit unions, was a recognition of the need to address this problem. The report published by the group, and available on the ILCU website, is essential reading for all credit unions as they seek to increase their share of the loans being made in their area.

The need to continue focusing on lending is being promoted by the Northern Ireland Committee, who recently organised a summer seminar in Derry entitled “Lending – Challenges and Opportunities.” Credit unions from all over Northern Ireland attended and the attendance of the ILCU President, Vice-President and Treasurer highlighted the unique aspect of the event.

It became clear in the course of the “Lending – Challenges and Opportunities” seminar that banks were now targeting the credit union sector as a source of loan growth for them. Being aware of these challenges, how do we face up to them?

Speakers from within the movement, and those from outside it, agreed that we have to be proactive in getting our message across to members and non-members. The need to embrace social media in particular was stressed. These are the preferred communication tools of the groups most likely to need loans.

It was also made clear in the seminar that there is a need to eliminate the barriers to borrowing that exist in some cases. Having to be a member for a certain period or having to have a certain level of shares might have been prudent in the early years of a credit union’s existence but in today’s world they deter members who know they can get what they want more immediately from our competitors.

**Editorial Committee:** Gerry Thompson, William Breen and Emmet Oliver. Volume 3 Issue 12 ©. ILCU ISSN 1649-377X. **League Board:** Charles Murphy, **President:** Gerry Thompson, **Vice President:** Eamonn Sharkey, **Treasurer:** Ciaran Bishop, Margaret Heffernan, Seamus Kilgannon, Blanche Ronayne, Helene McManus, Martin Sisk, Joe Mulvey, Jim Toner and John Mullen. **Supervisory Committee:** Martin Dolan, Michael Cogley, Terry Redmond **Life Director:** John Hume

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# BRIAN McCRORY

## ELECTED AS NEW WOCCU CHAIRMAN

**Former Irish League of Credit Unions (ILCU) President Brian McCrory has been elected as the new Chairman of the World Council of Credit Unions (WOCCU). The election took place at the World Credit Union Conference in Vienna, Austria on the 25th of July. The event was attended by around 1,600 credit union delegates from 58 different countries.**

Mr McCrory will succeed Daniel Burns of the Canadian Credit Union Association in the role. He will be at the helm of a global institution which advocates internationally to improve regulation and legislation on behalf of member organisations in nearly 60 countries.

A teacher by profession, Mr McCrory began his involvement with the Irish credit union movement on the Board of Teachers Credit Union Limited. He was elected to the ILCU's Supervisory Committee in 2003, and the ILCU Board in 2009. Between 2015 and 2017 he served as the ILCU President. While ILCU President, he also represented the Irish credit union movement on the WOCCU Board in the position of 1st Vice-Chairman.

Following his election in Vienna, Mr McCrory said "I am truly honoured to take on the prestigious role of WOCCU Chairman. This organisation plays a hugely important role in supporting the global credit union movement through its international advocacy and lobbying work, as well as providing technical assistance programmes which greatly strengthen credit union movements."

Mr McCrory continued "By championing the credit union and cooperative financial institution model globally, WOCCU improves lives worldwide by ensuring people have access to affordable, reliable and sustainable financial services. I will work to continue, and build on, the successes already achieved by WOCCU and it will be my privilege to serve as Chairman of this esteemed organisation."

Congratulating Mr McCrory, ILCU President Charles Murphy said "On behalf of the Irish League of Credit Unions I would like to extend a heartfelt congratulations to Brian who has been an integral member of the ILCU Board and has worked tirelessly on behalf of the Irish credit union movement. He has contributed in a significant way to WOCCU for a number of years and I know he will be an exceptional Chairman."

Other new WOCCU Directors elected at the 2017 conference included Kevin Sitka, Canada, and Dallas Bergl, USA. The executive committee of WOCCU is as follows; Chairman, Brian McCrory, Vice Chair, Steve Stapp (USA), Treasurer, Diana Dykstra (USA) and Chair of the Governance and Elections Committee, Rafal Matusiak (Poland).



*Brian addresses a session at the World Council of Credit Unions 2017, Vienna*



*Brian McCrory is congratulated by outgoing WOCCU Chairman, Daniel Burns*



The new WOCCU Board at the World Credit Union Conference

### World Credit Union Conference

The World Credit Union conference took place between the 23rd and the 26th of July. Attendees heard from world-class speakers and had an opportunity to network and engage with colleagues from around the globe and learn from leading industry experts on topics such as young adult membership growth, advocacy, financial technology, operations, leadership and emerging trends.

This year's keynote speaker was Susan Etlinger, data analyst with Altimeter, a Prophet Company and TED speaker. She focused on big data strategy and principles in ethical data use in her address.

"To understand the value of big data, we need to look at what problems we can solve with big data," said Etlinger. "These include the health of our brand, marketing optimisation, revenue generation, operational efficiencies, customer experience and innovation." Data-driven business requires clean data, clarity, community, culture and customer focus. "Don't let data and technology distract you from your business, but let it help you with the most pressing challenges you have," said Etlinger.

Etlinger also provided insights on the evolution of communication from the writing on caves to long distance messaging to today's "visual, ephemeral and connected world" with billions of images, leading us to big data. "The emojis are the hieroglyphics of the modern age" said Etlinger.

### Highlights from the conference

Head of the ILCU's Monitoring Department, Dave Matthews, was part of a four-person panel that presented on the topic of "Growth Strategies in an Ever-Evolving Environment - An International Perspective". The other participants on the panel were from Australia, Canada and Brazil. Dave spoke about the hugely positive public perception of Irish credit unions and the challenges facing the movement, in particular the "loans to assets" ratio, the poor returns available on investments, the intensification in competition for credit unions' core business and the need to attract and retain younger members. He focused on two initiatives that credit unions and the ILCU are currently engaged in; home loans and business lending, and how a degree of centralisation and strategic cooperation can help credit unions to maximise their impact in these areas. Dave explained how these products present an opportunity for credit unions to expand the range of their lending portfolio in a way that can deal positively and effectively with the challenges faced.

In the State of the Movement section of the conference, Brian Branch, World Council President and CEO, shared thoughts on the global credit union and financial cooperative movement. "We are a global network of financial institutions which are member owned and member controlled. This is what makes us a movement connected to a common set of values," said Branch.

"We are privileged to work in an industry driven by the economic empowerment of our members. Our challenges know no borders," he continued, expanding on the top priorities for the industry: regulatory burden, fintech disruption, membership growth, cybersecurity and small credit union sustainability.

Another highlight of the conference was the address by Robert Herjavec, founder of Herjavec Group, a global leader in information security and a leading shark on ABC television network's show Shark Tank. He focused on the topic of rising cyber security threats.

"Risk is very hard because it can be really scary. Without risk and innovation, you cease to become relevant," said Herjavec who shared personal stories on what he gained in joining a "much more personal credit union versus a huge, nameless bank."

Herjavec highlighted the increasing risk of potential security breaches that are now faced personally and professionally on a daily basis, arising from the fast-moving technology industry. "You can get a lot of customers on the internet but if you have a security breach, customers can easily leave you and go elsewhere," he warned. "Customer loyalty doesn't exist anymore unless it's value added."

The four day conference concluded on the 26th of July at the Hofburg Palace in Vienna.

# BALLYMENA CREDIT UNION LTD CELEBRATES 50th ANNIVERSARY



## Ballymena Credit Union 2017 Position at 30 June 2017

Total Membership	..... 11,726
Assets	..... £22,144,838
Savings	..... £19,418,887
Loans	..... £9,160,307



**This year Ballymena Credit Union Limited celebrates the significant milestone of its' 50th Anniversary. The credit union first opened its doors to the public on the 6th of February 1967 as a humble collection-point operating out of a rented office above a driving school on Ballymoney Street. Although its founding members had a vision of community-based growth, no one could have foreseen the tremendous success which has been achieved.**

The first AGM was held on Tuesday the 20th of February 1969 at 34 Broughshane Street, Ballymena. The treasurer read his report and it showed the credit union to have a surplus of over £36 for the ten months. The President, Liam Donnelly announced that the credit union would probably be in the position to declare a dividend of 3% to 4% at the end of 1968.

The Board of Directors at the time was: M. McRory, M. Rabbitt, A. Killough, P. O'Hagan, J. Fitzsimmons, B. Byrne, J. O'Doherty, S. McLaughlin, D. Shield, F. Scullion, H. Blayney, J. McKenna and President Liam Donnelly.

### **Some interesting excerpts from the 1967 minutes:**

The question of women members was discussed and a few were to be approached. The results of these 'man to woman' approaches would be made known at the next meeting.

It was reported one particular woman would be agreeable to take a position on the Board of Directors, but the general

feeling of the meeting was that it could possibly be rather awkward for one woman on the Board and the question was left in abeyance.

### **THE 1980s & 1990s**

The first member of staff was employed in 1983. In the late 1980s Annie Millar was introduced to Ballymena Credit Union as assistant Treasurer. With Annie's strong beliefs and hard work tremendous growth was experienced in the late 1980s early 1990s.

At Year End September 1990, there were 585 members, shares stood at £174,292 and loans were at £162,399

In the early 1990s the credit union decided to open full-time and in keeping pace with new technology, became fully computerised on the 20th of March 1995.

Growth continued, staff increased, and in 1995 the Board decided that the existing premises was not adequate to meet the needs of the expanding business. On the 20th of December 1997, Ballymena Credit Union

# ... looking forward with confidence to the next 50 years



purchased 17 William Street for £11,000.

### 2007 and 2008

In 2007, 21 William Street was purchased and extended to make more interview rooms to meet members' needs. Loans officers are now on hand every day to discuss in private their financial needs.

Ballymena Credit Union welcomed its current CEO, Paul Patton, in 2008, who brought with him over 22 years experience in the banking and financial services sector.

### 50th Anniversary Celebrations

Ballymena Credit Union held an afternoon tea in Tullyglass Hotel to kick off the celebrations of the 50th

anniversary. The existing Board of Directors had invited current and former volunteers, together with some of the founding members, to the event as a small 'thank you' for the many hours of time they had invested in Ballymena Credit Union.

The CEO, Paul Patton, welcomed everyone including special guests; the Deputy Mayor of Mid & East Antrim Borough Alderman William McNeilly, and the then President of the Irish League of Credit Unions, Mr Brian McCrory. He also commented on the phenomenal growth experienced over the 50 years to the current organisation which has member savings of over £19 million with over 11,500 adult and junior members. In the last year Ballymena Credit Union

has issued loans of over £7 million. A special presentation was made to Mr Francis Scullion who as well as being the last surviving member of the original Board of Directors, is still an active Board member to this day.

Ballymena Credit Union held a family oriented "Party in the Park" in the Peoples Park on the 6th of May. A Young Persons Awards Evening is planned later in the year to recognise some of the tremendous achievements of young people in the Ballymena area.

In addition, regular monthly draws are being held for members who have the chance to win £50 per month throughout 2017. Ballymena Credit Union is also pleased to announce Cash for Kids as their charity of the year for their 50th anniversary year. Staff have already undertaken a 5km Fun Run, and are planning on undertaking a number of other fundraising activities over the remainder of the year.

### The future

Today Ballymena Credit Union is open six days per week with a late night opening on Thursday. Members can transfer funds online via the website and app and can also obtain a separate debit card. Plans for the future included fully-integrated online loan applications alongside electronic signatures, making it even easier for members to conduct business with the credit union. The staff team is also being expanded with the appointment of a Risk & Compliance Manager, and a Credit Manager. The credit union also hopes to expand lending operations to include loans to small businesses and also local Sports Clubs and Community Associations.



Board of Directors, Ballymena and District Credit Union. From left, back row—Metzger M. McRaty, M. Rabbits, Killough, P. O'Hagan, J. Fitzsimmons, B. Byrne, J. O'Doherty, S. McLaughlin. Front row — D. Shickle, F. Scullion, Liam Donnelly (President), H. Blayney, J. McKenna.

# One quarter of adults in Ireland live in unsuitable homes

The Irish League of Credit Unions (ILCU) recently commissioned a new national survey to examine home improvement trends and attitudes to mortgages in Ireland. 1,000 adults were polled and the study revealed that 25% are living in homes that no longer suit their needs - but are prevented from moving out due to the current property market. Of those respondents who use loans to fund home improvements, the majority used their local credit union. Regarding attitudes to mortgages, a substantial number said they would be interested in switching to a credit union mortgage.

## The current property market

64% of respondents who took part own the property they currently live in. 18-34 year olds are still finding it difficult to buy a house with just 38% reporting to own their home. The highest concentration of home ownership was in the Leinster region outside of Dublin (74%), with the lowest concentration in Munster (55%).

Of the significant portion who said they are trapped in their current homes, but cannot move out or buy/rent a new home due to property prices, over a quarter (26%) of those in the 35-54 years age group felt this way - almost on a par with the proportion (28%) of 18-34 year olds reporting this sentiment. This was one of the most concerning findings of the survey.

The report also revealed that almost one fifth are forking out to extend their home, either with an attic/garage conversion - or a built-on extension. Again this trend underlines the finding that a significant proportion of people are living in homes unsuitable for their needs. Overall, the survey showed that home improvements are extremely popular among Irish households - with almost two thirds carrying out home improvements in the past three years. A substantial one third said they wanted to make improvements to their home in 2017, but could not afford to do so.

## Most popular home improvements

Laying down new carpets and flooring was found to be the most popular home improvement with 42% reporting they



were upgrading their homes in this way. Installing new heating or insulation systems followed closely behind at 38%. Fitting new windows or doors was the third most popular home upgrade at 23%. The area of their homes most people are unhappy with, and want to change in 2017, is the kitchen (21%), followed by the bathroom (18%) and living room (16%).

The majority of people spend less than €1,000 on their home improvements (40%). Just over a quarter spend between €1,000 and €3,000 and 10% spend between €3,000 and €5,000. 5% spent over €25,000.

## Attitudes to credit union home loans and mortgages

A very significant 60% of respondents use their local credit union to fund home repairs and improvements. 42% said they would not have €1,000 set aside for an emergency home repair. Credit unions were seen as the go-to solution for this, with a third of respondents saying they would borrow from their local credit union in the event of an emergency repair. 25% said they would ask family and friends while just 5% said

they would borrow from a bank.

In relation to mortgages, there is a considerable appetite for a credit union mortgage solution amongst adults with 72% saying credit unions should offer mortgages. Three quarters of 35 to 54 year olds and seven in ten 18 to 34 year olds feel this way. Two thirds feel there is not enough competition in the mortgage market currently.

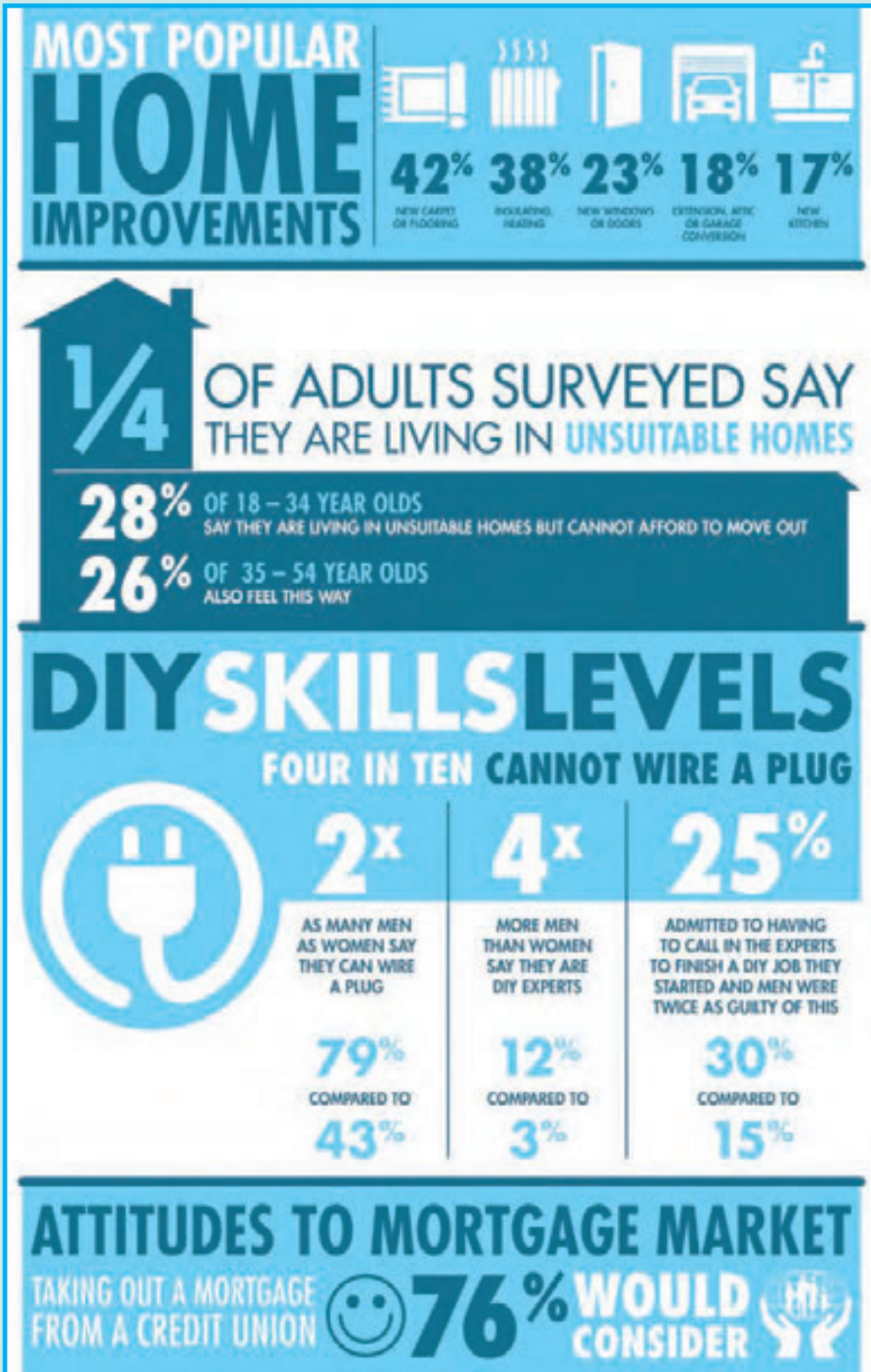
In general, more than three quarters of respondents said they would consider taking out a credit union mortgage - and 60% said they would switch to a credit union mortgage.

The younger age group showed a keen interest in credit union mortgages with a substantial eight out of ten 18 to 34 year olds saying they would choose such an option.

Commenting on the findings, ILCU Head of Marketing and Communications, Emmet Oliver, said: "It's evident that people feel there has been a lack of options for them in the mortgage market to date. The good news is that the ILCU is developing a centralised structure which will enable credit unions to begin offering mortgages in a significant way."



# 76% of adults in Ireland would consider taking out a credit union mortgage



## DIY skills levels among adults in Ireland

The survey also had a number of interesting, and sometimes surprising, findings regarding the real DIY skills levels of adults;

- Four in ten cannot wire a plug
- Twice as many men as women say they can wire a plug– 79% compared to 43%.
- Four times more men than women say they are DIY experts – 12% compared with 3%.
- However, almost a quarter of respondents admitted to having to call in the experts to finish a DIY job they started and men were twice as guilty of this - 30% had thrown in the towel compared with 15% of women.
- The Leinster region reports to be the most skilled at DIY – 78% say they are either experts or average.
- Munster is the least likely region to rate its DIY skills highly - with 70% reporting to be either expert or average.
- In terms of wiring a plug, Ulster appeared to be the least skilled region - with almost half of adults there admitting they couldn't do so, while Connaught was the most skilled with two-thirds possessing this basic DIY know-how.

# SET YOUR IMAGINATION FREE

## THE 34TH ANNUAL ALL IRELAND CREDIT UNION ART COMPETITION

The Irish League of Credit Unions (ILCU) has launched the 2017 All Ireland Credit Union Art Competition with the theme 'set your imagination free.' The hugely popular competition, now in its 34th year, attracts up to 30,000 entries nationally each year through around 250 credit unions. The competition is open to age groups across the spectrum, including children aged seven years and under, right through to those aged 18 years and over. There is also a Special Category for those with physical or intellectual disabilities.

The 'set your imagination free' theme is designed to give everyone, young and old, full scope to express their thoughts, imaginings, and anything that inspires them. Participants are encouraged to interpret the theme in any way they wish and to let their imagination alone set the rules for what they create!

The Art Competition procedures manual and entry form together with creative and marketing material will be made available to credit unions who register to participate in the competition. Credit unions are also encouraged to keep an eye on the ILCU's official Twitter, Facebook and Instagram pages to stay updated on the event.

Speaking about the 2017 Art Competition, Emmet Oliver, ILCU Head of Marketing and Communications said "The event is created to be as inclusive as possible and so that people of all ages and from all backgrounds can participate, and is part of the ILCU's commitment to supporting the artistic development of both young and old in communities throughout Ireland. We see it as one of the most culturally important events of our annual calendar and a celebration of the creativity of communities around Ireland."

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. National winners will receive cash-prizes at an award ceremony to be held in Croke Park, Dublin in February 2018.

Any credit unions with queries about the 2017 All Ireland Credit Union Art Competition can contact the Events team in the ILCU Communications Department at [ilcuevents@creditunion.ie](mailto:ilcuevents@creditunion.ie)



# New Accredited Programmes for Credit Unions

The Irish League of Credit Unions (ILCU) Learning & Development Department is currently developing a new suite of accredited Pathways programmes for credit unions.

The recognition for the need to review our accredited programmes occurred for two reasons; firstly in response to feedback received from learners and secondly to address the new regulations being implemented by the Central Bank of Ireland in the Republic of Ireland (ROI), which include the Mortgage Credit Directive (2016) and upcoming changes to the Minimum Competency Code, 2011. This feedback has been reviewed and in conjunction with our new Accredited Partner, we have planned an exciting new suite of programmes commencing spring 2018.

The new Pathways programmes will:

- Provide a more flexible, modular approach
- Include more applicability for general financial services, instead of focusing only on credit union business
- Allow holders of relevant qualifications and experience to join at different points, i.e. not restricted to starting at certificate level. Instead credit union experience and previous qualifications will be taken into account.
- Allow speedier access to Minimum Competency Code (MCC) qualifications
- Provide a broader range of MCC approved\* specialist awards for ROI credit unions.
- Provide viable programme progression options for Northern Ireland credit unions.

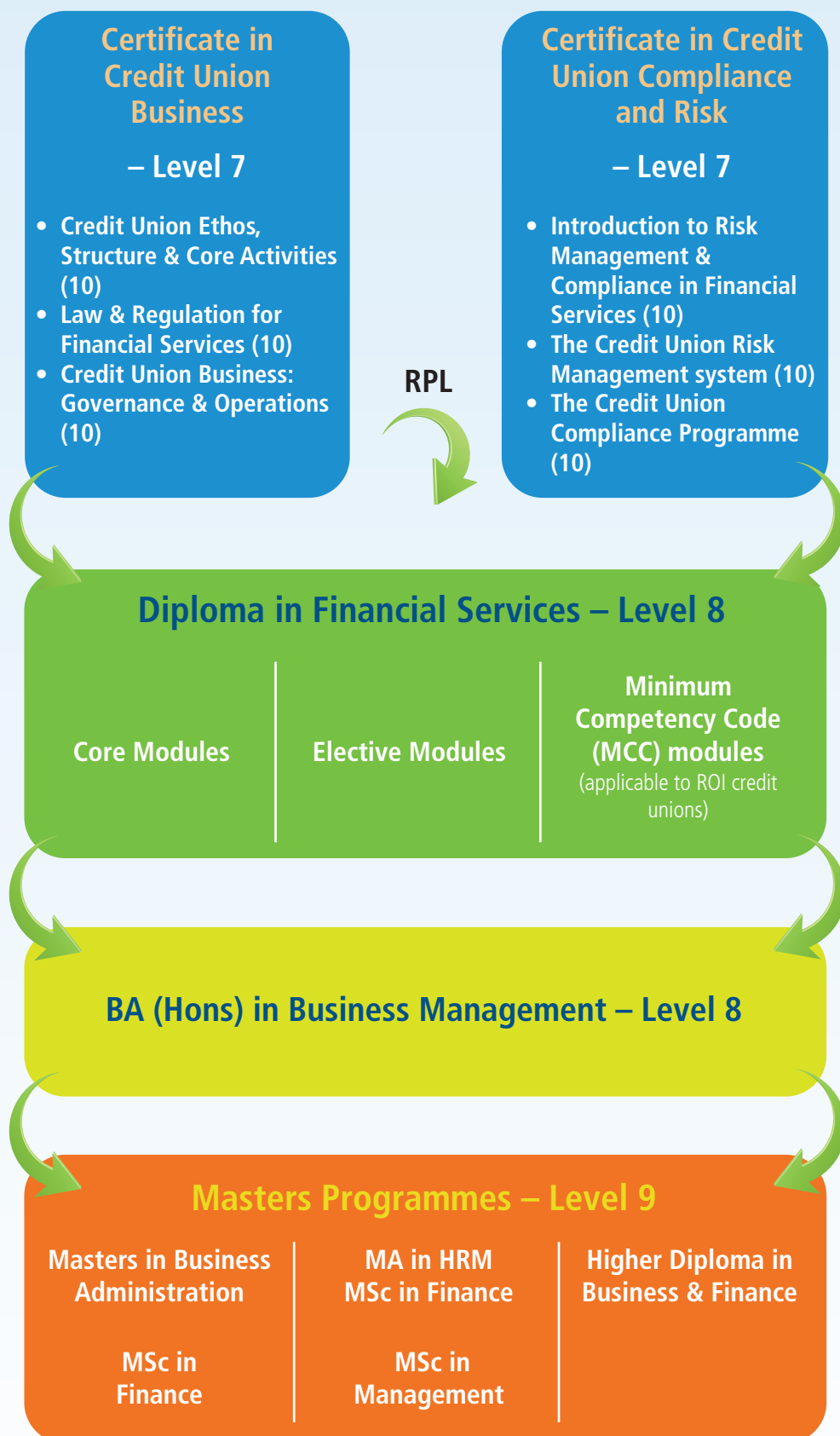
This new suite of programmes will provide the latest information on regulatory requirements and best industry practice while also offering qualifications leading from Certificate to Masters level.

The diagram on this page includes a proposed outline of these new programmes which include an alternative path for those with previous experience in the credit union sector, called 'recognition of prior learning' (RPL).

Further information will be available over the coming months as the new suite of programmes are finalised.

*\*to be approved by the Central Bank of Ireland*

## Proposed New Pathways Programme Structure for ROI and NI



# SEAMUS HEANEY HOMEPLACE HOSTS FIRST NORTHERN IRELAND COMMITTEE SUMMER SEMINAR

On Saturday the 17th of June 2017, the Irish League of Credit Union's (ILCU) Northern Ireland (NI) Committee held their first seminar at the Seamus Heaney HomePlace conference centre in Bellaghy County Derry, bringing together credit union staff and directors from across Northern Ireland to network, share information and ideas, and hear from a range of expert speakers looking at the "Lending Challenges and Opportunities" for credit unions both now and into the future.

Lending continues to pose the biggest challenge for credit unions throughout the country: stagnant loan books; increased competition from online and non-traditional lenders; and for many, growth in loan demand being outstripped by growth in savings.

One aim of the seminar was to offer insight into the environment within which credit unions are currently operating, giving perspective on the position of the local economy, in order to understand how this might impact borrowing decisions and choices across Northern Ireland. Ann McGregor, Chief Executive of the Northern Ireland Chamber of Commerce and Industry, was the first speaker of the day, and gave an overview of the NI Economy, potential impact of Brexit on the local economy, and a look at the personal loans market.

It's a mixed economic bag according to the most recent statistics – unemployment figures are down, falling at a steady rate since 2012, at 5.4%. And with less of a reliance on public sector jobs, there are opportunities across a wide range of sectors for those seeking employment. However, against those positives:

- with an ageing population of 1.9million, there are only 64% who are considered 'working age', that is between 16-64;
- wages are on the rise since 2013, however average income in 2016 mirrors earnings from 2006...a decade of no wage growth;
- economic Inactivity (those unable to work and claiming incapacity benefit) is higher in NI than anywhere else in the UK, representing 11% of the population (212,000);



*ILCU President Charles Murphy, pictured with guest speaker Ann McGregor, Chief Executive of the NI Chamber of Commerce and Industry, Eamonn Sharkey, Treasurer of the ILCU and Gerry Thompson, Vice-President of the ILCU, at the Seamus Heaney HomePlace Exhibition Centre, Co Derry, where the NI Committee Summer Seminar took place*



*Attendees at the NI seminar*

- NI remains heavily subsidised by the UK government to maintain standards of living (approximately £10 billion)...and that standard is 25% below the UK average; and finally;

- NI remains the most over-indebted region in the UK, at 21%.

With a clearer picture of the economic forecast, it was time to look at the figures, and highlight the true financial position of credit unions. Patsy McShane, Chapter Two's representative on the NI Committee, demonstrated the impact that current trends will have on credit unions, looking ahead over the next 3-5 years.

The stage was now set to look at what opportunities were ahead for credit unions and their members, and the remainder of the day focussed heavily on best practice with regards to loan processes, tailoring products to meet members' needs, and ensuring that communication is carried out in the optimum way.

Brendan Barrett, an independent public relations consultant, addressed the seminar focussing on the art of 'selling', giving tips and ideas of how to engage with new and existing members. Brendan went on to discuss areas such as ensuring staff are equipped with the tools to promote products and services, empowering them to engage positively with members and understand how products and services can best meet their needs.



*ILCU President Charles Murphy addresses the seminar*

Marianne Cushley from the ILCU's Communications Department took attendees through current marketing trends in the lending market, looking at what competitors are doing, and what opportunities may lie ahead for credit unions. Gaining an understanding of what else is happening in the market can help individual credit unions tailor their promotional and marketing activity for maximum impact, working within their own budget constraints. A look at the trends within credit unions in relation to marketing generated much discussion at

the breakout sessions. Tips and ideas were shared and debated amongst the delegates, with a view to giving each credit union key take-away actions to develop their marketing activity over the coming months.

The final speaker of the seminar was Dave Matthews, Head of the ILCU's Monitoring Department, who addressed delegates on the potential opportunities that the future may hold for credit unions across Northern Ireland. Exploration of corporate lending, and lending for home purchase and renovation, gave credit unions food for thought, and will no doubt generate much discussion at individual Board level as credit unions consider what may be appropriate for their membership.

The NI Committee would like to thank those who attended the Seminar. Feedback from the day was extremely positive, and demonstrated an appetite for networking, collaboration and sharing of best practice amongst their credit union colleagues.

All presentations from the seminar are available on the ILCU's website for credit union personnel. If you have any queries in relation to the seminar, or the information shared on the day, please contact Marianne Cushley (Communications Department, NI) on [mcushley@creditunion.ie](mailto:mcushley@creditunion.ie) or Carmel Morris (Business Unit Manager, NI) on [cmorris@creditunion.ie](mailto:cmorris@creditunion.ie).

# ILCU RESPONSE TO CONSULTATION ON POTENTIAL CHANGES TO THE INVESTMENT FRAMEWORK FOR CREDIT UNIONS (“CP 109”)

On May 11th 2017, the Central Bank of Ireland published a Consultation Paper on Potential Changes to the Republic of Ireland Investment Framework for Credit Unions (“CP 109”). The Irish League of Credit Unions (ILCU) engaged with credit unions on the proposed changes via an online survey. Contributions received across the movement assisted the ILCU greatly in formulating its response.

The response to the Central Bank was submitted on June 30th 2017. The ILCU broadly welcomed the proposals to invest in Social Housing via Tier 3 Approved Housing Bodies, and remained supportive of the establishment of an Irish Council for Social Housing (ICSH)/sector-led new special purpose vehicle as set out in “Rebuilding Ireland”, the Government’s Action Plan for Housing and Homelessness of July 2016. The ILCU CEO Ed Farrell also reiterated these comments in his address to the Joint Committee on Housing, Planning, Community and Local Government on July 4th 2017.

However, the CP 109 submission also reflected the ILCU’s substantial concerns that the proposed changes will significantly reduce the investment yield below the already very low current level of 1.4%:

- **Bank Bonds:** The Central Bank is proposing a blanket prohibition of bank bonds that are subordinated to any senior bonds. This will mean that the universe of bank bonds that credit unions can invest in will be severely restricted. Currently, credit unions can invest up to 70% of investments in bank bonds which are an important source of investment yield with just under €2 billion invested across the movement. In the submission, the ILCU recommends that instead a



minimum Investment Grade credit rating should be applied to bank bonds, which would reflect the capital strength and probability of default of the bond issuer.

- **Liquidity Ratios:** The current liquidity regime is overly cash focused and is inconsistent with the liquidity approaches adopted by the European Banking Authority. The minimum short term liquidity ratio and minimum liquidity ratios effectively limit a significant quantum of investments to short term maturities of eight days and three months respectively. The ILCU’s submission requests the specific inclusion of all bond investments in the definition of liquid assets given that these investments are quoted in deep, active and liquid markets. This approach would provide some relief to credit unions from punitive negative interest rates and assist with investment diversification.

- **Supranational and Corporate Bonds:** In the submission, the ILCU recommends that the concentration limits for the bond investment universe should be set at 70% of the entire credit union investment portfolio, consistent with the existing 2016 Regulations. The ILCU also specifies a minimum credit rating of investment grade be applied to supranational bonds and to corporate

“ *The ILCU broadly welcomed the proposals to invest in Social Housing via Tier 3 Approved Housing Bodies, and remained supportive of the establishment of an Irish Council for Social Housing* ”

bonds which are managed in a Collective Investment Scheme overseen by an experienced investment manager.

- **Counterparty Limits:** Consistent with overwhelming feedback from the survey, the ILCU considers that the counterparty limit should be maintained at 25% in recognition of the very challenging investment environment and the difficulty in identifying counterparties who can provide a reasonable investment return.

- **Collective Investment Schemes:** The ILCU’s view is that the definition of Collective Investment Schemes should be expanded to incorporate investments in Supranational Bonds, Corporate Bonds, Social Housing/AHBs, State Sponsored Projects and Equities within defined concentration limits.

Subsequent to the submission, ILCU representatives met with the Central Bank and the Department of Finance. In the interests of credit unions continuing to play a significant and worthwhile role, the ILCU has urged these parties to consider the feedback. As your representative organisation, the ILCU will continue to lobby on this very important matter.

The ILCU understands that the Central Bank will issue a Feedback Statement on responses received in Q4 2017.

# ILCU Discusses Credit Union Finance for Social Housing with Oireachtas Committee

**The Joint Oireachtas Committee on Housing, Planning, Community and Local Government met for a number of sessions on the 4th and 5th of July to discuss the specific topic of Credit Union Finance for Social Housing. The Irish League of Credit Unions (ILCU) was represented by CEO Ed Farrell and Financial Controller David Malone.**

The July meetings followed on from two days of hearings by the Joint Committee on Finance, Public Expenditure and Reform and Taoiseach in March. In separate sessions the Housing Supply Alliance, the Department of Finance and the Central Bank of Ireland also appeared before the Committee, following its meeting with the ILCU representatives.

The background to these meetings has been the year-long programme of constant lobbying by the ILCU on this issue. The ILCU has been consistently looking for delivery on commitments which it, together with credit unions around the country, has worked hard to have included in the Programme for Government and in the confidence and supply arrangement between Fianna Fáil and Fine Gael.

The more recent context to these latest meetings has been the Central Bank of Ireland's Consultation on Potential Changes to the Investment Framework for Credit Unions; Consultation Paper Number 109 (CP 109) which could pave the way for changes to the current investment regulations for credit unions. If the Central Bank moves on this, it would enable credit unions to invest in social housing. That is the positive aspect of CP 109, the negative aspect is that this would also adversely affect how the movement could invest in bank bonds in the future. The ILCU representatives delivered very clear messages on both of these issues to the Committee on Housing, Planning, Community and Local Government.



*ILCU CEO Ed Farrell and ILCU Financial Controller David Malone at the Oireachtas Committee meeting*

**“ Addressing the Committee on this topic, Mr Farrell said “This Consultation Paper (CP 109) has some positive aspects which we welcome, but others we are very concerned about.”**

Addressing the Committee on this topic, Mr Farrell said “This Consultation Paper (CP 109) has some positive aspects which we welcome, but others we are very concerned about. On social housing, the Central Bank is considering if it would be appropriate to facilitate the provision of credit union funding to Approved Housing Bodies (AHBs) by way of investment. The initial potential levels of investment proposed by the Central Bank would be up to €900 million which on the basis of 70% finance provided by credit unions, at an average notional social house cost of €200,000 would fund close to 6,500 homes.”

“If followed through, this would be a significant step forward. More broadly, but closely connected, the same set of proposals will very negatively contribute to the downward pressure on the investment income being earned by credit unions. Our affiliated credit unions currently have just under €2 billion invested in bank bonds which are an important source of investment yield. The restriction set out in the Consultation Paper CP 109 will severely

curtail the universe of bank bonds that credit unions can invest in.”

These messages were amplified in the detailed submission the ILCU made to the Central Bank on CP 109 (See page 15).

If the Central Bank does remove the regulatory roadblock and allows for investment in social housing, it is doubly incumbent on the government to live up to its commitment, and establish the means by which credit union investment can be effectively delivered for much needed social housing. The key message of the ILCU to the Committee and in its lobbying generally, is that progress is now expected on this.

Mr Farrell concluded his address to the Committee by saying: “We need action immediately from the Department of Housing to enable investment in social housing. This should be accompanied and underpinned by real engagement, led by the Department of Finance, to develop a credit union model that can do the much more it is so ambitious to do across the board for communities, and the economy.”

# SOCIAL BANKING CONFERENCE

Ireland's first ever International Conference on Social Banking was held in Kinsale, Cork in June. Delegates from 17 countries who attended heard how Ireland's credit unions can help transform communities through loans to individuals. CEO of the Irish League of Credit Unions' International Development Foundation, Alan Moore, and Conor O'Brien from Mitchelstown Credit Union Ltd were guest speakers at the event which was co-hosted by Clann Credo, Ireland's leading provider of community loan finance, and the German-based Institute for Social Banking, the international thought leader in the area.

**The conference brought together international experts and practitioners from social banking, microfinance, NGOs, co-operative and community financing from North America, Asia, Africa and Europe to discuss the opportunities and challenges of this rapidly evolving field.**

They represented such organisations as Charity Bank in the UK, 'Youth for Human Rights' in Pakistan, alternative Bank of Switzerland, GLS Bank in Germany, Global Alliance for Banking on Values (GABV), Canada and many more.

Conor O'Brien's contribution echoed the mantra of the week-long conference of 'changing finance to finance change'. He explained the detrimental effects that the 2008 financial crisis had on Irish people, arguing that many banks lacked the key values and ethos that communities need to thrive and grow.

"You cannot leave people hurt" said Mr. O'Brien, and he outlined how it only took four people with a strong humanitarian ideology to begin their own credit union.

Alan Moore's workshop continued this theme by illustrating how the ILCU Foundation's resources of money, time and knowledge in The Gambia can drive a community. In general, he says that "personal empowerment is as significant as the loans themselves."

Credit union members understand the impact of the ILCU Foundation's work, and as a result 60%-70% of



*CEO of the ILCU International Development Foundation, Alan Moore, delivering a workshop*



credit unions in Ireland voluntarily donate annually, helping developing countries to progress financial inclusion and growth.

The delegates at the conference were impressed by the strength of Ireland's credit union movement and it was this spirit of community co-operation and the community work of Clann Credo which led to Ireland being chosen as the venue for the International Conference on Social Banking.

Commenting on this, Paul O'Sullivan, Clann Credo CEO said "The fact that Ireland has been chosen as the location for the 10th Annual International Conference on Social Banking is a clear recognition of the growing role of social and community loan finance in our economy and is also an acknowledgement of Clann Credo's role in delivering innovative new forms of finance for locally-led development."

"We knew Clann Credo had brought the concept of social finance to Ireland and we wanted to build on this by introducing the discussion on social banking" said Sanika Hufeland, Director of the Institute for Social Banking. "Social banks are different because they focus on long-term impact and they seek a 'triple bottom line: planet, people and fair profit. They meet the needs of the real economy and do not speculate on the financial markets."

Ireland's Clann Credo has more than two decade's experience supporting community development and social enterprise across a wide range of sectors, including: sports and culture, tourism, and vital social services. The organisation has provided over €90 million in community finance to over 900 projects nationwide.

Clann Credo has experienced representatives nationwide to help voluntary and community groups to transform their communities with community loan finance. More information is available on their website at [www.clanncredo.ie](http://www.clanncredo.ie)



Alan Moore with Clann Credo CEO Paul O'Sullivan, Sanika Hufeland, Director of the Institute for Social Banking and Anna Laycock, Finance Innovation Lab UK



Conor O'Brien of Mitchelstown Credit Union speaking at the conference



Irish Social Finance Centre  
10 Grattan Crescent  
Inchicore  
Dublin 8  
D08 R240

T: +353 (0)1 400 2100  
E: [info@clanncredo.ie](mailto:info@clanncredo.ie)  
[www.clanncredo.ie](http://www.clanncredo.ie)

# October Midterm Family Packages

at Clayton Hotel Sligo

2 nights B&B and 1 evening meal with complimentary  
kids activities from **€165** per adult sharing

Price is based on 2 adults and 2 children sharing  
Avail of access to Club Vitae Leisure facilities



**New Sensory Room**  
now open to all guests at  
Clayton Hotel Sligo

**To win a 2 night break with dinner on one evening for 2 people**

Simply answer the following question:

According to the ILCU recent Home Improvements survey, what percentage of adults would consider taking out a credit union mortgage?

Email your answer and contact details to [editor@creditunion.ie](mailto:editor@creditunion.ie) with 'CU Focus Competition' in the subject line.

The closing date for entries is Friday 13th October. The judges' decision is final and no correspondence will be entered into.  
Only one entry will be accepted from each email address. T & C apply. Subject to availability.

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# ECCU and the Credit Unions – Member Data Protection

The General Data Protection Regulation, (GDPR), will come into effect from May 25th 2018 across the European Union (EU) without any transition period. The new legislation is set to transform how companies deal with data protection and poses a challenge to us all to adapt our policies and procedures to fit the new obligations. ECCU is implementing a programme of change, which is well advanced at this stage, and shares some of its thinking to aid credit unions as they progress their own GDPR projects.

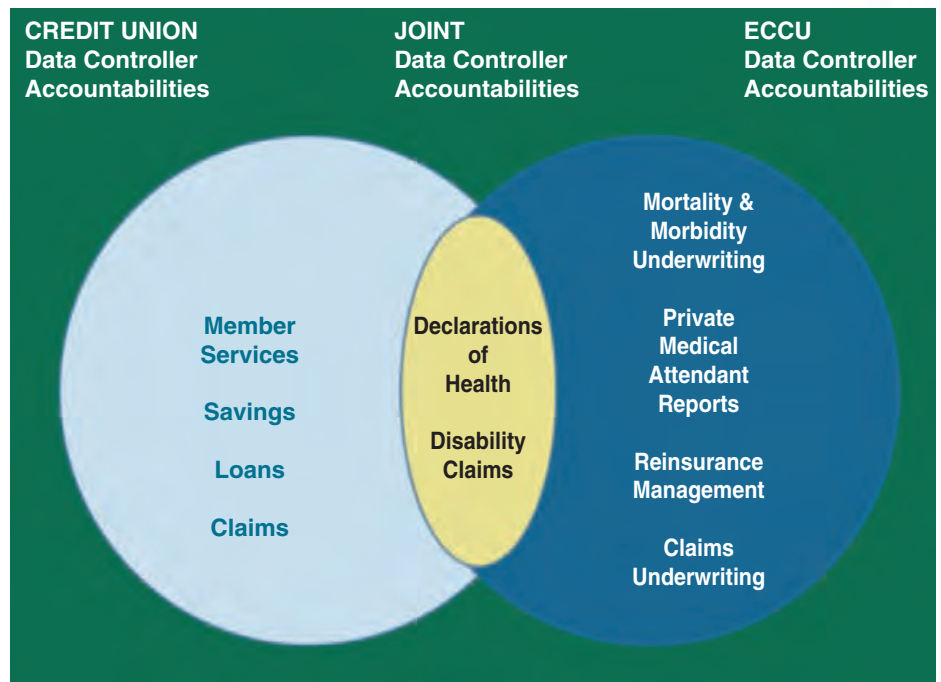
The Data Protection Commissioner, (DPC), has published a very good roadmap entitled, The GDPR and You, which ECCU has employed to guide its own programme. The DPC itself was helpful too and responsive to queries submitted by e-mail to clarify a number of points.

## Handling Sensitive Personal Data

ECCU may need to process members' health related information at the time a loan is taken out. This is a matter of legitimate interest as it informs the underwriting decision of whether or not to accept the risk. The health information, which is considered sensitive personal data, is given by the member on a Declaration of Health form, (DOH), in order for the credit union to apply for the insurance cover associated with the member's loan application. The DOH should be passed to ECCU securely, preferably using the ILCUMail encrypted e-mail service sponsored by ECCU, where it is reviewed in a controlled environment.

## Claims Processing

ECCU processes over 20,000 death claims every year. The deceased members' details



associated with these claims by their credit unions do not fall within the scope of the Data Protection Acts or GDPR, which only apply to living persons. However, claims under the Disability Rider, which provides cover in the event of a member becoming totally and permanently disabled from any occupation, do fall within the scope - and must be treated with all the rigour required to be associated with sensitive personal data.

## Data Controllers

The new legislation provides for ECCU and credit unions to operate as joint controllers, each with their own responsibilities for compliance with their obligations under the GDPR. This is illustrated in the diagram above. Each party needs to manage their own share of the obligations separately and must agree on the process for managing the areas of overlap. In the coming months ECCU will be working with policyholders to revise its documentation with new privacy notices and to align its processes with this

model so as to be appropriately configured from the onset of the new regime.

## What Next ?

There is still an amount of work to be done but ECCU is making good progress and is on track to be compliant with the GDPR from May 25th 2018.

Brexit could throw up some challenges after April 2019, but for now ECCU is working on the basis that the UK will implement GDPR before leaving the EU. Inevitably, such a large project will require changes in how ECCU's business is done, but policyholders will be kept informed of any changes required in good time so as to allow a smooth transition. ECCU will formally communicate with its policyholders in the coming months to ensure it continues to do the best by their members in safeguarding their right to privacy and data protection, while providing a very unique benefit to credit union membership.

If you have any queries please contact Eithne O'Mahony or Rory Minto in ECCU on:  
**Eithne O'Mahony at +353 1 614 6744 or email [eomahony@eccu.ie](mailto:eomahony@eccu.ie)**  
**Rory Minto at +353 1 614 6944 or email [rminto@eccu.ie](mailto:rminto@eccu.ie)**

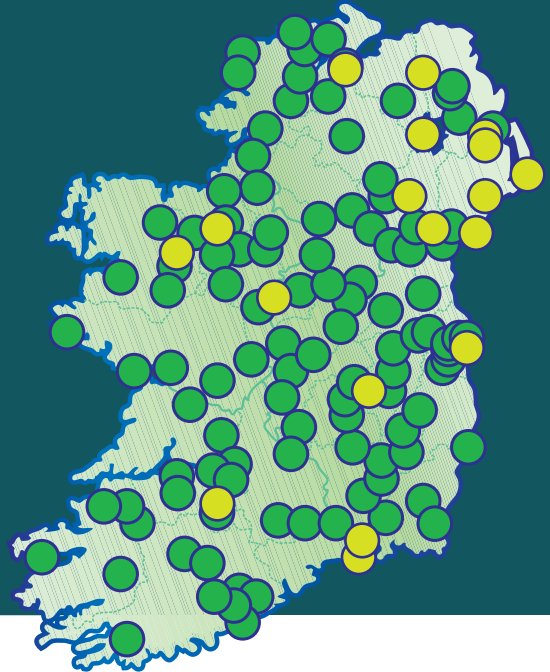
# CUSOP

Live  & Scheduled 

## JOIN CUSOP TODAY

### Benefits include...

- Access to payment schemes:
  - ROI credit union members access the Single Euro Payments Area (SEPA).
  - NI members access the Bacs and Faster Payments Schemes for EFT's throughout the UK.
- Improved service for your members:
  - Salaries, welfare and pensions paid-in directly providing members with faster access.
  - Using CUSOP and services of your IT service provider can enable online and mobile connectivity for your members.
- Cost savings & efficiencies:
  - Potentially lower bank charges for the credit union.
  - Automation can free up resources.
  - Direct debits can facilitate regular savings, loan repayments and bill payments.
  - Easy reconciliations using online access to settlement account using Danske eBanking.



## CUSOP STRENGTH - Our most recent joiners



## DIRECT DEBITS – *Take greater control over payments*

CUSOP has 125 credit unions using the electronic payments platform and half already use or plan to use direct debits to collect loan repayments. There are big benefits of using direct debits. In Northern Ireland the roll-out of direct debits will be in phase two of our development, following on from the development of the credit transfer (standing order) service. We focus here on SEPA direct debits which are currently available to Republic of Ireland credit unions.

A direct debit is an instruction from a member to their payment services provider – often their credit union – authorising the collection of variable or fixed amounts from their account, as long as the member is given advance notice of the collection amounts and dates.

### SEPA Direct Debit (SDD)

The Single Euro Payments Area (SEPA) is a European-wide initiative to standardise

the way we make and process electronic payments in the Euro currency. SEPA enables members to make payments to anyone located within the SEPA zone. SEPA creates a fast, safe and efficient borderless payment system throughout the 34 SEPA countries for Euro transactions. SEPA Direct Debit (SDD) has become the standard across Europe for collecting Euro payments. Direct Debiting ensures a fast, efficient and accurate means of collecting payments and provides greater certainty.

### Direct Debit Originator – CUSOP Credit Unions

Direct Debit Originator enables credit unions to collect payments directly from members. This service is useful if the credit union collects payments regularly, such as loan repayments. Many credit unions find this method more efficient than standing order collections. By using CUSOP, direct debit transactions can be

paid straight in or out of member accounts using their IBAN – international bank account number – eliminating the need to channel those payments through the credit union's own bank account first, reducing manual input and speeding up the payment process.

### Benefits of Direct Debiting

- Greater control of cash-flow timing.
- Reducing cost through automation.
- Reducing administration & the risk of error.
- Accounting efficiency and faster delivery of payments.
- Maintaining records & reconciliations.
- Improving control and security.
- Greater flexibility and convenience.

If you are interested in receiving more information about this service or wish to be introduced to a credit union already availing of the SDD service, please do not hesitate to contact CUSOP today.

# CUSOP

## MPCAS – Member Personal Current Account Services

In response to credit unions and in line with CUSOP's mandate, CUSOP is supporting credit unions to develop and prepare MPCAS applications for submission to the Registry of Credit Unions (RCU). The first tranche of MPCAS applications have been submitted to the RCU and favourable 'Minded to Consider' letters for this stage of the process have been received by this group. The proposed MPCAS model, which forms part of the application process, is based on collaboration amongst credit unions and operational standardisation, supported

by a shared services entity. The current structure of CUSOP allows credit unions to leverage on their existing business model and investment to date.

Supporting credit unions to deliver the new MPCAS/Debit Card service complements the existing services provided by CUSOP (i.e. credit transfers, standing orders and direct debits) and will provide a 'One Stop Shop' for credit unions to have their payment services managed through one shared service provider. This cohesive approach also assists credit unions to more effectively oversee outsourced

services.

Credit unions with asset size in excess of €75m are eligible to apply for MPCAS initially and must meet Central Bank approval conditions. CUSOP will work with you and assist your credit union through the application process. Membership of CUSOP is open to all credit unions regardless of affiliation and IT service provider.

A more detailed update will be provided at our Autumn User Group meeting. For further details please contact Michael Keegan on (01) 614 6980 or Fiona Lawlor on (01) 614 6984.

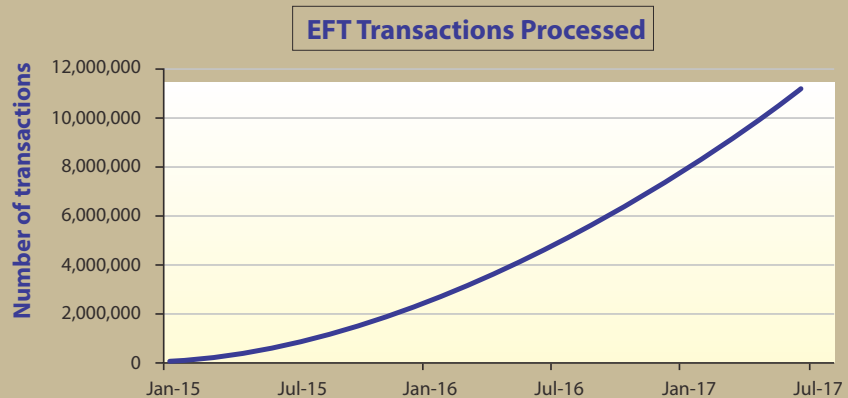
### YOUR VOICE – User Group Meetings

The next CUSOP User Group meeting will be held in the autumn. A 'save the date' invite will be sent to your credit union shortly and we would be delighted to see you at this event. Amongst items on the agenda will be a business update, the continuing roll-out in Northern Ireland, a compliance update on PSD2 and WTR2. There will also be an update on credit union applications for Member Personal Current Account Services (MPCAS).

These meetings are an opportunity for CUSOP to share important information, to address any concerns and to take account of customers' needs.

### SWITCH TO CUSOP – The Irish credit union EFT platform

A number of large credit unions have made a successful switch-over to CUSOP. BIC and member IBAN's do not change and CUSOP's expert-team works closely with credit unions to always ensure a successful transfer. Credit unions who undertook the transfer are happy to share their experiences. A key advantage of being with CUSOP is service and our availability to work with you.



## CONTACT US NOW – We are here to help you

We would be delighted to meet you and your team at your credit union or Chapter. Please let us know if you would like to meet. With 125 credit unions using our proven and tested payments platform, it's time for your credit union to consider CUSOP (Payments) DAC.

**Contact Us:**

**CEO:** Michael Keegan

**Phone:** +353 1 6146980

**Email:** [info@cusop.ie](mailto:info@cusop.ie)

**Web:** [www.cusop.ie](http://www.cusop.ie)



# BACK TO SCHOOL

## ILCU Annual Back to School Survey finds one in four parents forced to deny children basic school items

### FINDINGS

The findings of the 2017 Irish League of Credit Unions' Back to School survey were released in July and revealed that one in four parents would have to deny their children certain school items as costs continues to rise. The national survey showed that 20% of primary school parents and 30% of secondary school parents said they would be forced to deny their children certain school basics.

Of those who say they can't afford certain school staples, 38% said they can't buy their children new school shoes. 67% said they can't afford extracurricular activities. 36% said school trips and over a third said new gym gear would be items cut from the back to school list.

Although more parents than ever are now in a position to finance back to school costs through their monthly income (71% compared with 64% last year and 41% the previous two years), a substantial 72% of parents feel the back to school spend is a financial burden. More than a quarter (27%) said the costs will impact negatively on household bills.

### AVERAGE SPEND ON SCHOOL-RELATED ITEMS

According to parents, the average back to school spend continues to rise – and has

now reached €1,209 per child. This is an increase of 2% on 2016 and a rise of 4.7% on 2015. The average spend per primary school child has increased by a significant €81 since last year to €1,048

On a more positive note, costs per secondary school child have fallen from €1,474 to €1,401, while campaigns to bring down the price of school uniforms appear to have paid off, with a fall of 21% (€39) in the cost of uniforms since last year.

The most expensive school-related cost continues to be extracurricular activities, at an average of €187 per child. This is followed by school lunches at €154 and school books at €150. Fees and voluntary contributions remained on a par with last year at €113. The vast majority of parents (71%) said they would be paying a voluntary contribution this year.

### IMPACT OF BACK TO SCHOOL SPEND

There was a notable increase in the numbers saying they would sacrifice spending on family holidays in 2017 because of school related costs. 43% of parents said they will cut holiday spending compared with 38% in 2016. More than a quarter of all parents (28%) said summer camps are an area in which they would

have to cut spending. 11% said spending on credit cards and food will be cut in order to manage back to school costs

29% of parents said they will get into debt funding the back to school spend – down 2% on last year. The average amount borrowed to cover costs also dropped slightly – down from €357 last year to €345 this year. Primary school parents on average borrow €310, significantly less than secondary school parents who borrow €415.

### BEST VALUE BACK TO SCHOOL RETAILERS

According to parents, Tesco is now the preferred retailer for the bulk of Back to School items with almost one third (31%) getting their school supplies there. Dunnes Stores has fallen to second place (19%), Marks and Spencer comes in third place (11%) with Aldi in fourth (8%).

A significant two thirds of parents say they will buy foreign school products over Irish produced good if it means making savings. (65% of primary school parents and 67% of secondary school parents).

### MANNER OF FUNDING SCHOOL-RELATED COSTS

After monthly income, savings continues to be the preferred method of funding the



## BACK-TO-SCHOOL COSTS 2017



**1** IN **4**

PARENTS WILL HAVE TO DENY THEIR CHILDREN CERTAIN SCHOOL ITEMS THIS YEAR

THE AVERAGE  
**BACK-TO-SCHOOL**  
SPEND HAS NOW REACHED  
**€1,209**  
PER CHILD

COST PER PRIMARY SCHOOL CHILD: €1,048  
COST PER SECONDARY SCHOOL CHILD: €1,401



back to school with one third of parents using saved funds. 16% rely on the Back to School allowance, down from 20% in 2016. The numbers using credit cards remained the same on 16% while the numbers saying they would consider turning to a moneylender (4%) were up 1% on last year.

For those parents needing a loan to help with back to school costs, 7% said they would use the credit union while just 1% said they would approach the bank.

Commenting on this year's findings, ILCU Head of Marketing and Communications, Emmet Oliver said "It is somewhat encouraging to see that more parents than ever are funding the back to school spend through their monthly income, with a fall in the numbers getting into debt. However it's clear that the back to school spend is still so much of a financial burden on parents that they are forced to deny their children basic items as well as sacrifice spending on family holidays and even food. While the rise in numbers using moneylenders was marginal, we would find any increase like this concerning and would really encourage parents to instead talk to their local credit union, where interest rates are fair and capped by law."

**29%** WILL GET INTO DEBT FUNDING BACK-TO-SCHOOL SPENDING



**72%**

OF PARENTS SAY BACK-TO-SCHOOL COSTS ARE A FINANCIAL BURDEN

THE 3 MOST EXPENSIVE SCHOOL RELATED COSTS ARE:

EXTRACURRICULAR ACTIVITIES €187

SCHOOL LUNCHES €154

SCHOOL BOOKS €150



**27%**

SAY SCHOOL RELATED COSTS WILL NEGATIVELY IMPACT ON HOUSEHOLD BILLS



Credit Union

# Castlecomer Credit Union Ltd marks 50 years serving the community

The organisational meeting of Castlecomer Credit Union Limited was held in the parochial hall on Wednesday the 15th of February. Joe Mooney and Eamonn Brennan were primarily involved in establishing the credit union, which opened for business in the parochial hall. 34 members joined on the first day of business and the first member was Mrs Dowling of Donaguile, mother of future Olympic boxer Mick Dowling. Total savings that first day amounted to just over £47 plus membership fees of just over £4.

At the first AGM on the 11th of February 1968, it was reported that there was a total of 127 members; over £2,066 in savings and income of £37. A dividend of 4% was agreed. By the second AGM the following February, loans had reached £8,610 and a dividend of 5% was paid.

## FIRST BOARD MEMBERS OF CASTLECOMER CREDIT UNION:

President: V Reverend Canon O'Keeffe

Vice President: Lar Devlin

Treasurer: Eamonn Brennan

Secretary: Joe Mooney

Board members: George Murphy, Pat Owens, Jimmy Kelly, Seamus Hahessy, Jack Dunphy, James Dormer, Christy McGrath, Mrs C. Rothwell

Supervisors: Nicholas Downey, Chrissie Kelly, Seamus Farrell.

## EARLY MILESTONES

At the third AGM in 1970 the common bond was extended to include all those living or working in the parishes and postal areas of Castlecomer and Clogh. Around this time proposals were made to borrow money from the members (a complete role reversal) in order to purchase a site on Barrack Street and build the credit union office. The site was purchased but no building took place and it was eventually sold on.

In May 1971, Ms Brennans' chemist shop in the town went up for sale and the Board was interested in buying the premises, with a view to converting it into a permanent office. It remained as a pharmacy however until 1995 – when it was purchased and is now part of the present credit union office. The Board decided to rent Ms Kealy's shop in 1971



Castlecomer Credit Union CEO Gerry Reynolds with Nellie Callinan

for £2 per week.

In 1975 Nellie Holden resigned from the Board to become the first paid employee – now Nellie Callinan, she is still soldiering away in the role of Credit Control Officer. In June 1976 Mrs Catherine Keane became member number 1,000 when she joined the credit union.

In 1977 Malones Supermarket was purchased and the conversion to credit union office was undertaken. The official opening on the 22nd of October 1977 was performed by the Irish League of Credit Unions' (ILCU) President Paddy Watchorn. After the 1977 AGM, full-time opening commenced and the common bond was extended to include Coon and Muckalee. Savings stamps appeared in August 1979 and by the end of the year loans had passed £250,000.

## CREDIT UNION GROWTH AND EXPANSION

By the end of 1985 there were 1,500 active members, 625 loans were granted – £550,000 in total – and a dividend of 6% was paid. Discussions were ongoing regarding extending the premises. The 21st Anniversary was marked with a dinner

dance in the parochial hall. By January 1988 shares exceeded £1 million. Further renovations to the supermarket building led to the opening of the extended office in November 1988.

The first computer system was purchased and installed in 1991. May 1992 marked the 25th Anniversary celebrations with presentations to four Board members and one supervisor who had 25 years of continuous service. Shares passed £2 million in December 1992. In March 1993 the decision was made to employ a Manager and Joe Mooney who had been the long serving Treasurer was appointed.

In January 1995 the adjoining premises was purchased – a firm of architects was engaged to produce plans which would see the newly purchased premises incorporated into a new office building. By March 1997 member number 5,000, Damien Purcell, had joined. Builders Tierney and O'Neill emerged from a tendering process and were appointed to construct the new office which was officially opened on the 30th of October 1998 by Frank Lynch, ILCU President. In November 1999 a scholarship of £1,000 per annum for three years was set up to assist members, or





*Above: Castlecomer Staff*

*Left: Castlecomer Credit Union's first members*



A longstanding event in the credit union calendar is the annual All Ireland Schools Quiz - all primary schools within the common bond are invited to participate and do, with teams competing at under- 11 years and under-13 years levels. In 2017, Firoda National School qualified from the regional finals and represented Castlecomer Credit Union at All Ireland level in the RDS in April, where they acquitted themselves with distinction.

Another significant event this year was the selection of volunteer and current director Frances Bradley as a recipient of a Kilkenny People of the Year award. Two celebratory events in particular marked the 50th Anniversary – a 1967 day in February, at which the first ten members received presentations, and a dinner dance in June. Guests at the latter included Charles Murphy, ILCU President, and Jim Bolger racehorse trainer and breeder. In their speeches they focused on community involvement generally and the opportunity to be of service to the community of North East Kilkenny, the community which Castlecomer Credit Union has always served with pride.

members' children with Third Level expenses.

Savings exceeded £12 million by August 2001, a year in which 504 new members joined. Joe Mooney retired in May 2001, and following an interview process, Noel Murphy, who had previously worked in St. Canices Credit Union Limited in Kilkenny was appointed. Membership reached 8,000 in July and savings reached €18.5 million, new office hours were agreed in September 2001.

In 2006 Cathy Gibbons was appointed Assistant Manager – she had previously worked in St. Canices Credit Union. February the 20th 2007 marked the celebration of the 40th Anniversary and a celebration dinner was held in the Newpark Hotel. Attendance included all existing and surviving past directors and supervisors, members and representatives from neighbouring credit unions, as well as Ms Anne Byrne the ILCU President, who made a presentation the three remaining founding directors – Joe Mooney, James Dormer and Christy McGrath.

#### AN ERA OF CHANGE

The fifth decade of the credit union has been one of accelerated change. Side by side with living through, and beyond the most recent recession, there has been the development of the stronger regulatory regime steered by the Central Bank of Ireland. Adapting has involved the inclusion of an Internal Auditor, a Risk and Compliance Officer and a role which focuses on monitoring of potential money laundering. The Supervisory Committee, who's role was effectively an internal audit type role, has been replaced by the Board Oversight Committee who's focus is on Governance. Castlecomer Credit Union established a structured credit control system ahead of many peers.

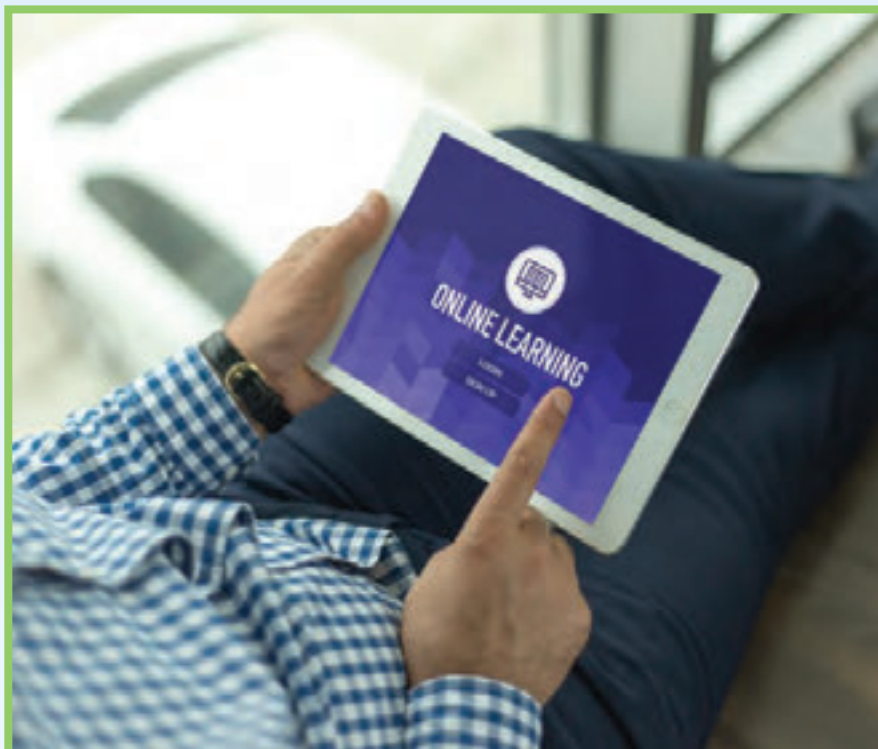
Members can now access their account online and many transactions are completed by electronic transfers. There is a particular emphasis on supporting local voluntary organisations and fund-raising campaigns which focus on development within the common bond. There is also a mobile phone app which reflects the expansion of services.

# E-Learning and Instructional Design

**The capacity for instruction through e-learning in all its forms has developed substantially within the past decade. On the surface e-learning may appear straightforward but e-learning is more than selecting information and reproducing it through technology. Of course convenience and having access 24/7 is highly appealing, but e-learning is more than that. The process of designing an e-learning course involves layers of complex activity behind the finished product.**

An e-learning course begins with a requirement to address a particular need regarding a specific subject and ends with the learner successfully completing a course and achieving the learning outcome. The purpose of the course being developed may be to fulfil a requirement for Continuing Professional Development or for further training. A subject matter expert will provide the expert knowledge needed for the course and then the intricacies of content, legalities, format and language are carefully considered. Media and technology are selected and the design process begins. Throughout the design phase, the course is reviewed by several experts before being uploaded and ready for access by the learner.

In order to make an e-learning course with educational value, the principles of instructional design must be employed. E-learning must provide instruction in a way which encourages interaction, reinforces knowledge, evaluates and rewards learning. So instructional design begins with an audience and gap analysis which raises certain questions – who is the course for? What is their experience? What learning needs do they have and how can these needs be addressed? From this analysis, there is a natural progression to learning objectives, content creation, evaluation, testing and design. Instructional design is ultimately about problem solving. Every aspect of an e-learning course should be planned and design decisions made to best facilitate the learning experience. Instructional design takes learning theories and



translates them into practical offerings using media, technology and other tools.

Colour choice is crucial for good design and colour theorists often relay the psychological or emotional impact of certain colours. For example red will incite a call to action or warning, whereas green and blue are known for their soothing properties. Outside of Ireland, colours may have different connotations and it is important for designers to be conscious of this too. There is also the issue of accessibility for those with any type of visual or hearing impairment to be taken into account. It is clear then that the principles of instructional design (especially that of knowing the target audience) are critical at every stage of course design. Matching colours, choosing suitable fonts and images while ensuring the balance of 'white space' are all essential factors for creating visually appealing course design.

The online courses provided in the

Irish League of Credit Unions (ILCU) are carefully created with all of these instructional design principles taken into account therefore assuring learning results. Professional goals can be easily achieved via e-learning with minimum physical effort and are as accessible as your internet connection. With regular updates and new courses coming onboard every year, the ILCU offers accessible means to learning and fulfilling potential, reaching high standards of knowledge with a wide choice of relevant and current professional e-learning modules available through CU Learn.

To access our e-learning courses please visit: [www.culearn.ie](http://www.culearn.ie)

- If you are a member of the ILCU CU CPD Scheme, courses are free
- €30/£24 for non-CU CPD Scheme members
- Included in the E-Bundle suite of courses for €150/£120

# The Impact of Volunteering on Health and Well-being

The challenges faced by credit unions when attracting volunteers include increases in workload, changing attitudes to volunteerism, adherence to rigorous fitness & probity standards, and increased complexity of the role of the credit union director. A recent report published by Volunteer Ireland entitled “**The impact of volunteering on the health and well-being of the volunteer**” may help to identify the suitability of volunteers to the role of the credit union director.

The **main findings** of the report are as follows:

- Volunteering can have a significant positive impact on a person’s health and well-being.
- The organisation that someone volunteers with was also identified as key to having a positive impact on the volunteer’s well-being.
- Careful selection, matching, training and support of all volunteers contribute to enhanced possibilities of a good volunteering experience and in turn a positive impact on health and well-being.

Below is a summary of the contributory factors to the positive impact of volunteering:

## 1. Contributing & Being Involved

Knowing that you are giving back to your community, sharing your knowledge and experience with others for the greater good is important to volunteers.

## 2. Purpose

The sense of being useful, purposeful and achieving something brings positive feelings to many.

## 3. Making a Difference

Seeing tangible results such as improving a service or aspect of society is an important factor that contributes to an increased sense of well-being when volunteering.

## 4. Enjoyment

It is important for people to seek/choose volunteering experiences that they know they will enjoy, that the

activity will be something they are truly interested in, and that matches their interests and skillset.

## 5. Self-Awareness

By aligning the role with the volunteer’s own personal circumstances, competencies and skillsets, a person can enhance the possibility of a positive volunteering experience.

## 6. Being Valued & Appreciated

It is important for an organisation to show appreciation for their volunteers. This includes briefings, training, support and showing appreciation through small gestures. Some other factors that have an impact on volunteer experience include:

### Organisation Type

It is important for an organisation to be mindful and careful in their selection, briefing, training and support of their volunteers. Organisations that have a natural culture of valuing, training and supporting their volunteers are more conducive to eliciting well-being.

### Volunteer Time and Frequency

The overall sense from the participants in this study is that the quality of the volunteering experience is important. A regular volunteering pattern is seen as positive as it facilitates volunteering to become part of a person’s routine.

The ILCU’s Learning and Development department provides a number of courses and guides for volunteers to help them in their role in the credit union:

### Pathways Certificate in Credit Unions

**Operations/Governance** is designed specifically for credit union officers. It is an accredited programme at level 6 on the Irish National Framework of

Qualifications (NFQ) and is delivered in a blended, distance learning format to maximise flexibility for volunteers. In addition, there are shorter induction courses aimed at volunteers which outline the role of the volunteer and the business and structure of the credit union:

- **Induction Part 1** – Introduction to Credit Unions for Volunteers
- **Induction Part 2** – Overview of Governance and Finance for Volunteers

There are also a number of practical guides available on [www.culearn.ie](http://www.culearn.ie) for volunteers including:

- Guide to the Recruitment & Development of Credit Union Volunteers
- Board Dynamics & Effectiveness - Tools and Techniques to Consider
- Succession Planning Guide for Credit Unions

For more information go to [www.culearn.ie](http://www.culearn.ie) or call CU L&D on 00 353 1 614 6949



# Canadian Government to Review Ban on Credit Unions 'Banking'

The Canadian Credit Union Association (CCUA) has welcomed a decision by the federal government to review a recent, extraordinary decision to ban credit unions from using any terms containing the word 'bank'. There was sharp criticism by the CCUA and Canadian credit unions of the unusual directive from the Office of the Superintendent of Financial Institutions (OSFI) in late June. The order would have meant that all credit unions would have to remove banking references from websites by the end of this year, and from printed documents (including marketing collateral) by June 30th 2018. Contravention would have been a criminal offence and any credit union that did not follow the directive could have faced substantial fines or criminal charges.

However the federal government's Department of Finance has now released a consultation paper which will address these proposed restrictions. Martha Dundin, CCUA President and CEO has welcomed the move saying: "We are pleased that the federal government has recognised the need for a common-sense review of this issue. Credit unions provide banking services to millions of Canadians and need to speak to them in a way they can understand."

The OSFI also published a note stating that it was "suspending the compliance expectations set out" in their June 30th directive. The OSFI will revisit this issue pending the Department of Finance's review of the restrictions.

## Banking Banned

The directive which is under review proposes that any financial institution, other than banks, would be banned from using terms including 'banking', 'bank accounts' or 'banking services'. If it comes into effect, it will mean that credit unions in Canada will be prohibited from offering 'mobile banking', they won't be allowed to advertise 'online banking', nor could they have an 'online banking' button/option on their websites. Reporting on the surprising directive in Canada, The Financial Brand says that

"arguably a credit union representative wouldn't even be allowed to ask a prospective member 'where are you currently banking?'"

The OSFI had previously defended its decision saying it was merely "providing clarity regarding the interpretation of provisions that are being applied inconsistently."

## Credit Union Reaction

Credit unions have been operating in Canada for over 100 years and there are currently over 300 credit unions in local communities serving over 5.5 million members. The CCUA says these credit unions have used the words 'bank' and 'banking' to describe what they do for many years – without penalty and without confusing members as to who they are and what they do.

In a statement released on their website, the CCUA had called on the federal government to reverse the OSFI's advisory, which it could do by signalling a change to the Bank Act, or introducing a regulation to allow credit unions – as regulated, deposit-taking institutions – to continue to use these words without facing criminal penalty.

The CCUA statement said that the OSFI has taken a position that is inconsistent with its past practices and with common sense, and that the government has the power to fix this, so that Canadians continue to have a real competitive option to the big banks.

The CCUA estimates that the directive would cost credit unions in the region of \$80 million Canadian dollars.

It now appears that the federal government has taken these concerns into consideration as it reviews the OSFI's decision.

## Real Repercussions

If the OSFI's directive is allowed to come into effect, credit unions will be faced with having to create and popularise new terms to define their services. This would be a mammoth undertaking which would not only be unnecessary, but expensive and would make it incredibly difficult to compete fairly with banks. Furthermore,

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In a statement released on their website, the CCUA had called on the federal government to reverse the OSFI's advisory, which it could do by signalling a change to the Bank Act

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if credit unions are forbidden from using any terminology related to the word 'bank' on their websites, it will be extremely difficult for people to find their websites through a Google search. In addition, all of the work that would have gone into Search Engine Optimisation (SEO) for the website will have been fruitless and it will be nigh impossible for them to establish SEO again – without access to these terms.

Not to mention the fact that possibly thousands of references to the word 'banking' would have to be removed from even the smallest credit union's website. There are also comments on social media pages that may contain references to words or terms involving 'bank' – these may also need to be deleted. Credit unions may also find themselves in a situation where they have to constantly police the language used by their social media followers and delete all references to banks.

It remains to be seen whether the federal government will amend the terms of this directive - or whether it will come into effect in its current, controversial form.

# INTERNAL AUDIT

## WORKING FOR THE CREDIT UNION MOVEMENT IN BOTH ROI & NI

The Irish League of Credit Unions Internal Audit Services Ltd (IAS), is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the credit union by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the credit unions' risk management, internal control and governance processes.

IAS is a not-for-profit function which is in its fourth year providing outsourced internal audit services. IAS operates as a separate company within the Irish League of Credit Unions group. This safeguards the independence of the audit services, thereby complying with regulatory requirements and professional auditing standards.

Audits are undertaken with a credit union perspective by a team of experienced credit union internal auditors to evaluate adequacy and effectiveness of internal controls for the credit union's key processes and areas such as; credit, governance, account opening and AML, IT and outsourcing, as well as the credit union's cash management process.

The sharing of knowledge and experience of the credit union movement is fundamental to the work of IAS. Below are some areas of the cash management process together with the operation of the car/member draw which may be helpful:

### Cash management

Has the credit union considered the amount of cash needed onsite in the safe, and is it documented in the Depository of Funds Policy?

Have you considered the benefits of a cash security company to collect and/or deliver cash?

When looking at oversight of cash handling, does your credit union maintain a log of cash in and out of the safe which is signed by the person requiring the cash and a person who has overall responsibility for cash management? Is the person responsible for cash management rotated?

Have you thought about using an electronic safe which can identify each teller and their float throughout the day and produce an end of day balance, audit log etc.? Or would you feel individual locked cash drawers for tellers would be more suitable, if so rotating the drawers daily could be a consideration— so tellers do not have the same drawer consecutively.

### Bank Reconciliations

In some smaller credit unions it may be a challenge to operate full segregation of duties, e.g. in the preparation of the bank reconciliations where the preparer also has cheque signing authority and/or holds the role of a loan officer. You may wish to look at a second oversight of the preparation of the bank reconciliations e.g. by the risk or compliance officer, or other compensating internal controls.

For a full audit trail it could be beneficial to have the preparer and verifier sign and date the bank reconciliations.

### Bank Mandates

You may wish to review bank mandates in conjunction with the cheque signatory policy to ensure both are up-to-date, documenting the most recent Board approvals. Best practice has been seen where up-to-date mandates are in place or alternatively reviewed at least annually.

#### Car/member Draw

It may be of benefit to consider conflicts of interest in operating/performing these draws. Has consideration been given to officers, volunteers and related parties taking part in the operation of the draw?

Who is in attendance at all stages of the draw and has the credit union considered the benefit of using an independent person such as a peace commissioner/commissioner of oaths etc?

### Risk Register

The credit union should look at all material risks associated with the credit union's broader financial operations, ensuring they are reviewed, assessed and mitigated in accordance with the Board's Risk Appetite Statement, e.g. specific areas could include but are not limited to;

- Cash management
- Teller operations
- Accounting Practices
- Fraud prevention practices
- Physical and logic security
- Meaningful operation of segregation of duties

**For more information on the services offered by IAS please do not hesitate to contact a member of the team or email [internalaudit@creditunion.ie](mailto:internalaudit@creditunion.ie)**

### The IAS TEAM

The ever changing legal and regulatory environment presents many challenges for credit unions.

With the extensive knowledge and experience within the IAS team, and as a dedicated credit union specific Internal Audit function, IAS believes it is best placed to support the continuous improvements in corporate governance, risk management and internal controls.

For more information on the services offered by IAS please don't hesitate to contact a member of the team;

**Phone: +353 1 614 6700**

**Email: [internalaudit@creditunion.ie](mailto:internalaudit@creditunion.ie)**



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Karen is a qualified accountant with 12 years' experience in audit, accountancy and tax. She has also worked as a Credit Union Financial and Compliance Officer for 6 years

ILCU (Internal Audit Services) Ltd.  
33-41 Lower Mount St., Dublin 2.

# ILCU Foundation Emergency Funding: East Africa Drought

**Every year the Irish League of Credit Unions' International Development Foundation (ILCU Foundation) provides funding to emergency crisis responses, assisting those most in need across the globe.**

Currently 20 million people across Ethiopia, Kenya, South Sudan and Somalia are in urgent need of food as the East Africa drought worsens, with the United Nations describing it as the largest humanitarian emergency since the Second World War.

Repeated failed rains have led to severe food insecurity with millions of people at risk of starvation. Impacts of this drought include health and nutrition deterioration, huge crop production losses, significant livestock deaths and increasing internal and cross border displacement.

In recognition of the great need to respond to this emergency crisis, the ILCU Foundation pledged €50,000 to provide humanitarian support to those in need. To manage the delivery of this emergency response, the ILCU Foundation engaged with two Irish non-profit organisations, Gorta-Self Help Africa (GSHA) and Aidlink. Thanks to the generous support of over 30 credit unions, the ILCU Foundation was able to increase its emergency funding by an additional €30,000, providing more assistance to those most in need.

In the Oromia Region of Southern Ethiopia, where several of the ILCU Foundation's credit union projects are located, no rainfall in the past two cropping seasons has left people and livestock highly affected by drought. GSHA are responding by distributing emergency food and seed aid to households, reaching over 5,500 people. Their work will assist in reducing severe hunger and malnutrition in the first instance and increase the resilience of vulnerable farming households for the long term. Thanks to the support from Irish credit unions, the ILCU Foundation was able to extend its support to this work, providing even more people with emergency food distribution in the region.

Last year in Turkana, Northern Kenya, the government declared a national emergency with the current situation in Turkana classified as at alarm stage and worsening. With help from the ILCU Foundation, Aidlink is distributing prescription food to 3,000 severely malnourished children in isolated



*Above: Children collecting water at a waterhole in Turkana*

*Below: Emergency food and seed aid arrive in Oromia Region, Ethiopia*





Nutritionist Gloria at her desk

areas, with emphasis on those under five years of age. Following the provision of additional resources by the ILCU Foundation, Aidlink was able to provide humanitarian assistance to approximately 4,500 vulnerable primary school children impacted by the drought. This assistance directly responds to the drought crisis and threat of malnutrition among primary-school-aged children, helps address growing drop-out rates in schools, protects children from risks associated with being out of school and vulnerable to early marriage and abuse, and decreases household food insecurity.

Through Aidlink, the ILCU Foundation is supporting health facilities in Turkana including St. Patrick's Health Centre in Lodwar, which is providing nutritional support and supplementary feeding to malnourished children under five. With insufficient rains for the past three years, Gloria, a nutritionist at St. Patrick's has seen the impact of drought on

the community and particularly young children in Turkana: "In 2016 I treated 450 children under five for malnutrition, but already in six months of 2017, that number has almost doubled to 760. There are currently 107 children being provided with 'plumpy nut', a therapeutic, peanut-based good used to treat severe acute malnourishment, while another 163 are being given CSB (corn-soya blend) to supplement their normal diet and prevent them needing further treatment. For many of the children we are seeing though, the CSB isn't supplementing anything, it is the only food they get".

Those in Turkana have "credited the early intervention of Aidlink and the ILCU Foundation as being vital in preventing the worst effects of drought and malnutrition from taking hold and saving lives."

The ILCU Foundation would like to extend its thanks to its credit union supporters for helping respond to this humanitarian emergency.

## REMINDER: 2017 VOLUNTARY DONATION AND CONTRIBUTIONS

### ILCU FOUNDATION AND PARTNERS NEED YOUR HELP

The ILCU Foundation works with the world's poorest people to transform their lives through access to sustainable credit unions. Together with credit union supporters, the Foundation continues to strengthen credit unions and the role they play in alleviating poverty in the poorest parts of the world. Your credit union's contribution could help those including Michael Kamanda in Sierra Leone, who recently used his credit union loan to build his home.

Your credit union can provide a voluntary donation by:

1. Making a contribution from credit union funds and charging it as an expense item
2. Seeking membership approval at your AGM to deduct an amount from members' dividends (our vision is €1 per member per year.)

*"Since joining Moyamba Teachers' Credit Union, my life has not been the same. I look at myself as an investor who had bought eight shares in the credit union worth €52 and my savings have increased to over €260. The credit union has taught me how to save and I make sure that I save monthly. My family is comfortably sleeping in a house that I have built using a loan from the credit union, and I now use the money I was paying for rent to pay school fees for my children"*

**Michael Kamanda, Moyamba District Teachers Credit Union, Sierra Leone**

All contributions go directly to the supported projects, with administrative costs of the Foundation met by the ILCU.

EFT details: ILCU International Development ILCU Foundation Ltd.  
IBAN: IE95 BOFI 9002 0111 4154 20  
BIC: BOFIE20



# ANNUAL LEAVE AND PUBLIC HOLIDAYS

## – REPUBLIC OF IRELAND

Under the Organisation of Working Time Act 1997, all employees who work under a contract of employment, irrespective of status or length of service, qualify for paid annual leave based on the hours they work. Under the Organisation of Working Time Act 1997, the leave year runs from April 1st to March 31st. However there is no restriction on employers arranging their annual leave year to run from January 1st to December 31st each year if this suits the business better.

### Annual leave calculation

- All employees, whether full-time, part-time, temporary or casual earn holiday entitlements from the time work commences.
- Depending on the time worked, employees' holiday entitlements are calculated by **one** of the following methods:
  - > **4 working weeks** in a leave year in which the employee works at least 1,365 hours (unless it is a leave year in which he/she changes employment)
  - > **One third of a working week** per calendar month that the employee works at least 117 hours (subject to a maximum of 4 working weeks)
  - > **8% of the hours an employee works in a leave year** (subject to a maximum of 4 working weeks)

'Working week' means the number of days or hours an employee normally works in a given week.

### Annual leave entitlements

- Part-time employees accrue annual leave on a pro-rata basis, based on the number of hours worked up to a maximum of four weeks.
- An employee is entitled to an unbroken period of two weeks holidays once they have worked for eight months or more.
- New employees are entitled to annual leave proportionate to completed months of service during the year of entry.
- Time spent on annual leave or protective leave (e.g. maternity, adoptive leave etc.) constitutes part of the employees working year and thus qualifies for





holiday and other entitlements.

- Statutory annual leave must be taken in the leave year and any outstanding statutory leave must be taken during the first six months of the following leave year. Employees who fail to take annual leave during these time periods may be compelled to take leave at the request of the Manager, subject to one month's notice. Requests for carryover of annual leave should be made in writing to the employee's line manager, who will request authorisation of carry-over from the employer. However, this should be kept to a minimum.
- Pay for annual leave will be based on the normal weekly rate of pay. Section 20(2) of the Organisation of Working Time Act states that 'the pay in respect of an employee's annual leave shall be paid to the employee in advance of his or her taking the leave'. However, if the employee is agreeable, holiday pay can be paid at the normal payment date.

#### General Procedure

- All requests for leave, whether for a single day or for block holidays, must be made to the employee's line manager for authorisation. Employees should not book holidays unless the leave period has been approved by their line manager.
- Wherever possible, requests for annual leave should be submitted to the employee's line manager at least one month before the annual leave is due to commence.
- The employer should outline in their annual leave policy as to the number of employees that may take annual leave at any one time. Where the employer receives requests from more than the quota of employees allowed to take holidays at the same time, the employees concerned should be consulted with a view to getting agreement, and the employer should make every effort to ensure that all employees are treated equitably in the allocation of annual leave for periods in demand (e.g. a 'rota' system may apply).
- Where a request for annual leave has been declined but the employee takes the time off regardless, the leave from work should be viewed as unauthorised absence which may lead to disciplinary action being taken by the employer.

#### Sick Leave while on Annual Leave

- Where an employee is certified by a medical doctor as being sick during an annual leave period, the employer is obliged to treat that leave as certified sick leave. The annual leave should be reimbursed to the employee to be taken

## PUBLIC HOLIDAYS

There are nine public holidays in the Republic of Ireland as follows:

- New Year's Day (1st January)
- St. Patrick's Day (17th March)
- Easter Monday
- First Monday in May
- First Monday in June
- First Monday in August
- Last Monday in October
- Christmas Day (25th December)
- St. Stephen's Day (26th December)

#### Entitlement to Public Holidays

In respect of a public holiday the employee is entitled to whichever of the following his/her employer determines:

- a) a paid day off on that day
- b) a paid day off within a month of that day
- c) an additional day of annual leave
- d) an additional day's pay.

Note: where a public holiday falls on a Saturday or Sunday the day that is usually given in lieu of that day is the following Monday.

- All full-time employees are automatically entitled to public holiday benefits. Part time/casual employees who have worked at least 40 hours in the 5 weeks preceding the public holiday are also

at a later date. The time must be treated as absence due to sickness and normal sick leave procedures should be applied.

#### Accrual of Annual Leave whilst on sick leave

- Since the 1st August 2015 employees have a right to accrue annual leave whilst absent from work on certified sick leave. Such accrual is limited to statutory annual leave days and does not entitle an employee to accrue annual leave days over and above their statutory entitlement.

#### Entitlements on leaving employment

- It is illegal to pay in lieu of the statutory annual leave entitlement of an employee

entitled to public holiday benefits based on the number of hours worked.

- Employees who are not normally rostered to work on a public holiday are entitled to one-fifth of their normal weekly rate of remuneration, as a benefit for the public holiday
- Employees on maternity, additional maternity, parental, paternity or adoptive leave maintain their public holiday entitlement for the duration of their statutory absence. An employee on health and safety leave has no entitlement to a public holiday.

#### Entitlement to public holiday when leaving employment

- If an employee ceases to be employed on the day before a public holiday, having worked four weeks preceding that week, the employee will be entitled to receive pay for the public holiday.

#### Record keeping and Compliance

- The Organisation of Working Time Act 1997 sets out the requirements in relation to record keeping by which employers are obliged to retain records of annual leave and public holidays for a period of three years.

Annual leave entitlements in Northern Ireland will be covered in the next CU Focus article.

unless the employment relationship is terminated.

- On leaving employment any pay due for that part of annual leave entitlement which has not been taken should be calculated on a pro rata basis and paid to the employee in their last payment of wages.
- Conversely a proportionate refund of annual leave payment may be due to the employer where annual leave in excess of an employee's entitlement has been taken in anticipation of actual entitlement for a full year. This sum may be deducted from the employee's last wage payment and this should also be stated in the contract of employment.

## CALLING ALL THOSE RESPONSIBLE FOR HR IN THEIR CREDIT UNION

Following on from both the HR Network Forum of 2016 and the Regional HR Network Sessions earlier this year, a date has been arranged for the next HR Network Workshop which will take place in the **Sheraton Hotel in Athlone town on Thursday the 28th September 2017, from 10.00am – 4.00pm.**

For further information please contact Margaret Davern, HR Advisor on [mdavern@creditunion.ie](mailto:mdavern@creditunion.ie) or Maura Behan, HR Executive, on [mbehan@creditunion.ie](mailto:mbehan@creditunion.ie)



## Killarney Credit Union Ltd sponsors long-running Lily competition

Killarney Credit Union Limited was proud to be the main sponsor of the 44th annual Lily of Killarney 2017 competition. The annual event sees 29 girls take part in a contest to be selected as the Lily of Killarney. This year's judge was TV personality Sile Seoige, who interviewed each contestant live onstage at The Gleneagle Hotel on Friday May 19th in front of 400 guests.

Mark Murphy, CEO of Killarney Credit Union said "Both the Lily of Killarney and the credit union have been part of Killarney now

for over 40 years. This year, we were proud to be main sponsor of this event and we wish to congratulate Mary T Moynihan, who was selected as the overall winner."

The credit union undertook an intensive social media campaign to profile its involvement in the competition and also to engage with the target audience of the competition, those aged between 18-24 years who are active social media users.



## Over €2,500 raised by 'Run, Walk or Crawl'



Bagenalstown Credit Union Limited's third annual Run, Walk or Crawl event succeeded in raising more than €2,500 for the local Home Care Team. More than 150 people took part in the charity 5k event organised by the credit union on Sunday 28th May. The Carlow/Kilkenny branch of the Home Care Team provides palliative care services to assist cancer patients and their families. The voluntary organisation

is supported mainly by local funding and its services include symptom control, counselling and support free of charge.

Some of the fantastic local groups which also participated in the Run, Walk or Crawl event included the Civil Defence, local firefighters a large number of local businesses and organisations as well as the valued members of Bagenalstown Credit Union.

## Enniskillen Credit Union Ltd officially launches new premises



Enniskillen Credit Union Limited recently held a very successful official launch to mark the opening of the new premises in Darling Street. The credit union was delighted to have four generations of the Cox family in attendance to cut the ribbon, including Marie Cox, wife of John Cox who became a director in 1972 and was involved for many years. Also marking the occasion was Irish League of Credit Unions' Treasurer Eamonn Sharkey, who unveiled the official opening plaque. In attendance also were current and past directors, members of the credit

union, representatives from local businesses, along with credit union supervisors and staff. Guests from neighbouring credit unions in Fermanagh and Tyrone also attended.

All visitors and guests were invited to take a tour of the modern premises to see for themselves the quality of the new office accommodation. On display was artwork from the recent 2017 All Ireland Credit Union Art Competition, and a selection of photographs taken throughout the years of past directors - which allowed for some very enjoyable reminiscing.

## Newmount Credit Union Ltd marks 50 years serving the community

In 1966 a small group of dedicated volunteers came together to discuss the formation of a credit union in the Ballymacarrett area of East Belfast. When Newmount Credit Union Limited first officially opened on March 1st 1967, there were 46 members. The very first loan issued was for £5 in June 1967 with a total of £200 in loans issued that month.

In 1989, the credit union bought land and built its own bespoke premises. As it became increasingly difficult to manage the credit union using the manual three-in-one system, a computerised system was introduced in July 1996 and this led to the credit union being in a position to proceed with further development. In the four years from October 1983 to September 1987, the credit union issued loans amounting to £1,230,010. From October 2011 to September 2015, 7,697 loans were issued totalling £9,614,207. There were no extra volunteers involved, so without computerisation the volunteers would have been swamped with the three-fold increase in the number of loans issued.

Throughout the years, the credit union has tried to maintain and nurture the volunteer ethos of the movement. Maintaining a staff of four has enabled the credit union to pay dividends and interest rebates over the years. The dividend for the past five years has been 3% and the interest rebate has been between 37.5% and 40% each year.

Membership now stands at 2,417 with



an additional 890 juvenile accounts. Savings are in excess of £8.2m. Over the years, more than £51 million has been issued in loans.

To celebrate the 50th anniversary, Newmount Credit Union launched a book on its history with copies for every member. Charitable donations of £1,000 each were made to St Matthew's Primary School, Victoria Park Primary School, Northern Ireland Polio Fellowship, Marie Curie Hospice, and the Alzheimer's Society. The credit union also held a gala dinner in Titanic Belfast with 150 members, plus invited guests, in attendance.

### New mini-bus for St Brid's Special National School

First Choice Credit Union Limited has donated €500 to St Brid's Special National School in Castlebar. The funds will be used to help buy a mini-bus for the school's students who have moderate, severe or profound learning disabilities. First Choice Credit Union also visited the school and presented pupils, who range in age from four to 18 years, with an additional donation of pencils.

St Brid's works with all health and social partners to provide a well-supported environment for their students who have the opportunity to participate fully in their local community during their school life. First Choice Credit Union is proud to support an institution that does such great work for local young people.



## New School Orchard Sponsored by Derry Credit Union Ltd

The children of Derry's Rosemount Primary School will be eating fresh organic fruit from their very own orchard thanks to a donation of £200 from Derry Credit Union Limited towards the school's eco-project.

The donation will be used to develop the newly planted orchard at the school and build a fence around it, making it a social space for children to learn about nature. The continued aims of this project include; to promote biodiversity within the school, encourage community involvement, care for the environment, promote sustainability, learn about ecology and encourage children to be responsible for the environment.



## Local Schools Enjoy Hurling on the Lough

The Lough Credit Union Limited is proud to be the sponsor for the *Iomaint Cois Locha, or Hurling by the Lough* initiative. The event, which began in 2003, is an annual tournament which provides local schools with a GAA event. It's an important initiative to nurture the ancient game of hurling amongst local school students, as some of the schools participating have little access to structured GAA coaching.

*Hurling by the Lough* has expanded over the years and there are now ten teams participating from nearby schools, including four camogie teams. In all around 130 boys and girls take part in the event with all participants receiving medals and goodie bags. The five winning schools receive cups donated by local families in memory of loved ones. An



emphasis on participation and the fact that all players receive medals for their efforts is key to the ethos behind the event. Without the continued support of The Lough Credit Union, the event could not take place.

## Galway Credit Unions 'Cultivate' Farm Finance

Four credit unions in Co Galway have collaborated to provide a new farm finance support offering. The new scheme, known as 'Cultivate', was officially launched by the IFA President Joe Healy some months ago. The credit unions involved are; Ballinasloe Credit Union Ltd, Gort Credit Union Ltd, St Brendans Credit Union Ltd (Loughrea) and St Jarlath's Credit Union Ltd (Tuam).

Farming is a hugely important sector in rural Galway with over 13,000 herd owners. Market research conducted by the group of credit unions identified the need for an initiative such as 'Cultivate', which provides flexible repayment

options, fair value, a competitive interest rate and simple application process with timely approval.

The credit unions have been working on the new loan initiative since August 2016 led by Brendan Heneghan, former regional manager with Teagasc, in his capacity as Project Manager. They also worked closely with stakeholders, the Irish Farmers Association, Teagasc and Mountbellew Agricultural College. Credit union staff from the participating credit unions have undertaken an intensive training course ran by Teagasc and Mountbellew Agricultural College.

## Brian Cody Launches €200,000 Community Fund



Kilkenny Senior County Hurling Team manager Brian Cody was recently on hand to launch a special €200,000 Community Connect fund created by the members of St Canice's Credit Union Limited. The fund will allow the credit union to make a significant contribution to community based initiatives within its common bond. The application categories for the Community Connect Fund are social, cultural and charitable purposes including community development. The fund complements other community sponsorship initiatives run by St Canice's Credit Union and is aimed at significant projects that will add long term benefit to the community.

## Croi Laighean Credit Union Ltd Community Fund Grows to €40,000

The 2017 Croi Laighean Credit Union Limited's Community Fund presentations took place in Edenderry and Clane in late May. Following on from the success of the first Croi Laighean Community Fund in 2016, a larger community fund of €40,000 was introduced for this year. Over 130 applications were received from clubs and organisations across the common bond. Representatives from each of the organisations were invited to the presentation evenings and were awarded funding

ranging from €200 to €1,000.

Speaking about the fund, Martin Moloney, Vice-Chairman of Croi Laighean Credit Union said: "Croi Laighean Credit Union has always supported and invested in the community and I am delighted that the community fund which was only started in 2016, has received so many applications this year. I would like to congratulate every organisation for their continued work in the community, and I hope our funding helps with your efforts."



## Kanturk Credit Union Ltd Honours Retired Directors

Kanturk Credit Union Limited recently held a very enjoyable evening function to acknowledge the contribution of retired directors. The credit union chairman, Jeremiah Donovan, delivered a special address and thanked those who attended for their contribution as directors. Mr Donovan

also spoke about the importance of new volunteers becoming involved in the credit union. The success of Kanturk Credit Union is due to the contribution of so many volunteers over the years, who gave up their free time to ensure the smooth running of the credit union from 1963 to the present day.



## Gateway to Education with Sarsfield Credit Union Ltd

Sarsfield Credit Union Limited in conjunction with Limerick Gateway to Education has launched a major appeal for donations to help parents with the financial burden of schoolbooks and uniforms. The Gateway to Education shop sells second-hand schoolbooks and uniforms at greatly reduced prices and operates through receiving donations from parents and schools. Parents can save as much as €120 on a school booklist by using the store.

Speaking about the joint appeal, Patrick Flaherty, Sales and Marketing Manager with Sarsfield Credit Union said; "We are delighted to have teamed up with Gateway to Education. Any initiative that can help to



reduce the burden on parents is welcome. The added attraction for us is that Gateway to Education also helps primary and secondary school children by providing homework clubs."

Gateway to Education is a non-profit social enterprise created in Limerick in April 2012, to address economic and social barriers to education. This social enterprise works to relieve financial pressures on families at the start of each school year. Since setting up, Limerick's Gateway to Education has had a significantly positive impact on the Limerick area and has worked tirelessly to ensure equal education opportunities for all. Sarsfield Credit Union is proud to partner with this organisation as part of its commitment to the local community.

PHOTOGRAPHY COURTESY OF THE LIMERICK LEADER

# Legislative Update



## Anti-Money Laundering

The 4th European Union Anti-Money Laundering Directive (AMLD4) which was due to be transposed into Irish law on the 26th of June 2017 did not occur, and a Bill which will transpose the directive has yet to be published. As such it is unlikely AMLD4 will be transposed in full until the end of the year.

One aspect of the AMLD4 has been legislated for in Irish Law by way of the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2016. Under these Regulations, credit unions must compile and maintain internal registers of beneficial ownership. However, the development of a Central Register of Beneficial Ownership is not yet in place due to the failure to transpose in full the AMLD4 at this time. It is now expected that the launch of the Central Register will take place in Q4 of 2017. After the expected Q4 launch date, it is anticipated that there will be a time period during which corporate entities can make their beneficial ownership filings without breaching their statutory duty in this regard.

### Credit Union Investment Regulations

In May 2017, the Central Bank of Ireland published a consultation paper on the credit union investment framework. This consultation paper set out a number of potential changes to the investment framework for credit unions.

The proposed changes include the addition of three new classes of investments into which credit unions may invest surplus funds subject to certain conditions in relation to maturity limits, concentration limits and bond rating requirements.

These proposed new classes of investments are:

- Investment in Bonds issued by Supranational entities. These entities are formed by two or more central governments with the purpose of promoting economic development for the member states.
- Investment in corporate bonds.
- Investment in social housing by way of Tier 3 AHBs.

In addition, the Central Bank is considering reducing the maximum exposure limit to an individual counterparty from the current 25% to 20% of a credit union's total investments. In the context of the Bank Resolution and Recovery Directive, the Central Bank is proposing amending the definition of



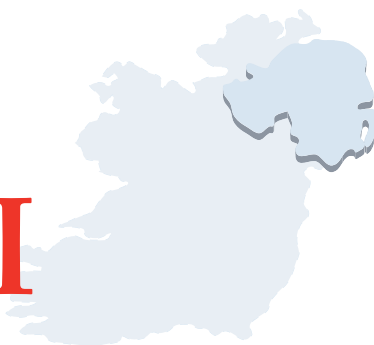
bank bonds to clarify that bonds that are subordinated to any senior bonds issued by a credit institution do not fall within the definition of "bank bonds" set out in the regulations.

### Common Reporting Standard (CRS): deadlines

The Revenue Commissioners have announced a further extension of the filing deadline for returns under the Common Reporting Standard ("CRS") to the 4th of September 2017, and have confirmed that the CRS/DAC2 filing portal is now open.

# Legislative Update

NI



## Anti-Money Laundering: Politically Exposed Persons (PEPs)

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the MLR 2017) which transposes the Fourth Money Laundering Directive (MLD4) into UK legislation came into force on the 26th of June 2017.

The MLR2017 expands the definition of a PEP to those holding a politically exposed position in the UK (i.e. a domestic PEP). Up until this, the definition had only applied to foreign PEPs. The FCA recently released updated final guidance on PEPs and indicated that the FCA expects PEPs within the UK are likely to be treated as lower risk.

The MLR 2017 defines a PEP as “*as an individual who is entrusted with prominent public function, other than as a middle-ranking or more junior official*” and PEPs are subject to risk based enhanced due diligence. Where a PEP is no longer in position, that person should continue to be subject to risk based enhanced due diligence for a period of at least 12 months after the date they ceased to be entrusted with that public function. Credit unions may apply measures for a longer period to address risks of money laundering or terrorist financing in relation to that person, but the FCA consider this will only be necessary in the cases of PEPs where a firm has assessed that PEP as posing a higher risk.

The MLR2017 defines family members of PEPs as including:

- a spouse or partner of that person
- children of that person and their spouses or partners; and
- parents of that person.

However, the new FCA guidance goes further stating “This is not an exhaustive list. The FCA considers that this definition also includes **brothers and sisters** of a PEP”.

The MLR2017 defines a “known close associate” of a PEP to include the following:

- an individual known to have joint beneficial ownership of a legal entity or a legal arrangement or any other close business relationship with a politically exposed person; and/or
- an individual who has sole beneficial ownership of a legal entity or a legal arrangement which is known to have been set up for the benefit of a PEP.

The FCA guidance sets out some of the indicators that might pose a higher or lower risk and what measures should be taken accordingly in respect of either a higher or lower risk scenario.

### Data Protection

The Department for Digital, Culture, Media and Sport have recently published a statement of intent from the UK Government in relation to data protection. In the statement of intent the Government has committed to updating and strengthening data protection laws through a new Data Protection Bill. It is likely to be Q3 2017 before the new Bill is published.

The European Union’s General Data Protection Regulation (GDPR) which was adopted by the European Union (EU) in 2016, will automatically come into force in all EU Member States from the 25th of May 2018. The Governments’ Statement of Intent acknowledges how Brexit will impact on the area of data protection and indicates that the Bill will bring the GDPR into UK law to prepare for Brexit and that it will be consistent with international instruments (including GDPR) as they help ensure the safe flow of data between the UK and key markets, such as the US and EU.

The Data Protection Bill will:

- Make it simpler to withdraw consent for the use of personal data
- Allow people to ask for their personal data held by companies to be erased
- Enable parents and guardians to give consent for their child’s data to be used
- Require ‘explicit’ consent to be necessary for processing sensitive personal data
- Expand the definition of ‘personal data’ to include IP addresses, internet cookies and DNA
- Make it easier and free for individuals to require an organisation to disclose the personal data it holds on them
- Make it easier for customers to move data between service providers
- Create new criminal offences will be created to deter organisations from either intentionally or recklessly creating situations where someone could be identified from anonymised data.

# The Domestic Economy

## OVERVIEW

The general consensus is that the outlook for the Irish economy remains positive with the strong growth performance of recent years projected to continue this year and in 2018. The latest National Income and Expenditure (NIE) accounts from the CSO indicate that headline GDP growth last year was 5.1%. Projected GDP growth of 4.5% this year and 3.6% in 2018, has been revised upwards reflecting evidence of more robust activity in the domestic economy together with improved prospects for external demand. Domestic demand components will continue to be the main growth driver with strength in both investment and consumer demand and moderate growth in government consumption. Consumer spending, buoyed by growth in employment and incomes is projected by the Central Bank to increase by 3.1% in 2017, moderating to growth of 2.7% next year.

Exports grew by 4.6% in 2016 reflecting contrasting performances from goods and services exports, which increased by 0.9% and 10.5% respectively. Weakness in contract manufactured goods exports seems to have continued in the early part of this year, masking strong underlying growth that reflects a pronounced pick-up in external demand, particularly in the euro area. Reflecting the pick-up in export growth this year and continued buoyancy in domestic demand, the Central Bank believes import growth will remain strong and in excess of export growth in 2017 and 2018. Nevertheless, due to a positive terms of trade effect, net exports are likely to make a small positive contribution to overall growth this year followed by a small negative contribution in 2018.

While the economy continues to expand at a robust pace, inflation remains subdued. This reflects the effect



on goods prices of euro appreciation against sterling, weakness in energy prices and muted domestic inflationary pressures. Overall, headline HICP inflation is expected to increase by just 0.3% in 2017, a downward revision from 0.7% in the previous Quarterly Bulletin. HICP excluding energy is expected by the Central Bank to remain flat in 2017. Based on current assumptions for oil prices, exchange rates and international commodity prices, and the outlook for earnings and the labour market, inflation is forecast by the Central Bank to increase to 1% in 2018.

Reflecting the exceptionally open and globalised nature of the Irish economy, risks to the outlook are mainly external. Downside risks mainly reflect uncertainty regarding the terms of Brexit. These are offset to some extent by improving prospects for growth internationally, most

notably in the EU.

## The Labour Market

The strong labour market performance last year has carried forward into 2017 with employment growth accelerating to 3.5% annually in the first quarter. Unemployment declined to a rate of 6.3% in June. For the year as a whole, employment growth is expected to average 3%. In 2018, employment growth of 2% would see numbers at work at over 2.1 million persons for the first time since 2008. With labour force growth expected to average 1.3% over the next two years, the unemployment rate is projected to decline to an average rate of 6.2% this year and 5.6% in 2018. This translates into an additional 60,000 jobs in 2017.

The labour market outlook follows a very strong outturn in 2016 and





## PAY

Reflecting strong employment growth and some increase in wage rates, the pay bill is expected to increase by 6.2% and 5.3% in 2017 and 2018, respectively.

significant momentum in the first quarter of the year, with numbers at work up 3.5%. Once again, these employment gains were broad-based although there were particularly strong increases in industry - including construction. In seasonally adjusted terms, employment was up nearly 1% in the quarter compared with a 0.5% rise in the labour force. More recent data from the monthly unemployment release pointed to an estimated unemployment rate of 6.3% in June (down two full percentage points in the year).

### Pay

Reflecting strong employment growth and some increase in wage rates, the pay bill is expected to increase by 6.2% and 5.3% in 2017 and 2018, respectively. This builds on an annual increase of 5.4% in 2016 according to the NIE. Furthermore, the current momentum and prospects for the labour market, as outlined above, will provide further support to income growth over the forecast horizon. It is envisaged that wage growth will

average 3.1% per annum in 2017 and 2018.

### Residential Property

Residential property prices increased by 11.9% in May on an annual basis. Prices, excluding Dublin, increased by 12.8%, while prices in the capital grew by 11.2% over the period. While year on year growth rates may be affected by changes that occurred in the market at the end of 2016/early 2017, growth rates have remained strong in the first half of the year. Prices grew by 3.1% in the three months to May. On the supply side, latest data suggests there were 3,896 units completed in the first three months of the year, 23% more than in the same period in 2016. In 2016, planning permission was granted for 21,099 units.


### Other Developments

The Government has begun the process of divesting its stake in Allied Irish Bank, selling 29% of its holding at an initial public offering (IPO) in June. The IPO generated €3.4 billion for the exchequer and valued the

Government's remaining stake at €8.6 billion. The funds raised are being used to pay down the national debt, an appropriate decision given the role of bank support measures in increasing general Government debt during the crisis.

The State's funding requirements for 2017 are relatively modest, with €6.3 billion of bonds set to mature over the course of the year, and an exchequer deficit of just over €2 billion projected in April's Stability Programme Update (SPU). Against this backdrop, the National Treasury Management Agency (NTMA) set an issuance target of €9 to €13 billion for the year and had already surpassed the lower bound of that target in July, having issued €9.5 billion of benchmark bonds in the first seven months of the year. Recent months also saw a further €1 billion of floating rate treasury bonds cancelled. As a result, €7.5 billion of these long dated bonds – issued in connection with the liquidation of Irish Bank Resolution Corporation – have now been cancelled, with €17.5 billion still outstanding.

# DREAMY THEME For International Credit Union Day 2017



## The World Council of Credit Unions has announced the theme of 'Dreams Thrive Here' for the 59th International Credit Union (ICU) Day®.

The annual occasion celebrates the spirit of the global credit union movement and is an opportunity to reflect upon the history of the movement, as well as promote its current achievements. ICU Day® has been celebrated on the third Thursday of October since 1948 – and will be marked on Thursday the 19th of October this year.

In its statement on ICU Day®, the World Council of Credit Unions (WOCCU) says that: “the ultimate goal is to raise awareness about the great work that credit unions are doing around the world and give members the opportunity to get more engaged. The day of festivities for credit unions and financial cooperatives globally include fundraisers, open houses, contests, picnics and parades. The 2017 ICU Day® theme — ‘Dreams Thrive Here’ illustrates how credit unions, and other financial cooperatives, serve as catalysts to make different professions, personal choices and career paths real.”

### History of ICU Day®

The origins of the present day credit union movement lie in Germany in the mid-1800s. Following a period of crop failure and famine that devastated the country, two men Hermann Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen set up credit

societies to help the people and entrepreneurs recover. In 1864, these developed into new credit unions for farmers along the principles of cooperative interdependence, a community-first mentality and a volunteer management structure that are still fundamental today.

The idea spread to Canada where the *caisses populaires* were started in the early 1900s and from there the movement spread to America. Over time, and as the movement developed and gained in popularity, a desire emerged to establish an annual occasion to celebrate the movement's important role in communities. On January 17th 1927, the Credit Union League of Massachusetts celebrated the first official holiday for credit union members and employees. This initial holiday though quietly disappeared over the years.

The Credit Union National Association (CUNA) then decided to re-establish a new national day to celebrate the movement in 1948. CUNA and CUNA Mutual Insurance Society chose the third Thursday of October as this annual day of observance. Many more of America's credit union leaders also believed in the need for an occasion to reflect upon the movement's history, achievements and to promote the credit

union idea across the country – and so the day became a popular event in the credit union calendar.

### The International Effect

As the credit union movement began to spread worldwide, more and more people became interested in celebrating the uniqueness and unity of the movement with a special holiday that could be enjoyed by everyone—regardless of religion, political beliefs, cultural differences or language. And so Credit Union Day became an international celebration.

By 1971, the substantial worldwide credit union progress led to the creation of WOCCU. WOCCU created the first International Credit Union Day® materials more than 30 years ago, and continues to provide ICU Day® resources to credit unions and associations throughout the world today.

### ICU Day® in Ireland

Credit unions the length and breadth of Ireland have always celebrated International Credit Union Day by hosting open days, local fairs or festivals, announcing exciting giveaways and in general promoting the ideal of the credit union and joining in the spirit of the occasion and ensuring that the event is a true celebration.

As Irish credit unions celebrate this unique occasion, they will be joined by 222 million credit union members in 109 countries who also recognize and celebrate the credit union difference!

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# consultant

[noun: person who provides expert advice in a professional manner]

**Moore Stephens: consultants by definition**

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