



ANNUAL PERFORMANCE PLAN 2016/17

For the period 1 April 2016 to 31 March 2017

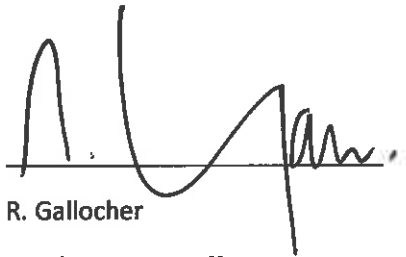
Social Housing
Regulatory Authority

Foreword

The Medium Term Strategic Framework (MTSF) target to deliver 27,000 social housing units has guided the development of this Annual Performance Plan 2016/17. This plan is also drafted in terms of the SHRA's Strategic Plan 2014 – 2019.

The priorities for this financial year include:

- Scaling up of delivery;
- Sector research and strategic stakeholder engagement;
- Comprehensive cash flow planning on projects; and
- Automation of regulatory functions.

A handwritten signature in black ink, appearing to read 'R. Gallocher', is written over a horizontal line. The signature is fluid and cursive, with a prominent initial 'R' and a long, sweeping underline.

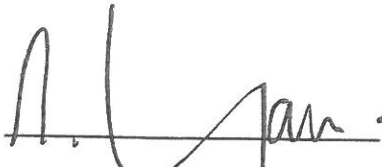
R. Gallocher

Chief Executive Officer

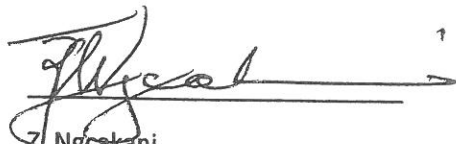
Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Social Housing Regulatory Authority (SHRA) under the guidance of the National Department of Human Settlements;
- Was prepared in line with the current Strategic Plan 2014 – 2019 of the SHRA; and
- Accurately reflects the performance targets which the SHRA will endeavour to achieve given the resources made available in the budget for 2016/17.


R. Gallocher
Chief Executive Officer

10/2/2016
Date


Z. Ngcakani
Chairperson

10/2/2016
Date

Approved by:

L.N. Sisulu MP
Minster of Human Settlements

Date

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Part A: Strategic Overview

1. Vision, Mission and Values

1.1. Vision

The Social Housing Regulatory Authority's (SHRA) vision is to see affordable rental homes in integrated urban environments through sustainable institutions. To achieve this:

- a) The SHRA will be a world-class organisation resourced by highly skilled, values- driven leaders in the industry.
- b) The SHRA will fund and facilitate funding for affordable, well designed, environmentally sustainable (energy efficient green) social housing estates.
- c) The SHRA will ensure investment in communities that form new or regenerated cities, which in turn enhance social mobility and access to basic tenant needs for healthcare, education, transport and communication.
- d) The SHRA will be a thought leader, stimulator and regulator of appropriate policies and research to support programme development for an African model of managed rental and social housing; and will create a self-sufficient social and rental housing environment.

In summary this can be defined in the following vision statement:

“A thought-leader, stimulator and regulator of world-class self-sufficient social housing solutions.”

1.2. Mission

“Facilitate delivery of quality, sustainable social housing at scale to advance the needs of low and middle income groups in support of spatial, economic and social restructuring.”

1.3. Values

a) SERVICE EXCELLENCE

Service excellence as a core value demonstrates the SHRA's commitment to quality delivery of the highest standard on a consistent basis. Furthermore, service excellence indicates professionalism, taking full accountability for actions and always seeking ways in which to find solutions.

b) INDEPENDENCE

The establishment of the SHRA as a Public Entity affords the institution a degree of independence from the National Department of Human Settlements (NDoHS). Independent, impartial and objective decision making is a central value within the SHRA. Independence as a value also ensures that the SHRA is able to avoid situations of conflict of interest, and that the SHRA will assess, manage and balance the risk between its independence and the requirements of its stakeholders.

c) TRANSPARENCY

Transparency is a fundamental value for the SHRA and will demonstrate commitment to open, transparent and public processes and communication.

d) INTEGRITY

As a regulatory authority, the SHRA subscribes to a code of ethics and ensures at all times compliance with these standards in every aspect of its work.

e) INNOVATION

The SHRA is committed to being alert and responsive to the external environment; to acting with imagination, enthusiasm and tenacity, but with rigour and discipline.

2. Updated Situational Analysis

2.1. Performance delivery environment

The proportion of all households renting accommodation grew from 19% in 2001 to 25% in 2011, an absolute growth of over 30% in the number of households who rent¹. There are several variables that influence this such as:

- Migrancy;
- Lack of means to access / qualify for subsidised, owned housing;
- Lack of gap housing; and
- Rental as a preference.

Census 2007 and 2011 data indicates that over 1,5 million households within SHRA's primary and secondary market live in informal settlements and backyard accommodation, indicating a large potential market for affordable rental accommodation. These income groups also have the highest number of households still living in hostel accommodation. However, cities perpetuate low density detached housing and this requires further redress.

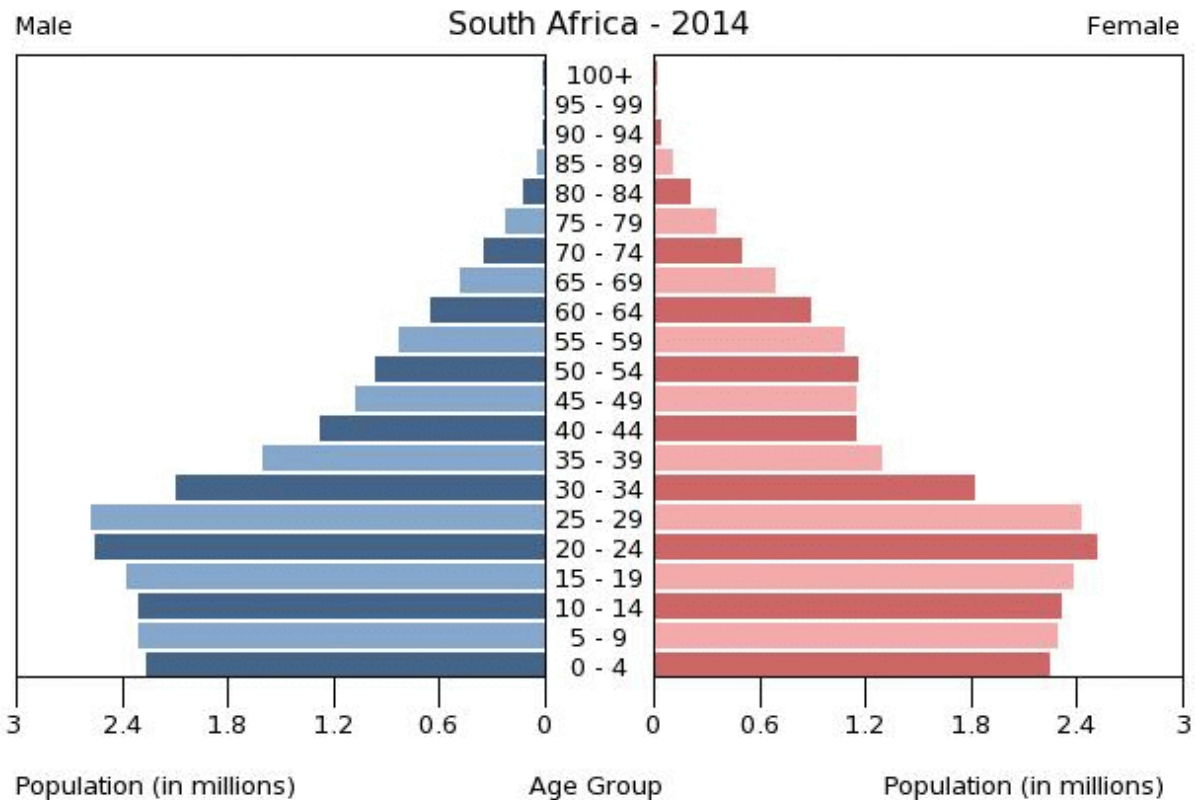
Urbanisation is a continuous challenge, the Census 2011 data clearly shows the rapid urbanisation of cities and towns. Urbanisation is only a threat if the migrants cannot be accommodated in the economic growth of the city. Infrastructure will keep pace if there are sufficient funds to allow it to do so². The 2014 MasterCard African Cities Growth Index ranked South African Cities in the medium-low inclusive urbanisation growth potential. Far below Accra, Freetown and Casablanca and many other African cities due to slow economic growth. Inclusive growth may be defined as growth that provides more people with income and job opportunities so that the benefits of economic growth are more broadly shared. It is predicted that Lagos and Cairo will have larger economies by 2030 than Johannesburg, Pretoria and Cape Town³. Therefore, slow economic growth jeopardises South Africa's ability to accommodate migrants which leads to numerous socio-economic and political challenges.

South Africa, like many emerging economies, suffers from a youth bulge in terms of population dynamics. The population pyramid below clearly reflects the large percentage of the population under 25 years of age.

¹ Census 2011 data from Statistics South Africa

² Information from South African Cities Network, Potential of a Better Life A Tale of Nine Cities, Prof George Angelopulo, 21 January 2015

³ Oxford Economics 2015. African Cities: The next frontier for urbanisation and resulting corporate opportunities Webinar, 16 January 2015



Age structure⁴:

- 0-14 years: 28.3%
- 15-24 years: 20.2%
- 25-54 years: 38.2%
- 55-64 years: 7.1%
- 65 years and over: 6.3% (2014 est.)

Therefore, increasing unemployment, increasing urbanisation, increasing demands on housing coupled with the lower demand for ownership will drive demand for social housing.

There are also ongoing socio-political challenges in terms of rental collection within certain areas experienced by Municipal Owned Entities. It is anticipated that the amendment to the Rental Act and the establishment of Rental Tribunals in all Provinces will assist in inculcating a culture of responsible citizenship through rental payments across the entire sector, however, more will have to be done to prevent rental boycotts as they jeopardise the sustainability of the programme.

Historically, the social housing programme was not designed for mass delivery but rather as a catalyst for change. The new MTSF target to deliver 27,000 social housing units by 2019 will require a change in the delivery model as well as further collaboration with sector stakeholders if this is to be achieved. A good way forward is being developed in the sense that Provinces are being provided with specific social housing delivery targets which align to the SHRA's however work will need to be undertaken to ensure this is driven down to municipal level. A review of various Metropolitan Municipalities' Spatial

⁴ CIA Factbook http://www.indexmundi.com/south_africa/age_structure.html

Development Budget Implementation Plans (SDBIP) reveal that few have specific targets for social housing delivery. As per the Social Housing Act No. 16 of 2008, different spheres of government have different responsibilities in terms of social housing delivery. The National government plays a supportive enabling role, provinces have both a monitoring and implementation role and municipalities have a facilitation role. Municipalities are also responsible for entering into performance agreements with social housing institutions which is not practised. The ability to reach MTSF target is based on all social housing role-players to act jointly and in a coordinated manner.

The 2016/17 financial year marks the third year of the Medium Term Strategic Framework (MTSF) period 2014 – 2019. This is the most critical year for the SHRA in terms of achieving the MTSF target delivery of 27,000 social housing units. Given the construction timeframes of the projects, the bulk of the units to be delivered by 2019 should be approved for grant award status within this period.

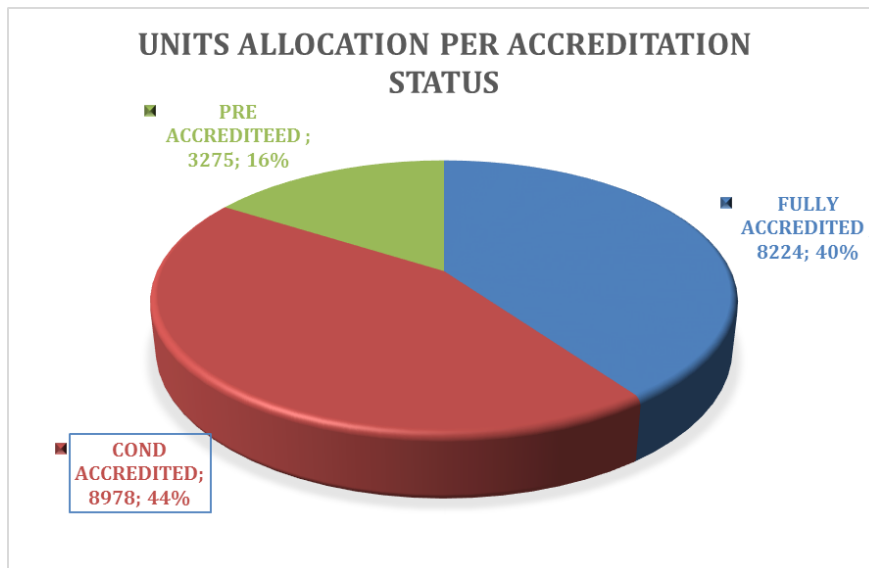
The SHRA was established to grow, regulate, approve, administer and disburse institutional investment grants and capital grants and, where applicable, intervene in social housing. Since establishment, the core functional areas of regulation, investment management and institutional investment were realised however certain elements were only prioritised in the 2015/16 financial year which was due to a separate budget being provided for Institutional Capacity Building and administered under the Institutional Investment programme. These areas include:

- Sector research and best practice;
- Strategic stakeholder engagement; and
- Focused alignment to better support existing and new policy frameworks and economic and spatial planning interventions such as the strategy towards Restructuring Zone proclamation and the NDP.

These areas are critical to ensuring an enabling environment for social housing. Whilst the importance of the development of social housing units cannot be diminished it is important to realise that these are not created in a vacuum but require a conducive environment, strong institutions and other delivery agents and engaged stakeholders.

As at the end of the 2014/15 financial year, 2053 social housing units had been delivered. Up to Quarter 3 of the 2015/16 financial year, an additional 541 units had been delivered.

As at the end of the 2014/15 financial year, there were 20,447 units under regulation. The accreditation of the Social Housing Institutions (SHI) managing these units is presented below. The majority of units are managed by Fully Accredited and Conditionally Accredited SHIs. Ultimately, all units should be managed by Fully Accredited SHIs. Firstly, to ensure maximum protection of state assets and benefit of tenants in order to achieve the required impact of the social housing programme. Secondly, to ensure the SHIs have the skills and capacity to develop more units in order to achieve the MTSF target.



At the close of the 2014/15 financial year, a total of 61 SHIs were accredited of which:

- Eight (8) are fully accredited;
- 41 conditionally accredited (including one (1) Co-operative); and
- Twelve (12) pre-accredited (two (2) with Stock).

The SHRA needs to focus on supporting these SHIs to become Fully Accredited and develop further stock. In the 2015/16 year, 19 new applications for accreditation were received and are being processed in the 2015/16 financial year.

2.2. Organisational environment

It is well understood that the SHRA has experienced problems at a leadership and governance level, these have impacted on the entity's performance. The SHRA has also suffered from significant reputational damage, both of which affect the entire social housing sector and not just the entity alone. These outcomes are corroborated by the Department of Monitoring and Evaluation (DPME) and NDoHS' evaluation of the social housing programme. The SHRA needs to regain its reputation and promote transparency in all its operations.

Internally, the SHRA has suffered from a lack of stability, a high vacancy rate and lack of documented policies and processes. In essence, the new executive management will be starting operations anew. New structures and systems will need to be developed to support the revised strategy of the entity. Focus will need to be given on both organisational development and performance enhancement methodologies.

There are numerous reasons why the SHRA has not been able to deliver at the required scale. The SHRA has historically always reported on projects approved which has not allowed the delivery to take the forefront. The change in the performance targets will assist in focusing on units delivered. Focus

has also not been expended on supporting the SHIs as development managers, this will need to be addressed.

If the SHRA is to become the custodian of social housing then cross-pollination of ideas, open discussion and deliberation needs to be actively encouraged. The SHRA must become a learning organisation, one that is committed to empowerment both of its staff and the sector as a whole. The SHRA must create a culture of open communication, sharing of information and learning. The SHRA must consist of a pool of knowledgeable experts, committed to the advancement of social housing. The SHRA must become a thought-leader in the sector, developing and testing new and alternative methods of construction and management to enhance delivery and stimulate growth. The SHRA must remain cognisant of the role it plays in supporting the beneficiaries in attaining their potential. The SHRA, therefore, must both grow the sector and ensure the growth of beneficiaries in order to achieve the goals of restructuring and contribute to the emergence of a non-racial, democratic South Africa.

The staff will need to operationalise the strategies developed by the Council. Priorities are to ensure effective leadership within the entity. It is also thought that the revised change in operations and activities will be supported through a re-branding exercise. In order to carry out work of the highest quality, the SHRA needs to be staffed with individuals of the highest calibre. The SHRA will be unable to attract and retain the right skills without going through a public transformation of some kind. Organisations typically undertake this through re-branding.

The DPME's evaluation made the following recommendations which the SHRA would be amiss if these were not taken into consideration when compiling the strategic plan. The overall recommendations from this report and shown in the excerpt below:

The evaluation found that:

2.1. Over 18,000 units have been approved for development through the programme, of which nearly 10,000 has been developed by a limited cohort of eleven Social Housing Institutions (SHIs). These Social Housing (SH) units have a combined investment value of over R4,5-billion, and are regulated by the Social Housing Regulatory Authority (SHRA).

2.2. Currently the SH sector is experiencing a rapid decline in delivery, and the SHRA faces problems relating to its regulation of SHIs, and the management of the investment of Restructuring Capital Grant (RCG) subsidies. Should urgent intervention not be taken, the sector will cease to deliver subsidized rental stock.

3. The evaluation proposes the following to be undertaken in the short term:

3.1. The NDHS must urgently re-calibrate the SH financial instruments as follows:

3.1.1. Eligible Income Bands for the primary market should be raised from R3,500 to R5,500 household income per month, and for the upper level of the secondary market from R7,500 to R10,000 household income per month. Income bands must also be indexed to inflationary increases in incomes at least every three years.

3.1.2. The RCG must be increased from its present level of R124,000 (set in 2007/2008) to at least R155,000 (an increase of R31,000). The RCG must be regularly increased in line with inflationary increases in future, as stipulated in the policy.

3.1.3. The requirement to reset rentals on entry of new tenants into SH units to original levels must be revised to provide for a reasonable level of rental escalation in line with inflation. Similarly, the limitation on rental escalations should be revised in any future financial model.

3.2. SHRA must urgently engage with larger, more stable SHIs and their Provincial and City authorities to agree the basis by which projects are identified and included on the programme. Quick Win projects that are already in planning should be identified for fast tracking into implementation. This is not intended to replace the development of new SHIs which should be developed over the medium term (see 4.2 below).

4. In the medium term the following is proposed:

4.1. The basis by which funding is provided should be simplified and streamlined. Ideally, this should consider combining all potential sources of subsidy funds (RCG, Institutional Subsidy and Community Residential Unit Subsidy) into a single instrument.

4.2. A long term portfolio of projects should be developed. As part of developing this portfolio capacity development should be undertaken both to improve the performance of existing SHIs and develop new SHIs.

4.3. The basis by which regulation of the sector is undertaken should be revised in a manner whereby it is simplified and less onerous.

4.4. The basis by which Restructuring Zones (RZ) are designated should be revised on the basis that SH investments should be focused in fewer urban areas and concentrated in more specifically targeted areas of restructuring.

4.5. The NHFC should continue to provide debt to SHIs.

4.6. Alternatives that create better frameworks for private sector participation in the SH sector as funders and managers of SH stock should be considered.⁵

The recommendations are somewhat consistent with the SHRA's understanding of the need for changes in the programme. It is well understood that only a few SHIs are currently driving delivery of the sector. There are several delivery challenges that need to be addressed but ultimately there are few viable projects submitted for RCG approval and project timeframes are often much greater than the anticipated 18 – 24 months. There is a great need for collaborated planning from all social housing stakeholders and a more proactive approach required to drive social housing development.

It is understood that the research that supports the report's recommendation to increase the quantum and income bands is largely based on NASHO's first drafts of position papers on these issues. The SHRA will naturally need to conduct its own research in these areas and develop financial models.

⁵ Department of Human Settlements and Department of Performance Monitoring and Evaluation's Impact and Implementation Evaluation of the Social Housing Programme. Draft Final (Version 8). 31 October 2015.

Rental escalations and tenant's income escalations most definitely needs to be addressed as it directly relates to the sustainability of the social housing programme and the human settlements' programme in its entirety.

The SHRA is consistently working on the pipeline, however, the pipeline projects will be insufficient in upscaling delivery of social housing and more innovative frameworks will be required. These are elaborated on in further detail in the subsequent sections of this strategy.

The funding instruments for rental housing may well be reviewed by the shareholder particularly in view of the intended prominence of the rental housing sector in the future.

3. Revisions to legislative and other mandates

- The Rental Housing Act No. 50 of 1999 was amended in November 2014. The amendment elaborates on the responsibilities of the landlord and tenant however the SHI tenant management practises currently accommodate these. Each Province is required to establish a Rental Housing Tribunal which is welcomed by the SHRA as they are a key stakeholder in the social housing sector and this will provide better linkages to improve implementation of the programme.
- The rules on transfer and disposal of stock were gazetted in January 2015, General Notice 67 Gazette Number 38427.

4. Overview of 2016/17 budget and Medium Term Expenditure Framework estimates

4.1. Expenditure estimates

The Restructuring Capital Grant (RCG) has been reduced by R612 million in 2016/17, R341.8 million in 2017/18 and R168.9 million in 2018/19 due to reprioritisation.

	2011/12	2012/13	2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Programmes R'000	Audited outcome	Audited outcome	Audited outcome	Audited outcome	Appropriation	AENE	Medium-term expenditure estimate		
Administration	19 305	21 096	32 151	31 136	34 560	-	36 392	38 212	40 428
Capacitation	-	-	-	-	41 936	-	32 146	30 792	32 578
Investment Management	226 169	647 401	904 103	618 000	932 307	432 307	424 388	768 715	1 006 064
Compliance	-	-	-	-	-	-	6 027	5 774	6 108
Accreditation	-	-	-	-	-	-	2 009	1 925	2 036
Total	245 474	668 497	936 254	649 136	1 008 803	432 307	500 963	845 417	1 087 214
Economic classification									
Current payments	242 060	667 024	935 704	649 136	1 008 803	432 307	500 363	844 783	1 086 543
Compensation of employees	7 450	11 679	16 074	15 277	19 700	-	20 616	21 770	23 033
Goods and services	234 610	655 345	919 630	633 859	989 103	432 307	479 747	823 012	1 063 510
of which:									
Communication and marketing	-	-	-	-	-	-	4 000	4 224	4 469
Computer services	753	994	510	399	320	-	300	317	335
Consultants, contractors and outsourced services	19 508	19 004	21 601	10 314	16 556	-	6 202	6 549	6 929
Council remuneration	537	473	635	750	1 607	-	1 062	1 121	1 187
Operating leases	1 346	2 304	2 388	2 443	2 600	-	2 780	2 960	3 227
Travel and subsistence	2 813	2 575	2 770	1 932	1 600	-	1 408	1 487	1 573
Disbursement of Restructuring Capital Grant	209 653	629 995	891 726	618 021	966 420	432 307	424 388	768 715	1 006 064
Disbursement of Institutional Investment Grant	-	-	-	-	-	-	17 000	17 952	18 993
Other Goods & Services	-	-	-	-	-	-	22 607	19 687	20 733
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 414	1 473	550	-	-	-	600	634	670
Machinery and equipment	2 781	1 461	372	-	-	-	250	264	279
Software and other intangibles	633	12	178	-	-	-	350	370	391
Total	245 474	668 497	936 254	649 136	1 008 803	432 307	500 963	845 417	1 087 214

4.2. Relating expenditure trends to strategic outcome oriented goals

The entity's strategic outcome oriented goals and strategic objectives are presented below.

Strategic Outcome Oriented Goal	Strategic Objective
Stimulate social housing delivery	<ul style="list-style-type: none"> To facilitate the growth of social housing development
Effective, risk based regulatory system	<ul style="list-style-type: none"> To regulate social housing institutions, other delivery agencies and safeguard social housing stock To ensure the accreditation of entities and projects is undertaken promptly and with the greatest integrity
Professionalised and sustainable social housing sector	<ul style="list-style-type: none"> To ensure the sustainability of the social housing programme To achieve social, economic and spatial restructuring through social housing
Enhanced performance of the entity	<ul style="list-style-type: none"> To ensure sound corporate and financial governance and best practice adhering to statutory regulations To enhance SHRA's performance and effective corporate services

PART B: Programme and sub-programme plans

1. Programme 1: Administration Programme

1.1. Strategic objective annual targets for 2016/17

	Strategic Objective	Strategic Plan target	Audited/actual performance	Estimated performance	Medium - term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19
Administration Programme	To ensure sound corporate and financial governance and best practice adhering to statutory regulations	Maintain an unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
	To enhance SHRA's performance and effective corporate services	Implementation of a comprehensive performance management system that includes performance targets and performance standards		<i>New indicator</i>	Performance management system including performance targets and standards for all positions developed, approved and implemented	Performance management system including performance targets and standards for all positions implemented	Performance management system including performance targets and standards for all positions implemented

1.2. Programme performance indicators and annual targets for 2016/17

	Performance Indicator	Audited / actual performance	Estimated performance	Medium - term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19
1.1	Strategic Objective: To ensure sound corporate and financial governance and best practice adhering to statutory regulations					
1.1.1	Maintain an unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
1.1.2	Number of Council Evaluation reports developed and submitted to the Department	None	One (1) Council Evaluation report developed and submitted to the Department	One (1) Council Evaluation report developed and submitted to the Department	One (1) Council Evaluation report developed and submitted to the Department	One (1) Council Evaluation report developed and submitted to the Department
1.2	Strategic Objective: To enhance SHRA's performance and effective corporate services					
1.2.1	Average number of months to fill approved positions		<i>New indicator</i>	3 months	3 months	3 months
1.2.2	Implementation of a comprehensive performance management system that includes performance targets and performance standards		<i>New indicator</i>	Performance management system including performance targets and standards for all positions developed, approved and implemented	Performance management system including performance targets and standards for all positions implemented	Performance management system including performance targets and standards for all positions implemented

1.3. Quarterly targets for 2016/17

	Performance Indicator	Reporting Period	Annual Target 2016/17	Q1	Q2	Q3	Q4
1.1.1	Maintain an unqualified audit opinion	Annual	Unqualified audit opinion		Unqualified audit opinion		
1.1.4	Number of Council Evaluation reports developed and submitted to the Department	Annual	One (1) Council Evaluation report developed and submitted to the Department		One (1) report submitted		
1.2.1	Average number of months to fill approved positions	Quarterly	3 months	3 months	3 months	3 months	3 months
1.2.2	Implementation of a comprehensive performance management system that includes performance targets and performance standards	Quarterly	Performance management system including performance targets and standards for all positions developed, approved and implemented	Performance management system implemented Performance contracts signed with all staff	Half year performance assessments conducted with all staff	One on one reviews conducted with all staff	End of year performance assessments conducted with all staff

2. Programme 2: Capacitation Programme

2.1. Strategic objective annual targets for 2016/17

	Strategic Objective	Strategic Plan target	Audited/actual performance	Estimated performance	Medium - term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19
Capacitation Programme	To ensure the sustainability of the social housing programme	Norms and standards for social housing developed and approved		<i>New indicator</i>	Norms and standards for social housing developed and approved	Maintain and enhance norms and standards for social housing	Maintain and enhance norms and standards for social housing
	To achieve social, economic and spatial restructuring through social housing	Evaluation of restructuring zones report		<i>New indicator</i>	Evaluation of restructuring zones report	Advise the Minister and Department on policy relating to restructuring zone report	

2.2. Programme performance indicators and annual targets for 2016/17

	Performance Indicator	Audited / actual performance	Estimated performance	Medium - term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19
2.1	Strategic Objective: Ensuring the sustainability of the social housing programme					
2.1.1	Norms and standards for social housing developed and approved		<i>New indicator</i>	Norms and standards for social housing developed and approved	Maintain and enhance norms and standards for social housing	Maintain and enhance norms and standards for social housing
2.1.2	Number of new social housing institutions accredited by 2019	9	19	6	10	9
2.1.3	Number of social housing institutions re-accredited by 2019	37	41	50	50	50
2.1.4	Number of State of the sector reports published	0	One (1) State of the Sector report published	One (1) State of the Sector report published	One (1) State of the Sector report published	One (1) State of the Sector report published
2.2	Strategic Objective: To achieve social, economic and spatial restructuring through social housing					
2.2.1	Evaluation of restructuring zones report		<i>New indicator</i>	Evaluation of restructuring zones report	Advise the Minister and Department on policy relating to restructuring zone report	
2.2.2	95% disbursement of Institutional Investment grant	<i>New indicator</i>	1% disbursement of Institutional Investment grant	95% disbursement of Institutional Investment grant	95% disbursement of Institutional Investment grant	95% disbursement of Institutional Investment grant
2.2.3	No. of work opportunities for women		<i>New indicator</i>	Research completed on opportunities created for women within sector Policy and procedures for monitoring work opportunities created for women in sector developed Targets for work opportunities in sector determined	Policy and monitoring implemented	Policy and monitoring implemented and evaluated

	Performance Indicator	Audited / actual performance	Estimated performance	Medium - term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19
2.2.4	No. of work opportunities created for youth		<i>New indicator</i>	Research completed on opportunities created for youth within sector Policy and procedures for monitoring work opportunities created for youth in sector developed Targets for work opportunities in sector determined	Policy and monitoring implemented	Policy and monitoring implemented and evaluated
2.2.5	No. of training days for women		<i>New indicator</i>	Research completed on training created for women within sector Policy and procedures for monitoring training created for women in sector developed Targets for training days in sector determined	Policy and monitoring implemented	Policy and monitoring implemented and evaluated
2.2.6	No. of training days for youth		<i>New indicator</i>	Research completed on training created for youth within sector Policy and procedures for monitoring training created for youth in sector developed Targets for work training days in sector determined	Policy and monitoring implemented	Policy and monitoring implemented and evaluated

2.3. Quarterly targets for 2016/17

	Performance Indicator	Reporting Period	Annual target 2016 / 17	Q1	Q2	Q3	Q4
2.1.1	Norms and standards for social housing developed and approved	Quarterly	Norms and standards for social housing developed and approved	Data collection and analysis concluded	Norms and standards developed	Consultation with sector concluded	Norms and standards approved
2.1.2	Number of new social housing institutions accredited by 2019	Quarterly	6	Data collection and analysis concluded SHIs targeted for assistance identified	Terms of Reference for service providers concluded	Procurement process concluded and service providers appointed	6
2.1.3	Number of social housing institutions re-accredited by 2019	Quarterly	50	Data collection and analysis concluded SHIs targeted for assistance identified	Terms of Reference for service providers concluded	Procurement process concluded and service providers appointed	50
2.1.4	Number of State of the sector reports published	Quarterly	One (1) State of the Sector report published	Data collection and analysis concluded	State of the Sector Framework concluded	Draft report workshopped with EXCO	State of the Sector report published
2.2.1	Evaluation of restructuring zones report	Quarterly	Evaluation of restructuring zones report	Service provider appointed	Data collection and analysis concluded	Draft report submitted by service provider	Report finalised and presented to Council sub-committee
2.2.2	95% disbursement of Institutional Investment grant	Quarterly	95% disbursement of Institutional Investment grant	Request for drawdown of grant submitted	20% disbursement of Institutional Investment grant	60% disbursement of Institutional Investment grant	95% disbursement of Institutional Investment grant

	Performance Indicator	Reporting Period	Annual target 2016 / 17	Q1	Q2	Q3	Q4
2.2.3	No. of work opportunities created for women	Quarterly	Research completed on opportunities created for women within sector Policy and procedures for monitoring work opportunities created for women in sector developed Targets for work opportunities in sector determined	Data collection and analysis completed	Research completed on opportunities created for women within sector	Policy and procedures for monitoring work opportunities created for women in sector developed	Targets for work opportunities in sector determined
2.2.4	No. of work opportunities created for youth	Quarterly	Research completed on opportunities created for youth within sector Policy and procedures for monitoring work opportunities created for youth in sector developed Targets for work opportunities in sector determined	Data collection and analysis completed	Research completed on opportunities created for youth within sector	Policy and procedures for monitoring work opportunities created for youth in sector developed	Targets for work opportunities in sector determined
2.2.5	No. of training days created for women	Quarterly	Research completed on training created for women within sector Policy and procedures for monitoring training created for women in sector developed Targets for training days in sector determined	Data collection and analysis completed	Research completed on training created for women within sector	Policy and procedures for monitoring training created for women in sector developed	Targets for training days in sector determined

	Performance Indicator	Reporting Period	Annual target 2016 / 17	Q1	Q2	Q3	Q4
2.2.6	No. of training days created for youth	Quarterly	Research completed on training created for youth within sector Policy and procedures for monitoring training created for youth in sector developed Targets for work training days in sector determined	Data collection and analysis completed	Research completed on training created for youth within sector	Policy and procedures for monitoring training created for youth in sector developed	Targets for training days in sector determined

3. Programme 3: Investment Programme

3.1. Strategic objective annual targets for 2016/17

	Strategic Objective	Strategic Plan target	Audited/actual performance	Estimated performance	Medium - term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19
Investment Programme	To facilitate the growth of social housing development	95% disbursement of RCG grant	4% disbursement of RCG grant	25% disbursement of RCG grant	95% disbursement of RCG grant	95% disbursement of RCG grant	95% disbursement of RCG grant

3.2. Programme performance indicators and annual targets for 2016/17

Performance Indicator	Audited / actual performance	Estimated performance	Medium - term targets			
	2014/15	2015/16	2016/17	2017/18	2018/19	
3	Strategic Objective: To facilitate the growth of social housing development					
3.1	Consolidated cashflow and construction dashboard for social housing programme developed		<i>New indicator</i>	Consolidated cashflow and construction dashboard developed	Dashboard updated	Dashboard updated
3.2	Number of units approved for RCG award	5 398	5 400	10 000	12 000	14 000
3.3	Number of units delivered	2 053	2 939	3 500	6 000	12 508
3.4	95% disbursement of RCG grant	4% disbursement of RCG grant	25% disbursement of RCG grant	95% disbursement of RCG grant	95% disbursement of RCG grant	95% disbursement of RCG grant

3.3. Quarterly targets for 2016/17

Performance Indicator	Reporting Period	Annual target 2016/17	Q1	Q2	Q3	Q4	
3.1	Consolidated cashflow and construction dashboard for social housing programme developed	Quarterly	Consolidated cashflow and construction dashboard developed	Consolidated cashflow and construction dashboard developed	Consolidated cashflow and construction dashboard updated	Consolidated cashflow and construction dashboard updated	Consolidated cashflow and construction dashboard updated
3.2	Number of units approved for RCG award	Quarterly	10 000	Finalisation of project pipeline	3 000	2 000	5 000
3.3	Number of units delivered	Quarterly	3 500	500	1 000	1 000	1 000
3.4	95% disbursement of RCG grant	Quarterly	95% disbursement of RCG grant	10%	50%	75%	95%

4. Programme 4: Compliance Programme

4.1. Strategic objective annual targets for 2016/17

	Strategic Objective	Strategic Plan target	Audited/actual performance	Estimated performance	Medium - term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19
Compliance Programme	To regulate social housing institutions, other delivery agencies and safeguard social housing stock	Number of social housing units under regulation	20 447	23 386	26 886	32 886	45 394

4.2. Programme performance indicators and annual targets for 2016/17

	Performance Indicator	Audited / actual performance	Estimated performance	Medium - term targets		
		2014/15	2015/16	2016/17	2017/18	2018/19
4	Strategic Objective: To regulate social housing institutions, other delivery agencies and safeguard social housing stock					
4.1	Number of social housing units under regulation	20 447	23 386	26 886	32 886	45 394

4.3. Quarterly targets for 2016/17

	Performance Indicator	Reporting Period	Annual target 2016/17	Q1	Q2	Q3	Q4
4.1	Number of social housing units under regulation	Quarterly	26 886	23 886	24 886	25 886	26 886

5. Programme 5: Accreditation Programme

5.1. Strategic objective annual targets for 2016/17

	Strategic Objective	Strategic Plan target	Audited/actual performance	Estimated performance	Medium - term targets		
			2014/15	2015/16	2016/17	2017/18	2018/19
Accreditation Programme	To ensure the accreditation of entities and projects is undertaken promptly and with the greatest integrity	Percentage application of quality standards on accreditation of entities		<i>New indicator</i>	Quality standards on accreditation of entities approved and implemented 90% adherence to quality standards on accreditation of entities	90% adherence to quality standards on accreditation of entities	90% adherence to quality standards on accreditation of entities

5.2. Programme performance indicators and annual targets for 2016/17

	Performance Indicator		Estimated performance	Medium - term targets		
			2014/15	2015/16	2016/17	2017/18
5	Strategic Objective: To ensure the accreditation of entities and projects is undertaken promptly and with the greatest integrity					
5.1	Percentage application of quality standards on accreditation of entities		<i>New indicator</i>	Quality standards on accreditation of entities approved and implemented 90% adherence to quality standards on accreditation of entities	90% adherence to quality standards on accreditation of entities	90% adherence to quality standards on accreditation of entities

	Performance Indicator	2014/15	Estimated performance	Medium - term targets		
			2015/16	2016/17	2017/18	2018/19
5.2	Percentage application of standards on accreditation of projects		<i>New indicator</i>	Quality standards on accreditation of projects approved and implemented 90% adherence to quality standards on accreditation of entities	90% adherence to quality standards on accreditation of projects	90% adherence to quality standards on accreditation of projects

5.3. Quarterly targets for 2016/17

	Performance Indicator	Reporting Period	Annual target 2016/17	Q1	Q2	Q3	Q4
5.1	Percentage application of quality standards on accreditation of entities	Quarterly	Quality standards on accreditation of entities approved and implemented 90% adherence to quality standards on accreditation of entities	Accreditation standards approved	Accreditation standards implemented	90% adherence to quality standards on accreditation of entities	90% adherence to quality standards on accreditation of entities
5.2	Percentage application of standards on accreditation of projects	Quarterly	Quality standards on accreditation of projects approved and implemented 90% adherence to quality standards on accreditation of entities	Accreditation standards approved	Accreditation standards implemented	90% adherence to quality standards on accreditation of projects	90% adherence to quality standards on accreditation of projects

5.4. Reconciling performance targets with the Budget and MTEF

The following table indicates the breakdown of budget over the MTEF with a split between operational and capital budgets:-

Financial Year	Operational Budget (Rm)	RCG Capital Budget (Rm)	Institutional Investment Capital Budget
2014/15	33 480	827 543	-
2015/16	34 560	932 307 reduced to 432 307*	41 936
2016/17	36 392	424 388	40 183
2017/18	38 212	768 715	38 490
2018/19	40 428	1 006 064	40 722

- Following a reprioritisation of budgets the Adjusted Estimates of National Expenditure reduced the allocation

6. Materiality Framework

6.1. Background

Public Entities are required to develop a materiality and significance framework, to be submitted as part of the strategic or corporate plan in terms of Treasury Regulation of the entity in terms of the following section of the Treasury regulations:

6.1.1. Chapter 28.3.1 Materiality and Significance

28.3.1: “For purposes of material (55(2) of the Act) and significant (section 54(2) of the Act), the accounting authority must develop and agree upon a framework of acceptable levels of materiality and significance with the relevant executive authority”.

This is specifically required in order to better understand / interpret / broaden the use of the words “material” and “significant” as mentioned in the following sections of the PFMA:

6.1.2. Section 55: Annual Report and Financial Statements

55.2.(b)(i) “The annual report and financial statements referred to in subsection 1 (d) must include particulars of - Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;”

6.1.3. Section 54: Information Submitted by Accounting Authorities

54.2 “Before the PE concludes any of the following transactions, the accounting authority for the PE must promptly and in writing inform the relevant treasury and submit relevant particulars of the transaction to its Executive authority for approval of the transaction:

- a) Establishment or participation in the establishment of a company;
- b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
- c) Acquisition or disposal of a significant partnership, trust, unincorporated joint venture or similar arrangement;
- d) Acquisition or disposal of a significant asset
- e) Commencement or cessation of a significant business activity; and
- f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.”

Accordingly, the framework should be put in place to comply with the regulations.

6.2. Considerations in developing the Framework

- a) External auditors materiality
- b) Public interest
- c) Specific mentioned transactions (section 54)
- d) Normal operations and authorisation levels within the entity
- e) Non-routine transactions of the entity

Accordingly, the materiality calculation set by external audit would give some guidance in determining an appropriate materiality framework of the entity to be agreed with the Executive Authority.

6.2.1. External Auditors Materiality

SAAS 320 – Audit materiality

The objective of an audit of financial statements is to enable the auditor to express an opinion as to whether or not the financial statements fairly present, in all material respects, the financial position of the entity at a specific date, and the results of its operations and cash flow information for the period ended on that date, in accordance with an identified financial reporting framework and/or statutory requirements.

The assessment of what is material is a matter of professional judgement.

The auditor should consider materiality and its relationship to audit risk when conducting an audit.

“Materiality” is defined in the Statement of Generally Accepted Accounting Practice AC 000 “Framework for the Preparation and Presentation of Financial Statements”, issued by The South African Institute of Chartered Accountants, in the following terms:

“Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful.”

6.2.2. Public sector perspective

In an audit of financial statements in the public sector, the auditor’s assessment of materiality may be influenced by the public accountability of the audited entity, and the sensitivity of the entity’s accounts, activities and functions regarding matters of public interest. The reference to “economic” decisions in paragraph 320.03 may, therefore, not always be appropriate in the public sector.

6.2.3. Public Interest

This section should describe specifically relevant issues to the public entity being audited in the manner it impacts the public interest. SHRA is accountable for the utilisation of government funds to fulfil its mandate of the investment, promoting and regulation of social housing sector solutions to the low to middle income market of SA.

Therefore the main public interest for the SHRA would be in determining that SHRA’s funds are being applied towards this mandate and fulfilling their mandate.

Therefore, particularly, any misuse of SHRA’s funds to some other cause would be of public interest/interest to the shareholder and would be, by nature seen as “material” and “significant”.

6.2.4. Specific transaction per section 54

The specific Section 54 transactions referred to above require Executive Authority's approval prior to the transaction and the Accounting Authority must inform the Relevant Treasury.

a) Establishment or participation in the establishment of a company

By nature, this type of transaction would be significant and would thus require approval by the executive authority, and disclosure in the Annual Financial Statements ("AFS"). Further, the size of such transaction would also normally be of a material extent.

b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement

By nature this type of transaction would be significant and require approval by the Executive Authority and disclosure in the AFS. Further, the size of such transaction would also normally be of a material extent.

c) Acquisition or disposal of a significant partnership, trust, unincorporated joint venture or similar arrangement

By nature this type of transaction would be significant and would thus require approval by the Executive Authority and disclosure in the AFS. Further, the size of such transaction would also normally be of a material extent.

d) Acquisition or disposal of a significant asset

The Companies Act guidelines give some guidance to when the shareholder needs to give approval as to a significant transaction concerning acquisition/disposal of approximately 50% of an asset.

"Section 228: Disposal of undertaking or greater part of assets of company:-

(1) Notwithstanding anything contained in its memorandum or articles, the directors of a company shall not have the power, save with the approval of a general meeting of the company, to dispose of —

(a) the whole or substantially the whole of the undertaking of the company; or

(b) the whole or the greater part of the assets of the company.

(2) No resolution of the company approving any such disposal shall have effect unless it authorizes or ratifies in terms the specific transaction."

e) Commencement or cessation of a significant business activity

By nature this would be significant. Further, the size of such a transaction would also normally be of a material extent (in the context of, for example, SHRA's operations).

f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement

By nature this would be significant. Further, the size of such a transaction would also normally be of a material extent (in the context of, for example, SHRA's operations).

6.2.5. Normal Operations and Authorisation Levels within the Entity

Within the entities operations, specific levels of approval are required before certain transactions should be entered into.

These approval levels should serve as a minimum base / starting point to depict the level of materiality and significance, i.e. any transactions entered in above a set minimum should be identified and approvals should be obtained from the Executive Authority (as under section 54).

Significant and material transactions, which could possibly be of interest to the Executive Authority, would likely come to the Council's attention under scrutiny of the financial results and performance on a quarterly basis.

6.2.6. Non-routine transactions of the entity

Non-routine transactions of the entity are most likely to incur the risk of fruitless, wasteful expenditure or fraudulent conduct.

These would require closer monitoring and control to identify whether the non-routine transactions meet the above criteria. Monitoring levels should be set in place for this.

Section 55, items which would require disclosure in the AFS (due to fraudulent conduct or fruitless, wasteful expenditure) would by their nature (fraudulent activity) require some disclosure, ranging from a mere line item indicating fruitless expenditure (e.g. for R10 000) to a fully descriptive line item of the fraudulent conduct or fruitless, wasteful expenditure which would be required by external auditors based on their assessment of significance and materiality.

6.3. Quantitative Aspects – Materiality Level

In determining the materiality values, the SHRA has considered the following factors:

- Nature of the SHRA's business.
- Statutory requirements laid down on the SHRA.
- The internal control environment and inherent risks associated with the SHRA.

Materiality is not merely related to the size of the misstatement as misstatements may also be material on qualitative grounds.

Different levels of materiality can be set for different classes of transactions. We have however taken the approach of setting a more conservative materiality level that will be used for all classes of transactions.

Materiality can be based on a number of financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely used and accepted in the accounting profession as basis for calculating materiality. It is important to note that this should not be confused with audit materiality as determined by the Office of the Auditor General.

Materiality		
<i>Quantitative</i>		R 000
		Mar-17
Total Revenue		1 153 166 946
0.50%		5 765 835
1.00%		11 531 669
Total Operational Expenses		76 574 946
0.50%		382 480
1.00%		764 959
Equity		353 172 000
2.50%		8 829 300
5.00%		17 658 600
Total Assets		355 272 000
0.50%		1 776 360
2.00%		7 105 440

6.4. Conclusion

Based on the above considerations, a materiality and significant framework determination should follow the above procedures. Based on the different types of transactions, differing materiality's and identifiers of significance should be applied and developed with the Executive Authority.

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
<p>S50</p> <p>Fiduciary duties of accounting authorities</p> <p>(1) The accounting authority for a public entity must—</p> <p>(c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature.</p>	<p>Any fact discovered of which the amount exceeds the planning materiality figure used by the external auditors for the year under review.</p>	<ol style="list-style-type: none"> 1. Any item or event of which specific disclosure is required by law. 2. Any fact discovered of which its omission or misstatement, in the Board’s opinion, could influence the decisions or actions of the executive authority
<p>S51</p> <p>General responsibilities of Accounting Authorities</p> <p>(this clause to be read with Section 54 (2)(a))</p> <p>An Accounting Authority must promptly inform National Treasury of any new entity that it intends to establish or takes the initiative in the establishment and allow National Treasury reasonable time to submit its decision prior to formal establishment</p>	<p>Not applicable</p>	<p>Any establishment that causes the SHRA to take up equity or equity related loans</p>
<p>S55</p> <p>Annual report and financial statements</p> <p>(2) The annual report and financial statements must:-</p> <ol style="list-style-type: none"> a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned; b) include particulars of: 		

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year:	Any identified loss through criminal conduct Losses through irregular/fruitless/wasteful expenditure	Any identified loss through criminal conduct. Any loss through irregular/fruitless/wasteful expenditure
S54		
Information to be submitted by accounting authorities		
(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:		
a) Establishment or participation in the establishment of a company	Not applicable	Any transaction of this nature that causes the SHRA to take up equity or equity related loans in a company to be established.
b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement	Not applicable	Any participation other than project funding given in the normal course of the business.
c) acquisition or disposal of a significant shareholding in a company	Not applicable	Any acquisition or disposal outside of the approved strategic plan where there is a change of at least 20% in shareholding.
d) acquisition or disposal of a significant asset;	Not applicable	Any asset with a value of more than 2% of the SHRA's total non-current assets excluding financial instruments.

PFMA Section	Quantitative [Amount]	Qualitative [Nature]
		Disposal of the major part of the assets of the SHRA.
e) commencement or cessation of a significant business activity	Not applicable	Any business activity outside the SHRA's core business
f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement	Not applicable	Any change in the nature or extent other than project funding given in the normal course of the business.

Annexure D Strategic Information

1. Strategic Outcome Oriented Goals and Strategic Objectives

Strategic Outcome Oriented Goal 1 **Stimulate social housing delivery**

Goal Statement: To upscale and fast track social housing development in order to deliver 27,000 units by 2019.

Strategic Outcome Oriented Goal 2 **Effective, risk-based and automated regulatory system**

Goal Statement: To revise the accreditation and compliance system to a risk-based automated system by 2019 that will allow for a more effective and streamlined regulatory system.

Strategic Outcome Oriented Goal 3 **Professionalised and sustainable social housing sector**

Goal Statement: To develop accredited social housing training programmes by 2019 in order to professionalise the sector and ensure the required expertise and capacity is created to propel the sector forward.

Strategic Outcome Oriented Goal 4 **Enhanced performance of the entity**

Goal Statement: To restructure the entity and develop new systems, policies and procedures by 2019 to enhance the performance and reputation of the entity.

The roles and responsibilities of the programmes is presented below:

PROGRAMME 1: ADMINISTRATION PROGRAMME

Office of the CEO	Corporate Services	Finance
<p>This office will consist of:</p> <ul style="list-style-type: none"> • Support to the CEO • Company Secretary • Communications • Strategy, research and data 	<p>Corporate and support services such as human resources and Information Communication Technology.</p>	<ul style="list-style-type: none"> • Financial management • Financial accounting • Financial viability / sustainability within the SHRA • Supply Chain Management

PROGRAMME 2: CAPACITATION PROGRAMME

Capacitation Programme

Focus will be on the sustainability and development of social housing. Areas of work will include:

- Growth and development of social housing institutions and ODAs:
- Research and development
- Sector M & E
- Assessment of applications for Institutional Investment grants
- Coordination and management of Institutional Investment Grants

PROGRAMME 3: INVESTMENT PROGRAMME

Investment Programme

Focus will be on growing social housing stock and holding of stock that is acquired. Areas of work will include:

- Pipeline Planning
- Development of systems and processes to transfer and manage stock
- Effective management of RCG contracts
- Partnership with Provinces and Municipalities
- Collaboration with Provinces and Municipalities
- Collaboration with other state owned entities related to social housing
- Partnerships with other Funders to secure loan funding for social housing development
- Partnerships with private sector

PROGRAMME 4: COMPLIANCE PROGRAMME

Compliance Programme

Responsible for inspecting stock, auditing of entities and enforcement. The work areas will include:

- Ensuring compliance
 - Development of systems and processes to ensure compliance
 - Monitoring (e.g. effective inspection of stock)
 - Enforcement of compliance (e.g. legal intervention)
- Maintain a register of all SHIs and contracted ODAs
- Tracing all stock developed prior and post SHRA's establishment
- Maintain a register of all stock developed prior and post SHRA's establishment

PROGRAMME 5: ACCREDITATION PROGRAMME

Accreditation
Accreditation of: <ul style="list-style-type: none"> • Social Housing Institutions • Projects • Service Providers

Annexure E Technical indicator Descriptions

Administration Programme

Indicator title	Maintain an unqualified audit opinion
Short definition	The SHRA to achieve an unqualified audit opinion as per the External Auditor's report on the Annual Financial Statements.
Purpose/importance	The importance of an unqualified audit opinion is a good audit opinion. This directly links to the strategic objective of sound corporate and financial governance.
Source/collection of data	The actual report submitted by the External Auditor.
Method of calculation	External Auditor's report.
Data limitation	The report is only as accurate as the quality of the audit.
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	To attain an unqualified audit opinion. Not an unqualified audit opinion with emphasis of matter.
Indicator responsibility	CFO

Indicator title	Number of Council evaluation reports developed and submitted to the Department
Short definition	The number of reports developed following a Council Evaluation process
Purpose/importance	In order to ensure effectiveness governance and leadership of the organisation, an effective Council is crucial. Evaluations are required to be conducted to ensure the effectiveness is measured to allow issues to be addressed.
Source/collection of data	Report issued following a Council Evaluation
Method of calculation	Review of the report
Data limitation	Evaluations do not necessarily improve effectiveness.
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes

Desired performance	Achievement as per the target, failure to achieve one evaluation per year will be considered a failure.
Indicator responsibility	Company Secretary

Indicator title	Average number of months to fill approved positions
Short definition	The average number of months it takes to recruit a new employee once the position has been approved to be filled.
Purpose/importance	Ensuring there is sufficient capacity within the organisation to undertake the strategy.
Source/collection of data	The instruction provided to recruit for each position to the date of appointment letter.
Method of calculation	On an annual basis to calculate the average time it takes to recruit for each approved position.
Data limitation	Does not consider quality.
Type of indicator	Efficiency
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	3 months or less
Indicator responsibility	CFO

Indicator title	Implementation of a comprehensive performance management system that includes performance targets and performance standards
Short definition	The development, approval and implementation of a comprehensive performance management system for all employees. This will include policies and procedures as well as the establishment of performance target sand standards for all positions.
Purpose/importance	Relates directly to the enhanced performance of the entity strategic objective.
Source/collection of data	The approved policy will be in the form of Council minutes whereby the approval is documented. The implementation of the system should be online through the HRM system. Signed off performance contracts and appraisals.
Method of calculation	Comparison of documentation to the target. The information can be audited.
Data limitation	Does not incorporate quality.
Type of indicator	Activity
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Accomplishment of targets on a faster basis would be preferred.
Indicator responsibility	CFO

Capacitation Programme

Indicator title	Norms and standards for social housing developed and approved
Short definition	The development and approval of the norms and standards for social housing.
Purpose/importance	Norms and standards to include building specifications, mixed tenure, different models for inner city vs mining towns, include communal residential and expand definition of social housing, include services in estates such as crèches and MPCCs, innovative designs. The importance is to ensure value of state's investment is received.
Source/collection of data	Document to be written and approved by Council. The Council approved document and minutes will serve as evidence. Any policy implications will need to be approved by the Department and Executive Authority and follow a policy change process.
Method of calculation	Verification of documents and minutes.
Data limitation	Lack of quality standards
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To be achieved faster than expected.
Indicator responsibility	Head of Capacitation

Indicator title	Number of new social housing institutions accredited by 2019
Short definition	The number of new applicants that achieve accreditation status
Purpose/importance	In the drive to deliver more units and expand the sector, greater capacity is required and new entrants to the sector need to be attracted and accredited.
Source/collection of data	Council minutes regarding the approval of accreditation status and application documents
Method of calculation	Verification of documentation
Data limitation	Lack of quality standards. Dependent on interest.
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To achieve a greater number would be preferable
Indicator responsibility	Head of Capacitation

Indicator title	Number of social housing institutions re-accredited by 2019
Short definition	The number of SHIs that have been accredited in previous years, re-accredited
Purpose/importance	As per the functions of the SHRA detailed within the Social Housing Act No. 16 of 2008

Source/collection of data	Council minutes regarding the approval of accreditation status and application documents
Method of calculation	Verification of documentation
Data limitation	Lack of quality standards. Dependent on interest.
Type of indicator	Outcome
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To achieve a greater number would be preferable
Indicator responsibility	Head of Capacitation

Indicator title	State of the Sector reports published
Short definition	The State of the Sector reports need to be developed annually and then published for public consumption
Purpose/importance	The Social Housing Act No. 16 of 2008 requires the SHRA to develop a State of the Sector report on an annual basis
Source/collection of data	Published document (State of the Sector report)
Method of calculation	Sum of reports published
Data limitation	Does not cover quality of the actual report
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	To achieve one report published per year
Indicator responsibility	Head of Capacitation

Indicator title	Evaluation of restructuring zones report
Short definition	A report undertaken on the evaluation of restructuring zones
Purpose/importance	This is a key component of the social housing programme
Source/collection of data	Council minutes and reports
Method of calculation	Verification of documents
Data limitation	Quality restrictions
Type of indicator	Outcome and impact
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Faster than expected achievement of targets
Indicator responsibility	Head of Capacitation

Indicator title	95% disbursement of Institutional Investment grant
Short definition	95% disbursement of the allocation of the Institutional Investment Grant within the allocated year
Purpose/importance	In order to effectively utilise the designated capacity building grant of the entity
Source/collection of data	Financial statements
Method of calculation	Verification of statements

Data limitation	Subject to auditing process
Type of indicator	Efficiency
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Over achievement of 95% but within budget
Indicator responsibility	Head of Capacitation

Indicator title	No. of work opportunities created for women
Short definition	The number of work opportunities created for women.
Purpose/importance	Work opportunities is in accordance with EPWP definition
Source/collection of data	Information from projects
Method of calculation	Quantitative
Data limitation	Accuracy of project information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Faster achievement of targets and greater opportunities than targeted
Indicator responsibility	Head of Capacitation

Indicator title	No. of work opportunities created for youth
Short definition	The number of work opportunities created for youth
Purpose/importance	Work opportunities is in accordance with EPWP definition
Source/collection of data	Information from projects
Method of calculation	Quantitative
Data limitation	Accuracy of project information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Faster achievement of targets and greater opportunities than targeted
Indicator responsibility	Head of Capacitation

Indicator title	No. of training days for women
Short definition	The number of training days created for women.
Purpose/importance	In accordance with EPWP principals
Source/collection of data	Information from projects
Method of calculation	Quantitative
Data limitation	Accuracy of project information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes

Desired performance	Faster achievement of targets and greater opportunities than targeted
Indicator responsibility	Head of Capacitation

Indicator title	No. of training days for youth
Short definition	The number of training days created for youth
Purpose/importance	In accordance with EPWP principals
Source/collection of data	Information from projects
Method of calculation	Quantitative
Data limitation	Accuracy of project information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Faster achievement of targets and greater opportunities than targeted
Indicator responsibility	Head of Capacitation

Investment Programme

Indicator title	Consolidated cashflow and construction dashboard for social housing programme developed
Short definition	The development of a consolidated dashboard that represents both cashflows and construction plans of all projects and those on the pipeline
Purpose/importance	In order to more effectively plan and measure performance
Source/collection of data	Project information
Method of calculation	Quantitative
Data limitation	Quality of information provided, subject to frequent change
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To be completed within timeframes
Indicator responsibility	Head of Investment

Indicator title	Number of units approved for Restructuring Capital Grant award
Short definition	The number of units that have been awarded with Restructuring Capital grant award status.
Purpose/importance	Planning ahead is critical if the target of number of units are to be delivered. This programme has a planning horizon of at least two to three years therefore in this environment project planning is critical. One of the key elements of the programme is to ensure the required number of units is approved in order to ensure delivery.
Source/collection of data	The minutes of Council meetings approving the units

Method of calculation	Review of minutes of meetings with Council
Data limitation	The minutes accurately capture the required approvals
Type of indicator	Output
Calculation type	Cumulative over an annual year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Over achievement would be positive as completed units are desirable.
Indicator responsibility	Head of Investment

Indicator title	Number of units delivered
Short definition	Number of social housing units completed and tenanted
Purpose/importance	Whilst approval of units is important, the actual delivery of units must be achieved in order to fulfil the mandate of the programme and growth of the sector
Source/collection of data	Site visit reports and project completion reports
Method of calculation	Review of project completion and site visit reports
Data limitation	Does not include quality
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Over achievement would be positive as completed units are desirable.
Indicator responsibility	Head of Investment

Indicator title	95% disbursement of RCG grant
Short definition	95% disbursement of the allocation of the Restructuring Capital Grant within the allocated year
Purpose/importance	In order to effectively utilise the designated capital grant of the entity
Source/collection of data	Financial statements
Method of calculation	Verification of statements
Data limitation	Subject to auditing process
Type of indicator	Efficiency
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Over achievement of 95% but within budget
Indicator responsibility	Head of Investment

Compliance Programme

Indicator title	Number of social housing units under regulation
Short definition	Institutions holding social housing stock or carry out the business of social housing are required to register with the SHRA. By registering with the SHRA, the social housing stock is regulated through the institutions through accreditation, compliance monitoring and enforcement. Regular audits on the stock and tenants are required to be carried out.
Purpose/importance	Both stock funded by the SHRA and that funded through institutional subsidies prior to SHRA's establishment are required to be regulated. This is important to ensure protection of state's assets and to ensure that stock is available for social housing this will ensure the growth of social housing. The indicator therefore reflect the delivery of social housing units as those constructed are transferred to the Regulations unit for compliance monitoring and the stock developed prior to SHRA's establishment which has not yet been registered.
Source/collection of data	Social Housing Institutions reports, project handover from Investment Management, enforcement unit that reclaims historic stock.
Method of calculation	Sum of social housing units reflected on reports, handover and enforcement reports.
Data limitation	Depends on accuracy of information received
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Prior to SHRA's establishment, experts estimated that 30,000 social housing units had been funded. SHRA currently regulates 18,000 therefor SHRA needs to grow the number of units under regulation.
Indicator responsibility	Head of Compliance

Accreditation Programme

Indicator title	Percentage application of quality standards on accreditation of entities
Short definition	The percentage to which internal resources have applied the quality standards on the process and method of assessing the accreditation of entities
Purpose/importance	To ensure integrity and service excellence
Source/collection of data	Audit of assessment report
Method of calculation	Quantitative and qualitative
Data limitation	Accuracy of assessment
Type of indicator	Activity
Calculation type	Non-cumulative

Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Faster achievement or higher percentage application
Indicator responsibility	Head of Accreditation

Indicator title	Percentage application of standards on accreditation of projects
Short definition	The percentage to which internal resources have applied the quality standards on the process and method of assessing the accreditation of projects
Purpose/importance	To ensure integrity and service excellence
Source/collection of data	Audit of assessment report
Method of calculation	Quantitative and qualitative
Data limitation	Accuracy of assessment
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Faster achievement or higher percentage application
Indicator responsibility	Head of Accreditation