

# Regulation Committee Meeting 19

## Minutes

### June 29<sup>th</sup>, 2017.



<b>Date</b>	29 <sup>th</sup> June, 2017
<b>Venue</b>	Housing Agency, Mount Street Upper
<b>Time</b>	11.00am
<b>Chaired by</b>	Jennie Donald (J.D.)
<b>Committee Members Present</b>	Mary Lee Rhodes (M.L.R.), Margaret Geraghty (M.G.), Earnán O'Cléirigh (E. O'C.), Ronan Heavey (R.H.), Oonagh Breen (O.B.), Eddie Lewis (E.L.)
<b>In attendance</b>	Susanna Lyons (S.L.) (Head of Regulation, Regulation Office, Housing Agency), Ken Jackson (K.J.) (Acting Secretary to the Committee, Regulation Office, Housing Agency), Sheila Power (S.P.) (Department of Housing, Planning, Community and Local Government), Brian Nevin (B.N.) (Financial Regulation Manager), Grainne Johnston (G.J.) (Service Performance Manager), Pat Fitzpatrick (P.F) (Head of AHB One Stop Shop) (From 12.10pm to 12.45pm)

### Agenda Items

#### 1. Apologies

- Michael Cameron, Gerry Hunt and Donal McManus sent apologies.

#### 2. Declaration of Interest

- There were no declarations of interest.

#### 3. Matters Arising

- There were no matters arising.

### 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

#### 5. Appointment of New Chair

- JD welcomed the appointment of MLR as the new chair of the iRC and wished her well in her new role.
  - a. iRC Terms of Reference
    - The Minister has sent a letter to all members of the iRC thanking members for their contribution and inviting them to continue in their role. As not all iRC members were present, it was felt that they should be afforded an opportunity to comment. There were no other comments at this stage.

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- The Committee discussed options regarding the establishment of a statutory board, including establishing the board in advance of the statute being enacted and the potential to invite existing members of the iRC onto the statutory board.
- JD indicated that the Department had provided information regarding the transition process and asked that this be distributed to committee members for discussion over the summer.

### Action

1. Regulation Office to distribute Department's information on the transition process once finalised.

### *Performance and Operations*

#### 6. Report from Head of Regulation

The Committee was updated as follows:

- **Assessment Programme 2016** – All 232 Assessment Reports have now been completed and issued. 77% of assessed organisations were provided with a Satisfactory with Recommendations rating. The Committee congratulated the Regulation Team on the completion of the assessment process.
- **Engagement Programme and Annual Review Meetings** – 24 meetings have taken place, including 16 Engagement meetings and 8 Annual Review meetings. All remaining meetings have been scheduled to be completed by mid-August.
- **Statistical Review of the Classification of AHBs** – A copy of the Annual Regulatory Return and Annual Financial Return for 14 Tier 3 organisations have been provided to the CSO as part of the classification review. The CEOs of each of these organisations were contacted prior to the information being provided. A response is awaited from the final two organisations before their Annual Regulatory Return is forwarded to the CSO. SL informed the Committee that it would probably be September before the CSO decision is known.
- **Resources** – SL has now taken up her new role as Head of Regulation, replacing Pat Fitzpatrick with effect from Monday 19<sup>th</sup> June. The post of Project Manager has been submitted to the Department for approval. The Governance and Assessment Manager position has been filled with the successful candidate starting in September 2017.
- **Financial Standard Tier 2** - The Financial Standard roll-out for Tier 2 organisations has commenced. A review of the classification and requirements for entities has been completed, requiring iRC approval. This is discussed further at another Agenda item below.
- **Governance Standard** – Tier 3 Governance Standard Working Group is in place and met in both May & June 2017. A draft Governance Standard working document has been circulated to the Working Group and iRC for feedback. Tender Documents seeking an external consultancy to complete the Standard, Assessment &

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Presentations has been issued. This is discussed further at another Agenda item below.

- **Legislation** – Department & iRC legislation meeting was held on 7th June. A summary of that meeting is set out in a separate paper. PF has continued to participate in meetings with the Department and the Parliamentary Council to discuss the details of various aspects of the Bill.
- **Communications and Meetings** – The Regulation Office met with HIQA in June and discussed the upcoming legislation and proposal for establishing a memorandum of understanding. The Office has also met with the ICSH as part of our regular interaction. Staff also attended the Housing Practitioners' conference where representatives of many AHBs/local authorities were present. An article on the Regulation Office is to be published in Eolas magazine which is distributed across the public and voluntary sectors in Ireland.
- **Annual Report** - Work is underway on the Annual Report with the data analysis and validation in progress. As well as providing a comparison against the 2014 report on the statistics for the sector, it is intended to expand the information relating to Governance, related parties, financial management and risk based on the 2015 assessments. The proposed launch date for the Annual Report is August 2017.
- **Liaison with the Department on the list of Registered AHBs** - The Regulation Office provided information to the Department to assist with removing non-active AHBs from the register.
- **Changes to Assessment for Tier 1 organisations** – It was originally proposed to bring the recommended changes to the assessment of Tier 1 organisations to the iRC at the June meeting. This work has been reprioritised and the Regulation Office will now reschedule this to August 2017.

#### 7. On-site Thematic Review Findings

The Committee was advised that, in line with the approval given at the April meeting of the iRC, the Regulation Office contacted the organisation concerned and it was agreed that an On-Site Thematic Review would be facilitated. A copy of the detailed findings of the Review was provided to the Committee. The Committee discussed those findings and agreed the next steps to be taken by the Regulation Office. Those steps are:

- the Regulation Office should write to organisation providing a copy of the Review findings;
- the Regulation Office should arrange a meeting with the Board to ensure they are aware of the findings and the Board's responsibilities;
- formally notify the Department, and; raise a concern with the Charities Regulatory Authority.

#### Action

2. Regulation Office to action next steps as detailed above.

## **8. Tier 2 Financial Standard Roll-out**

B.N. provided the Committee with an update on the Tier 2 Financial Standard Roll-out. Further analysis of the Tier 2 organisations has been undertaken since the April meeting, utilising information drawn from the 2015 Annual Regulatory Return. This analysis shows that a relatively small number of Tier 2 AHBs plan to develop units with the support of new debt. It is against this background that the Regulation Office needs to be mindful of the regulatory demands placed on this group.

A total of 15 Tier 2 AHBs have been invited to a roll-out workshop on Monday 3 July, led by the Regulation Office and supported by Altair. Invitations have been focused on those that have plans to grow and where the information demands will be greatest.

The Committee was advised of the proposed approach to financial assessment of Tier 2s in the light of the above analysis. This approach is deemed proportionate, reasonable and recognises, nature, profile and risk of this cohort within the Tier 2 group. The planned workshop will provide an opportunity to test this approach.

The Committee agreed that the pilot should proceed on the above basis.

## **9. Governance Standard & Assessment – Update**

S.L. provided the Committee with an update on the Governance Standard and Assessment Framework. The Working Group has met twice since it was formed in March and terms of reference have been established. A first draft of the Governance Standard was issued to the Working Group and the iRC in April/May 2017 and comprehensive feedback was provided on both the proposed framework and on the draft standard.

A second draft of the standard was issued to the working group and the iRC in June 2017 alongside key Governance standards from the state, housing federation, charities sector and the financial reporting council. The Working Group agreed that a High-Level Governance Standard with key governance principles was the most effective approach, with comprehensive guidance documentation accompanying the Standard. The current draft of the Governance Standard is to be split into high level principles of governance and key requirements, alongside a best practice/guidance document.

- The Committee welcomed the proposed principles approach.
- The Committee discussed the relationship between the Governance Standard and the Financial Standard and the interaction between both documents.
- The Committee once again stressed the need to avoid duplication of information where several regulators are asking organisations to provide the same or similar information.
- It was suggested that “common requirements” between regulators should be identified to reduce the regulatory burden.
- The Committee was informed that the tender for the completion of the Standard has been advertised with a closing date of 4<sup>th</sup> July 2017.

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#### ***Strategic Development***

#### **10. Legislation Update**

PF provided an update on the current position with the draft legislation. The Committee was advised that the Bill would most likely be delayed with publication not occurring until after the summer recess.

- The Committee was informed that the Department and Parliamentary Counsel continued to review and discuss key matters such as definitions and consent to dispose.
- The Committee discussed those key areas and how such issues had been handled in other jurisdictions.

#### **11. Legislation - Communications Discussion**

The Committee discussed options regarding a legislation communications strategy and stressed the importance of effective communication with all stakeholders.

The Committee also discussed the role of the Regulation Office in the communications strategy. JD indicated that the Office's role should simply be providing factual information in relation to the legislation.

In terms of future actions regarding the legislation, the Committee anticipated that:

- The Department would prepare an explanatory briefing like those prepared by the CRA and CRO for the Charities Act and Companies Act respectively.
- The Committee should also issue a statement when the Bill reaches publication stage.
- An explanatory note on the legislation should also be included at the proposed roadshows held by the Regulation Office in the fourth quarter of 2017.

#### **12. AOB**

- EOC advised the Committee that the Department has been restructured. The three former Housing Divisions have been consolidated into two with David Walsh taking over as Assistant Secretary.
- MLR, on behalf of the Committee, thanked JD for her stand-out contribution as Chair of the iRC and wished her well for the future. JD thanked all past and present members of the iRC, the staff in the Regulation Office and colleagues in the Department.

**The next meeting is scheduled for 21<sup>st</sup> September 2017.**