



"A Promise Delivered"

**ANNUAL REPORT
2022-2023**

Prepared in Terms of

**Section 121 of the Municipal Finance Management Act, 56 of 2003 and section 46 of
the Municipal Systems Act, 32 of 2000**



CORPORATE ADMINISTRATION

Thabatshweu Housing Company (Pty) Ltd.

Company Registration Number: 2005/012521/07

Bankers FNB

Registered Address for the Company:

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Polokwane

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www.polokwane.gov.za

Auditors:

Auditor General – South Africa

Directors:

Ms. Sara Mashabela - Board Chair

Ms. Asnath Kgosana

Mr. Matsobane Gololo

Mr. Oupa Galane

Mr. Samson Vilakazi

Mr. Shimi Maimela – Chief Executive
Officer

Company Secretary

Ms. Modjadji Rampheri – November

2022

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Abbreviations

CEO	Chief Executive Officer
PHA	Polokwane Housing Association
AGSA	Auditor General South Africa
MMC	Member of Mayoral Committee
SOC	State Owned company
Coghsta Traditional Affairs	Cooperative Governance, Human Settlements and
SHRA	Social Housing Regulatory Authority
CIPC	Companies and Intellectual Property Commission
APP	Annual performance Plan
MOI	Memorandum of understanding
NOCLAR	Non- Compliance with Laws and Regulations
MFMA	Municipal Finance Management ACT

CHAPTER 1: FOREWORD BY THE EXECUTIVE MAYOR



The municipality's service delivery programme has intensified in the areas of water provision, roads and stormwater, electrification and adherence to good governance principles. Provision of sustainable and innovative human settlements programmes remain on top of our agenda which require the PHA to also keep on its toes for heightened services.

There are positives strides notable within the PHA, like the 30% improvement of revenue collection. We encourage that this trend must continue an upward spiral so that the entity can be financially viable and resilient.

Maintenance of the properties remain key to operating a successful entity within a municipality. It cannot not be right to collect rentals but not provide the much-needed maintenance on our properties.

Students' accommodation is a key strategic programme for the entity. This is a national crisis and the PHA needs to pull up its socks and to develop projects that will alleviate this crisis in Polokwane. This will also assist the entity to become self-sustainable in the long run. There are funding opportunities in this space.

I cannot over emphasise the need for high density RDP model in the jurisdiction of Polokwane Municipality to efficiently use the land and keep up with human settlements development trends.

We are appreciative that the entity managed to maintain the unqualified opinion for the 2022/23 financial year. However, there is an opportunity to improve this opinion to a clean audit. All hands need to be on deck to work towards this objective.

We are positive that with the new board in place and the appointment of the CEO and other critical personnel, the acceleration of the entity's expectations will be prioritised and implemented and turn around the entity towards self-reliance and creation of good legacy projects for the community.

We expect to see real change that makes a positive impact on how the entity is run and managed for the benefit of the people of Polokwane.

Cllr M.J. MPE

EXECUTIVE MAYOR

CHAPTER 2: CHAIRPERSON'S OVERVIEW



I am thankful this time around to present my 5th final annual report since our appointment as a board of directors for Thabatshweu Housing Company trading as Polokwane Housing Association (PHA), at this point the sun is setting on the era of current accounting authority of this entity and that of its (Chief Executive Officer) CEO, we will not lose focus in ensuring the expectations pronounced by the Executive mayor in his foreword are met before our departure in a period within the next coming five months. We do realise that time is no more and all hands need to be on deck to ensure that deliverables are delivered.

Coming out of rental boycott was great but the flip side of the coin was that we did not anticipate that the habitability status of our units will be appalling as units were not maintained during this period and that this need to begin and that it will take quite some time before visible progress can be noticed. It must be noted that during the rental boycott period, condition of our rented units deteriorated to an unbelievable level. There is a need to replace old carpets with tiles, geysers building, cupboards, some of internal walls, windowpanes doors, locks, plumbing, and electrical items need replacement. Repainting that was never done is glaring as you visit the project. The environment is not pleasing to see.

During this period, rental collection dropped to 13%. With such low collection, there was no room to do any maintenance for tenants that were refusing to pay their rentals. Now that rental collection has increased to 64% at the close of 2022-23, robust Maintenance activities has started, and the CEO and his team are under my watch to ensure that there is visible progress in these areas. The CEO also has informed the Regulator is assessing the possibility of funding providing overall maintenance on the project which will make a major impact.

CHALLENGES:

Tenancing Annadale EXT 2 has become a problem due to lack of sufficient bulk water on the project which was never an issue at the time of signing services agreement and during construction period. This was determined right at the end of the project when water was commissioned from bulk.

Management has submitted an application to the Regulator for Social Housing Authority to fund a solution to address this challenge. The CEO informs me that PHA's proposal is currently being considered.

APPRECIATION:

As the PHA, we are highly indebted to our Shareholder, Polokwane Municipality, under the stern leadership of Executive Mayor, CLLR John Makoro Mpe, the MMCs for Housing Cllrs Joosef Pemma and Finance Tshepo Nkwe, Municipal Manager, Acting Chief Financial Officer and the Director Planning and Economic Development whom the CEO reports to at Shareholder level for continuing to provide continuous political strategic oversight which keeps us on our toes. I also wish to thank the Board of Directors of the PHA and management for doing their part in ensuring that the entity delivers based on its mandate.

I look forward to handing over this progressive entity to my successor at the end of our term of office.

Accordingly, I submit the PHA's Annual Report for 2022/2023 on behalf of the Board of Directors.

MS. SARAH MASHABELA Pr. Pln, MAMT, MICTC (Australia)

BOARD CHAIRPERSON

CHAPTER 3: CHIEF EXECUTIVE OFFICER'S REPORT



Polokwane Housing Association has been able to attain the following critical milestones based on its key performance areas outlined in its Annual Performance Plan (APP) during the period under review. The three key performance areas PHA was focusing on are, Core Business, Financial Viability, Good Governance and organizational transformation.

Core Business

One of the key highlights during 2022/2023 was the completion of Annadale Extension². This project is the construction of 494 Social Housing Units. This will see the number of housing units managed by the PHA increasing from 697 to 1191. However, the identified insufficient provision of bulk of water will delay tenanting of the project until December 2023. The successful management of this project will enable the PHA to depend much lesser on Polokwane Municipality as its shareholder financially.

Finally, the entity met a progressive milestone of regularizing some of sublets and after implementation of eviction orders.

Addressing critical long-range maintenance which could not be addressed during rental boycotts has started receiving attention.

Financial Viability

Rental collection increased from 29% to 57%. Dealing with rental boycotts will be a thing of the past as there are more planned evictions to take rental collection to a much higher level. PHA continues to make progress in the area of allocation of vacant housing units and regularization of new tenants at Ga-Rena Rental Village. Management has further put action plans to turn around rental collection at both PHA projects to ensure that we 95% collection levels.

Transformation

In an effort to strive to obtain an improved audit report, the entity has been able to address all issues raised by the Auditor General South Africa (AGSA) and Internal auditors. Management is also currently looking at areas that need attention to ensure that the entity achieves the best audit opinion and the full accreditation status with the Social Housing Regulatory Authority.

Acknowledgements

I would like to take this opportunity to thank the Shareholder for their continued leadership and support to PHA without which PHA would not have been able to function as an organization. I would like to thank the Board of Directors and the Audit Committee for providing the much-needed strategic direction and support to PHA during these times.

The support PHA receives from other stakeholders like (Cooperative Governance, Human Settlements and Traditional Affairs) CoGHSTA, the Social Housing Regulatory Authority) SHRA, etc. to enable the entity to carry out its mandate is highly appreciated.

Without the commitment of management and staff the performance their duties with drive, our work would have been even more difficult to perform. Their contributions are highly appreciated.

SHIMI MAIMELA



CHIEF EXECUTIVE OFFICER

CHAPTER 4: INTRODUCTION AND CORPORATE PROFILE

Vision

To be the premier provider of innovative and sustainable living

Mission

To promote smart living for a diverse market through delivery of sustainable and affordable homes

Our Values

- Accountability
- Efficiency
- Innovation
- Honesty
- Participation

Our principles

- Improved Quality of Living
- Improved Confidence of PHA in the Social Housing Industry
- Improved administrative and governance capacity.
- Improved efficiency and effectiveness of the PHA Administration
- Enhanced Revenue and Asset base

The Polokwane Housing Association Ltd was previously registered and established as a Section 21 Company in terms of the Companies Act in 2002 and in 2005 registration was changed to Ga-Rena Rental Village (proprietary). The registration and establishment was subsequently changed and PHA is now registered as a PTY Limited company in terms of section 86 of Municipal Systems Act. The registered name is Thabatshweu Housing Company (PTY) Ltd Registration No (2005/012521/07) trading as Polokwane Housing Association.

The Mandate of PHA as per its revised MOI, is to develop and manage:

- integrated Human Settlements

- Social and Non-Social Housing
- Rental housing units within the Gap Market
- student accommodation

As a Municipal Entity entrusted with managing rental housing units, PHA is required to comply with all the Municipal Finance Management Act, Act No. 56 of 2003, the Municipal System Act, Act 32 of 2000, the Companies Act, Act No 71 of 2008 the Housing Code, the Social Housing act of 2008, and all other relevant legislation applicable to the municipal entity.

The mandate includes amongst others, the responsibility for administrative processes, accounting and financial management, tenant liaison, policy and guideline formation, capital raising, agency role and other functions that Polokwane Municipality may require in applying the principles of social housing in Polokwane. The mandate has been extended to include participating in the non-social housing rental space. I.e. gap market, profit making rental housing and student housing

CHAPTER 5: DIRECTORS' REPORT AND GOVERNANCE

5.1 COMPANY SECRETARY REPORT

The entity has addressed the following compliance issues such, as amongst others during the year under review:

- Lodge the annual returns with CIPC.
- The company functioning with all appointed board and its members.
- Holding a successful Annual General Meeting with all the members and the stakeholders present in the meeting.
- Holding successful board committee and board meetings with all members present in the meetings.

5.2 BOARD OF DIRECTORS

The Board of directors continued to perform its oversight functions and provided strategic leadership and guidance to the CEO and the management team during the year under review. The Board has the responsibilities for managing the affairs of the Company, its direction, program priorities, resource allocations and both financial performance and planning the future of direction of the Company. The Board can execute its full responsibilities and functions with the support and corporation of staff members in the Company.

Below are the Board meetings that were planned and successfully attended for the year under review:

Date	Ms. Sara Mashabela – Chairperson of the Board	Ms. Asnath Kgosana	Mr. Matsobane Gololo	Mr. Oupa Galane	Mr. Samson Vilakazi	Mr. Hyven Kholophe	Mr. Shimi Maimela – Chief Executive Officer
28 Aug 22	✓	✓	✓	✓	✓	✓	✓
13 Nov 22	✓	✓	✓	✓	✓	✓	✓
18 Dec 22	✓	✓	✓	✓	✓	✓	✓
28 Apr 23	✓	✓	✓	✓	✓	✓	✓
Sopholis Chuene – Manager in the CEO’s office – Attended all meetings							
Modjadji Rampheri- Acting Company Secretary- 28 Aug 22, 13 Nov 22 and 18 Dec 22							
Mathaba Pheeha – Secretariat – 28 Aug 22, 13 Nov 22 and 18 Dec 22							

5.3 BOARD COMMITTEES

The Companies Act 71 of 2008 as amended, provides the board with the power to appoint board committees; and to delegate to such committees any of the authority of the board. Board Committees serve as a vital and important tool in aiding the Board. After all, a committee’s intended mission is to support and assist the Board in carrying out its responsibilities.

All the board committees are comprised of the respective chairperson(s), members of the committees and the stakeholders together with the CEO of the company and report to the board on all the progress made, challenges experienced, and milestones achieved in the execution of their duties.

Dysfunctional Committees, however, can have an adverse effect, creating long-lasting negative issues for both the board and the community at large.

The explanation below gives clarity on the roles, responsibilities, and performance of the various Board Committees during the term under review.

The Board is comprised of the following committees:

- **Property, Contracts and Projects, (PCP)**
The key responsibility is to provide effective and efficient oversight of the company's property, movable or immovable property. The committee provides sound directive management and measures of the projects within the company and intervention for challenges that hinder progress of projects.
- **Finance and Risk, Committee (FRC)**
The key responsibility of the committee is to provide effective financial management and serve to oversee the company's finances to ensure transparency and accountability and ensuring mitigation of risks that may result from financial negligence.
- **Human Resource & Remuneration (HR&REMCO)**
Human capital is important for the company to ensure maximum operations. The committee is responsible for equipping employees with the relevant tools of trade and skills to ensure maximum efficiency and high staff morale amongst others.
- **Social and Ethics**
Without any code of conduct in the manner of operating and or responsibilities. Ethics are a very important component of good governance. The committee is responsible for ensuring that stakeholders' relations remain an important part of the company to maintain its integrity and ensure the success of the company.

5.4 PROPERTY, CONTRACTS & PROJECTS

5.4.1 MANDATE OF THE COMMITTEE

Property, Contracts and Projects Committee's primary role is to investigate any activity within its terms of reference and to obtain any:

- information required from any employee of the PHA.
- required independent professional advice; and
- Secure the attendance of any Board member, employee of PHA or independent advisers or consultants at the meeting.

The Committee is mandated to perform the following duties:

- a) To ensure effective, efficient, and economic use of the rental stock.
- b) To ensure that the organization render service of high quality to client.
- c) To recommend to the board that competitive designs and standards are maintained.
- d) Shall research and assist the company in keeping abreast with development in the housing environment.
- e) Shall be responsible for rental and tenancy policies.
- f) Shall investigate and address the complaints of the clients.
- g) To consider all issues relating to property development and management.
- h) To review policies, methodology and procedure in connection with the consideration and approval of projects and management thereof, recommendations on applications to be delegated to officials.
- i) To consider and recommend to the Board appropriate parameters for the determination of applications to be delegated to officials.
- j) To monitor the exercise of these delegated power and the compliance of officials with the parameters set.
- k) To recommend rentals and other service charges and consider increments thereof.

5.4.2 COMMITTEE STRUCTURE

The Committee is constituted by two (02) Board of Directors and two officials, namely:

- Oupa Galane – Chairperson (Non-Executive Director)
- Matsobane Gololo – Non-Executive Director
- Shimi Maimela - Chief Executive Officer (Director)
- Robert Maetisa - Property Manager - November 2022
- Ms Modjadji Rampheri – The Board Secretary- November 2022
- Sopholis Chuene – Manager Office in the CEO Office- November 2022
- Ms Mathaba Pheeha – Secretariat

Messrs. Chuene, Maetisa and Ms Rampheri and Pheeha are permanent invitees to the Committee.

5.4.3 COMMITTEE MEETINGS AND ATTENDANCE

According to the year plan, the committee is expected to have four scheduled meetings. During the period under review, the committee managed to hold three scheduled (3) meetings (1st to 4th quarter).

Names	Q1 13 Aug 22	Q2 13 Nov 22	Q3 11 Dec 2022	Q4 04 April 2023
Mr Oupa Galane – Chairperson	✓	✓	✓	✓
Mr Matsobane Gololo	✓	✓	✓	✓
Mr Shimi Maimela	✓	✓	✓	✓
Mr R Maetisa	✓	✓		✓
Ms M Rampheri	✓	✓		✓
Mr Sopholis Chuene	✓	✓	✓	✓
Ms Mathaba Pheeha	✓	✓	✓	✓

Policies

On an annual basis the committee review its policies to be in line with the changing circumstances / environment to meet the needs of the tenants and legislative prescripts. The following policies were reviewed by the committee and adopted by the board during the period under review:

- Housing Stock Development and Acquisition
- Property Management Policy
- Property Administration Policy
- Property, Contracts and Projects (PCP) TOR
- Tenants Committee Charter

5.4.5 Property Management Delivery Performance

The Property Management Department covers facilities management and tenant services, which includes administration of waiting lists; allocation of tenants; lease administration; tenanting; repairs and maintenance; cleaning and gardening; safety and security; and general upkeep of communal areas.

Portfolio Managed by PHA

Seshego Community Residential Units (CRU)

Overview of the Complex

Seshego Community Residential Units (CRU) is a rental housing project targeting lower income band of the market. Qualifying beneficiaries should be earning R1 500 – R7 500. The project has 193 rental units which comprise of 13 one bedrooms, 167 two bedrooms, 09 leave and work units (ground floor retail space and bedrooms on the 1st floor) and 04 shops. The project is performing fairly well.

Performance Indicators on Quarterly basis for 2021/2022	Q1	Q2	Q3	Q4
Occupation Rate	99%	98%	98%	98%
Vacancy Rate	0.5%	1%	1%	1%

Ga Rena Rental Villages

Ga-Rena residential complex is constituted by 86 blocks 508 rental units. The project is meant to cater for tenants with income range of R3 500 – R22 000. Performance of the portfolio has been difficult for years due to rent boycott and protests.

Performance Indicators on Quarterly basis for 2021/2022	Q1	Q2	Q3	Q4
Occupation Rate	78%	89%	91%	96%
Vacancy Rate	22%	11%	9%	4%

5.4.8 Projects

ANNADALE EXT 2 SOCIAL HOUSING PROJECT BRIEF

Background

Motheo construction group was appointed to construct 494 residential units comprising of eleven blocks at Annadale Extension 2. The project started on the 1st of February 2019 and practical completion was achieved on 23 November 22. Despite normal construction site challenges the project was hit by lack of sufficient bulk water services brick work for all the blocks was 100% complete

- Engineering services installed.
- Pavement complete
- The contractor and developer busy with snag list
- The overall project completion progress is 100% as of 30 June 2023.
- Water challenges is receiving attention to enable PHA to tenant the project.

Local empowerment

The project appointed (9) nine local subcontractors for different trades and a total of one hundred and forty-six (146) local labourers of which twenty-seven (27) are females and one hundred and nineteen (119) are males.

Anticipated completion date

The project is anticipated to be completed on the 30 November 2022.

5.5 FINANCE AND RISK COMMITTEE

5.5.1 The Mandate of the Committee

The Finance committee deals with finance, audit, and risk matters. This committee is tasked to review all issues relating to finance, audit and risk matters of the company including the internal controls. The Committee further assists and advises the Board of Directors with overall Finance with respect to:

- Financial Management,
- Risk Management,
- Internal and External Audit, and
- Development and review of Financial and Risk Policies

5.5.2 Composition of the Committee

The Finance and Risk Committee was made up of two (2) members of the board, CEO, Finance Manager and Company Secretary as follows.

- Matsobane Gololo – Non-Executive Director and Chairperson of Committee
- Oupa Galane - Non-Executive Director,
- Shimi Maimela - Chief Executive Officer (Director)
- Malesela Masekoameng – Finance Manager
- Sopholis Chuene – Manager Office of the CEO
- Ms Mathaba Pheeha – Secretariat

Messrs. Malesela Masekoameng, Sopholis Chuene and Mathaba Pheeha are permanent invitees to the Committee.

Table: Schedule of Committee Meetings

Date	Matsobane Gololo	Oupa Galane	John Maimela	Malesela Masekoameng	Sopholis Chuene	Mathaba Pheeha
13 Aug 22	✓	✓	✓	✓	✓	✓
13 Nov 22	✓	✓	✓	✓	✓	✓
11 Dec22	✓	✓	✓	✓	✓	✓
04 Apr23	✓	✓	✓	✓	✓	✓

5.5.3 Highlights

- Risk policies were reviewed.
- Risk register and risks implementation plan were approved and Implemented
- Risk reports also served before Polokwane Municipality's Risk Management committee and Audit committee for quality assurance.
- The entity maintained its Unqualified audit opinion.
- Increase of rental collection from 29% to 57% for both CRU and Ga-Rena

5.5.4 Challenges

- Rental Boycott that the entity experienced especially at Ga-Rena rental village, set the entity aback.
- The protracted process of eviction(s) at Ga-Rena affected the rental collection and impacted negatively on the entity's cash flow and maintenance on Ga-Rena Rental Village.

The support from the municipality does not go unnoticed. Through shared services secondments and grants received the financial position of the entity grows year on year.

RISK MANAGEMENT ANNUAL REPORT FOR THE YEAR END 2022/23



1. PURPOSE

The report aims to provide comprehensive progress on all Risk Management activities and performance for 2022/23 financial year. The report will also give summary on progress made in implementing all risk management plans that were approved in the beginning of the financial year and summarize the achievements and challenges for the past year.

The Board has committed the Entity to a process of risk management that is aligned to the principles of the King IV Report and the Municipal Finance Management Act (MFMA) and Treasury regulation as a guideline. The features of this process are outlined in Polokwane Housing Association's Risk Management Framework.

Polokwane Housing Association has put measures in place to ensure that the process of risk management receives special attention throughout the organization and that all levels of management know, understand, and comply with the Risk management framework.

2. RISK OVERSIGHT

Oversight of overall entity risk management implementation resides with Risk Management Committee and the Audit and Performance Committee. Risk Management Committee meet quarterly and report to the Audit and Performance Audit

Committee, Finance and Risk Committee and ultimately all the committees report the Board of Directors.

The Entity has appointed an independent Risk Management Committee Chairperson who is a member of Audit Committee. The Chairperson of the Audit and Performance Committee reports to Council on a quarterly basis on the progress made on managing identified risks and the performance of management in taking responsibility to ensure that appropriate controls are implemented to mitigate risks.

4. RISK MANAGEMENT COMMITTEE MEETINGS

Meeting attendance by committee members in 2022/23 FY. The overall attendance percentage of the meeting is 76% and is satisfactory.

#	Designation	10 October 2022	18 January 2023	13 April 2023	20 June 2023	14 July 2023	Attendance %
1.	Independent Chairperson	✓	✓	✓	✓	✓	100%
2.	Chief Executive Officer	✓	✓	✓	✓	✓	100%
3.	Manager: Finance	✓	✓	✓	✓	✓	100%
4.	Director: Planning & Economic Development	x	x	x	x	✓	20%
5.	Risk Officer	✓	✓	✓	✓	✓	100%
6.	Manager: Internal Audit	✓	✓	✓	R	✓	100%
7.	Assistant Manager: Finance	✓	✓	✓	✓	✓	100%
8.	Assistant Manager: Strategic Support	x	x	x	✓	✓	25%
✓	Present						
x	Absent						
R	Represented						

4. STATUS OF RISK MANAGEMENT COMMITTEE RESOLUTION FOR 2022/23

Total resolution	24
Resolved	24
In progress	00
Outstanding	00
Percentage	100%

5. STRATEGIC RISKS OVERVIEW

At the beginning of financial year 2022-23 management have adequately identified 05 risks with 10 risk mitigations.

Below is the illustration of progress made on risk mitigations throughout the year

Quarter	Q1	Q2	Q3	Q4
Total number of risk mitigations	10	10	10	10
Implemented risk mitigations	7	6	8	8
Mitigations in progress	1	1	1	1
Mitigations not implemented	2	3	1	1
Overall implementation status	70%	60%	80%	80%

Risk Analysis and Advisory note

Generally, based on the reported information of risk mitigations management have adequately implemented their risk mitigations. The average implementation of risk mitigations is at 73% and is satisfactory.

6. OPERATIONAL RISKS OVERVIEW

At the beginning of financial year 2022-23 management have adequately identified 09 risks with 11 risk mitigations.

Below is the illustration of progress made on risk mitigations throughout the year

Quarter	Q1	Q2	Q3	Q4
Total number of risk mitigations	11	11	11	11
Implemented risk mitigations	7	7	9	10
Mitigations in progress	03	03	01	00
Mitigations not implemented	01	01	01	01
Overall implementation status	64%	64%	82%	91%

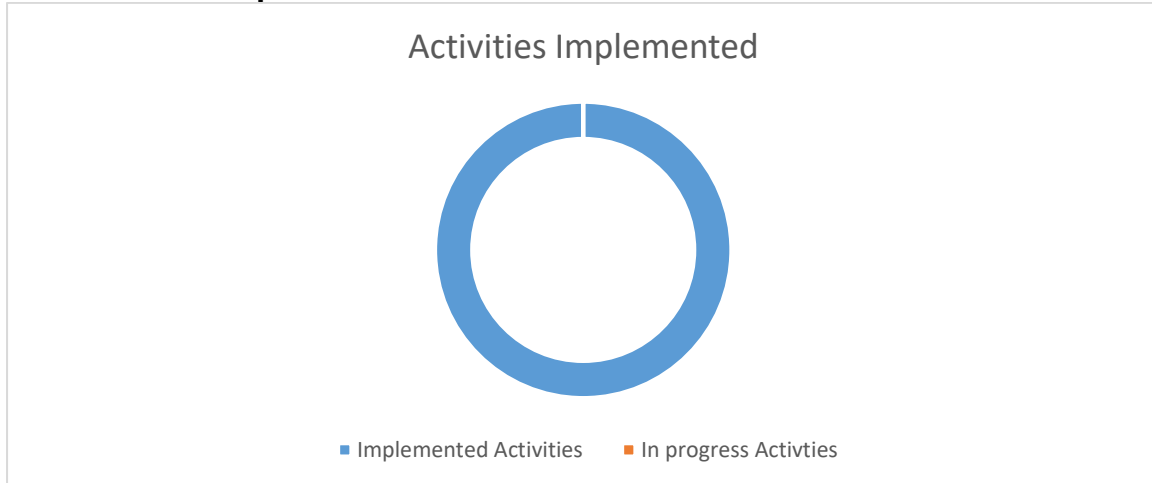
Risk Analysis and Advisory note

Generally, based on the reported information of risk mitigations management have adequately implemented their risk mitigations. The average implementation of risk mitigations is at 75% and is satisfactory.

7. RISK MANAGEMENT IMPLEMENTATION PLAN PROGRESS FOR 2022/23

The Risk Management implementation plan was approved at the beginning of the financial year with 14 activities to be implemented throughout the financial year. The chart below summaries progress made at the end of the financial year. All fourteen (14) activities were implemented.

Illustration of implemented Activities.



Below is the summary of how activities were implemented per quarter.

Quarter	Q1	Q2	Q3	Q4
Total number of activities	14	14	14	14
Implemented activities	12	12	12	13
Activities in progress	00	00	00	00
Activities not implemented	02	02	02	01
Overall implementation status	86%	86%	86%	93%

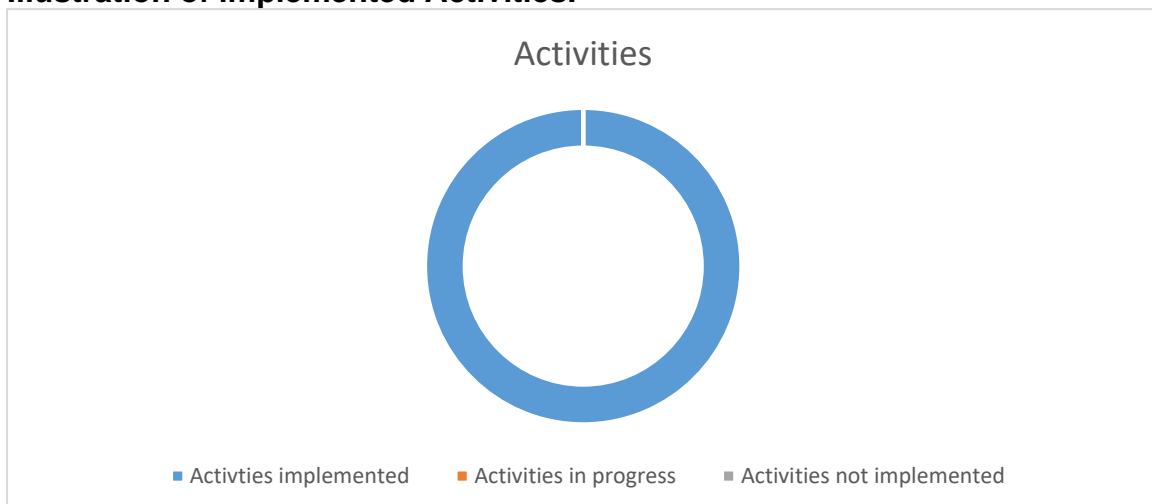
The average implementation of risk implementation plan is at 88% and is satisfactory.

8. FRAUD RISK MANAGEMENT PLAN PROGRESS FOR 2022/23

Fraud Risk Management Plan for 2022/23 financial year was approved by Risk Management Committee at the beginning of the financial year with 12 activities to be implemented.

Risk Management Unit coordinates with other SBUs and monitors that all activities on the plan are implemented by responsible Managers on defined times.

Illustration of implemented Activities.



Below is the summary of how activities were implemented per quarter

Quarter	Q1	Q2	Q3	Q4
Total number of activities	12	12	12	12
Implemented activities	11	12	12	12
Activities in progress	00	00	00	00
Activities not implemented	01	00	00	00
Overall implementation status	100%	100%	100%	100%

The average implementation of risk implementation plan is at 100% and is satisfactory.

9. FRAUD INCIDENTS REPORT

The purpose of the report is to provide statistics on alleged fraud and corruption incidents reported within the institution from 01st July 2022 to date 30th June 2023.

The Office of the CEO and Risk Management unit did not receive any reports of fraud allegation during the 2022-23 financial year and even during the audit, AG could not identify any fraud and NOCLAR.

10. FRAUD AWARENESS

During the 2022-23 financial year risk management Unit conducted four fraud awareness on all staff members and community Members.

Date of awareness	Method of awareness	Number of attendees
17-21 November 2022	<ul style="list-style-type: none"> • Email • Media Print • Polokwane Facebook page 	11 Officials received emails
17 March 2023	Email	11 Officials received emails
21 June 2023	Email	11 Officials received emails

11. POLICIES APPROVED IN 2022/23

During 2022-23 financial year the following risk management policies were approved and some are still to be approved.

Name of the policy	Date of approval by RMC & APAC
Risk Management framework	13 April 2023 & 04 May 2023
Anti-Fraud and Corruption Policy	14 July 2023
Whistle Blowing Policy	14 July 2023

12. RISK MANAGEMENT GOVERNANCE INTERNAL AUDIT FINDING REPORT 2022/2023

Effectiveness of Risk management process and system of internal controls were audited by Internal Audit, total number of controls tested are 9 and 8 were found to be effective and 1 ineffective.

Status per category of controls tested.

Description	Number of controls	%
Effective	6	75%
Ineffective	2	25%
Total number of controls tested	8	100%

The following is a summary of the findings:

- The Risk Management Framework is not adequate.
- Chief Risk officer is not evaluated.

The one finding was resolved during the third quarter meeting and the other is resolved during the fourth quarter.

13. CONCLUSION

The Entity has implemented the Risk Management Framework, the implementation plan and fraud risk management implementation plan. The risk culture has been created and is maturing. All risk owners have taken the responsibility to manage the risks under their respective SBUs, however there is still a challenge of collecting 100% revenue. Monitoring and verification of risk mitigation plans is done continuously.

5.6 HUMAN RESOURCE AND REMUNERATION COMMITTEE

5.6.1 Mandate of the committee

The Committee reviews the human resources management and remuneration policies and practices in the Entity and determines terms and conditions of employment of all staff levels.

The committee reviews the quarterly performance and is responsible for the annual performance review.

The Human Resources and Remuneration Committee was charged with putting in place a human resources strategy that ensures proper human resources practices and remuneration philosophy. This saw the reviewing of human resources policies, practices and procedures, introduction of best practice in respect of terms and conditions of employment, salary benchmarking, talent management and the application of a proper performance management system in line with the parent municipality.

5.6.2 Composition of The Committee

The Human Resource Committee is made up of two (2) members of the board with Conny Rasebotje, Shimi Maimela, Sopholis Chuene, Modjadji Rampheri and Mathaba Pheeha are permanent invitees to the Committee.

5.6.3 Committee members

- Vilakazi Samson (Chairperson)
- Kgosana A (Member)
- Maimela J.T (CEO)
- Rasebotje MSC (HR Manager)
- Sopholis Chuene (Manager Office of the CEO) – November 2022
- Mathaba Pheeha (Secretariat)
- Modjadji Rampheri (Company Secretary) – November 2022

5.6.4 Table: Schedule of Committee Meetings

Date	Samson Vilakazi	Ms. Asnath Kgosana	Shimi Maimela	Ms. M.S.C Rasebotje	Sopholis Chuene	Mathaba Pheeha	Modjadji Rampheri
13 Aug 22	✓	✓	✓	✓	✓	✓	✓
13 Nov 22	✓	✓	✓	✓	✓	✓	✓
11 Dec 22	✓	✓	✓	✓	✓	✓	✓
04 Apr 23	✓	✓	✓	Apology	✓	✓	✓

The Human Resources and Remuneration Committee was charged with putting in place a human resources strategy that breath in proper human resources practices and remuneration philosophy. This saw the reviewing of human resources policies, practices and procedures, introduction of best practice in respect of terms and conditions of employment, salary benchmarking, talent management and the application of a proper performance management system in line with the parent municipality.

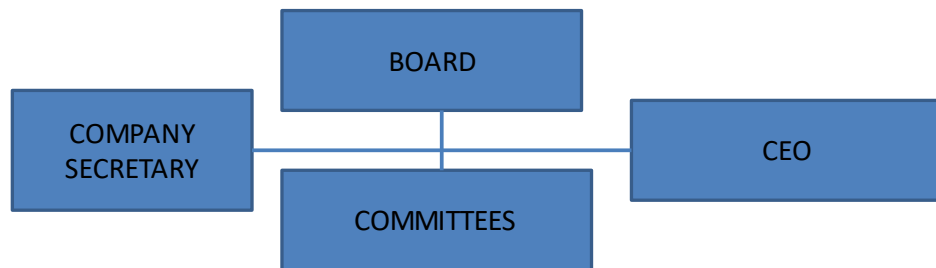
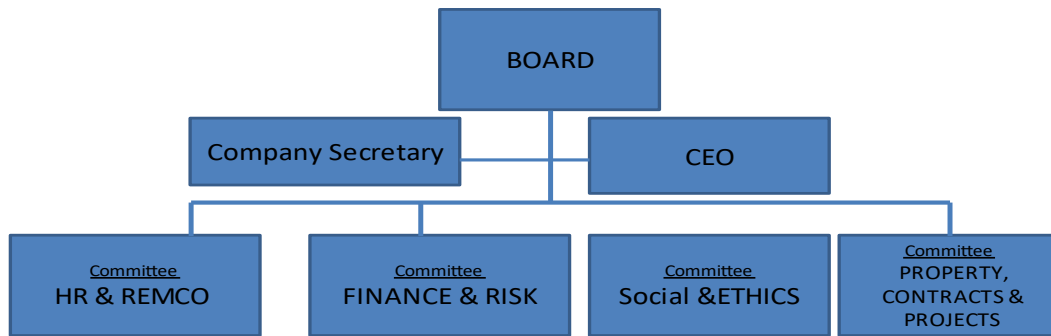
5.6.5 Highlights

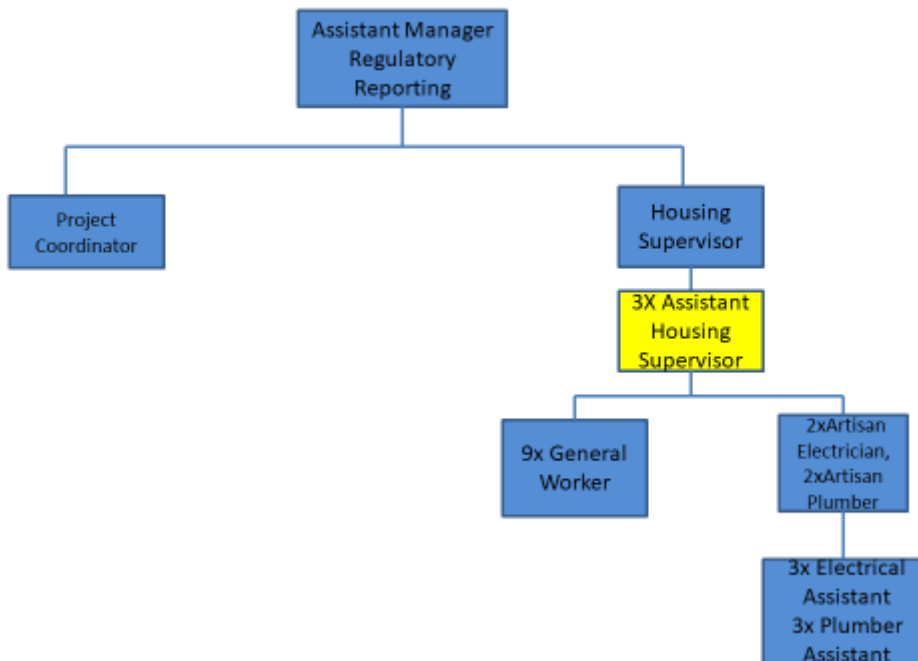
- The development and implementation of a Human Resource Strategy to guide the HR functions.
- Reviewal of Human Resource policies
- Submission of WSP

5.6.6 Challenges

- The organization has not been able to operate at full potential due to vacancies.
- Overburdened officials.
- Insufficient funds to train and develop officials.

5.6.7 Organisational Structure





5.7 SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee (Committee) is constituted as a formal Committee in terms of the Companies Act and this report is prepared in compliance with the requirements of the Companies Act. The Committee operates according to the Terms of Reference (TOR) which stipulates the composition, role, responsibilities, and duties of the Committee. The Terms of Reference is reviewed from time to time.

The Board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness, and transparency, has been a defining characteristic of the entity since the company's inception. The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and on the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the company's stakeholders.

5.7.1 Mandate of the Social and Ethics Committee

In terms of the TOR the mandate of the Social & Ethics Committee is to assist the Board in, inter alia, the following:

- To monitor the organization's activities, having regard to all relevant pieces of legislation
 - the Broad-Based Black Economic Empowerment Act; and
 - the Employment Equity Act
- promotion of equality, prevention of unfair discrimination, and reduction of corruption.
- contribution to development of the communities in which its activities are predominantly marketed.
- record of sponsorship, donations and charitable giving.
- the environment, health and public safety, including the impact of the Organization's activities and of its products or services.
- consumer relationships, including the Organization's advertising, public relations, and compliance with consumer protection laws.
 - the Organization's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and

- the Organization's employment relationships and its contribution toward the educational development of its employees.
- bring matters within its mandate to the attention of the Board as may be occasionally required; and
- to report, through one of its members, to the shareholders at the Organization's annual general meeting on the matters within its mandate.

5.7.2 Social & Ethics Committee Terms of Reference

The Social & Ethics Committee has adopted formal Terms of Reference which have been approved by the Board of Directors. The Committee has conducted its affairs in compliance with these Terms of Reference and has discharged its responsibilities contained therein.

5.7.3 Composition

- In accordance with the relevant provisions of the Companies Act and applying the recommendations of King III, the Social & Ethics Committee consists of a majority of independent non-executive directors, one of whom chairs the Committee's meetings ensure that independent judgement is brought to bear. The Chief Executive is also a member of this Committee. Members and the Chairman of this Committee are elected by the Board.
- Senior management of the Company attend meetings of the Committee as appropriate.

5.7.4 Committee Structure

The committee is constituted by three (03) Board of Directors,

- Ms. Asnath Kgosana – Chairperson - Non-Executive Director
- Mr. Oupa Galane – Non-Executive Director
- Mr. Mzwandile Vilakazi – Non-Executive Director
- Mr. Shimi Maimela - Chief Executive Officer (Director)
- Ms. Zinzi Mphahlele – Manager Social and Ethics – November 2022
- Mr. Sopholis Chuene – Manager Office of the CEO – November 2022
- Ms. Mathaba Pheeha – Board Committee Secretary
- Ms. Modjadji Rampheri – Company Secretary – November 2022

Messrs. Sopholis Chuene and Mathaba Pheeha are permanent invitee to the Committee. The Terms of reference has been updated to add an additional Non-Executive Director.

5.7.5 Meetings

During the year under review, the Committee met four times. In accordance with the Terms of Reference, the Committee meets as frequently as the Committee considers appropriate. The following table of attendance at Social & Ethics Committee meetings reflects the Committee’s meetings held during the year and the attendance of these meetings by its members.

Date	Ms. Asnath Kgosana CHAIPERS ON	Mr. Oupa Galane	Mr Samson Vilakazi	Mr. Shimi Maime la	Ms. Zinzi Mphahlele	Mr. Sopholis Chuene	Ms. Mathaba Pheeha	Ms. Modjadji Rampheri
23 Aug 22	√	√	√	√	√	√	√	√
13 Nov 22	√	√	√	√	√	√	√	√
11 Dec 22	√	√	√	√	√	√	√	√
04 Apr 23	√	√	X	√	√	√	√	√

5.7.6 Corporate Social Performance

The Committee measured the impact of its decisions or activities on society in the following areas:

- Unethical behaviors and practices
- Health and Hygiene and public safety (Environmental health and public safety)
- Environmental Sustainability Consideration (Environmental health and public safety)
- Fair Competition and Local Economic Development

Corporate Ethics Performance

The King Report also emphasizes the responsibility of the board of directors to ensure that the ethics of the company is governed well. The ethics management process that the board ensured is implemented in the company consists of four aspects:

1. Development and Maintenance of Risk register
2. Safety and Security in the complexes
3. Ethics Standards
4. Internal and external reporting
 - Internal reporting – Audit Team
 - External reporting – Annual report

- **Focus Areas for The Review**

During the period under review, the Committee has considered the following reports:

- Supply Chain
- Human Capital
- Customers and other stakeholders

There were no unethical issues reported.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

- **Key Focus Areas for The Year Ahead**

The key focus areas for the Committee for financial year 2023 are:

- Committee terms of reference and policy reviews
- Succession plan – Board and CEO
- Transact on MSCOA compliant financial system (MUNSOFT) as per National Treasury requirement.
- Compliance matrix
- Stakeholder relations

- Human Capital Strategy
- Clearing of Unauthorized, Irregular and Fruitless

5.7.7 Suppliers and Business Partners /Supply Chain

The Board of Directors of a municipal entity must maintain oversight over the implementation of its Supply Chain Management policy. For the purpose of such oversight, the Accounting Officer must submit a report on the implementation of the municipal entity's Supply Chain Management to the Board of Directors, who must then submit to the Accounting Officer of the parent municipality for the submission to the municipal Council.

The following awards were made during the financial year.

Name of supplier	Amount	Services
Mapitja	50,00	Electricity
Maetisa	2 000,00	Maintenance
Tloutlou	5462,5	Maintenance
Vivy Hub	1800	Maintenance
Plumblink	28184,69	Maintenance
Maroli Trading	11500	Maintenance
Vivy Hub	2000	Maintenance
Buco	1939,52	Maintenance
Maroli Trading	29400	Maintenance
Total	82 336,71	

5.8 Human Capital

- **Training and Development**

There has been no anomaly in respect of training and development of employees. The accreditation of Social Housing Regulatory Authority saw employees being trained on the basics of SHRA and they now understand and comply with regulating authority's policy and regulation. Most training would have been attended, but budgetary constraints prohibited most training to be undertaken. The entity is registered with CETA and therefore would be receiving grants that will assist with the training and development of employees.

- **Employee Wellness**

The entity thrives on the shareholder’s quarterly health screening sessions.

Health promotion awareness campaigns are conducted with the aim of raising/educating employees about social problems or illness which could affect them and ways to prevent them.

The shareholder also celebrates special events, like, women’s day/month, team building, etc., as and when the budget permits, the entity piggybacks on such and allows officials to be part of the celebrations. The entity has taken precautionary measures to deal with Covid-19 in line with the disaster management act and the

- **Recruitment**

The entity has appointed Assistant Manager: Strategic Support and Assistant Managers Compliance and Regulatory Reporting subsequent to year end. These appointments will see improved relations with the tenants as well as improved service delivery to the tenants. These partial secondments bring in expertise to fill in identified gaps.

CHAPTER 6: PAST YEAR’S ANNUAL REPORT (2021/22) AND PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE ANNUAL REPORT

NO	ISSUES RAISED BY THE AUDITOR	PROGRESS ON RESOLVING THE ISSUE
1	Material losses to the amount of R6 725 527 as a result of provision for trade Debtors	The entity has obtained eviction orders to evict tenants, this will go a long way in reducing the provision for doubtful debts.
2	The project Annadale Phase 02 is complete however it has water challenges.	Engagements with the Social Housing Regulatory Authority (SHRA) to fund the construction of the elevated tank is at an advanced stage. The SHRA Council to advice on its decision by Jan 2024.
3	Fruitless and wasteful expenditure not disclosed on the Annual Financial Statements	The entity appointed compliance officer to ensure that the Financial Statements are fairly presented.

CHAPTER 7. SERVICE DELIVERY PERFORMANCE

7.1 Service Delivery Performance and Challenges during the 2022/23 Financial Year

1.1.1 Section 46 (1) of the Local Government: Municipal Systems Act, Act 32 of 2000 requires municipalities and municipal entities to prepare the performance report that reflects the performance of the entity and that of its external service providers. Polokwane Housing Association wishes to highlight that the entity had one (1) project during the 2022/23 financial year. The said project is a multi-year project and was not due for completion in the year under review.

The project completion time was revised and extended to be completed in the 2022/23 financial year due to various challenges experienced such as:

- Cash flow challenges
- Rental boycott units at Ga-Rena Rental Village project which led to poor rental collection.
- Lack of planned maintenance of units at Ga-Rena Rental Village

Management Measures taken to improve performance.

- The entity together with the parent municipality drawn up a Cash flow schedule for the project to avoid any further delays due to Cash flow.
- The entity amplified its public participation process related to the projects so that the community can be involved within the project and that there were some work portions of the project that were strictly reserved for local business.
- The Entity reported the matter to the Tribunal and further took the culprits to court whereby the entity obtained a court order to evict all those that are not complying with the rules of the entity.
- Management through its maintenance policy has made provision for planned maintenance that will be conducted as soon as the evictions are concluded, and new tenants placed in the units which will boost the rental collection.

7.2 Core Business / Basic Service Delivery

Indicator Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
Core Business/ Basic Service Delivery													
CEO_01	Improve quality of living	Maintenance	No of Maintenance requests received and attended by 30 June 2023	#	01-Jul-22	30-Jun-23	20	200	200	210	More units requested than planned. Management will put a plan in place for plan better to enable the target to be realistic.	Plans will be put in place to ensure that realistic maintenance targets are set	Maintenance request logbook and forms that will show when the request was logged and closed

Indicator Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
CEO_02			Number of new fire hydrants purchased for Ga-Rena and C.R.U by 30 June 2023	#	01-Jul-22	30-Jun-23	20	88	48	48	None	None	Purchase orders and delivery notes
CEO_03			Number of fire hydrants serviced for Ga-Rena and C.R.U by 30 June 2023	#	01-Jul-22	30-Jun-23	20	196	188	188	None	None	Purchase orders and proof of work done

Indicator Ref	Strategic Objective	Programme	Key Performance Indicator	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
CEO_04		SHRA Compliance	Number of monthly projects progress report compiled and submitted to SHRA by 30 June 2023	#	01-Jul-22	30-Jun-23	20	12	12	12	None	None	Monthly projects reports and proof of submission to SHRA
CEO_05			Number of project reporting tools compiled and submitted to SHRA by 30 June 2023	#	01-Jul-22	30-Jun-23	20	4	4	4	None	None	Project Reporting Tools and proof of submission

7.3 Financial Viability

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
Financial Viability													
CEO_06	Enhance revenue and asset base	Revenue Management	% of PHA rental housing units occupied by 30 June 2023	%	01-Jul-22	30-Jun-23	20	94%	94%	91%	More units needed maintenance hence the entity could not meet the planned target. Management will expedite maintain units to increase tenanting	Illegal occupants have been evicted and units will be occupied as soon as maintenance is done on the units and the process of tenanting done.	Monthly occupancy reports

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
CEO_07			% of rental collected by 30 June 2023	%	01-Jul-22	30-Jun-23	20	30%	95%	57%	Some tenants are illegally occupying the units and are not paying rent. The entity have handed them over to eviction Attorneys	The process will make PHA to realise rental collection as per target	Monthly financial reports (section 71)
CEO_08		Budget and Reporting	Maintain unqualified audit opinion by 30 December 2022	Date	01-Jul-22	30-Dec-22	20	Unqualified audit opinion	Maintain unqualified audit opinion	Unqualified Audit Opinion	None	None	AGSA Audit opinion report

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting (%)	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measure to Improve Performance	Portfolio of Evidence
CEO_09			Development of the Audit Action Plan for AG Report by 31 March 2023	Date	01-Jul-22	31-Mar-23	20	Developed Audit Action Plan	Develop Audit Action Plan by 31 March 2023	Polokwane Housing Association Audit Action Plan developed by 31 March 2023	None	None	Developed Audit Action Plan
CEO_10		Assets Management	Complete Physical Asset Verification for moveable and immovable assets by 30 August 2022	Date	01-Jul-22	30-Aug-22	20	Completed physical asset verification	Complete Physical Asset Verification for moveable and immovable assets by 30 August 2022	Physical Asset verification was conducted, and report compiled by 30 August 2022	None	None	Completed physical asset verification report

7.4 Governance and Transformation

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
Governance and Transformation													
CEO_11	Improve admin and governance capacity	Budget and Reporting	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 August 2022	Date	01 - Jul - 22	31 - Aug - 22	15	31-Oct-22	Prepare and submit Annual Financial Statements (AFS) to Auditor General (SA) by 31 August 2022	AFS submitted to AGSA by the 31st August 2022 as per the MFMA	None	None	Signed AFS and proof of submission to AG
CEO_12			Prepare and submit revised Budget to the Shareholder by 28 Feb 2023	Date	01 - Jul - 22	28 - Feb - 23	10	28-Feb-22	Prepare and submit revised Budget to the Shareholder by 28 Feb 2023	Prepare and submitted the revised budget to the shareholder by the 11	None	None	Revised budget and proof of submission

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
										Feb 2023			
CEO_13			Prepare and submit the final Entity Budget to the Shareholder by 30 April 2023	Date	01 - Jul - 22	30 - Apr - 23	5	30-Apr-22	Prepare and submit the final Entity Budget to the Shareholder by 30 April 2023	Final budget submitted to Shareholder on the 29 April 2023	None	None	Final budget and proof of submission
CEO_14		Performance Management	Prepare and submit the Entity Annual Report to the Shareholder by 30 December 2022	Date	01 - Jul - 22	30 - Dec - 22	5	30-Mar-21	Prepare and submit the Entity Annual Report to the Shareholder by 30 December 2022	Annual Report for the Entity was submitted to the shareholder by the 20th December 2022	None	None	Final Annual Report and proof of submission

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
CEO_15			Number of Institutional Quarterly Performance Report compiled by 30 June 2023	#	01 - Jul - 22	30 - Jun - 23	5	4	4 Institutional Quarterly Performance Report compiled	4 Quarterly Institutional Performance Report compiled and audited by Internal Audit	None	None	Institutional Quarterly Performance Report
CEO_16			Development and submission the Mid-Year Budget and Performance Assessment Report and submission	Date	01 - Jul - 22	20 - Jan - 23	5	20-Jan-21	Develop and submit the Mid-Year Budget and Performance Assessment Report to shareholder by 20	Mid-Year Budget and Performance Report compiled and sent to the shareho	None	None	Mid-Year Budget and Performance Assessment Report and proof of

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
			to shareholder by 20 January 2023						January 2023	Under by 20 Jan 2023			submission
CEO_17			Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2023	Date	01 - Jul - 22	30 - Jan - 23	5	30-Jan-22	Make public the Mid-Year Budget and Performance Assessment Report by 31 January 2023	Target not met	Lack of aligning preparation of preparing budget and making it public	Management will ensure that the necessary alignment is put in place	Public notice on notice boards and municipal website
CEO_18		CIPC Compliance	Submit the Annual Returns and/or amendments to CIPC by 30 June 2023	Date	01 - Jul - 22	30 - Jun - 23	5	May-21	Target not met	An error happened during planning to put this target in May	The CIPC Annual Returns cycle is July to hence they	Annual Returns filed in the Month of July 2023	Annual Returns and/or amendments and proof of

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
										and July 2023	were not done as per the incorrect target date		submission
CEO_19		Secretariat	Number of ordinary Board meetings scheduled and convened by 30 June 2023	#	01 - Jul - 22	30 - Jun - 23	5	4	4 ordinary Board meeting scheduled and convened	4 Board meetings convened	None	None	Meeting notices, Agenda, Minutes and Attendance registers
CEO_20			Number of ordinary Committee meetings scheduled and convened	#	01 - Jul - 22	30 - Jun - 23	5	16	16 Committee meetings scheduled and convened	16 Committee meetings convened	None	None	Meeting notices, Agenda, Minutes and Attendance registers

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
			by 30 June 2023										nce registers
CEO_21			Convene AGM by 30 May 2023	Date	01 - Jul - 22	30 - May - 23	5	New	Convene AGM by 30 May 2023	Target not met	Date had to postponed to Oct 23 as it clashed with special Council meeting	To convene strategic Planning Session in the month of October 2023	Meeting notices, Agenda, Minutes and Attendance registers

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
CEO_22			Convene Annual Strategic Planning Session by 30 May 2023	Date	01 - Jul - 22	30 - May - 23	5	New	Convene Annual Strategic Planning Session by 30 April 2023	Target not met	Strategic Planning Session did not take place as per the plan as management was focused on the eviction process taking place at Ga-Rena rental village and the court process	To convene strategic Planning Session in the month of October 2023	Meeting notices, Agenda, Minutes and Attendance registers

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
											es that were taking place during the time.		
CEO_23		Risk Management	Development of the Institutional Risk Register by 31 August 2022	Date	01 - Jul - 22	30 - Aug - 22	5	30-Aug-22	Develop Institutional Risk Register by 31 August 2022	The Institutional Risk Register Developed and approved at RMC of the 10 June 2021	None	None	Approved Institutional Risk register

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
CEO_24			Number of quarterly Institutional Risk Register progress reports compiled by 30 June 2023	#	01 - Jul - 22	30 - Jun - 23	5	4	4 Institutional Risk Register progress reports compiled	4 Institutional Risk Registers progress reports compiled and served at the Risk Management Committee	None	None	Institutional Risk Register progress reports
CEO_25			Submission of Reviewed of WSP to LGSETA by 30 April 2023	Date	01 - Jul - 22	30 - Apr - 23	5	30-Apr-22	Submit reviewed WSP to LGSETA by 30 April 2023	WSP reviewed and submitted CETA on the 29th April 2022	None	None	Reviewed WSP and proof of submission

Indicator Ref	Strategic Objective	Programme	Performance Indicators	Unit of Measure	Start Date	End Date	Weighting	Baseline	Annual Target	Actual Achievement	Performance Challenges / Variance	Measures to Improve Performance	Portfolio of Evidence
CEO_26			Number of training/workshops convened by 30 June 2023	#	01 - Jul - 22	30 - Jun - 23	5	2	2 trainings/workshops convened	2 Workshops conducted	None	None	Invitations and attendance registers

CHAPTER 8 – AUDITOR GENERAL AUDIT FINDINGS

8.1 Analysis of the audit opinions over the past five financial years

2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

CHAPTER 9: FINANCIAL PERFORMANCE

9.1 ANALYSIS OF REVENUE COMPONENT OF FINANCIAL STATEMENT

The entity derives its revenue from rental of housing units at Ga-Rena Village and Seshego Community residential units (CRU) from the year ended 30 June 2023 the entity generated R11 486 249 in Revenue which consisted of R9 545 840 from Ga-Rena and R1 940 407 from Seshego CRU. The entity had Ladanna extension 2 project under construction which has been completed in November 2023 and will enhance the entity's Revenue by R15 000 000.

9.2 ANALYSIS OPERATING EXPENDITURE COMPONENT OF FINANCIAL STATEMENT

The entity incurred R25 mil in expenditure for the year ended 30 June 2023, however it must be noted that thirty nine percent (39%) R10. mil of the expenditure consists of non-cash items, which in essence means the real total expenditure is R15 mil.

9.3 ASSET AND LIABILITY MANAGEMENT COMPONENT OF FINANCIAL STATEMENT

The assets of the entity worth R309Mil in total both non-current assets and Current assets combined, whilst the liabilities of the entity are R11 Million, included in the assets is work in progress of R219 Mil which upon completion of Ladanna extension 2 will then be transferred to Property, plant, and equipment.

9.4 LIABILITY MANAGEMENT

The entity is without long term liabilities which is a good sign for the gearing of the entity, the entity only has current liabilities which are dominated by monies owed to contractors at Ladanna extension 2 which amounts to R11 mil out (this liability is guaranteed by Grants to be paid off) of R13m total of Total current liability, this is a good sign for the entity as it Shows that the entity will be able to pay off its debt and remain a going concern.

9.5 COMPLIANCE COMPONENT OF FINANCIAL STATEMENT

The financial statements of the entity comply with Standards of Generally Recognised Accounting Practice.

9.6 CASH FLOW MANAGEMENT

The entity is managing its cash flow stringently so as to be able to meet its day-to-day obligation, this is against the collection rate is on the lower side, however they are measures in place that the entity will be implementing in 2023 to enhance the collection rate among others being the appointment of debt collectors to ramp up collection(s)

9.7 BORROWING AND INVESTMENTS

The entity is not having any investments nor borrowings, the financial statements are attached for ease of reference.

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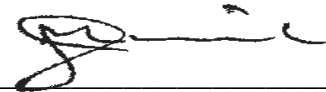
Attention : John Maimela
: Chief Executive Officer

Telephone : (015) 295 5402

Fax : (015) 295 6259

Approval

The signatories hereof, being duly authorized thereto, by their signatures hereto authorize the execution of the work detailed herein or confirm their acceptance of the contents thereof and authorize the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them.



Shimi Maimela

Chief Executive Officer:

Annexures

Annexure A: 2022-2023 Annual Financial Statement

Annexure B: 2022-2023 Audit report

Annexure C: 2022-2023 Report of the audit and performance audit committee

Attached Separately