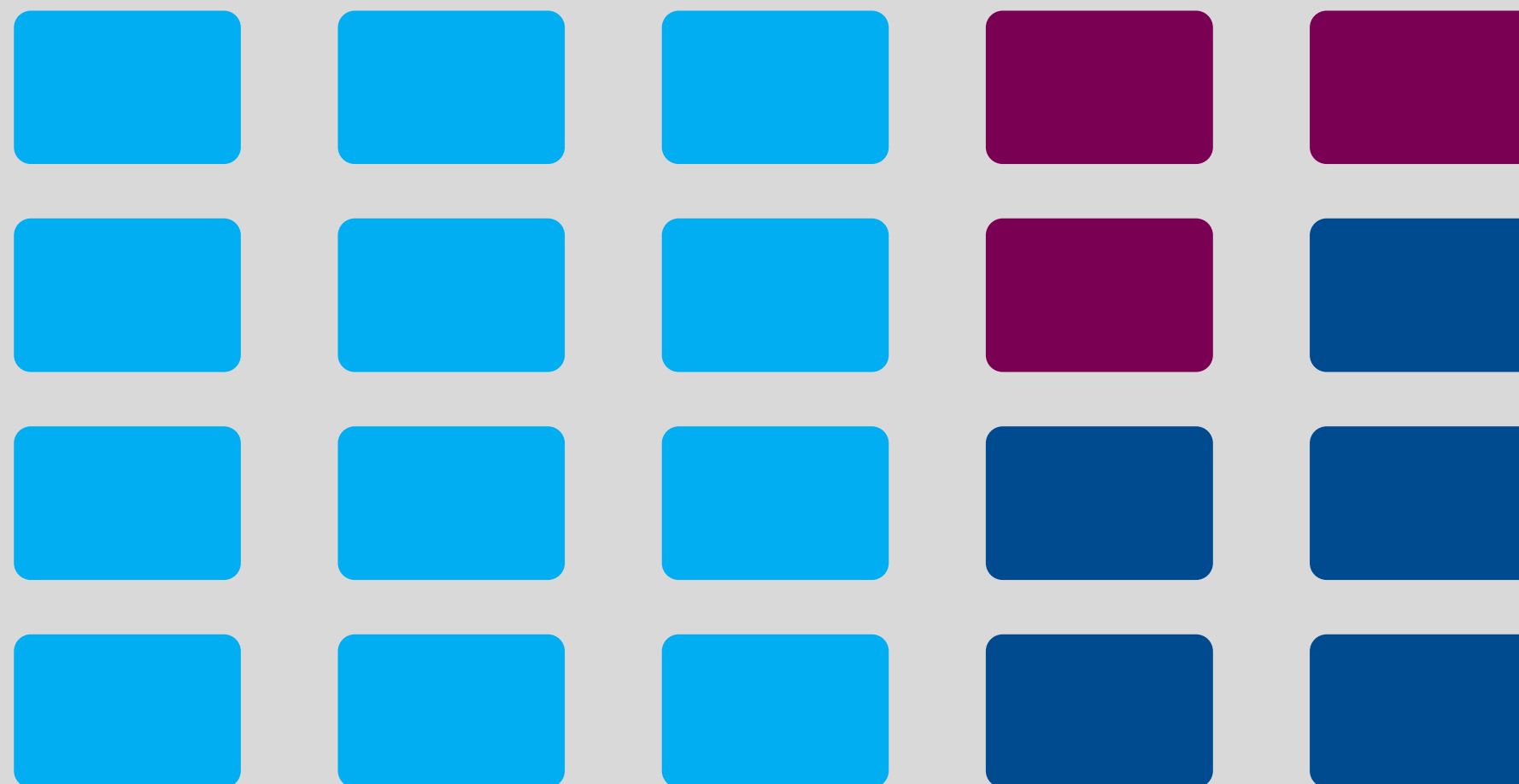


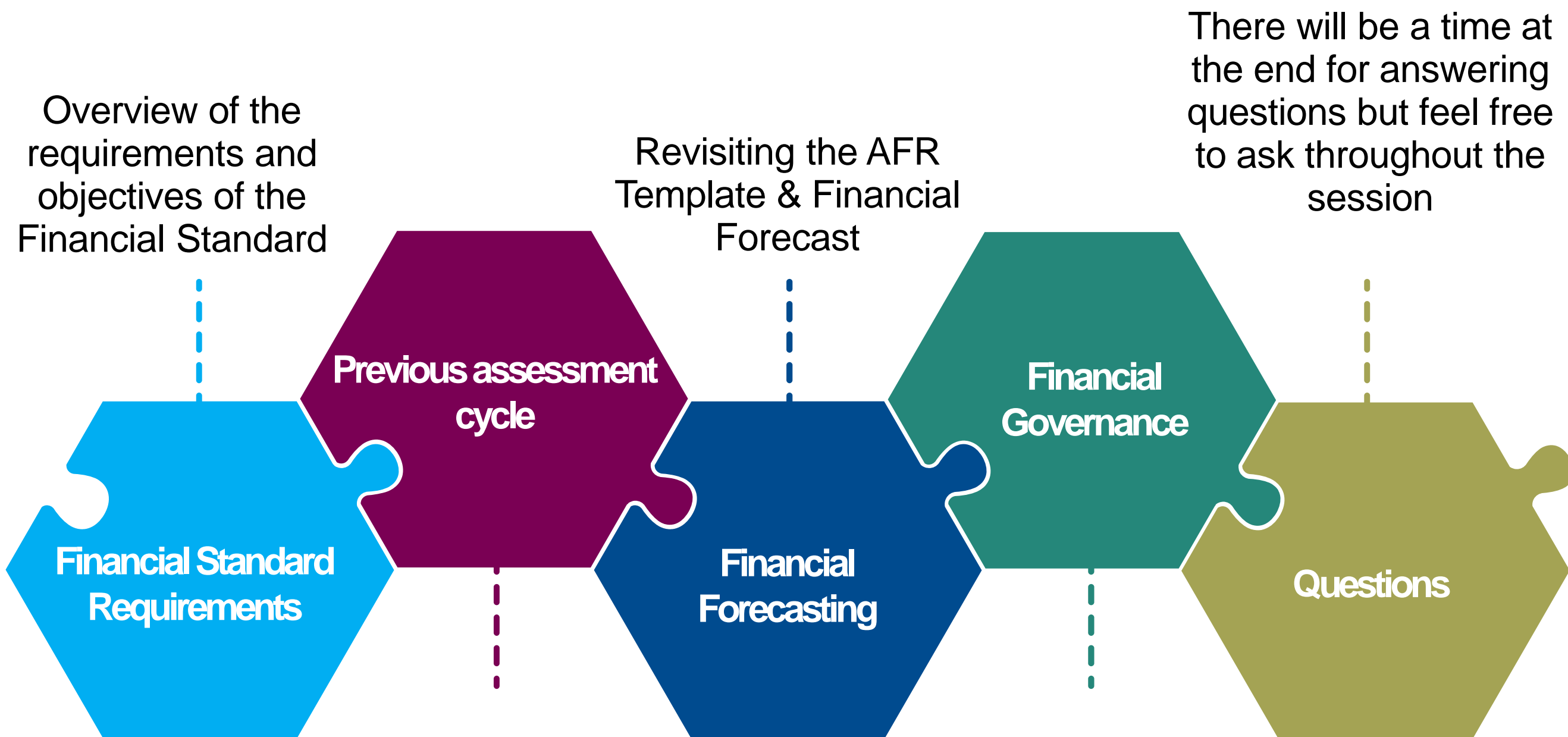
AFR Training Webinar 30th Sept 11am



Miriam Kavanagh

Head of Financial Regulation, Governance & Registration

Objectives of Webinar



Learnings and areas for improvement in the sector based on last year's submission and assessments

Additional Tab was added to allow AHBs to provide assurances and demonstrate how they are meeting the requirements





POLL

Financial Standard Requirements

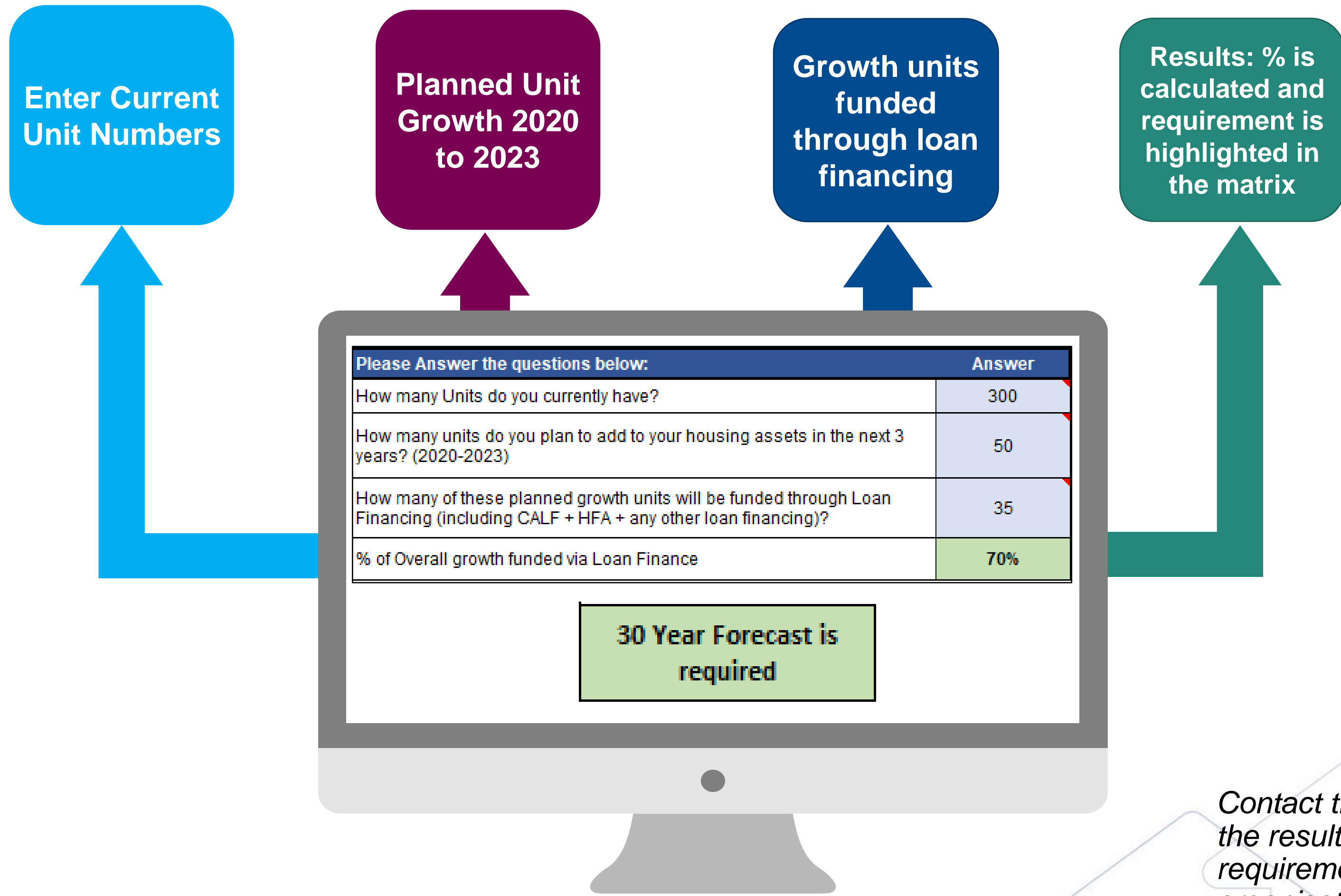


The overall aim of the Financial Standard is to define and set a standard for financial management, oversight and viability for the sector.

The Financial Standard requires that AHBs manage their resources and risks effectively, to ensure their viability is maintained. With requirements covering financial management, controls, governance and oversight the Standard seeks to protect existing social housing assets and tenants and make sure these are not put at undue risk.



Requirements Check



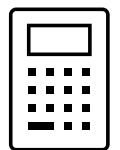
Contact the Regulation Office if the result is different to the requirements sent to the organisation.

Regulatory Assessments

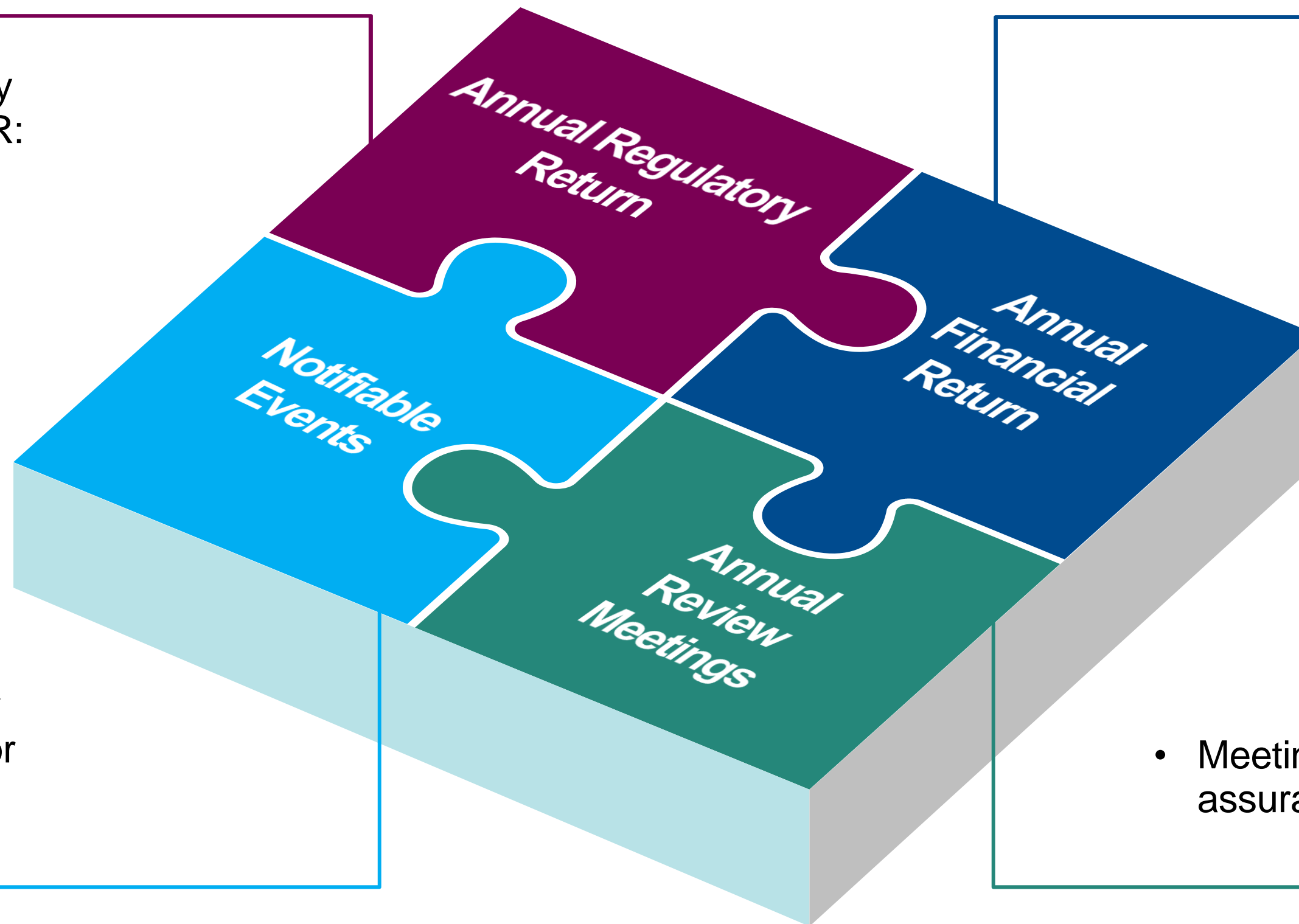


There must be consistency between the ARR and AFR:

- Growth Plans
- Units Numbers
- Performance related data



- Financial forecast only one element of AFR
- Year on year consistency
- Greater focus on governance and assurance



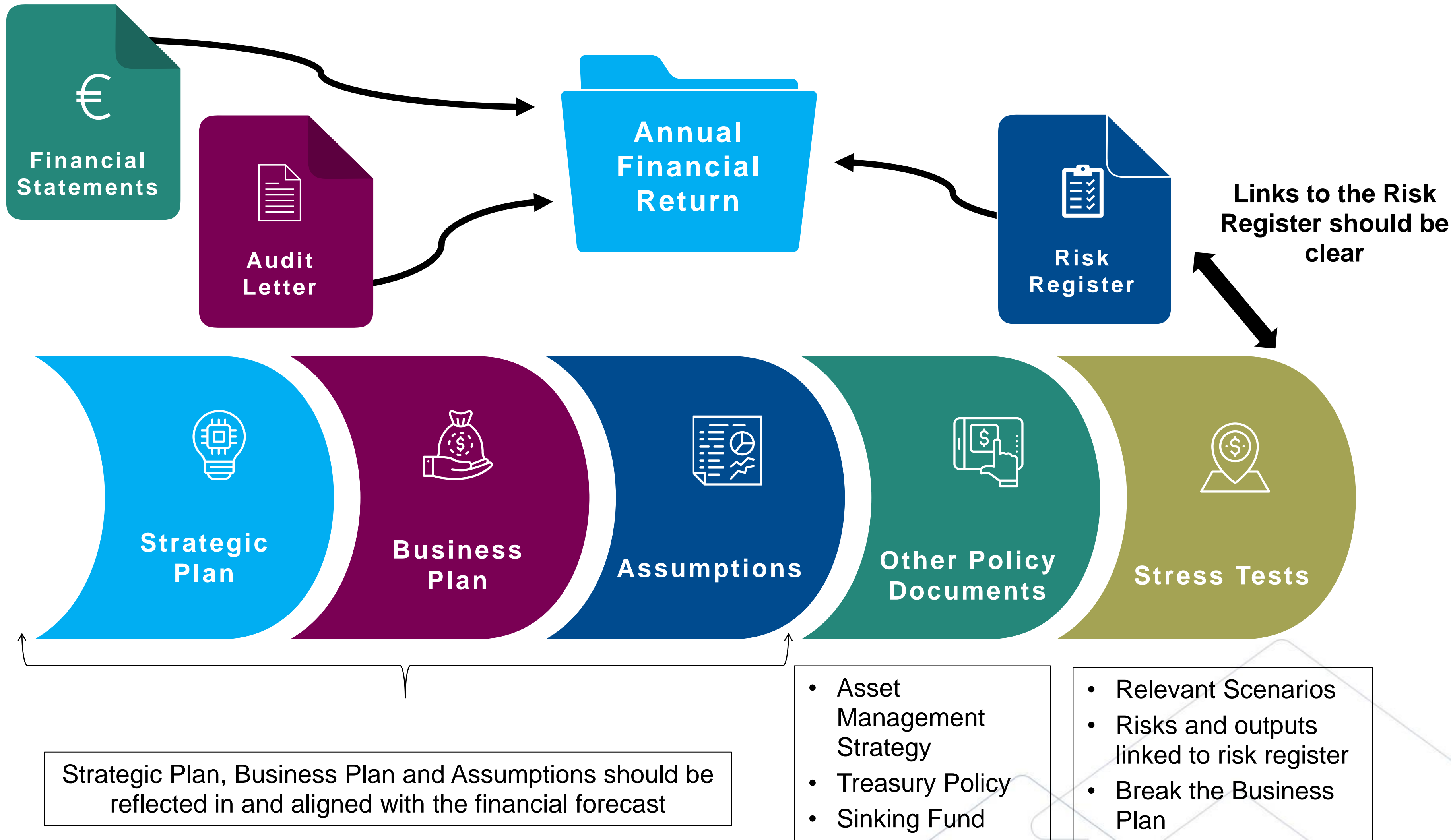
Any material, significant or exceptional issue, event, or change within the AHB



- Meetings provided additional assurance.



Annual Financial Return



STRESS TESTING

- Part of overall risk framework
- Scenario selection should be linked to risk identification
- Scenarios should not be too conservative, try to break the business plan
- Vulnerabilities of the Business Plan
- Clearly linked to the risk register and mitigating actions

KEY RATIOS

- Gearing & Liquidity
- Clearly defined risk appetite around KPIs

ASSUMPTIONS

- All key underlying assumptions should be clearly identified
- Delivery, pipelines, reflecting previous performance
- Any changes from the previous year highlighted and explanation provided
- Business Plan and Financial Forecast linked

TREASURY

- Cash management
- Visibility of cash balances in Financial Statements
- Cash min/max balance

Financial Forecast – Tab 1

Tab 1 - Actuals & 30 Year Forecast						
<i>Note: Please enter all euro figures in €000's.</i>						
Approved Housing Body Name: 2019 Financial Year & Forecast		RO AHB 31.12.19				
30 year Financial Plan	PY 2019	2020	2021	2022	2023	2024
<i>Forecast year</i>	<i>Actual</i>	1	2	3	4	5
Properties	PY 2019	2020	2021	2022	2023	2024
Opening Units						
-Owned Units			0	0	0	0
-Leased Units			0	0	0	0
-Managed Units			0	0	0	0
Total Opening Units	0		0	0	0	0
New Units						
-Owned Units	<i>Insert any reduction in units as negative</i>					
-Leased Units						
-Managed Units						
Total New Units	0	0	0	0	0	0
Closing Units	0	0	0	0	0	0
Average Units	0	0	0	0	0	0
INCOME & EXPENDITURE	PY 2019	2020	2021	2022	2023	2024
	€ (000')	€ (000')	€ (000')	€ (000')	€ (000')	€ (000')
INCOME						
Rental Income - Social Housing						
Rental Income - Non Social Housing						
Gross Rent Receivable	€0	€0	€0	€0	€0	€0

Euro figures in €000s

Enter data in pale blue cells

Begin with opening
2019/closing 2018 units

Green cells are calculations

Financial Forecast – Tab 1

INCOME							
Rental Income - Social Housing							
Rental Income - Non Social Housing							
Gross Rent Receivable	10	10	10	10	10	10	10
Service Charges Income - Social Housing							
Service Charges Income - Non Social Housing							
Gross Service Charges Income	10	10	10	10	10	10	10
Less: Voids	<i>Insert as negative</i>						
Total Voids	10	10	10	10	10	10	10
Net Rental Income	10	10	10	10	10	10	10
Management and Maintenance Allowance							
Payment and Availability Income							
Leasing Income							
Management Income							
Major Repairs Grants							
Other Income from Social Housing Activities							
Total Housing Related Income	10	10	10	10	10	10	10
Non Housing current funding:(Health, Care, Supports, Services)							
- HSE							
- TUSLA							
- DRHE							
- Other							
Non Housing Funding Income	10	10	10	10	10	10	10
Fundraising / Donations							
Total Fundraising	10	10	10	10	10	10	10
Estate Management Income							
Other Income Non Social Housing Lettings							
Other Income Non Social Housing Other							
Total Other Income	10	10	10	10	10	10	10
Amortisation of capital grants							
Amortisation	10	10	10	10	10	10	10
Any other Income							
Total Income	10	10	10	10	10	10	10

Income

Expenditure

Balance Sheet

Cashflow

Financial Forecast – Tab 1

EXPENDITURE							
Staff Costs - Housing							
Staff Costs - Non Housing							
Management Costs							
Total Staffing Costs		10	10	10	10	10	10
NARPS & other housing lease payments							
Impairment							
Service Costs							
Bad Debts/Write Offs							
Scheme related costs							
Operating lease							
Other operating expenses							
Total Operating Expenses		10	10	10	10	10	10
Reactive/Routine Maintenance							
Planned Maintenance							
Cyclical Maintenance							
Void Maintenance							
Major Repairs (not Capitalised)							
Total Maintenance		10	10	10	10	10	10
Fundraising / Donations Costs							
Total Fundraising/Donations Costs		10	10	10	10	10	10
Care and Support Costs							
Other Social Housing Costs - Non Lettings							
Operating care & support costs							
Total Care & Support Costs		10	10	10	10	10	10
Other Non Social Housing Costs							
Total Non Social Housing Costs		10	10	10	10	10	10
Depreciation - housing							
Depreciation - other fixed assets							
Total Depreciation		10	10	10	10	10	10
Other Costs							
Total Expenditure		10	10	10	10	10	10
Operating Surplus/(deficit)		10	10	10	10	10	10

Income

Expenditure

Balance Sheet

Cashflow

Financial Forecast – Tab 1

Balance Sheet		PY 2019	2020	2021	2022	2023	2024
		1000's	1000's	1000's	1000's	1000's	1000's
Fixed Assets							
Intangible assets and goodwill							
Housing Assets - cost							
Accumulated Depreciation	<i>Insert as negative</i>						
Capitalised major repairs							
Housing asset impairment	<i>Insert as negative</i>						
Housing Assets NBV		10	10	10	10	10	10
Other Fixed Assets - Cost							
Accumulated Depreciation	<i>Insert as negative</i>						
Other fixed asset impairment	<i>Insert as negative</i>						
Other Fixed Assets NBV		10	10	10	10	10	10
Investments Fixed Assets							
Total Financial Investments		10	10	10	10	10	10
Total Fixed Assets		10	10	10	10	10	10
Current Assets							
Stock							
Debtors							
Arrears: Rent & Service Charges							
Investments							
Cash and cash equivalents							
Accrued Income							
Deposits on housing units							
Prepayments							
Other							
Current Assets		10	10	10	10	10	10
Current Liabilities	<i>Insert as negatives</i>						

Income

Expenditure

Balance Sheet

Cashflow

Financial Forecast – Tab 1



Cashflow	PY 2019	2020	2021	2022	2023	2024
	1000's	1000's	1000's	1000's	1000's	1000's
Cash flows from operating activities						
Operating/(Deficit) surplus	10	10	10	10	10	10
Adjustments for:						
Depreciation of fixed assets						
Disposal of fixed asset						
Amortisation of Government Grants						
Decrease/(increase) in stocks						
Decrease/(increase) in debtors						
Increase/(decrease) in creditors						
Increase/(decrease) in provisions						
Other non cash adjustments (including transfer of assets)						
Net cash flow from operations	10	10	10	10	10	10
Cash flow from investing activities						
Purchase of tangible fixed assets						
Interest Received						
Other investment income						
Total cash flow from investing activities	10	10	10	10	10	10
Cash flow from financing activities						
Interest paid						
Interest element of finance lease rental payment						
Capital element of finance lease rental payments						
Repayment of Loans						
Increase in CALF Loans						
Increase in HFA Loans						
Increase in Other Loans						
Increase in CAS						
Withdrawal from deposits						
Total cash flow from financing activities	10	10	10	10	10	10

Income

Expenditure

Balance Sheet

Cashflow

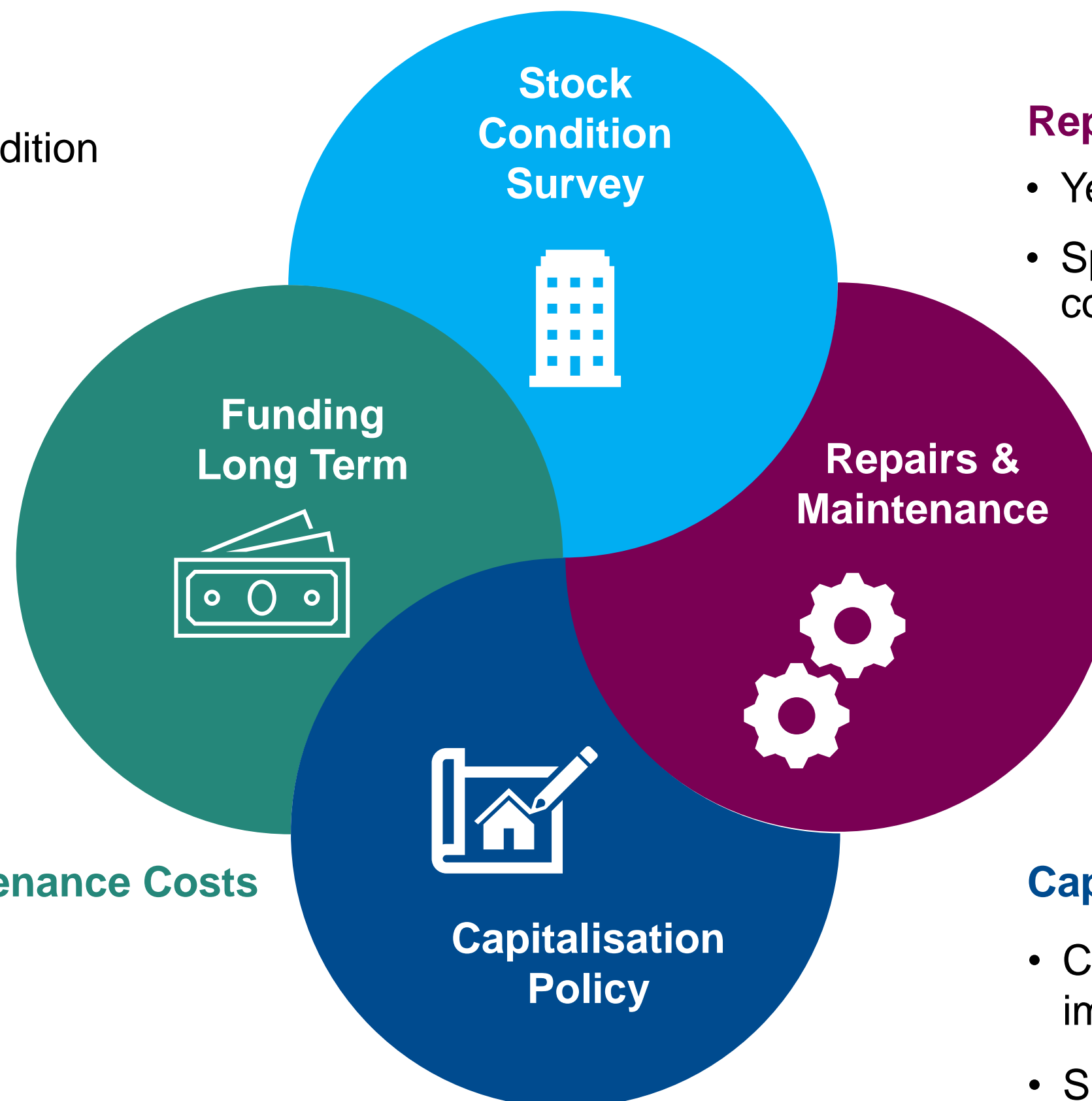
Stock Condition & Maintenance Costs

Stock Condition Survey

- Results of the stock condition survey
- Planned Maintenance

Repairs & Maintenance

- Year on year consistency
- Split out between categories correctly



Funding Long Term Maintenance Costs

- Figures should reflect answer(s) in ARR
- Compliance with performance standard

Capitalisation Policy

- Capitalising major repairs impacts KPI results
- Should reflect current trends or a capitalisation policy

Financial Governance & Oversight

Strategic and Business Plan

- Board's involvement
- Review and signoff. Decision making of the board.
- Delegated authority to sub committees and executive.

Financial Forecast

- Strategic and Business Plan aligns
- Key assumptions
- Monitoring Performance.

Stress Testing

- Board's Role
- Risk Framework
- Vulnerabilities
- Mitigating Actions
- Multi variate & perfect storm

Financial Indicators

- What the Board sees
- Risk Appetite/ tolerance levels

Treasury Management

- Reflects the organisation's B/S composition
- Board's Assurance



**ANY
QUESTIONS?**



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THANK YOU

