



Banc Ceannais na hÉireann
Central Bank of Ireland

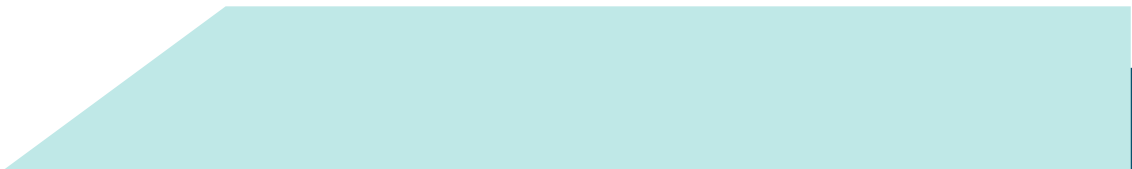
Eurosystem

Prudential Inspections Allowance Policy

January 2023

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Introduction

The Prudential Analytics, and Inspections Directorate (PAID) was established in March 2019 to ensure a consistent and effective inspections regime across the financial services sector. This policy addresses both the eligibility and payment criteria in respect of the Prudential Inspections Allowance.

Purpose

The purpose of this policy is to provide a mechanism for the relevant cohort of employees, who meet the specific criteria as outlined in this policy, to avail of the allowance. The objective of the allowance is to support the highest level of independence and confidentiality in inspections activity.

Scope

This policy applies to Central Bank employees who specifically work as PAID Inspection employees and satisfy the eligibility criteria as detailed in the relevant section. This policy is effective as of 01 April 2019 and replaces the Single Supervisory Mechanism (SSM) Allowance.

Policy Statement

Over the following sections, the entitlements available to employees are set out under the following headings:

Role of PAID
Inspections Allowance
Eligibility Criteria
Payment Criteria
Independence and Conflicts of Interest
Interaction with Business Travel and Expense Policy
Monthly Sign-Off of Allowance

1. Role of PAID

The role of PAID includes conducting inspections that:

- provide an independent check on a regulated financial service provider's (RFSP) compliance with, and application of supervisory rules, requirements and guidance;
- allow Central Bank subject matter experts to conduct an in-depth analysis and challenge of a firm's internal control, risk management and governance;
- on a firm specific or thematic basis, are intrusive and aim to provide a detailed snapshot of a firm or a cross sectoral perspective respectively; and
- as applicable, are mandatory under the Single Supervisory Mechanism (SSM) supervisory framework requiring the active participation of SSM member NCAs.

2. Inspections Allowance

The Prudential Inspections Allowance ("the Allowance") is a non-pensionable allowance that applies in respect of days when the team member is on-site conducting inspections. Payment is in addition to gross salary & dependent upon all of the eligibility and payment criteria being met in full.

3. Eligibility Criteria

In order to qualify to receive the Allowance, the following criteria must be first met by the employee:

- The employee is conducting inspections of regulated financial service providers (preparation, execution and reporting) for a minimum of 50% of their available working time in any calendar year, payment of the allowance is for the days that you are on-site conducting inspections only;
- The employee is assigned to inspections and reports directly, to the site of the regulated financial service provider for the duration of the on-site element of the inspection;
- The relevant inspection is for a substantial period, defined as a minimum of four consecutive weeks on-site without any break in that on-site period unless [exceptionally] agreed by the Central Bank in respect of a short break in a consecutive period at the sole discretion of the Central Bank; and
- The inspection on-site element is more than 1.5km and less than 8km from the Dockland Campus of the Central Bank.

For the purpose of this policy, the default period for ‘available working time’ accounts for 44 weeks within the calendar year. This accounts for annual leave and public holidays. In general, a team member will be required to be allocated to inspection activity for at least 22 weeks in a calendar year as the default position for eligibility for the allowance.

Exceptions

There are a small number of scenarios where an employee’s ‘available working time’ will be shorter than 44 weeks. These include where an employee goes, or returns from, the following leave in the calendar year. In these circumstances, ‘available working time’ will be calculated on a pro-rated basis of the time worked in the relevant period:

Maternity Leave	Adoptive Leave	Paternity Leave
Parental Leave	Parents Leave	Long Term Sick Leave (as defined by CBI Policy)
Bereavement Leave	Jury Duty	An employee joins the CBI during the Calendar Year

4. Payment Criteria

Once the employee satisfies the above eligibility criteria in full, the (non-pensionable) Allowance will be paid as follows:

- A daily Allowance of €35.75 gross will be payable monthly in arrears; and
- Payment of the Allowance is capped at €7,290.00 gross per annum; and
- The Allowance is payable only where no other allowances or expenses are paid for the inspection conducted.
- This Allowance replaces any other allowance previously paid for on-site inspections or otherwise.

5. Independence and Conflicts of Interest

The policy puts measures in place to ensure that PAID employees remain independent of the inspected regulated financial service provider and that conflicts of interest are avoided. Employees covered by the Policy are not permitted to use the restaurant or catering facilities of the relevant institutions, except in very exceptional circumstances, with the exclusion of using tea or coffee making facilities where these are available.

6. Interaction with the Travel Accommodation Subsistence and Expense Policy

The PAID Inspection Allowance covers travel and subsistence costs within 1.5k to 8 km, therefore the cost of taxis, buses, luas etc. cannot be claimed separately when the PAID Inspection Allowance is claimed.

7. Monthly Sign-Off of the Approved Allowance

The payment of this allowance will be monthly in arrears and is subject to sign off at Head of Division or Head of Function level within PAID for implementation of payment in accordance with the HR required approval process.



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