



Johannesburg Social Housing Company

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## MEDIA STATEMENT

### FOR IMMEDIATE RELEASE

5 May 2026

## **JOSHCO Board Strengthens Accountability and Consequence Management, to Prevent Maladministration**

The Board of Directors of the Johannesburg Social Housing Company SOC Limited (JOSHCO), under the leadership of Chairperson Mr. Theodore Dhlamini, conducted a three-day board engagement with the entity's Executive Management Team, led by the Acting Chief Executive Officer Mr Katlego Ditshego. The objective of this robust session was for the board to be presented with Quarter 3 Financial and Non-Financial performance of JOSHCO, as part of its governance oversight responsibility.

The key highlights of this meeting were that the presentations of all entity reports were at a detailed level, that enabled the board to identify the root-causes that have been hindering the entity from achieving its key performance indicators. These included but were not limited to: recruitment processes of executives, acting appointments, monitoring of supply chain management compliance, capital and operational expenditure, and matters being investigated by law enforcement agencies.

The Board of Directors also noted recent media reporting concerning allegations related to the recruitment of the Chief Operating Officer (COO), as well as broader issues relating to governance and oversight within the organisation. This statement is issued to provide clarity, reaffirm the Board's position, and place recent developments within their proper factual and governance context:

## **Allegations regarding recruitment process and ongoing investigations at JOSHCO**

The JOSHCO Board previously noted the News24 article titled “Joshco COO faces claims of vetting lapses, political protection”, published on 1 March 2026, which references whistleblower allegations relating to vetting processes and alleged political interference associated with the appointment of the COO.

The Board reiterates that it rejects any assertion that it acted negligently or failed to uphold governance standards during the recruitment process. The recruitment was conducted in accordance with JOSHCO’s established governance and human-resource frameworks, which include independent shortlisting, evaluation, and the delegation of background vetting to executive management.

Consistent with established practice, the operational responsibility for vetting and background checks resided with the former Acting Chief Executive Officer and the then Acting Executive for Corporate Services. These executives were required to escalate any adverse findings or concerns to the Board prior to final appointment decisions being taken.

The Board has not been furnished with evidence that it was alerted to any adverse information at the time of the appointment. Should it be established that material information was withheld, misrepresented, or not properly escalated, this would constitute a serious breach of executive governance obligations.

Accordingly, the Board has resolved that the current Acting Chief Executive Officer must commission an independent investigation to establish the facts surrounding the vetting process, determine whether prescribed procedures were followed, assess whether the Board was misled in any respect, and recommend appropriate consequence management where warranted.

## **The Board’s Defined Statutory and Governance Role in Executive Recruitment**

It is important to reaffirm that the Board’s role in senior executive appointments is defined by approved organisational policy and is aligned with the governance framework applicable to municipal entities.

Within this framework, the Board functions alongside multiple role-players, including the Member of the Mayoral Committee (MMC) for Human Settlements, the shareholder representative within the City of Johannesburg Group Governance function, and the City Manager. Together, these role-players constitute the recruitment and oversight environment within which senior executive appointments are made.

The recruitment process itself is overseen by a formal recruitment panel, whose responsibilities include shortlisting, interviewing, and recommending candidates in accordance with approved policies and procedures. Operational responsibility for conducting background verification, security vetting, reference checks, and compliance assessments is delegated to executive management, supported by human-resource and governance functions.

Crucially, the Board's decision-making role is dependent on the accuracy, completeness, and integrity of the information formally presented to it by the delegated executives tasked with managing the operational components of the recruitment process. The Board does not itself execute vetting or background investigations; rather, it relies on assurances provided through established executive reporting lines that all required checks have been conducted and that any adverse findings have been fully disclosed.

Accordingly, the Board is able to exercise informed oversight and approve appointments only to the extent that delegated executives fulfil their obligation to provide full, accurate, and transparent information. Any omission, misrepresentation, or failure to escalate material concerns within the delegated process undermines the integrity of the recruitment chain and compromises the Board's ability to discharge its governance mandate.

For this reason, attempts to attribute responsibility exclusively to the Board for alleged deficiencies in operational vetting processes are misplaced and misrepresent the structured governance model under which JOSHCO operates.

The Board's function is one of informed oversight and accountability, not operational execution, and responsibility for the integrity of vetting processes rests with those executives and officials specifically mandated to perform them.

## **Hawks Investigation into JOSHCO Projects**

In parallel to the above, the Board confirms that it has been formally notified of two investigations being conducted by the Directorate for Priority Crime Investigation (the Hawks) into two JOSHCO social housing projects with a combined value of approximately R290 million.

The investigations arise from protected disclosures and relates to allegations of fraud and corruption associated with projects implemented in Selkirk Avenue, Randburg and Nancefield. Certain senior executives of JOSHCO were identified as persons of interest in the investigation and law enforcement formally requested documentation, information, and cooperation from the organisation.

JOSHCO has cooperated fully with law-enforcement agencies and has provided the requested documentation. The Board reiterates that it is committed to preserving the integrity of all criminal and internal investigative processes and will not interfere with the work of any competent authority.

## **Precautionary Suspensions and Legal Challenge**

Following engagement with law-enforcement agencies and after careful consideration of governance, fiduciary, and risk-management obligations, the current Acting Chief Executive Officer placed the executives who had been identified as persons of interest on precautionary suspension.

These suspensions were precautionary in nature and intended to protect the integrity of the ongoing investigation as well as the interests of JOSHCO, the City of Johannesburg, and the public. No findings of guilt have been made, and the suspensions do not imply wrongdoing. The affected executives subsequently approached the High Court on an urgent basis seeking the upliftment of their suspensions. The Court ruled in favour of JOSHCO, finding that the matter lacked urgency. As a result, the application was struck from the urgent roll, and the suspensions remain in place.

The Board notes and respects the Court's ruling, which affirms that appropriate legal processes remain available to all parties through the ordinary course. Following the court ruling, the two executives have referred a dispute regarding alleged unfair labour practices to the CCMA.

### **Commitment to Good Governance and the Rule of Law**

The JOSHCO Board reaffirms its unwavering commitment to good governance, transparency, accountability, and the upholding of the rule of law. The Board recognises its fiduciary duties to safeguard public resources, ensure ethical leadership, and promote a culture of accountability throughout the organisation.

Where allegations of misconduct, governance failures, or criminality arise, the Board will act responsibly, lawfully, and without fear or favour. This includes cooperating fully with law-enforcement agencies, instituting independent reviews where appropriate, and ensuring consequence management is applied should wrongdoing be established.

The Board remains committed to restoring and maintaining public confidence in JOSHCO, ensuring that its mandate to provide affordable, quality social housing is executed with integrity and in the best interests of the residents of the City of Johannesburg.

Ends.

Issued by:

Katlego Ditshego

**Acting Chief Executive Officer**

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