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Q4 QUARTERLY PERFORMANCE REPORT 2024/25



JOHANNESBURG SOCIAL HOUSING COMPANY (SOC) LIMITED
Registration No: 2003/008063/30

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 : 2003/008063/30

Registered Address : 61 Juta Street
Braamfontein

Postal Address : 61 Juta Street
Braamfontein

Telephone number : (011) 406-7300

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E-mail : info@joshco.co.za

Bankers : Standard Bank of SA Limited

Auditors : Auditor-General of South Africa

Approval

<u>Floyd Rikhotso</u> Name & Surname Chief Financial Officer	 Signature	Date of Approval: <u>15 July 2025</u>
<u>Nokwazi Mtshali</u> Name & Surname Acting Chief Executive Officer	 Signature	Date of Approval: <u>15 July 2025</u>
<u>Jason Sobekwa</u> Name & Surname Chairperson of Audit and Risk Committee	 Signature	Date of Approval: <u>31 July 2025</u>
<u>Theodore Dhlamini</u> Name & Surname Chairperson of the Board	 Signature	Date of Approval: <u>04-08-2025</u>
 <u>Mabaso</u> Name & Surname Member of Mayoral Committee	 Signature	Date of Approval: <u>12/09/25</u>

ABBREVIATIONS

AFS	Annual Financial Statement	IT	Information Technology
AG	Auditor General	JBCC	Joint Building Contracts Committee
AGM	Annual General Meeting	JOSHCO	Johannesburg Social Housing Company
ARC	Audit & Risk Committee	JPC	Johannesburg Property Company
BA	Bachelor of Arts	JRA	Johannesburg Roads Agency
BCom	Bachelor of Commerce	KPA	Key Performance Area
BI	Business Intelligence	KPI	Key Performance Indicator
BMC	Building Maintenance Company	LAN	Local Area Network
BSc	Bachelor of Science	LLB	Bachelor of Law
CAPEX	Capital Expenditure	LLF	Local Labour Forum
CA (SA)	Chartered Accountant (South Africa)	MFMA	Municipal Finance Management Act
CBD	Central Business District	MMC	Member of the Mayoral Committee
CCG	Consolidated Capital Grant	MOE	Municipal Owned Entity
CI	Corporate Identity	Mol	Memorandum of Incorporation
CoC	Certification of Compliance	MSA	Municipal Systems Act
CoJ	City of Johannesburg	MTC	Metropolitan Trading Company
COSEC	Company Secretary	MVA	Motor Vehicle Accident
CRM	Customer Relationship Management	NAT	Network Address Translation
CSI	Corporate Social Investment	NSFAS	National Student Financial Aid Scheme
DBSA	Development Bank of Southern Africa	OC	Occupation Certificate
DMZ	Demilitarized Zone	OHS	Occupational Health and Safety
EDMS	Electronic Data Management System	OPEX	Operating Expenditure
EE	Employment Equity	PMU	Project Management Unit
EEA	Employment Equity Act	POPIA	Protection of Personal Information Act
EIA	Environmental Impact Assessment	PWD	People with Disability
EISD	Environment and Infrastructure Services Department	SALGBC	South African Local Bargaining Council
EMT	Executive Management Team	SCM	Supply Chain Management
EPWP	Expanded Public Works Programme	SD	Skills Development
ESS	Employee Self Service	SDA	Service Delivery Agreement
FMDC	Fully Managed Data Centre	SEHRC	Social. Ethics & Human Resource Committee
FY	Financial Year	SHRA	Social Housing Regulatory Authority
GBV	Gender-Based Violence	SLA	Service Level Agreement
GDS	Growth and Development Strategy 2040	SLS	Service Level Standard
GFIS	Group Forensics and Investigation Services	SMME	Small. Medium and Micro Enterprise
GHS	Global Household Survey	SOP	Standard Operating Procedure
GLU	Government of Local Unity	TBC	To Be Confirmed
ICAS	Independent Counselling and Advisory Services	TOD	Transit Oriented Development
ICT	Information and Communications Technology	TP	Third Party
IOD	Injury on Duty	UIFW	Unauthorised. Irregular. Fruitless and Wasteful
ISP	Internet Service Provider	UyPS	Uninterruptible Power Supply
		WIP	Work in Progress

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LEADERSHIP AND CORPORATE PROFILE



SECTION 1: CHAIRPERSON'S FOREWORD

As Chairperson of the Board, I am honoured to present JOSHCO's performance for the fourth quarter of the 2024/25 financial year. This report reflects our collective efforts to fulfil our mandate under often challenging conditions, and I am encouraged by the notable strides made in driving sustainable human settlements and service delivery for the residents of Johannesburg.

This quarter, the organisation achieved **70.58%** of its set targets, a commendable effort in light of financial constraints, rising operational costs, and systemic pressures that continue to challenge our operating environment. Despite these constraints, JOSHCO delivered 100% of its targeted social housing units, maintained a 98% occupancy rate, supported SMMEs, and exceeded job creation expectations through the Expanded Public Works Programme.

We acknowledge that some areas, particularly financial sustainability indicators such as the current and solvency ratios, remain below target. However, the Board is encouraged by management's turnaround plans to strengthen revenue generation, reduce operational inefficiencies, and explore alternative funding models including public-private partnerships. These steps are essential to moving JOSHCO closer to financial resilience and long-term sustainability.

The Board also welcomed progress in governance areas, specifically, full resolution of internal audit findings and a 99% compliance rate with applicable laws and regulations. These milestones reflect our commitment to ethical leadership, transparent governance, and accountability.

As we look ahead, we remain committed to building an agile, capable, and citizen-focused entity. Our vision remains clear: to contribute meaningfully to a more inclusive, resilient, and liveable Johannesburg through quality and affordable housing solutions.

Mr. Theodore Dhlamini

Chairperson of the Board

Johannesburg Social Housing Company (SOC)Ltd

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

As we conclude the fourth quarter of the 2024/25 financial year. I am pleased to present a performance report that reflects both the resilience and strategic intent of the Johannesburg Social Housing Company (JOSHCO). Despite a challenging and complex operating environment. we have made significant strides in delivering on our mandate to provide social and affordable housing to the residents of the City of Johannesburg.

Prudent capital expenditure (CAPEX) continues to be a critical aspect of our developmental agenda. During the quarter under review, JOSHCO achieved a CAPEX expenditure of R270 494 903,19 which represents 100% of the approved budget. This performance highlights our commitment to delivering infrastructure and using resources efficiently. even in the face of budget constraints.

Our rental collections have shown encouraging improvement over the quarters. The overall collection rate for current tenant rentals reached 77%, which is 3% below the target with JOSHCO funded projects achieving 88%, SHRA-funded projects at 71%, and commercial spaces at 99%. These figures reflect the effectiveness of our enhanced revenue collection strategies, including the deployment of the JOSHCO App, the introduction of DebiCheck mandates, and proactive tenant engagement initiatives.

Stakeholder engagement has remained central to our operations. Through targeted workshops and community meetings. we have educated tenants on various social housing programs, clarified lease obligations, and addressed service delivery concerns. These engagements have fostered stronger relationships and improved trust between JOSHCO and its tenants.

However, we continue to face significant challenges. The moratorium imposed by the City on the filling of positions impacted service delivery timelines. Additionally, budget cuts over the past three years have constrained our ability to start and complete projects that are in the planning stage. These financial limitations have also affected our ability to maintain aging infrastructure and meet rising operational costs

Despite these hurdles, JOSHCO remains committed to innovation, accountability, and excellence in service delivery. We are actively exploring alternative funding models, including public-private partnerships, and continue to engage with our shareholder and stakeholders to secure sustainable support to fulfil our core mandate.

In closing, I extend my gratitude to the Board of directors, management team, staff, and our partners for their unwavering dedication. Together, we will continue to build housing that is inclusive, resilient, and

responsive to the needs of its people. As we venture into to new financial year, we remain committed to reimagining the City of Johannesburg and making meaning impact to housing needs of our residents.

Ms Nokwazi Mtshali

Chief Executive Officer (Acting)

SECTION 3: CHIEF FINANCIAL OFFICER’S REPORT

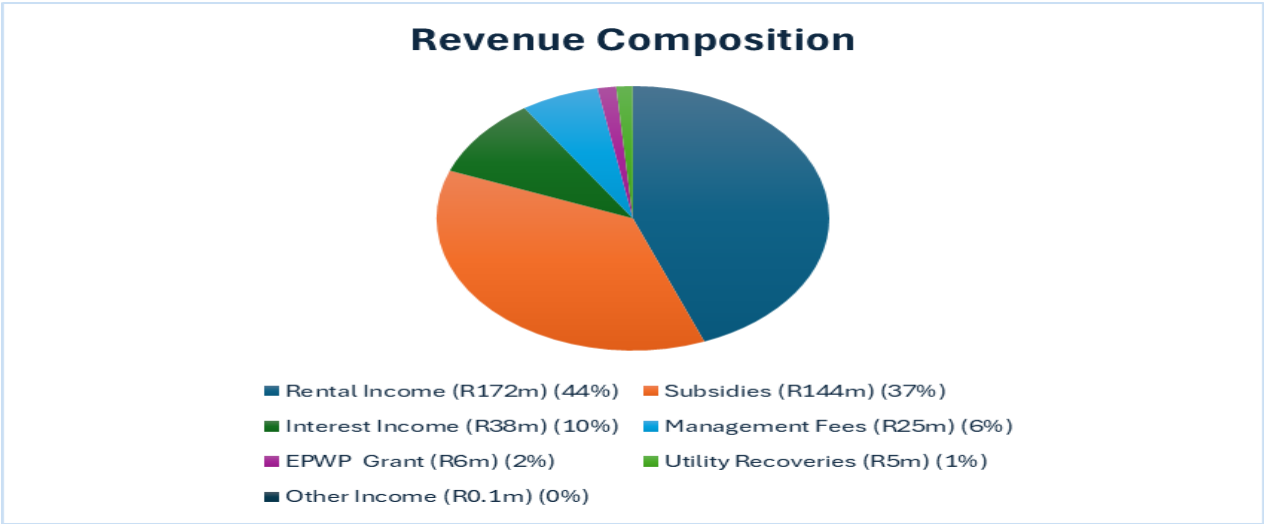
As the entity concludes the 2024/25 financial year, I am pleased to present the 4th quarter financial report which provides the overview of the entity’s financial performance, achievements and challenges encountered during the quarter to-date.

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 revenue performance highlights the state of economic challenges that are faced by the community. The report indicates a collection rate that is below target for the period. The reasons for the rental collection being below the target are continued rent boycott campaigns from organised tenants’ groups demanding ownership, child-headed households, unemployment, and pensioners. The city referral stock portfolio brings the collection down. and the board has approved the return of city referral stock to the City. CoJ Council has approved the transfer of this stock to CoJ Department of Human Settlements during the Council meeting held on 30-31 July 2024.

Total revenue to date for the year is R390.917 million, which is below the 2025 financial year’s budget by 2.4%, while the total revenue has increased by R18.787 million (3%) when compared to the previous financial year’s revenue. The biggest contributor to revenue earned in the current financial year is rental income. making up 43% of total revenue.



Rental income for the year amounted to R172.3 million, which is 12% over budget due to efficient tenant allocation of projects being higher than projected as a result of the use of JOSHCO APP and digital

application processes. i.e. Ekhaya Gardens. Riverside View and Lufhereng. Management fees for the year amounting to R25.1 million are under budget by almost 63%, because JOSHCO has commenced fewer special projects for CoJ Core Departments due to the long outstanding debt not being settled on time. The interest income of R38.3 million charged on overdue rental debtors is above budget by 50.51% due to interest charged to defaulting tenants.

The entity's collection levels resulted in 77% for current tenant rentals for the 4th Quarter of 2024/25 FY ending on 30 June 2025 as shown in Chapter 5. Collections in respect of SHRA-funded Projects is 71%. JOSHCO Projects is 88%, whilst the Commercial spaces is at 99%. Collections inclusive of the City Referral stock are at 70% average collections. The referral stock collection rate is 39% since most tenants stopped payments with the expectations of taking over ownership of their units from Human Settlements.

Financial Performance

Revenue and expenditure are recorded on the accrual basis of accounting. The financial performance for the period ended 30 June 2025 resulted in a deficit of R525.2 million. Which is a slight improvement of 6% when compared to the 2024 audited financial statements(R559.4 Deficit). The deficit is due to the entity not being able to generate sufficient income to cover its fixed expenses, and several expense line items being over budget (i.e. Security, Finance costs, utilities and Repairs and Maintenance).

It is important to note that there is an inherent imbalance between the revenue generated by the entity as versus the operational expenditure being incurred. The entity's key revenue category is charged at social rates. while the expenditure incurred is at market related costs. In addition, there are expenditure items that are as a result of City-wide challenges which the entity continues to take strain on as these costs (security for example) are necessary to ensure that tenants are adequately serviced. This has prompted management to formulate turn-around strategies to enhance revenue sources and optimise costs to reduce deficit and progress closer to achieving a status of being self-sustaining as an entity. These strategies and mitigations are addressed in Chapter 5.

CAPEX Expenditure

JOSHCO's actual cumulative spend for the quarter under review is R270 494.19, which is 100% of the total CAPEX budget approved; the cumulative target for the quarter is 100%.

Audit preparations and status of resolution of findings

The entity is on track to prepare the annual financial statements for audit and will be submitting them to AGSA in line with the legislated timeline of the 31st of August. The entity also prepared interim annual financial statements during the year which were subjected to review by the internal audit department, and

issues raised will also be factored in the preparations for the final annual financial statements. The entity is also working to address the remaining 37% of the findings raised by AGSA before the commencement of the new audit cycle to ensure a better audit outcome for the 2024/25 financial year.

In conclusion

I extend my gratitude to the MMC for his political leadership and to the Board of Directors, particularly through the Audit and Risk Committee for their continued efforts in providing adequate oversight on the entity's financial management, internal controls and risk management. I also acknowledge EXCO for their support and guidance throughout the financial year. Lastly, I thank the entire management and staff of JOSHCO for their contributions during the financial year.

Mr Floyd Rikhotso

Chief Financial Officer

SECTION 4: CORPORATE PROFILE AND OVERVIEW OF THE ENTITY

The Johannesburg Social Housing Company (JOSHCO) was established by the City of Johannesburg (CoJ) in November 2003 to provide affordable social housing options and reduce the City's housing backlog. JOSHCO is responsible for managing and providing social and affordable rental housing for households of various income levels, with a particular focus on low-income households. The entity is also responsible for the maintenance, refurbishment, and management of some of the City-owned rental housing stock, as well as the provision of municipal services.

JOSHCO is a registered social housing institution and is accredited by the Social Housing Regulatory Authority (SHRA). The entity is required to comply with all relevant legislation, including the Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA), and Companies Act. The policies and strategies of JOSHCO reflect the vision of the CoJ, as outlined in its long-term plans.

SECTION 5: STRATEGIC OBJECTIVES

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

1. To be a smart and capable entity.
2. Develop and manage social housing (regulated) and student accommodation.
3. Develop and manage affordable rental housing (non-regulated).

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

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

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

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



CHAPTER 2

GOVERNANCE

SECTION 1: BOARD OF DIRECTORS

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

The shareholder retains the prerogative to appoint the boards of all City entities through a resolution of the Annual General Meeting (AGM). The Board of Directors of JOSHCO is presided over by a Non-Executive Director (Chairperson), Theodore Dhlamini. Table 2 below lists the eleven Non-Executive Directors, two (2) Executive Directors, and three (3) Independent Audit Committee members.

Table 2: Board Composition as at 30 June 2025.

Members	Capacity	Gender	Status	Qualifications
Mr Theodore Dhlamini *Appointed on 31 July 2024	Non-Executive Director	M	Active	Post Graduate Diploma in Management.
Mr Zamikhaya Wauthus Xalisa *Appointed on 31 July 2024	Non-Executive Director	M	Active	Masters in Sustainable Agriculture (MSA) Masters in Business Administration (MBA)
Mr Albert Baloyi *Resigned on 31 March 2025	Non-Executive Director	M	Active	BCom Accounting
Mr Lawrence Mduduzi Ndlovu *Appointed on 31 July 2024	Non-Executive Director	M	Active	Bachelor of Arts in Philosophy Bachelor of Divinity Master of Theology Being a Director 1 – Short Course The Governance of Ethics – Short Course
Adv Ntokozo Mjiyako *Appointed on 31 July 2024	Non-Executive Director	M	Active	LLB PDM-S MPhil
Ms Bayiphiwe Simelane *Appointed on 31 July 2024	Non-Executive Director	F	Active	Diploma in Public Relations and Communication

Ms Thandeka Tshabalala *Appointed on 31 July 2024	Non- Executive Director	F	Active	BCom Accounting Post Graduate Diploma in Financial Planning
Mr Musa Shibambu *Appointed on 31 July 2024	Non- Executive Director	M	Active	Master of Philosophy in International Business
Ms Tabisa Poswa *Appointed on 31 July 2024	Non- Executive Director	F	Active	B Juris LLB
Mr Jason Sobekwa *Appointed on 31 July 2024	Non- Executive Director	M	Active	Bachelor of Accounting Post Graduate Diploma- Financial Management Masters in Business Administration Chartered Management Accountant ACMA. (CGMA) CA(SA)
Dr Thulani Alfred Mdadane *Appointed on 31 July 2024	Non- Executive Director	M	Active	MBA MSC M.Phil. PhD
Mr Musa Nkosi	Executive Director	M	Active (Appointed as acting CFO on 18 September 2024)	Postgraduate Diploma in Accounting Sciences Bachelor of Accounting Science (WITS)
Ms Nokwazi Mtshali	Executive Director	F	(Appointed as acting CEO on 26 August 2024)	Bachelor of Arts Degree in Media and Communication Postgraduate Diploma in Management in the field of Public and Development Sector Monitoring and Evaluation Certificate in Municipal Financial Management
Independent Audit Members				
Mr Obed Thenga	Independent Audit Committee Member	M	Active	BCom Honours

Dr Steven Piet Ngobeni	Independent Audit Committee Member	M	Active	National Diploma (Town/Urban and Regional Planning) BTech degree (Town/Urban and Regional Planning) MA (Development Studies) MSc (Built Environment) MPA (Public and Development Management) LLM (International Business) PhD (Real Estate)
Ms Thulisile Mfusi	Independent Audit Committee Member	F	Active	Honours Degree in Accounting Science

1.1. DUTIES OF THE BOARD AND COMMITTEES

1.1.1 Board Responsibilities

The Board is guided by its approved Board Charter which was last reviewed in April 2022. The charter outlines the roles and responsibilities of the board as informed by the Municipal Systems Act, Companies Act, MOI and King IV report. The responsibilities include, amongst others:

- Acting as the focal point for, and custodian of corporate governance by managing its relationship with management, the shareholders and other stakeholders of the company according to sound corporate governance principles.
- Appreciating that strategy risk performance and sustainability are inseparable and to give effect to this by:
 - Contributing to and approving the strategy
 - Satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management
 - Identifying key performance and risk areas
 - Ensuring that the strategy will result in sustainable outcomes
 - Considering sustainability as a business opportunity that guides strategy formulation
- Providing effective leadership on an ethical foundation.
- Ensuring that the company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the company but also the impact that business operations have on the environment and the society within which it operates.
- Ensuring that the company's ethics are managed effectively.
- Acting in the best interests of the company by ensuring that individual directors:

- Adhere to legal standards of conduct
- Are permitted to take independent advice in connection with their duties following an agreed procedure.
- Disclose real or perceived conflicts to the board and deal with them accordingly
- Ensure that the company has an effective and independent Audit Committee
- Take responsibility for the governance of risk
- Take responsibility for information technology (IT) governance
- Ensure that the company complies with applicable laws and considers adherence to non-binding rules and standards
- Ensure that there is an effective risk-based internal audit
- Appreciate that stakeholder's perceptions affect the company's reputation
- Ensure the integrity of the company's Integrated Report (Annual Report).

1.1.2 Responsibilities of the Board Committees

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

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

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

1.1.2.1 Audit & Risk Committee

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

The Committee consist of the following members:

Audit & Risk Committee as at 30 June 2025

Jason Sobekwa	Non-Executive Director (Chairperson)
*Albert Baloyi	Non-Executive Director
Obed Thenga	Independent Audit Committee Member
Thulisile Mfusi	Independent Audit Committee Member
Steven Piet Ngoben	Independent Audit Committee Member

*Resigned 31 March 2025

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

- Financial reporting and reliability of financial information.

- Business planning and budget implementation.
- Identification of financial, business and operational risk areas of the company to be covered in the scope of internal and external audits.
- Ensuring that the Accounting Officer of the company has put in place appropriate internal control systems.
- Monitoring and reviewing the effectiveness of the Internal Audit function.
- Overseeing the relationship of the company with the Auditor General of South Africa.
- Reviewing the consistency of and any changes to the accounting policies of the company both on a year-on-year basis and across the company and the City of Johannesburg.
- Reviewing the company's arrangements for its employees to raise concerns in confidence and confidentiality about possible wrongdoing or improprieties in financial reporting and other matters.
- Monitoring and review of the performance information provided by the company against the approved business plan, the City's Integrated Development Plan and the Growth and Development Strategy and providing the Board of Directors with an authoritative and credible view of the performance of the company.
- Monitoring implementation of the policy and plan for risk management taking place by means of risk management systems and processes.
- Overseeing that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the company.
- Ensuring that risk management assessments are performed on a continuous basis.
- Ensuring that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- Expressing a formal opinion on the effectiveness of the system and process of risk management; and.
- Reviewing reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.

1.1.2.2 Social, Ethics & Human Resource Committee

The Committee consists of the following members: -

Social, Ethics & HR Committee as at 30 June 2025

Lawrence Mduduzi Ndlovu	Non-Executive Director (Chairperson)
Bayiphiwe Simelane	Non-Executive Director
Tabisa Poswa	Non-Executive Director
Zamikhaya Xalisa	Non-Executive Director
Thandeka Tshabalala	Non-Executive Director

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

- Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.
- Overseeing of the setting and administering of remuneration at all levels in the company.
- Overseeing the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance.
- Reviewing the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved.
- Ensuring that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued.
- Consideration of the results of the evaluation of the performance of the CEO and other executive directors, both as directors and as executives in determining remuneration.
- Selection of an appropriate comparative source when comparing remuneration levels.
- Advising on the remuneration of non-executive directors.
- Management development and succession plans for executive levels.
- Making recommendations to the Board where necessary or taking approved action within its delegated authority. Social and economic development, including the organisation's standing in terms of the goal and purpose of UN Global Compact principles, recommendations regarding Corruption, Employment Equity Act and Broad-Based Black Economic Empowerment.
- Good corporate citizenship including promotion of equality and contribution to development of communities.
- Environment, health and public safety.
- Consumer relationships.
- Labour and employment.
- To draw matters to the attention of the Board as required, and
- To report to the Shareholder at the AGM on matters within its mandate.

1.1.2.3 Development Committee

The Committee consists of the following members:

Development Committee as at 30 June 2025

Ntokozo Mjiyako	Non-Executive Director (Chairperson)
Thulani Mdadane	Non-Executive Director
Musa Shibambu	Non-Executive Director
Theodore Zithulele Dhlamini	Non-Executive Director

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

- To approve new developments, report on the detailed investigation stage and to give approval to proceed with the development. i.e. Design and Business Plan development stage.
- To provide recommendations to the Board regarding the approval of new engagements in developments where appropriate.
- To evaluate proposed financing mechanisms where external financing is required; and
- To set benchmarks to be used to evaluate the risk/return relationship on significant projects to be undertaken by the Company.

1.2. BOARD AND COMMITTEE MEETING ATTENDANCES

1.2.1. BOARD AND COMMITTEE MEETING ATTENDANCES

- The Board held six **(6)** ordinary meetings in Q4 of 2024/25 FY (Ordinary Board Meeting – 16 April 2025). (Special Board of Directors In-Committee Meeting-23 April 2025). (Special Board of Directors In-Committee Meeting -25 April 2025). (Special Board of Directors In-Committee Meeting -12 May 2025). (Special Board of Directors In-Committee Meeting -16 May 2025) and (Special Board In-committee Meeting-30 June 2025).
- The Audit and Risk committee held two **(2)** ARC Meetings (Ordinary ARC meeting 09 April 2025). (Special ARC Meeting 27 June 2025).
- The Social. Ethics and Human Resource Committee held two **(2)** Meetings (Ordinary Social. Ethics and Human Resource Meeting – 07 April 2025) and (Special Social. Ethics and In Committee Human Resource Meeting -12 May 2025).
- The Development Committee held one **(1)** meeting (Ordinary Development Committee Meeting – 07 April 2025).

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

Table 3: Board Meeting attendances as at 30 June 2025

Board of Directors	Board Meetings		
	Attendance	Absent	Apologies
Number of Meetings	6		
Mr Theodore Dhlamini	6	0	0
Mr Zamikhaya Wauthus Xalisa	5	0	0
Mr Albert Baloyi	0	0	0
Mr Lawrence Mduduzi Ndlovu	6	0	0
Mr Ntokozo Mjiyako	6	0	0
Ms Bayiphiwe Simelane	6	0	0
Ms Thandeka Tshabalala	6	0	0
Mr Musa Shibambu	6	0	0
Ms Tabisa Poswa	6	0	0
Mr Jason Sobekwa	6	0	0
Dr Thulani Alfred Mdadane	0	0	0

Ms Nokwazi Mtshali	6	0	0
Mr Musa Nkosi	6	0	0
Sello Mothotoana	0	0	0

Table 4: Board Committee Meetings attendances as at 30 June 2025

Board of Directors and independent committee members	Audit & Risk			Development			Social and Ethics		
	Attendance	Absent	Apologies	Attendance	Absent	Apologies	Attendance	Absent	Apologies
Number of Meetings	2			1			2		
Mr Theodore Dhlamini	-	-	-	1	0	0	-	-	-
Sello Mothotoana	0	0	0	0	0	0	0	0	0
Mr Zamikhaya Wauthus Xalisa	-	-	-	-	-	-	2	0	0
Mr Albert Baloyi	0	0	0	-	-	-	-	-	-
Mr Lawrence Mduduzi Ndlovu	-	-	-	-	-	-	2	0	0
Mr Ntokozo Mjiyako	-	-	-	1	0	0	-	-	-
Ms Bayiphiwe Simelane	-	-	-	-	-	-	2	0	0
Ms Thandeka Tshabalala	-	-	-	-	-	-	2	0	0
Mr Musa Shibambu	-	-	-	1	0	0	-	-	-
Ms Tabisa Poswa	-	-	-	-	-	-	2	0	0
Mr Jason Sobekwa	2	0	0	-	-	-	-	-	-
Dr Thulani Alfred Mdadane	-	-	-	0	0	0	-	-	-
Mr Obed Thenga	2	0	0	-	-	-	-	-	-
Ms Thulisile Mfusi	2	0	0	-	-	-	-	-	-
Dr Piet Ngobeni	2	0	0	-	-	-	-	-	-
Ms Nokwazi Mtshali	2	0	0	1	0	0	2	0	0
Mr Musa Nkosi	2	0	0	1	0	0	2	1	1

1.3 REMUNERATION OF DIRECTORS AND PRESCRIBED OFFICERS

The remuneration of Directors is guided by the City of Johannesburg Group Policy on the Governance of the Group Advisory Committees, Interim Municipal Entities Boards of Directors, and Independent Audit Committees of 2021 FY. Remuneration reflects figures from the Q4 of the FY 2024/25.

Table 5: Board of Directors Remuneration as at 30 June 2025

Name	Designation	Remuneration
Mr Theodore Dhlamini	Non-Executive Director	*R108 000.00
Mr Zamikhaya Wauthus Xalisa	Non-Executive Director	R76 000.00
Mr Albert Baloyi	Non-Executive Director	-
Mr Lawrence Mduduzi Ndlovu	Non-Executive Director	R92 000.00
Mr Ntokozo Mjiyako	Non-Executive Director	R82 000.00
Ms Bayiphiwe Simelane	Non-Executive Director	R88 000.00
Ms Thandeka Tshabalala	Non-Executive Director	-
Mr Musa Shibambu	Non-Executive Director	R80 000.00
Ms Tabisa Poswa	Non-Executive Director	R88 000.00
Mr Jason Sobekwa	Non-Executive Director	**R112 000.00
Mr Thulani Alfred Mdadane	Non-Executive Director	-
Total		***R726 000.00

*fees include MMC's quarterly

**fees include Group Risk Governance Committee and Group Audit Committee Meetings

***fees include Strategic Risk Workshop

Table 6: Independent Audit and Risk Committee members' remuneration as of 30 June 2025

Name	Designation	Remuneration
Mr Obed Thenga	Independent Audit Member	R16 000.00
Mr Steven Piet Ngobeni	Independent Audit Member	R16 000.00
Ms Thulisile Mfusi	Independent Audit Member	R16 000.00
Total		R48 000.00

Table 7: Executive Management remuneration as at 30 June 2025.

Name	Designation	Remuneration
Mr Molapane Mothotoana	Chief Executive Officer	R 374 177.31
Ms Nokwazi Mtshali	EM: Planning & Strategy/ Acting CEO	R 559 996.45
Mr Melusi Ndimma	Chief Operations Officer	R 89 003.03
Ms Madonna Rangaka	Company Secretary	R 394 184.40
Total		R 1 417 361.19

1.4 COMPANY SECRETARIAL FUNCTION

The Company Secretary plays a key role in ensuring that Board procedures are followed and regularly reviewed. As per Section 88 of the Companies Act, a company secretary's duties include, but are not restricted to (a) providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers; (b) making the directors aware of any law relevant to or

affecting the company; (c) reporting to the company’s board any failure on the part of the company or a director to comply with the Memorandum of Incorporation or rules of the company or this Act; (d) ensuring that minutes of all shareholders’ meetings, board meetings and the meetings of any committees of the directors, or of the company’s audit committee, are properly recorded in accordance with this Act; (e) certifying in the company’s annual financial statements whether the company has filed required returns and notices in terms of this Act, and whether all such returns and notices appear to be true, correct and up to date; (f) ensuring that a copy of the company’s annual financial statements is sent, in accordance with this Act, to every person who is entitled to it.

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

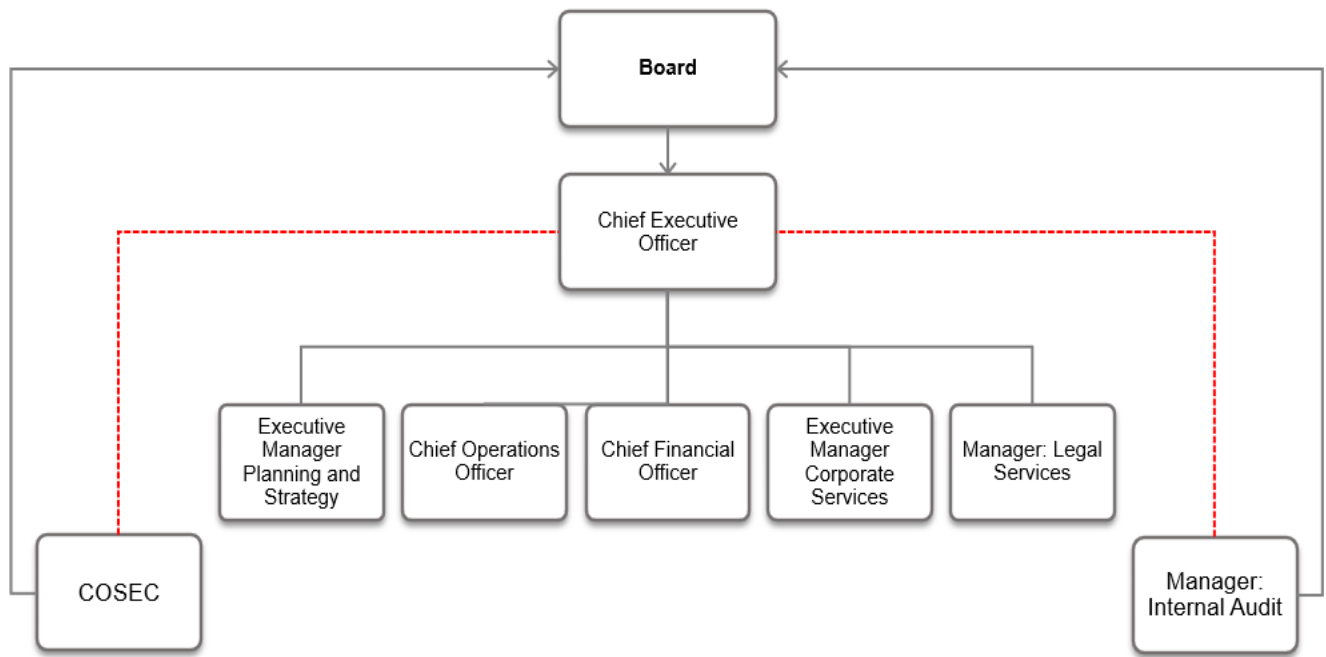


Figure 1: High-level Organisational Structure


SECTION 3: RISK MANAGEMENT

3.1. The Johannesburg Social Housing Company (JOSHCO) has established and maintains a system of risk management in accordance with the provisions of the Municipal Finance Management Act, the King IV Report on Corporate Governance, and applicable Risk Management Standards. Oversight over the governance and management of risk within JOSHCO is conducted by the Audit and Risk Committee which is the statutory Sub-Committee of the Board. The Committee meets on a quarterly basis (or as regularly as may be agreed between the Board and the Committee) and operates in accordance with Board approved Terms of Reference.

3.2. RISK ESCALATION METHODOLOGY

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

Table 8: JOSHCO Top 5 Strategic Risks as of 30 June 2025


No.	Risk Description	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual risk movements	Consequences	Mitigation Progress to Date
		Q1	Q2	Q3	Q4			
1.	Inability to continue as a going concern	Very High	Very High	Very High	High		<ul style="list-style-type: none"> Inability to meet organisational operational and financial obligations. Low collection rate. Inability to implement our planned operational expenditure. Continued deficit. Poor financial performance, credit risk, and bad reputation. Cashflow challenges. 	<ul style="list-style-type: none"> DebiCheck mandates are enforced as a new payment method and pre-requisite on all new leases, renewals, and payment arrangements. The amount collected for the month of May 2025 through DebiCheck is R 962 310.65 2 342 files have been handed over to the Housing Tribunal Court since beginning of August 2024

No.	Risk Description	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual risk movements	Consequences	Mitigation Progress to Date
		Q1	Q2	Q3	Q4			
							<ul style="list-style-type: none"> Increased interest. expenditure that is not budgeted for. 	<p>and 3 credit controllers have been assigned to assist with opening of files due to the Tribunal' capacity constraints.</p> <ul style="list-style-type: none"> To date. 363 cases have been opened with reference numbers. and 117 of these cases are on mediation stage and 246 on arbitration stage. All these tenants have been served with notices to appear in Court. Stakeholder Relations Management has intensified its engagement with tenants. There is an improvement in the relationship between JOSHCO and the tenants. The issues are brought to JOSHCO's attention in an orderly manner and resolved amicably. The management fee has been

No.	Risk Description	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual risk movements	Consequences	Mitigation Progress to Date
		Q1	Q2	Q3	Q4			
								increased by 10%. Recent SLAs drafted in Q4 allude to a 10% management fee. Finance Department held engagements with Housing Management Department, and monthly financial information on expenditure incurred are submitted to Finance Department for monitoring purposes.
2.	Occurrences of safety and security incidents at JOSHCO facilities	Very High	High	High	High	↔	<ul style="list-style-type: none"> Injuries and fatalities. Theft. Financial losses due to illegal tenants not paying rent directly to JOSHCO. Litigations from tenants. Fines and penalties by the Department of Labour and Employment (as well as other regulatory bodies leading to potential financial losses). 	<ul style="list-style-type: none"> Customer queries are responded to as per SLS timeframes. The installation of the biometric systems at most projects has not commenced due to budget constraints. However, a threat and vulnerability assessment report is in place. The report highlights high-risk areas and prioritisation of installations. During the quarter under review. the below OHS training



No.	Risk Description	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual risk movements	Consequences	Mitigation Progress to Date
		Q1	Q2	Q3	Q4			
								<p>interventions were conducted during tenants' education sessions:</p> <ul style="list-style-type: none"> ○ Lufhureng ○ Riverside View Phase 3
3.	Inability to deliver capital projects on time	High	High	High	High	↔	<ul style="list-style-type: none"> • Non-attainment of medium to long term project revenue because of limited number of social housing and affordable housing units built • Litigation by service providers for non-payment. • Inability to fulfil service delivery standards • Increased project costs • Project delays/stoppage 	<ul style="list-style-type: none"> • The adjustment budget was approved with an additional R7 million. • The multiyear building conditional assessment recommendations have not been implemented due to budget constraints. • During the quarter under review, there is one (1) contract that has been terminated for non-performance. • Stakeholder Relations Management has intensified its engagement with tenants. There is an improvement in the

No.	Risk Description	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual risk movements	Consequences	Mitigation Progress to Date
		Q1	Q2	Q3	Q4			
								relationship between JOSHCO and the tenants. The issues are brought to JOSHCO's attention in an orderly manner and are resolved amicably.
4.	Aging infrastructure	High	High	High	High	↔	<ul style="list-style-type: none"> • High maintenance cost leading to financial loss • Inability to complete planned maintenance at JOSHCO projects • Unhappy tenants leading to reputational damage and non-payments/rental boycotts • Loss of life 	<ul style="list-style-type: none"> • The budget adjustment approvals for CAPEX does not include adequate funds for major upgrades. • The City's priority for CAPEX is more focused on infrastructure assets i.e. Electricity, water, sanitation as well as roads and stormwater. • The multiyear building conditional assessment report recommendations have not been implemented due to budget constraints. • The 2025/26 FY budget does not include allocation for multiyear

No.	Risk Description	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual risk movements	Consequences	Mitigation Progress to Date
		Q1	Q2	Q3	Q4			
								<p>conditional assessment. However, the COO's office will provide motivation and submit to Finance Department for consideration during the adjustment budget period.</p> <ul style="list-style-type: none"> A total of 846 reactive maintenance tasks were completed across all JOSHCO properties during the quarter under review which are Plumbing. Electrical.
5.	Business Interruption	High	High	High	Medium		<ul style="list-style-type: none"> Loss of critical information/ and access to JOSHCO bank account details leading to potential financial losses. Non- compliance with POPIA resulting in fines. penalties. and imprisonment. 	<ul style="list-style-type: none"> All servers are running the latest security updates, including the backup. The Business Continuity Steering Committee convenes on a quarterly basis, the Q4 meeting was held on 05 June 2025.

No.	Risk Description	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual Risk Rating	Residual risk movements	Consequences	Mitigation Progress to Date
		Q1	Q2	Q3	Q4			
							<ul style="list-style-type: none"> Inability to proactively respond to disasters and continue with JOSHCO operations. Network connectivity unavailability. 	<ul style="list-style-type: none"> The review of the current BCP has commenced. the final BCP will be completed in Q1 of 2025/26 FY. A DR test was successfully conducted on 18 May 2025. There are measures in place to respond to different energy challenges at Head Office. I.e. UPS and generator. The secondary network connectivity was implemented; however, it is currently suspended due to expiry of the network support contract. The ICT team is currently busy with the procurement process for network upgrade that will include a secondary link.

LEGEND

SYMBOL	MEANING
	RESIDUAL RISK REDUCED FROM PREVIOUS QUARTER
	RESIDUAL RISK REMAIN THE SAME FROM PREVIOUS QUARTER

3.2. RISK OVERSIGHT

The overall oversight role of risk management is vested in the Board of Directors in that the Board is required by Principle 11 of the King IV Report on Corporate Governance 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 threaten their achievement. In exercising the risk governance responsibility, the risk control implementation plans were assessed in the quarter.

The 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 has continued to deliberate on the implementation of mitigation controls to ensure that the risks are managed and reduced.

The Risk and Compliance Unit within the Planning and Strategy Department monitors mitigation action plans aimed at managing strategic and operational risks towards acceptable residual risk levels. Furthermore, the unit engages with the respective risk owners for progress on the implementation of mitigation actions on a continuous basis.

Residual Risk Movement

Below is the summary of the strategic residual risk rating movement assessed in Q4 for the FY 2024/2025.

- The monitoring process for Q4 indicates that six strategic risks remained unchanged for the quarter under review. Two risks have moved as follows:

i. Inability to continue as a going concern

- The risk has been reduced from very high to high due to tangible improvements in financial performance, such as partial improvements in supplier payments, and enhanced internal controls (However, the risk remains high because compliance with MFMA Section 65(2)(e), is still below target, long-term sustainability challenges persist, and reliance on municipal funding and tenant payments remains a concern.
- In the 2023/24 financial year, JOSHCO received an unqualified audit opinion with findings, the financial statements presented a true and fair view of the entity's financial position and performance, but the audit did identify some areas needing improvement.

ii. Business Interruption

- The Entity has implemented a comprehensive BCP for head office operations, ensuring quicker response and recovery during disruptions. This includes incidents such as power and water outages.
 - Backups. and cybersecurity measures to reduce downtime risk due to system failures or cyber incident are in place (DRP is tested on a quarterly basis), and drills are also conducted on a quarterly basis.
 - There is maintenance the generator. fire detection, and water systems to prevent and reduce physical disruptions in the event of a disruption.
- For the period under review, JOSHCO implemented twenty-nine (29) strategic risk mitigation actions.
 - There is one (1) mitigation action which was not implemented during the period under review (100% non-implementation) “implementation of the building conditional Assessment report recommendations”, even though the Three-Year conditional assessment report is in place, implementation of the recommendations could not be implemented due to non-allocation of the budget by the City.
 - There is one (1) mitigation actions which was implemented at 40%, the remaining 60% could not be implemented due to allocation of budget. It was anticipated that five projects will be installed with biometric systems. and only two were achieved:

Project	Status of Biometric System	% of implementation
Fleurhof Junction	Not implemented	0%
Roodepoort - Tshedzani	Not implemented	0%
50 Durban Street	Not implemented	0%
Riverside View	Implemented	20%
Abel Street	Implemented	20%
Total % of implementation		40%
Variance		60%

- Based on the data reflected on the strategic risk register (**Annexure A**), the total actions taken to manage residual risk(s) in the control environment for the 2024/25 financial year is **95% compared to the annual target of 95%**.
- The non-achievement of the 100% implementation of action plans is due to budget constraints relating to the implementation of the building conditional assessments and finalisation of the installation of biometric systems for three projects.

3.3. INFORMATION ON EMERGING/NEW RISKS

BUDGET CONSTRAINTS

With provinces such as Gauteng, KwaZulu-Natal, and the Eastern Cape experiencing increased flooding that damages critical infrastructure and endangers lives, proactive climate risk management is essential. By integrating environmental resilience into planning and decision-making, JOSHCO can better safeguard its projects, tenants, and long-term investments.

There is a growing concern regarding constrained budget allocations and delayed outflows from funding stakeholders, which will negatively impact the planning, implementation, and completion of JOSHCO projects. The tightening of municipal and national budgets will lead to resource limitations, affecting both operational capacity and the delivery of strategic projects. This poses a reputational and service delivery risk to JOSHCO's mandate of providing affordable and quality social housing to the residents of Johannesburg.

Clients and stakeholders need to consider financial sustainability and fiscal discipline when engaging with or investing in JOSHCO projects.

Some of the risks to customers may include the following:

- **Project Delays:** Inadequate or delayed funding may result in the postponement of planned housing developments or maintenance programs frustrating prospective and current tenants.
- **Reduced Service Quality:** Budget shortfalls may compromise the quality and consistency of essential services such as maintenance, cleaning, and security.
- **Increased Fees:** To recover costs or offset funding deficits, the entity may need to adjust rental rates or service charges placing financial pressure on tenants.
- **Staffing Constrains:** Budget restrictions may affect recruitment and retention of key personnel, leading to reduced service delivery efficiency and customer service performance.

- **Reputational Impact:** Failure to meet project timelines or quality standards due to financial limitations may damage JOSHCO's credibility and public trust.

The root causes of this risk include broader macroeconomic challenges such as inflation, reduced municipal revenues, and shifting government spending priorities. These factors will impact JOSHCO's ability to secure timely and sufficient funding to meet operational and development targets.

JOSHCO's mission to address the housing backlog and improve living conditions for Johannesburg's middle and working class is under threat if sustainable financing models are not pursued. Prolonged financial constraints may lead to loss of stakeholders' confidence and customer dissatisfaction.

As a way of intervention to manage the possibilities, JOSHCO may explore Public-Private Partnerships (PPPs), strengthen its internal budget prioritization process, and engage proactively with funders to ensure timely and adequate disbursement of financial resources.

3.4 BUSINESS CONTINUITY

The Business Continuity Committee, chaired by the Executive Manager responsible for Business Planning and Strategy, and supported by the COO, CFO, and key management team, met in June 2025 for its quarterly meeting.

During the session, the committee discussed key aspects of business continuity in detail, including the declaration of secrecy, ensuring confidentiality, and security protocols remain robust. Status Update on the Personal Announcement System & Surveillance Cameras, results and feedback on the emergency drill that took place during the month June 2025.

The process to review the 2024/25 BCP is currently underway; the plan will be finalised in Q1 of 2025/26 FY.

The committee remains committed to strengthening business resilience through continuous assessment, preparedness, and strategic planning and meets quarterly to review key business continuity matters.

3.5 PROGRESS ON THE RISK MANAGEMENT PLAN.

The quarterly activities as outlined on the Risk Management Implementation Plan, such as approval of the 2025/2026 strategic risk register were completed, review and approval of the Fraud Prevention Plan and Policy is underway.

SECTION 4: ANTI-CORRUPTION AND FRAUD INVESTIGATIONS.

The Board, Committees and Management continued to subscribe to Principle 1 of the King IV Report on Corporate Governance for South Africa 2016, which states “the governing body should lead ethically and effectively”. The governing body should further continue to subscribe to the Prevention and Combating of Corruption Activities Act 12 of 2004 and the Protected Disclosure Act 26 of 2000.

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

All reported fraud and corruption allegations are investigated by the City's Group Forensic and Investigation Services (GFIS) unit. with quarterly progress reports submitted to JOSHCO.

For the quarter under review:

- Two (2) new cases were reported.
- One (1) case was closed.
- Ten (10) cases remain active.

The table below provides a detailed progress update from GFIS on all ongoing investigations.

Table 9: GFIS Progress on Open Cases as of June 2025.

GFIS No	Date Registered	Allegation	Status
12/11/2021	2021/11/12	Alleged maladministration at JOSHCO. whereby a drama series was shot and aired on Channel 157 MOJA-LOVE, at the Roodepoort property without following the proper authorisation process of the location.	In-progress
39/12/2021	2021/12/15	Alleged maladministration with regards to the appointment of the ICT Manager, in which the recruitment process was marred with gross irregularities.	In-progress
26/09/2022	2022/09/14	Alleged fraud and corruption where there are fraudulent debit orders that are deducting from JOSHCO Standard bank account. The debit orders are deducted every month in respect of MFC (Vehicle), Tekkie town (Sneakers), Virgin Active (Gym). Truworths and Sanlam.	In-progress
23/10/2024	2024/10/22	Allege fraud and corruption on the JOSHCO Commercial shops and outdoor advertising.	In-progress
29/10/2024	2024/10/28	Alleged Fraud and corruption by JOSHCO Bookkeeper.	In-progress
18/01/2025	2025/01/28	Alleged Fraud and Corruption in Fraudulent of collecting money from	In-progress

GFIS No	Date Registered	Allegation	Status
		approximately 40 occupants in 5 Vlakvoeltjie road Princess Roodepoort.	
9/02/2025	2025/02/17	Alleged fraud regarding leasing of a Bachelor. 1 Bathroom Unit at Devland.	In-progress
29/02/2025	2025/02/28	Alleged Cyber Crime in the Cloning of JOSHCO WhatsApp to redirect messages going to JOSHCO including payment made to JOSHCO to their accounts.	In-progress
19/05/2025	2025/05/09	Caller alleged that there are Selling JOSHCO Houses to the people who did not apply. Katlego is demanding money to those Who applied for the houses.	In-progress
14/06/2025	2025/06/13	Active rental scam involving a fake housing company called "Socialhomes" that is fraudulently posing as an official rental partner of the City of Johannesburg.	In-progress

4.1 ANTI FRAUD & CORRUPTION CAMPAIGN

The Board, Committees, and Management continued to subscribe to Principle 1 of the King IV report on Corporate Governance for South Africa 2016, which states "the governing body should lead ethically and effectively". The governing body should further continue to subscribe to the Prevention and Combating of Corruption Activities Act 12 of 2004 and the Protected Disclosure Act 26 of 2000.

The Stakeholder Department, in collaboration with the Risk and Compliance Unit, Housing Management (Leasing and Revenue Unit), and the Occupational Health and Safety Unit, successfully conducted two (2) tenant engagements at the following Projects: Lufhereng, and Riverside View Phase 3.

The Marketing and Communications Department partnered with the Risk and Compliance Unit and successfully carried out a mall activation awareness event at Randburg Square on 29 of May 2025. The Risk Management Unit issued an Anti-fraud & Corruption Survey through Internal Communications on 26 May 2025, and the response was unsatisfactory.

Furthermore, an anti-fraud and corruption scam alert was issued on 13 June 2025 through the Internal Communications and on all JOSHCO social media platforms. The Community Development Department hosted the June 16th level-up workshop. and the Risk and Compliance unit provided awareness on Fraud and Corruption to the residents.

The engagement and awareness sessions saw an excellent turnout and were highly successful. The intended awareness was effectively created. Below are some of the pictures captured during the sessions.



SECTION 5: ICT GOVERNANCE.

The role of the Information and Communications Technology (ICT) Department is to enable effective information management, support decision-making processes, enhance collaboration, promote innovation, and drive digital transformation. The Department develops, maintains, and supports management Information Systems which encompasses the use, management, and application of various technologies to gather, process, transmit, and store information.

ICT facilitates efficient communication, enables access to vast amounts of data, and empowers JOSHCO staff to streamline processes and enhance productivity with a wide range of technologies, including computers, networks, the internet, software applications, mobile devices, and telecommunication systems.

Disaster Recovery

JOSHCO has a Fully Managed Datacentre (FMDC) to ensure business continuity. All critical services of the organization are replicated to the DR site, ensuring that JOSHCO operations can continue even in the event of a disaster. A scheduled quarterly Disaster Recovery Test was successfully performed on May 18, 2025.

Table 10: Scope of Work

No	Scope	Comment
1.	Critical Systems and Applications	1 VM was identified and tested
2.	Data Backup and Restoration	Data on the DR site matches data in Production
3.	Assessment of Recovery Time Objectives	Data verification testing conducted

4.	Network	VM's in both sites are remotely accessible
5.	Verification of Data Integrity	VM's in both sites are functioning as expected
6.	Infrastructure Components	DR site has sufficient resources
7.	Access and Authentication	Users with Admin rights performed parallel data verification

Network Availability

The JOSHCO network remains stable. A contingency measure is in place in the form of a Secondary Network Link that supplements the MTC Primary Network Link.

Patch Management

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

An update ring was created to ensure updates are pushed to clients as soon as they have been made available after testing. All JOSCHO devices are running the latest Windows Updates, resulting in a healthy environment with less possibilities of Cyber Attacks. All servers have received the monthly patches and up to date.

Datacentre Uptime/Downtime

Since April 2025, JOSHCO's Head Office has experienced several power outages. On 16 April 2025 at 10:30 AM, a planned power outage occurred due to scheduled maintenance as communicated by City Power. In addition, an unplanned power outage took place from 1 May to 6 May 2025 caused by a cable fault. Despite these disruptions, the ICT Department ensured that operations continued with minimal impact, with the installed UPS system which provided backup power during the outages.

Our target for operation as JOSHCO ICT is to maintain high system availability by implementing strategies that promote continual information technology service improvement.

Cybersecurity

JOSHCO ICT implemented SOPHOS Email Advanced, an email security product designed to ensure complete protection from cyber-attacks. With this measure in place, ICT can now guarantee the complete security of the organization and full compliance with the Minimum Information Security Standards.

During Quarter 4, JOSHCO did not encounter any cyber threats due to the hardened security measures currently in place. Information Security is actively monitoring the environment through various tools deployed on the infrastructure. However, there is a need to fill Information Security vacancies within the ICT department to ensure a continued stable environment.

JOSHCO Website Hosting

In April 2025, JOSHCO ICT in collaboration with the Marketing and Communications department, successfully launched the new JOSHCO website on the Microsoft Azure platform. This initiative managed by JOSHCO’s ICT, aims to enhance user experience, improve accessibility, and ensure robust security and scalability for all stakeholders.

KPI Management Tool:

The KPI Management Tool for Business Planning and Strategy at JOSHCO was developed to facilitate the efficient management of KPIs and evidence submissions across all departments. This tool ensures streamlined tracking, reporting, and alignment with strategic goals, enhancing overall organizational performance and accountability.

Revenue Performance Report Dashboard:

The Revenue Performance Reporting Tool has been developed for the Revenue Department to effectively monitor and manage revenue collection, as well as repair and maintenance activities. It provides a centralized real-time dashboard that offers a comprehensive view of the status and progress of these efforts.

Table 11: Current and Future Projects.

Project	End User Department	Status
Maintenance Escalations	Housing Management	Completed
JOSHCO e-Leasing (JOSHCO APP)	Leasing	Completed
System Center Service Manager	Entire Organisation	Completed
Customer Service Portal	Customer Service	Completed
Supplier Database Repository	Supply Chain Management	Completed
Website Hosting	Marketing & Communications	Completed
Revenue Performance Dashboard	Revenue	Completed
Sage Intacct Upgrade	Finance	Completed
Vendor Portal	Finance	Completed
VoIP Migration	Entire Org	Completed
Revenue Management Digital Tool	Revenue	Completed
Risk Management App	Risk Department	Completed
Performance Management Tool	Learning & Development	Completed

Logging and Tracking System	Stakeholder Management	Completed
Review of ICT Policies	Entire Org	Completed

SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

Compliance Management is a multifaceted discipline that ensures that an organisation complies with industry legislation, regulations and standards, as well as corporate and regulatory policies and requirements. The Risk and Compliance Unit is responsible for ensuring that JOSHCO complies with industry legislation, regulations and standards, as well as corporate and regulatory policies and requirements.

A total of twenty-eight (28) Acts and regulations were identified as being applicable to JOSHCO's operations and appear in the Regulatory Universe. JOSHCO uses compliance monitoring registers to monitor compliance with relevant legislation. Monitoring of the relevant legislations is conducted frequently to ensure full compliance by the targeted period in accordance with the requirements.

During quarter four, twenty-six (**26**) acts reached **100%** compliance status, while two (**2**) Acts did not reach the 100% compliance status. The current compliance level for this quarter stands at **99% against a target of 98%**. The Protection of Personal Information Act. No. 4 of 2013 (98%), as well as the Local Government Municipal Finance Management Act. No. 56 of 2003 (Section 65(2)(e) (100%), did not reach 100% compliance. The current cashflow challenges in the City and JOSHCO deficit will keep the Municipal Finance **Management Act below** 100% compliance.

- Equally, in this quarter, we have seen improvement in the **Social Housing Act** 16 of 2008 (100%)
 - JOSHCO is conditionally accredited in terms of the SHRA classification of accredited Social Housing Companies.
 - The current compliance status will be reviewed at the end of June 2025.
 - JOSHCO strives to comply with the SHRA reporting timelines as stipulated in Circular 1 of 2024/25 (SHRA).
 - Submissions for SHRA tool on KPIs for Q1, Q2, Q3 and Q4 were done.
 - To ensure consistency with the reporting process, a task team was established to ensure consistency and relevance of information reported to the Regulatory Authority.

Table 12: Action Plan showing of the three Assessed Legislations

No.	Act Name	Q1 % Compliance	Q2 % Compliance	Q3 % Compliance	Q4 % Compliance	Comments on non-compliance	Act Owner	Action Plans	Progress to address non-compliance	Period	Status
1.	Employment Equity Act. No. 55 of 1998	100%	86%	92%	100%	JOSHCO did not display a notice at the workplace in the prescribed form. informing Employees about the provisions of this Act.	EM: Corporate Services	<ul style="list-style-type: none"> JOSHCO to ensure that an EE notice is displayed in its offices. 	Employment equity Notices have been produced and displayed at the head office.	30 June 2025	Implemented
2.	Protection of Personal Information Act. No. 4 of 2013	100%	100%	98%	98%	Personal information impact assessment was not conducted to ensure that adequate measures and standards exist to comply with the conditions for the lawful processing	Manager: Legal Services	Conducting Personal Information Impact Assessments	JOSHCO has appointed a service provider to conduct the Personal Information Impact Assessment. It is envisaged that the work will be completed within the planned timelines.	30 September 2025	In-progress

						of personal information					
3.	Local Government Municipal Finance Management Act. No. 56 of 2003	93.5%	100%	100%	100%	The Company does not comply with Section 65(2)(e)(e) of the MFMA which specifies that all money owed by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.	Chief Financial Officer	The accounting officer for the purposes of Subsection (1) of MFMA takes all reasonable steps to ensure that Section 65(2) is complied with.	JOSHCO continues to submit projections to Treasury. Due to financial constraints at the City, they do not allocate funds on time. JOSHCO is constantly capturing invoices timely to prevent recurring non-compliance	30 September 2025	In-progress

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

- In relation to Housing Development, during the quarter under review, 556 housing units have been completed meeting the target of 556.
- In the quarter under review, the Occupancy rate for both regulated and non-regulated rental stock has been maintained at 98% and above for Q4.
- In support of EPWP and SMMEs, during the quarter under review, a total of 213 EPWP work opportunities were created against a target of 250, and year-to-date performance is at 1076 jobs created against the annual target of 1000 and 30 SMMEs were supported against annual target of 30.
- Under Governance, the entity resolved a total of 100% of internal audit findings against a quarterly target of 100% and 95% of risk action plans were implemented during the quarter.
- In the fourth quarter, the company met all seven of its Service Level Standard KPIs.

SECTION 2: SERVICE DELIVERY CHALLENGES

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

- Higher interest accumulated from entity deficit.
- Continued losses being incurred largely due to high provision for bad debts and high operating costs, mainly utilities, finance costs, and repairs and maintenance costs.
- Debt owed to JOSHCO by other City Departments and Entities.
- Statutory Approval Delays: Submissions made to various City entities have experienced delays in approvals, affecting project timelines and expenditure.

SECTION 3: RESPONSE TO STRATEGIC DIRECTION

Table 13: JOSHCO's Response to Strategic Direction

Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome in Q4
1. Sustainable Service Delivery	<ul style="list-style-type: none">• To be a smart and capable entity	<ul style="list-style-type: none">• Attainment of all SLs• Well maintained and clean JOSHCO properties• Continuous engagement with SHRA's to ensure we are compliant to the regulator.
1. Job opportunity & creation	<ul style="list-style-type: none">• To be a smart and capable entity	<ul style="list-style-type: none">• Upliftment of communities through SMMEs on construction projects• Skills development and job creation through EPWP programme

Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome in Q4
2. Sustainable service delivery	<ul style="list-style-type: none"> • Develop & manage social housing and student accommodation • Develop & manage affordable rental housing • Implement housing development projects for the CoJ • Provide assigned municipal services 	<ul style="list-style-type: none"> • On track to deliver social housing and affordable housing units across the City • Development of student accommodation precinct • Preserved and well-maintained buildings that meet acceptable living conditions
3. Financial sustainability	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • A solvent company by end of 2024/25 FY • Improved revenue collection • Diversification of revenue stream (outdoor advertising. management fee. other mechanisms) • An unqualified Audit Opinion
4. A Smart City	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • Effective and efficient business processes • Improved tenant satisfaction. through proactive tenant education and engagement programme • Customer satisfaction targets achieved and improved • Improved visibility of JOSHCO brand
		<ul style="list-style-type: none"> • Social housing projects that are smart and environmentally friendly. through design and the use of alternative building technologies (Including alternative energy solutions and rainwater harvesting) • Improved application and leasing processes. supported by automation of processes launched • Seamless business continuity supported. through effective backup and disaster recovery systems

SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

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

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

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

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

Table 14: Service Level Standard (SLS) Performance as at 30 June 2025

Core Service	Service Level Standard Target	April 2025	May 2025	June 2025	Quarter 4	Variance explanation	Mitigations
1. Billing of customers	98% accurate bills of all active customers	98%	99%	98%	98,3	None	None
2. Attending to request for maintainance	96% of maintenance requests attended within 14 days of the logged call	99,58%	99%	100%	99,5%	None	None
3. Routine building maintenance	Once per year and as when required	100%	95%	100%	98%	None	
4. Application for rental housing	Outcome of enquiry to be sent to application within 5 days	1 day	2 days	2 days	2 days	None	None
5. Application for rental housing	Outcome of the application communicated within 10 working days	2 days	2 days	2 days	2 days	None	None
6. Resolution of complaints	Acknowledgement and response within 24 hours of	24 hours	24 hours	24 hours	24 hours	None	None

	complaint being logged						
7. Resolution of complaints	Resolution of the complaints/ queries within 5 workings days	1 day	1 day	1 day	1 day	None	None

SECTION 5: PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The organisation's 2024–2025 business plan includes 18 key performance metrics and targets. 12 of the 17 targets that were due for reporting during the quarter were met. This outcome amounts to a performance for the quarter of **70.58%**.

Performance Targets	Targets
Total Annual Targets	18
Applicable targets in Q4	17 (1 KPI is pending)
Targets achieved	12
Targets not achieved	5
Pending	0

Legend.

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

Table 15: Performance Against Predetermined Objectives as at 30 June 2025

Key Performance Area	KPI No.	Key Performance Indicator	Annual Target 2024/25	Q4 Target	Q4 Actual	Variance	Reasons for Underachievement and Remedial Action
Financial Stability	1	Current Ratio	Current ratio 1:1	1:1	0.41:1	-049	Target Not Achieved. Refer to chapter 5 and section 5.
	2	Solvency Ratio	Solvency Ratio 1:1	1:1	0.43:1	-0.47	
	3	% Collection in respect of current debtors	80% collection in respect of current debtors	80%	77%	-3%	
	4	% Of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100%	51%	-49%	Target Not Achieved. Reasons for Deviation: The City is having financial constraints in terms of Cash Flow and as a result they do not allocate enough funds to settle all our creditors on time. Remedial Action: The entity continues to engage with Group Treasury for weekly allocation of funds.
	5	Number of SMME's supported	30 SMME's	30	30	0	Target Achieved
	6	Percentage expenditure of approved capital budget	100% expenditure of approved capital budget	100%	100%	0%	Target Achieved.
Good Governance	7	Percentage resolution of internal audit findings	100% resolution of Internal Audit findings (cumulative)	100%	100%	0	Target Achieved.
	8	% Resolution of AGSA findings	100% resolution of AGSA findings	100%	63%	-37%	Target Not Achieved. Reasons for Deviation: Limited staff resources resulting in lack of adequate review of AFS prior to Internal Audit review

Key Performance Area	KPI No.	Key Performance Indicator	Annual Target 2024/25	Q4 Target	Q4 Actual	Variance	Reasons for Underachievement and Remedial Action
							Remedial Action: Permanent appointment of CFO enabling stability of leadership. Additional review levels and utilization of CoJ CA(SA) Trainees for technical components of AFS. Submission of Pre-audited AFS timeously to allow adequate review time to ensure AFS are free from material misstatements.
	9	Level of audit opinion	Unqualified audit opinion	-	Pending	Pending AGSA outcome.	
	10	Percentage compliance to Laws and regulation	98% compliance to laws and regulation	98%	99%	+1%	Target Achieved
	11	Percentage Implementation of corrective action against identified risks	95% Implementation of corrective action against the identified risks	95%	95%	0%	Target Achieved
Personnel Vacancy Rate	12	% Employee vacancy rate	10% employee vacancy rate	10%	7.5%	2.5%	Target Achieved
Smart City	13	Number of digitisation initiatives completed	8 Digitisation initiatives completed	2	2	0	Target Achieved
Job Opportunity and Creation	14	Number of jobs created for the unemployed through EPWP programmes	1000 Jobs	250	1076	+76	Target Achieved
Sustainable Service Delivery	15	No. of social housing units completed	556 housing units completed	556	556	0	Target Achieved
	16	% Occupancy rate across all JOSHCO rental units	98% occupancy rate	98%	98%	0	Target Achieved

Key Performance Area	KPI No.	Key Performance Indicator	Annual Target 2024/25	Q4 Target	Q4 Actual	Variance	Reasons for Underachievement and Remedial Action
	17	% Achievement of service standards	100% Achievement of service standards	100%	100%	0	Target Achieved
	18	Number of community-based initiatives implemented through Community Development	4	1	1	0	Target Achieved

5.1 HOUSING DEVELOPMENT

5.1.1. PROJECT PERFORMANCE

Our capital projects are divided into 2 programs: **Inner-City** and **Greenfields** programs and are further divided into 2 major milestones: **Planning** and **Implementation**. Planning runs from inception to pre-tender stage and implementation from tender stage to project close out. Below are details of start and completion dates of various projects, as well as their performance. The start and completion dates of the projects are in line with the signed Development Agreement or JBCC of the project.

It should be noted that depending on the outcome of Extension of Time claims submitted by main Contractor, 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 an extension of time claim (with or without cost) is concluded by independent Project Managers, Principal Agents, or Review Consultants working with Quantity Surveyors, and recommendations are made to JOSHCO.

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

5.1.2. PERFORMANCE SUMMARY

JOSHCO has twenty-three (23) projects that have been approved in the 2024/2025 FY Business Plan. Fourteen (14) of these projects are between planning and procurement, and nine (9) of the projects were at the implementation stage at the beginning of the financial year. Some of the projects in implementation have reached completion and are awaiting completion certificates. There are however, seventeen (17) projects budgeted for in the Business Plan, and only three (3) are currently under implementation.

5.1.3. PROJECTS UNDER IMPLEMENTATION: INNER CITY

ABEL ROAD CONVERSION PHASE 1

Start date: 01 July 2023 & Anticipated Completion Date: 31 March 2025

Area or location: Abel Road, Inner City Johannesburg

No units expected 2024/2025: 103- units phase 1.

Budget allocated this FY: R0

Monitoring Tool	April	May	June
Capex Expenditure	R446 349.86	Nil	Nil
SMME Expenditure	N/A	N/A	N/A
*Project Progress	99%	99%	99%

Comments on Project Performance: All construction activities have been completed including snagging and de-snagging. Practical Completion has been obtained. The outstanding Town Planning applications for consolidation and parking relaxation were submitted. The consolidation application is awaiting JRA comments prior to it being finalised. Once the applications have been approved, the building plans will be submitted for approval and subsequently the issuing of Occupation Certificates.

The consolidation application has been approved, and the registration process for the newly created Erf in terms of Section 35 (4) of the City of Joburg Municipal by-laws (2018) had been finalised. The newly created erf is currently awaiting registration at the Deeds Office

106 CLAIM STREET SOCIAL HOUSING PROJECT

Start Date: 20 July 2023 & Completion date: 30 September 2024

Area or location: 106 Claim Street, Hillbrow

No units expected 2024/2025: 80 units

Budget allocated this FY: Nil

Monitoring Tool	JANUARY	FEBRUARY	MARCH
Capex Expenditure	Nil	Nil	Nil
SMME Expenditure	N/A	N/A	N/A
Project Progress	99%	99%	100%

Comments on Project Performance: Construction works were successfully completed in the previous financial year. The Occupation Certificate has been received from the Chief Building Inspector.

The project has been identified for the relocation of residents currently residing in the City of Johannesburg's bad buildings. As part of the City's bad building initiative the tenants have undergone JOSHCO tenant screening. Partial tenancing has been done and awaiting the next phase of the bad building relocation to accommodate qualifying tenants.

NEDERBERG STUDENT ACCOMMODATION

Start Date: 25 July 2023 & Anticipated Completion Date: 30 June 2025

Area or location: 153 Wolmarans Street, Johannesburg

No units expected 2024/2025: 60 units

Budget allocated this FY: R0

Monitoring Tool	April	May	June
Capex Expenditure	R 376 672.83	R 376 672.83	Nil
SMME Expenditure	N/A	N/A	Nil
Project Progress	90%	90%	90%

Comments on Project Performance: Building works have been completed with the contractor currently working on snags, peripheral painting and landscaping of the outside common area. Installation of internal finishes and furniture has been finalised. Electrical works completed, fire equipment's installed and serviced, water commissioning completed with the boiler commissioned as well for hot water. Awaiting the commissioning and the approval of the fire drawings.

The enrolment of the project with NSFAS and Universities is underway. The enrolment to be finalised once the Occupation certificate has been obtained.

5.1.4. PROJECTS UNDER IMPLEMENTATION: GREENFIELDS

NANCEFIELD SOCIAL HOUSING PROJECT

Start Date: 4 May 2021 & Anticipated Completion Date: 30 April 2026

Area or location: Nancefield, Klipspruit, Soweto

No units expected 2024/2025: 372

Budget allocated this FY: R55 000 000.00

Monitoring Tool	APRIL	MAY	JUNE
Capex Expenditure	R0	R0	R0
SMME Expenditure	R0	R0	R0
Project Progress	90%	90%	90%

Comments on Project Performance: Following the termination of the previous contractor due to non-performance. JOSHCO has finalized its procurement processes and appointed a new contractor to complete the project. The site was handed over to the new contractor on 19 May 2025. Site establishment has been completed, and construction activities are now underway.

DEVLAND SOCIAL HOUSING PROJECT (Phase 3)

Start date: 14 November 2022 & **Anticipated Completion date:** 31 October 2025

Area or location: Devland

No units expected 2024/2025: 171 units.

Budget allocated this FY: R 40 000 000.00

Monitoring Tool	APRIL	MAY	JUNE
Capex Expenditure	R 0	R 3 132 715.59	R 0
SMME Expenditure	R 281 802.81	R 414 448.81	R 0
Project Progress	19.4%	19.95%	19.95%

Comments on Project Performance: The site was handed over to the contractor on 19 February 2024. However, due to community disruptions arising from disagreements over the scope of work, construction activities could only commence in July 2024. Progress on site has been slow leading

to the issuance of a notice of termination to the contractor. The contractor subsequently addressed the issues raised and has since resumed work on site. Construction is currently in progress.

Construction works related to water pressure are currently underway with approximately 97% of the work completed. The works are anticipated to be completed by the end of June 2025. The project experienced delays due to inclement weather conditions and site closures imposed by local stakeholders, which were prompted by outstanding payments owed by the main contractor.

RIVERSIDE VIEW SOCIAL HOUSING (Phase 4)

Start Date: 1 November 2023 & 30 April 2026.

Area or location: Region A. North of City of Johannesburg. Riverside View.

No units expected 2024/2025: 184 Units

Budget allocated this FY: R 30 000 000.00

Monitoring Tool	APRIL	MAY	JUNE
Capex Expenditure	NIL	NIL	NIL
SMME Expenditure	N/A	N/A	N/A
Project Progress	0%	0%	0%

Comments on Project Performance: 184 units have been completed for Phase 3 with the Occupation Certificate obtained. The project has been launched and tenanted.

Phase Four

Phases 4 & 5 will deliver a total of 744 units and are ready for implementation. To date, 572 units have been enrolled with NHBRC. The remaining units located on Erf 4197, are pending enrolment. The SDP for this portion has been approved and building plans have been submitted for approval. A decision on the building plan approvals is expected by the end of July 2025.

Site works for Phase 4 commenced on the 19th of May 2025 on Erf 2634 and 2869 which will yield 384 units. Internal civil services on both Erfs 2634 and 2869 are expected to be completed end of July 2025.

BOOYSENS STREET INNER CITY CONVERSION

Start Date: 21 January 2025 & Anticipated Completion Date: 22 October 2025

Area or location: 57 Mentz Road. Booysens.

No units expected 2024/2025: 40 Units

Budget allocated this FY: R 30 000 000

Monitoring Tool	APRIL	MAY	JUNE
Capex Expenditure	Nil	Nil	R2 247 120.42
SMME Expenditure	N/A	N/A	N/A
Project Progress	0%	0%	0%

Comments on Project Performance: The Building Plans have been approved. The contractor was appointed, and the site handover to the contractor was in January 2025. Site establishment and clearance/demolition works onsite have commenced. Progress is currently at 8% and slow due to commercial tenants being onsite hindering the progress. The contractor indicated that it was a safety hazard to fast-track works onsite with tenants occupying the ground-floor space. An arrangement has been made to relocate the tenants to allow the project to progress.

RANDBURG/SELKIRK SOCIAL HOUSING

Start Date: 25 March 2025 & Completion Date: TBC

Area or location: Selkirk Avenue. Blairgowrie

No units expected 2024/2025: 148 Units

Budget allocated this FY: R 40 000 000

Monitoring Tool	APRIL	MAY	JUNE
Capex Expenditure	Nil	Nil	Nil
SMME Expenditure	N/A	N/A	N/A
Project Progress	0%	0%	0%

Comments on Project Performance: The Contractor has been appointed with a kick-off meeting haven taken place on the 25th March 2025. The application for a construction permit with the Ministry of Labour and the enrolment of the units with NHBRC is underway, as this will permit the commencement of construction works onsite.

The site is currently being used as a rubble storage site by the Johannesburg Development Agency (JDA). JDA has been requested to remove the rubble as per the agreed arrangement.

The JOSHCO appointed contractor can only have access to the site once the rubble has been removed. The Consultant has been terminated and the procurement processes for a new service provider is underway and to be concluded by the 25th of July 2025.

LUFHERENG PHASE 2 SOCIAL HOUSING

Start Date: 30 April 2025 & Completion Date: TBC

Area or location: 6 Motswiri Street. Lufhereng Extension 7

No units expected 2024/2025: 552 Units

Budget allocated this FY: R 7 000 000

Monitoring Tool	APRIL	MAY	JUNE
Capex Expenditure	Nil	Nil	Nil
SMME Expenditure	N/A	N/A	N/A
Project Progress	0%	0%	0%

Comments on Project Performance: Work package 1 and 2 for the project have been approved for site establishment and installation of bulk infrastructure. The stormwater management report was reviewed by the Johannesburg Roads Agency (JRA) and was approved. Work Package One Civil Works commenced on the 30th of April 2025. The procurement of the review consultant is underway.

5.1.5. PROJECTS UNDER PLANNING STAGE

RIVONIA /EDENBURG TURNKEY

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R1 000 000

The property transfer has been completed with the title deed registered under JOSHCO. A professional team has been appointed for the development designs, which will be in line with the existing land use rights. The professional team will finalize the outstanding applications which are inclusive of the Site Development and Building Plans.

DENVER EXTENSION 20 (JEPPESTOWN)

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R1 000 000

CoJ Land Use Management (LUM) is currently awaiting revised consolidated comments from the Environment and Infrastructure Services Department (EISD). EISD comments are still outstanding awaiting the Environmental Assessment (EA) report. Once the consolidated comments have been issued to CoJ Land Use Management, the rezoning application will be finalized.

The Environment and Infrastructure Services Department (EISD) requested that an application be submitted to the National Nuclear Regulator for comments before they can provide us with their own comments. The application for National Nuclear Regulator (NNR) has been approved. DMRE has requested additional studies to be done for the slime dams next to the development and positive comments have been issued. The Phase 2 NNR Report has been submitted and awaiting approval.

MILPARK SOCIAL HOUSING PROJECT (FRANK BROWN PARK)

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R6 000 000

Amended comments from Johannesburg Water have been received regarding the application made. The Township Establishment has been approved by COJ: Development Planning together with the submitted applications for Division of Land and Road Closure. These approvals mark a significant milestone in the development process, allowing us to proceed with the submission of the Site Development and the Building Plans. The professional team has conducted the Phase 2 geotechnical study and the report is underway.

KELVIN SOCIAL HOUSING PROJECT

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R7 000 000

The rezoning application was submitted to CoJ Development Planning at the end of November 2023. Comments from the various Municipal Owned Entities have been received. The application received more than 400 objections from adjoining neighbours, and it will be referred to the CoJ Municipal Planning Tribunal (MPT) for a decision. The Town Planner and attorney are currently working on resolving some of the objections and putting together supplementary motivation for the MPT.

LOMBARDY EAST SOCIAL HOUSING PROJECT

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R10 066 200

Due to objections received, an application needs to be sent to the Municipal Planning Tribunal (MPT) for a decision. However, City Power needs to be addressed before the application can be recommended to MPT. According to City Power, there is no capacity to support the proposed density until 2029. A report was done by the professional team highlighting that the implementation of alternative energy solutions would incur significant costs. There are ongoing discussions between JOSHCO and City Power to explore possible solutions to address the capacity problems.

JOSHCO is awaiting the approval of the Traffic Impact Assessment (TIA) report, Stormwater Management Report, and Outline Scheme Report submitted to JRA.

MARLBORO SOCIAL HOUSING PROJECT

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R5 000 000

An enquiry was submitted to Development Planning to confirm whether “Special” zoning permits residential buildings and if any density limitations apply. The letter of approval from Development Planning confirmed that “Special” zoning does permit residential development, with density limitations being at the discretion of the local authority based on the property’s intended use and control measures. JOSHCO has approved Stage 3 Detailed Designs with recommendations. The Site Development Plan (SDP) and Building Plans are being finalised for submission.

MARLVEN SKILLS DEVELOPMENT CENTRE

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R7 000 000

The Professional team’s scope of work was initially for a skills development centre. However, the scope of work was changed. The professional team was instructed to amend the proposed skills development centre to Social Housing. A letter for a change of scope was prepared and approved.

The professional team presented a revised scope with multiple options to the department. Following JOSHCO's recommendation of a preferred option, the team proceeded with the development of a concept plan based on the agreed direction. Stage 1 (inception) was approved in June 2025, the team is working on Stage 2 (Concept and Viability).

PARK CHAMBERS PRECINCT

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R10 000 000

JOSHCO and the Department of Human Settlements entered into a partnership for the development precinct which will be a mixture of housing typologies. The Professional Team has submitted the Stage 3 – detailed design development - for approval as per the revised scope. The designs have been presented to the office of the Chief Operations Officer for approval. The professional team is finalising the application for the submission of SDP and Building Plans.

LUFHERENG PHASE 2.

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R7 000 000

The project is estimated to yield a total of 552 units and Building Plans have been approved. The installation of bulk infrastructure services onsite has commenced.

280 SMIT STREET – STUDENT ACCOMODATION

Ref	Description	Amount
1	Capital budget allocation for 2024/2025	R10 000 000

The Site Development Plan has been approved. Fire rational designs have been approved and are currently awaiting the Building Plans approvals. The tender documentation, specifications, and drawings for the appointment of contractor are ready for tender advertisement. The appointment of the contractor is anticipated to commence in the next financial year due to budget constraints in the current FY.

5.1.6. SHRA CCG FUND APPLICATIONS

Applications for the SHRA Consolidated Capital Grant have been submitted for the following developments:

- 50 Durban Street – 102 units
- Abel Street – Phase 2 – 107 units
- Denver Extension 20 – proposed 1041 units
- Lufhereng Phase 1 (347 of 497 is currently funded) – remaining 60 of 407 units.

5.1.7. SHRA PROJECTS OCCUPATION CERTIFICATES (OC)

There are several SHRA-funded projects that are tenanted, some without Occupation Certificates. This program aims at remedying this non-compliance.

Progress:

City Deep: Awaiting the registration of Notarial Deeds of Restriction. Awaiting the signed PTBO prior to NDR report being signed. Once the signed NDR report has been obtained from JPC, the report will be presented to Council for resolution.

Dobsonville: Demolition permit has been issued in May 2025.

Turffontein: It should be noted that the Occupation Certificate exists, however, the current OC refers to one Erf. According to the Chief Building Inspector who issued the OC, the CoJ system is unable to issue two OCs for one development, hence a consolidation application is required by SHRA.

JOSHCO is currently awaiting a clearance certificate from CoJ Legal Admin. However, according to CoJ, they are a payable bulk service contribution. JOSHCO is currently compiling the proof of payment for submission to CoJ to obtain an off-set on the bulk service contribution. Once the above has been received, the consolidation application can be finalised.

5.2 HOUSING MANAGEMENT

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

Housing Management endeavors to attain the KPIs set out before it and diligently attempts to surpass such on a monthly and quarterly basis.

Building Repairs and Maintenance: Focused interventions

Building repairs and maintenance has two (2) focus areas i.e. unplanned and planned maintenance. Unplanned maintenance (reactive) comprises of daily complaints reported by tenants and common area challenges observed by the Property Supervisor. Planned maintenance is a forward-looking exercise in which the wellbeing of the property is budgeted for during a specific financial year to avoid deterioration of the property and to comply with the OHS Act. Implementation of planned maintenance reduces property deterioration and daily costs.

During Q4 of the 2024/2025 FY, Housing Management re-evaluated the Building Conditional Assessment (BCA) report undertaken by a panel of outsourced experts during the 2022/2023 financial year and concluded that the annual maintenance budget was extremely insufficient. The recommendations of the Building Conditional Assessment (BCA) report indicated that JOSHCO properties were in an advanced state of deterioration. Consequently, the bulk of the maintenance issues experienced are bound to be repetitive in nature due to the root causes of the issues not being comprehensively attended to or brought to finality.

Management utilised the cost per unit average of R950 per unit per month to determine the total annual budget for unplanned maintenance, and the BCA recommended amount to determine a planned maintenance budget. A concise allocation of cost centres was also developed to enable expenditure monitoring per item and avoid clustering all items as repairs & maintenance (see table below). These interventions are aimed at avoiding under-budgeting, which inevitably would result in over expenditure by default. The table below is the recommendation for sourcing sufficient budget to intervene effectively and alleviate the scenario described above.

Budget Type	Operation Description	Operational Purpose	Strategic Value	Annual Budget
OPEX	Implement annual building condition repairs	Building Conditional upgrades & reactive repairs	Reverse Building Decay & Daily complaints	180 000 000
OPEX	Compliance with OHS requirements	OHS compliance	Comply with legislation & SHRA	10 000 000
OPEX	Cleaning Materials.	Maintenance services	Upkeep of Common Areas to health standards	10 000 000

	Equipment & PPE's			
OPEX	Gardening. Deep Cleaning & Pest control.	Maintenance services	Upkeep of Common Areas to health standards	10 000 000
OPEX	Maintenance of Lifts	Maintenance services	Prevent injury & fatalities	2 000 000

5.2.1. MAINTENANCE

Maintenance is a broad term referring to building repairs (planned & unplanned); OHS equipment servicing, cleaning common areas, grass cutting in common areas, fumigation, supply of materials and PPE, as well as keeping lifts in working order. As explained in the table above, each aspect of maintenance has been isolated as a stand-alone cost item to monitor expenditure more effectively. Towards the end of the financial year in the third quarter there was an issue of over expenditure raised for Repairs and Maintenance. The response was to design the table above which when read in conjunction with the comments on table 5.2.2. below, highlights the current and proposed expenditure situations for maintenance.

5.2.2. Repairs and Maintenance: Portfolios A-E

At the beginning of this financial year, the request for the 11 properties that are City-Owned stock was approved by Council at the end of July 2024. The technical team is in the process of implementing this resolution with the Human Settlements team. This will see JOSHCO's expenditure on repairs and maintenance reduced, and an improved collection rate for the overall portfolio is envisaged. The total budget for this financial year is broken down as follows in the table below:

Budget Item	2024/25 FY Budget	Comments
Revenue (Rental Income)	R146 750 000	A number of initiatives are being put in place to ensure increased rental collection.
Repairs and Maintenance	R70 539 000	This budget is insufficient to cater for the needs of the 36 properties JOSHCO has. The high reactive maintenance expenditure is caused by the aging infrastructure that requires major upgrades and refurbishments in some properties. The focused maintenance stated above will assist to mitigate the high cost of reactive maintenance and some maintenance must be capped e.g. reinstatement of units.

Budget Item	2024/25 FY Budget	Comments
Security	R2 138 000	The allocated budget will not allow the full completion of the Biometric systems for the remaining properties. The estimation for 2024/25 was 70 million and 2 million was allocated for security equipment only
Utilities	R31 267 805	The budget for utilities was done without a proper verification and analysis of valid accounts. The R180million expenditure requires: a verification of all JOSHCO utility accounts and direct bill receipt at JOSHCO and upgrading of billing infrastructure for all properties.

The rental income target for the financial year is R146.750.000 and if the collection rate of 80% is realized, this should offset or be able to cover the repairs and maintenance expenditure. It will therefore be prudent for Housing Management to efficiently manage its repairs and maintenance budget this financial year.

PORTFOLIO A

Table 16: UNPLANNED MAINTENANCE

PORTFOLIO A SLS	MAINTENANCE CATEGORIES				Turnaround Time:		
					Target: 96% within 14 Days		
Property	Plumbing	Electrical	General	Total reported complaints	Within 14 days	Beyond 14 days	Target %Achieved
AA House	20	14	22	56	56	0	100%
African Diamond	1	0	3	4	4	0	100%
Devland	5	2	13	20	20	0	100%
Europa House	3	2	5	10	10	0	100%
Hoek Street	9	2	22	33	33	0	100%
Raschers	6	3	2	11	11	0	100%
La Rosabel	2	0	0	2	2	0	100%
Textile Building	5	3	11	19	19	0	100%
TOTAL JOBS	51	26	78	155	155	0	100%

For Q4, there was a total of 155 jobs under reactive maintenance jobs that were logged for Portfolio A. The actual response rate achieved remained at 100% for jobs logged and completed within 14 days and is higher than the SLS target of 96%. The total cost of reactive maintenance

for Q4 is **R 344 230.42** which was spent on reactive maintenance for the properties in Portfolio A.

PORTFOLIO B

Table 17: UNPLANNED MAINTENANCE

PORTFOLIO B SLS	MAINTENANCE CATEGORIES				Target: 96% within 14 Days turnaround		
Property	Plumbing	Electrical	General	Total reported complaints	Within 14 days	Beyond 14 days	Achieved%
Bellavista Infill	5	2	5	12	12	0	100%
Bellavista Citrine Court	12	1	11	24	24	0	100%
Kliptown Square	18	1	2	21	21	0	100%
Kliptown Golf Course	37	1	6	44	44	0	100%
Phoenix House	9	15	3	27	27	0	100%
Turfontein	37	24	36	97	97	0	100%
Orlando Ekhaya Flats/Family Unit	16	1	15	32	32	0	100%
Lefhureng	38	37	27	102	102	0	100%
TOTAL	172	82	105	359	359	0	100%

For Q4, there was a total of **359** jobs under reactive maintenance that were logged for Portfolio B. The actual response rate achieved was 100% for jobs logged and completed within 14 days and is higher than the SLS target of 96%. A total of **R 921 419.84** was spent on maintenance for Portfolio B.

PORTFOLIO C

TABLE 18: UNPLANNED MAINTENANCE

PORTFOLIO C SLS	MAINTENANCE CATEGORIES						
Property	Plumbing	Electrical	General	Total reported complaints	Within 14 days	Beyond 14 days	Target %Achieved
Dobsonville	75	17	47	139	139	0	100%
Fleurhof Junction	72	13	25	110	110	0	100%
Pennyville Communal	17	6	6	29	29	0	100%

Pennyville Flats	23	3	4	30	30	0	100%
Tshedzani Roodepoort	99	25	22	60	146	0	100%
TOTAL JOBS	286	64	104	454	454	0	100%

For Q4, there was a total of **454** jobs under reactive maintenance jobs that were logged for Portfolio C. The actual response rate achieved is 100% for jobs logged and completed within 14 days and is higher than the SLS target of 96%. A total of **R5 335 946.40** was spent on reactive maintenance.

PORTFOLIO D

TABLE 19: UNPLANNED MAINTENANCE

PORTFOLIO D SLS	MAINTENANCE CATEGORIES						
Property	Plumbing	Electrical	General	Total reported	Within 14 days	Beyond 14 days	Draft Target
City deep greenfields	11	2	9	25	25	0	100%
Ekhaya gardens	40	18	93	150	150	0	100%
Fleurhof riverside	11	4	11	27	27	0	100%
Legae	16	2	17	35	35	0	100%
Riverside	29	9	13	51	51	0	0%
TOTAL JOBS	107	35	147	288	288	0	100%

For the Q4 draft, there was a total of **288** jobs under reactive maintenance jobs that were logged for Portfolio D. The actual achieved response rate is 100% for jobs logged and completed within 14 days and is higher than the SLS target of 96%. A total of **R2 216 585.65** was spent on reactive maintenance for the properties in Portfolio D. This report excludes the City owned stock that is to be moved back to Human Settlements of which did not have any planned maintenance budget.

PORTFOLIO E

TABLE 20: UNPLANNED MAINTENANCE

PORTFOLIO E SLS	MAINTENANCE CATEGORIES				Turnaround Time: Target: 96% within 14 Days	
Property	Plumbing	Electrical	General	Total reported complaints	Within 14 days	Beyond 14 days

Union Square	16	15	9	40	0	0
The Ridge(Abel Street)	12	21	4	37	0	0
106 Claim	9	9	6	24	0	0
TOTAL	37	45	19	101	0	0

For Q4, there was a total of **101** jobs under reactive maintenance jobs that were logged for Portfolio E. The actual achieved response rate is 100% for jobs logged and completed within 14 days and is higher than the SLS target of 96%. A total of **R974 915.64** was spent on reactive maintenance for properties in Portfolio E.

For the Q4 draft, there was a total of 653 Plumbing jobs, 252 Electrical jobs, and 453 General jobs orders carried out under reactive maintenance. In total, there were 1357 reactive maintenance jobs carried out in all JOSHCO properties. See table below.

Table 21: SLS Q2 Summary

SUMMARY OF SLS FOR ALL PORTFOLIOS JUNE 2025	MAINTENANCE CATEGORIES			
Property	Plumbing	Electrical	General	Total reported. complaints
PORTFOLIO A	51	26	78	155
PORTFOLIO B	172	82	105	359
PORTFOLIO C	286	64	104	454
PORTFOLIO D	107	35	147	288
PORTFOLIO E	37	45	19	101
TOTAL JOBS	653	252	453	1357

5.2.4. The occupancy rate are as follows:

Table 22: Occupancy rate

Project Name	Units No.	Occupancy	Occupancy
AA House	254	249	98.00%
African Diamond	61	59	96.00%
Antea	409	353	86.00%
Bellavista Infill	36	36	100.00%
Bothlabela	521	521	99.00%
Citrine Court	79	74	93.00%
Chelsea	80	68	85.00%

Project Name	Units No.	Occupancy	Occupancy
City Deep Old	425	409	97.00%
Europa House	167	164	98.00%
Hoek Street	265	263	99.00%
Klipspruit (Beds)	54	53	98%
Kliptown Golf C	936	929	99.00%
La Rosabel	50	49	98.00%
MBV	188	184	98.00%
Legae	92	92	100.00%
Orlando Ekhaya 2	190	184	72.00%
Orlando Ekhaya 1	102	100	96.00%
Pennyville Rooms	564	560	99.00%
Phoenix House	135	135	100.00%
Rashers' Building	95	97	97.00%
Selby Rooms	19	18	92%
Selby Units	256	254	97.00%
Textile Building	162	160	98.00%
Union Square	341	338	99.00%
City Deep New	329	327	99%
Ekhaya Gardens	333	332	99%
Devland	255	254	98%
Dobsonville	502	500	99.00%
Fleurhof Ph. 1	452	450	99.00%
Fleurhof Ph. 2	252	250	99.00%
Kliptown Square	478	474	99.00%
Pennyville (Flats)	198	191	92.00%
Roodepoort	432	430	99.00%
Turffontein	525	524	99.00%
Lufhereng	406	403	99.00%
The Ridge	150	149	98.00%
Riverside	363	361	99.00%
	10156	GGG4	G8%

5.2. STAKEHOLDER RELATIONS

ADHOC AND AROUND TABLE MEETING.

Table 23: Adhoc and Around Meetings

No.	DATE	PLACE	PURPOSE
1.	05th April 2025	Lefhureng Project	The purpose of the workshop is to take the leaseholders through the JOSHCO Tenants' Training manual as a guide.

2.	08th April 2025	Devland	The purpose of the meeting was to provide an update on the progress of the new phase in Devland.
3.	09th April 2025	Region B	CAPEX workshop meeting
4.	10th April 2025	JOSHCO Innercity Projects	The purpose of the meeting was to introduce the new councillor to JOSHCO colleagues and to brief him on the current state of JOSHCO projects.
5.	14th April 2025	Kliptown Square – 1st floor JOSHCO Boardroom	The purpose of the meeting was to discuss eviction-related challenges with the local councillor
6.	29th April 2025	Nancefield Project	The SMME meeting was convened to introduce the project team and provide an overview of the work packages
7.	30th April 2025	Nancefield Project	The purpose of the meeting was for the councillor to introduce the newly appointed contractor to the local SMMEs.
8.	05th April 2025	Lefhureng Project	The purpose of the workshop is to take the leaseholders through the JOSHCO Tenants' Training manual as a guide.
9.	10th May 2025	Riverside View. Tenants education	The purpose of the workshop is to take the leaseholders through the JOSHCO Tenants' Training manual as a guide.
10	19th May 2025	Nancefield	The purpose of the meeting was to hand over the site officially to the newly appointed contractor (New Genesis).
11	18th June 2025	Dobsonville	The purpose of the meeting was to discuss issues of service delivery and tenants' engagement for Dobsonville project.

5.3. EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The EPWP remains a cornerstone in addressing unemployment and poverty within our communities. Through this programme participants gain both income and transferable skills, thereby increasing their future employability and social inclusion.

Table 24: EPWP

YOUTH	ADULT	PWD	TOTAL
65	148	0	213

CHAPTER 4

HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

This section provides the total employee remuneration costs.

Table 25: Personnel Cost by Occupational Level as at 30 June 2025

Occupational Level	No. of employees	Personnel Expenditure	% of Total personnel cost	Average cost per employee
Top Management (CEO, CFO, COO)	2	463 180.34	0.81%	231 590.17
Executive Managers	1	559 996.45	0.98%	559 996.45
Professional Qualified / Middle Management (Portfolio Managers, Accountants)	34	10 839 175.54	18.88%	318 799.28
Skilled, Tech & Academically Qual (H- Sup. Billing Clerks, Credit Controllers, Bookkeeper, Maint Worker and Admin)	117	19 264 309.93	33.56%	164 652.22
Semi-Skilled (Driver, Receptionist, Call Center Agents)	4	279 991.23	0.49%	69 997.81
Internship	3	159 432.36	0.28%	53 144.12
Unskilled (Office Attendants, Security Officers, and Cleaners)	341	18 455 397.74	32.15%	54 121.40
EPWP	437	7 388 780.84	12.87%	16 907.97
Total	939	57 410 264.43	100%	61 139.79

SECTION 2: KEY VACANCIES

This section provides reporting on vacancies which were actioned either by filling on an acting capacity or recruited thereof. The summary is displayed in Tables 24 and 25 below.

Seventeen (17) acting appointments were instituted.

Table 26: Acting Appointments

No.	Designation	Acting Role	From	Reasons	Comments
1.	Executive Manager: Planning and Strategy	Chief Executive Officer	November 2024 to 31 August 2025	Acting because the incumbent is summarily dismissed. Awaiting the judgment from the Labour Court.	None

No.	Designation	Acting Role	From	Reasons	Comments
2.	Assistant Director: Human Capital	Executive Manager: Corporate Services	18 December 2024 to 30 June 2025	Acting because the position is vacant	Position to be re-advertised. pending the approval of the Strategic Appointment Panel
3.	Program Manager: Planning	Chief Operations Officer	18 December 2024 to 16 May 2025	Acting because the position was vacant <i>(recruitment process completed)</i>	Recruitment process completed.
4.	Senior ICT Manager	Chief Operations Officer	17 May 2025 to 16 June 2025	Acting because the position was vacant <i>(recruitment process completed)</i>	Recruitment process completed
5.	Manager: Finance	Chief Financial Officer	18 December 2024 to 30 June 2025	Acting because the position is vacant <i>(recruitment process completed)</i>	Incumbent to resume duty in July.
6.	Senior ICT Manager	Executive Manager: Business Planning and Strategy	01 June 2025 to 31 August 2025	Acting because the incumbent is acting in a senior position	For a period aligned with the Acting CEO
7.	Project Officer	Manager: Office Administration	22 May 2025 to 30 June 2025	Acting because the position is vacant	Rotation will apply
8.	Project Manager	Program Manager: Implementation	01 February 2025 to 30 June 2025	Acting because the position is vacant <i>(recruitment process underway)</i>	Shortlisting stage
9.	Portfolio Manager	General Manager: Housing Management	01 February 2025 to 30 June 2025	Acting because the position is vacant <i>(recruitment process underway)</i>	Shortlisting stage
10.	Credit Controller	Social Facilitator	01 February 2025 to 30 June 2025	Acting because the position is vacant	Rotation will apply
11.	Tenant Management and Allocations Officer	Social Facilitator	01 March 2025 to 30 June 2025	Acting because the position is vacant	Rotation will apply

No.	Designation	Acting Role	From	Reasons	Comments
12.	Monitoring and Evaluation Officer	Specialist: Monitoring and Evaluation	17 February 2025 to 30 April 2025	Acting because the position was vacant	Recruitment process completed
14.	Specialist: Governance	Manager: Governance and Ethics	01 February 2025	Acting because the position is vacant	Rotation will apply
16.	Employee Relations Officer	Human Resources Manager: Administration & Employee Relations	01 February 2025 to 30 June 2025	Acting because the incumbent is seconded to another entity	None
17.	IT Technician	Senior ICT Manager	17 May 2025 to 16 June 2025	Acting because the incumbent is acting in a senior position	None

Recruitment in Progress as at 30 June 2025

- There were five (5) positions approved by the Strategic Appointment Panel that have been advertised, with some finalised and to be filled on a permanent basis.
- The recruitment processes of the Chief Operations Officer and Chief Financial Officer have been finalised, and the candidates' commencement of duty dates are as per the table 4 below.
- Subsequently, the recruitment of various critical positions within the Operations Department and Business Planning & Strategy Department were initiated in the quarter.
- A further six (6) short-term contract positions were advertised and filled to close capacity constraints and gaps within the entity.

Table 27 below depicts all recruitment processes initiated in the quarter and the progress status thereof. The long-term strategic intent is to enhance service delivery and performance within the organisation.

Table 27: Recruitment initiated for critical positions

No.	Critical Position	Department	Progress Status
1.	Chief Operations Officer (Permanent)	Office of the CEO	Finalised (Incumbent commenced duty on the

No.	Critical Position	Department	Progress Status
			17 th of June 2025)
2.	Chief Financial Officer (Permanent)	Office of the CEO	Finalised (Incumbent to commence duty on the 07 th of July 2025)
3.	General Manager: Housing Management (Permanent)	Office of the COO	Shortlisting Stage
4.	Program Manager: Implementation (Permanent)	Office of the COO	Interview Stage
5.	Specialist: Monitoring and Evaluation (Permanent)	Business Planning and Strategy	Finalised (Incumbent commenced duty on the 1 st of May 2025)
6.	Active Directory and Exchange Technician (Short-Term Contract)	Office of the COO	Finalised (Incumbent commenced duty on the 1 st of May 2025)
7.	Infrastructure Security Technician (Short-Term Contract)	Office of the COO	Finalised (Incumbent commenced duty on the 1 st of May 2025)
8.	ICT Service Desk Technician (Short-Term Contract)	Office of the COO	Finalise (Incumbent commenced duty on the 1 st of June 2025)
9.	Compliance Officer (Short-Term Contract)	Business Planning and Strategy	Offer Stage
10.	Accounts Administrator-Communications (Short-Term Contract)	Corporate Services	Finalised (Incumbent commenced duty on the 19 th of June 2025)
11.	Administrator: Online Queries x2 (Short-Term Contracts)	Corporate Services	Finalised (Incumbents commenced duty on the 19 th of June 2025)
12.	Social Videographer and Graphic Design (Short-Term Contract)	Corporate Services	Shortlisting Stage

Comment: As a mitigative response to the City’s budgetary constraints, the City has formulated a Strategic Appointment Panel, which aims to monitor and guide the criticality of vacancies to be filled City-wide. Therefore, before the commencement of any recruitment process, approval is to be sought from the panel.

TERMINATIONS

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

Table 28: Terminations

Department and Designation	Reason	End Date
Office of the COO – Social Facilitator	Resignation	30 April 2025
Office of the COO – Security Officer	Death in service	29 May 2025
Corporate Services – Learning and Development Specialist	Resignation	30 June 2025
Total: 3		

SECTION 3: EMPLOYMENT EQUITY

This section provides information on how the entity has performed and responded to the requirements of the Employment Equity Act. No. 55 of 1998 for the quarter under review. There was a headcount movement for 5 people at the lower level, which had a minimal impact on the current EE profile.

Due to the changes in legislation regarding Employment Equity as well as the compliance universe, the following is worth noting:

- The South African Economy has been divided into 18 Economic Sectors, and JOSHCO falls within the “Real Estate Activities” Sector. This means that the entity’s EE targets must be aligned with its sector.
- JOSHCO must develop a new five-year Employment Equity plan for the next financial year to comply.

- The disability quota has increased from 2% to 3%. This shift means that JOSHCO needs to have an average of 15 employed people living with disabilities by the end of the next 5 years.

Table 29: below reflects the EE profile of the organisation:

Occupational Level	Male				Female				Foreign Nat.		Local		Grand Total	Racial % Profile (ACI)	Female ACI Gender Representation % Achievement
	A	C	I	W	A	C	I	W	M	F	M	F			
Top Management	1	0	0	0	0	0	0	0	0	0	1	0	1	100%	0%
Senior Management	0	0	0	0	1	0	0	0	0	0	0	1	1	100%	100%
Professionally Qualified / Middle Management	20	0	0	2	9	0	1	0	1	1	22	10	34	88%	29%
Skilled Technically and Academically Qualified	49	3	0	0	56	2	1	1	0	0	52	60	112	99%	53%
Semi-Skilled	1	0	0	0	2	1	0	0	0	0	1	3	4	100%	75%
Unskilled	153	2	0	0	184	3	0	0	0	0	155	187	342	100%	55%
Total	224	5	0	2	252	6	2	1	1	1	231	261	494	99%	53%

3.1 AGE PROFILE

- 41.6% (the majority) of JOSHCO's staff is aged between 36 and 45.
- 7.5% of the headcount is over 56 years old, 84% of these employees fall within the unskilled category, 8% are at Supervisory level and 3% is at Middle Management.

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

Skills training programs in the workplace are essential for enhancing employee performance, improving efficiency, and ensuring businesses stay competitive while ensuring compliance with relevant legislation. These programs help employees develop new skills and refine existing ones, leading to increased productivity and confidence in their roles. As industries evolve training keeps employees up to date with new technologies, regulations, and best practices,

reducing errors and ensuring compliance with industry standards.

4.1. BURSARY UPDATE FOR QUARTER 4 (2024/25)- Long-term training.

Not for the reporting period

4.2 TRAINING INTERVENTIONS FOR QUARTER 4 (2024/25)- Short-term learning/mid-term training.

In terms of skills development, the reporting period was focused on short-term learning which is derived from identified business needs, performance gaps, as well as individual performance development plans. A total of eleven (11) trainings were conducted with an addition of 3 awareness sessions taking place.

Below is the breakdown of the interventions:

- 60 Security Officers attended a Security OB and Statement taking and reporting Training.
- 11 Shop Stewards from both IMATU and SAMWU attended a Shop Steward training.
- 15 Delegates from various departments received training on Intermediate Excel.
- 10 Delegates from the Finance. Revenue. and HR Payroll departments attended Advanced Excel.
- 15 Delegates from various departments attended the Business Report Writing Training.
- 10 HR Personnel attended Training in Talent Management and Organisational Development Practices.
- 1 HR Officer has attended the Skills Development Facilitator competency training course.
- 1 ICT Technician has attended the PRINCE2 course.
- 1 Internal Auditor attended a certification course at the Institute of Internal Auditors.
- 2 Interns from the ICT have attended CompTIA.
- 1 OHS Officer attended Commercial Property Management Training.
- The following awareness sessions were held for the following programmes with JOSHCO staff and EPWPs:
 - ✓ 40 Security Officers- Security Conduct (JMPD)
 - ✓ Departmental Ethics Awareness Sessions (COSEC Office)
 - ✓ 34 EPWPs- Professional Conduct and Interviewing Skills (Human Resource Development Office).

The Estimated cost for the trainings amounted to **R 942 682.80**.

4.3 WORKPLACE SKILLS PLAN (WSP) AND ANNUAL TRAINING REPORT (ATR)

The WSP and ATR were submitted in line with the provisions of the Skills Development Act. The submission is not executed for compliance purposes, but it also enables the entity to qualify for Mandatory Grants which JOSHCO continues to receive.

SECTION 5: PERFORMANCE MANAGEMENT

This section aims to provide an update on the organisation's status in performance management contracting as per the Performance Management System policy. The signing of scorecards remains unchanged from the previous reporting period.

Individual 2024/25 performance review and appraisal sessions have started. The signing of 2025/26 scorecards has been communicated at a departmental level.

Table 30: Contracting update

Department	No of Eligible staff	Submitted to date	% Submitted	% Not Yet Submitted
Office of the CEO (CEO. IA. Legal & Cosec)	10	10	100%	0
Office of the COO (COO. Housing Management. Housing Development. Community Development. ICT. Stakeholder Relations)	440	245	56%	44%
Office of the CFO (CFO. SCM & Finance Core)	14	9	64%	36%
Planning & Strategy (EM. Planning & Performance. Compliance & Risk)	7	5	71%	29%
Corporate Services (EM. HR. Marketing. Health & Safety and Customer Services)	20	19	95%	5%
Total	493	283	57%	43%

SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

This section aims to clarify the status of disciplinary hearings, grievances, investigations, appeals, and suspensions. Resources have been obtained from the City Core to facilitate the oversight of these issues.

Precautionary Suspensions:

Number of suspensions	Allegations	Date of suspension	Status
One (1)	Fraud and corruption	22 nd November 2024	Investigation concluded. To appoint a presiding officer and chairperson for disciplinary.

Disciplinary Matters.

Number of misconducts	Type of misconduct	Status	Comment
Two (2) misconduct cases	Intimidation and/or assault, harassment, and unauthorized occupation of JDA offices by SAMWU shop stewards at Johannesburg Agency Development Agency.	Ongoing	Disciplinary hearing was scheduled for the 19 th of June 2024, postponed due to a plea agreement proposed by the employee representative. The mandate was shared with the employer representative, awaiting a way forward.
	Contravened clause 1.2.9 of the Disciplinary Procedure and Collective Agreement.	Ongoing	Disciplinary hearing postponed to the 24 th and 25 th of June 2025.

GRIEVANCE MATTERS.

Number of grievances	Status	Comment
Three (3) grievances	One (1) Ongoing	Grievance meeting scheduled for the 20 th of June 2025.
	Two (2) Finalised	None

MATTERS AT BARGAINING COUNCIL/ CCMA:
CCMA referral

Number of disputes	Status	Comment
<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

SALGBC referrals.

Number of disputes	Status	Comment
<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

SECTION 7: LEAVE AND PRODUCTIVITY MANAGEMENT

In line with the approved Leave Management and Regulation of Hours Policy. JOSHCO employees are entitled to 24 days of leave per annum, to be taken at a time convenient to JOSHCO and agreed upon by management. Employees are also provided with 80 sick leave days in a three (3) year cycle. All leave applications are administered through an Employee Self-Service (ESS) system. This system allows employees to observe their leave balance and assists in omitting discrepancies in the SAP system.

Human Resources will support all departments by implementing and monitoring a leave planning system to ensure that staff members do not forfeit their annual leave days. The impact hoped for is an improvement in coordination of leave at a departmental level, which is aimed at achieving a seamless process of leave application/ approval, and a reduction in leave balances.

The table below provides a detailed overall leave taken in the quarter.

Table 31: Leave Taken Analysis

Type of Leave	April	May	June	Total Leave Days Taken	Increase/Decrease from previous quarter	Reason
Annual	434	343.50	259	1 036.50	Decrease	Includes compulsory leave
Sick	105	97	16	218	Increase	Winter Season
Family Resp. & Paternity Leave	14	2	7	23	Decrease	Unpredictable/unforeseen
Maternity Leave	24	22	14	60	Decrease	Unpredictable/unforeseen

Type of Leave	April	May	June	Total Leave Days Taken	Increase/Decrease from previous quarter	Reason
Unpaid Sick	1	0	0	1	Decrease	Results from exhausted Sick & Annual leave
Long Service	2	2	4	8	Decrease	Periodic/ Compulsory to qualifying staff
Study/Exam leave	6	26	32.45	64.45	Increase	Exam season
Special	0	1	0	1	Decrease	Unpredictable/unforeseen
AWOL/Unpaid	2	8	1	11	Decrease	Unforeseen/ absenteeism
Total	588	501.50	333.45	1 422.95	-	-

7.1. LEAVE ENCASHMENT

To efficiently monitor the encashment of leave, a mitigation measure has been applied, which provides employees with 16 compulsory leave days in their annual cycle. Only 8 days in an employee's leave cycle can be encashed. The eight non-compulsory leave days can only be encashed once the employees have accrued 16 days of compulsory annual leave.

- In the period of April 2025 to June 2025, a total of 14 JOSHCO employees encashed 198 annual leave days averaging 14 leave days encashed per employee, resulting in a total amount of **R 490 372.88**.
- Additionally, 16 Securities and Cleaners encashed 213 annual leave days during the same period averaging 13 leave days encashed per employee, which amounted to **R 116 298.00**.

SECTION 8: EMPLOYEE BENEFITS

8.1 RETIREMENT FUND

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

8.2. MEDICAL AID SCHEME

All permanent employees are eligible for a medical aid subsidy. Insourced employees (Security Officers and Cleaners) have the option to either opt-in or out of the benefit. The Employer Contribution is 60% up to a maximum of R 5 514.86, and the Employee Contribution is 40% depending on the number of dependents.

8.3. HOUSING SUBSIDY.

All permanent employees are eligible for a monthly housing subsidy of R1 114.40. Eligibility is on the basis that the employee has a registered bond linked to their name. A total of 28 JOSHCO employees are beneficiaries of the housing allowance as of the end of June 2025. Additionally, a total of 2 Securities and Cleaners are beneficiaries of the housing allowance.

8.4. Locomotive Allowance.

The entity implemented locomotive allowance in bulk to qualifying employees. Eligibility is on the basis that an employee's daily roles and responsibilities requires them to travel. The allowance is calculated based on the employee's basic salary.

8.5.WELLNESS PROGRAMME

JOSHCO's Wellness Programme is designed to foster a workforce that is both mentally and physically healthy, thereby enhancing employee performance and morale. The organisation provides all employees and their immediate family members with access to the Lyra Wellbeing program, formerly known as ICAS services. This initiative is supported by various wellness-oriented activities.

On the 27th of June 2025, the Company rolled out a Wellness Event. The event took a holistic approach to employee wellbeing and catered to physical health factors. The Company has partnered with the Department of Health, where they provide free services for health screenings. The health screening focused on testing for blood pressure, blood sugar, blood cholesterol

(total), Body mass index (BMI), waist and hip circumference, and ratio and HIV. Screening tests are done to detect potential health diseases early to treat them most effectively.

Additionally, Old Mutual continues to provide financial consultations to JOSHCO employees every Thursday. This helps employees increase their financial knowledge and ability to manage personal and family finances.

8.6. Impact of the Wellness Programme

Having regular wellness checks for staff can promote healthier behavior in an organisation. In other words, these wellness checks encourage employees to make healthier choices that should improve employees’ physical, mental, and emotional health. It also provides staff members with adequate skills, motivation, tools, and support to change unhealthy behaviors and adopt healthy habits. Healthier employee behaviors and a healthy lifestyle led to lower health risks and minimized chronic disease risk.

SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

The purpose of this report is to ensure that JOSHCO complies with all the applicable legislation and where appropriate institute additional measures to ensure health and safety at Head Office and Projects, and to update the Human Resource, Social and Ethics Committee, and Board of Directors on the progress made on Health and Safety in quarter 4 of the 2024/2025 financial year.

9.1 JOSHCO INCIDENTS STATISTICS

JOSHCO Fire incidents, Injury on Duty (IOD), First Aid incidents, medical treatment incidents and Total fatality incidents recorded.

Table 32: JOSHCO’s Incidents

Total fire incidents	Total IOD’s (Injuries on duty)	Total First aid incidents	Total Medical treatment incidents	Near miss incidents
1	0	0	0	0
In Quarter 4. One (1) Fire incident was recorded. zero (0) IOD’s. zero (0) First aid incident. zero (0) Medical treatment incidents. and zero (0) Near miss incidents have been reported.				

- On Wednesday, 21 May 2025 at approximately 17:50 at The Union Square building unit 0105 tenants reported to the Security Officer that there was fire outside her unit on the 1st floor washing line area. The Security Officer swiftly responded and extinguished the fire with approximately 9 fire extinguishers before the arrival of Joburg Emergency Services (**Fire incident**). The following items were affected:
 - Unit 0105-bedroom windows – Were fixed immediately.
 - Exterior wall – Assessed, to be painted on 15 July 2025.
 - Washing line – Assessed, to be fixed on 30 June 2025.
 - Exterior light – Assessed, to be fixed on 30 June 2025.

9.2. HEALTH AND SAFETY AWARENESS AND TRAINING RECORDED

9.2.1. Table 33: Health and Safety Awareness and Training Recorded.

Health & Safety Induction-EPWP	Certificated Health and Safety training	Tenant orientation and training workshop
Abel Street (11) Dobsonville (14) Legae (7) Fleurhof Riverside (10) Devland (8)	First Aiders (28) Health and Safety Appointment Letters signed. Process of issuing certificates is underway. Fire Marshals (28) Health and Safety Appointment Letters signed.	Lufhereng Riverside View
Total: 50	Total:56	Total:56
<p>In Quarter 4, a Health and Safety Induction was presented to a total of fifty (50) EPWP members, eleven (11) at Abel Street, fourteen (14) at Dobsonville, seven (7) at Legae, ten (10) at Fleurhof, and eight (8) at Devland.</p> <p>The process of issuing Health and Safety Appointment Letters and Certificates to 28 First Aiders and 28 Fire Marshals is underway.</p> <p>The Health and Safety Unit continues to participate in the tenant orientation programme with the Stakeholder Engagement Unit at Lufhereng and Riverside View to raise awareness regarding the management of emergency situations.</p>		



Picture 1 (Left): Health and Safety training (Brixton). Picture 2 (Right): Process to be followed during emergency situations (Abel Street. The Ridge).

9.3. HEALTH AND SAFETY INSPECTIONS

Health and Safety inspections were conducted in all JOSHCO facilities, and there were no newly detected major Health and Safety findings in Q4.

Table 34: Health and Safety Inspections- Quarter 3 Findings

Site	Major findings	Status update by Housing Management
City deep	Revised SHE policy statement was not displayed.	Corrected
Phoenix	Blocked female toilets causing flooding and a hygiene risk. Revised SHE policy statement was not displayed.	Corrected
Selby	Revised SHE policy statement was not displayed.	Corrected
Citrine court	Revised SHE policy statement was not displayed.	Corrected
Bellavista	Revised SHE policy statement was not displayed.	Corrected
Turffontein	Revised SHE policy statement was not displayed.	Corrected

Table 35: Health and Safety Inspections- Update on Quarter 2 Findings

Site	Major findings	Status update by Housing Management
Raschers	Fire hose reel did not have water.	Not Corrected
Europa	Fire hose reel did not have water.	Not Corrected
Textile	Fire hose reel did not have water.	Corrected
MBV	Fire hose reel did not have water.	Not Corrected
African Diamond	Fire hose reel did not have water.	Corrected
Phoenix	Fire hose reel did not have water.	Corrected
Selby	No major findings recorded	

CHAPTER 5

FINANCIAL PERFORMANCE AND EXPOSURE



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

An analysis of the financial position as at 30 June 2025 is reflected below in Table 36. The paragraphs below provide explanations for the movements of assets and liabilities in the quarter.

Table 1: Statement of Financial Position for the year ended 30 June 2025				
Description	30 June 2025	30 June 2024	Variance	Variance %
	R'000	R'000	R'000	
Assets				
Current Assets				
Inventories	484	518	(34)	-7%
Loans to shareholders	5 958	5 958	-	0%
Current tax receivable	50	50	-	0%
Receivables from exchange transactions	1 313 465	1 247 352	66 113	5%
Receivables from non-exchange transactions	6 490	5 871	619	11%
VAT receivable	10 497	5 440	5 057	93%
Cash and cash equivalents	19 095	20 994	(1 899)	-9%
	1 356 039	1 286 183	69 856	5%
Non-current assets				
Property, plant and equipment	35 852	39 342	(3 490)	-9%
Intangible assets	7 181	6 869	312	5%
Investment in joint venture	20 650	20 650	-	0%
Total Non-current assets	63 683	66 861	(3 178)	-5%
Non- Current Assets	1 356 039	1 286 183	69 856	5%
Current Assets	63 683	66 861	(3 178)	-5%
Total Assets	1 419 722	1 353 044	66 678	5%
Liabilities				
Current Liabilities				
Loans from shareholder	(1 728 550)	(1 309 093)	(419 457)	32%
Borrowings - DBSA	(2 142)	(2 142)	-	
Finance lease obligation	(407)	(407)	-	
Payables from exchange transactions	(1 574 864)	(1 400 974)	(173 890)	12%
	(3 305 963)	(2 712 616)	(593 347)	22%
Non-Current Liabilities				
Borrowings - DBSA	(5 144)	(6 617)	1 473	-22%
Finance lease obligation	-	-	-	0%
Deferred Income from non-exchange transactions	(178)	(178)	-	0%
	(5 322)	(6 795)	1 473	-22%
Non-Current Liabilities	(5 322)	(6 795)	1 473	-22%
Current Liabilities	(3 305 963)	(2 712 616)	(593 347)	22%
Total Liabilities	(3 311 285)	(2 719 411)	(591 874)	22%
Assets	1 419 722	1 353 044	66 678	5%
Liabilities	(3 311 285)	(2 719 411)	(591 874)	22%
Net Assets	(1 891 563)	(1 366 367)	(525 196)	38%
Share Capital	0,120	0,120	-	0%
Accumulated deficit	(1 891 563)	(1 366 367)	(525 196)	38%
Total Net Assets	(1 891 563)	(1 366 367)	(525 196)	38%

1.1. ASSETS

1.1.1 Current Assets

Current assets increased by R69.9 million (5%) when compared to the previous financial year. This is largely due to Receivables from exchange transactions where some CoJ Departments are delaying settling the long outstanding debt. Escalations have been made to relevant CoJ stakeholders through intervention from the CoJ Group CFO where all processes that were delaying payment are attended to. Engagements continue to be held monthly with CoJ Departments to settle long outstanding debts, which has yielded results with some departments making payments or committing to make payments on finalization of payment processes. The balances owed as of 30 June 2025 are also detailed in Table 39 of this chapter.

1.1.2 Non-current assets

Movements in non-current assets are as a result of depreciation and amortisation, which is a common accounting treatment to fairly present the value of assets being utilised.

1.2. LIABILITIES

Loans from shareholders increased by R419 million (32%) (from R1.3 billion to 1.7 billion) mainly due to the entity not receiving funds owed from various entities where JOSHCO is an implementing agent for their projects. As a result, the interest incurred on the overdraft balance significantly grows the liability balance. Engagements have been held monthly with CoJ Departments to settle long outstanding debts; some departments have committed to making payments on finalization of payment processes. Included in current liabilities is the current portion of the long-term loan from the DBSA. Payables from exchange transactions have increased by R173.9 million (12%), which is a result of inconsistent allocation and limited cash to JOSHCO to settle some of the outstanding and overdue trade payables from contractors and service providers. JOSHCO is continuously engaging with Group Finance (Treasury) on a weekly basis for allocation of cash to settle invoices incurred from service providers.

There has been no change in the composition of non-current liabilities. The Finance lease contract is due to expire on 30 June 2025, and therefore there is no obligation beyond 12 months (i.e. no non-current liability portion).

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

Revenue and expenditure are recorded on the accrual basis of accounting. The financial performance for the period ended 30 June 2025 resulted in a deficit of R525.2 million.

Table 37: Statement of Financial Performance for period ended 30 June 2025				
	Actual	Budget	Variance	Variance %
	YTD	YTD		
	R'000	R'000	R'000	
Rental Income	172 298	153 511	18 787	12,24%
Subsidies	143 863	143 863	-	0,00%
Management Fees	25 086	67 754	(42 668)	-62,97%
Interest Income	38 341	25 474	12 867	50,51%
Interest Income Sweeping	-	-	-	
Utility Recoveries	5 225	2 012	3 213	159,69%
Other Income	107	1 970	(1 863)	-94,57%
Government Grant	5 997	6 000	(3)	-0,05%
Total Revenue	390 917	400 584	(9 667)	-2,41%
Personnel costs	(235 888)	(220 296)	(15 592)	7,08%
Board fees	(2 432)	(2 448)	16	-0,65%
Debt impairment	(137 497)	(26 408)	(111 089)	420,66%
Depreciation and Amortisation	(4 999)	(1 705)	(3 294)	193,20%
Finance Costs	(126 143)	(1 005)	(125 138)	12451,54%
Bad debts written off	(4 553)	-	(4 553)	-100,00%
Repairs and Maintenance	(122 795)	(71 739)	(51 056)	71,17%
Security	(80 400)	(2 138)	(78 262)	3660,52%
Utilities	(144 969)	(32 371)	(112 598)	347,84%
Administrative	(56 436)	(42 474)	(13 962)	32,87%
Total Expenditure	(916 113)	(400 584)	(515 528)	128,69%
Operating (Deficit)/Surplus before tax	(525 196)	-	(525 196)	
Taxation	-	-	-	
Operating (Deficit)/Surplus after tax	(525 196)	-	(525 196)	

2.1. REVENUE

2.1.1. Composition of Revenue

The entity's revenue is derived from the streams per Table 38 below.

Table 38: Composition of Revenue

Description	Actual	Budget	Weighting %
	R'000	R'000	
Rental Income	172 298	153 511	43%
Subsidies	143 863	143 863	36%
EPWP Governemnt Grant	5 997	6 000	1%
Management Fees	25 086	67 754	6%
Interest Income	38 341	25 474	10%
Utility Recoveries	5 225	2 012	1%
Other Income	107	1 970	0%
Total Revenue	390 917	400 584	98%

Total revenue is below budget by R9.7 million (2.41%). The biggest contributor to revenue earned in the current financial year is rental income, making up 43% of total revenue. Rental income is R18.8 million (12%) over budget due to tenant allocation of projects being higher than projected as a result of the use of JOSHCO APP, i.e. Ekhaya Gardens, Riverside View and Lufhereng. Management fees are under budget by R46.7 million (almost 63%). JOSHCO has commenced less special projects for CoJ Core Departments due to the long outstanding debt not being settled on time. The interest income charged on overdue rental debtors is above budget by R12.9 million (50.51%) due to interest charged to defaulting tenants.

2.1.2 Revenue Collection

The entity's collection levels are in an upward trajectory and has moved up by **2%** compared to the previous quarter as we've realised 77% collection for current tenant rentals without the City Stock for the month ending on 30 June 2025 as shown in the table below. Collections respect SHRA funded Projects is 71%. JOSHCO Projects is 88% whilst the Retail space is at 99%.

Q4 Summary without City Stock (30 June 2025)

CATERGORY	TOTAL BILLING	TOTAL COLLECTION	% COLLECTION	SHORTFALL R'000
	R'000	R'000		
SHRA Projects (13)	26 661.34	-19 041.38	71%	7 619.97
JOSHCO Projects (11)	6 710.16	-5 899.74	88%	810.41
Commercial Space (9)	3 134.40	-3 088.28	99%	46.13

OVERALL COLLECTION	36 505.90	-28 029.39	77%	8 476.51
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Q4 Summary INCLUDING City Stock (30 June 2025)

CATERGORY	TOTAL BILLING	TOTAL COLLECTION	% COLLECTION	SHORTFALL R'000
	R'000	R'000		
SHRA Projects (13)	26 661.34	-19 041.38	71%	7 619.97
JOSHCO Projects (11)	6 710.16	-5 899.74	88%	810.41
Commercial Space (9)	3 134.40	-3 088.28	99%	46.13
City Referral (10)	6 900.29	-2 406.73	35%	4 493.57
OVERALL COLLECTION	43 406.20	-30 436.12	70%	12 970.07

Collections inclusive of the City Referral stock are at 70% average collections. The referral stock collection rate is 39% since most tenants stopped payments with the expectations of taking over ownership of their units from Human Settlements.

2.1.3 Revenue Collection by Debt Collection Companies

The company uses the services of a debt collecting companies to collect debt over 90 days and above R10 000. The performance of the debt collection company is shown in Table 39. For the quarter under review, the companies have collected **R8 million (4.1%)** from the **R193.9** million handed over to them for collection.

The debt collection companies appointed are proceeding with collection of all debt above 60 days. We are also continuing with our internal collection processes. Various settlement discount voucher initiatives will continue to be implemented to encourage tenants to settle long outstanding debt.

Table 39: Performance of debt collection companies for the current year to date

Month	No. of accounts handed over	Amount handed over	Amount Collected	% Collection
		R'000	R'000	
Jul-24	3 552	166 744	665	0.40%
Aug-24	3 552	172 045	615	0.36%
Sept-24	3 552	169 395	640	0.38%
Oct-24	3 552	181 618	767	0.42%
Nov-24	3 552	179 443	708	0.39%
Dec-24	3 552	182 625	677	0.37%
Jan-25	3 552	183 192	533	0.29%
Feb-25	3 552	193 886	670	0.35%
Mar-25	3 552	188 438	601	0.32%
Apr-25	3 552	181 618	767	0.42%
May-25	3 552	179 443	708	0.39%
Jun-25	3 552	182 625	677	0.37%
TOTAL YEAR TO DATE	3 552	193 886	8 027	4.14%

In trying to prevent the debt to escalate and to get the tenants to pay whilst the debt is still affordable, we're also looking at system write-offs for all closed accounts in our books as those tenants have since vacated and the units are occupied by paying tenants. Tenants who vacated and got evicted with balances owed are blacklisted with all Credit Bureaus.

2.3. EXPENDITURE

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

- a) **Personnel costs:** The employee cost is R15.6 million (7%) over budget due to salary adjustments and EPWP.
- b) **Board fees:** The director's remuneration (board fees) is variable based on regular and special Board meetings as well as Interviews for Executive posts.
- c) **Debt impairment:** The debt impairment is over budget by R111 million (421%) due to low rental collection resulting in more tenant debt being impaired.
- d) **Depreciation and Amortisation:** Depreciation and amortisation is R3.3 million (193%) over budget due to the purchase of computer equipment and office equipment.
- e) **Finance costs:** Finance costs exceed the budget by R125.1 million (12 452%) due to interest incurred on negative Sweeping account (overdraft) arising from delays in receiving payment from projects undertaken on behalf of COJ departments.
- f) **Bad debts written off:** Bad debts written off amounted to R4.6 million. These are irrecoverable amounts per the conditions of the bad debt write-off policy. The bad debts were not budgeted for as the entity does not anticipate nor plan for writing off debts; instead, the focus and priority is to collect all outstanding rental debt.
- g) **Repairs and Maintenance:** Repairs and maintenance expenditure is R51.1 million (71%) above budget due to responsive maintenance on dilapidated buildings.
- h) **Security:** Security services is R78.3 million (3 661%) above budget. The budget was only for security for head office. however JOSHCO continues taking on burden to secure City-owned buildings.
- i) **Utilities:** The utilities expenditure is R112.6 million (348%) above budget due to slow pace in rolling out prepaid vending system.
- j) **Administrative costs:** The administrative costs are R14 million (33%) above budget due to consulting fees as well as legal fees to secure evictions.

SECTION 3: CASH FLOW STATEMENT

Cash and cash equivalents balance as at 30 June 2025 is R19.1 million. The tenant deposit account has a balance of R16.4 million. An amount of R1.7 billion represents the entity's portion on the CoJ sweeping account and is disclosed as a current liability (Loans from shareholders).

SECTION 4: CAPITAL PROJECTS AND EXPENDITURE

The approved adjustment capex budget for the 24/25 financial year is R270.8 million (23/24: R337.5 million) funded from external funding sources (EFF) capital reserves (CRR) and grants (MIG). As at 30 June 2025, JOSHCO's verified spend for the quarter under review is 100% against a cumulative target of 100%. This is reflected in Table 40 below. The detailed budget per project is shown in Table 41.

Table 40: CAPEX Spend.

SOURCE	BUDGETS	CLAIMS	%
EFF -350	235 216 100,00	233 675 891,74	99%
CRR-360	9 700 000,00	10 953 733,95	113%
MIG-373	25 880 446,00	25 865 277,50	100%
TOTAL SOURCE	270 796 546,00 BUDGETS	270 494 903,19 CLAIMS	100%

Table 41: Capex Spend Per Project.

Project Name	Budget (R)	Expenditure (R)	Balance (R)
EXISTING STOCK REDEVELOPMENT UPGRADE AND MAJOR MAINTENANCE Renewal Building Alterations JOHANNESBURG F City Wide	17 039 294,00	27 479 111,07	(10 439 817,07)
30042 - Kelvin	4 000 000,00	4 916 929,51	(916 929,51)
LOMBARDY EAST HOUSING PROJECT New Housing	8 060 806,00	14 917 940,46	(6 857 134,46)
LOMBARDY EAST HOUSING PROJECT New Housing	3 000 000,00	3 761 201,86	(761 201,86)
LUFHERENG SOCIAL HOUSING PROJECT New Housing	7 000 000,00	23 976 821,15	(16 976 821,15)
NANCEFIELD STATION HOUSING/KLIPSPRUIT ST	70 000 000,00	57 133 713,54	12 866 286,46
Selkirk Social Housing project New Housing	18 880 446,00	1 888 456,35	16 991 989,65
Golden highway Social Housing project Ne	40 000 000,00	22 986 596,62	17 013 403,38
Casa-Mia Renewal Building Alterations	1 000 000,00	343 924,21	656 075,79
Malvern Emergency Housing Project	1 000 000,00	304 241,87	695 758,13
Malvern Building Conversion	0,00	660 000,00	(660 000,00)
38 Rissik Street (NBS) Inner City Building	5 500 000,00	8 991 108,85	(3 491 108,85)
Booyens Place Inner City Building Conversion	10 000 000,00	3 331 853,72	6 668 146,28
Smit Street Inner City Building Conv	10 000 000,00	12 064 542,73	(2 064 542,73)
Marlboro Social Housing Project Region E	3 250 000,00	12 136 891,69	(8 886 891,69)
Tum-Key 1: Region A	54 866 000,00	49 620 642,72	5 245 357,28
Tum-Key 1: Region B	1 000 000,00	1 611 294,33	(611 294,33)
Park Chambers	6 700 000,00	6 532 532,09	167 467,91
Frank Brown/ Milpark Social Housing Development	6 000 000,00	11 771 488,26	(5 771 488,26)
Tum-Key : Region F (Denver Social Housing)	3 500 000,00	6 065 612,16	(2 565 612,16)
	270 796 546,00	270 494 903,19	301 642,81

SECTION 5: RATIO ANALYSIS

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

Table 42: Key Ratio Analysis as at 30 June 2025

KEY PERFORMANCE INDICATOR	2024/25 TARGET	QUARTER 4 TARGET	QUARTER 4 PERFORMANCE	VARIANCE
Achievement of selected profitability and liquidity ratios	Current ratio 1:1	1:1	0.41:1	-0.49:1
	Solvency Ratio 1:1	1:1	0.43:1	-0.47:1
	80% collection in respect of current debtors	80%	77%	-3%

% collection in respect of current debtors				
% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt (figures as at February)	100%	51%	-49%
% Capital Expenditure Budget.	100% Expenditure of Approved Capital Budget.	100%	100%	0%

It is important to note that JOSHCO's cost coverage ratio is negative 767 days. This implies that JOSHCO currently does not generate enough cash to cover its monthly fixed operational costs.

5.1 MITIGATION ACTION

5.1.1 Current Ratio and Solvency Ratio

The non-performance of this target is due to continued losses being incurred largely due to high provision for bad debts and high operating costs, mainly utilities, finance costs and repairs and maintenance costs.

- The entity's reviewed 5-year strategy to improve the entity's financial sustainability is under implementation as follows
 - Increase in management fee income earned on projects implemented on behalf of other COJ entities – work on behalf of Human Settlements has resumed however this strategy is still derailed by halting of work on behalf of other departments due to SDA issues.
 - Student accommodation – pilot phase is currently under implementation. Occupancy rate is at 100%. Additional student accommodation projects are being considered to raise more cash due to their good performance in rental collection.
 - Commercial spaces –maximise commercial spaces available for additional revenue to be generated.

Strategies to reduce expenditure are as follows:

- Staff costs: Overtime management by line managers and management intervention in their departments to reduce leave balances by ensuring their subordinates takes mandatory leave. All employees are now on ESS where leave will be automatically forfeited if not taken. Controls around EPWP management to be strengthened.
- Utilities – Prepaid meters are being rolled out in projects budget permitting. A flat rate for water is being charged while the water meters are being sourced and installed.
- Security – Implementing of cost cutting measures are in place, i.e. lower grade guards and reduction in number of guards where possible.

In addition to the above. the following measures are being considered in attempts to manage operational costs

- Investigation of utilities billing to ascertain whether there may be a billing error resulting in high water and sanitation costs.
- Engagements being held with Department of Human Settlements to effectively hand over City referral stock and also costs associated with managing those projects that are being incurred by JOSHCO.
- The BEC is to be mandated to negotiate savings with the approved service provider/s and those should be included in the final service level agreement.
- Where feasible. testing of the market is to be performed prior to finalising budget for new tenders to be advertised to ensure that JOSHCO will procure goods and services in the most economical man

5.1.2 Collection in respect of current debtors

JOSHCO management has taken a holistic view of dealing with the challenge of revenue collection and put in place necessary steps that will foster and encourage initiatives that will bolster revenue collection and ultimately establishing a book value that are sustainable and viable.

- Improved Revenue Collection: Achieved 77% collection without City Stock for Q4 of 2024/25.
- Pre-Legal Department: Established to handle debts over 30 days. recommending recovery methods like attachment orders and evictions.

- Settlement Discounts: Offered for tenants willing to settle debts in full or reduce overdue amounts.
- Non-Reversible Payment Methods: Introduced DebiCheck mandates for new accounts, lease renewals, and payment arrangements.
- Technology Enhancements: Deployed Speed Point devices for tenant convenience and biometric access for valid leaseholders.
- Implementing departmental changes to reduce costly inefficiencies, responding to new competitive markets, and developing strategies to move forward successfully.
- Introduction of in-house electricity vending system and installation of smart meters to better manage and control utility bills.
- Active call to default tenants to sign acknowledgement of debt (AOD's) and make payment arrangements for long outstanding debt.
- Launch of new freeze and reversal promotion for current and historical interest charges for tenants who sign AOD's.
- Improved credit evaluation process for new tenant applications.
- The entity has identified stock that should not form part of the social housing or affordable housing portfolio. The board has approved for this stock to be returned to the city. CoJ Council has approved the transfer of this stock to CoJ Department of Human Settlements during the Council meeting held 30-31 July 2024.

SECTION 6: SUPPLY CHAIN MANAGEMENT AND BBB-EE

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 30 June 2025, only 51% of valid invoices were paid within 30 days per Table 43 below. This is due to CoJ Treasury limiting the funds allocated to entities for supplier payments on a weekly basis.

Table 43: Payments within 30 days for Quarter 4

Period	Total number of suppliers payments	Total number of invoices received in the period	% Paid within 30 days	Total number of invoices not paid within 30 days	% Not paid within 30 days
Quarter 4	1256	2 441	51%	1 185	49%

6.3 REPORT ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The tables below disclose the irregular as well as fruitless and wasteful expenditure as at the end of the quarter.

Irregular Expenditure

Description	2025	2024
Opening balance as previously reported	R450 098 699	R278 755 655
Irregular Expenditure - current	R660 675	R15 999 524
Irregular expenditure - Identified in current year relating to prior year	R0	R62 379 791
Irregular Expenditure - overspending of operational budget	R293 890 656	R444 398 266
Amount written off - current	-R444 398 266	-R351 434 537
Closing Balance	R300 251 764	R450 098 699

There is potential irregular expenditure on the year-to-date overspend of the budget of over R356 million should the entity's deficit position not reverse by the end of the financial year.

Fruitless and wasteful expenditure

Description	2025	2024
Opening balance as previously reported	R742 721	R282 460
Expenditure relating to the current year	R19 902	R504 410
Interest and penalties	R279 348	-
Prior period error (Correction of sheriff costs)	-	-R44 149
Closing Balance	R1 041 971	R742 721

6.4 VARIATIONS FROM ORIGINAL APPROVED PURCHASE ORDERS

There are approved variation orders for the period under review as per Table 44 below. These variations as approved by the accounting officer are complying to MFMA Circular 62.

Table 44: Approved variation orders for the year ended 30 June 2025

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK(VARIATION ORDER)	DEPARTMENT/ END USER	BAC DATE	SERVICE PROVIDER	AWARDED AMOUNT
RFQ/SA/005/2023	THE APPOINTMENT OF A CONTRACTOR FOR REFURBISHMENT . RETOROFITTING. FURNISHING JOSHCO STUDENT ACCOMMODATIO N BUILDING	HOUSING MANAGEMENT	10 OCTOBER 2024	GOHELA CONSTRUCTI ON	R 3 174 600.59
RFB/PM/UISP/010/20 21	THE APPOINTMENT OF PROJECT MANAGEMENT CONSULTANT FOR PHASE 3 OF INFORMAL SETTLEMENT LOCATED IN REGION G	HOUSING MANAGEMENT	14 OCTOBER 2024	RIXONGILE CONSULTING ENGINEERS	R 13 176 819.38
BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK(VARIATION ORDER)	DEPARTMENT/ END USER	BAC DATE	SERVICE PROVIDER	AWARDED AMOUNT
	THE APPOINTMENT OF A CONTRACTOR FOR DE-DENSIFICATION OF HOSTELS AND INFORMAL SETTLEMENTS OF PHASE 1B IN REGION E.	HOUSING MANAGEMENT	12 DECEMBE R 2024	Pro-Power Group (PTY) LTD	R 63 513.17
	CONTENT EDITING. LAYOUT AND DESIGN OF THE JOSHCO INTEGRATED ANNUAL REPORT FOR THE PERIOD OF THREE YEARS	BUSINESS PLANNING AND STRATEGY	05 FEBRAUR Y 2025	M AND R BADIRI CONSULTANT	R127 349.55
	THE APPOINTMENT OF A	HOUSING MANAGEMENT	12 DECEMBE R 2024	Tendiwanga Morula Turnkey	R3 725 255.28

	CONTRACTOR FOR TRANSITIONAL RESIDENTIAL UNITS (TRU) RESTORATIVE WORKS IN 12 SECOND AVENUE. REGION E.				
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6.5 AWARDS MADE FOR THE YEAR

The table below details all awards made via a public tender (above R750 000) or through our approved panels (above R1 million) for the year ended 30 June 2025. Appointment to a panel has no award amount because the appointment to a panel does not guarantee awarding of specific goods and services.

Table 45: Awards for the Quarter

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK	DEPARTMENT/ END USER	MEDIA ADVERTISED	BAC DATE	AWARDED SERVICE PROVIDER	MALE/ FEMALE/ YOUTH	REASON FOR AWARD	BUDGET/ ESTIMATED VALUE	AWARDED AMOUNT	BBBEE LEVEL
RFQ/POC/002/2024	6GB ONLY PANEL OF CONTRACTORS FOR UPGRADES AND REFURBISHMENTS – BUILT ENVIRONMENT FOR LEVEL 6GB ONLY FOR A PERIOD NOT EXCEEDING 36 MONTHS	HOUSING MANAGEMENT	01 JULY 2024	10 OCTOBER 2024	103 PANEL MEMBER	N/A	WINNING BIDDERS	N/A	N/A	N/A
RFQ/POC/002/2024	7GB ONLY PANEL OF CONTRACTORS FOR UPGRADES AND REFURBISHMENTS – BUILT ENVIRONMENT FOR LEVEL 7GB ONLY FOR A PERIOD NOT EXCEEDING 36 MONTHS	HOUSING MANAGEMENT	01 JULY 2024	24 OCTOBER 2024	98 PANEL MEMBER	N/A	WINNING BIDDERS	N/A	N/A	N/A
RFQ/HOUSING/OO1/2024	THE APPOINTMENT OF A CONTRACTOR FOR THE RELOCATION	HOUSING MANAGEMENT	JOSHCO approved panel of Contractors	10 OCTOBER 2024	NGWANASHO GOLE /SEGABOKEN G JV	MALE	WINNING BIDDER	R91 000 000.00	R 86 101 769.00	ONE

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK	DEPARTMENT/ END USER	MEDIA ADVERTISED	BAC DATE	AWARDED SERVICE PROVIDER	MALE/ FEMALE/ YOUTH	REASON FOR AWARD	BUDGET/ ESTIMATED VALUE	AWARDED AMOUNT	BBBEE LEVEL
	OF INFORMAL SETTLEMENT (KAPOK. PRECAST/VOLTA AND MAZIBUKO PARK) TO FORM ROODEPOORT PORTION 9/302)									
RFQ/FIRESERVICES/1893/2024	THE APPOINTMENT OF A SERVICE PROVIDER FOR MAINTENANCE OF FIRE EQUIPMENT AT EKHAYA GARDENS	HOUSING MANAGEMENT	JOSHCO approved panel of fire equipment	10 OCTOBER 2024	VUHLURI HOLDING	FEMALE	WINNING BIDDER	R 1200 000.00	R 903 035.95	ONE
RFP/PM/HOUSING/001/2024	THE APPOINTMENT OF A PROJECT MANAGER FOR THE RELOCATION OF INFORMAL SETTLEMENTS (KAPOK. PRECAST/VOLTA AND MAZIBUKO PARK) TO FARM ROODEPOORT PORTION 9/302).	HOUSING MANAGEMENT	JOSHCO approved panel of Contractors (PROJECT MANAGERS)	15 NOVEMBER 2024	PHOENECIAN GROUP	FEMALE - YOUTH	WINNING BIDDER	R 14 543 120.00	R 14 778 186.80	ONE
RFQ/BEREA/001/2024	THE APPOINTMENT OF A CONTRACTOR FOR THE REBURBISHMENT	HOUSING MANAGEMENT	JOSHCO approved panel of Contractors	12 DECEMBER 2024	BULUMKO GROUP	FEMALE - YOUTH	WINNING BIDDER	R 2 600 000.00	R 2 068 737.99	ONE

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK	DEPARTMENT/ END USER	MEDIA ADVERTISED	BAC DATE	AWARDED SERVICE PROVIDER	MALE/ FEMALE/ YOUTH	REASON FOR AWARD	BUDGET/ ESTIMATED VALUE	AWARDED AMOUNT	BBBEE LEVEL
	NT OF REGENT HOUSE IN BEREA. JOHANNESBURG. REGION F									
RFQ/ICTLAPTOPS. EQUIP/001/2024	THE APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE ICT WITH LAPTOPS AND OTHER EQUIPMENT	ICT	JOSHCO approved panel of ICT	13 NOVEMBER 2024	ONEWAY TECHNOLOGIES	MALE	WINNING BIDDER	R 2 300 000.00	R 2 095 892.20	ONE
RFQ/PM/RIVONIA /001/2024	THE APPOINTMENT OF A PROJECT MANAGEMENT CONSULTANT FOR THE RIVONIA SOCIAL HOUSING PROJECT	HOUSING MANAGEMENT	JOSHCO approved panel of Contractors (PROJECT MANAGERS)	23 DECEMBER 2024	RIXONGILE CONSULTING ENGINEERS AND PROJECTS	MALE	WINNING BIDDER	R50 000 000.00	R57 548 050 .60	ONE
RFQ/HOUSING/03/2024	APPOINTMENT OF A CONTRACTOR FOR THE UPGRADING OF TSHEPISENG INFORMAL SETTLEMENT PORTABLE WATER SYSTEM AND INSTALLATION OF SEWER RETICULATION SYSTEM FOR EXTENSION 8	HOUSING MANAGEMENT	JOSHCO approved panel of Contractors	04 FEBRUARY 2025	GVK- SIYA ZAMA BUILDING CONSTRUCTION	FEMALE	WINNING BIDDER	R75 000 000.00	R73 508 156.03	ONE
RFQ/SELKIRK/003/2024	THE APPOINTMENT OF A CONTRACTOR	HOUSING MANAGEMENT	JOSHCO approved panel of Contractors	03 MARCH 2025	KHAVHAKONE CONSTRUCTION GROUP	MALE - YOUTH	WINNING BIDDER	R215 000 000.00	R206 109 488.72	ONE

BID NUMBER	PROJECT DESCRIPTION / SCOPE OF WORK	DEPARTMENT/ END USER	MEDIA ADVERTISED	BAC DATE	AWARDED SERVICE PROVIDER	MALE/ FEMALE/ YOUTH	REASON FOR AWARD	BUDGET/ ESTIMATED VALUE	AWARDED AMOUNT	BBBEE LEVEL
	FOR CONSTRUCTION OF 145 NEW SOCIAL HOUSING UNITS. AND SEWER UPGRADE. CORNER SELKIRK AVENUE AND BRAM FISCHER DRIVE. RANDBURG									
RFQ/NANCE/002/2025	THE APPOINTMENT OF A CONTRACTOR FOR COMPLETION OF 372 SOCIAL HOUSING UNITS AT NANCEFIELD ON PORTION 7 OF ERF 1	HOUSING MANAGEMENT	JOSHCO approved panel of Contractors	07 MARCH 2025	NEW GENESIS PROPERTIES AND PROJECTS	FEMALE- YOUTH	WINNING BIDDER	R77 000 000.00	R83 900 425 .46	ONE

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 4 R'000	% of total expenditure
Capital Expenditure	109 500	58
Operational Expenditure	78 142	42
Total Expenditure	187 642	100

b) Capital Expenditure		
Nature of expenditure	Quarter 4 R'000	% Of Capex expenditure
Professional Consultants	67 891	61
Contractor Payments	41 609	39
Total Expenditure	109 500	100

c) Operational Expenditure		
Nature of expenditure	Quarter 4 R'000	% Spend
Procurement <R750 000	1 982	3
Cleaning and Gardening	0	0
Directors Remuneration-Board and Comm	684	1
Operational Expenditure	5 737	7
Security Services	17 520	22
Repairs and Maintenance	52 219	67
Total	78 142	100

6.7 ACHIEVEMENT ON BBBEE

JOSHCO promotes economic empowerment by spending on previously disadvantaged group as detailed in Tables 47 to 49.

Table 47: Summary of spend 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 4	78 142	78 017	99.77%

Period	Total CAPEX from procurement activities	CAPEX to at least 51% black-owned companies	% Spend for the period
	R'000	R'000	
Quarter 4	109 500	108 178	92.19%

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 4	78 142	11 557	22.18%

Period	Total CAPEX from procurement activities	CAPEX to women-owned companies	% Spend for the period
	R'000	R'000	
Quarter 4	109 500	5 306	7.81%

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 4	78 142	0	0%
Period	Total CAPEX from procurement activities	CAPEX to youth-owned companies	% Spend for the period
	R'000	R'000	
Quarter 4	109 500	0	0%

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

Matters reflected in the below table are expected to be finalised before the end of the calendar year. and parties are in the process of exchanging all the necessary court papers.

Table 50: Matters reflected in the below table are matters carried over from the previous financial year and are expected to be finalised before the end of this financial year. Parties are in the process of exchanging all the necessary court papers.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	INCEPTION	OUTCOME	COST IMPLICATIONS
1.	Applications for demolitions in respect of the Dobsonville Social Housing Project.	Madiba Motsai Masitenyane & Githiri Attorneys Inc.	<p>The matter concerns eight properties/illegal structures surrounding JOSHCO's Dobsonville project. which are encroaching onto the site. Attorneys were appointed to institute court applications for demolitions. One matter was settled with the property-owner. two were opposed and the remaining five were unopposed. Five demolition orders were previously executed.</p> <p>Progress: There were two remaining structures that had to be demolished. One of the two structures was demolished on 24 January 2024. For the remaining structure. JOSHCO and the respondents reached a mutual agreement to settle the matter out of court. The settlement agreement was successfully formalised as a court order. JOSHCO is at the final stages to appoint a service provider to carry out the demolition works.</p>	30/06/2020	The matter is ongoing. Six demolition orders have been executed thus far.	Expenditure to date: R 785 932.29 spent on legal fees.
2.	Various evictions and recovery of outstanding rental.	Various	There has been a total of 31 eviction orders obtained since inception of eviction applications in 2019. Twenty-one of these orders have been successfully executed.	2019	Matters are ongoing.	Expenditure to date: R 5 876 583.46

			<p>Progress: Three out of four Evictions were successfully executed in the first quarter. The 4th Eviction was executed in the second quarter. and it was a resounding success. Six other eviction orders were successfully obtained during the second quarter and are awaiting confirmation of Eviction dates from the Sheriff.</p> <p>Six evictions were executed in the fourth quarter. 1 was executed successfully. while the remaining were not a success as the residents started protests during the execution of the orders. However the evictions process will proceed for the remaining unsuccessful evictions. JOSCHO is waiting for the sheriff to confirm the date to proceed with the remaining evictions.</p>			spent on legal fees.
	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	INCEPTION DATE	OUTCOME	COST IMPLICATIONS
3.	Social Housing Movement and 5 others // JOSHCO and 3 others	ENSafrica	<p>Court application lodged by the Social Housing Movement and various tenants against JOSHCO. Social Housing Regulatory Authority, CoJ Municipality and the Department of Human Settlements (Province). The application seeks to compel JOSHCO to convert leases into rent-to-own agreements and to further prevent JOSHCO from evicting tenants without obtaining "suitable alternative accommodation".</p> <p>Progress: The matter was heard on 02 June 2025. The applicant's counsel conceded that prayer 1 and 2 of their notice of motion, (i.e. where the applicants seeks that their leases be converted into instalment sale or lease to own) were bad in law and therefore abandoned those prayers. Instead,</p>	12/09/2022	The matter is ongoing.	Expenditure to date: R479 023. Q4 = R96 369.43

			they raised new arguments for the case. The judge allowed them to amend their case to introduce the new argument citing that the matter concerns constitutional rights. JOSHCO will have an opportunity to respond to the new argument. Importantly the Court has not granted any interdict or order to restrict JOSHCO from following lawful process to evict any defaulting residents, JOSHCO is to proceed with the eviction processes			
4.	JOSHCO //Quick Prop Systems (Pty) Ltd	Mncedisi Ndlovu & Sedumedi Attorneys	<p>Court application instituted by JOSHCO against Quick Prop Systems (Pty) Ltd. Quick Prop Systems (Pty) Ltd was appointed by JOSHCO to develop a property management system. enhancement, and mobile application solution. The application seeks to review and set aside the appointment, based on misrepresentation by Quick Prop Systems (Pty) Ltd in their bid submission for the appointment.</p> <p>Progress: The matter previously scheduled for hearing on 3 February was postponed and subsequently heard on 6 February 2025. Judgement was reserved, the court is to consider the submissions and arguments presented by the parties before rendering a decision. We await the formal release of the judgement</p>	12/03/2023	The matter is ongoing	Expenditure to date: R 419 310.90
5.	JOSHCO//Illegal occupants of the Casa Mia building	Padi Attorneys	<p>Eviction application lodged on an urgent basis against illegal occupants of the Casa Mia building.</p> <p>Progress: The matter was heard on 21 November 2023 wherein the court granted an order declaring the building unsafe for occupation and instructed the city to provide alternative accommodation for the illegal occupants. JOSHCO engaged the Human Settlements department regarding provision of alternative accommodation and was advised that Casa Mia occupants are to be accommodated at</p>	20/09/2023	The matter is ongoing	Cost incurred to date : R 638 435.07.

			the Transnet building that the City is acquiring through JPC. As part of the bad building's strategy. Casamia is earmarked for evacuation which will see the occupiers allocated to temporary emergency accommodation.			
6.	TSSN Carriers (PTY) Limited//Joshco Social Housing Company (SOC) Ltd [Ens-Ens.Fid642228	Madiba Motsai Masitenyane & Githiri Attorneys Inc.	<p>JOSHCO appointed TSSN Carriers (Pty) Ltd in July 2019. for construction of 145 social housing units at Randburg. The contractor never commenced work due to a few outstanding town planning issues. which JOSHCO has been in the process of resolving. In June 2023 JOSHCO terminated the contract. on the basis that there had been no work on site for a continuous period of 90 days. The contractor disputed the termination and referred the matter to adjudication.</p> <p>Progress: Outcome of the referral to adjudication was received on 27 May 2024. The adjudicator decided that he did not have jurisdiction to decide on the matter. TSSN thereafter submitted a settlement proposal to JOSHCO. which JOSHCO rejected. TSSN has applied for Arbitration. Arbitration proceedings have been initiated. The matter was heard for Arbitration on 15 April 2025. We currently await the Arbitrator to issue a ruling.</p>	26/03/2024	The matter is ongoing	Cost incurred to date : R850 318.44 Q4= R638 719.74

Table 51: The below table reflects matters wherein progress has been delayed due to various factors. such as lack of action from the other party. or challenges with locating parties for purposes of serving court papers. Legal opinions have been sourced on some of the matters. to assess JOSHCO 's merits of success. which will enable JOSHCO to take a decision on a way-forward.

	PARTIES AND NATURE OF THE MATTER	ATTORNEYS	STATUS AND PROGRESSION	INCEPTION DATE	OUTCOME	COST IMPLICATIONS
1.	<p>JEH Properties //JOSHCO</p> <p>- Cancellation of Property Sale Agreement in respect of 195 Commissioner Street.</p>	Dyason Attorneys	<p>Sale of immovable property at no. 195 Commissioner Street. bought for R 6 500 000. The Sale Agreement was signed on the 3rd of April 2014. JOSHCO initially attempted to cancel the Sale Agreement and recover the purchase price following the seller's failure to provide JOSHCO with vacant occupation. JOSHCO then instituted a court process for cancellation. which was later placed on hold after the attorneys advised JOSHCO to proceed with the sale as the full purchase price and transfer costs had been paid. It was however discovered that there was a bond registered over the property. In light of this. JOSHCO's attorneys were instructed to proceed with the initial claim for the purchase price and transfer costs. It was further discovered that the individuals identified in the illegal and fraudulent sale of said property to JOSHCO were linked to other hijacked properties.</p> <p>Progress on civil claim: The defendants (seller and conveyancing attorney) have not yet filed their discovery affidavit. JOSHCO's attorneys are to bring an application to compel Discovery. The application to compel discovery has been delayed by the Court's practice directives in respect of enrolment of applications and the handling of the Court files.</p> <p>The legal department engaged attorneys on record and requested an opinion on the possibility of succeeding with</p>	22/05/2015	The matter is ongoing	<p>Expenditure to date: R38 775.00</p> <p>Costs/claim to be recovered: R 6 500 000 purchase price plus R 487 260.80 transfer costs.</p>

			<p>claims against former JOSHCO officials who were involved in the transaction.</p> <p>Based on the opinion received from the attorneys. JOSHCO's merits of success with such claims would be limited as the matter has also been investigated by the Special Investigating Unit. which did not implicate specific individuals from JOSHCO. The SIU confirmed that sellers and conveyancing attorneys had also defrauded other State entities.</p> <p>During JOSHCO's engagements with the SIU. attempts were made internally by the Legal officer to retrieve background information relating to the sale/transaction. but information was limited.</p> <p>Criminal investigation: The matter was further referred to SAPS. Upon engagements with the SAPS. JOSHCO's legal department was advised that the docket was submitted to the prosecutor for a decision. and the prosecutor advised that the Investigation Officer proceed with further investigations on the matter. Investigation Office has concluded its inquiry and resubmitted the docket to the Prosecutor's office. The matter is currently pending the Prosecutor's review and decision. A follow up was done. the status still remains the same.</p>			
2.	<p>SKN Consulting // JOSHCO</p> <p>- Claim for damages.</p>	Tshiqi Zebediela Attorneys	<p>JOSHCO had appointed SKN Consulting ("SKN") as project managers on the Randburg Selkirk project. In 2014. SKN sent a notice to JOSHCO demanding payment of professional fees. alleging that JOSHCO had failed to pay the full fees for stages one and two of the projects. JOSHCO's reasons for non-payment of the full fees related</p>	18/12/2015	The matter is ongoing.	<p>Expenditure to date: R 79 940.00 spent on legal fees.</p>

			<p>to non-performance. JOSHCO then instituted a claim against SKN for damage suffered as a result of their non-performance. The matter was referred to arbitration.</p> <p>Progress: Attorneys had previously applied for a hearing date and for the matter to be placed on an unopposed motion roll. However, they have encountered challenges in obtaining service to the applicant. Despite repeated attempts by Sherriff there has no one available to receive the documents. Further the company in question has been de registered, which has complicated the service process. Our attorneys are currently exploring alternative methods to effect service and provide proof of service to court. Until this is achieved, the court will not grant a hearing date.</p>			<p>Costs/claim to be recovered: R 13 926 340.53 spent on professional fees. R 719 340.00 for damages</p>
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SECTION 8: INSURANCE CLAIMS AGAINST/TO MOE

As of June 2025, there is a total of twenty-six (26) claims, of these six (6) are closed (settled and rejected) and twenty (20) are active. During the quarter under review two (2) new claims were recorded.

Table 52: Insurance Claims as of June 2025.

Claim Type	Active	Rejected	Settled	New Claims
Employee Personal Liability (EPL)	0	0	1	0
Third-Party Liability	6	0	1	0
Assets	8	0	2	2
Group Personal Accident (GPA)	4	1	1	0
Total	18	1	5	2

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

The amount which JOSHCO owes other departments or entities or that which other departments or government entity owe JOSHCO is shown in Table 53 below.

Table 53: Statement of amounts owed by or to government departments and public entities.

Name of department	30-Jun-25 (R)	30-Jun-24 (R)	Account Status	Comments
City of Johannesburg: Sweeping account	-1 735 056 782.00	-1 439 740 179.79	180 days overdue	The entity is engaging with departments to settle the outstanding debts however the issues with the SDA still persist and there has been no resolution as at the end of this quarter.
				Follow up letters have been sent to departments.
City of Johannesburg: Salaries	-264 245 964.17	-227 363 142.96	180 days overdue	Operational subsidy is now applied to salaries.
Name of department	30-Jun-25	30-Jun-24	Account Status	Comments
City of Johannesburg:	-504 977 957.94	-229 454 236.21	180 days	No settlement has been made in the quarter due to

Municipal Charges			overdue	the entity's financial constraints.
City of Johannesburg: GCSS	-268 232 421.89	-190 635 920.95	180 days overdue	No settlement has been made in the quarter due to the entity's financial constraints
Total owed by JOSHCO	-2 772 513 126	-2 087 193 479,91		
City of Johannesburg: Human Settlements	778 119 730.63	690 212 929.02	180 days overdue	DHS has paid JOSHCO R13 million this quarter. Follow-up letters have been sent to the department
City of Johannesburg: Treasury	5 958 169.39	5 958 169.39	180 days overdue	A meeting was held with Treasury. A commitment has been made to look into the transaction. No resolution as at the end of the quarter.
City of Johannesburg: CAM	88 413 857.51	159 300 613.61	180 days overdue	CAM has paid an amount of R19 million in this quarter 4.
City of Johannesburg: Health Department	6 634 236.29	8 147 298.76	180 days overdue	The entity is engaging with departments to settle the outstanding debts however the issues with the SDA still persist and there has been no resolution as at the end of this quarter.
City of Johannesburg: Development planning GEF Project	4 065 148.55	2 141 642.45	180 days overdue	
City of Johannesburg: JDA	96 800.00	96 800.00		
Name of department	30-Jun-25 (R)	30-Jun-24 (R)	Account Status	Comments
City of Johannesburg: JPC	600	9 906 600.00		
City of Johannesburg: Community Development	106 910 609.00	168 150 404.38	180 days overdue	Community Development has made a payment of R18 million in this quarter 4 .

City of Johannesburg: Legislature	46 823 417.73	46 823 417.73	180 days overdue	
City of Johannesburg: JMPD	50 987 193.98	46 794 434.97	180 days overdue	The entity is engaging with departments to settle the outstanding debts however the issues with the SDA still persist and there has been no resolution as at the end of this quarter.
City of Johannesburg: EMS	31 063 629.24	32 241 079.67	180 days overdue	
City of Johannesburg: Office of the COO	22 333 381.03	14 853 943.35	180 days overdue	Follow up letters have been sent to departments.
City of Johannesburg: Transport	24 160 154.69	22 107 204.69	120 days overdue	
City of Johannesburg- Social Development	64 350.49	2 154 547.47	180 days overdue	
City of Johannesburg - EPWP Grant	4 128 723.49	13 418 106.58	180 days overdue	
City of Johannesburg- Financial Accounting	32 614 629.24	0	current	
City of Johannesburg: Licencing	2 172 105.36	4 056 469.07	180 days overdue	
Total owed to JOSHCO	-1 302 069 818,35	-1 226 363 661,14		

CHAPTER 6

INTERNAL AUDIT

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

For the fourth quarter of the 2024/2025 financial year. Internal Audit completed all the planned reviews.

Refer to Table 54 for the detailed Internal Audit Plan. The following audits were completed in the fourth quarter:

- Leasing Management Audit
- Financial Discipline Review
- Review of Interim Financial Statements
- Performance of Information Q3 Review
- Tender Probity Review x18
- Follow – up on Internal Audit Findings
- Follow – up on AGSA Findings
- UIFWe Investigations

Table 54 Below is the approved Internal Audit Plan for the 2024/2025 financial year. and it indicates the progress on the planned audits:

No	Name of Audit	Quarter				Progress
		1	2	3	4	
Finance						
1	Review of the Annual Financial Statements	X				Completed
2	Review of the Interim Financial Statements				X	Completed
3	Supply Chain Management Audit			X		Completed
4	Costing and Budget Management Audit			X		Completed
5	Financial Discipline Review				X	Completed
6	Tender Probity Review	X	X	X	X	Completed
COO OFFICE						
7	Housing Maintenance and Portfolio Management Audit	X				Completed
8	IT Governance Review		X			Completed
9	Business Continuity Plan. Disaster Recovery Plan and back-up Review				X	Completed
10	Housing Leasing Management Audit				X	Completed
Planning and Strategy						
11	Performance Information Review	X	X	X	X	Completed
12	Fraud Prevention and Detection Audit			X		Completed
13	SHRA Compliance Review		X			Completed
14	POPIA Compliance Review		X			Completed
Follow - ups						
14	Follow-up on Internal Audit Findings	X	X	X	X	Completed
16	Follow-up on AG Findings			X	X	Completed

Investigations						
17	UIFW Investigations Expenditure			X	X	Completed

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

Table 55 below indicates the resolution of Internal Audit findings for quarter 4:

Departments	Total Findings	Total resolved as per Management	Total findings resolved	Total findings not resolved
Finance and SCM	39	39	39	0
Chief Operating Office (COO)	65	65	65	-
Corporate Services	7	7	7	0
Planning & Strategy	2	2	2	0
Legal (CEO)	8	8	8	0
Total	121	121	121	0
	100%	100%	100%	0%

SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

Table 56 below indicates the resolution of External Audit findings for quarter 4:

AG Classification	Total Findings	Resolved	Not Resolved
Matters affecting auditor's report	2	0	2
Matters that should be addressed to prevent material misstatements in the financial statements or material findings.	12	9	3
Admin Matters	5	3	2
Total	19	12	7
%	100%	63%	37%

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

In the fourth quarter of the 2024/2025 financial year. Internal Audit completed four (4) audits. eighteen (18) probity review, two (2) follow-up reviews and five (5) UIFWe investigations. Based on the findings raised in this quarter's audits, the Internal Audit concluded that the organisation's controls are generally **adequate but ineffective**. Internal Audit has noted significant decline in the organization's controls environment. Management should ensure that controls are continuously monitored, this will assist in ensuring that organisation's objectives will be achieved.