CU Focus

Irish League of Credit Unions
IRELAND

Spring 2019

ART COMPETITION GALA PRIZE-GIVING

Brexit Guide for Credit Unions | IT Vendor Management

Main Cover Image: Twins, Piper and Macy Powell, won the hearts of many at our Art Competition Prize-Giving Gala Ceremony in Croke Park on Sunday 17th February

CONTRIBUTIONS

Contributions may be submitted via email to editor@creditunion.ie.

Editorial

At the time of writing, there is still huge uncertainty surrounding the eventual arrangements under which the United Kingdom will leave the European Union and the implications of any, or no, agreement on the economic and social fabric of Ireland. As an all-island and community-based cooperative movement, credit unions are well placed to play a role in safeguarding the livelihood of our members against the impact of what Brexit may bring. In this spring edition of CU Focus, the Irish League of Credit Unions (ILCU) *Brexit: A Practical Guide for Credit Unions* is profiled. This important document sets out the key Brexit risks for credit unions, along with a Six Point Credit Union Brexit Plan. None of us can accurately predict what the post-Brexit era will look like, but by preparing now we can certainly lessen its impact.

The ILCU's International Development Foundation (The Foundation) celebrates 30 years in existence this year, having registered as a not-for-profit company in April, 1989. The Foundation is a shining example of cooperation amongst cooperatives. The great work that it carries out embodies the very raison d'etre of the credit union movement. Working to support, advise and develop fledgling credit union movements in some of the world's poorest nations, the achievements of The Foundation cannot be underestimated. The vital work it carries out has made real and viable differences to the lives of many, especially those living in the most rural and poor of communities. Without the credit union to support people in countries like Sierra Leone, The Gambia and Ethiopia, many would simply be unable to provide the basic necessities to keep their families alive. Thanks to The Foundation also, many women living in these often isolated, rural communities have been empowered through financial education to work towards lifting themselves and their families out of poverty.

Of course, none of The Foundation's work would be possible without the generous contributions from credit unions throughout the island of Ireland. To those credit unions who continue to support The Foundation, there is a huge debt of gratitude. To those who have not yet supported; 2019 – the year of The Foundation's 30th Anniversary – seems like the right time to help ensure that the charitable arm of our movement can continue for at least another 30 years.

One of the longest-running and, culturally one of our most important events of the year, is the Credit Union Art Competition. This year, the theme; 'The Force of Nature' was specifically designed to spread a message of environmental responsibility. The entries this year were outstanding in their depth of thought and creativity. A selection of the winning entries have been published on pages 6 to 9, and were also displayed in Croke Park for the gala awards ceremony in February. You can also log on to www.creditunion.ie to see the full range of the finalists' artwork.

Through this competition and the participating credit unions, people of all ages from communities of all sizes, are provided with an outlet for their artistic creativity. Credit unions' devotion to community is one of the more unique selling points of the movement, and one which we should never lose sight of. Younger generations demand more empathy and greater levels of commitment to social responsibility from the organisations with which they transact. Credit unions' genuine connection with, and dedication to, their local communities will play an important role in attracting and retaining young people in the generations to come.

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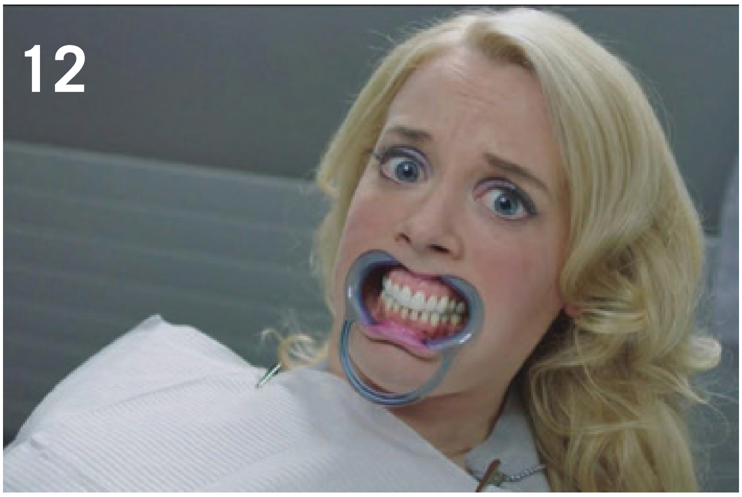
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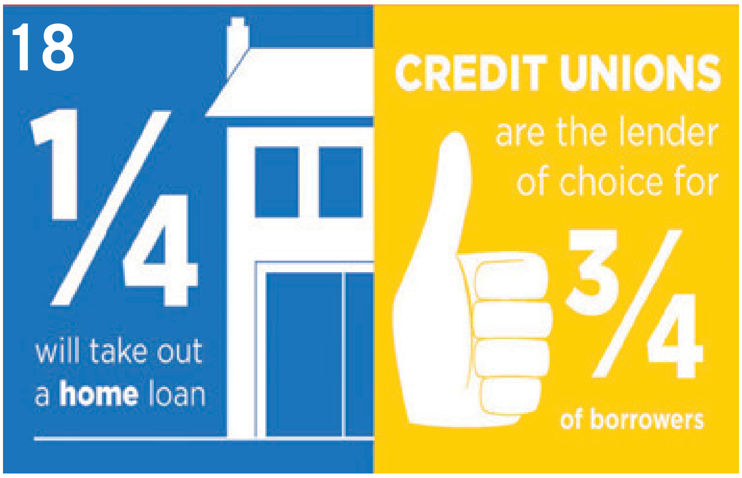
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1/4
will take out
a **home** loan
CREDIT UNIONS
are the lender
of choice for
3/4
of borrowers


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BREXIT: A GUIDE FOR CREDIT UNIONS

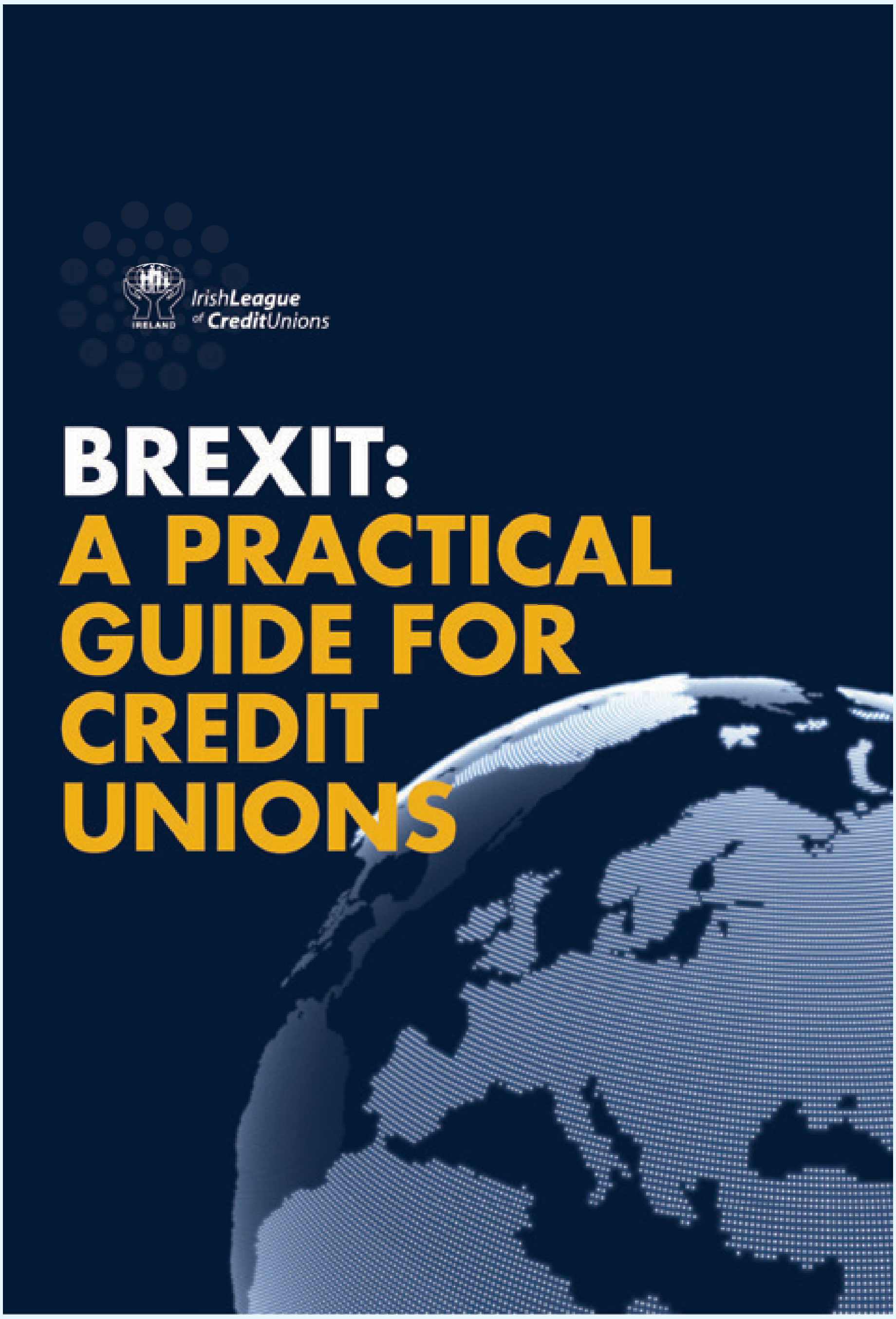
Political Uncertainty
Brexit negotiations are taking place against a backdrop of growing political uncertainty and change that will have significant implications for the future of the island of Ireland. With so much uncertainty, it might seem prudent to wait and see what happens and not expend valuable resources dealing in hypothetical scenarios. However, none of us can afford to take this approach.

As an all-island and community based co-operative movement, credit unions are an essential part of the economic fabric of our local communities and are uniquely positioned to become localised, Brexit knowledge-hubs, which are central to the efforts of local communities safeguarding the livelihood of members against the impact of Brexit.

ILCU Brexit Guide for Credit Unions
In January 2018, the Irish League of Credit Unions (ILCU) published 'Brexit: A Practical Guide for Credit Unions', which is available to download from the affiliate area of www.creditunion.ie. Two years after the Brexit referendum, we are now only too aware of the endless data, updates, news articles and commentary on Brexit. The purpose of the ILCU Brexit guide is not to reproduce this plethora of information, but instead to distil and filter this data and translate it to a credit union context.

ILCU Brexit Survey
The ILCU wishes to thank all those who gave their time and insights when completing the ILCU Brexit Survey, and attending the *Brexit on the Border* events in Dundalk and Derry in September 2018. These have been invaluable in informing the approach to the Brexit Guide, and will continue to be utilised in developing further Brexit events for credit unions over the coming months. The key findings of the ILCU Brexit Survey are reproduced in the guide which include:

- 21% of responding credit unions had assigned Brexit responsibility to a member of the management team;



- Only 15% of responding credit unions had reviewed the impact of Brexit on contractual relationships with third party suppliers including IT providers;
- 30% of credit unions expected to reach out to their members via a survey to assess their potential exposure to Brexit; and
- 54% of credit unions noted that Brexit would have a negative impact on their members' loan repayment capacity.

Brexit Risks

The guide identifies key credit union Brexit risks from the survey, relevant to the credit union's common bond including; the credit union's members, suppliers, local employers and the wider economy.

These risks include:
- Currency volatility
- Financial tariffs
- Non –financial tariffs
- Movement of labour
- Potential changes in laws/regulations
- Potential changes in taxes
- Investments
- Macro economy
- Cross border supplier contracts
- Foreign direct investment

The risks highlighted are not exhaustive. Credit unions should engage with their members and local communities to establish the Brexit risks that are most pertinent to their common bond.

The ILCU Brexit Guide sets out the potential credit union impact of these identified risks, along with no-regret actions that can be taken by credit unions to mitigate these risks.

Six Point CU Brexit Plan

The ILCU has developed a six point Brexit guide that credit unions can use to plan and respond to Brexit: The guide includes details of each of these separate six phases of a credit union's Brexit Plan.

Brexit Supports

A number of local government agencies, such as Enterprise Ireland, Local Enterprise Offices, Inter-trade Ireland and Invest NI, provide a wide range of Brexit supports to local businesses. Details of these supports are outlined in the Brexit guide.

In addition, the ILCU welcomes feedback in relation to the Brexit guide, and also other issues related to Brexit, which may impact credit unions and members. Please get in touch with your feedback on brexit@creditunion.ie.

> *Credit unions should engage with their members and local communities to establish the Brexit risks that are most pertinent to their common bond*

B – BUILD YOUR BREXIT TASKFORCE

R – REACH OUT TO YOUR MEMBERSHIP

E – EVALUATE YOUR CREDIT UNION'S BREXIT RISKS

X – EXAMINE ACTIONS TO MITIGATE YOUR BREXIT RISKS

I – IDENTIFY OWNERS OF ACTIONS TO MITIGATE YOUR BREXIT RISKS

T – TRACK BREXIT DEVELOPMENTS AND THE IMPACT FOR YOUR CREDIT UNION

Sisters Naoise and Anya Clarke-Carr celebrate their awards in two different age categories at the Art Competition Prize-Giving Gala in Croke Park on Sunday February 17th.

ARTISTS ARE A FORCE OF NATURE AT NATIONAL ART COMPETITION GALA

Budding artists from the four corners of Ireland travelled to Croke Park on Sunday February 17th for the annual, All-Island Credit Union Art Competition. Approximately 30,000 entries were received for the Irish League of Credit Unions (ILCU) competition, which in its 35th year, is one the longest-running competitions of its kind. The winners from across the age spectrum received cash prizes from MC Marty Whelan at the gala prize-giving ceremony.

Ella Kelly was delighted with her win in the 7-years-and-under category.

Liam O'Sullivan was runner-up in the 14-17 years learning disabilities category.

Aoife McCloskey (left) and Genevieve Ward were joint merit winners in the 7-years-and-under category, pictured here with MC Marty Whelan and ILCU Vice-President, Gerry Thompson.

Seth Morrison with his 'naturenado' which won the merit prize in the 11-13 years category.

All of the 2018 Art Competition finalists who attended the Croke Park ceremony, with MC Marty Whelan.

Our cover stars, Piper and Macy Powell, with Jonathan O'Keeffe's winning entry in the 14-17 years category.

The theme for the 2018 competition was 'The Force of Nature'. This was specifically designed by credit unions to encourage participants to consider the natural world surrounding them, and the threats to the planet from pollution, single-plastic use and more. With 2018 one of the hottest years on record, credit unions conscious of their social responsibility, wanted to promote 'greener' attitudes and behaviours in their local communities. The annual art competition, which has a huge audience each year, was an effective way to spread this message.

The theme inspired some deeply thought-provoking and inspiring works, ranging from depictions of catastrophic weather events, ethereal images of humans interacting with nature and a stark portrait of a child engulfed by litter and pollution.

In addition to the ten individual winners and one group winner, there were 23 runner-up and merit awards. Age categories encompassed 7-years-and-under to 18 years and over. There was also a category for artists with learning disabilities. The competition is facilitated by credit unions in the Republic of Ireland and Northern Ireland. The gala ceremony is organised by the ILCU Events team.

Speaking at the awards ceremony, ILCU Head of Marketing & Communications, Paul Bailey said: "There is a thriving creative and artistic culture in local communities across the island of Ireland and the credit union movement is dedicated to supporting and developing this culture. Our annual art event is just one example of the great work credit unions do in their communities to ensure that both young and old have an outlet for their creative skills.

This year credit unions also wanted to use the opportunity to promote the message of environmental responsibility in their local communities, and the theme they have designed has led to some exceptional artistic creations."

Little Killian Egan won the 7-years-and-under learning disabilities category.

Leah Sweeney claimed the runner-up prize in the 18 years and over category, and is pictured here with ILCU Vice-President, Gerry Thompson, and MC Marty Whelan.

ART COMPETITION WINNERS
GENERAL CATEGORY

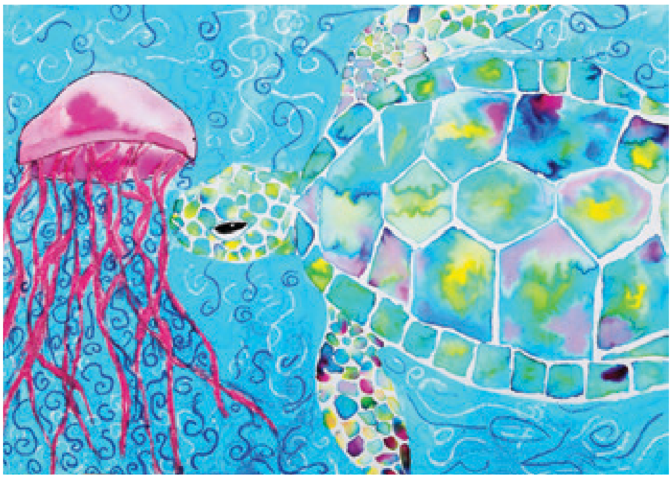
Name	Credit Union	Category	Position
Ella Kelly	Arklow Credit Union	7 yrs & under (G)	Winner
Jools Garvey	Mallow Credit Union	7 yrs & under (G)	Runnerup
Aoife McCloskey	Derry Credit Union	7 yrs & under (G)	Joint Merit
Genevieve Ward	Armagh Credit Union	7 yrs & under (G)	Joint Merit
Áine Moriarty	Rathmore & District Credit Union	8 to 10 years (G)	Winner
Sofia Kennedy	Altura Credit Union	8 to 10 years (G)	Runnerup
Mary Ní Chadhaigh	Muintir Clanna Caoilte Credit Union	8 to 10 years (G)	Merit
Naoise Clarke-Carr	Dunboyne & District Credit Union	11 to 13 years (G)	Winner
Laura Enright	Kanturk Credit Union	11 to 13 years (G)	Runnerup
Seth Morrison	St. Anthony's & Claddagh Credit Union	11 to 13 years (G)	Merit
Jonathan O'Keeffe	Killarney Credit Union	14 to 17 years (G)	Winner
Mary Bradfield	Dungarvan Credit Union	14 to 17 years (G)	Runnerup
Anya Clarke-Carr	Dunboyne & District Credit Union	14 to 17 years (G)	Joint Merit
Claire Kavanagh	Goresbridge Credit Union	14 to 17 years (G)	Joint Merit
Aneta Majchrzak	Cara Credit Union	18 years & over (G)	Winner
Leah Sweeney	Ballinamore Credit Union	18 years & over (G)	Runnerup
Rachel McKenna	Monaghan Credit Union	18 years & over (G)	Merit

LEARNING DISABILITIES CATEGORY

Name	Credit Union	Category	Position
Killian Egan	First Choice Credit Union	7 yrs & under (S)	Winner
Shane Farrell	Blackrock Credit Union	7 yrs & under (S)	Runner Up
Shea Daly	Link (ROI) Credit Union	7 yrs & under (S)	Merit
Cardo Sacco	Lismore & Cappoquin Credit Union	8 to 10 years (s)	Winner
William Nolan	Baltinglass Credit Union	8 to 10 years (S)	Runnerup
Amy Fortune	Wexford Credit Union	8 to 10 years (S)	Joint Merit
Mary Ann McMacken	Beragh Credit Union	8 to 10 years (S)	Joint Merit
Dylan Murphy	Listowel Credit Union	11 to 13 years (S)	Winner
Charlotte Montgomery	Armagh Credit Union	11 to 13 years (S)	Runnerup
Debbie Pitcher	Wexford Credit Union	11 to 13 years (S)	Merit
Denis Forrest	Mallow Credit Union	14 to 17 years (S)	Winner
Liam O'Sullivan	Ballincollig Credit Union	14 to 17 years (S)	Runner up
Daniel Maher	Mountmellick Credit Union	14 to 17 years (S)	Merit
James Atkins	Waterford Credit Union	18 years & over (S)	Winner
James O'Shea	Killarney Credit Union	18 years & over (S)	Runnerup
Sean Grehan	St Agnes Credit Union	18 years & over (S)	Merit
Flipside Art Studio 3	St. Canice's Credit Union	Group	Winner

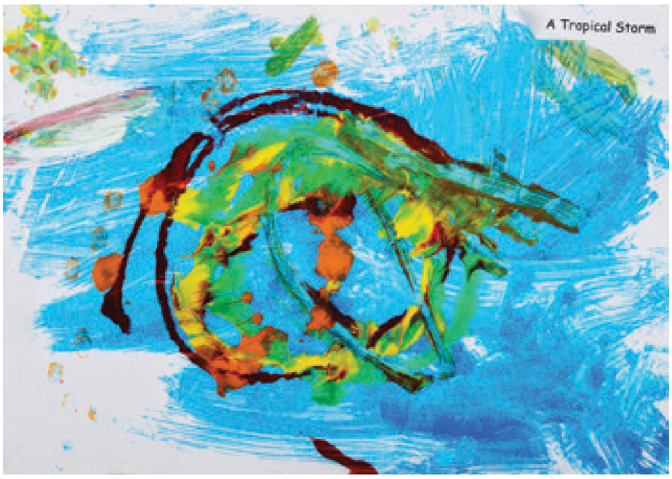
Winning entry in the 14-17 years general category, by Jonathan O'Keeffe, representing Killarney Credit Union.

Joint-Merit award winner Claire Kavanagh's painting. Claire entered in the 14-17 years general category and represented Goresbridge Credit Union.



The winning artwork in the 8-10 years general category by Áine Moriarty, representing Rathmore & District Credit Union.

Charlotte Montgomery won the runner-up prize in the 11-13 years learning disabilities category, representing Armagh Credit Union.



Winning entry in the 7-and-under-years learning disabilities category. This was created by Killian Egan, representing First Choice Credit Union.

Runner-up in the 14-17 years learning disabilities category was Liam O'Sullivan, who was representing Ballincollig Credit Union

THE VALUE OF
VENDOR MANAGEMENT

A year has passed since the *Findings from IT Thematic Review in Credit Unions* was published by the Central Bank of Ireland (CBI), noting that credit unions are reliant on Outsourced Service Providers for a range of IT services. These include back-office functions, cloud services, system development and maintenance, infrastructure, website hosting, security and disaster recovery. The report noted that credit unions are required to have adequate Governance and Risk Management processes in place, to effectively address the risks associated with outsourcing of IT services, including cloud services.

The report observed examples of good practice:

- Robust Due Diligence on new IT Suppliers
- Ongoing and proactive monitoring
- Independent financial assessment of outsourced providers
- SLA contracts with Key Performance Metrics

Examples of poor practice however were also observed:

- No evidence of formal reviews of IT Provider performance
- SLA not signed by credit unions
- Lack of understanding by credit union management in relation to:
    - o Contractual obligations with IT suppliers
    - o Location of cloud data
    - o Exit arrangements
    - o Etc.

The CBI report reminded credit unions that responsibility for the effective management of risks associated with outsourcing of IT services rests with credit union Boards. If the CBI carried out another review this year, would the report find that practices have improved in credit unions? If a survey of credit unions was conducted to ask how vendors perform today, chances are that it would generate a wide variety of responses:

“Good enough … I guess."
"Fantastic!"
"I don't know”
"Terrible!"
"What does good look like?"
"OK."
"As good as can be expected."
"Great … at least that's what they tell me."

What is Vendor Management?

Vendor Management is a discipline that enables organisations to *control costs, drive service excellence and mitigate risks* to gain increased value from their vendors throughout the life cycle of the relationship. An Outsourcing Policy is an essential tool in ensuring that good Vendor Management is adopted within an organisation.
Vendor Management can logically be broken up into the following lifecycle phases (see diagram below).

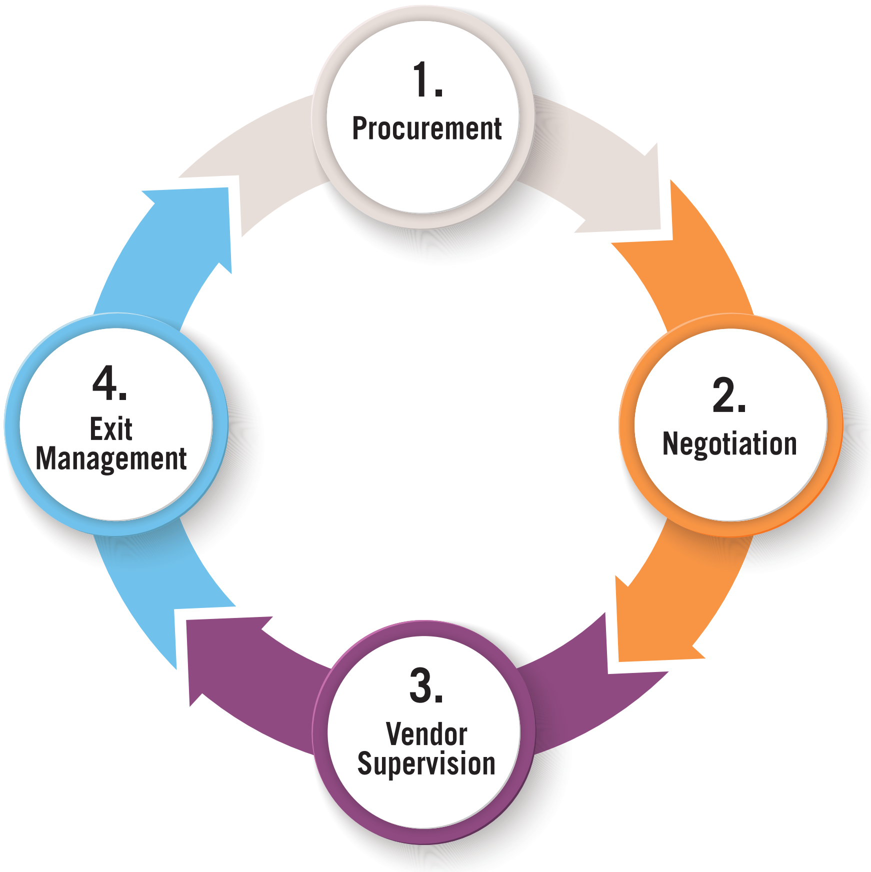
1. Procurement Phase

The *procurement phase* covers the initial tendering process and high level risk assessment of the vendor. It should be governed by a Procurement Policy and the supporting documentation. [RFI, RFP etc.]

2. Negotiation Phase

The negotiation phase should deliver a contract which must:

- Clearly articulate the business requirements for the vendor
- Be specific in defining the technical requirements
- Outline the vendor’s requirements for the credit union
- Document expected service levels and metrics, review schedules and penalties for non-compliance [SLA]
- Where there is development of custom



software, provision for a software Escrow agreement should be in place.

Where the credit union is engaging a Cloud Computing Service Provider;
- Clarify in writing which party retains ownership of the data
- Ensure the credit union data is sufficiently segregated from other customers of the service provider

The contract must clearly define:
- A formal communication process between the credit union and the vendor
- Roles & Responsibilities
- Terms & Conditions
- Data Protection
- Audit Rights
- Termination
- Costs & Fee Structures
- Risk & Reward Structures
- Exit Strategy

3. Vendor Supervision

This phase of Vendor Management can be divided into three keys steps:

A. Manage Vendor Relationships and Contracts
- Assign relationship managers for all vendors and make them accountable for the quality of service(s) provided
- Define and formalise roles and responsibilities for each service vendor
- Establish and document a formal communication process between the credit union and the service provider
- Ensure that contracts with key service vendors provide for a review of vendor internal controls by management or independent third parties

B. Manage Vendor Risk
Effective Vendor Risk Management involves managing the details. It is important for the credit union to identify and manage the following key vendor risk operational points:
- Co-ordination between procurement and vendor management stages of lifecycle
- Ongoing vendor risk review/ classification
- Ongoing monitoring of vendor performance
- Responding to and managing vendor performance issues

C. Monitor Vendor Performance and Compliance
- Define and document criteria to monitor vendor performance aligned with SLAs
- Monitor and review service delivery to ensure reliability and competitiveness with other providers
- Assess review results and discuss with vendor to identify needs and opportunities for improvement
- Monitor and evaluate external information about the vendor

A Vendor Management Tracker should be updated post vendor review meetings to reflect key dates (SLA review, contract renewal), to capture risk review ratings and high level performance measures.

4. Exit Management Phase

- It is imperative that the credit union has a reasonable way out of a relationship if plans change, or if the product or service does not meet expectations.
- The contract should include the ability to ***terminate*** the relationship if the vendor fails to meet its obligations, or if changes in the company or its activities may cause additional risk to the credit union.
- Any vendor deemed to be of significant importance, or classified as high risk, should have an ***Exit Management Plan*** in place which both parties are agreeable to.

Vendor Performance Management - Why Is It Important?

INACTION leads to ...
- Inconsistent measurements
- Lack of innovation
- No true partnership with vendors
- Poorer performance — and poorer customer satisfaction

ACTION leads to ...
- Managing outcomes
- Continuous improvement
- Meaningful, relevant, actionable data
- Better service — and better customer satisfaction

Balance objective and subjective measures:
Ensure that your metrics tell a good, balanced story by mixing hard and soft measures.

Objective	Subjective
SLA Fulfilment	Collaboration
Cost Variance	Relationship Quality
Adherence to Project Timelines	Innovation

Avoid the "Watermelon Effect!"
On the outside, a watermelon is smooth, shiny and green, but under the surface it is red and very fragile. The stark contrast is symbolic of the sub-optimal relationships that can exist between companies and their service providers.

> *"If you can't measure it, you can't manage it – Peter Drucker*

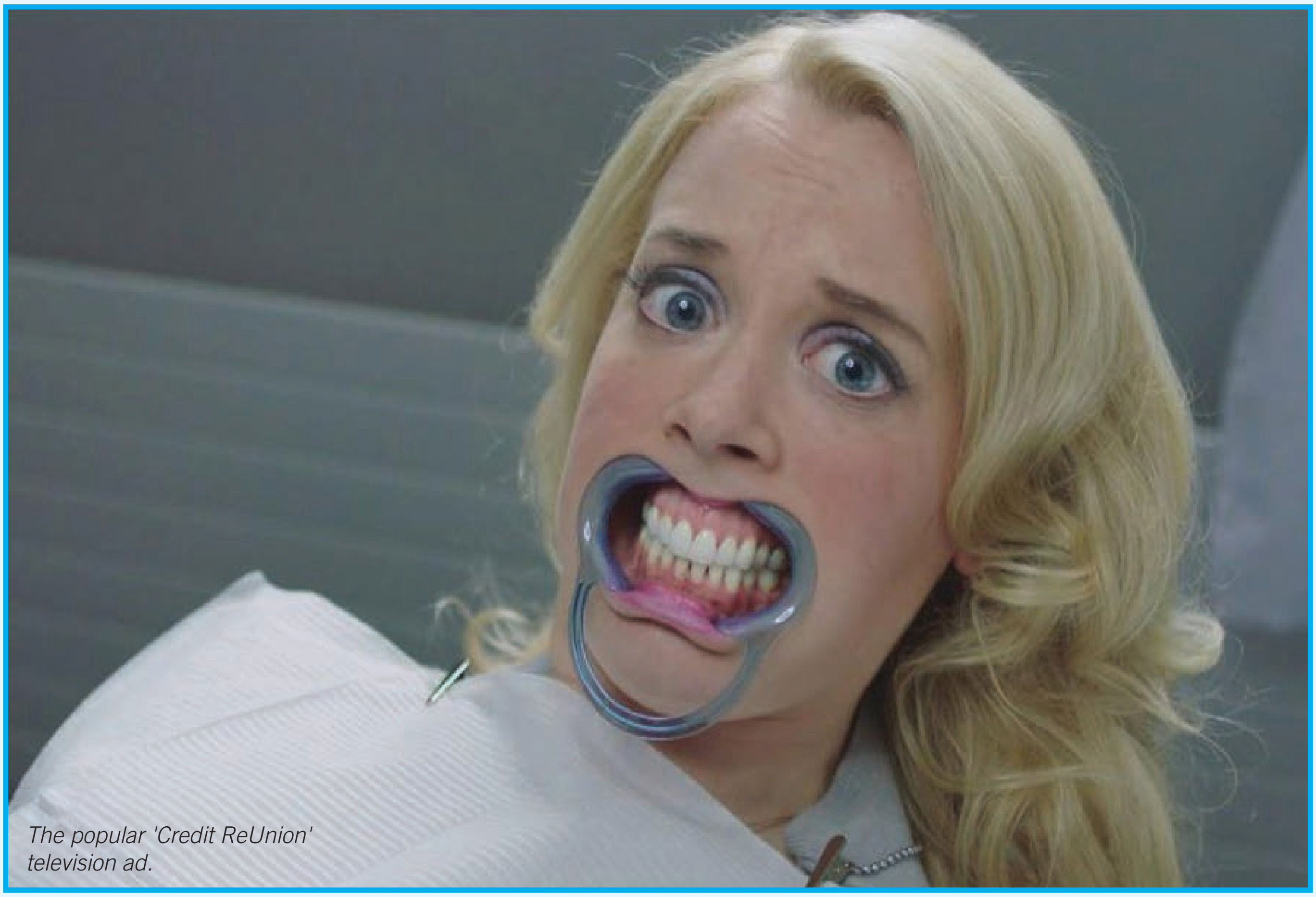
Conclusion
As the saying goes, you don't need a sledgehammer to crack a nut, but if your ongoing success is dependent on your key service providers, you need to develop productive relationships with them, to maximise the value from the engagements and to proactively manage the associated risks.

Make Vendor Management a 'must do' activity for your key service providers:
- Designate a person responsible for Vendor Management
- The person responsible for Vendor Management should report to the risk committee, compliance or Board
- Formalise Vendor Management documentation
- Note that subscribers to the Credit Union Compliance Centre (CUCC) can avail of related advisory support services
- Review contracts for compliance and create a tracker of key dates, risk ratings & performance measures
- Work with User Groups to share knowledge, information, expertise, support with sometimes complex issues and to share product feedback with the vendor, using the strength of one united voice
- Confirm if your vendor contracts are fit for purpose post-GDPR
- With the intense focus on cybersecurity, creating a strong working relationship between Vendor Management and Information Security should be a focal point
- Vendor Management should be more than a 'tick-the-box' compliance activity that keeps your credit union out of regulatory hot water

If you have any queries on the above, please contact; Gerry Byrne at gbyrne@creditunion.ie

Gerry Byrne, Chief Information Officer, ICT Dept., ILCU

'CREDIT REUNION' RESEARCH FINDINGS



The popular 'Credit ReUnion' television ad.

Amidst a cluttered and competitive market place, with banks ramping up their advertising spend and targeting the personal loan market in a more concerted manner, the credit union National Advertising Campaign (NAC) is working to get a strong and persuasive message to its target audience. The particular focus of this message is to ensure that credit unions remain front of mind for anyone in the market for a personal loan.

The NAC to date has proven to be a great success story for credit unions. It is a real working example of the cooperation amongst cooperatives which is a core ethos of the movement. Since the launch of the 'Credit ReUnion' campaign, there has been a hugely positive response from both credit unions and the general public alike; commenting on, sharing and using the various elements.

The Borrowers

As a direct result of the campaign, the Irish League of Credit Unions (ILCU) was approached by Alleycat Productions, an award winning television and film production company based in Derry. Having viewed the 'Credit ReUnion' advertising campaign, Alleycat wanted to explore the possibility of commissioning a television programme, centred on the people who borrow from credit unions. The ILCU facilitated the filming of a 15 minute pilot in Mullingar Credit Union Ltd. in July 2018. As a result, RTE has commissioned 'The Borrowers' (working title) which will run on RTE1 in a primetime slot, commencing in April.

National Loan Enquiry Tool

Another important measure of the campaign is the number of loan enquiries which it generates online. The NAC's loan enquiry tool on www.creditunion.ie drives loan enquiries from the campaign to participating credit unions. The development of this tool has significant potential for credit unions to directly follow up on hot leads within their local communites. In 2018, loan enquiry leads, amounting to over €124.9 million and £4.1 million, were directed to credit unions on the island of Ireland for follow-up.

Awards

Both of the Credit ReUnion TV ads won bronze 'bells' in the highly competitive Film Advertising category of the ICAD Awards earlier this year. The ICAD Awards are the annual awards for the achievement of creative excellence in Irish advertising and design. The awards themselves, known as 'bells', are considered the pre-eminent Irish creative industry accolade. It is a significant achievement, given the relative budget for the NAC, to have won awards at this event – which the advertising creative industry considers as one of the most important measures of creativity in the country.

Independent Research

Independent Research by Core Research was in field from November 22nd to December 5th 2018, to gauge the resonance of the campaign within both markets. The research was carried out online, and was Republic of Ireland (ROI) and Northern Ireland (NI) nationally representative 18+. The main results of the research are outlined below.

Recall

Recall of the campaign is very strong in both markets. Execution recall hovers around industry norms – which is an excellent return based on the NAC's limited budgets, both creatively and media-buy wise. Regionally, the campaign recall is evenly spread country-wide, as is the recall for urban versus rural. Recall is significantly up on the 2016 campaign in both markets.

Key messages Conveyed

Respondents were asked about the main message of the ad. The 're-join' message emerges clearly in both markets, as does the 'provides loans' message.

Is it Working?

Respondents were also asked if they were to take out a loan, how likely they would be to consider the credit union, and compared the results of those who had seen and had not seen the campaign. Those who had seen the campaign were more positively disposed to taking out a credit union loan, compared to those who had not.

For more detailed figures and findings, credit union staff and volunteers can logon to the affiliate area of www.creditunion.ie and go to the NAC section of the website. In the Credit ReUnion Campaign area you will not only find performance information, but also campaign aims and 2019 media plans.

A sample of the NAC creative.

The use of humour in the television ads resonated well.

YOUTH AND MARKETING CONFERENCE 2019

Attendees at the 2019 Youth & Marketing Conference

Marketing and business development officers, credit union managers, Board members and Chapter youth officers turned out in strong numbers for the annual Youth and Marketing Conference. This year's two-day summit was held at the Hodson Bay Hotel, Athlone on February 23rd and 24th. The conference focused mainly on digital marketing and social media, with the keynote address from Olytico Managing Director, Stephen O'Leary, which focused on how social media listening can help to develop the creation of compelling content and marketing strategies for younger generations.

The annual conference is a crucial meeting for all those involved in youth development and marketing in their credit unions. The key aim of the meeting is to showcase how credit unions can connect and engage with their target market, utilising a broad range of marketing channels. The hashtag for this year's event was #Youthmark19 which was trending on Twitter during day one of the conference.

2019 Focus

The event strives to provide insights into how credit unions can connect with young people, both as members and volunteers. Attendees have the opportunity to hear about the latest youth and marketing initiatives, and receive practical advice on putting them into practice.

Some of the key topics at this year's event included:

- Stop Talking, Start Listening: What Social Media Listening can teach you about your members
- Digital Story Telling – How to engage your community via social media
- Attracting and Retaining Young Volunteers – Expert Panel Discussion
- Digital Account Opening – Case study highlighting how a credit union implemented a full online membership application process
- Utilising the Power of Radio to Connect with Young People
- The Secret of Successful Sponsorships – How to get the most from your local sponsorship activities

Key Presentations

Stephen O'Leary opened the conference with a highly engaging and practical talk on how listening to what is said about your organisation and your industry on social media at a local, national and global level is a crucial factor in forming your marketing strategy.

The presentation heavily focused on actionable takeaways – allowing attendees to immediately start implementing what they had learned. Stephen looked at seven key areas of social media listening. These included listening to;

- Everything on social media; news stories and events, trending stories etc.
- All mentions of your brand on social media
- What your competitors are saying and what is being said about them
- What is being said about your industry
- Global leaders/national leaders in your field (for example credit unions winning awards)
- All mentions/requests/questions about the problem you solve on social media, e.g. listening in to 'Can anyone recommend' type questions on chat forums, or people posting statements such as 'I would love to go on holidays but I never have any money' etc.
- What they really want – e.g. mentions of 'I would love if someone/some organisation provided…..' etc. and then surprising and delighting your audience based on the information you find.

The Youth Panel who listened to credit unions pitch youth proposals from the floor and provided fantastic feedback and insights. They are pictured here with Youth Committee Chair, Margaret Heffernan.

Keynote speaker, Stephen O'Leary, looked at how social media listening can tailor your marketing strategy for your specific audience

> *The hashtag for this year's event was #Youthmark19 which was trending on Twitter during day one of the conference.*

The highlight of Stephen's talk was undoubtedly the segment which focused on building meaningful relationships through surprising and delighting your audience. Stephen demonstrated this in a way which had attendees at the edge of their seats. Stephen selected four different people from the audience, whom he had 'listened' to on their own social media channels throughout the week preceding the conference. He then presented them each with a present, tailored specifically to the interests and hobbies they had mentioned in their social media posts.

Another keynote speaker was Joanne Sweeney, Head of the Digital Training Institute and founder of Public Sector Marketing Pros. Joanne looked at successful storytelling on social media, and tailored her presentation specifically for credit unions, making the content highly practical and actionable. Her five top tips included;

- Tailor your message to your audience, mass marketing is not effective
- Pay to play; it's necessary to invest money if you want to amplify your message and achieve more followers and engagement
- Use short, sharp video snippets
- Embrace 'Stories' on Instagram & Facebook
- Personalise stories so your audience knows you understand them

There was also a very engaging expert panel discussion on *Attracting and Retaining Young Volunteers*, which included Sean Finn, Limerick senior hurler and member of the Board Oversight Committee for Bruff Credit Union Ltd. He shared insights and practical advice for credit unions reaching out to young volunteers based on his own experience of volunteering with the credit union.

Breakout Sessions

As part of the conference, attendees had a choice between three breakout sessions; *Digital Onboarding &CUOnline, New Perspectives – Views of a Marketing Placement Student* and workshop on *Connecting with Young People*, facilitated by the ILCU's National Youth Committee.

The *Digital Onboarding* session was hosted by Padraig Power, Marketing Manager with HSSCU Ltd. He outlined how HSSCU is using its digital platforms to connect with new generations and strengthen member connections.

Marketing student, Jude Diamond, took a placement with Clonard Credit Union Ltd. last year and was tasked with implementing a marketing plan for the credit union to connect with the local community. In his presentation, Jude shared his experiences, and provided guidance on how credit unions may wish to engage a marketing placement student.

The insights and knowledge of attendees shared in the *Connecting with Young People* workshop was used to map out ideas which credit unions could use to connect with this target market.

Pitching to the Youth Panel

Another highlight of the weekend was the groupwork activity, with a guest youth panel from Youthwork Ireland, Laois. In this session, the four young people on the panel put various different challenges to the audience about developing an initiative that would attract more young people to use the credit union. Working in groups, attendees were given a half hour to come up with a proposal, and then pitch it to the youth panel who provided very honest and very insightful feedback!

The final presentation of the weekend was by radio broadcaster and digital content creator, Emma Nolan, who looked at the power of local radio in connecting with young people and how radio can and should be thought of as another social media platform to engage with younger generations.

HOW TO GROW THROUGH DIGITAL TRANSFORMATION

LEARN HOW GLASGOW CREDIT UNION DOUBLED THEIR LOAN BOOK IN LESS THAN A YEAR

Having been in existence since the 1850s, credit unions are no strangers to business change. With the rise of digital transformation well underway, credit unions must adapt to new approaches to meet the needs of new and existing members in the digital era.

The more advanced credit unions have already added digital offerings to keep up with changing expectations and bring value to their members. For example, acknowledging the preference of the 'always on generation' to use a smartphone as their primary touchpoint.
Glasgow Credit Union is one of the largest credit unions in Europe with 35 staff and prides itself on offering cutting-edge lending solutions to its 50,000 customers. With an eye on building an automated lending platform, the company sought an integrated document management and digital signature solution that could improve its customer service using existing systems to enable seamless end to end loan provision.

Over the last year or so Glasgow Credit Union (GCU) has almost doubled its loan book – an impressive feat made all the more remarkable by the fact that it has been achieved without growing staff numbers. Technology has played a crucial part in this success story, attracting younger consumers and enabling GCU to delight its customers with its speed of service – new members can now join the credit union and apply for funds within 15 minutes. As a result, 94% of all new loan agreements are signed within one hour.

"To ensure the viability and ongoing success of the credit union and to make the best use of our members' assets, we have to continue to evolve and find different ways of lending to our customers" says Paul McFarlane - Head of Operations.

Credit unions face competition from private online lenders that are creative in the way they engage with customers and the digital experiences they have to offer, it's time to react, respond and plot a path to stay ahead.

Those who refuse to adapt or transform fast enough won't survive, but the ones who put it as a priority face a big opportunity to grow exponentially. We will show you how to get into the digital game and embrace digital transformation to grow and maximise the long-term benefits for your members.

What is an Enterprise Content Management System?

An ECM solution combines traditional Imaging and indexing of all documents along with electronic forms, workflows, automated business processes, real time reporting all while automatically adding automated records retention policies (GDPR), DoD 5015.2 compliance and being able to do all these things across your whole organisation.

Evolving Nature of Technology and the implications of being left behind

For the past 30 years, the world has changed dramatically because of digital innovation. Now the pace of digital transformation is accelerating, driving further change.

New technologies are introducing entirely new ways of working. While many credit unions recognise the importance of implementing digital transformation strategies, the follow-through has often been lacking, often because their small size means they do not have the latest in-house technology skills and concerns about spending too much on IT. Successful credit unions are recognising the value of providing members with choice, ease of access, efficient speedy decisions and service fulfillment across all delivery channels.

Overcoming the bottleneck of processing loan agreements

As credit unions grow, processing loan agreements become increasingly more time consuming, as they required staff to wait for off-site scanning to access documents. Completing loan review and approvals also involved toggling between multiple applications and manually entering data. Glasgow Credit Union (GCU) needed a document management system that could integrate with its CRM system and reduce reliance on outside vendors.

After considering a range of systems, GCU chose Laserfiche, a leading document management and business process automation system with over 5 million users worldwide. Head of Operations, Paul McFarlane, says Laserfiche's capabilities to integrate with other business systems were a large part of the credit union's decision to use system, as the organisation saw the potential to improve document access for the credit unions' customers and employees.

Laserfiche now automatically scans and digitises loan paperwork and allocates it to relevant employees for processing. Automated workflows can initiate complex payment loan payments and kick off notifications to other areas of the business for review. Employees can access all digital documents handled by Laserfiche directly within the company's CRM system.

"Our vision is to be the lender of choice within our marketplace – MBS, Laserfiche and DocuSign have helped us to achieve that" says McFarlane.

KEY CONCERNS WE WILL ADDRESS

- How to grow without increasing staff overheads
- How to deliver low paperwork solutions
- How to speed up processes to meet the target market's increasing expectations
- How to compete with the simplicity of payday loan companies
- How to connect with members more effectively

KEY TAKEAWAYS

- A growing number of credit unions are going digital
- Credit unions can stay accountable and bring real value to their members and communities through digital transformation.
- Many credit unions won't transform fast or thoroughly enough
- Credit unions are well positioned to digitally transform
- Next-generation members will expect a highly digitised experience
- Investment in technology is key to staying ahead

The Opportunity: Responding to digital disruption

While more credit unions are leveraging digital strategies, multiple options can make it intimidating and challenging to figure out what works and what doesn't.

You need a foundation that allows you to experiment and evolve. Your information – including emails, documents and video - needs to be held in a flexible platform that can be readily integrated with legacy applications and potential future ones.

As digital transformation calls for complex skills, it is critical to build on the advice from a trusted digital partner to implement the right technology platforms and execute well. Credit unions have an increasingly valuable role in the community as the public strive further towards not for profit organisations. Technology can empower credit unions to manage correspondence, business processes, and compliance as a unified solution.

Above all, it can create value for the member and the organisation. It is about having the organisational change capacity to manage multiple change initiatives in parallel with business as usual activities – because change is the new business as usual.

There is opportunity – for those ready to turn vision into action – to create a foundation for transformation, unlock your digital potential, and stay ahead of the competition.

Laserfiche®
Run Smarter®

In short: think big, start small, act fast – and start now.

We provide business solutions using leading IT products to over 300 organisations in 39 countries. We support a wide range of sectors including financial services, manufacturing, utilities and public services.

Our business is growing rapidly – by over 25% in 2017 and is on track to do the same again in 2018/19. Now technology is evolving at a rapid rate, we partner with market leading vendors to support clients in a wide range of sectors including credit unions, CSPs, and stockbrokers.

With over a decade of providing automation solutions to clients, our technicians can add real value to your business. Think of us as a trusted advisor ready to transform your culture, boost your bottom line and, ultimately, improve the flow of information around your entire business.

Why not see for yourself?

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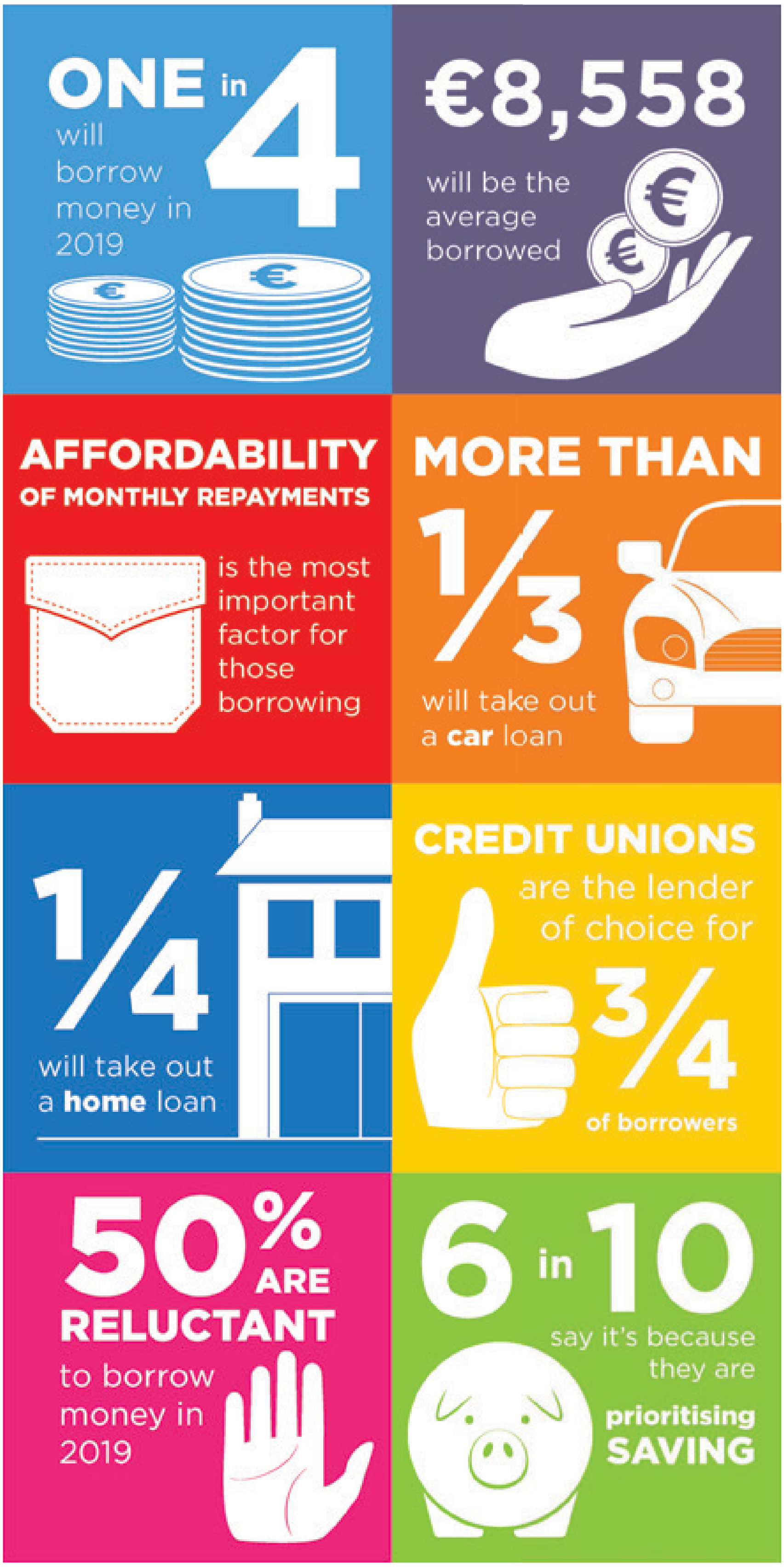
THREE QUARTERS OF BORROWERS WILL CHOOSE A CREDIT UNION LOAN IN 2019

New, national research commissioned by the Irish League of Credit Unions (ILCU) has revealed that the vast majority of people who plan on borrowing in 2019 will go to a credit union. The study of 1,000 adults in Ireland found that one in four plan on borrowing money this year. 74% of these will go to the credit union. Banks were in second place as the lender of choice, but came in far behind credit unions at just 17%.

Borrowing Trends

The research was carried out by iReach Insights in December 2018, and examined borrowing and debt trends amongst adults. For those planning to borrow, family or friends will be the go-to lenders for 5%. 1% said they would borrow from a moneylender. Borrowers will take out an average loan of €8,558. The majority (42%) plan on paying the money back over three to five years.

More than a third said they would take out a car loan. A quarter planned on taking on a home loan, while 16% said they will borrow to go on holiday or travel. 9% will borrow to fund third level education and 5% will borrow for their wedding.



Half of adults surveyed said they would be reluctant to borrow from a financial institution this year. 45% said this is because they are prioritising saving money over borrowing, and always do so regardless of the economic climate. A further 16% said they are prioritising saving because of their experience during the recession.

Deciding Factor in Choice of Lender

The affordability of monthly loan repayments stood out as the deciding factor in people's choice of lender – with 36% saying this was the most important factor for them. Less than a quarter (23%) said it was the APR rate. 15% said confidence in knowing their loan would be approved would dictate who they would borrow from. 11% said it would be the ease and convenience of the loan application process.

Speaking about these results, ILCU Head of Marketing and Communications, Paul Bailey, said: "It is of concern to us that there appears to be a lack of understanding among borrowers of how much the loan is actually costing them. Our survey shows that borrowers tend to focus on monthly repayments, rather than on the cost of credit, which is the total amount they will end up paying back to the lender. Another important factor to consider when borrowing is that the loan term is proportionate to the amount being borrowed. Our advice to anyone planning to borrow in 2019 is talk to your local credit union where you will be provided with a straightforward and transparent explanation of lending terms and conditions. Credit unions are ethical lenders, dedicated to providing fair loans to their local communities without any hidden charges, and with fair repayment terms."

Borrowing History

When asked about their relationship with borrowing money to date, most people (23%) said they had only ever borrowed for a mortgage. 21% said they had both a mortgage in addition to other good-size loans. 15% said while they didn't have a mortgage, they had other good-size loans, such as car or education loans.

13% said they borrowed several times per year to fund expenses such as holidays, Christmas and back-to-school expenses. A lucky 22% said they had never borrowed, and funded everything through their income and savings.

Debt

More than a third of adults said they will carry debt from a previous loan into 2019. Nearly half of these adults (48%) said they will have this debt in addition to a mortgage.

Eight in ten said the debt stemmed from a personal loan. 11% said they will be in debt in 2019 due to an education loan, while 5% said their debt would be due to a business loan.

Over a third of all adults responding to the survey (36%) said they would turn to family members or partners for advice if they found themselves in unmanageable debt in 2019. This was followed by 28% who said they would turn to the Money Advice and Budgeting Service (MABS). 19% would go to their local credit union for assistance, while just 8% would go to their bank.

Commenting on this aspect of the report, Paul Bailey said "We would strongly encourage those shouldering debt to make 2019 the year to focus on personal finance and clear any unnecessary debt they have. Credit unions are always on hand to assist people in this area and offer guidance on cost-effective ways to clear outstanding loans and debt. Anyone – even if they are not yet a credit union member - is welcome to approach their local credit union for assistance, be it for budgeting and savings guidance, or for information on the loans on offer. The membership process is quick and convenient and they can avail of credit union services as soon as they become members."

REPORT OF THE CUAC REPORT IMPLEMENTATION GROUP

The recent report of the Credit Union Advisory Committee (CUAC) Report Implementation Group is another step in enabling credit unions deliver more for their members. The report arose from the Irish League of Credit Unions (ILCU) lobbying in 2015 for such a review. Faced with CP88 (Consultation Paper 88) from the Central Bank of Ireland (CBI), credit unions made plain their dissatisfaction with further significant restrictions on the movement, including a savings cap. There were two private members debates in the Dáil. Consequently there was eventual agreement from the then Minister for Finance, Michael Noonan TD, in November 2015 to the review of the work of the 2011 Commission on Credit Unions, which reported in July 2016. That review resulted in the work of the Implementation Group and their report published in January 2019. This is delivery on grassroots campaigning by credit unions and the result of collaborative engagement with stakeholders, including the Department of Finance.

The Implementation Group had their first meeting in February 2017, and while initially established for one year, its term was extended for an additional year by the Minister for Finance. The Implementation Group was not tasked with addressing legislative or regulatory issues facing the sector, other than those recommended in CUAC's Report, namely:

1. Tiered Regulation
2. Lending
3. Consultation and Engagement
4. Governance
5. Restructuring
6. Business Model Development
7. CUAC Reports on Interest Rate Ceiling, AGM Voting and Common Bond.

The Implementation Group was chaired by the Department of Finance and consisted of one member from each of the credit union representative bodies, the CBI and CUAC. The Department of Finance provided secretariat. The Implementation Group met 18 times during 2017 and 2018, and worked through each of the CUAC recommendations.

The final report deals with each of the seven topics listed above, and a summary of the outcomes on each is included below.

1. Tiered Regulation

In light of the CUAC recommendation, and the CBI commitment to examine tiered regulation post restructuring, the Implementation Group prepared a paper reviewing the various recommendations of the Commission on Credit Unions, CUAC and the CBI. The paper focused on tiered regulation for credit unions, and considered the current position in relation to the credit union sector. On balance, however, the Implementation Group felt that at this stage, pursuing tiering within Regulations (rather than a formal tiered regulatory structure which would divide the sector into two tiers) may better serve to meet the needs of evolving credit union business model demands.

2. Lending

The Implementation Group issued a Scoping Document in November 2017 to the CBI to assist in preparing for any proposals for changes to the Section 35 (Lending Regulations) that it develops for consultation, in accordance with its statutory mandate.

In March 2018, the CBI informed credit unions that a review of credit union lending limits had commenced, noting that the matter had been highlighted for review in various fora, including through the Implementation Group. A questionnaire was issued in April 2018 seeking information to inform an in-depth examination of the lending limits, and the Consultation Paper (CP125) was published on October 24th 2018. The final Regulations are likely to commence in Q3 of 2019.

3. Consultation and Engagement

The Implementation Group Report noted that since the publication of the CUAC Report in July 2016, CBI engagement with the sector has improved, both formally and informally. Improvements listed included: Information Seminars, CEO Forum, Workshops, stakeholder events and MPCAS Approval Process.

4. Governance

In its report in July 2016, CUAC considered that governance requirements on Irish credit unions are on par with international best practice, with further additional governance requirements unnecessary. The Implementation Group proposed that the

The report arose from the Irish League of Credit Unions lobbying in 2015 for such a review.

Department of Finance review the CUCOR Act, to ensure that the requirements imposed on Boards are appropriately balanced between Board, Board Committee and management responsibilities. This could include looking at the frequency of reporting for the Board Oversight Committee, addressing potential anomalies regarding election eligibility and voting, and ensuring the provisions are appropriate and up to date in light of advances in Data Protection rights etc.

5. Restructuring
The Department of Finance will progress a review of restructuring in 2020-2021, to allow for time to incorporate several years of post-merger data. This review will involve both quantitative and qualitative analysis, and will recommend mechanisms to provide support in the areas where the review determines that such support is necessary. In addition, the CBI will publish a thematic review on Transfers of Engagements undertaken since 2013.

6. Business Model Development
The report states that significant efforts have been made by individual credit unions, and the representative bodies, to develop the business model to address current and emerging challenges. A CEO Forum has also been established by the CBI to address issues relating to business model development. Separately, the Minister has requested that the new CUAC specifically review barriers to, and supports for, collaborative efforts. The CBI published CP125 on October 24th 2018, which outlines proposals for amendments to the lending framework for credit unions. The revised Investment Regulations, in force from March 1st 2018, allow for investment in social housing through Tier 3 Approved Housing Bodies (AHBs).

7. Interest Rate Ceiling, AGM Voting, Common Bond
CUAC's view is that credit unions should be permitted to charge an interest rate on loans greater than the present ceiling of 1% per month. CUAC believes that the loan interest rate ceiling should be raised to 2% per month. The Implementation Group reviewed the CUAC recommendation and agreed in principle to the proposed legislative change, but included provision for the interest rate to be amended by Statutory Instrument, to provide better flexibility should interest rates rise. The recommendation of CUAC and the Implementation Group is aligned with a similar recommendation that has been put forward recently in the "Interest Rate Restrictions on Credit for Low-income Borrowers" report. This was compiled by the Centre for Cooperative Studies University College Cork on behalf of Social Finance Foundation.

CUAC recommended that, as an alternative to in-person attendance at AGM, credit unions should also offer members the option of voting electronically. CUAC notes that the introduction of electronic voting by members will require changes to the Credit Union Act, 1997. Legislative changes in this regard could be considered if other legislative amendments were being made. In the meantime, the Department of Finance and/or CUAC are to consider the recommendation further.

In terms of the Common Bond, the Implementation Group agreed in principle to allow credit unions to introduce business to other credit unions, while respecting and maintaining the integrity of the current common bond. Further consideration is necessary however to ensure that any proposed changes respect the integrity of the current common bond.

At its meeting on January 31st 2019, the Oireachtas Finance Committee considered the report of the Implementation Group.

IAS INTERNAL AUDIT SERVICES
PART OF THE ILCU GROUP

Who Audits Internal Auditors?

Have you ever wondered who checks the work of the Irish League of Credit Unions Internal Audit Services Ltd. (IAS)? Is it actually checked at all? The answers to both questions can be found in the statement below, which outlines the compliance standards that apply to internal auditors regarding an External Quality Assessment (EQA).

To comply with Internal Auditing professional body standards, and those of other relevant bodies, external quality assessments of internal audit functions must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

So there is the answer – **a most definite YES**. There is a professional requirement for external assessment of internal audit functions. Who knew? IAS did - and doesn't it make sense that credit unions who outsource their internal audit function (*a category which represents the significant majority in the Republic of Ireland [ROI] and increasing numbers in Northern Ireland [NI])* should not only be aware of this requirement, but also check and validate it as part of their due diligence of the internal audit function?

Moreover, if a credit union is going that far, they might as well read the report of the independent assessor, as part of their reflections on the professional standards of the internal audit services.

After all, guidance from the regulatory authorities encourages Boards of credit unions to consider the added value element that a preferred internal audit function can bring to a credit union. Budgetary considerations alone should not be the primary driver.

Credit unions are already free to request the latest EQA Report from their internal auditor as part of their annual review of the internal audit function, or at any time for that matter. Before making that call, it might be worth checking the constitutional documents provided by the internal audit function at the outset. These would include the Letter of Engagement, Terms of Reference and Internal Audit Charter. The credit union should read each to see what they say about compliance with Internal Auditing Standards, meeting the regulatory requirements (Credit Union Handbook) and whether they make any reference to EQA.

Before going down the road of reviewing an EQA Report, it would be useful to have an idea as to what aspects of the internal audit function it typically covers. The report is likely to address the following:

The Purpose of the Assignment
The purpose of the EQA review is to both meet the regulator's requirements and to ensure that:

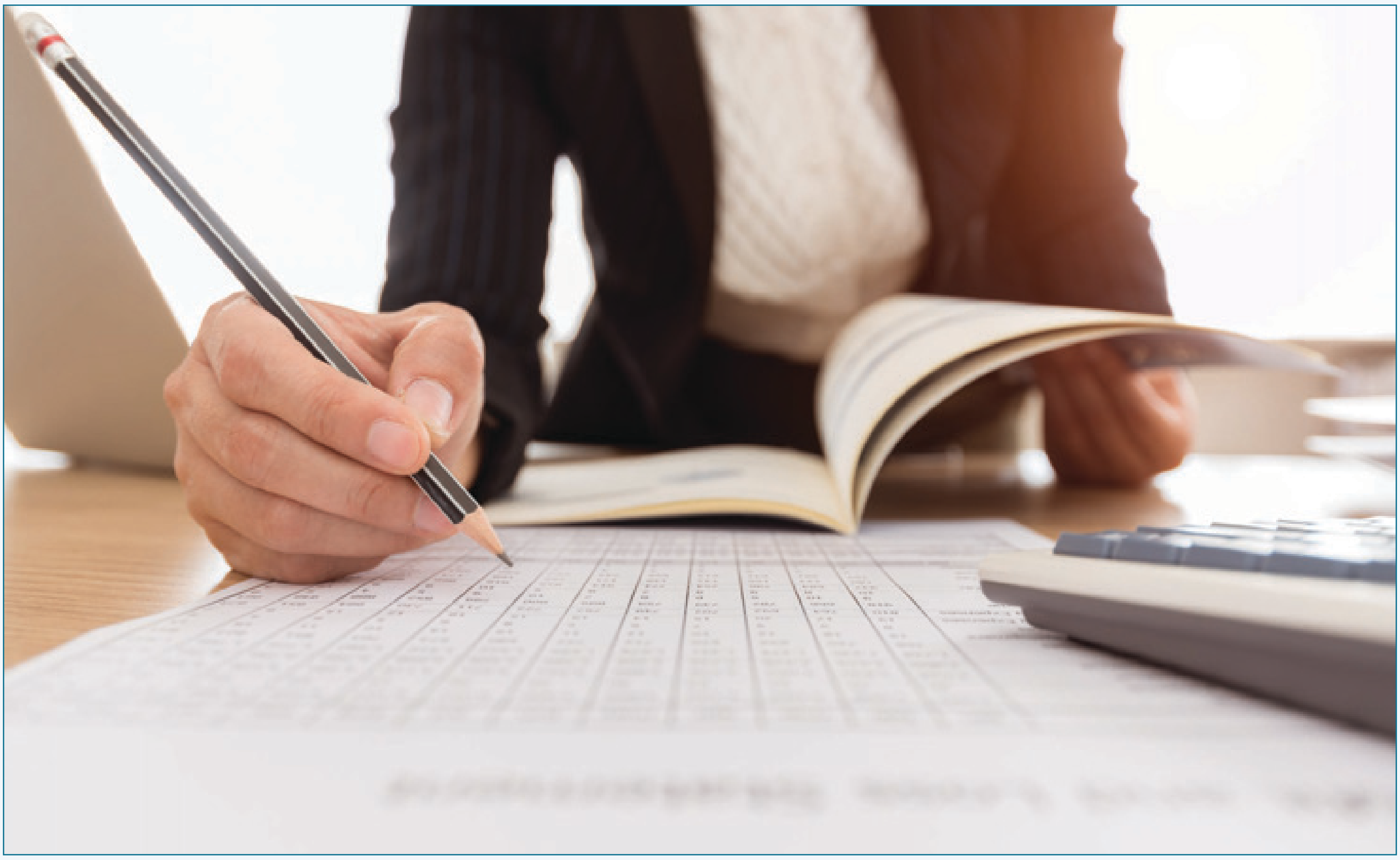
- The audit process is robust from an IIA professional standards point of view.
- It meets the regulatory requirements for internal audit as specified in the Credit Union Handbook.
- There is ongoing compliance with legal requirements.

The external review will also seek opportunities to enhance standardisation in internal audit practices and methodology being applied, thus ensuring conformity with professional standards, and ultimately benefitting the credit union being audited - and wider stakeholders.

Methodology & Approach of the Independent Assessor
This could include:

- Review of compliance by the internal auditor with the requirements of the Credit Union Handbook.
- Review of compliance with internal auditing professional body standards.
- Consideration of the robustness of the systems and processes established by the internal auditor, and whether they deliver a quality service to the credit union.
- Review of key documents such as Risk Assessments, Internal Audit Plans, Audit

"This approach enables us to audit efficiently in identifying and reporting on control weaknesses and unwarranted risks to members' interests"



Work Papers and Internal Audit Reports.
- Questionnaires issued to clients of the internal auditor.
- Detailed testing of audit work undertaken.
- Review of internal audit staff training and CPD.

Findings
Flowing from the work undertaken by the assessor, the credit union can expect to see an Overall Conclusion supported by:

- Detailed findings on the areas reviewed and tested.
- Individual recommendations directed at improving the usefulness of the internal audit function to you, the client.
- A Summary of Findings based on a scoring system, designed at determining conformity with professional standards across the internal audit disciplines reviewed.

At IAS we have always believed in an approach to audit work based on the ethos of the wider movement, and this includes actively collaborating with management, staff and the Board of credit unions where we are privileged to have been chosen as the provider of their internal audit function.

This approach enables us to audit efficiently in identifying and reporting on control weaknesses and unwarranted risks to members' interests. It also enables us to share best practice from being providers of internal audit services exclusively to the credit union sector.

Findings and recommendations in audit reports are directed at addressing the underlying cause of practices that are not fully compatible with good governance, sound risk management and robust internal controls.

As such, IAS is a firm believer in being open to independent review of its operations, and being actively co-operative with those independent assessors appointed by the IAS Board.

How did IAS fare?
The team is proud to report that IAS was classified as 'Generally Conforms'. This is in fact the highest rating, and is considered a huge compliment in the internal audit industry. It allows IAS to state that its work is performed in accordance with the International Professional Practices Framework (IPPF). The framework is the authoritative guidance for the internal audit profession set out by the Global Institute of Internal Auditors.

IAS is sharing this news with you to reinforce its belief that openness and transparency will ultimately improve the way it looks after credit unions and their members' interests - something all stakeholders have a vested interest in.

For more information on all matters internal audit please visit the IAS page in the affiliate area of the credit union website.

IAS is always looking to serve new credit unions and the necessary contact points are listed below:

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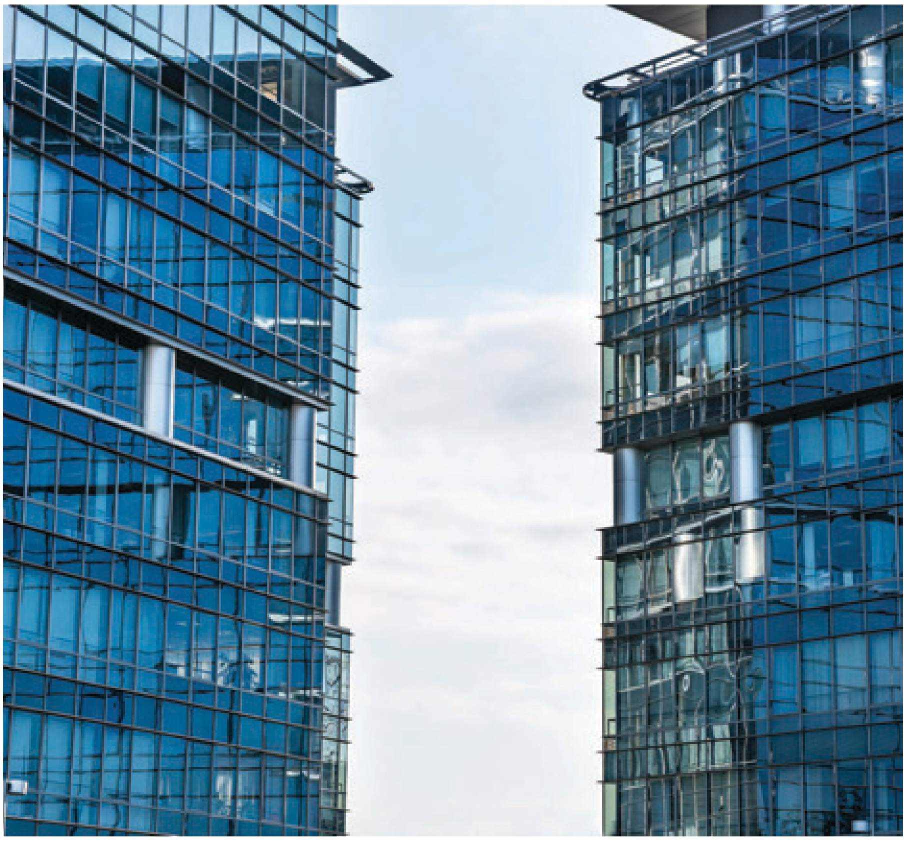
The Domestic Economy

OVERVIEW

Following a strong performance last year, while the underlying outlook for the economy remains positive, it is subject to heightened levels of risk and uncertainty. There has been some lowering of the prospects for growth in our main trading partners. Downside risks arising from uncertainty regarding the terms of the UK exit from the European Union (Brexit) have heightened. Growth in underlying domestic demand is forecast by the Central Bank of Ireland (CBI) to slow from about 6% in 2018 to 4.1% percent this year, moderating further to 3.3% in 2020. Strong labour market conditions that underpinned a marked acceleration in consumer spending last year will continue to support consumer demand this year and next. However, with increasing uncertainty about economic prospects weighing on sentiment, consumer spending is unlikely to match the growth in disposable incomes. The CBI forecasts that growth in consumer spending will slow from 3% last year to 2.1% this year, and 2% in 2020.

The strength of domestic demand is not reflected in the consumer and corporate credit trends which remain subdued. While new lending to both households and small and medium sized enterprises (SMEs) is growing at an increasing rate, in both cases it remains below the rate of repayment of outstanding loans. This ongoing deleveraging has resulted in significant declines in debt burdens from pre-crisis peaks. In the household sector, for example, the debt to disposable income ratio has declined from a peak of over 210% in 2009, to less than 128% in 2018 Q2. This ratio, nevertheless, remains high by international standards and is the fourth highest in the euro area.



Inflation

Underlying inflationary pressures in the Irish economy remain subdued despite the strength of domestic activity. While higher energy prices pushed up headline inflation during the course of last year, core inflation (excluding exergy prices) has been barely positive (0.1% in November). Average headline inflation last year of 0.7% reflected a 0.2% decline in goods prices, offset by a 1.6% increase in services prices, which were mainly driven by growth in housing rents. Headline HICP inflation is projected to pick up marginally to 0.8% this year as weaker goods prices inflation, arising from exchange rate effects, and lower energy prices offset a gradual pick up in services inflation - due to increasing wage pressure in a gradually tightening labour market. HICP inflation is forecast by the CBI to average 1.3% in 2020.

The Labour Market

Labour Force Survey (LFS) data shows that employment was 3% higher on an annual basis in Q3, representing an additional 67,000 persons at work compared to the same period in 2017. Employment growth was relatively broad based across the services sector during this period, with the largest increases coming in accommodation and food, administration and support services, and education. There was also a large rise in employment in the construction sector over the year. These developments offset a decline in industrial employment and brought the total number of persons at work to 2.27 million, a new peak level for the Irish economy. The CBI believes that the pace of expansion in employment will moderate in the coming years, and forecasts employment growth of 2.2% and 1.7% for 2019 and 2020 respectively.

COMMERCIAL PROPERTY
In the year to Q3, 2018 Industrial and Office capital values grew by 1.7% and 1.6%, respectively.

Taking account of this outlook, unemployment is expected to continue to fall over the forecast horizon. The seasonally adjusted unemployment rate was 5.7% in the third quarter of 2018, a full percentage point lower than a year earlier. In terms of numbers, that represented a fall of 20,000 to 136,000 over the year, with around one-third of these classified as long-term unemployed. The CSO's monthly unemployment data, meanwhile, points to further declines in October and November. Reflecting these developments, the unemployment rate is estimated to have averaged 5.7% for 2018 as a whole. Further declines to 4.9% and 4.7% are projected by the CBI for 2019 and 2020 respectively.

Pay
In light of labour market prospects, wage pressures are projected to strengthen. Economy-wide compensation - which reflects the growth of employment, hours worked and earnings - is estimated to have grown by 5.9% in 2018, up a full percentage point from a year earlier. Further increases of 5.7% and 5.4% are expected by the CBI in 2019 and 2020 respectively.

The most recent earnings data points to some increase in wage inflation. While the average hourly earnings growth rate moderated in the third quarter, an annual increase of 2.7% was recorded for the first three quarters of the year together. This compares to growth of 0.6% and 1.6% in the same periods of 2016 and 2017 respectively. Wage growth in 2018 appears to have been relatively broad based across sectors, with particularly strong increases occurring in mining and quarrying, information and communication, and financial and service activities.

Residential Property
The latest data from the CSO's Residential Property Price Index for October 2018 shows an increase of 8.4% in the previous 12 months. The annual rate of residential property price growth is now at its lowest level in two years. Residential property prices in Dublin showed an annual increase of 6.3%, while a 10.6% increase was seen across the rest of the country. This disparity has existed since mid-2014, and is partly driven by the fact that Dublin property prices recovered at a faster rate after the crisis.

Commercial Property
The latest data from MSCI/IPD shows continued moderation in commercial property prices. In the year to Q3 2018, Industrial and Office capital values grew by 1.7% and 1.6%, respectively. This is down from rates of 7.4% and 5.7% seen in Q3 2017.

Retail property prices are down slightly from 2017 levels – showing an annual decrease of 0.3%.

TNA Toolkit: Supporting credit union officers responsible for training

Recognising the unique training requirements of each credit union, CU Learning & Development (L&D) has developed a Training Needs Analysis (TNA) Toolkit for your use. These are used to determine what training is needed to assist individuals and the credit union accomplish goals and objectives. An initial step is to examine staff and volunteer knowledges, skills, designations, to identify gaps and areas in which continued training is required.

A number of helpful tools have been collated that will assist in identifying these training needs and requirements on an annual basis. When employed, these will support your credit union strategy and succession planning over the coming years.

The alignment of training with overall credit union planning allows for synergies between planning, capability maintenance and capability development. These areas are embedded in the annual learning and development cycle.

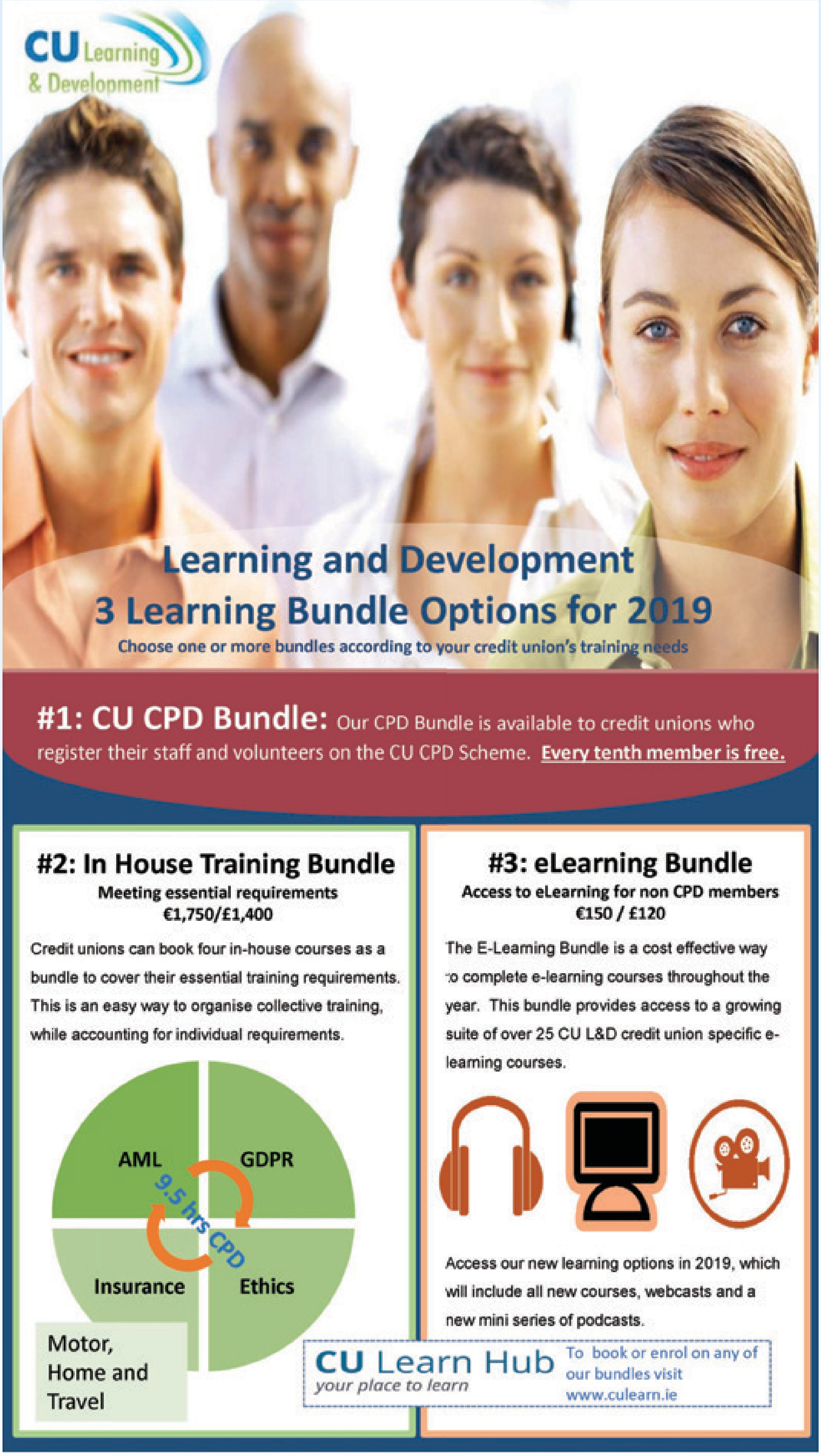
When considering your credit union's training needs for 2019, L&D encourages engagement with the complete TNA process. The training courses and educational programmes have been developed with this process in mind, identifying Learning Outcomes and Learning Objectives that fit your needs.

Chairs' Forum 2019

The annual Credit Union Chair's Forum will take place on May 18th 2019 at the Tullamore Court Hotel. This day-long event has been designed with the needs of Chairs and Vice Chairs in mind, and has been guided by their input.

The forum allows both new and experienced Chairs and Vice Chairs to meet and reflect on topical issues. These will include; Volunteering, Board Dynamics and Marketing. A panel discussion from guest speakers will explore the synergies and convergence of leadership and governance on the topics discussed throughout the day.

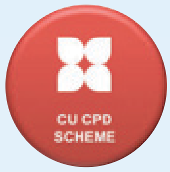
CU Learning & Development



L&D Bundles 2019

Three bundles are available in 2019, which have been developed to offer credit unions both economies and flexibility, according to their needs.

These bundles are:



1. CU CPD Bundle: catering for group CU CPD membership, every tenth member is free

2. In-House Training Bundle: streamlining the booking process and offering savings for essential training in-house

3. eLearning Bundle: providing access to the full suite of eLearning courses.

All-new for 2019 will be the L&D mini-series of Podcasts. They will support existing learning and explore topics that will bring a greater variety of knowledge to L&D learners. Being on-demand, this allows for flexible delivery and facilitates self-paced learning.

ILCU Foundation – Celebrating 30 Years

Although established in the 1980s, the Irish League of Credit Unions (ILCU) International Development Foundation (The Foundation) was formally registered as a not-for-profit company in April 1989. The Foundation then subsequently received charitable status. For 30 years, the aim has been to help reduce poverty in some of the poorest countries in the world through support of the credit union model. The Foundation has also provided technical support to credit union movements in low-middle income countries. These countries continue to look to the Irish credit union movement for guidance and support to ensure strong, secure and sustainable credit union movements in their own countries.

All of The Foundation's work benefits the staff, Board members and ultimately credit union members. Its support provides training and builds capacity of those involved in the credit union, and therefore ensures members have access to savings and loans. This in turn helps individual members to escape a life of poverty, to provide for their family and to ensure a brighter future.

The Foundation is forever grateful to the credit unions and their members who contribute to its work on an annual basis. To the many volunteers who have given their time over the years, external funders, corporate partners and Board of Directors and staff – THANK YOU. Lastly, thank you to the ILCU, who had the foresight to set up an organisation to give back to others, by helping people help themselves through an ethical financial co-operative, that provides access to savings and loans for all its members.

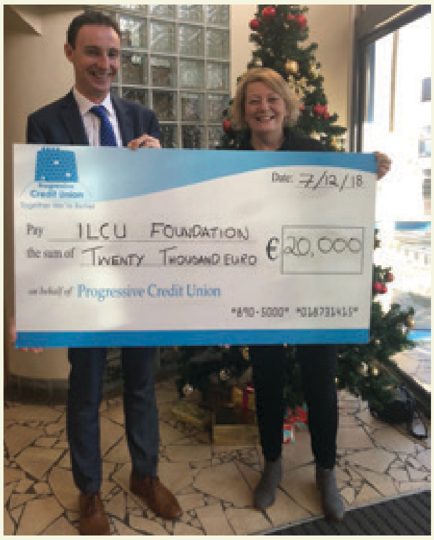
Celebrating 30 years as the charitable arm of the Irish credit union movement.

To mark 30 years as the charitable arm of the Irish credit union movement, The Foundation will undertake a number of initiatives throughout the year, so keep an eye on all communication channels.

Credit Union Contributions

Thank you to all of the credit unions that have supported the work of The Foundation in 2018. Thanks too, to the credit unions who had representatives speak to their members at their AGM. Unfortunately, contributions from credit unions, which is the primary source of funding for The Foundation, decreased in 2018. Income for year-end was less than €590,000. This is a significant concern, especially for the three core credit unions movements that are supported by The Foundation in Ethiopia, Sierra Leone and The Gambia. The Foundation asks credit unions who currently don't support its work, to consider making a financial contribution in the year ahead. If a credit union would like further information about the work carried out by The Foundation, please contact Sinéad on 01 614 6945 or email slynam@creditunion.ie

Kieran Brosnan, Chairman of People First Credit Union presenting a cheque for €10,000 to Alan Moore, CEO, ILCU Foundation.



Jill Kiernan, Secretary, Progressive Credit Union presenting a cheque for €20,000 to Alan Moore, CEO, ILCU Foundation.

Educating and Empowering

In January 2019, seven volunteers travelled to West Africa to participate in The Foundation's Volunteer Coaching Programme. This two week programme allowed volunteers to share their expertise and knowledge of credit unions with their counterparts in Sierra Leone and The Gambia. The volunteer coaches also had the opportunity to meet credit union members, and hear about how the credit union is making a real difference in their lives. This is the tenth year of the Volunteer Coaching Programme. The ILCU Foundation is very grateful to all the volunteers for giving their time, and to their credit union Boards for supporting this endeavour. You can hear more about the January Volunteer Coaching Programme in the next edition of CU Focus.

Pauline Tourish, B&S Credit Union, Rosaleen Bradley, Newington Credit Union Bernie Moran, Roscommon Credit Union, Barry Treacy, Youghal Credit Union, Ted O'Sullivan, Douglas Credit Union, Alan Duff, Health Services Staff Credit Union, Michael Byrne, Core Credit Union.

Cooperation among cooperatives.

Sharing Expertise and Knowledge

Many thanks to the credit unions who hosted a visiting delegation from the Russian credit union movement in November. The delegation focused on various topics during their study visit, and received lots of great information and advice from the credit unions that they visited. Galina Shubina, Chair of Metallist Credit Cooperation and head of the delegation, noted how the group were overwhelmed by the welcome they received in all of the credit unions and the knowledge they gained. She said: "We hope that we can now develop our credit unions even further. Thank you for helping us."

Barbara Markey, CEO of Slane Credit Union Ltd., Charles Murphy, ILCU President, John Long, ILCU Foundation, Ann Griffin, BOC, Finn Cullen, Director and Eileen Hogan, Chair, with the delegation from Russia.

John Martin, Chair Ballyfermot & Inchicore Credit Union, Phillip Kelly, Operations Manager, Bridget Hynes, CEO, Marie Dodrill, Director, Mary Daly, Director with Marie Sealy, ILCU Foundation and the delegation from Russia.

Mike Cosgrave, CEO Kilcloon Credit Union Ltd., Anne Tynan, Chair, and Helene McManus, ILCU Board Director, with the delegation from Russia.

NEWS AND UPDATES

Ezine: Subscribe to our quarterly ezine to keep updated on everything happening in The Foundation – visit the website www.ilcufoundation.ie to subscribe.

For more information on the ILCU Foundation, contact Sinéad on 01 614 6945 or email slynam@creditunion.ie

Keep up to date on Facebook and Twitter - ILCU Foundation

EMPLOYMENT (MISCELLANEOUS PROVISIONS) ACT 2018

The **Employment (Miscellaneous Provisions) Bill 2017** was signed into law by the President of Ireland in December 2018, and will come into force from the first week of March 2019.

Summary

In summary, the Act:

- requires employers to provide new hires with a written statement of core terms of employment within five days of starting employment;
- bans the use of '*zero hour*' contracts, except in very limited circumstances;
- introduces the concept of an entitlement to '*banded hours*';
- provides for a right to a minimum payment where an employee is required to be available for work but is not actually called into work.

The objective of the Act is to address issues that arise for workers with unspecified/insecure hours of work by the provision of new statutory protections and rights, and the prohibition of the use by employers of zero-hour contracts, save in certain limited circumstances.

The main provisions in the Act contain amendments to the following Acts:

a) Organisation of Working Time Act 1997; and

b) Terms of Employment (Information) Acts 1994 – 2014.

Key Questions Relating to the New Act

1. What additional information will I now have to include in contracts of employment?

The new legislation requires employers to issue written statements to employees with details of the daily and weekly working hours which the employer reasonably expects the employee to work. If you already include this information in contracts of employment, then you will likely be compliant with the legislation. If not, from March 2019, you will be required to state the number of hours which you **reasonably expect** the employee will work (a) per normal working day, and (b), per normal working week in all new contracts issued. Under pre-existing legislation, an employee who already has a contract of employment may request a statement which includes the information outlined above. The employer should provide that written statement within two months of the request.

The requirement, under the Act, is to notify employees in writing of five core terms of employment within five days of commencement of employment. Presently, an employer must provide a written statement to an employee outlining the terms and conditions of employment within two months of the commencement of the employee's employment. Failure to do so enables an employee to make a complaint to the Workplace Relations Commission (WRC), which if successful, could result in an award of up to four weeks' remuneration.

The Employment (Miscellaneous Provisions) Act provides that an employer must notify an employee of five core terms of employment within five days from the commencement of employment.

These core terms are as follows:

a. names of employer and employee;

b. address of employer;

c. expected duration of temporary employment, or the end date of a fixed-term contract;

d. the method of calculating pay and pay reference period for the purposes of the National Minimum Wage Act 2000; and

e. the number of hours which the employer "reasonably expects" the normal length of the employee's working day and week will be.

This provision supplements, rather than replaces, an employer's existing obligations under the 1997 Act.

2. Is it still possible to use zero hours contracts?

Zero hours working practices will be abolished in most cases with effect from March 2019. The legislation requires that the number of weekly working hours in a contract of employment be greater than zero, but continues to facilitate low hours contracts. Employers will no longer be able to use zero hours working practices unless they relate to:

- work of a casual nature
- work done in emergency circumstances
- short-term relief work to cover routine absences

It is important to note that zero hours working practices (where an employee is required to make themselves available for work but then may not be called upon to work) are already rarely used in Ireland because of pre-existing restrictions in the Organisation of Working Time Act 1997.

3. Are "as and when required" contracts still permitted?

So-called "as and when required" arrangements (where employees may refuse without consequence hours of work offered by the employer) will still be a permitted form of employment relationship once the Employment (Miscellaneous Provisions) legislation comes into effect.

4. So, what is the impact of the new legislation on variable hours contracts?

While such contracts continue to be a valid form of employment, under the new legislation, employees will be able to trigger a request to be placed on a band of hours which reflects their average working hours in the previous 12 months. Employers need to comply with a request within four weeks of its receipt, ensuring that over the following 12 month period, the relevant employee is allocated weekly working hours which on average fall within the relevant band.

An employer may refuse to place an employee on a requested band where:

a) there is no evidence to support the claim

b) exceptional, unusual or unforeseeable circumstances arise

c) there has been a significant adverse change impacting on the business during or after the reference period

d) the average hours worked during the reference period by the employee were due to a temporary situation that no longer exists

5. What are the bands of hours in the legislation?

Bands of weekly working hours

Band	From	To
A	3 hours	6 hours
B	6 hours	11 hours
C	11 hours	16 hours
D	16 hours	21 hours
E	21 hours	26 hours
F	26 hours	31 hours
G	31 hours	36 hours
H	36 hours and over	

6. What if I need to revise downwards the working hours of someone placed on a band following a request?

There is no facility in the legislation to revise downwards the hours of an employee who has requested placement on a specified band. The options of short-time and lay-off remain available to employers, but they should be mindful of how those statutory measures are applied, as a reduction in working hours can constitute penalisation for the purpose of the legislation.

7. I have a number of part-time employees who regularly work extra hours. How will these arrangements be affected?
If your employees regularly work beyond their contracted hours, they may request to be placed on a band of hours based on their average hours worked in the previous 12 months. You will be obliged to facilitate this request, unless you are in a position to avail of one or more of the four grounds of refusal outlined above. This new entitlement will become effective in March 2019, permitting any employee who has 12 months' service with an employer, as at the date of commencement of the legislation to issue a request to be placed on a specified band.

8. I sometimes send employees home if it is quiet or cancel their hours at short notice. Will I still be able to do this?
This question relates to situations where an employee is required to make themselves available for work in a particular week and then not called into work, or else sent home early. If you either send employees home or cancel the hours they have been rostered to work, then the employee must be paid a minimum payment of three times the national minimum wage/minimum rate set down in any applicable Employment Regulation Order in line with the terms of section 15. It is important to note that this provision does not apply to 'on call' work to deal with emergencies or other events.

9. I have a range of staff; some are students who work sporadically, some are individuals who are seeking increased permanent hours. How are these groups likely to be affected?
If your part-time/casual employees are mainly students or employees with other personal commitments, who regularly advise you on a week to week basis of their availability to work hours, then they may prefer not to trigger a request to be placed on a band of hours as they may be unwilling to commit to increased working hours on a long-term basis. However, they can exercise their right to issue a request at any time in the employment relationship, provided they have 12 months continuous service with the employer. If, however your part-time/casual employees are seeking to receive greater certainty of hours, or seeking full-time hours, then they are likely to trigger a request for a band of hours which reflects the weekly hours they have been working in the past twelve months.

10. Can an employee issue multiple requests under the new legislation?
There is no limit specified in the legislation as to how many requests an employee can make, provided they have the 12 months service needed to trigger the entitlement. However, the legislation states that an employee placed on a band of hours shall work hours the average of which fall within that band, for no less than 12 months following that placement.

11. What penalties am I likely to face if I am in breach of the legislation?

Written statement of terms/daily and weekly working hours

Failure to issue a written statement of terms of employment to include daily and weekly working hours is a criminal offence carrying a potential fine not exceeding €5000, fixed payment notice of up to €2,000 and/or custodial sentence of up to 12 months in prison. While the custodial sanction is unlikely to be used, except in extreme circumstances, employers can expect enforcement by way of fines or fixed payment notices to be utilised for failure to comply, unless they can show that there was reasonable cause for their failure to do so.

Failure to place an employee on a requested band/penalisation

Failure to place an employee on a requested band of weekly hours may result in a complaint being made to the WRC. There may be defences available to the employer facing a request as outlined above, e.g. where there is no evidence to support the request for placement on a band. An adjudication officer will have a range of powers available to them when determining a complaint under the legislation, namely:

- To declare that the complaint is or is not well-founded
- Where the complaint is well-founded, to require the employer to comply with the relevant provision and place the employee on the requested band

The new legislation amends the penalisation provisions in section 26 of the Organisation of Working Time Act 1997, which provide for compensation (of up to two years' remuneration) where an employer has been found to have penalised an employee. The new penalisation provisions prohibit any acts, or omission by an employer, which would operate to the detriment of an employee as a result of invoking any right conferred by the legislation or giving evidence in related proceedings. Examples of penalisation for the purpose of the legislation include transfer of duties, suspension, lay-off or dismissal, demotion, change in working hours or in location of work.

12. Is there anything I should be doing now in advance of the Employment (Miscellaneous Provisions) legislation coming into effect in March 2019?
Employers should now review and amend, if necessary, any template contracts of employment which they use for issue to new employees, to ensure that all of the information required by statute is included. Many employers will be unaffected by the new banded hours provisions, as the working hours in their business remains consistent and employees are required to work set hours. However, those employers who have employees working variable hours should now consider the patterns of working time that arise in their place of work. Employers should consider how they might comply with a request from an employee to be placed on a specified band of hours, and what impact that might have on the business, if the employer had to commit to a new working pattern for the long term.

If you have any queries or concerns, please do not hesitate to contact any member of the HR Team as follows:

Margaret Davern,
HR Adviser
Direct Line: 01 6146974
Email: mdavern@creditunion.ie
Mobile: +353 87 1468939

Maura Behan,
HR Executive
Direct Line: 01 6146941
Email: mbehan@creditunion.ie

Legislative Update

ROI

AML Developments

Fourth Money Laundering Directive (MLD4)
On November 26th 2018, the Fourth Money Laundering Directive (4AMLD) was transposed into Irish law through the introduction of the Criminal Justice (Money Laundering and Terrorist Financing) Amendment Act 2018. The main changes being introduced by the new Act are with respect to Risk Assessments; Due Diligence; Policies and Procedures; High Value Goods; Enforcement and Beneficial Ownership.

Central Bank AML Guidelines
On December 21st 2018, the Central Bank of Ireland published the “Anti-Money Laundering and the Financing of Terrorism Guidelines for the Financial Sector”. This has gone to public consultation with feedback sought within a three month consultation period.

Fifth Anti-Money Laundering Directive (MLD5)
The Fifth Money Laundering Directive (“MLD5”) was published by the EU on June 19th 2018. MLD5 seeks to further strengthen and adapt the EU’s anti-money laundering and counter-terrorist financing (AML/CTF) framework, and work has begun by the Department of Justice in transposing MLD5 into Irish Law, as can be seen through the publication of the General Scheme, discussed below.

The General Scheme of the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) (Bill) 2019
The General Scheme (the Scheme) of the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Bill 2019 (the Bill) has been published by the Department of Justice. The Scheme is quite high-level and sets out the heads of the Bill, which will give effect to many of the provisions of the Fifth EU Money Laundering Directive (5MLD).

The Scheme proposes; additional designated persons; extended triggers for conducting CDD measures; verification of senior managing officials as Beneficial Owners; additional CDD measures prior to establishing a business relationship; examination of background and purpose of certain transactions; Enhanced CDD; amendment of the 'tipping off' defence; Regulations on Sanctions Screening; Schedules of Low and High Risk Factors; as well as additional Criminal Justice measures to support the Criminal Assets Bureau and An Garda Síochána in the administration of their AML/CTF functions by improving their access to bank records in electronic form.

While the Bill transposes certain elements of 5MLD, the Department of Finance is also engaged in giving effect to certain provisions of the Directive, including those relating to:
- Establishing beneficial ownership registers.
- Establishing centralised national bank and payment account registers or central data retrieval.

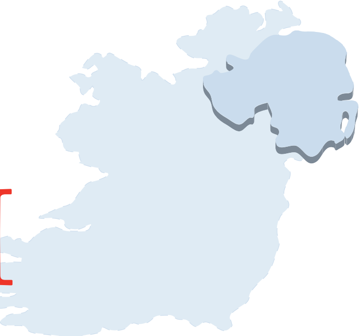
It remains to be seen whether the Bill will reflect the approach taken in the Scheme.

Beneficial Ownership
MLD4 requires member states to ensure that corporate and other legal entities obtain and hold beneficial ownership information and to establish and maintain a central register of beneficial ownership. MLD5 amends and strengthens these requirements in a number of respects. Most significantly, MLD5 provides that certain beneficial ownership information must be made available to any member of the public including the person’s name, month and year of birth, country of residence and nationality, as well as the nature and extent of the beneficial ownership information held.

There will be a separate Statutory Instrument dealing with this, and it is intended that these transposing measures will be in place before year end. This legislation is expected to assign separate legal responsibility to the Registrar of Companies for the establishment and maintenance of the Central Register of Beneficial Ownership of Companies and Industrial and Provident Societies (I&Ps). It is envisaged that there will be an extended time-frame for companies and I&Ps to make their beneficial ownership filings, which will commence after the anticipated launch of the register. It is likely that financial institutions will be required to check the Register for Beneficial Ownership when carrying out their Customer Due Diligence, and that there will be a charge for such checks, although it is not known how much this will be.

Legislative Update

NI



Guidance on decision-making for Northern Ireland Departments during the period for Northern Ireland Executive formation

Following on from the last CU Focus legislative update, setting out details of the passing of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 (the NI Act 2018), the NI Office has now issued guidance in respect of how the departments might exercise their decision making powers during this interim period.

With no functioning NI Executive since January 2017, an increasingly paralysed domestic and UK political system and the continuing saga of Brexit, the UK government passed the NI Act 2018 to attempt to clarify a number of issues in the running and delivery of public services within NI. Whether that has actually been achieved very much remains to be seen.

On January 30th 2019, the Secretary of State stated that for the third consecutive year, a UK government budget for NI would be brought to Parliament saying that restoring Stormont is still her "top priority".

The period for forming the executive is prescribed under the NI Act 2018 and ends on March 26th 2019. If there is no agreement by that date (which in the current climate of Brexit and no intention to initiate talks to bring about any agreement is a foregone conclusion) then the period may be extended for a further period of up to five months. At that stage, it is likely new elections would have to take place, or the UK government would have put in place further legislation to prolong the situation further.

Section 3(2) of the NI Act 2018 requires the Secretary of State to produce guidance, and to that extent, the guidance provides a relatively high-level structure and framework for some of the principles that the civil service departments should seek to utilise in decision making. It then places responsibility on each permanent secretary to ensure that there is appropriate guidance and a process in place to govern how, and at what level, functions are exercised by senior officers in their department

Any major policy decisions, such as the initiation of a new policy, programme or scheme, including new major public expenditure commitments, or a major change of an existing policy, programme or scheme, the guidance states should normally be left for Ministers to decide or agree. Departments should then consider whether there is a public interest in taking a decision rather than deferring a decision during the period for executive formation. As part of that process, the guidance sets out a number of principles that the department needs to give due consideration to. These include;

a) The principle that it is a priority to maintain the delivery of public services as sustainably and efficiently as possible, working towards the previous executive's stated objective of improving wellbeing for all - by tackling disadvantage and driving economic growth.
b) The principle that the priorities and commitments of the former executive and minister(s) should be followed, unless there is an exceptional circumstance such as a significant emerging challenge, new strong objective evidence, or significant changing circumstances which lead senior officials to conclude that it is no longer in the public interest to do so.
c) The principle that opportunities should be taken to work towards the 12 outcomes published in the 2018-19 Outcomes Delivery Plan, which is based on the draft Programme for Government developed in conjunction with the political parties of the previous executive.
d) The principle that the consequences of deferring decisions, particularly in terms of the financial, economic, environmental, legal or social impact should be considered and significant detriment avoided.

Particular weight may be given in cases where a delay or deferral could result in:

- significant financial costs to the public purse; or
- serious detriment to the public interest, public health and wellbeing, public safety or the NI economy; or
- the loss of an opportunity to realise a significant public advantage for;
  - o public finances; or
  - o the NI economy; or
  - o inward investment: or
  - o job creation; or
  - o tackling disadvantage.

The guidance also requires the departments to prepare a monthly summary report of decisions taken by senior officials using the guidance, and to share this with the Secretary of State, who will in turn promptly make it available to Parliament and to the NI political parties.

In the light of the possibility of future challenges to departmental decisions, we await with interest whether there will be an appetite for the civil service to undertake higher level decisions.

1 http://www.legislation.gov.uk/ukpga/2018/28

2 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754029/Cm9725_Guidance_on_decision-making_for_NI_Dpts.pdf

your stories

Ballymena Young People Awards

Ballymena Credit Union Ltd. recently hosted their second Young People Awards. There was a fantastic response from young people, aged between 11 and 19, in the local area. Ahead of the awards presentations, the credit union reached out to schools, youth groups, charities and community groups asking them to nominate young people for the accolade. There were seven categories in which to nominate, ranging from sports, volunteering, arts, caring, business, courage and leadership.

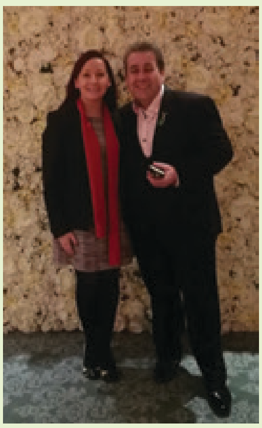
Finalists from each category were invited along to the Adair Arms in Ballymena for the gala awards evening, which was a great event, enjoyed immensely by all who attended. Local radio host, Brian Reynolds was MC for the evening, while Rodd Hogg 'The Irish Magician' was also on-hand to entertain the crowd. Following the success of the night, Ballymena Credit Union hopes to make this an annual event, and hopes that they can encourage more young people to showcase the great work they do for the community.

Arklow Credit Union Helps with Transport for Cancer Patients

Arklow Credit Union Ltd. recently made a substantial donation to Arklow Cancer Support. The donation has helped the charity group to acquire a new vehicle. This will enable them to transport cancer patients to their treatment in hospitals in neighbouring counties. The service is reliant on volunteer drivers dedicating their time to transport clients. Arklow Credit Union also made another substantial donation to the Wicklow Hospice Foundations fundraising event; the Glen-to-Glen walk.

Other community initiatives, involving supporting voluntary and sporting organisations within their common bond, are in the pipeline Newly appointed CEO, Hugh O'Keeffe, has plans to build on the success already achieved and to further develop the credit union's ethos and services. This commitment to support the local community is the cornerstone of Arklow Credit Union's progress to date, and will continue to be central to its future.

NEW BUSINESS DEVELOPMENT MANAGER FOR CO LEITRIM CREDIT UNIONS



Sheila McManus has recently joined the Leitrim Credit Union Group as their Business Development Manager. Sheila brings a wealth of knowledge to the role, having worked in financial services for over 15 years. The new appointment will further strengthen the Leitrim group's position. The group includes Annaduff, Ballinamore, Carrick-on-Shannon, Drumshanbo, Manorhamilton and Mohill Credit Unions Ltd.

Speaking about her new appointment, Sheila said: "I am delighted to be working with such a lovely group of people on this unique opportunity in Co Leitrim. I am really looking forward to being an ambassador for the group and working with the local businesses, communities and enterprises across the county." Also commenting on the appointment, Sharon Sweeny, Chairperson of Ballinamore Credit Union, said: "On behalf of the six Leitrim credit unions, we are delighted to have Sheila working with us and look forward to an exciting year ahead."

As part of her outreach within the local community, Sheila recently met Franc from Weddings By Franc at a local Wedding Fayre in Leitrim (pictured), and has been busy meeting all the locals at the School Quizzes recently.

Enfield Credit Union's oldest and youngest members attend special event

Enfield Credit Union Ltd. recently held a special event at the newly opened Longwood office, which was attended by their oldest and youngest members. Nancy Stewart is the credit union's oldest member and recently celebrated her105th birthday. Mrs Stewart attended the event with her family. The youngest member of the credit union, Harrison Ennis who was born in July 2018, was also there on the evening. Harrison's mother Jade opened his credit union account just one month after his birth. During the event, credit union members enjoyed refreshments and were entered into a special members' prize draw. As part of the credit union's ongoing commitment to local sponsorship, the credit union has sponsored defibrillators at the Enfield and Longwood offices, and the Baconstown First Responders also attended the very enjoyable event.

TEACHERS' CREDIT UNION STUDENT VOLUNTEERING AWARD

Teachers' Credit Union Ltd. recently presented a cheque to the 21 year old winner of the 2018 Student Volunteer Prize, in partnership with St Mary's University College, Belfast. Shannon Campbell, from Portadown Co Armagh, a third year student on the Bachelor of Education degree programme, was presented with the £500 bursary on January 7th.

The credit union has long been associated with St Mary's University College. Its newest initiative with St Mary's is the £500 award to a student whose volunteer journey demonstrates long-term commitment to their community. In addition, the credit union also wanted to find a person who had experienced significant personal development through volunteering.

Shannon's account of her volunteering activities exhibited a deep sense of empathy with the young people of St Mary's Youth Club, where she has been working for five years. Initially she used the club to build her own self-confidence in order to fulfil her ambition to become a teacher. Volunteering had been instrumental in shaping her future. Teachers' Credit Union congratulate her and wish her well for the future.

Portarlington Credit Union staff give slice of wages to charity

The staff at Portarlington Credit Union Ltd. made a personal donation recently to two deserving local charities, after sacrificing some of their wages every week throughout 2018.

A dozen staff raised a total of €1,248 during the year, after deciding to have €2 a week docked from their wages to give to Kolbe Special School and Pieta House. Kolbe school in Portlaoise cares for children with severe to profound disabilities, while Pieta House offers free emergency counselling to anyone experiencing suicidal thoughts or self-harm.

Loans Officer at Portarlington Credit Union, Fiona Dunne helped to organise the donations. "Pieta House had come to the credit union to seek sponsorship, so as a staff, with everyone knowing someone affected by suicide, we decided to give €400 to them." The remaining sum of €848 was donated to Kolbe School.

"It was a lovely feeling to hand the cheques over. We didn't feel €2 a week going out of our wages all year. We didn't realise

we had raised so much. They are so delighted we even thought of them," said Ms Dunne. "What made it special is that we as staff were handing over our own money. The credit union would give a lot of local sponsorship, but this came directly from us," she said.

10 Years of Seamus P. McEoin Bursary

Civil Service Credit Union Ltd. recently marked the tenth year of the Seamus P. McEoin Education Bursary. Over the past 10 years the credit union has paid out over €250,000 to help ease the financial pressures of member students entering college for the first time. This bursary reinforces the credit union's continued support for education among our membership. The six winners of the bursary this year were Barry O'Keeffe, Glenageary, Dylan Kinsella, Terenure, Fintan Griffin, Ballybofey, Aisling Byrne, Griffith Avenue, Aoife Whelan, Coolmine and Josh Heneghan from Mullingar. Each recipient received €2,000.

As part of its continued social responsibility, the credit union has also partnered with the Irish Hospice Movement as its chosen charity for the year. Civil Service Credit Union has donated more than €25,000 to 21 hospices throughout Ireland in recognition of their contribution to improve the comfort of so many people through their end of life experience.

KILKEEL CREDIT UNION CELEBRATES 50 YEARS

The directors, supervisors, staff and members of Kilkeel Credit Union Ltd. recently celebrated their 50th Anniversary with the local community. The credit union owes an enormous debt of gratitude to the founder members, who had the vision, foresight and commitment to establish the credit union in 1968. The credit union also thanks the directors, supervisors and staff throughout the 50 years, who gave so much time and energy to the credit union. It can now celebrate having assets of almost £12,000,000 and issuing £41 million in loans to date. Directors are committed to ensuring the credit union will continue to serve the people of Upper and Lower Mourne, and will work to ensure all financial needs of the community are met. (Photograph courtesy of the *Mourne Observer*).

The Switching Experience

An Insight from Waterford Credit Union Ltd.

Waterford Credit Union Ltd. on-boarded with CUSOP in October 2017 –

'Our members and our officers were used to a good EFT service, and we wanted and needed to be sure that any switch of EFT partner would at least match that level of quality or surpass it.'

Waterford
Credit Union
We look after our own

We had met with representatives of CUSOP on a number of occasions and they presented to our Board twice. At each meeting, the depth of knowledge, the level of expertise and the professionalism of the CUSOP team was evident. This was coupled with a genuine interest in making the credit union movement stronger, and dealing with all matters in a positive and friendly way. Waterford Credit Union decided to switch to CUSOP to avail of their services following a due diligence on both sides.

The process of moving to CUSOP was mapped very early and there was constant communication between all stakeholders. The switch was seamless.

All required work was completed on time and in full. Whilst there was some work from Waterford Credit Union's side, it was well planned and straight forward with input from CUSOP and our IT service provider.

Post transfer, we have found the service and support to be first-class. Our members have not noticed a difference so that is a positive. Our officers find it better! There are constant communications and updates. Any issues are identified early and addressed immediately. CUSOP staff are always available when we require assistance.

We could not ask for more and we are delighted to have switched to CUSOP.

'a genuine interest in making the credit union movement stronger, and dealing with all matters in a positive and friendly way'

Peter Barry, Chief Executive Officer, Waterford Credit Union Ltd. Spring 2019

- CUSOP's mandate is to enable all credit unions to avail of electronic payment products and services that add value for credit union members
- The credit union and CUSOP agree the switch date
- All transactions cut-over on the agreed switch date
- No change to credit union transaction processing
- No change to file processing with IT Service Provider (ITSP)
- CUSOP agrees the switch date with BPFI, with the existing payments service provider and the credit union ITSP
- CUSOP liaises with the ITSP in implementing and designing the cut-over

Visit www.cusop.ie for more, or contact CUSOP today on info@cusop.ie, +353 1 6146 980

SOLVING HOUSING PROBLEMS, PREVENTING HOMELESSNESS

The Private Rented Sector (PRS) in Ireland, through both boom and bust, has undergone significant changes since Threshold was first established four decades ago. Threshold owes its origins to the development of the Flat Dwellers' Chaplaincy.

This group was established in 1974 by Fr Donal O'Mahony in response to the scale and diversity of housing problems at that time. Discrimination in terms of access to rented accommodation, illegal evictions and poor living conditions were widespread. Since its foundation, Threshold has helped in the region of half a million people with a housing difficulty.

It must be remembered that these are not just statistics, these are real people – men, women and children with lives, and hopes, and dreams.

Every day Threshold's frontline services are constantly dealing with the serious failings of the PRS. The team deals with an ever-increasing number of people who are broke, unable to afford to rent or save for a deposit, and ineligible for public housing. The pace and extent of rent increases year on year remains unsustainable for many people - including young professionals, key workers, those earning the minimum wage and people in receipt of the Housing Assistance Payment. The latest Daft.ie Rental Price Report, which covers the fourth quarter of 2018, indicates a 9.8% increase in listed rents nationally in 2018, pushing national average rents to an all-time high of €1,347.

Threshold is the only specialist information, advice and advocacy service for tenants in the PRS in Ireland. Unfortunately, its services are needed now more than ever. Acquiring and maintaining safe, secure and affordable accommodation in the private rented sector is a huge challenge for many people in Ireland today, and not just in urban areas. Threshold is often the first port of call for vulnerable tenants, and its direct interventions play a key role in preventing homelessness.

Threshold's national free Tenancy Protection Service Helpline provides crucial advice and support to people renting. The team works to ensure that individuals and families remain in their homes by advocating with landlords and letting agents, and challenging invalid notices of terminations and rent increases. In the period January 2017 to the end of January 2019, Threshold received 156,170 calls from people experiencing difficulty in their private rented home. Of these calls, 40% were from tenants facing a tenancy termination – a statistic which points to the precarious nature of living within the private rented sector.

"Through providing advocacy, advice, Residential Tenancy Board representation and its Tenancy Protection Service, Threshold helped an average of 364 households a month to remain in their homes last year."

Through the Tenancy Protection Service, Threshold has secured savings to the state of many millions of euro that would have been spent on additional emergency accommodation. As well as helping people keep their homes, Threshold helps people experiencing homelessness to find sustainable, safe, affordable homes in the PRS.

Threshold has some housing problems solved while others have got worse over the last 40 years. It remains proud of its track record and is grateful for the support and ongoing generosity of donors and supporters. The future holds many challenges – however, Threshold is ready to respond to new and emerging problems in order to protect homes for another generation.

Threshold hopes it can count on your support in the future.

Renting

Need advice on your rights and entitlements?

Threshold is a national housing charity that provides free, independent and confidential advice on renting. Our housing advisers have an in-depth knowledge of the housing system and offer free advice on issues including leases, rent increases, notice of termination, deposit retention and illegal evictions

- Can a landlord refuse to rent to me?
- What information can a landlord request from me?
- Do I have to sign a lease?
- My landlord wants to increase the rent, what do I do?
- Am I renting in a Rent Pressure Zone?
- How can I get my deposit back?

Contact Freephone

1800 454 454

for FREE and CONFIDENTIAL advice

Lines open 9am-9pm (Monday-Friday)

www.threshold.ie

Threshold

Solving housing problems, preventing homelessness