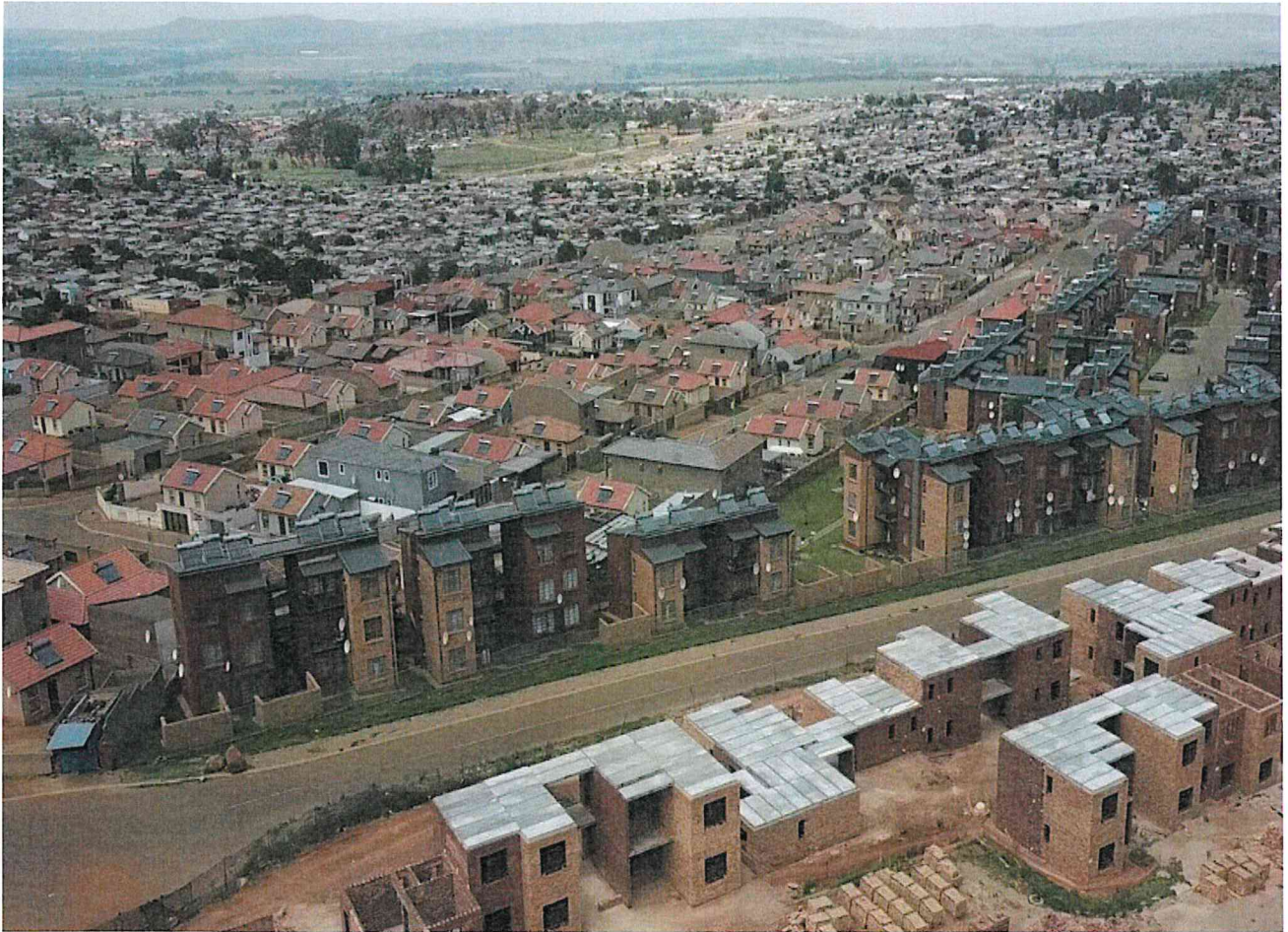


“WE
DELIVER
AFFORDABLE
AND SUSTAINABLE
SOCIAL HOUSING
IN JOBURG”



JOHANNESBURG SOCIAL HOUSING COMPANY (SOC) LTD

MID TERM PERFORMANCE REPORT FOR THE 2021/2022 FINANCIAL YEAR.

(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
Fax number	:	086 240 6691
Website	:	<u>www.joshco.co.za</u>
E-mail	:	<u>info@joshco.co.za</u>
Bankers	:	Standard Bank of SA Limited
Auditors	:	Auditor-General

Vision

To become the best provider of quality, affordable social housing designed to global standards.

Purpose

JOSHCO's mandate is to provide and manage social and affordable rental housing for the lower income market as an integral part of the efforts to eradicate the housing backlog in the city. It is a special purpose vehicle to access National and Provincial grant funding which a city or department cannot.

Mission

To provide quality, resource efficient, economically sustainable, and affordable housing products, in locations that guarantee convenience to our customers, which address the needs of the community and the environment within Johannesburg, underpinned by customer-focused service delivery and effective management.

Approval:

<p><u>Nontobeko</u> <u>Ndinande</u> Name & Surname Chief Financial Officer</p>	<p><u></u> Signature</p>	<p>Date of Approval: <u>03/02/2022</u></p>
<p><u>Vicor Kambau</u> Name & Surname Chief Executive Officer</p>	<p><u></u> Signature</p>	<p>Date of Approval: <u>03/02/2022</u></p>
<p><u>Dhanyini</u> <u>THEODORE</u> Name & Surname Chairperson of the Board</p>	<p><u></u> Signature</p>	<p>Date of Approval: <u>05/02/2022</u></p>
<p><u>Mlungisi</u> <u>Mabaso</u> Name & Surname MMC</p>	<p><u></u> Signature</p>	<p>Date of Approval: <u>04/02/2022</u></p>

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SECTION 1: CHAIRPERSON'S FOREWORD

JOSHCO aims to fulfil its organizational core mandate i.e., conversions of hostels to family units,



purchasing and rehabilitation of Inner-City buildings. Developing and managing new Social Housing Projects as well as student accommodation. By doing that, JOSHCO continues to provide solutions for the housing challenges that the City of Johannesburg is faced with through the provision of affordable rental houses and social housing units mostly closer to economic hubs.

Performance to date, the Board noted the overall performance of the second quarter for the 2021/22 financial year. In the quarter under review, out of 21 organizational performance indicators, 16 targets were due for reporting of which 6 targets were achieved and 10 were not achieved. JOSHCO reached 98.14% occupancy rate and a low rental collection rate of 56% remains a challenge. The other worrying factor was the CAPEX spent on SMMEs for the quarter which was at 17%. The target could not be achieved due to a smaller number of projects currently involving SMME's, while other projects were terminated, and others are at preconstruction stage. For 2021/22 financial year, JOSHCO had been allocated a total budget of R 648 000 million. At the end of second quarter, the Entity managed to spend a cumulative total of R 267 million

The Board remains confident that the Company will turn around its performance by keeping an eye on escalating maintenance costs, tightening internal controls, reducing theft and continuous overhaul of underperforming departments. The eradication of unresolved internal findings remains a key priority as well as the restructuring of the nonperforming assets. The Board remains committed to the provisions of the Service Delivery mandate which includes setting targets on SMME engagement, engagement with women businesses, youth, and ex-combatants. JOSHCO continue to comply with Covid 19 Regulations to ensure safety of its employees and further ensure organizational sustainability

The Board continues to provide strategic direction under the political leadership of the MMC of Housing Councilor Mlungisi Mabaso.

Mr T Dhlamini
Chairperson: JOSHCO Board of Directors

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT



I am pleased to present the mid-year performance report in the dawn of the new city of Johannesburg administration that came in post the local government election that took place in November 2021. On behalf of the entity, I welcome MMC Mlungisi Mabaso who was retained as the political leader of housing portfolio. JOSHCO commits to follow his political guidance and support his long-medium- and short-term goals of the portfolio.

This report provides an overview of the organisation's achievements and the challenges faced during the period under review. The results of the period showed a slow recovery from the underperformance that we continued to report since the dawn of COVID 19. However, the entity is still experiencing under collection of rentals which is negatively affecting the financials of the organisation. Various revenue strategies that we are implementing are starting to gain momentum and positive impact is anticipated in the near future.

While the financials are concerning, management is determined and committed to implement cost containment measures which will assist reducing the expenditure and gradually improve the financial position. We have recorded a deficit of R62.1 million due to low-income generation and several expenses that were above budget. Stringent measures to contain some expenses line items will significantly contribute towards changing the financial situation.

The corporate scorecard performance is showing improvement as compared to the same period in the previous financial year. The entity has achieved 6 out of 16 targets set for the period under review and this is attributed to the commitment that was shown by JOSHCO employee. The JOSHCO team is determined to maintain this performance trajectory.

In conclusion, I would like to commend the JOSHCO team for their continuous support of the organisation mandate that aimed at restoring the dignity of the citizens of Johannesburg by providing them with decent housing units. My sincere gratitude to the Board for always providing strategic support for the betterment of the organisation.

Mr. Victor Rambau (MBA)
Chief Executive Officer

SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT



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

Revenue Report

The biggest contributor to revenue is rental income making up 56% of total revenue. Total revenue is 21% (R27.8 million) above budget. The main reason for revenue being above budget is Management fees which are 142% (R33.3 million) above budget due to increased projects on behalf of other departments. Interest received is 26% (R2.2 million) below budget due to no interest received on the sweeping account as it is in overdraft.

The entity's collection levels continue to decrease, we have collected 56% for current tenant rentals against a collection target of 90%. The reasons for the continued low rental collection were rent boycott campaigns from organised tenants' groups demanding ownership, rising number of illegal tenants (beneficiaries of former tenants), high rise of unemployment due to Covid-19 job losses and delayed court orders for evictions. The entity is implementing corrective measures such as tenant engagements and will be proceeding with evictions in quarter three. The company uses the services of a debt collecting company to collect debt over 90 days. For the quarter under review, the company has collected R1.8 million (1.3%) from the R143.7 million handed over to them for collection.

Financial Performance

Revenue and expenditure are recorded on the accrual basis of accounting. The financial performance for the quarter ended 31 December 2021 resulted in a deficit of R62.1 million. The deficit is as a result of the entity not being able to generate sufficient income to cover its fixed expenses and several expense line items being over budget due to budget constraints as detailed below.

Expenditure

a) Personnel costs

- 6% above budget (R4.5 million) due to once-off non-pensionable allowances paid of R4 000 for employees earning below R12 000 per month and R3 000 for employees earning above R12 000 per as part the wage agreement settlements.

b) Special projects staff costs

- No budget allocated as these are temporary positions based on demand for projects on behalf of other departments. The justification for appointments is the 7% management fee we charge for special projects.

c) Provision for bad debts

- 194% above budget (R28.5 million) due to a low rental collection rate for the quarter leading to a higher provision for bad debts. Our collections rate for the quarter is 56% which is influenced by the reasons stated in Section 2.1 above.

d) Finance costs

- 1521% above budget (R12.2 million) due to interest charged on sweeping account which is in overdraft.

e) Utilities

- 427% above budget (R46.9 million) due to utility costs incurred more than available budget. The entity's budget is based on common arear charges only and all other charges used by tenants is supposed to be for their own account. A service provider has been appointed for a prepaid vending solution for electricity to assist with the reduction of costs and transferring of costs to the user of electricity. The system is active, and tenants can purchase electricity after the group supply code is changed to JOSHCO. The system is designed in a way that JOSHCO can upload the tenant rental debt into the system and recover a portion of the rental outstanding when the tenant purchases electricity on the system. The system can clearly show the amount allocated for electricity and the amount allocated for the rental debt.

f) Administrative

- 10% above budget (R1.2 million) due to an abnormally high balance for consulting fees which is being investigated and should be verified in quarter 3.

CAPEX Expenditure

The organisation has been allocated a budget of R648 million funded from the external funding sources and cash reserves. In the current financial year, we have the following programmes:

- i. Greenfields projects; and
- ii. The Inner-City re-generation programme.

As at 31 December 2021 JOSHCO's verified spent for the quarter under review is 41% against a target of 50%.

Ms. Nontobeko Ndimande CA(SA)
Chief Financial Officer

SECTION 4: CORPORATE PROFILE AND OVERVIEW OF THE ENTITY



Figure 1: Photo: Turffontein Social Project in the Inner City

The Johannesburg Social Housing Company SOC Ltd (JOSHCO) was established in November 2003 and received its mandate in March 2004 from the City of Johannesburg (CoJ). JOSHCO's mandate is to provide and manage affordable rental housing for the lower income market as an integral part of efforts to eradicate the housing backlog of CoJ. JOSHCO is a registered social housing institution and is accredited by the Social Housing Regulatory Authority (SHRA). The core business of JOSHCO includes: the development of social rental housing; refurbishments, upgrading and management of Council owned rental housing properties (including hostels); housing management and the refurbishment, conversion, and management of Inner-City buildings into social housing units. As a Municipal Owned Entity, JOSHCO is required to comply with all the relevant legislation (such as Municipal Finance Management Act; Municipal Systems Act and the Companies Act). The policies and strategy of JOSHCO are strongly influenced by the vision of CoJ as outlined in the Growth Development Strategy 2040 (GDS) and the Integrated Development Plan (IDP).

SECTION 5: STRATEGIC OBJECTIVES

- 1.1 Become a financially sustainable entity.
- 1.2 Contribute towards economic development through SMMEs Support and Job creation
- 1.3 Develop Social Housing projects within transport corridors, Inner-City and greenfield (including suburbs and economic hubs).
- 1.4 Become a customer-centric company.
- 1.5 Strengthen governance and compliance.
- 1.6 Improve the safety and security of all tenants in JOSHCO projects.
- 1.7 Effectively manage social housing projects.

SECTION 6: CORPORATE ETHICS AND ORGANISATIONAL INTEGRITY

The Company, through its Social, Ethics & Human Resource Committee, addresses issues relating to the ethical conduct of the Company and its employees. The company complies with the City's Code of Conduct ('the Code') which has been fully endorsed by the Board and applies to all Directors and Employees. It is a requirement for any Director and Executive Manager at any meeting of the Board of Directors, Board Sub Committees, and the Audit & Risk Committee to declare interest and sign a register to that effect. Should such a conflict exist, the Director or Executive Manager concerned is recused from the proceedings.

SECTION 7: SUSTAINABILITY REPORT

The Social, Ethics & Human Resource Committee of the Board has an oversight role on Social, Ethics and, Human Resource matters of the organisation in order to promote sustainable organisational development. JOSHCO inculcates an ethical culture and is mindful of the effects of its operations on the economy, society, and the environment. JOSHCO offers a range of quality housing products and services for low-income households that ensure sustainable affordable rentals to its tenants. The construction and refurbishment of JOSHCO housing projects create sustainable jobs during and after construction. Moreover, JOSHCO continues to make training and employment opportunities available to its unemployed tenants.

JOSHCO has adopted a zero-tolerance approach to fraud and corruption and any reported cases of such instances are investigated through Group Forensic and Investigation Services Unit (GFIS) without fail. Stakeholder management remains key in having uninterrupted service delivery as a result of JOSHCO being a customer centric organisation. It is imperative that JOSHCO remains at the helm of stakeholder relationships which is part of its strategy to build partnered relationships.

JOSHCO's contribution towards the EPWP City programme undertakes to reduce unemployment and facilitate socio economic development of the Citizen of Johannesburg. JOSHCO has created 213 jobs from various projects through EPWP programme within the first half of the financial year. The entity continued to support SMMEs and local labour through allocation of 30% of CAPEX contracts. The entity has managed to spend 17% of capex on SMME during the second quarter.

CHAPTER TWO: GOVERNANCE

SECTION 1: BOARD OF DIRECTORS

The Board of Directors of JOSHCO is presided over by a Non-Executive Director (Chairperson) Mr. Dhlamini. Table 1 below has listed the thirteen (13) Non-Executive Directors and two (2) Executive Directors and three (3) Independent Audit Committee members. JOSHCO members were appointed at a Special General Meeting held on 11 February 2021 by the parent municipality, City of Johannesburg.

Through its annual work programme, the Board of Directors monitors strategy implementation, and is kept abreast of the achievements and risks associated with the achievement of the strategy.

Table 1: Board Composition as at 31 December 2021

Member(s)	Capacity	Race	Gender	Qualifications
Mr Theodore Dhlamini (Board Chairperson)	Non-Executive Director	A	M	Leadership training and certificate in engineering hand skills
Mr Jason Sobekwa	Non-Executive Director	A	M	B Accounting, PG Dip: Financial Management and CIMA
Mr Moerane Maimane (Social, Ethics & HR Chairperson)	Non-Executive Director	A	M	Diploma, Bachelor, Honours degree in Public Administration, MBA & CDSA
Ms Grace Boikanyo (Development Committee Chairperson)	Non-Executive Director	A	F	B Computer Science, ND Analytical chemistry
Mr Xolani Dlwathi	Non-Executive Director	A	M	Diploma, Honours, and master's degree in theology
Mr Themba Mamba	Non-Executive Director	A	M	Matric and higher certificate in supervision
Ms Sebongile Bhengu	Non-Executive Director	A	F	Matric and certificate in Theology
Ms Brenda Makhanya	Non-Executive Director	A	F	Matric and certificate in Business Administration
Mr Siphiwe Mhlongo	Non-Executive Director	A	M	Matric and Diploma in Risk Management
Ms Debbie Raphuti	Non-Executive Director	A	F	Diploma in Nursing Science, PG Dip in strategic diplomacy and transitional justice, Master of Business Administration and Master of public management and governance
Ms Eugenia Motloung	Non-Executive Director	A	F	Extended programme UNISA and N Dip Public Relations
Dr Kentse Sesele	Non-Executive Director	A	F	B Social Science, Honours in local economic development, Master and PHD in town and regional planning

Member(s)	Capacity	Race	Gender	Qualifications
Adv Nikelo Bangisi	Non-Executive Director	A	M	B Juris, LLB
Mr Victor Rambau	Executive Director (CEO)	A	M	B Tech Production and Operations, MAP and MBA
Ms Nontobeko Ndimande	Executive Director (CFO)	A	F	CA (SA)
Mr Lesetsa Matshekga	Independent Audit Committee	A	M	MBA, B Com Honours Finance, B Com Economics a
Mr M Mokgobinyane	Independent Audit Committee	A	M	Master's in accounting science, B Com Accounting, B Com Honours Accounting
Mr Ernest Khosa (Audit & Risk Chairperson)	Independent Audit Committee	A	M	Higher Diploma in Company Law, Bachelor of Arts, BA Honours, Master of Science and LLB

Board and Committee Meetings and Attendance

During the first half of the year, JOSHCO held 8 Board meetings, 5 Development Committee meetings, 4 Social, Ethics & HR Committee meetings and 5 Audit and Risk Committee meetings. The below table depicts details of attendance of members in various meetings.

Table 2: Board and Committee Meetings Attendance as at 31 December 2021

Board of Director	Board			Development			Social and Ethics		
	Attendance	Absent	Apologies	Attendance	Absent	Apologies	Attendance	Absent	Apologies
Number of Meetings	8			5			4		
Mr V Rambau	8	-	-	5	-	-	4	-	-
Ms Nontobeko Ndimande	8	-	-	5	-	-	4	-	-
Mr T Dhlamini	8	-	-	-	-	-	-	-	-
Mr X Dlwathi	8	-	-	5	-	-	-	-	-
Ms G Boikanyo	8	-	-	5	-	-	-	-	-
Mr M Maimane	8	-	-	-	-	-	4	-	-
Mr J Sobekwa	8	-	-	5	-	-	-	-	-
Ms S Bhengu	8	-	-	-	-	-	4	-	-
Ms B Makhanya	8	-	-	-	-	-	4	-	-
Mr S Mhlongo	6	-	2	-	-	-	4	-	-
Mr T Mamba	8	-	-	4	-	-	-	-	-
Adv Nikelo Bangisi	8			5			-		
Ms Euginia Motloung	8			-			4		
Ms Debbie Raphuti	8			-			3		1
Dr Kentse Sesele	8			5			-		

Table 3: Audit & Risk Committee Meetings Attendance as at 31 December 2021

Names of Audit Committee Members	Audit and Risk Committee		
	Attendance	Absent	Apologies
Number of Meetings	5		
Ernest Khosa	5	0	0
Lesetsa Matshekga	5	0	0
Moshupi Mokgobinyane	5		
Victor Rambau (CEO)	4	0	1
Nontobeko Ndimande (CFO)	5	0	0

Board Committees

The Board has formed the following Committees, each of which is chaired by a Non-Executive Director.

- Audit & Risk Committee
- Social, Ethic, and Human Resource; and
- Development Committee

The Audit & Risk Committee is a statutory Committee which has been formed in line with the Companies Act, Act 71 of 2008 and the Local Government Municipal Finance Management Act, Act 56 of 2003.

Audit & Risk Committee

The Audit & Risk Committee's composition is compliant with the Local Government: Municipal Finance Management Act, Act 56 of 2003.

The Committee consist of the following members: -

Mr. E Khosa	Independent Audit Committee Member (Chairperson)
Mr. L Matshekga	Independent Audit Committee Member
Mr. M Mokgobinyane	Independent Audit Committee Member

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.
- Identify financial, business, and operational risk areas of the company to be covered in the scope of internal and external Audits.
- Ensure that the Accounting Officer of the company has put in place appropriate internal control systems.
- Monitor and review the effectiveness of the Internal Audit function.
- Oversee the relationship of the company with the Auditor General of South Africa.
- Review 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 City of Johannesburg.
- Review 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.
- Monitor and review 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 provide to the Board of Directors an authoritative and credible view of the performance of the company.
- Monitor implementation of the policy and plan for risk management taking place by means of risk management systems and processes.
- Oversee that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the Company.
- Ensure that risk management assessments are performed on a continuous basis.
- Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- Express a formal opinion on the effectiveness of the system and process of risk management; and
- Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive, and relevant.

Social, Ethics, and Human Resource Committee

The Committee consists of the following members: -

Mr. M Maimane	Non-Executive Director (Chairperson)
Ms. B Makhanya	Non-Executive Director
Ms. S Bhengu	Non-Executive Director
Mr. S Mhlongo	Non-Executive Director

Ms. D Raphuti	Non-Executive Director
Ms. E Motloun	Non-Executive Director

The mandate of the Committee is set out in its terms of reference and inter alia 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.
- Consider the results of the evaluation of the performance of the CEO and other executive directors, both as directors and as executives in determining remuneration.
- Select an appropriate comparative source when comparing remuneration levels.
- Advise on the remuneration of non-executive directors.
- Management development and succession plans for executive levels; and
- Make recommendations to the Board where necessary or take 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 and Broad-Based Black Economic Empowerment.
- Good corporate citizenship including promotion of equality and contribution to development of communities.
- The Environment, Health and Public Safety.
- Consumer Relationships.
- Labour and Employment.
- To draw matters to the attention of the Board as occasion requires.
- To report to the Shareholder at the AGM on matters within its mandate.

Development Committee

The Committee consists of the following members: -

Ms. G Boikanyo	Non- Executive Director (Chairperson)
Mr. X Dlwathi	Non- Executive Director
Mr. J Sobekwa	Non- Executive Director

Mr. T Mamba	Non-Executive Director
Dr. K Sesele	Non- Executive Director
Adv. N Bangisi	Non-Executive Director

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

- To approve new developments reports on detailed investigation stage and to give approval to proceed with the development i.e., Design and Business Plan development stage.
- To recommend to the Board 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 risk/return relationship on significant projects to be undertaken by the Company.

Directors and Prescribed Officer's Remuneration

The remuneration of Directors is in accordance with the Council approved rates. Remuneration reflects cumulative figures from the beginning of the financial year to date.

Table 4: Board of Directors Remuneration as at 31 December 2021

Name	Designation	Remuneration
Mr Theodore Dhlamini	Non-Executive Director	R82 000
Mr Xolani Dlwathi	Non-Executive Director	R74 000
Mr Siphwe Mhlongo	Non-Executive Director	R50 000
Mr Moerane Maimane	Non-Executive Director	R82 000
Mr Themba Mamba	Non-Executive Director	R68 000
Ms Sebongile Bhengu	Non-Executive Director	R74 000
Ms Brenda Makhanya	Non-Executive Director	R74 000
Ms Gaby Boikanyo	Non-Executive Director	R80 000
Mr Jason Sobekwa	Non-Executive Director	R72 000
Ms Eugenia Motloung	Non-Executive Director	R74 000
Mr Nikelo Bangisi	Non-Executive Director	R74 000
Ms Debbie Raphuti	Non-Executive Director	R74 000
Ms Kentse Sesele	Non-Executive Director	R74 000
Total		R952 000.00

Fees includes payment of ad hoc Board Committee meetings.

Table 5: Independent Audit Members Remuneration as at 31 December 2021

Name	Designation	Remuneration
Mr Moshupi Mokgobinyane	Independent Audit Member	R24 000
Mr Lesetsa Matshekga	Independent Audit Member	R24 000
Mr Ernest Khosa **	Independent Audit Member	R88 000
Total		R136 000. 00

NB: **Member fees included attendance of Group Audit and Group Risk Committees, Board and Committee meetings.

Table 6: Executive Management Remuneration as at 31 December 2021

Name	Designation	Remuneration
Mr Victor Rambau	Chief Executive Officer	R 971 176,25
Ms Nontobeko Ndimande	Chief Financial Officer	R 686 044,98
Ms Livhalani Nemaungani	EM: Strategy and Planning	R 624 751,41
Ms Nkululeko Magubane	EM: Housing Development	R 685 099,98
Ms Kedumetsi Mokhampanyane	EM: Corporate Services	R 685 099,98
Mr Ronald Mutheiwana	EM: Housing Management	R 568 084,98
Total		R4 220 257,58

Company Secretarial Function

The Company Secretary has a key role to play in ensuring that Board procedures are followed and regularly reviewed. The Chairperson and the Board consult with the Company Secretary for guidance on Board responsibilities, under the rules and regulations as well as how these responsibilities should be discharged. All Directors have access to the advice and services of the Company Secretary and recognise that the Chairperson is entitled to support from the Company Secretary in ensuring the effective functioning of the Board.

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 Core Business comprises of two departments, which is the Housing Development responsible for construction and development of projects: and Housing Management responsible for property management, tenanting and community development. The remaining departments are support functions such as Finance, Legal, Strategy and Human Resources.

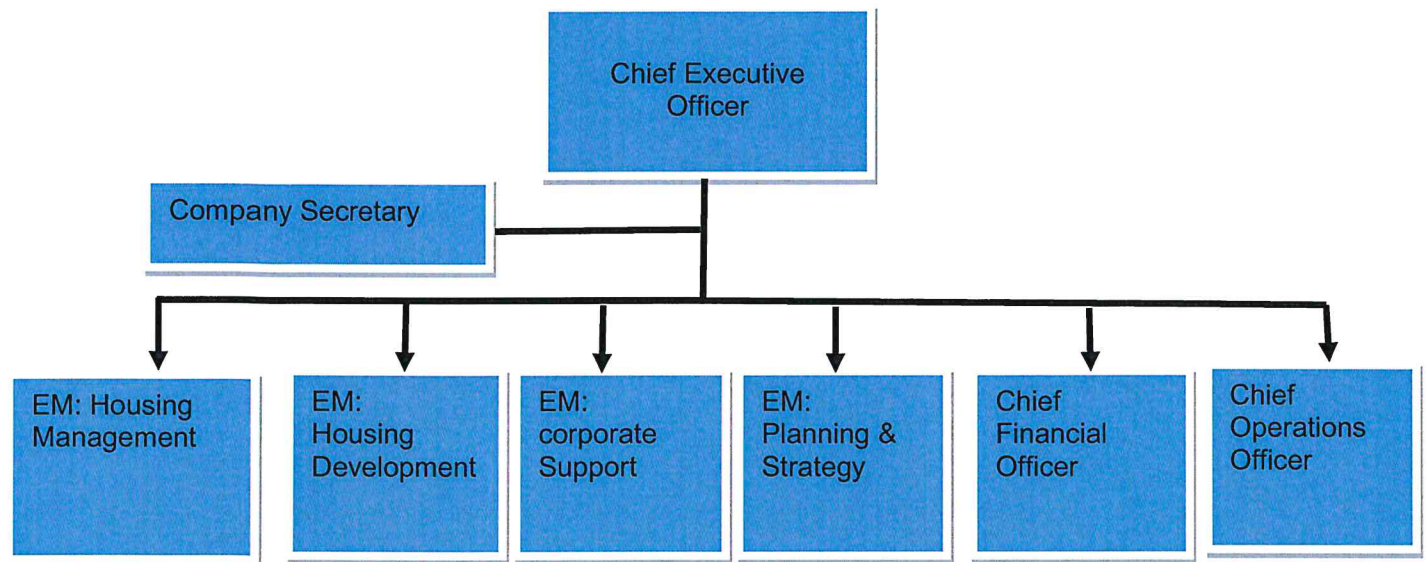


Figure 2: High Level Structure

SECTION 3: RISK MANAGEMENT

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 reviewed in the quarter. The table below reflects 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 met in the quarter to review operational risk registers. The purpose of the Committee is to assists EXCO in managing the control environment at operational level and to ensure that, audit findings are reduced by implementing mitigation controls timeously.

3.1 RISK ESCALATION METHODOLOGY

The risk framework provides guidance on which risks should be escalated to the various governance Committees within JOSHCO. The process implementers which are functional departments assess the risks and Heads of departments as process owners report on the risks results at the Executive Committee and Audit & Risk Committee. The Audit & Risk Committee Chairperson escalates the assessment results to the Board of Directors and to the Group Risk Committee at the City for oversight. The Audit & Risk Committees' role is to identify business risks that could potentially have a negative impact on both objectives and the company's operations and advice the Board of possible mitigating strategies.

3.2 CORPORATE RISK ARCHITECTURE



Figure 3: Risk ARCHITECTURE

3.3 JOSHCO'S TOP 5 RISKS:

Top 5 Residual Risk Rating		
Risk No	Risk Description	Inherent Rating
1	Inability to continue as a going concern.	Very High
2	Failure to deliver capital projects on time and within budget.	Very High
3	Lack of cooperation by SMME's.	Very High
4	Failure to develop, attract and/or retain talent.	Very High
5	Business Interruption	Very High

The above table reflects the top 5 risks that are facing the organisation as at 31 December 2021. These risks are inherent in nature and have influence in the achievement of strategic objectives and robust control environment. Although 6 of 12 risks have a maintained medium residual risk rating

through Q1 and Q2, management will continue to monitor their movements on a quarterly basis to ensure that they remain within the risk appetite level throughout the financial year and posing no threat to the achievement of objectives and better control environment.

3.4 INFORMATION ON EMERGING/ NEW RISKS





The political coalition government in the City of Johannesburg emerged following the announcement of the 1 November 2021 election results. The identified emerging risk is delayed approval of entity plans and budget due to political disagreements within the coalition partners.

3.5 STRATEGIC RISK STATUS

3.5.1 Progress in the Implementation of Mitigating Controls as at 31 December 2021.

The table below lists the risks as reflected in the strategic risk register in which their mitigation actions are due for reporting as at 31 December 2021: -

Legends

	Residual risk is extremely high
	Residual risk is high
	Residual risk is moderate
	Residual risk is low

The following legend is applied to denote the risk mitigation progress in Strategic Risk Register.







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 7: Progress in the Implementation of Mitigation Controls as at 31 December 2021.


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	Risk appetite Assessment
													Q1	Q2
1	Financial Instability	Inability to continue as a going concern.	H	VH	VH	% Collection in respect of current debt.	1.Installation and activation of Biometrics system at entrance to deny illegal tenants access to JOSHCO properties.	1.The process of installation of Biometric systems in 20 JOSHCO projects was completed on 21 December 2021.		4/5	90% of the current rental collection	85% of current rental collection	Rental collection as at 31 August 2021 is at 54% which is way below appetite and tolerance of 90% and 85% more robust interventions required	Rental collection as at 31 December 2021 is at 54% which is way below appetite and tolerance of 90% and 85% more robust interventions required.
						2.Robust tenants engagement drives to understand tenants needs with the aim of improving customer satisfaction and revenue.	2.Tenants engagement events have been conducted for the following projects in Q2: a) Turfontein, b) City Deep. c)Orlando Ekhaya. The December engagements were put on hold due to	Break even point		Expenses exceeding income by 5%	Expenses exceed income by 31% above the appetite and tolerance level of BEP and 5%	Expenses exceed income by 31% above the appetite and tolerance level of BEP		

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
												Q1	Q2
				Q2			COVID 19 4th wave.						
				Q1		3.Appointment of a service provider for installation of prepaid vending solution to transfer electricity directly to Tenants.	3.Prepaid vending solution went live on 11 November 2021 on pilot basis at Dobsonville project. The implementation is ongoing. The service provider trained JOSHCO management team about the system. The system is active, and tenants can purchase electricity after the group supply code is changed to JOSHCO. The System is designed in a way that JOSHCO can upload the tenant rental debt into the system. The system can clearly show the amount allocated for electricity and the amount allocated for			current ratio 1:1	Zero	The current ratio is at 1:0.79 within the appetite level of 1:1	The current ratio is at 1:0.79 not within the appetite level of 1:1


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
												Q1	Q2
							the rental debt.						
						4. Appointment of service providers to assist outdoor advertising to increase revenue.	4. Service provider was appointed in November 2021. Contracting in progress. The project is expected to commence in January 2022.			solvency ratio 1:1	Zero	The solvency ratio is at 1:0.82 not within the appetite level of 1:1	The solvency ratio is at 1:0.82 not within the appetite level of 1:1
						5. Replacement of physical security technology to curb high staff cost.	5. The process of installation of Biometric systems in 20 JOSHCO projects was completed on 21 December 2021.			Cost coverage ratio 50 days	Zero	The cost of coverage is currently at - 713 days which is way out of the appetite level of 50 days and tolerance level of Zero. More robust interventions required.	The cost of coverage is currently at - 713 days which is way out of the appetite level of 50 days and tolerance level of Zero. More robust interventions required.
2	Governance Failures	Governance Failures	M	M		1.Appointment of ethics champion to drive and instil ethical culture throughout the organisation.	1.The new organizational structure was approved by the Board. It includes the position of the ethics		1/3	100%	95%	No Audit findings therefore we are within the appetite and	No Audit findings therefore we are within the appetite and


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
												Risk appetite Assessment at Q1	Risk appetite Assessment at Q2
				Q2		30 July 2021	<p>officer. The vacant post will be advertised and filled by February 2022 following the approval of the budget.</p> <p>2. Not due for reporting. Policies to be reviewed in 2022.</p> <p>3. Four (4) Senior Managers completed the course, and Three Senior Managers are attending training with WITS and awaits results.</p>					tolerance levels	tolerance levels
						2. Annual review of internal controls. 30 July 2022.							
						3. Municipal supply chain regulations and Finance for non-financial managers training. 30 August 2021							
3	None	Failure to deliver capital projects on time and within budget.	H	H		<p>1. Presentation and submission of JOSHCO contracts that are signed with service providers so that the budget office is aware of existing financial and contractual commitments. 30 July 2021</p> <p>1. Implementation date missed: The JOSHCO Contract/Commitment register is to be attached with the Budget Adjustment submission to the City due on 20 January for consideration. This is expected to assist the</p>	<p>1. Implementation date missed: The JOSHCO Contract/Commitment register is to be attached with the Budget Adjustment submission to the City due on 20 January for consideration. This is expected to assist the</p>		2/3	100% of project completion	75% of project completion	<p>Work in Lufhereng and Golden highway were suspension for the Quarter, therefore it affected 100% implementation</p>	<p>Work in Golden highway were suspension for the Quarter, therefore it affected 100% implementation</p>

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
												Q1	Q2
							City to understand the level of commitment of JOSHCO has on various contracts. Revised implementation date: January 2022.						
						2. Fully enforcement of the contract and exercise JOSHCO remedial provisions. Ongoing.	2. Contracts fully enforced by. JOSHCO						
						3. Thorough engagement with the community prior to the commencement project. Quarterly	3. Intensified stakeholder engagement with various communities to clear grievances raised in Princess Plot and Nancefield Projects.						
4	None	Lack of cooperation by SMME's	H	H		1. Appointment of SETA accredited training providers to train SMME's and improve	1. Main Contractor assisting SMME's in Princess Plot project to work and understand the		2/3	Zero	Zero	There were no SMME's issues during the Quarter.	There was an incident of SMME's forcing their way to a



Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
													Q1	Q2
				Q2			technical capacity on new projects. Quarterly	expected quality, technical and delivery approach of work-packages allocated.					Q1	Q2
							2.Enforcement of the SMME's Contractual obligations. Ongoing.	2.Contract fully enforced for all projects.						
							3.Continuous engagements with SMME's. Quarterly	3.Various engagements have taken place with SMME's in Nancefield, Princess Plot, Golden Highway and Lufherheng Projects during the Q2. Issues mainly related to rates of pay, outstanding invoices and work-stoppages.						
5	None	Minimal Stakeholder and Customer Relations Management	M	M	H		1.Develop and implement stakeholder and customer relations strategy. 30 July 2021.	1.The stakeholder and customer relation plan was developed and approved by Exco in July 2021.		2/3	5 working days	Zero	Registered complains were resolved within the appetite level of 5	5 registered complains were not resolved within the appetite level of 5


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
												Assessment 1	Assessment 2
6				Q1		2.Proactive engagement with the communities through social media and physical meetings. Quarterly.	2.Regular engagements done with communities on Facebook and twitter, however our twitter following is too low, currently at 2700 followers which is a small community compared to the 15000 Facebook followers.					Q1	Q2
				Q2								days.	days.
												One (1) case of injury at AA reported in Q1 which is out of our	One (1) person was killed in Selby and one (1)
						3.Develop Tenant education manual to clearly outline the rules of JOSHCO and Tenants. 30 July 2021.	3.The development of tenant education manual has been finalised. A service provider has been appointed on the 10th of November 2021. To organise, facilitate and manage training webinars for tenants across JOSHCO projects.		4/6	Zero	Zero	One (1) case of injury at AA reported in Q1 which is out of our	One (1) person was killed in Selby and one (1)


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
													Q1	Q2
							5.Develop Tenant education manual to clearly outline the rules of JOSHCO and Tenants. 30 July 2021.	(Housing Management). e) Site inspection.						
								5.The development of tenant education has been finalised. A service provider has been appointed on the 10th of November 2021, to organise, facilitate and manage training webinars for tenants across. JOSHCO projects.						
								6.The policy is still a draft. It will be finalised and submitted for approved by Board in Q3.						
7	None	Cyber attack	M	M	M	% Compliance to laws and regulations	1.Employ an accredited Information Security Officer. 30 August 2021	1.The Information Security Officer was not appointed; however, an ICT Manager was seconded from COJ with Information Security experience.		3/4	Zero	Zero	No cyber-attack incident detected from our security assessments. The risk is	No cyber-attack incident detected from our security assessments. The risk is

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	Risk appetite Assessment
				Q1		2. Implement information Security standards. 30 October 2021. 3. Daily security assessment tests. 30 October 2021. 4. ICT Infrastructure upgrade including configuration of both primary and recovery servers. 30 December 2021	2. The ICT has currently upgraded the ICT infrastructure and adequate information system implement. 3. Conducted weekly assessment due to lack of capacity. The Daily information and infrastructure security assessment will be performed once Information Security Officer is appointed. 4. Implemented the ICT infrastructure and the DR Site in Q1					Q1	within appetite level of Zero.
				Q2								Q2	
8	Inability to respond to city disaster	Business Interruption	M	VH		1. Appointment of service provider for secondary networks supply. 30 October 2021	1. The Tender for the appointment of service provider for secondary network has been appointed.		1/4	15 minutes downtime	30 minutes downtime	In July 2021 the emails and the saver were down for 3	The emails and the saver were down in Q2 for more

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
												Q1	Q2
	s and business disruptions			Q2		<p>It is envisaged that a service provider will resume in January 2022.</p> <p>2.The Tender for the appointment of service provider to develop Business continuity Management System. 30 October 2021</p> <p>3.Development of Business Continuity and Disaster Recovery Plan. 30 December 2021</p> <p>4.ICT Infrastructure upgrade. 30 December 2021</p>	<p>3.Disaster Recovery Plan draft is in place. The plan to be incorporated in the business continuity management system when implemented.</p> <p>ICT Infrastructure upgrade project was completed in Q1.</p>					Q1	Q2
												<p>weeks and in September 2021 the system was down for 60 hrs due to MTC cable theft. Way out of the 15 minutes appetite and 30 minutes tolerance level More intervention required to ensure continuity in the event of interruption.</p> <p>than an hour due to MTC cable theft. Way out of the 15 minutes appetite and 30 minutes tolerance level More intervention required to ensure continuity in the event of interruption.</p>	

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	
												Q1	Q2
9	None	Inaccurate and unreliable performance information	M	M		1.Implementation of the monitoring tool to strengthen quality assurance by Executive Management. Quarterly	1.Monitoring and Evaluation has implemented evidence monitoring tool in Q1. The system requires the EMs to sign off evidence submitted to support reported performance information.		1/2	Zero	Zero	Instances of Performance information not supported by evidence or inaccurate reporting prevails. More interventions required.	Instances of Performance information not supported by evidence or inaccurate reporting prevails. More interventions required.
10	None	Failure to develop, attract and/or retain talent.	H	M		1.Appointment of a service provider to assist with the Job grading exercise. 31 December 2021 2.Recruiting in line with the new organisational	1.The service provider was appointed on 12 October 2021. 2.The new		2/4	3% of middle and Senior Managers	5% of middle and Senior Managers	One (1) middle manager (IT manager resigned) which is within our appetite level of 3%	No manager resigned. The risk is within appetite level of 3%

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating	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	Appetite	Tolerance	Risk appetite Assessment	Risk appetite Assessment
				Q1								Q1	Q2
				Q2		approved Organisational structure. 30 August 2021	structure was approved by the Board in August 2021.						
						3.Encourage and drive a learning culture. Ongoing	3.Training calendar communicated to employees and implemented.						
						4.Development of retention and succession policy. 30 August 2021	4.Implementation date missed: Draft retention and succession policy being developed, and it will be tabled to REMCO and the BOARD for approval in Q3.						
11	None	Fraud and corruption	M	M		1.Fraud detection review in collaboration with the city. 1 December 2021	1.Confirmed recommended fraud mitigation action with the Line managers in November 2021.		2/3	Zero	Zero	Two (2) cases of fraud were reported, and one case was investigated internally by	Two (2) cases of fraud were reported, and one case was investigated internally by

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating Q1	Residual Risk Rating Q2	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	Appetite	Tolerance	Risk appetite Assessment	
													Q1	Q2
							posters/signage in JOSHCO projects. 30 October 2021	budget constraint, EM Business planning to engage EM Housing management to assist with the Budget for the installation of posters and signage.						
							3.Partner with marketing and stakeholder relation management to department to facilitate fraud and corruption campaign to JOSHCO tenants. Quarterly	3.Tenants engagement events have been conducted for the following projects: a) Turfontein. b) City Deep. c) Orlando Ekhaya. Risk Management Department with the assistance of the Marketing and communication team commemorated Anti-Fraud and Corruption week.						
12	None	Dilapidation of tenanted buildings	M	M	M		1.Maintenance work to be certified and signed off by portfolio	1.The re-alignment of services within the Housing Department in process of finalising. This		1/3	100% of Planned and unplanned maintenance	95% of Planned and unplanned	JOSHCO achieved 95% of maintenance during Q2	JOSHCO achieved 93% of maintenance during Q2

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating at 30 June 2021	Residual Risk Rating Q1	Residual Risk Rating Q2	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	Appetite	Tolerance	Risk appetite Assessment Q1	Risk appetite Assessment Q2
							managers. Ongoing	process is expected to be completed with December month and be effective in January 2022.				maintenanc	compared to the appetite of 100% and tolerance level of 95%. The risk is within tolerance level.	compared to the appetite of 100% and tolerance level of 95%.
							2. Property management Training for Housing supervisors. 30 October 2021.	2. Housing supervisors attended property management training.						
							3. Installation of CCTV cameras that will be linked to Security control room. 30 December 2021	3. Project on hold due to construction at Head office.						

Based on the above, the total percentage of actions implemented to manage the residual risk(s) around the control environment for the quarter is **58%** against quarterly target of **50%**. Implementation of some of the controls are dependent on the appointment of service providers. The assessment revealed significant progress in the implementation of mitigations actions/controls for improvement in Q2.

Although there has been significant progress in the implementation of mitigations by various departments, the risk exposure remains outside the risk appetite and tolerance level. The impact/results of the implemented mitigation action by departments will only be realised after 3 to 6 months in some instances such as the installation of vending solutions to improve revenue collection. The risk management Department will continue to closely monitor the movement of the risk appetite and tolerance levels.

SECTION 4: ANTI-CORRUPTION AND FRAUD INVESTIGATION

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. JOSHCO commemorated the annual international anti-fraud and corruption awareness on the week of the 14 to 20 November 2021 where fraud awareness was done through Internal email communication to all staff and social media platforms.

The fraud and corruption campaign which forms part of revenue drive led by Finance Revenue Department resumed in October and November 2022 at Turfontein, City deep, Orlando and La Rosabell.

The organisation also launched a media campaign aimed at raising awareness against persistent scammers posing as JOSHCO agents. Three awareness interviews were held with Power FM, Jozi FM and Jozi Pulse.

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. Additional four (4) new cases of mainly fraudsters posing as JOSHCO agents, were reported in Q2.

Table 8: Fraud and corruption cases reported

GFIS_no	Date Registered	Allegation	Status
19/12/2020	2020/12/08	Alleged fraud and corruption into issuing of flats units at JOSHCO-by-JOSHCO employee.	In Progress
GFIS-27/09/2021	2021/09/20	Fraudsters posing as agents of JOSHCO	In progress
24/10/2021	2021/10/27	Alleged fraud and corruption by two suspects claiming to be JOSCHO employees	in progress
12/11/2021	2021/11/02	Moja TV shooting	In progress
39/12/2021	2021/12/22	Alleged maladministration by JOSHCO officials.	In Progress

SECTION 5: MANAGEMENT OF POTENTIAL CONFLICTS OF INTERESTS

The Board and its Committees is committed to greater ethical standards and practices, and this is evident in all Board and Committee meetings where declaration of interest is undertaken prior to commencement of meetings. In the quarter under review, the Board and its Committees continued to sign off the declaration register and such information is housed in the Company Secretary's office. In the beginning of the Board term, all members are required to sign declaration of financial interest.

Furthermore, JOSHCO employees' 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 to avoid conflicts between JOSHCO and the service providers that will be conducting business with. To date, 99.4% of JOSHCO staff have completed and submitted their annual declaration.

SECTION 6: INFORMATION AND COMMUNICATIONS TECHNOLOGY GOVERNANCE

ICT governance is about ensuring that the organisation's IT systems support and enable the achievement of the organisation's strategies and objectives. It encompasses leadership, organisational structure, business process, standards, and compliance. The Board has adopted the King IV report on Corporate Governance South African 2016 in which Principle 12 of the report states that, "the governing body (Board) should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives". JOSHCO ICT is aligned to the following Frameworks and Best Practices:

- DPSA Corporate Governance of ICT Framework
- Control Objectives for Information and Related Technologies (COBIT) version 5
- Information Technology Infrastructure Library (ITIL)
- ISO 27001 Information Security

During the 2021-2022 Financial Year, JOSHCO ICT seeks to improve on its governance frameworks and universe, by adopting best practice frameworks to strengthen the following areas:

- ICT Service Management
- ICT Security
- ICT Business Continuity.

JOSHCO ICT KPI

As part of JOSHCO's Business Plan Scorecard for the 2021/2022 Financial Year, JOSHCO ICT is responsible for the objectives which relates to the improvement of the ICT infrastructure and governance as detailed in the table below

Table 9: ICT Activities for the Quarter as at 31 December 2021

KPI	2021/22 Target	Q2 Target	Q2 Performance	Evidence and Comments
Implement ICT Strategic Roadmap	Approved Technology Architecture	a) Develop Technology Architecture (Develop an Infrastructure Plan Q2)		The service provider that has upgraded the infrastructure will assist the department with the development of the architecture
Automate queue management process	Implement Queue Ticketing System	a) technical input on RFP/Dev RFP		The specification will be finalized in the new quarter to ensure that the system is ready when the building is completed
Applications management	Implement Public Website	a) Appoint Web Developer		
Capacity management	Appointment of Information Security Officer, Network and Server Technician and Knowledge Management Officer	Appointment of at least one officer		An additional Technician was appointed with the following skills: Microsoft Platforms, Active Directory and Exchange Skills. ICT Technicians to be taken to Microsoft available Training

ICT Service Delivery Management	Q2 Quarterly Report	Quarterly Reports: User satisfaction at least 85%		
		Monitor the JOSHCO's network and server performance to ensure 95% connectivity		The achievement is below the set target due to single Network service provider (single point of failure)
		Appraise onsite and offsite storage capacity monthly and reported on		
Vender Management	Valid licenses	Develop a definitive License Library (CMDB), certificates and subscriptions.		
		Initiate licenses procurement 3 months before expiration date		
Business continuity	Implement Disaster Recovery Plan	a) Obtain Approval for DR plan		The organisation is finalising procurement of a service provider for implementation of Business Continuity management system and part of it will be the development of plans such as disaster recovery plan
Information Management	Implement ICT Security measures	a) Appoint Information Security Officer		
		a) Draft ICT security processes procedures and manual		The are parts of the ICT policy that is currently under review and will be reported in the next quarter.
		a) Ensure that firewalls meet international standards. Implement 50% of ISO/IEC 27001/2		Fire wall policy under review and implementation of security system rules or policy is under discussion with the newly appointed Service provider Digi City
ICT Risk and Audit Management	ICT Operational Risks and Audit Reports	Quarterly assessment of the ops risk and quarterly review and reporting		Done.

		Report on all ICT audit findings, identified risks and identified non – Compliance activities, Identified Strategic and operational risks, and non-compliance findings		Done
		Implement corrective measures on all audit findings		There is still a finding on lack of portfolio management framework that is still open.

The above performance shows that the IT department has managed to achieve six (6) against the quarterly target of eleven (16). The under achievement is attributed to the resignation of the ICT manager at the beginning of the quarter. A secondment resource was received towards the end of the quarter. We expect performance to pick up in the third and last quarter as we continue capacitating the unit.

SECTION 7: COMPLIANCE WITH LAWS AND REGULATIONS

JOSHCO uses the EXCLAIM! Compliance software to monitor compliance with relevant legislation. A total of twenty-eight (28) Acts and regulations are applicable to JOSHCO's operations and appear on the Regulatory Universe. During the compliance risk management process, the Corporate Department, indicated that as part of their functions, they needed to comply with the Skills Development Act 97 of 1997 as well as the Private Security Industry Regulation Act 56 of 2001. The Skills Development Act was included in the regulatory universe and assessed in the second quarter. Due to the complexity of the Private security Industry Act and time limitation, the act could not be assessed Q2.

We have seen twenty-three acts that have reached 100% compliance. Two more acts have reached 100% compliance as compared to the previous quarter. Improvement is attributed to consistent monitoring of the action plans.

Some of the key acts that are part of the twenty-eight in the legislation universe are as follows

- Rental Act
- Social Housing Act
- Health and Safety Act and Regulations
- Companies Act

Table 10 reflects an action plan of Acts that are below 100% compliance level.

Table 10: Action Plan of the assessed legislations

Act Name	Q1	Q2	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
1. Companies Act, No. 71 of 2008	98.9%	98.9%	The variance relates to the absence of documents/records based on previous audit findings. The Act requires documents/records to be kept for a period of 7 years.	Proper document management.	Office of the Company Secretary	Record keeping has been improved. However, non-compliance will remain until 7 years lapses	Full compliance with the section will be reached in 2023.
2. Electronic Communications and Transactions Act, No. 25 of 2002	92.31%	92.31%	The variance relates to: JOSHCO does not have an electronic filing and issuing of document system. The process is performed manually.	Obtain electronic filing and issuing system.	ICT	Memo has been sent to the city for the Ms SharePoint. Setting up will be done once the city provides the system licenses. The project slowed down due to resignation of the ICT manager. the new target for full implementation of electronic document management system is June 2022	31 January 2022

Act Name	Q1	Q2	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
3. Local Government Municipal Finance Management Act - Municipal Regulations on Minimum Competency Levels	82.5%	82.5%	The variance relates to the requirement for senior managers, supply chain manager, and officials to meet competency levels for financial and supply chain management.	N/A	Corporate Services	The CEO, CFO and EM Housing Development have completed training and have been awarded the required unit standards. The remainder of the EMs have attended the course and awaiting final results	30 June 2022

Act Name	Q1	Q2	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
4. Protection of Personal Information Act, No. 4 of 2013	92,5%	92.5%	The variance relates to the failure to conduct a personal information impact assessment to ensure that adequate measures and standards exist in order to comply with the conditions for the lawful processing of personal information. The variance further relates to the non-registration of Information Officer/s with the Information Regulator.	Need for functional document management system. Information Management Officer has to be appointed.	Office of the CEO	Memo has been sent to the city for the Ms SharePoint. Setting up will be done once the city provides the system licenses. The names of the Information officer and Deputy Information officers has been lodged with the Information Regulator. Awaiting confirmation of registration from the Information Regulator.	31 December 2021

Act Name	Q1	Q2	Comments	Remedial Action	Responsible Dept	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.	JOSHCO, through the Housing Management department has embarked on a process of regularising qualifying tenants in line with approved policies. The process will continue until all JOSHCO units are occupied only by lawful tenants.	Housing Management	<p>Regularisation is an ongoing process and tenants who fail to qualify and refuse to vacate the units will be handed over for evictions.</p> <p>Applications have been coming in from illegal occupants to be regularized</p> <p>Biometrics installed in 14 projects, and this will assist with monitoring unauthorised entry into Joshco premises.</p> <p>Addendum leases have been signed to renew leases.</p>	30 June 2022

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

SECTION 1: RESPONSE TO STRATEGIC DIRECTION

JOSHCO's strategic focus is aligned to that of the City and focuses on the following key Mayor's Priorities:

Table 11: Strategic Objectives Alignment To City IDP Outcomes and Strategic Priorities.

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
1. Improved quality of life and development-driven resilience for all.	<ul style="list-style-type: none"> Food security is both improved and safeguarded. 	<ul style="list-style-type: none"> Safer City 	-	-	-
	<ul style="list-style-type: none"> Increased literacy, skills, and lifelong learning amongst all our Citizens. 	-	-	-	<ul style="list-style-type: none"> Provision of infrastructure resources for early childhood development. Gender-Based Violence seminars
	<ul style="list-style-type: none"> Substantially reduce HIV prevalence and non-communicable diseases and a fit City characterised by healthy living for all. 	-	-	-	-
	<ul style="list-style-type: none"> A safe and secure City. 	<ul style="list-style-type: none"> Safer City 	<ul style="list-style-type: none"> A safer City by re-introducing ward-based policing (Joburg 10+) and effective law enforcement. Combating drug and substance abuse, gender-based violence. Manage displaced communities and homelessness 	<ul style="list-style-type: none"> Improve the safety and security of all tenants residing in JOSHCO managed projects. 	<ul style="list-style-type: none"> Controlled access at all JOSHCO properties. Security upgrade: Installation of CCTV cameras, Biometrics

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
2. Provide a resilient, liveable, sustainable urban environment underpinned by smart infrastructure supportive of a low carbon economy.	• Sustainable/ integrated infrastructure services.	• Sustainable service delivery.	• Accelerated and visible service delivery and re-introduction of co-production in the delivery of the essential services.	-	<ul style="list-style-type: none"> • Achieve all service level standards as agreed through SDA. • Critical roles filled within 90 days.
	• Eco-mobility	-	-	-	-
	• Sustainable human settlement.	• Integrated human settlement.	<ul style="list-style-type: none"> • Impact the housing market, including the integration, development and maintenance of hostels and flats. • Combat illegal land invasion and promote regulated land use. • Formalisation of informal settlement and accelerated rapid land release. 	• Increase social housing projects within the transport Inner City and Greenfield, including the suburbs and economic hubs.	• Number of social and affordable units developed city wide.
	• Climate change resilience and environmental protection.	• Sustainable environmental development.	- -	• Effectively managed Social Housing projects	<ul style="list-style-type: none"> • Installation of alternative energy solutions at all projects. • Rainwater harvesting systems. • Rooftop gardens in the Inner-City projects.
3. An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of	• Job intensive economic growth.	• Job opportunity and creation.	• Job opportunity and creation.	• Contribute towards economic development through SMMEs Support and Job creation	<ul style="list-style-type: none"> • Number of EPWP job opportunity created. • Jobs created through development of capital projects

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
Citizens.	<ul style="list-style-type: none"> Promotion and support to small business. 	<ul style="list-style-type: none"> Economic development and growth. 	<ul style="list-style-type: none"> Development and support of the SMME's 	<ul style="list-style-type: none"> Contribute towards economic development through SMMEs Support and Job creation 	<ul style="list-style-type: none"> At least 30% of capital expenditure on at least 51 black-owned companies. At least 30% capital expenditure on SMMEs. Provision of financial and non-financial support to SMMEs
	<ul style="list-style-type: none"> Increased competitiveness of the economy. 	<ul style="list-style-type: none"> Smart City 	-	-	<ul style="list-style-type: none"> Installation of prepaid meters Development of JOSHCO App
4. 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"> Re/effective Citizen Gauteng City Region. 	-	-	-	-
	<ul style="list-style-type: none"> Responsive, account, efficient Metro. 	<ul style="list-style-type: none"> Good governance. 	-	-	<ul style="list-style-type: none"> Actively involve the public in pre-and post-implementation of the projects.
	<ul style="list-style-type: none"> Financially and administratively sustainable and resilient City. 	<ul style="list-style-type: none"> Financial sustainability. 	<ul style="list-style-type: none"> Improve and strengthen the financial position. 	<ul style="list-style-type: none"> Become a financially sustainable entity. 	<ul style="list-style-type: none"> A robust revenue collection. Diversification of revenue stream through student accommodation and outdoor advertising. Implementing the cost containment strategy, monitoring, and reporting thereof.
	<ul style="list-style-type: none"> Citizen empowerment and participation. 	<ul style="list-style-type: none"> Active and engaged Citizenry. 	<ul style="list-style-type: none"> Community based planning and enhanced 		<ul style="list-style-type: none"> Actively involve the public in pre-and post-implementation

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
			Community engagement, including Mayoral Izimbizo.	-	of the projects.
	-	• Smart City	-	-	<ul style="list-style-type: none"> • JOSHCO App • Customer Relation Management (Call Centre) • Smart metering system
	• Customer care and service.	• Active and engaged Citizenry.	-	-	• Review of all business processes.
	• Global positioning of Johannesburg.	-	-	-	-
	• Building cooperative and intergovernmental partnerships.	• Active and engaged Citizenry.	-	-	-
	• A responsive, corruption-free, efficient, and productive metropolitan government.	• Good governance.	<ul style="list-style-type: none"> • Combat corruption, fraud and, maladministration. 	• Strengthen governance and compliance.	• Robust internal control environment.
		• Minimising the impact of the COVID 19 Pandemic	<ul style="list-style-type: none"> • Comprehensive Health Response • Food Security Response • Enforcement and Compliance Measures • Economic impact and mitigation measures • Social mobilisation and solidarity • Continuation of Municipal Services 		<ul style="list-style-type: none"> • Avail buildings in response to COVID 19. • Provision of PPE to site officials • Enhanced IT systems to support working from home • Continue tenant education on COVID 19 containment measures.

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
			<ul style="list-style-type: none"> Eradicating Gender Based Violence (GBV) and violence against children. 		<ul style="list-style-type: none"> GBV Seminars at JOSHCO projects Green Door initiatives at project level

SECTION 2: SERVICE HIGHLIGHTS AND ACHIEVEMENTS

- The entity has commenced with initiatives that are aimed at contributing to eco friendly properties. The following properties were retrofitted with LED lights in communal areas Antea, Bellavista, Citrine Court and Klipspruit. Solar system was installed at Citrine Court to support communal area.
- AA House building was fitted with burglar windows as a way to improve safety and security at our properties

SECTION 3: SERVICE DELIVERY CHALLENGES

Below are key challenges that were encountered during the quarter under review. These are challenges that are perpetuating however measures are put in place to address them

- The entity is still experiencing low rental collection
- Projects stoppages due to, mainly, SMMEs conflicts with the main contractors
- The business operations were affected by long down time due to network challenges at the network provider sites.

SECTION 4: CAPITAL PROJECTS PERFORMANCE

4.1: PROJECTS UPDATE

Complete project with Occupation Certificate: These are projects that have been constructed and complete in compliance with the provisions of the National Building Regulations Act 103 of 1977 as amended.

Developed units without services: These are units that have been developed for the intended purpose, but do not have some services. The units completed at this stage are not yet ready for occupation but are Work in Progress (WIP) reflecting Capital Expenditure.

4.1.1 State of capital Inner City programme

Table 12 below presents the Inner-City projects implemented by JOSHCO. In total JOSHCO will deliver a total of 257 completed units within the Inner City, through completion of Abel Street project during the current financial year.

Table 12 below reflects total project units yield upon completion, project duration in terms of contractual start and completion dates.

Table 12: Inner City programme

Ref	Project Description	No Of Units	Original start date	Original completion date	Revised Completion Date	Comments on project timelines
1	106 Claim Street Inner City Building Conversion Region F	80	21/11/2018	27/09/2019	Currently being revised.	<p>Project is practically complete. The only challenge on the project is the lift installation, where the sub-contractor is going through liquidation process due to economic challenges.</p> <p>This has resulted in major delays on the conclusion of this section of the works.</p> <p>A new Practical Completion date is to be determined after review of the main Contractor's turn-around plan to complete the lift installation.</p>
3	38 Rissik Street (NBS) Inner City Building Conversion	+300	Project packaging stage	To be determined once service provider is appointed.	To be determined after procurement.	<p>Management has been finalised the project specification and contracting method to be implemented for the project.</p> <p>Specification to be considered by BSC committee in the third quarter</p>
4	50 Durban Street Inner City Building Conversion Region F	104	12/02/2018	11/02/2020	30/11/2021	<p>The main Contractor has submitted a project recovery plan but is not yielding any result.</p> <p>The main Contractor has been given seven (7) days to remedy non-performance on site, failing which, a termination will be effected by JOSHCO.</p>
6	Abel Road Inner City Building Conversion Region F	257	16/01/2018	01/07/2020	25/02/2022	<p>The project is currently at Completion stage, Lifts have been installed, Fire Engineering equipment installed and inspected, now awaiting Local Authority Inspection.</p> <p>The anticipated project hand-over was delayed due to Local Authority requirements whereby a</p>

						is issued. This has been concluded and awaits Local Authority inspection for conclusion.
8	Boysens Place	-250	Pre-construction stage.	To be determined once the main Contractor is appointed	To be determined once the main Contractor is appointed	Professional team has been appointed and commenced with project pre-construction planning stage. Geotechnical assessment has been carried out on site, as part of foundation designs review process. Various professional disciplines are currently working on various feasibility studies.
10	Casa Mia	80	Pre-construction planning and design.	To be determined once the main Contractor is appointed	To be determined the once main Contractor is appointed.	The project is currently at pre-construction planning and design stage. The Professional team has been appointed and commenced with Project Scoping. There is continued challenges in relation to accessing the site due to illegal occupation of the building. JOSHCO obtained an Eviction Order, which requires Law Enforcement to implement. Legal consultations are underway to properly execute the Order.

Table 13 below reflect the number of units to be delivered within the Inner-City programme:

Table 13: Inner City Programme

PROJECT NAME	APPROVED NO OF UNITS	PROPOSED NO OF UNITS	Q1	Q2	Q3	Q4	ANNUAL TARGET AND VERIFICATION.
16 Abel Street	257	257	0	0	0	257	Completion certificate.
38 Rissik Street	0	0	0	0	0	0	Professional team progress report.
Boysens Place	0	0	0	0	0	0	Professional team progress report.
TOTAL	257	257	0	0	0	257	257

Greenfield programme.

The table below reflects the details of start and completion dates of various projects. The start and completion dates of the projects are in line with the signed Development Agreement or 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 and Quantity Surveyors and recommendations are made to JOSHCO. Should a claimable incident occur on site, it affects the table below:

Table 14: Greenfield Programme

Ref	Project Description	No Of Units	Original start date	Original completion date	Revised Completion Date	Comments on project timelines
1	Lufhereng Social Housing Project	407	01/09/2019	30/08/2021	30/08/2022	<p>The Developer resumed works on site at mid-October 2021 after being issued with a Notice to Terminate if default continued.</p> <p>Work activities on site are currently proceeding in line with a revised programme. The revised programme will also be updated in line with the awarded Extension of Time claims.</p>
2	Nancefield Social Housing Project	372	04/05/2021	04/11/2022	04/11/2022	<p>The project is currently progress on site, the main Contractor working on earthworks and platforms on site.</p> <p>The Civils Contractor is 90% towards completion of Civils works. It has however been noted that the main Contractor continues to lose time on the project and delay incidents are escalating.</p> <p>The project team has engaged and will continue to monitor and engage with the main Contractor to find an amicable solution.</p>
3	Princess Plots Social Housing Project	333	01/11/2019	22/06/2021	21/05/2022	<p>Princess Plot project will yield a total of 333 units upon completion.</p> <p>The project has been progressing well and no delay incidents have been reported during the quarter under review.</p> <p>The pace at which the main Contractor has progressed has surpassed the allocated budget and ended up depleted. Additional budget will be motivated for on the upcoming Budget Adjustment, due in Q3 of financial year 2021/22.</p>
4	Randburg Selkirk Social Housing Project	145	20/11/2020	19/11/2021	30/11/2022	<p>The project will yield a total of 145 units upon completion.</p> <p>Noting un-successful</p>

						<p>engagements with Land-owning stakeholders, JOSHCO has decided to review the project layout entirely.</p> <p>The Professional team has commenced with re-design of the project such that it falls within the land that is allocated for JOSHCO.</p> <p>This would allow JOSHCO to proceed with the project, immediately without having to wait for the 18-meter strip that has been a challenge over the years.</p>
5	Roodepoort Social Housing Upgrade	92	2/8/2019	2/9/2020	30/01/2022	<p>All units on the project have been complete, except connection of electricity and sewer line. The sewer line was under-designed by a previous Civil Engineering firm that was expelled on the project in FY: 19/20.</p> <p>The Project team is assisting the main Contractor to engage City Power to fast-track acquisition and registration of pre-paid meters for all units on the project.</p> <p>The sewer main Contractor has been allocated Extension of Time claim on the project after experiencing work-stoppages by JOSHCO Tenants refusing to allow the contractor to proceed with works on site.</p> <p>The main Contractor is currently progressing reasonably well on site.</p>
6	Golden Highway Social Housing Project	333	11/10/2019	10/09/2021	10/12/2021	<p>The Developer has defaulted on the contract and stopped working on site. Notices of default were issued to the Developer, requiring the Developer to remedy the default.</p> <p>JOSHCO has since issued a final Notice of termination to the Development Agreement should the default not be remedied by the end of January 2022.</p> <p>Should the turn-around plan submitted by the Developer address the default, the construction programme will be revised and a new Practical Completion date for the project will be established accordingly.</p>

7	Jeppetown Social Housing	1336	20/01/2021	21/02/2023	No revised date yet.	JOSHCO has terminated the Development Agreement between itself and the Developer, due to contractual defaults by the Developer.
8	Riverside Social Housing	1108	28/01/2021	22/02/2023	No revised date	<p>The project is progress on site. The Civils Contractor has commenced with the installation of engineering services during quarter 1 on site.</p> <p>JOSHCO and the Developer have concluded the Sale Agreements on all seven (7) pieces of land required for the development. The first three land parcels are currently undergoing transfer to JOSHCO.</p> <p>The Developer is schedule to commence with development of 180 units in Q3.</p>
9	Edenburg Social Housing	1031	21/01/2021	22/02/2023	No revised date	<p>Pre-construction designs and engineering services reports have been submitted to Local Authority and are currently in circulation for approval.</p> <p>Land transfer process has initiated and underway, although delayed and is expected to conclude during quarter 3 of the financial year 2021/22.</p> <p>The Developer is expected to commence with road expansion in quarter 3 of the financial year, a requirement by COJ for the project to receive Town Planning approvals.</p>

Table 15: Units to be developed on Greenfields:

PROJECT NAME	BUSINESS PLAN APPROVED NO OF UNITS	PROPOSED NO OF UNITS	Q4	ANNUAL TARGET AND VERIFICATION.
Randburg Project	90	0	0	Professional team progress report
Princess Plot	100	200	250	Professional team progress report.
Nancefield Project	100	50	100	Professional team progress report
Lufherheng Project	200	152	152	Professional team progress report.
Golden H/way	30	171	171	Professional team progress report
Jeppetown	60	0	0	Professional team progress report
Edenburg Project	90	0	0	Professional team progress report
Riversides Project	90	0	0	Professional team progress report
Region C Turnkey	90	0	0	Professional team progress report
TOTAL	850	673	673	

4.2 JOB CREATION AND SMME EXPENDITURE

The table below reflects the expenditure on SMME's from projects where construction activities were implemented during the quarter.

Table 16: SMME Expenditure.

PROJECT NAME	EXPENDITURE
Princess Plot	R 1 656 521.29
Nancefield	R 2 641 356.36
Total Q2	R 4 503 123.55

4.3 CAPITAL PROJECTS AND EXPENDITURE

For 2021/22 financial year, JOSHCO had been allocated a total budget of R 648 million. At the end of second quarter, the Entity managed to spend a cumulative total of R 267 million, which translate to 41%, against a target of 50% for the quarter. There is an underachievement of 9% recorded. This is mainly due to some project experiencing contractual challenges during the period under review, which resulted in the projects continuously halted and another contract terminated. Fewer projects that had construction activities taking place on site during the second quarter of financial year 2021/22.

JOSHCO was expected to spend at least 30% of its quarterly Capital expenditure on local SMME's. Management is proposing a review of the target, as currently, it measures the expenditure against Capital Expenditure. Capital expenditure include all activities i.e., Construction, Professional services, and Land acquisition and in its current structure negatively impacts the outcome, as SMME's do not participate in all areas of capital expenditure.

We foresee and plan, an enhanced expenditure in the third quarter of financial year 2021/22 as projects that were at stage not requiring SMME's in quarter one, will be at construction stage and will start to have builder's work activities on site, and work-packages will be allocated to SMME's.

Table 17: CAPITAL Expenditure per category:

Expenditure Category	Construction	Pre-construction	Inner City	Land Acquisition
Expenditure	R 155,627,695.39	R 1,050,346.02	R 10,775,379.27	100,309,798.35
Percentage	24.01%	0.00	1.66%	15.48%

Table 18: Cumulative Expenditure Report as at 31 December 2021.

EXPENDITURE REPORT (Accumulative expenditure at Quarter Two :2021/22): CAPITAL PROJECTS 2021-2022											PROJECT STATUS
CORRIDOR OR NODE	PROJECT	BUSINESS PLAN BUDGET	QUARTER ONE	QUARTER TWO	QUARTER THREE	QUARTER FOUR	CERTIFIED CLAIMS	%	VARIANCE		Project Stage
SOWETO TO CBD EMPHIRE-PERTH	Nancefield Station	R 50,000,000.00	R 21,073,541.17	R 7,553,501.59	R 0.00	R 0.00	R 28,627,042.76	57.3%	R 21,372,957.24		Construction stage
	Lutheng Social Housing	R 76,001,000.00	R 34,786,464.49	R 9,954,827.56	R 0.00	R 0.00	R 44,741,292.05	58.9%	R 31,259,707.95		Construction stage
	Golden Highway Social Housing-Devland	R 80,000,000.00	R 16,285,483.32	R 1,306,386.64	R 0.00	R 0.00	R 17,591,869.96	22.0%	R 62,408,130.04		Construction stage
	SUB-TOTAL A	R 206,001,000.00	R 72,145,488.98	R 18,814,715.79	R 0.00	R 0.00	R 90,960,204.77	44.2%	R 115,040,795.23		
CBD to Alexandra along Luis Botha Avenue	Casa Mia (Phase 1&2)	R 2,500,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0.0%	R 2,500,000.00		Pre-construction stage
	Inner City Rental Housing	R 32,000,000.00	R 6,201,670.30	R 3,325,911.08	R 0.00	R 0.00	R 9,527,581.38	29.8%	R 22,472,418.62		Construction stage
	Joshco House	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	#DIV/0!	R -		Construction stage
	38 Rissik Street	R 1,500,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0.0%	R 1,500,000.00		Pre-construction stage
	Booyens Place	R 2,000,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0.0%	R 2,000,000.00		Pre-construction stage
	Mariboro Social Housin	R 1,000,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0.0%	R 1,000,000.00		Pre-construction stage
	8-16 Abel Street	R 24,500,000.00	R 1,247,797.89	R 0.00	R 0.00	R 0.00	R 1,247,797.89	5.1%	R 23,252,202.11		Construction stage
	SUB-TOTAL B	R 63,500,000.00	R 7,449,468.19	R 3,325,911.08	R 0.00	R 0.00	R 10,775,379.27	17.0%	R 52,724,620.73		
	CORRIDOR OR NODE	BUSINESS PLAN BUDGET	QUARTER ONE	QUARTER TWO	QUARTER THREE	QUARTER FOUR	CERTIFIED CLAIMS	%	VARIANCE		
	Sandton to Randburg	R 58,000,000.00	R 550,406.96	R 499,939.06	R 0.00	R 0.00	R 1,050,346.02	1.8%	R 56,949,653.98		Pre-construction stage
Mining Belt	SUB-TOTAL C	R 58,000,000.00	R 550,406.96	R 499,939.06	R 0.00	R 0.00	R 1,050,346.02	1.8%	R 56,949,653.98		
	Rodepoort Phase 2	R 4,665,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0.0%	R 4,665,000.00		Construction stage
	Princess Plot	R 52,900,000.00	R 22,675,368.15	R 41,992,122.47	R 0.00	R 0.00	R 64,667,490.62	122.2%	R -11,767,490.62		Construction stage
New Greenfields	SUB-TOTAL D	R 57,565,000.00	R 22,675,368.15	R 41,992,122.47	R 0.00	R 0.00	R 64,667,490.62	112.3%	R -7,102,490.62		
	CORRIDOR OR NODE	BUSINESS PLAN BUDGET	QUARTER ONE	QUARTER TWO	QUARTER THREE	QUARTER FOUR	CERTIFIED CLAIMS	%	VARIANCE		
	Region A: Riversides	R 75,530,000.00	R 42,439,606.76	R 27,516,454.00	R 0.00	R 0.00	R 69,956,060.76	92.6%	R 5,573,939.24		Pre-construction stage
	Region B: Rivonia	R 75,000,000.00	R 20,343,733.84	R 8,688,211.00	R 0.00	R 0.00	R 29,031,944.84	38.7%	R 45,968,055.16		Pre-construction stage
	Region F: Jeppesetown	R 72,500,000.00	R 1,321,792.75	R 0.00	R 0.00	R 0.00	R 1,321,792.75	1.8%	R 71,178,207.25		Pre-construction stage
	Region G:	R 40,000,000.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0.0%	R 40,000,000.00		Pre-construction stage
	SUB-TOTAL E	R 263,030,000.00	R 64,105,133.35	R 36,204,665.00	R 0.00	R 0.00	R 100,309,798.35	38.1%	R 162,720,201.65		
TOTAL (A+B+C+D+E)		R 648,096,000.00	R 166,925,865.63	R 100,837,353.40	R 0.00	R 0.00	R 267,763,219.03	41.3%	R 380,332,780.97		

SECTION 5: PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The organisation has 21 key performance indicators and targets in the 2021/22 business plan. In the quarter, 16 targets were due for reporting with 6 targets achieved, whilst 10 were not achieved. Though the scorecard performance is still concerning, comparison of past quarters performance shows that the entity is slowly recovering from a significant under achievement trend. Most of the KPIs, though underachieved, are slightly below the target.

Performance Targets	Targets
Total Annual Targets	21
Applicable targets in Q2	16
Targets achieved	6
Targets not achieved	10
Not due for reporting	5

Legend:

	Target achieved or substantially achieved
	Target not achieved, but there is progress
	Target not achieved and there is significant risk of non-achievement
	KPI measured at the end of the financial year and / not due for reporting in the quarter

Table 19: Performance against Predetermined Objectives as at 31 December 2021

Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q2 Target	Q2 Actual	Variance	Reasons for under achievement and remedial Action
Financial sustainability	Current Ratio	Current Ratio 1:1	1:1	0.81	-0.19	<p>The non-performance of this target is due to continued losses being incurred largely due to a high provision for bad debts and high operating costs, mainly utility costs.</p> <p>The entity's 5-year strategic plan which focuses on revenue enhancement activities in order to improve our financial sustainability is under implementation as follows:</p> <ul style="list-style-type: none"> • Increase in management fee income earned on projects implemented on behalf of other COJ entities. JOSHCO continues to engage and evaluate other interests for the use of our panels from other COJ entities. In this quarter we have started implementing projects on behalf of COJ Legislature and JMPD. • Student accommodation – there are currently 21 students in the building. More than 100 students from Wits have reserved their space for the 2022 academic year. • Outdoor advertising – service provider has been appointed. Currently at contracting stage. Project expected to commence in January 2022. <p>Prepaid vending system –the system is active, and tenants can purchase electricity after the group supply code is changed to JOSHCO. The system is designed in a way that JOSHCO can upload the tenant rental debt into the system and recover a portion of the rental outstanding when the tenant purchases electricity on the system. The system can clearly show the amount allocated for electricity and the amount allocated for the rental debt.</p>
	Solvency Ratio	Solvency Ratio 1:1	1:1	0.84	-0.16	
	Cost coverage ratio	50 Coast coverage ratio	50 days	-372 days	-422 days	<p>Non-performance is due to low cash balances and an overdraft as a result of settlement of suppliers prior to receiving claims from the Department of Housing (Housing) and the Corporate Asset Management (CAM) department.</p> <p>Our engagements with Housing have not yielded satisfactory results. Management has therefore taken a decision to halt Housing projects until we receive at least half of what is due to JOSHCO. We have pulled out all repairs and maintenance suppliers doing day-to-day maintenance. We are currently drawing up a plan of how we will wind down projects at an advance stage. All procurement has been stopped and no new appointments will be made until the payment issues have been solved. Management is also considering charging</p>

Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q2 Target	Q2 Actual	Variance	Reasons for under achievement and remedial Action
						interest on the outstanding balance as we do with our tenant debtors.
	Remuneration to Operational expenditure (OPEX) up to 40%	Remuneration to Operational expenditure (OPEX) up to 40%	Remuneration to Operational expenditure (OPEX) up to 40%	34%	6%	Achieved
	% Collection in respect of current debtors	90% Collection in respect of current debtor	90%	56%	34%	<p>Non-achievement of this target is due to continued low rental collection across all projects. Of the total of 8 325 tenants billed, 4% (313) have indicated they are unemployed, 1% (115) have indicated that they have lost their job due to COVID-19 and 3% (263) are on record as refusing to pay. The debt collection company has been instructed to proceed with eviction processes for the tenants who have stated their refusal to pay.</p> <p>The debt collecting company has collected R3.6 million year to date for outstanding debt older than 90 days handed over to them.</p> <p>A total of 169 tenants have been handed over for eviction and recovery of arrear rent, with more tenants set to be handed over in January 2022. To date fifteen eviction orders have been obtained. From this number, three orders have been executed successfully through the sheriff. The remaining orders will be executed before the end of the financial year. The challenge with obtaining eviction orders is that tenants tend to oppose the applications on the date of hearing, which results in matters being postponed for tenants to file opposing papers and obtain legal representation. A further challenge is reaching agreement with tenants on settlement of the arrears. Most of the payment proposals made by tenants have been unreasonable and unacceptable. However, more tenants are anticipated to come forward with acceptable payment arrangements as they have been</p>

Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q2 Target	Q2 Actual	Variance	Reasons for under achievement and remedial Action
						<p>advised that the court process will only be withdrawn if arrears are settled in full, or if acceptable payment arrangements are made.</p> <p>Various settlement discount voucher initiatives will continue to be implemented to encourage tenants to settle long outstanding debt.</p>
Job creation	Number of jobs created for the unemployed through EPWP programme	500 number of jobs created for the unemployed through EPWP programme	275	213	-62	<p>The reason for the underperformance was due to the COVID-19 4th wave. This has forced Housing Management to refrain from calling public meeting and conduct the ruffles as the method of recruiting participant.</p> <p>Remedial action: Housing Management is going to have clean-up programs in projects where participants will be required in huge number. The shortage will be covered during the 3rd and 4th quarter</p>
Economic Development	% Of capex spent on SMME	30% of capex spent on SMME	30%	17%	13%	<p>The target could not be achieved due to a smaller number of projects current involving SMME's, while other projects are terminated and others at pre-construction stage.</p> <p>Expenditure on SMME's is only realized on projects where there are SMME's involved. On projects where JOSHCO is concluding pre-construction planning and or Land acquisition process, no SMME's are involved. Management will submit a proposal to review and align this target to be measured against Construction cost (where SMME's are involved)</p>
	% Of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100%	0%	Achieved
Social Housing Development	No of Social Housing units developed	1038	-			

Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q2 Target	Q2 Actual	Variance	Reasons for under achievement and remedial Action
	No of Social Housing units completed	257	-			
	% Capital budget spent	95% capital budget spent	50%	41%	-9%	<p>Target not achieved. The main reason for non-achievement is due three mega projects being on suspension and or terminated during the quarter under review.</p> <p>The following projects posed a risk on Capital expenditure performance during the quarter:</p> <p>Jeepestown: The Developer was terminated after failing to remedy the default against the Development Agreement. JOSHCO is in the process of re-packaging the project for re-procurement process to appoint and new Developer.</p> <p>Golden Highway Project Developer ended up being terminated after failing to operate on the project and failing to remedy default in line with the Contract.</p>
Effective property management	% Occupancy rate	98% occupancy rate	98% occupancy rate	98.14 %	+0,14 %	Achieved
	Number of building conditional assessment concluded	10 Buildings conditional assessment	6	6	0	Achieved
Adherence to Corporate Government Principles	Unqualified audit opinion	Unqualified audit opinion	-	Not due		
	% Compliance to law and regulation	95% Compliance to laws and regulations	95%	82%	-13%	Underperformance is due to 5 Acts that were not at 100% compliant. This includes the companies act which will remain open until the 7 years of record keeping of companies' documents lapses. The POPI act is also not at 100% and robust assessment is required to ensure that we comply with the provision of the act. The compliance function will continue to engage acts owner so that remedial actions are

Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q2 Target	Q2 Actual	Variance	Reasons for under achievement and remedial Action
						implemented to improve compliance. The action plan will continue to be a standing item at EXCO meeting in order to keep track of controls implementation.
	% Implementation of targeted corrective action against identified risks	95% Implementation of targeted corrective action against identified risks	50%	58%	+8%	Achieved
Corporate governance	% Implementation of targeted corrective action against internal audit findings	95% implementation of targeted corrective action against internal audit findings	95%	76%	-19%	Underperformance was due to number of findings that were raised during the follow up audits conducted in the quarter. Management has established Operation Clean Audit (OPCA) that sit every week to discuss the findings and progress on their closure.
	% Implementation of targeted corrective action against external audit findings	100% implementation of targeted corrective action against external audit findings	100%	86%	-14%	External Audit by AGSA was underway in the second quarter of 2021/22. Therefore, External Audit findings were not followed up by internal audit. The entity managed to close 86% of the findings that were raised in the 2019/20 by end of Q2 and the remaining 14% was due to the two findings that were again raised as repeat findings in the 2020/21 Audit. Reporting on the 9 findings raised during the 2020/21 audit will be done from end of Q3
	% Filling of vacancies from middle management to Executive Management	100% Filling of vacancies from middle management to Executive Management	100% filling of vacancies	100%	0%	Achieved
	% Customer satisfaction rating	85% Customer satisfaction rating	-	Not due		
	% Employee satisfaction rating	70% employee satisfaction rating	-	Not due		

**Ratios are calculated per MFMA Circular No. 71*

SECTION 6: PERFORMANCE AGAINST SERVICE DELIVERY STANDARDS

The relationship of JOSHCO and City of Johannesburg as a parent municipality and the sole shareholder of the entity is formalised through various processes and documentation that include the Service Delivery Agreement and the Shareholder compact. Section 93B (a) of 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 Service Level Standards. In the quarter under review five standards were achieved against the target of seven with the results. The agreed service standards with the city covers the following:

- 98% accurate bills of all active customers
- 96% of maintenance request attended within 14 working days
- Routine building maintenance once per year and as when 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.

Below is the entity’s performance for Quarter ending 31 December 2021 related to the service level standards:

Table 20: Service Level Standard Performance as at 31 December 2021.

Core Service	Service Level Standard Target	October 2021	November 2021	December 2021	Q2	Variance explanation	Mitigations
1. Billing of customers	98% accurate bills of all active customers	98%	98,29%	98,49%	98,26%	None	None
2. Attending to request for maintenance	96% of maintenance requests attended within 14 days of the logged call	96,03%	93.33%	95,24%	95%	Of the 38 jobs that failed to meet the target, 15 (2.70%) of these jobs were located in common areas where contractors had to dedicate time tracing	A maintenance plan will be developed that will address common areas.

						and investigating the source of the problem before they were able to undertake the job. This resulted in delays and ultimately prevented the target from being achieved. If the 15 jobs are excluded from the total number of jobs the target achieved would be 96%.	
3. Routine building maintenance	Once per year and as when required	100%	100%	There was no planned maintenance for this month.	100%	None	None
4. Application of rental housing	Outcome of enquiry to be sent to application within 5 days	1 day	1 day	1 day	1 day	None	None
5. Application of rental housing	Outcome of the application communicated within 10 working days	1 day	2 days	2 days	2 days	None	None
6. Resolution of complaints	Acknowledgement and response within 24 hours of complaint being logged	The system was down	24 hours	24 hours	16 hours	Joshco's system was down during the month of October which then affected this KPI	The system is now working.
7. Resolution of complaints	Resolution of the complaints/queries within 5 working days	1 day	1 day	1 day	1 day	Emails were responded to in less than 24 hours	

6.1 PERFORMANCE AGAINST SERVICE STANDARDS (DETAILED)

6.1.1 Maintenance Function

Maintenance is a component of Property Management, which is a strategy for retaining and growing the value of the building as an asset. Maintenance is therefore important to the management of the entire investment in the building. Maintenance falls into the following categories:

- Common area and grounds maintenance
- Vacancy re-instatement maintenance
- Planned maintenance
- Reactive maintenance

The total maintenance cost incurred for the quarter amounted to **R13 939 692.08** total of 1574 reactive jobs were logged between October 2021 and December 2021 at a cost of **R7 735 107.04** and **R 6 204 585.04** was spent on planned maintenance programmes. The SDA key performance indicator of 96% relating to the number of maintenance cases closed within turnaround of fourteen (14) days was narrowly missed with 95.17% being reached. A total of 1574 jobs were logged during the quarter with 703 tenants having maintenance conducted within their units and this aggregates to nine percent (9%) of the total portfolio of units. The average maintenance cost of R874 per unit for the quarter which equates to an average of R291 per month which is above the recommended SHRA benchmark of R250 maintenance costs per unit per month and is rated as good with a clear indication of maintenance being prioritised to improve customer satisfaction and upkeep of company assets.

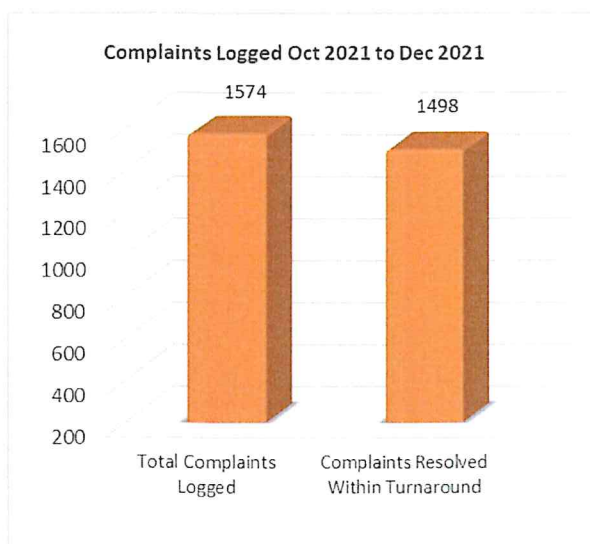


Chart 1: Complaints Logged

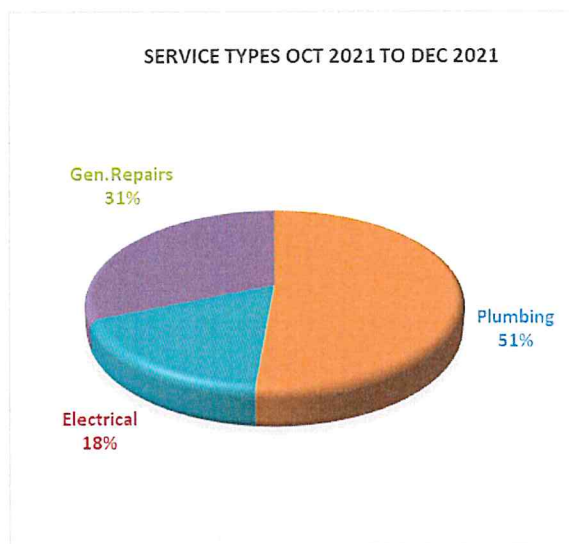


Figure 4: Service Types

The following chart provides an analysis of jobs logged per project for the second quarter of 2021-2022

Chart 2: Total Jobs per Project

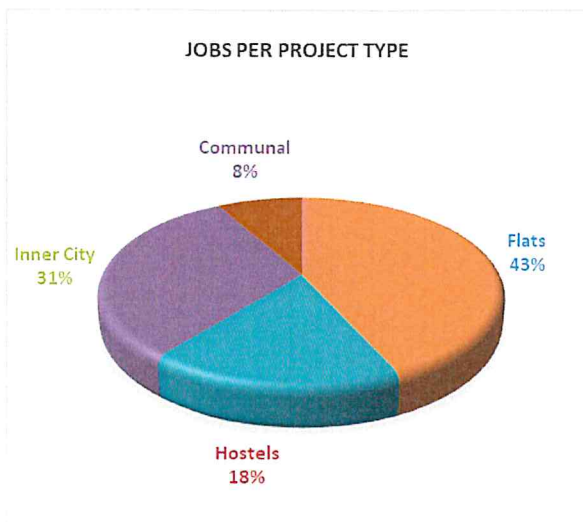
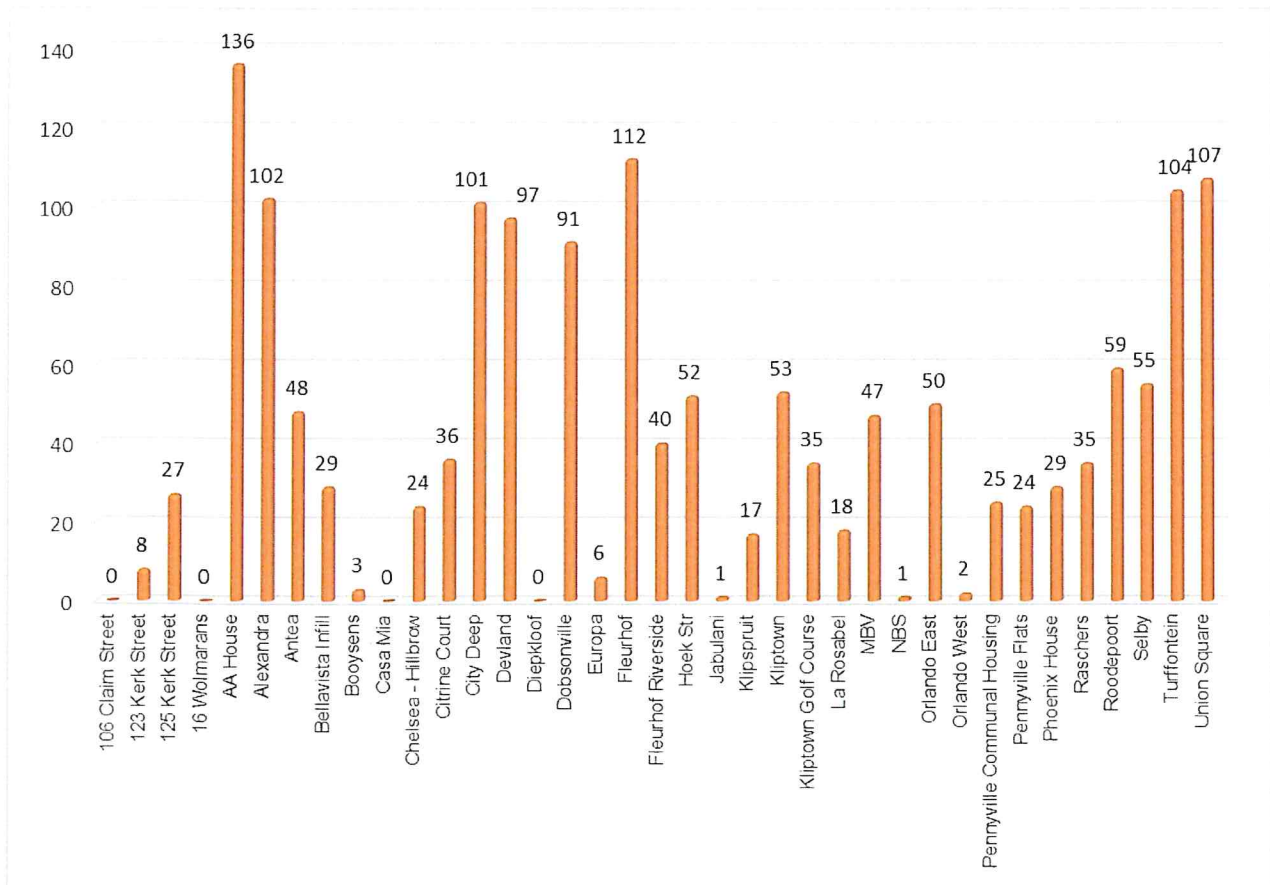


Figure 5: Jobs per Project Type

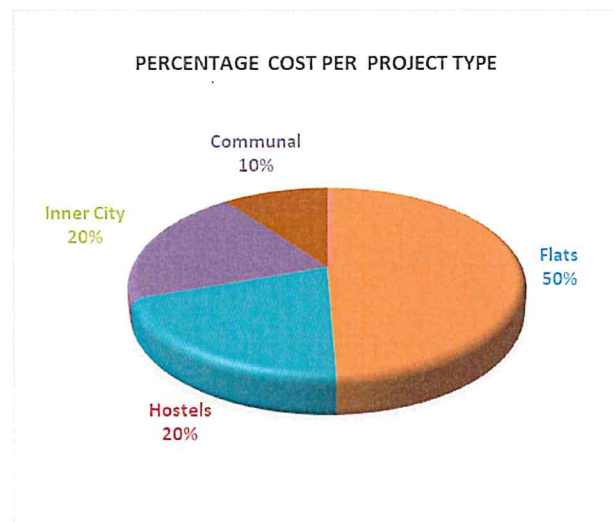


Figure 6: Percentage Cost per Project Type

The following table provides and analysis of maintenance costs per project for the 2nd quarter of 2021-2022.

Table 21: Project Unplanned Maintenance Costs

Project Name	Total Cost for Q2	Budget for Q2	% Budget spent for Q2	Cost YTD	Budget YTD	% Budget Spent YTD	Annual Budget	%Annual Budget Spent
123 Kerk Street	28 729.89	55 000.00	52.24%	45 005.69	110 000.00	40.91%	220 000.00	20.46%
125 Kerk Street	59 214.24	135 000.00	43.86%	123 352.83	270 000.00	45.69%	540 000.00	22.84%
AA House	355 282.05	180 000.00	197.38%	532 676.21	360 000.00	147.97%	720 000.00	73.98%
Alexandra	559 588.34	165 000.00	339.14%	716 234.21	330 000.00	217.04%	660 000.00	108.52%
Antea	252 039.56	205 000.00	122.95%	547 903.76	410 000.00	133.64%	820 000.00	66.82%
Bellavista Infill	57 408.53	42 000.00	136.69%	92 613.52	84 000.00	110.25%	168 000.00	55.13%
Booyens	9 084.86	30 000.00	30.28%	51 808.93	60 000.00	86.35%	120 000.00	43.17%
Chelsea	114 354.12	81 000.00	141.18%	145 691.30	162 000.00	89.93%	324 000.00	44.97%
Citrine Court	150 960.47	105 000.00	143.77%	253 651.39	210 000.00	120.79%	420 000.00	60.39%
City Deep	481 144.51	465 000.00	103.47%	710 716.97	930 000.00	76.42%	1 860 000.00	38.21%
Devland	155 168.28	172 250.00	90.08%	279 984.71	344 500.00	81.27%	689 000.00	40.64%
Diepkloof	-	18 000.00	0.00%	3 446.93	36 000.00	9.57%	72 000.00	4.79%
Dobsonville	494 631.90	530 000.00	93.33%	973 424.20	1 060 000.00	91.83%	2 120 000.00	45.92%
Europa	21 510.12	52 500.00	40.97%	55 090.16	105 000.00	52.47%	210 000.00	26.23%
Fleurhof	1 524 491.45	362 500.00	420.55%	2 087 959.44	725 000.00	287.99%	1 450 000.00	144.00%
Fleurhof Riverside	389 684.36	162 500.00	239.81%	488 354.06	325 000.00	150.26%	650 000.00	75.13%
Hoek Street	283 367.19	156 000.00	181.65%	473 123.68	312 000.00	151.64%	624 000.00	75.82%
Jabulani	2 409.77	25 500.00	9.45%	16 269.70	51 000.00	31.90%	102 000.00	15.95%
Klipspruit	219 608.76	66 000.00	332.74%	354 146.78	132 000.00	268.29%	264 000.00	134.15%
Kliptown	128 490.96	246 000.00	52.23%	326 181.93	492 000.00	66.30%	984 000.00	33.15%
Kliptown Golf	116 506.21	150 000.00	77.67%	189 931.71	300 000.00	63.31%	600 000.00	31.66%
La Rosabel	75 243.02	81 000.00	92.89%	123 745.15	162 000.00	76.39%	324 000.00	38.19%
MBV	166 386.48	138 000.00	120.57%	306 664.75	276 000.00	111.11%	552 000.00	55.56%
NBS	171 039.00	45 000.00	380.09%	201 028.40	90 000.00	223.36%	180 000.00	111.68%
Orlando East	196 694.20	189 000.00	104.07%	309 367.26	378 000.00	81.84%	756 000.00	40.92%
Orlando West	-	33 000.00	0.00%	17 293.71	66 000.00	26.20%	132 000.00	13.10%
Pennyville	213 498.68	82 500.00	258.79%	432 659.32	165 000.00	262.22%	330 000.00	131.11%
Pennyville Flats	199 689.88	111 250.00	179.50%	327 381.95	222 500.00	147.14%	445 000.00	73.57%
Phoenix House	40 092.03	45 000.00	89.09%	88 715.76	90 000.00	98.57%	180 000.00	49.29%
Raschers	96 160.08	66 000.00	145.70%	151 387.20	132 000.00	114.69%	264 000.00	57.34%
Roodepoort	308 053.28	211 000.00	146.00%	802 170.87	422 000.00	190.09%	844 000.00	95.04%
Selby	418 144.29	238 500.00	175.32%	1 065 057.86	477 000.00	223.28%	954 000.00	111.64%

Turffontein	295 017.69	325 000.00	90.77%	673 043.91	650 000.00	103.55%	1 300 000.00	51.77%
Union Square	151 412.84	300 000.00	50.47%	327 933.81	600 000.00	54.66%	1 200 000.00	27.33%
Grand Total	7 735 107.06	5 269 500.00	146.79%	13 294 018.06	10 539 000.00	126.14%	21 078 000.00	63.07%

6.2 UNPLANNED MAINTENANCE

Unplanned maintenance also referred to as reactive maintenance occurs when the failure of a building component requires immediate attention, it restores the component to operational condition following an unforeseen failure. The bulk of these activities are a response to requests lodged by tenants residing within JOSHCO buildings and preserves the tenant's comfort and convenience.

The jobs per service type remains consistent with the historical trends with thirty one percent (31%) of jobs relating to general repairs and maintenance, fifty-one (51%) to plumbing, and eighteen (18%) to electrical. Plumbing remain the majority of the jobs due to blockages to drainage systems, aging infrastructure in converted hostel projects, replacement of geysers that burst due to the end of their life span and are out of warranty, repair and replacement of leaking water supply piping, replacement of sanitary fittings such as baths, basins and toilet that have failed due to the end of their life span, replacement of taps that have failed due to the end of their life span.

The below figure provides an analysis of the service type trends per quarter for the financial year 20/21-21/22.

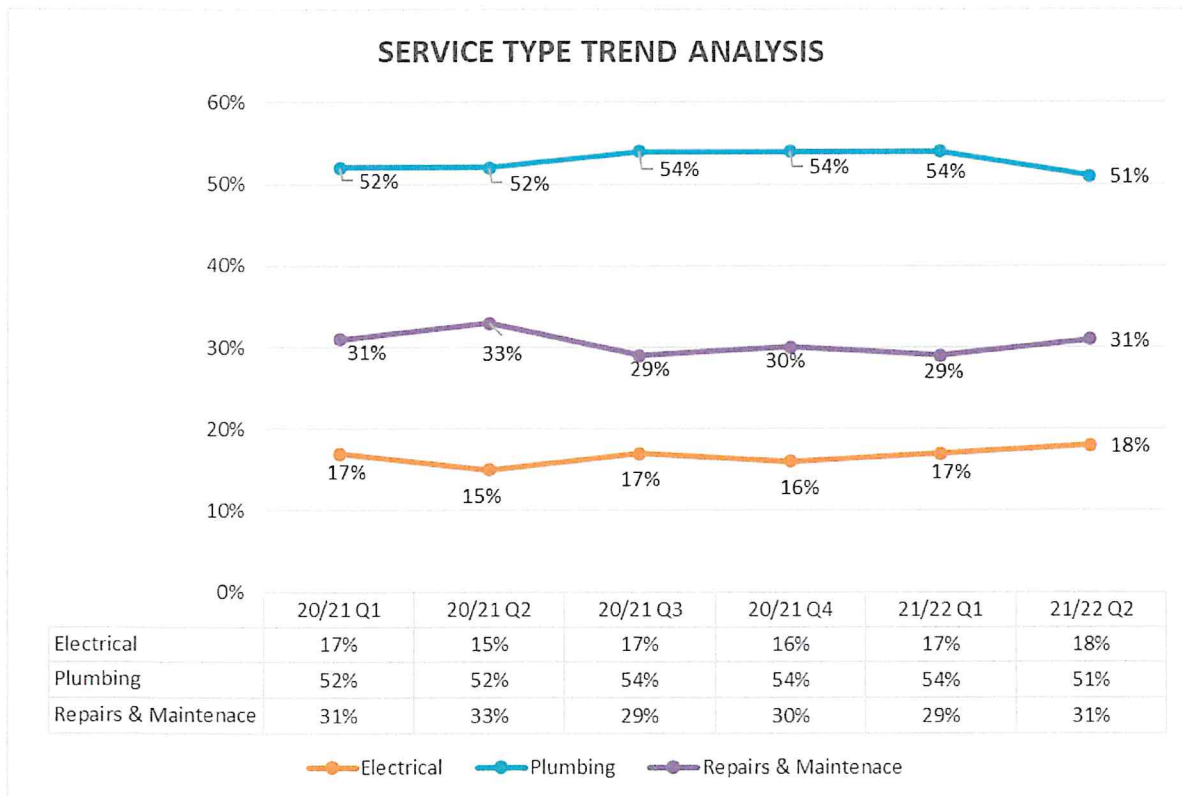


Figure 7: Service type trend analysis

6.3 TURNAROUND TIMES

Table 22: The following table provide a breakdown of maintenance turnaround achieved per project.

Project	Total	Meet Turnaround	Outside Turnaround	Percentage
123 Kerk Street	8	6	2	75.00%
125 Kerk Street	27	27	-	100.00%
AA House	136	136	-	100.00%
Alexandra	102	89	13	87.25%
Antea	48	42	6	87.50%
Bellavista Infill	29	28	1	96.55%
Booyens	3	3	-	100.00%
Chelsea - Hillbrow	24	24	-	100.00%
Citrine Court	36	35	1	97.22%
City Deep	101	96	5	95.05%
Devland	97	96	1	98.97%
Dobsonville	91	89	2	97.80%
Diepkloof	-	-	-	-

Europa	6	6	-	100.00%
Fleurhof	112	106	6	94.64%
Fleurhof Riverside	40	36	4	90.00%
Hoek Street	52	52	-	100.00%
Jabulani	1	1	-	100.00%
Klipspruit	17	17	-	100.00%
Kliptown	53	51	2	96.23%
Kliptown Golf Course	35	32	3	91.43%
La Rosabel	18	13	5	72.22%
MBV	47	44	3	93.62%
NBS	1	1	-	100.00%
Orlando East	50	44	6	88.00%
Orlando West	2	2	-	100.00%
Pennyville Communal	25	24	1	96.00%
Pennyville Flats	24	24	-	100.00%
Phoenix House	29	29	-	100.00%
Raschers	35	35	-	100.00%
Roodepoort	59	58	1	98.31%
Selby	55	54	1	98.18%
Turffontein	104	93	11	89.42%
Union Square	107	105	2	98.13%
Grand Total	1 574	1 498	76	95.17%

The following chart provides a breakdown of maintenance turnaround in days.

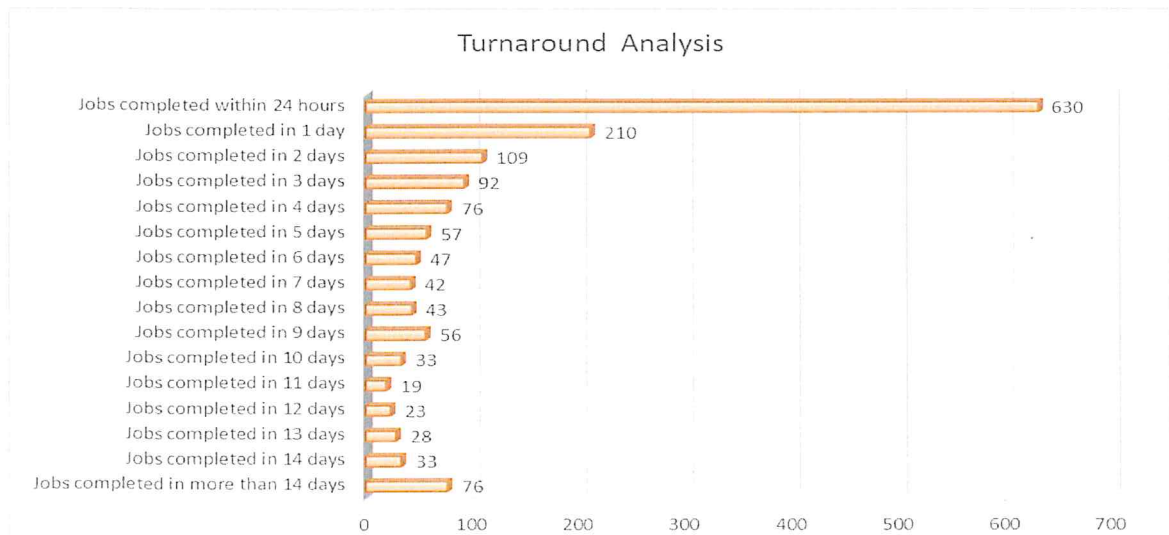


Figure 8: Breakdown of maintenance turnaround in days.

6.4 PLANNED MAINTENANCE SCHEDULE

Planned maintenance works at predetermined intervals is to meet legislative, health, and safety, technical or operational reliability considerations, and to preserve the asset and prolong its economic life. Planned maintenance consists of preventative, legislative, and condition-based maintenance. The benefit of preventative maintenance includes to minimise the likelihood of building asset failures, health and safety issues and disruptions to service delivery. Legislative maintenance is maintenance to meet requirements mandated in Acts, Regulations, or any other legal requirements instrument. Condition-based maintenance is identified as part of a condition assessment or inspection process. The maintenance work is carried out because the physical condition of a building structure, building elements, or service is below the acceptable standard.

The following table provides a breakdown of planned maintenance executed during the 2021-2022 financial year.

Table 23: Planned maintenance schedule

PLANNED MAINTENANCE: 2021-2022	Quarter 1	Quarter 2
OHSA		
Service fire equipment	200 949.16	1 160 642.01
EPWP		
EPWP Programmes	309 079.00	12 824.55
PLANNED MAINTENANCE: 2021-2022	Quarter 1	Quarter 2
AA House		
Installation of steel doors in communal bathrooms	53 287.17	
Installation of doors over the service ducts	74 400.60	
Service of roller shutter doors	8 397.60	
Repair & installation additional washing lines	127 543.06	12 076.40
Painting window frames	22 467.12	
Service of generator		21 230.00
Installation of security bars on opening windows		105 333.76
Installation of security gates at the storeroom	7 576.37	
Installation of LED lights in corridors	15 816.28	21 602.77
Service of water booster pump system		42 247.20
Bellavista Infill		
Installation of LED lights in corridors		27

		482.13
Tiling of common area corridors on 1st & 2nd floors		116 709.65
Repair of children's play equipment		6 636.49
Chelsea		
Repair and waterproofing of the roof area		171 448.35
Citrine Court		
Installation of LED lights in corridors		7 613.58
Repair of children's play equipment		6 612.58
Installation of solar solution to power common area lights		102 518.88
City Deep		
Drawings to convert admin office to retail space	5 038.56	
Service of heat pumps		143 440.00
Repaint security turnstile gates		21 076.86
Repainting of road markings		86 046.00
Repair of damaged exterior walls		171 949.99
Cleaning of all gutters and downpipes		40 590.80
Repair of admin block roof		127 839.23
Devland		
Servicing of solar geysers	172 645.00	
Dobsonville		
Servicing of heat pumps		43 666.70
Installation of additional washing line areas		60 208.49
Laying of paving around block A and B		173 070.54
Waterproofing of roof area	36 337.58	
Servicing of heat pump		31 914.30
PLANNED MAINTENANCE: 2021-2022	Quarter 1	Quarter 2
Fleurhof Junction		
Repair & service of heat pump systems	325 693.00	714 047.15
Interior painting & repairs of units	199 669.27	29 896.66
Maintenance of common area lights	27 406.01	
Repair of paving in all blocks	63 911.56	

Painting of parking and traffic lines	20 549.40	
Extension of fence at high-risk areas		28 707.85
Fleurhof Riverside		
Repair & service of heat pump systems	53 933.00	
Installation of awnings to top floor units		341 830.50
Hoek Street		
Service of heat pump system	23 780.73	8 397.60
Installation of roller shutter gates		124 766.70
Service of generator		2 099.40
Service of gate motor		4 569.70
Installation of stormwater channeling & drainage at entrance		17 678.50
Service of extractor fans		15 987.60
Installation of fire cabinets		85 059.90
Service of smoke detection systems		25 144.40
Jabulani		
Roof repairs and maintenance to all blocks	20 011.76	
Klipspruit		
Installation of LED lights in corridors		173 048.25
Kliptown Golf course		
Installation of new guardhouse		25 672.30
Installation of additional washing line areas		36 468.60
Kliptown Square		
Securing of electrical distribution board kiosks		29 950.89
La Rosabel		
Security upgrade to guardhouse	21 084.13	
MBV		
Repair to common area lights	78 808.72	
Orlando Ekhaya		
Service of solar geysers	173 745.00	
Laying of paving around block C		66 896.68
Orlando West		
Interior painting & repairs of units		21 918.97
Pennyville		

Replacement of geyser overflow pipes in all blocks	106 315.90	
Installation of fascia boards at all flats	83 259.12	712 799.33
PLANNED MAINTENANCE: 2021-2022	Quarter 1	Quarter 2
Replacement of missing gutters and downpipes		403 751.48
Raschers		
Service of heat pumps	22 889.40	
Installation of security gates at the washing area	5 488.07	
Selby		
Installation of speed reducing bumps in parking area	25 949.44	
Installation of gate motors at project entrance & exit	46 778.06	
Installation of new main gates		41 936.85
Textile House		
Separation of PVC waste pipes to prevent blockage	63 902.16	
Painting of parking lines		5 523.00
Replacement of corridor broken windows		30 565.93
Tshedzani Flats		
Internal painting & tiling of units	49 135.91	
Turffontein		
Servicing of heat pump systems	29 400.00	93 695.61
Installation of barrel lock and security bars to ground units		105 798.96
Sealing of holes within the service ducts		107 804.60
Install insulation around balcony doors to prevent wind		37 164.00
Union Square		
Refurbishment of retail space	51 241.39	
Installation of flood lights on the roof area	13 524.18	
Securing of all common area distribution boards	22 947.74	
Installation of notices boards	12 114.95	
Repairs to DSTV system & surge protection		110 754.64
Service of fire detection system		56 562.00
Installation of additional washing lines		21 128.90
Separation of circuit breakers to lights and DSTV system		10 176.93
Total Expenditure	2 575 076.40	6 204 585.14

6.5 MAINTENANCE ANALYSIS PER PROJECT

The following table provides an analysis of maintenance costs per project, per service type, and distinction of maintenance conducted within tenant's residential units and common areas.

Table 24: Maintenance analysis per project

Project Name	Service Type	No. of Units	Common Area	Total Jobs	Amount
123 Kerk Street	Electrical	3	-	3	6 176
	Plumbing	3	1	4	4 545
	Re-instatement	1	-	1	18 009
Project Name	Service Type	No. of Units	Common Area	Total Jobs	Amount
123 Kerk Street Total		7	1	8	28 730
125 Kerk Street	Electrical	3	3	6	29 336
	Plumbing	4	4	8	9 868
	Re-instatement	-	1	1	4 027
	Repairs & Maintenance	5	7	12	15 984
125 Kerk Street Total		12	15	27	59 214
AA House	Electrical	9	16	25	43 630
	Plumbing	25	45	70	73 479
	Re-instatement	14	-	14	91 084
	Repairs & Maintenance	13	14	27	147 090
AA House Total		61	75	136	355 282
Alexandra	Electrical	-	30	30	116 231
	Plumbing	1	60	61	374 335
	Repairs & Maintenance	-	11	11	69 022
Alexandra Total		1	101	102	559 588
Antea	Electrical	5	4	9	34 582
	Plumbing	16	1	17	38 797
	Repairs & Maintenance	12	10	22	178 661
Antea Total		33	15	48	252 040
Bellavista Infill	Electrical	1	1	2	2 496
	Plumbing	7	4	11	19 322
	Re-instatement	2	-	2	20 514
	Repairs & Maintenance	9	5	14	15 076
Bellavista Infill Total		19	10	29	57 409
Boysens	Plumbing	-	2	2	3 589
	Repairs & Maintenance	-	1	1	5 496
Boysens Total		-	3	3	9 085
Chelsea	Electrical	-	5	5	56 094
	Plumbing	-	16	16	58 261
	Repairs & Maintenance	-	3	3	-

Chelsea Total		-	24	24	114 354
Citrine Court	Electrical	3	1	4	3 157
	Plumbing	5	3	8	59 225
	Re-instatement	5	-	5	46 662
	Repairs & Maintenance	8	10	18	37 416
	Fire Equipment	-	1	1	4 500
Citrine Court Total		21	15	36	150 960
City Deep	Electrical	5	4	9	45 231
	Plumbing	44	20	64	190 842
	Re-instatement	-	1	1	14 251
	Repairs & Maintenance	14	13	27	230 822
City Deep Total		63	38	101	481 145
Project Name	Service Type	No. of Units	Common Area	Total Jobs	Amount
Devland	Electrical	6	8	14	13 144
	Plumbing	18	13	31	42 592
	Re-instatement	2	-	2	27 728
	Repairs & Maintenance	19	31	50	71 704
Devland Total		45	52	97	155 168
Dobsonville	Electrical	10	7	17	114 344
	Plumbing	21	28	49	227 400
	Re-instatement	3	4	7	63 553
	Repairs & Maintenance	12	6	18	89 335
Dobsonville Total		46	45	91	494 632
Europa	Electrical	-	2	2	10 633
	Plumbing	-	3	3	7 613
	Repairs & Maintenance	-	1	1	3 264
Europa Total		-	6	6	21 510
Fleurhof	Electrical	11	17	28	242 115
	Plumbing	31	43	74	899 196
	Re-instatement	-	1	1	22 423
	Repairs & Maintenance	9	40	49	750 442
Fleurhof Total		51	101	152	1 914 176
Hoek Street	Electrical	-	5	5	35 697
	Plumbing	2	39	41	206 995
	Repairs & Maintenance	4	2	6	40 675
Hoek Street Total		6	46	52	283 367
Jabulani	Plumbing	-	1	1	2 410
Jabulani Total		-	1	1	2 410
Klipspruit	Electrical	2	-	2	8 912
	Plumbing	-	7	7	28 342
	Repairs & Maintenance	-	8	8	182 354

Klipspruit Total		2	15	17	219 609
Kliptown	Electrical	6	4	10	28 996
	Plumbing	17	10	27	29 858
	Re-instatement	3	1	4	50 596
	Repairs & Maintenance	9	3	12	19 040
Kliptown Total		35	18	53	128 491
Kliptown Golf Course	Electrical	1	1	2	9 893
	Plumbing	11	13	24	83 019
	Repairs & Maintenance	4	5	9	23 595
Kliptown Golf Course Total		16	19	35	116 506
La Rosabel	Plumbing	-	11	11	39 620
	Re-instatement	1	-	1	11 091
	Repairs & Maintenance	5	1	6	24 532
La Rosabel Total		6	12	18	75 243
Project Name	Service Type	No. of Units	Common Area	Total Jobs	Amount
MBV	Electrical	1	3	4	6 319
	Plumbing	-	38	38	79 483
	Repairs & Maintenance	-	5	5	80 584
MBV Total		1	46	47	166 386
NBS	Plumbing	-	1	1	171 039
NBS Total		-	1	1	171 039
Orlando East	Electrical	4	4	8	25 816
	Plumbing	12	7	19	46 052
	Re-instatement	2	-	2	17 463
	Repairs & Maintenance	17	4	21	107 363
Orlando East Total		35	15	50	196 694
Orlando West	Plumbing	2	-	2	-
Orlando West Total		2	-	2	-
Pennyville	Electrical	1	6	7	66 653
	Plumbing	8	22	30	200 298
	Repairs & Maintenance	4	8	12	146 238
Pennyville Total		13	36	49	413 189
Phoenix House	Electrical	1	6	7	7 743
	Plumbing	5	6	11	12 891
	Repairs & Maintenance	3	8	11	19 458
Phoenix House Total		9	20	29	40 092
Raschers	Electrical	2	10	12	35 812
	Plumbing	-	20	20	43 451
	Re-instatement	3	-	3	16 897
Raschers Total		5	30	35	96 160

Roodepoort	Electrical	6	4	10	57 112
	Plumbing	17	22	39	163 427
	Re-instatement	2	-	2	61 735
	Repairs & Maintenance	6	2	8	25 779
Roodepoort Total		31	28	59	308 053
Selby	Electrical	4	1	5	23 498
	Plumbing	29	8	37	225 969
	Repairs & Maintenance	7	6	13	168 678
Selby Total		40	15	55	418 144
Turffontein	Electrical	18	2	20	27 428
	Plumbing	16	18	34	97 140
	Re-instatement	2	-	2	19 793
	Repairs & Maintenance	38	10	48	150 656
Turffontein Total		74	30	104	295 018
Union Square	Electrical	22	7	29	44 774
	Plumbing	28	21	49	46 706
	Re-instatement	1	-	1	6 493
	Repairs & Maintenance	18	10	28	53 440
Union Square Total		69	38	107	151 413
Grand Total		703	871	1 574	7 735 107

Table 24: High Maintenance Costs Key Drivers

Project Name	Maintenance description	Cost per Quarter
AA House	<ul style="list-style-type: none"> - Backup Generator fuel due to loadshedding - Re-instatement of units - Broken water pumps in the buildings 	R355 282
Bothlabela	<ul style="list-style-type: none"> - Blocked main storm water drains - Leaking roofs - Blocked and leaking common area toilets - Electrical failure in the project 	R550 000
City Deep	<ul style="list-style-type: none"> - Electrical cable damaged - Reinstatement of units - Broken heat pumps 	R481 145
Dobsonville	<ul style="list-style-type: none"> - Broken heat pumps - Undercover parking light installations - Repairs and maintenance 	R494 632
Pennyville	<ul style="list-style-type: none"> - Fischer boards blown off by storm - Leakages in common area - Blockages in common area 	R413 189
Selby	<ul style="list-style-type: none"> - Installation of palisade fence (safety) - Pest control - Painting of units 	R418 144

SECTION 7. PROGRAMMES TO EFFECTIVELY MANAGE SOCIAL HOUSING PROJECTS

7.1 BUILDING CONDITION INSPECTIONS

JOSHCO has appointed Ntsika Architects to undertake building condition assessment of all JOSHCO projects. The purpose of the condition assessment is to provide JOSHCO with an overall indication of the condition of the building and any repairs and maintenance required to restore the asset to a good standard. The service provider will assist with the development of budgets for required repairs and refurbishments in current year and future years. The complete exterior of all buildings will be inspected and a sample of the interior of units will be audited. The service provider has completed conditional assessment at two (2) projects during the second quarter namely, Diepkloof, and Raschers. Seven more projects are at an advance stage, anticipated for completion beginning of February 2022.

7.2 ALTERNATIVE ENERGY SOLUTIONS

JOSHCO is focused on delivering the City of Johannesburg's commitments on climate change declarations, while working steadfastly on improving the liveability and sustainability of Johannesburg as a developing urban centre. In the 2021/22 financial year JOSHCO will be implementing a programme whose objective is to foster building resilience, resource efficiency, emission reductions. The programme will include the retrofit and use of LED lights in communal areas at twelve housing projects and the installation of two solar power solutions. The progress on the provision of alternative energy solution is indicated on table 25 below

Table 25: Retrofitting of LED Lights and Solar Panels

LED Lights retrofitting programme			Solar Energy Solution programme	
Quarter 2 Completed	Quarter 3	Quarter 4	Quarter 2 Completed	Quarter 4
Antea	Raschers	AA House	Citrine	Fleurhof
Bellavista	City Deep	Chelsea		
Citrine	La Rosabel	Phoenix House		
Klipspruit	Europa	Textile House		

7.3 SAFETY AND SECURITY

The following projects had been identified to be fitted with burglar proofing system. AA house had been fitted with window burglars in the second quarter. Housing Management is planning to move faster and complete Raschers building in the third quarter. Management will have time to inspect and monitor the quality of work to ensure that JOSHCO gets the value for money. Dobsonville burglar installations will start at the beginning of the third quarter as planned.

Table 26: Projects with door or window burglars

Door burglars		Window burglars	
Quarter 3	Quarter 4	Quarter 2 Completed	Quarter 4
Dobsonville	Turffontein	AA House	Raschers Building

7.4 MAINTENANCE PROCESS REFINEMENT

All major planned maintenance jobs are signed by both the Maintenance Manager and the Portfolio Manager. This process has improved the quality of work done on projects. JOSHCO is indeed getting the value for money from the service providers contracted to do the work.

SECTION 8. ANALYSIS OF OCCUPANCY LEVELS PER PROJECT

A full analysis of occupancy levels is provided in the table below shows occupancy levels against SHRA required target of 97% and JOSHCO target of 98%.

Table 27: OCCUPANCY LEVELS PER PROJECT

No.	Project Name	Units No.	Occupancy	Occupancy
1.	AA House	252	244	96.83%
2.	African Diamond	61	52	85.57%
3.	Antea	409	358	87.53%
4.	Bellavista Infill	36	35	97.22%
5.	Bothlabela	521	519	99.62%
6.	Chelsea	80	79	98.75%
7.	Citrine Court	79	74	93.57%

8.	City Deep New	329	328	99.70%
9.	City Deep Old	425	415	97.64%
10.	Devland	255	254	99.60%
11.	Dobsonville	502	496	98.80%
12.	Diepkloof	148	146	98.65%
13.	Europa House	167	165	98.80%
No.	Project Name	Units No.	Occupancy	Occupancy
14.	Fleurhof Ph. 1	452	449	99.34%
15.	Fleurhof Ph. 2	252	252	100.00%
16.	Hoek Street	265	259	97.53%
17.	Jabulani	54	54	100%
18.	Klipspruit (Beds)	54	54	100%
19.	Kliptown Golf C	936	929	99.26%
20.	Kliptown Square	478	477	99.79%
21.	La Rosabel	50	48	96.02%
22.	MBV	188	185	98.40%
23.	Orlando Ekhasa 2	190	186	97.89%
24.	Orlando Ekhasa 1	102	99	97.02%
25.	Orlando West	44	44	100%
26.	Pennyville (Flats)	198	195	98.48%
27.	Pennyville Rooms	564	563	99.82%
28.	Phoenix House	135	132	97.77%
29.	Rashers' Building	95	87	91.57%
30.	Roodepoort	432	432	100%
31.	Selby Rooms	19	19	100%
32.	Selby Units	256	254	99.21%
33.	Textile Building	162	143	88.27%
34.	Turffontein	525	524	99.80%
35.	Union Square	341	338	99.12%
	Totals	9056	8888	98.14%

8.1 THE PROGRESS REPORT ON REGULARIZATION PROCESS IN MARCH 2021

The table below indicates the progress made in September 2021. The total number of 90 families were visited for the purpose of regularisation within JOSHCO Portfolios. An illegal occupant is anyone who is occupying JOSHCO unit without a signed lease agreement and in some instances the lease holder left dependents in the unit.

Table 28: Progress report on regularization process in December 2021

PROJECT NAME	NO OF ILLEGALS:					
	Consulted	Processed	Approved	Pending	Declined	Notice to vacate
AA House	2	2	2	0	0	0
La-Rosabell	1	1	1	0	0	0
Chelsea	2	2	0	2	0	0
Rashers	5	5	5	0	0	0
MBV	1	1	1	0	0	0
TOTAL	11	11	9	2	0	0

Lease renewal was done in the following projects. 55 outdated leases were renewed as per the projects below

No.	Project Name	Totals
1.	Hoek	03
2.	AA House	15
3.	Phoenix	7
7.	Turffontein	30
	TOTAL	55

8.2 FOOD GARDEN IMPLEMENTATION

Based on the Memorandum of understanding between JOSHCO and Social Development department, progress meeting had taken place between stakeholders. The main purpose was to conduct broader consultations with our tenants. The actual project will take off beginning of the third quarter.

8.3 TENANT EDUCATION

Housing Management Department has appointed **TS GRPUP Trading and Projects** to facilitate the tenants training program through webinar. The consultation process is underway with other stakeholders such as SHRA and FLISP (Housing Department) to be part of the training and assist in addressing some of the critical frequently questions asked by tenants. Training for tenants at Citrium court, Bellavista, Phoenix, Kliptown square and Kliptown golf course was conducted on the 14 December 2021 in collaboration with SHRA and City Housing department.

8.4 BIOMETRIC SYSTEM INSTALLATIONS

JOSHCO has appointed **MATLA A MORWA SECURITY** to install biometric system in 20 projects. The progress on the installation of biometric system is that all twenty (20) projects had been completed. The activation for the last six projects was delayed due to the four COVID 19 wave.

8.5 JOSHCO PREPAID VENDING SOLUTION

The progress on the vending system solution is that the service provider, **SYNTELL** has completed training to JOSHCO management team. The system is active at Doobsonville, and tenants can purchase electricity through the system. The system is designed in a way that JOSHCO can upload the tenant rental debt into the system and recover the rental outstanding amount as the tenant purchase electricity on the system. The system can clearly show the amount allocated for electricity and the amount allocated for the rental debt.

CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT



SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

This section provides the total employee remuneration against the budgeted quarterly remuneration, including the Executives as summarised in the table below.

Table 29: Personnel Cost by Occupational Level as at 31 December 2021:

Note: The salary costs below include costs for all permanent, Fixed Term employees and excludes board fees.

Occupational Level	No. of employees	(R'000) Personnel Expenditure	% Of total personnel cost	(R'000) Average cost per employee
Top Management (CEO, CFO)	2	852,514.00	3%	426,257.00
Executive Managers	4	1,536,859.12	6%	384,214.78
Prof Qualified / Mid Man	28	5,488,357.41	20%	189,253.70
Skilled, Tech & Qual	111	8,629,337.73	32%	82,974.40
Semi-Skilled (Driver)	2	75,068.07	0%	37,534.04
Internship	4	91,992.00	0%	22,998.00
Unskilled	358	9,430,905.94	35%	26,417.10

EPWP	89	1089801.92	4%	11,352.10
Total	598	27,194,836.19	100%	45,476.31

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 30: Acting Appointments

Designation	Current – Acting Role	From
Allocations Officer	Leasing Manager	27 Oct 2021 to 26 Nov 2021
Financial Manager	Chief Financial Officer	18 Oct 2021 to 29 Oct 2021
Property Supervisor	Portfolio Manager	08 Nov 2021 to 07 Jan 2022
Property Supervisor	Portfolio Manager	01 June 2021 to 12 Oct 2021
Contact Centre Agent	Monitoring and Evaluation Officer	01 July 2021 to 30 Nov 2021

Notes:

The only active acting appointment of a Supervisor in the Portfolio Manager role will end in January of 2022.

2.1 RECRUITMENT

Table 31: Staff Movement

Position	# Vacancies	New Position/ Replacement	Status
Risk Officer	1	New Position	Appointed on 04 October 2021
IT Technician	1	Replacement	Appointed on 01 December 2021
Social Facilitator	2	New Position	Appointed one Social Facilitator on 01 Dec 2021; to commence on 01 Jan 2022

Position	# Vacancies	New Position/ Replacement	Status
Special Projects Bookkeeper	1	New Position	Appointed on 15 October 2021
Monitoring and Evaluation Officer	1	Replacement	Appointed on 01 December 2021
Maintenance Worker	1	Replacement	Appointed on 01 December 2021
Call Centre Agents	2	Additional H/C	Appointed on 01 December 2021
Special Projects Accounts Administrator	1	New Position	Appointed on 15 October 2021
Total	11		

Table 32: Recruitment progress

Position	Vacancies	New Position/ Replacement	Status
HR Officer: Employment Relations	1	Additional H/C	Interviews Stage
Procurement Specialist	1	New Position	Offer Stage
Project Manager: Performance and Planning	1	New Position	Offer Stage
Security Supervisor	2	Replacement	Shortlisting Stage
Total	5		

SECTION 3: EMPLOYMENT EQUITY

This section provides information on how the entity has performed and responded to the requirements of employment equity for the quarter under review. JOSHCO's policy objective is

to have a workforce reflective of the demographics of South Africa and Gauteng region. Diversity and inclusion are entrenched in our talent management as well as a learning and development agenda which allows us to improve our talent pipeline for designated groups.

The Employment Equity is profiled according to gender, disability, race, salary grade and by occupational levels. The employment equity targets are aligned to the country's Economically Active Population (EAP) percentage distribution within the Gauteng region. The EAP includes people from **15 to 64 years of age** who are either employed or unemployed and seeking employment and is used to assist employers in the analysis of their workforce to determine the degree of under-representation of the designated groups.

JOSHCO is required to use the EAP as a guide, to determine the resource allocation and subsequent interventions that are needed to achieve an equitable and representative workforce. It is important to note that the analysis of this section of the report focuses on the Gauteng EAP and IDP target as depicted in the tables below.

Table 33: Employee equity statistics

Employment Equity Profile													G/ Ttl	Racial % Achievement	Female Gender % Achievement
Occupational Level	Male				Female				Foreign Nat.		Local				
	A	C	I	W	A	C	I	W	M	F	M	F			
Top Management	1	0	0	0	1	0	0	0	0	0	1	1	2	100%	50%
Senior Management	2	0	0	0	2	0	0	0	0	0	2	2	4	100%	67%
Professionally Qualified / Middle Management	13	0	0	2	9	0	1	0	2	1	17	11	28	91%	38%
Skilled Technically and Academically Qualified	46	3	0	0	55	5	1	1	0	0	49	62	111	98%	54%
Semi-Skilled	2	0	0	0	0	0	0	0	0	0	2	0	2	100%	0%

Unskilled	160	3	0	0	190	5	0	0	0	0	163	195	358	100%	54%
Total	224	6	0	2	257	10	2	1	2	1	232	270	505	100%	54%

Notes:

During the reporting period the 50/50 target for gender representation has been achieved, which is also exhibited by female employees at top, Senior and middle management positions. The recruitment is in line with the Employment Equity Plan and the targets that has been set

3.1 AGE PROFILE

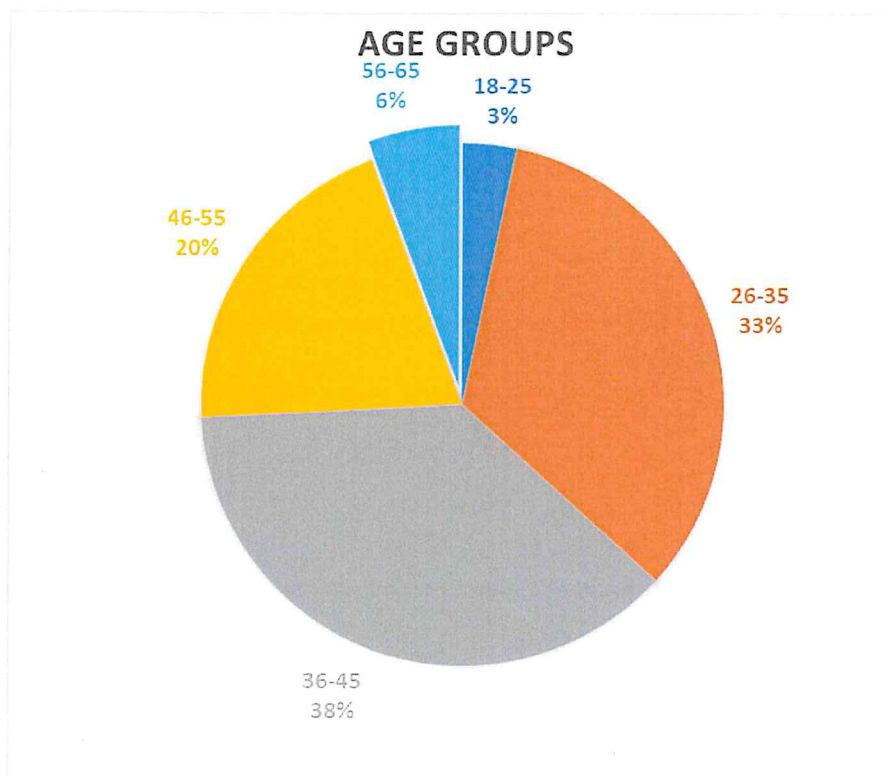


Figure 9: Employee Age Profile

- 33% of our workforce is classified as youth and this is in line with our strategy to reduce the unemployment rate of the youth.
- 6% of the workforce is due for retirement in the next ten year, however, one retiree has been retained for a period for 2 years for operational requirements

- The majority of JOSHCO employees are aged between 36-45 years of age, which represents 38% of the JOSHCO staff establishment, and they mostly in the middle management category. This will assist in creation of a succession plan.

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

4.1 Bursaries for 2021/2022

- Bursary applications for FY2021/2022 were advertised from 08 October 2021 and closed on 19 November 2021. The announcement to both successful and unsuccessful applicants will be communicated accordingly after the bursary committee has deliberated.

4.2 Training Interventions

- 4 employees enrolled for short courses in Change Management (1) and Facilities Management (3).
- The Skills Development and Employment Equity (SDEE) Committee, attended a 2-day training

4.3 Workplace Skills Plan and Annual Training Report

- Not for the reporting period

SECTION 5: PERFORMANCE MANAGEMENT

Table 34: Progress on signed performance agreements

Department	Eligible Staff	Performance Agreements Submitted	Outstanding
Office of the CEO (Exec's, Internal Audit & Cossec)	6	6	0
Business Planning & Strategy (IT, Risk & PA)	6	4	2
Housing Management (PM's, HSV, Maintenance & Leasing, Comm Dev, Security)	59	6	53
Housing Development	15	0	12
Finance (Revenue, SCM & Finance Core)	33	0	33
Corporate Support (HR, Comm's, CC, Stakeholder)	12	8	4
Total	138	14	124

NB: The union members did not agree to contract for performance management due SAMWU indicating their refusal to contract. The matter is being resolved through the Local labour Forum.

SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

6.1 Pending Disciplinary Matters

- Four matters remain outstanding. These involve gross dishonesty, absenteeism, and insubordination.

6.2 Suspensions

- None

6.3 Finalised Matters

- One matter was finalised resulting in a 12-month final written warning. The matter involved a security employee who failed to make an OB entry after management instructed the employee to do so.

6.4 Grievances

- Two Grievance were lodged, and still in the process. Matters involve breach of company values

6.5 External Referrals

- Two matters at the Bargaining Council relating to unfair dismissal and constructive dismissal
- Two matters at the CCMA relating to unfair dismissal.
- Two matters at the Labour Court, one is an application for a CCMA review by JOSHCO and the other is a responding affidavit to the Mogale grading dispute

SECTION 7: LEAVE AND PRODUCTIVITY MANAGEMENT

In line with the approved Leave Management and Regulation of Hour's 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 provide a detailed overall leave management.

Overall Company Leave Analysis:

Table 35: Leave Movement

Type of Leave	October	November	December	Total Leave days Taken
Annual	74	28	69	171
Sick	21	23	0	44

Family Resp. Leave	5	2	0	7
Study Leave	3	86	0	89
Unauthorized Leave	0	23	0	23
Maternity Leave	63	49	15	127
Total	166	211	84	461

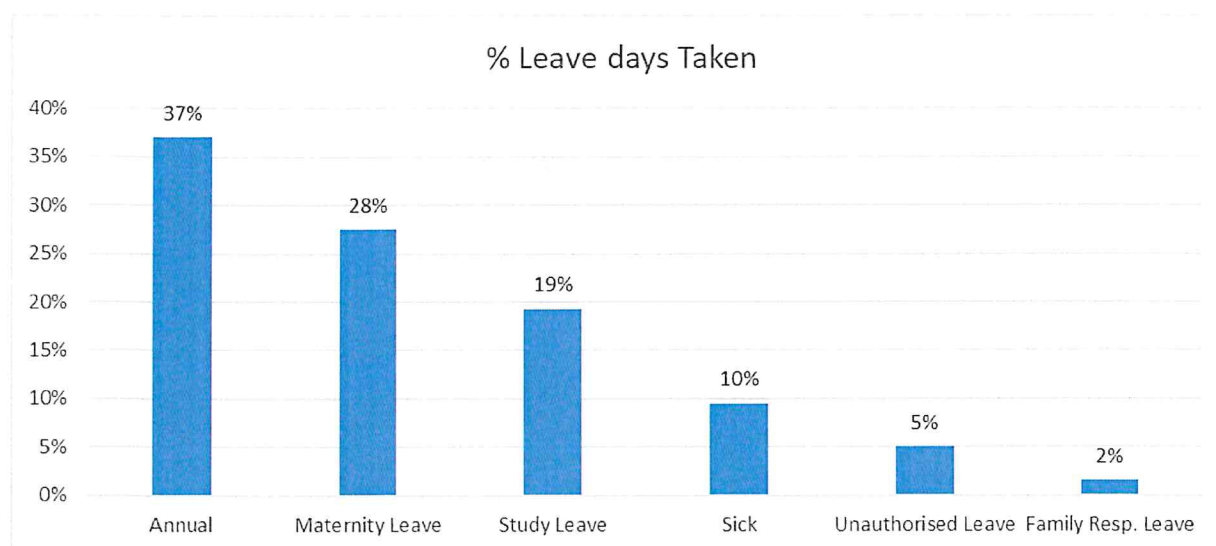


Figure 10: Leave taken

SECTION 8: MARKETING AND COMMUNICATION

This section is set to report on the organization's quarter two performance against the Marketing and Communication objectives for the financial year ending 2021/2022.

The focus was on content development of key company information to inform stakeholders about policies and procedures.

Highlights

The department used digital methods to effectively disperse information and to engage stakeholders.

- 🕒 Publishing of the Frequently Asked Questions on the company website and social pages
- 🕒 Launch of the policy portal which details company approved policies for easy access
- 🕒 Finalization of the Tenant Training/ Induction Manual
- 🕒 Production of Security protocols for JOSHCO properties
- 🕒 Execution of the Anti - Fraud and Corruption Digital campaign (Printed and helpdesks)

- Media campaign: creating awareness against corruption (TV and Radio)

8.1 COMMUNICATION PRODUCTS:

The department used its digital footprint to distribute a total of 19 communication products during the quarter. The products were targeted at both internal and external stakeholders. The communication collateral included notices to tenants; Covid alerts from COJ; Anti-Fraud and Corruption Posters; Security Protocols; Policy Manual; Tenant Induction Manual amongst others. Distribution was done electronically while some were printed and posted in respective projects.

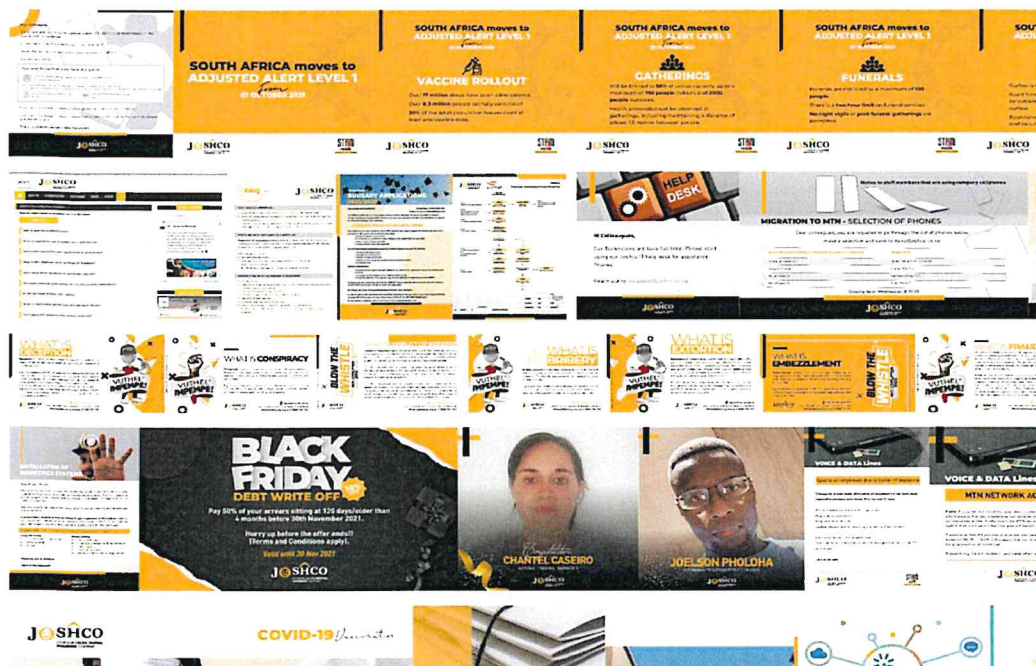


Figure 11: Examples of products

8.2 REVENUE DRIVE

The team visited the City Deep project on 16 October 2021 to engage with tenants on issues relating to lease renewals and rental collection. The drive encompassed one on one consultations through the service help desk.

Service Help Desks.



Figure 12: Staff at City Deep during a revenue drive campaign

8.3 ANTI FRAUD & CORRUPTION MEDIA CAMPAIGN

The organisation launched a media campaign aimed at raising awareness against persistent scammers posing as JOSHCO agents. The campaign was implemented on 15 November 2021 using digital platforms and different media outlets to get the message to the public.

8.4 DONATION TO CHILD HEADED HOMES



Figure 13: Donation at the properties

On the 8th of December 2021 JOSHCO team through the Alfa Destiny PR company delivered food stuff donations to various child-headed households within JOSHCO properties. This initiative will be an annual CSI initiative.

8.5 POLICIES PORTAL LAUNCH

Launching the policy portal was another avenue to ensure that JOSHCO staff have access to the organisation's processes and policies. The policies have been given a vibrant look and feel to generate interest. This portal is a temporary solution until the company establishes an intranet.



Figure 14: The face of the portal

8.6 MEDIA LIAISON AND MONITORING:

Media Enquiries/ Interview and Responses:

- Joburg pulse
- Jozi Fm
- Municipal Focus Magazine
- Sunday World Advertorial
- Power Fm soundbite

Table 36: SUMMARY MEDIA COVERAGE/ ARTICLES: OCTOBER - DECEMBER 2021

Source & Date	Summary of enquiry/ query	Article Brief
Municipal focus Magazine 10 September 2021	Advocacy: Accelerating inclusive social housing Dialogue	  <p>Advocacy: Accelerating the Inclusive Social Housing Dialogue</p>

SECTION 9: HEALTH AND SAFETY

JOSHCO Incidents Statistics: July 2021-December 2021

Table 37: Covid-19 cases reported

Total covid - 19 positive cases	Total recoveries	Total not yet recovered (active cases)	Total fatalities	Total direct contacts sent for testing	Total Staff Vaccinated
14	12	02	01	37	77
We are anticipating an exponential rise in Covid-19 cases because of the new Omicron variant which is reported to be the most infectious variant though less fatal. An overall 77 staff members have been vaccinated following the COJ Covid-19 vaccination roll out.					

9.1 IOD and Fatalities

No reported cases for the reporting period

9.2 Covid-19 measures implemented (In Quarter 2 the following Covid-19 measures have been conducted).

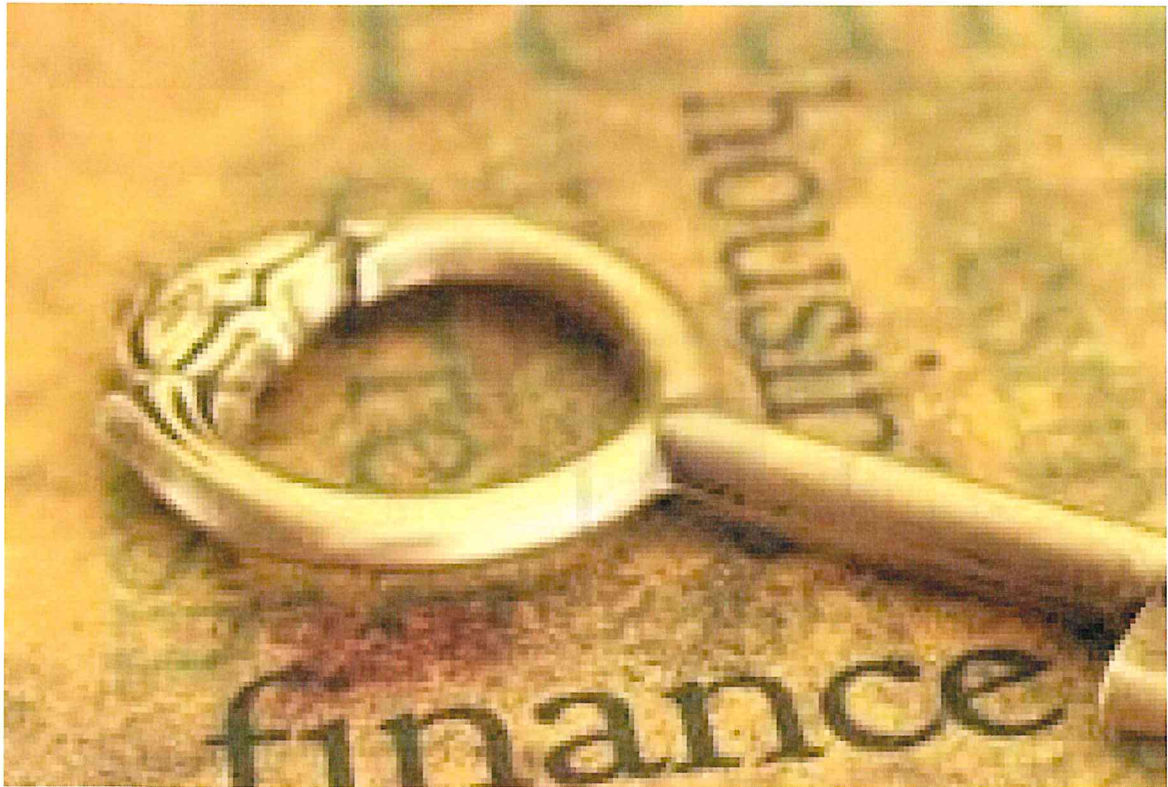
- As part of promoting a safe working environment the Covid-19 work plan was revisited and reviewed following the President's announcement of moving the country to adjusted level 1 to allow employees to deliver services in a safe working environment.
- Safety meeting for Quarter 2 was held on the 10th of December 2021

9.3 Health and Safety training

- Additional 09 candidates (security personnel and newly appointed site supervisors) have been trained as First Aiders on 29 November 2021 to improve on the emergency preparedness and response during the emergency situations.

9.4 Site visits and inspections

- The following sites were visited for inspections: Chelsea, African Diamond, Textile House, Phoenix and Raschers



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

An analysis of the financial position for the quarter ended 31 December 2021 is reflected below and in Table 38.

Table 38: Statement of Financial Position for the quarter ended 31 December 2021

Description	31 December 2021	30 September 2021	Variance	Variance %
	R'000	R'000	R'000	
Assets				
Current Assets				
Inventories	440	424	16	4%
Loans to shareholders	5,958	5,958	-	0%
Current tax receivable	50	50	-	100%
Receivables from exchange transactions	1,222,292	860,074	362,218	42%
VAT receivable	3,320	2,883	437	15%
Cash and cash equivalents	210,081	189,530	20,551	11%
	1,442,140	1,058,918	383,223	36%
Non-current assets				
Property, plant, and equipment	7,666	8,030	(364)	-5%
Intangible assets	313	339	(26)	-8%
Investment in joint venture	21,310	22,410	(1,100)	-5%
Deferred tax	22,526	22,526	-	0%
Total Non-current assets	51,816	53,306	(1,490)	-3%
Total Assets	1,493,956	1,112,224	381,731	34%
Liabilities				
Current Liabilities				
Loans to shareholder	953,680	607,128	346,552	57%
Borrowings - DBSA	2,142	2,142	-	0%
Finance lease obligation	285	508	(223)	-44%
Payables from exchange transactions	816,915	734,040	82,875	11%
	1,773,021	1,343,818	429,203	32%
Non-Current Liabilities				
Borrowings - DBSA	8,141	8,997	(856)	-10%
Finance lease obligation	37	(59)	96	-162%
Deferred Income from non-exchange transactions	178	178	-	0%
	8,356	9,116	(760)	-8%
Total Liabilities	1,781,377	1,352,933	428,444	32%

Description	31 December 2021	30 September 2021	Variance	Variance %
Net Assets	(287,421)	(240,709)	(46,712)	19%
Share Capital	0.120	0.120	-	0%
Accumulated deficit	(287,422)	(240,709)	(46,713)	19%
Total Net Assets	(287,421)	(240,709)	(46,712)	-100%

1.1 Assets

Current assets have increased by R383.2 million (from R1.059 billion to R1.442 billion). Receivables from exchange transactions have increased by 42% due to high outstanding tenant debtors and high outstanding balances from the Department of Housing (Housing) and Corporate Asset Management Department (CAM). CAM has introduced a new process which requires additional documents to be submitted for them to process payments, this is causing a delay in receipt of monies due. Our engagement with Housing has not yielded any results and management has therefore taken a decision to halt all their projects until they settle at least half of what is due to JOSHCO. Cash and cash equivalents have increased by 11% due to interest on SHRA balances. There has been no material change in the composition of non-current assets.

1.2 Liabilities

Loans from shareholders increased by R346.6 million (from R607.1 mil to R953.7 million) due to settlement of suppliers before getting payment from the departments we are executing projects on behalf. This is done in order to ensure that we settle supplier invoices within 30 days. Payables from exchange transactions increased by 11% as a result of end of calendar year accruals. Included in current liabilities is the current portion of the long-term loan from the DBSA.

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 quarter ended 31 December 2021 resulted in a deficit of R62.1 million per Table 39 below.

Table 39: Statement of Financial Performance for the period ended 31 December 2021

Description	Actual	Budget	Variance	Variance %
	R'000	R'000	R'000	
Rentals Received	91,004	94,410	(3,406)	-4%
Subsidies	7,178	7,178	-	0%
Management Fees	56,897	23,555	33,342	142%
Interest received	6,379	8,580	(2,201)	-26%
Utilities	111	144	(33)	-23%
Other Income	914	839	75	9%
Total Revenue	162,482	134,706	27,777	21%
Personnel costs	(75,633)	(71,163)	(4,470)	6%
Board fees	(1,080)	(800)	(280)	35%
Special projects staff costs	(1,346)	-	(1,346)	100%
Provision for bad debts	(43,134)	(14,657)	(28,477)	194%
Depreciation and Amortisation	(755)	(746)	(9)	1%
Finance Costs	(12,985)	(801)	(12,184)	1521%
Repairs and Maintenance	(15,318)	(15,948)	630	-4%
Security	(3,145)	(7,452)	4,307	-58%
Utilities	(57,860)	(10,970)	(46,890)	427%
Administrative	(13,356)	(12,169)	(1,187)	10%
Total Expenditure	(224,612)	(134,706)	(89,906)	67%
Operating (Deficit)/Surplus before tax	(62,130)	-	(62,130)	-100%
Taxation	-	-	-	-
Operating (Deficit)/Surplus after tax	(62,130)	-	(62,130)	-100%

2.1 Revenue

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

Table 40: Composition of revenue

Revenue	Actual	Budget	Weighting %
	R'000	R'000	
Rentals Received	91,004	94,410	56%
Subsidies	7,178	7,178	4%
Management Fees	56,897	23,555	35%
Interest Received	6,379	8,580	4%
Utilities	111	144	0.1%
Other Income	914	839	1%
Total Revenue	162,482	134,706	100%

The biggest contributor to revenue is rental income making up 56% of total revenue. Total revenue is 21% (R27.8 million) above budget. The main reason for revenue being above budget is Management fees which are 142% (R33.3 million) above budget due to increased projects on behalf of other departments. Interest received is 26% (R2.2 million) below budget due to no interest received on the sweeping account as it is in overdraft.

The entity's collection levels continue to decrease, we have collected 56% for current tenant rentals against a collection target of 90% for the current financial year as shown in Table 40 below.

Of the total of 8 325 tenants billed, 4% (313) have indicated they are unemployed, 1% (115) have indicated that they have lost their job due to COVID-19, 1% (117) are illegal tenants and 3% (263) are on record as refusing to pay. The debt collection company has been instructed to proceed with eviction processes for the tenants who have stated their refusal to pay. Illegal tenants are beneficiaries of deceased or retired tenants. Those tenants who are working are being regularised. Those who refuse to be regularised or cannot be regularised due to not qualifying for a JOSHCO unit are given a month to vacate thereafter eviction processes will commence.

Table 41: Revenue Collection

PORTFOLIO	% COLLECTION	REASONS FOR UNDER PERFORMANCE
Brownfields	62%	Rent boycott campaigns from organised tenants' groups, rising number of illegal tenants (beneficiaries of former tenants), high rise of unemployment due to Covid-19 job losses and delayed court orders for evictions.
Greenfields	51%	High rise of unemployment due to Covid-19 job losses and delayed court orders for evictions.
City Referral Stock	15%	Former City Stock with a rising demand for ownership and mobilised group of tenants campaigning for non-payment of rent.
Retail Space	97%	Commercial tenants are struggling with keeping up with their current rentals as they are still recovering from losses experienced during the lockdowns.
OVERALL COLLECTION	56%	

The company uses the services of a debt collecting company to collect debt over 90 days. The performance of the debt collection company is shown in Table 42. For the year to date, the company has collected R4.1 million (2.9%) from the R143.7 million handed over to them for collection.

Table 42: Revenue collection by debt collection company

Month	No. of accounts handed over	Amount handed over	Amount Collected	% Collection
		R'000	R'000	
Jul-21	2,996	126,983	(833)	0.66%
Aug-21	2,988	128,745	(716)	0.56%
Sep-21	2,992	127,864	(774)	0.61%
Oct-21	3,000	137,352	(669)	0.49%
Nov-21	3,000	140,136	(608)	0.43%
Dec-21	3,000	143,691	(519)	0.36%
TOTAL YEAR TO DATE	3,000	143,691	(4,119)	2.87%

2.2 Expenditure

Analysis of major expenses with significant variances (5% and above) between actual and budget:

a) Personnel costs

- 6% above budget (R4.5 million) due to once-off non-pensionable allowances paid of R4 000 for employees earning below R12 000 per month and R3 000 for employees earning above R12 000 per as part the wage agreement settlements.

b) Special projects staff costs

- No budget allocated as these are temporary positions based on demand for projects on behalf of other departments. The justification for appointments is the 7% management fee we charge for special projects.

c) Provision for bad debts

- 194% above budget (R28.5 million) due to a low rental collection rate for the quarter leading to a higher provision for bad debts. Our collections rate for the quarter is 56% which is influenced by the reasons stated in Section 2.1 above.

d) Finance costs

- 1521% above budget (R12.2 million) due to interest charged on sweeping account which is in overdraft.

e) Utilities

- 427% above budget (R46.9 million) due to utility costs incurred more than available budget. The entity's budget is based on common arear charges only and all other charges used by tenants is supposed to be for their own account. A service provider has been appointed for a prepaid vending solution for electricity to assist with the reduction of costs and transferring of costs to the user of electricity. The system is active, and tenants can purchase electricity after the group supply code is changed to JOSHCO. The system is designed in a way that JOSHCO can upload the tenant rental debt into the system and recover a portion of the rental outstanding when the tenant purchases electricity on the system. The system can clearly show the amount allocated for electricity and the amount allocated for the rental debt.

f) Administrative

- 10% above budget (R1.2 million) due to an abnormally high balance for consulting fees which is being investigated and should be verified in quarter 3.

SECTION 3: CASH FLOW STATEMENT

Cash and cash equivalents balance as at 31 December 2021 is R210.1 million. The tenant deposit account has a balance of R15.9 million. The SHRA account has a balance of R194.2 million. An amount of R953.7 million is in overdraft on the sweeping account and is disclosed as a current liability (Loans from to/(from) shareholder).

SECTION 4: CAPITAL PROJECTS AND EXPENDITURE

The organisation has been allocated a budget of R648 million funded from the External Funding Sources (EFF) and Capital Reserves (CRR). In the current financial year, we have the following programmes:

- iii. Greenfields projects; and
- iv. The Inner-City re-generation programme.

As at 31 December 2021 JOSHCO's verified spent for the quarter under review is 41% against a target of 50% per the table below.

Table 43: CAPEX Spend Per Project

Project Description	Approved Budget 2020/21	Amount Spent	Balance	% Spend
	R'000	R'000	R'000	
38 Rissik Street (NBS) Inner City Building Conversion	1,500	-	1,500	0%
Abel Road Inner City Building Conversion	24,500	1,587	22,913	6%
Booysens Street Inner City Conversion	2,000	-	2,000	0%
Casamia Inner City Building Upgrade Region F	2,500	-	2,500	0%
Devland Golden Highway Social Housing Project Region D	80,000	16,285	63,715	20%
Inner City Buildings Acquisitions	32,000	17,783	14,217	56%
Lufhereng Social Housing Project Region D	76,001	48,344	27,657	64%
Marlboro Social Housing Project Region E	1,000	-	1,000	0%
Nancefield Social Housing Project Region D	50,000	27,709	22,291	55%
Princess Plots Social Housing Project Region C	52,900	50,662	2,238	96%
Randburg Selkirk Social Housing Project Region B	58,000	1,861	56,139	3%
Roodepoort Social Housing Upgrade Region C	4,655	1,009	3,646	22%
Tum-Key 1: Region A	75,530	69,956	5,574	93%
Tum-Key 1: Region B	75,000	30,283	44,717	40%
Tum-Key 3: Region D	72,500	2,088	70,412	3%
Tum-Key 4: Region G	40,000	-	40,000	0%
	648,086	267,568	380,518	41%

SECTION 5: RATIO ANALYSIS

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

Table 44: Key Ratio Analysis as at 31 December 2021

KEY PERFORMANCE INDICATOR	2021/22 TARGET	QUARTER 2 TARGET	QUARTER 2 PERFORMANCE	VARIANCE	MITIGATION ACTION
Achievement of selected profitability and liquidity ratios	Current ratio 1:1	1:1	0.81	-0.19	<p>The non-performance of this target is due to continued losses being incurred largely due to a high provision for bad debts and high operating costs, mainly utility costs.</p> <p>The entity's 5-year strategic plan which focuses on revenue enhancement activities in order to improve our financial sustainability is under implementation as follows:</p> <ul style="list-style-type: none"> • Increase in management fee income earned on projects implemented on behalf of other COJ entities. JOSHCO continues to engage and evaluate other interests for the use of our panels from other COJ entities. In this quarter we have started implementing projects on behalf of COJ Legislature and JMPD. • Student accommodation – there are currently 21 students in the building. More than 100 students from Wits have reserved their space for the 2022 academic year. • Outdoor advertising – service provider has been appointed. Currently at contracting stage. Project expected to commence in January 2022. • Prepaid vending system – the system is active, and tenants can purchase electricity after the group supply code is changed to JOSHCO. The system is designed in a way that JOSHCO can upload the tenant rental debt into the system and recover a portion of the rental outstanding when the tenant purchases electricity on the system. The system can clearly show the amount allocated for electricity and the amount allocated for the rental debt.
	Solvency Ratio 1:1	1:1	0.84	-0.16	

KEY PERFORMANCE INDICATOR	2021/22 TARGET	QUARTER 2 TARGET	QUARTER 2 PERFORMANCE	VARIANCE	MITIGATION ACTION
	Cost Coverage: 50 days	50 days	-372 days	-422 days	<p>Non-performance is due to low cash balances and an overdraft as a result of settlement of suppliers prior to receiving claims from the Department of Housing (Housing) and the Corporate Asset Management (CAM) department.</p> <p>Our engagements with Housing have not yielded satisfactory results. Management has therefore taken a decision to halt Housing projects until we receive at least half of what is due to JOSHCO. We have pulled out all repairs and maintenance suppliers doing day-to-day maintenance. We are currently drawing up a plan of how we will wind down projects at an advance stage. All procurement has been stopped and no new appointments will be made until the payment issues have been solved. Management is also considering charging interest on the outstanding balance as we do with our tenant debtors.</p>
	Remuneration to operational expenditure (OPEX) up to 40%	40%	34%	6%	None required target achieved.
	90% collection in respect of current debtors	90%	56%	34%	<p>Non-achievement of this target is due to continued low rental collection across all projects. Of the total of 8 325 tenants billed, 4% (313) have indicated they are unemployed, 1% (115) have indicated that they have lost their job due to COVID-19 and 3% (263) are on record as refusing to pay. The debt collection company has been instructed to proceed with eviction processes for the tenants who have stated their refusal to pay.</p> <p>The debt collecting company has collected R3.6 million year to date for outstanding debt older than 90 days handed over to them.</p>

KEY PERFORMANCE INDICATOR	2021/22 TARGET	QUARTER 2 TARGET	QUARTER 2 PERFORMANCE	VARIANCE	MITIGATION ACTION
					A total of 169 tenants have been handed over for eviction and recovery of arrear rent, with more tenants set to be handed over in January 2022. To date 15 eviction orders have been obtained. From this number, 3 orders have been executed successfully through the sheriff. The remaining orders will be executed before the end of the financial year. The challenge with obtaining eviction orders is that tenants tend to oppose the applications on the date of hearing, which results in matters being postponed for tenants to file opposing papers and obtain legal representation. A further challenge is reaching agreement with tenants on settlement of the arrears. Most of the payment proposals made by tenants have been unreasonable and unacceptable. However, more tenants are anticipated to come forward with acceptable payment arrangements as they have been advised that the court process will only be withdrawn if arrears are settled in full, or if acceptable payment arrangements are made.
% Of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100%	100%	-	Various settlement discount voucher initiatives will continue to be implemented to encourage tenants to settle long outstanding debt.
					None required target achieved.

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

6.1 DEVIATIONS ON SCM

There were no approved deviations for the quarter under review.

6.2 PAYMENTS WITHIN 30 DAYS

The MFMA requires that Municipal entities pay suppliers within 30 days. In the current quarter ended 31 December 2021, all valid invoices were paid within 30 days.

6.3 REPORT IN IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

There were no instances of irregular, fruitless and wasteful expenditure for the quarter under review.

6.4 VARIATIONS FROM ORIGINAL APPROVED PURCHASE ORDERS

There were no approved variation orders for the period under review.

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 R1 million) for the quarter under review.

Table 45: Awards for the quarter

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B-BBEE Level
RFP/PM/UISP/001/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 2 OF INFORMAL SETTLEMENTS LOCATED IN REGION F AND G.	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	GIBB PTY LTD	HIGHEST SCORING BIDDER	R28,265,873.50	LEVEL 1
RFP/PM/UISP/002/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 2 OF INFORMAL SETTLEMENTS LOCATED IN REGION F AND D.	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	NEMORANGO CONSULTING ENGINEERS	HIGHEST SCORING BIDDER	R23,299,322.49	LEVEL 1
RFP/PM/UISP/003/2021	THE APPOINTMENT OF PROJECT MANAGEMENT	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS	01-Oct-21	HDM ENGINEERING JV	SECOND HIGHEST SCORING BIDDER	R20,498,343.95	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B-BEE Level
	CONSULTANT FOR PHASE 2 OF INFORMAL SETTLEMENTS LOCATED IN REGION A AND C.		- PROJECT MANAGEMENT			(ROTATIONAL METHOD APPLIED)		
RFP/PM/UISP/004/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 2 OF AN INFORMAL SETTLEMENT LOCATED IN REGION C.	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	LIMGROUP CONSULTING CONSORTIUM	SECOND HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R29,152,935.01	LEVEL 1
RFP/PM/UISP/005/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 3 OF INFORMAL SETTLEMENTS LOCATED IN REGION C, D AND	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	MBSA CONSULTING	HIGHEST SCORING BIDDER	R48,059,613.38	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	G.							
RFP/PM/UISP/006/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 3 OF INFORMAL SETTLEMENTS LOCATED IN REGION E (a).	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	HHO CONSULTING	FIFTH HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R61,592,008.79	LEVEL 1
RFP/PM/UISP/007/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 3 OF INFORMAL SETTLEMENTS LOCATED IN REGION E (b).	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	PRO-SERVE CONSULTING	FIFTH HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R61,247,658.71	LEVEL 1
RFP/PM/UISP/008/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT	01-Oct-21	JOSHUA MAROGE QS	SECOND HIGHEST SCORING BIDDER (ROTATIONAL	R126,197,205.05	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B-BBEE Level
	FOR PHASE 3 OF AN INFORMAL SETTLEMENT LOCATED IN REGION C (a).		MANAGEMENT			METHOD APPLIED)		
RFP/PM/UIISP/009/2021	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 3 OF AN INFORMAL SETTLEMENTS LOCATED IN REGION C (b).	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	THATO YA BA GOTSI INVESTMENT	HIGHEST SCORING BIDDER	R121,818,040.23	LEVEL 1
	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 3 OF INFORMAL SETTLEMENTS LOCATED IN REGION G.	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	01-Oct-21	RIXONGILE CONSULTING ENGINEERING PTY LTD	THIRD HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R65,884,096.90	LEVEL 1
RFP/PM/UIISP/010/2021								
RFP/PM/UIISP/011/2021	THE	SPECIAL	JOSHCO	01-Oct-21	PEO YA AFRICA	SECOND	R113,827,755.26	LEVEL

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 3 OF INFORMAL SETTLEMENTS LOCATED IN REGION C (c).	PROJECT UNIT - COJ HOUSING	APPROVED PANEL OF PROFESSIONALS - PROJECT MANAGEMENT	21	CONSULTING ENGINEERING PTY LTD	HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)		1
	APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE JOSHCO WITH ORGANIZATIONAL DESIGN SERVICES, CREDIBLE JOB PROFILING AND GRADING SYSTEM FOR THE PERIOD NOT EXCEEDING 36 MONTHS.	CORPORATE SERVICES UNIT	SOWETAN, INNER CITY GAZETTE, THE STAR AND JOSHCO WEBSITE	05-Oct-21	NTIYISO CONSULTING	HIGHEST SCORING BIDDER	R1,682,939.00	LEVEL 1
HR/005/2021								
RFB/HOUSING/012/2021	THE APPOINTMENT	SPECIAL PROJECT	JOSHCO APPROVED	05-Oct-21	MBONGISENI GENERAL	HIGHEST SCORING	R19,002,811.83	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	OF A DEMOLITION CONTRACTOR FOR THE FOUR STOREY CONCRETE ON IKHAYA ELISHA INFORMAL SETTLEMENT IN REGION F.	UNIT - COJ HOUSING	PANEL OF CONTRACTORS LEVEL 6 ONLY		SERVICES CC	BIDDER		
ANN/002/2022	CONTENT EDITING OF THE 2020/2021 FINANCIAL YEAR ANNUAL REPORT FOR JOSHCO	BUSINESS RISK AND PLANNING	SOWETAN, INNER CITY GAZZETTE, THE STAR AND JOSHCO WEBSITE	12-Oct-21	IDEA WISE AND WONDERFUL	HIGHEST SCORING BIDDER	R234,797.80	LEVEL 1
HEALTH/050/2021	THE APPOINTMENT OF A CONTRACTOR FOR MINOR WORKS AT KIBLER PARK CLINIC IN REGION F.	SPECIAL PROJECT UNIT - COJ HEALTH	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	09-Nov-21	MOLATEBO CONSTRUCTION	SECOND HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R1,299,248.61	LEVEL 1
RFP/FURN/001/2021	REQUEST FOR PROPOSALS FOR	CORPORATE SERVICES	SOWETAN, INNER CITY GAZZETTE,	03-Dec-21	XCLUSIVE - KLUSIV DZGN	HIGHEST SCORING	R4,396,942.00	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	THE APPOINTMENT OF A SERVICE PROVIDER FOR INTERIOR DESIGN, SUPPLY, DELIVERY, AND INSTALLATION OF OFFICE FURNITURE FOR JOSHCO HEAD OFFICE AT 61 JUTA STREET, BRAAMFONTEIN.	UNIT	THE STAR AND JOSHCO WEBSITE		FURNITURE	BIDDER		
HEALTH/051/2021	THE APPOINTMENT OF A CONTRACTOR FOR MINOR WORKS AT BEZZVALLEY CLINIC IN REGION F.	SPECIAL PROJECT UNIT - COJ HEALTH	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	09-Nov-21	ZABEST CONSTRUCTION	FOURTH HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R716,468.00	LEVEL 1
HEALTH/052/2021	THE APPOINTMENT OF A	SPECIAL PROJECT UNIT - COJ	JOSHCO APPROVED PANEL OF	09-Nov-21	RICHU TRADING ENTERPRISE	FOURTH HIGHEST SCORING	R560,926.30	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	CONTRACTOR FOR MINOR WORKS AT GLENANDA CLINIC IN REGION F.	HEALTH	MAINTENANCE CONTRACTORS			BIDDER (ROTATIONAL METHOD APPLIED)		
HEALTH/053/2021	THE APPOINTMENT OF A CONTRACTOR FOR MINOR WORKS AT WESTBURY CLINIC IN REGION F.	SPECIAL PROJECT UNIT - COJ HEALTH	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	09-Nov-21	MASIGO CONSTRUCTION & PROJECTS	SECOND HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R836,797.50	LEVEL 1
	THE APPOINTMENT OF A CONTRACTOR FOR MINOR WORKS AT CROWN GARDENS CLINIC IN REGION F.	SPECIAL PROJECT UNIT - COJ HEALTH	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	09-Nov-21	IVELAPHI INJABULO	SECOND HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R1,149,189.28	LEVEL 1
HEALTH/055/2021	THE APPOINTMENT	SPECIAL PROJECT	JOSHCO APPROVED	09-Nov-21	4T GROUP	SECOND HIGHEST	R1,320,338.73	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	OF A CONTRACTOR FOR MINOR WORKS AT RIVERLEA CLINIC IN REGION F.	UNIT - COJ HEALTH	PANEL OF MAINTENANCE CONTRACTORS			SCORING BIDDER (ROTATIONAL METHOD APPLIED)		
HEALTH/063/2021	THE APPOINTMENT OF A CONTRACTOR FOR MINOR WORKS AT SPECIAL PROJECT PROTEA SOUTH CLINIC IN REGION F.	UNIT - COJ HEALTH	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	03-Dec-21	BIG O ENGINEERING	HIGHEST SCORING BIDDER (ROTATIONAL METHOD APPLIED)	R1,171,735.00	LEVEL 1
RFP/FURN/001/2021	REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF A SERVICE PROVIDER FOR INTERIOR DESIGN, SUPPLY, DELIVERY, AND INSTALLATION OF OFFICE	CORPORATE SERVICES UNIT	SOWETAN, INNER CITY GAZETTE, THE STAR AND JOSHCO WEBSITE	03-Dec-21	XCLUSIVE - KLUSIV DZGN FURNITURE	HIGHEST SCORING BIDDER	R4,396,942.00	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	FURNITURE FOR JOSHCO HEAD OFFICE AT 61 JUTA STREET, BRAAMFONTEIN.							
ICTINFRAS/001/2021	TENDER FOR PROCUREMENT OF ICT INFRASTRUCTURE SOLUTIONS FOR JOHANNESBURG SOCIAL HOUSING COMPANY	BUSINESS RISK AND PLANNING	SOWETAN, INNER CITY GAZETTE, THE STAR AND JOSHCO WEBSITE	09-Nov-21	DIGICITY PTY LTD	HIGHEST SCORING BIDDER	R6,918,975.00	LEVEL 1
	THE APPOINTMENT OF SERVICE PROVIDER FOR PANEL OF LAPTOPS AND ICT EQUIPMENT FOR THREE YEARS FOR JOSHCO.	BUSINESS RISK AND PLANNING	SOWETAN, INNER CITY GAZETTE, THE STAR AND JOSHCO WEBSITE	09-Nov-21	19 VARIOUS SERVICE PROVIDER	MET ALL MINIMUM REQUIREMENT	N/A	LEVEL 1
JMPD/002/2021	THE APPOINTMENT OF A	SPECIAL PROJECT - COJ PUBLIC	JOSHCO APPROVED PANEL OF	03-Dec-21	DAUNEL PROPERTIES	HIGHEST SCORING BIDDER	R2,233,428.23	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	CONTRACTOR FOR MINOR WORKS AT ROODEPOORT VEHICLE TESTING STATION IN REGION C FOR COJ-PUBLIC SAFETY	SAFETY	MAINTENANCE CONTRACTORS					
JMPD/003/2021	THE APPOINTMENT OF A CONTRACTOR FOR MINOR WORKS AT DUBE VEHICLE TESTING STATION IN REGION C FOR COJ-PUBLIC SAFETY	SPECIAL PROJECT - COJ PUBLIC SAFETY	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	03-Dec-21	RICHU TRADING ENTERPRISE	HIGHEST SCORING BIDDER	R3,299,999.21	LEVEL 1
JMPD/004/2021	THE APPOINTMENT OF A CONTRACTOR	SPECIAL PROJECT - COJ PUBLIC SAFETY	JOSHCO APPROVED PANEL OF CONTRACTORS	03-Dec-21	DUMISIPHI TRADING ENTERPRISE	HIGHEST SCORING BIDDER	R5,629,225.08	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B-BBEE Level
	FOR MINOR AT WORKS LANGLAAGTE VEHICLE TESTING STATION IN REGION C FOR COJ-PUBLIC SAFETY		5 GB/ 5 GBPE/ 4GB / 4GBPE					
JMPD/005/2021	THE APPOINTMENT OF A CONTRACTOR FOR MINOR AT WORKS AT MARLBORO VEHICLE TESTING STATION IN REGION C FOR COJ-PUBLIC SAFETY	SPECIAL PROJECT - COJ PUBLIC SAFETY	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	03-Dec-21	EENBEE PLUMBING CC	HIGHEST SCORING BIDDER	R2,981,712.00	LEVEL 1
JMPD/006/2021	THE APPOINTMENT OF A CONTRACTOR	SPECIAL PROJECT - COJ PUBLIC SAFETY	JOSHCO APPROVED PANEL OF MAINTENANCE	03-Dec-21	4T GROUP	HIGHEST SCORING BIDDER	R920,875.28	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B-BBEE Level
	FOR MINOR WORKS AT MIDRAND VEHICLE TESTING STATION IN REGION C FOR COJ-PUBLIC SAFETY		CONTRACTORS					
JMPD/007/2021	THE APPOINTMENT OF A CONTRACTOR FOR MINOR WORKS AT RANDBURG VEHICLE TESTING STATION IN REGION C FOR COJ-PUBLIC SAFETY	SPECIAL PROJECT - COJ PUBLIC SAFETY	JOSHCO APPROVED PANEL OF MAINTENANCE CONTRACTORS	03-Dec-21	GASELA MST PROJECTS	HIGHEST SCORING BIDDER	R1,899,511.86	LEVEL 1
JMPD/008/2021	THE APPOINTMENT OF A CONTRACTOR TO	SPECIAL PROJECT - COJ PUBLIC SAFETY	JOSHCO APPROVED PANEL OF MAINTENANCE	03-Dec-21	THE GREAT ROCKS TRADING	SECOND HIGHEST SCORING BIDDER	R1,993,027.00	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	SUPPLY AND INSTALL GENERATORS AT WEMMER COMPLEX IN REGION B FOR COJ-PUBLIC SAFETY		CONTRACTORS					
OAC/001/2021	SERVICES OF AN OUTDOOR ADVERTISING COMPANY BY JOSHCO FOR THE PERIOD NOT EXCEEDING 36 MONTHS	CORPORATE SERVICES UNIT	SOWETAN, INNER CITY GAZETTE, THE STAR AND JOSHCO WEBSITE	09-Nov-21	NOZA MARKETING AND TRANSPORT PTY LTD	HIGHEST SCORING BIDDER	R4,269,053.00	LEVEL 1
RFB/HOUSING/011/2021	THE APPOINTMENT OF A CONTRACTOR FOR THE DEVELOPMENT OF TEMPORARY TAXI HOLDING FACILITY ON IKHAYA ELISHA	SPECIAL PROJECT UNIT - COJ HOUSING	JOSHCO APPROVED PANEL OF CONTRACTORS LEVEL 5 ONLY	09-Nov-21	SINDU TRADING AND PROJECTS	HIGHEST SCORING BIDDER	R8,398,362.78	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B- BBEE Level
	INFORMAL SETTLEMENT IN REGION F							
RFP/PM/050/2021	THE APPOINTMENT OF A PROJECT MANAGEMENT CONSULTANT FOR THE DESIGN AND CONSTRUCTION SUPERVISION OF A BUSINESS DESK AT MIDRAND LICENSING, REGION A	SPECIAL PROJECT - COJ PUBLIC SAFETY	JOSHCO approved panel of Professional Services – Project Management.	24-Nov-21	ZAS ARCHITECT AND PLANNERS	HIGHEST SCORING BIDDER	R28,044,000.00	LEVEL 1
RFP/PM/051/2021	THE APPOINTMENT OF A PROJECT MANAGEMENT CONSULTANT FOR THE MAINTENANCE OF SWIMMING POOL FACILITIES	SPECIAL PROJECT - COJ COMDEV	JOSHCO approved panel of Professional Services – Project Management.	03-Dec-21	PHUNGA CONSULTING ENGINEERING	SECOND HIGHEST SCORING BIDDER ROTATIONAL METHOD APPLIED	R4,347,000.00	LEVEL 1

Name of tender	Project description/Scope of work	User Department	Medium of advertising	BAC Date	Awarded Service Provider	Reason	Amount	B-BEE Level
	IN VARIOUS REGIONS FOR COJ-COMDEV.							
RFP/PM/052/2021	THE APPOINTMENT OF A PROJECT MANAGEMENT CONSULTANT FOR THE DESIGN AND CONSTRUCTION SUPERVISION OF PRINCESS AND LAWLEY 1 PRIMARY HEALTH CARE CLINICS IN REGION C & G.	SPECIAL PROJECT - COJ HEALTH	JOSHCO approved panel of Professional Services – Project Management.	03-Dec-21	THRESHOLD PROJECT MANAGERS	HIGHEST SCORING BIDDER	R15,456,000.00	LEVEL 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 46: Expenditure by sourcing process (Nature)

a) Total Expenditure		
Nature of expenditure	Quarter 2 R'000	% Of total expenditure
Capital Expenditure	196,718	72%
Operational Expenditure	76,167	28%
Total Expenditure	272,885	100%

b) Capital Expenditure		
Nature of expenditure	Quarter 2 R'000	% Of Capex expenditure
Professional Consultants	87,327	44%
Contractor Payments	109,391	56%
Total Expenditure	196,718	100%

c) Operational Expenditure		
Nature of expenditure	Quarter 2 R'000	% Spend
Procurement <R200 000	1,379	2%
Cleaning and Gardening	-	0%
Directors Remuneration-Board and Comm	1,080	1%
Operational Expenditure	6,316	8%
Security Services – Housing Management	5,542	7%
Security Services – Housing Development	3,694	5%
Repairs and Maintenance	58,156	76%
Total	76,167	100%

6.7 ACHIEVEMENT ON BBBEE

JOSHCO promotes economic empowerment by spending on at least 51% black owned companies, women owned companies and youth owned companies as detailed in Tables 47 to 49 below.

Table 47: 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	
Quarter 1	140,958	140,958	100%
Quarter 2	76,167	72,491	95%
Period	Total CAPEX from procurement activities	CAPEX to at least 51% black owned companies	% Spend for the period
	R'000	R'000	
Quarter 1	236,513	148,274	63%
Quarter 2	196,718	155,834	79%

Table 48: 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	
Quarter 1	140,958	18,561	13%
Quarter 2	76,167	5,001	7%
Period	Total CAPEX from procurement activities	CAPEX to women owned companies	% Spend for the period
	R'000	R'000	
Quarter 1	236,513	16,796	7%
Quarter 2	196,718	5,396	2%

Table 49: 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	
Quarter 1	140,958	422	0.18%
Quarter 2	76,167	-	0%
Period	Total CAPEX from procurement activities	CAPEX to youth owned companies	% Spend for the period
	R'000	R'000	
Quarter 1	236,513	16,796	7%
Quarter 2	196,718	5,396	2%

SECTION 7: 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 49 below.

Table 50: Statement of amounts owed by or to government departments and public entities

Name of department	Amounts owed/(owing)		Account status
	R'000		
	Q1 of FY2021/22	Q2 of FY2021/22	
City of Johannesburg: Sweeping account	(562,838)	(839,157)	180 days overdue
City of Johannesburg: Treasury	5,958	5,958	180 days overdue
City of Johannesburg: Health Department	10,423	15,437	60 days overdue
City of Johannesburg: GEF	2,835	2,835	60 days overdue
City of Johannesburg: Community Development	556	8,972	Current
City of Johannesburg: Housing	678,780	689,468	180 days overdue
City of Johannesburg: CAM	130,394	191,991	Current
City of Johannesburg: Legislature	-	196	Current
City of Johannesburg: JMPD	-	2,748	Current
Gauteng Department of Human Settlements	15,969	15,969	180 days overdue
Total	282,077	94,417	

CHAPTER SIX: INTERNAL AUDIT AND EXTERNAL AUDIT FINDINGS

SECTION 1: AUDIT OBJECTIVES

The following audit objectives were identified during the preliminary survey stage of the audit:

- To determine the extent to which management has implemented corrective action to address the previously reported deficiencies and associated risks.
- To determine the adequacy and effectiveness of the corrective action taken by management in addressing the associated deficiencies and risks.
- To agree with management, the remedial action required to address the outstanding and unresolved deficiencies and associated risks.

SECTION 2: AUDIT SCOPE

The follow-up audit was limited to the review and evaluation of management corrective action to address the previously identified deficiencies and associated risks, using a walkthrough, discussion, observation, and audit testing.

SECTION 3: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

As of 27 December 2021, the total number of Internal Audit findings were 133. On the assessment of evidence provided by management, Internal Audit concluded that 101(76%) of the findings were resolved, and 32(24%) findings are not resolved.

Table 51: The Table Below Provides a Breakdown of Findings Per Department

Departments	Total Findings	Findings resolved	Findings not resolved
Finance and Finance	33	24	9
Planning and Strategy	34	27	7
Housing Management	39	31	8
Human Capital Management	12	8	4
CEO's Office	3	3	0
COSEC	1	1	0
Housing Development	11	7	4
Total	133	101	32
%	100%	76%	24%

SECTION 4: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS (CATEGORISE BETWEEN FINDINGS AFFECTING AND NOT AFFECTING THE AUDIT OPINION)

External Audit by AGSA was underway in the second quarter of 2021/22. Therefore, External Audit findings were not followed up by internal audit. The entity managed to close 86% of the findings that were raised in the 2019/20 by end of Q2 and the remaining 14% was due to the two findings that were again raised as repeat findings in the 2020/21 Audit. Table 51 below reflects the findings raised in the 2020/21 audit

Table 52: Audit findings raised by AGSA in 2020/2021 Financial year:

AG Classification	Total findings	Finding resolved	Findings not resolved
Matters affecting the auditor's opinion	4	0	0
Other important matters	5	0	0
Administrative matters	0	0	0
Total	9	0	0
%	100%	0%	0%

SECTION 5: OVERALL STATE OF INTERNAL CONTROLS (ADEQUACY AND EFFECTIVENESS)

In the second quarter of the 2021/2022 financial year, Internal Audit completed three (3) full audits, four probity reviews and a follow-up review. Based on the findings raised in these audits, Internal Audit concluded that the organisation's controls are **Inadequate and Ineffective**. Internal Audit has noted improvement in some of the departments in terms of implementing auditors' recommendations. However, the level of control environment is not on a level that is required. Management should ensure that controls are adequately designed and monitored, this will provide reasonable assurance that set objective will be achieved.