



Banc Ceannais na hÉireann
Central Bank of Ireland

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Mr Kieran Lenihan
Clerk to the Committee of Public Accounts
Leinster House
Dublin 2

17 July 2017

Re: Saint Raphael's Garda Credit Union Limited

Dear Mr Lenihan,

I refer to your letter dated 23 June 2017 addressed to the Governor in connection to the above. I have been asked by the Governor to reply to your letter.

The Central Bank notes the reference in the Interim Audit Report – Financial Procedures in the Garda College Templemore – February 2017 to Saint Raphael's Garda Credit Union Limited and the wider concerns that have been raised. We take such matters and information provided to us seriously and act accordingly with reference to our mandate and responsibilities.

In this case, as it relates to our engagement with an individual regulated entity, due to strict and necessary confidentiality requirements under section 33 AK of the Central Bank Act 1942, we cannot provide specific information on our ongoing interaction with the credit union.

I note the reference in your letter to possible conflicts of interest. The Credit Union Act 1997 requires that all credit union officers, including directors, shall at all times act in a manner free from conflicts of interests. The legislation contains detailed procedures relating to identifying, managing and resolving conflicts of interest. In our supervision of credit unions, we assess adherence, in a proportionate way, to these requirements.

By way of background, the role of the Registry of Credit Unions ("RCU") is to regulate credit unions with a view to the protection by each credit union of the funds of its members and the maintenance of the financial stability and wellbeing of credit unions generally, in line with our statutory mandate. RCU uses a combination of off-site analysis and on-site engagements in carrying out its supervision of credit unions. The Central Bank requires credit unions to demonstrate that members' funds are protected via their compliance with our regulations.



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Our on-site engagement with credit unions is prioritised by risk and impact, or size, and we adopt a proportionate approach. We have higher standards for larger and more complex entities and simpler expectations for smaller and simpler models of credit union. We have a minimum standard for all credit unions, which is to ensure the safety of members' funds.

Yours sincerely

Ed Sibley
Director of Credit Institutions Supervision & Acting Registrar of Credit Unions