Financial Statements

Property Services Compensation Fund

For the year ended 31 December 2024

PROPERTY SERVICES COMPENSATION FUND

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PROPERTY SERVICES COMPENSATION FUND

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, Home Affairs and Migration with consent of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, all proper and usual accounts of money received and expended by it.

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

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

The Authority is responsible for keeping 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 Property Services Regulatory Authority

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Ms. Maeve Hogan, Chief Executive Officer: Date:

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Mr. Michael Quinlan, Chairperson: Date:

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF INTERNAL CONTROL

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

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, has been in place in the Property Services Regulatory Authority for the year ended 31 December 2024 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, Infrastructure, Public Service Reform and Digitalisation in 2016.

Capacity to Handle Risk
The Property Services Regulatory Authority has an Audit and Risk Committee (ARC) comprising two Authority members and two external members. I, as Chairperson of the Authority, am satisfied that the ARC discharged its role effectively with four meetings held in 2024.

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

The Property Services Regulatory Authority's Internal Audit function is carried out by the Department of Justice, Home Affairs and Migration Internal Audit Unit under the oversight of the Audit Committee of Vote 24 (Justice). The role of the Department's 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 Department's Internal Audit Unit carry out audit on financial and other controls in the Authority each year.

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF INTERNAL CONTROL

Risk and Control Framework

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

A risk register is in place which identifies the key risks facing the Authority and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC, 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, Home Affairs and Migration provide the Property Services Regulatory Authority with ICT services. In January 2024 they provided an assurance statement outlining the control processes in place at that time. An internal audit of the ICT system provided to the Property Services Regulatory Authority by the Department carried out in 2018, identified issues of concern with the system in place and put forward recommendations for the ICT division to address. A number of these recommendations remain outstanding at the 31st December 2024, which is a cause of concern to the Authority. The Property Services Regulatory Authority launched a new online platform, prsalicences.ie, in June 2022. All data from this platform is stored on the Department's ICT servers and is therefore covered under the Department of Justice, Home Affairs and Migration SLA.
- there are systems in place to safeguard the Property Services Regulatory Authority's assets, and
- there are control procedures in place regarding assessment and payments from the compensation fund.

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF INTERNAL CONTROL

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

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

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

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

- Key risks and controls have been identified and processes have been put in place to monitor the operation of those key controls and report on any deficiencies,
- Formal procedures are in place for the purchase of all goods and services, for approval of invoices in respect of goods and services and authorisation of payment in respect of goods and services.
- 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's Internal Audit Unit. The Department's Audit Committee reviews the work of the Internal Audit Unit.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.

Assurances

Information and Communication Technologies
The Property Services Regulatory Authority avails of the shared ICT support service from the Department of Justice, Home Affairs and Migration. 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 assurance document was provided by Justice Information Management and Technology regarding controls in place in 2024.

The Property Services Regulatory Authority launched a new online licensing platform, prsalicences.ie, in June 2022. All data from this platform is stored on the Department's ICT servers and is therefore covered under the Department's SLA.

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF INTERNAL CONTROL

Compensation Fund
The Authority has insured the Compensation Fund to address the risk that the compensation fund could be significantly reduced by a single significant claim in any one year.

Procurement
I confirm that the Authority has procedures in place to ensure compliance with current procurement rules and guidelines.

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 ARC 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 2024 on 6 June 2025.

The Authority is reasonably assured that the systems of internal financial control instituted and implemented in the Property Services Regulatory Authority for the financial year ended 31 December 2024 are effective.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2024 that require disclosure in the financial statements.

On behalf of the members of the Authority

Mr. Michael Quinlan, Chairperson Date:

PROPERTY SERVICES COMPENSATION FUND

CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL

PROPERTY SERVICES COMPENSATION FUND

CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 €	2023 €
Income			
Contributions to the Fund	**2**	567,350	565,200
Deposit Interest received	**2**	11,038	9,786
Insurance Rebate[1]		31,500	-
Total Income		**609,888**	**574,986**
Expenditure			
Insurance		152,484	154,350
Deposit Interest retention tax		3,377	3,229
Professional Fees		13,530	51,660
Investment administration costs		10,200	-
Compensation awards	**3**	7,691	8,229
Total Expenditure		**187,282**	**217,468**
Operating Surplus for the year		422,606	357,518
Unrealised gain on investments	**4**	107,015	-
Surplus for the year		529,621	357,518
Balance brought forward at 1 January		5,059,690	4,702,172
Balance carried forward at 31 December		**5,589,311**	**5,059,690**

Note: Insurance rebates relate to policies held in the years 2017-2022 inclusive.

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 8 form an integral part of these financial statements.

On behalf of the Property Services Regulatory Authority

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Ms. Maeve Hogan, Chief Executive Officer: Date:

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Mr. Michael Quinlan, Chairperson: Date:

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 €	2023 €
Financial Assets			
Investments	**4**	4,596,815	-
Current Assets			
Cash and cash equivalents	**5**	874,292	4,936,210
Receivables and prepayments	**6**	118,204	123,480
		992,496	**5,059,690**
Total Net Assets		**5,589,311**	**5,059,690**
Representing			
Compensation Fund		5,589,311	5,059,690
		5,589,311	**5,059,690**

The Statement of Cash Flows and notes 1 to 8 form an integral part of these financial statements.

On behalf of the Property Services Regulatory Authority

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Ms. Maeve Hogan, Chief Executive Officer: Date:

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Mr. Michael Quinlan, Chairperson: Date:

PROPERTY SERVICES COMPENSATION FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	€	€
Net cash flows from operating activities		
Excess income over expenditure	422,606	357,518
Decrease in receivables	5,276	-
Net cash inflow from operating activities	**427,882**	**357,518**
Net cash flows from investing activities		
Purchase of financial assets	(4,489,800)	-
Net cash outflow from investing activities	**(4,489,800)**	**-**
(Decrease)/Increase in cash and cash equivalents	**(4,061,918)**	**357,518**
Cash and cash equivalents at 1 January	4,936,210	4,578,692
Cash and cash equivalents at 31 December	**874,292**	**4,936,210**

Notes 1 to 8 form an integral part of these financial statements.

On behalf of the Property Services Regulatory Authority

Ms. Maeve Hogan, Chief Executive Officer: Date:

Mr. Michael Quinlan, Chairperson: Date:

PROPERTY SERVICES COMPENSATION FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 Buildings, Abbey Road, Navan, Co. Meath, C15 K7PY.

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

- Issue and renew licences;
- Maintain the Register of Licensees;
- Enforce qualifications requirements and other requirements
- Enforce standards including technical standards and appropriate ethical standards;
- Administer the Fund;
- 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;
- Promotion of the Codes of Practice;
- Keep the Minister informed of developments in respect of the provision of property services by licensees and assist the Minister in co-ordinating and developing policy in that regard;
- Publish particulars of residential property sales prices;
- Maintain the Commercial Leases Database; and
- Perform any other functions conferred on it by any other provision of the Act or any other enactment or by regulations made under the Act or any other enactment

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

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

PROPERTY SERVICES COMPENSATION FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

(c) Basis of preparation

The financial statements of the Property Services Compensation Fund have been prepared in accordance with the accounting policies set out below, and in the form approved by the Minister for Justice, Home Affairs and Migration with the consent of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation

(d) Income Recognition

Contributions to the Fund, interest received on the Fund and court awards 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) Expenditure Recognition

Compensation 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.

Dirt charges are reported on a cash basis.

All other expenditure is accounted for on an accrual basis.

(g) Financial Assets

Financial Assets are measured at fair value at the end of each reporting date. Unrealised gains and losses are allocated to the endowment fund holding the investment.

2. Compensation Fund Income

	2024	2023
	€	€
Contributions to the Fund (Net of Refunds)	567,350	565,200
Deposit interest received	11,038	9,786
	578,388	**574,986**

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, Home Affairs and Migration 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.

PROPERTY SERVICES COMPENSATION FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Compensation awards

Awards totalling €7,691 were made out of the Fund for the year ended 31 December 2024 (2023: €8,229).

4. Financial Assets

	Opening cost 1st Jan 2024	Additions	Closing Cost 31st Jan 2024	Recovery / (Diminution) in value of Financial Assets during 2024	Market Value at 31st Dec 2024
	€	€	€	€	€
BCP Capital	-	2,500,000	2,500,000	67,866	2,567,866
Conexim	-	1,989,800	1,989,800	39,149	2,028,949
	-	4,489,800	4,489,800	107,015	4,596,815

5. Cash and cash equivalents

	2024	2023
	€	€
An Post	-	4,341,905
Commercial Bank Account	874,292	594,305
	874,292	**4,936,210**

6. Receivables and prepayments

	2024	2023
	€	€
Prepayments	118,204	123,480

PROPERTY SERVICES COMPENSATION FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

7. Awards – Contingency

At 31 December 2024, the Authority had 2 compensation claims on hand for which no decision had been reached by the Authority (31 December 2023: 5 compensation claims on hand). The Authority is unable to reliably estimate the potential financial impact of the above cases.

There was 1 compensation claim awaiting a decision by the Property Services Appeals Board (PSAB) at 31 December 2024. The potential financial impact of this claim amounts to €2,000.

8. Approval of the financial statements

These financial statements were approved by the Authority of the Property Services Regulatory Authority on 8th December 2025.