

PSRA



Property Services Regulatory Authority

Annual Report 2017





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

I am pleased to be present the 2017 Annual Report of the Property Service Regulatory Authority.

This past year has been a very productive one for the Authority. The online licensing process was further developed and enhanced in early 2017 and this has resulted in a seamless and efficient procedure for the issuing of licenses to licensees at peak renewal time in July.

While the availability of adequate staffing to the Authority continues to be a challenge, the retention of outsourced resources to undertake compliance investigations has greatly assisted the Authority and enabled the completion of approximately 650 audits by year end. These compliance investigations continue to be well received by the profession and I believe that there is now general recognition that they are a valuable tool to assist licensees in complying with their statutory obligations.

The open recruitment competition for Regulatory Inspector has provided welcomed additional resources to deal with arrears in complaints handling, an area which the Authority has been very keen to address.

A number of key projects have been undertaken and completed during 2017. These include a successful tender for the delivery of a scheme of Continuous Professional Development, publication of the Authority's second Strategic Plan 2017-2020, insuring the Property Services Compensation Fund and an effective media campaign reminding tenants of commercial properties of their statutory obligations to register commercial leases with the Authority.

The collaboration of related property sectors at the National Ploughing Championship proved to be a successful and an enjoyable means of promoting engagement and dialogue between the public and members of the property sectors. The highlight of the event was the attendance of the Minister for Justice and Equality, Mr Charlie Flanagan, T.D., to launch the 2016 Annual Report of the Authority.

I wish to acknowledge the dedication and support of the members of the Board of the Authority whose diverse range of expertise and experience is hugely beneficial in carrying out the Authority's statutory functions. Their commitment and enthusiasm is of paramount importance to the continued success of the Authority.

The achievements this year would not have been possible without the vision and dedication of our CEO, Ms Maeve Hogan, and the hard work and commitment of the staff of the Authority. Their ongoing efforts have resulted in a level of achievement across all the functions of the Authority of which we are proud and which allows us to look forward with confidence to the coming years.

Finally, I would also like to thank the Minister for Justice and Equality, Mr. Charlie Flanagan T.D. and the staff of the Department of Justice and Equality for their continued valued support and assistance.

A handwritten signature in black ink, appearing to read 'G. Clarke', written over a horizontal line.

Geraldine Clarke
Chairperson



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

I am delighted as Chief Executive of the PSRA to present my third annual report on its activities over the past year. The ongoing work of the Authority has resulted in the streamlining of a regulatory regime that establishes standards, promotes professionalism and protects consumer interests.

The Authority published its second Strategic Plan, Strategic Plan 2017-2020, which details a number of projects in delivering further efficiencies. These include completion of online related applications, commercial lease registrations and the development of a Code of Standards for the sector.

The seamless online licence renewal project became fully operational in 2017 which delivered significant efficiencies for licensees in renewing their licence applications as well as for staff of the Authority. Ongoing efficiencies continue to be realised from this project, particularly processing and issuing times for licence applications.

To facilitate the delivery of continual learning and development and to increase professionalism in the sector, the Authority engaged with the Office of Government Procurement (OGP) and issued a tender for the delivery of the PSRA scheme of CPD. Following the tender process, two entities, the Institute of Professional Auctioneers and Valuers (IPAV) and the Society of Chartered Surveyors of Ireland (SCSI) were accredited to deliver CPD on behalf of the PSRA. The CPD programme will be delivered across a number of platforms including online and on a regional basis.

A highlight for 2017 was the attendance for the first time at the National Ploughing Championships. Here property related entities both from the public and private sectors collaborated under the banner of the "National Property and Land Information Centre". The Authority was joined by the Valuation Office, Property Registration Authority, Ordnance Survey, SCSI, IPAV and Myhome.ie. The Authority was delighted that the Minister for Justice and Equality, Mr Charlie Flanagan T.D., joined the Authority at the Ploughing event to launch its 2016 Annual Report. Overall success of this collaboration has ensured that the Authority will join with its partners at the event in 2018. As part of the Authority's information campaign a number of regional seminars were organised where licensees were invited to attend. Similar to previous years, licensees engaged by contributing positively and constructively with their own experiences and relevant and related suggestions.

The Authority continues to concentrate and focus its resources on its core functions including a system of investigation and adjudication of complaints against property services providers. The availability of additional outsourced inspectors has resulted in approximately 650 completed compliance audits by the end of 2017 with a significant level of compliance by licensees. Following a dedicated open competition for Regulatory Inspectors, the Authority was able to make promotions and assignments from this panel that will further assist in delivering key organisational goals.

The Authority's Compensation Fund continues to grow and by year end the total value of the Fund stood at approximately €3.1 million. Following engagement with underwriters, the Authority successfully insured the Property Services Compensation Fund in October 2017. The Authority established a Compensation Fund Advisory Committee to consider grant applications on the Fund and to make recommendations to the Authority to grant, part-grant or refuse to grant applications. By year end grants totalling €198,337 relating to thirty-three claims were made from the Fund.

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 role and I would like to express my sincere gratitude and thanks to all.

A handwritten signature in black ink that reads "Maeve Hogan".

Maeve Hogan
Chief Executive



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 Chief Executive Officer is Ms Maeve Hogan. The headquarters is based in Navan, Co Meath since its establishment, with a second office established at Bishops Square, Dublin 2 in December 2013. At the end of 2017, in addition to the Chief Executive of the Authority, the PSRA had 23 full time staff and were granted sanction for a further 6 members of staff to commence working with the Authority in early 2018.

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

In appointing members to the Authority under the Act, the Minister for Justice and Equality 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 of the Authority must include:

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

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

Members of the Authority are:

Ms. Geraldine Clarke (*Chairperson*)
Mr. Patrick Davitt
Dr. Muiris O Ceidigh
Mr. Edward Carey
Ms. Hilary Griffey
Ms. Deirdre Fox
Mr. Martin Hanratty
Ms. Josephine Henry
Mr. Paul Mooney
Dr. Aideen Hayden
Ms. Regina Terry

Two Committees of the Authority were established in 2017:

Audit and Risk Committee: comprises two Authority members and two independent members. The members of the Audit and Risk Committee are: Ms. Deirdre Fox (Chairperson), Dr. Muiris O Ceidigh, Ms. Theresa Carolan (independent) and Mr. Myles O Reilly (independent).

Compensation Fund Advisory Committee: The Compensation Fund Advisory Committee is comprised of three Authority members: Dr Aideen Hayden, Dr Muiris O'Ceidigh and Ms. Hilary Griffey. The Committee was established in 2017 to consider applications for grants on the Compensation Fund. The Advisory Committee, following consideration of the grant applications, makes a recommendation to grant, part-grant or refuse to grant claims to the Board of the Authority.



Authority Board and Committee Meetings

The number of meetings of the Board and its Committees and Board members attendance at same is outlined below:

Authority Member Name	Board	Compensation Fund Committee	Audit & Risk Committee
Total	5	3	3
Geraldine Clarke	5	-	-
Edward Carey	5	-	-
Paul Mooney	4	-	-
Patrick Davitt	4	-	-
Deirdre Fox	5	-	3
Martin Hanratty	5	-	-
Josephine Henry*	-	-	-
Regina Terry	4	-	-
Dr. Muiris O'Ceidigh	4	2	2
Hilary Griffey	5	2	-
Dr. Aideen Hayden	5	3	-

* Ms. Josephine Henry was absent on leave during 2017.



The Role of the Authority

A key role of the Authority is to implement the objectives of the legislation and 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 include:

- 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 making a payment 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; and
- To undertake or commission research projects.

The Authority is also responsible for preparing the annual report and financial statements and consider that the financial statements for 2017 are a true and fair view of the PSRA's financial performance and its financial position at the end of that year.



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

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 its strategic goals and in developing fulfilling careers within the organisation.



Strategic Plan of the Property Services Regulatory Authority

The second Strategic Plan of the Property Services Regulatory Authority (PSRA) covering the period September 2017 to August, 2020 maps out the key issues, which the Authority must address during this period. This plan builds on the work and progress made to date during the first strategic plan 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 that will bring about greater uniformity and transparency in the licensing, regulation and control of property services providers and in the provision of information to consumers. It also sets out what the Authority expects to achieve and how as an organisation, it intends to deliver on its goals. Therefore, this is the core document from which the organisation's business planning, performance management and development will be derived. For the purposes of this Annual Report, the goals outlined below are based on the Strategic Plan in place at the beginning of 2017.

The Authority adopted the following key goals:

- GOAL 1: Maintain a comprehensive licensing system for Property Services Providers;**
- GOAL 2: Maintain a system of investigation and adjudication of standards in the delivery of property services;**
- GOAL 3: Promote public awareness of the Authority;**
- GOAL 4: Maintain Public Registers;**
- GOAL 5: Efficient use of human, financial, management and technical resources; and**
- GOAL 6: 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)

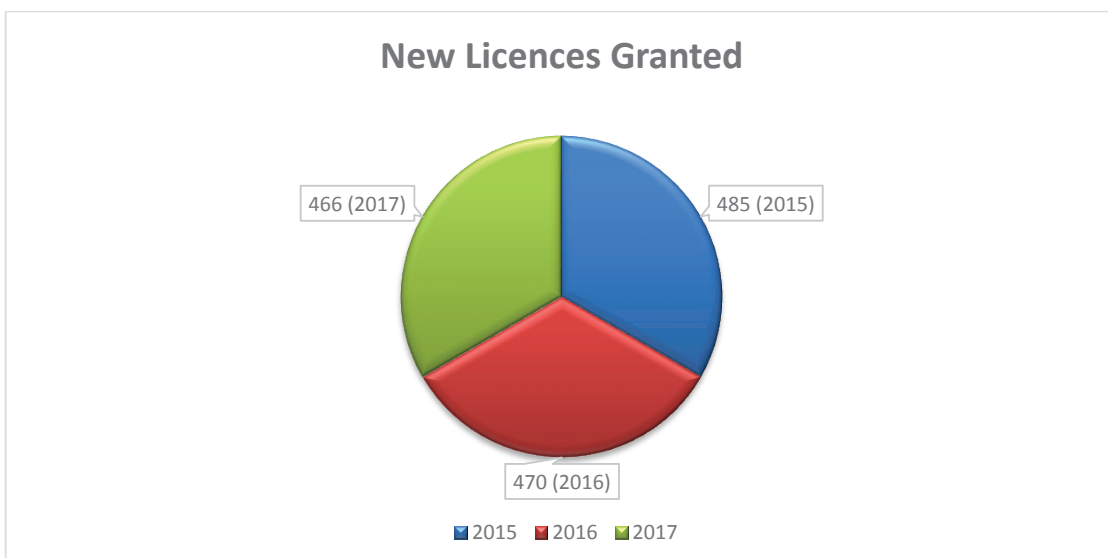
The Authority issues four different types of licence, which correspond with the four types of property services defined in the Act. Any person may apply for one or more licences for which there is no additional cost. Licences are renewable annually.

The Authority commenced licensing of property services in 2012 and at the end of 2017 the process continues to be streamlined to operate in a more efficient and effective manner. In 2017 a total of 5,855 licence (new and renewal) applications were processed. Of these, licences were granted in 5,573 cases by the year end with 104 applications refused and 178 applications under review. This compares with 5,668 licence applications processed in 2016, of which licences were granted in 5,367 cases by year end with 107 applications refused and 194 applications under review.

New Licences

The property services sector was seriously impacted by the economic recession. However, notably with the turnaround in the economy, the Authority is issuing new licences to those who now wish to work in the property services sector. Chart 1 outlines that in 2017 the Authority issued 466 new licences compared with 470 in 2016 and 485 in 2015. This has continued to be a source of encouragement to the Authority as it continues to reflect an understanding in the sector of the requirement to be licensed where providing a property service.

Chart 1 **New Licences Issued**





Licence Renewal

The 2016 Annual Report outlined the implementation and the benefits of the online licensing and payment system provided on behalf of the PSRA by An Post through Licences.ie.

The Authority, in conjunction, with An Post (Licences.ie) and the IT Division of the Department of Justice and Equality, implemented Phase 2 of the project, which allowed Licences.ie to transfer documentation submitted with the Licence Renewal (Accountants Report, PI Insurance, Certificate of Incorporation etc) to the Property Services Regulatory Authority's internal databases seamlessly. This process improved the efficiency with which the Authority processed renewal applications.

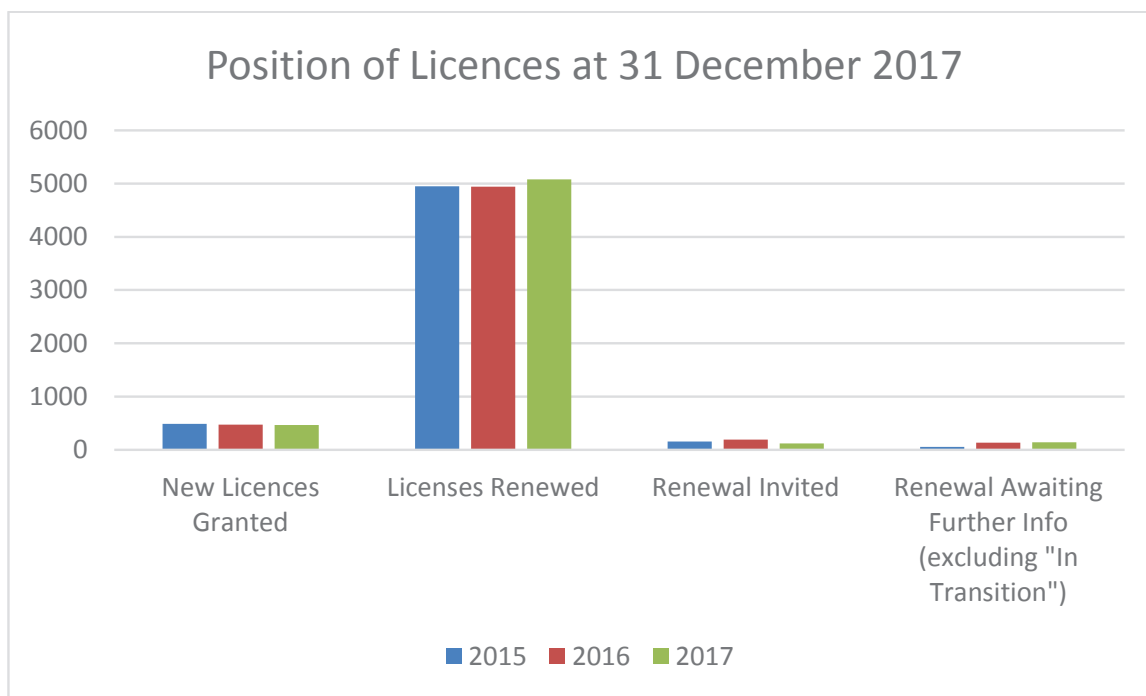
A dedicated licence renewal helpdesk which was established in 2016 was reintroduced during the spring/summer of 2017 and made available to assist licensees in making their renewal applications. Further, the Authority made available a facility to provide practical assistance in uploading applications for licensees who experienced broadband issues.

Some 98.2% of licence renewals submitted in May 2017 were issued by the end of July 2017 and this compares with 85.4% by the end of August 2016.

The licence renewal process for 2017 saw the greatest number of licence renewals processed since the commencement of licensing by the Authority in 2012. In total, 5,219 licence renewal applications were processed in 2017 which represents an increase of 2.75% on the renewals processed by the Authority in 2016.

Taken together with the total of new licences issued, renewal invites and renewal of licences awaiting further information, Chart 2 outlines a total of 5,805 licences active at the end of 2017 compared with 5,736 licences in 2016 representing a 1.2% increase overall across all licence types.

Chart 2 Position of Licences at 31 December, 2017



* Note:- the "Renewal Awaiting Further Info" figures for 2015 and 2016 have been amended in the 2017 report due to the "In Transition" licensees being deemed as no longer holding a valid licence. "In Transition" licensees are those individuals who are no longer employed by a licensed property services provider. However, they have an option to have their licence re-instated should they take up employment with a licensed property services provider before the expiry date on their licence is reached.

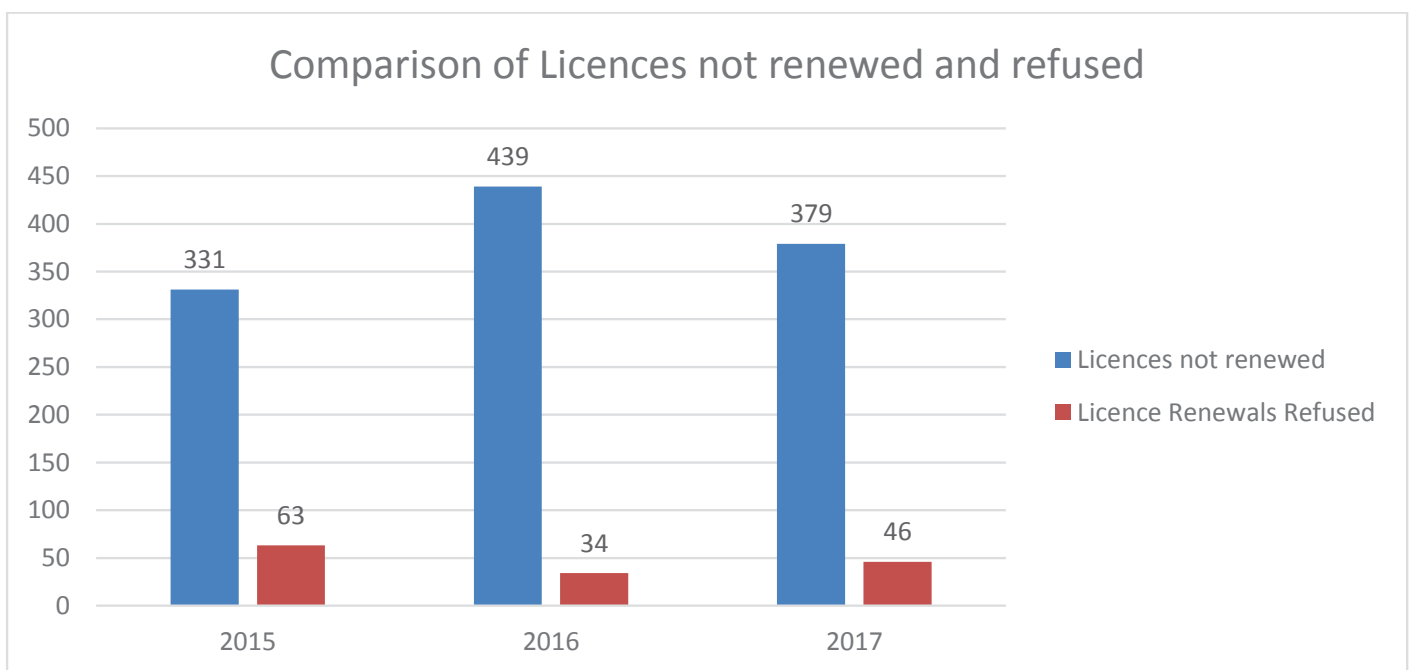


Non-Renewals

The level of non-renewal of licences is outlined in Chart 3 for 2015, 2016 and 2017. In 2017 a total of 379 (6.7%) of licensees did not renew their licence. This compares with non-renewal of licences in 2016 of 439 (7.75%) and with 331 (6.7%) of licensees in 2015. This can be partly explained by licensees retiring from the sector. Lack of recovery in the sector has also been cited by licensees as a reason for the non-renewal of licences.

The Authority affords every opportunity for a licensee to meet the requirements as set out in the Act to become licensed. However, in instances where the licensing requirements are not met, this has led to licence applications being refused and has resulted in a slight increase in the number of refusals issued with regard to renewals in 2017. The Authority, in 2017, refused 46 Renewal Applications, which compares with 34 refused in 2016.

Chart 3 Comparison of licences not renewed and refused





New Licence Application Refusals

The Authority continues to refuse applications for new licences. Reasons for refusing a first time licence application include where the education qualification standard is not met, incomplete accountants report, 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.

In 2017 a total of 87 new licence applications were refused. This compares with 110 new licence applications refused in both 2016 and 2015. A noticeable increase in the quality of new licence applications received, suggests that potential applicants are now more aware of the Authority’s requirements and standards to become licensed.

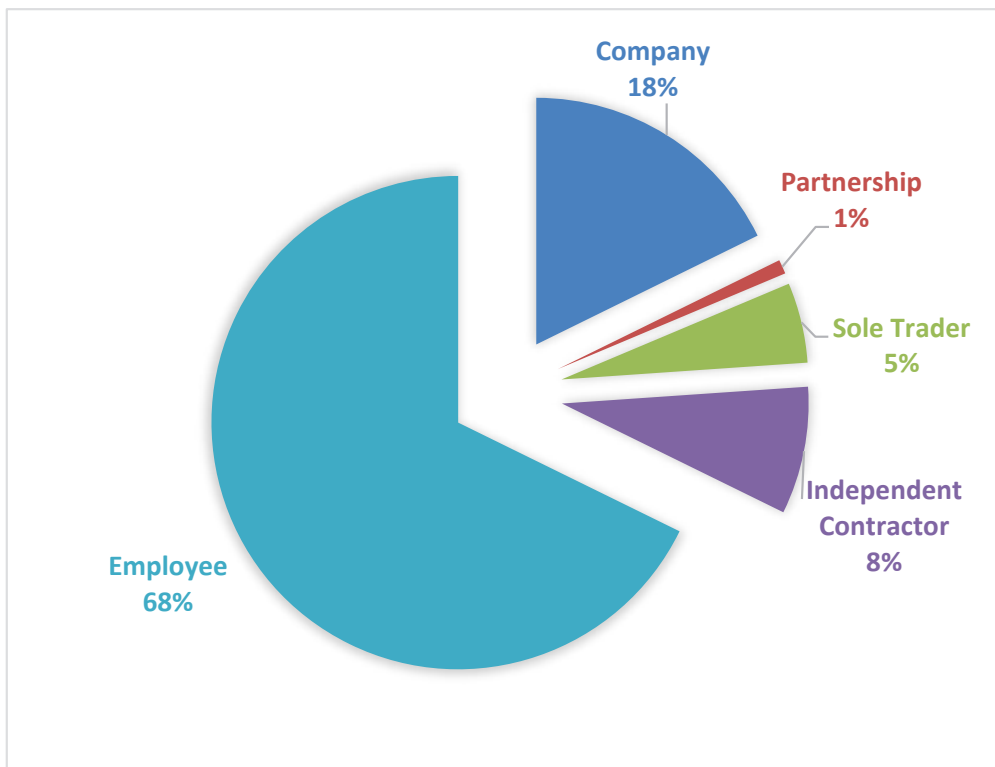
New Licence Application Appeals

One licence appeal was made in 2017 compared to 21 licence appeals made to the Property Services Appeal Board (PSAB) in 2016 in relation to decisions by the Authority to refuse a licence application. In this one case, the Authority’s decision was not upheld by the Appeal Board.

Business Licence Distribution by Category

An analysis of the distribution of the 5,805 licences issued during 2017 between employers and employees, highlights that a total of 3,932 (67.8%) of all licences issued in 2017 were in respect of employees. Chart 4 outlines that a total of 1,873 licences 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 54.9%, followed by independent contractors, representing 25.9% of licences issued to employers. The proportional breakdown for licences issued between employers and employees in 2017 was 32.2% employers and 67.8% employees. In 2016 the breakdown was also 32.2% Employers and 67.8% Employees.

Chart 4 Business Licences by Category for 2017



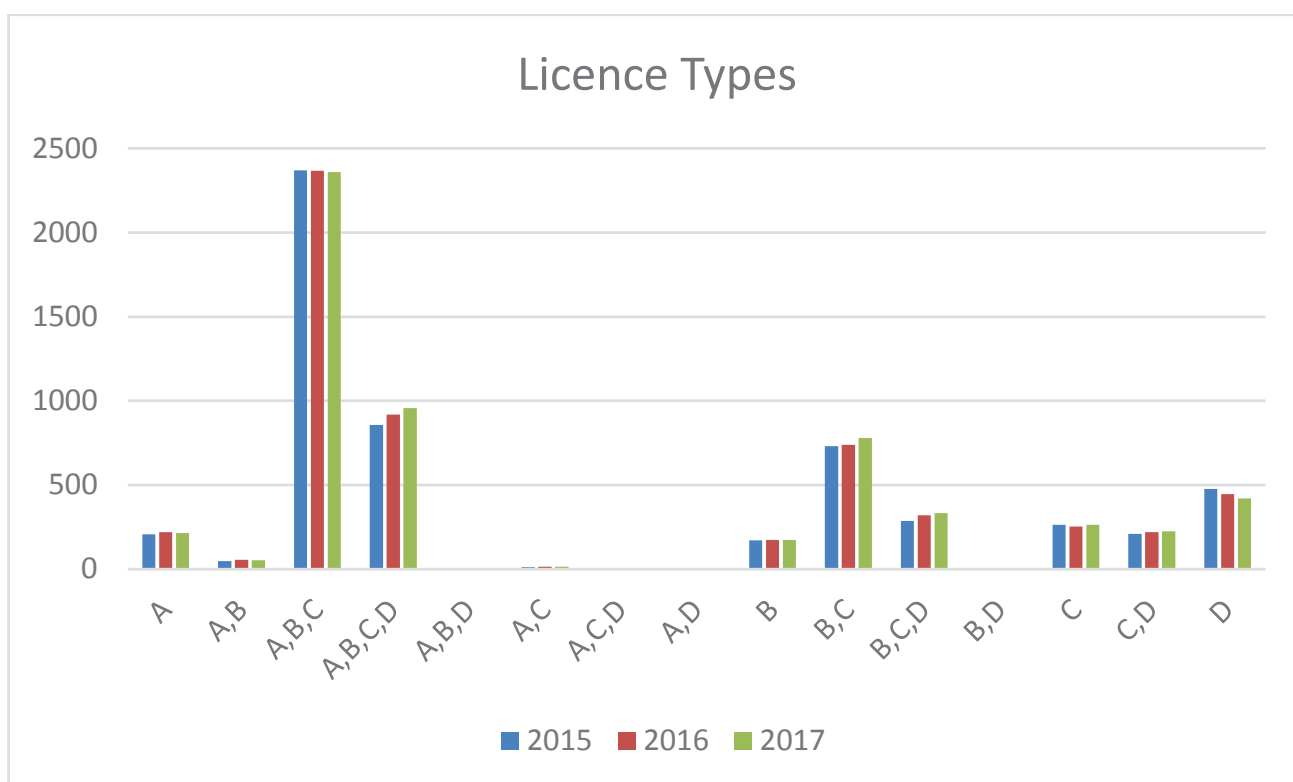


Licence Type

In 2017, the Authority granted a total of 5,805 licences compared to 5,736 licences in 2016. Chart 5 illustrates the number of licences issued by the Authority in 2017, categorised by licence type. Categories of licence include single type licences and a combination of some or all licence types. This Chart conveys a significant increase in the number of licensees holding a combination of licence types ABCD, BCD and BC only licence type.

It also highlights a reduction in the number of licensees holding licences in respect of Category D only and Category A only licences. In 2017 there was 214 licensees holding a licence for Category A only. This compares with 220 in 2016. In 2017 there was 421 licensees holding a licence for Category D only. This compares with 446 in 2016.

Chart 5 Distribution by licence type issued in 2015 - 2017



Overall, the response of licensees to the requirements necessary to obtain a licence showed another significant improvement in 2017. Despite this 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. To this end, the Authority ran media campaigns to highlight the requirement to hold a licence and has been actively pursuing unlicensed operators.

Since its establishment and in particular throughout 2017 the Chief Executive has availed of opportunities to address industry promoting the message of compliance with the Property Services (Regulation) Act, 2011. These events have allowed the Authority to provide guidance and assistance on matters presented by licensees. However, conscious that not all licensees are members of a professional body, the Authority when issuing licences include a covering letter reminding licensees of their statutory obligations and the implications of failing to comply with such obligations. The Authority also issues newsletters to all licensees via email to keep them informed of licencing requirements.



Progress Strategic Goal 2

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

2.1 Investigations

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

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

Section 28 of the Act makes it an offence to provide, advertise or offer property services without the appropriate licence. The investigation of persons providing property services without 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 Inspector's report and in imposing sanctions.

It is important to understand that the Authority may only carry out an investigation of alleged "improper conduct" against a property service provider 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."

Complaints

During 2017, the Authority received 329 complaints, a 15% increase on the 285 complaints received in 2016. This figure includes reports of unlicensed provision of property services. Chart 6 outlines all complaints received since July 2012 up to 31 December 2017 (equivalent figures for 31 December 2016 are also shown for the purposes of illustration):

Chart 6 Status of Complaints received up to 31 December, 2017

Complaint Status	31 Dec 2016	31 Dec 2017
Initial Assessment Phase	148	133
Inspection Phase	186	163
Concluded - Declined/Not Accepted/ Frivolous/Vexatious and Outside Remit	862	1205
Settled/Agreed Between Parties	14	17
Withdrawn by Complainant	53	75
Appeals Pending	5	6
Appeal Withdrawn	13	3

Despite ongoing challenges with regard to available resources, Chart 6 illustrates that some progress was made on reducing the backlog of complaints cases, mainly by dealing with a large number of complaints which have been concluded without the need for an investigation.

At the end of 2017, in total 1,205 or 76% of complaints received to date were concluded without a requirement for the appointment of an inspector to conduct an investigation. This compares with 862 or 67% of cases in 2016. In all such cases the Authority explained the reasons as to why an investigation could not be pursued. The most common reason for declining to investigate a complaint was because the subject matter of the complaint did not fall within the definition of "improper conduct" specified in the Act. The Authority's decision to decline to investigate may be appealed to the Property Services Appeal Board.

At year end, 133 or 8% of complaints received were awaiting initial assessment to decide if they should be declined or investigated (net of the 329 complaints received during 2017). Equivalent figures at the end of 2016 were 148 or 12% of all cases. In some cases, initial assessment includes seeking clarification from the licensee or complainant before a decision is reached on whether an investigation is warranted. The Authority also takes the opportunity at this stage to remind both parties that informal settlement as envisaged in section 63(2)(c) of the Act is a possibility.

Investigations were deemed necessary in 163 cases, and were either underway following the appointment of an Inspector or were awaiting the appointment of an Inspector at year end. Some progress in this area also resulted from the freeing up of internal staff resources arising from the introduction of an online licence renewal programme. In addition, the Authority continued to outsource some of this investigative work in the latter part of 2017. Following a competitive tender process,



the Authority has engaged the services of a company which employs Investigators with extensive experience in carrying out investigations of many different types for a variety of State agencies.

By the end of 2017, the open caseload had reduced significantly in both numerical and percentage terms. There were 296 open cases at the end of 2017, or 19% of the total received. This compares with the position at 31 December 2016 when 334, or 26% of the 1,278 cases received at that point, were open.

Chart 7 Reasons for Complaints received up to 31 December, 2017

Category	No. of Complaints	% of Total
Service Provision (Complainant unhappy with service provided)	609	27%
Unlicensed Operation (A report is made of unlicensed trading, or a complaint is made against a business which turns out not to be licensed)	403	18%
Retention of Money by Property Service Provider	365	16%
Fee or Outlays (Complainant disputes the amount of fees charged or expenses /outlays incurred)	229	10%
Ethical Conduct (Complainant feels that the Property Services Providers behaviour was unethical)	183	8%
Letter of Engagement (Letter of Engagement was either absent or deficient in some way)	153	7%
Client Account (Allegation of impropriety in relation to the operation of the Client Account)	85	4%
Duty to Customer (Person other than fee-paying client feels that the licensee has failed in their duty)	75	3%
Duty to Client (Fee-paying client feels that the licensee has failed in their duty)	72	3%

The nature of complaints covered a broad range of issues. Chart 7 shows the ten most common categories into which complaints may be placed, based on the nature of the complaint. In interpreting the numbers and percentages in the chart, it is important to bear in mind that a complaint may be multi-faceted and, therefore, may fall into more than one category. Nevertheless, the chart is a good indicator of the nature of the complaints and reports, which the Authority must assess and investigate. The behaviour or omission complained of in some of the categories, for example, Service Provision, Ethical Conduct and Duty to Customer of Client, are open to interpretation. The complainant may genuinely feel unhappy or aggrieved at what transpired in their dealings with the property services provider, but it may not fall under the definition of "improper conduct" in section 2 of the Act. This difference between the perception of a wrongdoing and what constitutes improper conduct largely explains the relatively high number of complaints which the Authority has declined to investigate as shown earlier in Chart 6. It must also be remembered that these are allegations made by the complainant and no improper conduct may be said to have taken place until an investigation has been completed and has found that improper conduct has occurred.



Complaint 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 under section 63(2);
- (c) Imposition of a minor sanction under section 68(4)(a);
- (d) Dismissal of a complaint under section 68(4)(c); and
- (e) Refusal to make a grant, or relating to the amount of the grant made, out of the Compensation Fund.

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

On receipt of notice of appeal, within 14 days, the Authority must submit to the 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 additional information is necessary to enable it to determine an appeal, it may serve on any party a notice requiring the submission of specified information.

The 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 which is the subject of appeal with its own decision.

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 and Outcomes

During 2017 the Appeal Board received 18 appeals brought by complainants:

- (i) whose complaints the Authority had declined to investigate under section 63(2) of the Act or
- (ii) who wished to appeal the Authority's decision under section 68(4) (a) or (c) of the Act on dismissal or sanction at the completion of an investigation.

Appeals were considered by the Appeal Board in 24 cases during 2017 including 13 cases carried forward from 2016. One appeal was withdrawn by the appellant before it was considered by the Appeal Board



Chart 8 Summary of Appeal Board Decisions during 2017

Outcome	No. of Appeals	Percentage of Total
Appeal Disallowed – Authority's Decision Upheld	23	96%
Appeal Allowed - Remitted for Reconsideration by Authority	1	4%
Appeal Allowed – Authority's Decision Overturned	0	0%

The Appeal Board made decisions in 24 cases during 2017, i.e., the 13 appeals carried forward from 2016 and eleven of the 18 appeals received during 2017, one of which was withdrawn by the appellant. Chart 8 shows a summary of the outcomes in the 24 appeals dealt with by the Appeal Board.

The Appeal Board disallowed the appeal in 23 cases (96% of the total where a decision was reached) thereby affirming the decision of the Authority in each case.

In one case, where the Authority had declined to investigate because it considered the details in the complaint did not constitute improper conduct, the Appeal Board remitted the cases to the Authority for reconsideration. The Authority has commenced an investigation into this complaint.

The Appeal Board did not overturn any of the Authority's decisions in relation to complaints cases during 2017.

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 service providers who do not realise that the company or individual about which they complain of is, in fact, operating without a licence.

One prosecution was commenced by the Authority during 2016 involving a livestock mart operating without a licence and this case was brought to a conclusion during 2017. When presented with the Authority's evidence, the defendant had pleaded guilty in court. The mart made efforts to overcome difficulties with a previous licence application and eventually became licensed during 2017. A decision on conviction and possible sentencing had been postponed by the Court, pending the outcome of the mart's licence application, with the court taking a keen interest in the progress of the application at several sittings. When it became aware of the mart's successful licence application, it was the decision of the court not to record a conviction.

Since the Authority commenced operations in July 2012 to year end 2017, it can be seen from Chart 7 that a total of 403 cases involved either a report of unlicensed trading or a complaint of improper conduct against a service provider who turned out not to be licensed. A total of 365 files have been opened with regard to companies or individuals alleged to be trading without a licence, or where it transpired that the subject of a complaint of improper conduct was not a licensee. The number of files does not exactly correlate to the number of investigations or reports as multiple complaints may be made about a single operator, which would generate 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 9 provides status details of the 365 files as follows:



Chart 9 Complaint Status of Unlicensed Operators

No. of Files	Status
117	Subject of report was already licensed or became licensed before investigation concluded.
15	The behaviour reported was not a property service and no licence was required.
197	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.
27	Undergoing initial assessment to establish if there is prima facie evidence of trading without a licence or awaiting the outcome of a licence application.
4	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.
5	Investigation underway or at an advanced stage.
0	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 whom 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. In addition to issuing the straightforward instruction to cease trading, 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 previous short campaign of issuing "cease trading" letters is that a significant number of companies and individuals engaged with the Authority and became licensed.

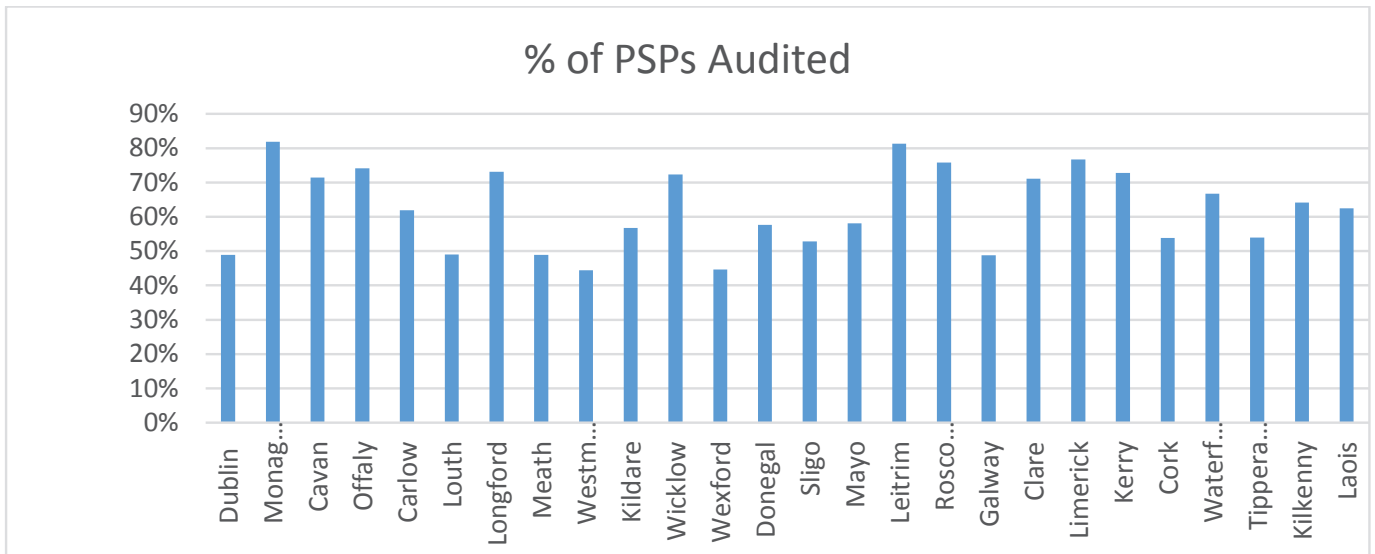
2.2 Adjudication of Standards: Audit Compliance Inspections

During 2017, the Authority continued to conduct audit compliance inspections of licensed businesses. The Authority considers audit inspections to have a dual purpose, firstly to identify breaches of the Act but more importantly, they provide a means of engaging with licensees and driving compliance in delivering a consistent professional standard of service for all clients of property service providers.

In 2017 the Authority continued to engage contract investigators with the necessary expertise to undertake compliance audits on behalf of the Authority. In planning the assignment of audits nationwide for 2017, the Authority scheduled the audits so that by year end 50% of licensees in each county would have had a Compliance Audit carried out. Chart 10 outlines the percentage of PSP's audited by county.

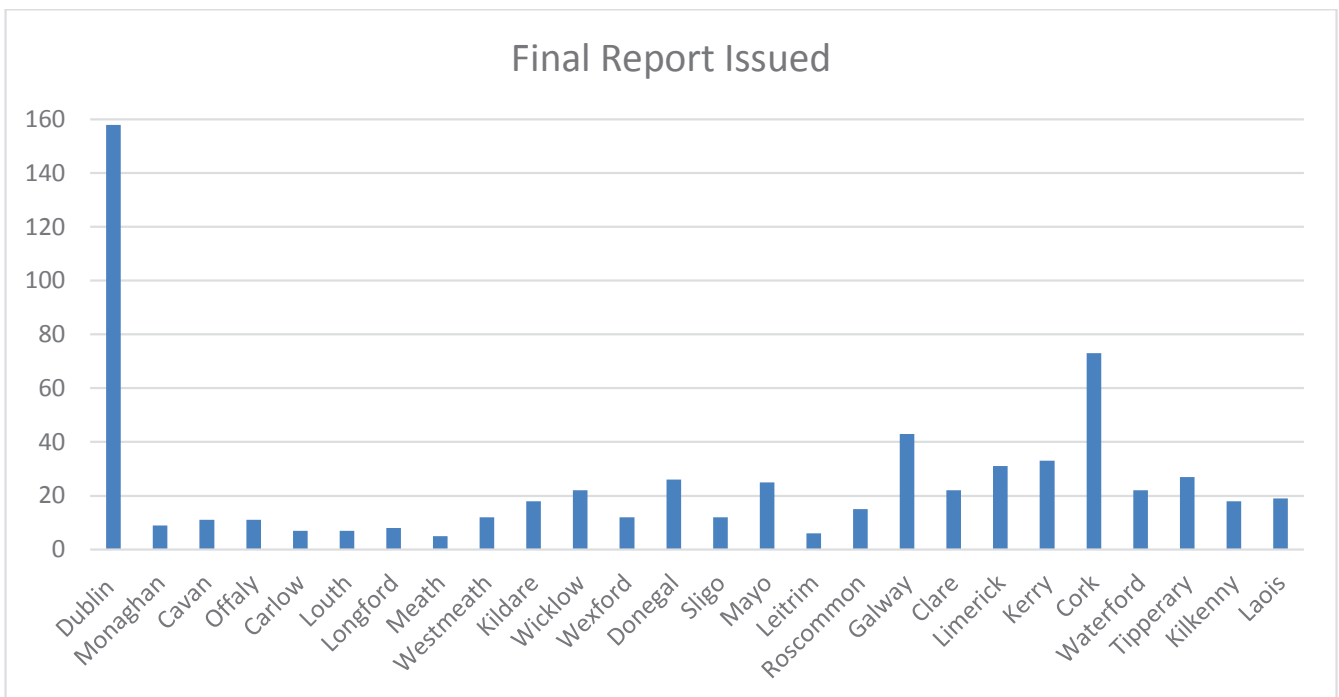


Chart 10 % of Compliance Audits by County



Of the audits assigned during 2017, final reports were completed and issued in 656 cases by investigators. Following an audit, licensees are provided with a draft report, identifying areas of concern and providing an opportunity to respond to the draft report findings. This is an opportunity for the licensee to address such findings and to provide evidence where matters identified have or will be addressed. Chart 11 outlines the number of final reports issued to licensees by year end, by county.

Chart 11 Final Reports Issued





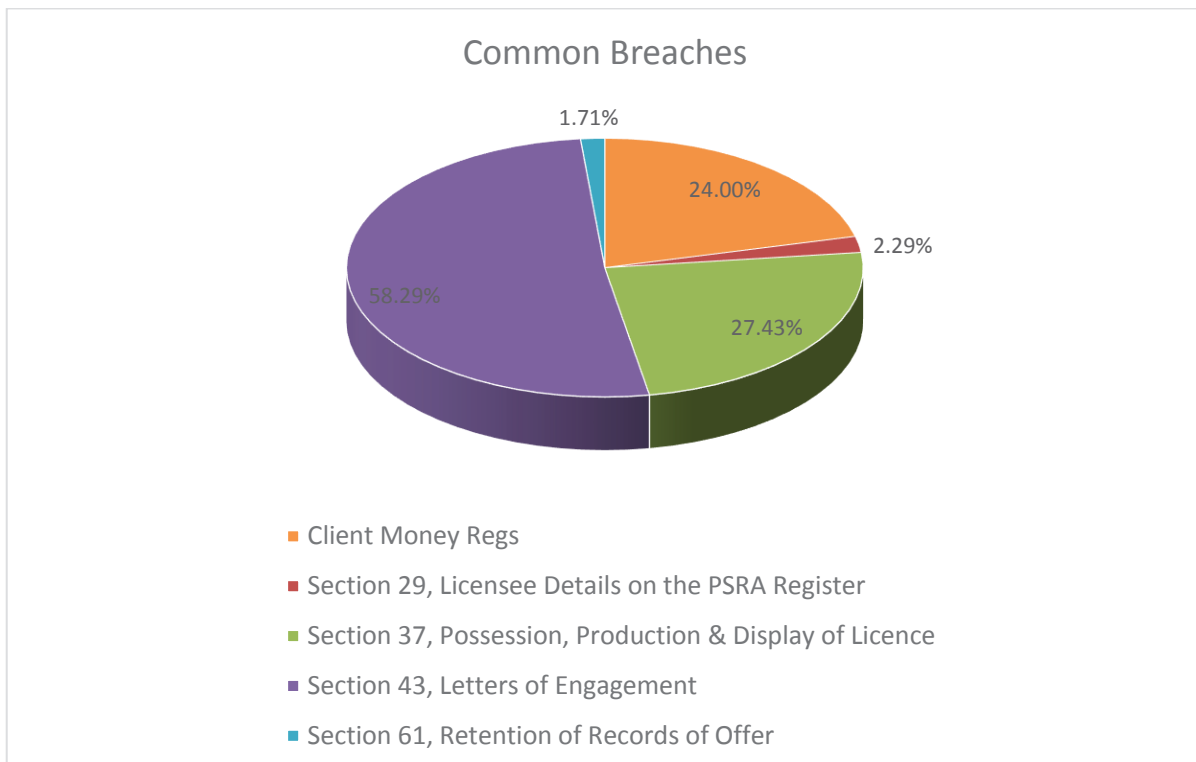
Common Breaches

The audit findings highlighted a number of common breaches in the sector as outlined in Chart 12 below. Minor sanctions were imposed on licensees where breaches of the Act and the Client Moneys Regulations were identified. The Authority considers all breaches of regulation serious, however, the breaches identified during the audit process were not especially egregious in nature. The audit process provides an important tool in educating and informing licensees of good practice and procedures as property services providers.

Examples of these common breaches identified were:

- Breaches of the Client Moneys Regulations:
 - Licensee discharges personal and office expenditure from the Client Account
 - Licensee lodging money into the Office Account which is client money
 - Licensee holding money in the Client Account which is not client money
 - Licensee not holding the correct accounting records
- Section 29: Register of Licensees:
 - Licensee did not inform the Authority of changes in Staff employed as Property Services Providers (staff leaving or new staff employed)
- Section 37(5): Licensee not displaying their licence number on
 - Advertising
 - On business correspondence relating to the provision of Property Services
 - On display signs
- Section 43: Letters of Engagement (LoE)
 - Licensee not using LoEs
 - LoEs not signed or dated by the licensee and or the client
 - Licensee continuing to provide property services where the client has failed to sign the LoE within 7 days
 - LoEs not completed fully
- Section 61: Records of Offer
 - Licensee not retaining records of offer in respect of sales for 6 years

Chart 12 Common Breaches





Audit Findings

The audit process is a means of engaging with licensees across all aspects of the Authority’s legislation and regulations including management of client money. The Authority regards breaches of the Client Money regulations as serious, however the breaches identified during the audit process to date were not especially egregious in nature and following consideration of each breach, merited a minor sanction where warnings issued to licensees in respect of those breaches.

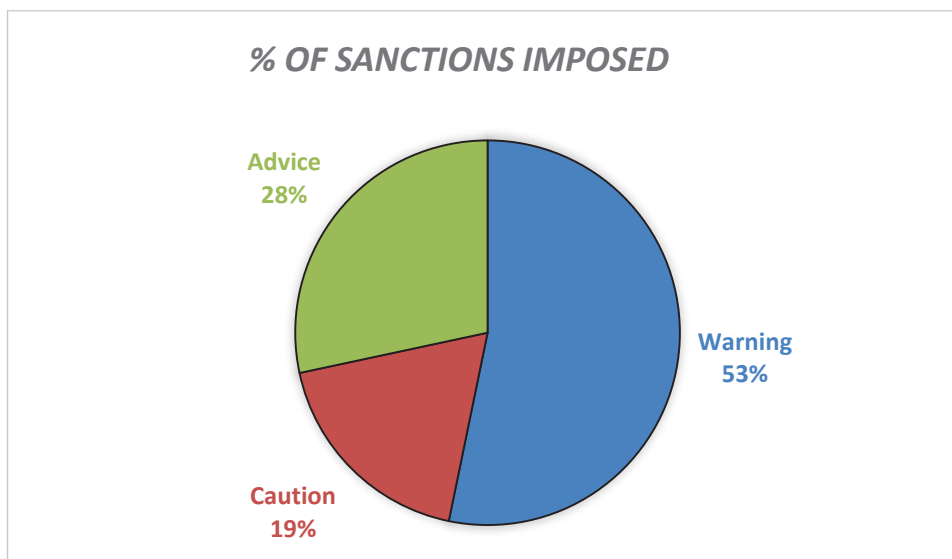
The overall results of the 656 finalised audits are listed below:-

- 452 Compliance with the Act - 69%
- 187 Minor sanctions imposed - 29%
- 17 Holders of a PSRA licence but were not providing property services at the time of the Compliance Audit - 2%

The Authority acknowledges the significant level (69%) of licensees who were in compliance with the audited sections of the Act. Minor sanctions were imposed in 29% of audits undertaken where administrative sanctions of advice, caution and warning were imposed. Chart 13 details the percentage breakdown of minor sanctions imposed on licensees.

No major sanction was imposed concerning the audited sections of the Act.

Chart 13 % Breakdown of Minor Sanctions Imposed



Appeals against sanctions imposed

During 2017 the Appeal Board received 5 appeals against sanctions imposed:

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

2.3 Competent Authority for Money-Laundering

The Minister for Justice and Equality prescribed the Property Services Regulatory Authority (PSRA) as the State competent authority for property service providers for the purposes of Part 4 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010.

As the competent authority, the PSRA is tasked with monitoring property service providers who are described as “designated persons” under the Act and taking measures that are reasonably necessary for the purpose of securing compliance by property service providers with the requirements of Part 4 of the 2010 Act. The Authority therefore, audits property service employers as to compliance with the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010. At year end, approximately 1,050 AML audits were assigned and were at various stages of completion.



Progress Strategic Goal 3

Promote Public Awareness of the Authority

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

Media Campaign

In 2017, the Authority utilised radio advertisements at both national and local levels to promote the Authority and inform the public of the role and function of the PSRA.

The Authority organised two media information campaigns on national and local radio in August and November, where the themes addressed included commercial lease requirements and highlighting to the public the consequences of using an unlicensed property service provider generally and specifically in the letting sector. In August 2017 the letting market and the use of a licensed letting agent or estate agent was the target area particularly with college and university students in mind. There was positive feedback and queries in relation to letting agents holding a licence.

In late 2017 a specific radio campaign was initiated with the aim of publicising and encouraging compliance with the Authority's Commercial Lease Register requirements. The campaign resulted (in tandem with a PSRA managed letter campaign) in a significant increase in on-line submissions to the Commercial Lease Register. Follow-up radio and print advertisement campaigns are planned in 2018. In December 2017 the PSRA engaged with a national newspaper regarding the Commercial Lease Register resulting in significant publicity for the Register in the Farming Supplement of the newspaper.

Newsletter

The Authority issued five newsletters during 2017 to all licensees. The newsletters covered a wide range of relevant topics including the online licence renewal application and payment system, continuous professional development, commercial lease register requirements, investigations, seminars and events. The newsletter to the licensees continues to be well received by the sector and the Authority recognises that this is a major success as part of its communications strategy.

Seminars

The Authority undertook nine seminars countrywide at seven locations (Cork, Mayo, Limerick, Waterford, Westmeath, Dublin and Meath) as part of its communications strategy to keep licensees informed of initiatives and projects of the PSRA. Overall, approximately 1,000 licensees attended the events. The Authority addressed licensing, compliance investigations, complaints, anti-money laundering and continuous professional development during these seminars. The seminars provided licensees with the opportunity to address on a one to one basis any questions or queries with staff members of the PSRA present.

Public Events

As part of the Communications Strategy, the Authority in an endeavour to engage with the public held a stand at the Ideal Home Show in April 2017. The stand was located in the First Time Buyers area of the exhibition and staff were inundated with visitors to the stand. Our attendance proved to be a valuable exercise in the area of promoting public awareness.

The Authority also took part in the National Ploughing Championship in September 2017 under the banner of the "National Property and Land Information Centre" where the Authority came together with public and private property related agencies for the first time. In addition to the PSRA, the centre included property bodies such as Ordnance Survey, Property Registration Authority (PRA), Valuation Office, the industry representative bodies both Society of Chartered Surveyors in Ireland (SCSI) and Institute of Professional Auctioneers and Valuers (IPAV) and Myhome.ie. The Minister for Justice and Equality, Mr. Charlie Flanagan, T.D. launched the PSRA 2016 Annual Report at the event and Mrs Anna May McHugh, Managing Director of the Ploughing Championship visited our stand on the day of the launch. Our partnership with other property bodies proved very successful and one which the Authority looks forward to continuing in 2018.



Website

Development of the Authority's website is ongoing and it is expected that a new website will be launched in 2018. This website will be interactive and easier to navigate, while also providing the information sought by the visitor. The new site will include a section dedicated to consumers, where they can acquire information and guidance on using a licensed property services provider.

Forum

The PSRA established Forum of sector stakeholders, which includes members of the two representative groups, compliance officers and service providers met on two occasions during the year. The Forum discussed issues relating to licensing, unlicensed operators, complaints, engagement with the sector and the online licence renewal process. The Forum is a positive means of exchange of views on sector issues.



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 Property Price Register publishes the price, the date of sale and the address of each residential property sold in Ireland since January 2010. The property price sales information is received from the E-Stamping section of the Revenue Commissioners. This information is updated on a weekly basis on the Authority's website and published within a month of the date of sale of the property.

In 2017 there were a total of 1.9 million visits to the Property Price Register, making it the Authority's most visited register.

Register of Licensed Property Services Providers

The register of Licensed Property Services Providers is published on the Authority's website. Clients of property services providers avail of this register to establish that the service provider 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, the 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 of Licensed Service Provider include:

- Name of Licensee
- Address of Licensee
- Category of Licensee (i.e. Company, Sole Trader, Employee)
- Type of Licence (A,B,C,D)
- Licence Expiry Date

The Register is updated on a weekly basis.

Register of Commercial Leases

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

- The address of the leased commercial property;
- The date of the lease of the property;
- The term of years of the lease;
- The rent payable in respect of the property;
- The commencement date of the terms of the lease;
- The capital consideration (if any) to be paid by the tenant or landlord in respect of the commercial property the subject of the lease;
- The frequency of the rent review in respect of the property;
- The particulars relating to who is liable in respect of the rates, insurance, service charges and repairs in respect of the property;
- The net floor area, per each floor, of the property;
- The particulars (if any) relating to rent-free periods, fitting out time allowed, fit out allowances and capital contributions in respect of the property;



- The particulars relating to any break-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 64,590 entries up to end of December 2017. This compares with a figure of 52,704 at the end of December 2016. 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.

In 2017 the Authority re-designed the Commercial Leases Database to facilitate the compulsory capturing of the required information in a more structured and user-friendly manner. This development allows tenants (or their representative) to provide the necessary information online and eliminates the necessity to submit documentation in relation to the entry. By year end over 25,000 lease returns had been received and published on the PSRA website and the Commercial Lease section is continuing to ensure compliance through various ongoing public awareness campaigns.



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 2017.

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 August 2017 a competition was held by Public Appointments Service (PAS) seeking Regulatory Investigators at HEO grade. At the end of 2017, 2 New Regulatory Investigators posts were filled from this competition. Two existing EO's were also promoted from this competition. At year end, the Authority headed by the CEO had (full time equivalents) 1 AP, 7.8 HEO's, 5.8 EO's and 6.2 CO's

Outsourced Resources

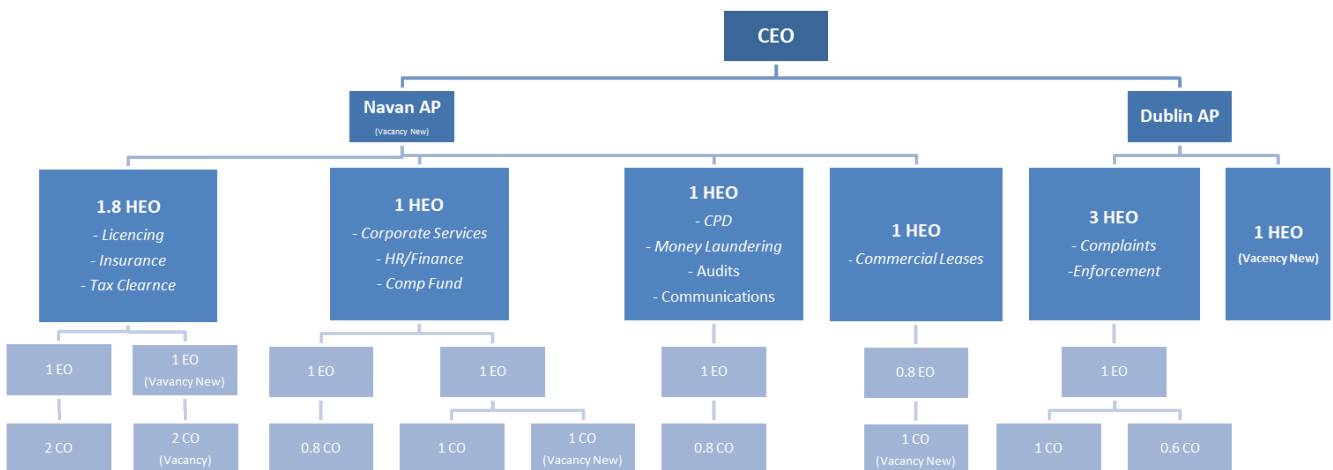
In 2017 IP Forensics Ltd. continued to provide the necessary qualified resources to undertake investigations.

A key area in relation to investigation work is audit inspection of licensee's compliance with the Property Services (Regulation) Act, 2011. The external inspectors continued audit investigations of licensees during 2017. By the end of the year compliance audits were assigned across each county with 50% of licensees in each county at various stages of audit.

Audit compliance inspections undertaken, were well received by licensees, both as an awareness opportunity for licensees regarding their statutory requirements under the Act and as a means of driving compliance with licensees. Audit compliance inspections are a tool for the Authority to drive compliance and standards in the sector.

In addition to the compliance audit investigations, the outsourced inspectors have commenced investigations of complaints, which will assist in reducing complaints arrears.

Chart 14 Staffing Structure at 31 December 2017





Temporary Clerical Officers (TCOs)

During the summer of 2017, the Authority was supported by 8 temporary clerical officers, totalling 128 weeks work, to assist in the processing of licence renewal applications and commercial lease work. 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. On establishment in April 2012 and up to the 31 December 2017 the Authority returned a licence fee income of €13.45 million to the Exchequer of which €2.25 million was returned in 2017. In that period, the total amount of the grants made from the Exchequer to the Authority has been €8.1 million.

Compensation Fund

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

The Authority, where it is satisfied that a client of a Property Services Provider has sustained a loss as a result of the dishonesty of the Property Services Provider and, subject to certain conditions specified in the Act, may make a grant from the Compensation Fund to the client. At 31 December 2017, the amount standing to the credit of the Fund was over €3.1 million. During 2017, a total of 33 claims were fully or partially granted with all these claims relating to one former licensee. Two claims were refused, one of which was appealed to the Property Services Appeal Board. A decision in this appeal was pending at year end.

Chart 15 Summary of Claims on Compensation Fund During 2017

Total Number of Compensation Claims	51
Total Number of Claims Fully Granted	26
Total Number of Claims Partially Granted	7
Total Number of Claims Refused	2
Total Number of Decisions Pending	16
Appeal Board	1 (Decision Pending on 1 Refusal)
Total Payments Approved By the Authority	€198,337

Payments totalling €172,097 were made out of the Fund for the year ended 31 December 2017 and there were outstanding commitments to make payments at year end of €26,240. This €26,240 relates to payments approved by the Board at their meeting in December 2017.

Insuring the Compensation Fund

The Authority agreed to insure the Compensation Fund in order to protect it and ensure that claims on the Fund can be met. The fund was insured from mid October 2017.



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 Practice for the Governance of State Bodies;
- Code of Business 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, the Department of Public Expenditure and Reform and with any other Government Department. There was an Oversight Agreement in place with the Department of Justice and Equality for the year 2017 which can be found at the following link: http://justice.ie/en/JELR/Property_Services_Regulatory_Authority_Oversight_Agreement_2017.pdf/Files/Property_Services_Regulatory_Authority_Oversight_Agreement_2017.pdf This Agreement mandates ongoing compliance with the relevant requirements of the *Code of Practice for the Governance of State Bodies* and this was achieved.

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 Comptroller and Auditor General (C&AG) to ensure proper books of accounts and processes are maintained and procedures adhered to.

The Chief Executive is responsible to the Authority 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 Authority an update relating to the Strategic Plan and the Risk Register.

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

Operation of the Authority

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

The key responsibilities of the Board include:

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

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

- The issue and refusal of licences and related matters
- Investigation of complaints, including appointment of inspectors to investigate
- Establishment and maintenance of the Property Price Register and the Commercial Leases Register
- Applications to the High Court



Performance Evaluation of the Authority

The Authority's self-assessment performance evaluation as required under the Code of Practice for the Governance of State Sponsored Bodies was commenced by members of the Authority in 2017. The requirement for self-assessment performance evaluations are annually overseen by the Chairperson of the Board. Each Board member completed their self-assessment questionnaire independently and submitted them to the Chairperson of the Board by year-end. An external evaluation of the Board is due to take place in 2018, in line with the requirement for such an evaluation to take place at least every three years.

Risk Management

The Authority operates a formal risk management policy and maintains a Risk Register in accordance with the Department of Finance guidelines, which is managed on an ongoing basis. The maintenance of the register is designed to ensure that risks are continually identified and assessed and necessary mitigating actions, subject to resources, are put in place. The Risk Register is a standing item on the Agenda of each Board meeting. An Audit and Risk Committee of the Authority was established in 2017 and held their first meeting in April of that year. The Committee had the opportunity to meet on three occasions since April, 2017 and are scheduled to meet before each of the five scheduled Board meetings in 2018.

The table below details the main potential risks identified by the organisation and the mitigation measures in place to reduce these risks:

Chart 16 Risks identified

Risk identified	Mitigation Measures in place
Insufficient appropriate investigative resources	Outsourcing of audits and investigations
Incomplete data on the Commercial Leases Register	Additional resources assigned. Effective use of information options to inform tenants of their legal requirements under the Act.
Complaint arrears	Additional resources assigned. Outsourcing of complaint investigations
Risk to the protections inherent in licensing system due to unlicensed operators	Allocation of resources.

Public Expenditure Compliance

During 2017, the Authority complied with the relevant provisions of the Code of Practice for Governance of State Bodies published by the Department of Public Expenditure and Reform.

Statement of Internal Control

The Statement of Internal Control of the Property Services Regulatory Authority for 2017 can be found in Appendix A of this report.

Continuous Professional Development

Continuous Professional Development (CPD) will be delivered to all licensees across a variety of mediums – through face to face, seminars, online and delivered regionally. The Scheme will provide for five formal hours of CPD for all PSRA licensees. There will be two main CPD categories namely Legislation and Regulation and General and Management, which will be broken down into a range of different modules that represent areas that are necessary in delivering a professional service which can lead to greater public confidence in property service providers delivering a professional competent service.

The Authority in association with the Office of Government Procurement (OGP) drew up a comprehensive tender document that outlined the CPD scheme and the stipulations on its delivery and issued the Requests for Tender (RFT) for the provision of a PSRA CPD programme, on behalf of the Authority. Following a competitive tender process, the delivery of CPD on behalf of the Authority was awarded to two competent bodies; The Institute of Professional Auctioneers and Valuers (IPAV) and The Society of Chartered Surveyors of Ireland (SCSI).

The PSRA CPD programme will commence in January 2018 and will be rolled out nationally during 2018.



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 each person has the following rights:

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

With a view to ensuring best practice in the administration of its 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 3 FOI requests in 2017. 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 three requests were made by members of the public. Two requests were part-granted and one was granted. The type of information sought was both non-personal and a mix of personal and non-personal information. There was no requests for personal information only.

One request, which was part granted, was from joint complainants who sought details in relation to how their complaint was handled by the Authority, including details of meetings which they suspected had happened. Much of the information sought did not exist, e.g., the suspected meetings never took place.

Another request also sought information into how the Authority handled his complaint (all of the provisions of the Act had been completely exhausted at that stage, including appeal and the complaint had been dismissed). This request was fully granted with the exception of retention of a confidential document to which the requester was not party (the question of release of this had also been fully dealt with as part of the investigation into his complaint and his subsequent appeal to the Property Services Appeal Board when the Appeal Board upheld the Authority’s refusal to release the confidential document).

Another request was for non-personal details of Inspectors appointed by the Authority. This was fully granted.

Chart 17 summarises the outcome of all requests and indicates the exemptions in the FOI Act that prevented the release of information.

Chart 17 FOI Act Exemptions Used

File Ref.	Requester Category	Granted	Part-Grant	Refused	Exemptions – Relevant Sections of FOI Act		
					15	35	37
1	M		X		X		
2	M		X			X	X
3	M	X					

M = Member of the Public

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



FOI Appeals

There were no FOI appeals during 2017.

Protected Disclosures Act 2014

There were no protected disclosures during 2017.

Amendments to the Act

As part of the Department of Justice and Equality General Scheme of a Courts and Civil Law (Miscellaneous Provisions) Bill, the Authority submitted two amendments relating to the Property Services (Regulation) Act 2011. The first related to capping the maximum payment from the Compensation Fund and the second related to an amendment to the definition of major sanction to include a provision for an imposition by the Authority of an oversight regime on the licensee. Both amendments were included in the Bill which is currently being drafted.



Appendix A

Statement of Internal Control

Scope of Responsibility

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

Purpose of the Statement of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Property Services Regulatory Authority for the year ended 31 December 2017 and up to the date of approval of the financial statements.

Internal Controls in Place

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

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

Capacity to Handle Risk

The Property Services Regulatory Authority has an Audit and Risk Committee (ARC) comprising two Authority members and two external members. The Committee first met on the 19th of April 2017. I, as Chairperson of the Authority, am satisfied that the ARC discharged its role effectively with three meetings in 2017.

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

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

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

Risk and Control Framework

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

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



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

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems. The ICT division of the Department of Justice and Equality provide the Property Services Regulatory Authority with ICT services. They have provided an assurance statement outlining the control processes in place in 2017. An online licence application system is provided by An Post through Licences. ie. on behalf of the Property Services Regulatory Authority. An assurance document regarding the security and controls of the system in place was received from An Post in 2017.
- there are systems in place to safeguard the Property Services Regulatory Authority's assets, and
- there are control procedures in place regarding assessment and payments from the compensation fund.

Ongoing Monitoring and Review

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

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

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

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

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

Assurances

ICT

The Property Services Regulatory Authority avails of the shared ICT support service from the Department of Justice and Equality. A Service Level Agreement is in place with the Department in relation to the ICT service and arrangements are in place to back up PSRA systems. An independent review of the service has been commissioned by the Department of Justice and Equality, and the report and findings are awaited. An assurance document has been provided by Justice IT regarding controls in place.

An online licence application system is provided by An Post through Licences.ie on behalf of the Property Services Regulatory Authority. This online system has greatly enhanced the efficiency and effectiveness of the licence renewal process and further developments are planned. An assurance document was sought and received from An Post in 2017 regarding the security and controls of the system in place. The Authority is also in the process of developing a Service Level Agreement with An Post in relation to Licences.ie.



Shared Financial Services

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

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

Procurement

I confirm that the Property Services Regulatory Authority has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2017 the Property Services Regulatory Authority complied with those procedures

Review of Effectiveness

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

I confirm that the Authority conducted an annual review of the effectiveness of internal controls for 2017. The Authority has satisfied itself insofar as is practicable, that the systems of internal financial control instituted and implemented in the Property Services Regulatory Authority for the financial year ended 31st December 2017 are effective.

Internal Control Issues

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

No weaknesses with internal controls were identified in relation to 2017 that require disclosure in the financial statements.

Disclosures of Details of Material Losses or Fraud

There are no matters of fraud to report for 2017.

Geraldine Clarke

Chairperson



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PSRA



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