

**An tÚdarás Rialála Comhlachtaí  
Tithíochta Ceadaithe**

Approved Housing Bodies  
Regulatory Authority



**APPROVED HOUSING BODIES REGULATORY AUTHORITY**

**FINANCIAL STATEMENTS**

**FROM THE DATE OF ESTABLISHMENT 1 FEBRUARY 2021  
TO 31 DECEMBER 2021**

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## CONTENTS

	<b>Page</b>
General Information	3
Certificate of the Comptroller and Auditor General	4-5
Governance Statement and Regulator's Report	6-11
Statement on Internal Control	12-15
Statement of Income and Expenditure and Retained Revenue Reserves	16
Statement of Comprehensive Income	17
Statement of Financial Position	18
Statement of Cash Flows	19
Notes to the Financial Statements	20-29

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## GENERAL INFORMATION

Regulator Members	Eddie Lewis (Chairperson) Seamus Neely Eileen Gleeson Geraldine Hynes Jillian Mahon John McCarthy Oonagh Breen Michael Cameron (UK) Orla Coyne
Senior Management Team	Susanna Lyons- Chief Executive Miriam Kavanagh - Head of Financial Regulation, Governance and Registration Steven Sheridan -Head of Performance and Communication Paula Nyland – Head of Finance and Corporate Services
Head Office	Approved Housing Bodies Regulatory Authority, 52 Mount Street Upper, Dublin 2 D02 KT73
Telephone Number:	01 224 3900
Website:	<a href="https://www.ahbregulator.ie/">https://www.ahbregulator.ie/</a>
Email:	info@ahbregulator.ie
Auditors:	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1 D01 PF72
Bankers:	Danske Bank 3 <sup>rd</sup> Floor International House 3 Harbourmaster Place IFSC Dublin 1 D01 K8F1

**APPROVED HOUSING BODIES 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**

**Approved Housing Bodies Regulatory Authority**

**Opinion on the financial statements**

I have audited the financial statements of the Approved Housing Bodies Regulatory Authority for the 11-month period ended 31 December 2021 as required under the provisions of section 21 of the Housing (Regulation of Approved Housing Bodies) Act 2019. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- 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 give a true and fair view of the assets, liabilities and financial position of the Approved Housing Bodies Regulatory Authority at 31 December 2021 and of its income and expenditure for the 11-month period ended 31 December 2021 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

***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 Approved Housing Bodies 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 Approved Housing Bodies Regulatory Authority has presented certain other information together with the financial statements. This comprises a governance statement and Regulator's report, and a 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.

**Seamus McCarthy**  
**Comptroller and Auditor General**

**29 July 2022**

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL

### Appendix to the report

#### Responsibilities of the Regulator

The governance statement and regulator's report sets out the Regulators' responsibilities for

- the preparation of annual financial statements in the form prescribed under section 21 of the Housing (Regulation of Approved Housing Bodies) Act 2019
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- implementing 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 21 of the Housing (Regulation of Approved Housing Bodies) Act 2019 to audit the financial statements of the Approved Housing Bodies 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 Approved Housing Bodies 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 Approved Housing Bodies 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.

I 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.

#### 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.

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## GOVERNANCE STATEMENT AND REGULATOR'S REPORT

### Governance

The Approved Housing Bodies Regulatory Authority (AHBRA) was established on 1 February 2021. Throughout the financial statements, the organisation's operations will be referred to as AHBRA and the board of AHBRA will be referred to as the Regulator. The Minister for Housing, Local Government and Heritage appointed nine members of the Regulator for the period 11 February 2021 to 10 February 2026. AHBRA is tasked with providing the regulation of Approved Housing Bodies (AHBs) for the purpose of supporting stronger governance and the financial viability of the AHB sector, with a particular focus on safeguarding the significant public investment being made in the delivery of social housing by AHBs. AHBRA aims to provide assurances to investors, tenants, the government and to the AHB sector itself that social housing providers operate in a well-regulated and stable environment. The functions and powers of the Regulator are in accordance with the legal framework set out in the Housing (Regulation of Approved Housing Bodies) Act 2019 (the Act). The powers and functions of the Regulator are being commenced on a phased basis throughout 2021 and 2022. The key functions of the Regulator as set out in the legislation are to:

- establish and maintain a register of AHBs,
- register persons as AHBs,
- prepare draft standards for approval by the Minister under section 37 and publish the approved standards,
- monitor and assess compliance by AHBs with this Act, in particular the approved standards,
- carry out investigations under Part 5,
- under Part 6, protect tenants and AHBs and cancel the registration of AHBs,
- encourage and facilitate the better governance, administration and management, including corporate governance and financial management, of AHBs by the provision of such information and advice, in such form and manner, as the Regulator considers appropriate,
- with a view to promoting awareness and understanding of this Act, make available such information as appears to the Regulator to be expedient to give to the public about the operation of this Act, in such form and manner, as the Regulator considers appropriate,
- collect such information concerning AHBs as the Regulator considers necessary and appropriate for the purposes of the performance of the Regulator's functions, and
- publish such information (including statistical information) concerning AHBs as the Regulator considers appropriate.

The Regulator is accountable to the Minister for Housing, Local Government and Heritage 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 AHBRA is the responsibility of the Chief Executive and the senior management team. The Chief Executive and the senior management team must follow the broad strategic direction set by the Regulator and must ensure that all Regulator members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Chief Executive acts as a direct liaison between the Regulator and management of AHBRA.

### AHBRA's Responsibilities

AHBRA is charged with the regulation of AHBs, for the purposes of protecting housing assets provided or managed by such bodies. On commencement of its key powers and functions, AHBRA will have responsibility for establishing and maintaining a register of AHBs, setting of standards, monitoring and assessing of compliance with the standards, encouragement and facilitation of better governance, administration and management within AHBs, promotion and awareness of the Act, and the collection and publication of certain information on AHBs. AHBRA will also have powers to carry out investigations and cancel the registration of AHBs.

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## GOVERNANCE STATEMENT AND REGULATOR'S REPORT

Section 21 of Housing (Regulation of Approved Housing Bodies) Act 2019 requires the Regulator to keep, in such form as may be approved by the Minister for Housing, Local Government and Heritage with the 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 Regulator 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 Regulator 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 21 of the Act. The maintenance and integrity of the corporate and financial information on AHBRA's website is the responsibility of the Regulator.

The Regulator is responsible for approving the annual plan and budget. An evaluation of the performance of AHBRA by reference to the annual plan and budget was carried out. The Regulator is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Regulator considers that the Financial Statements of AHBRA give a true and fair view of the financial performance and the financial position of AHBRA at 31 December 2021.

AHBRA has adopted a Code of Conduct for dealing with conflicts of interest and promoting public confidence in the integrity of the conduct of its business. The Code of Conduct adopted by AHBRA is available on its [website](#). The provisions of the Code of Conduct also align with the requirements of the Code of Practice for the Governance of State Bodies.

### Regulator Structure

The Regulator consists of the Chairperson and 8 ordinary members, all of whom are appointed by the Minister for Housing, Local Government and Heritage. The members of the Regulator were appointed for a period of five years with an option to extend for one additional term.

Regulator Member	Role	Date Appointed
Eddie Lewis	Chairperson	11/02/2021
Seamus Neely	Regulator Member	11/02/2021
Eileen Gleeson	Regulator Member	11/02/2021
Geraldine Hynes	Regulator Member	11/02/2021
Jillian Mahon	Regulator Member	11/02/2021
John McCarthy	Regulator Member	11/02/2021
Oonagh Breen	Regulator Member	11/02/2021
Michael Cameron (UK)	Regulator Member	11/02/2021
Orla Coyne	Regulator Member	11/02/2021

The Regulator has established an **Audit and Risk Committee (ARC)** in July 2021 which is comprised of three Regulator members. The ARC reports to the Regulator after each meeting, and formally in writing annually. The members of the ARC are: Eileen Gleeson, John McCarthy and Jillian Mahon. The role of the ARC is to support the Regulator in relation to its responsibilities in matters relating to risk, control and associated assurance. The ARC is independent from the day to day financial management of the

**APPROVED HOUSING BODIES REGULATORY AUTHORITY**  
**GOVERNANCE STATEMENT AND REGULATOR'S REPORT**

organisation. There were four meetings of the ARC in the period to December 2021.

The Regulator has established a **Governance Committee (GC)** whose role is to support the Regulator in its responsibilities relating to Governance. The members of this committee are: Orla Coyne, Oonagh Breen and Seamus Neely. There were 4 meetings held of the GC in the period to December 2021.

The Regulator has established an **Operations Committee (OC)** whose role is to support the Regulator in its responsibilities relating to oversight of the operational projects being carried out by AHBRA. The members of this committee are Michael Cameron (UK), Eddie Lewis and Geraldine Hynes. There were 4 meetings held of the OC in the period to December 2021.

**Schedule of Attendance, Fees and Expenses**

A schedule of attendance at the Regulator and Committee meetings for the period to December 2021 is set out below including the fees and expenses earned by each member.

	Regulator	ARC	Governance Committee	Operations Committee	Fees 2021	Expenses 2021
					€	€
	10	4	4	4		
Eddie Lewis	10	-	-	4	8,231	-
Seamus Neely	10	-	4	-	5,486	-
Eileen Gleeson	9	4	-	-	5,486	-
Geraldine Hynes	9	-	-	4	5,486	-
Jillian Mahon	10	4	-	-	5,486	-
John McCarthy	10	4	-	-	5,486	-
Oonagh Breen*	10	-	3	-	-	-
Michael Cameron (UK)*	8	-	-	4	-	-
Orla Coyne	9	-	4	-	5,486	-
					<b>41,147</b>	<b>-</b>

\*There were two members, Oonagh Breen and Michael Cameron (UK), who did not receive Regulator fees under the One Person One Salary (OPOS) principle.

**Key Personnel Changes**

Nine individuals were appointed as members of the Regulator on 11 February 2021. The Chief Executive Designate of the AHBRA was appointed on 1 December 2020. Following its establishment in February 2021, the Chief Executive Designate was formally appointed as Chief Executive Officer. Two senior management team members were appointed on 12 July 2021 and one further member was appointed on the 10 November 2021.



## APPROVED HOUSING BODIES REGULATORY AUTHORITY

### GOVERNANCE STATEMENT AND REGULATOR'S REPORT

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

The Regulator is responsible for ensuring that AHBRA 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

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits		Number of Employees 2021 *
From	To	
€60,000	- €69,999	1
€70,000	- €79,999	-
€80,000	- €89,999	-
€90,000	- €99,999	1

\*For the period from 1 February 2021 to 31 December 2021, the two staff within the salary bands identified above were contracted as AHBRA staff on 1 February 2021. The majority of staff were contracted after 12 July 2021 and did not receive a full year's remuneration.

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.

**APPROVED HOUSING BODIES REGULATORY AUTHORITY**  
**GOVERNANCE STATEMENT AND REGULATOR'S REPORT**

**Consultancy Costs**

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

	<b>11 months 2021</b>
	<b>€</b>
Legal advice	13,937
Public relations/communications	-
HR/Pensions	5,909
Professional fees	1,907
Other	-
Total consultancy costs	<hr/> <b>21,753</b>
Consultancy costs capitalised	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	21,753
Total	<hr/> <b>21,753</b> <hr/>

**Legal Costs and Settlements**

There was no 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 AHBRA which is disclosed in Consultancy costs above.

**Travel and Subsistence Expenditure**

There was no travel and subsistence expenditure in the reporting period either domestically or internationally.

**Hospitality Expenditure**

During 2021, there was no hospitality expense incurred by AHBRA.

## APPROVED HOUSING BODIES REGULATORY AUTHORITY

### GOVERNANCE STATEMENT AND REGULATOR'S REPORT

#### Statement of Compliance

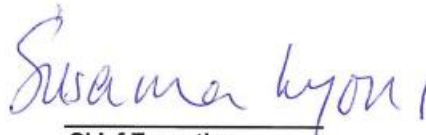
Procedures have been put in place during AHBRA's establishment year to comply with requirements from the Code of Practice for the Governance of State Bodies (revised 2016) published by the Department of Public Expenditure and Reform.

As at 31 December 2021, AHBRA has complied with the Code of Practice for the Governance of State Bodies with the following exceptions:

- **Provision in relation to Internal Audit**  
AHBRA aims to engage an external independent Internal Audit expertise in 2022 which will operate in accordance with an Internal Audit Charter approved by the Audit and Risk Committee and in accordance with Internal Audit provisions set out in the Code.  
A procurement process will commence in 2022.
- **Provision in relation to a Customer Charter and Action Plan**  
AHBRA aims to develop a comprehensive Customer Service Charter and Customer Action Plan in 2022.



Chairperson



Chief Executive

Date:

26/05/2022

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## STATEMENT ON INTERNAL CONTROL

### Scope of Responsibility

The Approved Housing Bodies Regulatory Authority (AHBRA) was established with effect from 1 February 2021 in accordance with the Housing (Regulation of Approved Housing Bodies) Act 2019. I, as Chairperson of the Regulator make this statement in accordance with the requirement set out in the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies (2016) and I acknowledge the Regulator is responsible for the system of Internal Control. The Regulator has delegated responsibility to the Chief Executive to deal with management and operational issues and to report to the Regulator regularly.

### Purpose of the System of Internal Control

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

A system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies (2016) has been established by the Regulator for the period ended 31 December 2021.

### Shared Services

AHBRA created an interim arrangement with the Housing Agency to manage its financial accounting, payroll, Human Resources (HR) management, Information Technology (ICT) and facilities management during its commencement phase in the form of a signed Service Level Agreement (SLA).

#### A. Financial Control Environment

The Housing Agency under the SLA had responsibility for processing all payments, including payroll, general ledger maintenance, production of monthly management accounts and all relevant returns for the period to 31 December 2021, on behalf of AHBRA.

AHBRA was established during the Covid-19 pandemic. AHBRA has built its financial controls, policies and procedures to incorporate a blended working environment.

AHBRA implemented controls and procedures in relation to the approval of all income and expenditure transactions pertaining to AHBRA, which were reviewed and approved by AHBRA's senior management team.

AHBRA intends to build and embed its own finance and accounting functions in 2022. The accounting and payroll shared services with the Housing Agency are expected to unwind in Q1 2022.

#### B. Information and Communication Technologies

AHBRA did not have its own ICT framework and utilised the Housing Agency ICT support services, including security mechanisms for ensuring the adequacy of ICT, information technology solutions and supports to enable AHBRA functions.

Work will commence on the establishment of an independent ICT function to include back up and data security, for AHBRA, in 2022.

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## STATEMENT ON INTERNAL CONTROL

### Administrative Controls and Management Reporting

AHBRA's system of Internal Control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it includes:

- An appropriate budgeting system with an annual budget which is reviewed regularly by the senior management team.
- Regular reviews by senior management of periodic and annual financial reports.
- A risk management system that is fit-for-purpose.
- An appropriate capital investment control and formal project management disciplines.
- Appropriate focus on good practice in procurement and that procedures are in place to ensure compliance with all relevant guidelines.
- An Audit and Risk Committee of the Regulator (ARC) has been established with clear terms of reference. A regular schedule of ARC meetings at which members were provided with regular updated reports of expenditure. Any issues are raised with the Regulator.
- Clearly assigned management responsibilities, with corresponding accountability.
- Service Level Agreements are in place for shared services which are administered on behalf of the AHBRA.

### Capacity to Handle Risk

AHBRA has an Audit and Risk Committee (ARC) comprising three Regulator members. The ARC was established in July 2021. The ARC met four times in the period ended 31 December 2021.

AHBRA does not currently have its own internal audit function. Procurement for this function will begin in 2022 with an external review of the effectiveness of the system of internal controls scheduled to take place in Quarter 4 of 2022.

In the interim, an external review of the adequacy and completeness of policies and procedures pertaining to internal controls, took place in January 2022.

### Risk and Control Framework

AHBRA 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 AHBRA and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on a regular basis. Risks is also a standing agenda item at Regulator meetings. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level. The risk framework continues to evolve as the powers and functions of the Regulator are commenced and AHBRA becomes operational in 2022.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability,

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## STATEMENT ON INTERNAL CONTROL

- 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, and
- there are systems in place to safeguard the assets.

### Ongoing Monitoring and Review

Formal procedures have been established for the monitoring of internal control processes. Control deficiencies, when detected, are communicated to those responsible for taking corrective action and to the Senior Management Team, where relevant, in a timely way.

I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

### Procurement

AHBRA did not have its own procurement framework in 2021 and so availed of the Housing Agency procurement framework and support services.

AHBRA has developed procedures to comply with current procurement rules and guidelines as set out by the Office of Government Procurement and work has commenced to establish a fully independent procurement framework in 2022.

### Internal Control Issues

No weaknesses in internal controls were identified in relation to 2021 that require disclosure in the financial statements.

### Review of Effectiveness

AHBRA has established procedures for risk management and internal controls.

During the period from 1 February 2021 to 31 December 2021, the Regulator's monitoring of the effectiveness of the system of internal control is informed by:-

- a. assurances received from the Housing Agency who provides shared services to AHBRA, on the operation of their systems of internal control;
- b. the work of the external auditors;
- c. the work of the Audit and Risk Committee; and
- d. the senior management team with responsibility for the development and maintenance of the internal control framework.

## APPROVED HOUSING BODIES REGULATORY AUTHORITY

### STATEMENT ON INTERNAL CONTROL

In the year of its establishment the Regulator did not conduct an external review of its internal control systems. Procurement of Internal Audit services will begin in Quarter 2 of 2022 with an external review of the effectiveness of the system of internal controls scheduled to take place in Quarter 4 of 2022. In the interim, an external review of the adequacy and completeness of policies and procedures pertaining to internal controls, took place in January 2022.

  
Chairperson

  
Chief Executive

Date: 26/05/2022

**APPROVED HOUSING BODIES REGULATORY AUTHORITY**


**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021**

	<b>Notes</b>	<b>11 months 2021 €</b>
<b>Income</b>		
Oireachtas Grants	2	1,050,340
Deferred retirement benefit funding	14	102,000
<b>Total Income</b>		<b><u>1,152,340</u></b>
<b>Expenditure</b>		
Salaries and Wages	3	671,708
Shared Services	4	132,162
Governance Costs	5	41,147
Information Technology	6	48,537
Professional Fees	7	51,934
Communications	8	14,331
Office and other costs	9	25,292
Retirement Benefit Costs	14	102,000
<b>Total Expenditure</b>		<b><u>1,087,111</u></b>
<b>Surplus for the period before appropriations</b>		<b>65,229</b>
Transferred (to) Capital Account		(2,162)
<b>Surplus for the period after appropriations</b>		<b><u>63,067</u></b>
<b>Balance brought forward at 31 December</b>		<b><u>63,067</u></b>

All income and expenditure for the period relates to continuing activities at the reporting date. The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the period.

The Statement of Cash Flows and Notes 1 to 19 form part of these Financial Statements.

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Chief Executive

Date: 26/05/2022



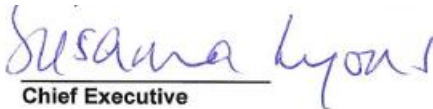
APPROVED HOUSING BODIES REGULATORY AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021

	11 months 2021
	€
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	63,067
Experience (losses)/gains on retirement benefit obligations	-
Changes in assumptions underlying the present value of retirement benefit obligations	-
Total actuarial (losses) in the year	-
Adjustment to deferred retirement benefits funding	-
<b>Total Comprehensive Income for the year</b>	<b>63,067</b>

The Statement of Cash Flows and Notes 1 to 19 form part of these Financial Statements.

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Chief Executive


Date: 26/05/2022


**APPROVED HOUSING BODIES REGULATORY AUTHORITY**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	11 months 2021 €
<b><u>Non-Current Assets</u></b>		
Property, plant and equipment	10	2,162
<b><u>Current Assets</u></b>		
Receivables	11	8,633
Cash and cash equivalents	12	208,193
		<hr/> 216,826
<b><u>Current Liabilities (Amount falling due within one year)</u></b>		
Payables	13	153,759
		<hr/> 63,067
Net Current Assets		63,067
<b>Total Assets less Current Liabilities</b>		<hr/> <b>65,229</b> <hr/>
<b><u>Retirement Benefits</u></b>		
Retirement benefits obligations	14	(102,000)
Deferred retirement benefit funding asset	14	102,000
		<hr/> -
<b>Net Assets</b>		<hr/> <b>65,229</b> <hr/>
<b><u>Representing</u></b>		
Retained Revenue Reserves		63,067
Capital Account	15	2,162
		<hr/> <b>65,229</b> <hr/>

The Statement of Cash Flows and Notes 1 to 19 form part of these Financial Statements.

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Chief Executive

Date: 26/05/2022

**APPROVED HOUSING BODIES REGULATORY AUTHORITY**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021**

	Notes	11 months 2021
		€
<b>Net Cash Flows from Operating Activities</b>		
Surplus for the period		65,229
Depreciation charge	10	46
(Increase) in Receivables	11	(8,633)
Increase in Payables	13	153,759
<b>Net Cash Flows from Operating Activities</b>		<b><u>210,401</u></b>
<b>Cash Flows from Investing Activities</b>		
Transfer to Capital Account		(2,208)
Payments to acquire property, plant and equipment		-
<b>Net Cashflows from Investing Activities</b>		<b><u>208,193</u></b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>208,193</b>
Cash and cash equivalents at the beginning of period		-
Cash and cash equivalents at the end of the period		<b><u>208,193</u></b>

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO 31 DECEMBER 2021

### 1. Accounting policies

The basis of accounting and significant accounting policies adopted by AHBRA are set out below. They have been applied consistently throughout the period.

#### a) General Information

The Approved Housing Bodies Regulatory Authority (AHBRA) was established on 1 February 2021. Its functions include oversight of the effective governance, financial management and performance of all Approved Housing Bodies (AHBs). Its head office is at 52 Mount Street Upper, Dublin 2. AHBRA is a Public Benefit Entity (PBE).

#### b) Statement of Compliance

The Financial Statements of AHBRA for the period ended 31 December 2021 have been prepared in compliance with the applicable legislation, and with FRS 102, the financial reporting standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council (FRC) in the UK

#### c) Basis of Preparation

The Financial Statements are prepared on the going concern basis, under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council, except as indicated in Oireachtas Grants below. The Financial Statements are in the form approved by the Minister for Housing, Local Government and Heritage with the concurrence of the Minister for Public Expenditure and Reform. The Financial Statements are prepared in Euro which is the functional currency of AHBRA. The Financial Statements prepared are for the 11-month period from the date of establishment 1 February to 31 December 2021.

#### d) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

#### Depreciation and Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

#### Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds; and
- (ii) future compensation levels and future labour market condition

#### e) Oireachtas Grants

Income recognised in the Financial Statements under Grants represents funding provided to AHBRA through the Vote of the Department of Housing, Local Government and Heritage.

## APPROVED HOUSING BODIES REGULATORY AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO 31 DECEMBER 2021

#### f) Property, Plant and Equipment

Property, plant and equipment are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Statement of Income and Expenditure and Retained Revenue Reserves on a straight-line basis, at the rates set out below, so as to write off the assets, adjusted for residual value, over their expected useful lives as follows: -

Furniture, Fittings and Equipment	12.5%
IT Equipment	25%

The residual value and useful lives of fixed assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation method and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

#### g) Capital Account

The Capital Account represents the unamortised value of funding applied for the purchase of fixed assets.

#### h) Cash and Cash Equivalents

Cash is represented by a deposit with a financial institution.

#### i) Foreign Currencies

Transactions denominated in foreign currencies are translated into euro and recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the reporting date or at forward purchase contract rates where such contracts exist.

#### j) Employee Benefits

##### Short-term Benefits

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

##### Retirement Benefits

The Approved Housing Bodies Regulatory Authority operates the Single Public Service Pension Scheme (Single Scheme). All staff members are members of the Single Scheme in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The Single Scheme provides for consumer price index-linked defined benefit pensions based on career average pay. AHBRA makes the necessary deductions from salaries for staff who are part of the scheme and employee contributions are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the provisions of the Scheme.

#### k) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period.

## APPROVED HOUSING BODIES REGULATORY AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO 31 DECEMBER 2021

	11 months 2021 €
<b>2. Oireachtas Grants</b>	
Department of Housing, Local Government and Heritage – Vote 34 – Subhead A.26	1,050,340
	<u>1,050,340</u>

The Oireachtas grant figure comprises the amount charged to Subhead A.26 in 2021 since the establishment of AHBRA on 1 February 2021. It excludes transactions incurred in relation to pre-establishment of AHBRA between 1 January 2021 and 31 January 2021 which was funded from the Vote of the Department of Housing, Local Government and Heritage, through subhead A.23. The pre-establishment costs are reflected in the financial statements of Housing Agency as detailed below:

<u>Pre-establishment costs incurred by The Housing Agency 2021</u>	2021 €
Wages and Salaries (including PRSI)	20,364
Design Costs	12,197
<b>Total</b>	<u>32,561</u>

	11 months 2021 €
<b>3. Salaries and Wages</b>	
Wages and Salaries	541,626
Employers PRSI	59,186
Secondments	53,229
Contractors	17,667
<b>Total Salaries and Wages</b>	<u>671,708</u>

Additional Superannuation Contribution (ASC) was deducted in line with statutory requirements. From 12 July, €3,919 of ASC was deducted by AHBRA in 2021 and was retained by the Department of Housing, Local Government and Heritage. Prior to 12 July, ASC deductions were made by The Housing Agency.

#### a) Employee Numbers

The number of staff, including secondments and excluding agency staff, at period end (full time equivalents) was 19.

# APPROVED HOUSING BODIES REGULATORY AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO 31 DECEMBER 2021

### b) Staff Costs and Employee Information

Employee benefits breakdown is disclosed under “Employee Short-Term Benefits” in the Governance Statement and Regulator Members’ Report.

### c) Termination Benefits

No termination benefits were paid during the period.

### d) Remuneration of Chief Executive

The remuneration in 2021 of the Chief Executive, who was appointed on 1 February 2021, is as follows:

	<b>11 months 2021 €</b>
Chief Executive (salary from 1 February 2021 to 31 December 2021)	91,089
	<hr/>
	91,089

The Chief Executive did not receive any performance related payments or any other benefit in kind during the period. The Chief Executives’ pension entitlements do not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme.

	<b>11 months 2021 €</b>
<b>4. Shared Services</b>	
Facilities	31,730
Information Technology including equipment	43,487
Human Resources	27,693
Finance & payroll	24,152
Administration	5,100
<b>Total Shared Services Costs</b>	<hr/> <b>132,162</b> <hr/>

The Housing Agency is currently completing a number of these tasks on behalf of AHBRA, from within its administrative infrastructures. The services provided are outlined in a service level agreement between the two parties which includes: Financial Management, Information Technology, Rent and Facilities, Human Resources and General Administration Support.

	<b>11 months 2021 €</b>
<b>5. Governance Costs</b>	
Regulator Member Fees	41,147
Regulator Member Expenses	-
<b>Total Governance Costs</b>	<hr/> <b>41,147</b> <hr/>

APPROVED HOUSING BODIES REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021

Regulator Costs by Member

11 months  
2021

€

Eddie Lewis	8,231
Seamus Neely	5,486
Eileen Gleeson	5,486
Geraldine Hynes	5,486
Jillian Mahon	5,486
John McCarthy	5,486
Oonagh Breen	-
Michael Cameron (UK)	-
Orla Coyne	5,486
	<u>41,147</u>

11 months  
2021

€

6. Information Technology

Software licences	17,032
Website Development	15,227
Other IT Development	14,314
IT Equipment	1,964
	<u>48,537</u>

11 months  
2021

€

7. Professional Fees

Financial Accounting Services	16,181
Audit	14,000
Legal	13,937
Pension	5,909
Consultant	1,907
	<u>51,934</u>

11 months  
2021

€

8. Communications

Design and print	14,331
	<u>14,331</u>



**APPROVED HOUSING BODIES REGULATORY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021**

	11 months 2021 €
<b>9. Office and Other Costs</b>	
Membership/subscriptions	9,786
Office including postage, stationery and telephone	8,647
Training	5,856
Other including bank interest & fees, translation services	1,003
	<u>25,292</u>

**10. Fixed Assets**

**Property, Plant and Equipment**

	<i>Furniture, Fittings and Equipment</i>	<i>IT Equipment</i>	<i>Total</i>
			€
<b><u>Cost</u></b>			
At 01 February 2021	-	-	-
Additions for the period	2,208	-	2,208
Disposals	-	-	-
At 31 December 2021	<u>2,208</u>		<u>2,208</u>
<b><u>Accumulated Depreciation</u></b>			
At 01 February 2021	-	-	-
Depreciation charge for the period	46	-	46
Disposals	-	-	-
At 31 December 2021	<u>46</u>		<u>46</u>
<b><u>Net Book Value</u></b>			
At 31 December 2021	<u>2,162</u>	-	<u>2,162</u>
At 01 February 2021	<u>-</u>	<u>-</u>	<u>-</u>

**11. Receivables**

	11 months 2021 €
Prepayments	8,633
	<u>8,633</u>

All receivables are due within one year.

**APPROVED HOUSING BODIES REGULATORY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021**

**12. Cash and Cash Equivalent**

	<b>11 months 2021</b>
	€
Demand Deposit Account	208,193
	<u>208,193</u>

**13. Payables**

	<b>11 months 2021</b>
	€
Amounts falling due within one year:	
PAYE/PRSI	39,720
Accruals	98,044
Professional Services Withholding Tax	2,372
Creditors	13,623
	<u>153,759</u>

**14. Retirement Benefit Costs**

**i. AHBRA Staffing**

All staff employed by AHBRA are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Deductions from staff salaries are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the Act.

**ii. Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves**

	<b>11 months</b>
	€
Current service cost	83,000
Interest on retirement benefit scheme liabilities	-
Participants' contributions	19,000
Adjustment to deferred Exchequer funding	-
Total charges to the statement of income and expenditure and retained revenue reserve	<u>102,000</u>

**APPROVED HOUSING BODIES REGULATORY AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021**

**iii. Movement in net retirement benefit obligations during the financial year**

	<b>11 months 2021 €</b>
Net retirement benefit obligation at 1 February	-
Current service costs	83,000
Employee Contributions	19,000
Interest costs	-
Benefits paid in period	-
Past Service (gain) / loss	-
Experience loss / (gain) on liabilities	-
Changes in actuarial assumptions	-
Net retirement benefit obligations at 31 December	<u>102,000</u>

**iv. Deferred funding asset for retirement benefits**

AHBRA recognises amounts owing from the State for the unfunded deferred liability for retirement benefits on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. AHBRA has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves is as follows:

	<b>11 months 2021 €</b>
Funding recoverable in respect of current year retirement benefit costs	102,000
	<u>102,000</u>

The deferred funding liabilities for retirement benefit as at 31 December 2021 amounted to €102,000.

APPROVED HOUSING BODIES REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO  
31 DECEMBER 2021

v. History of defined benefits obligations

	<b>11 months 2021</b>
	<b>€</b>
Defined benefit obligations	102,000
Experience losses/(gains) on defined benefit scheme liabilities	-

vi. Description of scheme

Single Scheme

The Single Scheme is the occupational pension scheme for public servants hired since 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

Valuation

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2021.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 December 2021 were as follows:

	<b>11 months 2021</b>
Discount rate	1.10%
Inflation rate	1.90%
Salary increases	2.90%
Pension increases	1.90%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the Scheme and the number of deaths is too small to analyze and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the pension liabilities are:

	<b>11 months 2021 Years</b>
Male aged 65	21.8
Female aged 65	24.2

## APPROVED HOUSING BODIES REGULATORY AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF ESTABLISHMENT 01 FEBRUARY TO 31 DECEMBER 2021

	11 months 2021 €
<b>15. Capital Account</b>	
At 01 February 2021	-
<u>Transfer from / (to) Statement of Income and Expenditure and Retained Revenue Reserves</u>	-
Funding of Fixed Assets	2,208
Amount released on disposal of fixed assets	-
Amortisation in line with asset depreciation policy	(46)
Balance at 31 December	<u>2,162</u>

#### 16. Lease Commitments

AHBRA has not entered into any lease arrangements. It is currently renting space. 52 Mount Street Upper, Dublin 2, from the housing agency under the SLA.

#### 17. Capital Commitments

There were no capital commitments as at 31 December 2021

#### 18. Related Party Transactions/ Disclosure of Interests

AHBRA complies with the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by the Regulator and members/staff of AHBRA. Formal procedures exist to ensure adherence with the requirements of the Code. There were no related party transactions reported in 2021.

Key Management in AHBRA consist of the Regulator, Chief Executive, Head of Financial Regulation, Governance and Registration, the Head of Performance and Communication and the Head of Finance & Corporate Services. Total Remuneration paid to key management in 2021 was €172,281. Key personnel appointments were staggered in the latter half of 2021.

#### 19. Approval of Financial Statements

The Financial Statements were approved by the Regulator and signed on 26 May 2022 by the Regulator Chairperson and Chief Executive.