



Property Services Regulatory Authority

Annual Report 2015

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Foreword by Geraldine Clarke, Chairperson of the Property Services Regulatory Authority.

I am pleased to present the 2015 annual report of the Property Services Regulatory Authority.

This year marked the retirement of the Authority's first CEO, Tom Lynch. As CEO, Tom was a driving force in establishing the Authority, setting high standards and putting in place a strong foundation from which the Authority has achieved compliance across the property services sector. On behalf of the Board and on my own behalf, I wish Tom continued good health and happiness in his retirement.

In August, 2015 the Minister for Justice and Equality, Ms Frances Fitzgerald T.D. appointed Maeve Hogan as the Authority's new Chief Executive. Maeve joined the Authority from the Department of Justice and Equality where she served in both policy and administrative areas of the Department including a period of secondment with the Garda Inspectorate and the Private Security Authority. She has assumed the position with great insight and enthusiasm.

During the latter part of 2015 the Authority commenced work on setting up an on-line licence renewals and payments project. At the end of the year, the project had advanced significantly and the aim was to provide for licence renewals to commence on-line in July 2016. This system will provide greater efficiency in the management of the licence renewals and provide a more customer friendly process for licensees renewing their licences. It is hoped that in the future a similar process will be developed for new licence applications.

Due to greater efficiency in the overall management of the system for licensing renewals, additional resources were released within the Authority and these were applied towards the reduction of arrears in the processing of complaints. Significant progress in finalising complaints was achieved in 2015 and bringing this important area up to date remains a priority for the Authority.

It was hoped to engage additional resources on an outsourced basis to address the investigative function of the Authority. However, due to issues outside the control of the Authority this was not achieved in 2015. It is hoped and expected that this function will be outsourced in 2016.

The Board of the Authority agreed to the development of a Continuous Professional Development (CPD) scheme for all licensees. The scheme will focus on driving standards and professionalism for property service providers and will be developed during 2016 and expected to be in place in early 2017.

The achievements of this year would not have been possible without the commitment, dedication and perseverance of the staff of the Authority. Their efforts have enabled a level of achievement which allows us to look forward with confidence to the coming years.

I would like to thank the Minister for Justice and Equality and the staff of the Department of Justice and Equality for their continued support and assistance.

I would also like to express my deep gratitude to my colleagues on the Authority for their commitment and enthusiasm which is of paramount importance to the continued success of the Authority.

I am pleased to present the fourth Annual Report on the Property Services Regulatory Authority in respect of the year ending 31st December 2015.



Introduction by Maeve Hogan, Chief Executive of the Property Services Regulatory Authority

I am delighted as Chief Executive of the PSRA to present my first annual report on its activities over the past year. Firstly, this has been a significant year for the Authority, which saw the retirement of its first Chief Executive Tom Lynch in July. The work undertaken by Tom in establishing the Authority has resulted in the introduction of a new regulatory regime, one which established standards, promotes professionalism and protects consumer interests. I hope to build on this established foundation to make the PSRA an effective regulatory organisation for both licensees and consumers. On behalf of the staff of the Authority, we wish Tom well and every good health in his retirement.

During my tenure as Chief Executive, I will build on the established structures of the Authority. One key priority project for me since taking up duty in August was to commence the process to move from a manual licence applications system to an online licence renewal and payments systems. By the end of the year, sanction was approved by the Board of the Authority to proceed with this project with Licences.ie which is operated by An Post. Licence renewal applications and payments from July, 2016 onwards will be fully completed and submitted to the Authority online. Once this project is completed, I plan to then turn my focus to first time licensee applications to be completed online.

To facilitate the delivery of continual learning and increase professionalism in the sector, the presence of a Continuing Professional Development (CPD) scheme is essential. The Board of the Authority approved the development of a CPD scheme which at the end of the year was at a preliminary stage. It is expected that the scheme which will be developed in 2016 and will commence in 2017.

The licensing process has gone from strength to strength since the establishment of the PSRA and at the end of 2015 a comprehensive and modern licensing system was in place having streamlined or eliminated many of the difficulties previously encountered. At 31 December, 2015 some 1,866 Property Services Employers/Independent Contractors and 3,802 Employees were licensed by the Authority.

The Authority continues to concentrate and focus its resources on its core functions including the establishment of a system of investigation and adjudication of complaints against property services providers. Throughout the latter part of 2015 the Authority was in a position through efficient resource management to redirect additional resources from licensing section to the investigation of complaints. At the end of 2015, in total some 981 complaints had been received since the establishment of the PSRA of which 283 complaints were received during 2015 with 441 complaints concluded in total. While significant progress has been made in addressing this important core function a considerable amount of work still remains to be done. However, for the Authority to meet its obligations in this area additional staffing resources will be required. Adequate staffing resources of the Authority continued to be an issue throughout 2015, however, in December expressions of interest issued to staff of the Department seeking 1 HEO and 3 EOs to work in the PSRA, the response to which was positive. It is expected these resources will take up duty in the PSRA early in 2016.

In supplementing the staffing resources of the Authority, sanction to outsource some of the Authority's investigation work was agreed. Following a tender competition, one company was identified as the successful bidder. The outsourcing of investigations is expected to progress in 2016.

The Authority's Public Registers continue to attract a lot of traffic to its website with the Residential Price Property Register registering over 5.6 million visits since its establishment in 2012 and 1.6 million visits during 2015.

In addition the Authority's Compensation Fund continues to grow and exceeded €2 million in 2015 ahead of its statutory target of reaching €2 million by the fourth anniversary of the establishment of the Authority. Throughout 2015, the process of exploring options of insuring the compensation fund continued.

The progress made to date would not have been possible but for the dedication and commitment of the staff of the Authority who have supported me in my new role and I would like to express by sincere gratitude and thanks to all. I would also like to thank the Board of the Authority for their support and advice since taking up my new assignment.

Next year will bring exciting challenges and opportunities for the PSRA which I and the staff of the Authority welcome.

Who We Are

The Property Services Regulatory Authority (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 services industry in Ireland.

The Authority's headquarters is based in Navan, Co Meath since its establishment and a second office was opened at Bishops Square, Kevin St., Dublin 2 in December 2013. At the end of 2015, in addition to the Chief Executive of the Authority, the PSRA had 17 full time staff.

The Authority is independent in the exercise of its functions. The Authority is chaired by Ms. Geraldine Clarke, Solicitor, and its membership consists of the property services industry and consumer representatives.

The legislation establishing the Authority provides for the licensing of a number of categories of property services providers namely:

Auctioneers/Estate Agents

Persons engaged in the Auction of property other than land (Licence Type A) and those engaged in the 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).

Membership of the PSRA

Under the Act the Minister for Justice and Equality in appointing members to the Authority, must have regard to the desirability of their having 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 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.

The membership of the Authority is as follows:

Ms. Geraldine Clarke	Chairperson
Ms. Carol Boate	Consumer Representative
Mr. Edward Carey	Industry Representative
Mr. Patrick Davitt	Industry Representative*
Mr. James Doorley	Consumer Representative
Ms. Deirdre Fox	Consumer Representative*
Mr. Martin Hanratty	Dublin Institute of Technology*
Ms. Josephine Henry	Consumer Representative*
Mr. Paul Mooney	Industry Representative
Mr. Myles O' Reilly	Consumer Representative
Ms. Regina Terry	Department of Justice and Equality*

Members of the Authority hold office for a period of four years. However, of the members appointed to the Authority on the establishment day, five held office for a period of three years from the date of their respective appointments. Those who were appointed for a period of three years are marked with an asterisk and were all appointed for a further four years in April, 2015.

The Role of the Authority

The Authority's key role is to ensure that the objectives of the establishing legislation are fully realised so as to ensure that those licensed to provide Property Services meet the highest standards in service provision and that consumers are fully protected through the rigorous application of the provisions of the Act.

The key functions of the Authority are as follows:

- To control, supervise and regulate Property Services Providers (i.e. Auctioneers/Estate Agents, Letting Agents and Management Agents);
To operate a comprehensive licensing system covering all Property Services Providers;
- To specify and enforce:- standards for the granting of licences to Property Services Providers (e.g. educational/training standards; levels of professional indemnity insurance), and; standards to be observed in the provision of property services by Property Services Providers (e.g. technical standards; appropriate ethical standards);
- To establish and administer a system of investigation and adjudication of complaints against Property Services Providers;
- To establish and administer a system of investigation of standards in the provision of Property Services;
- To impose sanctions on Property Services Providers for improper conduct (including fines 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 compensate clients who lose money as a direct consequence of the dishonesty of a Property Services Provider;
- To Develop Codes of Practice for Property Services 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 PSPs;
- To Act as State Competent Authority for Money Laundering;
- To Assist the Minister in the development of policy relating to the regulation of the Property Services Industry;
- To undertake or commission research projects.

MISSION AND VALUES

MISSION

The Authority's mission is to control and supervise Auctioneers, Estate Agents, Letting Agents and Management Agents and to protect the interests of the public in their interaction with them by ensuring that high standards are maintained in the delivery of property services.

VALUES

Public Interest

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

Good Governance and Value for Money

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

Consultation

The Authority is committed to engaging 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 our strategic goals and in developing fulfilling careers within the organisation.

Strategic Plan 2014 - 2017

The first Strategic Plan of the Property Services Regulatory Authority (PSRA) covers the period 2014 to 2017 and maps out the key issues which the Authority must address during this period. This plan builds 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 industry.

The Strategic Plan outlines the role, objectives and direction of the PSRA and charts the progress made to date which will bring about greater uniformity and transparency in the licensing, regulation and control of PSPs and in the provision of information to consumers. This Statement sets out what we want to achieve and how we, as an organisation, intend to deliver on our goals. Therefore, this is the core document from which the organisation's business planning, performance management and development will be derived. The Authority has adopted the following key goals:

GOAL 1:	Maintain a comprehensive licensing system for Property Services Providers;
GOAL 2:	To maintain a system of investigation and adjudication of standards in the delivery of property services;
GOAL 3:	To promote public awareness of the Authority;
GOAL 4:	To maintain Public Registers;
GOAL 5:	To be efficient in the use of human, financial, management and technical resources; and
GOAL 6:	To ensure appropriate governance policies, structures and procedures are implemented.

Progress Strategic Goal 1

Maintain a comprehensive licensing system for Property Services Providers

Licensing

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

- ***The Auction of Property other than Land (Licence Type A).***
- ***The Purchase/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 and any person may apply for one or more licences for which there is no additional cost. Licences are renewable annually.

The Authority commenced licensing of property services in 2012 and some four years later the process has become streamlined and operates in a more efficient and effective manner. As licensing operates over two separate reporting years it is necessary for the purpose of comparison across licensing years, to present the licensing statistics over a period longer than the reporting period in order to properly explain them. In the period from 6th July 2012 to the end of 2015 a total of 7,723 licence applications were received. Of these, licences were granted in 6,795 cases with 832 applications refused and 96 new applications under review. Of the 6,795 licences issued since July 2012 some 975 Licences have not been renewed or ceased trading by the end of 2015.

New Licenses

The property services sector was one of the sectors seriously impacted by the recent recession. However, notably with the turn around in the economy, the Authority is issuing new licences to those who now wish to work in the property services sector. In 2014, the Authority issued 517 new licenses with a further

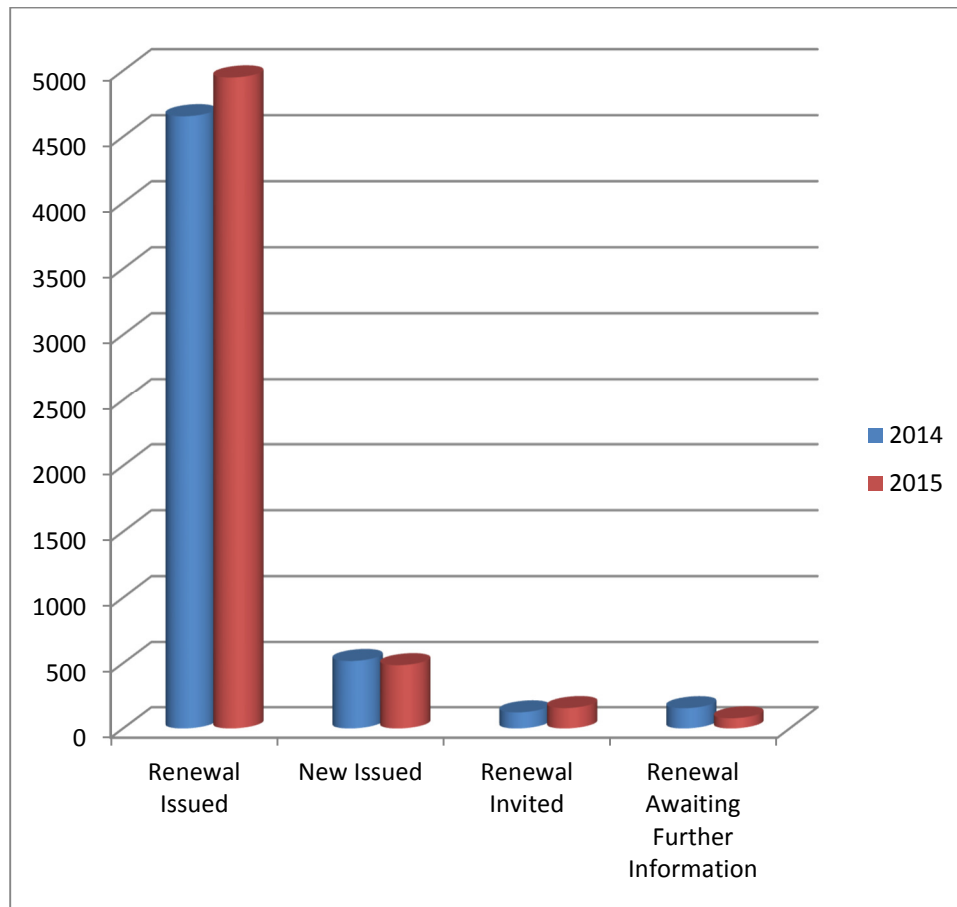
485 licenses issued in 2015. This is encouraging to the Authority in that there appears to be an understanding in the sector of the requirement to be licensed where providing a property service.

Licence Renewal

The difficulties experienced in administering the licensing process were to a greater extent eradicated for the licensing period 2015. This is due in great part to the knowledge and experience gained by licensees in completing their licence renewal application forms and a fuller understanding of the necessary additional documents required to complete their licence application. While queries did arise in relation to accountant's reports and professional indemnity insurance, essentially the process was bedded down in 2015. Indeed the knowledge and experience gained by the Authority in anticipating potential issues arising and advising licensees accordingly assisted in streamlining the process. In 2015, the licence renewal process was completed in a shorter time period than in previous years which is attributed to the level of complete licence renewal applications received, reduction in the level of queries with applications and the efficiencies of the staff of the Authority in processing applications.

The licence renewal process for 2015 saw the greatest number of licence renewals processed since the commencement of licensing by the Authority in 2012. In total, 4,949 licence renewal applications were processed in 2015 which represents an increase of 6% on renewals processed by the Authority in 2014. Taken together with the total of new licenses issued, renewal invites and renewal of licenses awaiting further information, Chart 1 outlines a total of 5,668 licenses were active at the end of 2015 compared with 5,450 licenses in 2014 representing a 4% increase overall across all licence types.

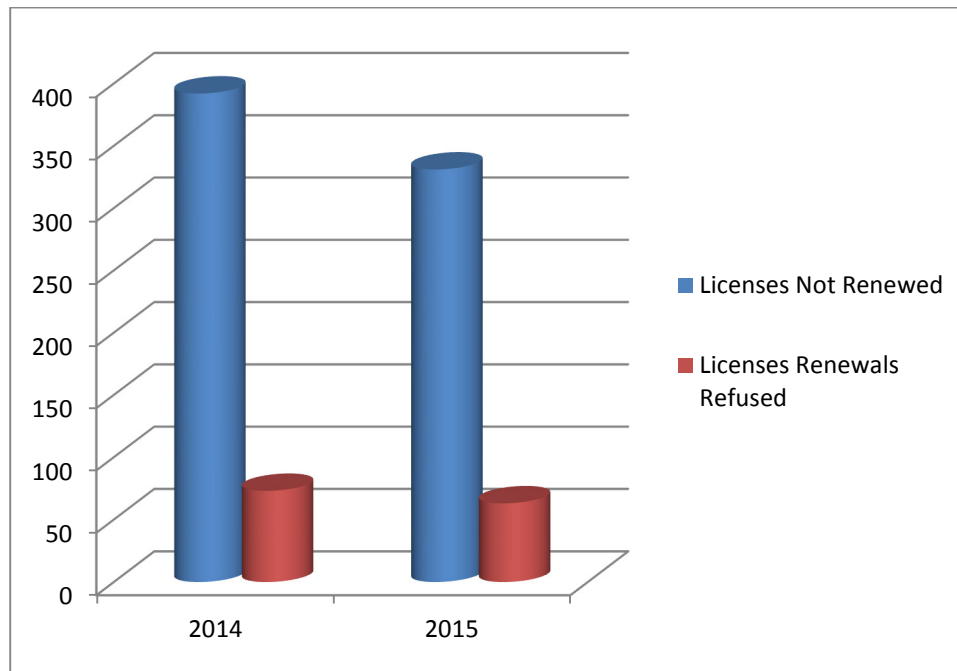
Chart 1 Position of Licenses at 31 December, 2015



Non-Renewals

Chart 2 outlines the level of non-renewal of licenses in 2014 and 2015. In 2015 a total of 331 (6.7%) licensees did not renew their licenses compared with 392 (8.4%) of licensees in 2014. This in part can be explained by licensees retiring from the sector and where licensees have informed the Authority that the reason for non-renewal of their licence included not experiencing any recovery in their sector. Fewer licence renewals were refused in 2015 compared with the number refused in 2014 which can be attributed to increased knowledge of the full requirements of renewing a licence and having the necessary qualifications and documents at time of licensing.

Chart 2 Comparison of licences not renewed and refused



Licence Refusals

The Authority continues to refuse applications for new licenses. There are many reasons for refusing a first time licence application including where the qualification standard is not met, accountants report is incomplete, no tax clearance certificate and where additional information sought by the Authority is not provided. In all instances the Authority is supportive of new applicants and considers in full all information and documentation submitted in support of their licence application prior to making a final decision on all applications.

New Licence Application Appeals

In 2015, a total of 110 new licence applications were refused. This compares with 141 applications refused in 2014 and 527 applications in 2013. Significantly, the quality of new licence applications received indicates that potential applicants are now more aware of the Authority's requirements and standards to become licensed.

A total of 13 licence appeals were made to the Property Services Appeal Board (PSAB) in 2015 in relation to decisions by the Authority to refuse a licence application. The outcome of these cases by the Appeal Board was:

- In 3 cases the Authority's decision was overturned;
- In 3 cases the PSRA decision was upheld;
- In 4 cases, related to licence renewal - Outside remit of PSAB and;
- In 2 cases, Authority advised to reconsider licence application:

In relation to these two appeals, in one case the Authority's revised decision was to issue 1 category of licence only and to refuse the 3 other category types submitted.

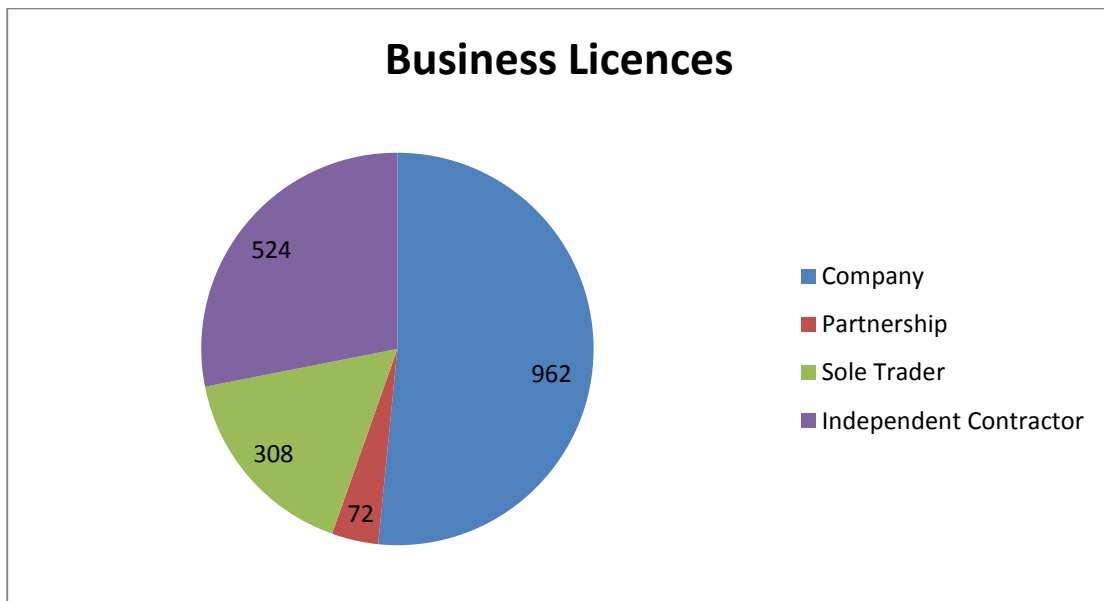
In the second case, the PSRA is awaiting information from the appellant after a request for extended timeframe.

- In 1 case, the appeal is with the PSAB at end 2015.

Business Licence Distribution by Category

The distribution of the 5,668 licences issued during 2015 as between employers and employees shows that a total of 5,668 (67%) of all licenses issuing in 2015 were in respect of employees. Chart 3 outlines that a total of 1,866 licenses were allocated to employers, comprising of companies, partnerships, sole traders and independent contractors. Within this group, companies hold the greatest number of employer licences representing approximately 51.6%, followed by independent contractors, representing 28.1% of licenses issued to employers. The proportional breakdown for licenses issued for employer and employees in 2015 is on a par with the breakdown for these two groupings in 2014.

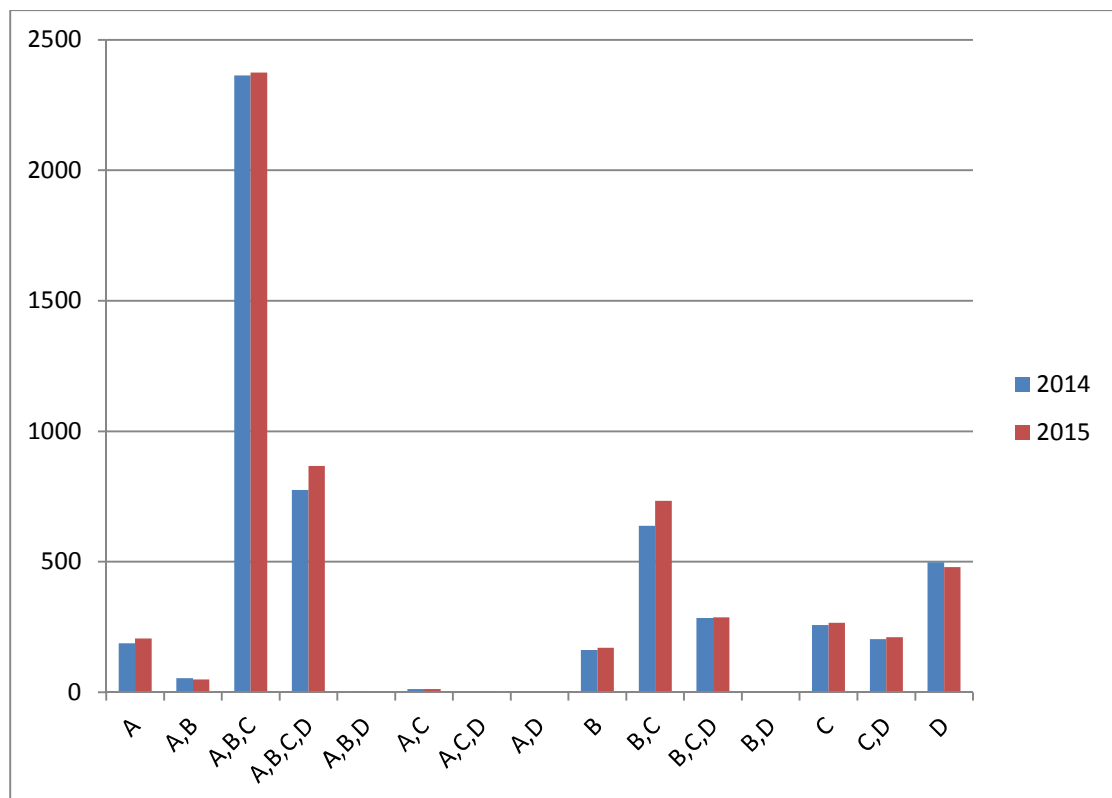
Chart 3 Business Licences by category



Licence Type

In 2015, the Authority granted a total of 5,668 licenses. Chart 4 shows the number of licenses issued by licence type by the Authority in 2015, ranging from single type licence issued up to and including a combination of all the licence types. This Chart clearly demonstrates a significant reduction in the number of licensees holding licenses in respect of the combination of licence types (A,B,C) and licence type (D). However, there is an increase in licensees holding licence types (B, C).

Chart 4 Distribution by licence type issued in 2015



Overall, the response of licensees to the requirements necessary to obtain a licence showed a significant improvement in 2015. While there has been a marked improvement there is still concern that many within the industry do not fully appreciate the implications of their failure to fully comply with their obligations under the Act.

Since its establishment the Chief Executive has availed of opportunities to address industry conferences promoting the message of compliance with the Property Services (Regulations) Act, 2011. Such occasions have allowed the Authority to provide guidance and assistance on matters presented by licensees. However, conscious that not all licensees are represented by the Society for Chartered Surveyors Ireland (SCSI) or the Institute of Professional Auctioneers & Valuers (IPAV), the Authority when issuing licenses include a covering letter reminding licensees of their statutory obligations and the implications of failing to comply with such obligations.

On-line Licence Renewal and Payments System

All licence applications, both new and renewals are completed on a manual application basis. Annually, the Authority processes some 6,000 manual licensing and payment applications.

In 2015, the Authority explored electronic options for licensing and payment applications and agreed that the facilities provided by An Post through Licences.ie met the criteria of the Authority's licensing requirements. The Authority agreed to commence the online project with licence renewal applications as part of phase 1 with phase 2 of the project addressing new licence applications.

Work with An Post and their online website Licences.ie commenced in the latter part of the year with a schedule to have the online licence renewal facility available to accept licence renewal applications for July 2016.

As part of this project, an online payment facility is also available where licensees can pay their licence fee and contribution to the Compensation Fund online by debit/credit cards or by electronic fund transfer (EFT). In listening to the requirements of the sector where a significant number of employers pay the licence fee and contribution to the compensation fund on behalf of their employees, Licences.ie will make this facility available to employers. The online licence renewal and payment system will significantly decrease the manual processes and paperwork currently involved with processing applications, with all documentary evidence (Accountants Report, PI Insurance) associated with licence applications to be submitted electronically as part of the licence renewal application process. All processes related to licence renewals for both employer and employee licenses will be completed online.

At the end of the year, the Authority commenced a communications strategy informing all licensees of the online licence renewal project and this strategy will be built upon in 2016.

Qualification Amendment

The Authority assesses, as part of the processing of all new licence applications, the applicant's qualification, or competence, to be licensed. The criteria on establishment used to make that assessment were set out in Property Services (Regulation) Act 2011 (Qualifications) Regulations 2012 - S.I. No. 181 of 2012 and can be by way of academic achievement (specific subjects studied to particular standards), experience or a combination of academic achievement and experience. These regulations were amended during the year by the Property Services (Regulation) Act 2011 (Qualifications)(Amendment) Regulations 2015 - S.I. No. 456 of 2015 which applies a shorter period of study for the specified subjects where the applicant is relying on academic achievement at Masters or Doctorate levels compared to those where the applicant is relying on academic achievement up to Masters level. There was no change to the experience required or the combination of academic achievement and experience could be combined. The overall effect of the amendment is to widen the pool of potential licensees without diminishing the minimum standards.

Progress Strategic Goal 2

Maintain a system of investigation and adjudication of standards in the delivery of property services

Investigations

A central element of the Authority's regulatory powers is the investigation of Property Services Providers. There are three types of investigation which 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 service providers.

The investigation of persons providing property services without the appropriate 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.

Inspection of standards in the provision of property services and statutory compliance by licensed service providers are carried out on the Authority's own volition. These involve examination of whether or not a licensee has engaged in "improper conduct" and whether or not the licensee has breached the Act.

The third type of investigation relates solely to "improper conduct" and arises following complaints made against a Property Services 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 investigate “improper conduct”, as defined, by a Licensed Property Services Provider;
- 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 Inspectors report and in imposing sanctions.

It is important to understand that the Authority may only carry out an investigation of alleged “improper conduct” which is defined in the Act as follows:

- “(a) the commission by the service provider of an act which renders him/her no longer a fit and proper person to provide property services,
- (b) the commission by the service provider of a contravention of the following sections of the Act—
 section 28(1), 29(9), 31(5), 37(1), (2), (4), (5), (6) or (7), 41(1), 43(1), (2) or (3), 44, (2), 56(1), 57(1), 58(3), 59(1), 60(1), 61, or 81(1) or (2),
 or
- (c) the commission by the service provider of a contravention of a provision of regulations made under section 46, 62 or 95 of the Act,
- (d) the giving by the service provider of a statement of advised market value or advised letting value of land which is clearly unreasonable.”

With regard to investigations the Authority may also carry out investigations of persons engaged in the provision of property services, as defined, who do not hold a licence to provide such services. However, where a person is found to be so engaged the Authority will bring a prosecution against such persons.

Complaints

During 2015 the Authority received 283 complaints, which compares with 362 complaints received in 2014. This small decrease may be due in part to a combination of the work done by the Authority in explaining its remit to the public and in providing guidance to property service providers on how to comply with their obligations under the 2011 Act. At the 31 December, 2015 the total number of complaints received by the Authority since its establishment is 981 complaints. Chart 5 outlines the status of all complaints received since July, 2012 up to 31 December, 2015:

Chart 5 Complaints received at 31 December, 2015

Complaint Status	31/12/2015
Initial Assessment Phase	410
Inspection Phase	130
Concluded - Declined/Not Accepted/Frivolous/Vexatious and Outside Remit	398
Settled Agreed Between Parties	13
Withdrawn by Complainant	30
Appeals Pending	5

At the end of the year 398 or 40% of complaints received to date were concluded without a requirement for the appointment of an inspector to conduct an investigation. This compares with 179 or 25% of cases in 2014. In all such cases the Authority explained the reasons as to why an investigation could not be pursued, principally because the subject matter of the complaint did not fall within the definition of “improper conduct” specified in the 2011 Act.

Investigations were deemed necessary in 130 cases, and were either underway following the appointment of an inspector or were awaiting the appointment of an inspector.

At the start of the year under review, there was a large backlog of 53% of complaints still at the initial assessment stage awaiting determination on whether to proceed to full investigation. By the end of 2015 the open caseload had reduced somewhat to 41% with 410 complaints (including 283 complaints received in 2015) of the 981 complaints received to date at preliminary assessment stage.

The nature of complaints covered a broad range of issues including fees and outlay, ethical conduct, failure to have in place a letter of engagement or property service agreement and advertising. However, by far the highest number of allegations made against property service providers related to service provision, accounting for almost a third of allegations recorded in the year. A significant proportion of complaints (16%) related to allegations of retention of monies by property service providers. By way of example, in one case a complainant viewed a property for rent and placed a booking deposit of €400. Later, that person decided not to proceed with the rental and requested on several occasions for the PSP to return the deposit. The complainant had not moved into the property nor had a lease agreement been signed. Following initial enquires made by the Authority, the PSP refunded €400 in favour of the complainant.

In similar complaint cases the Authority made initial enquiries with property service providers and the Authority can report that significant advancement was made with other complaints, towards reimbursing clients with monies owed. While these cases were not fully completed by end of 2015, there were strong indications following the Authority's involvement that the monies owed to clients would be reimbursed in early 2016. In the majority of these cases, the complainant indicated that they did not wish to proceed with the complaint, on the basis that a refund of monies owed is made. Further allegations that persons were operating a property service without a licence accounted for 15% of all complaints received during the year.

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.

- (a) 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.
- (b) Declining to investigate a complaint
- (c) Imposition of a minor sanction on a licensee
- (d) Dismissal of a complaint
- (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 such 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.

Upon receipt of notice of appeal, within 14 days, the Authority must submit to the Appeal Board 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 Appeal Board within 30 days. Where the Appeal Board is of the opinion that any 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 Appeal Board 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 the subject of appeal.

The Appeal Board 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.

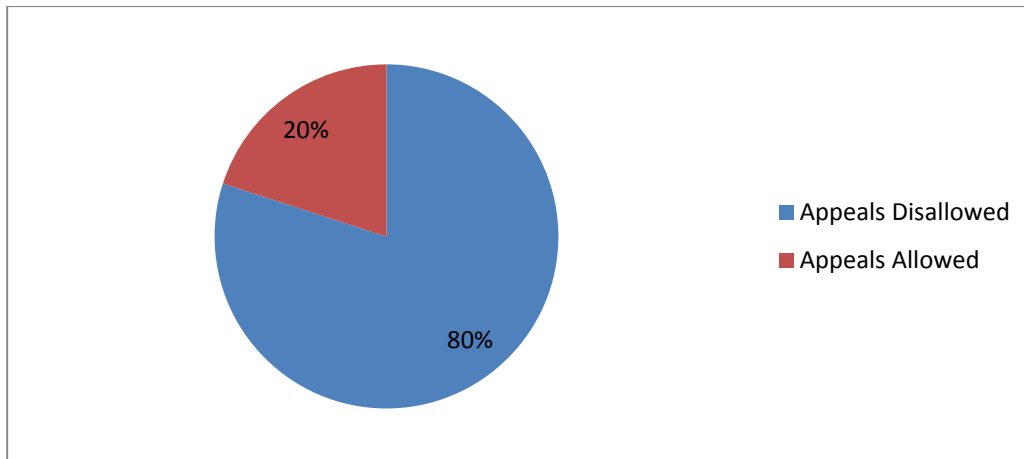
Appeals Considered

During 2015 the Appeal Board determined 5 appeals brought by complainants whose complaints the Authority had declined to investigate. This includes 2 cases brought forward from 2014. On request from the Appeal Board, the Authority provided clarification in respect of one case.

As demonstrated in Chart 6 the Appeal Board disallowed 4 (80%) of the appeal cases affirming the decision of the Authority to refuse to undertake an investigation in these cases. In stating the reasons for its determinations, the Appeal Board agreed with the Authority's position that the matters complained of did not constitute "improper conduct" within the meaning set out in the Act and/or was outside remit of the Act.

The Appeal Board allowed one appeal which was reconsidered by the Authority and finalised with a satisfactory outcome for the parties concerned to the complaint.

Chart 6 Complaint Appeal Outcomes



A further 6 appeal cases were awaiting consideration by the PSAB at 31 December 2015.

Unlicensed Trading and Prosecutions

The Authority takes the statutory requirement to have 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 constitute 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 the offending service providers who do not realise that the company or individual about which they complain of is, in fact, operating without a licence. Investigation of persons providing property services without the appropriate licence is limited to establishing that the person in question is providing, offering or advertising a property service as defined in the Act and that such service is being provided for 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.

Chart 7 provides details of the five prosecutions concluded during 2015. All five prosecutions involved guilty pleas by the defendants when they were faced with the evidence presented to the court by the Authority. Fines were imposed by the court in two cases and the Probation Act was applied in three cases following the payment of charitable contributions and the discharge in full of the Authority's costs by the defendants. The Authority's costs were awarded by the court in all five cases. These costs were discharged in full in three cases, and are being actively pursued in one other case (the guilty party was given one year to pay by the court). In the fifth case, costs were awarded against a company. One of the defendants appealed the sentence imposed by the District Court (fines) to the Circuit Court. The Circuit Court consolidated and reduced somewhat the overall level of the fines, but left in place the District Court award of the Authority's costs.

Chart 7 Concluded Prosecuted Cases in 2015

Company or Individual Prosecuted	Court (District or Circuit)	Outcome	Amount of Fines	Amount of Charitable Contribution	Amount of Costs
Unlicensed Estate Agent	D	Guilty Pleas and Fines	€5,000		€9,214.11
Unlicensed Estate Agent - Circuit Court appeal of District Court sentence	C	Fines reduced by Circuit Court on appeal	€2,400		€9,214.11
Unlicensed Estate Agent	D	Guilty Pleas, Charitable Contribution and Probation Act		€1,000	€6,815.50
Unlicensed Estate Agency (Company)	D	Guilty Pleas and Fines	€16,500		€9,306.14
Director of Unlicensed Estate Agency	D	Guilty Pleas, Charitable Contribution and Probation Act		€500	€7,307.39
Director of Unlicensed Estate Agency	D	Guilty Pleas, Charitable Contribution and Probation Act		€500	€7,307.39

All five prosecution cases so far have been in the Dublin District Court. A number of cases are at an advanced stage of investigation and further prosecutions, outside the Dublin area, are anticipated during 2016.

To date, since the Authority commenced operations in July 2012, a total of 279 files have been opened with regard to companies or individuals alleged to be trading without a licence. The number of files does not exactly correlate to the number of investigations as several complaints may be made about a single operator, which would generally result in a single investigation; it is also possible for a single investigation to result in several prosecutions, e.g., against a company and its principal(s). Chart 8 provides status details of the 279 files as follows:

Chart 8 Complaint Status of Unlicensed Operators

No. of Files	Status
71	Subject of report was already licensed or became licensed before investigation concluded.
9	The behaviour reported was not a property service and no licence was required.
39	These files were concluded for varied reasons including no prima facie evidence of trading without a licence, not enough information supplied to identify or locate the subject of the complaint, preliminary investigations do not support the report.
26	Undergoing initial assessment to establish if there is prima facie evidence of trading without a licence or awaiting the outcome of a licence application.
115	Awaiting the appointment of an Inspector to carry out an investigation. While many of these investigations can be expected to lead to prosecution, in several cases, the eventual investigation is likely to confirm the Authority's suspicion that no unlicensed trading is, in fact, taking place.
18	Investigation underway or at an advanced stage.
1	Prosecution currently before the courts.

All property service providers must be licensed. In that context, it is customary for the Authority to write to companies or individuals about who reports of unlicensed trading are made informing them of the provisions of the Act, the need to hold a licence and to cease trading immediately if, in fact, they are trading without the necessary licence. As well as the very straightforward instruction contained in the Authority's cease trading letters, these letters serve an important purpose in the prosecution process in that they leave the court in no doubt that the defendant was fully aware that they were breaking the law. One somewhat unexpected but, nevertheless, welcome outcome from a short campaign of issuing "cease trading" letters is that a significant number of companies and individuals engaged with the Authority and became licensed.

Audit Compliance Inspections

During the course of 2015, the Authority undertook audit inspections of licensed businesses. The Authority believes audit inspections have a dual purpose, firstly to identify breaches of the Act but more importantly a means of driving compliance and to deliver a consistent professional standard of service for all clients of property service providers.

The results of the audit inspections were encouraging. The Authority found full compliance with the Act in 37% of the audits undertaken and 62.5% were found to be in non-compliance ranging from breaches by PSPs of one section of the Act to multiple breaches across a range of sections under the Act. The sections of the Act which attracted the highest level of non-compliance included the Client Money Regulations accounting for 93.3% of the non-compliance identified. There were a wide range of breaches found relating to the Client Money Regulations including the absence of a Client Account, the word "Client" omitted from the bank account, bank charges taken from the Client Account, no balancing statement. A range of issues relating to Letters of Engagement accounted for 86.6% of the non-compliance identified. In some cases, the Authority found that Letters of Engagement did not exist, were not signed within seven days or where they were issued and signed they were incomplete. In 53.3% of the audited cases, breaches relating to Advised Market Value and

Advised Letting Value were recorded with 46.6% of cases, having breaches relating to the non-display and production of licenses.

Other breaches included failure to notify the Authority of errors identified on the licence register (6.6%), issues relating to retention of records (general) (26.6%), in relation to retention of records other than by auction (33.3%) and professional indemnity insurance issues (6.6%). Chart 9 outlines in full the levels of non-compliance established during the Authority’s audit compliance inspections.

Chart 9 Results of Audit Compliance Inspections

Section	Description	Non-Compliance
Section 29(9):	Failure to notify the Authority of an error identified in the Register	6.6%
Section 37:	Display and production of licences	46.6%
Section 41:	Notifying the Authority of any material matter	13.35%
Section 43:	Letters of Engagement	86.6%
Section 44:	Retention of Records (General)	26.6%
Section 45:	Professional Indemnity Insurance	6.6%
Section 55:	Advised Market/Letting Value	53.3%
Section 56:	Estimate of selling price not be to less than Advised Market Value	26.6%
Section 57:	Reasonableness of Advised Market Value	6.6%
Section 61:	Retention of Records (other than by auction)	33.3%
	Client Money Regulations	93.3%

Sanctions

As outlined earlier, following audit compliance investigations, some 62.5% of licensees were found to be non-compliant with the Act. Chart 10 provides a breakdown of the sanctions imposed on licensees. In respect of breaches of the Act relating to Client Money Regulations and Letters of Engagement, a significant number of licensees received a warning with less minor breaches including errors recorded on the Register of Licensees and non-display of licenses, advice was issued in such cases.

Chart 10 Sanctions imposed following Audit Compliance Inspections

Warning	(33.4%)
Warning with Advice	(53.3%)
Advice	(13.3%)

Progress Strategic Goal 3

Promote Public Awareness of the Authority

Newsletter

The Authority issued its first newsletter in December 2015 to all licensees. The newsletter covered a wide range of topics including the proposed new online licence renewal application system, unlicensed operators, outsourcing, anti-money laundering and amendments to the qualification standards. It is the intention to issue newsletters on a regular basis to ensure that licensees are advised of important legislative requirements, availability of guides to assist licensees and their clients in understanding the sector and general information regarding the work of the Authority. The introduction of the newsletter to the licensee was well received by the sector and the Authority will build on this platform in 2016.

Meeting in Portlaoise

The first public engagement by the new CEO was at the Institute of Professional Auctioneers and Valuers (IPAV) seminar in Portlaoise in November 2015. This event allowed the CEO the opportunity to introduce herself to licensees and set the theme of her term of office under the headings Collaboration, Communication, Consumer Protection, Compliance and Computerisation.

The CEO addressed a range of issues with the licensees and stressed the need for compliance with the legislation and its regulations and her openness to listen to the views of licensees on the ground. She also took the opportunity to advise licensees of the proposed new computerised online licence renewal application system to take effect in July 2016 and the aim of the Authority to promote communication with licensees through email. The issue of unlicensed operators and the Authority's intention to eliminate this group from the sector was discussed as was the common issues found by the Authority while auditing businesses during the year. Consumer Protection with regard to client money was raised and the importance of maintaining the Client Account in accordance

with the regulations was stressed. The CEO also addressed a number of individual queries raised by attendees. The event was attended by approximately 200 licensees who were proactive in their engagement with the CEO.

The CEO availed of every opportunity to meet with interested bodies and groups who sought meetings which provided a strong basis for future dialogue and interaction with such groups.

Website

At the end of the year, approval was granted to redesign the Authority's website, to make it more interactive with those who visit the site, easier to navigate and provide the information sought by the visitor. The new site will include a section dedicated for consumers, where they can acquire information and guidance on using a property service. The development of the site will commence in the early part of 2016.

Progress Strategic 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 particulars published include 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 E-Stamping section of the Revenue Commissioners. This information is updated on a weekly basis and published within a month of the date of sale of the property.

In 2015 there were a total of 1.6 million visits to the Property Price Register, making it one of the most visited registers of the Authority. From its initial publication in September 2012 to the end of December 2015 the site had over 5.6 million visits. This compares with 4 million visits up to the end of December 2014.

Register of Licensed Property Services Providers

The Register of licensed property service providers is published on the Authority's website. Clients of property service providers use this register to establish that the service provider which they engage is licensed. By using a licensed service provider, the client has protections under the Act including access to the Authority's complaints mechanism, right to have their complaint investigated and access to the Authority's compensation fund should the client suffer a loss as a result of a dishonest act by the licensee. The Authority cannot investigate complaints made by clients of unlicensed property services providers as they are not licensees. However, in such circumstances the Authority will investigate the unlicensed operator against whom the client has made a complaint.

The particulars published on the Register include:

- Name of Licensee
- Address of Licensee
- Category of Licensee (i.e. Company, Sole Trader, Employee)
- Type of Licence held
- 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-in clause in the lease; and
- The certificate identification number within the meaning of the Stamp Duty (E-stamping of Instruments) Regulations 2009.

In addition to providing detailed information on leases entered into on or after 3 April, 2012, the register also contains basic information in respect of leases entered into between 1 January, 2010 and that date. In total, there were 43,574 entries up to end of December 2015. This compares with a figure of 34,000 at the end of December 2014. 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 on the Authority's Commercial Lease Database. A significant amount of tenants who take out such leases are not compliant with the requirement to do so. Towards the end of 2015 additional resources were assigned to manage the commercial leases database, the results of which include a significant increase on the level of leases published in 2015.

Progress Strategic Goal 5

Efficient use of human, financial, management and technical resources

Staffing Resources

Staffing resources continued to be one of the Authority's more significant challenges in 2015.

When the Authority was established it was considered that, at a minimum, a total of 30 staff (1CEO, 2AP, 10HEO, 11EO and 6CO) would be required to enable the Authority to carry out its functions. In addition to the initial allocation of staff to the Authority, a total of six extra staffing resources were provided towards the end of 2013 to manage the annual intake of some 300 complaints and to address the considerable arrears in the investigation of complaints. However, due to retirements and transfers to other areas of the Department, the staffing levels of the Authority became a significant factor in its ability to progress and finalise complaint investigations, audit compliance inspections, consumer information and awareness briefings to a satisfactory level.

Expressions of Interest

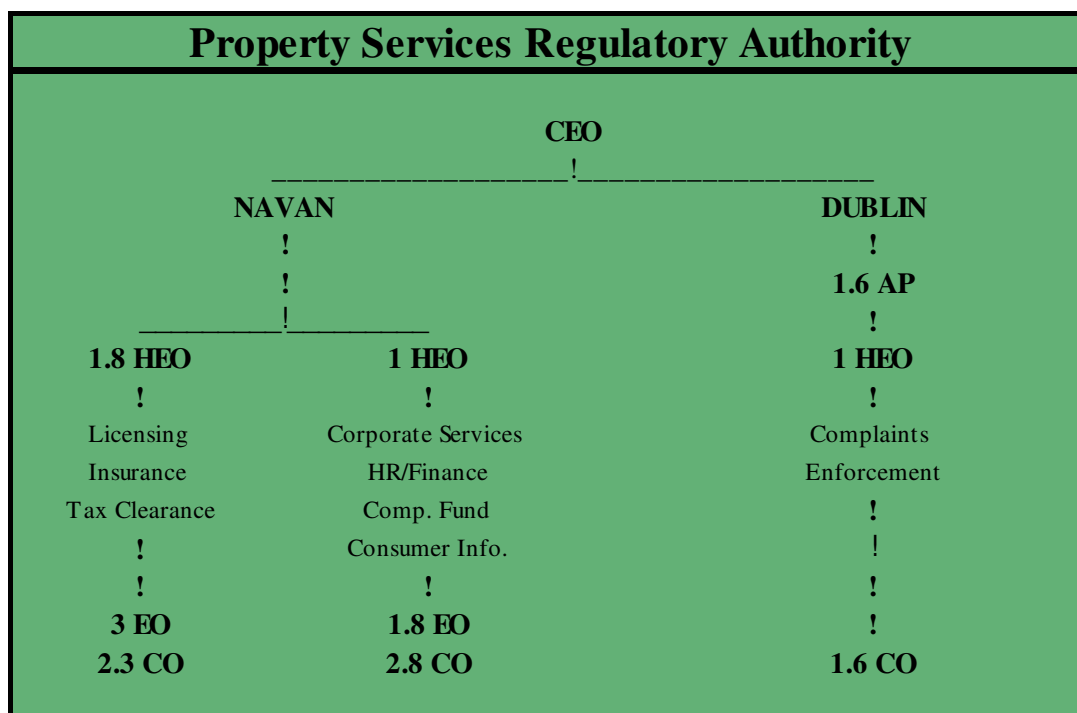
During 2015 the Authority secured funding to recruit an additional four members of staff (1HEO and 3 EOs). In December, 2015 a notice issued to the staff of the Department seeking 'Expressions of Interest' in working with the Property Services Regulatory Authority. In total the Authority received expressions from two HEO's and six EOs. An informal interview with the candidates is scheduled to take place in early January, 2016.

The Authority is also mandated as part of its statutory regulatory functions, to carry out compliance audits of its licensees. During 2015, the Authority initiated a number of these audits. Overall, the fact that the staffing resources of the Authority remains below the minimum level required has seriously curtailed it in undertaking its full regulatory responsibilities. As a means of supplementing the reduced resources of the Authority, sanction to outsource the Authority's investigation work was agreed in late 2014.

Outsourcing

As indicated above, sanction to proceed with the outsourcing of the Authority's investigation work was agreed and in 2015, a tender issued seeking applications from providers of such services. Following the tender process one company was identified as the successful company to provide the service requested. Outsourcing of the Authority's investigation work is expected to commence in 2016.

Chart 11 Staffing structure at 31 December 2015



During the summer of 2015, the Authority was supported by 10 temporary clerical officers – 5 for 10 weeks and 5 for 13 weeks, totalling 115 weeks, who assisted in the processing of licence renewal applications. The availability to the Authority of these additional resources positively impacted on the processing time and efficiency gains for both new and 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 Authority is required by law to be self financing. All of its costs, including staff costs, must be financed from the fees it generates.

Section 25(3) of the Act provides that the Authority make neither a profit or a loss and that the total amount of the fees charged annually shall, as nearly as may be, taking one year with another, be equal to the total expenditure incurred annually.

On establishment in April 2012 up to the 31st December 2015 the Authority returned a licence fee income of €9 million to the Exchequer of which €2.3 million was returned in 2015. In that period the total amount of the grants made from the Exchequer to the Authority has been €4.4 million.

Compensation Fund

The Authority administers the Property Services Compensation Fund established under the Act. The Authority, where it is satisfied that a client of a Property Services Provider has sustained a loss as a result of the dishonesty of the Property Services Provider must, subject to certain conditions specified in the Act, pay compensation from the Fund to the client. At the 31st December 2015 the amount standing to the credit of the Fund was over €2.2 million. The requirement to have €2 million in the Fund within 4 years of the establishment of the Authority was achieved in 2015. In addition, no claims were made on the Compensation Fund at the end of year, 2015.

The level of contribution payable to the Fund by a Property Services Employer is €200 per annum while that for an employee is €50 per annum.

Insuring Compensation Fund

In order to protect the Compensation Fund the Authority agreed to insure the Fund in order to protect it and ensure that the amount standing to the credit of the Fund is maintained at a minimum of €2 million. Preliminary discussions and arrangements for insuring the Fund commenced in 2015 and are expected to conclude in 2016.

Progress Strategic Goal 6

Ensure appropriate governance policies, structures and procedures are implemented

Corporate Governance

Corporate governance within the PSRA is guided by:

- Property Services (Regulations) Act, 2011
- Code of Conduct for the Governance of State Sponsored Bodies;
- Code of Conduct for members of the Authority;
- Financial and Procurement procedures

As a public body, the PSRA complies with all relevant matters relating to corporate governance issued by the Department of Justice and Equality, Department Public Expenditure and Reform and with any other Government Department.

As the PSRA 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 PSRA is audited annually by the Controller and Auditor General (C&AG) to ensure proper books of accounts and processes are maintained and procedures adhered to.

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

Freedom of Information (FOI)

The Authority came under the remit of Freedom of Information Act (FOI) for the first time on 14 April 2015, 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.

The FOI Act provides that every 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 new statutory FOI function, the Authority appointed a member of its staff to act as FOI Officer and to assist the public in using FOI procedures to optimum effect.

The Authority received some 7 FOI requests in 2015. In assessing each and every 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 was respected.

The majority of requests (4) were made by members of the public. A journalist made 2 requests, and 1 request was submitted by a solicitor’s practice. The type of information sought was both non-personal (3 requests) and a mix of personal and non-personal information (4 requests). There were no requests for only personal information.

A large proportion of requests (4) sought information in whole or in part that was already available in the public domain by virtue of the “Property Services Register” maintained by the Authority and comprising detailed particulars of licensees. The Register is on the Authority’s website, free of charge to members of the public. For that reason the Authority refused to grant such FOI requests in accordance with the relevant exemptions on administrative grounds provided for in section 15 of the FOI Act. Likewise, in 3 cases the information or records sought did not exist.

Chart 12 summarises the outcome of all requests and indicates the exemptions in the FOI Act that prevented the release of information.

Chart 12 FOI Act Exemptions Used

File Ref.	Requester Category	Granted	Refused	Exemptions – Relevant Sections of FOI Act		
				15	32	35
1	M		✓	15(2)		
2	J		✓	15(1)		
3	J		✓	15(1)		
4	S	✓				
5	M		✓	15(1)	32(1)	35(1)
6	M		✓	15(1)		
7	M		✓	15(1)		

S = Solicitor

J = Journalist

M = Member of the Public

In all cases the Authority gave the requester a detailed explanation of its decision and the reasons for it. Frequently, where the information sought was not deemed capable of being provided within the realm of FOI, it was nonetheless made available to the requester by other means outside of FOI.

FOI Appeals

Of the 6 decisions refused by the Authority, one was the subject of an internal review during 2015. This involved a complete reconsideration of the original FOI request at a more senior level. The decision taken on internal review was to refuse the FOI request but on different grounds and for different reasons. An

internal review was sought in one other case decided in late 2015 and therefore carried forward into 2016.

The Authority did not charge requesters in respect of search, retrieval or copying costs. A fee of €30 for the cost of one internal review was received.

Continuance Professional Development (CPD)

Part 10 of the Property Services (Regulation) Act, 2011 provides for the Authority to develop a CPD scheme for licensees. The Authority agreed at the end of 2015 to develop a CPD scheme during 2016 and to commence the scheme with effect from 1 January, 2017.

APPENDIX

FINANCIAL STATEMENTS 2015



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Property Services Regulatory Authority

I have audited the financial statements of the Property Services Regulatory Authority for the year ended 31 December 2015 under 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. The financial statements have been prepared in the form prescribed under Section 22 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Property Services Regulatory Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the transactions of the Authority and of the state of its affairs and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Authority as at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Authority were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Authority's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Mary Henry

For and on behalf of the
Comptroller and Auditor General

28 October 2016



ÚDARÁS RIALÁLA SEIRBHÍSI MAOINE
PROPERTY SERVICES REGULATORY AUTHORITY

Financial Statements

Property Services Regulatory Authority

For the year ended 31 December 2015

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PROPERTY SERVICES REGULATORY AUTHORITY


STATEMENT OF AUTHORITY MEMBERS' RESPONSIBILITIES

Section 22 (2) of the Property Services (Regulation) Act 2011, requires the 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 the Authority will continue in operation.
- State where 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 of the Authority which enables it to ensure that the financial statements comply with Section 22(2) of the Property Services (Regulation) Act 2011. 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.


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/2016

PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Property Services Regulatory Authority, we hereby acknowledge our responsibility for ensuring that an appropriate system of internal financial control is in operation in the Authority.

We are satisfied that the systems, which the Authority 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 Finance.


The Chief Executive Officer reviews the account of expenditure recorded on a monthly basis together with income received.

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 to them by the Authority to give effect to the Authority's policy 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. The following specific procedures are in place in order to provide effective financial control.

1. 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 internal audits.
2. Monthly management accounts are reviewed by the Chief Executive Officer.
3. The Authority's financial control procedures are subject to review by the Department of Justice and Equality internal audit division.
4. The Department of Justice Audit Committee reviews the work of internal audit.
5. The Authority is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

We confirm that the Board conducted a review of the effectiveness of the system of internal financial control in respect of the year ended 31 December 2015.


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/2016


PROPERTY SERVICES REGULATORY AUTHORITY

**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE
RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2015**

Income	Notes	2015	2014
		€	€
Oireachtas Grant	2	1,361,434	1,216,739
Own Resources	3	2,241,386	2,205,610
Total Income		<u>3,602,820</u>	<u>3,422,349</u>
Expenditure			
Staff costs	4	957,941	973,905
Administration, Operations & Promotion	5	329,980	279,327
Audit fee		21,221	8,800
Depreciation	6	4,174	2,148
Total Expenditure		<u>1,313,316</u>	<u>1,264,180</u>
Surplus for the year before Appropriations		2,289,504	2,158,169
Transfer from Capital Account Remitted to the Department of Justice and Equality	7	4,174	2,148
		<u>(2,240,000)</u>	<u>(2,250,000)</u>
Surplus/ (deficit) for the year after Appropriations		53,678	(89,683)
Surplus brought forward at 1 January		<u>21,449</u>	<u>111,132</u>
Surplus carried forward at 31 December		<u>75,127</u>	<u>21,449</u>

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 14 form an integral part of these financial statements.

On behalf of the Board of Property Services Regulatory Authority;


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/2016


PROPERTY SERVICES REGULATORY AUTHORITY

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**


	Notes	2015 €	2014 €
Fixed Assets			
Property Plant & Equipment	6	20,206	8,390
Current Assets			
Cash & Cash Equivalents		77,750	60,912
Inventory	8	17,177	14,264
Receivables and prepayments		14,313	16,661
		<hr/> 109,240	<hr/> 91,837
Current liabilities			
Payables and accruals		34,113	70,388
		<hr/> 75,127	<hr/> 21,449
Net Current Assets			
		<hr/> 95,333	<hr/> 29,839
Total Net Assets			
Representing			
Capital Account	7	20,206	8,390
Retained revenue reserves		75,127	21,449
		<hr/> 95,333	<hr/> 29,839

The Statement of Cash Flows and notes 1 to 14 form an integral part of these financial statements.

On behalf of the Board of Property Services Regulatory Authority;


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/16

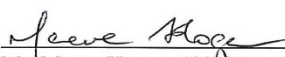
PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

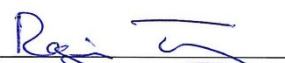
Net Cash Flows from Operating Activities	2015 €	2014 €
Operating surplus/ (deficit) for year	53,678	(89,683)
Depreciation of tangible assets	4,174	2,148
Net Transfer to capital account	11,816	5,736
(Increase)/ decrease in inventory	(2,913)	7,704
Decrease in receivables and prepayments	2,348	9,072
(Decrease)/ Increase in payables and accruals	(36,275)	28,028
New cash inflows/ (outflows) from Operating Activities	32,828	(36,995)
Cash Flows from investing activities		
Payments to acquire property, plant and equipment	(15,990)	(7,884)
Increase/ (decrease) in Cash & Cash Equivalents	16,838	(44,879)
Statement of changes in net funds/ (debt)		
Net funds at 1 January	60,912	105,791
Net funds at 31 December	77,750	60,912
Net Increase/ (decrease) in cash and cash equivalents	16,838	(44,879)

Notes 1 to 14 form an integral part of these financial statements.

On behalf of the Board of Property Services Regulatory Authority;


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/16

PROPERTY SERVICES REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies

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.

a) General Information

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. Property Services Regulatory Authority's primary objectives as set out in Section 11 of the Property Services (Regulation) Act 2011 are as follow:

- Issue and renew licences
- Establish and maintain the Register
- 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 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
- 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).

b) Statement of Compliance and basis of accounting

The financial statements of the Property Services Regulatory Authority for the year ended 31 December 2015 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are the Property Services Regulatory Authority's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The transition to FRS 102 has not affected its reported financial position or financial performance. The financial statements have been prepared under the accruals method of accounting, except where stated below, and in accordance with generally accepted accounting principles under the historical cost convention and in the form approved by the Minister for Justice and Equality with the consent of the Minister for the Department of Public Expenditure and Reform.

c) Revenue

Grant income from the Department of Justice and Equality and licence fee income are reported on a cash receipts basis. License fee income is recognised upon receipt of an application for a license. License 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.

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.

d) Expenditure

Payroll is processed by the Department of Justice and Equality and recorded in the financial statements on a cash payments basis.

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.

e) Property, Plant and Equipment

Property, plant and equipment is shown at the net book value at date of transfer to the Authority.

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

f) Capital Account

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

g) 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 Payables figure in the Statement of Financial Position.

2 Oireachtas Grant		2015	2014
		€	€
Sub-head F3 of Vote 24 – Justice and Equality		1,361,434	1,216,739

Funding is provided by the Department of Justice and Equality which makes all payments on behalf of the Authority. The total grant matches the sum charged to the Appropriation Account of that Department.

3 Own Resources		2015	2014
		€	€
Licence fee income received	2,385,770		2,387,780
Less refunds	<u>(151,260)</u>	2,234,510	(184,050)
Commercial property register access fees		30	1,880
Miscellaneous Income		6,846	-
Total income		<u>2,241,386</u>	<u>2,205,610</u>

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.

4 Staff Costs		2015	2014
		€	€
Wages and salaries		942,187	971,955
Travel and subsistence		15,754	1,950
Total		<u>957,941</u>	<u>973,905</u>

The Authority employed 18.2 whole time equivalent permanent staff in 2015 (2014:18) and 10 temporary staff in 2015 (2014:10).

Employee Benefits breakdown

Range of Total Employee Benefits		Number of Employees	
From	To	2015	2014
€70,000	€79,999	1	1
€80,000	€89,999	1	-
€90,000	€99,999	1	1

5 Administration, Operations & Promotion

	2015	2014
	€	€
Board member fees	50,873	50,873
Postage and telecommunications	53,589	59,093
Office machinery and other office supplies	36,328	50,254
Office cleaning and maintenance	7,434	7,256
Light & Heat	14,571	15,304
Legal fees	157,083	87,760
Bank fees	538	489
General expenses	9,564	8,298
	<u>329,980</u>	<u>279,327</u>

6 Fixed Assets

	IT	Office Equipment	Furniture	Total
	€	€	€	€
Cost				
At 1 January 2015	15,536	2,950	1,634	20,120
Additions	-	-	15,990	15,990
Disposals	-	-	-	-
At 31 December 2015	<u>15,536</u>	<u>2,950</u>	<u>17,624</u>	<u>36,110</u>
Accumulated Depreciation				
At 1 January 2015	7,280	2,816	1,634	11,730
Charged in the year ¹	3,107	134	933	4,174
Disposals	-	-	-	-
At 31 December 2015	<u>10,387</u>	<u>2,950</u>	<u>2,567</u>	<u>15,904</u>
Net Book Value				
At 1 January 2015	<u>8,256</u>	<u>134</u>	<u>-</u>	<u>8,390</u>
At 31 December 2015	<u>5,149</u>	<u>-</u>	<u>15,057</u>	<u>20,206</u>

¹ Depreciation was charged in the year on the original purchase cost of the assets.

7 Capital Account

	2015	2014
	€	€
Balance at 1 January	8,390	2,654
Amortisation in line with depreciation	(4,174)	(2,148)
Additions	15,990	7,884
	<u>20,206</u>	<u>8,390</u>

8 Inventory

	2015	2014
	€	€
Stationery	9,990	9,261
Photocopying / IT	5,250	3,759
Miscellaneous	1,937	1,244
	<u>17,177</u>	<u>14,264</u>

9 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.

10 Premises

The Authority operates from accommodation at Abbey Road, Navan, Co Meath which is provided free of charge by the Office of Public Works. The Authority also occupies an office in Bishop's Square, Dublin 1 for the purpose of investigating complaints since December 2013.

11 Members Declaration of Interests

The Authority adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by members and those procedures were adhered to in the period. There were no transactions in the period in relation to the Authority's activities in which members had any beneficial interest.

12 Chief Executive Remuneration

The Authority's Chief Executive retired in July, 2015. The Chief Executive's remuneration up to July 2015 was made up of an annual basic salary of €56,309. In addition the Chief Executive accrued approximately €3,500 in respect of travel and subsistence expenses up to July, 2015 in accordance with civil service travel and subsistence rates. A new Chief Executive was appointed on 24 August, 2015 with remuneration up to 31 December, 2015 of €28,488 and accrued approximately €1,500 in respect of travel and subsistence expenses in accordance with civil service rates. The Chief Executive'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 2015.

13 Board Member Fees

The Property Services Regulatory Authority Board was set up on 3 April 2012. Fees of €38,155 were paid to the Authority board members in 2012, with €50,872 paid in 2013, €50,873 paid in 2014 and €50,873 in 2015 as follows;

Board Member	2015	2014
	€	€
Geraldine Clarke (Chairperson)	8,978	8,978
Paul Mooney	5,985	5,985
Patrick Davitt	5,985	5,985
Myles O'Reilly	5,985	5,985
Josephine Henry	5,985	5,985
James Doorley	5,985	5,985
Edward Carey	5,985	5,985
Deirdre Fox	5,985	5,985
	50,873	50,873

14 Approval of financial statements

These accounts were approved by the Authority on 12/10/2016



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Property Services Compensation Fund

I have audited the financial statements of the Property Services Compensation Fund for the year ended 31 December 2015 under 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. The financial statements have been prepared in the form prescribed under Section 6 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Property Services Regulatory Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Fund Accounts circumstances and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund Accounts as at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Fund were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Mary Henry
For and on behalf of the
Comptroller and Auditor General
28 October 2016



ÚDARÁS RIALÁLA SEIRBHÍSÍ MAOINE
PROPERTY SERVICES REGULATORY AUTHORITY

Financial Statements

Property Services Compensation Fund

For the year ended 31 December 2015

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Statement of Internal Financial Control	4
Statement of Income and Expenditure and Retained Revenue Reserves	5
Statement of Financial Position as at 31 December 2015	6
Statement of Cash Flows for the year ended 31 December 2015	7
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PROPERTY SERVICES COMPENSATION FUND


**STATEMENT OF PROPERTY SERVICES REGULATORY AUTHORITY
MEMBERS' RESPONSIBILITIES**

Section 22(2) of the Property Services (Regulation) Act 2011, requires the Authority to prepare financial statements in such forms and in respect of such accounting periods as may be approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform. In preparing the financial statements, the Authority is required to:


- Select appropriate 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 the Authority will continue in operation.
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping proper and usual accounts of all moneys paid into the Compensation Fund and disbursements from the Compensation Fund, including an income and expenditure account, a cash-flow statement and a balance sheet, in accordance with Schedule 6 (7) of the Property Services (Regulation) Act 2011. 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.

On behalf of the Board of Property Services Regulatory Authority


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/14


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/2016,

PROPERTY SERVICES COMPENSATION FUND

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Property Services Regulatory Authority, we hereby acknowledge our responsibility for ensuring that an appropriate system of internal financial control is in operation in the Authority.

We are satisfied that the systems, which the Authority 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 Finance.


The Chief Executive Officer reviews the account of expenditure recorded on a monthly basis together with income received.

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 to them by the Authority to give effect to the Authority's policy and decisions.

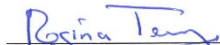
A detailed procedural manual has been prepared and put in place. Where possible, staff duties are appropriately divided taking account of the risks involved and the limited number of staff. The following specific procedures are in place in order to provide effective financial control.

1. 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 internal audits.
2. Monthly management accounts are reviewed by the Chief Executive Officer.
3. The Authority's financial control procedures are subject to review by the Department of Justice and Equality internal audit division.
4. The Department of Justice Audit Committee reviews the work of internal audit.
5. The Authority is compliant with all relevant guidelines regarding procurement and is complying with all circulars relating to the mandatory use of framework agreements and contracts.

We confirm that the Board conducted a review of the effectiveness of the system of internal financial control in respect of the year ended 31 December 2015.


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/2016


PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2015


	Notes	2015 €	2014 €
Income			
Contributions to the Fund	2	564,200	554,210
Deposit Interest received	2	6,352	8,880
Total Income		570,552	563,090
Expenditure			
Administration		-	-
Total Expenditure		-	-
Surplus for the year		570,552	563,090
Balance brought forward at 1 January		1,638,947	1,075,857
Balance carried forward at 31 December		2,209,499	1,638,947

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 4 form an integral part of these financial statements.

On behalf of the Board of Property Services Regulatory Authority


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/16

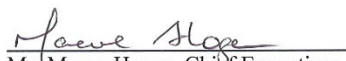
PROPERTY SERVICES COMPENSATION ACCOUNT

STATEMENT OF FINANCIAL POSITION
As at 31 DECEMBER 2015


	2015 €	2014 €
Current Assets		
Cash and cash equivalents	2,209,499	1,638,947
	<u>2,209,499</u>	<u>1,638,947</u>
Current liabilities		
Payables and accruals	-	-
	<u>-</u>	<u>-</u>
Net Current Assets	<u>2,209,499</u>	<u>1,638,947</u>
Total Net Assets	<u>2,209,499</u>	<u>1,638,947</u>
Representing		
Retained revenue reserves	2,209,499	1,638,947
	<u>2,209,499</u>	<u>1,638,947</u>

The Statement of Cash Flows and notes 1 to 4 form an integral part of these financial statements.

On behalf of the Board of Property Services Regulatory Authority


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:


Date: 12/10/2016

**PROPERTY SERVICES COMPENSATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**


Net cash flows from operating activities	2015	2014
	€	€
Excess income over expenditure	570,552	563,090
	<hr/>	<hr/>
Net cash inflow from operating activities	570,552	563,090
	<hr/>	<hr/>
Increase in cash and cash equivalents	570,552	563,090
Cash and cash equivalents at 1 January	1,638,947	1,075,857
Cash and cash equivalents at 31 December	<u>2,209,499</u>	<u>1,638,947</u>

Notes 1 to 4 form an integral part of these financial statements.

On behalf of the Board of Property Services Regulatory Authority


Ms. Maeve Hogan, Chief Executive:

Date: 12/10/16


Ms. Regina Terry, Acting Chairperson:

Date: 12/10/2016

PROPERTY SERVICES COMPENSATION FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies

- a) The basis of accounting and significant accounting policies adopted by Property Services Compensation Fund 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 Builds, Abbey Road, Navan, Co. Meath

The Property Services Regulatory Authority's primary objectives as set out in Section 11 of the Property Services (Regulation) Act 2011 are as follow:

- Issue and renew licences
- Establish and maintain the Register
- 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 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
- 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 Property Services (Regulation) Act 2011, requires the Authority to establish, administer and maintain a fund known as the Property Services Compensation Fund. Schedule 6 to the Act sets out the provisions of what shall be paid into and paid out of the Fund.

c) Statement of Compliance and basis of preparation

The financial statements have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are the Property Services Compensation Fund's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The transition to FRS 102 has not affected its reported financial position or financial performance.

The financial statements have been prepared under the accruals method of accounting, except where stated below, and in accordance with generally accepted accounting principles under the historical cost convention and in the form approved by the Minister for Justice and Equality with the consent of the Minister for the Department of Public Expenditure and Reform.

d) Income Recognition

Contributions to the Fund are reported on a cash received basis.

e) Surplus on the Fund

The Fund is required, in accordance with Section 77(3) of the Act, to have a balance of not less than €2 million on and after the fourth anniversary of the date of its establishment.

f) Awards

Awards are recognised as expenditure when the Authority is satisfied that a client of a licensee suffers a loss as a result of dishonesty on the part of that licensee, or any persons acting on his/her behalf, arising from the provision of property services.

2. Compensation Fund Income

	2015	2014
	€	€
Contributions to the Fund	564,200	554,210
Deposit interest received	6,352	8,880
	<u>570,552</u>	<u>563,090</u>

The Property Services Regulatory 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 into operation on 30 May 2012. The Property Services (Regulation) Act 2011 (Compensation Fund) Regulations 2012 sets out the contribution to be made to the Fund by a person making an application for a licence or the renewal of a licence: property services employer €200, independent contractor €200 and principal officer or employee €50.

3. Commitments

No awards were made out of the Fund for the year ended 31 December 2015 and there are no outstanding commitments to grant awards at year end.

4. Approval of the financial statements

The financial statements were approved by the Property Services Compensation Fund on 12/10/2016.