



**Financial Statements**

**Property Services Regulatory Authority**

**For the year ended 31 December 2018**



**PROPERTY SERVICES REGULATORY AUTHORITY**

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**PROPERTY SERVICES REGULATORY AUTHORITY**

**GENERAL INFORMATION**

Head Office	Property Services Regulatory Authority Abbey Buildings Abbey Road Navan Co Meath C15 K7PY
Authority Members	Geraldine Clarke (Chairperson) Paul Mooney Edward Carey Martin Hanratty Patrick Davitt Josephine Henry Deirdre Fox Regina Terry Muiris O'Ceidigh Aideen Hayden Hilary Griffey
Senior Executive:	Maeve Hogan (Chief Executive Officer)
Telephone Number:	1890 252 712 (046) 903 3800
Fax Number:	(046) 903 3888
Website:	<a href="http://www.psr.ie">www.psr.ie</a>
Email:	<a href="mailto:info@psr.ie">info@psr.ie</a>
Auditors:	Office of the Comptroller and Auditor General 3A Mayor Street Upper Dublin D01 PF72



## PROPERTY SERVICES REGULATORY AUTHORITY

### GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

#### Governance

The Property Services Regulatory Authority was established under the Property Services (Regulation) Act 2011. The functions of the Authority are set out in Part 2 Section 10 of this Act. The Authority is accountable to the Minister for Justice and Equality and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Property Services Regulatory Authority are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the strategic direction set by the Authority and must ensure that all Authority members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Authority and management of the Property Services Regulatory Authority.

#### Responsibilities of the Authority

The work and responsibilities of the Authority are set out in Property Services Regulations Act 2011, which also contain the matters specifically reserved for Authority decision. Standing items considered by the Authority include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports (Strategy Statements)
- Risk Register
- Statistics.

Section 22.2 of the Property Services (Regulation) Act 2011 requires the Property Services Regulatory Authority to keep, in such form as may be approved by the Minister for Justice and Equality with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Authority is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 22.2 of the Property Services (Regulation) Act 2011. The maintenance and integrity of the corporate and financial information on the Property Services Regulatory Authority's website is the responsibility of the Authority.

The Authority is responsible for approving the annual plan and budget. An evaluation of the performance of the Property Services Regulatory Authority by reference to the annual plan and budget was carried out on 7<sup>th</sup> March 2018.



## PROPERTY SERVICES REGULATORY AUTHORITY

### GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority considers that the financial statements of the Property Services Regulatory Authority properly presents the financial performance and the financial position of the Property Services Regulatory Authority at 31 December 2018.

#### Authority Structure

The Authority consists of a Chairperson, and ten ordinary members, all of whom are appointed by the Minister for Justice and Equality. The members of the Authority were appointed for a period of four years and met five times in 2018. The table below details the appointment period for current members:

Authority Member	Role	Date Appointed
Geraldine Clarke	Chairperson	28/11/2016
Edward Carey	Member	28/11/2016
Patrick Davitt	Member	03/04/2015
Deirdre Fox	Member	03/04/2015
Martin Hanratty	Member	03/04/2015
Josephine Henry	Member	03/04/2015
Paul Mooney	Member	28/11/2016
Regina Terry	Member	03/04/2015
Hilary Griffey	Member	28/11/2016
Aideen Hayden	Member	28/11/2016
Muiris O'Ceidigh	Member	28/11/2016

An external review of the Authority was carried out by the Institute of Public Administration in 2018.

The Authority has established two committees, as follows:

- 1. Audit and Risk Committee:** comprises two Authority members and two independent members. The role of the Audit and Risk Committee (ARC) is to support the Authority in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Authority after each meeting.

The members of the Audit and Risk Committee are: Deirdre Fox (Chairperson), Muiris O Ceidigh, Theresa Carolan (independent) and Myles O Reilly (independent). There were 5 meetings of the ARC in 2018.



## PROPERTY SERVICES REGULATORY AUTHORITY

### GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

**2. Compensation Fund Advisory Committee:** comprises three Authority members.

The members of the Compensation Fund Committee are: Dr Aideen Hayden, Dr Muiris O'Ceidigh and Hilary Griffey. There were 5 meetings of the Compensation Fund Committee in 2018.

#### Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Authority and Committee meetings for 2018 is set out below including the fees and expenses received by each Authority member:

	Authority	Compensation Fund Committee	Audit & Risk Committee	Fees 2018 €	Expenses 2018 €
	5	5	5		
Geraldine Clarke	5			8,978	-
Paul Mooney	4			5,985	-
Patrick Davitt	3			5,985	-
Edward Carey	5			5,985	-
Josephine Henry <sup>1</sup>	-			5,985	-
Deirdre Fox	4		5	5,985	-
Hilary Griffey	5	4		5,985	217
Aideen Hayden	5	5		5,985	-
Martin Hanratty	5			-	-
Regina Terry	4			-	-
Muiris O Ceidigh	4	5	3	-	-
				<b>50,873</b>	<b>217<sup>2</sup></b>

Three members of the Authority, Martin Hanratty, Regina Terry and Muiris O'Ceidigh did not receive Authority fees under the One Person One Salary (OPOS) principle.

A quorum of the Authority met on three additional occasions in 2018 regarding a case for consideration and decision on the imposition of a major sanction on a licensee. Authority members in attendance included: Muiris O'Ceidigh, Martin Hanratty, Hilary Griffey, Deirdre Fox and Paul Mooney.

<sup>1</sup> Ms. Josephine Henry was absent on leave for the year 2018.

<sup>2</sup> See note 5



**PROPERTY SERVICES REGULATORY AUTHORITY**  
**GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT**

**Key Personnel Changes**

There were no key personnel changes in 2018.

**Disclosures Required by Code of Practice for the Governance of State Bodies (2016)**

The Authority is responsible for ensuring that the Property Services Regulatory Authority has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

**Employee short term benefits breakdown**

A table showing the breakdown of employee short term benefits is included in Note 4 (b) – Employee benefits breakdown.

**Consultancy Costs**

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	<b>2018</b>	<b>2017</b>
	€	€
Legal advice	22,919	44,714
Public relations/marketing	-	17,649
<b>Total</b>	<b>22,919</b>	<b>62,363</b>

**Legal Costs and Settlements**

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Property Services Regulatory Authority which is disclosed in Consultancy costs above.

	<b>2018</b>	<b>2017</b>
	€	€
Legal fees - legal proceedings	141,828	56,619
<b>Total</b>	<b>141,828</b>	<b>56,619</b>



**PROPERTY SERVICES REGULATORY AUTHORITY**  
**GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT**

**Travel and Subsistence Expenditure**

Travel and subsistence expenditure is categorised as follows:

	2018	2017
	€	€
Domestic		
- Authority Members	217	-
- Employees	33,917	20,258
Total	<u>34,134</u>	<u>20,258</u>

**Hospitality Expenditure**


The Income and Expenditure Account includes the following hospitality expenditure:

	2018	2017
	€	€
Staff hospitality	314	353
Total	<u>314</u>	<u>353</u>

**Statement of Compliance**

The Authority has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Property Services Regulatory Authority was in full compliance with the Code of Practice for the Governance of State Bodies for 2018.

On behalf of the Property Services Regulatory Authority

  
 Ms. Maeve Hogan, Chief Executive Officer:

Date: 11/9/19

  
 Ms. Geraldine Clarke, Chairperson:

Date: 11/9/19





## PROPERTY SERVICES REGULATORY AUTHORITY

### STATEMENT OF INTERNAL CONTROL

#### **Scope of Responsibility**

On behalf of the Property Services Regulatory Authority, I acknowledge the Authority's responsibility for ensuring that an effective system of internal control is maintained and operated in the Authority. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

#### **Purpose of the Statement of Internal Control**

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Property Services Regulatory Authority for the year ended 31 December 2018 and up to the date of approval of the financial statements.

#### **Internal Controls in Place**

The Authority is satisfied that the systems, which it has in place, are reasonable and appropriate for the Authority's circumstances having regard to its size, level of expenditure, staff resources and the nature of its operations. However, the systems do not, and cannot, provide absolute assurance against material error.

The Property Services Regulatory Authority has adopted the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure and Reform in 2016.

#### **Capacity to Handle Risk**

The Property Services Regulatory Authority has an Audit and Risk Committee (ARC) comprising two Authority members and two external members. I, as Chairperson of the Authority, am satisfied that the ARC discharged its role effectively with five meetings in 2018.

The Authority has reviewed and agreed the risk management policy which sets out its risk appetite and the risk management processes.

The Property Service's Regulatory Authority's Internal Audit function is carried out by the Department of Justice and Equality (DJE) Internal Audit Unit under the oversight of the Audit Committee of Vote 24 (Justice and Equality). The role of DJE Internal Audit Unit is to provide independent assurance to the Accounting Officer on the effectiveness of the internal controls in place across the Vote.

The DJE's Internal Audit Unit carry out audits on financial and other controls in the Authority and carries out a programme of audits each year.



## PROPERTY SERVICES REGULATORY AUTHORITY

### STATEMENT OF INTERNAL CONTROL

#### **Risk and Control Framework**

The Property Services Regulatory Authority has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Audit and Risk Committee, in consultation with Senior Management. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. The Authority confirms that a control environment containing the following elements are in place:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems. The ICT division of the Department of Justice and Equality provide the Property Services Regulatory Authority with ICT services. They have provided an assurance statement outlining the control processes in place in 2018. An online licence application system is provided by An Post through Licences.ie on behalf of the Property Services Regulatory Authority. An assurance document regarding the security and controls of the system in place was received from An Post in 2018.
- there are systems in place to safeguard the Property Services Regulatory Authority's assets, and
- there are control procedures in place regarding assessment and payments from the compensation fund.



## PROPERTY SERVICES REGULATORY AUTHORITY

### STATEMENT OF INTERNAL CONTROL

#### **Ongoing Monitoring and Review**

The Property Services Regulatory Authority has in place an Internal Control Document which identifies risks to the Authority, the controls in place and the reporting and monitoring procedures.

The Authority takes the major strategic decisions and meets at regular intervals to monitor performance and plans. The executive management only act within the authority delegated by the Authority to give effect to the Authority's policies and decisions.

A detailed procedural manual has been prepared and put in place. Where possible, staff duties are appropriately divided taking account of the risks involved and the limited number of staff.

I confirm that the following ongoing monitoring systems are in place:

- Key risks and controls have been identified and processes have been put in place to monitor the operation of those key controls and report on any deficiencies,
- Formal procedures are in place for the purchase of all goods and services, for approval of invoices in respect of goods and services and authorisation of payment in respect of goods and services. Procedures in this regard have been strengthened during the year through the implementation of recommendations emerging from the internal audit report.
- There are regular reviews by the Chief Executive Officer of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.
- The Authority's financial and other control procedures are subject to an annual review by the Department of Justice and Equality Internal Audit Unit. The Department of Justice and Equality Audit Committee reviews the work of the Internal Audit Unit.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.

#### **Assurances**

##### ***Information and Communication Technologies***

The Property Services Regulatory Authority avails of the shared ICT support service from the Department of Justice and Equality. A Service Level Agreement is in place with the Department in relation to the ICT service and arrangements are in place to back up PSRA systems. An independent review of the service was completed in 2018; recommendations received are being addressed by the Property Services Regulatory Authority. An assurance document was provided by Justice IT in April 2018 regarding controls in place at that time.

An online licence application system is provided by An Post through Licences.ie on behalf of the Property Services Regulatory Authority. This online system has greatly enhanced the efficiency and effectiveness of the licence renewal process and further developments are planned. An assurance document was received from An Post in December 2017 regarding the security and controls of the system in place during 2017. A service level agreement was put in place with An Post in 2018.



## PROPERTY SERVICES REGULATORY AUTHORITY

### STATEMENT OF INTERNAL CONTROL

#### ***Shared Financial Services***

The Property Services Regulatory Authority avails of shared financial services under the Department of Justice and Equality. A letter of assurance regarding controls in the provision of shared services has been received from the Department of Justice and Equality.

The Property Services Regulatory Authority also avails of shared services from the Payroll Shared Services Centre (PSSC) under the Department of Public Expenditure and Reform. The service is covered under a Service Level Agreement (SLA) between the PSSC and the Department.

#### **Procurement**

I confirm that the Property Services Regulatory Authority has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2018 the Property Services Regulatory Authority complied with those procedures

#### **Review of Effectiveness**

I confirm that the Property Services Regulatory Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Property Services Regulatory Authority's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work and the senior management within the Property Services Regulatory Authority responsible for the development and maintenance of the internal financial control framework.

I confirm that the Authority conducted an annual review of the effectiveness of internal controls for 2018. The Authority has satisfied itself insofar as is practicable, that the systems of internal financial control instituted and implemented in the Property Services Regulatory Authority for the financial year ended 31<sup>st</sup> December 2018 are effective.

#### **Internal Control Issues**

##### ***Disclosures of Details Regarding Instances where Breaches in Control have occurred.***

No weaknesses with internal controls were identified in relation to 2018 that require disclosure in the financial statements.

##### ***Disclosures of Details of Material Losses or Fraud***

There are no matters of fraud to report for 2018.

Geraldine Clarke  
Chairperson



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas Property Services Regulatory Authority

#### Opinion on the financial statements

I have audited the financial statements of the Property Services Regulatory Authority for the year ended 31 December 2018 as required under the provisions of section 22 of the Property Services (Regulation) Act 2011. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion,

- the financial statements properly present moneys received and expended by the Property Services Regulatory Authority for 2018 and
- the financial position at 31 December 2018 is in accordance with the accounting policies set out in the financial statements.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Property Services Regulatory Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on information other than the financial statements, and on other matters

The Property Services Regulatory Authority has presented certain other information together with the financial statements. This comprises the governance statement and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
Comptroller and Auditor General

**27** September 2019

## Appendix to the report

### Responsibilities of the Authority

The governance statement and Authority members' report sets out the Authority members' responsibilities. The Authority members are responsible for

- the preparation of financial statements in the form prescribed under section 22 of the Property Services (Regulation) Act 2011
- ensuring that the financial statements properly present moneys received and expended for 2018 and its financial position at 31 December 2018 in accordance with the accounting policies set out in the financial statements
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 22 of the Act to audit the financial statements of the Property Services Regulatory Authority and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Property Services Regulatory Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Property Services Regulatory Authority to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.




**PROPERTY SERVICES REGULATORY AUTHORITY**

**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE  
RESERVES FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>Income</b>	<b>Notes</b>	<b>2018</b>	<b>2017</b>
		€	€
Oireachtas Grant	2	1,976,921	1,869,904
Own Resources	3	2,306,882	2,280,348
<b>Total Income</b>		<b>4,283,803</b>	<b>4,150,252</b>
<b>Expenditure</b>			
Staff costs	4	1,326,129	1,000,466
Administration, Operations & Promotion	5	676,116	938,880
Audit Fee		11,500	12,000
Depreciation	6	56,021	50,782
<b>Total Expenditure</b>		<b>2,069,766</b>	<b>2,002,128</b>
<b>Surplus for the year before appropriations</b>		<b>2,214,037</b>	<b>2,148,124</b>
Transfer from Capital Account	7	56,021	50,782
Remitted to the Department of Justice and Equality		<u>(2,250,000)</u>	<u>(2,250,000)</u>
Surplus/ (Deficit) for the year after Appropriations		20,058	(51,094)
Surplus brought forward at 1 January		<u>74,351</u>	<u>125,445</u>
<b>Surplus carried forward at 31 December</b>		<b><u>94,409</u></b>	<b><u>74,351</u></b>

**The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year. The Statement of Cash Flows and notes 1 to 15 form an integral part of these financial statements.**

On behalf of the Property Services Regulatory Authority

  
Ms. Maeve Hogan, Chief Executive Officer:

Date: 11/9/19

  
Ms. Geraldine Clarke, Chairperson:

Date: 11/9/19



## PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018

	Notes	2018 €	2017 €
<b>Fixed Assets</b>			
Property Plant & Equipment	6	232,616	233,348
<b>Current Assets</b>			
Cash & Cash Equivalents		112,285	89,952
Inventory	8	16,172	20,149
Receivables and prepayments	9	30,646	27,613
		<b>159,103</b>	<b>137,714</b>
<b>Current liabilities</b>			
Payables and accruals	10	64,694	63,363
<b>Net Current Assets</b>		<b>94,409</b>	<b>74,351</b>
<b>Total Net Assets</b>		<b>327,025</b>	<b>307,699</b>

**Representing**

Capital Account	7	232,616	233,348
Retained revenue reserves		94,409	74,351
		<b>327,025</b>	<b>307,699</b>

The Statement of Cash Flows and notes 1 to 15 form an integral part of these financial statements.

On behalf of the Property Services Regulatory Authority

Ms. Maeve Hogan, Chief Executive Officer:

Date: 11/9/19

Ms. Geraldine Clarke, Chairperson:

Date: 11/9/19





**PROPERTY SERVICES REGULATORY AUTHORITY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**


<b>Net Cash Flows from Operating Activities</b>	<b>2018</b>	<b>2017</b>
	€	€
Operating surplus/ (deficit) for year	20,058	(51,094)
Depreciation of property, plant and equipment	56,021	50,782
Net Transfer (from)/ to capital account	(732)	31,480
Decrease/ (Increase) in inventory	3,977	(5,322)
(Increase)/ Decrease in receivables and prepayments	(3,033)	34,305
Increase in payables and accruals	1,331	18,866
	<hr/>	<hr/>
<b>New cash inflows from Operating Activities</b>	<b>77,622</b>	<b>79,017</b>
<b>Cash Flows from investing activities</b>		
Payments to acquire property, plant and equipment	(55,289)	(82,262)
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>22,333</b>	<b>(3,245)</b>

**Statement of changes in net funds**


Net funds at 1 January 2018	89,952	93,197
Net funds at 31 December 2018	112,285	89,952
Net Surplus/ (Deficit) in cash and cash equivalents	<u>22,333</u>	<u>(3,245)</u>

**Notes 1 to 15 form an integral part of these financial statements.**

On behalf of the Property Services Regulatory Authority

  
 Ms. Maeve Hogan, Chief Executive  
 Officer:

Date: 11/9/19

  
 Ms. Geraldine Clarke, Chairperson:

Date: 11/9/19

**PROPERTY SERVICES REGULATORY AUTHORITY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018****1. Accounting Policies**

a) The basis of accounting and significant accounting policies adopted by the Property Services Regulatory Authority are set out below. They have all been applied consistently throughout the year and for the preceding year.

**b) General Information**

The Property Services Regulatory Authority was set up under the Property Services (Regulation) Act 2011, with a head office at Abbey Buildings, Abbey Road, Navan, Co. Meath, C15 K7PY. The Property Services Regulatory Authority's primary objectives as set out in Section 11 of the Property Services (Regulation) Act 2011 are as follows:

- Issue and renew licences;
- Establish and maintain the Register of Licensees;
- Specify and enforce qualifications requirements and other requirements
- Specify and enforce standards including technical standards and appropriate ethical standards;
- Establish, maintain and administer the Fund;
- Establish and administer a system of investigation of licensees;
- Impose minor sanctions or major sanctions on licensees;
- Apply to the High Court for the confirmation of the imposition of major sanctions on licensees;
- Promote public awareness and disseminate information to the public in respect of property services;
- Promote and development and adoption of Codes of Practice;
- Keep the Minister informed of developments in respect of the provision of property services by licensees and assist the Minister in co-ordinating and developing policy in that regard;
- Maintain and publish particulars of residential property sales prices;
- Establish and maintain the Commercial Leases Database; and
- Perform any other functions conferred on it by any other provision of the Act or any other enactment or by regulations made under the Act or any other enactment.

The Property Services Regulatory Authority is a Public Benefit Entity (PBE).

Section 77(1) of the Act requires the Authority to establish, administer and maintain a fund to be known as the Property Services Compensation Fund. The accounts of the Fund are prepared and audited separately in accordance with Schedule 6 of the Act.

**c) Basis of accounting**

The financial statements of the Property Services Regulatory Authority for the year ended 31 December 2018 have been prepared in accordance with the accounting policies set out below and in the form approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform.



## PROPERTY SERVICES REGULATORY AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### d) Revenue

Income recognised in the financial statements under Oireachtas grant represents funding provided to the Authority through the Vote of the Department of Justice and Equality which makes all payments on behalf of the Authority. Oireachtas grant income and income applied to capital expenditure match the sum charged to the Appropriation account of the Department.

Licence fee income is recognised upon receipt of an application for a licence. Licence fee income is remitted on a quarterly basis to the Department of Justice and Equality. It is recorded as appropriations-in-aid in the Department's accounts. The Authority retains a balance in its accounts for refunding of fees.

#### e) Expenditure

All expenditure, including payroll, is processed by the Department of Public Expenditure and Reform and recorded on an accrual basis in the financial statements.

All of the Authority's staff have been seconded from the Department of Justice and Equality. Pension liabilities of such staff will be met out of Superannuation Vote 12 and no provision has been made in these financial statements in respect of these costs.

#### f) Property, Plant and Equipment

Property, plant and equipment is depreciated on a straight-line basis over their estimated useful life starting in the month the asset is placed in service.

Furniture	10% Straight Line
IT Hardware & Software	20% Straight Line
Office Equipment	20% Straight Line

#### g) Capital Account

The capital account represents the unamortised value of income applied for capital expenditure.

#### h) Employee Benefits

##### Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the expenditure figures in the Statement of Financial Position.



**PROPERTY SERVICES REGULATORY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**h) Employee Benefits (continued)**

Retirement Benefits

The employees of the Property Services Regulatory Authority are civil servants and are members of a defined benefit scheme which is unfunded and is administered by the Department of Public Expenditure and Reform.

The Public Service (Single Scheme and Other Provision) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ('Single Scheme') which commenced with effect from 1st January 2013. All new staff members to the Property Services Regulatory Authority, who are new entrants to the Public Sector, on or after 1st January 2013 are members of the Single Scheme.

There is no charge in these financial statements for any liabilities which may arise in respect of the retirement benefits of the Property Services Regulatory Authority.

<b>2</b>	<b>Oireachtas Grant</b>	<b>2018</b>	<b>2017</b>
		€	€
	Sub-head A11 of Vote 24 – Justice and Equality	<b>1,976,921</b>	<b>1,869,904</b>

In addition to the Oireachtas Grant the amount of €55,289 was provided to the Authority for the purposes of capital expenditure on the implementation of online licensing.

**3 Own Resources**

		<b>2018</b>	<b>2017</b>
		€	€
	Licence fee income received	2,363,585	2,354,003
	Less refunds	<u>(61,703)</u>	(73,655)
	Miscellaneous Income	5,000	-
	<b>Total income</b>	<b><u>2,306,882</u></b>	<b><u>2,280,348</u></b>

Auctioneers, estate agents, letting agents and property management agents must be licensed and regulated by the Authority. Licence fees are payable on an annual basis. The Authority in exercise of the powers conferred on it by section 95 of the Property Services (Regulation) Act 2011 with the consent of the Minister for Justice and Equality made regulations which came in to operation on 30 May 2012. The Property Services (Regulation) Act 2011 (Licensing) Regulations 2012 sets out the fee for the issue or renewal of a licence: property services employer €1,000, independent contractor €1,000 and principal officer or employee €100.



**PROPERTY SERVICES REGULATORY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**4. Salaries**

**(a) Aggregate Employee Benefits**

	2018	2017
	€	€
Wages and salaries	1,291,995	980,208
Travel and subsistence	34,134	20,258
<b>Total</b>	<b>1,326,129</b>	<b>1,000,466</b>

At 31 December 2018 the Authority employed 26.9 whole time equivalent permanent staff (2017: 21.8) and 6 temporary staff (2017: 8)

There were no salary overpayments at 31 December 2018 or at 31 December 2017.

**(b) Employee Benefits breakdown**

Range of Total Employee Benefits		Number of Employees	
<b>From</b>	<b>To</b>	<b>2018</b>	<b>2017</b>
€60,000	€69,999	1	-
€70,000	€79,999	1	1
€80,000	€89,999	-	1
€90,000	€99,999	1	-

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee, but exclude employer's PRSI.

**(c) Chief Executive Remuneration**

The remuneration of the Chief Executive Officer for the year ended 31 December 2018 was €94,705 (€85,677 in 2017). Travel and Subsistence payments of €7,681 (€4,660 in 2017) were made to the Chief Executive Officer in accordance with Civil Service rates.

The Chief Executive Officer's pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme. No performance related payments were made in 2018 to the Chief Executive Officer.



**PROPERTY SERVICES REGULATORY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5 Administration, Operations and Promotion**

	2018	2017
	€	€
Authority member fees <sup>1</sup>	50,873	50,873
Postage and telecommunications	99,671	88,902
Office machinery and other office supplies	60,240	29,325
Office cleaning and maintenance	10,097	7,184
Light and Heat	11,817	12,556
Legal fees	164,747	101,332
Marketing and Promotion	64,614	116,659
Investigation Fees	142,224	469,184
Bank and licensing fees	34,549	33,593
Publications and Reports	1,266	1,940
General expenses	28,564	17,630
Accountancy fees	7,454	9,702
	<b>676,116</b>	<b>938,880</b>

**6 Property, Plant and Equipment**

	IT	Office Equipment	Furniture	Total
	€	€	€	€
<b>Cost</b>				
At 1 January 2018	298,227	2,950	17,624	318,801
Additions	55,289	-	-	55,289
At 31 December 2018	353,516	2,950	17,624	374,090
<b>Accumulated Depreciation</b>				
At 1 January 2018	76,738	2,950	5,765	85,453
Charged in the year	54,422	-	1,599	56,021
At 31 December 2018	131,160	2,950	7,364	141,474
<b>Net Book Value</b>				
At 31 December 2018	<b>222,356</b>	-	<b>10,260</b>	<b>232,616</b>
At 31 December 2017	<b>221,490</b>	-	<b>11,859</b>	<b>233,348</b>

<sup>1</sup> The Property Services Regulatory Authority Board was set up on 3 April 2012. A Breakdown of the fees paid to individual Authority members in 2018 is included in the governance statement on these financial statements.



**PROPERTY SERVICES REGULATORY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**7 Capital Account**

	2018	2017
	€	€
Balance at 1 January	233,348	201,868
Amortisation in line with depreciation	(56,021)	(50,782)
Additions	55,289	82,262
	<b>232,616</b>	<b>233,348</b>

**8 Inventory**

	2018	2017
	€	€
Stationery	14,377	19,055
Photocopying / IT	1,028	738
Miscellaneous	767	356
	<b>16,172</b>	<b>20,149</b>

**9 Receivables and Prepayments**

	2018	2017
	€	€
Prepayments	30,646	27,613
	<b>30,646</b>	<b>27,613</b>

All receivables are due within one year.

**10 Payables and Accruals**

	2018	2017
	€	€
Accruals	64,694	63,363
	<b>64,694</b>	<b>63,363</b>

The terms of accruals are based on the underlying contracts.

**PROPERTY SERVICES REGULATORY AUTHORITY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018****11 Pension Levy**

Salary costs included in this account are the gross costs to the Authority for the period. The Department of Justice and Equality pays salaries on behalf of the Authority. Pension levy deductions, as per Section 2(3) of the Financial Emergency Measures in the Public Interest Act 2009 (No. 5 of 2009), are made by the Department and are retained as Appropriations-in-Aid for that Department.

**12 Premises**

The Authority's head office is at Abbey Buildings, Abbey Road, Navan, Co Meath, C15 K7PY and, for investigating complaints, from an office in Bishop's Square, Dublin, D02 TD99. Both offices are provided free of charge by the Office of Public Works.

**13 Contingent Liabilities**

Property Services Regulatory Authority is involved in a number of legal cases at the financial year end. The Authority is unable to reliably estimate the potential financial impact of these cases.

**14 Related Party Transactions/ Disclosure of interests**

Key management personnel consist of the CEO and members of the Authority. Total compensation paid to key management personnel, including Authority members' fees and total CEO remuneration, amounted to €145,578 (2017: €136,550).

The Property Services Regulatory Authority complies with the Code of Practice for the Governance of State bodies issued by the Department of Finance in relation to the disclosure of interests by the Authority members and its staffs. Formal procedures exist to ensure adherence with this requirement of the code. No related party transactions took place in 2018.

**15 Approval of financial statements**

These accounts were approved by the Authority of the Property Services Regulatory Authority on 11 September 2019.