Organisational Due Diligence

(Step 2 (i) of the 8 Step Assurance Framework)

The organisational assessment will be used to assess the suitability of a partner in country of operation. The typical subject of this exercise will be organisations which have passed the initial Alignment Assessment which have completed the Organisational Document Checklist. The information captured in the Document Checklist is essential source data for this assessment, though further enquiries and in-person discussions will also be necessary for the assessment. This is primarily a desk-based exercise to be conducted by Reall and is to be used as the basis for internal discussions and decisions on new organisational partnerships.

Guidance notes are set out in the 'bench marking' column. This guidance tool is useful when considering certain factors during the assessment of the potential partner Reall is looking to work with.

Partner Assessed	
Date of Assessment	
Name of Person Making Assessment	

Internal Management and Operations	Bench Marking	Basic	Intermediate	Advanced	Supporting Documentation/Comments
1. Vision, purpose, values	a. A commitment to working in the affordable homes market for the urban poor.				
	b. Organisation has a clear plan to move towards self-reliance.				
	c. Vision is shared across the organisation.				
2. Company Information	a. Company is duly incorporated in the country of operation, in compliance with local requirements				
3. Strategy	a. A strategy in place which is progressive, entrepreneurial and shows vision and a logical method to demonstrate this.				
	b. Organisation's strategy can demonstrate scalability.				
	c. Strategic alignment with Reall's objectives (including Reall's six strategic imperatives: • Stewardship of capital • Partner quality • Innovation • Collaborators • Evidence and ideas • Scalability				
	d. Potential to serve as a catalyst in urban/national environment.				

4. Governance	a. A functioning and engaged board- what is the Board's level of engagement and strategic competence?			
	b. What is the Board's level of involvement in raising additional capital?			
	c. Are there a range of competencies suited to the organisations purpose.			
	d. Clear separation of governance and operational roles between board and staff, how transparent and accountable is the management team to the board?			
	e. Are Board meetings held at least quarterly?			
5. Policies	a. Policies represent a reasonable standard in each area			
6. Advocacy and communications	a. Organisation has engaged/showed willingness and influenced government policy/practice.			
	b. Advocacy is practiced and is evidence based.			
	c. Projects planned and designed to transform context (policies and practices, rules and regulations.			
	d. Have well identified and justified audiences.			
	e. Defined target audiences and methods/tactics in place to influence them.			

	f. Proactive communication strategy in place.				
7. Learning and Improvement	a. Reflective and self-critical.				
	b. Undertake regular monitoring and evaluation (internally and externally.				
	c. Learn from practice (successes and failures).				
	d. What is the quality of initial and on-going training for staff, management and site leaders?				
8. Staff Structure and Decision Making	a. Assessment of leadership team- what is the capacity and capability of senior management.				
	b. How is effective leadership demonstrated.				
	c. Strong second-tier level of management.				
	d. Have the skills to deliver their programmes.				
	e. A devolved decision-making system is in place demonstrated by confident staff actively making decisions.				
	a. Transaction Management				

					Assess against Financial Standards in Appendix 2 of Investment Policy
9. Financial management standards	b. Budgeting				
	c. Risk management				
	d. Financial policies and procedures				
	e. Financial reporting				
	f. Audit				
	g. Staffing				
	h. End-user finance				
11. Organisational Resourcing	a. Organisation has sufficient resourcing to implement strategy.				
	b. What additional capacity will be required to undertake programme work.				
	c. Assess the capability of key resources, does the organisation have the necessary skills to deliver affordable housing?				
12. Resilience and adaptability to change	a. Structures and approach which demonstrates and willing to accommodate change.				

	b. Ability to manage possible increased activity of programme delivery.				
	c. Commitment to Reall's Critical Actions: Scalability, Partner Quality, Innovation, Collaborators, Evidence and Ideas, Stewardship of Capital.				
13. Monitoring and Evaluation	a. M&E is clearly acknowledged and valued activity which is not viewed as distinct from other programme and project areas.				
	b. There is genuine feedback and process of learning in a place which informs project design and implementation, and also organisational behaviour.				
	c. M & E is integrated into the culture of the organisation and can also demonstrate how learning from previous projects has been integrated into new ones.				
	d. Commitment to rigorous evidence and reporting.				
Housing Infrastructure Experience					
14. Capacity	a. The organisation can generate or access accurate target clients' level information which informs their work (it responds to the needs of those affected) and is used to influence the work of others (policy change etc).				

	b. The organisation has strong relationships with organised groups and is able to continue to develop these. It has an organisational culture that involves target clients in projects in a meaningful way (including planning, implementation and decision making).				
	c. The organisational culture involves key stakeholders in projects in a meaningful way and projects studied by the assessment team attest to this.				
	d. Consultation with all levels of community, members and other key stakeholders takes place on project design. The views expressed are taken into consideration for planning, implementation, monitoring and decision-making. Community members make contributions. Community members benefit from skills transfer and job creation. Bigger projects utilise community contracting.				
	e. Community members understand and accept loan terms. Community members demonstrate a high degree of repayment (with minimal and justifiable default rates).				
15. Technical/construction knowledge	a. Moderately developed understanding of urban and spatial systems, city planning and structures.				

	b. Well-developed strategic overview of how Reall will support them to engage and influence the delivery of housing and basic services for the bottom 40% of the income pyramid.				
	c. They understand physical development processes involved from land identified and acquisition to final delivery of housing and infrastructure (including time and costs constraints).				
	d. Organisation has demonstratable experience in land acquisition/title documents.				
16. Track record	a. Examples of previous projects that show a high degree of responsiveness to community priorities and constraints (affordability, environmental issues, appropriate technology, etc.).				
	b. The organisation can demonstrate they have completed projects within planned time and budget, including a risk management processes to achieve completion.				
	c. They have a track record of proficiently managing project funding provided by external third parties and have implemented a dedicated role for this purpose.				

	d. The organisation can demonstrate the efficient use of a system for forward planning its projects over the long period of time. Project pipeline exists.				
	e. The organisation can demonstrate efficiency awareness and strives to achieve best use of resources.				
External Relationships/Stakeholder Management					
17. Government	a. The organisation has a working relationship with key local government function areas.				
	b. Clear understanding of the policies (at both national and local government levels), which impact the organisation and their work and a plan of how to influence/change them for the delivery of housing and basic services at scale.				
	c. The organisation has proven capacity and reputation in working with government as an effective actor in urban development (including the delivery of adequate and sustainable housing and basic services to target clients). Good relationships developed with many relevant government agencies. The organisation is showing signs of exerting influence on policy through good working relationships at different levels				

18. Working with civil society/networks	a. Formal analysis of stakeholders and their interests is incorporated in discussions. Organisation uses a consistent and systematic approach to identify and initiate potential relationships. Different types of relationships are actively pursued. Some review and prioritisation of existing relationships.				
	b. Effective actor in urban development (including the delivery of adequate and sustainable housing and basic services to target clients).				
19. Other Stakeholders	a. The organisation has reliable, consistent, up-to-date, relevant data about the communities they work with gathered in conjunction with those communities. Target clients regard the organisation as their trusted intermediary.				
	b. The organisation has proven capacity and reputation in working with various stakeholders for the delivery of adequate and sustainable housing and basic services.				