

PROPERTY SERVICES
REGULATORY AUTHORITY
ANNUAL REPORT 2018



MISSION

The Authority's mission through regulation is to control, supervise and regulate providers of property services (Auctioneers, Estate Agents, Letting Agents and Management Agents) and to protect the interests of the public in their interaction with property service providers by ensuring that high standards are maintained and delivered.

VALUES

PUBLIC INTEREST

The Authority is committed to carrying out its functions independently and in the public interest.

GOVERNANCE

The Authority is committed to compliance with high standards of governance and probity, and to conducting its business in an efficient and effective manner.

PROPORTIONALITY

The Authority regulates proportionately through targeting resources at areas of risk.

CONSULTATION

The Authority is committed to collaborating with its stakeholders in the ongoing development and delivery of its services.

COMMITMENT TO STAFF

The Authority is committed to supporting its staff in delivering on its strategic goals and in developing fulfilling careers within the organisation.

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CHAIRPERSON AND CHIEF EXECUTIVE STATEMENT



Geraldine Clarke
Chairperson

We are pleased to present the 2018 annual report of the Property Services Regulatory Authority. 2018 was a busy year for the Authority in continuing to promote the regulatory functions, standards and professionalism within the property services sector as well as protection of consumer interests.

“2018 was a busy year for the Authority in continuing to promote the regulatory functions, standards and professionalism within the property services sector as well as protection of consumer interests.”



Maeve Hogan
Chief Executive

A number of new projects were implemented during the year including the publication of a communications policy, a revamped interactive website and revised sample template letters of engagement. An online system for new licence applications was introduced resulting in all new and renewal licence applications being made online. This brings us a step closer to providing a full online licensing system. The introduction and roll out of a Continuous Professional Development (CPD) programme was a significant achievement and was delivered through the Institute of Professional Auctioneers and Valuers (IPAV) and the Society of Chartered Surveyors of Ireland (SCSI).

The Authority in an effort to gain a wide range of views from licensees concerning the impact of regulation on the sector undertook its' first ever survey. Some 25% (over 1,200) of licensees completed the survey. This information will be a rich source of data to the Authority and we would sincerely like to thank all those who took the time to complete the survey.

In continuing to promote public awareness of the Authority, a number of targeted media campaigns and attendance at events such as the Ideal Home Show and the National Ploughing Championships were undertaken. Once again the Minister for Justice and Equality, Mr Charlie Flanagan T.D., attended the Ploughing Championships to launch our 2017 Annual Report. Our continued collaboration with other property sector providers at this event has proven very successful.

The area of legislation is another key area that was worked on during the year and by year end we were at an advanced stage of drafting of a new Statutory Instrument “Minimum Standards to be Observed” under section 95 of the Property Services (Regulation) Act 2011 (the Act). This

legislation, together with a new Code of Practice, will bring additional clarity and transparency into the property service sector in 2019.

“...by year end we were at an advanced stage of drafting of a new Statutory Instrument “Minimum Standards to be Observed.””

Significant progress was made in 2018 in reducing complaint arrears which has been achieved as a result of additional resources and the availability of outsourced resources. Similarly, the Authority at the end of 2018 had completed audits across 63% of all licensed businesses.

“...the Authority at the end of 2018 had completed audits across 63% of all licensed businesses.”

The Authority adheres to the highest standard of governance which is set out in the Code of Practice for the Governance of State Bodies and was fully compliant with the Code in 2018. Throughout the year, the Board has continued to demonstrate support and commitment to the Executive through their vast knowledge and expertise.

We would like to acknowledge and thank the Minister for Justice and Equality, Mr. Charlie Flanagan T.D., staff of the Department of Justice and Equality, licensees, their staff, Forum members and all our stakeholders for their ongoing input and engagement with the Authority and assisting the Authority in advancing regulation once again throughout 2018. The year saw huge progression in terms of delivery of key projects and general work output. This would not be possible without the invaluable, committed and hardworking staff of the Authority. A sincere thanks to all.



Geraldine Clarke
Chairperson



Maeve Hogan
Chief Executive



2018 AT A GLANCE



**1 MAJOR
SANCTION
IMPOSED AND
CONFIRMED BY
THE HIGH COURT**



**FIRST SURVEY OF
PSRA LICENSEES
UNDERTAKEN**



**APPROXIMATELY
1.9m
VISITORS
TO THE PROPERTY
PRICE REGISTER**



**5,271
LICENCE RENEWALS
PROCESSED**



**INTRODUCTION OF
NEW FIRST TIME
ONLINE LICENCE
APPLICATION**



**448
COMPLIANCE AUDIT
INVESTIGATIONS
COMPLETED**



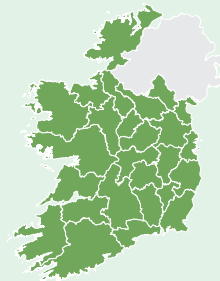
**465
NEW LICENCES
ISSUED**



**430
COMPLAINTS
INVESTIGATIONS
COMPLETED**



**32,000
COMMERCIAL
LEASE RETURNS
PUBLISHED**



**CPD ROLLED OUT
REGIONALLY FOR
ALL LICENSEES**

ABOUT US



PSRA Head Office, Navan, Co. Meath

The Property Services Regulatory Authority (the Authority) was established on 3rd April 2012 pursuant to the Property Services (Regulation) Act 2011 (the Act) and is the statutory body with responsibility for licensing and regulating the property service sector in Ireland.

The Act establishing the Authority provides for the licensing of a number of categories of property service providers (PSPs) namely:

- **Auctioneers**
Persons engaged in the auction of property other than land (Licence Type A)
- **Estate Agents**
Persons engaged in the purchase or sale of land by whatever means (Licence Type B)
- **Letting Agents**
Persons engaged in the letting of land (Licence Type C)
- **Management Agents**
Persons engaged in the provision of management services on behalf of Management Bodies (Licence Type D).

The Authority's Chief Executive is Ms Maeve Hogan. The headquarters are based in Navan, Co Meath since its establishment, with a second office established at Bishops Square, Dublin 2 in December 2013. At the end of 2018, in addition to the Chief Executive of the Authority, the PSRA had 28 staff members.

WHAT WE DO

The Authority implements the objectives of the Act and works to ensure that those licensed to provide property services meet the highest standards in service provision and that consumers are fully protected.

The key functions of the Authority include:

- **To control, supervise and regulate Property Service Providers (i.e. Auctioneers, Estate Agents, Letting Agents and Management Agents);**
 - **To operate a comprehensive licensing system covering all Property Service Providers;**
 - **To specify and enforce standards for the granting of licences to Property Service Providers (e.g. educational/training standards; levels of professional indemnity insurance), and; standards to be observed in the provision of property services by Property Service Providers (e.g. technical standards; appropriate ethical standards);**
 - **To establish and administer a system of investigation and adjudication of complaints against Property Service Providers;**
 - **To establish and administer a system of investigation of standards in the provision of Property Services;**
 - **To impose sanctions on Property Service Providers for improper conduct (including payment of a sum up to €250,000 and the revocation of a licence);**
 - **To promote increased consumer protection and public awareness of property services in general;**
 - **To establish, maintain and administer a Compensation Fund;**
 - **To develop a Code of Practice for Property Service Providers;**
 - **To establish and maintain a Public Register of Property Sales Prices;**
 - **To establish and maintain a Commercial Leases Database;**
 - **To establish and maintain a Public Register of Licensed Property Service Providers;**
 - **To Act as State Competent Authority for Money Laundering;**
 - **To Assist the Minister in the development of policy in regulating the sector; and**
 - **To undertake or commission research projects.**
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BOARD AND COMMITTEES OF THE AUTHORITY

Board of the Authority

In appointing members to the Authority under the Act, the Minister for Justice and Equality must have regard to the desirability of the members' knowledge or experience in consumer affairs, business, finance, management or administration or any other subject which would, in the Minister's opinion, be of assistance to the Authority in performing its functions under this Act.

However, the Act also prescribes that the membership of the Authority must include:

- (a) not more than 3 persons who are representatives of persons who provide property services, and
- (b) not less than 3 persons who have knowledge of, or experience in, consumer affairs.

(c) one shall be an officer of the Minister.

Membership of the Authority complies with the statutory requirement outlined above.

The Authority is independent in the exercise of its functions and is chaired by Ms. Geraldine Clarke, Solicitor, and the board members are those from within the property service sector, consumer interest representatives and an officer of the Minister.

The Board consists of a Chairperson and 10 members, all who are appointed by the Minister for Justice and Equality. The Members of the Board were appointed for a period of 4 years and met 5 times during 2018. The table below details the members, their role, appointment information and the number of meetings each member attended during the year.

Board Member	Role	Term of Appointment	Meetings Attended
Geraldine Clarke**	Chairperson	28/11/2016 - 27/11/2020	5
Aideen Hayden, Dr	Member	28/11/2016 - 27/11/2020	5
Deirdre Fox**	Member	03/04/2015 - 02/04/2019	4
Edward Carey**	Member	28/11/2016 - 27/11/2020	5
Hilary Griffey	Member	28/11/2016 - 27/11/2020	5
Josephine Henry#**	Member	03/04/2015 - 02/04/2019	-
Martin Hanratty**	Member	03/04/2015 - 02/04/2019	5
Muiris O'Ceidigh, Dr	Member	28/11/2016 - 27/11/2020	4
Patrick Davitt**	Member	03/04/2015 - 02/04/2019	3
Paul Mooney**	Member	28/11/2016 - 27/11/2020	4
Regina Terry**	Member	03/04/2015 - 02/04/2019	4

Josephine Henry was absent on leave during 2018.

** Board Member serving second term of office.

Consideration of Major Sanction

Members of the Authority, Ms. Deirdre Fox, Ms. Hilary Griffey, Mr. Martin Hanratty and Dr. Muiris O’Ceidigh (Quorum of the Board) with Mr. Paul Mooney acting as substitute, met to adjudicate on a major sanction case. In relation to this matter these members of the Authority met on three occasions for consideration and decision on the imposition of a major sanction on a licensee.

Members of the Authority	Meetings Attended
Deirdre Fox	2
Hilary Griffey	3
Martin Hanratty	3
Muiris O’Ceidigh, Dr	3
Paul Mooney	1

Committees of the Authority

Audit and Risk Committee

The Audit and Risk Committee is comprised of two Authority members: Ms. Deirdre Fox (Chairperson) and Dr. Muiris O’Ceidigh, as well as two independent members: Ms. Therese Carolan and Mr. Myles O’Reilly. There were 5 Audit and Risk Committee meetings in 2018.

Committee Member	Type of Member	Meetings Attended
Deirdre Fox	Authority Member (Chairperson)	5
Muiris O’Ceidigh, Dr	Authority Member	3
Therese Carolan	Independent Member	5
Myles O’Reilly	Independent Member	4

Compensation Fund Advisory Committee

The Compensation Fund Advisory Committee is comprised of three Authority members: Ms. Hilary Griffey, Dr Aideen Hayden and Dr Muiris O’Ceidigh. The Advisory Committee considers applications for grants on the Compensation Fund and makes a recommendation to grant, part-grant or refuse to grant claims to the Board of the Authority. There were 5 meetings of the Committee in 2018.

Committee Member	Meetings Attended
Hilary Griffey	4
Aideen Hayden, Dr	5
Muiris O’Ceidigh, Dr	5



STRATEGIC PLAN

The current Strategic Plan of the Property Services Regulatory Authority (PSRA) covers the period September 2017 to August 2020 and maps out the key issues which the Authority must address during this period. This plan continues to build on the work and progress made to date and provides a road map for the strategic direction of the Authority. The Strategic Plan focuses on:

- improving the organisational structures, systems, procedures, protocols, rules and regulations that have been established since the Authority commenced its work and which are fundamental to the long term functioning of the Authority, and
- ensuring that a robust regulatory framework will continue to apply in the sector.

The Strategic Plan outlines the role, objectives and direction of the PSRA and charts the progress made to date that will bring together greater uniformity and transparency in licensing, regulation and control of property service providers and in the provision of information to consumers. It also sets out what the Authority expects to achieve and how as an organisation it intends to deliver on its goals.

The Authority adopted the following key goals:

GOAL 1
MAINTAIN AN EFFECTIVE LICENSING SYSTEM

GOAL 2
MAINTAIN A SYSTEM OF INVESTIGATION AND ADJUDICATION

GOAL 3
PROMOTE SECTOR ENGAGEMENT AND PUBLIC AWARENESS OF THE AUTHORITY

GOAL 4
MAINTAIN PUBLIC REGISTERS

GOAL 5
DELIVER AN EFFICIENT AND EFFECTIVE ORGANISATION



PROGRESS AGAINST OUR STRATEGIC GOALS



GOAL 1 MAINTAIN AN EFFECTIVE LICENSING SYSTEM

Licensing

The Act provides that any person providing property services in Ireland must be licensed by the Authority and defines such services as:

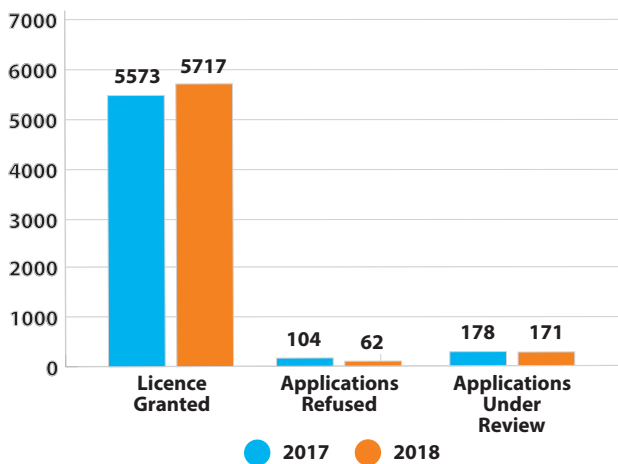
- **The Auction of Property other than Land (Licence Type A)**
- **The Purchase or Sale of Land - by whatever means (Licence Type B)**
- **The Letting of Land (Licence Type C), and**
- **The Provision of Property Management Services (Licence Type D)**

The Authority issues four different types of licence, which correspond with the four types of property services defined in the Act. Any person may apply for one or more licence type. Licences are renewable annually.

The Authority’s licensing process continues to operate in an increasingly efficient manner. In 2018 a total of 5,950 licence (new and renewal) applications were processed.

As can be seen in Chart 1, licences were granted in 5,717 cases by the year end with 62 applications refused and 171 applications under review. This compares with 5,855 licence applications processed in 2017, of which licences were granted in 5,573 cases by year end with 104 applications refused and 178 applications under review.

Chart 1 Licence Applications Processed



New Licences

In June 2018, the Authority began accepting new licence applications online via www.licences.ie. This online application system was developed by the Authority in conjunction with An Post (Licences.ie) and the IT Division of the Department of Justice and Equality. This system allows a new licence application to be submitted along with the licence fee payment and all supporting documentation online. This new system has resulted in a significant improvement in turnaround times in issuing licences to first time applicants.

The Authority issues new licences to those who wish to work in the property service sector subject to minimum qualification requirements being met. In 2018 the Authority issued 465 new licences as compared with 466 in 2017. The consistent amount of new licences issued demonstrates a continued interest in the property service sector.

Licence Renewals

Licence renewal applications and fee payments are made online to the PSRA via www.licences.ie. The vast majority of renewal applications were received in the peak period of June/July having a licence expiry date of 5th July.

A dedicated licence renewal helpdesk was reopened during the peak renewal period to assist licensees in making their renewal application. In addition to this the Authority once again made available a facility to provide practical assistance in uploading applications for licensees who experienced broadband issues. These facilities together with the online renewal system, assisted in 88% of licences submitted during peak renewal period being issued prior to their expiry date.

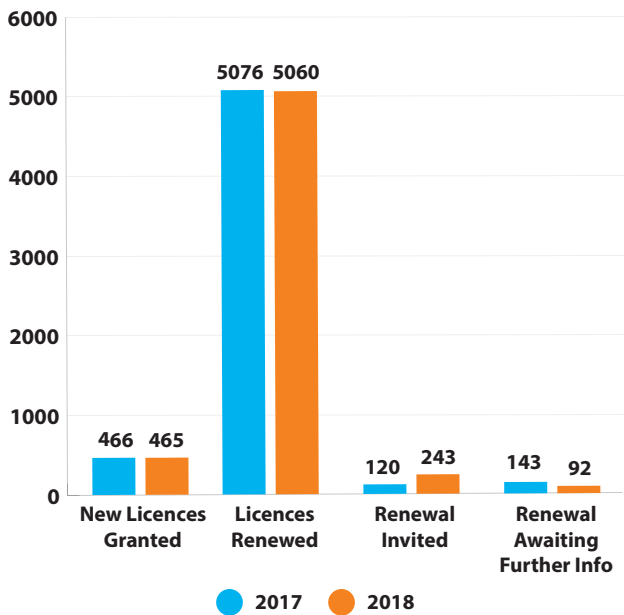
Although the majority of renewals are received during peak renewal period, the Authority processes licence renewal applications throughout the year. The total number of licence renewal applications processed in 2018 was 5,271 with 5,252 renewals issued and 19 renewal applications refused.

Overall Licensing Numbers

An overview of the total of new licences issued and licences renewed can be viewed in Chart 2.

The licences renewed are categorised as licences renewed, renewal invites and renewal of licences awaiting further information. Chart 2 outlines a total of 5,860 licences active at the end of 2018 compared with 5,805 licences active at year end in 2017 representing an overall small increase.

Chart 2 Position of Overall Licences at 31 December 2018



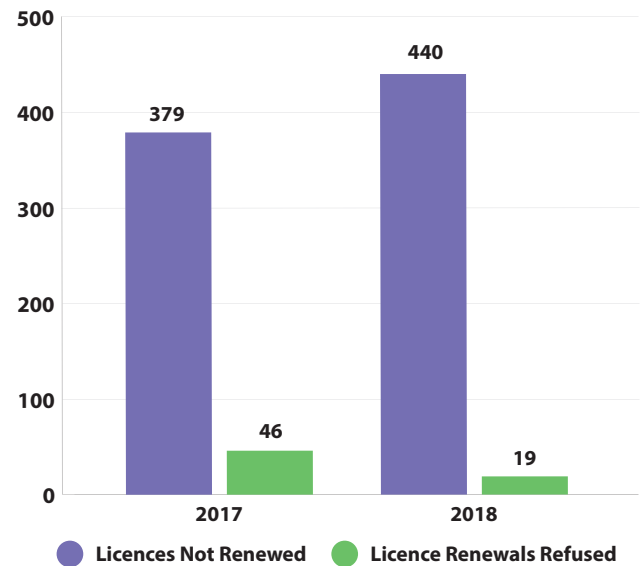
Non-Renewals and Renewal Licences Refused

The level of non-renewal of licences and renewal licences refused is outlined in Chart 3 for 2017 and 2018. In 2018 a total of 440 (7.4%) licensees did not renew their licence which compares with 379 (6.7%) in 2017. The reasons for non-renewal vary but include non-renewal due to retirement, closing of business, emigrating and in some cases changing from one legal entity to another. The reasons for refusal of licence renewals include no longer being tax compliant or failure to provide sufficient

accounting records.

The Authority affords every opportunity for a licensee to meet the requirements as set out in the Act to become licensed. However, in instances where the licensing requirements are not met, this has led to licence applications being refused. The Authority has refused 19 renewal applications in 2018 which compares with 46 renewal applications refused in 2017. The improvement may be attributed to a better understanding of the licence renewal application process.

Chart 3 Licences Not Renewed and Licences Refused



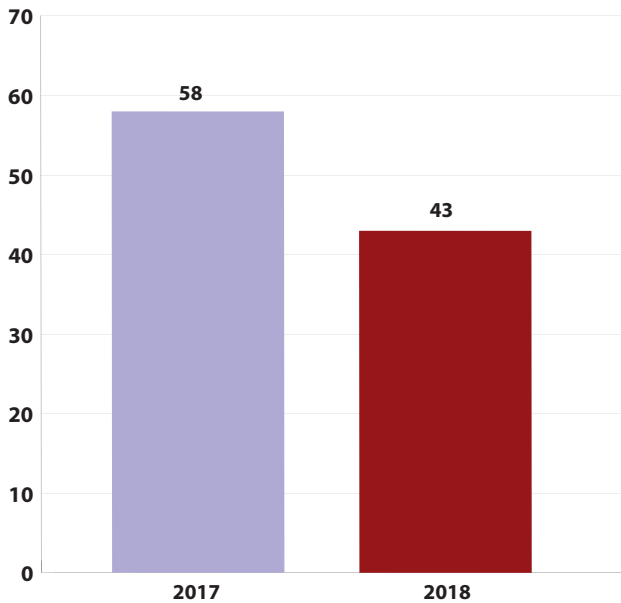
New Licence Application Refusals

The Authority continues to uphold the high qualification standard that must be reached prior to issuing a new licence. There can be a number of reasons for refusing a first time licence application which includes the qualification standard is not met, incomplete accountant’s report, no evidence of having tax clearance in place and in some cases, where additional information sought by the Authority is not provided. The Authority clearly advises applicants if and where an application is falling short of a qualification standard and affords every opportunity for them to submit appropriate evidence of qualification. In any event, the Authority carefully

considers in full all information and documentation submitted in support of a licence application prior to making a final decision on any application.

In 2018 a total of 43 new licence applications were refused which compares with the refusal of 58 new licence applications in 2017. A continued noticeable increase in the quality of new licence applications received, suggests that potential applicants are more aware of the Authority’s qualification requirements and standards to become licensed. It should be noted during 2018 that in many cases, applicants have completed academic studies that meet the requirements set out in the Qualification Regulations to qualify for a licence. This reduction of new licence applications refused in 2018 may be in part as a result of the number of applications accompanied by an academic qualification.

Chart 4 New Licence Applications Refused



New Licence Application Appeals

There were no licence appeals made in 2018 compared with 1 licence appeal made to the Property Services Appeal Board (PSAB) in 2017 in relation to a decision by the Authority to refuse to grant a licence.

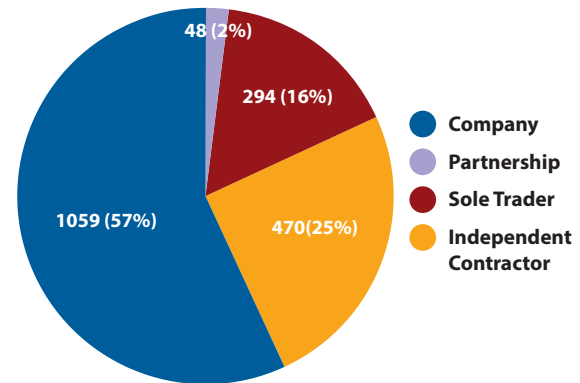
Business Licence Distribution by Category

An analysis of the distribution of the 5,860 licences active at the end of 2018 between employers and employees, highlights that a total of 3,989 (68.1%) of all licences active at the end of 2018 were in respect of employees.

The proportional breakdown for licences allocated between employers and employees at the end of 2018 was 31.9% employers and 68.1% employees. These proportional figures vary slightly when compared with 2017 where the breakdown was 32.2% employers and 67.8% employees.

Chart 5 outlines that a total of 1,871 licences were held by employers, comprising of companies, partnerships, sole traders and independent contractors. Within this group, companies hold the greatest number of employer licences representing approximately 57%, followed by independent contractors representing 25% of licences issued.

Chart 5 Business Licences by Category for 2018



Licence Type

As previously stated, at the end of 2018, there was a total of 5,860 active licences compared to 5,805 licences at the end of 2017. Chart 6 illustrates the number of active licences at the end of 2018, categorised by licence type or combination of licence types which increased between 2017 and 2018.

Categories of licence include single type licences and a combination of some or all licence types.

Chart 6 Increase in Licence Type in 2018

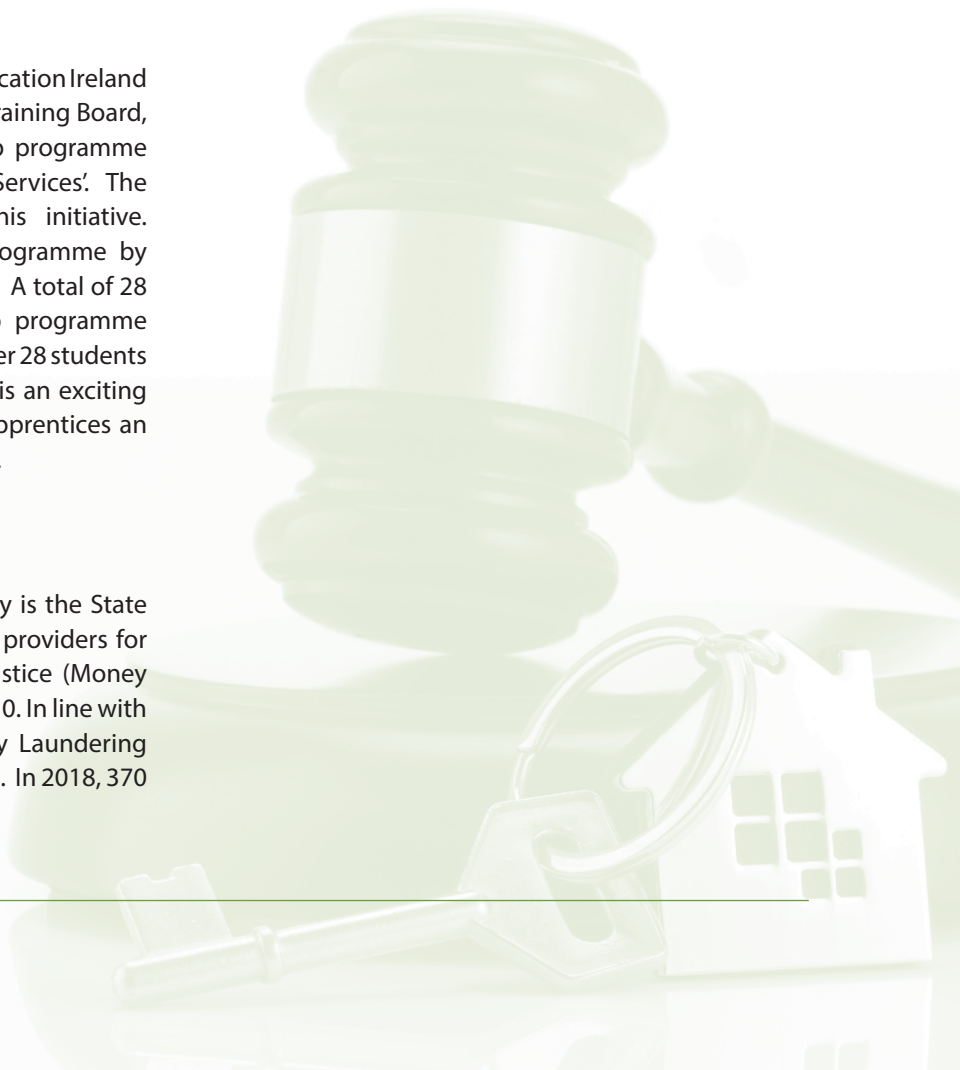
Type of Licence Issued	2017	2018
A	214	235
A,B	54	61
A,B,C,D	957	1003
B,C	779	813
B,C,D	334	346

New Apprenticeship Programme

Approval was granted by Quality and Qualification Ireland (QQI) to the City of Dublin Education and Training Board, Ballsbridge, Dublin for the apprenticeship programme 'National Auctioneering and Property Services'. The Authority was delighted to support this initiative. Strong interest was expressed in this programme by both employers and potential apprentices. A total of 28 students commenced the apprenticeship programme with Ballsbridge College, Dublin and a further 28 students with the College of Commerce, Cork. This is an exciting programme which will afford successful apprentices an opportunity to apply for their PSRA licence.

Competent Authority for Money-Laundering

The Property Services Regulatory Authority is the State Competent Authority for property service providers for the purposes of Part 4 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010. In line with this, the Authority carries out Anti-Money Laundering (AML) audits on property service employers. In 2018, 370 AML audits were conducted.



GOAL 2 MAINTAIN A SYSTEM OF INVESTIGATION AND ADJUDICATION

The Act provides for the Authority to investigate

- **complaints made against licensed property services providers;**
- **complaints about unauthorised property services provision; and**
- **compliance by licensees with the statutory provisions.**

Irrespective of the nature of the investigation, the statutory Authority is required to appoint an inspector to carry out the investigation. Furthermore, the powers of investigators and the statutory rules governing the carrying out of investigations are not affected by the nature of the investigation.

In cases where complainants have suffered a financial loss as a result of a dishonest act by the licensee, complainants may have access to the Authority's redress system in the form of the compensation fund.

The Act also provides for continuous professional development to be carried out by all licensees. This development further strengthens standards within the sector.

Investigation of Complaints

A central element of the Authority's regulatory powers is the investigation of property service providers. There are three types of investigations that the Authority can undertake, namely:

- the investigation of the illegal provision of property services by unlicensed service providers,
- the inspection of the standards in the provision of property services and statutory compliance by licensed service providers,
- the investigation and adjudication of complaints made against licensed property service providers.

Section 28 of the Act makes it an offence to provide, advertise or offer property services without the appropriate licence. The investigation of persons providing property services without a licence is limited to establishing that the person in question is providing a property service as defined in the Act and that such service is provided for a consideration (payment). Once these two facts have been established it is a matter for

the Authority to bring a prosecution before the courts for a breach of section 28 of the Act.

Investigations of statutory compliance by licensed service providers are carried out on the Authority's own volition. These investigations involve examination of licensee's files, client and office bank accounts in order to establish compliance by licensees of the statutory provisions of the Act.

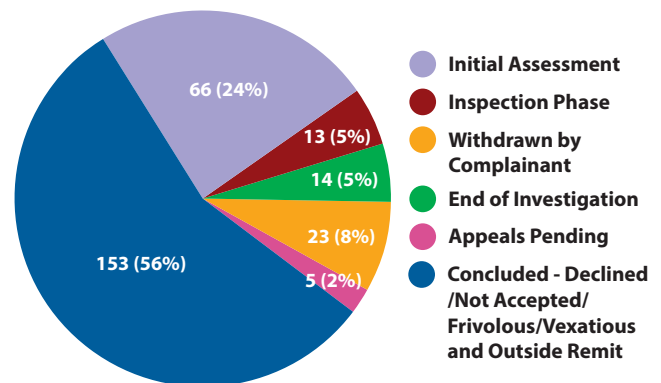
The third type of investigation arises following complaints made against a property service provider. The basic legal framework and procedures for these types of investigations are set out in Part 7 of the Act. Briefly these cover:

- the circumstances and the manner in which the Authority may commence an investigation of a licensee;
- the powers of entry and inspection of Inspectors appointed by the Authority to carry out investigations and the duties of such Inspectors;
- the duties of the Authority following the conclusion of an investigation; and
- the matters which the Authority must consider when coming to a decision on foot of an Inspector's report and in imposing sanctions.

Complaints Received in 2018

Chart 7 provides an outline of all the complaints received by the Authority in 2018 and the status of those complaints at year end.

Chart 7 Complaints Received in 2018 - End of Year Status



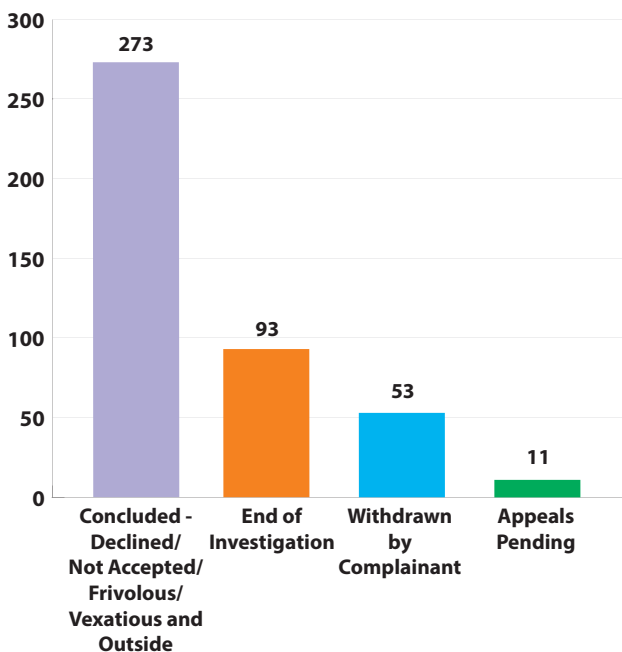
During 2018 the Authority received 274 complaints. This represents a 17% decrease on the 329 complaints received in 2017. The figure of 274 includes some 22 reports made in 2018 of alleged unlicensed provision of property services.

Of the complaints received in 2018, some 153 (56%) were concluded without a requirement for the appointment of an Inspector to conduct an investigation. In all such cases, the Authority explained the reasons as to why an investigation could not be pursued. The most common reason for declining to investigate a complaint was that the subject matter of the complaint did not fall within the definition of “improper conduct” as specified in the Act.

Complaints Concluded in 2018

Chart 8 represents all complaints which were concluded by the Complaints Unit during 2018, broken down by status of conclusion.

Chart 8 Status of All Complaints Concluded in 2018 (all years)



The Authority recognised that there has been a historic backlog in the number of complaints on hand at the commencement of 2018. To address this, additional

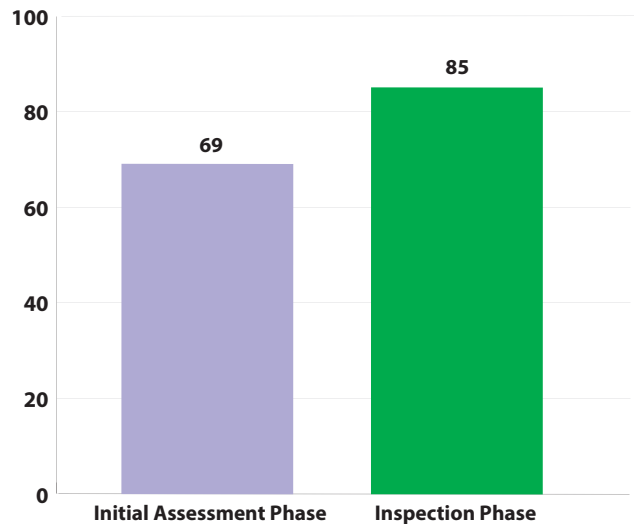
resources were assigned, which resulted in the Complaints Unit concluding a total of 430 complaints in 2018. This figure is comprised of 195 concluded cases of the 274 complaints received in 2018 plus a further 235 historic complaint files concluded.

The information in Chart 8 reflects the significant progress that was achieved by the Complaints Unit during the year in addressing both the backlog of historic complaint files and those complaints received during the year. The Authority remains committed to ensuring that inroads continue to be made into the number of complaints on hand.

Open Complaints

The figure of all open complaint files at year end reflects the position with respect to all complaint files, regardless of the year the complaint was received, that are not yet concluded. Of these, more than half are at inspection phase. Chart 9 provides an overview of all the open complaints at year end.

Chart 9 Status of All Open Complaints up to the 31 December 2018



By the end of 2018, the Authority’s open caseload had reduced significantly. There were 154 open cases at 31 December 2018 which was down from 296 open cases at the end of 2017. This represents a reduction of 48% in the number of open complaint files since 2017.

There were 64 (23%) of complaints received against licensees in 2018 awaiting initial assessment to decide if they should be investigated at year end. In addition, there were 5 historical files also at initial assessment phase bringing the total number to 69 awaiting assessment at year end. In some cases, initial assessment includes seeking clarification from the licensee or complainant before a decision is reached on whether an investigation is warranted. The Authority also takes the opportunity at this stage to remind both parties that informal settlement as envisaged in section 63(2)(c) of the Act is a possibility.

At year end there were 85 cases at inspection phase. Inspection phase relates to complaints where an Inspector was appointed, where the complaint was under investigation or the complaint was awaiting the appointment of an Inspector. Some 13 of these complaints at inspection phase relate to 2018 complaints.

Causes of Complaints

The nature of complaints covers a broad range of issues. Chart 10 illustrates the general breakdown of complaints that were received in 2018.

This chart shows the most common categories into which complaints may be placed, based on the nature of the complaint. In interpreting the numbers and percentages in the chart, it is important to bear in mind that a complaint may be multi-faceted and, therefore, may fall into more than one category. Accordingly, there will always be a greater number of reasons provided for grievances than actual number of complaints received i.e. one complaint might give rise to two or more separate aspects of allegation. This can be seen in Chart 7 which relates to 274 complaints received in 2018 but the reasons for the complaints total 352. Nevertheless, the chart is a good indicator of the nature of the complaints and reports, which the Authority must assess and investigate.

Chart 10 Reasons for Complaints Received in 2018

Nature of Complaint	No. of Complaints Broken Down by Grounds	% of Total
Service Provision (Complainant dissatisfied with service provided)	158	45%
Retention of Money by Property Service Provider	45	13%
Fee or Outlays (Complainant disputes the amount of fees charged or expenses/outlays incurred)	25	7%
Advertising	22	6.20%
Letter of Engagement (Letter of Engagement was either absent or deficient in some way)	20	5.60%
Unlicensed Operation (A report is made of unlicensed trading, or a complaint is made against a business which turns out not to be licensed)	22	6.20%
Ethical Conduct (Complainant feels that the Property Service Providers behaviour was unethical)	19	5.30%
Client Account (Allegation of impropriety in relation to the operation of the Client Account)	8	2.30%
Conflict of Interest	7	2%
Other	26	7.40%

The behaviours or omissions complained of in some of the categories, for example, Service Provision, Ethical Conduct or Advertising, are open to interpretation. The complainant may genuinely feel dissatisfied or aggrieved at what transpired in their dealings with the property service provider, but it may not fall under the definition of “improper conduct” in section 2 of the Act. This difference between the perception of a wrongdoing and what constitutes improper conduct largely explains the relatively high number of complaints which the Authority declines to investigate as shown earlier in Chart 8. It must also be remembered that these are allegations made by the complainant and no improper conduct may be said to have taken place until an investigation has been completed and has found that improper conduct has occurred.

Complaint Sanctions Imposed

In 2018, some 93 complaints were concluded after an investigation, of which 64 cases (69%) no improper conduct was found. In 29 cases (31%), improper conduct was found and a sanction was imposed, 26 cases related to imposition of a minor sanction and 3 complaints against one property service provider were taken together and 1 major sanction was imposed.

An overview of sanctions imposed include:-

Major Sanction

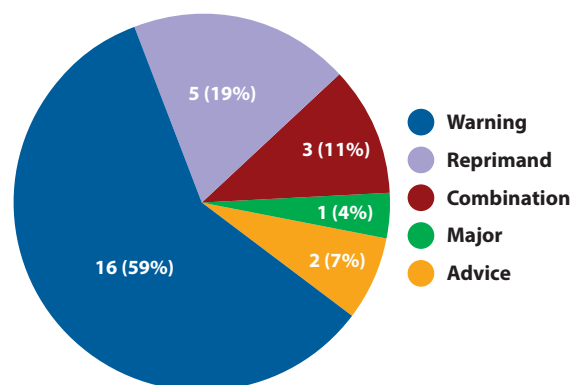
- A major sanction (the licensee was directed by the Authority to pay the sum of €7,500 into the Property Services Compensation Fund) was imposed and confirmed by the High Court in relation to one property service provider. The sanction was in respect of cumulative breaches relating to the taking of multiple booking deposits relating to one property concurrently, overcharging, failure to issue letters of engagement to clients and a failure to pass on bids to the client.

Minor Sanction

- In 2 instances, sanction of Advice were imposed relating to section 43 breaches of the Act including not providing or fully completing the Letter of Engagement.

- In 16 instances, sanction of Warning were imposed in relation to Section 43 of the Act, non-provision of a letter of engagement; Section 44 failure to retain records; and Section 61 failure to use the specified form for the recording of offers.
- In 5 instances, sanction of Reprimand were imposed concerning breaches of the statutory instrument Property Services (Regulation) Act 2011 (Client Moneys) Regulations 2012 (Client Moneys Regulations) section 6(6) delay in forwarding client monies.
- In 3 instances, a combination of administrative sanctions relating to breaches of Section 43 not providing a letter of engagement and Client Moneys Regulations withholding monies were imposed.

Chart 11 Complaint Sanctions Imposed in 2018



Complaint Appeals

The Act provides for an independent appeals process, under which the Property Services Appeal Board (PSAB) may hear and determine appeals against the following decisions of the Authority.

- Refusal to issue a licence on grounds that a person is not a fit and proper person to provide a property service or does not comply with certain requirements of the Act or Regulations made under the Act;
- Declining to investigate a complaint under section 63(2);
- Imposition of a minor sanction under section 68(4)(a);

- (d) Dismissal of a complaint under section 68(4)(c); and
- (e) Refusal to make a grant, or relating to the amount of the grant made, out of the Compensation Fund.

Anyone, including a legal person or company, aggrieved by a decision of the Authority may appeal within 30 days of receipt of the Authority's decision to the PSAB. An appeal must be in writing, addressed to the Secretary of the Appeal Board, and must set out the grounds of the appeal and the reasons, considerations and arguments on which they are based. The Authority becomes a party to every appeal. At present there is no prescribed fee to be paid by an appellant.

On receipt of notice of appeal, within 14 days, the Authority must submit to the PSAB copies of all documents or information relevant to the decision, the subject of the appeal. The Authority may, at its discretion, make submissions in writing to the PSAB within 30 days. Where the PSAB is of the opinion that additional information is necessary to enable it to determine an appeal, it may serve on any party a notice requiring the submission of specified information.

The PSAB may either (a) confirm the decision the subject of appeal, (b) remit the matter to the Authority for reconsideration and the making of a new decision, or (c) annul and substitute the decision which is the subject of appeal with its own decision.

The PSAB must dismiss any appeal which in its opinion is frivolous or vexatious or without substance or foundation. Any party to an appeal may appeal to the High Court on a question of law arising from the appeal determination.

Appeals Considered and Outcomes

During 2018 the PSAB received 34 appeals brought by complainants which the Authority had either declined to investigate under section 63(2) of the Act or who wished to appeal the Authority's decision under section 68(4) (a) or (c) of the Act on dismissal or sanction at the completion of an investigation.

The PSAB considered a total of 28 appeals during 2018. Of those 28 cases, 5 appeals were carried forward from

2017 and 23 of the 34 appeals received during 2018 were decided upon. Chart 12 shows a summary of the outcomes in the various appeals considered and dealt with by the PSAB.

There are 11 previously concluded complaints from various years that were under appeal to the PSAB at year end. Such complaints remain as concluded complaints until or unless such time as a different decision or direction is arrived at and made by the PSAB to the Authority. Such direction could include a direction to the Authority to reconsider a decision made or to direct that an investigation takes place into a previously declined complaint.

The Authority's decision to decline to investigate may be appealed to the Property Services Appeal Board.

Chart 12 Summary of PSAB Decisions During 2018

Outcome	No. of Appeals	Percentage of Total
Appeal Disallowed - Authority's Decision Upheld	27	96%
Appeal Allowed - Authority's Decision Overturned	1	4%

Chart 12 illustrates that the PSAB disallowed the appeal in 27 cases (96% of the total where a decision was reached) thereby affirming the decision of the Authority in each case. The PSAB overturned one of the Authority's decisions in relation to a complaint case during 2018. The Appeal Board arrived at this decision on foot of additional information provided directly to the PSAB that was not available to the Authority at the time of the Authority's decision. The Authority had declined to investigate because, based on the information provided to the Authority, it considered the details in the complaint did not constitute improper conduct. The Authority has since commenced an investigation into this complaint having been provided with the additional information given to the PSAB.

Unlicensed Trading and Prosecutions

The Authority takes the statutory requirement to hold a licence when providing, offering or advertising property services very seriously. Companies or individuals providing services without a licence deprive their clients of the important consumer protections offered by the Act and this constitutes unfair competition for those who provide services in a law-abiding fashion. The Authority conducts investigations into companies or individuals suspected of unlicensed trading with a view to bringing prosecutions under section 28 of the Act. These investigations may arise on foot of reports from members of the public of unlicensed trading, or from complaints of improper conduct made in good faith by clients of service providers who do not realise that the company or individual about which they complain of is, in fact, operating without a licence.

Three unlicensed prosecutions were commenced by the Authority during 2018, against two auctioneers and one livestock mart. One prosecution had been concluded at year end with a successful conviction secured and a fine of €500 issued by the Court. The two remaining prosecutions had not gone to court at year end.

There were 33 reports of unlicensed trading in 2018 as detailed in Chart 13. Of these reports, 22 involved either a report of unlicensed trading or a complaint of improper conduct against a service provider who turned out not to be licensed and an investigation was commenced. Some 11 complaints submitted were closed following initial assessment as 6 cases did not require a licence and 5 were withdrawn by the complainant as the service provider had subsequently been licensed.

Chart 13 Complaint Status of Unlicensed Trading

Complaints Status	Number of Unlicensed Complaints
Closed immediately (5 cases withdrawn, 6 cases did not require a licence)	11
Investigated and concluded in 2018 (3 got a licence, 9 no evidence of trading and 5 ceased to trade)	17
Ongoing (2 in initial assessment and 3 in inspection phase)	5

As a rule, the number of files opened in respect of unlicensed operators (33) does not correlate to the number of investigations or reports recorded. This is due to a number of factors. For example, multiple complaints could be made about a single operator generating only a single investigation or a file could be concluded immediately where established that a licence was not required. It is also possible for a single investigation to result in several prosecutions, e.g. against a company and its principal(s).

Adjudication of Standards: Compliance Audit Investigations

The Authority conducts compliance audit investigations on all licensed businesses and recognises the vast benefit of these investigations. The compliance audit investigations process provides an important tool in educating and informing licensed businesses of standards required when operating as a licensee. Compliance audit investigations ensure compliance with the statutory provisions of the Act, its regulations and instils trust for clients when availing of the services of property service providers. Compliance audit investigations are also a very effective means of engaging with licensed businesses and for the Authority to listen to issues at ground level.

For the first seven months of 2018, the Authority continued to engage outsourced Inspectors with the necessary expertise to undertake compliance audit investigations on behalf of the Authority. This contract expired at the end of July 2018 and a new tender competition was prepared for publication. The staff of the Authority continued to undertake compliance audit investigations up to year end.

The number of licensed businesses in each county varies considerably and this fact together with the number of compliance audit investigations previously carried out in each county was taken into consideration when the Authority was scheduling audits for 2018. In planning the assignment of compliance audit investigations nationwide, the Authority scheduled audit investigations in every county, resulting in 63% of licensed businesses since the commencement of the Audit function being audited by the end of December 2018. The Authority completed 448 audit investigations during the year. Chart 14 outlines the total number of licensed businesses, the number of audit investigations carried out in 2018, broken down by percentage and the overall percentage of completed audit investigations since the commencement of the audit function.

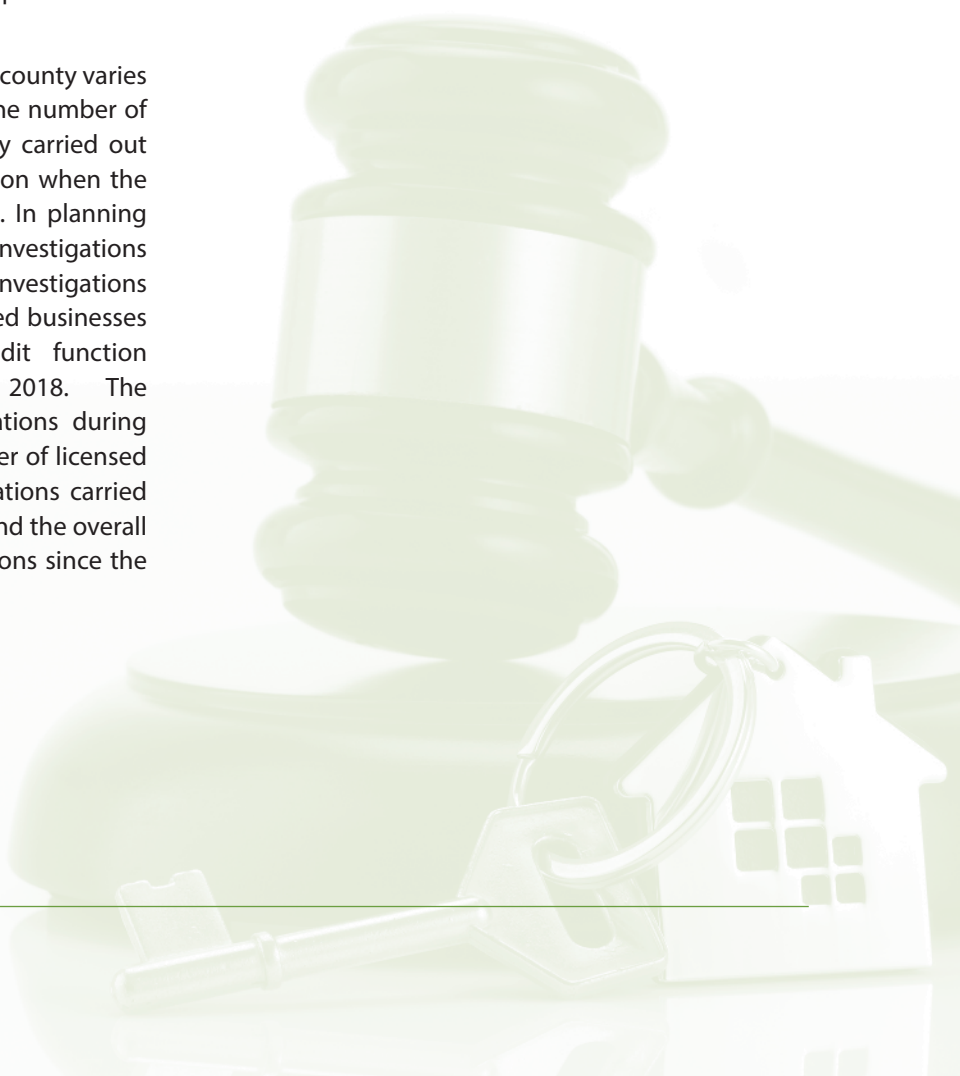


Chart 14 Number of Completed Compliance Audit Investigations per County

COUNTY	Total No. of Licensed Property Service Providers (Businesses)	Total number of Businesses audited in 2018	% of Businesses audited in 2018	Overall % of Businesses audited from 2015 to 2018 inclusive
Carlow	21	9	43%	81%
Cavan	35	14	40%	69%
Clare	46	14	30%	87%
Cork	208	32	15%	53%
Donegal	59	7	12%	74%
Dublin	548	138	25%	57%
Galway	116	19	16%	66%
Kerry	68	14	21%	70%
Kildare	76	24	32%	54%
Kilkenny	39	10	26%	74%
Laois	31	0	0%	64%
Leitrim	18	2	11%	61%
Limerick	61	15	25%	75%
Longford	25	8	32%	64%
Louth	49	22	45%	63%
Mayo	64	10	16%	65%
Meath	48	19	40%	58%
Monaghan	21	10	48%	95%
Offaly	28	12	43%	82%
Roscommon	33	10	30%	81%
Sligo	36	7	19%	66%
Tipperary	62	10	16%	59%
Waterford	44	8	18%	61%
Westmeath	45	11	24%	57%
Wexford	45	12	27%	53%
Wicklow	46	11	24%	74%
TOTAL	1872	448		63%

Audit Findings and Sanctions Imposed

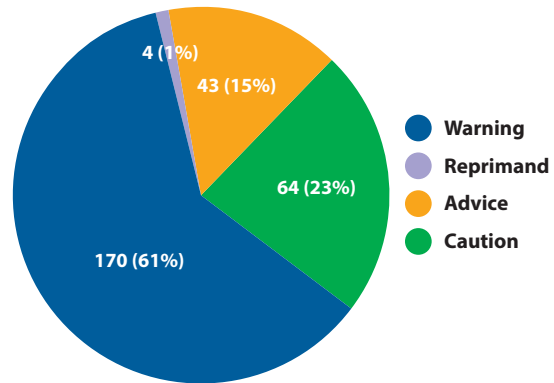
The Authority acknowledges that 228 or 51% of licensed businesses audited in 2018 were in compliance with the audited sections of the Act. Breaches occurred in 206 cases or 46% of licensed businesses audited and minor sanctions were imposed in these cases. Some 14 or 3%, holders of a PSRA licence, were not providing property services at the time of the audit investigation. Chart 15 details the breakdown of minor sanctions imposed on 206 licensed businesses. In some cases, more than one minor sanction may have been imposed on a licensed business and as a result, the number of minor sanctions detailed is greater than the number of cases in which breaches occurred. There were no major sanctions imposed in relation to compliance audit investigations carried out in 2018.

The following breakdown demonstrates the minor sanctions imposed following the completion of audits in 2018:

- In 43 instances, sanctions of Advice were imposed relating to breaches of the Act as follows:
 - Section 37(1) display and production of licences;
 - Section 55 non-issue of statement of advised market or letting value when requested; and
 - Client Moneys Regulations relating to non-deduction of fees from the client account;
- In 64 instances, sanctions of Caution were imposed relating to breaches of the Act and Client Moneys Regulations:
 - Section 37(2)(a) and (b) concerning display and production of licences; and
 - Non-completion of the interim balancing statement on the Client Account;
- In 170 instances, sanctions of Warning were imposed relating to breaches of the Act:
 - Section 43 Letters of Engagement – not completed or partially completed – not signed within timeframe;

- Section 37(4) non-production of licence when requested; and
- Section 45 Professional Indemnity Insurance not meeting in full the requirements of the Regulation;
- In 4 instances, sanctions of Reprimand relating to breaches of Client Moneys Regulation 6(6) were imposed concerning inadequate financial processes and procedures in place.

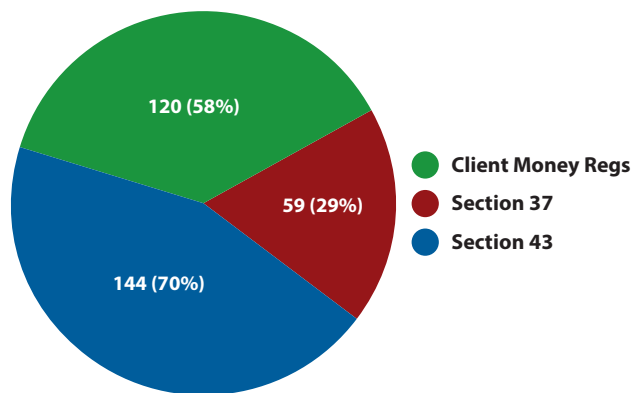
Chart 15 Audit Minor Sanctions Imposed in 2018



Common Breaches

The compliance audit investigation findings for 2018 highlighted a number of common breaches in the sector as outlined in Chart 16. In some cases there may be more than one breach per audit.

Chart 16 Compliance Audit Investigations 2018 - Common Breaches Identified



Examples of the common breaches identified were:

- Breaches of the Client Moneys Regulations:
 - Licensee discharges personal and office expenditure from the Client Account
 - Licensee lodging money into the Office Account which is client money
 - Licensee holding money in the Client Account which is not client money
 - Licensee not holding the correct accounting records
- Section 37: Licensee not displaying their licence number on
 - Advertising
 - On business correspondence relating to the provision of property services
 - On display signs
- Section 43: Letters of Engagement (LOE)
 - Licensee not using LOEs
 - LOEs not signed or dated by the licensee and or the client
 - Licensee continuing to provide property services where the client has failed to sign the LOE
 - LOEs not completed fully

Appeals Against Sanctions Imposed

During 2018, the Appeal Board received 5 appeals against sanctions imposed:

- 1 Appeal is ongoing
- 1 Appeal was dismissed and the decision of the Authority upheld
- 3 Appeals were withdrawn

Compensation Fund

The Authority administers the Property Services Compensation Fund established under the Act. The Fund is financed by the sector annually where the level of contribution payable into the Fund by a Property Service Employer is €200 per annum while that for an Employee is €50 per annum.

The Authority, where it is satisfied that a client of a Property Service Provider has sustained a loss as a result of the dishonesty of the Property Service Provider and, subject to certain conditions specified in the Act, may make a grant from the Fund to the client. At 31 December 2018, the amount standing to the credit of the Fund was approximately €3.4 million. At the start of 2018, there were 16 compensation fund claims on hand relating to 2017. Some 25 new claims were received in 2018. Chart 17A deals with claims processed in 2018, of which a total of 11 claims were fully or partially granted relating to five former licensees. Sixteen claims were refused and at year end there were 14 pending claims on the Fund.

Chart 17A Summary of Claims on the Compensation Fund During 2018

Compensation Fund Claims		Number of Claims
Compensation Claims On Hand at 31 December 2018		41
Grants made in 2018	€30,938.87	11
Claims Fully Granted	8	
Claims Partially Granted	3	
Claims Refused		16*
Decisions Pending		14

*Of the 16 claims refused in 2018, (1) was appealed to the PSAB.

Chart 17B Compensation Fund Appeals at Year End

Payments totalling €30,938.87 were made out of the Fund for the year ended 31 December, 2018 and there were outstanding commitments to make payments at year end of €9,841. €341 of this relates to payments approved by the Board at their meeting in December, 2018. A further €9,500 relates to a decision of the PSAB to overturn a decision of the Authority.

Compensation Fund Appeals	Number of Appeals
Appeal Board - Decision Pending on 1 Refusal	1

Insuring the Compensation Fund

The Authority agreed to re-insure the Compensation Fund in order to protect it and ensure that claims on the Fund can be met. The Fund was re-insured from mid October 2018.

Continuous Professional Development

The PSRA CPD programme commenced in January 2018 and was rolled out nationally in March. Events were held in all regions for ease of access to the programme by licensees.

The Scheme provided for five formal hours of CPD for all PSRA licensees delivered on behalf of the PSRA by the Institute of Professional Auctioneers and Valuers and the Society of Chartered Surveyors Ireland. The two main CPD categories of focus were Legislation and Regulation and General and Management. These two categories were broken down into a range of different modules that represent areas that are necessary to ensure a professional service is delivered. This mandatory programme will lead to greater public confidence in property service providers delivering a professional competent service.

Letters of Engagement

Updated sample template Letters of Engagement, also known as Property Service Agreements, were issued in 2018. These documents are a requirement under the Act which states that a licensed property service provider (licensee) must have a signed Property Service Agreement in place. They are a contract between the licensee and the client and should clearly outline what property services are being provided along with all costs involved. The requirement to use letters of engagement should further instil public confidence in property service providers.



GOAL 3 PROMOTE SECTOR ENGAGEMENT AND PUBLIC AWARENESS OF THE AUTHORITY

The Authority avails of every opportunity to promote sector engagement and public awareness of the role and function of the PSRA.

Public Awareness

Media Campaigns

During 2018, the Authority organised three media information campaigns on national and local radio where the themes addressed included use of licensed letting agents, the requirement to complete a commercial lease return form and highlighting the consequences of using an unlicensed property service provider.

The letting market and the use of a licensed letting agent or estate agent was the target area for the media campaign in August, particularly with college and university students in mind. In conjunction with this media campaign the Authority issued a press release highlighting bogus letting agents purporting to use a PSRA licence number. The simultaneous use of media and press coverage enhanced public awareness in this area.

In October 2018 the media campaign focus was on increasing tenants' compliance in returning commercial lease forms. The Authority conducted a letter campaign in conjunction with a radio media campaign, reminding commercial lease tenants of their statutory obligation to submit details of their commercial leases to the Authority for publication on the public Register of Commercial Leases.

In November 2018, a third campaign was rolled out to emphasise to consumers the value of engaging licensees. The campaign highlighted that using a licensee offers the consumer access to the Authority's complaint process and Compensation Fund.

Public Events

As part of the Communications Policy published in 2018, the Authority endeavoured to continue its engagement with the public. In this regard, a stand was held in the Home Buyers and Movers Advice Centre of the Ideal Home Show exhibition in Dublin in April 2018. Staff were inundated with visitors and our attendance proved to be a valuable exercise in the area of promoting the role and functions of the Authority.

The Authority also took part in the National Ploughing Championship in Co. Offaly in September 2018 under the banner of the "National Property and Land Information Centre", where for the second consecutive year, the Authority came together with public and private property related agencies. In addition to the Authority, the centre included property bodies such as Ordnance Survey Ireland, Property Registration Authority (PRA), Valuation Office, the sector representative bodies Society of Chartered Surveyors in Ireland (SCSI) and Institute of Professional Auctioneers and Valuers (IPAV), the Mediation Institute of Ireland (MII) and Myhome.ie. The Minister for Justice and Equality, Mr. Charlie Flanagan, T.D. launched the PSRA 2017 Annual Report at the event. Our partnership with other property bodies once again proved very successful and one which the Authority looks forward to continuing.



Left to Right:- Geraldine Clarke Chairperson of the PSRA, Minister for Justice and Equality, Mr. Charlie Flanagan, T.D., Maeve Hogan Chief Executive of the PSRA

Website

The Authority rolled out a revamped website in 2018. This website provides information on the role of the Authority including details in relation to each area of work of the Authority. The Authority's three public registers are easily accessible on the website. Essential forms and guidance documents required for use during the course of a property service are also available for download. The website contains all updates on the Authority's activities

during the year and includes consumer information on using a licensed agent.

Student Life Careers

During 2018, the Authority undertook a project in association with “Student Life Careers” which is an initiative for Transition, 5th and 6th year students to explore a world of career opportunities. This project involved creating a video promoting a career as a licensee and demonstrated the flexibility and advantages of working in the sector along with the prospects for career progression. The final video will be available for circulation through schools in early 2019.

Sector Engagement

Survey

In August 2018 the Authority undertook an online survey, to which all licensees were invited to respond. The purpose of the survey was to gain insight into the impact of regulation on the sector from the perspective of property service providers. Its focus was on the experiences of licensees, the role of regulation and the operation of the PSRA. Over 1200 (25%) licensees across the four licence categories participated in the survey.

The Authority commissioned an independent researcher to analyse and evaluate the results. As a follow up to the survey, the researcher carried out a series of semi structured interviews with a sample of licensees, in which some of the issues raised could be explored in more detail. This piece of research was the first of its kind and involved the largest known sample of property service providers to be surveyed in Ireland. The results of the research will be published by the Authority in 2019 and will be used going forward in the development and implementation of the Authority’s next Strategic Plan.

Seminars

The Authority undertook seminars countrywide at eight locations (Kerry, Cork, Tipperary, Wexford, Dublin, Meath, Roscommon and Galway) in line with its communications policy to keep licensees informed of PSRA initiatives and projects. During these seminars the Authority addressed a wide range of topics including GDPR,

licensing, compliance investigations, complaints, anti-money laundering, development of an apprenticeship programme in Auctioneering and Property Services and continuous professional development. The seminars once again provided licensees with the opportunity to address on a one to one basis any questions or queries with staff members of the Authority and were well attended. The seminars have proven to be a very valuable method of communication with licensees.

Newsletter

The Authority issued four newsletters during 2018 to licensees. The newsletters covered a wider range of relevant topics including the new online licence applications and payment system, continuous professional development, investigations and prosecutions undertaken by the Authority, GDPR and general updates on relevant subject matters of interest to the sector.

Forum

The Authority has an established Forum of sector stakeholders, which includes members of the two representative groups (IPAV and SCSI), compliance officers and service providers, who met on three occasions during the year. The Forum discussed issues relating to topics such as licensing, unlicensed operators, complaints, the commercial lease register, continuous professional development and engagement with the sector. The Forum is a positive means for exchange of views on issues in the sector.

Conference 2019

As part of its’ Strategy Statement 2017-2020, the Authority planned to hold a sector conference. Planning for the inaugural event took place during 2018 identifying Croke Park Meetings and Events Centre as the preferred location for the event. By year end a theme of “Property Services – Facing the Future” was agreed along with the topics for discussion, an agenda and speakers for the event.

GOAL 4 MAINTAIN PUBLIC REGISTERS

Public Registers

The Authority maintains three Public Registers namely, the Residential Property Price Register, the Register of Licensed Property Services Providers and the Register of Commercial Leases.

Residential Property Price Register

The Property Price Register publishes the price, the date of sale and the address of each residential property sold in Ireland since January 2010. The property price sales information is received from the E-Stamping section of the Revenue Commissioners. This information is updated on a weekly basis on the Authority's website. In 2018 there were an estimated 1.9 million visits to the Property Price Register, making it the Authority's most visited register.

Register of Licensed Property Services Providers

The register of Licensed Property Services Providers is published on the Authority's website. Clients of property service providers avail of this register to establish that the service provider they engage is licensed. Using a licensed service provider, the client has protections under the Act.

The particulars published on the Register of Licensed Services Providers includes:

- Name of Licensee
- County in which the licensed business is based
- Category of Licensee (i.e. Company, Sole Trader, Employee)
- Type of Licence (A,B,C,D)
- Licence Expiry Date

The Register is updated on a weekly basis.

Register of Commercial Leases

There is a statutory obligation on tenants of commercial properties to furnish the following information in respect of commercial leases entered into on or after 3 April, 2012:

- The address of the leased commercial property;
- The date of the lease of the property;

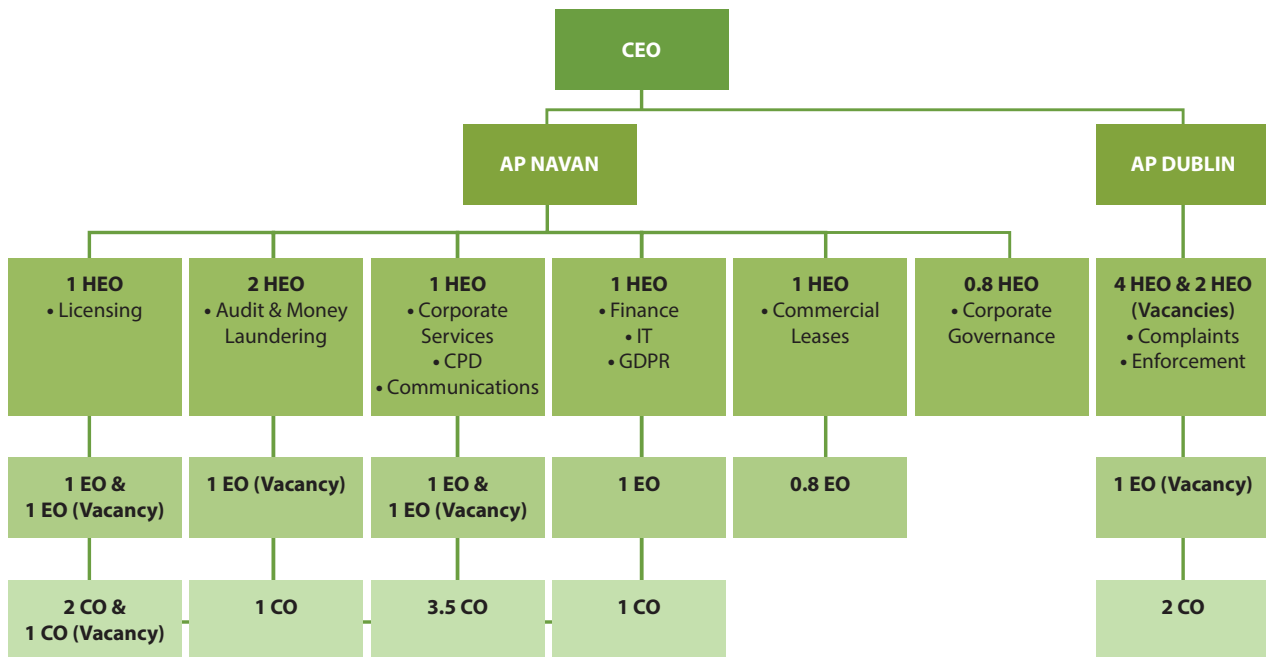
- The term of years of the lease;
- The rent payable in respect of the property;
- The commencement date of the terms of the lease;
- The capital consideration (if any) to be paid by the tenant or landlord in respect of the commercial property the subject of the lease;
- The frequency of the rent review in respect of the property;
- The particulars relating to who is liable in respect of the rates, insurance, service charges and repairs in respect of the property;
- The net floor area, per each floor, of the property;
- The particulars (if any) relating to rent-free periods, fitting out time allowed, fit out allowances and capital contributions in respect of the property;
- The particulars relating to any break clause in the lease; and
- The certificate identification number within the meaning of the Stamp Duty (E-stamping of Instruments) Regulations 2009.

The legal requirement under section 88 of the Act provides that those who take out a commercial lease are legally obliged within one month to register further lease details on the Authority's commercial leases database. The Authority continues in its efforts to promote and encourage compliance in this area.

In 2018 the Authority continued to improve the commercial leases database and online form to facilitate the compulsory capturing of the required information in a more structured and user-friendly manner. Innovations such as automatic email receipts which provide tenants with an immediate assurance of their registration of the lease and an Irish language version of the online form were implemented in 2018. By year end over 32,000 lease returns had been received and published on the PSRA website and the Commercial Lease Unit is continuing to strive for increased compliance through various ongoing public awareness campaigns. The overall compliance rate for submission of commercial lease returns had reached 63% at the end of 2018.

GOAL 5 DELIVER AN EFFICIENT AND EFFECTIVE ORGANISATION

Chart 18 Staffing Structure at 31 December 2018



CEO - Chief Executive Officer AP - Assistant Principal HEO - Higher Executive Officer EO - Executive Officer CO - Clerical Officer

Staffing Resources

Additional staffing was provided to the Authority in 2018, when five new staff members joined in January 2018. Three further existing EOs were promoted during the year from the Regulatory Investigator panel held in 2017. Notwithstanding this, staffing resources continued to be one of the Authority’s ongoing priorities.

At year end, the Authority headed by the Chief Executive had (full time equivalents) 2 AP’s, 10.8 HEO’s, 3.8 EO’s and 9.3 CO’s.

Outsourced Resources

In 2018, IP Forensics Ltd. continued to provide the necessary qualified resources to undertake investigations.

A key area in relation to investigation work by the external Inspectors in 2018 was conducting compliance audit investigation of licensee’s compliance with the Property Services (Regulation) Act, 2011. In addition to the compliance audit investigations, the outsourced Inspectors assisted in the investigations of complaints.

This contract expired during 2018 and a new tender competition was at an advanced stage at end of 2018.

Temporary Clerical Officers (TCOs)

To assist the Authority during its peak licensing renewal time of June and July, the Authority was supported by 6 temporary clerical officers, totalling 60 weeks work. The availability to the Authority of these additional resources positively impacted on the processing time and efficiency gains for licence renewal applications.

Financing the Authority

Each year the fees generated by the Authority are paid directly into the Exchequer and financial provision is then made by the Exchequer to the Authority. The licence fee or licence renewal fee payable by a Property Service Employer is €1,000 per annum while that for an Employee is €100 per annum. In 2018 the Authority returned a licence fee income of €2.25 million to the Exchequer. In the same year the grant made from the Exchequer to the Authority was €2.015 million.

Corporate Governance

Corporate Governance within the PSRA is guided by:

- Property Services (Regulation) Act 2011;
- Code of Practice for the Governance of State Bodies;
- Code of Business Conduct for members of the Authority; and
- Financial and Procurement procedures.

As a public body, the Authority complies with all relevant matters relating to corporate governance issued by the Department of Justice and Equality, the Department of Public Expenditure and Reform and with any other Government Department. There was an agreed Oversight Agreement in place with the Department of Justice and Equality for 2018 which was also reviewed during the year. The agreement can be found on both the Department of Justice and Equality website and the PSRA website. A copy of the Oversight Agreement can be viewed [Here](#).

The Oversight Agreement mandates ongoing compliance with the relevant requirements of the Code of Practice for the Governance of State Bodies and this was achieved.

The Authority is also responsible for preparing the annual report and financial statements and consider that the financial statements for 2018 are a true and fair view of the PSRA's financial performance and its financial position at the end of that year. The Authority has complied with all its obligations under tax law.

As the Authority falls under the remit of the Department of Justice and Equality, it is subject to an annual audit by the Internal Audit division of the Department. Separately, the Authority is audited annually by the Comptroller and Auditor General (C&AG) to ensure there are proper books of accounts, that processes are being maintained and adherence to procedures.

The Chief Executive is responsible to the Authority for the performance of those functions provided for under section 19 of the Property Services (Regulation) Act 2011, including such information as required, regarding the performance of those functions. The Chief Executive presents at each meeting of the Authority an update

relating to the Strategic Plan and the Risk Register.

The Authority is fully committed to ensuring the PSRA maintains a strong culture of corporate governance across all its functions and responsibilities and where necessary to address any weaknesses identified.

Public Spending Code

The Authority continued to adhere to the relevant aspects of the Public Spending Code published by the Department of Public Expenditure and Reform throughout the year.

Operation of the Authority

The Chairperson of the Authority leads the Board and ensures its effectiveness through the organisation of its business and by setting its agenda. In addition to the Chairperson, there are ten other members of the Authority with a wide range of strong and complementary skills. Prior to each Authority meeting the relevant reports and papers, including financial performance data and detailed updates on the progress and implementation of the Strategic Plan where appropriate, are circulated to members of the Authority. The Board has the opportunity to discuss these reports and to receive updates from the Chief Executive who attends the Board meetings.

The key responsibilities of the Board include:

- Approval and evaluation of the annual plan and budget of the Authority;
- Issues of policy, such as the development of Strategic Plans, review of areas of work and compliance with codes of practice;
- Appointment of advisory committees or consultants;
- The charging and recovery of fees;
- The development and implementation of regulations;
- Administration of the Compensation Fund and decisions in relation to same.

The Board has approved a schedule of functions delegated to the Chief Executive of the Authority, which include:

- The issue and refusal of licences and related matters;
 - Investigation of complaints, including appointment
-

of Inspectors to investigate;

- Establishment and maintenance of the Property Price Register and the Commercial Leases Register;
- Applications to the High Court.

Performance Evaluation of the Authority

An external evaluation of the Board took place in 2018, in line with the requirement under the Code of Practice for the Governance of State Sponsored Bodies for such an evaluation to take place at least once every three years. The Institute of Public Administration (IPA) was appointed to carry out the evaluation which was overseen by the Chairperson of the Board. As part of that evaluation, Board members carried out a self-assessment performance evaluation survey. The information from this survey was then collated and follow up interviews were conducted with members of the Authority and some of the Executive. A draft report was then prepared and its findings and a number of recommendations were presented to the Board at their meeting on 11 December, 2018. The Board members, at that meeting, accepted the recommendations and agreed to implement them.

Risk Management

The Authority operates a formal risk management policy and maintains a Risk Register in accordance with the Department of Finance guidelines, which is managed on an ongoing basis. The maintenance of the register is

designed to ensure that risks are continually identified and assessed and necessary mitigating actions, subject to resources, are put in place. The Risk Register is a standing item on the Agenda of each Board meeting and is also discussed at meetings of the Audit and Risk Committee.

Chart 19 details the principal potential risks identified by the organisation for 2018 and the mitigation measures in place to reduce these risks.

Public Expenditure Compliance

During 2018, the Authority complied with the relevant provisions of the Code of Practice for Governance of State Bodies published by the Department of Public Expenditure and Reform.

Statement of Internal Control

The Statement of Internal Control of the Property Services Regulatory Authority for 2018 can be found in Appendix 1 of this report.

Freedom of Information (FOI)

The Authority comes under the remit of the Freedom of Information (FOI) by virtue of the Freedom of Information Act 2014. The objective of the FOI Act is to ensure that official information is available to the public to the greatest extent possible, consistent with the public interest and the right to privacy.

Chart 19 Principal Risks Identified

Principal Risk identified	Mitigation Measures in place
Complaint arrears	<ul style="list-style-type: none"> • Additional resources assigned • Outsourcing of complaint investigations
Compliance with GDPR	<ul style="list-style-type: none"> • Team appointed to focus on GDPR • Member of Department of Justice & Equality Steering Group in GDPR • Training provided to all staff • GDPR action plan developed
Risk to the protections inherent in licensing system due to unlicensed operators	<ul style="list-style-type: none"> • Inspectors appointed to investigate reported unlicensed operators in the State: immediate attention undertaken • Procedures in place to identify possible unlicensed operators who are trading who do not renew their licence

The FOI Act provides that each person has the following rights:

- the right to access official records held by public bodies unless exempted under law;
- the right to have personal information corrected or updated where such information is incomplete, incorrect or misleading; and
- the right to be given reasons for decisions taken by public bodies, where those decisions expressly affect them.

With a view to ensuring best practice in the administration of its statutory FOI function, the Authority has a member of its staff acting as FOI Officer to assist the public in using FOI procedures to optimum effect.

The Authority received 13 FOI requests in 2018. In assessing each request the Authority operated a policy of aspiring to grant the request, and subsequently applied the “harm” test followed by the “public interest” test in accordance with the provisions of the FOI Act. Adherence to the strict time limits set out in the FOI Act were respected.

Of the requests received, they were made by:-

- members of the public (6);
- clients of the Authority (5); and
- journalists (2).

The requests made by clients of the Authority relate to two complainants, two claimants under the Compensation Fund and one licensee.

Chart 20 summarises the outcome of all FOI requests received in 2018.

As can be seen in Chart 20, three requests were granted, one part-granted, seven refused, one withdrawn and one withdrawn and handled outside FOI. In the cases, which were not fully granted or refused, the Authority gave the requester a detailed explanation of its decision and the reasons for it. Frequently, in cases where the information sought was deemed as not capable of being provided within the realm of FOI, it may be made available to the requester by other means outside of FOI. The type of information sought was both personal and non-personal.

Chart 20 FOI Requests in 2018

File Ref.	Requester Category	Granted	Part-Granted	Refused	Withdrawn	Withdrawn and handled outside FOI
1	Journalist	X				
2	Member of the Public	X				
3	Member of the Public					X
4	Journalist		X			
5	Client			X		
6	Client	X				
7	Client			X		
8	Client			X		
9	Member of the Public			X		
10	Member of the Public				X	
11	Member of the Public			X		
12	Member of the Public			X		
13	Client			X		

FOI Appeals

There were no FOI appeals during 2018.

General Data Protection Regulation (GDPR)

Since 25th May 2018, the Authority has new data protection obligations with the introduction of the General Data Protection Regulation (EU) 2016/679 and the Irish Data Protection Act 2018.

GDPR requires that the processing of personal data is conducted in accordance with data protection principles. The Authority's policies and procedures are designed to ensure compliance with these principles.

The Authority meets the six principles of the GDPR as personal data is:

1. Processed in a way that is lawful, fair and transparent;
2. Collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
3. Adequate, relevant and is limited to what is necessary;
4. Accurate and kept up to date;
5. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; and
6. Processed in a manner that ensures appropriate security of the data.

The Authority has appointed a Data Protection Officer and the primary obligations of the Authority are to have:

- Processes in place for reporting of all personal data breaches.
- Retention periods applied to all personal data.
- Processes to deal with requests for personal data retained by the Authority and rectification or erasure of this data.
- Policy/privacy notices in place.

Since the introduction of the General Data Protection Regulation the Authority received 2 statutory access requests, both from members of the public. Both subject

access requests were dealt with in accordance with the requirements of GDPR.

There was one occurrence in relation to a Data Protection Breach which occurred in April 2018 prior to the new legislation. Affected individuals were contacted and this breach was reported to the Office of the Data Protection Commissioner.

Protected Disclosures Act 2014

There were no protected disclosures during 2018.

Amendments to the Act

The Authority has previously submitted proposed legislative amendments to the Property Services (Regulation) Act 2011 as part of the Department of Justice and Equality General Scheme of a Courts and Civil Law (Miscellaneous Provisions) Bill. The first related to capping the maximum payment from the Compensation Fund and the second related to an amendment to the definition of major sanction to include a provision for an imposition by the Authority of an oversight regime on the licensee. At year end these amendments remained in the departments' draft Bill.

During 2018, the Authority considered various areas of practice within the sector that required legal reinforcement which would enhance standards already in place while at the same time provide a platform for the Authority to investigate complaints in that area. Section 95 of the Act provides for the drafting of regulations on standards to be observed in the provision of property services by licensees under five pillars namely:

- Public Interest;
- Duty owed to Clients and Users and Potential Users of Property Services;
- Professional and Ethical Conduct of Licensees;
- Confidentiality of Client Information;
- Conflict of Interest.

At year end, this regulation had passed its first legal review and was at consultation stage with a view to publication in 2019.

APPENDIX 1

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

The Property Services 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.

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.

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 by the Property Services Regulatory Authority. An assurance document has been provided by Justice IT regarding controls 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. This online system has greatly enhanced the efficiency and effectiveness of the licence renewal process and further developments are planned. An assurance document has been received from An Post regarding the security and controls of the system in place. A Service Level Agreement was put in place with An Post in June 2018.

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 in place 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 31st 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.

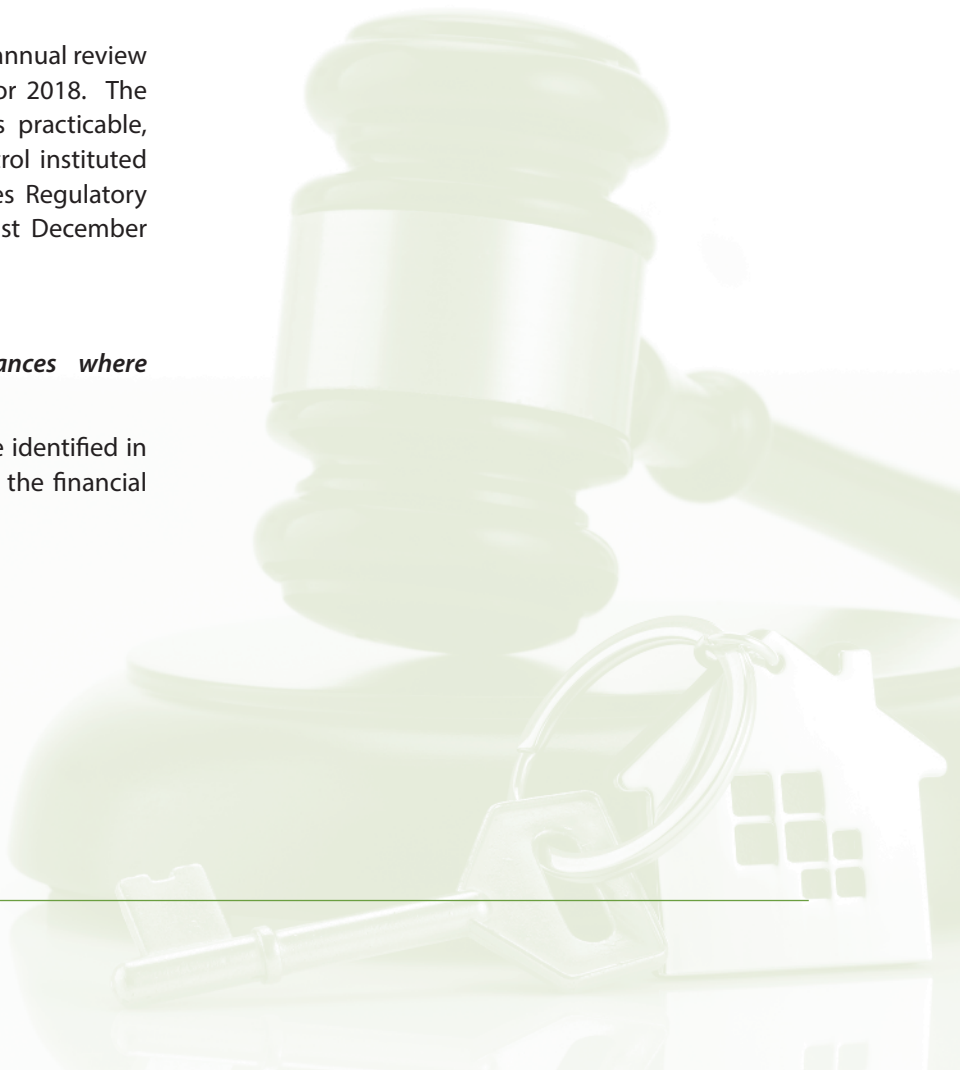
Disclosures of Details of Material Losses or Fraud

There are no matters of fraud to report for 2018.



Geraldine Clarke

Chairperson





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