

ADDITIONAL SERVICES

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Version History

Version	Date	Amendments
0.1	July 2013	Initial Version.
1.0	September 2013	No Amendments.
1.1	November 2015	<ul style="list-style-type: none"> • Deleted section 182(1) paragraphs (a) to (f) to reflect the commencement of item 134 of schedule 1 of the 2012 Act. • Deleted section 182(1) paragraphs (h) and (i) to reflect the commencement of item 135 of schedule 1 of the 2012 Act. • Inserted new regulations in Section 2.
1.2	January 2016	<ul style="list-style-type: none"> • Updated regulations in Section 2.
1.3	February 2017	<ul style="list-style-type: none"> • Inserted Section 3.1 to provide guidance on draws.
1.4	March 2018	<ul style="list-style-type: none"> • Updated Section 3.1 with Thematic Review Guidance.

1. Legislation

Section 48 – Power to provide additional services

- (1) ‡ Subject to the following provisions of this Part, a credit union may provide, as principal or agent, additional services of a description that appears to the credit union and to the Bank, to be of mutual benefit to its members.
- (2) ‡ In this section and the following provisions of this Part 'additional services', in relation to a credit union, means any services other than those—
- (a) for which provision is made by the preceding provisions of this Part, or
 - (b) which are being prescribed for the purposes of this section as being services of a description that appears to the Bank to be of mutual benefit to its members,
- and regulations made by the Bank for the purposes of paragraph (b) may make the exclusion of any services from being additional services conditional on compliance with such conditions as may be prescribed by the Bank.
- (3) Nothing in this section or the following provisions of this Part affects the operation of any enactment which is not contained in this Act and which, in whole or in part, relates to the provision of financial or other services of any description.
- (4) In order to enable a credit union to provide additional services of any description—
- (a) ‡ the credit union must adopt a decision to provide additional services of that description by a resolution passed by not less than two-thirds of the members present and voting at an annual general meeting or at a special general meeting called for the purpose of considering the resolution, or the credit union must adopt a decision to provide additional services of that description by a resolution of the board of directors;
 - (b) the provision of the services must be approved by the Bank in accordance with *section 49* and the services must be provided in accordance with the terms and conditions of the approval; and
 - (c) the rules of the credit union must specify the provision of services of that description among the objects of the credit union.

- (5) Notice shall be given of a resolution under *subsection (4)(a)* in accordance with the rules of the credit union or, if the rules do not make special provision as to notice of such a resolution, the like notice shall be given as is required by the rules for a resolution to amend the rules; and notice of the resolution shall contain or be accompanied by a statement giving—
- (a) a description of the services which it is proposed to provide;
 - (b) an assessment of the financial and other implications for the credit union of the provision of those services; and
 - (c) details of such other matters as the Bank may by notice in writing require to be brought to the attention of the members of the credit union concerned.
- (6) Before giving notice of a resolution as mentioned in *subsection (5)*, a credit union shall consult the Bank and the Bank shall give a preliminary view as to whether and to what extent the provision of the service would be likely to be approved by it; but the giving of such a preliminary view shall not prejudice the decision of the Bank under *section 49(3)*.
- (7) † The Bank may specify in writing such requirements as it considers necessary for credit unions providing additional services; and different requirements may be so specified in relation to different descriptions of additional services and apply to different classes of credit unions.
- (8) † A credit union shall not be able or, as the case may be, shall cease to be able to provide additional services of a description to which requirements under *subsection (7)* apply if—
- (a) the credit union does not satisfy those requirements, or
 - (b) within the period of 12 months beginning on the date on which approval for the provision of the services is given under *section 49*, the credit union does not begin to provide those services;
- but, if a credit union ceases to comply with any of those requirements, the cessation shall not, of itself, impose an obligation on the credit union to dispose of any property or right acquired in connection with the provision of the additional services concerned.

Section 49 – The Bank’s approval of provision of additional service

(1) An application by a credit union for the approval of the provision of additional services of any description (in this section referred to as an "approval application") shall be made to the Bank in such manner as it may by rules direct, and shall be accompanied by such information as may be so specified.

(2) Without prejudice to the generality of the powers of the Bank under *subsection (1)*, an approval application shall include information about—

(a) the protection of members for whom the services are to be provided from conflicts of interest that might otherwise arise in connection with the provision of the services;

(b) † the provision proposed for securing that adequate compensation is available to those members in respect of negligence, fraud or other dishonesty on the part of officers of the credit union in connection with the provision of the services;

(c) the extent to which and the manner in which the provision of the services will require the involvement of persons with particular qualifications or experience;

(d) the cost of providing the services;

(e) the income expected to accrue from any charges made for the services; and

(f) the credit union's proposed principal, in a case where the approval application relates to the provision of services by the credit union as agent for another;

and, where an approval application relates to the provision of additional services of more than one description, the information referred to above shall be given separately in respect of each description of services.

(3) Having considered an approval application (which complies with *subsections (1)* and *(2)*), the Bank shall give notice, either—

(a) granting approval;

(b) refusing to grant approval; or

(c) granting approval subject to whatever conditions (including restrictions or exclusions) it considers appropriate;

and the Bank shall not grant an approval application in respect of any description of additional services unless it is satisfied that the resolution required by *section 48(4)(a)* in relation to services of that description has been passed.

(4) In making its decision on an approval application, the Bank shall have regard to the interests of the public and of the members and creditors of the credit union, to the orderly and proper regulation of the business of the credit union and to such other considerations as it thinks proper.

(5) Subject to *subsection (6)*, within four months of the date on which it receives an approval application, the Bank shall either notify the credit union of its decision on the application or require the credit union to supply to it such additional information as it considers necessary to enable it to reach a decision and, where the Bank requires the provision of such additional information, it shall notify the credit union of its decision on the approval application not later than four months from the date of its receipt of that additional information.

(6) Where an approval application relates to the provision of services by the credit union as agent (and not also as principal), *subsection (5)* shall have effect with the substitution for any reference to four months of a reference to two months.

(7) Without prejudice to the generality of *subsection (3)(c)*, the conditions which the Bank may impose in granting an approval application may, in particular, include provisions about—

(a) the amount of funds that may be applied by the credit union to the services;

(b) whether the credit union may act as principal or agent in providing the services;

(c) the period during which the services may be provided;

(d) limits on any guarantees, bonds, contracts of suretyship or indemnities given or entered into by the credit union;

(e) whether and to what extent the approval of the Bank is to be obtained in respect of particular proposals;

- (f) ‡ the qualifications required to be held by officers of the credit union providing the services;
- (g) the avoidance of conflicts of interest;
- (h) the charges to be made in relation to the provision of any services;
- (i) the preparation of accounts in respect of services being provided;

and different conditions may be so imposed in relation to different descriptions of additional services.

Section 50 – Supplementary provisions as to Bank’s functions

- (1) In the exercise of its powers under *sections 48 and 49* and this section, the Bank may at any time consult the Advisory Committee and such other bodies as appear to it to be expert or knowledgeable in matters relating to credit unions.
- (2) Without prejudice to the generality of *subsection (1)*, the Bank may commission an independent assessment of the capacity of a credit union to provide any or each description of the additional services in respect of which it has made an approval application; and, if the Bank so directs, the credit union shall defray the costs of such an assessment.
- (3) If it appears to it appropriate to do so, the Bank may at any time by notice—
 - (a) withdraw an approval granted under *section 49*;
 - (b) revoke or vary any conditions imposed on such an approval; or
 - (c) impose new conditions on such an approval;but any such action by the Bank shall not require the disposal of any property or right already acquired.
- (4) In this section "approval application" has the same meaning as in *section 49*.

Section 51 – Requirements applicable to credit unions providing additional services

- (1) A credit union shall not make or offer to make a loan to a member subject to a condition that any additional services which the member may require (whether or not in connection with the loan) shall be provided by (or through the agency or assistance of) the credit union.
- (2) Where, in connection with a loan by a credit union, any additional services are made available by a credit union, the credit union shall not make those services available except on terms which distinguish the consideration applicable to each service which is so made available.

2. Regulations

**CREDIT UNION ACT 1997 (REGULATORY REQUIREMENTS) REGULATIONS 2016
(S.I. No. 1 of 2016)**

(This Chapter has not reproduced the entirety of Part 1 – please consult the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 for the full provision.)

PART 1

PRELIMINARY AND GENERAL

Interpretation

In these Regulations, unless the context otherwise requires:-

“the Bank” means the Central Bank of Ireland;

“Personal Retirement Savings Account”, “PRSA” and “PRSA Provider” each have the same meaning as in Part X of the Pensions Act 1990;

“the Act” means the Credit Union Act, 1997;

Part 9

SERVICES EXEMPT FROM ADDITIONAL SERVICES REQUIREMENTS

Performing Services

48. (1) The services set out in Schedule 2 to these Regulations are services prescribed by the Bank for the purposes of section 48(2)(b) of the Act.
- (2) A credit union shall not perform the services specified in Schedule 2 to these Regulations unless the appropriate conditions specified in that Schedule are fulfilled.

SCHEDULE 2

Telephone, internet and fax access to the credit union by the member.

1. (1) **Access by telephone,**

- (a) that is to say any service by which the credit union member may by telephone using a unique number or password allocated by the credit union to the member,
- (i) obtain information on the member's credit union accounts, including the balance of the member's share, deposit and loan accounts with that credit union,
 - (ii) transfer funds between accounts,
 - (iii) request a withdrawal from share and deposit accounts,
 - (iv) apply for a loan and calculate loan repayments,
- (b) conditions to be fulfilled -
- (i) the relevant registration form in relation to such access must be completed by the parties concerned prior to the commencement of such a service,
 - (ii) loan approval is subject to the relevant loan application forms and other necessary documentation in relation to such transactions being completed by the parties concerned.

(2) **Access by internet,**

- (a) that is to say any service by which a credit union member may by internet using a unique number or password allocated by the credit union to the member,
- (i) obtain information on the member's credit union accounts, including the balance of the member's share, deposit and loan accounts with that credit union,

- (ii) transfer funds between accounts,
- (iii) request a withdrawal from share and deposit accounts,
- (iv) apply for loans and calculate loan repayments,
- (b) conditions to be fulfilled -
 - (i) the relevant registration form in relation to such access must be completed by the parties concerned prior to the commencement of such a service,
 - (ii) loan approval is subject to the relevant loan application forms and other necessary documentation in relation to such transactions being completed by the parties concerned.

(3) **Loan applications by fax,**

- (a) that is to say any service by which credit union members may submit details necessary for loan applications in the form of a fax,
- (b) condition to be fulfilled -

loan approval is subject to the relevant loan application forms and other necessary documentation in relation to such transactions being completed by the parties concerned.

2. **Third Party Payments,**

that is to say any service whereby a credit union member may arrange to have transferred to or from the member's account third party payments by way of electronic funds transfer or otherwise.

3. **Automated teller machine services (ATMs),**

- (a) that is to say a service which enables a credit union member to withdraw funds from the member's credit union account by means of a credit union branded ATM card,
- (b) conditions to be fulfilled -
 - (i) terms and conditions of use of such a card must be agreed by the credit union and the member,
 - (ii) the member must complete the relevant registration form prior to the issue of the card.

4. Insurance services,

(a) that is to say any service the credit union may provide to its members in respect of each of the following categories:

- (i) loan protection and life savings insurance (including related riders);
- (ii) travel insurance;
- (iii) home insurance;
- (iv) motor insurance;
- (v) repayment protection insurance.

(b) condition to be fulfilled -

these services must be provided on an agency basis and the insurer must be authorised by the Bank.

5. Group health insurance schemes,

that is to say a service by which a credit union may provide to its members a discount scheme with an undertaking which is registered in the Register of Health Benefits Undertakings within the meaning of the Health Insurance Acts 1994-2013. The subscription to such a scheme may, at the credit union member's request, be discharged from the member's account.

6. Discount for goods and services,

(a) that is to say a service by which the credit union may negotiate, on behalf of its members, discounts for the supply of goods and services to be purchased by those members,

(b) condition to be fulfilled -

any such contract must be between the supplier of the goods and services and the credit union member and the credit union must not be a party to such contracts.

7. Budget account scheme,

(a) that is to say a service by which the credit union may agree to provide members with a budget account, on which a credit facility may be offered, and charges (including a participation fee) may be made, into which members pay agreed regular sums and from which the credit union will discharge, on

the members' behalf, a list of bills agreed with each member as and when they fall due.

(b) condition to be fulfilled –

the credit union must account separately in its books for all such transactions.

8. **Bill payment services,**

that is to say a service by which a credit union member may have a utility or other household bill paid by the credit union, either by debiting the member's account or by using cash supplied by the credit union member.

9. **Euro drafts and bureau de change**

(a) that is to say a service the credit union may provide to its members whereby a credit union member may-

(i) purchase euro drafts,

(ii) purchase foreign currency drafts, travellers cheques and travel money cards,

(iii) purchase or sell foreign currency,

(b) conditions to be fulfilled -

(i) these services must be provided on an agency basis and the principal must be licensed to provide such services,

(ii) the credit union must be indemnified for the provision of these services under an insurance policy in accordance with section 47 of the Act ,

(iii) the credit union must charge the members any expenses incurred for the provision of these services and may in addition retain its own commission,

(iv) the credit union must account in its books for all such transactions.

10. **Money transfers,**

(a) that is to say a money transmission service the credit union may provide to its members,

(b) conditions to be fulfilled -

(i) this service must be provided on an agency basis,

(ii) the credit union must be indemnified for the provision of these services under an insurance policy in accordance with section 47 of the Act,

(iii) the credit union must charge the members any expenses incurred for the provision of these services and may in addition retain its own commission,

(iv) the credit union must account in its books for all such transactions.

11. **Money Advice and Budgeting Service,**

that is to say any service provided by a credit union to its members under the Money Advice and Budgeting Service which is funded and supported by the Citizens Information Board.

12. **Service centres,**

(a) that is to say a service a credit union may provide its members for photocopying, fax and computer facilities to be made available on the credit union premises,

(b) condition to be fulfilled –

the credit union may charge a fee for this service.

13. **Draws,**

(a) the credit union may carry out regular draws for which members are eligible to enter on payment of a regular subscription,

(b) condition to be fulfilled –

such draws must be conducted on a break-even basis.

14. **Standing orders,**

that is to say a service which may be provided by a credit union whereby a member may instruct the member's credit union to debit the member's accounts, and pay a fixed sum at regular intervals to a specified payee. Credit unions may charge members for the provision of this service.

15. **Direct debits,**

that is to say a service whereby the credit union may make payments to a payee designated by the credit union member on specified dates. Such payments may vary and the account of the member shall be debited accordingly on each occasion. Credit unions may charge members for the provision of this service.

16. **Financial Counselling,**

(a) that is to say a service by which a credit union member may receive, free of charge, advice on the use and management of the member's funds in the credit union,

(b) condition to be fulfilled -

the credit union must be indemnified for the provision of this service under an insurance policy in accordance with section 47 of the Act.

17. **Will making,**

(a) that is to say a service arranged by the credit union by which a solicitor is available in the credit union from time to time, to take instructions and draw up wills and other testamentary documents for credit union members,

(b) conditions to be fulfilled -

(i) the solicitor concerned must be a practising solicitor within the meaning of the Solicitors Acts 1954 to 2008,

(ii) the solicitor concerned must be one in respect of whom a policy of professional indemnity insurance under the Solicitors Acts 1954 to 2008 is in force in relation to that solicitor as respects the service referred to in paragraph (a).

18. **Gift cheques,**

that is to say a service by which a credit union member may purchase a cheque made payable to a third party in return for payment of that amount. Credit unions may charge members for the provision of this service.

19. **Electricity budget meter cards or tokens,**

that is to say a service by which a credit union member may purchase electricity budget meter cards or tokens from the member's credit union to facilitate payment of the member's electricity expenses.

20. **Savings Stamps,**

(a) that is to say a service by which a credit union member may purchase savings stamps issued by the credit union,

(b) condition to be fulfilled -

the credit union must account in its books for all such transactions with individual members.

21. PRSA

- (1) Any service ("service") whereby -
 - (a) a credit union member may be introduced to a PRSA Provider by the member's credit union for advice on the provision of a PRSA, or
 - (b) when such an introduction takes place, a credit union may make facilities available to a PRSA Provider to enable it provide such advice.
- (2) Conditions to be fulfilled where a credit union wishes the service to be offered or provided to its members:
 - (a) the service shall be on an introduction basis only, where the credit union introduces the member to a PRSA Provider, and the credit union may not provide any advice to a member in relation to a PRSA;
 - (b) a credit union which intends to enter into an arrangement with a PRSA Provider is required to notify the Registrar of Credit Unions in writing of such intention not less than 7 days before entering into such an arrangement;
 - (c) the credit union may only have such an arrangement with one PRSA Provider at any one time in relation to the service;
 - (d) the credit union holds any authorisation required under the Investment Intermediaries Act 1995 and/or the European Communities (Insurance Mediation) Regulations 2005 in respect of the service;
 - (e) the credit union is required to enter into a written agreement with the PRSA Provider referred to in subparagraph (c) ("contracting PRSA Provider") under which the contracting PRSA Provider is responsible for any act or omission of the credit union concerned in respect of any matter pertaining to a PRSA offered or provided by the contracting PRSA Provider;
 - (f) any contract arising from the service is required to be between the contracting PRSA Provider and a credit union member and the credit union concerned may not be a party to any such contract;
 - (g) the credit union may not permit any premises which the credit union uses to be used for the purposes of arranging or offering to arrange the

provision of a PRSA to a member of the credit union by a PRSA Provider other than the contracting PRSA Provider;

- (h) a clear distinction shall be drawn between the business of the credit union and that of the contracting PRSA Provider and this shall extend to all signage, stationary or other branding of whatever kind;
- (i) the credit union is required to state on letter headings and business forms which are used for the purposes of the service referred to in paragraph 1(a) that the credit union acts as an introducer solely for the contracting PRSA Provider;
- (j) an officer or staff member of the credit union may not receive remuneration directly or indirectly from the PRSA Provider in respect of the service;
- (k) the credit union shall account separately in its books for any fees or commissions received in relation to the provision of the service.

22. Insurance Services on an introduction basis

- (1) Any service whereby a credit union member may be introduced to an insurance intermediary, with the appropriate authorisation under the European Communities (Insurance Mediation) Regulations 2005 or Investment Intermediaries Act 1995, or an insurance undertaking, authorised pursuant to Directive 2009/138/EC (hereinafter either intermediary or undertaking shall be referred to as "regulated entity"), by the member's credit union for the purpose of obtaining "insurance services".
- (2) Conditions to be fulfilled where a credit union offers the service referred to in paragraph (1) to its members and the credit union receives remuneration:
 - (a) The credit union shall have the appropriate authorisations to act as a retail intermediary – "Retail Intermediary" means an insurance intermediary as described in the European Communities (Insurance Mediation) Regulations 2005 and/or an investment business firm as described in the Investment Intermediaries Act 1995;
 - (b) The credit union shall ensure that the regulated entity has the necessary authorisations to provide the insurance services;

- (c) Prior to introducing a credit union member to a regulated entity for the purpose of obtaining insurance services, the credit union shall have undertaken an assessment of the financial and other implications for the credit union of the provision of the insurance services and shall have, on the basis of that assessment, determined that there is no undue risk to members' savings;
- (d) The credit union shall ensure that adequate compensation is available to those members in respect of negligence, fraud or other dishonesty on the part of officers of the credit union in connection with the provision of the insurance services;
- (e) The credit union shall account separately in its books for any fees or commissions received in relation to the provision of the insurance services;
- (f) The credit union shall ensure that an officer or staff member of the credit union does not receive remuneration directly or indirectly in respect of the insurance service;
- (g) The credit union shall ensure that the insurance service is on an introduction basis only, where the credit union introduces the member to the regulated entity and the credit union does not provide any advice to a member in relation to the insurance service;
- (h) The credit union shall ensure that a clear distinction exists, between the business of the credit union and that of the regulated entity. The credit union shall ensure that any marketing material relating to the insurance service should clearly identify the regulated entity providing the insurance service to the member and this shall extend to all signage, stationary or other branding of whatever kind relating to the insurance service;
- (i) The credit union shall enter into a written agreement with the regulated entity under which that undertaking is responsible for any act or omission of the credit union concerned in respect of any matter pertaining to the insurance service offered or provided by the regulated entity;

- (j) The credit union shall ensure that any contract arising from the insurance service is between the regulated entity and a credit union member and that the credit union is not party to any such contract.

3. Guidance

Further guidance and forms in relation to additional services may be found on the Central Bank [website](#).

3.1 Draws

The Central Bank's expectation is that, where a credit union is operating a draw for its members, it will be done in a clear and transparent manner with appropriate systems and controls in place. In this regard, we draw attention to a number of requirements of section 108 of the 1997 Act that relate to accounting records:

- section 108(2)(a) of the 1997 Act requires that the accounting records of a credit union must correctly record and explain the transactions of the credit union;
- section 108(3)(a) requires that accounting records contain "entries from day to day of all sums of money received and expended by the credit union and the matters in respect of which the receipt and expenditure take place";
- section 108(3)(c) requires that in respect of the provision of services the accounting records of a credit union contain a record of services provided and all transactions relating to them.

The credit union should ensure that:

- members are only included in draws where they have given their written consent for inclusion; and
- clear terms and conditions are documented and provided to participating members. Such terms and conditions would be expected to include items such as:
 - eligibility criteria for entry into the draw and the process for entering the draw (it should be clear whether or not volunteers and/or staff are eligible to enter);
 - how the draw fee will be collected;
 - information on when and where draws will take place;
 - how winners will be advised of their win;
 - how any surplus funds arising from the draw will be dealt with;
 - how members participating in the draw will be recorded; and
 - how the draw will be accounted for and audited (e.g. by internal and external audit).

Recommendations on Conducting a Prize Draw on a Break-even Basis:

- The board should review the operation of the prize draw regularly to ensure that it complies with the condition set out in the 2016 Regulations to be conducted on a 'break-even basis'.
- All subscriptions collected from members should only be used to pay for prizes and operating costs of the draw.
- An annual budget should be prepared forecasting the income and expenditure for the draw, allowing prizes to be adjusted to ensure the draw is operated on a break-even basis. This could be either on a financial year basis (30 September) or calendar year basis (31 December).
- Regular reconciliations on the prize draw should be prepared, signed by the preparer, independently reviewed, and presented to the Board at least annually.

Recommendations of the Prize Draws in Credit Unions – Thematic Review Findings:*Governance*

- There should be a policy in place setting out the principles governing the draw, and this should be reviewed by the board on an annual basis.
- Any changes to operational procedures should be reviewed and approved by senior management.
- The procedure document should be reviewed and updated on a regular basis, and this should be recorded to ensure that the most recent version is used.
- Introductions of prize draws in a credit union should be approved by the Board.
- All decisions taken by a board should be recorded in the minutes, and retained securely.

Member Participation

- Written consent should be obtained from each member to commence deductions for entry fees into a prize draw, and a record of this should be maintained by the credit union.
- The terms and conditions provided to members should clearly state the requirements for participation in the prize draw.
- All written instructions from members in relation to participation in the prize draw should be retained securely by the credit union.
- Detailed records should be maintained on which members are included in each draw.
- The terms and conditions should clarify whether staff, board and volunteers can participate in the prize draw. Boards should also consider whether related parties should participate.

Operation of Prize Draws

- The steps involved in the operation of the prize draw should be clearly documented.

- All draws should be conducted in line with the terms and conditions which have been communicated to members.
- To avoid reputational risk, and ensure independence and impartiality, all staff and volunteers directly involved in the operation of the prize draw should be excluded from participating in the prize draw.
- All draws should be attended by an independent observer, and draw results signed by the person operating the draw and by the independent observer.
- Winning members should be notified via written communication, with a copy kept on file, to ensure an audit trail of the communication.
- Details of all the winners should be made available to all members (with their consent and in compliance with Data Protection legislation) using methods such as:
 - Credit union website and social media and in any newsletters to members
 - Credit union public office
 - AGM booklet
- To ensure an audit trail, where possible, all cash prizes should be lodged directly to a member's account.
- Where prizes are not paid directly to a member's account, a signed record of receipt of the prize by the member should be maintained on file as an audit trail.
- A written record of the selection should be retained on file where a member has a choice of prize e.g. cash alternative in lieu of car prize.

Recording of Financial Transactions

- Prize draws should be regularly reviewed by both internal and external audit to ensure that systems and controls in place are operating as expected. Observations from internal and external audit must be implemented.
- There should be a segregation of duties between staff processing transactions and those reconciling / reviewing those transactions.
- A periodic reconciliation of the prize draw account should be completed. The reconciliation should be prepared at an appropriate level and reviewed and approved by senior management.
- All bank account reconciliations for prize draws should be reviewed and approved by a person independent of the preparer.
- Transactions in the prize draw should be reviewed on an annual basis by the external auditor, and prize draw transactions and balances should be reported separately in the annual accounts.