

Regulation Committee Meeting 18

Minutes

Apr 27th, 2017.



Date	27 th April, 2017
Venue	Housing Agency, Mount Street Upper
Time	11.00am
Chaired by	Jennie Donald (J.D.)
Committee Members Present	Donal McManus (D.M.C), Margaret Geraghty (M.G.), Michael Cameron (M.C.), Earnán O'Cléirigh (E.O'C.), Ronan Heavy (R.H.), Mary Lee Rhodes (M.L.R.)
In attendance	Pat Fitzpatrick (P.F.) (Head of Regulation, Regulation Office, Housing Agency) Jenny Murphy (J.M) (Secretary to the Committee, Regulation Office, Housing Agency) Susanna Lyons (S.L.) (Regulation Office, Housing Agency) Sheila Power (S.P.) (Department of Housing, Planning, Community and Local Government)

Agenda Items

1. Apologies

- Gerry Hunt, Oonagh Breen and Eddie Lewis sent apologies.

2. Declaration of Interest

- J.D. has resigned from the Board of DePaul Ireland.

3. Matters Arising

- There are some personnel changes arising in the Regulation Office. Pat Fitzpatrick will leave his role as Head of Regulation, moving to a new role within the Housing Agency. J.D. expressed thanks to P.F for his work over the past year. Susanna Lyons will be taking over the role of Head of Regulation and J.D. welcomed her to her new role.
- J.D. announced her intention to step down as Chairperson, and as a member of the iRC, following much consideration and deliberation. The Department has been informed and the Minister will be informed. E.O'C. led the Committee in thanking J.D. for her commitment and dedication to the role and the excellent job completed to date.
- An anonymised version of the Financial Assessment Reports, issued to Tier 3 organisations, has been shared with the Committee and will be discussed at a later Agenda item.

Part 1 – Consent Agenda Items

4. a. Minutes

- b. Report on Sign Ups to the Code
- c. Assessment Programme Update

Consent Agenda items agreed by Committee.

Part 2 – Items for Discussion

Performance and Operations

5. Report from Head of Regulation

P.F. gave an overview of the Head of Regulation report to the Committee. The following points were discussed:

- **Assessment Programme 2016** – 151 Regulatory Assessment Reports have been issued to date, including all Tier 2 and all Tier 3 organisations. The remaining Tier 1 reports will be the focus for the next six weeks.
- **Engagement Programme and Annual Review Meetings** – Annual Review Meetings have commenced with Tier 3 organisations. This is the first year that the Regulatory Assessment Report and Financial Assessment Report will be available for Annual Review Meetings. Initial Engagement meetings have been held with six Tier 2 AHBs to date. A paper regarding '*AHBs in Engagement and Risk Programme Detail*' has been prepared for a later Agenda item and will then be discussed in greater detail.
- **Statistical Review of the Classification of AHBs** – The CSO has requested information for four Tier 3 organisations as part of the classification review. CEOs of each of these organisations were contacted prior to this information being provided. Information has now been requested for the remaining Tier 3 AHBs. Current indications are that the report will be submitted to Eurostat in September.
- **Resources** – The post of Governance and Assessment Manager has been advertised to replace Susanna Lyons who will take up her new position as Head of Regulation in June.
- **Governance Standard** – Following the initial consultation on the Governance Standard, a Working Group has been formed to participate in the development of the Standard. Further information regarding the Governance Standard is set out in a separate paper at a later Agenda item for discussion.
- **Legislation** – The Regulation Office is liaising with the Department and the Parliamentary Council to discuss various details of the Bill. A paper has been prepared summarising the progress to date and will be discussed at a later Agenda item.

6. Tier 2 Financial Pilot – Readiness Evaluation

An anonymised version of the Financial Assessment Report that was issued to Tier 3 organisations has been shared with the Committee. P.F. explained that it is based on all information received from AHBs, and it includes a list of the documentation reviewed. Instead of using benchmarking, the Regulation Office review threshold has been applied.

P.F. presented B.N.'s paper to the Committee. B.N. met with ten Tier 2 organisations with a view to establishing the readiness of this sample to participate in the Financial Pilot. B.N. is proposing to review the Annual Financial Return and evaluate if the debt threshold of 1.5M is appropriate, and suggests that through the Financial Pilot, the Regulation Office could review what is required of organisations.

- The Committee discussed B.N.'s proposal, taking cognisance of the fact that the Regulation Office requires all organisations to demonstrate financial viability. Various elements such as sinking fund requirements, asset management and stock condition surveys were discussed further and it was agreed that proportionality is key.
- The Committee agreed the proposed approach to the Tier 2 Financial Pilot. The iRC will support B.N. to develop an appropriate, risk based model for Tier 2 organisations, which will allow a regulatory assessment on financial viability to be made.

Action

1. B.N. to develop appropriate, risk based model for Tier 2 organisations.

7. Governance Standard and Approach for Assessment

S.L. presented the iRC with a paper regarding the Governance Standard and the Approach for Assessment. The paper recommends three Pillars - Building on the Existing Framework; Expand Key Principles and 'Codify' Governance Standards; and Provide a Framework for Assessment. It proposed on-site thematic reviews with a selected sub-set of organisations, with a review of a Tier 3 organisation being substantially different to Tier 1 organisations.

- The Committee was happy with the approach to the Governance Standard and Assessment Framework as outlined by S.L.
- It was agreed that good governance is essential to organisations and that a desktop review allows a limited assessment to be made. It is important to meet organisations to understand the culture and ethos.
- The Committee also discussed the issue of duplication of information where several regulators are asking organisations to provide the same or similar information, noting that non-duplication of information is key.
- As the resources of the Regulation Office are an ongoing issue, it was agreed that taking an approach of thematic reviews could be appropriate.
- Further work needs to be completed regarding reporting requirements and the details of thematic reviews.

Action

2. Additional work to be completed on reporting requirement for organisations under the Governance Standard and the review process.

8. Engagement and Risk Programme Detail

S.L. presented the iRC with a paper detailing the current Engagement Programme and the risk detail associated with the current programme. The Committee were asked to consider approving on-site review of an organisation is conducted. In addition, the Committee were asked to consider approval to bring high risk organisations to the attention of the Department and Local Authorities.

- It was agreed that the Regulation Office could ask an organisation to participate in an on-site review, although under the Voluntary Regulation Code the organisation would

not have to facilitate it. It was agreed that there was merit in asking and that all engagement thus far has been on a voluntary basis.

- The Committee discussed de-listing organisations as appropriate solution in the context of circular 15/2016 and the implications for funding outlined within it.
- The Committee agreed that the Regulation Office can inform the Department of the Assessment Outcomes and that the IRC could also write to the Department regarding Local Authorities needing to be advised regarding same.

Action

3. The Regulation Office can inform Department of Assessment Outcomes and could also inform the Department to advise Local Authorities regarding same.

Strategic Development

9. Legislation Update

P.F. provided the Committee with a paper on the Regulation Office' liaison with the Parliamentary Council (PC) regarding legislation. The PC is preparing a comprehensive draft of the Bill following the inputs and clarifications provided by the Regulation Office.

- The Committee discussed the key areas highlighted, such as the definition of a regulated organisation, the registration of organisations and the Consent to Disposal of Assets.
- The threshold for consent to disposal of assets was also discussed. The Consent to Disposal of Assets was previously highlighted by the iRC as an integral part of the Regulator's role.
- It was proposed that J.M would check member's availability for an additional meeting regarding legislation.

Action

4. J.M. to check committee member's availability for the end of May/ start of June in order to have an additional Committee meeting, specifically to discuss legislation.

11. AOB

- The Committee asked for an updated stock figure to be included in the '*Report on Sign Ups to the Code*'. J.M. explained that as soon as the current data set is available, the 2015 information will be included in the report.

Action

5. J.M. to include updated stock figure in Report on Sign Ups to the Code when 2015 data set is available.

The next meeting is scheduled for the 29th of June.