



SOCIAL HOUSING REGULATORY AUTHORITY (SHRA)

Applicant: ABC ENTITY

1. NEW APPLICATION ACCREDITATION ASSESSMENT REPORT

Assessment Date: 28th April 2020

1. Introduction

This report is a detailed assessment of the entity wishing to apply for accreditation as a Social Housing Institution with the SHRA and contains the findings and recommendations of the application assessment.

1.1 Appropriate Legal Form

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 3, in order for the applicant to comply with the Legal form criteria, the applicant must have the following arrangements in place:

ITEM	DOES APPLICANT MEET THE CRITERIA?
The institutions founding documents Reg 3(3)	
Is the applicant:	Assessors comments CRITERIA MET/NOT MET
• A company having a share capital; or	
• A company limited by guarantee or not for profit; or	
• A housing co-operative; or	
• A share block company; or	
• A communal property association; or	
• A voluntary association which in terms of its constitution is a juristic person distinct from its members; or	
• A trust.	

Overall finding of appropriate legal form

In terms of Regulation 3 and sub-Regulation 3, the applicant **{does / does not}** comply with the criteria of appropriate legal form

The following conditions are outstanding:

Assessors summary of outstanding items

1.2 Not-for-profit

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 4, in order for the applicant to comply with the criteria of not for profit, the applicant must have the following arrangements in place:

ITEM	DOES APPLICANT MEET THE CRITERIA?
The institutions founding documents (Articles of Association and Memorandum of Association)	
Are the institution's income and assets applied solely to advance its main object (the provision of rental or co-operative housing options for low- to medium-income households on an affordable basis, ensuring quality and maximum benefits for residents, and the management of its housing stock over the long term)? Reg 3(4)(a)	Assessors comments CRITERIA MET/NOT MET
Is any portion of the institution's income or assets paid in any form to any founder, member, shareholder, director, trustee, beneficiary of or holder of any interest in the institution (except reasonable remuneration for goods or services actually delivered to or at the direction of the institution)? Reg 3(4)(a)	
On its winding-up, deregistration or dissolution of the institution, are the net assets given to some other social housing institution? Reg 3(4)(b)	
If the institution is a Municipal Entity or housing co-op, do they distribute any profits to stakeholders and if so, are they used to advance social housing? Reg 3(4)(c)	Assessors comments CRITERIA MET/NOT MET

Overall finding of not-for-profit

In terms of Regulation 3 and sub-Regulation 4, the applicant (**does / does not**) comply with the criteria of being not-for-profit

The following conditions are outstanding:

Assessors summary of outstanding conditions

1.3 Arrangements for Good Governance

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 5, in order for the applicant to comply with the criteria of good governance, the applicant must have the following arrangements in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
The institutions founding documents	
Is the applicant's main object the provision of rental <u>or</u> co-operative housing options for low- to medium-income households on an affordable basis, ensuring quality and maximum benefits for residents, and the management of its housing stock over the long term)? Reg 3(5) (a).	Assessors comments CRITERIA MET/NOT MET
Is the applicant independent from other entities (other than as a subsidiary of another SHI), Also in terms of board independence? Reg 3(5) (b).	Assessors comments CRITERIA MET/NOT MET
Internal Management policies	
Are there adequate and rigorous Internal management policies and procedures? Reg 3(5)(l)(ii) Do these adequately cover: <ul style="list-style-type: none"> • Strategic/ General Management. • Information & Communication Management. • Human Resource Management • Monitoring and evaluation. 	Assessors comments CRITERIA MET/NOT MET
Is there a policy in place that describes how the entity undertakes audits of its compliance and legal requirements? Reg 3(5)(f)(iii)	Assessors comments CRITERIA MET/NOT MET
Is there a rigorous fraud and corruption system in place that deals with reporting, investigation, referral and allegation of fraud, corruption and criminal conduct? Reg 3(5)(i)(i)	Assessors comments CRITERIA MET/NOT MET
Is there a conflict of interest policy and system in place? Does the policy address the boards independence? Reg 3(5)(i) (iii)	Assessors comments CRITERIA MET/NOT MET
Do the policies prohibit the discrimination against any person or persons on any grounds set out in section 9 of the Constitution, including individuals affected by HIV/AIDS and individuals with special needs? Reg 3(5)(j)(iii)	Assessors comments CRITERIA MET/NOT MET
Board charter	
In respect of SHIs and Municipal Entities:	
Does this contain policies, procedures and delegation outlining how the governing body exercise control over significant decisions? Reg 3(5)(e)(ii)	Assessors comments CRITERIA MET/NOT MET

Does this clearly set out the roles, responsibilities and accountability for the board, chair and chief executive? Reg 3(5)(h)(ii)	Assessors comments CRITERIA MET/NOT MET
Is there an annual assessment of effectiveness of the governance arrangement? Reg 3(5)(h)(ii)	Assessors comments CRITERIA MET/NOT MET
For housing co-operatives:	
Is there a description of the business of the co-operative, including any restrictions on the business of the co-operatives? Reg 3(5)(e)(iv)	Assessors comments CRITERIA MET/NOT MET
Does it provide for the appointment of minimum and maximum number of directors? Reg 3(5)(e)(v)	
Are there powers and restrictions on the directors of the co-operative to manage the business of the co-operative? Reg 3(5)(e)(vi)	
Is there a structure for decision making whereby members can participate in decision-making processes in a democratic and participatory manner? Reg 3(5)(e)(vii)	
Are there conditions under which a board of directors may delegate functions to a director or committee or manager? Reg 3(5)(e)(viii)	
Code of Conduct & Duties of Directors / Letters of appointment of directors & Key staff	
Does this include Integrity and responsibility to members? Reg 3(5)(i)	Assessors comments CRITERIA MET/NOT MET
Does this discuss: <ul style="list-style-type: none"> Conflicts of Interest Protection of Assets Confidential Information Employment Practices Obligations relative to fair dealings with clients/suppliers etc Reg 3(5)(i)(ii)	Assessors comments CRITERIA MET/NOT MET
Do letters of appointment provide for a written undertaking to comply with the Code of Conduct? Reg 3(5)(i)(ii)	Assessors comments CRITERIA MET/NOT MET
Does the Code of Conduct include a system that deals with its breach thereof? Reg 3(5)(i)(ii)	Assessors comments CRITERIA MET/NOT MET
Do letters of appointment include a link to the board charter and detail roles and responsibilities of directors? Reg 3(5)(h)(ii)	Assessors comments CRITERIA MET/NOT MET

Do the letters of appointment include the setting of key result areas and performance standards? Reg 3(5)(l)(iii)	Assessors comments CRITERIA MET/NOT MET
Does this refer to policies and procedures that do not discriminate against any person on any of the grounds set out in section 9 of the Constitution, including individuals affected by HIV/AIDS and individuals with special needs? Reg 3(5)(j)(iii)	Assessors comments CRITERIA MET/NOT MET
Summary CVs of Board members and key staff	
Are appropriate experience and skills displayed in the areas of Human resources, Financial management, tenant management, property management and property development, and if not, what strategic measures will the entity put in place to sufficiently capacitate the organisation to meet these requirements? Reg 3(5) (d).	Assessors comments CRITERIA MET/NOT MET
In respect of SHIs and Municipal Entities, is the chairperson sufficiently independent? Reg 3(5) (e) (i).	Assessors comments CRITERIA MET/NOT MET
Risk management	
Have risk management procedures been developed? Reg 3(5)(k)	Assessors comments CRITERIA MET/NOT MET
Are risk management procedures identified to mitigate key risks and recorded onto a detailed risk register? Reg 3(5)(k)	Assessors comments CRITERIA MET/NOT MET
Compliance	
Is there a legal compliance report that indicates how the Entity will comply with all legal, statutory and contractual requirements? Reg 3(5)(f)(i)	Assessors comments CRITERIA MET/NOT MET
Is there a report that indicates how the entity will comply with the Companies Act, Co-operatives Act (if applicable) and King III & IV guidelines?	Assessors comments CRITERIA MET/NOT MET
Is a SARS Tax Clearance Certificate valid for 6 months from the date of submission available?	Assessors comments CRITERIA MET/NOT MET
Is a SARS Tax Exemption Certificate available? (Applicable to an NPC).	Assessors comments CRITERIA MET/NOT MET
Is a Valid B-BBEE certificate or affidavit available?	Assessors comments CRITERIA MET/NOT MET

Overall finding of arrangements for good governance

In terms of Regulation 3 and sub-Regulation 5, the applicant **{does / does not}** meet the criteria listed above, and so **{does / does not}** comply with the criteria of good governance.

The following conditions are outstanding:

Assessors summary of outstanding items

1.4 Financial Sustainability

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 6, in order for the applicant to comply with the criteria of financial sustainability, the applicant must have the following in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Financial control policies and procedures	
<p>Does the policy include all the effective accounting systems, financial management systems and management accounting procedures such as?</p> <ul style="list-style-type: none"> • Duties & Responsibilities; • Key office and staff procedures; • Revenue management; • Revenue cycle; • Bad debts procedures; • Deposit and initial rent procedures; • Termination (final account) procedures; • Expenditure management; • General procurement and payment procedures; • Credit control procedures; • Payroll payments procedures; • Asset Management • Fixed asset acquisition/disposal procedures • Investments • Bank & cash cycle • Petty cash procedures; • Budgeting Procedure • Accounting processes • Systems administration <p>Reg 3(6)(b), Reg 3(6)(c)(iii)</p>	<p>Assessors comments</p> <p>CRITERIA MET/NOT MET</p>

Overall finding of financial sustainability

In terms of Regulation 3 and sub-Regulation 6, the applicant **{does / does not}** meet the criteria listed above, and so **{does / does not}** comply with the criteria of financial sustainability.

The following conditions are outstanding:

Assessors summary of outstanding items

1.5 Effective Tenant / Membership Management

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 7, in order for the applicant to comply with the criteria of effective tenant / membership management, the applicant must have the following in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Tenant management policies and procedures	
Are tenant management policies in place? Reg 3(7)(c)(i)	Assessors comments CRITERIA MET/NOT MET
Are a full range of tenant management policies implemented, Reg 3(7)(c)(i) including? <ul style="list-style-type: none"> • Take on; • Letting; • Letting management; • Dispute / conflict resolution system that creates understanding of internal and external avenues for appeal? Reg 3(7)(i); • Exit / termination system in place that deals with notice by a tenant or the SHI and that makes provision for effectively managing and dealing with coordinated boycotts of rental? Reg 3(7)(j) 	Assessors comments CRITERIA MET/NOT MET
Does the policy state that the entity will include: <ul style="list-style-type: none"> • The marketing of units; • A fair, open and transparent application process; • The screening of prospective clients in order to establish eligibility and affordability; and • A tenant / end-user training programme? Reg 3(7)(d)(ii)	Assessors comments CRITERIA MET/NOT MET
Does the policy state that the entity will let properties fairly, according to transparent criteria and ensure equity and sustainability of tenancies? Reg 3(7)(e)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate a system of control in place to manage tenant's complaints effectively? Reg 3(7)(c)(ii)	Assessors comments CRITERIA MET/NOT MET
Does the policy allow for a tenant / membership consultation and empowerment programme that address an approach to consult with tenants / membership to give them an opportunity to influence the development and management strategy? Reg 3(7) (l).	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate support arrangements and a referral system to deal with identified support? Reg 3(7)(m)	Assessors comments CRITERIA MET/NOT MET
Does the policy allow for a community engagement	Assessors comments

and neighbourhood involvement plan? Reg 3(7)(n)	CRITERIA MET/NOT MET
Does the policy allow for a periodic tenant / membership satisfaction survey and how the entity will address the results to improve its management services? Reg 3(7)(l)	Assessors comments CRITERIA MET/NOT MET

Overall finding of effective tenant / membership management

In terms of Regulation 3 and sub-Regulation 7, the applicant **{does / does not}** meet the criteria listed above and so **{does / does not}** comply with the criteria of effective tenant management.

The following conditions are outstanding:

Assessors summary of outstanding items

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1.6 Efficient Property Management

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 8, in order for the applicant to comply with the criteria of efficient property management, the applicant must have the following in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Property management policies and procedures	
Do policies stipulate a system to meet the thresholds of the property management KPIs contained in the rules? Reg 3(8)(a)	Assessors comments CRITERIA MET/NOT MET
Are there policies and procedures in place for property management that includes: <ul style="list-style-type: none"> • Maintenance management; • Rental management; and • Vacancy management? Reg 3(8)(c)(i)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate a control system to ensure that maintenance complaints and vacancies are turned over in the prescribed timeframes and at a good quality as prescribed? Reg 3(8)(c)(ii)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate that a comprehensive inspection of housing stock will be done at least every three years? Reg 3(8)(c)(iii)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate a complaints management system will be in place that must indicate number, type, costs, quality and turnover time? Reg 3(8)(e)(iv)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate that a tenant satisfaction survey must be conducted and that the tenants must indicate their satisfaction with the condition and maintenance of the property? Does the policy stipulate that the entity must indicate what action it will undertake to improve the maintenance of its services based on the feedback of the survey? Reg 3(8)(e)(v)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate a rent setting policy that calculates rentals in a way which is consistent with the terms of grant funding for the development of properties, and complies with directives of the SHRA in this regard? Reg 3(8)(f)(i)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate a rent increase system that ensures that tenants are advised of increases in rents in the manner set out in their lease agreement? Reg 3(8)(f)(ii)	Assessors comments CRITERIA MET/NOT MET
Does the policy stipulate a vigorous rent collection system? Does the policy deal with an effective	Assessors comments

means of dealing with rental arrears? Reg 3(8)(f)(iii)	CRITERIA MET/NOT MET
Does the policy stipulate that there must be a systematic attempt to improve the efficiency, economy and effectiveness of its service delivery on an on-going basis? Reg 3(8)(h)	Assessors comments CRITERIA MET/NOT MET
Is there evidence that the SHI / delivery agent meets the standards of design and quality that applied when the home was built, and were required as a condition of publicly funded financial assistance? Reg 3(9)(d)	This condition however will only become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET

Overall finding of efficient property management

In terms of Regulation 3 and sub-Regulation 8, the applicant **{does / does not}** meet the criteria listed above and so **{does / does not}** comply with the criteria of efficient property management.

The following conditions are outstanding:
Assessors summary of outstanding items

1.7 Property Development Plans

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 9, in order for the applicant to comply with the criteria of having property development plans, the applicant must have the following in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Property development policies and procedures	
<p>Does the policy stipulate how planning and costs of development are to be established that include?</p> <ul style="list-style-type: none"> Working with the spheres of government and other stakeholders; To develop new homes that meet the economic and social needs of the communities and which are sustainable environments where people want to live? <p>Reg 3(9)(a)</p>	<p>Assessors comments</p> <p>CRITERIA MET/NOT MET</p>
<p>Does the policy stipulate:</p> <ul style="list-style-type: none"> That the plans are to produce accommodation of a particular quality? That the entity must ensure that tenants homes will meet the standards set out in the social housing programme guidelines; and That the entity will ensure that it will continue to maintain the homes to at least the standard set out in the social housing programme guidelines after this date? <p>Reg 3(9)(c)</p>	<p>Assessors comments</p> <p>CRITERIA MET/NOT MET</p>
<p>Does the policy stipulate that it must meet the standards of design and quality that applied when the home was built, and were required as a condition of publicly funded financial assistance?</p> <p>Reg 3(9)(d)</p>	<p>Assessors comments</p> <p>CRITERIA MET/NOT MET</p>
<p>Does the entity state within its policy that it will use its housing assets for Financial leverage? Reg 3(9)(b)</p>	<p>Assessors comments</p> <p>CRITERIA MET/NOT MET</p>
Evidence of Land availability	
<p>Is there evidence that the entity has access to land availability to support the development of its first accredited project with the SHRA?</p>	<p>Assessors comments</p> <p>CRITERIA MET/NOT MET</p>

Overall finding of property development plans

In terms of Regulation 3 and sub-Regulation 9, the applicant **{does / does not}** meet the criteria listed above and so **{does / does not}** comply with the criteria of having adequate property development.

The following conditions are outstanding:

Assessors summary of outstanding items

Recommendations:

Decline/ Approve Conditional Accreditation Application

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2. EXISTING SHI ACCREDITATION ASSESSMENT REPORT

Assessment Date: 28th April 2020

2. Introduction

This report is a detailed assessment of the SHIs list of Compliance conditions, the assessment result will provide an indication whether or not the SHIs accreditation status will progress to full accreditation or regress to conditional accreditation. The assessment result will also serve to highlight those areas that may require intervention from the Sector development and transformation unit.

2.1 Arrangements for Good Governance

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 5, in order for the applicant to comply with the criteria of good governance, the applicant must have the following arrangements in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Code of Conduct & Duties of Directors / Letters of appointment of directors	
Does the SHI review the performance of the staff against these key result areas and performance standards on a regular basis? Reg 3(5)(l)(iii)	Assessors comments CRITERIA MET / NOT MET
Complete copies of the last two Board Packs (including the minutes)	
Does the SHI have an effective governance arrangement that delivers the aims, objectives and intended outcomes in an effective, transparent and accountable manner? Reg 3(5)(h)(i) Consider the following to asses:	Assessors comments CRITERIA MET / NOT MET
Is company performance monitored?	Assessors comments CRITERIA MET / NOT MET
Does the SHI compare the performance of the organisation against what was planned in the annual business plan, and the long-term business plan? Reg 3(5) (l) (iii)?	Assessors comments CRITERIA MET / NOT MET
Review attendance and frequency of meetings	Assessors comments CRITERIA MET / NOT MET
Content of board pack and board reports, do they contain: <ul style="list-style-type: none"> • Signed register of conflicts of interest; • Agenda; • Minutes; • Detailed CEO's report; • Financial report; • Committee report minutes; • Department reports; • Risk management reports; 	Assessors comments CRITERIA MET / NOT MET

<ul style="list-style-type: none"> • A report on performance of the full range of services provided by the institution? Reg 3(5)(l)(iii) 	
Do minutes apportion responsibilities to individuals?	Assessors comments CRITERIA MET / NOT MET
Does the Board consider the following reports that inform decision making in relation to the following? <ul style="list-style-type: none"> • Financial status; • Tenant management and support services; • Property management; • Project development; and • Any other reports to inform decision making? Reg 5(3)(e)(iii)	Assessors comments CRITERIA MET / NOT MET
Do Board reports indicate that issues discussed were of a strategic nature?	Assessors comments CRITERIA MET / NOT MET
Do Board reports indicate a business strategy of providing social housing?	Assessors comments CRITERIA MET / NOT MET
Has an extract from the minute book been included?	Assessors comments CRITERIA MET / NOT MET
Have Board committees been appointed? Do they have clear mandates and delegated authority? Are they functional?	Assessors comments CRITERIA MET / NOT MET
Long-term business plan or strategy: Reg 3(5)(g)	
Does the SHI have a business strategy? <ul style="list-style-type: none"> • With objectives supporting its main object of providing social housing, • With a stated purpose; • That links to broader policy; • With strategic goals linked to performance indicators and an annual business and operational plan and budget; • With a provision for an annual review. • Is the organisational structure aligned with the strategy? 	Assessors comments CRITERIA MET / NOT MET
Contracts of key staff	
Do contracts provide for a written undertaking to comply with a Code of Conduct? Reg 3(5)(i)(ii)	Assessors comments CRITERIA MET/NOT MET
Risk management	
Are risk management procedures being implemented? Reg 3(5)(k)	Assessors comments CRITERIA MET/NOT MET
Compliance	
Does the institution comply with the law applicable to its business activities? Reg 3(5)(c).	Assessors comments

	CRITERIA MET / NOT MET
Does the SHI co-operate with the SHRA in the discharge of its regulatory functions? Reg 3(5)(f)(iv)	Assessors comments CRITERIA MET / NOT MET
Does the SHI accept accountability for the actions of subsidiaries and other parties, undertaking work on its behalf and falling within the SHRA's jurisdiction? Reg 3(5)(f)(v)	Assessors comments CRITERIA MET / NOT MET
Organisational performance management system	
Does the SHI collect information on the performance of the full range of services provided by the institution? Reg 3(5)(l)(iii)	Assessors comments CRITERIA MET / NOT MET
Does the SHI report this information on a regular basis and in the prescribed manner and timeframe, to SHRA? Reg 3(5)(l)(iii)	Assessors comments CRITERIA MET / NOT MET

Overall finding of arrangements for good governance

In terms of Regulation 3 and sub-Regulation 5, the applicant **{does / does not}** meet the criteria listed above, and so **{does / does not}** comply with the criteria of good governance.

The following compliance conditions are outstanding:

Assessors summary of outstanding conditions

2.2 Financial Sustainability

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 6, in order for the applicant to comply with the criteria of financial sustainability, the applicant must have the following in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Audited annual financial statements for the last two financial years	
Have audited annual financial statements been produced in the last twelve months? Reg 3(6)(d)(i)	Assessors comments CRITERIA MET / NOT MET
Does the SHI meet the set thresholds of the financial performance KPIs set by SHRA? Reg 3(6) (d) (v). Consider the following to asses: <ul style="list-style-type: none"> Are the latest financial statements not qualified? Is the company viewed as “a going concern”? Is there mention of any irregular transactions? 	Assessors comments CRITERIA MET / NOT MET
Are all loans being serviced? Reg 3(6)(d)(ii)	Assessors comments CRITERIA MET / NOT MET
Latest available management accounts	
Is there a cost management system that manages costs effectively? Reg 3(6) (c) (i). Consider the following to assess: <ul style="list-style-type: none"> Date of management accounts submitted. Is a balance sheet included? Are actuals compared to budget and other time periods? Are variances commented on? Are the management accounts reviewed by sub-committee before being presented to the board? Are provisions for yearly items such as audit fees and bad debt write off shown on a regular basis or only at year end? Are projected cash flows and actual cash flows included? Can deviations be detected in an early stage? 	Assessors comments CRITERIA MET / NOT MET
Budget for the next year	
Does the SHI meet the set thresholds of the financial performance KPIs set by SHRA? Reg 3(6) (d) (v). Consider the following to asses: <ul style="list-style-type: none"> Is there a budget for the next financial year? 	Assessors comments CRITERIA MET / NOT MET

KPIs	
<p>Does the SHI meet the set thresholds of the financial performance KPIs set by SHRA? Reg 3(6) (d) (v). Consider the following to assess:</p> <ul style="list-style-type: none"> Is there a long-term financial forecast that is linked to a development plan, and shows projected cash flow? 	<p>Assessors comments</p> <p>CRITERIA MET / NOT MET</p>
Current Long-term Business Plan and / or Financial Strategy	
<p>Does the institution have a comprehensive and accurate financial business plan? Reg 3(6)(a) Consider the following to assess:</p>	<p>Assessors comments</p> <p>CRITERIA MET / NOT MET</p>
<ul style="list-style-type: none"> If older than 3 years does it contain any revisions? 	
<ul style="list-style-type: none"> Does it include specific goals? 	
<ul style="list-style-type: none"> Does it include a market assessment? 	
<ul style="list-style-type: none"> Does it identify and deal with risks? 	
<ul style="list-style-type: none"> Does it link to a fully costed and modelled development plan? Reg 3(6)(a) 	
<ul style="list-style-type: none"> Does the plan demonstrate viability to meet the financial obligations of the carrying on of its affairs by? <ul style="list-style-type: none"> Generating adequate resources from activities? Reg 3(6)(a) Prudent accessing of external funds? Reg 3(6)(a) 	
<ul style="list-style-type: none"> Does it include adequate provision for maintenance and refurbishment of buildings? 	
Most recent Management Letter from the auditors and Internal Audit report	
<p>Are auditors engaged to review adherence with the financial control policy and other key policies, regulations and legal requirements on at least an annual basis? Reg 3(6)(c)(iii)</p>	<p>Assessors comments</p> <p>CRITERIA MET / NOT MET</p>
<p>Are auditors engaged to carry out rigorous internal checks on the effectiveness of the financial controls? Reg 3(6)(c)(iii)</p>	<p>Assessors comments</p> <p>CRITERIA MET / NOT MET</p>
<p>Has a management letter been produced in the previous twelve months? Reg 3(6)(d)(i)</p>	<p>Assessors comments</p> <p>CRITERIA MET / NOT MET</p>
<p>Are there any significant issues noted by the auditors regarding the financial controls in the most recent report? Reg 3(6)(b),</p>	<p>Assessors comments</p> <p>CRITERIA MET / NOT MET</p>

Reporting system	
Is a reporting system in place that includes regular reporting to lenders and other stakeholders on the overall financial status of the institution? Reg 3(6)(c)(ii)	Assessors comments CRITERIA MET / NOT MET
Long-term maintenance plan and budget for the next year	
Does the SHI safeguard the public investment in the housing stock it owns and manages through a detailed long-term maintenance plan and annual budget? Reg 3(6)(d)(iv)	Assessors comments CRITERIA MET / NOT MET

Overall finding of financial sustainability

In terms of Regulation 3 and sub-Regulation 6, the applicant **{does / does not}** meet the criteria listed above, and so **{does / does not}** comply with the criteria of financial sustainability.

The following compliance conditions are outstanding:

Assessors summary of outstanding conditions

2.3 Effective Tenant / Membership Management

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 7, in order for the applicant to comply with the criteria of effective tenant / membership management, the applicant must have the following in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Organisational structure – current and planned and job descriptions of key staff	
Are there sufficient management arrangements and resources, and staffing resources to deliver excellent tenant / membership management service? Reg 3(7)(a)	The organisation is dormant and currently has no staff complement in place, the future organogram referred to in the organisation structure document appears to be adequate but may need to be amended and aligned with a growth in the number of units according to future developments. CRITERIA NOT RELEVANT YET
Management Plans	
Is there a Tenant / Membership Management Plan in place? Reg 3(7)(b)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Is there evidence of a system of control in place to manage tenant's complaints effectively? Reg 3(7)(c)(ii)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Tenant training material	
Does the SHI provide information and communication that is appropriate to the tenants / customer about the standards of housing services and how to access these housing services? Reg 3(7)(d)(i)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Does the SHI have a communication strategy in place that includes the provision of information regarding applications criteria and tenant management services for potential applicants and tenants and how tenants can communicate with the SHI? Reg 3(7)(g)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Does the complaints management system create awareness and understanding of internal and external complaints mechanisms? Reg 3(7)(h)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Is there appropriate training to tenants / membership to sustain tenancies and to build capacity to be more effectively involved? Reg	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance

3(7)(l)	condition. CRITERIA NOT RELEVANT YET
Lease agreement and house rules	
Does the SHI enter into leases or use agreements and issue house rules which are fair and meet best practice? Reg 3(7)(e)(iii)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Residential profiling report	
Is a tenant / membership roll in place that collates information on the residential profile of each project, to include income, family sizes, age of residents, and residents with special needs or in receipt of employer assistance? Reg 3(7)(f)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Tenant / membership satisfaction survey	
Is there evidence of a periodic tenant / membership satisfaction survey that indicates tenants' satisfaction with the services? Reg 3(7)(k)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Evidence that tenant participation policy is being implemented	
Is there evidence of a tenant / membership consultation and empowerment programme that addresses an approach to consult with tenants / membership to give them an opportunity to influence the development and management strategy? Reg 3(7) (l).	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Is there evidence of support arrangements and a referral system to deal with identified support? Reg 3(7)(m)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Is there evidence of a community engagement and neighbourhood involvement plan? Reg 3(7)(n)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Target group and incomes	
Does the SHI let properties in accordance with government policy and the basis upon which the grant for their development was awarded, to ensure that target groups are housed? Reg 3(7) (e) (ii). Consider the following to assess: <ul style="list-style-type: none"> Are tenants paying rentals consistent with the rentals that were planned at the time the 	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET

project was awarded a grant, taking annual inflation into account? Reg 3(7)(e)(ii)	
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Overall finding of effective tenant / membership management

In terms of Regulation 3 and sub-Regulation 7, the applicant **{does / does not}** meet the criteria listed above and so **{does / does not}** comply with the criteria of effective tenant management.

The following compliance conditions are outstanding:

Assessors summary of outstanding conditions

2.4 Efficient Property Management

Assessment of documents submitted:

In terms of Regulation 3 and sub-Regulation 8, in order for the applicant to comply with the criteria of efficient property management, the applicant must have the following in place:

ITEM DESCRIPTION	DOES APPLICANT MEET THE CRITERIA?
Long-term business plan	
Is there evidence that the SHI has a housing portfolio plan that takes into account maintenance, acquisition, disposal, managing property life cycle, efficient use of housing stock? Reg 3(8)(b)	Refer to the long- term business plan assessment for more detail
Is there a maintenance plan which makes adequate provision for the carrying out of periodic large scale works to buildings, reactive maintenance and unit turnover maintenance? Reg 3(8)(e)(ii)	This condition however will only become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Is there evidence of a comprehensive inspection of housing stock being done at least every three years? Reg 3(8)(c)(iii)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Property management report	
Is there evidence that a control system is in place to ensure that maintenance complaints and vacancies are turned over in the prescribed timeframes and at a good quality as prescribed in the maintenance and vacancy policies? Reg 3(8)(c)(ii)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Is there evidence of a complaints management system in place that indicates the number, type, costs, quality and turnover time? Reg 3(8)(e)(iv)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Are there sufficient management arrangements and staffing resources to deliver excellent property management services? Reg 3(8)(e)(i)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET
Tenant satisfaction survey	
Is there evidence that the tenant satisfaction survey asks for the tenant's satisfaction with the condition and maintenance of the property that they are letting? Reg 3(8)(e)(v)	This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition. CRITERIA NOT RELEVANT YET

<p>Is there evidence that the SHI has indicated what action it will take to improve the maintenance services as a result of the surveys findings? Reg 3(8)(e)(v)</p>	<p>This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Example of annual rent increase notice</p>	
<p>Is there evidence that the rent increase system ensures that tenants are advised of increases in rents in the manner set out in their leases? Reg 3(8)(f)(ii)</p>	<p>This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Service delivery</p>	
<p>Is there evidence that the SHI seeks, in a systematic manner, to improve the efficiency, economy and effectiveness of its service delivery on an on-going basis? Reg 3(8)(h)</p>	<p>This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Property management KPIs</p>	
<p>Does the SHI meet the thresholds of the property management KPIs as set by SHRA? Reg 3(8)(a)</p>	<p>This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Is there evidence that a project profile is kept that includes the names of projects, date of delivery, number of units, location, types of units and rentals? Reg 3(8)(d)</p>	<p>This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Is there evidence that the rent collection system is vigorous and that the rental collection policy and processes including effective means of dealing with rental arrears are well managed? Reg 3(8)(f)(iii)</p>	<p>This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Does the rent setting policy calculate rentals in a way which is consistent with the terms of grant funding for the development of properties, and complies with directives of SHRA in this regard? Reg 3(8)(f)(i) consider the following to assess:</p> <ul style="list-style-type: none"> • Are tenants paying rentals consistent with the rentals that were planned at the time the project was awarded a grant, taking annual inflation into account? 	<p>This condition will become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Is there evidence of a vacancy management system that includes for vacancy rates;</p>	<p>This condition will become effective once they have developed units and are operational. The SHRAs</p>

<ul style="list-style-type: none"> • Number of properties tenanted as a proportion of the number of properties; • Average turn-around time for void properties; • Number of void days divided by void properties; • Average turn-around time for vacant properties; and • Number of vacant days divided by vacant properties. Reg 3(8)(g) 	<p>compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>
<p>Is there evidence that the SHI / delivery agent meets the standards of design and quality that applied when the home was built, and were required as a condition of publicly funded financial assistance? Reg 3(9)(d)</p>	<p>This condition however will only become effective once they have developed units and are operational. The SHRAs compliance unit will then raise this as a compliance condition.</p> <p>CRITERIA NOT RELEVANT YET</p>

Overall finding of efficient property management

In terms of Regulation 3 and sub-Regulation 8, the applicant **{does / does not}** meet the criteria listed above and so **{does / does not}** comply with the criteria of efficient property management.

The following compliance conditions are outstanding:

Assessors summary of outstanding items

Recommendations:

CONDITIONALLY / FULLY ACCREDIT