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QUARTERLY REPORT 2023/24

JOHANNESBURG SOCIAL HOUSING COMPANY (SOC) LIMITED
Registration No: 2003/008063/07



In terms of Section 121 of the Municipal Finance Management Act, 2003 and
Section 46 of the Municipal Systems Act, 2000.

JOHANNESBURG SOCIAL HOUSING COMPANY (SOC) LIMITED

COMPANY INFORMATION:

Registration number	:	2003/008063/07
Registered Address	:	61 Juta Street Braamfontein
Postal Address	:	61 Juta Street Braamfontein
Telephone number	:	(011) 406-7300
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E-mail	:	info@joshco.co.za
Bankers	:	Standard Bank of SA Limited
Auditors	:	Auditor-General

Approval:

<p><u>Nontobato Ndimande</u></p> <p>Name & Surname Chief Financial Officer</p>	<p></p> <p>Signature</p>	<p>Date of Approval: <u>19/10/2023</u></p>
<p><u>Rongweni Ledibe</u></p> <p>Name & Surname Acting Chief Executive Officer</p>	<p></p> <p>Signature</p>	<p>Date of Approval: <u>19/10/2023</u></p>
<p><u>BRIDGETTE MCNAMARA</u></p> <p>Name & Surname Chairperson of the Board</p>	<p></p> <p>Signature</p>	<p>Date of Approval: <u>19/10/2023</u></p>
<p><u>ANTHEA LEITCH</u></p> <p>Name & Surname Member of Mayoral Committee</p>	<p></p> <p>Signature</p>	<p>Date of Approval: <u>04/11/2023</u></p>

ABBREVIATIONS

AFS	Annual Financial Statement
AG	Auditor General
AGM	Annual General Meeting
ARC	Audit & Risk Committee
BA	Bachelor of Arts
BCom	Bachelor of Commerce
BI	Business Intelligence
BMC	Building Maintenance Company
BSc	Bachelor of Science
CAPEX	Capital Expenditure
CA (SA)	Chartered Accountant (South Africa)
CBD	Central Business District
CCG	Consolidated Capital Grant
CI	Corporate Identity
CoC	Certification of Compliance
CoJ	City of Johannesburg
COSEC	Company Secretary
CRM	Customer Relationship Management
CSI	Corporate Social Investment
DBSA	Development Bank of Southern Africa
DMZ	Demilitarized Zone
EDMS	Electronic Data Management System
EE	Employment Equity
EEA	Employment Equity Act
EIA	Environmental Impact Assessment
EISD	Environment and Infrastructure Services Department
EMT	Executive Management Team
EPWP	Expanded Public Works Programme
ESS	Employee Self Service
FMDC	Fully Managed Data Centre
FY	Financial Year
GBV	Gender-Based Violence
GDS	Growth and Development Strategy 2040
GFIS	Group Forensics and Investigation Services
GHS	Global Household Survey
GLU	Government of Local Unity
ICAS	Independent Counselling and Advisory Services
ICT	Information and Communications Technology
IOD	Injury on Duty
ISP	Internet Service Provider
IT	Information Technology
JBCC	Joint Building Contracts Committee
JOSHCO	Johannesburg Social Housing Company

JPC	Johannesburg Property Company
JRA	Johannesburg Roads Agency
KPA	Key Performance Area
KPI	Key Performance Indicator
LAN	Local Area Network
LLB	Bachelor of Law
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act
MMC	Member of the Mayoral Committee
MOE	Municipal Owned Entity
Mol	Memorandum of Incorporation
MSA	Municipal Systems Act
MTC	Metropolitan Trading Company
MVA	Motor Vehicle Accident
NAT	Network Address Translation
NSFAS	National Student Financial Aid Scheme
OC	Occupation Certificate
OHS	Occupational Health and Safety
OPEX	Operating Expenditure
PMU	Project Management Unit
POPIA	Protection of Personal Information Act
PWD	People with Disability
SALGBC	South African Local Bargaining Council
SCM	Supply Chain Management
SD	Skills Development
SDA	Service Delivery Agreement
SEHRC	Social, Ethics & Human Resource Committee
SHRA	Social Housing Regulatory Authority
SLA	Service Level Agreement
SLS	Service Level Standard
SMME	Small, Medium and Micro Enterprise
SOP	Standard Operating Procedure
TBC	To Be Confirmed
TOD	Transit Oriented Development
TP	Third Party
UIFW	Unauthorised, Irregular, Fruitless and Wasteful
UPS	Uninterruptible Power Supply
WIP	Work in Progress

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CHAPTER 1

LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWARD

The first quarter of the latest financial year is already in our rear-view mirror, and there are already clear signs that Johannesburg Social Housing Company (JOSHCO) is likely to end this financial year in a better state than the previous one. The clearest indicator of this is the fact that our rental collections continue to improve. This progress represents and reinforces our ongoing recovery from the devastating effects of the Covid-19 lockdowns. These challenges not only put an enormous pressure on the economy but also placed specific pressure on our tenants, many of whom fall closer to the vulnerable axis of the social spectrum.

As the new Board Chairperson for this important entity, I was fascinated by the wealth of information contained in these pages. We are approaching integrated reporting in a manner that aligns with the modern corporate environment, which prioritises not only profit but also environmental and social well-being. JOSHCO, at its core, embodies the spirit of the so-called quadruple bottom line of people, planet, profit, and, hopefully, progress. It is a business whose success should primarily be measured by how many people can experience the satisfying clink of a key sliding into the front-door lock of a place to call home. We are here to generate revenue, not for its own sake, but to sustain this important service and to serve the City of Johannesburg's (CoJ's) departments and entities as a dedicated and hardworking implementing agent.

I am excited about the future of JOSHCO, which is amplified each day as I and the rest of the board continue to develop and learn about what we are doing well, what we can and must improve, and what opportunities exist to expand our range of products and services. The fact that we have recently improved our relationship with our regulator, the Social Housing Regulatory Authority (SHRA), is another big encouragement to me, and that is something I am committed to building on in partnership with our capable board.

In this quarterly report, we share our progress, achievements, challenges and aspirations in our ongoing mission to provide quality social, affordable and student housing in the vibrant and diverse CoJ. Despite numerous obstacles, over the past quarter our organisation has worked to serve residents and communities with a commitment driven by our vision of transforming lives and neighbourhoods through safe, affordable housing. It is my privilege to share some of the highlights and insights from this period.

Meeting Housing Needs: One of our central pillars will always be to address the housing needs of Johannesburg's most vulnerable residents. We have not only maintained our commitment to providing safe and decent housing but have also made ongoing strides in expanding our portfolio - though I would love to see this happening faster given the severe housing backlog and continued population growth of the City. New housing developments are taking shape, accommodating more families and individuals.

Community Empowerment: At JOSHCO, our vision extends beyond the bricks and mortar of our properties. We are invested in empowering our residents through community programmes, job training, educational initiatives and small, medium and micro enterprise (SMME) development. Our partnerships with local contractors, big and small, and other organisations, have remained a cornerstone of our operations.

Sustainability: JOSHCO has committed to being a leader in environmentally responsible housing practices. We continue to make strides in reducing our carbon footprint through energy-efficient building designs and the implementation of sustainable technologies. We believe in leaving a lasting positive impact on our environment while maintaining affordability for our residents.

Smart City: The rollout of the JOSHCO app, by all accounts, has been a resounding success. The use of more technology such as this will help us in the long run to improve administration and lower opportunities for corruption, which ultimately builds a more equitable society.

As we move into the next quarter, we must remain focused on our core values of compassion, innovation and sustainability. We will continue to strengthen our relationships with our government and private sector partners, working together to create a city where everyone has a place to find refuge from the concrete jungle.

I would like to thank each and every employee who makes the achievement of the JOSHCO mission and vision possible. Most of all I would like to thank the Executive Management and the Non-Executive Board Members for their enthusiastic support and openness to bringing me up to speed with the strategy and the operational realities of this entity as quickly as they have.

Indeed, I feel as though I have been part of JOSHCO for years already, and that is all thanks to you. I hope and trust that we will continue to work together for further quarters and years to come.

Thank you for your continued trust in JOSHCO. We are determined to create a brighter, more inclusive, and sustainable future for all, one home at a time.

Ms Sesupo Bridgette Mbonambi
Board Chairperson

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

I am thrilled to present the performance report of JOSHCO. The first quarter of the 2023/24 financial year demonstrates a commendable 74% improvement. During this period, we have been dedicated to achieving our business plan, which comprises 22 key performance metrics and targets. In this quarter, we have successfully met 14 out of the 19 targets that were due for reporting. This accomplishment reflects the tireless efforts of our dedicated staff members, who have diligently worked to attain these key performance indicators. We are witnessing positive changes in our ratios and overall performance, which clearly indicate the upward trajectory of our organisation.

Our staff members are the backbone of our organisation, and their dedication and hard work have been instrumental in our achievements; they have consistently demonstrated a commitment to excellence and have played a pivotal role in driving our organisation's positive trajectory. The positive changes in our ratios and overall performance are a testament to their hard work.

The CoJ has faced various challenges, including recent disasters such as the gas explosion and a tragic fire incident in one of the hijacked buildings that resulted in loss of life. In response, we have implemented robust risk management strategies to mitigate potential disasters including compliance with fire regulations. Ensuring the safety of everyone at our facilities has been a top priority, and we have also initiated educational programmes for our tenants residing in our buildings.

As an organisation, we have made significant strides in launching newly finalised projects. During this quarter, we celebrated the launch of the Riverside View Social Housing Project. Upon completion, this Project will deliver over 1 000 units across seven land parcels in the area. Our unwavering commitment remains to develop sustainable human settlements throughout our city, offering both social and affordable rental options. In this financial year, our ambitious plan is to develop and complete over 900 units, while we continue to make positive contributions to the student accommodation sector.

JOSHCO's mission revolves around contributing to Inner City regeneration by providing low-to-medium income housing in close proximity to workplaces. This not only reduces commuting costs but also addresses spatial segregation challenges. To achieve this, we are aligning our housing development plans with the Transit Oriented Development (TOD) strategy of the CoJ. Additionally, we have worked diligently to strengthen our relationship with the SHRA, positioning ourselves to take advantage of revised offerings that will enable us to deliver social housing units on a larger scale.

The Sustainable Development Goal 11, focusing on Sustainable Cities and Human Settlements, underscores the importance of improving the lives of urban residents, particularly those in informal settlements. JOSHCO's

commitment to developing social and affordable rental housing aligns perfectly with this goal, as we strive to contribute to the creation of sustainable living conditions and the eradication of informal settlements.

In conclusion, I want to emphasize my unwavering commitment to our Board of Directors, our valued Shareholder, and the residents of the CoJ. Together, we are building an organisation that prides itself on exceptional service delivery and a deep commitment to the well-being of our community.

Thank you

Mr Bongani Radebe

Acting Chief Executive Officer

SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT

The Office of the Chief Financial Officer is responsible and accountable for 3 functional areas of operation namely the revenue, supply chain management and finance divisions. Through the operation of these divisions, we serve to integrate the entity's business.

Revenue Report: The biggest contributor to revenue is rental income making up 58% of total revenue. Total revenue is 22% (R 20 million) below budget. Rental income is 34% below budget due to the tariff alignment that was undertaken and delays in tenanting of projects. The management fees are over budget due to a reduction in projects on behalf of other departments. Interest income makes up 13% of revenue and is mainly from overdue accounts from tenants.

The entity's collection rate is on an upward trajectory. Collection rates for July, August and September 2023 were 64%, 69% and 70% respectively. Overall, the collection rate for the first quarter is 68% against a collection target of 100% for the quarter. Collections in respect of Greenfield Projects is 72%, Brownfield Projects collection is 76%, and retail space collection is 156%. The city stock remains low at 36% for the quarter ending 30 September 2023. The improvement in rental collection is as a result of the revenue turnaround strategies which are being implemented.

The reasons for the rental collection being below the target are continued rent boycott campaigns from organised tenants' groups demanding ownership, child-headed households, unemployment, and pensioners. The City referral stock portfolio brings and the collection down and the board has approved for the return of city referral stock to the City. Once this is approved by council it will have a positive impact on the collection rate.

Financial Performance: Revenue and expenditure are recorded on the accrual basis of accounting. The financial performance for the period ended 30 September 2023 resulted in a deficit of R 150.2 million. The deficit is due to the entity not being able to generate sufficient income to cover its fixed expenses and several expense line items being over budget. The reasons and mitigations are addressed in Chapter Five.

Capital Expenditure (CAPEX): The entity has an allocated capital budget of R 492.3 million funded from external funding sources and cash reserves. As at 30 September 2023 JOSHCO's verified spend for the quarter under review is 27% against a target of 25%.

Ms Nontobeko Ndimande
Chief Financial Officer

SECTION 4: CORPORATE PROFILE AND OVERVIEW OF THE ENTITY



Figure 1: Princess Plot

The Johannesburg Social Housing Company (JOSHCO) was established by the City of Johannesburg (CoJ) in November 2003 to provide affordable social housing options and reduce the City's housing backlog. JOSHCO is responsible for managing and providing social and affordable rental housing for households of various income levels, with a particular focus on low-income households. The entity is also responsible for the maintenance, refurbishment, and management of some of the City-owned rental housing stock, as well as the provision of municipal services. JOSHCO is a registered social housing institution and is accredited by the Social Housing Regulatory Authority (SHRA). The entity is required to comply with all relevant legislation, including the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA), and Companies Act. The policies and strategies of JOSHCO reflect the vision of the CoJ, as outlined in its long-term plans.

SECTION 5: STRATEGIC OBJECTIVES

JOSHCO's primary and singular mission derives from its Memorandum of Incorporation (Mol) with the City. Therefore, in remaining true to its purpose for establishment, the JOSHCO's business and operating model is anchored around the following strategic objectives:

1. To be a smart & capable entity.
2. Develop and manage social housing (regulated) and student accommodation.

3. Develop and manage affordable rental housing (non-regulated).
4. Implement special projects services.

Table 1: Alignment Between Growth and Development Strategy 2040 (GDS), Government of Local Unity (GLU) Objectives, Mayoral Priorities, and JOSHCO's Strategic Objectives and Outcomes

GDS Outcomes	GDS Outputs	GLU Objectives	Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> Sustainable human settlements 	<ul style="list-style-type: none"> Sustainable human settlements 	1. Sustainable service delivery	<ul style="list-style-type: none"> To be a smart and capable entity 	<ul style="list-style-type: none"> Achievement of all Service Level Standards (SLS), as per Service Delivery Agreement (SDA) Well maintained and clean JOSHCO properties Alignment with SHRA's requirements, as regulator
An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of its citizens	<ul style="list-style-type: none"> Job-intensive economic growth Promotion and support to informal and micro-businesses Increased competitiveness of the economy A 'Smart' CoJ, that is able to deliver quality services to citizens in an efficient and reliable manner (cross-cutting output) 	<ul style="list-style-type: none"> Job-intensive economic growth Promotion and support to informal and micro-businesses Increased competitiveness of the economy 	2. Job opportunity & creation	<ul style="list-style-type: none"> To be a smart and capable entity 	<ul style="list-style-type: none"> Upliftment of communities through provision of financial and non-financial support to local SMMEs on construction projects Skills development and job creation through Expanded Public Works Programme (EPWP)
	<ul style="list-style-type: none"> A 'Smart' CoJ, that is able to deliver quality services to citizens in an efficient and reliable manner 	<ul style="list-style-type: none"> A 'Smart' CoJ, that is able to deliver quality services to citizens in an efficient and reliable manner. A responsive, 	3. A Smart City	<ul style="list-style-type: none"> To be a smart and capable entity 	<ul style="list-style-type: none"> Social housing projects that are smart and environmentally friendly, through design and the use of alternative building technologies (including alternative energy solutions and rainwater harvesting)

GDS Outcomes	GDS Outputs	GLU Objectives	Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
	(cross cutting output)	accountable, efficient and productive metropolitan government <ul style="list-style-type: none"> • Meaningful citizen participation and empowerment • Guaranteed customer and citizen care and service 			<ul style="list-style-type: none"> • Improved application and leasing processes supported by automation of processes • Seamless business continuity supported, through effective backup and disaster recovery systems
Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> • Sustainable human settlements 	<ul style="list-style-type: none"> • Sustainable human settlements 	4. Sustainable service delivery	<ul style="list-style-type: none"> • Develop & manage social housing and student accommodation • Develop & manage affordable rental housing • Implement housing development projects for the CoJ • Provide assigned municipal services 	<ul style="list-style-type: none"> • Large scale delivery of social housing and affordable housing units across the City • Development of student accommodation precinct • Preserved and well-maintained buildings that meet acceptable living conditions

GDS Outcomes	GDS Outputs	GLU Objectives	Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	<ul style="list-style-type: none"> • A responsive, accountable, efficient, and productive metropolitan government • Financially sustainable and resilient city 	<ul style="list-style-type: none"> • Partnerships, intergovernmental and international relations • A responsive, accountable, efficient and productive metropolitan government • Financially sustainable and resilient city • Meaningful citizen participation and empowerment • Guaranteed customer and citizen care and service 	5. Financial sustainability	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • A solvent company by end of 2024/25 FY • Improved revenue collection • Diversification of revenue stream (outdoor advertising, management fee, other mechanisms) • An unqualified Audit Opinion • Sound reputation in terms of payment of suppliers within 30 days • Effective and efficient business processes • Improved tenant satisfaction, through proactive tenant education and engagement programmes • Customer satisfaction targets achieved and improved • Improved visibility of JOSHCO brand



CHAPTER 2

GOVERNANCE

SECTION 1: BOARD OF DIRECTORS

The establishment of the Board of Directors is guided by Clause 6 of the entity's Mol which states that the directors shall be appointed in accordance with the City Group Policy as provided for in the City Group Governance Framework or any other policy as determined by the City from time to time. Furthermore, Section 66 of the Companies Act provides that the business and affairs of a company must be managed by or under the direction of its board, which has the authority to exercise all of the powers and perform any of the functions of the company, except to the extent that this Act or the company's Mol provides otherwise.

The Shareholder retains the prerogative to appoint boards of all City entities through a resolution of the Annual General Meeting (AGM). Table 2 below lists the eleven Non-Executive Directors and four new Independent Audit Committee members.

Table 2: Board Composition as at 30 September 2023

Member(s)	Capacity	Gender	Status	Qualifications
Mr Sydney James (Board Chairperson) *Appointed on 01 March 2023	Non-Executive Director	M	Resigned [Q1 of the 23/24 FY]	Programme in Financial Management, Diploma in Business Management, Master of Business Administration.
Ms Marilise Francis *Appointed on 01 March 2023	Non-Executive Director	M	Resigned [Q1 of the 23/24 FY]	Bachelor of Arts (BA) in Behavioural Sciences
Ms Sesupo Bridgette Mbonambi (Board Chairperson) *Appointed on 25 August 2023	Non-Executive Director	F	Active	BA in Industrial Psychology and Political Sciences
Mr Henry Jerry Markus *Appointed on 25 August 2023	Non-Executive Director	M	Active	Certificate in Public Relations Practice Certificate in Small Business Management Certificate Bookkeeping Certificate in Customer Service Diploma in Pastoral Theology Graduate Diploma of Christian Ministry & Theology

Member(s)	Capacity	Gender	Status	Qualifications
Mr Ingle Singh *Appointed on 25 August 2023	Non-Executive Director	M	Active	Certificate in Bookkeeping Introduction to Municipal Councillor 2011
Mr Simon Clarke *Appointed on 01 March 2023	Non-Executive Director	M	Active	BA in Psychology
Ms Yolandi Eramsus *Appointed on 01 March 2023	Non-Executive Director	F	Active	Bachelor of Law (LLB)
Mr Simon Masemola *Appointed on 01 March 2023	Non-Executive Director	M	Active	Bachelor of Commerce (BCom) Certificate in Business Accounting
Mr Tabane Manene *Appointed on 01 March 2023	Non-Executive Director	M	Active	Diploma in Local Government, National Diploma in Law, Programme in Customer Service
Mr Andries Smith *Appointed on 01 March 2023	Non-Executive Director	M	Active	LLB
Mr Terry Tselane *Appointed on 01 March 2023	Non-Executive Director	M	Active	BA in Industrial Sociology
Mr Jacques Watson *Appointed on 01 March 2023	Non-Executive Director	M	Active	Bachelor of Science (BSc) in Computer Science
Ms Simphiwe Mnisi *Appointed on 01 March 2023	Non-Executive Director	F	Active	Diploma in Project Management
Ms Jacelyn Scott *Appointed on 01 March 2023	Non-Executive Director	F	Active	National Senior Certificate (Matric) BCom Management BCom Honours (Candidate)

Member(s)	Capacity	Gender	Status	Qualifications
Mr Molapane Mothotoana *Appointed on 12 September 2022	Executive Director (CEO)	M	Active	National Diploma Municipal Administration Bachelor of Technology in Public Management Master of Technology in Public Management
Ms Nontobeko Ndimande *Appointed on 18 September 2018	Executive Director (CFO)	F	Active	Chartered Accountant (CA (SA))
Mr Bongani Radebe *Appointed on 01 April 2023	Executive Director (Acting CEO)	M	Active	Senior Management Development Programme Postgraduate Diploma in Management (Security) Baccalaureus Juris MFMA Diploma in Criminal Justice & Forensic Investigations Degree Master of Management
Independent Audit Members				
Adv Geraldene Chaplog-Louw *Appointed on 01 March 2023	Independent Audit Committee Member	F	Active	LLB BA PPEL (Philosophy, Political Science, Economics, Law) Diploma Corporate Governance Associate General Accountant ACG/ACIS Associated Chartered Governance/Chartered Secretary
Mr Victor van der Merwe *Appointed on 01 March 2023	Independent Audit Committee Member	M	Active	National Certificate in Insurance
Ms Pilekile Boloto Lefothe *Appointed on 01 March 2023	Independent Audit Committee Member	F	Active	National Senior Certificate

Member(s)	Capacity	Gender	Status	Qualifications
Mr Aboubakr Taoussi *Appointed on 01 March 2023	Independent Audit Committee Member	M	Deceased [passed on in Q1 of 23/24 FY]	National Diploma

1.1. DUTIES OF THE BOARD AND COMMITTEES

1.1.1. Board Responsibilities

Internally the Board is guided by its approved Board Charter which was last reviewed in July 2023. The Charter outlines the roles and responsibilities of the board as informed by the Municipal Systems Act, Companies Act, Mol, and King IV report. The responsibilities include, amongst others:

- Acting as the focal point for, and custodian of corporate governance by managing its relationship with management, the shareholders and other stakeholders of the company according to sound corporate governance principles.
- Appreciating that strategy, risk, performance, and sustainability are inseparable and to give effect to this by:
 - Contributing to and approving the strategy.
 - Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management.
 - Identifying key performance and risk areas.
 - Ensuring that the strategy will result in sustainable outcomes.
 - Considering sustainability as a business opportunity that guides strategy formulation.
- Providing effective leadership on an ethical foundation.
- Ensuring that the company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the company but also the impact that business operations have on the environment and the society within which it operates.
- Ensuring that the company's ethics are managed effectively.
- Acting in the best interests of the company by ensuring that individual directors:
 - Adhere to legal standards of conduct.
 - Are permitted to take independent advice in connection with their duties following an agreed procedure.
 - Disclose real or perceived conflicts to the board and deal with them accordingly.
- Ensure that the company has an effective and independent Audit Committee
- Take responsibility for the governance of risk
- Take responsibility for information technology (IT) governance

- Ensure that the company complies with applicable laws and considers adherence to non-binding rules and standards
- Ensure that there is an effective risk-based internal audit
- Appreciate that stakeholder's perceptions affect the company's reputation
- Ensure the integrity of the company's Integrated Report (Annual Report).

1.1.2. Responsibilities of the Board Committees

The following committees, each of which is chaired by a Non-Executive Director, have been formed by the Board:

- Audit & Risk Committee (ARC)
- Social, Ethics & Human Resource Committee (SEHRC) and
- Development Committee

ARC is a statutory committee that has been formed in line with the Companies Act 71 of 2008 and the Local Government Municipal Finance Management Act 56 of 2003.

1.1.2.1. Audit & Risk Committee (ARC)

ARC's composition complies with the Local Government: Municipal Finance Management Act 56 of 2003.

The Committee consist of the following members:

ARC as at 30 September 2023

Mr. Masemola	Non-Executive Director (Chairperson) – Appointed on 01 March 2023
Mr. J. Watson	Non-Executive Director – Appointed on 01 March 2023
Ms. Y. Erasmus	Non-Executive Director – Appointed on 01 March 2023
Mr. V. Van Merwe	Independent Audit Committee Member – Appointed 01 March 2023
Adv. G. Louw	Independent Audit Committee Member – Appointed 01 March 2023
Ms. P. Lefothe	Independent Audit Committee Member – Appointed 01 March 2023

The mandate of the Committee as delegated by the Board of Directors in the Audit & Risk Charter includes:

- Financial reporting and reliability of financial information.
- Business planning and budget implementation.
- Identification of financial, business and operational risk areas of the company to be covered in the scope of internal and external audits.
- Ensuring that the Accounting Officer of the company has put in place appropriate internal control systems.
- Monitoring and reviewing the effectiveness of the Internal Audit function.
- Overseeing the relationship of the company with the Auditor General (AG) of South Africa.

- Reviewing the consistency of, and any changes to, the accounting policies of the company both on a year-on-year basis and across the company and the CoJ.
- Reviewing the company's arrangements for its employees to raise concerns in confidence and confidentiality about possible wrongdoing or improprieties in financial reporting and other matters.
- Monitoring and review of the performance information provided by the company against the approved business plan, the City's Integrated Development Plan and the Growth and Development Strategy and providing the Board of Directors with an authoritative and credible view of the performance of the company.
- Monitoring implementation of the policy and plan for risk management taking place by means of risk management systems and processes.
- Overseeing that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the company.
- Ensuring that risk management assessments are performed on a continuous basis.
- Ensuring that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- Expressing a formal opinion on the effectiveness of the system and process of risk management; and
- Reviewing reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.

1.1.2.2. Social, Ethics & Human Resource Committee (SEHRC)

The Committee consists of the following members:

SEHRC as at 30 September 2023

Ms. Y. Erasmus	Non-Executive Director (Chairperson) – Appointed 01 March 2023
Ms. J. Scott	Non-Executive Director – Appointed on 01 March 2023
Mr. S. Masemola	Non-Executive Director – Appointed on 01 March 2023
Mr. A. Smith	Non-Executive Director – Appointed on 01 March 2023
Ms. S. Mnisi	Non-Executive Director – Appointed on 01 March 2023
Mr. T. Tselane	Non-Executive Director – Appointed on 01 March 2023

The mandate of the Committee is set out in its terms of reference and includes the following:

- Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.
- Overseeing of the setting and administering of remuneration at all levels in the company.
- Overseeing the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance.

- Reviewing the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved.
- Ensuring that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued.
- Consideration of the results of the evaluation of the performance of the CEO and other Executive Directors, both as directors and as executives in determining remuneration.
- Selection of an appropriate comparative source when comparing remuneration levels.
- Advising on the remuneration of Non-Executive Directors.
- Management development and succession plans for executive levels.
- Making recommendations to the Board where necessary or taking approved action within its delegated authority. Social and economic development, including the organisation's standing in terms of the goal and purpose of UN Global Compact principles, recommendations regarding corruption, Employment Equity Act 55 of 1998 and Broad-Based Black Economic Empowerment.
- Good corporate citizenship including promotion of equality and contribution to development of communities.
- Environment, health and public safety.
- Consumer relationships.
- Labour and employment.
- To draw matters to the attention of the Board as required, and
- To report to the Shareholder at the AGM on matters within its mandate.

1.1.2.3. Development Committee

The Committee consists of the following members:

Development Committee as at 30 September 2023

Mr. S. Clarke	Non-Executive Director (Chairperson) – Appointed on 01 March 2023
Mr. M. Tabane	Non-Executive Director – Appointed on 01 March 2023
Mr. J. Watson	Non-Executive Director – Appointed on 01 March 2023

The mandate of the Committee is set out in its terms of reference and includes the following:

- To approve new developments, report on the detailed investigation stage and to give approval to proceed with the development i.e. Design and Business Plan development stage.
- To provide recommendations to the Board regarding the approval of new engagements in developments where appropriate.
- To evaluate proposed financing mechanisms where external financing is required; and

- To set benchmarks to be used to evaluate the risk/return relationship on significant projects to be undertaken by the Company.

1.2. BOARD AND COMMITTEE MEETING ATTENDANCES

- The Board held two meetings in Q1 of 2023/24 FY (Board of directors meeting - 18 July 2023, Special Board Meeting - 30 August 2023).
- Two ARC meetings (ARC meeting - 14 July 2023, Special ARC Meeting - 29 August 2023).
- One SEHRC Meetings (SEHRC Meeting - 11 July 2023).
- Two Development Committee meetings (Development Committee meeting - 11 July 2023, Special Development Committee Meeting - 29 August 2023).

The table below provides details of the attendance of members at the various meetings.

Table 3: Board Meeting Attendances as at 30 September 2023

Board of Directors	Board Meetings		
	Attendance	Absent	Apologies
Number of Meetings	2		
Mr. Molapane Mothotoana (CEO)	0	0	0
Mr. Bongani Radebe (Acting CEO)	2	0	0
Ms. Nontobeko Ndimande (CFO)	2	0	0
Mr. Sydney James	1	0	0
Mr. Simon Masemola	2	0	0
Mr. Simon Clarke	2	0	0
Ms. Marilise Francis	2	0	0
Mr. Tabane Manene	2	0	0
Ms. Yolandi Erasmus	2	0	0
Mr. Terry Tselane	1	1	0
Mr. Andries Smith	2	0	0
Mr. Jacques Watson	2	0	0
Ms. Simphiwe Mnisi	2	0	0
Ms. Jacelyn Scott	2	0	0
Ms. Sesupo Bridgette Mbonambi	1	0	0
Mr. Henry Jerry Markus	0	0	0
Mr. Ingle Singh	1	0	0

Table 4: Board Committee Meetings Attendances as at 30 September 2023

Board of Directors and Independent Committee Members	Audit & Risk			Development			Social and Ethics		
	Attendance	Absent	Apologies	Attendance	Absent	Apologies	Attendance	Absent	Apologies
Number of Meetings	2			2			1		
Mr. Molapane Mothotoana (CEO)	0	0	0	0	0	0	0	0	0
Mr. Bongani Radebe (Acting CEO)	2	0	0	2	0	0	1	0	0
Ms Nontobeko Ndimande (CFO)	2	0	0	2	0	0	1	0	0
Mr. Sydney James	-	-	-	-	-	-	-	-	-
Mr. Simon Masemola	2	0	0	-	-	-	1	0	0
Mr. Simon Clarke	-	-	-	2	0	0	-	-	-
Ms. Marilise Francis	-	-	-	2	0	0	-	-	-
Mr. Andre Smith	-	-	-	-	-	-	1	0	0
Ms. Jacelyn Scott	-	-	-	-	-	-	1	0	0
Ms. Yolandi Erasmus	1	0	1	-	-	-	1	0	0
Mr. Manene Tabane	-	-	-	2	0	0	-	-	-
Ms. Simphiwe Mnisi	-	-	-	-	-	-	1	0	0
Mr. Terry Tselane	-	-	-	-	-	-	1	0	0
Mr. Jacques Watson	2	0	0	2	0	0	-	-	-
Mr. Victor Van Der Merwe	2	0	0	-	-	-	-	-	-
Ms. Geraldine Louw	2	0	0	-	-	-	-	-	-
Ms. Pilekile Lefothe	2	0	0	-	-	-	-	-	-
Mr. Aboubakr Taoussi	1	0	0	-	-	-	-	-	-

1.3. REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS

The remuneration of Directors is guided by the CoJ Group Policy on the Governance of the Group Advisory Committees, Interim Municipal Entities Boards of Directors, and Independent Audit Committees of 2023/24 FY. Remuneration reflects figures from the beginning of July 2023 to date.

Table 5: Board of Directors' Remuneration as at 30 September 2023

Name	Designation	Remuneration (R)
Mr. Sydney James	Non-Executive Director	32 000.00
Mr. Simon Masemola	Non-Executive Director	62 000.00
Mr. Simon Clarke	Non-Executive Director	44 000.00
Ms. Yolandi Erasmus	Non-Executive Director	48 000.00
Mr. Terry Tselane	Non-Executive Director	20 000.00
Ms. Simphiwe Mnisi	Non-Executive Director	32 000.00
Mr. Andre Smith	Non-Executive Director	32 000.00
Mr. Jacques Watson	Non-Executive Director	56 000.00
Mr. Manene Tabane	Non-Executive Director	40 000.00
Ms. Marilise Francis	Non-Executive Director	40 000.00
Ms. Jacelyn Scott	Non-Executive Director	32 000.00
Ms Sesupo Bridgette Mbonambi	Non-Executive Director	16 000.00
Mr Henry Jerry Markus	Non-Executive Director	-
Mr Ingle Singh	Non-Executive Director	12 000.00
Total		R 466 000.00

*Fees include ARC sittings and Group Committee sittings

Table 6: Independent Audit and Risk Committee Members' Remuneration as at 30 September 2023

Name	Designation	Remuneration (R)
Mr. Victor Van Der Merwe	Independent Audit Member	16 000.00
Ms. Pilekile Lefothe	Independent Audit Member	16 000.00
Adv. Geraldine Louw	Independent Audit Member	16 000.00
Mr. Aboubakr Taoussi	Independent Audit Member	8 000.00
Total		R 56 000.00

Table 7: Executive Management's Remuneration as at 30 September 2023

Name	Designation	Remuneration (R)
Mr. Molapane Mothotoana	Chief Executive Officer	537 499.95
Ms. Nontobeko Ndimande	Chief Financial Officer	450 000.00
Ms. Nokwazi Mtshali	EM: Corporate Services	407 979.31
Mr. Themba Mathibe	Chief Operations Officer	481 499.94
Mr. Immanuel Burton	Company Secretary	267 657.75
Total		R 2 144 636.95

1.4. COMPANY SECRETARIAL FUNCTION

The Company Secretary has a key role to play in ensuring that Board procedures are followed and regularly reviewed. As per Section 88 of the Companies Act, a company secretary's duties include, but are not restricted to:

- Providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers
- Making the directors aware of any law relevant to or affecting the company;
- Reporting to the company's board any failure on the part of the company or a director to comply with the MoI or rules of the company or this Act;
- Ensuring that minutes of all shareholders' meetings, board meetings and the meetings of any committees of the directors, or of the company's audit committee, are properly recorded in accordance with this Act;
- Certifying in the company's annual financial statements whether the company has filed required returns and notices in terms of this Act, and whether all such returns and notices appear to be true, correct and up to date;
- Ensuring that a copy of the company's annual financial statements is sent, in accordance with this Act, to every person who is entitled to it.

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

This diagram demonstrates how the core business of JOSHCO feeds into the different divisions/departments within the organisation. JOSHCO's core business comprises of two departments namely: the Housing Development responsible for construction and development of projects; and Housing Management responsible for property management, tenancing and community development. The remaining departments are support functions such as finance, legal, planning and strategy and corporate services.

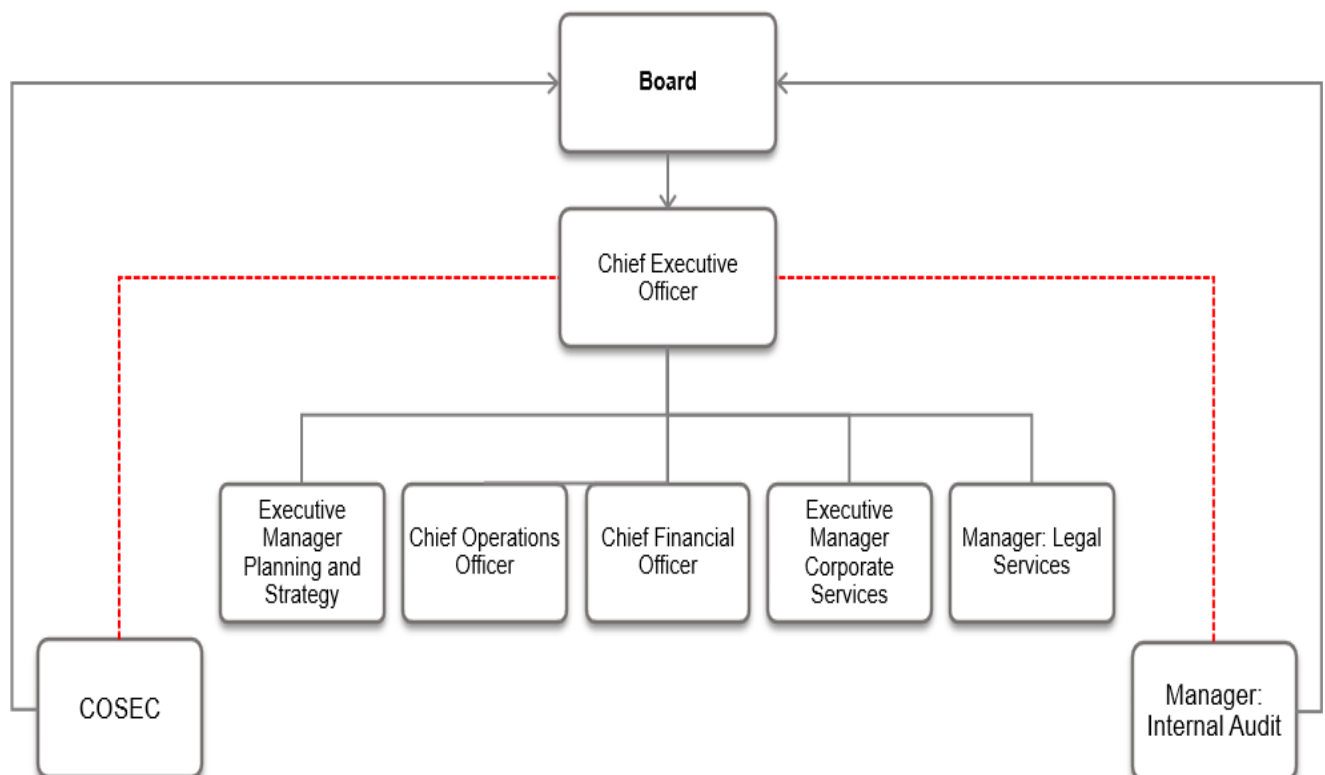


Figure 2: High-level Organisational Structure

SECTION 3: RISK MANAGEMENT

JOSHCO has established and maintains a system of risk management in accordance with Section 95 of the MFMA, Principle 11 of the King IV report on Corporate Governance, and the City's Group Risk Management framework and Risk Management Standards as applicable. Internally the entity has a Risk Strategy and Policy which were approved in 2022. Oversight over the governance and management of risk in JOSHCO is carried out by ARC which is the statutory Committee of the Board of Directors. The Committee meets on a quarterly basis (or as regularly as may be agreed between the Board and the Committee) and operates in accordance with the terms of reference approved by the Board.

3.1. RISK ESCALATION METHODOLOGY

The Group Risk Framework provides guidance on which risks should be escalated to the various governance committees within the entity and the City. Functional departments, serving as process implementers, assess the risks. Heads of departments, acting as process owners, report the risk results to both the Executive Committee and the ARC. The ARC Chairperson escalates the assessment results to the Board of Directors and to the Group Risk Committee at the City for oversight. The ARC's role is to identify business risks that could potentially have a negative impact on both objectives and the company's operations and advise the Board on possible mitigating strategies.

3.2. JOSHCO TOP 5 RISKS: RESIDUAL RISK AS AT 30 SEPTEMBER 2023





Top 5 Residual Risk Rating			
Risk No	Risk Description	Residual Risk 30 Sept 2023	Residual Rating (Q1)
1	Inability to continue as a going concern.	Very High	Very High
2	Failure to deliver capital projects on time.	High	High
3	Health, safety and security incidents in JOSHCO projects.	Medium	Very High
4	Business interruption.	High	High
5	Aging infrastructure.	High	High

During the quarter under review, the Risk and Compliance department reviewed the top five risks to reflect the organisation's core business strategic risks.

3.3. RISK OVERSIGHT

The overall oversight role of risk management is vested with the Board of Directors in that the Board is required by Principle 11 of the King IV report to govern risk in a way that supports the organisation in setting and achieving strategic objectives. To that end, each strategic objective is assessed to identify risks that threatens their achievement. In exercising the risk governance responsibility, the risk control implementation plans were assessed in the quarter. Table 8 below presents the results of the risk control strategies implemented in the quarter in aiding the achievement of objectives. Furthermore, an internal Operational Risk and Compliance Committee has continued to deliberate on the implementation of mitigation controls to ensure that the risks are managed and reduced.

Legends:

	Residual risk is extremely high (EH)
	Residual risk is high (H)
	Residual risk is moderate (M)
	Residual risk is low (L)

The following legends are applied to denote the progress of risk mitigation.








Legend	Explanation
	Risk mitigation plans not on track, key implementation targets missed and requires immediate management attention for review and sound corrective measures.
	No movement and requires immediate management attention for review and sound corrective action.
	Minimal progress achieved but on track for implementation.
	Significant progress achieved and on track for complete implementation of mitigation plan by target date.


Table 8: Progress in the Implementation of Strategic Risks Mitigation Controls as at 30 September 2023


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
1.	Financial instability	Inability to continue as a going concern.	EH	EH	% Collection in respect of current debt.	1.1. All leases and lease renewals to enforce debit order payment method (Debit Check).	<ul style="list-style-type: none"> Progress made with the bank as user activations process is on-going and to be followed by extensive training. System compatibility to the Debit Check method of payment is still under development by MRI Software. 		7/10
						1.2. Development of an APP (online acknowledge of debt process and online payment gateway).	<ul style="list-style-type: none"> E-Lease online APP went live on 15 September 2023 for Phase one (1). Phase two (2) development with additional enhancements to resume in October 2023. 		
						1.3.a. Interest freezing and reversal promotion to be promoted to tenants. 1.3.b. Standardisation of rental tariffs.	<ul style="list-style-type: none"> Acknowledgement of debt signed and late payment charges reversed and frozen for those who signed Stop Order. 		

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
							<ul style="list-style-type: none"> All tariffs have been standardised and set according to the typologies instead of the unit sizes. 		
						<p>1.4.a. Stakeholder engagements before executing eviction orders.</p> <p>1.4.b. Enforcement of eviction orders.</p>	<ul style="list-style-type: none"> An extensive tenant engagement plan is in place and all tenant committees to be appointed democratically and vetted. 11 evictions have been successfully executed in Q1 and 18 court orders granted to be executed in Q2. 		
						<p>1.5.a. Implementation of check meter devices and installation of smart meters to read and submit water consumption linked to each unit.</p> <p>1.5.b. Dedicated staff for utility management (job specification currently being drafted).</p>	<ul style="list-style-type: none"> Standard water charges of R 53 per unit and R 26 for communes have been implemented and being charged to all tenants. A service provider has been appointed to inspect and install bulk smart meters in all JOSHCO Housing Management projects. The job description was written and then submitted to the Human Resources 		


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
							department. Following the essential approval process, the specifications are presently awaiting evaluation prior to the advertising of the positions.		
						1.6. We are implementing the hybrid model which will elevate the overtime costs.	<ul style="list-style-type: none"> The entity is in the process of capacitating the additional security staff through contracted services in order to augment costs. 		
						1.7.a. Reduction of projects on behalf of other departments.	<ul style="list-style-type: none"> The Project department has established a limit of R 100 million for the total cost of department projects. 		
						1.7.b. Monthly engagements with finance teams of departments to resolve queries.	<ul style="list-style-type: none"> The JOSHCO Finance Team has been meeting with the finance teams of departments to resolve queries in July and August 2023. 		
2.	Sustainable service delivery	Failure to deliver capital projects on time.	H	H	Number of social housing units completed.	2.1. Submission of Project implementation plan for each CAPEX project to the City for	<ul style="list-style-type: none"> Project implementation plan for each CAPEX project has been submitted to the City 		6/6


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
						proper budget allocation/ payment.	for budget allocation consideration.		
						2.2. Termination of non-performing contractors.	<ul style="list-style-type: none"> Six (6) contractors were terminated for non-performance. 		
						2.3. Implementation of Stakeholder Engagement Plan.	<ul style="list-style-type: none"> Stakeholder Engagement Plan has been implemented in Q1 with Terms Of Reference. 		
						2.4.a. Project should comply with readiness matrix and approved by Housing Management and Housing Development departments.	<ul style="list-style-type: none"> All projects comply with readiness matrix that are approved by Housing Management and Development departments. 		
						2.4.b. Appointment or allocation of security guards per project site.	<ul style="list-style-type: none"> Six (6) private security companies have been appointed to safeguard projects. 		
						2.5. Co-sourcing of local security companies in projects.	<ul style="list-style-type: none"> Eight (8) security companies have been co-sourced at 23 JOSHCO facilities for the period 01 August 2023 to 31 March 2024. 		
3.	None	Failure to implement effective job creation and SMME's support systems.	M	M	% of construction CAPEX spent on SMME.	3.1.a. Allocation of the SMME packages for each project either at inception or	<ul style="list-style-type: none"> SMMEs are allocated 30% package in each project in the phase of construction. 		2/4

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
						<p>construction stage by the professional team.</p> <p>3.1.b. Development of a training plan for SMMEs by the contractor or developer for Turnkey projects</p> <p>3.2. All SMMEs must sign contracts with the main contractor and should be kept by the main contractor.</p> <p>3.3. Development of a training plan for SMMEs by the contractor or developer for turnkey projects.</p>	<ul style="list-style-type: none"> • Not implemented. The Turnkey projects are still in the planning phase and no contractors have been appointed for turnkey project, thus it is ineffective. • Main contractors signed contracts with SMMEs for current construction projects. • Not implemented. The Turnkey projects are still in the planning phase and no contractors have been appointed for turnkey project, thus it is ineffective. 		
4.	None	Minimal/inadequate Stakeholder and Customer Relations Management	H	M	<p>% Customer satisfaction rating.</p> <p>Number of complaints resolved in time.</p>	<p>4.1.a. Monitoring of the implementation of the Stakeholder engagement plan.</p> <p>4.1.b. Intervention of social facilitators when there is unrest.</p>	<ul style="list-style-type: none"> • The issues that were referred to stakeholders for intervention have been resolved. • Unrest occurred in two developments namely, Dobsonville and Pennyville, and management was able to resolve the issues that arose. 		4/4


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
						4.2. Ad hoc stakeholder engagement meetings or round table discussions with the relevant stakeholders.	<ul style="list-style-type: none"> In July and August 2023, round table discussions were held with important stakeholders at several JOSHCO projects. 		
						4.3. Implementation of QR code system to speed up/ expedite the application process.	<ul style="list-style-type: none"> The QR code system has been implemented in the application process of new projects including the Roodepoort and Riverside projects. No issues were identified during implementation of the system. 		
5.	Increasing safety and security incidents	Health, safety and security incidents in JOSHCO projects.	M	EH	Number of health, safety and security incidents.	5.1.a. Implementation of the updated and standardised maintenance price lists and maintenance plan in place.	<ul style="list-style-type: none"> Standardised Maintenance price list was developed, updated and shared with service providers for implementation to control quotations. 		6/7
						5.1.b. Implementation Facilities Management or repairs & maintenance per building with dedicated service providers per building to fast track the maintenance turnaround time.	<ul style="list-style-type: none"> Facilities Management companies appointed, have been allocated and signed performance contracts per building in July 2023. 		

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
				Q1					
						5.1.c. Formulation of tenants committees or tenant engagement sessions.	<ul style="list-style-type: none"> Tenant Participation Framework with Terms of Reference was developed in Q1 and by Q2 it will be implemented. 		
						5.2. Activation and monitoring of biometric systems at JOSHCO projects.	<ul style="list-style-type: none"> A total of four (4) projects were equipped with biometric systems, while an additional four (4) projects underwent repairs on their existing biometric systems. 		
						5.3. All construction projects to have an occupational health and safety (OHS) officer or safety agent.	<ul style="list-style-type: none"> In all construction projects undertaken by JOSHCO, the contractor has designated OHS officers or safety agents. JOSHCO intends to enhance the capacity of its OHS department in order to conduct spot checks and inspections. 		
						5.4. All sites to have compliance files with the necessary OHS compliance documents handled by the housing supervisor.	<ul style="list-style-type: none"> All sites have compliance files with evacuation plans; fire service certification of compliance (CoC), tenant contact details and OHS audit reports. 		
						5.5. All projects to have the fire CoC in place .	<ul style="list-style-type: none"> All COCs for fire compliance are in place and 		


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
							service dates are followed as per last service dated.		
6.	Inability to respond to city disasters and business disruptions	Business interruption.	H	H	% Compliance to laws and regulations.	6.1. Monthly security update reports on servers and backup system. 6.2.a. Implementation of the disaster recovery plan and the business continuity plan. 6.2.b. Testing of the disaster recovery plan. 6.3.a. Development of comprehensive energy strategy. 6.3.b. Implementation of the energy strategy starting at head office.	<ul style="list-style-type: none"> Information and communication technologies (ICT) security update reports are generated bi-weekly for the servers and no instances of security risks have been detected. The implementation and monitoring of the Disaster Recovery and Business Plan is conducted on a monthly basis by the Business Continuity Committee. The disaster recovery plan was executed during the specified time period, and no issues were detected. A comprehensive energy strategy was designed and implemented in the head office. There are attached reports that relate to the installation of generator as 		6/6

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
							well as the uninterruptible power supply (UPS).		
						6.4. Disaster Recovery Committee quarterly session or ICT Steering Committee session.	<ul style="list-style-type: none"> Business Continuity Committee developed for business interruption and currently meeting on a monthly basis. 		
						6.5. Implementation of the secondary network connectivity for higher availability and redundancy.	<ul style="list-style-type: none"> Secondary Network Connectivity was implemented in the first quarter and it is currently functional. 		
7.	None	Fraud and corruption.	M	H	Number of fraud and corruption cases reported.	7.1. Fraud detection review in collaboration with the City.	<ul style="list-style-type: none"> JOSHCO has collaborated with the City to detect fraud and review fraud cases. An awareness session has been conducted with the Risk Champions and Head Office staff in Q1. 		7/7
						7.2. Enforcement of standard pricelist and any contractor who inflates prices will be barred from participating on the panel.	<ul style="list-style-type: none"> The Housing Management Manual and the Building Maintenance Performance Agreement is in place to monitor and evaluate contractors performance. Workshops on the Standard Operating Procedure is then 		

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
							used to ensure that contractors are re-aligned to the pricelist. Price inflation is escalated through the supply chain management (SCM) link.		
						7.3. Implementation of a SCM rotation strategy for each panel.	<ul style="list-style-type: none"> The rotation strategy is in place and implemented for all portfolios as per SCM guidelines. 		
						7.4. Implementation of the Property Management Policy and standardised price list.	<ul style="list-style-type: none"> Property Management Policy reviewed and implemented. Standardised price list approved by Mayoral Council and implemented. 		
						7.5. Fraud awareness sessions at Head Office, Housing Management Projects and Bid Adjudication Committee.	<ul style="list-style-type: none"> An awareness training on fraud and corruption was organised in September with the participation of the Risk Champions and Head Office workers. The programme was facilitated by the JOSHCO Risk and Compliance department, in collaboration with the Group Forensics and Investigation Services 		

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
							(GFIS) and Marketing and Communication team.		
						7.6. Investigations of Fraud and corruption by GFIS.	<ul style="list-style-type: none"> On-going, no fraud cases were reported for this quarter. 		
						7.7. Development of the Ethics Programme.	<ul style="list-style-type: none"> Ethics Officer post has been sent to HR for appointment of the officials who will be responsible for Ethics on the Company Secretary (COSEC) department. 		
8.	None	Aging infrastructure.	H	H	% Spend on maintenance budget.	8.1.a. Implementation of building conditional assessment to all our buildings. 8.1.b. Completion certificate for maintenance work done in JOSHCO projects.	<ul style="list-style-type: none"> Building condition assessments and performance agreement KPI signed with building maintenance companies. All planned maintenance work involving non-CAPEX and CAPEX is accompanied by a signed Completion Certificate in terms of the Business Plan Technical Descriptor Indicator of evidence. 		4/4

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
						<p>8.2. Development of Standard Operation Procedure (SOP) for evidence-based monitoring and evaluation on contractors' performance.</p>	<ul style="list-style-type: none"> The Housing Management Manual and the Building Maintenance Performance Agreement is in place to monitor and evaluate contractors' performance. Workshops on the SOP are then used to ensure that contractors are re-aligned to the correct level of performance. 		
						<p>7.3. Prioritisation of works based on urgency and need to fix and identification of profitable buildings.</p>	<ul style="list-style-type: none"> Seven (7) priority buildings were identified for urgent maintenance and profitability improvement. Additionally, focused weekly service delivery service meetings are held to discuss the planned maintenance programme: <ul style="list-style-type: none"> a) Dobsonville b) Textile Building c) City Deep Greenfields d) Orlando Ekhaya e) Turffontein f) Europa House 		

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2023	Residual Risk Rating Q1	Key Performance Indicator (KPI) Linked to the Risk	Action(s) to Improve Management of Risk.	Progress on Each Action Item as at End of the Quarter.	Residual Risk Movement	Status
							g) Pennyville.		
9.	None	Governance failures/political instability.	M	M	The number of times the multiparty government has collapsed.	9.1. Stakeholder management with the City Group Governance by the CEO and Executive Team.	<ul style="list-style-type: none"> CEO and the Executive Team are engaging with the City Group Governance through emails on a regular basis. 		1/1

3.3.1. Residual Risk Movement





Below is the summary of the strategic residual risk movement assessed in Q1 JOSHCO for the FY 2023/24:




Two (2) risks moved from medium to high and very high due to the risk being outside of the set appetite and tolerance level. One (1) risk moved from high to medium due to the risk being within the set appetite and tolerance level. Six (6) risks remained unchanged due to minimal improvements in the rental collections and the reporting of two incidents, one of which involved the death of a child. During the quarter, the Head Office experienced two instances of business interruption due to the non-response of the generator during loadshedding and the malfunction of the elevator.


Based on the data shown above, the total proportion of actions taken to manage residual risk(s) in the control environment for the quarter is **100% (22/22)** compared to the quarterly target of **95% and 88% (43/49)** compared to the year target of **100%**. This demonstrates management's high level of commitment to risk management. In the coming quarter, the Risk Management department will continue to closely monitor the movement of risk appetite and tolerance levels.

Below is the summary of the top 8 operational risks assessed in Q1 JOSHCO for the FY 2023/24.

Table 9: Progress in the Implementation of Operational Risk Mitigation Controls as at 30 September 2023

Risk Ref	Risk	Inherent Risk Rating at 30 June 2023	Residual Risk Rating in Q1	KPI Linked to the Risk	Action to Improve Management of Risk	Progress on Each Action Item as at End of the Quarter	Risk Movement	Status (Mitigations Implemented/ Total Identified)
1.	Inability to clear debtor's accounts related to capital projects.	EH	H		JOSHCO to Write off debtor's accounts related to capital projects.	Debtors accounts were written off by finance and approved by the Board during the review of financial statements.		1/1
2.	Poor contract management system.	EH	M		Development of contract register and standard operating procedure (SOP) to clear segregation of duties between Legal, SCM and Technical departments (end user).	The contract register was developed and a team was formed chaired by the CFO and COO to monitor progress of the register.		1/1
Housing Management								
3.	Inability to implement maintenance programme	EH	M		Technical inspection training for Housing supervisors to adequately inspect the work done by contractors. Appointment of facility management companies to manage the buildings	An in-house technical training has been conducted for Housing supervisors on 12 December 2022 to adequately inspect the work done by contractors. Facility management companies allocated in JOSHCO buildings.		2/2
4.	Irregular tenants and subletting	EH	H		Eviction of tenants who do not qualify for regularisation.	11 evictions have been successfully executed in Q1 and 18 court orders granted will be executed in Q2.		1/1
Housing Development								

Risk Ref	Risk	Inherent Risk Rating at 30 June 2023	Residual Risk Rating in Q1	KPI Linked to the Risk	Action to Improve Management of Risk	Progress on Each Action Item as at End of the Quarter	Risk Movement	Status (Mitigations Implemented/ Total Identified)
5.	Non-compliance to relevant regulatory and policy requirements. (National Home Builders Registration Council, building regulations, OHS Act and Construction Industry Development Board etc)	EH	M		Project managers to request report to confirm good standing of the contractor in terms of relevant regulations	Project managers receive reports to confirm good standing of the contractor on a monthly basis.		1/1
ICT								
6.	Inadequate incidents response and no audit trail	EH	H		Appointment of first line support and Incidents support technicians.	ICT is the process of appointing 3 technicians on permanent basis. The processes is envisaged to be concluded in Q2.		0/1
Marketing and Communication								
7.	Inadequate communication rollout on process and procedures	EH	H		Communication and awareness of policies (including emailing, posting of communications policy and other JOSHCO policies in the website and intranet)	Communication and awareness of policies were done for HR in Q1, for: Performance Management Policy Leave Management Policy		1/1

Risk Ref	Risk	Inherent Risk Rating at 30 June 2023	Residual Risk Rating in Q1	KPI Linked to the Risk	Action to Improve Management of Risk	Progress on Each Action Item as at End of the Quarter	Risk Movement	Status (Mitigations Implemented/ Total Identified)
8.	Poor customer relations	EH	H		Procurement and implementation of automated Customer Relation Management system.	JOSHCO is in the process of leveraging Microsoft Enterprise agreement. It is envisaged that the processes will be concluded in Q3.		0/1

3.4. INFORMATION ON EMERGING / NEW RISKS

The escalating frequency of building fires in Johannesburg has been a significant concern in recent times. The vulnerability of structures to fire breakouts has been intensified by various factors, including but not limited to, rapid urbanization, the presence of informal settlements, the deterioration of aged infrastructure, and the inadequate availability of basic utilities. Moreover, the insufficient fire prevention measures exacerbate this rising risk. The ramifications of these fires are extensive, resulting in fatalities, destruction of property, and placing a burden on emergency response capabilities. Given the current issues faced by Johannesburg, it is imperative to implement comprehensive fire safety measures that encompass better building standards, public education, and improved firefighting capabilities. These activities are crucial in order to effectively address the increasing risk of building fires inside the city.

3.5. BUSINESS CONTINUITY

Management has formed a Business Continuity Committee, which is chaired by the Executive Manager for Business Planning and backed by the COO, CFO, and key management team. The committee meets monthly to discuss important issues related to business continuity and disaster recovery.

3.6. PROGRESS ON THE RISK MANAGEMENT PLAN

The quarterly activities as outlined in the approved plan for the FY 2023/24 such as the undertaking of the risk control self-assessment for both strategic and operational risk have been achieved. Please refer to **Annexure C** for detailed progress.

3.7. MANAGEMENT OF POTENTIAL CONFLICT OF INTEREST

Employees at JOSHCO complete declaration of interest forms on an annual basis to ensure that employees are transparent about their business interests outside of the organisation and that any close relatives or associates are identified in order to avoid conflicts between JOSHCO and the service providers with whom they will do business. So far, (64%) of JOSHCO employees have completed and returned their annual declaration. This is a serious concern as JOSHCO is obliged by the CoJ to be 100% compliant by 30 September 2023.

SECTION 4: ANTI-CORRUPTION AND FRAUD INVESTIGATIONS

The Board, committees and management continued to subscribe to Principle 1 of the King IV report on Corporate Governance for South Africa 2016 that state “the governing body should lead ethically and effectively”. The governing body should further continue to subscribe to the Prevention and Combating of Corruption Activities Act 12 of 2004 and the Protected Disclosure Act 26 of 2000. The Risk and Compliance department conducted fraud awareness in Dobsonville Project and through social media. In September the Risk and Compliance department in partnership with GFIS conducted fraud and corruption sessions in the SCM, Finance, Human Resource Management, Housing Management and Housing Development. JOSHCO commemorated the World Anti-Fraud and Corruption Day on 09 December 2022 through social media platforms and internal communication.

The fraud hotline number is 0800 002 587/ email: whistle@joburg.org.za

All reported fraud and corruption allegations are investigated through the GFIS unit in the City and reports that indicate progress made on the investigations are provided to JOSHCO quarterly. There are no new cases that were reported in Q1. The following table provides progress provided by GFIS on open cases.

Table 10: GFIS Progress on Open Cases

GFIS No.	Date Registered	Allegation	Status
GFIS-19/12/2020	2020/12/08	Alleged fraud and corruption into issuing of flat units at JOSHCO by JOSHCO employee.	In Progress
GFIS-14/05/2021	2021/05/14	Allegations of fraud and corruption involving senior officials collecting money from companies in exchange for appointments in building upgrade and refurbishment projects.	Closed: Unfounded
GFIS-27/09/2021	2021/09/20	Fraudsters posing as agents of JOSHCO or convincing the unsuspecting public that they are JOSHCO employees are taking a sum of money from the public in return for what they term as an “application fee.”	In progress
GFIS-12/11/2021	2021/11/02	Moja TV shooting	In progress
GFIS-39/12/2021	2021/12/15	Alleged maladministration with regards to recruitment.	In progress
GFIS-40/01/2022	2022/01/27	Alleged maladministration with regards to recruitment.	In progress
GFIS-5/05/2022	2022/05/04	Alleged corruption, where some entities and individuals are using pseudo names in attempt to commit fraud.	In progress
GFIS- 41/08/2022	2022/08/18	Alleged online scam where unknown criminal is impersonating the CEO of JOSHCO via email requesting to have their personal WhatsApp	Closed: Undetected

		numbers of City Officials with subject header "Urgent task."	
GFIS- 26/09/2022	2022/09/14	Alleged fraud and corruption where there are fraudulent debit orders that are being deducting from JOSHCO Standard Bank.	In progress
GFIS- 20/11/2022	2022/11/13	Alleged supply of fraudulent quotations from a contractor.	Closed: Unfounded
GFIS- 10/11/2023	2023/03/07	Alleged fraud and corruption by JOSHCO official relating to the Alex Project.	In Progress
GFIS- 19/11/2024	2023/03/15	Alleged fraud and corruption have been reported at City Deep flats, with claims dating back to the time the flats were constructed by the Steven crew. These allegations include tenant bribery of up to R 5 000 for apartment acquisition, claims of sexual favours being sought by office managers, and the awarding of fraudulent security company tenders to deceptive owners, who allegedly manipulate tenants or provide false information to force them to vacate, with the intention of re-renting the flats for bribery purposes.	In Progress

4.1. FRAUD RISK ASSESSMENT

As part of the fraud detection evaluation across JOSHCO departments, the Risk and Compliance department conducted an independent fraud risk assessment/fraud gap study in Q1. In the first quarter, the department kept track on mitigation progress. The following is a list of JOSHCO's top five fraud risks for the fiscal year 2023/24 (refer to Annexure B).

- a) Leave fraud.
- b) Abuse of JOSHCO fleet.
- c) Fraudulent allocations of houses for personal gain.
- d) SCM fraud and
- e) Information security (data loss or theft due to security breach).

SECTION 5: ICT GOVERNANCE

The role of the Information and Communications Technology (ICT) department is to enable effective information management, support decision-making processes, enhance collaboration, promote innovation, and drive digital transformation. The department develops, maintains, and supports management Information Systems which encompasses the use, management, and application of various technologies to gather, process, transmit, and store information. ICT facilitates efficient communication, enables access to vast amounts of data, and empowers JOSHCO staff to streamline processes and enhance productivity with a wide range of technologies, including computers, networks, the internet, software applications, mobile devices, and telecommunication systems.

Disaster Recovery

JOSHCO has a Fully Managed Data Centre (FMDC) to ensure business continuity and all critical services of the organisation are replicated to the site, ensuring that JOSHCO operations continue even in the event of a disaster. A scheduled quarterly Disaster Recovery Test was performed on 14 July 2023, and it was successful.

Network Maintenance

On 27 July 2023, JOSHCO ICT created an SD-WAN Policy on the Sophos Firewall to allow load balancing of traffic on both the Primary and Secondary Link. The purpose of Network Load Balancing is to help ensure that services remain accessible and responsive even if some servers fail or experience high demand. This change results in high network availability.

Printing Services

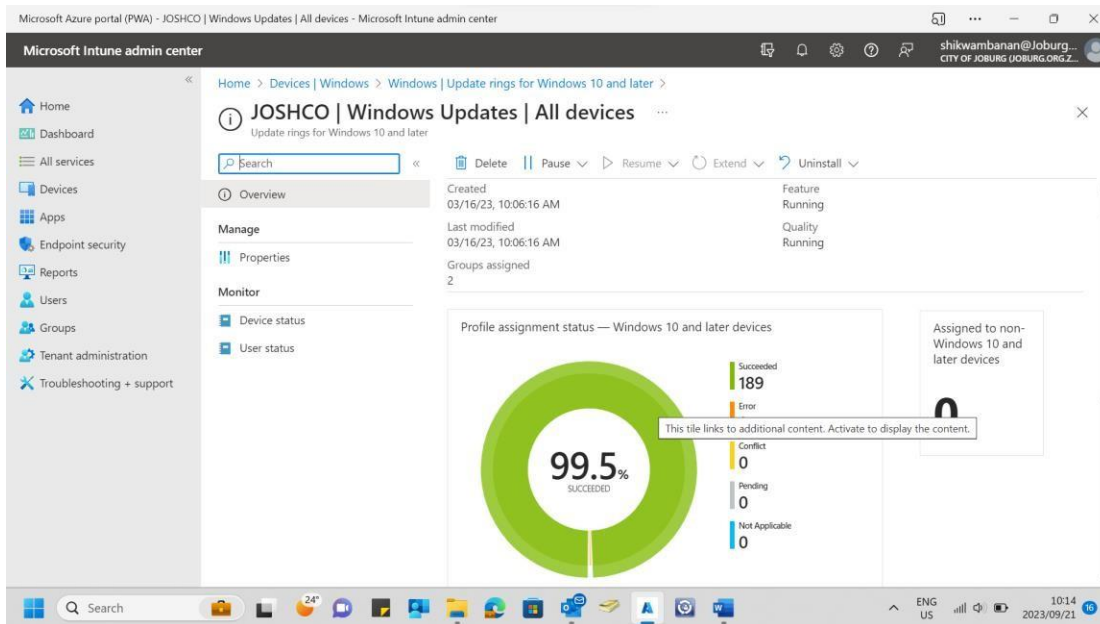
The Physical Print Server was installed on the Local Area Network (LAN). Therefore on 7 July 2023, a troubleshooting session was held from 2 pm to 10 pm to assess the possibility of moving the server to VMWare. A number of options were explored, such as disabling Network Address Translation (NAT) on the H3C firewall but the NDD printer application was unable to connect to the print server in the Demilitarized Zone (DMZ). The changes were reverted and another troubleshooting session was scheduled for the month of August to allow further investigations. After numerous investigations, the Physical Print Server that was situated on the second floor was successfully converted to a Virtual Machine and moved into the Virtual Infrastructure in the Server Farm on the 30 August 2023. After the migration, printers have been operating seamlessly and thus removed the need for manual intervention from the ICT team.

Patch Management

To ensure a healthy environment and the reduction of risks, JOSHCO ICT is using a cloud-based endpoint management solution called Microsoft Intune. Simplifying app and device management across the many devices that use the JOSHCO Server and Network Environment such as mobile devices, laptops, and virtual endpoints.

An update ring was created to ensure updates are pushed to clients as soon as they have been made available after testing, and 99.5% of JOSHCO devices are running the latest Windows updates as of 21 September 2023.

Screenshot of Patch Compliance



Data Centre Uptime/Downtime

JOSHCO did not experience any downtime as a result of loadshedding or cable theft during the reporting period, and this is solely due to the installed UPS system which takes over when there is no power at Head Office. Our target for operation as JOSHCO ICT is to maintain high system availability by implementing strategies that promote continual IT service improvement.

Fibre Rollout to JOSHCO Properties

Phase 2 of the rollout will commence as soon as Joburg Water and Johannesburg Roads Agency (JRA) approve the last wayleave. Internet service providers (ISPs) are on-site for customer signings and onboarding on the completed Phase 1 sites.

Cybersecurity

JOSHCO ICT implemented Sophos Email Advanced which is an email security product aimed at ensuring complete protection from cyber-attacks. Due to this measure being put in place, ICT can now guarantee the complete security of the organisation and full compliance with the Minimum Information Security Standards.

In the reporting period from 1st July to 21st September 2023, JOSHCO received a total of 134 315 emails. From this total, 79 895 are legitimate emails, while 51 376 were blocked due to presenting a security risk, 1470 emails were classified as spam and quarantined. During the reporting period, JOSHCO did not experience any attacks on its Network and Server Infrastructure. This is solely attributed to the hardened policies that are applied to the firewall.

Additional to the measures in place, the ICT department, is currently having engagements with GFIS and Group ICT for the purpose of establishing a Cyber Security Strategy (Framework, Policy and Processes).

JOSHCO System Centre Service Manager

System Centre - Service Manager provides an integrated platform for automating and adapting JOSHCO's IT Service Management best practices. It provides built-in processes for incident and problem resolution, change control, and asset lifecycle management. Since implementation, the Senior Manager: ICT is able to track incidents that have been logged, ensure speedy resolution of IT incidents, and maintain a structured approach to IT Service Management.

A shortcut has been pushed using Group Policy to all staff. This allows them to log calls directly from their laptops as opposed to having to walk to the IT office to report an incident. An IT technician therefore gets assigned the incident and has to resolve it within the SLS. Due to this approach, IT Service Management has improved.

The ICT department has also created awareness around this implementation and developed a user manual which has been distributed to all staff via internal communication. Since deployment of the Service Manager, a total of 194 incidents have been reported to IT and all were resolved within the stipulated priority time frame.



JOSHCO HELPDESK SELF SERVICE USER GUIDE

JOSHCO ICT is always looking for innovative ways to automate and streamline business processes. We now introduce you to the JOSHCO ITSM (IT Service Manager). The simplest way to request IT assistance from the comfort of your office desk or anywhere in the world.

PLEASE FOLLOW THE BELOW STEPS TO LOG A CALL WITH THE ICT DEPARTMENT:

- 1 On your desktop screen, double-click on the 'JOSHCO Helpdesk' icon to open the Self-Service Portal.
- 2 Once the Self-service portal is opened, Click on 'Create Request' at the bottom left of your screen.
- 3 Fill in all the required information and click 'Submit'. Below is an example of how to fill in the form.
- 4 After submitting your request, you will receive an email with the Incident ID of your request.

SIT BACK, RELAX AND AN IT TECHNICIAN WILL SWIFTLY ATTEND TO YOUR REQUEST.

JOSHCO
JOHANNESBURG SOCIAL HOUSING COMPANY

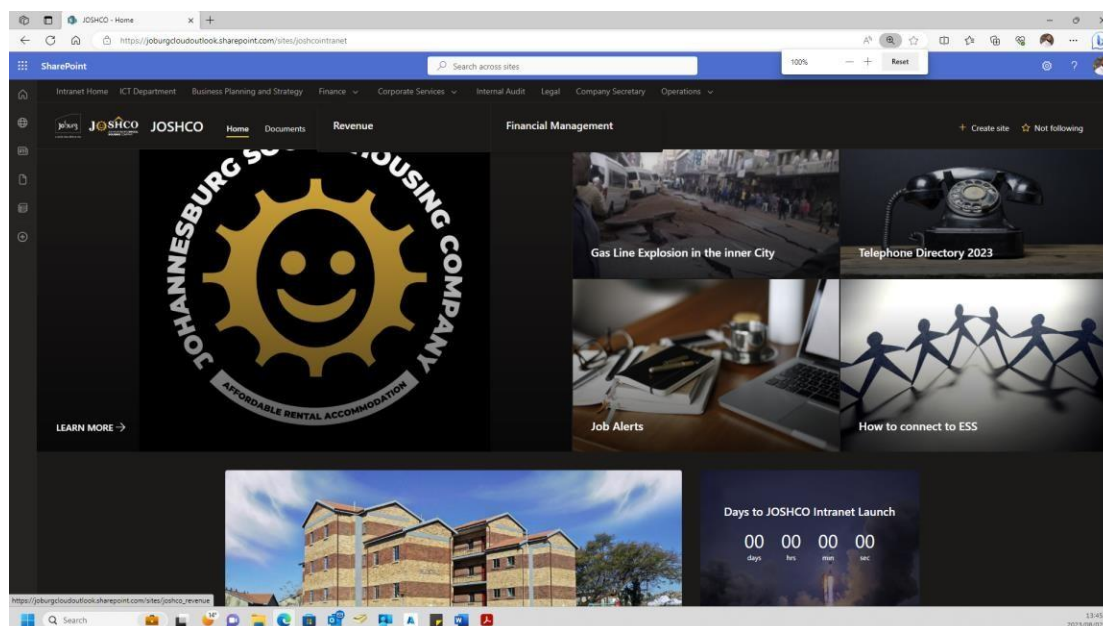
Joburg
a world class African city

The guide includes screenshots of the JOSHCO Helpdesk icon, the JOSHCO ITSM Service Catalog, and a sample request form. The form fields include: Title (e.g., 'Can't access my emails on outlook'), Description (e.g., 'Outlook not responding'), Category (e.g., 'E-Mail Problems'), Urgency (e.g., 'Medium'), and Alternate contact information (e.g., 'helpdesk@joshco.co.za').

JOSHCO Intranet

An intranet is a private network that uses internet technology and protocols within an organisation. It allows employees to access company resources, information, and communication tools securely. Intranets are used to facilitate internal collaboration, document sharing, and various other business processes. As such, the ICT department took the initiative to develop the JOSHCO Intranet using Microsoft SharePoint. This initiative saved the organisation up to R 1 836 310.00 in development, hosting, and maintenance costs. The intranet has been live since 14 July 2023 and it was deployed using Group Policy to all staff.

Screenshot of Intranet Homepage



The JOSHCO Intranet can also be accessed on the link: <https://joburgcloudoutlook.sharepoint.com/sites/joshcointranet>

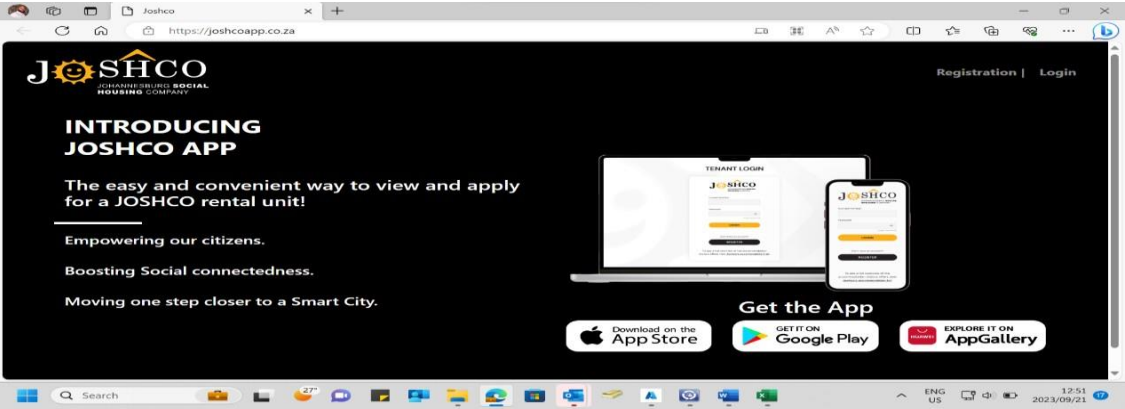
SAGE Intact Implementation

The upgrade of SAGE is progressing well and will be concluded by the first week of Q2. This upgrade will contribute to the business continuity measures put in place since this version of SAGE is a cloud solution.

JOSHCO APP/e-Leasing Solution

The JOSHCO e-Leasing Solution is aimed at streamlining all manual application processes and improving tenant and potential tenant experience when they interact with JOSHCO. As of 15 September 2023, JOSHCO's potential tenants can now apply for a unit on the app which is found on Google Play, Apple IOS App Store, and the Huawei App Gallery. There is also an option to apply on the web using the URL: <https://joshcoapp.co.za/>.

Screenshot of the JOSHCO App Web Landing Page



SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

Compliance Management is a multifaceted discipline that ensures that an organisation complies with industry legislation, regulations and standards, as well as corporate and regulatory policies and requirements. JOSHCO uses the EXCLAIM! Compliance Software to monitor compliance with relevant legislation. In addition to the use of EXCLAIM, other mechanisms such as compliance risk management plans are used to identify, assess and monitor JOSHCO's level of compliance with relevant regulatory requirements that form part of its operations. As at the end of the first quarter, a total of twenty-eight (28) Acts and regulations were identified as being applicable to JOSHCO's operations and appear in the Regulatory Universe.

Table 11 below, also found in Annexure A, reflects the twenty-eight Acts that were assessed in the first quarter of the 2023/24 Financial Year. We have seen 22 acts that have reached 100% compliance, while 6 Acts are still not at 100% compliance. The current compliance for this quarter stands at 98% against a target of 98%. There has been significant upward movement in the level of compliance for acts below 100%. Monitoring on the acts is conducted on a regular basis to ensure full compliance by the targeted period. We also highlight that in this quarter no act has regressed from 100%. This demonstrates the institution's efforts to continuously ensure full compliance with applicable laws and legislations. JOSHCO has made significant efforts to ensure that the organisation complies with the Social Housing Act and regulations. In this quarter, training on the SHRA quarterly reporting tool was conducted to all contributors of the tool. The entity has an action plan that aims to monitor progress in addressing provisions that the entity is still not fully complying on, and this tool is utilised as a constant reminder for Acts owners to implement the recommendations.

The compliance programme in the next quarters will focus on reviewing Compliance Risk Management plans for the current financial year. Remedial actions on the legislation that has not reached 100% compliance are provided, with progress made by Act owners outlined in Table 12.

Table 11: Action Plan of the Assessed Legislations

Act Name	Q4 22/23	Q1 23/24	Comments	Remedial Action	Act Owner	Progress Made on Remedial Action	Timeframe
1. Employment Equity Act (EEA)	71.5%	92.2%	<ul style="list-style-type: none"> The latest amendments to the act have not yet been signed by the president, as a result there is no update. There was no meeting held for the reporting period. Salary disparities still have not been resolved (income differentials). 	The current plan that will run until June 2024 or unless the new EEA amendments are promulgated.	EM: Corporate Services	A mediation specialist has been appointed to deal with the MOGALE report of Income differentials. The process is to be finalised at the end of the second quarter of the new financial year.	31 December 2023

Act Name	Q4 22/23	Q1 23/24	Comments	Remedial Action	Act Owner	Progress Made on Remedial Action	Timeframe
2. Local Government Municipal Finance Management Act - Municipal Regulations on Minimum Competency Levels	76.5%	76.5%	The variance relates to the requirement for senior managers, supply chain manager, and officials to meet competency levels for financial and SCM.	All newly appointed executives to be enrolled in the programme.	EM: Corporate Services	EM: Business Planning and Strategy and Acting Corporate has completed the training programme. The Chief Operations Officer has completed the training and awaiting results.	31 March 2024

Act Name	Q4 22/23	Q1 23/24	Comments	Remedial Action	Act Owner	Progress Made on Remedial Action	Timeframe
3. Municipal Finance Management Act.	94.2%	94.2%	The Variances that have been identified relate to the AG's findings relating to the preparation of the Annual Financial Statement (AFS) as well as SCM.	<ul style="list-style-type: none"> Implement web-based Audit Action Plan Establish an internal control checklist for expenditure management. Review compliance Risk Management Plan to reflect audit findings. 	Chief Financial Officer	<ul style="list-style-type: none"> Action plan developed by Internal Audit. Weekly action plan meetings are held to track progress. 2022/23 FY AFS are currently being audited by the AG. Once the full management report has been released, the Compliance Unit will assess compliance with the various acts to determine if remedial action were effective and if there is a need for additional action plans. Weekly audit meetings are held to ensure that all requests for information by the AG are responded to timeously. 	31 December 2023

Act Name	Q4 22/23	Q1 23/24	Comments	Remedial Action	Act Owner	Progress Made on Remedial Action	Timeframe
4. Protection of Personal Information Act, No. 4 of 2013	93.0%	98.2%	The variance is related to the fact that written contracts between JOSHCO and service providers, who process information, have not been concluded. These contracts are necessary to ensure that service providers processing personal information for JOSHCO establish and maintain the security measures as referred to in Section 19.	Service Level Agreements (SLA) to be amended to include Protection of Personal Information Act (POPIA) obligations.	Company Secretary	JOSHCO applied to the information regulator to process information for lease applications.	30 June 2023

Act Name	Q4 22/23	Q1 23/24	Comments	Remedial Action	Act Owner	Progress Made on Remedial Action	Timeframe
5. Rental Housing Act, No. 50 of 1999	96.3%	96.3%	The variance relates to the subletting of units by tenants without JOSHCO's consent.	<ul style="list-style-type: none"> SHRA will be conducting a tenancy audit for Union Square as well as Devland. The renewal of leases will also be used to identify subletting cases. JOSHCO, through the Housing Management department, has embarked on a process of regularising qualifying tenants in accordance with the Act. The process will continue until all JOSHCO units are occupied by lawful tenants only. 	EM: Housing Management	<ul style="list-style-type: none"> A preliminary tenancy audit has been conducted by the Monitoring and Evaluation department to ensure that the projects to be audited by SHRA meet the requirements set by the regulator. Lease renewals are being conducted across all JOSHCO projects. There is however resistance at several projects. 18 evictions will be conducted by the end of December 2023. More eviction to follow on non-paying tenants in the Q2. 	31 December 2023

Act Name	Q4 22/23	Q1 23/24	Comments	Remedial Action	Act Owner	Progress Made on Remedial Action	Timeframe
6. Social Housing Act 16 of 2008 and Social Housing Regulations	87.0%	87.0%	<p>The variance relates to:</p> <ul style="list-style-type: none"> JOSHCO's Accreditation has been downgraded by the regulator due to noncompliance on an ongoing basis with the criteria which qualify them for full accreditation. JOSHCO does not comply, with Section 14 (2) of the Social Housing Act which states that an SHI must at all times to function in compliance: <ul style="list-style-type: none"> (i) the provisions of this Act; (ii) the national building regulations under the National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977); (iii) the technical standards imposed by the National Home Builders Registration Council under the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998); (No Occupancy Certificates) (iv) the provisions of the Rental Housing Act, 1999 (Act 50 of 1999) The content of the lease agreement and proposed changes are not strictly adhered to by all parties. 	<ul style="list-style-type: none"> Obtain occupancy certificates for all JOSHCO projects JOSHCO must engage tenants on issues regarding enforcement of lease agreements. 	EM: Housing Management	<ul style="list-style-type: none"> JOSHCO has submitted all compliance and accreditation requirements for the start of the Financial Year. the Occupations Certificate for Roodepoort Legae, was eventually released by the City. Legae is now fully tenanted. Training on the SHRA tool and Development of the SOP has been completed in this quarter. This will enable accurate reporting and Compliance with the SHRA and SHRA Regulations. 	31 December 2023

Total number of Acts assessed: 28 against 28 in the Regulatory Universe.
Total Acts with 100% compliance: 22
Total level of compliance: 98% against a target of 98%

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

- The Minister of Human Settlement, Honorable Mmamoloko Kubayi alongside the MMC for Human Settlements, the Executive of the CoJ, the Social Housing Regulatory Authority, JOSHCO Board and Executive Management delivered the launch of the Riverside View Social Housing Project and handover of keys to new tenants on the 25th of August 2023.
- The above project will accommodate about an excess of 1 000 families upon completion of all phases of the project.
- The Executive Team also took Section 79 Legislation and Oversight Committee to several projects under implementation for oversight.

SECTION 2: SERVICE DELIVERY CHALLENGES

Key challenges that were encountered during the quarter under review are listed below. Some of the challenges are persistent, but measures have been put in place to mitigate the challenges as listed below:

- Low rental collection remains a challenge for the entity.
- Insufficient allocation of funds by the City. This has resulted in the entity not being able to pay invoices timeously.
- Formation of the Social Housing Movement within JOSHCO projects which advocates for ownership within social housing space. Coupled with this is the influence of illegally constituted Tenant Committees, which Housing Management is facing head on with the aid of Stakeholder relations.

Lack of cooperation from tenants with regards to lease renewals – a number of tenants in projects are still reluctant to come forward to renew their leases due to fear of eviction possibly due to outstanding rent.

SECTION 3: RESPONSE TO STRATEGIC DIRECTION AS AT 30 SEPTEMBER 2023

Table 12: JOSHCO's Response to Strategic Direction

Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome in Q1
1. Sustainable Service Delivery	<ul style="list-style-type: none">• To be a smart and capable entity	<ul style="list-style-type: none">• Attainment of all SLSs• Well maintained and clean JOSHCO properties• Continuous engagement with SHRA's to ensure we are compliant to the regulator.
2. Job opportunity & creation	<ul style="list-style-type: none">• To be a smart and capable entity	<ul style="list-style-type: none">• Upliftment of communities through SMMEs on construction projects• Skills development and job creation through EPWP programme

Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome in Q1
3. Sustainable service delivery	<ul style="list-style-type: none"> • Develop & manage social housing and student accommodation • Develop & manage affordable rental housing • Implement housing development projects for the CoJ • Provide assigned municipal services 	<ul style="list-style-type: none"> • On track to deliver social housing and affordable housing units across the City • Development of student accommodation precinct • Preserved and well-maintained buildings that meet acceptable living conditions
4. Financial sustainability	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • A solvent company by end of 2024/25 FY • Improved revenue collection • Diversification of revenue stream (outdoor advertising, management fee, other mechanisms) • An unqualified Audit Opinion
5. A Smart City	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • Effective and efficient business processes • Improved tenant satisfaction, through proactive tenant education and engagement programme • Customer satisfaction targets achieved and improved • Improved visibility of JOSHCO brand
		<ul style="list-style-type: none"> • Social housing projects that are smart and environmentally friendly, through design and the use of alternative building technologies (Including alternative energy solutions and rainwater harvesting) • Improved application and leasing processes, supported by automation of processes launched • Seamless business continuity supported, through effective backup and disaster recovery systems

SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

The relationship of JOSHCO and CoJ as a parent municipality and the sole shareholder of the entity is formalised through various processes and documentation that include the Service Delivery Agreement (SDA) and the Shareholder compact. Section 93B (a) of the Municipal System Act stipulates that “Parent municipalities having sole control. — A parent municipality which has sole control of a municipal entity:

- (a) Must ensure that annual performance objectives and indicators for the municipal entity are established by agreement with the municipal entity and included in the municipal entity’s multi-year business plan.” As such JOSHCO and the City sign a five-year SDA that is reviewed annually, and the agreement outlines the entity’s scorecard and seven service level standards that JOSHCO should adhere to when delivering its services to the Johannesburg communities.

JOSHCO reports on performance against seven pre-determined targets for SLSs. The entity has achieved six of the six service standards due in the quarter under review. The agreed service standards with the City cover the following:

- 98% accurate bills for all active customers
- 96% of maintenance request attended to within 14 working days
- Routine building maintenance once per year and as required
- Outcome of enquiry to be sent to application within 5 days
- Outcome of the application communicated within 10 working days
- Acknowledgement and response within 24 hours of complaint being logged and
- Resolution within 5 working days of logged call.

Table 13: Service Level Standard (SLS) Performance as at 30 September 2023

Core Service	SLS Target	July 2023	Aug 2023	Sept 2023	Variance Explanation	Mitigations
1. Billing of customers	99% accurate bills of all active customers	100%	99%	99%	None	None
2. Attending to request for maintainance	96% of maintenance requests attended within 14 days of the logged call	100%	100%	100%	None	None
3. Routine building maintenance	Once per year and as when required	Not due	Not due	100%	None	None
4. Application for rental housing	Outcome of enquiry to be sent to application within 5 days	1 day	2 day	2 day	None	None
5. Application for rental housing	Outcome of the application communicated within 10 working days	1 day	3 day	2 days	None	None
6. Resolution of complaints	Acknowledgement and response within 24 hours of complaint being logged	24 Hours	24 Hours	24 hours	None	None
7. Resolution of complaints	Resolution of the complaints/ queries within 5 workings days	2 days	2 days		None	None

SECTION 5: PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The organisation's 2023–2024 business plan includes 22 key performance metrics and targets. 14 of the 19 targets that were due for reporting during the quarter were met. This outcome amounts to a performance for the quarter of 74%.

Table 14: Performance Against Predetermined Objectives as at 30 September 2023

Key Performance Area	Key Performance Indicator	Annual Target 2023/24	Q1 Target	Q1 Actual	Variance	Reasons for Underachievement and Remedial Action
Financial Stability	Current Ratio	Current ratio 1:1	1:1	0.62	-0.38	Please refer to Section 5 below.
	Solvency Ratio	Solvency Ratio 1:1	1:1	0.64	-0.36	
	% Collection in respect of current debtors	100% collection in respect of current debtors	100%	68%*	-32%	
	% Of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100%	78%	-22%	Insufficient cash flow from the City treasury.
	% of CAPEX spent on EMEs	30% of CAPEX spent on EMEs	30%	39%	+9%	Target achieved.
	% of CAPEX budget spent	100% CAPEX budget spent	25%	27%	+2%	Target achieved and exceeded.
Good Governance	Percentage resolution of internal audit findings	100% resolution of Internal Audit findings (cumulative)	30%	92%	+62%	Target achieved.
	% Resolution of external audit findings	100% resolution of AG findings	25%	95%	+70%	Target achieved.
	Level of audit opinion	Unqualified audit opinion	-			
	Percentage compliance to Laws and regulation	100% compliance to laws and regulation	98%	98%		Target achieved.
	Percentage Implementation of corrective action against identified risks	100% Implementation of corrective action against the identified risks	95%	100%	+5%	Target achieved.
Personnel Vacancy Rate	% Employee vacancy rate	5% employee vacancy rate	5%	13.37%	-8.37%	The pace of recruitment moved speedily in the quarter under review, however, the set target could not be met due to upward mobility. The entity's prioritisation model of

Key Performance Area	Key Performance Indicator	Annual Target 2023/24	Q1 Target	Q1 Actual	Variance	Reasons for Underachievement and Remedial Action
						developing internal candidates has impeded on the performance of the staff vacancy rate, and as a mitigation action the organisation will recruit for funded vacant positions.
Employee Development	Number of employee development initiatives	4 employee development initiatives	1	1		Target achieved.
Smart City	Number of digitisation initiatives completed	4 Digitisation initiatives completed	1	4	+3	Target achieved.
	Number of ICT awareness initiatives	32 ICT awareness initiatives	8	11	+3	Target achieved.
Job Opportunity and Creation	Number of jobs created for the unemployed through EPWP programmes	720 Jobs	180 jobs created	450	+270	Target achieved.
Sustainable Service Delivery	No. of social housing units development	450 housing units developed	-			KPI is not due for reporting.
	No. of social housing units completed	450 housing units completed	-			KPI is not due for reporting.
	% Occupancy rate (social housing)	98% occupancy rate	98% occupancy rate	99%		Target achieved
	% Achievement of service standards	100% Achievement of service standards	100% Achievement of service standards	1		Target achieved
	% Occupancy rate (affordable rental)	98% occupancy rate	98% occupancy rate	98%		Target achieved
	Tenant Management initiatives implemented by community development	4	1	2	+1	Target achieved

5.1. PROJECT PERFORMANCE

Contextual Background on the KPIs:

Our capital projects are divided into 2 programmes: **Inner City** and **Greenfields** programmes and are further divided into 2 major milestones: **Planning** and **Implementation**. Planning runs from inception to pre-tender stage and implementation from tender stage to project close out. Below are details of start and completion dates of various projects, as well as their performance. The start and completion dates of the projects are in line with the signed Development Agreement or Joint Building Contracts Committee (JBCC) of the project. It should be noted that, depending on the outcome of extension of time claims submitted by main contractors, the dates may be amended if the claim is awarded with or without cost, depending on the incident the main contractor is claiming against. The adjudication of whether to award extension of time claim (with or without cost) is concluded by independent Project Managers or Review Consultants

Complete Project with Occupation Certificate: the project has been constructed and completed in compliance with the provisions of the National Building Regulations Act 103 of 1977 as amended. These projects are ready for tenancing since they have reached practical completion and obtained Occupation certificates.

Developed Units without Services: these are units that have been developed for the intended purpose, but do not have all services. The units completed at this stage are not yet ready for occupation but are Work in Progress (WIP) reflecting CAPEX.

5.1.1. PROJECTS UNDER IMPLEMENTATION: INNER CITY

ABEL ROAD CONVERSION PHASE 1

Area or location: Abel Road, Inner City Johannesburg

No units expected 2023/2024: 107 units phase 1

Budget allocated this FY: R 0.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	1 009 951.82	412 669.47	2 344 298.62
SMME Expenditure (R)	0	0	0
Project Progress (%)	0	12	17
EPWP	0	0	0

Comments on Project Performance:

Construction activities underway. Project progressing well.

106 CLAIM STREET SOCIAL HOUSING PROJECT**Start date:** 20 July 2023**Planned completion date:** 20 October 2023**Area or location:** 106 Claim Street, Hillbrow**No units expected 2023/2024:** 80 units**Budget allocated this FY:** R 7 000 000.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	0	3 299 709.91	901 671.29
SMME Expenditure (R)	0	2 889 887.35	360 774.83
Project Progress (%)	0	3	19
EPWP	7	7	7

Comments on Project Performance:

Project progressing well, on track for completion end November 2023.

NEDERBERG STUDENT ACCOMMODATION**Start date:** 25 July 2023**Planned completion date:** 30 January 2024**Area or location:** 153 Wolmarans street, Braamfontein**No units expected 2023/2024:** 60 units.**Budget allocated this FY:** R 12 500 00.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	0	0	2 295 378.54
SMME Expenditure (R)	0	0	0
Project Progress (%)	0	12	27
EPWP	0	0	0

Comments on Project Performance:

Sample furniture and burglar bars have been procured. All units have been painted. Project progressing well.

5.1.2. PROJECTS UNDER IMPLEMENTATION: GREENFIELDS

NANCEFIELD SOCIAL HOUSING PROJECT**Start date:** 4 May 2021**Completion date:** To be confirmed (TBC)**Area or location:** Nancefield, Klipruit, Soweto**No units expected 2023/2024:** 372 units**Budget allocated this FY:** R 74 750 000.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	4 773 117.65	4 940 670.34	12 564 754.76
SMME Expenditure (R)	0	1 163 359.62	0
Project Progress (%)	72	75	75
EPWP	5	5	5

Comments on Project Performance:

Works are now at 75% overall completion. The contract with old contractor ended on 29 September 2023 due to their purchase order being completed. The new contractor has been appointed to take over the completion of the project and is anticipated to start to start in October 2023.

PRINCESS PLOTS SOCIAL HOUSING PROJECT**Start date:** 1 November 2019**Anticipated completion date:** 31 July 2023**Area or location:** Princess Ext 22, Roodepoort**No units expected 2023/2024:** 333 units**Budget allocated this FY:** R 51 555 000.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	7 334 901.46	6 575 534.57	6 136 251.95
SMME Expenditure (R)	179 748.50	524 593.34	406 724.21
Project Progress (%)	97	98	99
EPWP	16	16	16

Comments on Project Performance:

All units have been snagged. De-snagging process is ongoing and well on track. Landscaping is in progress and is nearing completion. Practical completion will be reached on the 10th October 2023

GOLDEN HIGHWAY SOCIAL HOUSING PROJECT

Start date: 14 November 2022

Planned completion date: 30 September 2023

Area or location: Golden Highway, Devland, Soweto

No units expected 2023/2024: 162 units

Budget allocated this FY: R 14 000 000.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	0	3 819 345.71	255 845.97
SMME Expenditure (R)	0	351 312.03	0
Project Progress (%)	87	90	93
EPWP	0	0	0

Comments on Project Performance:

Contractor is on site; project is at 93% complete, 103 units have reached practical completion.

RIVERSIDE VIEW SOCIAL HOUSING

Start date: 24 March 2022 & **Completion date:** 7 December for 1st 180 units, the balance TBC

Area or location: Region A, North of CoJ, Riverside View

No units expected 2023/2024: 180 units

Budget allocated this FY: R 50 000 000.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	0	0	0
SMME Expenditure (R)	0	0	0
Project Progress (%)	0	0	0
EPWP	0	0	0

Comments on Project Performance:

Groundbreaking Ceremony took place on the 25 August 2023, wherein the site was handed over to contractor for next phase of 184 units to be completed by 4 December 2024.

UPGRADES TO EXISTING WORKS

CITY DEEP MINOR WORKS

Area or location: City Deep, Inner City Johannesburg

No units expected 2023/2024: 0 units.

Budget allocated this FY: R 5 000 000.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	2 604 871.85	2 076 983.24	193 721.93
SMME Expenditure (R)	308 965.62	869 896.75	355 000.00
Project Progress (%)	55	70	87
EPWP	0	0	0

Comments on Project Performance:

The project is currently at 87% practical completion is anticipated for the end of September 2023.

DOBSONVILLE (SEWER WORKS)

Area or location: Dobsonville, Soweto, Johannesburg

No units expected 2023/2024: 0.

Budget allocated this FY: R 5 000 000.00

Monitoring Tool	July	August	September
Capex Expenditure (R)	0	0	2 738 823.03
SMME Expenditure (R)	0	0	0
Project Progress (%)	15	100	100
EPWP	0	0	0

Comments on Project Performance:

The site was handed over to the contractor during the month of July. They have completed all construction activities and waiting for inspection from JRA.

5.1.3. PROJECTS UNDER PLANNING STAGE

[illegible]**RANDBURG SELKIRK**

JOSHCO obtained the landowner consent from Joburg Property Company (JPC) for the proposed sewer upgrades. The professional team is finalising the Environmental Impact Assessment (EIA) application, to recirculate the development proposal to Joburg Water to endorse the Section 7(6) application for submission at CoJ.

RIVONIA EDENBURG TURNKEY

JOSHCO has terminated the contract with the developer for breach of contract.

DENVER EXTENSION 20 (JEPPESTOWN)

The professional team submitted the revised designs and studies to JRA and Environment and Infrastructure Services Department (EISD) respectively and are currently awaiting revised comments from both services' departments. Once the comments have been issued, the rezoning application will be finalised.

MILPARK SOCIAL HOUSING PROJECT (FRANK BROWN PARK)

The rezoning application had been submitted online to CoJ Development Planning.

NEW APPOINTMENTS FOR PROJECTS UNDER PLANNING

Project Managers for below projects have been appointed and project briefing meeting was held with each to go through the project scope of works and expected deliverable. The following projects are at Inception Stage:

- Kelvin
- Lombardy East
- Marlboro
- Malvern
- Park Chambers
- Smit Street

5.1.4. SHRA CONSOLIDATED CAPITAL GRANT (CCG) FUND APPLICATIONS

Applications for the SHRA CCG fund have been submitted for the following developments:

- 50 Durban Street
- Able Street – Phase 2
- Denver Extension 20
- Lufhereng – remaining 60 of 407 units.

5.1.5. SHRA PROJECTS OCCUPATION CERTIFICATES (OCs)

There are several SHRA funded projects that are tenanted without OCs. This programme aims at remedying this non-compliance.

Progress:

City Deep: The contractor has been appointed to attend to the outstanding works for OC compliance. The estimated timeframe for achieving the OC's is the end of November 2023.

Dobsonville: The sewer contractor has been appointed, and site handover completed. The works will be completed in October 2023. The 2 properties encroaching on our property are yet to be demolished. JOSHCO has been granted a demolition order for one property that is currently being processed by the sheriff's office. The demolition order application for the other property is in process.

Turffontein: It should be noted that the OCs exist, however the current OC refers to one Erf because according to the Chief Building Inspector who issued the OC, the CoJ system is unable to issue two OCs for one development. Hence, a consolidation application is required by SHRA. The application has submitted; however, we are currently finalising the registration of Erven 195 and 196 Haddon Extension, prior to the approval of the consolidation application.

5.2. DEVELOPMENT DEPARTMENT KEY PERFORMANCE INDICATORS

5.2.1. UNITS DEVELOPED: WORKS IN PROGRESS (COMPLETE WITHOUT SERVICES)

Table 15: Projects that Contribute to the KPI: Work in Progress (WIP)

PROJECT NAME	PLANNED UNITS	COMMENT
Nancefield Project	192	To be achieved in Q2
Riverside Turnkey	182	To be achieved end of Q4
Abel Street	102	To be achieved end of Q2
TOTAL	476 Units	

Progress on KPI:

476 units are planned for completion against the **KPI 450 units** this financial year.

5.2.2. UNITS COMPLETED: COMPLETE (WITH PC AND OC CERTIFICATES)

Table 16: Projects that Contributed to the KPI: Complete Units

PROJECT NAME	PLANNED UNITS	COMMENT
Princess Plots	333	To be achieved in Q2
106 Claim Street	80	To be achieved end of Q3
Nederberg Student Accommodation	60	To be achieved end of Q3
TOTAL	473 Units	

Progress on KPI:

473 units are planned for completion against the **KPI 450** units this financial year.

5.2.3. NEW DEVELOPMENTS

New Opportunities Ahead:

JOSHCO has gone out to the market to procure new land parcels and buildings for development. Expression of Interest issued was for purchase of land/buildings and Turnkey Proposals aligned to SHRA requirements.

Feasibility Studies:

In the coming financial year, the Development department will be conducting feasibility studies for new projects in these areas Wesbury/Bosmont, Marlboro to increase our footprint.

Housing Management:

The role of the Housing Management business unit at JOSHCO is to provide end-to-end property management which includes maintenance (planned and reactive), lease management (tenant life-cycle management) and ensure maximum revenue management in all its rental stock. This is done with the intricate support of Stakeholder Management, Community Development and Security Management.

Focused Maintenance Interventions:

Housing Management has allocated each of its rental properties with a Building Maintenance Company (BMC) which will be responsible for all maintenance within a project, working side by side with the Estate Supervisor as well as the Portfolio Manager. A total comprehensive maintenance needs assessment was conducted for each building to establish a tailored maintenance programme for the financial year ahead. Both planned and reactive maintenance budgets were submitted and approved for the first quarter of the 2023/24 financial year. Due to the current budget constraints facing JOSHCO, Housing Management will be seeking quarterly approval for its maintenance budget. A cap/guide of R 950.00 per unit was employed in the maintenance budget exercise. Maintenance activities have been spread across the financial year depending on the urgency of certain maintenance activities per project as well as taking the fiscus into consideration.

Strengthening of Portfolio Management:

During the last financial year, Housing Management only had three (3) Portfolio Managers and one (1) vacant funded Portfolio Manager post available. However, during this financial year, an additional vacant funded Portfolio Manager post was made available resulting in two (2) vacant funded posts available. These two (2) vacant funded Portfolio Manager posts have since been filled at the beginning of this financial year. Subsequently, there are now five (5) funded Portfolio Managers. This has allowed Housing Management to reconfigure its portfolios and have a Portfolio Manager solely responsible for commercial stores and student accommodation. This has also allowed for slight reconfiguration in portfolios A-D, thus alleviating some of the pressure from other Portfolio Managers and placing more focus on each project across the board.

Heightened Focus on Evictions Towards Maximization of Rent Collection:

The evictions programme has been intensified during the first quarter of this financial year and is yielding the desired results with regards to collection of outstanding rentals and debt. We have also seen an increase in the number of tenants coming forward to make payment arrangements and sign Acknowledgements of Debt. Various initiatives have been undertaken with Revenue Management under the leadership of the Chief Operating Officer, such as the establishment of an Evictions Committee, in order to place focus on evictions and display our sincerity as Housing Management in relation to the enforcement of the conditions of contract with tenants not complying with the agreements they have with JOSHCO.

5.3. MAINTENANCE PER PORTFOLIO AND COLLECTION RATE

At the end of the previous financial year, Housing Management had four (4) portfolios, Portfolios A-D. Portfolio D is mainly comprised of City Referral stock which is anticipated to be moved back to the City. Whilst that process is still underway, there are a number of standard planned maintenance activities that JOSHCO will be engaging in, however Housing Management has made a decision not to allocate any unplanned maintenance budget towards the projects in Portfolio D.

PORTFOLIO A

Table 17: Portfolio A Maintenance Jobs Logged and Completed

PROPERTY	MAINTENANCE CATEGORY				TURNAROUND TIME		
	Plumbing	Electrical	General	Total Reported Complaints	Within 14 Days	Beyond 14 Days	Target % Achieved
AA House	2	4	10	16	16	0	100
African Diamond	2	4	1	7	7	0	100
Devland	19	16	54	89	89	0	100
Europa House	0	11	7	18	18	0	100
Hoek Street	5	7	7	19	19	0	100
Raschers	8	8	17	33	33	0	100
La Rosabel	0	0	4	4	4	0	100
Textile Building	9	19	9	37	37	0	100
Union Square	8	14	3	25	25	0	100
TOTAL JOBS	53	83	112	248	248	0	100%

The number of plumbing jobs is generally higher across properties, showing the urgency to implement a preventative maintenance programme. The actual achieved response rate of **100%** jobs logged and completed within 14 days is higher than the SLS target of 96% jobs logged and completed within 14 days.

PORTFOLIO B

Table 18: Portfolio B Maintenance Jobs Logged and Completed

PROPERTY	MAINTENANCE CATEGORY				TURNAROUND TIME		
	Plumbing	Electrical	General	Total Reported Complaints	Within 14 Days	Beyond 14 Days	Target % Achieved
Bellavista Infill	3	0	4	7	7	0	100
Bellavista Citrine Court	5	3	11	19	19	0	100
Kliptown Square	18	2	5	25	24	1	96
Kliptown Golf Course	15	2	8	25	25	0	100
Phoenix House	0	0	3	3	3	0	100
Turffontein	16	4	41	61	60	1	98.36
Orlando Ekhaya Flats and family units	7	0	3	10	9	1	90
Lufhureng	1	0	0	1	1	0	100
TOTAL JOBS	65	11	75	151	148	3	98.01 %

The general complaints are the highest, followed by plumbing. The number of jobs is generally higher across properties, highlighting the urgency to implement a preventative maintenance programme. However, the response rate is higher than the SLS target of 96%, standing at 98.01%.

PORTFOLIO C

Table 19: Portfolio C Maintenance Jobs Logged and Completed

PROPERTY	MAINTENANCE CATEGORY				TURNAROUND TIME		
	Plumbing	Electrical	General	Total Reported Complaints	Within 14 Days	Beyond 14 Days	Target % Achieved
Dobsonville	30	11	18	59	59	0	100
Fleurhof Junction	27	9	26	62	62	0	100
Pennyville Communal	10	0	2	12	12	0	100
Pennyville Flats	9	0	6	15	15	0	100
Tshedzani Roodepoort	63	5	41	110	110	0	100
TOTAL JOBS	139	25	93	258	258	0	100%

The number of plumbing jobs is generally higher across properties, showing the urgency to implement a preventative maintenance programme. The actual achieved response rate of **100%** jobs logged and completed within 14 days is higher than the SLS target of 96% jobs logged and completed within 14 days.

PORTFOLIO D

Table 20: Portfolio D Maintenance Jobs Logged and Completed

PROPERTY	MAINTENANCE CATEGORY				TURNAROUND TIME		
	Plumbing	Electrical	General	Total Reported Complaints	Within 14 Days	Beyond 14 Days	Target % Achieved
Antea Hostel	11	0	0	11	11	0	100
Botlhabela	0	0	0	0	0	0	100
City Deep	6	1	5	12	12	0	100
City Deep Greenfields	4	0	3	7	7	0	100
Fleurhof Riverside	5	0	2	7	7	0	100
Jabulani	0	0	0	0	0	0	100

PROPERTY	MAINTENANCE CATEGORY				TURNAROUND TIME		
	Plumbing	Electrical	General	Total Reported Complaints	Within 14 Days	Beyond 14 Days	Target % Achieved
Klipspruit Hostel	0	0	2	2	2	0	100
Legae	6	0	4	10	10	0	100
Orlando West	0	0	0	0	0	0	100
Riverside View	0	0	0	0	0	0	100
Selby	8	1	1	10	10	0	100
TOTAL JOBS	40	2	17	59	59	0	100%

Overall SLS Summary

- The overall JOSHCO portfolio collection rate is at 66%.
- Plumbing work is **297** which is equals to 41.54% of the total work for 2023/24: Q1.
- Electrical work is **121** which is equals to 16.92 % of the total work for 2023/24: Q1.
- General repairs is **297** which is equals to 41.54 % of the total work for 2023/24: Q1.

5.4. STAKEHOLDER MANAGEMENT

The Stakeholder Relations Management unit has three KPIs as demonstrated in the table below:

Table 21: Stakeholder Relations Management KPIs:

No.	KPI	Target	Monthly Target	Actual	Difference	Mitigation
1.	Complaints responded to within 5 working days	5 working days	100%	100%	0	None
2.	Corrective actions against identified risks	95%	95%	100%	0	None
3.	Interview on-boarding and exit tenants	30%	30%	0	-30%	New KPI. Will start in September

5.4.1. COMPLAINTS AND ENGAGEMENTS RECEIVED AND RESPONDED TO WITHIN FIVE DAYS:

Stakeholder Relations Management received various types of complaints and requests for engagements. For the purpose of reporting, these complaints and engagements are categorized according to the nature and stakeholders involved. The categories of complaints are as follows:

Table 22: Types of Engagements During Q1

Meeting Type	Total	Issues	Actions	Status
Public meetings	5		Intervened	Resolved
Committee meetings	4	None	None	None
Councillor meetings	6	EPWP opportunities	Support	Resolved
Memorandum	1	EPWP recruitment	Intervened	Resolved
SMMEs	1	Labour Rates	Intervened	Resolved
Total	17			

SUMMARY OF THE ENGAGEMENTS FOR QUARTER 1

The detailed contents of the meetings are in the meeting minutes. In the report, the Stakeholder shared the summary and highlights of what transpired during the meeting proceedings and the resolutions of those meetings. The summary of Q1 is as follows:

5.4.2. PUBLIC MEETINGS

JOSHCO public meetings take place under the leadership and watchful eye of the respective Ward Councillor. This is to promote the intergovernmental relationship. It is also aimed at promoting accountability and transparency from JOSHCO. All public meetings went well without interruptions. The meetings delivered on the expectations and provided the required information.

5.4.3. COMMITTEE MEETINGS

JOSHCO made a resolution to suspend all existing tenants' committees. The suspension was necessary to verify and formalise the committees. It had come to JOSHCO's attention that most of these committee members are delinquent tenants. In terms of the Rental Housing Act 50 of 1999 as amended, Chapter 3 regulates the relationship between tenants and the landlord. JOSHCO is in the drive to engage tenants throughout JOSHCO estates.

5.4.4. WARD COUNCILOR MEETINGS

JOSHCO meets regularly with the Ward Councillors to deliberate on issues that require the Councillor's attention or intervention. This is a collaboration effort to ensure peace and stability within JOSHCO's estates and the whole ward in general. The Ward Councillor is consulted on issues such as job creation initiatives, tenancing of new projects in the ward and concerns from tenants and residents of the ward.

5.4.5. MEMORANDUM

JOSHCO received a memorandum from the City Deep tenants regarding their dissatisfaction with the EPWP recruitment process. The tenants felt that the process lacked fairness and transparency. The matter was resolved immediately through following the prescripts as outlined in the EPWP guidelines.

5.4.6. SMME MEETINGS

JOSHCO received one complaint from the SMME based in Alexandra Madala Hostel. The hostel belongs to the CoJ, and it falls under JOSHCO special projects. The issue raised was around labour and material rates. The SMMEs felt that they were exploited and requested JOSHCO to intervene. JOSHCO intervened and an independent quantity survey report was sought to address the matter. The recommendation was made, we are awaiting the response from the SMMEs to indicate if the recommendation of the new rate is accepted.

5.5. RENTAL AND LEASE APPLICATIONS UNIT OCCUPANCY LEVELS

The overall occupancy rate for residential rental stock is 98.17%, translating to a vacancy rate of less than 2% for 2023/24: Q1.

5.5.1. SHRA FUNDED PROJECTS ACHIEVED 99.16%

Project Name	Units No.	Occupancy	Occupancy (%)
City Deep New	329	326	99.09
Devland	255	255	100
Dobsonville	502	497	99.00
Fleurhof Ph. 1	452	445	98.45
Fleurhof Ph. 2	252	250	99.21
Kliptown Square	478	477	99.79
La Rosabel	50	49	98.00
Pennyville (Flats)	198	190	95.96
Roodepoort	432	430	99.54
Turfontein	525	525	100
TOTAL	3 473	3 444	99.16%

5.5.2. CITY FUNDED PROJECTS ACHIEVED 97.53%

Project Name	Units No.	Occupancy	Occupancy (%)
AA House	252	251	99.60
African Diamond	61	55	90.16
Antea	409	355	86.80

Project Name	Units No.	Occupancy	Occupancy (%)
Bellavista Infill	36	34	94.44
Bothlabela	521	521	100.00
Citrine Court	79	75	92.93
City Deep Old	425	411	96.71
Europa House	167	163	97.60
Hoek Street	265	257	96.98
Klipspruit (Beds)	54	54	100
Kliptown Golf C	936	929	99.25
La Rosabel	50	49	98.00
MBV	188	185	98.40
Orlando Ekhasa 2	190	185	97.37
Orlando Ekhasa 1	102	100	98.04
Pennyville Rooms	564	559	99.11
Phoenix House	135	134	98.26
Rashers' Building	95	94	98.95
Selby Rooms	19	18	94.74
Selby Units	256	253	98.83
Textile Building	162	153	94.44
Union Square	341	341	100.00
TOTAL	5 307	5 176	97.53%

The JOSHCO App update

The JOSHCO App is now fully functional. All applications as from the 1st of October will be processed online. All the Leasing Administrators and Application Administrators have their accounts fully functioning.

5.5.3. COMMERCIAL TENANCY

RENTABLE COMMERCIAL SPACES	Occupancy	Vacancy
53	49	4
ETERNA NETWORK SPACES		
2	0	2
OUTDOOR ADVERTISING		
Phoenix	1	1
AA house	1	0
Randburg	1	0
Union Square	1	0
61 Juta Street	1	0
Wolmarans	0	1
DAYCARE CENTRES		
Antea x1 space	1	0
Bohlabela Alex x1 space	1	0
STUDENT ACCOMADATION		
Wolmarans Student Accommodation X182 units	182	0

Commercial Space Summary

JOSHCO has 53 commercial spaces that are rentable. The total vacancy is 4 shop spaces, 2 advertisements sites, and 2 daycare centres. This amounts to a total occupancy rate of 89% and collection rate of 142%

Revenue Drives

An integrated Revenue Drive initiative was successfully conducted at the Turffontein Projects, where the main focus was: lease renewals, maintenance, revenue drive and general queries. The initiative took place on Saturday, the 30th of September 2023 and was conducted in a “pop-up” style where tenants were encouraged to speak to the JOSHCO officials on-site. More of these initiatives will be taking place across various JOSHCO projects where Housing Management will be pushing for lease renewals and engaging tenants to drive increased revenue.

Other upcoming tenant engagement initiatives will be collaborative efforts between JOSHCO, Social Development and the Community Safety cluster in order to bolster tenant education.

5.6. COMMUNITY DEVELOPMENT

Community Development Projects consist of EPWP, outreach programmes and recycling. Gender-based violence (GBV) and recycling are the latest projects to be reintroduced, while EPWP has been implemented over the years.

5.6.1. PROJECTS AND EVENTS

5.6.1.1. Events

The Mandela Day event was celebrated on the 18th of July 2023 as a combined event with CoJ. The activities were done in two (2) projects, namely, Jeppe Clinic and an old age home.

Cleaning at Jeppe Clinic.





Blood donation, "GIVING BACK" Mandela Day 67 minutes.

5.6.1.2. Partnerships

Partnerships was established with Social Development – Training & Development and CoJ - Skills Development, for skills development programmes.

5.6.1.3. Outreach Programmes

JOSHCO engaged on two different outreach programmes in the first quarter which are highlighted in Table 23 below.

Table 23: Outreach Programmes for Q1

Project Name	Engagement Date	Type of Engagement
Skills Development Programme - EPWP	September 2023	Partnership with Department of Social Development & CoJ - Skills Development
Psychosocial Support Programme	September 2023	CoJ: Social Development

5.6.1.4. Site Visits

During this quarter, site visits were conducted at the City Deep Project in collaboration with the Food Resilient Unit. These visits were part of food security programmes, including food gardening programmes and assessments for food parcels distributed to needy families, such as child-headed and granny-headed households.



5.6.2. EPWP PROJECTS

The EPWP is one of government strategies aimed at addressing unemployment. The fundamental strategies are to increase economic growth so that the number of new jobs created starts to exceed the number of new entrants into the labour market and to improve the education system such that the workforce can accept the skilled work opportunities that economic growth will generate.

The EPWP's aims to ensure that a significant number of the unemployed are engaged in productive work and gain skills while they work. The programmes provide poverty and income relief through EPWP participant work opportunities for the unemployed to engage in meaningful activities.

JOSHCO's Community Development currently manages EPWP contracts for workers providing services such as administration, cleaning, gardening, and waste management.

Table 24: Breakdown to Reflect Gender, Youth and People with Disabilities (July 2023)

Project Name / Office	Services	No of Participants	Female	Male	Youth	People with Disabilities
Head Office	Cleaning	48	28	20	24	1
Abert	Cleaning	8	1	7	1	0
Raschers	Cleaning	5	1	4	4	0
African Diamond	Cleaning	5	5	0	2	0
AA House	Cleaning	9	7	2	2	1
Union Square	Cleaning	10	5	5	4	0
Hoek Street	Cleaning	8	7	1	2	0
Europa	Cleaning	5	0	5	2	0
Legae	Cleaning	6	1	5	0	0

Project Name / Office	Services	No of Participants	Female	Male	Youth	People with Disabilities
Fraser	Cleaning	8	0	8	4	0
Phumlani	Cleaning	7	1	6	4	0
Textile	Cleaning	5	2	3	1	0
Booyens	Cleaning	1	0	2	1	0
Citrine Court	Cleaning	7	0	7	3	0
Bellavista	Cleaning	2	0	2	1	0
Dobsonville	Cleaning	10	3	7	3	0
Orlando Ekhasa	Cleaning	6	2	4	4	0
Phoenix	Cleaning	7	2	6	4	0
Luthfeng	Cleaning	15	8	7	12	0
TOTAL JOBS		172	73	101	78	2

Table 25: Breakdown to Reflect Gender, Youth and People with Disabilities (August 2023)

Project Name / Office	Services	No of Participants	Female	Male	Youth	People with Disabilities
Head Office	Administration	33	19	13	21	0
Riverside View	Waste Management	3	2	2	0	0
Fleurhof Riverside	Painting	24	20	4	7	1
Textile	Fumigation	3	3	0	2	0
Kliptown Square	Painting	17	9	8	8	0
Klipspruit Hostel	Gardening	5	4	1	4	0
City Deep	Waste management	31	17	14	16	0
Bokamoso	Gardening	4	2	2	2	0
Hoek	Gardening	5	5	0	2	0
AA House	Painting	6	5	1	3	0
Raschers	Waste management	6	3	3	4	0
Turfontein	Painting	10	6	4	2	0
Fleurhof Junction	Painting/ Fumigation	26	17	9	3	0
Kliptown Golf course	Waste management	10	5	5	7	0
Europa	Painting	6	3	3	2	0
Orlando Ekhasa	Painting	12	5	1	6	0
Tshedzani	Painting	12	5	17	5	0
TOTAL JOBS		213	130	87	94	1

Table 26: Breakdown to Reflect Gender, Youth and People with Disabilities (September 2023)

Project Name / Office	Services	No of Participants	Female	Male	Youth	People with Disabilities
Head Office	Admin	9	4	5		
Textile	Fumigation/painting	15	12	3	11	
AA House	Cleaning	17	8	9	15	
Fleurhof	Painting	16	6	10	14	
Bellavista	Waste	2	0	2	2	
Citrin court	Cleaning	10	3	7	9	
Tshedzani	Cleaning	2	1	1	0	
Riverside	Cleaning & Gardening	29	20	9	18	1
TOTAL JOBS		100	54	46	69	1

CHAPTER 4

HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

This section provides the total employee remuneration costs.

Table 27: Personnel Cost by Occupational Level as at 30 September 2023

Occupational Level	No. of Employees	Personnel Expenditure (R)	% of Total Personnel Cost	Average Cost per Employee (R)
Top Management (CEO, CFO, COO)	3	1 388 511.51	3.78	462 837.17
Executive Managers	1	354 897.75	0.97	354 897.75
Professional Qualified / Middle Management (Portfolio Managers, Accountants)	27	5 970 344.07	16.24	221 123.85
Skilled, Tech & Academically Qual (JOSHCO - Support, Billing Clerks, Credit Controllers, Bookkeeper, Maintenance Worker and Admin)	113	11 379 823.23	30.96	100 706.40
Semi-Skilled (Driver, Receptionist, Call Centre Agents)	7	243 212.38	0.66	34 744.63
Internship	6	141 989.83	0.39	23 664.97
Unskilled (Security Officers and Cleaners)	345	10 658 730.81	29.00	30 894.87
EPWP	590	6 621 724.80	18.01	11 223.26
Total	1 092	R 36 759 234.38	100%	R 33 662.30

Note: The salary costs include costs for all permanent, fixed-term employees and excludes board fees.

SECTION 2: KEY VACANCIES

This section provides reporting on vacancies that were actioned, either by filling on an acting capacity or being recruited for.

Table 28: Acting Appointments

Designation	Current – Acting Role	From	Comments
Chief Operations Officer (Joburg Market Secondment)	Chief Executive Officer	01 April 2023 to 16 December 2023	Acting because of suspension

Designation	Current – Acting Role	From	Comments
Executive Manager: Business Planning and Strategy	Executive Manager: Corporate Services	01 September 2023 to 30 September 2023	Acting due to resignation
HR Officer	HR Manager	11 August 2023 to 28 August 2023.	Acting because the incumbent was on leave.
Chief Financial Officer	Chief Executive Officer	04 September 2023 to 08 September 2023	Acting because the incumbent was on leave.
EUC Technician	End User Server Support Specialist	01 July 2023 to 30 September 2023	Acting because position is vacant
EUC Technician	End User Server Support Specialist	01 July 2023 to 30 September 2023	Acting because position is vacant

Table 29: Finalised Appointments

Position	Vacancies	New Position/ Replacement	Status
Applications Administrator	4	New Position	Finalised
Financial Manager	1	Replacement	Finalised
Senior Internal Auditor	1	New Position	Finalised
Financial Accountant	1	Replacement	Finalised
General Manager: Housing Management	1	Replacement	Finalised
Quality Assurance Officer	1	New Position	Finalised
Executive Assistant: Chief Operations Officer	1	New Position	Finalised
Monitoring and Evaluation Officer	1	Replacement	Finalised
Business Performance Reporting Specialist	1	New Position	Finalised
Executive Manager: Business Planning and Strategy	1	Replacement	Finalised
Office Attendant	2	Replacement	Finalised
Administrator: Stakeholder Relations	1	New Position	Finalised
Portfolio Manager	2	Replacement	Finalised
Receptionist	1	Replacement	Finalised
Programme Manager: Planning	1	Replacement	Finalised

Position	Vacancies	New Position/ Replacement	Status
Programme Manager: Special Projects	1	New Position	Finalised
Total	21		

Table 30: Recruitment in Progress

Position	Vacancies	New Position/ Replacement	Status
Chief Financial Officer	1	Replacement	Advert Stage
Executive Manager: Corporate Services	1	Replacement	Advert Stage
Company Secretary	1	Replacement	Advert Stage
Risk Officer	1	Replacement	Advert Stage
Social Facilitator	1	Replacement	Advert Stage
Internal Audit Manager	1	Replacement	Re-Advert Stage
Risk Specialist	1	New Position	Offer Stage
Manager: Planning and Performance Reporting	1	Replacement	Interview Stage
Special Projects: Accounts Administrator	1	Replacement	Interview Stage
Security Supervisor	2	Replacement	One at offer Stage and the other one advertised externally
Compliance Officer	1	Replacement	Offer Stage
HR Officer: Payroll	1	Replacement	Offer Stage
Call Centre Agent	2	Additional Head Count	Shortlisting Stage
Office Attendant	3	Additional Head Count	Advert Stage
Legal Officer: Construction	1	Replacement	Offer Stage
Marketing Officer: Digital Media	1	New position	Shortlisting Stage
Total	20		

TERMINATIONS

This section refers to all employment contractual terminations within the quarter under review.

Table 31: Terminations

Department	Reason	End Date
Business Planning and Strategy	Resignation	31 July 2023

Department	Reason	End Date
Business Planning and Strategy	Resignation	27 August 2023
Corporate Services	Resignation	31 August 2023
Office of the CEO	Resignation	30 September 2023
Total: 4		

SECTION 3: EMPLOYMENT EQUITY

This section provides information on how the entity has performed and responded to the requirements of the Employment Equity legislation for the quarter under review.

3.1. EMPLOYEE EQUITY AND SKILLS DEVELOPMENT (EE/SD)

The EE/SD committee did not meet for the reporting period.

3.2. REPORTING

The quarterly monitoring report as required by the CoJ will be submitted by the due date.

3.3. EE PROFILE

Our Employment Equity (EE) profile remains predominantly the same as the previous quarter, albeit the promotion of 1 African male and 1 African female from Skilled Occupational Level to Professional Level. Currently, JOSHCO employs three (3) people with disabilities (PWDs). This is significantly lower than the target set of at least 10. To mitigate this gap, the entity will utilise CoJ's PWD database when recruiting for entry level positions. The racial profile is still highly skewed towards black people as defined in the Act.

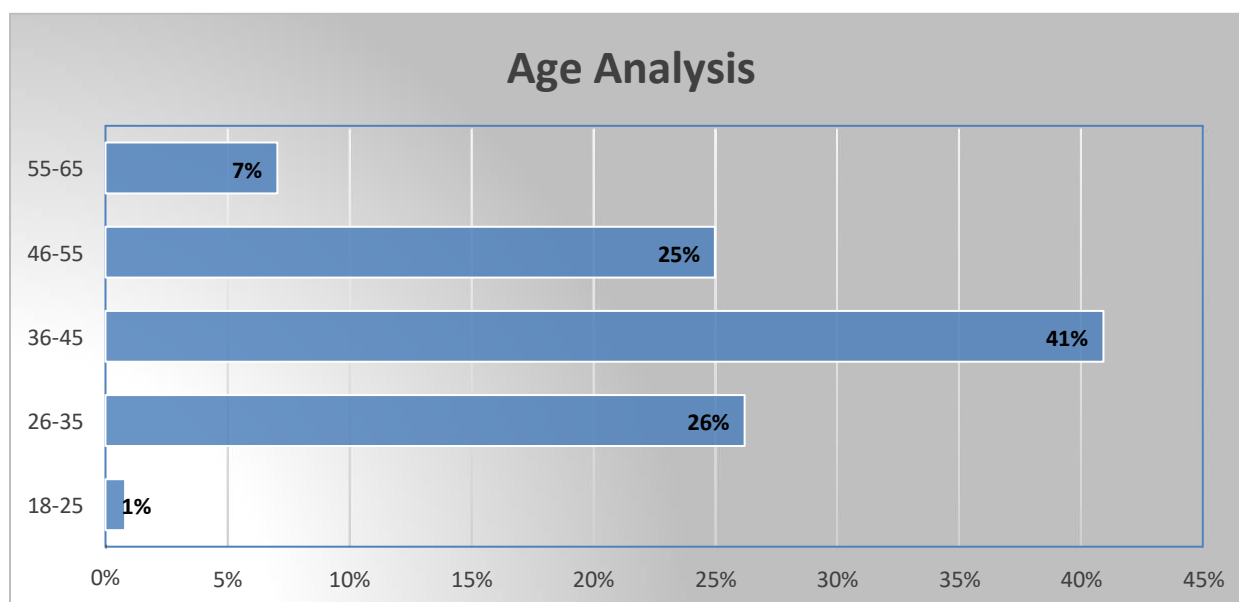
Table 32: Employee Equity Numbers

Employment Equity Profile																
Occupational Level	Male				Female				Foreign Nat.		Local		Grand Total	Racial % Profile	Female Gender Representation % Achievement	
	A	C	I	W	A	C	I	W	M	F	M	F				
Top Management	2	0	0	0	1	0	0	0	0	0	2	1	3	100	33	
Senior Management	0	0	0	0	1	0	0	0	0	0	0	1	1	100	100	
Professionally Qualified /	17	1	0	2	11	0	1	0	1	1	20	12	34	88	35	

Employment Equity Profile															
Occupational Level	Male				Female				Foreign Nat.		Local		Grand Total	Racial % Profile	Female Gender Representation % Achievement
	A	C	I	W	A	C	I	W	M	F	M	F			
Middle Management															
Skilled Technically and Academically Qualified	46	3	0	0	54	3	1	1	0	0	49	59	108	99	55
Semi-Skilled	2	0	0	0	3	0	0	0	0	0	2	3	5	100	60
Unskilled	157	2	0	0	186	3	0	0	0	0	159	189	348	100	54
Total	224	6	0	2	256	6	2	1	1	1	232	265	499	99%	53%

AGE PROFILE

Graph 1: Employee Age Profile



- The majority of JOSHCO employees are aged between 36-45 years.
- 27% of our workforce is classified as youth. This figure has slightly improved from the previous reporting period.
- Employees within the 7% aged 55+ years are envisaged to retire over the next 2 to 4 years, and there will be no significant loss of talent that requires extensive planning or mitigation.

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

4.1. BURSARIES FOR 2023/2024

- None for the reporting period.
- In an effort to adapt to the 4th Industrial Revolution, the entity is in the process of designing an automated system where all bursary applications will be executed online via a SharePoint portal.

4.2. TRAINING INTERVENTIONS

The following trainings were held for the reporting period:

- An induction session was facilitated for newly appointed employees.
- Hygiene training was conducted for cleaners.
- A human resources seminar was attended by an HR official.
- A GovTech seminar was attended by a senior IT official.
- A Stakeholder Relations Management Programme was rolled out for Stakeholder Relations personnel.

4.3. WORK SKILLS PLAN AND ANNUAL TRAINING REPORT

- Not due for reporting period.

SECTION 5: PERFORMANCE MANAGEMENT

Table 33: Contracting Update

Department	Eligible Staff	Agreements Submitted	Outstanding	% Received
Office of the CEO (CEO, IA, Legal & Cosec)	9	3	6	33
Office of the COO (COO, Housing Management, ICT, Community Development, Security, Stakeholder Relations)	453	217	236	48
Office of the CFO (CFO, SCM & Finance Core)	15	0	15	0
Planning & Strategy (EM, Planning & Performance and Compliance & Risk)	6	4	2	67
Corporate Services (HR, Marketing, Health & Safety and Customer Services)	16	8	8	50
Total	499	233	263	47%

Comments:

- The signing of performance scorecards ensued in earnest since the beginning of the new financial year. This was as a result of the activations and information sessions held from the Learning and Development Unit.
- A further breakdown reveals that:
 - 86% of Head Office staff have contracted.
 - 100% of the security contracts submitted.
 - 0% submission for cleaners.
- We also have a few employees that are on probation/newly appointed which impacts on the submission of their contracts.
- The HR department continues to provide the necessary support to line management to ensure that JOSHCO achieves 100% contracting.

SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

The aim of this section is to shed light on the status of disciplinary hearings, grievances, investigations, appeals, and suspensions. It should be noted that resources were sourced to assist with presiding over the matters, however due to various reasons we could not proceed with scheduled matters. We are also in the process of acquiring services to capacitate JOSHCO management in presiding and presenting disciplinary matters.

Disciplinary Matters as at 30 September 2023:

We currently have 12 remaining disciplinary matters outstanding.

Table 34: Disciplinary Outcomes

Sanction	No. of Employees
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Dismissal	0
Suspension	3
Demotion	0
Total	3

Grievances Matters as at 30 September 2023:

We had ten (10) grievances and seven (7) are finalised, therefore three (3) are still in progress.

Matters at Bargaining Council/ CCMA:

- We had three referrals to the CCMA, and two awards were in favour of JOSHCO and one not finalised.
- We have four South African Local Bargaining Council (SALGBC) referrals and the process is ongoing.

SECTION 7: LEAVE & PRODUCTIVITY MANAGEMENT

In line with the approved Leave Management and Regulation of Hours Policy, JOSHCO employees are entitled to 24 days leave per annum to be taken at a time convenient to JOSHCO and agreed upon by management. 80 sick leave days in a three (3) year cycle are also provided to staff. The table below provides a detailed overall leave management.

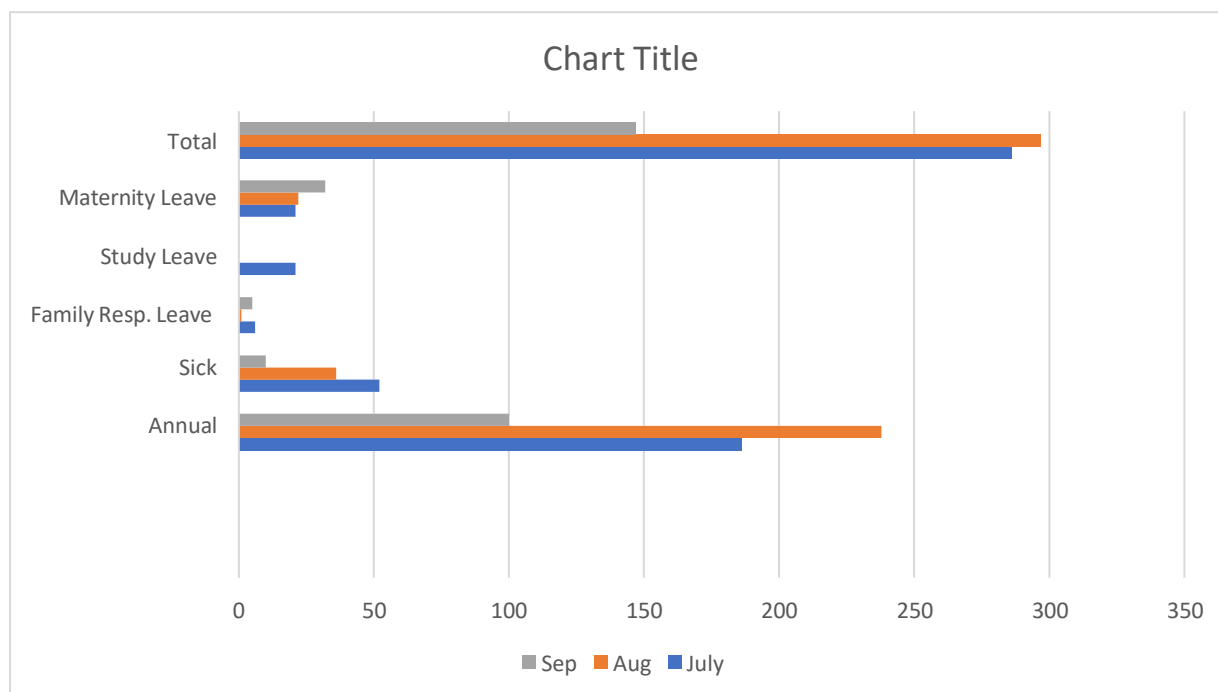
Table 35: Leave Taken Analysis

Type of Leave	July	Aug	Sep	Total Leave Days Taken
Annual	186	237.88	100	523.88
Sick	52	36	10	98
Family Responsibility Leave	6	1	5	12
Study Leave	21	0	0	21
Maternity Leave	21	22	32	75
Total	286	296.88	147	729.88

Comments:

- Communication pertaining to leave is communicated continuously to employees via internal communications.
- All leave applications are administered through an Employee Self Service (ESS) system. Through this system employees can observe their leave balance, and it also assists in omitting discrepancies in the SAP system.
- In comparison to the previous quarter, there has been a significant increase in overall leave taken, with annual leave being the most taken.

Graph 2: Leave Analysis



SECTION 8: EMPLOYEE WELLNESS

- On 14th September 2023 the Independent Counselling and Advisory Services (ICAS) rolled out a Wellness Day event. The event took a holistic approach to employee wellbeing and catered to both psychological and physical health factors. A mental health awareness presentation was conducted, which highlighted mechanisms of coping with stress and anxiety. Staff members also took part in aerobics activities to accommodate physiological wellness factors.
- Like the previous quarter, the services of ICAS utilised by employees in the 1st quarter have been as follows:
 - Employee Assistance Programme in the form of individual counselling sessions (telephonic and physical).

SECTION 9: EMPLOYEE BENEFITS

9.1. Retirement Fund

- Staff members are affiliated with the E-Joburg Retirement Fund, and contributions are calculated at 7.5% of the member's basic monthly salary and the employer contribution is 18% of the basic monthly salary.

9.2. Medical Aid Scheme

- All permanent employees are eligible for a medical aid subsidy. Insourced employees (security officers and cleaners) have an option to either opt in or out of the benefit. The employer contribution is 60% up

to a maximum of R 5 227.38, while the employee contribution is 40%, depending on the number of dependents.

9.3. Housing allowance

- All permanent employees are eligible for housing subsidy. Eligibility is on the basis that the employee has a registered bond linked to their name.

SECTION 10: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

The purpose of this report is to ensure that JOSHCO complies with all the applicable legislation and, where appropriate, institute additional measures to ensure health and safety at Head Office and projects, and to update the Human Resource, Social & Ethics Committee and the JOSHCO Management on the progress made on health and safety in Q1 of the 2023/2024 financial year.

Feedback is covering the following aspects of the management system:

- JOSHCO incidents statistics.
- Health and safety training.
- Health and safety measures.
- Site visits and inspections.

Table 36: JOSHCO Staff Incidents (Covid -19 Cases)

Total Number of Staff Members Tested for Covid -19 in Q1	Total Covid - 19 Positive Cases	Total Active Cases	Total Fatalities	Total Number of Recoveries	Total Staff Vaccinated
1	1	0	0	1	0
In Q1, One (1) new Covid-19 case have been recorded thus far, with one (1) recovery, zero (0) fatality rates and zero (0) staff members have been vaccinated for Covid-19.					

Table 37: JOSHCO Fire Incidents, Injury on Duty (IOD), First Aid Incidents, Facility Incidents and Total Fatality Incidents Recorded

Total Fire Incidents	Total IOD's	Total First Aid Incidents	Facility Evacuation Incidents	Medical Incident	Fatality Incident
3	3	1	1	1	1
In Q1, three (3) fire incidents have been recorded, three (3) IOD, one (1) first aid incident, one (1) facility evacuation incident, one (1) medical incident, and one (1) fatality incident have been reported thus far.					

- On 22 July 2023 at 22h00, a tenant forgot to disconnect a heater during power outage. When electricity returned, Dobsonville Unit P 204 caught fire, the corridor and external walls were affected by smoke **(Fire incident)**.
- On 07 August 2023 at approximately 10h30, Orlando Ekhaya Supervisor Ms. F. Zikalala reported a fire incident at Unit J 17. A fire extinguisher was used to put out the fire before the fire spread **(Fire incident)**.
- On 08 August 2023 at approximately 11h00, Ms. C. Nako was mopping the stairs. She tripped, fell, and injured both her legs **(IOD)**.
- On 08 August 2023 at approximately 14h10, Ms. L. Nene fell down the stairs as she was walking to her office and dislocated her right shoulder **(IOD)**.
- On 15 August 2023 at approximately 18h00 Selby Village unit B013 was on fire. A hose reel was used to extinguish the fire. Fire call reference no. (F041) was logged CoJ Emergency Management Services **(Fire incident)**.
- On 05 September 2023 at approximately 15h21, a fire broke out at the corners of De Korte and Bertha Streets due to a pipeline infrastructure maintenance conducted by a gas company in the area. Staff members were evacuated from their offices to prevent gas smoke inhalation **(Evacuation incident)**.
- On 15 September 2023 at 10h00, Ms. M. Nxumalo was putting her bag on the table when she hit her finger on the edge of the table and broke a nail and sustained a minor bleeding **(First Aid Incident)**.
- On 16 September 2023 at 15h45, Ms. S. Baloyi was conducting a walk about, inspecting the neatness of the building exterior when the lid of the manhole slid and fell in manhole, both her feet got stuck in the manhole and sustained abrasion **(IOD)**.
- On 20 September 2023 at approximately 09h00 Mr. M. Ngubo collapsed due to general body weakness and feeling of dizziness resulting from loss of appetite, stomach cramps, nausea and vomiting. He was stabilised in the sickbay. Gauteng provincial ambulance transported him to Hillbrow Clinic for further assessment and management **(Medical incident)**.
- On 23 September 2023 a child fell from the 5th floor of a JOSHCO project in Hoek Street. The minor was immediately rushed to hospital. Upon the child's arrival at the hospital the child was declared deceased. **(Fatality Incident)**

10.1. HEALTH AND SAFETY TRAINING

In conjunction with the health and safety training schedule, 30 candidates were trained as First Aiders in July 2023.

10.2. HEALTH AND SAFETY MEASURES

In collaboration with Housing Management, a Health and Safety Orientation (Induction) was presented at the Lufhereng tenant education workshop to raise the level of awareness in responding to emergency situations, management of emergency equipment and how to prevent emergency equipment vandalism. Additionally, Head Office fire extinguisher service is currently in progress.

10.3.SITE VISITS AND INSPECTIONS, CORRECTIVE MEASURE TO BE IMPLEMENTED BY HOUSING MANAGEMENT

Inspection reports have been compiled and forwarded out to Housing Management to implement corrective action of the findings for the visited projects as per inspection schedule: Hoek Street, AA House, African Diamond, Textile, Raschers, Europa, Phoenix and Lufhereng. The following findings were observed:

- Load test certificates required for all the Inner City lifts.
- Diesel tank certificates required for the above ground diesel tanks in the Inner City buildings.
- All the installed diesel storage tanks must be installed according to the SANS Code 1068.
- Firefighting equipment (extinguishers and hose reels) are vandalized by the occupants.
- Sprinkler system of the Inner City building need to be serviced.
- Regular building maintenance is required at all the JOSHCO projects as a mitigation strategy to prevent the risks emanating from poor building conditions.
- Pest control measures need to be implemented at all the visited projects.

CHAPTER 5

FINANCIAL PERFORMANCE AND EXPOSURE



SECTION 1: STATEMENT OF FINANCIAL POSITION AND HIGH-LEVEL NOTES

An analysis of the financial position as at 30 September 2023 is reflected below in Table 38.

Table 38: Statement of Financial Position as at 30 September 2023

Description	30 September 2023	30 June 2023	Variance	Variance
	R'000	R'000	R'000	%
Assets				
Current Assets				
Inventories	671	525	146	28
Loans to shareholders	2 761	2 760	1	0
Current tax receivable	146	9 140	(8 994)	-98
Receivables from exchange transactions	1 257 398	1 228 789	28 609	2.33
Receivables from non-exchange transactions	5 521	5 524	(3)	0
VAT receivable	3 659	2 853	806	28
Cash and cash equivalents	205 706	202 023	3 683	2
	1 475 862	1 451 614	24 248	1.67
Non-current assets				
Property, plant and equipment	18 361	16 182	2 179	13
Intangible assets	5 728	5 586	142	3
Investment in joint venture	21 745	21 745	-	0
Total Non-current assets	45 834	43 513	2 321	5
			-	
Total Assets	1 521 696	1 495 127	26 569	2
Liabilities				
Current Liabilities				
Loans from shareholder	1 439 736	1 112 952	326 784	29
Borrowings - DBSA	2 534	2 534	-	0
Finance lease obligation	370	370	-	100
Payables from exchange transactions	941 437	1 092 422	(150 985)	-14
	2 384 077	2 208 278	175 799	8
Non-Current Liabilities				
Borrowings - DBSA	7 582	7 578	4	0
Finance lease obligation	472	472	-	100
Deferred Income from non-exchange transactions	178	178	-	0
	8 232	8 228	4	0
Total Liabilities	2 392 309	2 216 506	175 803	8
Net Assets	(870 613)	(721 379)	(149 234)	21
Share Capital	0,120	0,120	-	0
Accumulated deficit	(914 188)	(721 376)	(192 812)	27
Total Net Assets	(914 188)	(721 376)	(192 812)	27

1.1. ASSETS

1.1.1 Current Assets

Current assets increased by R 24,2 million. Receivables from exchange transactions increased by R 28,6 million due to additional work done that is awaiting settlement of CAPEX invoices by CoJ departments. The current tax balance decreased by R9 million due to a SARS objection that was granted in favor of JOSHCO, which has been subsequently refunded. Inventory increased by 28% due to an increase in the usage of printing paper.

1.1.2. Non Current Assets

Non-current assets have increased by R 2,3 million largely due to the purchase of furniture for the head office.

1.2. LIABILITIES

Loans from shareholders increased by R 326,8 million (from R 1.112 billion to R 1.439 billion) mainly due to the entity not receiving funds from various entities where JOSHCO is an implementing agent for their projects. Included in current liabilities is the current portion of the long-term loan from the Development Bank of Southern Africa (DBSA). There has been no change in the composition of non-current liabilities.

SECTION 2: STATEMENT OF FINANCIAL PERFORMANCE AND HIGH-LEVEL NOTES

Revenue and expenditure are recorded on the accrual basis of accounting. The financial performance for the period ended 30 September 2023 resulted in a deficit of R150.2 million per Table 39 below.

Table 39: Statement of Financial Performance for the Year Ended 30 September 2023

	Actual	Budget	Variance	Variance %
	YTD	YTD		
	R'000	R'000	R'000	
Rental Income	35 027	52 823	(17 796)	-34
Subsidies	12 154	12 154	-	0
Management Fees	12 091	15 764	(3 673)	-23
Interest Income	9 092	6 369	2 723	43
Utility Recoveries	961	943	18	2
Other Income	-	1 250	(1 250)	-100
Total Revenue	69 325	89 303	(19 978)	-22
Personnel costs	(46 941)	(36 943)	(9 998)	27

	Actual	Budget	Variance	Variance %
	YTD	YTD		
	R'000	R'000	R'000	
Board fees	(522)	(600)	78	-13
Debt impairment	(31 928)	(8 259)	(23 669)	287
Depreciation and Amortisation	(628)	(406)	(222)	55
Finance Costs	(27 599)	(233)	(27 366)	11745
Bad debts written off	(87 000)	-	(87 000)	100
Repairs and Maintenance	(43 721)	(15 269)	(28 452)	186
Security	(9 991)	(1 407)	(8 584)	610
Utilities	(21 206)	(10 968)	(10 238)	93
Administrative	(13 867)	(8 053)	(5 814)	72
Total Expenditure	(219 548)	(82 139)	(137 409)	167
Operating (Deficit)/Surplus before tax	(150 223)	7 164	(157 387)	-2 197
Taxation	-	-	-	-
Operating (Deficit)/Surplus after tax	(150 223)	7 164	(157 387)	-2 197

2.1. REVENUE

2.1.1. Composition of Revenue

The entity's revenue is derived from the streams per Table 40 below.

Table 40: Composition of Revenue

Description	Actual	Budget	Weighting %
	R'000	R'000	
Rental Income	35 027	52 823	51
Subsidies	12 154	12 154	18
Management Fees	12 091	15 764	17
Interest Income	9 092	6 369	13
Utility Recoveries	961	943	1.4
Other Income	-	1 250	0.0
Total Revenue	R 69 325	R 89 303	100

The biggest contributor to revenue is rental income making up 51% of total revenue. Total revenue is R 19 978 000 below budget which is consistent with the previous quarter. Management fees in this quarter have decreased by 23% against the budget. This reduction is due to the decision to slow down work done on behalf of other CoJ departments to manage the overdraft balance and interest expenditure resulting from the delayed settlement of the receivables balance from CoJ departments. The interest income charged on overdue rental debtors is above

budget by 43% due to low collection rates for rental from tenants. The interest amount makes up 13% of total revenue.

2.1.2. Revenue Collection

The entity's collection levels are on an upward trajectory; we have collected 68% for current tenant rentals against a collection target of 100% for the current financial year as shown in Table 41 below. Collections in respect of SHRA funded projects is 64%, JOSHCO Projects is 112%, and City stock is at 36%, whilst the retail space is at 156% for the quarter ending 30 September 2023.

The debt collection companies appointed are proceeding with collection of all debt above 90 days. We are also continuing with our internal collection processes. Various settlement discount voucher initiatives will continue to be implemented to encourage tenants to settle long outstanding debt.

Table 41: Revenue Collection as at 30 September 2023

PORTFOLIO	TOTAL BILLING	TOTAL COLLECTION	% COLLECTION	REASONS FOR UNDER PERFORMANCE
	R'000	R'000		
Retail Space	1 623.20	(2 526.05)	156	Target achieved and exceeded
Greenfields	12 778.74	(9 173.31)	72	High rise of unemployment and number of pensioners /tenants going on retirement
Brownfields	12 102.77	(9 215.74)	76	Increasing demand for ownership & child headed units whose parents went on pension
City Referral	8 778.76	(3 170.89)	36	High rise of unemployment and number of pensioners /tenants going on retirement
OVERALL COLLECTION	35 283.47	(24 085.99)	68%	

2.1.3. Revenue Collection by Debt Collection Companies

The entity uses the services of debt collecting companies to collect debt over 90 days and above R10 000. The performance of the debt collection companies is shown in Table 42 below. For the quarter under review, the companies have collected R2.3 million (0.98%) from the R233.3 million handed over to them for collection.

Table 42: Performance of Debt Collection Companies for the 1st Quarter

Month	No. of Accounts Handed Over	Amount Handed Over	Amount Collected	% Collection
		R'000	R'000	
Jul-23	3 230	233 867	764	0.33
Aug-23	3 230	232 738	742	0.32
Sep-23	3 230	233 302	753	0.32
TOTAL YEAR TO DATE	3 230	233 302	2 259	0.98%

In trying to prevent debt escalation and to get tenants to pay whilst the debt is still affordable, the company has introduced various settlement discount vouchers to tenants. In addition to the vouchers processed, we're also looking at system write-offs for all closed accounts in our books as those tenants have since vacated and the units are occupied by paying tenants. Successful evictions of 11 tenants owing more than R 1 million in total debt have been executed, resulting in revenue collection for the Roodepoort Project improving to 100% collections for the first 2 months of the financial year. Tenants who vacated and got evicted with balances owed are blacklisted with all credit bureaus.

2.2. EXPENDITURE

ANALYSIS OF MAJOR EXPENSES WITH SIGNIFICANT VARIANCES (5% AND ABOVE OR SIGNIFICANT BALANCE) BETWEEN ACTUAL AND BUDGET:

a) Personnel Costs

The employee costs is at 27% (R10 million) over the year-to-date budget due to leave pay, overtime, acting allowances, and EPWP expenditure.

b) Board Fees

The Directors remuneration is 13% (R78 000) below budget due to a reduction of procurement activities requiring board approval which are above the CEO's delegation.

c) Depreciation and Amortisation

The depreciation and amortisation is 55% (R220 000) over budget due to the purchase of property, plant, and equipment for the head office.

d) Finance costs

Finance costs exceed budget by 11745% (R 27.4 million) due to interest incurred on negative sweeping account arising from overdraft facility because of delays in receiving payment from projects undertaken on behalf of CoJ entities and departments. The entity will submit a request for reversal to the City.

e) Repairs and Maintenance

The repairs and maintenance is 186% above budget (R28,5 million) due to work done at the various deteriorating projects.

f) Security

The cost of security services is significantly above budget, 610% (R8,6 million) primarily driven by the need for protection and security at locations where projects are not yet under construction, as well as at projects where contractors were terminated. This increase is necessary to safeguard against vandalism and potential property hijacking.

g) Utilities

Utilities expenses have exceeded the budget by a significant 93% (R10,2 million). This increase is primarily attributed to higher-than-expected utility costs. To address this, management has initiated measures to better manage utility expenses. These measures include the ongoing rollout of prepaid meters in various projects. In addition, a flat rate for water is temporarily being charged while water meters are being sourced and installed.

h) Administrative Costs

The administrative costs are 72% above budget (R5,8 million) due to increase in legal costs for investigations and rental collection processes, eviction processes and contracted services.

SECTION 3: CASH FLOW STATEMENT

Cash and cash equivalents balance as at 30 September 2023 is R205,7 million. The tenant deposit account has a balance of over R17 million. The SHRA account has a balance of R187 million. An amount of R1,439 billion is in overdraft on the sweeping account and is disclosed as a current liability (loans from shareholders).

SECTION 4: CAPITAL PROJECTS AND EXPENDITURE

The approved CAPEX budget is R 492.3 million funded from the external funding sources and capital reserves. As at 30 September 2023 JOSHCO's verified spend for the quarter under review is 27% against a target of 25% per the table below. This is reflected in Table 43 below.

Table 43: Capex Spend Per Project

Project Name	WBS Element	Budget	July	August	September	Expenditure	Balance
Dobsonville Social Housing Project New B	65-14006.350.0020	5 000 000.00			2 516 896.80	2 516 896.80	2 483 103.20
EXISTING STOCK REDEVELOPMENT-UPGRADE AND	65-14008.350.0020	12 000 000.00			2 584 659.19	2 584 659.19	9 415 340.81
KELVIN RENTAL STOCK New Building Alterat	65-14013.350.0020	2 000 000.00			-	-	2 000 000.00
LOMBARDY EAST HOUSING PROJECT New Housin	65-14014.350.0020	2 000 000.00			-	-	2 000 000.00
LUFHERENG SOCIAL HOUSING PROJECT New Hou	65-14015.350.0010	91 000 000.00			-	-	91 000 000.00
NANCEFIELD STATION HOUSING/KLIPSPRUIT ST	65-14017.350.0020	23 000 000.00		9 713 787.99	12 564 754.76	22 278 542.75	721 457.25
NANCEFIELD STATION HOUSING/KLIPSPRUIT ST	65-14017.350.0020	10 000 000.00			-	-	10 000 000.00
Princess Plots Social HousingProject New	65-14020.350.0020	17 500 000.00		9 434 312.22	140 262.69	9 574 574.91	7 925 425.09
Princess Plots Social HousingProject New	65-14020.350.0020	15 000 000.00			6 136 251.95	6 136 251.95	8 863 748.05
Selfkirk Social Housing project New Housi	65-14022.350.0020	20 000 000.00			-	-	20 000 000.00
Selfkirk Social Housing project New Housi	65-14022.350.0020	11 000 000.00			151 814.20	151 814.20	10 848 185.80
City Deep Upgrading Renewal Operational	65-15008.350.0020	5 000 000.00		4 608 069.44	228 603.31	4 836 672.75	163 327.25
Golden highway Social Housing project Ne	65-15009.350.0010	10 000 000.00		2 787 145.04	1 288 046.64	4 075 191.68	5 924 808.32
Golden highway Social Housing project Ne	65-15009.350.0020	4 000 000.00			-	-	4 000 000.00
Casamia Renewal Building Alterations	65-16002.350.0020	6 000 000.00			-	-	6 000 000.00
Casamia Renewal Building Alterations	65-16002.350.0020	15 000 000.00			-	-	15 000 000.00
Malvern Building Conversion	65-19001.350.0020	2 000 000.00			-	-	2 000 000.00
38 Rissik Street (NBS) Inner City Buildi	65-19002.350.0020	15 000 000.00		2 512 807.76	4 854 218.63	7 367 026.39	7 632 973.61
38 Rissik Street (NBS) Inner City Bu	65-19002.350.0020	15 000 000.00			-	-	15 000 000.00
Booyens Place Inner City Building C	65-19003.350.0020	15 000 000.00			-	-	15 000 000.00
Booyens Street Inner City Conversion	65-19003.350.0020	12 000 000.00			-	-	12 000 000.00
Abel Road Inner City Building Conver	65-19004.350.0020	15 000 000.00		1 422 873.29		1 422 873.29	13 577 126.71
Abel Road Inner City Building Conver	65-19004.350.0020	10 000 000.00			-	-	10 000 000.00
106 Claim Street Inner City Building	65-19006.350.0020	7 000 000.00		3 299 709.91	3 197 049.83	6 496 759.74	503 240.26
Smit Street Inner City Building Conv	65-19007.350.0020	18 000 000.00			-	-	18 000 000.00
Smit Street Inner City Building Conv	65-19007.350.0020	16 000 000.00			-	-	16 000 000.00
Marlboro Social Housing Project Regi	65-19008.350.0010	5 000 000.00			-	-	5 000 000.00
Nederburg Social Housing Project Region	65-19021.350.0020	8 822 000.00			-	-	8 822 000.00
Nederburg Social Housing Project RegionA	65-19021.350.0020	3 678 000.00			2 139 605.14	2 139 605.14	1 538 394.86
Tum-Key 1: Region A	65-21002.350.0020	55 317 000.00	19 148 775.31		624 046.62	19 772 821.93	35 544 178.07
Tum-Key 1: Region B	65-21003.350.0020	10 000 000.00			-	-	10 000 000.00
Park Chambers	65-24000.350.0020	2 000 000.00			-	-	2 000 000.00
Frank Brown/ Milpark Social Housing Deve	65-24001.350.0020	2 004 000.00			-	-	2 004 000.00
Tum-Key : Region F (Denver Social Housi	65-24002.350.0020	32 000 000.00			36 989 974.04	36 989 974.04	(4 989 974.04)
		492 321 000.00	19 148 775.31	33 778 705.65	73 416 183.80	126 343 664.76	365 977 335.24

SECTION 5: RATIO ANALYSIS

The following financial ratios are crucial in measuring the financial stability of the entity.

Table 44: Key Ratio Analysis as at 30 September 2023

KEY PERFORMANCE INDICATOR	2023/24 TARGET	QUARTER 1 TARGET	QUARTER 1 PERFORMANCE	VARIANCE
Achievement of selected profitability and liquidity ratios % collection in respect of current debtors	Current ratio 1:1	1:1	0.62	-0.38
	Solvency Ratio 1:1	1:1	0.64	-0.36
	100% collection in respect of current debtors	100%	68%	-32%
	Cost coverage ratio	50 days	-1351 days	-1401 days
% Of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt (figures as at February)	100%	78%	-22%
% Capital Expenditure Budget.	100% Expenditure of Approved Capital Budget.	25%	27%	+2%

5.1 MITIGATION ACTION

5.1.1. Current Ratio and Solvency Ratio

The non-performance of this target is due to continued losses being incurred largely due to high provision for bad debts and high operating costs, mainly utility and maintenance costs. The entity doesn't generate sufficient income to cover its operating expenses.

The entity's reviewed 5-year strategic plan to improve the entity's financial sustainability is under implementation as follows.

- Increase in management fee income earned on projects implemented on behalf of other CoJ entities this strategy is derailed by halting of work on behalf of the Department of Human Settlements due to a high outstanding balance. During September 2023 a new relationship was formed with the CoJ.
- Department of Transport to undertake projects on their behalf.
- Student accommodation – pilot phase is currently under implementation. Occupancy rate is at 100%.
- Outdoor advertising – adverts are placed on the structures.

Strategies to reduce expenditure are as follows:

- Staff costs: overtime management by line managers and management intervention in their departments to reduce leave balances by ensuring their subordinates takes mandatory leave. All employees are now on the ESS system where leave will be automatically forfeited if not taken.
- Utilities: prepaid meters are being rolled out in projects. A flat rate for water will be charged while the water meters are being sourced and installed.

5.1.2. Collection in Respect of Current debtors

- The rental collection is improving due to initiatives like targeted evictions, interest reversals, acknowledgment of debt and discount vouchers.
- The entity has identified stock that should not form part of the social housing or affordable housing portfolio. The board has approved for this stock to be returned to the City. The final steps is Mayoral recommendation to Council for approval.
- All new leases and lease renewals will be confirmed by the signing of a DebiCheck (debit order).
- Only valid lease holders will be able to enter our premises via a biometric system.

5.1.3 Cost coverage

- New work is on hold until the SDA and Joshco mandate issues are resolved via a council resolution.
- Departments which owe the entity are currently drafting a report for the City Manager's approval for payment for work done to date. The Group CFO is assisting the entity to resolve the payment issues.

SECTION 6: SUPPLY CHAIN MANAGEMENT AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT

6.1 DEVIATIONS ON SCM

There were 01 approved deviations for the quarter under review.

Name of Supplier	Reason	Approval Date	Amount (R)
Nemorango Consulting Engineering	Response to Gas explosion at CBD (Lillian Ngoyi street)	20 July 2023	4 774 158.25

6.2 PAYMENTS WITHIN 30 DAYS

The MFMA requires that municipal entities pay suppliers within 30 days. In the current quarter ended 30 September 2023, 78% of valid invoices were paid within 30 days. This is due to CoJ Treasury limiting the funds allocated to entities for supplier payments weekly.

Table 45: Supplier Payments in the Current Quarter

Month	Total Number of Supplier Payments	Total Number of Valid Supplier Invoices Paid Within 30 Days	Total Number of Valid Supplier Invoices Paid After 30 Days	% Paid Within 30 Days	% Not Paid Within 30 Days
Jul-23	166	79	87	48%	52%
Aug-23	617	510	107	83%	17%
Sep-23	196	176	20	90%	10%
Quarter 1	979	765	214	78%	28%

6.3 REPORT ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL (UIFW) EXPENDITURE

There were instances of UIFW expenditure for the quarter under review per the table below.

Table 46: UIFW Expenditure Incurred in the Current Quarter

Compliance Area	Quarter 1 2023/24 (R)	Reason	Mitigations
Unauthorised Expenditure	23 322.00	Unauthorized bank debit orders	Debit orders are currently being investigated by GFIS.
Fruitless and wasteful expenditure	96 120.00	Penalties SARS	Objection has been sent to SARS

If the entity's deficit position does not improve by the end of the financial year, there is a possibility of irregular expenditure due to the year-to-date overspend of the budget, which amounts to R22.8 million.

6.4 VARIATIONS FROM ORIGINAL APPROVED PURCHASE ORDERS

Table 47 reflects the approved variation orders for the period under review.

Table 47: Approved Variation Orders for the Quarter Ended 30 September 2023

Name of Supplier	User Department	Reason	Approval date	Original PO Amount (R)	Adjusted PO Amount (R)	Variation (R)	% Variation
Mubvumela Corporation (PTY)LTD	ICT	Purchase of deadphones for the customer services department	01 August 2023	3 193 550.00	3 234 950.00	41 400.00	1.29
Noza Marketing	Corporate Services	Extension of scope for outdoor advertisement	01 August 2023	4 269 053.00	4 909 410.95	640 357.95	15
Elphash Trading Enterprise	Housing development	Provision of security services at 6 JOSHCO facilities	18 September 2023	9 321 605.28	10 719 846.72	1 398 240.79	15

6.5 AWARDS MADE FOR THE QUARTER

The table below details all awards made via a public tender (above R200 000) or through our approved panels (above R 1 million) for the quarter under review.

Table 48: Awards for the Quarter

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK	DEPARTMENT/ END USER	MEDIA ADVERTISED	BAC DATE	AWARDED SERVICE PROVIDER	REASON FOR AWARD	BUDGET/ ESTIMATED VALUE (R)	AWARDED AMOUNT (R)	BBBEE LEVEL
RFQ/TRA/02/2023	THE APPOINTMENT OF A CONTRACTOR FOR DE-DENCIFICATION AND INFORMAL SETTLEMENT OF PHASE 1B IN 12 SECOND AVENUE, REGION E	HOUSING DEVELOPMENT	Panel	23 July 2023	TENDIWANGA MORULA TURHKEY	Highest scoring bidder	25 000 000	24 486 797.65	1
RFQ/TRANSPORT/003/2023	THE APPOINTMENT OF A SERVICE PROVIDER FROM THE FACILITIES MANAGEMENT PANEL FOR THE CONDITIONAL ASSESSMENT OF MEADOWLANDS BUS DEPOT	HOUSING DEVELOPMENT	Panel	23 July 2023	RENDA GROUP	Highest scoring bidder	2 800 000	2 679 270.00	1
RFQ/TRANSPORT/002/2023	THE APPOINTMENT OF A SERVICE PROVIDER FROM FACILITIES MANAGEMENT PANEL FOR THE CONDITIONAL ASSESSMENT OF WESTBURY & BOSMONT REA VAYA STATION.	HOUSING DEVELOPMENT	Panel	23 July 2023	XIMAMBANE TRADING ENTERPRISE	Highest scoring bidder	3 000 000	2 656 500.00	1
POC/004/2022	PANEL OF CONTRACTORS FOR THE MAJOR UPGRADES AND REFURBISHMENT BUILT ENVIRONMENT FOR LEVELS 8GB OR HIGHER FOR A PERIOD NOT EXCEEDING 36 MONTHS	HOUSING DEVELOPMENT	Website Newspaper	31 July 2023	PANEL (67)	MINIMUM REQUIREMENT FOR THE PANEL	N/A	N/A	N/A
RPM/EP/001/2022	PANEL OF REPAIRS AND MAINTENANCE CONTRACTORS FOR A PERIOD OF THREE YEARS- ELECTRICAL	HOUSING MANAGEMENT	Website Newspaper	09 TH JUNE 2023	PANEL (98)	MINIMUM REUIRMEN T FOR PANEL	N/A	N/A	N/A

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK	DEPARTMENT/ END USER	MEDIA ADVERTISED	BAC DATE	AWARDED SERVICE PROVIDER	REASON FOR AWARD	BUDGET/ ESTIMATED VALUE (R)	AWARDED AMOUNT (R)	BBBEE LEVEL
RPM/SO/001/2022	PANEL OF REPAIRS AND MAINTENANCE CONTRACTORS FOR A PERIOD OF THREE YEARS- PLUMBING	HOUSING MANAGEMENT	Website Newspaper	09 TH JUNE 2023	PANEL (61)	MINIMUM REUIRMEN T FOR PANEL	N/A	N/A	N/A
RFQ/PM/280 SMITH/001/2023	THE APPOINTMENT OF A PROJECT MANAGER FOR 280 SMITH STREET SOCIAL HOUSING PROJECT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	KGOSHIGADI CONSULTING ENGINEERS	Highest scoring bidder	49 500 000.00	49 363 462.50	1
RFQ/PM/KELV/001/2023	THE APPOINTMENT OF A PROJECT MANAGER FOR KELVIN SOCIAL HOUSING PROJECT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	VISH SERVICES	Highest scoring bidder	40 000 000.00	39 892 000.00	1
RFQ/PM/MALVERN/001/2023	THE APPOINTMENT OF A PROJECT MANAGER FOR MARLVERN SOCIAL HOUSING PROJECT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	ROHM CONSULTING	Highest scoring bidder	29 000 000.00	26 449 187.50	1
RFQ/PM/PARK/001/2023	THE APPOINTMENT OF A PROJECT MANAGEMENT FOR PARK CHAMBERS SOCIAL HOUSING PROJECT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	KAPI PROJECTS	Highest scoring bidder	35 000 000.00	33 246 000.00	1
RFQ/PM/MARL/001/2023	THE APPOINTMENT OF A PROJECT MANAGER FOR MARLBORO SOCIAL HOUSING PROJECT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	PEO YA AFRICA CONSULTING ENGINEERING	Highest scoring bidder	52 000 000	52 996 574.00	1
RFQ/PM/LOMB/001/2023	THE APPOINTMENT OF A PROJECT MANAGER FOR LOMBARDY EAST SOCIAL HOUSING PROJECT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	THAKGALANG CONSULTING	Highest scoring bidder	52 000 000	50 149 358.15	1
RFQ/INTACCT/001/2023	THE APPOINTMENT OF SERVICE PROVIDER FROM JOSHCO ITC PANEL FOR THE IMPLEMENTATION OF SAGE INTACCT AND VENDOR MANAGEMENT SYSTEM	COO/ICT	Panel	19 SEPTEMBER 2023	BOTTOMLINE IT	Highest scoring bidder	2 000 000.00	2 408 132.00	1

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK	DEPARTMENT/ END USER	MEDIA ADVERTISED	BAC DATE	AWARDED SERVICE PROVIDER	REASON FOR AWARD	BUDGET/ ESTIMATED VALUE (R)	AWARDED AMOUNT (R)	BBBEE LEVEL
RFQ/NANCE/001/2023	THE APPOINTMENT OF A CONTRACTOR FOR CONSTRUCTION OF 372 SOCIAL HOUSING UNITS ON PORTION 7 OF ERF 1 IN NANCEFIELD- COMPLETION/FINISHING CONTRACT	HOUSING DEVELOPMENT	Panel	19 SEPTEMBER 2023	MATHELEMUS A TRADING AND PROJECTS	Highest scoring bidder	58 000 000.00	58 038 281.07	1
RFQ/ICTLAPTOPS,EQUIP/001/2023	THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE ICT WITH LAPTOPS AND OTHER EQUIPMENTS FOR JOSHCO	COO/ICT	Panel	21 SEPTEMBER 2023	DESTINY GLOBAL TECHNOLOGY	Highest scoring bidder	6 000 000.00	5 123 711.04	1
RFQ/TRANSPORT/004/2023	THE APPOINTMENT OF A SERVICE PROVIDER FROM THE PANEL OF CONTRACTORS FOR BOSMONT REA VAYA STATION REBUILT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	DWELLERS TRADING AND PROJECTS	Highest scoring bidder	20 799 781.64	23 336 595.53	1
RFQ/TRANSPORT/005/2023	THE APPOINTMENT OF A SERVICE PROVIDER FROM THE CONTRACTORS FOR WESTBURY REA VAYA STATION REBUILT	HOUSING DEVELOPMENT	Panel	08 SEPTEMBER 2023	VALLOT INDUSTRIES	Highest scoring bidder	27 237 174.72	26 688 957.35	1

6.6 ANALYSIS OF EXPENDITURE FOR THE QUARTER

This section provides reporting on the nature of expenditure per category (i.e., CAPEX and OPEX), ownership and BBBEE levels of contributions. This expenditure includes expenditure done on behalf of other CoJ departments.

Table 49: Expenditure by Sourcing Process (Nature)

a) Total Expenditure		
Nature of Expenditure	Q1 R'000	% of Total Expenditure
Capital Expenditure	180 006	63
Operational Expenditure	103 930	37
Total Expenditure	283 936	100

b) Capital Expenditure		
Nature of expenditure	Q1 R'000	% of Capex Expenditure
Professional Consultants	52 100	29
Contractor Payments	127 906	71
Total Expenditure	180 006	100

c) Operational Expenditure		
Nature of Expenditure	Q1 R'000	% Spend
Procurement <R200 000	1 548	1.6
Cleaning and Gardening	0	0
Directors Remuneration-Board and Comm	466	0,4
Operational Expenditure	7 314	7
Security Services	12 340	12
Repairs and Maintenance	82 262	79
Total Expenditure	103 930	100

6.7 ACHIEVEMENT ON BBBEE

JOSHCO promotes economic empowerment by spending on previously disadvantaged group as detailed in Tables 50 to 52.

Table 50: Summary of Spent to at Least 51% Black-Owned Companies

Period	Total OPEX from Procurement Activities	OPEX to at least 51% Black-Owned Companies	% Spend for the Period
	R'000	R'000	
Q1	103.930	103.930	100
Period	Total CAPEX from Procurement Activities	CAPEX to at least 51% Black-Owned Companies	% Spend for the Period
	R'000	R'000	
Q1	180.006	161.079	89

Table 51: Summary of Spend on Women-Owned Companies

Period	Total OPEX from Procurement Activities	OPEX to Women-Owned Companies	% Spend for the Period
	R'000	R'000	
Q1	103.930	18.082	17
Period	Total CAPEX from Procurement Activities	CAPEX to Women-Owned Companies	% Spend for the Period
	R'000	R'000	
Q1	180.006	36.560	20

Table 52: Summary of Spend on Youth-Owned Companies

Period	Total OPEX from Procurement Activities	OPEX to Youth-Owned Companies	% Spend for the Period
	R'000	R'000	
Q1	103.930	0	0
Period	Total CAPEX from Procurement Activities	CAPEX to Youth-Owned Companies	% Spend for the Period
	R'000	R'000	
Q1	180.006	0	0

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

JOSHCO is currently attending to the following litigation issues and matters that are still in progress shown in Table 53. A total amount of R 6 635 963.79 has been spent on JOSHCO's legal fees on litigation matters thus far. Litigation matters are at different stages as reflected in the table below.

Table 53: Pending Litigations and Possible Liabilities

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	OUTCOME	COST IMPLICATIONS
1.	JEH Properties //JOSHCO - Cancellation of Property Sale Agreement in respect of 195 Commissioner Street.	Dyason Attorneys	<p>Sale of immovable property at no. 195 Commissioner Street, bought for R 6 500 000. The Sale Agreement was signed on the 3rd of April 2014. JOSHCO initially attempted to cancel the Sale Agreement and recover the purchase price following the seller's failure to provide JOSHCO with vacant occupation. JOSHCO then instituted a court process for cancellation, which was later placed on hold after the attorneys advised JOSHCO to proceed with the sale as the full purchase price and transfer costs had been paid. It was however discovered that there was a bond registered over the property. In light of this, JOSHCO's attorneys were instructed to proceed with the initial claim for the purchase price and transfer costs. It was further discovered that the individuals identified in the illegal and fraudulent sale of said property to JOSHCO were linked to other hijacked properties.</p> <p>Progress on civil claim: JOSHCO's attorneys have filed a discovery affidavit in the matter, which is aimed at disclosing which documents JOSHCO intends to use as evidence at the trial.</p> <p>Progress on SIU investigation: The SIU advised that the matter was reported to the National Prosecuting Authority as the SIU is of the opinion that there is <i>prima facie</i> evidence of criminal activity, and is awaiting the appointment of a prosecutor and SAPS investigator. The individuals identified in the illegal and fraudulent sale of said property to JOSHCO were also linked to another hijacked properties.</p> <p>The National Prosecuting Authority referred the matter to SAPS for investigation.</p>	The matter is ongoing.	<p>Expenditure to date: R36 825.00 spent on legal fees.</p> <p>Costs/claim to be recovered: R 6 500 000 purchase price plus R 487 260.80 transfer costs.</p>
2.	SKN Consulting // JOSHCO - Claim for damages.	Tshiqi Zebediela Attorneys	JOSHCO had appointed SKN Consulting ("SKN") as project managers on the Randburg Selkirk Project. In 2014, SKN sent a notice to JOSHCO demanding payment of professional fees, alleging that JOSHCO had failed to pay the full fees for stages one and two of the project. JOSHCO's reasons for non-payment of the full fees related to non-	The matter is ongoing.	Expenditure to date: R 79 940.00 spent on legal fees.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	OUTCOME	COST IMPLICATIONS
			<p>performance. JOSHCO then instituted a claim against SKN for damages suffered as a result of their non-performance. The matter was referred to arbitration.</p> <p>Progress: A legal opinion was sourced on the matter, which recommended that the matter be rather referred to court for a review and setting aside of the appointment, which will enable JOSHCO to claim the monies paid to SKN Consulting.</p>		<p>Costs/claim to be recovered: R 13 926 340.53 spent on professional fees, R 719 340.00 for damages</p>
3.	Applications for demolitions in respect of the Dobsonville Social Housing Project.	Madiba Motsai Masitenyane & Githiri Attorneys Inc.	<p>The matter concerns eight properties/illegal structures surrounding JOSHCO's Dobsonville Project, which are encroaching onto the site. Attorneys were appointed to institute court applications for demolitions. One matter was settled with the property-owner, two were opposed and the remaining five were unopposed. Shortly after five demolition orders were obtained in February 2021, the affected property-owners lodged applications for rescission, aimed at reversing the five demolition orders. The applications were unsuccessful. The five demolition orders were executed on the 9th of November 2022.</p> <p>Progress: There are two remaining structures that need to be demolished. One of the two structures will be demolished in October 2023, while the remaining structure will be demolished upon the obtaining of a demolition order, which is anticipated for January 2024.</p>	The matter is ongoing. Five demolition orders were executed on 09 November 2022.	Expenditure to date: R 621 785.54 spent on legal fees.
4.	Various evictions and recovery of outstanding rental.	Various	<p>The total number of matters handed over for evictions and recovery of arrear rent is 240. While our attorneys endeavour to reach settlement agreements with tenants, this remains a challenge as the payment proposals received from tenants are mostly unreasonable.</p> <p>Progress: There has been a total of 31 eviction orders obtained since inception of eviction applications in 2019. Seventeen of these orders have been successfully executed, while the remaining orders are scheduled for execution in the second quarter of the financial year.</p>	Matters are ongoing.	Expenditure to date: R 4 874 246.84 spent on legal fees.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	OUTCOME	COST IMPLICATIONS
5.	<p>Shadow Holdings (Pty) Ltd and 4 others // M-TECH Construction (Pty) Ltd, JOSHCO and 4 others</p> <p>- Application for court interdict (Princess Plots Project).</p>	Padi Attorneys	<p>Interdict application brought by Shadow Holdings (Pty) Ltd and three other companies, against M-Tech Construction, JOSHCO, ENZA Construction, the City and the Department of Human Settlements. The applicants are subcontractors on JOSHCO's Princess Plots Project and have applied to court to have the contract between ENZA Construction and M-Tech Construction set aside, alleging that the contract does not comply with the laws of South Africa on BBBEE requirements. They have further applied for an order compelling ENZA Construction and M-Tech Construction to provide information relating to the procurement process that was followed when ENZA Construction appointed M-Tech Construction as a subcontractor on the project. The applicants have also alleged that JOSHCO and ENZA Construction failed to pay the applicants for work done on the project and have also applied for an interdict to prevent further construction work on the project and further appointments of new subcontractors until the court matter is finalised. Attorneys were appointed to oppose the application.</p> <p>Shortly after filing opposing papers, JOSHCO's attorneys received a notice from the attorneys that were representing Shadow Holdings and the three other applicants, in terms of which they were withdrawing as attorneys of record. There has been no further movement on the matter since then. The matter is not likely to go for hearing however, no formal notice of withdrawal of the matter has been received from the applicants.</p> <p>Progress: There has been no change in the above matter since the last report. It is recommended that the matter be removed from the litigation register until there is further updated action from the other matter.</p>	The matter is ongoing.	Expenditure to date: R 146 181.25 spent on legal fees.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	OUTCOME	COST IMPLICATIONS
6.	Social Housing Movement and 5 others // JOSHCO and 3 others (New matter in Q3)	ENSAfrica	<p>Court application lodged by the Social Housing Movement and various tenants against JOSHCO, SHRA, CoJ Municipality and the Department of Human Settlements (Province). The application seeks to compel JOSHCO to convert leases into rent-to-own agreements, and to further prevent JOSHCO from evicting tenants without obtaining "suitable alternative accommodation". Attorneys have been briefed, and are in the process of opposing the application.</p> <p>Progress: Applicants have filed their replying affidavit but have failed to timeously file their heads of argument. An application will be lodged to compel the applicants to file the heads of argument so that the matter can be set down for hearing.</p>	The matter is ongoing.	Expenditure to date: R 306 874.06.
7.	Tenants of BG Alexandra Flats // Madulammoho Housing Association NPC, JOSHCO and 4 others (New matter in Q3)	ENSAfrica	<p>Court application lodged by tenants of BG Alexandra flats against JOSHCO, Madulammoho Housing Association NPC, JOSHCO and Madulammoho Joint Venture, CoJ Municipality, SHRA and the Provincial Department of Human Settlements. The application seeks to compel JOSHCO and all other respondents to provide the applicants with "RDP houses from any social housing project around the Johannesburg area", to prohibit JOSHCO and the rest of the respondents from evicting the applicants without providing them with RDP houses, and to further prohibit JOSHCO and other respondents from instituting eviction applications against child-headed units without providing alternative accommodation. Attorneys have been appointed to oppose the matter.</p> <p>Progress: JOSHCO's attorneys have filed JOSHCO's answering affidavit and the applicants have until the 16th of October 2023 to file a replying affidavit. Once this process is completed, parties will file their heads of argument, whereafter the matter will be set down for hearing.</p>	The matter is ongoing.	No invoices received in the fourth quarter.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	OUTCOME	COST IMPLICATIONS
8.	JOSHCO // QuickProp Systems (Pty) Ltd (New matter in Q3)	Mncedisi Ndlovu & Sedumedi Attorneys	<p>Court application instituted by JOSHCO against QuickProp Systems (Pty) Ltd. QuickProp Systems (Pty) Ltd was appointed by JOSHCO to develop a property management system, enhancement and mobile application solution. The application seeks to review and set aside the appointment, on the basis of misrepresentation by QuickProp Systems (Pty) Ltd in their bid submission for the appointment.</p> <p>QuickProp Systems (Pty) Ltd filed a notice of intention to oppose the application and further filed their answering affidavit. JOSHCO filed its replying affidavit. Parties will need to file their heads of argument for the matter to be set down for hearing.</p>	The matter is ongoing.	No invoices received yet on the matter.
9.	Jozi Housing (Pty) Ltd // JOSHCO	Padi Attorneys	This is an application that was lodged by owners of properties surrounding the Casa Mia building. The application seeks to compel JOSHCO to either ensure that the building is used for its intended purpose, or to evict the unlawful occupiers. The matter was removed from the court roll, and JOSHCO has in the meantime lodged an eviction application which is scheduled for hearing on the 17 th of October 2023.	The matter is ongoing.	No invoices received yet on the matter.
10.	Property Corner Erf 166 (Pty) Ltd // Thlokomelo Management, JOSHCO and Lowndes Dlamini Inc	Mncedisi, Ndlovu and Sedumedi Attorneys	<p>This is a new matter which relates to JOSHCO's Rivonia Turnkey Project. The matter relates to a court application lodged by Property Corner Eft 166 (Pty) Ltd, which is the owner of the land upon which the appointed developer (Thlokomelo Management) is to develop social housing units for JOSHCO. When the developer failed to secure funds to pay for the land, in an attempt to resolve the funding challenge and salvage the project, parties reached agreement for a simultaneous transfer of the property to Thlokomelo, and then to JOSHCO. This arrangement would allow JOSHCO to pay for the land.</p> <p>In its court application, Property Corner Eft 166 (Pty) Ltd seeks an Order declaring that the conveyancer proceed with transfer of the property to Thlokomelo, and to further pay over the purchase amount to Property</p>	The matter is ongoing.	No invoices received yet on the matter.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	OUTCOME	COST IMPLICATIONS
			<p>Corner Eft 166 (Pty) Ltd. The application was necessitated by delays with transfer of the property. JOSHCO's challenge with the application and reasons for opposing it, is that the applicant's "prayer" or request to the court does not include a simultaneous transfer but only seeks to enforce the sale transaction between Tlhokomelo and the seller, while JOSHCO has advanced payments to the conveyancers. For this reason, JOSHCO is opposing the application. JOSHCO's argument is that the transaction cannot continue using JOSHCO's funds that are sitting in the conveyancer's trust account, and that the Court must dismiss the application, if not, that the order made by the court, include a simultaneous transfer of the property.</p> <p>Progress: JOSHCO issued a notice to the developer, terminating the Development Agreement due to a number of breaches committed by the developer. Pursuant to the termination of the Agreement, JOSHCO's attorneys were instructed to address a letter to the developer's attorneys advising them of the termination and demanding a refund of JOSHCO's payments.</p>		
11.	JOSHCO // Tenants of Pennyville	ENSAfrica	<p>Urgent court application for an interdict brought against tenants of the Pennyville Project. The application sought to restrain the group of tenants from interfering with the work performed by JOSHCO officials, and from endangering the lives of the officials.</p> <p>The application was heard on the 17th of August 2023 wherein an interim order was granted. The tenants have since filed a notice of intention to oppose the matter, and will need to file an answering affidavit. Once this has been done, JOSHCO will file its replying affidavit, and parties will thereafter file their heads of argument so that the matter can be enrolled for hearing.</p>	The matter is ongoing.	No invoices received yet on the matter.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	OUTCOME	COST IMPLICATIONS
12.	JOSHCO // Illegal occupants of the Casa Mia building	Padi Attorneys	Eviction application lodged on an urgent basis against illegal occupants of the Casa Mia building. The matter will be heard on the 17 th of October 2023.	The matter is ongoing.	No invoices received yet on the matter.

SECTION 8: INSURANCE CLAIMS AGAINST/TO MOE

Several claims related to property damage of the JOSHCO managed stock have been lodged with Insurer in the current financial year. There were no insurance pay-outs that were processed in Q1.

The following table depicts the insurance claims status as detailed:

Legend

Legend	Explanation
	Claims repudiated.
	Claim pending payment, not yet paid .
	New claims .
	Payment received/settled.

Table 54: Insurance Claims as at 30 September 2023

JOSHCO Claim No.	Insurer Claim Number	Claim Description	Incident Date	Comments From AON
JSCH-TPL1	ADRS00010465	Plaintiff suffered injuries from a fire in the building.	28-Aug-2022	Attorney appointed to handle TP (third party) approach
JSHC-TPL2	ADRS00000650	TP sustained injuries after falling from the second floor to the second floor .	16-Apr-2020	Settled, File Closed
JSHC-TPL3	ADRS00008688	TP vehicle damaged by the gate.	28-Oct-2021 07:10:00	Settled, File Closed
JSHC-TPL5	ADRS00011886	TP vehicle damaged by the gate.	01-Jun-2023	Awaiting TP approach
JSHC-TPL6	ADRS00011625	Fascia board damaged tenant's car.	20-Feb-2023	Corresponding with TP - TP Claim
JSHC-TPL7	ADRS00007924	TP vehicle damaged by gate.	16-May-2021	Settled, File Closed

JOSHC0 Claim No.	Insurer Claim Number	Claim Description	Incident Date	Comments From AON
JSHC-TPL8	ADRS00010369	TP's vehicle damaged by the gate.	10-Sep-2022	Settled, File Closed
JSHC-TPL9	ADRS00010483	Plaintiff's minor was hit on the forehead by an abandoned steal frame door while playing.	07-Oct-2020	Insurer handling TP claim
JSHC-TPL10	ADRS00000550	Damage to vehicle due to pothole. CLAIMS REGISTERED UNDER THE WRONG ENTITY. CLAIM CANCELLED.	10-Mar-2020	Settled, Duplicated
JSHC-TPL11	ADRS00008685	TP vehicle damaged by the gate.	17-Dec-2021	Awaiting TP approach
JSHC-TPL12	ADRS00000868	No 4 and 3 Gerhard Court, Claremont caught fire due to a heater and damaged clothing.	10-Jun-2020	Incorrectly Registered
JSHC-AC1	ADRS00007159	Stolen laptop and camera.	13-Mar-2020	Settled, Duplicated
JSHC-AC2	ADRS00007161	Stolen laptop from employee's bag.	30-Jun-2021	Settled, Duplicated
JSHC-AC3	ADRS00010111	Fire damage to Citrine Court.	28-Aug-2022	Settled, File Closed
JSHC-AC4	ADRS00011455	Unit burnt.	12-Dec-2022	Assessor Appointed
JSHC-AC5	ADRS00011326	Units caught fire .	22-Mar-2023	Assessor Appointed
JSHC-AC6	ADRS00010835	Hail damage to property.	09-Dec-2022	Awaiting quotation from client
JSHC-AC7	ADRS00002533	Building unit caught fire.	25-Jul-2020	Settled, File Closed
JSHC-AC8	ADRS00000982	The house caught fire due to	19-Jun-2020	Settled, File Closed

JOSHCO Claim No.	Insurer Claim Number	Claim Description	Incident Date	Comments From AON
		oversupply of electrical power		
JSHC-AC10	ADRS00001003	Tenants place caught fire damage due to heater	10-Jun-2020	Settled, File Closed
JSHC-AC14	ADRS00001463	Unit M208 at Turffontein caught fire in the bedroom, suspected horse play by kids.	30-Nov-2020	Settled, File Closed
JSHC-AC15	ADRS00006952	Theft of laptop after break-in into a vehicle.	29-Mar-2021	Awaiting claim documents or other info from client
JSHC-AC16	ADRS00008768	Laptop was stolen.	03-Apr-2021	Awaiting claim documents or other info from client
JSHC-AC17	ADRS00005159	Illegal connection caused a fire and burnt all appliances.	28-Jul-2020	Awaiting service provider/suppliers' invoice
JSHC-AC18	ADRS00010451	Laptop damaged during a Motor Vehicle Accident (MVA)	01-Oct-2022	Awaiting claim documents or other info from client
JSHC-AC19	ADRS00007768	On the 02/10/2021, Fleurhof Junction was hit by a severe hailstorm whereby a number of JOSHCO assets were damaged.	02-Oct-2021	Awaiting claim documents or other info from client
JSHC-AC20	ADRS00007962	Dell laptop got damage during a vehicle accident.	24-Oct-2021	Awaiting claim documents or other info from client
JSHC-AC21	ADRS00008771	Laptop was stolen.	26-Oct-2021	Awaiting claim documents or other info from client
JSHC-AC22	ADRS00003777	Theft of a laptop.	06-Nov-2020	Repudiated
JSHC-AC24	ADRS00012159	Dobsonville Burned Unit P204.	22-Jul-2023	Claim registered
JSHC-EPL1	ADRS00006969	GARNIE	24-Jun-2021	Claims pending

JOSHCO Claim No.	Insurer Claim Number	Claim Description	Incident Date	Comments From AON
JSHC-EPL2	ADRS00008311	Eric Makgatho and 51 Others	25-Nov-2021	Reopened
JSHC-EPL3	ADRS00004082	MAKGATHO	29-Jan-2021	Settled, File Closed
JSHC-EPL4	ADRS00006745	MWALE	18-May-2021	Settled, File Closed
JSHC-EPL7	ADRS00011092	INB MAGADLA	14-Dec-2022	Attorney appointed to handle TP approach
JSHC-EPL8	ADRS00011218	MSWANE	21-Feb-2023	Attorney appointed to handle TP approach
JSHC-EPL9	ADRS00011555	MOTHOTOANE SM	10-Mar-2023	Attorney attending to recovery
JSHC-EPL10	ADRS00010789	A NKOSI	23-Oct-2022	Settled, no claim from client/claim withdrawn/NTU
JSHC-EPL11	ADRS00001883	Maseko	02-Jul-2020	Attorney appointed to handle TP approach
JSHC-EPL12	ADRS00009956	A NKOSI	17-Jun-2021	Attorney appointed to handle TP approach
JSHC-EPL13	ADRS00010353	MABASO	07-Mar-2022	Attorney appointed to handle TP approach
JSHC-EPL14	ADRS00007647	MALEDU	31-Aug-2021	Awaiting Bordereaux Payments
JSHC-EPL15	ADRS00012202	THOKOZILE NTULI		Claim Registered
JSHC-GPA1	ADRS00002675	MAKGATHO SE	02-Nov-2020	Awaiting claim documents or other info from client
JSHC-GPA8	ADRS00010683	KOMETSI M	09-Nov-2022	Awaiting reply from insurer
JSHC-GPA9	ADRS00010761	SOKHAKHANE TK	26-Sep-2022	Awaiting reply from insurer
JSHC-GPA10	ADRS00002333	Mkhatshwa AM	21-Aug-2020	Awaiting claim documents or other info from client
Total Paid				R 0.00

SECTION 9: STATEMENT ON AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

The amount which JOSHCO owes other departments or entities or that which other departments or government entity owe JOSHCO is shown in Table 55 below.

Table 55: Statement of Amounts Owed by or to Government Departments and Public Entities

Name of Department	30 September 2023	30 June 2023	Account Status	Comments
CoJ: Sweeping Account	(1 608 577 591.00)	(1 112 952 480.00)	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Salaries	(198 702 298.00)	(231 608 269.00)	180 days overdue	Operational subsidy is now applied to salaries. A payment arrangement to be entered.
CoJ: Municipal Charges	(236 916 190.00)	(257 259 491.00)	181 days overdue	A payment arrangement to be entered.
CoJ: Human Settlements	761 544 984.00	835 633 073.00	180 days overdue	Investigation of some of the invoices underway.
CoJ: Treasury	5 958 169.39	5 958 169.39	180 days overdue	Engagements ongoing with Treasury to settle this amount.
CoJ: Corporate Asset Management	165 419 142.00	107 872 27100	180 days overdue	All claims have been submitted, awaiting payment
CoJ: Health Department	23 840 070.00	23 840 070.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Development Planning Global Environment Facility Project	1 313 642.00	1 313 642.00	90 days	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Environmental Infrastructure	100 000.00	100 000.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Community Development	87 228 220.00	87 228 220.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Legislature	33 083 329.00	23 131 553.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Johannesburg Metropolitan Police Department	46 576 611.00	46 576 611.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Emergency Medical Services	27 277 822.00	27 277 822.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.

Name of Department	30 September 2023	30 June 2023	Account Status	Comments
CoJ: Office of the COO	10 990 332.00	10 990 332.00	90 days	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Transport	2 620 590.00	2 620 590.00	90 days	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
City of Johannesburg Social Development	1 814 127.00	1 814 127.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
CoJ: Licencing	9 944 600.00	9 944 600.00	180 days overdue	SDA issues has prevented CoJ from settling amounts due to JOSHCO.
TOTAL	(866 484 440.61)	(401 550 402.82)		

CHAPTER 6

INTERNAL AUDIT

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

For the first quarter of the 2023/24 financial year, Internal Audit completed all the planned reviews. Refer to Table 56 for the detailed Internal Audit Plan. The following audits were completed in the fourth quarter:

- Audit of Performance Information Q4- Full Audit
- Audit of the Annual Financial Statements- Full Audit
- 13 Tender Probity Reviews.
- Follow-up on Internal Findings
- Follow – up on AGSA Findings

The table below is the approved Internal Audit Plan for the 2023/2024 financial year, and it further indicates the progress:

Table 56: Internal Audit Plan for the 2023/24 FY

No.	Planned Audits	Quarter				Progress
		Q1	Q2	Q3	Q4	
1	Payroll Review			X		Not Started
2	Review of the Annual Financial Statements	X				Completed
3	Review of the Interim Financial Statements				X	Not Started
4	Supply Chain Management Audit			X		Not Started
5	Revenue and Debtors Management Audit				X	Not Started
6	Financial Discipline Review			X		Not Started
7	Tender Probity Review	X	X	X	X	Continuous
8	Costing and Budget Management Audit				X	Not Started
9	Housing Development Audit (Outsourced)		X			Not Started
10	IT Security Review (Outsourced)			X		Not Started
11	Stakeholder Management Audit		X			Not Started
12	Housing Leasing Management Audit				X	Not Started
13	Performance Information Review	X	X	X	X	Continuous
14	SHRA Compliance Review		X			Not Started
15	Follow-up on Internal Audit Findings	X	X	X	X	Continuous
16	Follow-up on AG Findings	X		X	X	Continuous
17	UIFW Investigations Expenditure	X	X	X	X	In Progress

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

The table below indicates the resolution of Internal Audit findings per quarter:

Current Year: 2023/24			
FY	Findings Raised	Resolved	% Resolved
Opening Balance 2023/24	126	123	98%
Q1	25	23	92%

SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

The table below indicates the External Audit Findings, and it differentiates them between the findings affecting the audit and those not affecting the audit:

AG Classification	Total Findings	Resolved	Not Resolved
Matters affecting the auditor's opinion	4	3	1
Other important matters	16	16	0
Administrative matters	0	0	0
Total	20	19	1
%	100%	95%	5%

SECTION 4: OVERALL STATE OF INTERNAL CONTROLS (ADEQUACY AND EFFECTIVENESS)

In the first quarter of the 2023/2024 financial year, Internal Audit completed two (2) audits, thirteen (13) probity reviews and two (2) follow-up reviews. Based on the findings raised in these audits, Internal Audit concluded that the organisation's controls are generally **adequate but ineffective**. Internal Audit has noted improvement in some of the departments in terms of implementing auditors' recommendations and resolution of audit findings. However, the level of control environment is not at a satisfactory level. Management should ensure that controls are continuously monitored, this will assist in ensuring that organisation's objections will be archived.

ANNEXURES

A-D

