

Guidance Note

Change and Disclosure Reporting

Purpose of this guidance note

To inform community housing providers (CHPs) of when they are required to complete Change and Disclosure Reports and to explain the difference between the two.

Introduction

We know that changes to the way an organisation is governed or operates can occur for any number of reasons. These changes can occur at any time, which means they may fall outside of our annual reporting process.

As a CHP, you are obliged to report to us any changes as they arise that could impact your status as a CHP. This is done through the completion of a Change and Disclosure Report. You can find this reporting template on our website:

<https://chra.hud.govt.nz/assets/Uploads/Change-and-Disclosure-Reporting-Form.pdf>

What is Disclosure Reporting?

Disclosure reporting is required for any *significant* event, usually after the fact, which might adversely impact on your organisation's ability to comply with the Performance Standards. Events include, but are not limited to:

- action being taken against your organisation by any statutory body, individual or company;
- action being taken by another Government agency;
- serious breaches of the Code of Conduct by Board members or staff;
- cases of fraud or criminal misconduct which are under investigation;
- an adverse event that may trigger media

interest or result in housing units becoming uninhabitable;

- defaults on loans or circumstances that make a default on loans likely;
- financial issues which could impact on the viability of the organisation or lead to a reduction in service level, business, loss of staff etc.; and
- complaints made to the Privacy Commissioner about your organisation.

Examples of what are not significant events are instances of small-scale non-compliance with internal policies (e.g. a staff member using a company cell phone for personal calls, or receiving a parking ticket). These types of events do not need to be disclosed to the Authority.

What is Change Reporting?

Change reporting is required for *significant* changes to a CHP's business, which are usually known in advance. Where they are known in advance, you must inform the Authority in advance.

They include changes to:

- the legal name of the CHP;
- the type of organisation or incorporation details;
- a CHP's geographical location, or expansion into other areas;
- membership of the governing body or senior staff;
- the contact person the Authority has listed in order to contact the CHP;
- a CHP's constitution or enabling document e.g. the CHP's objects or functions or scope of activities;

- the AGM date, or month in which the annual accounts are signed off;
- the structure of the organisation e.g. merger or takeover; and
- the rent-setting policy that impacts on non-income-related rent tenancies.

They also include:

- the acquisition or development of further rental housing units (including notification of when they become available for use);
- undertaking other business ventures involving significant capital expenditure;
- subcontracting out tenancy management, property management or asset management services, or changing sub-contractors for these services; and
- entering into significant related party agreements.

What happens when we receive a Disclosure or Change Report?

We assess the information to determine to what extent, if any, the issue will impact on your organisation's ability to meet the prescribed eligibility criteria or Performance Standards.

If we identify an issue, we contact the CHP to explain the potential impacts on its compliance with the Performance Standards. Our approach is to help a CHP address any issues identified. Where possible, we will work with the organisation, to resolve issues as they arise. Our aim is to ensure the CHP remains viable and is operating within the parameters of the Performance Standards.

Further information

If you have any questions about your obligations to undertake disclosure or change reporting, please contact us at chra@hud.govt.nz.