



Financial Statements

Property Services Regulatory Authority

For the year ended 31 December 2019



PROPERTY SERVICES REGULATORY AUTHORITY

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**PROPERTY SERVICES REGULATORY AUTHORITY****GENERAL INFORMATION**

Head Office	Property Services Regulatory Authority Abbey Buildings Abbey Road Navan Co Meath C15 K7PY
Board Members	Geraldine Clarke (Chairperson) Paul Mooney Edward Carey Martin Hanratty (Appointment expired 02 April 2019) Patrick Davitt (Appointment expired 02 April 2019) Josephine Henry (Appointment expired 02 April 2019) Deirdre Fox (Appointment expired 02 April 2019) Regina Terry (Appointment expired 02 April 2019) Muiris O'Ceidigh Aideen Hayden Hilary Griffey Ella Dunphy (Appointed 15 April 2019) Gordon Hughes (Appointed 15 April 2019) Emer Byrne (Appointed 15 April 2019) Orla Moran (Appointed 15 April 2019) Martin McDermott (Appointed 04 June 2019)
Senior Executive:	Maeve Hogan (Chief Executive Officer)
Telephone Number:	1890 252 712 (046) 903 3800
Fax Number:	(046) 903 3888
Website:	www.psr.ie
Email:	info@psr.ie
Auditors:	Office of the Comptroller and Auditor General 3A Mayor Street Upper Dublin D01 PF72



PROPERTY SERVICES REGULATORY AUTHORITY GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Governance

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

Responsibilities of the Authority

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

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports (strategy statements),
- risk register,
- statistics.

Section 22(2) of the Property Services (Regulation) Act 2011 requires the Authority of Property Services Regulatory Authority to keep, in such form as may be approved by the Minister for Justice and Equality with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Authority of Property Services Regulatory Authority is required to:

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

The Authority is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 22(2) of the Property Services (Regulation) Act 2011. The maintenance and integrity of the corporate and financial information on the Property Services Regulatory Authority's website is the responsibility of the Authority.

The Authority is responsible for approving the annual plan and budget. An evaluation of the performance of the Property Services Regulatory Authority by reference to the annual plan and budget was carried out on 11th December 2019.



PROPERTY SERVICES REGULATORY AUTHORITY

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

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

The Authority considers that the financial statements of the Property Services Regulatory Authority give a true and fair view of the financial performance and the financial position of the Property Services Regulatory Authority at 31 December 2019.

Authority Structure

The Authority consists of a Chairperson, and ten ordinary members, all of whom are appointed by the Minister for Justice and Equality. The members of the Authority were appointed for a period of four years and met six times in 2019. The table below details the appointment period for current members:

Authority Member	Role	Date Appointed	Date Appointment expired
Geraldine Clarke	Chairperson	28/11/2016	
Paul Mooney	Member	28/11/2016	
Edward Carey	Member	28/11/2016	
Martin Hanratty	Member	03/04/2015	02/04/2019
Patrick Davitt	Member	03/04/2015	02/04/2019
Josephine Henry	Member	03/04/2015	02/04/2019
Deirdre Fox	Member	03/04/2015	02/04/2019
Regina Terry	Member	03/04/2015	02/04/2019
Muiris O'Ceidigh	Member	28/11/2016	
Aideen Hayden	Member	28/11/2016	
Hilary Griffey	Member	28/11/2016	
Ella Dunphy	Member	15/04/2019	
Gordon Hughes	Member	15/04/2019	
Emer Byrne	Member	15/04/2019	
Orla Moran	Member	15/04/2019	
Martin McDermott	Member	04/06/2019	

An internal review of the Authority was carried out in 2019.

The Authority has established two committees, as follows:

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

The members of the Audit and Risk Committee are: Dr. Muiris O Ceidigh (Chairperson), Ms. Hillary Griffey, Ms. Theresa Carolan (independent) and Mr. Myles O Reilly (independent). There were 4 meetings of the ARC in 2019.



PROPERTY SERVICES REGULATORY AUTHORITY

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

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

The members of the Compensation Fund Committee are: Dr Aideen Hayden, Dr Muiris O'Ceidigh and Ms. Hilary Griffey. There were 2 meetings of the Compensation Fund Committee in 2019.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2019 is set out below including the fees and expenses received by each Authority member:

	Board 6	Compensation Fund Committee 2	Audit & Risk Committee 4	Fees 2019 €	Expenses 2019 €
Geraldine Clarke	6			8,978	-
Paul Mooney	6			5,985	-
Edward Carey	5			5,985	58
Martin Hanratty	2			-	-
Patrick Davitt	2			1,496	-
Josephine Henry ¹	0			1,496	-
Deirdre Fox	1			1,496	-
Regina Terry	2			-	-
Muiris O'Ceidigh	6	2	4	-	-
Aideen Hayden	6	2		5,985	-
Hilary Griffey	4	2	3	5,985	-
Ella Dunphy	4			4,489	-
Gordon Hughes	3			4,489	740
Emer Byrne	3			-	-
Orla Moran	4			4,489	268
Martin McDermott	3			-	-
				50,873	1,066

There were five members of the Authority, Dr. Muiris O'Ceidigh, Mr. Martin Hanratty, Ms. Regina Terry, Ms. Emer Byrne and Mr. Martin McDermott, who did not receive Board fees under the One Person One Salary (OPOS) principle.

A quorum of the Board met on two additional occasions in 2019 regarding a case for consideration and decision on the imposition of a major sanction on a licensee. Board members in attendance included: Dr. Muiris O'Ceidigh, Ms. Orla Moran, Ms. Ella Dunphy and Mr. Paul Mooney. A further quorum of the Board met for an oral hearing regarding a claim on the compensation fund during 2019. Board members in attendance included: Ms. Geraldine Clarke, Mr. Paul Mooney, Ms. Hilary Griffey and Dr. Muiris O'Ceidigh.

¹ Ms. Josephine Henry was absent on leave for the first quarter of 2019.



PROPERTY SERVICES REGULATORY AUTHORITY

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Key Personnel Changes

There were no key personnel changes in 2019.

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

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

Employee short term benefits breakdown

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

Consultancy Costs

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

	2019	2018
	€	€
Legal advice	36,288	22,919
Total	36,288	22,919

Legal Costs and Settlements

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

	2019	2018
	€	€
Legal fees - legal proceedings	133,070	141,828
Total	133,070	141,828

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019	2018
	€	€
Domestic		
- Board	1,066	217
- Employees	21,753	33,917
Total	22,819	34,134



PROPERTY SERVICES REGULATORY AUTHORITY
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2019	2018
	€	€
Board hospitality	1,100	314
Total	<u>1,100</u>	<u>314</u>


Statement of Compliance

The Authority has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Property Services Regulatory Authority was in full compliance with the Code of Practice for the Governance of State Bodies for 2019.

On behalf of the Property Services Regulatory Authority


 Ms. Maeve Hogan, Chief Executive Officer:

Date: 27/11/20.


 Ms. Geraldine Clarke, Chairperson:

Date: 27/11/20.



PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF INTERNAL CONTROL

Scope of Responsibility

On behalf of the Property Services Regulatory Authority, I acknowledge the Authority's responsibility for ensuring that an effective system of internal control is maintained and operated in the Authority. This responsibility takes account of the 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 2019 and up to the date of approval of the financial statements.

Internal Controls in Place

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

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

Capacity to Handle Risk

The Property Services Regulatory Authority has an Audit and Risk Committee (ARC) comprising two Authority members and two external members. I, as Chairperson of the Authority, am satisfied that the ARC discharged its role effectively with four meetings held in 2019.

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 an audit on financial and other controls in the Authority each year.



PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF INTERNAL CONTROL

Risk and Control Framework

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

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

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

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems. The ICT division of the Department of Justice and Equality provide the Property Services Regulatory Authority with ICT services. In May 2019 they provided an assurance statement outlining the control processes in place at that time. An online licence application system is provided by An Post through Licences.ie on behalf of the Property Services Regulatory Authority. An assurance document regarding the security and controls of the system in place during 2019 was received from An Post in February 2020. A service level agreement was put in place with An Post in 2018.
- there are systems in place to safeguard the Property Services Regulatory Authority's assets, and
- there are control procedures in place regarding assessment and payments from the compensation fund.



PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF INTERNAL CONTROL

Ongoing Monitoring and Review

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

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

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

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

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

Assurances

Information and Communication Technologies

The Property Services Regulatory Authority avails of the shared ICT support service from the Department of Justice and Equality. A Service Level Agreement is in place with the Department in relation to the ICT service and arrangements are in place to back up PSRA systems. An independent review of the service was completed in 2019; recommendations received are being addressed by the Property Services Regulatory Authority. An assurance document was provided by Justice IM&T regarding controls in place in 2019.

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



PROPERTY SERVICES REGULATORY AUTHORITY

STATEMENT OF INTERNAL CONTROL

Shared Financial Services

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

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

Procurement

I confirm that the Property Services Regulatory Authority has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2019 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 2019. The Authority has satisfied itself insofar as is practicable, that the systems of internal financial control instituted and implemented in the Property Services Regulatory Authority for the financial year ended 31 December 2019 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 2019 that require disclosure in the financial statements.

Disclosures of Details of Material Losses or Fraud

There are no matters of fraud to report for 2019.

Geraldine Clarke
Chairperson



PROPERTY SERVICES REGULATORY AUTHORITY

CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

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

Opinion on the financial statements

I have audited the financial statements of the Property Services Regulatory Authority for the year ended 31 December 2019 as required under the provisions of section 22 of the Property Services (Regulation) Act 2011. The financial statements comprise

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

In my opinion,

- the financial statements properly present moneys received and expended by the Property Services Regulatory Authority for 2019 and
- the financial position at 31 December 2019 is in accordance with the accounting policies set out in the financial statements.

Basis of opinion

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

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

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

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

I have nothing to report in that regard.

**Colette Drinan For
and on behalf of
Comptroller and Auditor General**

30 November 2020



Appendix to the Report

Responsibilities of the Authority

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

- the preparation of financial statements in the form prescribed under section 22 of the Property Services (Regulation) Act 2011
- ensuring that the financial statements properly present moneys received and expended for 2019 and its financial position at 31 December 2019 in accordance with the accounting policies set out in the financial statements
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

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

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

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

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

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

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

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

Information other than the financial statements

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

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

Reporting on other matters

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

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

I also report by exception if, in my opinion,

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



PROPERTY SERVICES REGULATORY AUTHORITY

**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE
RESERVES FOR THE YEAR ENDED 31 DECEMBER 2019**

Income	Notes	2019	2018
		€	€
Oireachtas grant	2	2,558,359	1,976,921
Own resources	3	2,298,568	2,306,882
Total income		4,856,927	4,283,803
Expenditure			
Staff costs	4	1,470,059	1,326,129
Administration, operations and promotion	5	1,113,273	676,116
Audit fee		12,600	11,500
Depreciation	6	68,333	56,021
Total expenditure		2,664,265	2,069,766
Surplus for the year before appropriations		2,192,662	2,214,037
Transfer from capital account	7	68,333	56,021
Remitted to the Department of Justice and Equality	1(b)	(2,250,000)	(2,250,000)
Surplus for the year after Appropriations		10,995	20,058
Surplus brought forward at 1 January		94,409	74,351
Surplus carried forward at 31 December		105,404	94,409

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

On behalf of the Property Services Regulatory Authority


 Ms. Maeve Hogan, Chief Executive Officer:

Date: 27/11/20.


 Ms. Geraldine Clarke, Chairperson:

Date: 27/11/20.



PROPERTY SERVICES REGULATORY AUTHORITY

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 €	2018 €
Fixed assets			
Property plant and equipment	6	180,459	232,616
Current assets			
Cash and cash equivalents		123,433	112,285
Inventory	8	26,928	16,172
Receivables and prepayments	9	19,216	30,646
		169,577	159,103
Current liabilities			
Payables and accruals	10	64,173	64,694
Net current assets		105,404	94,409
Total net assets		285,863	327,025
 Representing			
Capital account	7	180,459	232,616
Retained revenue reserves		105,404	94,409
		285,863	327,025

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

On behalf of the Property Services Regulatory Authority


 Ms. Maeve Hogan, Chief Executive Officer:

Date: 27/11/20.


 Ms. Geraldine Clarke, Chairperson:

Date: 27/11/20.



PROPERTY SERVICES REGULATORY AUTHORITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Net Cash Flows from Operating Activities	2019	2018
	€	€
Operating surplus for year	10,995	20,058
Depreciation of property, plant and equipment	68,333	56,021
Net Transfer to capital account	(56,247)	(732)
Decrease/ (Increase) in inventory	(10,756)	3,977
(Increase)/ Decrease in receivables and prepayments	11,430	(3,033)
Decrease in payables and accruals	(521)	1,331
	<hr/>	<hr/>
New cash inflows from Operating Activities	23,234	77,622
 Cash Flows from investing activities		
Payments to acquire property, plant and equipment	(12,086)	(55,289)
 Increase in Cash & Cash Equivalents	 11,148	 22,333
	<hr/>	<hr/>

Statement of changes in net funds

Net funds at 1 January 2019	112,285	89,952
Net funds at 31 December 2019	123,433	112,285
Net Surplus in cash and cash equivalents	11,148	22,333
	<hr/> <hr/>	<hr/> <hr/>

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

On behalf of the Property Services Regulatory Authority

Ms. Maeve Hogan, Chief Executive Officer:

Date: 27/11/20.

Ms. Geraldine Clarke, Chairperson:

Date: 27/11/20.



PROPERTY SERVICES REGULATORY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting Policies

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

b) General Information

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

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

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

The licence fees generated by the Authority are paid to the Exchequer and financial provision is then made by the Exchequer to the Authority. Section 25(3) of the Act states that the total amount of the fees charged annually under this Act shall, as nearly as may be, taking one year with another, be equal to the total expenditure incurred annually in the administration of this Act. In 2019, the Authority paid €2,250,000 to the Exchequer and received a financial provision of €2,570,445 (see note 2).

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 REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

c) **Basis of accounting**

The financial statements of the Property Services Regulatory Authority for the year ended 31 December 2019 have been prepared in accordance with the accounting policies set out below and in the form approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform.

d) **Revenue**

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

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

e) **Expenditure**

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

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

f) **Property, Plant and Equipment**

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

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

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

g) **Inventory**

Inventory consists of goods not for resale, and is recognised at the lower of costs and net realisable value (NRV). Cost is calculated on a first-in-first out (FIFO) basis and includes all purchase costs. NRV is the selling price (actual or estimated) less all necessary completion costs.



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h) Capital Account

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

i) Employee Benefits

Short-term Benefits

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

Retirement Benefits

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

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

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

2 Oireachtas Grant	2019	2018
	€	€
Subhead A11 of Vote 24 – Justice and Equality	2,558,359	1,976,921

In addition to the Oireachtas Grant an amount of €12,086 was provided to the Authority for the purposes of capital expenditure on the implementation of online licensing.

3 Own Resources

	2019	2019	2018
	€	€	€
Licence fee income received	2,362,854		2,363,585
Less refunds	<u>(75,000)</u>	2,287,854	(61,703)
Miscellaneous Income		10,714	5,000
Total income		<u>2,298,568</u>	<u>2,306,882</u>

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



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FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Salaries

(a) Aggregate Employee Benefits

	2019	2018
	€	€
Wages and salaries	1,447,240	1,291,995
Travel and subsistence	22,819	34,134
Total	1,470,059	1,326,129

The Authority employed 29.8 whole time equivalent permanent staff in 2019 (2018: 26.9) and 6 temporary staff in 2019 (2018: 6).

There were no salary overpayments at 31 December 2019 or at 31 December 2018.

(b) Employee Benefits breakdown

Range of Total Employee Benefits		Number of Employees	
From	To	2019	2018
€60,000	€9,999	1	1
€70,000	€79,999	1	1
€80,000	€89,999	-	-
€90,000	€99,999	-	1
€100,000	€109,999	1	-

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

(c) Chief Executive Remuneration

The remuneration of the Chief Executive Officer for the year ended 31 December 2019 was €100,697 (€4,705 in 2018). Travel and Subsistence payments of €3,897 (€7,681 in 2018) were made to the Chief Executive Officer in accordance with Civil Service rates.

The Chief Executive Officer's pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme. No performance related payments were made in 2019 to the Chief Executive Officer.



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5 Administration, Operations and Promotion

	2019	2018
	€	€
Board member fees ¹	50,873	50,873
Postage and telecommunications	59,092	99,671
Office machinery and other office supplies	101,618	60,240
Office cleaning and maintenance	39,182	10,097
Light and Heat	11,816	11,817
Legal fees	169,358	164,747
Marketing and Promotion	180,806	64,614
Investigation Fees	336,266	142,224
Bank and licensing fees	37,502	34,549
Publications and Reports	33,272	1,266
General expenses	78,033	28,564
Accountancy fees	15,455	7,454
	1,113,273	676,116

Note: ¹The Property Services Regulatory Authority Board was set up on 3 April 2012. A Breakdown of the fees paid to individual board members in 2019 is included in the governance statement on these financial statements.

6 Property, Plant and Equipment

	IT	Office Equipment	Furniture	Total
	€	€	€	€
Cost				
At 1 January 2019	353,516	2,950	17,624	374,090
Additions	10,946	1,140	-	12,086
Other Movements ¹	(15,537)	27,753	7,701	19,917
At 31 December 2019	<u>348,925</u>	<u>31,843</u>	<u>25,325</u>	<u>406,093</u>
Accumulated Depreciation				
At 1 January 2019	131,160	2,950	7,364	141,474
Charged in the year	66,734	-	1,599	68,333
Other Movements ¹	(19,493)	27,753	7,567	15,827
At 31 December 2019	<u>178,401</u>	<u>30,703</u>	<u>16,530</u>	<u>225,634</u>
Net Book Value				
At 31 December 2019	<u><u>170,524</u></u>	<u><u>1,140</u></u>	<u><u>8,795</u></u>	<u><u>180,459</u></u>
At 31 December 2018	<u>222,356</u>	-	10,260	<u>232,616</u>

Note: ¹Following a review of all plant, property and equipment paid for by the PSRA an adjustment of €20,121 was required to the cost at 31 December 2018 figure and an adjustment of €24,210 was required to accumulated depreciation figure at 31 December 2018. This was done to more accurately reflect all assets paid for by the PSRA that it holds at the year end.



PROPERTY SERVICES REGULATORY AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
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In addition, the PSRA has the permanent use of 106 plant and equipment assets with a net book value of €16,562 at 31 December 2019 which have been paid for by the Department of Justice and Equality and are recorded as assets in their appropriation account.

7 Capital Account

	2019	2018
	€	€
Balance at 1 January	232,616	233,348
Amortisation in line with depreciation	(68,333)	(56,021)
Additions	12,086	55,289
Other Movements	4,090	-
	180,459	232,616

8 Inventory

	2019	2018
	€	€
Stationery	21,028	14,377
Photocopying / IT	4,288	1,028
Miscellaneous	1,612	767
	26,928	16,172

9 Receivables and Prepayments

	2019	2018
	€	€
Prepayments	19,216	30,646
	19,216	30,646

All receivables are due within one year.

10 Payables and Accruals

	2019	2018
	€	€
Accruals	64,173	64,694
	64,173	64,694

The terms of accruals are based on the underlying contracts.



PROPERTY SERVICES REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11 Pension Levy

Salary costs included in this account are the gross costs to the Authority for the period. The Department of Justice and Equality pays salaries on behalf of the Authority. Pension levy deductions, as per Section 2(3) of the Financial Emergency Measures in the Public Interest Act 2009 (No. 5 of 2009), are made by the Department and are retained as Appropriations-in-Aid for that Department, amounted to €35,985 (2018: €41,968).

12 Premises

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

13 Contingent Liabilities

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

14 Related Party Transactions/ Disclosure of interests

Key management personnel consist of the CEO and members of the Authority. Total compensation paid to key management personnel, including Authority members' fees and total CEO remuneration, amounted to €151,562 (2018: €145,578).

The Property Services Regulatory Authority complies with the Code of Practice for the Governance of State bodies issued by the Department of Finance in relation to the disclosure of interests by the Authority members and its staffs. Formal procedures exist to ensure adherence with this requirement of the code. No related party transactions took place in 2019.

15 Approved of financial statements

These accounts were approved by the Authority of Property Services Regulatory Authority on 18th November 2020.