

**DEPARTMENT OF HUMAN SETTLEMENTS
NOTICE 624 OF 2016**



LEGAL NOTICE 01/2016

RULES ON LONG-TERM ACCREDITATION OF SOCIAL HOUSING INSTITUTIONS.

The Social Housing Regulatory Authority (SHRA) is a listed Schedule 3A public entity that has been established in terms of section 7 of the Social Housing Act, Act 16 of 2008. The SHRA is accountable to both the Minister of Human Settlements and the Parliament of the Republic of South Africa.

The main aim of the social housing programme is to achieve spatial, economic and social integration of the urban environments in South Africa. The key driver of the Social Housing (SH) programme is the identification and demarcation of restructuring zones within which social housing development takes place as well as the utilisation of the Restructuring Capital Grant (RCG) to meet these objectives.

The SHRA's mandate is to invest in and regulate the social housing sector and deliver affordable rental homes and renew communities through provision of affordable rental solutions in integrated urban environments through sustainable institutions.

In terms of section 11(3) (b) of the Act, *“The Regulatory Authority must, subject to the provisions of this Act, accredit institutions meeting accreditation criteria as social housing institutions”*.

Furthermore, in terms of Section 11(4)(a)(i) to (v) of the Act, *“The Regulator may, subject to the provisions of this Act and by notice in the Gazette make rules, not in conflict with the regulations, giving effect and detailed content to the regulations, prescribing necessary standards, ratios, procedures, requirements, forms and returns, further regulating the conduct of social housing institutions, prescribing procedures for compliance monitoring and the enforcement of compliance,*

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including intervention in the affairs of social housing institutions or specifically authorised or required by regulation”.

THE SHRA HEREBY PUBLISHES THE RULES ON LONG-TERM ACCREDITATION OF SOCIAL HOUSING INSTITUTIONS IN THE GOVERNMENT GAZETTE FOR THE GENERAL PUBLIC AND INTERESTED PARTIES.

A copy of the Rules on Long-Term Accreditation of Social Housing Institutions is available on request to the following email: Regulation@shra.org.za and on the SHRA’s website www.shra.org.za

For any enquiries on this matter, please contact Khulile Boqwana at KhulileB@shra.org.za or Gianni Vecchio at GianniV@shra.org.za for assistance.

Kind regards,

SIGNATURE:



SHRA CHAIRPERSON: ZOLILE NGCAKANI (For and on behalf of the SHRA)

DATE:

22/9/2016



GOVERNMENT NOTICES

SOCIAL HOUSING ACT 16 OF 2008**RULES RELATING TO THE ACCREDITATION OF SOCIAL HOUSING
INSTITUTIONS**

The Social Housing Regulatory Authority has hereby made Rules relating to Accreditation of Social Housing Institutions, as prescribed by Section 11(4) of the Social Housing Act 16 of 2008.

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1 Definitions

In these Rules “**the Act**” means The Social Housing Act, 2008 (Act No. 16 of 2008), and any word or expression to which a meaning has been assigned in the Act and Regulations shall have the same meaning so assigned in these rules and, unless the context otherwise indicates-

“**Applicant**”– means any company registered under the Companies Act, 2008 (Act No. 71 of 2008), or a co-operative registered under the Co-operatives Act, 2005, (Act No. 14 of 2005) or any other form of institution acceptable to the Regulatory Authority which makes an Application for accreditation as a Social Housing Institution to the Regulatory Authority in terms of these rules, read with the Act and the Regulations and reference to “Institution” shall bear the same meaning;

“**Accreditation**”- means certification of an institution, for a specified period, recognising it as a social housing institution with the capacity to undertake approved projects, upon compliance with the Regulatory Authority’s prescribed accreditation requirements, criteria and standards for social housing institutions and the social housing sector;

“**Accreditation Application**” – means an application made by an institution that carries on or intends to carry on the business of social housing in writing during the accreditation cycle in the prescribed form (Form A) as amended from time to time;

“**Accreditation Certificate**”- means a formal document or set of documents, stating that accreditation has been granted for the specified period;

“Accreditation Cycle”- means any period commencing from 1 March and ending on 30 November within which applications for accreditation can be submitted to the Regulatory Authority;

“Accreditation Criteria”- means the qualifying criteria for accreditation of social housing institutions as contemplated in Regulation 3 of the Regulations;

“Audit”- means the process of systematic scrutiny of the documents submitted by the institution in application for accreditation carried out by the Regulatory Authority in order to determine whether the institution meets the Regulatory Authority’s prescribed accreditation requirements, criteria and standards for social housing;

“Conditional Accreditation”- means approval to operate as a social housing institution for a period not exceeding two (2) years, under prescribed conditions as set out in the Conditional Compliance Notice, to enable the institution to fulfil all outstanding accreditation requirements, criteria and standards;

“Compliance Plan”- means a compliance notice given to a conditionally accredited institution setting out the outstanding condition(s) which the institution is required to meet, including the timeframes within which such condition(s) should be complied with;

“Withdrawal of Accreditation”- means the withdrawal of accreditation of a social housing institution by the Regulatory Authority;

“Full Accreditation”- means an approval to operate as a social housing institution for a period not exceeding five (5) years after an institution complies with all of the Regulatory Authority’s prescribed accreditation requirements, criteria and standards for accreditation of social housing institutions;

“Institutional Portfolio” - means the compilation of an institution’s portfolio of evidence that the social housing norms, standards and prescripts are being achieved;

“Regulations” - means the Social Housing Regulations published under Government Notice R51 in Government Gazette 34970 of 26 January 2012;

“Requirements for accreditation”- means any requirements as prescribed in the Act, Regulations, the accreditation rules and any directive that may be issued by the Regulatory Authority from time to time;

“Standards”- means a reference point against which aspects of social housing can be evaluated to assess quality and to make a judgment or decision;

“SHI”- means Social Housing Institution as contemplated in the Act;

“Site Audit ”- means an on-site assessment or appraisal undertaken to confirm, validate and determine certain identified aspects of a portfolio of evidence or to determine if an applying institution or a social housing institution’s statements and claims made in the institutional portfolio, or accreditation application, and self-assessment meet the Regulatory Authority’s prescribed accreditation requirements, criteria and standards for social housing;

“Submission Date”- means the date on which the accreditation application is formally delivered at the Regulatory Authority’s offices, provided that all the required documentation is submitted. In the event that an incomplete application is submitted, the submission date shall be the date on which the last outstanding document is submitted to the Regulatory Authority;

CHAPTER 1

2 Purpose

- 2.1 The purpose of these Rules is, *inter alia*, to-
- 2.1.1 provide for clear rules applicable to the accreditation processes and procedures for the accreditation of social housing institutions as contemplated in regulation 3; and
- 2.1.2 provide an overview of the Regulatory Authority's approach to the accreditation of social housing institutions. It is believed that the more familiar the institutions are with the Regulatory Authority's approach to accreditation, the easier the accreditation process will be for institutions applying for accreditation.

3 General Principles

- 3.1 The accreditation process will be open, equitable, fair, transparent and as simple as possible while at the same time being efficient and cost effective.
- 3.2 The Regulatory Authority is there to ensure that institutions applying for accreditation meet the required standards of quality in order to provide sustainable social housing, and that they deliver at scale.
- 3.3 The accreditation process ensures that the provision of quality social housing is consistent with the applicable social housing principles, norms and standards.
- 3.4 The accreditation mechanism has been established to stimulate and regulate the social housing institutions and the social housing sector. It provides incentives and compliance criteria for SHIs to ensure that their operational viability is safeguarded and also provide a measure of comfort to any financial institution from which

an SHI may wish to borrow for project development. In addition, it provides an assurance to Government and the South African taxpayers that its investment is well protected.

- 3.5 Accredited institutions should not be seen as short-term vehicles for providing housing to a specified market segment, but are seen as robust, sustainable institutions, established to assist in providing the social housing option. The institutions will therefore have to demonstrate financial and operational sustainability over time while adhering to the guiding principles for social housing.
- 3.6 The Regulatory Authority requires the social housing institutions to meet a series of criteria in order to achieve accreditation status. These criteria have been designed to ensure that social housing institutions are able to deliver at the required quality standard.
- 3.7 The Regulatory Authority has undertaken to ensure that institutions have access to support that will help them to meet the objectives of full accreditation during the period of being conditionally accredited.

CHAPTER 2

4 Accreditation Background

- 4.1 There are two levels of accreditation - full and conditional accreditation. These are a measure of the extent to which institutions are able to meet certain accreditation criteria.
- 4.2 Conditional accreditation is a temporary status given to institutions that have not met all the criteria for full accreditation. The conditional accreditation criteria have been identified as the minimum requirements an institution needs to satisfy to ensure the protection of public funds and targeted beneficiaries' interests, or those of the public.

- 4.3 During the specified time that an institution is conditionally accredited, such institution is required to develop and implement a plan to ensure that the remaining criteria for full accreditation are satisfied. In this regard, the Regulatory Authority is committed to adopt a developmental approach to accreditation, and shall assist and support institutions where necessary to achieve full accreditation.
- 4.4 If an institution fails to meet the criteria for full accreditation at the end of the 2 (two) year period, the institution's conditional accreditation may, subject to the provisions of these rules, be revoked. This is to ensure that social housing institutions continue to improve their practices and systems, as required by full accreditation status, instead of confining themselves to the minimum accreditation criteria.
- 4.5 The maximum duration for conditional accreditation is 2 (two) years, however, institutions shall be individually reviewed in order to determine individual compliance timeframes.

5 Institutions that are required to be accredited

- 5.1 The following institutions are required to apply for accreditation as set out in these Rules-
- 5.1.1 An institution wishing to carry on, or intends to carry on the business of social housing as contemplated in regulation 2(1) of the Regulations, and as contemplated in section 13(3) of the Act;
- 5.1.2 All institutions having undertaken housing developments with the benefit of an institutional subsidy.

6 Accreditation of social housing institutions

- 6.1 An institution shall be accredited as a social housing institution if-
- 6.1.1 It satisfies the requirements of qualifying criteria for accreditation as contemplated in regulation 3 of the Regulations; and
- 6.1.2 It submits an application for accreditation in accordance with the prescribed processes and the procedures set out in these rules.
- 6.1.3 Subject to the provisions of rule 9 of these rules, where the institution meets the baseline requirements, or minimum criteria for accreditation, the Regulatory Authority may grant such institution conditional accreditation for a period not exceeding two (2) years, provided that:
- 6.1.3.1 the interest of all relevant stakeholders, especially the providers of finance, are protected; and
- 6.1.3.2 the institution is in a position to successfully undertake an approved project, or housing development projects in a sustainable manner within a short period of time.
- 6.1.4 Where an institution meets all the accreditation criteria, such an institution shall, subject to these rules, be awarded full accreditation for a period not exceeding five (5) years.
- 6.1.5 Fully accredited institutions shall be required, prior to the five-year lapse period, to re-apply for accreditation, as contemplated in rule 14 of these rules.

7 Accreditation process

- 7.1 The accreditation process includes-
- 7.1.1 the submission of an application for accreditation to the Regulatory Authority using **Form SHRA-A1** with supporting documents;
 - 7.1.2 the screening, evaluation and review of the application for accreditation;
 - 7.1.3 an application audit, which may include a site audit , to validate the evidence referred to in the submitted documentation;
 - 7.1.4 a decision regarding accreditation; and
 - 7.1.5 the issuing of an accreditation certificate should the application be successful.
- 7.2 Subject to sub-rule 7.1.2, the institution must be accredited by the Regulatory Authority to offer social housing prior to the commencement, or undertaking, of delivery of any approved project using the capital grant.
- 7.3 The Regulatory Authority may extend the process, if the information and documentation required at any stage during the accreditation process is incomplete or if there is a delay in the submission of such information.

8 Submission of accreditation application

- 8.1 The institution referred to in rule 7 must-
- 8.1.1 apply for accreditation to the Regulatory Authority in writing, during the accreditation cycle, in the manner and format as determined by the Regulatory Authority in accordance with these rules and Directives that the Regulatory Authority may issue from time to time;

- 8.1.2 submit to the Regulatory Authority the prescribed completed institutional self- assessment and institutional portfolio as specified in rule 12; and
- 8.1.3 provide evidence that the institution meets the requirements of regulation 3, read with sub-rule 8.1.1 and rule 12 of these rules.

9 Institutional portfolio

- 9.1 The applicant must submit a completed institutional portfolio as determined by the SHRA.
- 9.2 The institutional portfolio must be submitted together with the application for accreditation.
- 9.3 In order to be accredited as a social housing institution, the applicant must meet the Regulatory Authority's requirements and any standards as may be determined from time to time.

10 Accreditation criteria

- 10.1 This section outlines the criteria that the applicants need to meet in order to be accredited as outlined in Schedule A to these Rules.
- 10.2 The criteria ticked in Column Full.Acc of Schedule A to these Rules are the criteria that an applicant is required to meet for full accreditation as a social housing institution.
- 10.3 The criteria ticked in Con.Acc of Schedule A to these Rules are the minimum criteria an applicant is required to meet for conditional accreditation as a social housing institution.

The evidence that the applicants are required to submit in the application phase is furthermore indicated in Schedule A to these Rules.

11 Assessment of accreditation application

- 11.1 The Regulatory Authority shall, upon evaluation of the documentation submitted by the applicant, determine whether the applicant meets the criteria for accreditation.
- 11.2 The Regulatory Authority shall, subject to these rules, notify the applicant of the outcome of the evaluation of documents in writing within a period of ninety (90) days from the submission date, or such other timeframe as may be determined by the Regulatory Authority.
- 11.3 If the applicant's documentation meets the Regulatory Authority's prescribed accreditation requirements, criteria and standards for social housing institutions, the Regulatory Authority may, in its absolute discretion, schedule an audit visit to the institution.

12 Audit visit

- 12.1 An audit visit may be conducted in respect of any application for accreditation of an institution as a social housing institution for the purposes of—
- 12.1.1 validating the statements and claims made in the institution's portfolio;
- 12.1.2 assessing the institution's facilities and resources; and
- 12.1.3 determining whether the institution meets the Regulatory Authority's prescribed accreditation requirements, criteria and standards for social housing institutions.
- 12.2 The audit visit may be conducted after the evaluation of the documentation referred to in rule 10.

13 Decision on accreditation

13.1 The outcome of the accreditation process shall be communicated to the applicant in writing and may include one of the following decisions—

13.1.1 full accreditation for a period not exceeding five (5) years;

13.1.2 conditional accreditation for a period not exceeding two (2) years; or

13.1.3 no accreditation.

13.2 A decision to grant conditional accreditation shall be taken when an institution does not meet all, but substantially complies with, the Regulatory Authority's prescribed minimum accreditation requirements, criteria and standards for social housing institutions and such an institution is required to fulfil conditions as determined by the Regulatory Authority in the Compliance Plan.

13.3 A decision to grant full accreditation may be taken when an institution complies with all of the Regulatory Authority's prescribed accreditation requirements, criteria and standards for social housing institutions.

13.4 An application for accreditation may be declined when an institution does not comply with the Regulatory Authority's prescribed minimum accreditation requirements, criteria and standards for social housing institutions.

14 Issuing of an accreditation certificate

14.1 On successful application, the Regulatory Authority shall issue the institution with a certificate of accreditation indicating the decision made in terms of rule 15, the dates and duration of accreditation and any other information as determined by the Regulatory Authority.

- 14.2 An accreditation certificate is only valid for the specific level of accreditation, date, duration, name of institution as stipulated on the certificate.
- 14.3 Accreditation certificates shall at all times be displayed by the institution at a prominent place accessible to social housing tenants and the public.

15 Re-Application for Accreditation of a Fully accredited social housing institution

- 15.1 An institution which is granted full accreditation must re-apply for accreditation within 6 (six) months prior to the expiry of the accreditation period.
- 15.2 The institution is required to, on an annual basis, submit a completed institutional portfolio of evidence demonstrating institutional performance over the accreditation period and any further information that may be determined, or request, by the Regulatory Authority.
- 15.3 The Regulatory Authority shall take into consideration the institution's performance and compliance with the social housing requirements and standards set for social housing institutions.
- 15.4 The outcome of the re-application for accreditation process shall be communicated to the applicant in writing within a specified timeframe as determined by the SHRA, which period may not exceed ninety (90) days.
- 15.5 A social housing institution's accreditation shall lapse if the institution fails to re-apply for accreditation within the timeframe prescribed in sub-rule 14.1 or if it fails to apply in the prescribed manner.
- 15.6 If a social housing institution is not re-accredited, it may not continue to offer social housing.

16 Re-Accreditation of a social housing institution granted conditional accreditation

- 16.1 An institution that has received conditional accreditation is required to demonstrate evidence of their performance in addressing the shortcomings specified by the Social Housing Regulatory Authority in the Compliance Plan within the specified period.
- 16.2 The application for conditional accreditation must reach the SHRA by the end of the last month of the last year of the conditional accreditation period.
- 16.3 The institution is required to submit a completed portfolio of evidence in terms of the Compliance Plan demonstrating institutional performance over the accreditation period and any further information that may be determined, or requested, by the Regulatory Authority.
- 16.4 The Regulatory Authority shall take into consideration the portfolio of evidence submitted by the institution in terms of the Compliance Plan to determine whether the institution attains full accreditation.
- 16.5 The Regulatory Authority may conduct an audit visit to a social housing institution seeking to re-apply for accreditation.
- 16.6 Failure on the part of the social housing institution to re-apply for accreditation in the prescribed manner shall result in the lapse of the institution's accreditation.
- 16.7 If an institution is not re-accredited, it may not continue to provide social housing.
- 16.8 Should the institution not comply with the Compliance Plan, or refuse to comply, such institution shall be notified of its non-compliance and pending de-accreditation, and given a time period within which to comply with the Compliance Plan.

17 Withdrawal of accreditation

- 17.1 The Regulatory Authority may withdraw the accreditation of a social housing institution under the following circumstances—
- 17.1.1 Where there is evidence that the social housing institution fails to maintain the requirements of the Act, the regulations, the Regulatory Authority's prescribed accreditation requirements, criteria and standards for social housing institutions or any other legal or statutory requirements;
- 17.1.2 Where there is evidence that submission for accreditation or in compliance with the Compliance Plan was fraudulent or contained false or misleading information or documentation;
- 17.1.3 Where there is evidence that the social housing institution makes use of fraudulent, false and misleading advertising or marketing material;
- 17.1.4 On request for voluntary withdrawal of accreditation from the social housing institution; or
- 17.1.5 On failure by the social housing institution to re-apply for accreditation.
- 17.2 In the event of accreditation being withdrawn by the Regulatory Authority, whether voluntary or not, the social housing institution shall—
- 17.2.1 cease to operate as social housing institution on the date as determined by the Regulatory Authority, which date will be determined in consultation with the institution;
- 17.2.2 Prepare and deliver a hand-over plan or report of projects funded with institutional subsidies under the institution's management to another accredited Social Housing Institution within 90 (ninety) days from withdrawal of accreditation;

- 17.2.3 inform all existing tenants occupying the institution's housing stock in writing of such withdrawal of accreditation within ten (10) days of becoming aware of the date referred to in sub-rule 19.2.1;
- 17.2.4 submit to the Regulatory Authority the tenancy/occupancy record of each tenant in the format determined by the Regulatory Authority; and
- 17.2.5 remove any displays or any material or documents making reference to accreditation by the Regulatory Authority once a date has been determined in terms of sub-rule 19.2.1.

18 Review process

- 18.1 An applicant may lodge a review against a decision taken by the Regulatory Authority in terms of the Regulations and the Act.
- 18.2 Any review should be brought in writing in accordance with the provisions of Promotion of Administrative Justice Act.

ACCREDITATION CRITERIA

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
1. Appropriate legal form	<p>1.1 A company having a share capital, whether public or private, a company limited by guarantee or a not for profit Company,</p> <p>1.2. A Housing Co-Operative,</p>	<p>Company registration documents, the memorandum of Incorporation & Articles of Association.</p> <p>Registration documents & Constitution of the Co-Operative.</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>
2 Not for Profit	<p>1.1 A Municipal Owned Entity</p> <p>2.1 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)?</p> <p>2.2 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)?</p> <p>2.3 On its winding-up, deregistration or dissolution of the institution, are the net assets given to some other Social Housing Institution?</p> <p>2.4 If the institution is a Municipal Owned Entity or Housing Co-Operative, do they distribute</p>	<p>Certificate of Incorporation.</p> <p>The institution's Founding Documents</p>	<p>✓</p> <p>✓</p>	<p>✓</p>

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
	any profits to stakeholders and if so, are they used to advance social housing?			
3	<p>Good Governance</p> <p>3.1 The applicant's main object must be the provision of rental or co-operative housing options for low to medium-income households on an affordable basis</p> <p>3.2 The applicant must be independent from other entities (other than as a subsidiary of another SHI)</p> <p>3.3 There must be operational policies and procedures that adequately cover:</p> <ul style="list-style-type: none"> • Internal management; • Financial management; • Property development and management; • Client services (tenant management). <p>3.4 The applicant must have a policy that describes how the SHI undertakes audits of its compliance and legal requirements.</p> <p>3.5 The applicant must have a fraud and corruption system in place that deals with reporting, investigation, referral and allegation of fraud, corruption and criminal conduct.</p>	<p>The Institution's Founding Documents</p> <p>CIPC registered founding Documents</p> <p>1. Internal Management Policies and Procedures; 2. Financial Control Policies and Procedures; 3. Property Development and Property Management Policies and Procedures; 4. Tenant Management Policies and Procedures.</p> <p>1. Legal Compliance Policy and report; 2. Valid SARS Tax Clearance Certificate and SARS Tax Exemption Certificate (if appropriate);</p> <p>1. Anti-Fraud and Corruption Policy</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
	<p>3.6 The applicant must have a conflict of interest policy and a system in place.</p>	<p>Conflict of Interest Policy</p>	<p>✓</p>	<p>✓</p>
	<p>3.7 The applicant's policies must 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</p>	<p>Anti-Discrimination Policy</p>	<p>✓</p>	<p>✓</p>
<p>Good Governance</p>	<p>3.8 In respect of SHIs and Municipal Owned Entities: 3.8(a) The applicant must have policies, procedures and delegation outlining how the governing body exercises control over significant decisions.</p>	<p>1. Board Charter</p>	<p>✓</p>	<p>✓</p>
	<p>3.8(b) The policies, procedures and delegation must clearly set out the roles, responsibilities and accountability for the Board, Chair and Chief Executive.</p>	<p>1 Board Charter 2. Code of Conduct of Directors that provides for: 2.1 Conflict of Interest 2.2 Protection of Assets 2.3 Confidential Information 2.4 Employment Practices 2.5 Obligations relative to fair dealings with clients/suppliers 2.6 A system that deals with the breach of the code of conduct 3. Letters of appointment of directors providing for a written undertaking to comply with the Code of Conduct and a link to the Board Charter and detailed roles and responsibilities of Directors</p>	<p>✓</p>	<p>✓</p>

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
		4. Register of Conflict of Interest signed by the Directors		
	3.8(c) There must be an annual assessment of effectiveness of the governance arrangements.	1. Organisational performance management system. 2. Code of Conduct	✓	✓
	<p>3.9 For Housing Co-Operatives:</p> <p>3.9(a) The applicant must have a description of the business of the Co-Operative, including any restrictions on the business of the Co-Operative.</p>	1. Constitution of the Co-Operative that includes: 1.1. The appointment of a minimum and maximum number of Directors; 1.2. The powers and restrictions on the Directors of the Co-Operative; and 1.3. The structure for decision making and participation of members in decision making.	✓	✓
Good Governance	<p>3.10 The applicant must display appropriate experience and skills.</p> <p>3.11 In respect of SHIs and Municipal Owned Entities, the Chairperson must be independent.</p>	1. Summary CVs of Board members and key staff 1. Board Charter	✓	✓

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
	<p>3.12 The applicant must have an effective governance arrangement that delivers the aims, objectives and intended outcomes in an effective, transparent and accountable manner.</p>	<p>1. Complete copies of the last two Board Packs (including the minutes) that provides for and contains:</p> <p>1.1 The Monitoring of Company performance</p> <p>1.2 The Comparison of the actual performance of the organisation against what was planned in the annual business plan and the long-term business plan;</p> <p>1.3 The signed register of conflicts of interest, Agenda, Minutes, Detailed CEO's report, Financial report, Committee reports and minutes, Department reports, Risk Management reports and a report on performance of the full range of services provided by the institution.</p>	✓	✓
	<p>3.13 The applicant must have a business strategy</p>	<p>1. Long-term business plan or strategy that provides:</p> <p>1.1 objectives supporting its main object of providing social housing;</p> <p>1.2 a stated purpose;</p> <p>1.3 links to broader policy;</p> <p>1.4 strategic goals linked to performance indicators and an annual business and operational plan and budget;</p> <p>1.5 Provision for an annual review</p> <p>1.6 Organisational structure aligned with the strategy</p>	✓	✓
<p>Good Governance</p>	<p>3.14 The applicant must have contracts of key staff that must provide for a written undertaking to comply with the staff Code of Conduct and should include a system that deals with its breach thereof</p>	<p>1. Staff Code of Conduct</p> <p>2. Key Staff Contracts</p> <p>3. Letters of appointment</p>	✓	✓

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
	<p>3.15 The applicant must have a system of risk management to identify and mitigate key risks</p>	<p>1. Risk management policy and procedures 2. Risk register 3. Risk committee</p>	✓	✓
	<p>3.16 The applicant must meet the indicators and benchmarks set by the SHRA in terms of compliance reporting</p>	<p>1. Compliance reporting requirements</p>	✓	✓
4. Financial Sustainability	<p>4.1 The applicant must have effective accounting systems, financial management systems and management accounting procedures?</p>	<p>1. Financial control policies and procedures</p>	✓	✓
	<p>4.2 The applicants most recent audited annual financial statements</p>	<p>1. Audited annual financial statements</p>	✓	✓
	<p>4.3 The applicant must have a cost management system that manages costs effectively.</p>	<p>1. Latest available management accounts that include: 1.1 Date of submission of management accounts 1.2 Balance sheet 1.3 Actuals compared to budget and other time periods 1.4 Comments on variances 1.5 Review of management accounts by Board sub-committee before presentation to the Board 1.6 Provisions for yearly items such as audit fees and bad debt written off shown on a regular basis or only at year end 1.7 Projected cash flows and actual cash flows 1.8 Detection of deviations at an early stage</p>	✓	✓
	<p>4.4 The applicant must have a budget for the next financial year that meets the set threshold of the financial performance</p>	<p>1. Annual Budget</p>	✓	✓

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
Financial Sustainability	<p>KPIs set by SHRA</p> <p>4.5 The applicant must have a long-term financial forecast that meets the set threshold of the financial performance KPIs set by SHRA and is linked to a development plan, and shows projected cash flows.</p> <p>4.6 The applicant must have a comprehensive and accurate financial business plan.</p>	<p>Long-Term financial forecast.</p>	✓	✓
	<p>4.7 The applicant must have auditors engaged to review adherence with the financial control policy and other key policies, regulations and legal requirements on at least an annual basis</p>	<p>1. Long-term Business Plan and Financial Strategy that includes: 1.1 A comprehensive and accurate financial business plan; 1.2 A fully costed and modelled development plan; 1.3 Adequate provision for maintenance and refurbishment of buildings; 1.4 A demonstration of viability by generating adequate resources from activities and the prudent accessing of external funds to meet the financial obligations of carrying on its affairs.</p> <p>1. Most recent Management Letter from the auditors and Internal Audit report</p>	✓	✓

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
	<p>4.8 The applicant must have a reporting system in place that includes regular reporting to lenders and other stakeholders on the overall financial status of the institution</p>	<p>1. Compliance monitoring and reporting requirements</p>	✓	✓
Financial Sustainability	<p>4.9 The applicant must generate the minimum surplus or yield as determined by the SHRA</p> <p>4.10 The applicant must safeguard the public investment in the housing stock it owns and manages through a detailed long-term maintenance plan and annual budget.</p>	<p>1. Compliance monitoring and reporting requirements</p> <p>1. Long-term maintenance plan and budget for the next year</p>	✓	✓
5. Effective Tenant / Membership Management	<p>5.1 The applicant must have sufficient management arrangements and resources, and staffing resources to deliver excellent tenant / membership management service</p> <p>5.2 The applicant must have a Tenant / Membership Management Plan in place</p> <p>5.3 The applicant must have tenant management policies in place.</p>	<p>1. Organisational structure – current and planned and job descriptions of key staff</p> <p>1. Tenant / Membership management Plan that has an effective system of control to manage tenant's complaints.</p> <p>1. Tenant management policies and procedures that include: 1.1 Tenant take on, 1.2 Letting Management 1.3 a dispute / conflict resolution system that creates understanding of internal and external avenues for appeal; 1.4 an exit and termination system that makes provision for managing coordinated boycotts of rental; 1.5 The marketing of units;</p>	x	✓

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
		<p>1.6 a fair, open and transparent application process;</p> <p>1.7 The screening of prospective clients in order to establish eligibility and affordability; and</p> <p>1.8 a tenant / end-user training programme;</p> <p>1.9 a tenant / membership consultation and empowerment programme;</p> <p>1.10 support arrangements and a referral system to deal with identified support;</p> <p>1.11 a community engagement and neighbourhood involvement plan;</p> <p>1.12 a periodic tenant / membership satisfaction survey</p> <p>1.13 information and communication that is appropriate to the tenants / customer about the standards of housing services and how to access these housing services</p> <p>1.14 ensures a communication strategy is 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;</p> <p>1.15 a complaints management system that creates awareness and understanding of internal and external complaints mechanisms;</p> <p>1.16 training to tenants / members to sustain tenancies and to build capacity to be more effectively involved</p> <p>1.17 Tenant Training Material</p>		

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<p>6. Efficient Property Management</p>	<p>6.1 The applicant must have a housing portfolio plan that takes into account maintenance, acquisition, disposal, managing property life cycle, efficient use of housing stock.</p> <p>6.2 The applicant must have policies and procedures in place for property management</p>	<p>1. The Housing Portfolio Plan should include:</p> <p>1.1 A long term maintenance plan linked to an annual budget that makes provision for periodic large scale works to buildings, reactive maintenance and unit turnover maintenance; and</p> <p>1.2 The comprehensive inspection of housing stock , done at least every three years.</p>	<p>x</p>	<p>✓</p>
		<p>1. Property management policies and procedures that include:</p> <ul style="list-style-type: none"> • Maintenance management; • Rental management; and • Vacancy management. <p>And Stipulate:</p> <ul style="list-style-type: none"> • a control system to ensure that maintenance complaints and vacancies are turned over in the prescribed timeframes and at a good quality as prescribed; • that a comprehensive inspection of housing stock will be done at least every three years; • that a complaints management system be in place that must indicate number, type, costs, quality and turnover time ; 	<p>✓</p>	<p>✓</p>

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
		<ul style="list-style-type: none"> • that a tenant / membership satisfaction survey must be conducted and that the tenants must indicate their satisfaction with the condition and maintenance of the property; • that the SHI must indicate what action it will undertake to improve the maintenance services; • that 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 SHRA in this regard; • that a rent increase system that ensures that tenants are advised of increases in rents in the manner set out in their leases; • that a vigorous rent collection system is in place and deals effectively with rental arrears; • that there must be a systematic attempt to improve the efficiency, economy and effectiveness of its service delivery on an on-going basis. 		
	<p>6.3 The applicant must have a control system 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.</p>	<p>1. Property management report</p>	x	✓

QUALIFYING CRITERIA	REQUIREMENTS	EVIDENCE TO SUBMIT IN APPLICATION PHASE	Con. Acc.	Full Acc.
	<p>6.4 The applicant must have management arrangements and staffing resources that are sufficient to deliver excellent property management service.</p> <p>6.5 The applicant must meet the thresholds of the property management KPIs as set by the SHRA.</p>	<p>1. Organisational structure - current and planned</p> <p>1. Quarterly Compliance monitoring reporting requirements</p>	<p>x</p> <p>x</p>	<p>✓</p> <p>✓</p>
<p>7. Property Development</p>	<p>7.1 The applicant must have a policy that stipulates how planning and costs of development are to be established</p>	<p>1. Property development policies and procedures that includes:</p> <p>1.1 Working with the spheres of government and other stakeholders;</p> <p>1.2 Development of new homes that meet the economic and social needs of the communities and which are sustainable environments where people want to live;</p> <p>1.3 plans to produce accommodation of a particular quality;</p> <p>1.4 tenants' / membership homes meet the standard set out in the social housing programme guidelines;</p> <p>1.5 maintaining the homes to at least the standard set out in the social housing programme guidelines after this date;</p> <p>1.6 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>1.7 plans to maintain the homes it built to at least the standard set out in the social housing programme guidelines;</p> <p>1.8 using its housing assets for financial leverage.</p>	<p>✓</p>	<p>✓</p>

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	7.2 The applicant must demonstrate that it is able to effectively initiate and develop a sustainable and viable project.	<ol style="list-style-type: none"> 1. Property development plan that is linked to a 20 year maintenance plan and annual budget; 2. Dummy Quick Scan A, B & C 	x	✓