



# **Guidance note on Notifiable Events**

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## **Notifiable Events**

In the interests of good governance, AHB Boards should operate in an open and transparent manner, with particular regard to tenants and other key stakeholders. The Regulation Office expects that an AHB will demonstrate a cooperative approach to regulation and to be forthcoming with any information that it regards as important to the management of risks within the organisation.

## **What are Notifiable Events?**

All AHBs (irrespective of their size) must tell us about any material, significant or exceptional issue, event, or change within its organisation, and how it intends to deal with it. Where appropriate, the AHB should provide a reasonably detailed explanation as to why a significant change has occurred.

As a general guideline, notifiable events are serious or significant events that:

- May seriously affect tenant safety or service delivery arrangements
- May significantly threaten the stability, efficient running or viability of the organisation
- Risks the good governance and financial health of the organisation
- Brings the AHB into disrepute, or raises public or stakeholder concern about the AHB or the social housing sector
- Changes the AHB's governance, or any such activity that changes the AHB's risk profile

In considering whether an event is defined as 'serious' or 'significant' an AHB should assess the level of risk or the potential impact of the event on their organisation.

Therefore, what one AHB classes as significant will not be the same as another AHB of a different size or level of complexity. It is advisable where an AHB is unsure whether an event is notifiable or not that they should contact the Regulation Office.

A list of examples of notifiable events is provided in Appendix 1.

## **Who should notify us?**

The Chief Executive or Chair of the AHB should tell us about any notifiable event which relates to performance and service delivery issues, or financial and funding issues.

The Chair of the Board should tell us where the notifiable event relates to a governance or organisational issue, for example where the Chief Executive has left, or if there are any issues relating to the Board.

The Board should be fully aware of all notifiable events and how the AHB intends to deal with them. AHBs should ensure that all relevant parties have been informed where appropriate, for example, if it is a financial issue.

## **When to notify us?**

An AHB should inform the Regulation Office as soon as possible once they become aware of the issue. Notification should not be delayed until after all related action has been concluded. It is imperative that the Regulation Office is kept fully informed during any significant event.

It may be necessary to notify us before an event has occurred where you have early warning rather than waiting until after that event has occurred.

It should be noted that where an AHB has failed to notify the Regulation Office of a notifiable event, this may impact on their assessment outcome depending on the seriousness and nature of the event.

The Regulation Office expects AHBs to have developed an appropriate procedure for notifying such events.

## **What do you need to provide?**

Where an AHB needs to inform the Regulation Office of a notifiable event they should do so in writing through our email address [regulation@housingagency.ie](mailto:regulation@housingagency.ie).

The notification should document the specific details including:

- What has or is likely to happen?
- How does it affect the AHB or its staff or tenants?
- Has the Board been informed?
- How is the AHB planning to deal with the issue or what action has already been taken?
- What is the expected timeline to resolve any outstanding issues?
- What other parties have been notified?

## **What action will we take?**

It should be noted that the AHB's Board is responsible for directing the organisation's affairs and are expected to deal with any events that occur. We expect the AHB to ensure they have a strategy in place for addressing the issue in the notification.

We will seek assurance that the AHB is taking appropriate action to safeguard public assets and to protect tenants and service users. Where we are concerned that the AHB does not have an appropriate strategy in place to manage these concerns we will advise the AHB accordingly. Failure to adequately address those concerns could impact on an AHB's assessment outcome.

Depending on the significance of the event we may ask the AHB to advise another regulator or key stakeholder where this is considered appropriate. We may also recommend that the AHB seek professional advice should this be considered necessary.

## **Appendix 1 – Examples of Notifiable Events**

Examples of events where the AHB would be expected to contact the Regulation Office include, but are not limited to:

### **Financial:**

- Significant Liquidity issues
- Fraud or the investigation of fraud within the AHB or a subsidiary
- The AHB changes its auditors
- Significant change to an AHB's debt profile e.g. before entering into loan finance for development purposes (where the source of loan finance has not previously been used by the AHB)
- Material reduction in stock or asset values
- Potential litigation/material third party claim which would have a significant impact on business
- Serious and/or immediate potential cash flow issue
- Material fall in income which may affect liquidity
- Guarantees given by group companies which could significantly impact AHB
- Financial difficulties of Service Providers
- Serious or material reduction in the funding for care and support services, for example, AHBs with significant care elements in their business, where HSE withdraws funding
- Serious concern raised by auditors or lenders

### **Governance:**

- Resignation of a Chair, CEO or Finance Director
- Serious issue regarding a parent, subsidiary or connected organisation
- Proposed mergers or acquisitions with other AHBs
- Number of directors falls (or is going to fall) below the minimum requirement of five
- Serious complaint, allegation or disciplinary investigation involving a director or senior executive

- Senior executive is absent for a prolonged period of time
- Breach of code of conduct by director(s)
- Plans to set up a non-subsiary or re-structure within with the current group structure
- Breach of Charitable obligations
- Whistleblowing allegations
- The calling of an extraordinary general meeting
- Changes to the AHB's constitution or article of association
- Disputes involving another AHB
- Litigation action where there is a risk of material costs or reputational damage to the AHB

### **Performance:**

- Material breaches of health and safety which present significant risk to life or serious threat to tenant safety
- Serious accident causing injury or death to a tenant in their home
- Major service delivery failure e.g. contractor goes into liquidation
- Adverse reports by a regulator or state agency relating to key services provided to tenants
- Any significant natural disaster that impacts on the AHB's business e.g. fire, flood, building collapse
- Unfavourable determination in a case with the RTB
- Any other events which could give serious cause for concern

Any of the above information should prompt a dialogue between the Regulation Office and the AHB. Assurances can be sought/obtained by the Regulator regarding the impact of the event, where required.