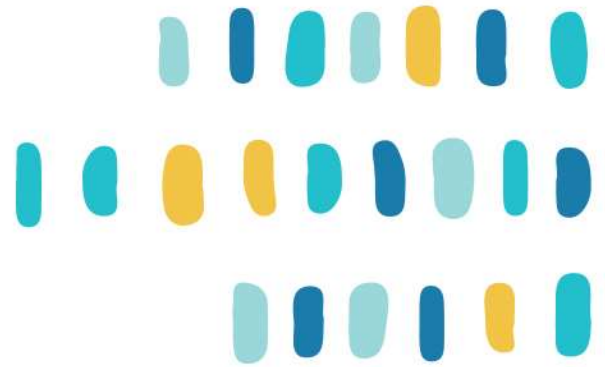




Government of **Western Australia**
Department of **Communities**



COMMUNITY HOUSING REGULATORY FRAMEWORK

**Registered Community Housing
Provider's**

Compliance Guide

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1 Introduction

1.1 Community Housing Regulatory Framework

The Community Housing Regulatory Framework (Framework) is a regulatory system designed to achieve a well governed and managed community housing sector and provide a platform for the ongoing development and viability of the community housing sector.

Community housing providers (Providers) are organisations that deliver social or affordable housing for people on low incomes and housing-associated services covered by the social and affordable housing policies of government and funding agencies.

1.2 Purpose of the guide

This Compliance Guide is intended to assist registered community housing providers in meeting compliance obligations under the Community Housing Regulatory Framework. This guide forms part of a suite of guidance notes and should be read in conjunction with the following documents and guidance notes available on Department's [website](#).

- **Community Housing Regulatory Framework** – This document provides overarching vision, objectives and regulatory principles of the National Regulatory Code.
- **Evidence Guidelines** – Describes the performance indicators and potential evidence sources for registration and compliance assessment.
- **Financial Viability Guidance Note and Fact Sheet** – These two documents explain how providers can demonstrate financial viability for registration and ongoing compliance.
- **Community Housing Asset Performance Report (CHAPR)**- This document provides detailed guidance on the completion of the CHAPR. The CHAPR is completed at registration and at each compliance assessment.

This guide is a living document and will be enhanced over time. The Registrar is committed to ongoing engagement with Providers to ensure guidance assists them in meeting their obligations under the National Regulatory Code and welcomes feedback.

1.3 Tools to Assist

There are a number of documents available on the Communities website at http://www.housing.wa.gov.au/investorsandpartners/communityhousingorganisations/Regulation/Pages/related_information_and_documents.aspx that will assist you in completing your return. In particular:

- Provider Compliance Guide;
- Community Housing Regulatory Information System (CHRIS) User Guide for Providers;
- Evidence Guideline;
- CHRIS metric Information Sheet.

In addition, guidance on how to navigate the Community Housing Regulation Information System (CHRIS) and completing returns are available on the National Regulatory System Community Housing ([NRSCH's website](#)).

- [Navigating the Community Housing Regulatory Information System \(CHRIS steps for providers\)](#) - Guidance to Providers completing Registration and Compliance Returns using the CHRIS system.
- [Guide to Completing Your Return](#) –Guidance on what information should be recorded and how the system validates and analyse the data. It contains hints and tips to help Providers complete the return.

There are other useful documents which contain more detailed information about specific aspects of the framework available on Department of Communities and NRSCH websites.

1.3 Role of the Registrar

The Community Housing Registration Office (CHRO) administers the Framework and is led by the Community Housing Registrar, a senior employee of Department of Communities. The Registrar is responsible for promoting both a culture of compliance and detecting and addressing non-compliance at the earliest opportunity to protect the integrity of the community housing sector.

The CHRO proactively engages with Providers on an ongoing basis to foster compliance. The engagement is risk-based and common risk profiling methods will be used to assess the risk of non-compliance in the future and for ongoing compliance assessment.

In addition to proactive engagement with the sector to foster compliance, all registered Providers must periodically demonstrate that they are achieving relevant performance requirements under the National Regulatory Code, and otherwise complying with the Framework.

1.4 Principles of Framework

The principles of the Framework that underpin the National Regulatory Code are:

- **Proportionate** - reflecting the scale and scope of regulated activities
- **Accountable**- able to justify regulatory assessments and be subject to scrutiny
- **Consistent** - based on standardised information and methods
- **Transparent** - clear and open processes and decisions
- **Flexible** - avoiding unnecessary rules about how Providers organise their business and demonstrate compliance
- **Targeted** - focused on the core purposes of improve tenant outcomes and protecting vulnerable tenants, protecting government funding and equity, and ensuring investor and partner confidence

2 Compliance Overview

There are two types of compliance assessments - Standard and Targeted.

There are also annual Financial Viability Assessments that form part of the compliance assessment. All registered Providers must complete a standard compliance, this constitutes the minimum level of regulatory engagement.

Targeted compliance focuses on non-compliance with high risk outcomes and will be outside of standard compliance cycle. Standard and targeted compliance assessments are planned regulatory engagement. A triggered compliance assessment may occur after a significant event.

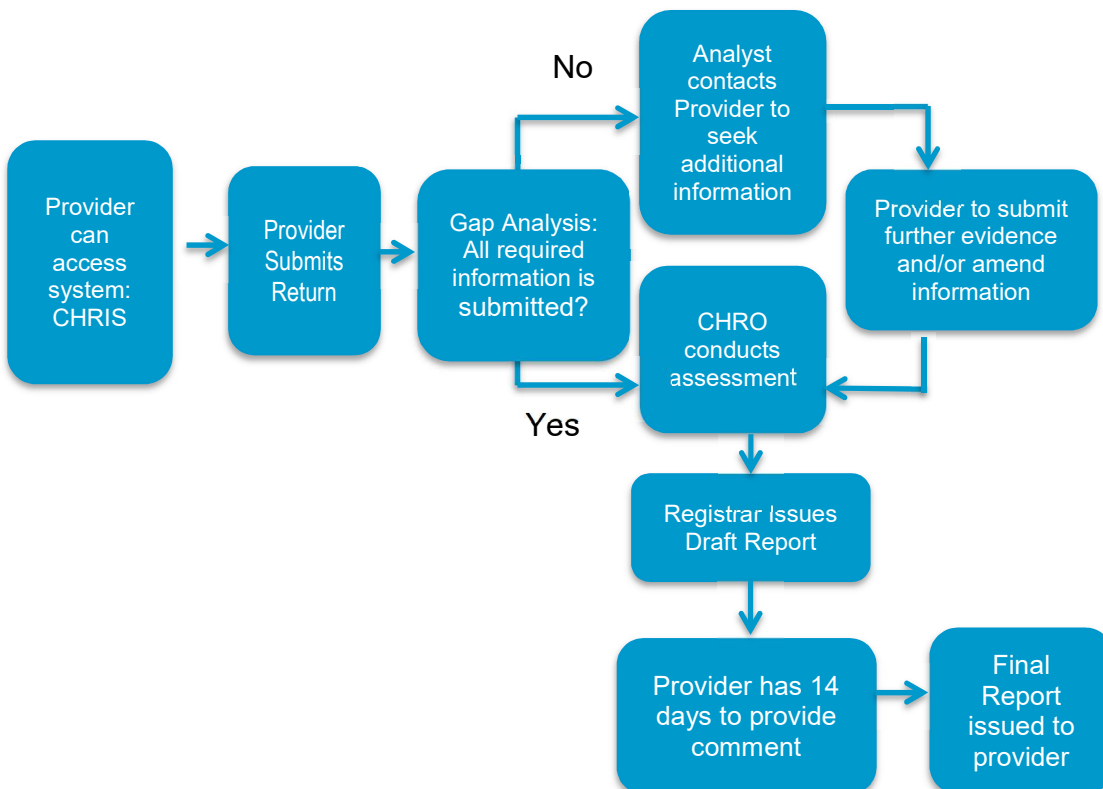
The CHRO may vary any planned regulatory engagement in response to changing circumstances and risk.

The CHRO uses the information in the compliance return and in the supporting documents to prepare a compliance assessment report. This report sets out the outcome of the assessment on tier and compliance, findings on performance and the reasons for the determination.

The CHRO may also seek input from other relevant parties, such as other Registrars in the case of multi-jurisdictional Providers (see 2.3 Mutual Recognition).

The compliance determination report will state whether the Provider is compliant or non-compliant overall with the National Regulatory Code. The Provider receives a draft determination report for comment before the final compliance determination report is issued.

Compliance Flowchart



2.1 Standard Compliance Process

At the time of registration, all Providers will be informed of their next compliance date on the determination letter. The frequency of assessment will depend on Provider's Tier.

- **Tier 1 and Tier 2 Providers complete a standard compliance return every year**
- **Tier 3 Providers complete a standard compliance return every two years**

The steps involved in the Standard Compliance process and timeframes for each stage are set out below in Table 1.

A failure to submit the return by the due date – six weeks from the start date, without the granting of an extension by the Registrar, may constitute a non-compliance with the Framework.

Table 1 Standard Compliance Stage and Timeframes

Stage	Activity	Timeframe	Action by	Comment
INITIATION	Confirmation of compliance commencement	Around 2-4 weeks prior	Registrar	Analyst contacts Provider prior to compliance commencement to ensure current details of Nominated Main Contact and rundown of compliance requirements
	Reminder	1 week prior	Registrar	Analyst contact provider to provide friendly reminder the portal is opening in one week's time.
RELEASE OF COMPLIANCE RETURN	Compliance return released to Providers (access via CHRIS)	Compliance start date	Registrar	Provider will receive an email to prompt Provider that the return is now available on CHRIS
	Compliance return due date and evidence submitted	6 weeks	Provider	Provider has 6 weeks to submit completed compliance return and attach evidence to demonstrate compliance

ASSESSMENT OF COMPLIANCE RETURN	Assessment against Performance Outcomes (gap & main assessment)	8 weeks	Registrar	The analyst will first undertake a gap assessment to check if the return looks reasonably accurate. If further information or clarification is required, analysts will contact provider and set new deadline. The time taken to carry out the assessment will depend upon whether in addition to the standard return, further regulatory engagement is necessary.
DRAFT REPORT	Issue of draft compliance report		Registrar	Timeframe will vary as noted above
	Provider review draft report	2 weeks	Provider	2 weeks for Provider to provide feedback (if any)
FINAL REPORT	Final Report issued	1 week	Registrar	1 week to consider feedback where appropriate

2.2 Standard Compliance Return

The standard compliance return consists of:

- a. Core financial and non-financial data sets (relevant to the tier of registration).
- b. Standard business documentation that can be used to demonstrate the achievement of the National Regulatory Code outcomes. This is referred to as 'core documents'.
- c. Notification of significant changes to policy and procedures

The standard compliance return (the return) will be completed and submitted through the CHRIS portal. Where registered Providers have effective data systems and business documentation, the preparation and submission of the return should be a straightforward and streamlined process.

There is no requirement to re-submit the same evidence required during registration or the previous compliance assessment if there are no changes to it. Refer to the [Evidence Guidelines](#) about data definitions and evidence source to demonstrate compliance. The [NRSCH Guide to Completing Your Return](#) provides tips to help Provider complete the return.

A summary of the components of the Return is presented in Table 2.

Table 2: Components of the Standard Compliance Return

Standard compliance return	Tier 1 & 2	Tier 3
<ul style="list-style-type: none"> Financial Performance Report (FPR) 	FPR (incl. 10 yr forecast), Audit report, Audit Management Letter (where applicable)	FPR (incl. 2 yr forecast) Audit report, Audit Management Letter (where applicable)
<ul style="list-style-type: none"> Core non-financial data 	Standard non-financial metrics return	Standard non-financial metrics return
<ul style="list-style-type: none"> Community housing assets data (CHAPR) 	Community housing asset performance report (part of 'Return')	Community housing asset performance report (part of 'Return')
<ul style="list-style-type: none"> Significant changes to policies & procedures 	Updated policies & procedures	Updated policies & procedures
<ul style="list-style-type: none"> Action to address registration or compliance findings 	Report actions to respond to any recommendations or compliance findings	Report actions to respond to any recommendations or compliance findings
<ul style="list-style-type: none"> Community housing (CH) development programme 	List of CH development programmes and their status (or equivalent)	Not required unless Providers has CH development and requested by Registrar
<ul style="list-style-type: none"> Asset management 	Report achievement against current strategic asset management, asset maintenance & development plan (or equivalent)	Report achievement against current asset maintenance plan (or equivalent)

• Governance & management	Annual report (or equivalent)	Annual report (or equivalent)
• Risk management	Risk management plan and risk register (or equivalent)	Updated risk register/plan
• Tenant / resident satisfaction	Latest tenant/resident satisfaction report	Latest tenant/resident satisfaction report
• Appeals and Complaints	Current appeals and complaints register (or equivalent document)	Current appeals and complaints register (or equivalent document)
• Performance against business goals	Latest report to Board detailing past and current performance against goals/targets in business plan & strategic asset management / development plan	Latest report to Board detailing past and current performance against goals/targets in business plan &/or strategic asset management

2.3 Mutual Recognition

Mutual recognition will benefit Providers who operate in more than one jurisdiction by reducing red tape and regulatory burden. Where a provider is registered under the National Regulatory Systems for Community Housing (NRSCH), CHRO will seek information from the Provider's primary registrar to enable mutual recognition of Provider's standard compliance with the framework. Mutual recognition is subject to providing written consent to the CHRO for information sharing, meeting any additional WA specific requirements and recommendations identified in previous registration and compliance assessments.

2.4 Targeted Compliance

In addition to the standard compliance assessments, a targeted compliance assessment may be sought where a recommendation is required to be addressed sooner than the next standard compliance. A targeted compliance assessment is a planned engagement and the date will be identified in the compliance assessment report.

During the targeted compliance review, the analyst will assess the actions taken by the Provider to address specific issues/ recommendations and how risks identified at previous compliance review are mitigated.

2.5 Triggered Compliance Assessment

A triggered compliance assessment is conducted following an event or particular circumstance (such as a serious complaint, a provider notification and/ or a meaningful change of circumstances within an organisation).

During the triggered engagement review, the analyst will assess the Provider's actions and plan to ensure that specific issues or risks identified as a result of occurrence of significant event/s are managed appropriately.

2.6 Financial Viability Assessment

Financial Viability Assessments (FVA) are conducted annually and are aligned to Performance Outcome 7 (Financial Viability) of the Framework. The FVA demonstrates a provider's ability to generate sufficient income to meet operating payments, debt commitments and, where applicable, to allow for growth, while maintaining service levels.

As part of the FVA, each Provider will be required to complete an annual Financial Performance Report (FPR) applicable to their tier. The FVA for Tier 1 and 2 Providers are incorporated within the annual Standard Compliance Return and Tier 3 Providers need to complete a stand-alone FVA in between the bi-standard compliance returns.

Tier	FPR Disclosure	FVA	Supportive Evidence
Tiers 1 and 2	3 years historical + 10 years forecast	As part of Standard Compliance Return	Current year Audited Financial Statement; Business Plan; Risk Register; Annual Report, Audit Report and Audit Management Letter (where applicable)
Tier 3	2 years historical + 2 years forecast	Year 1 – separate FVA Year 2 – Part of two-yearly compliance return	

For direction on meeting Financial Viability Outcome 7, please refer to [Financial Viability Guidance Notes](#) and [Fact Sheet](#). The Financial Performance Report spreadsheet for Tier 1 & 2 Providers and Tier 3 Providers are also available from the Department's [website](#). This can be downloaded at any point in time.

3 Getting Started

It is strongly recommended the Provider's Nominated Main Contact (NMC) goes through the guidance materials listed on Page 2. The NMC is an authorised person to receive all correspondence from the CHRO, facilitate the compliance process and access the online regulatory system CHRIS (the Community Housing Regulatory Information System).

3.1 Initiation - Contacting the Provider

Around two to four weeks prior to the standard compliance assessment is due to start, Provider will be contacted by the CHRO assigned analyst for induction to confirm the current NMC and to go through the compliance process.

If the NMC remains unchanged from the last assessment, they will be able to log in and access the compliance return using their existing username and password. If the Provider's contact cannot remember their password, it can be reset from the login page.

If the NMC changes at any point in time before or during the compliance process, please advise your assigned analyst. Such a change must be confirmed by an officer of the Provider. Your analyst will facilitate the update of details on the account page in the CHRIS portal and the provision of portal access. Once the new NMC has been set up in the system, the new contact will receive an email confirming they have been granted access to CHRIS.

3.2 Commencement (Return release)

On the day the compliance process starts, the Provider will receive an email 'Invitation to Begin the Compliance Process'. This email marks the opening of the CHRIS portal, where the online return is made available to the Provider to commence. The Provider has six weeks to upload the compliance evidence into CHRIS before the due date.

3.3 Guiding Principles for Completing the Return

In completing the return Providers should note the following principles:

- The return is structured around core data sets and standard business documentation rather than the outcomes in the National Regulatory Code. This is because the same data item or document may contribute to demonstrating the achievement of multiple outcomes. The Evidence Guidelines document describes how different types of evidence may be used to inform judgement about the achievement of outcomes.
- Apart from the standard data sets, the components of the return describe examples of evidence—rather than prescribing required pieces of evidence.
- Evidence can be presented in the form that it exists. Providers are not expected to adjust existing key documents or plans to meet the specific description in the return. (The key exception to this, is the submission of the Financial Performance Report (FPR)). For example, if a Providers outlines its annual business activities and targets in a series of action plans rather than in one single business plan, these can be submitted as evidence.
- While the same 'type' of evidence may be required for different Tiers (e.g. current business plan), the expected depth and rigour of the evidence is different for each Tier: risk stratification by tier means evidence from Tier 1 Providers will be expected to be more comprehensive and sophisticated than evidence from Tier 2 Providers. Evidence from Tier 3 Providers will be expected to be briefer and simpler, commensurate with the scale and scope of their community housing activities.

- Providers are responsible for determining the adequacy of the business documentation they submit with the compliance return. Providers will not be found non-compliant for submitting a 'poor' business plan. However, they may be assessed as non-compliant if that business plan does not have the sufficient depth and rigour for their Tier of registration to demonstrate achievement of the required outcome. Similarly, they may be assessed as high-risk of non-compliance in the future and be subject to additional, targeted compliance assessment.
- The responsibility is on Providers to validate their financial and performance data before submission. By approving the submission of the compliance return the governing body is providing assurance of data reliability.

3.4 Providers Change of Scale, Scope or Primary Registrar

During the initial review of the return, the analyst will check that the current tier of registration remains applicable. If the initial review suggests a significant change in scale and/ or scope, the Provider will receive an email which will explain what, if any, additional evidence applicable to the new Tier is required.

The change of Tier will only be confirmed when the compliance determination is made. In the case of multi-jurisdictional Providers registered under the NRSCH, the Primary Registrar may change depending on changes to the location of the majority of the Providers community housing assets/tenants.

3.5 Supplementary Evidence

Once your analyst has confirmed that the return is complete, and the core documents have been received, they will use the evidence to assess your compliance against each performance outcome. In some cases, they will be able to reach a decision solely on the return and its supporting documentation. In others they will require more information (supplementary evidence) to reach a determination.

They may need this information because, for example;

- They need to understand more about your performance against a particular outcome.
- Your business has changed significantly, and they wish to follow up in more detail.
- Written/ documentary evidence is insufficient to determine whether compliance outcomes are met.

Supplementary evidence will only be requested for the relevant performance outcome. It can take the form of additional documentation, a telephone conversation, a meeting or a site visit. This will be outlined in an email sent to you.

Further information in relation to submitting supplementary evidence is available in the CHRIS User Guide for Providers.

4 Compliance Assessment

Whereas the registration assessment confirmed the capacity of the Providers to meet all conditions of registration, the initial compliance assessment is the first-time actual assessment of compliance in achieving the outcomes and requirements of the National Regulatory Code and Conditions of Registration.

As such, the initial compliance assessment requires greater scrutiny of submitted evidence than subsequent standard compliance assessments. Once compliance is confirmed at the initial compliance assessment and a Provider is assessed as low-risk, standard compliance assessments will simply focus on confirming that there has been no change to the risk profile.

The initial compliance assessment involves:

- A. Reviewing information and evidence submitted in the return.
- B. Reviewing the results of the registration assessment where the Provider has already submitted evidence that was recorded as demonstrating that the Provider has capacity to comply.
- C. Collating evidence from other sources including:
 - notification by the Providers of changes that may have an adverse impact on compliance.
 - the Registrar's record of any enforcement action.
 - the Registrar's record of any additional, targeted monitoring triggered by a change of circumstances, risks or performance.
 - the Registrar's record of complaints and notifications under the Framework.
 - liaising with other areas of the Department of Communities, this might include information about the Provider's funding terms or leases, or compliance with a housing policy or contract).
 - Other government agencies (this might include information about the Provider's funding terms or compliance with a policy or contract, or housing-related service delivery).
 - Other regulatory authorities (this might include information about regulatory engagement with the Providers).
 - the public record (this might include information about the Provider's body corporate status, court or tribunal decisions, or media).
- D. Identifying where the evidence (or the lack of evidence) indicates that the Provider is not achieving the outcomes and requirements in the National Regulatory Code.
- E. Following up on the lines of enquiry (requesting supplementary evidence) which have been identified, with the Provider. This may include:
 - requests for additional information to provide more comprehensive or rigorous evidence of the achievement of the outcome;

- requests to attend a meeting to discuss the interpretation of the evidence about the achievement of the outcome;
 - requests for an on-site visit to validate the evidence about the achievement of the outcome.
- F. Seeking advice from the Primary Registrar where appropriate (multijurisdictional Providers and mutual recognition) and considering any additional WA specific requirements that have not been included in the determination of the Primary Registrar.
- G. Applying the principles of good decision-making and preparing a draft compliance determination report for the Providers. The draft compliance determination report will include:
- a brief statement confirming compliance or non-compliance with the National Regulatory Code;
 - any findings outlining areas where the Providers could take action prior to the next Standard Compliance Return to improve the comprehensiveness and rigour of evidence submitted to better demonstrate the achievement of the outcomes.

Separate to the compliance assessment process, the Registrar may take enforcement action to bring the Providers back to compliance where non-compliance is serious, or the Providers has failed to remedy the non-compliance.

5 Compliance Finding and Determination Report

Once the assessment is complete, the Provider will receive an email notifying that the draft determination has been completed and the draft determination report is available on CHRIS.

5.1 Compliance Finding

Where a determination is made that the Provider is compliant there may be performance outcomes where compliance is determined 'compliant with recommendations'. In these cases, the report will include recommendations or actions to assist the Provider to improve performance and bring them to full compliance.

The report may also include business improvement opportunities that contain 'better practice' improvement suggestions for the Provider to consider.

Where the Provider is determined to be non-compliant, a staged approach to enforcement will be taken including ultimately cancellation of Registration. More information regarding Enforcement is available in the Community Housing Regulatory Framework document.

5.2 Providing feedback

In accordance with procedural fairness, the Provider is offered the opportunity to make a submission or written statement about the draft determination. The feedback must be provided within two weeks from the date the draft determination was sent. The CHRO will consider any feedback and may contact to clarify matters before issuing the final determination. If the Provider does not comment within two weeks, the draft determination will be adopted as final.

5.3 Release of final determination Report

The CHRO will release the Final Determination Report within one week after the deadline for comment. The release of the Report signifies that the compliance process is now completed. The Provider will receive an email from the assigned analyst advising that the final determination report is now available on CHRIS. The determination letter will advise the date of the next compliance assessment.

5.4 Compliance survey

After the completion of the compliance engagement, the Provider will be requested to fill out a survey monkey survey to provide feedback and improvement opportunities to the compliance process.