



Polokwane Housing Association

"A Promise Delivered"

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POLOKWANE HOUSING ASSOCIATION ANNUAL REPORT FOR THE FINANCIAL YEAR 2010/11

CHAPTER 1

1. INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

Polokwane Housing Association (PHA) was previously registered and established as a Section 21 Company in terms of the Companies Act. The registration and establishment was subsequently changed and PHA is now registered as a proprietary limited company in terms of section 86 of Municipal Systems Act (MSA). The registered name is Thabatshweu Housing Company (Pty) Ltd REG NO (2005/012521/07 trading as PHA.

PHA is a municipal entity wholly owned by Polokwane Municipality. The entity is established with a mandate to provide affordable social housing within the Polokwane Municipality area of jurisdiction. Department of Local Government and Housing has also played a critical role in the establishment of PHA by rendering financial assistance in a form of Institutional Housing Subsidies for PHA first social housing project at Ga - Rena rental Village. The project is for the development of 1000 units and phase one (508units) was completed in October 2007.

1.2 OVERVIEW

The Polokwane Housing Association is currently referred to an entity in distress. The entity was abandoned to run on its own without the mind or the Board of Directors for a period of nine (9) months. The Previous Board of Directors was dissolved in September 2010 and there has not been any temporary measure put in place to ensure smooth operations irrespective of numerous adversities the entity faced. Prior their discharge the Board of Directors suspended the former CEO in June 2010 who subsequently resigned in July 2010 and the Acting CEO was appointed. The Acting CEO was not inducted on the new responsibilities and again the entity doesn't have a succession plan as one of Human Resource requirements.

Subsequent to the release of Board of Directors, the former employees who have been dismissed (3) and suspended (1) during the FY 2009/10 have been returned and commenced with their duties in October/November 2010. The agreement to return former employees was reached between the union and the Parent Municipality.

The new Board of Directors was only appointed with effect from July 2011.

The Vision and Mission of the entity

Vision

"To be a Leading Social Housing Institution in the Limpopo Province"

Mission

"To provide affordable, quality social housing with strategic partners for qualifying beneficiaries within Polokwane through accountable and participative process"

The mission shall be accomplished through the pursuit of developed strategic goals.

1.3 EXECUTIVE SUMMARY

The entity has experienced more of challenges than achievements. Even stakeholders i.e. Parent Municipality, LG & H, NHFC, SHRA, NASHO and Tenants have attempted to assist the entity in uprooting the cause of stagnancy. It was decided by the Mayoral Committee that the turn around strategy be drafted as an attempt to turn around the entity. The exercise was completed and the draft has been approved by Council as a working document. Stakeholders have also been invited for inputs. The master plan was recommended and the appointment of the Board appeared to be priority one. The new Board of Directors have been appointed with effect from July 2011.

CHALLENGES ENCOUNTERED DURING SEP 2010 – JUNE 2011

No Board of Directors to execute and to support the entity on the following:

- To appoint the CEO as the former CEO had resigned
- To support and mandate the acting CEO as there was no induction
- The Acting CEO had nowhere to iron issues
- There was no protocol even from other Stakeholders i.e. Acting CEO received instructions from different department and had no leg to stand on but to submit
- The higher authority i.e. Parent Municipality & LG & H decided on the issue of rent reversal in November 2010. The issue had lot of disadvantages to put the entity at risk and toward bankruptcy. However, there was no one to interrogate the issue at that level
- The Board of Directors could have analysed and foreseen the consequences of restoring and implementing the 2008/09 rental in the FY 2010/11

- It was not taken into consideration that the entity does not have any other means of income other than the monthly rental
- The decision taken led to the current situation whereby the entity is unable to manage itself i.e. maintain units, keep the environment clean and maintain good relationship with tenants
- The presence of the Board could have also assisted in shaping the relationship between management and tenants rather than tenants disregarding the office by reporting their queries somewhere else because they have lost faith in the leadership of PHA
- The entity was also unable to service creditors due to rent reversal and poor rent collection

CONCLUSION

The whole scenario led to the issue of low staff morale whereby staff members have been demoralized and unproductive.

ACTING CHIEF EXECUTIVE OFFICER
C.MOLEPO (Ms)

CHAPTER 2

2.1 PERFORMANCE HIGHLIGHTS

During the year under review the entity has been able to attain the following critical milestones:

Critical Milestones

Milestone	Progress made
Appointment of Board of Directors by Parent Municipality	Board of Directors have been appointed with effect from July 2010
Transfer of CRU by Parent Municipality	Mayoral Committee: MC/221/04/11 and, Transfer letter dated: 21 June 2011

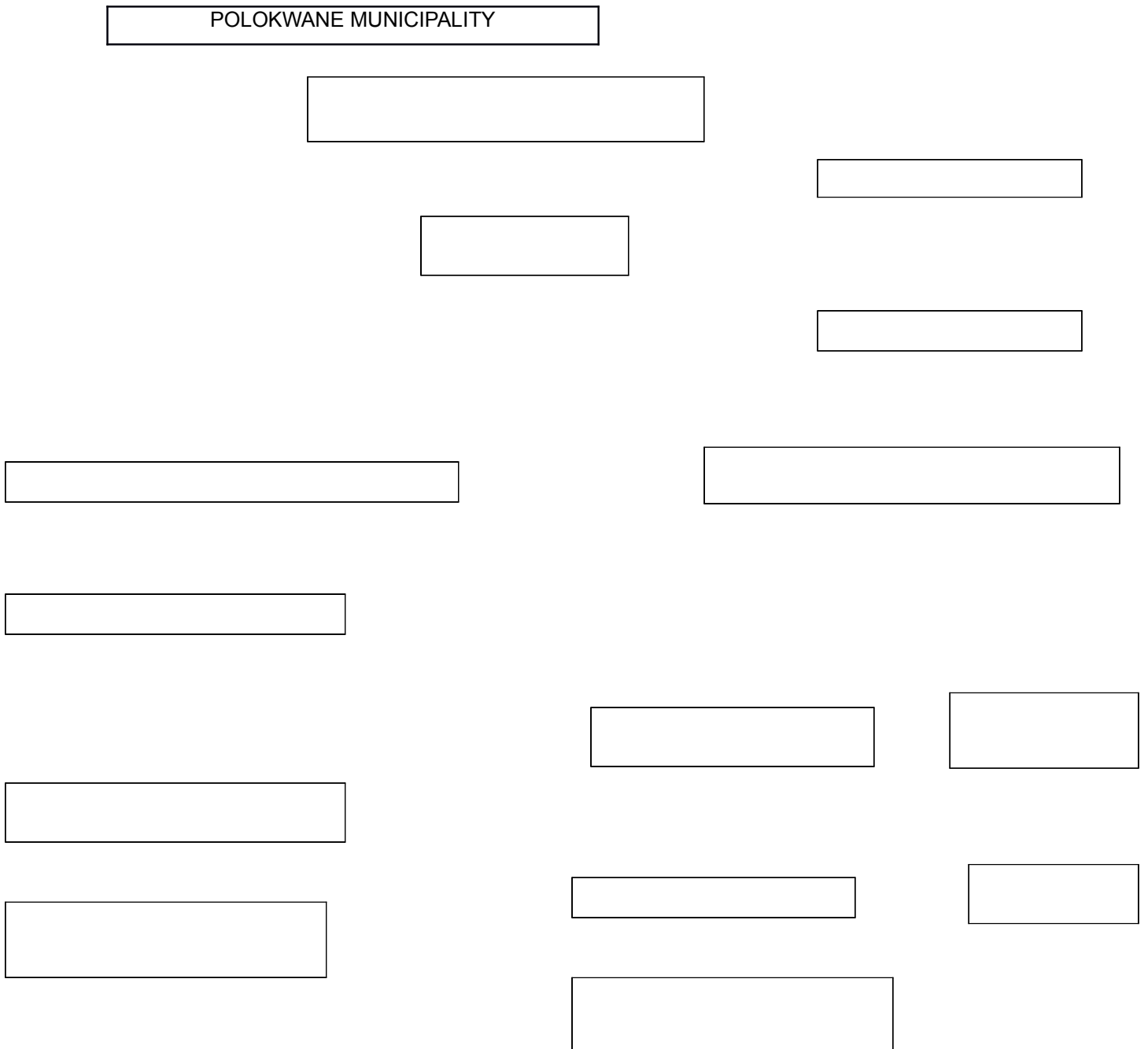
CHAPTER 3

3.1 HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

During the financial year 2010/11, the staff complement of PHA was made up as follows:

1. Ms Chuene Molepo – Acting CEO
2. Ms Pearl Mbimba - Property Manager
3. Mr Malesela Masekoameng - Accountant
4. Ms Chuene Molepo – HR and Admin Officer
5. Tebogo Modisha –Tenant Liaison Officer
6. Ms Zanele Ntombela – PA to CEO
7. Mr Aaron Rakau – Housing Supervisor
8. Mr Fredrick Makgato – Credit Controller
9. Ms Patricia Sekhwetha – Office Assistant
10. Ms Thabitha Molohe- Cleaner/messenger
11. Mr Khomotso Masekela - General Labourer
12. Mr Sam Setjie – General Labourer
13. Mr William Tshewe – General Labourer
14. Mr Thabang Petja - General Labourer
15. Mr Phistos Sehata – General Labourer
16. Ms Emma Ndozia – General Labourer

3.1.1 POLOKWANE HOUSING ASSOCIATION ORGANIZATIONAL STRUCTURE



3.1.2 SALARY DISCLOSURE OF CHIEF EXECUTIVE OFFICER AND MANAGEMENT

Description	Position	Total Annual Package	Period
Salary	CEO	R663 070.60	July 2010 – June 2011
Salary	Property Manager	R435 368.56	July 2010- June 2011

3.2 BOARD OF DIRECTORS

The Board of Directors and their remunerations:

Name	Period	Item	Cost
Mr L.P Sebothoma (Board Chairman) 2	25 Aug 10	Special Board Meeting (Financials)	R1 908.00
	03 Sep 10	Meeting with MEC Soviet Lekganyane & Executive Mayor Mr Mapoulo	R1908.00
Total	R3 816.00	R347.20	
Sub Total	R4 163.00		
Name	Period	Item	Cost
Mr M.J Tladi (Director) 4	30 Jul 10	Finance Committee Meeting	R1 484.00
	25 Aug 10	Special Board Meeting (Financial)	R1 484.00
	01 Sep 10	Finance Committee Meeting	R1 484.00
	03 Sep 10	Meeting with MEC Soviet Lekganyane & Executive Mayor Mr	R1 484.00

		Mapoulo	
Total	R5 936.00	R347.20	
Sub Total	R6 283.00		
Name	Period	Item	Cost
Mr T. Makofane (Director) 4	10 Aug 10	Property Committee Meeting	R1 484.00
	25 Aug 10	Special Board Meeting (Financial)	R1 484.00
	31 Aug 10	HR & Remuneration Committee Meeting	R1 484.00
	03 Sep 10	Meeting with MEC Soviet Lekganyane & Executive Mayor Mr Mapoulo	R1 484.00
Total	R5 936.00	R173.60	
Sub Total	R6 109.60		
Name	Period	Item	Cost
Mr M.W Maloma (Director) 5	30 Jul 10	Finance Committee Meeting	R1 484.00
	12 Aug 10	To collect Financials and meet with service provider	R1 484.00
	25 Aug 10	Special Board Meeting (Financial)	R1 484.00
	01 Sep 10	Finance Committee Meeting	R1 484.00
	03 Sep 10	Meeting with MEC Soviet Lekganyane & Executive Mayor Mr Mapoulo	R1 484.00
			Total R7 420.00
			Sub Total R10 631.75
Name	Period	Item	Cost
Ms M.A Phatudi (Director) 4	10 Aug 10	Property Committee Meeting	R1 484.00
	25 Aug 10	Special Board Meeting (Financial)	R1 484.00
	31 Aug 10	HR & Remuneration Committee Meeting	R1 484.00
	03 Sep 10	Meeting with MEC Soviet Lekganyane & Executive Mayor Mr Mapoulo	R1 484.00
			Total R5 936.00

	Sub Total	R6 074.88
	Grand Total	R33 262.23

CHAPTER 4

4.1 FINANCIAL STATEMENTS

Audit Opinion

The financial statements have been submitted to the Parent Municipality for consolidation and another copy was submitted to the Auditor General.

Accounting Policies

The Annual financial Statements comply with South African Statements of Generally Accepted Accounting Practice (GAAP).

4.2 No grants nor subsidies received by the entity for financial year 2010/11.

Thanks.