

Registration number: 2001/005101/07

Shareholder / Municipality: City of Johannesburg Metropolitan Municipality

Directors: L Brenner (Chairperson)

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Bankers: Standard Bank of SA Limited
Auditors: The Auditor-General of South Africa
Company Secretary: Hasani Rodney Shirinda

IDA Vision

Building a more welcoming, competitive, and resilient Johannesburg that is a better city to live, work and play in.

JDA Mission

To plan, implement, manage, and facilitate area-based developments in efficient, equitable, sustainable, and innovative ways

JDA Values

Accountability: To its shareholders, Board, and key stakeholders

Innovation and creativity: Promoting an environment of fast-tracked decision-making and broader financial leverage, within which developments are planned, led, managed, and implemented

Responsiveness: To market forces, operating where it can make a difference, in locales and sectors where shareholders and their partners have a concentration of assets and expertise

Results-driven and stakeholder-focused: With a 'user friendly' approach

Seeking to empower: Through progressive procurement and work practices

APPROVAL

Mr Siyabonga Genu	7	24 July 2023	
Name & Surname Acting Chief Executive Officer	Signature	Date of approval	
Mr. Sihle Mkhize	SHIM	24 July 2023	
Name & Surname Acting: Chief Financial Officer	Sighature	Date of approval	
Ms. Daliwe Oliphant		26 July 2023	
Name & Surname Chairperson of the Board	Signature	Date of approval	
Ms. Eunice Mgcina	Ann.	08 August 2023	
Name & Surname	Signature	Date of approval	
MMC: Development Planning			i wys

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CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

The second quarter presented the entity with challenges mainly as a result of the curtailed liquidity of its client entities. This impacted negatively on the performance of the entity. The Board continues with the process of recruitment of senior leadership as this will provide the entity with the critical building blocks for its future operations.

Through this Report the JDA seeks to comply, track progress against the targets set in the Scorecard and analyse the second quarter performance for 2022/23 financial year. In the context of the financial constraints and service delivery challenges encountered, the Board takes note of the decline in the Agency's overall performance when compared to the 1st Quarter Performance. The JDA's performance is contained in the 2nd Quarter performance report below, and the key highlights are contained in the Chief Executive's Report.

The Board recognises that, Management has identified challenges that resulted in the targets that were not achieved and established interventions. Within its mandate, the Board will continue to monitor the Agency's performance in the subsequent quarters and ensure that Management implement interventions aimed at improving performance. The Board will continuously exercise oversight because the central point is that, good performance and conducting the JDA's affairs with integrity is key towards ensuring that the public and the City of Johannesburg has confidence in its work.

I would like to express gratitude, to the MMC and CoJ Shareholders Unit for their continued support. Thank you to my Colleagues, fellow Board members for their contribution and to Management for their continued commitment.

Lionel Brenner

Board Chairperson

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

The second quarter of the 2022/23 financial year presented the JDA with an unpreceded set of challenging circumstances. The second quarter, covering the period from 1 October 2022 to the end of December 2022, presented the JDA with **turbulent times** comprising challenges ranging from: Governance and Strategic Uncertainty with Changes in the Political Landscape; The City's Cash Flow Challenges and the Impact thereof upon JDA; Work stoppages and Strikes by Service Providers at JDA on a Weekly Basis; Strikes and Industrial Labour Actions by the Union and Employees at JDA. Subsequently, the JDA has since been faced with numerous challenges of mammoth proportion given that many of these external pressures continue to prevail and may not be going away anytime soon.

Challenging Business Context:

During the month of October 2022, following changes in the political landscape, the City of Johannesburg issues the following directives which would then affect strategic and governance continuity:

- All strategic sessions, including the Board and Sub-Committee meetings across the City of Johannesburg, are put in abeyance until further notice.
- All major strategic and programme management decisions that involves or maybe required from the Executive and Senior Managers be placed in abeyance pending the advice from the Shareholder.
- The implementation of all Board and/ Board Committee decisions taken in September 2022 and those that relates to item 3 above should be postponed pending the new directive by the Shareholder.

Subsequently, the annual Strategic Planning Session and the respective planned Board and Subcommittee meetings could not take place as planned thus placing the organisation in corporate governance limbo during the said period.

On O7 December 2022 labour, led by the respective union, staged a go-slow along with a strike from the JDA offices to the City Manager's Office. Employees, as represented by the union, had rejected the Board's resolution pertaining to the adjusted 41% pro-rata Employee Bonus Pay-Out, thus demanding the full Employee Bonus Pay-Out in line with the individual scores. The negotiations were later resolved.

Furthermore, during the second quarter, the City had begun to face what it referred to as a Cash Flow mismatch. The City's Cash Flow Challenges meant that invoices submitted by the JDA's service providers could not be settled. The City of Johannesburg's entities, such as the JDA, were unable to fulfil the payment obligations to their Service Providers, as these projects are funded through the City's Coffers. This would inevitably have dire consequences and implications on the business of JDA.

First, this would subsequently lead to service providers (contractors/consultants) drowning tools and subsequently suspending work on the ground due to non-payment's of invoices. In addition, other implications would include: Potential cases of Fruitless and Wasteful Expenditure; Threats of Legal Actions (Letters of Demands); Extensive Project Delays; Unmet KPI's Targets thus delaying Service Delivery; Strikes by Contractors and SMME's; Threats of Violence and Intimidation on JDA Officials and Management. All of these issues have since transpired.

During the month of December 2022, and as outlined in the communication letter dated 5 December 2022, the City's Technical Budget Steering Committee determined a need to rebase the current 2022/23 City's budget by a total of R8,5 billion. As part of City's Financial Rebasing exercise, the JDA was directed to reduce its operational budget by a total of R10 744 000 for the current financial year - 2022/23.

Accordingly, the JDA has developed a Management Action Plan in response to the City's Cash Flow challenges. In its core, the Management Action Plan is founded on two key pillars, namely: "a close monitoring and

management of projects against the respective conditions of contract" as well as "a close monitoring and management of funds and invoices on a continuous basis". Granted, the JDA is also working on a review of its Business Model to expand its revenue streams and to increase its client base, however this is a Medium to Long Term Plan (3 to 5yr). Therefore, the immediate solution to this challenge at hand (i.e. the City's Cash Flow challenges) can only come from the City itself at this point. According, JDA is in constant discussions with the City in this regard.

Organisational Performance Highlights and Challenges:

Regarding performance against the JDA's 16 Strategic KPI's, the JDA delivered 44% KPI targets achieved, 18% KPI targets were partially achieved, and 38% KPI targets were not achieved.

It is worth noting that a KPI target is regarded as achieved when a score of 95% or more is met. Therefore, if an organisation were to score 94% on all its KPI Targets, this would mean that the organisation achieved none or 0% of its KPI targets, if we only consider the "Number of KPI Targets Achieved". However, this would also be equivalent to a 94% "Overall Average Score". Subsequently, this phenomenon highlights the need to consider both the "Number of KPI Targets Achieved" along with the "Overall Average Score" in order to appropriately perceive a more holistic two-dimensional view of the performance, in accordance with the principle of transparency. Even so, we would want both the "Number of KPI Targets Achieved" and the "Overall Average Score" to be as high as possible.

To this end, the "Number of KPI Targets Achieved" was 7 out of 16 (44%). There are nine (9) KPI's that were directly and indirectly affected by the respective challenges as outlined in Section 2. Details pertaining to these non-achieved KPI Targets are unpacked and analysed in the Q2 Performance Report 2022/23.

Human Resource Highlights and Challenges:

In view of the current business climate and the ever-increasing need to strengthen the organisation's strategy, it is worth noting that the vacant position of Senior Manager: Strategy, Performance, Risk & Administration was filled on 01 December 2022.

As previously reported, the former CFO (Ms. Sherylee Moonsamy) resigned from the JDA on 26 September 2022 and left office during the course of the second quarter. Subsequently, an Acting CFO (Mr. Sihle Mkhize) has since been appointed. Arrangements are well underway in an attempt to urgently fill this vacancy. The Company Secretary's contract ended on 30 November 2022, an extension of three (3) months has been granted, from 01 December 2022 to 29 February 2023, with the same working conditions. The Executive Manager: Corporate Services contract is due to end on 11 March 2023. These contracts are on a five (5) year fixed term basis and there is no automatic renewal. The normal recruitment process for these positions has begun.

Financial Performance Highlights and Challenges:

The City's Cash Flow challenges affected JDA as follows. At first, for a period of over four weeks (during the month of October 2022) in the second quarter, invoices were processed accordingly by JDA and the respective Clients Departments, however the City simply did not have the funds in terms of actual cash in the bank to honour payment of invoices by transferring the full amounts to JDA on a weekly basis as per the established procedure. Therefore, during that period none of the invoices were paid out. Thereafter, the City began to provide a small proportion of the required amounts in this regard. On average, the projected weekly requirements at JDA to fully meet all the approved invoice payments is approximately R60mil, however the City had only been able to transfer approximately R7mil on a weekly basis. This has thus resulted in a large backlog of unpaid invoice.

Subsequently, the City's Cash Flow challenges produced an enormously adverse rippling effect on JDA's financial activities, and this is clearly seen through the JDA's dismal quarter 2 financial performance. The City's entities, such as the JDA, have been unable to fulfil their respective payment obligations to their service providers

(including contractors and consultants), given that these activities are funded through the City's coffers. The non-payment of invoices thus affected JDA's Capital Expenditure (Percentage of budget spent on city-wide infrastructure) along with its Revenue given that JDA generates revenue by charging Management Fees on capital projects. Consequently, this also affected the percentage of valid invoices paid within 30 days of invoice date.

Actual capital expenditure for the quarter under review was R386 million against a budget of R505 million. This represents 76%% achievement of the quarterly budgeted target and 26,7% of the overall annual budget against a target of 34,9%.

Mokgema Mongane
Chief Executive Officer

SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT

The JDA has always been a unique organisation with a funding model that is highly dependent on the capital projects that are implemented on behalf of its client departments. Over the years there have been fluctuations in the capital project budgets implemented by the JDA and our operational requirements have to be just as nimble in order for us to remain financially sustainable.

For the six months ended 31 December 2022 the JDA had earned total revenue of R46.5 million (2021/22: R45.4 million) and incurred total expenditure of R70.5 million (2021/22: R48.1 million) which resulted in an overall deficit of R24. million (2021/22: Deficit of 2.7 million).

The organisation achieved 75% (2021/22: 74%) of the budgeted target for revenue. Included in the revenue target is development management fees, operational grant. The development management fees are based as a percentage of the overall capital expenditure.

The JDA incurred expenditure against the budgeted target for operational expenditure of 86% (2021/22: 78% overall against target). The operational expenditure includes interest of R22.2 million that is charged on the JDA overdrawn sweeping account. The overdrawn account is as a result of the late settlement of claims from the various client departments.

The breakdown of the actual operational expenditure against budget is as follows:

Table 1: Actual Operational Budget

	Actual Prior year 31 December	YTD Actual	YTD Budget	Variance	% of actual
	2021	R'000	R'000	R'000	against budget
Revenue	R45,437	R46,559	R62,029	(R15,470)	75%
Operating costs (before interest)	(R40,674)	(R48,285)	(RS8,425)	(R10,140)	83%
Interest expense	(7,441)	(22,292)	(R3,604)	(R18,688)	518%
Total operating costs	(R48,115)	(R70,577)	(R62,029)	R8,548	86%
Surplus/(Deficit)	(R2, 678)	(R24, 018)	(Rnil)		

Actual capital expenditure for the six months ended 31 December 2022 was R386.4 million (2021/22: R416.8 million) against an annual budget of R1.4 billion (2021/22: R1.4 billion). This represents 26.73% (2021/22: 29.39%) of the overall annual budget. There are still various factors that continue to affect projects including poor contractor performance and stoppages due to non-payment since COJ has cash flow problem, however, the basis of the 50% targeted capital expenditure is based on a city wide performance indicator and not necessarily aligned to each project milestone and progress.

The organization's total assets exceeded the total liabilities. The total net assets at 31 December 2022 were R11million (2021/22: R63.6 million).

The table below reflects the financial performance ratio of the organization for the period ended December 2022.

Table 2: FINANCIAL RATIOS

Key Performance Area		Actual 31 December 2021	Actual 31 December 2022
Current ratio	Above 1:1	1.08 : 1	1:1
Solvency ratio	Above 1:1	1.08:1	1.01 : 1
Salaries to expenditure ratio	Below 60%	67%	57%
Revenue	R30.8 million	R45.43 million	R46.56 million
Expenditure (including taxation)	R30.8 million	R48.1 million	R70.5 million
Surplus / (Deficit)	R nil	(R2.68 million)	(R24. million)
Total net assets	R47.4 million	79.8 million	11. million
Capital expenditure	50%	29.39%	26.73%

The liquidity ratio is lower than last year quarter and solvency ratio is below than last year quarter and above to the current industry norms. The main contributing factor to the overall variance in comparison to the prior year is the higher receivables and lower loan to shareholder balance. Our major concern currently is the long outstanding balances owed by the City departments to the JDA and the overall impact this has on the liquidity and solvency of the JDA.

The remuneration ratio is lower than the target of 60% this is due to some vacant position that are not filled and high interest expense. The ratio is based on employee costs of R40. million over total expenditure of R70.5 million, which results in 57% of the expenditure.

Sihle Mkhize CA (SA)

Acting Chief Financial Officer

31 December 2022

SECTION 4: CORPORATE PROFILE AND OVERVIEW

The JDA was established by the City of Johannesburg (CoJ) in April 2001 to initiate, stimulate and support development projects and rejuvenate economic activity throughout Johannesburg. The agency initially focused on applying economic development strategies to regenerate underperforming neighborhoods, mostly in the inner city. However, this has evolved to focusing on transforming Johannesburg into a resilient, sustainable, and livable city by developing transit nodes and corridors.

Vision

Building a more welcoming, competitive, and resilient Johannesburg that is a better city to live, work and play in.

Mission

To plan, implement, manage, and facilitate area-based developments in efficient, equitable, sustainable, and innovative ways

Values

The key values that inform the work and approach of the JDA are:

- Accountability: To its shareholders, Board, and key stakeholders.
- Innovation and creativity: Promoting an environment of fast-tracked decision-making and broader financial leverage, within which developments are planned, led, managed, and implemented.
- Responsiveness: To market forces, operating where it can make a difference, in locales and sectors where shareholders and their partners have a concentration of assets and expertise.
- Results-driven and stakeholder-focused: With a 'user-friendly' approach.
- Seeking to empower: Through progressive procurement and work practices.

Outcomes and challenges

The JDA's evolution into an area-based development agency has prepared it to respond to the objectives as outlined in the Growth and Development Strategy (GDS). Under this model, the JDA takes on a more central role in developing strategic capital works projects and establishing urban management partnerships. Crucially, the model allows the JDA to mobilize development partners and other stakeholders to sustainably achieve the common economic and social objectives defined for each area. However, given the spatial, socioeconomic, and political environment in which the JDA operates, there are challenges that affect area-based development and the JDA's ability to facilitate common economic and social objectives, i.e., the focus on developing resilient, sustainable, inclusive, and livable urban areas in identified nodes and corridors.

Political governance and accountability

The JDA is accountable to the Department of Development Planning and the Member of the Mayoral Committee for Development Planning, who exercises political oversight and to whom the JDA submits compliance reports in respect of its performance scorecard.

The JDA relies on the Department of Development Planning for direction on its contractual obligations contained in the service delivery agreement, and on the Member of the Mayoral Committee for its political mandate and oversight. The Group Governance unit provides corporate governance and related support, including financial sustainability and compliance reporting and review.

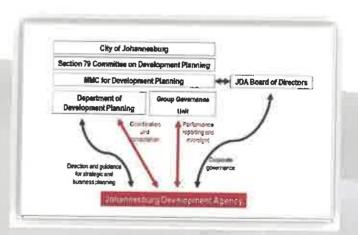


FIGURE 1: JDA GOVERNANCE SYSTEM

The Council's Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of the other departments and entities mandated with spatial transformation and economic growth of the city is integrated and coordinated. The JDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and engages with client departments in the design and construction of infrastructure assets.

SECTION 5: STRATEGIC GOALS AND OBJECTIVES

The JDA has set the following strategic goals and strategic objectives that are aligned with the Joburg 2040 GDS and the economic cluster's plans for sustainable services and economic growth for the medium term:

TABLE 3: STRATEGIC GOALS AND OBJECTIVES

Strategic Goals Objectives		Aligned to four Strategic
Create great	Creating robust democratic public spaces that give dignity and choice to city users. As urban densities	To enable the long-term growth
places	continue to rise, the public spaces in cities are becoming increasingly important for meeting citizens' social needs. The quality of space is just as important as the quantity. Given the increasing demand for open space, public spaces need to be creatively designed, moving towards greater adaptability and multiplicity of use to ensure their longer-term sustainability.	and development of strategic economic nodes in the city (including the CBD, future mixed use, and TOD nodes) through multi-year delivery programmes, proactive development facilitation and productive development partnerships.
Catalyze growth and investment	Catalyzing growth in areas with latent investment potential. Catalytic intervention and strategic capital investments in areas that have been previously marginalized or have failed to attract private investment can unlock development potential,	economically.
	stimulate local economies, and boost job creation and entrepreneurial development.	To promote economic empowerment and transformation through the
Connect people to opportunities	Connecting people with opportunities to live, work, play, learn and to be healthy in the city. Efficient mass public transport networks and connections, transit oriented multi-use precincts, together with strategic land-use planning and zoning regimes, are essential in realizing these connections.	structuring and procurement of JDA developments. To strengthen and improve the JDA's corporate governance and operations to ensure that it remains
Co-produce solutions	Co-producing solutions in partnership with local communities and stakeholders to meet local needs	an effective, efficient, sustainable, and well- governed organisation.
Continuous improvement	Underpinning all the strategic goals, there is the need for the JDA to run as efficiently as possible.	

JDA Sub-	1A: Inner City Transformation Sub-Programme. 1B: Economic Node Sub- Programme.	2A: Deprivation Areas Revitalization Sub-Programme. 2B: Urban Infrastructure Delivery Sub-	BBBEE. EPWP. SMME / EME procurement (PPR, 2017).
Matching JDA Programme/s	1. Strategic Economic Node Delivery Programme.	2. Accelerated infrastructure Delivery Programme.	3. Economic Empowerment Programme. 4. Good Governance, Management and Administration Programme.
MPG Priority	Accelerated and visible service delivery and re-introduction of coproduction in the delivery of the basic service.	Accelerated and visible service delivery and reintroduction of coproduction in the delivery of the basic service.	Job opportunities and creation. Development and support of SMMEs.
MPG Strategic Priorities	Integrated human settlements. Sustainable service delivery. Sustainable Environmental development.	Integrated human settlements. Sustainable service delivery. Sustainable Environmental development.	Economic development. Job opportunity and creation. Smart city.
Key CoJ IDP Programme/s	Inner city regeneration, including key economic nodes. Increased infrastructure investment (from both public and private sectors).	Residents live, work and play close to work, leisure and cultural opportunities. Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure.	Improving ease of doing business. Attracting, expanding and retaining investment. Address spatial inequality within the city. Target sectors with high job-growth potential. Empower the residents of Johannesburg. Build a city that works for its residents.
Key CoJ Priority Programmes	Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.	Ensure pro-poor development that addresses inequality and poverty and provides meaningful redress.	Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021.
Outputs	Sustainable human settlement. Reducing Economic, Spatial and Gender inequalities.	Sustainable human settlement. Reducing Economic, Spatial and Gender inequalities.	Promotion and support of small businesses. Reducing Poverty and dependency.
Outcomes	#1 Improved quality of life and development-driven resilience for all	#2 Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.	#3 An inclusive, job- intensive, resilient, competitive and smart economy that harnesses the potential of citizens

Outputs	Key CoJ Priority	Key CoJ IDP	MPG Strategic Priorities	MPG Priority	Matching IDA	dus voi	
	Programmes	Programme/s	,	Programmes	Programme/s	Programme/s	
#4 A high performing A responsive, metropolitan corruption-free, government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.	Priority 5: Create an honest and honest and transparent City that fights corruption.	Increasing forensic investigative capability and controls.	Smart city. Good governance. Financial sustainability Active and engaged citizenry.	Improve and strengthen financial position. Combat corruption, fraud and maladministration.	4. Good Governance, Management and Administration Programme.	N/A.	

Transforming the Spatial Economy

The JDA's primary medium-term purpose is to promote resilient city strategies by restructuring the urban spatial logic of the city. The Agency coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and with other client departments. To ensure that the JDA is best positioned to respond to the spatial development priorities, the agency co-ordinates and manages its activities through the following three substantive programmes:

- Programme 1. Strategic Economic Node Delivery Programme.
- Programme 2. Accelerated Infrastructure Delivery Programme.
- Programme 3. Economic Empowerment Programme.

In addition, the Agency ensures good governance of the organisation through an operational programme, resourced to support the optimal performance of the above three substantive areas:

Programme 4. Good Governance, Management and Administration Programme

The JDA's current business plan represents a spatial response to specific Priority Transformation Areas as outlined in the Spatial Development Framework 2040.

FIGURE 2: SDF 2040 PRIORITY ZONES

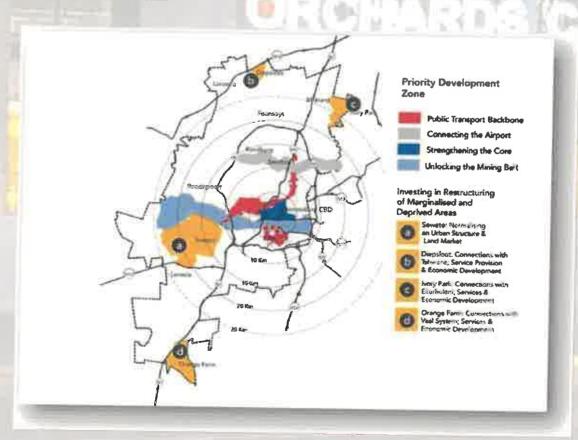


TABLE 4: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS AND PROGRAMMES

SDF Priority Transformation Areas	Corresponding JDA Programmes	Regional JDA Development Programmes
Strengthening the metro core (inner city)	Inner City and the Old South (including Turffontein and Mining Belt).	Programme 1: Strategic Economic Node Delivery
Unlocking Soweto	Greater Soweto (including Lenasia, Eldorado Park, Nancefield)	Programme. Programme 2: Accelerated
Consolidating public transport backbone	The Transit-Oriented Development Corridors: Empire-Perth Corridor and Louis Botha Corridor.	Infrastructure Delivery Programme. • Programme 3: Economic
OR Tambo/ Airport Corridor	Alex and the OR Tambo Corridor (Includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald)	Empowerment Programme.
Addressing marginalization	Marginalized Areas – Diepsloot,	

The JDA's approach towards area-based development covers the following five practices and services:

- 1. Development identification and project packaging Identifying strategic opportunities to respond to the City of Johannesburg's focus area by bringing together all relevant stakeholders and parties to the initiative and developing an implementation plan.
- Development and project facilitation and coordination Working with various stakeholders and parties to ensure that they are undertaking their roles as expected and required.
- 3. Overall development implementation involving capital developments In ensuring that the development is implemented as planned, JDA may oversee specific project management functions within a development, while retaining overall accountability as a development manager. Through local beneficiation, in terms of Small, Medium, and Micro Enterprise (SMME) and entrepreneurial support, the JDA aims to increase the number of local emerging contractors used in capital projects carried out in the various communities, as well as the number of local construction jobs created.
- **4. Post implementation support and sustainability** -Complement any capital development or investment with urban management initiatives and models.
- 5. Impact Assessment / monitoring and evaluation -Analyze, review, and quantify private sector investment in various JDA intervention areas, and assess the socio-economic impact of these interventions. This is achieved through, among others, an analysis of the property market trends and factors that influence investor interest in JDA development areas. Value for money assessment.

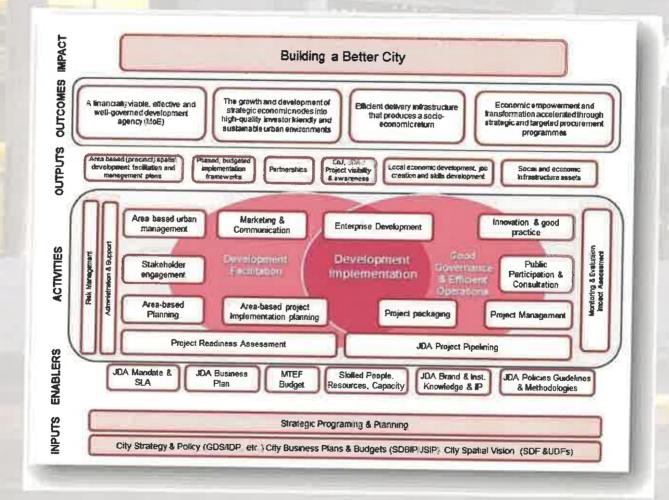
The JDA has aligned the main elements of the Agency's work and highlights the flow between them:

FIGURE 3: DEVELOPMENT PROCESS / LIFECYCLE



The following diagram unpacks the JDA's value creation process to illustrate how the JDA has aligned its activities and efforts to achieve expected results by structuring the main elements of the Agency's work.

FIGURE 4: JDA'S VALUE CREATION PROCESS



SECTION 6: SALIENT FEATURES

Performance Summary

- The overall year to date capex expenditure at second quarter was R386.4 million (2021/22: R416.8 million) against an annual budget of R1.4 billion. This represents 26.73% (2021/22:29,39%) of the overall annual budget.
- For the period ended 31 December 2022 the JDA had earned total revenue of R46.5 million (2021/22: R45.4 million) and incurred total expenditure of R70,5 million (2021/22: R48.1 million) which resulted in an overall deficit of R24 million (2021/22: Deficit of R2.6 million).
- The organization achieved 75% (2021/22:74%) of the budgeted target for revenue. Included in the revenue target is development management fees, operational grant, and other sundry income. The development management fees are based as a percentage of the overall capital expenditure.
- The JDA incurred expenditure against the budgeted target for operational expenditure of 86% (2021/22: 78%) overall against target. This includes the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R22.2 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.
- The organisation's total assets exceeded the total liabilities. The total net assets at the end of the 31 December 2022 were R11 million (2021/22: R63.6 million).
- The 2nd quarter performance report has been prepared against the JDA's 2022/23 Business Plan and scorecard. Regarding performance against the JDA's 16 Strategic KPIs that are targeted for the 2nd Quarter, 44% performance targets are achieved, 18% performance targets are partially achieved, and 38% performance targets are not achieved.
- For the period 1 July 2022 to 31 December 2022, the overall BBBEE share of expenditure was R378 495 825.91 This translates into an achievement of 100% BBBEE claimed against quarterly expenditure.
- The SMME share of JDA's operating and capital expenditure was R 180 848 520.30 for the period 1 July 2022 to 31 December 2022. This constitutes achievement of 48% for the period under review.
- A total of 223 EPWP work opportunities were reported against a 2nd quarter target of 150.

TABLE 5: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE¹

Overall P	Programme erformance	2022/23 Annual Budget	Target YTD	Actual YTD	Target %	% Actual / Annual budget
		R' 000	R' 000	R'000	%	%
Overall Performance	Programme	1 445 598	505 959	386 441	76%	26,73

TABLE 6: OPERATING BUDGET MANAGEMENT

	2022/23	Ye	ar to date	% Achievement	% Achievement
	Original Budget	Target	Actual	Against target	for Annual
	R'000	R'000	R'000		
Revenue (R'000)	124 057	62 029	46 559	75%	38%
Costs (R'000) Net surplus/(deficit)	124 057	62 029	46 919	76%	38%

expenditure have been set in respect of all funding sources for the financial year.

CHAPTER 2: CORPORATE GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

Governance Framework

The JDA recognizes that conducting its affairs with integrity will ensure that the public and the City of Johannesburg Metropolitan Municipality has confidence in its work. To that end, the JDA's Board of Directors and Executive Management Team subscribe to the governance principles set out in the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, circular 63 of the MFMA, and the King IV code.

The Board also actively reviews and enhances the systems of internal control and governance procedures in place to ensure that the JDA is managed ethically and within prudently determined risk parameters. During the period under review, the Board conducted assessments to ensure that the JDA complied with the requirements of the Companies Act, the Municipal Systems Act, and the MFMA.

JDA's Governance Arrangements

The JDA is accountable to the Department of Development Planning, which provides direction on contractual obligations, and to the Member of the Mayoral Committee for Development Planning, who exercises political oversight. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of departments and entities responsible for the City's spatial transformation and economic growth is integrated and coordinated. The Council's Section 79 Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions.

The JDA must perform according to a service delivery agreement and performance objectives set by the City of Joburg.

The JDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and engages with client departments in the design and construction of infrastructure assets.

The Legislative framework

The legislative framework for municipal entities came into effect through amendments to the Municipal Systems Act (MSA) and the passing of the Municipal Finance Management Act (MFMA). The new provisions of the MSA, including Chapter 8A, came into effect on 1 August 2004. The bulk of the provisions of the MFMA took effect on 1 July 2004 with some transitional provisions based on municipal capacity. The MSA defines three types of entities that may be established by a municipality with effect from 1 August 2004, namely private company, service utility or multi-jurisdictional service utility. Before the MSA and MFMA requirements took effect, municipalities used various arrangements to deliver services and manage functions. These included trusts, section 21 companies, and private companies. In view of the legislative framework, municipalities are required to review these structures and either convert them to an entity or disestablish them if they are no longer required. A review would cover such things as the appropriateness of governance structures to provide effective municipal oversight, accountability and transparency.

Implementation of King Codes of Corporate Governance

The Board and Management Team are committed to the principles of openness, integrity and accountability advocated by the King Code. The JDA made progress during the reporting period towards entrenching and strengthening the implementation of the recommended practices in its governance structures, systems, processes, and procedures. The Internal Audit team provided regular feedback to the Audit and Risk Committee, which is responsible for monitoring compliance with the King Code.

The entity applies the governance principles contained in the King Codes as far as it applies to it and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes, and procedures. The Board of Directors and Executives recognize and are committed to the principles of openness, integrity and accountability advocated by the King Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed

according to prudently determined risk parameters in compliance with generally accepted corporate practices. The monitoring of the entity's compliance with the King Codes on Corporate Governance is part of the shareholder mandate of the Audit and Risk Committee. The entity has complied with the Code in as far as it applies to it during the period under review.

The Board of Directors has incorporated the City of Johannesburg's Corporate Governance Protocol in its Board Charter, which inter alia regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King Code's Report on Corporate Governance for South Africa 2016 (King Code). The Entity steadfastly consolidated its position in respect of adherence to the King Code's report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King Codes. Ongoing steps are however taken to align practices with the King IV's recommendations and the Board of Directors continually reviews progress to ensure that the entity improves its Corporate Governance.

In keeping up with the latest developments the Board of Directors is in the process of ensuring that the JDA incorporates the Environmental, Social and Governance (ESGs) in its day-to-day operations and future reporting.

The ESG's in respect to the JDA's operations are:

- (a) Environmental aspects of concern for the JDA include climate change, energy, water scarcity and usage, pollution and waste management;
- (b) Social issues include employment and labour issues, employee benefits, diversity, health, and safety, human rights, community relations, and the way broad-based black economic empowerment (B-BBEE) (Government policy and legislation aimed at redressing historical race-based inequalities) is advanced; and
- (c) Governance matters include corporate structure and management, strategic direction and oversight, compliance, anti-bribery and corruption, board composition, and executive composition.

During the half year under review the Company entrenched its risk management reviews. Reporting and compliance assessments were conducted in terms of the Companies Act, the Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with section 121 of the Municipal Finance Management Act.

Ethical Leadership

The Board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterized by the values of responsibility, accountability, fairness, and transparency, has been a defining characteristic of the entity since the company's establishment in 2001.

The fundamental objective has always been to do business ethically while building a sustainable company that recognizes the short- and long-term impact of its activities on the economy, society, and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the entity's stakeholders.

Corporate citizenship

As an entity of a municipality, the JDA has social and moral obligations to the citizens. The Board is responsible for ensuring that the JDA protects enhances and invests in the economy, society, and the natural environment, and pursues its activities within the limits of social, political, and environmental responsibilities outlined in international conventions on human rights.

Compliance with laws, rules, codes, and standards

The Board is responsible for ensuring that the entity complies with applicable laws and considers adherence to non-binding rules, codes, and standards. The Company Secretary certifies that all statutory returns have been submitted to the Registrar of Companies in terms of section 268(d) of the Companies Act. The internal audit team provides assurance on the JDA's compliance with laws and regulations.

Citizen Involvement in Plan-Making and Project Implementation

The city and the JDA are continually working on ensuring more involvement of communities and individuals in the preparation of plans and project implementation, and a better interface between officials and the public.

In the preparation of the Integrated Development Plan (which includes the Spatial Development Framework) and in the annual revision of the Regional Spatial Development Framework, there is a structured participation process, which includes public meetings, and which allows any interested party to comment on, or object to, any provision in a proposed plan.

For area-based planning, the JDA's participation is structured in several ways, including key public meetings at the start of the process and at the point of draft proposals. But other participatory methods such as stakeholder meetings, information leaflets, etc. are also used depending on the context and project.

Citizens can also get involved with developing detailed precinct plans for their own areas at neighborhood level. In many areas these plans are initiated by the residents of a particular area. The planning department is investigating ways of helping people to pool their resources in communities to participate in preparing precinct plans.

The local Ward Councilor, Ward Committees and residents' associations are the key link for citizens to get involved in public participation processes in planning and project development.

The Board of Directors of the JDA subscribes to good corporate governance expressed in the King Code and the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, 2000 (MSA). The Board recognizes the need to conduct the affairs of the municipal entity with integrity to ensure increased public confidence and the confidence of the City of Johannesburg. It is the policy of the Board to actively review and enhance the entity's systems of control and governance on a continuous basis to ensure that the entity is managed ethically and within prudently determined risk parameters.

1.1. BOARD OF DIRECTORS

With effect from 15 February 2022 Annual General meeting, Mr. Lionel Brenner was appointed as the Board Chairperson for the JDA.

The JDA's sole shareholder, the City of Johannesburg CoJ, reviews the term of office for non-executive directors every year at the annual general meeting.

The Board is accountable to the CoJ and the citizens of Johannesburg. A service delivery agreement and shareholder compact, concluded following the provisions of the Municipal Systems Act, govern the entity's relationship with the CoJ.

The Board provides quarterly, bi-annual, and annual reports on its performance and service delivery to the City of Johannesburg as prescribed in the service delivery agreement, the shareholder compact, the MFMA and the Municipal Systems Act.

Non-Executive Directors maintain an independent stance to matters under consideration and add to the Board's depth of experience. The roles of the Chairperson and Chief Executive Officer are separate, with responsibilities divided between them.

Members have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters such as corporate governance, compliance with company rules and procedures, statutory requirements, regulations, and best corporate practices.

The Board or any of its members may, under appropriate circumstances and at the expense of the company, obtain the advice of independent professionals.

Shortcomings are addressed and areas of strength are consolidated during an annual Board evaluation. The performance of the Board committees is evaluated against their terms of reference.

At the Annual General Meeting held on 15 February 2022 the JDA Board of Directors consists of the following members:

- (i) Mr Lionel Brenner (Chairperson)
- (ii) Mr Mthobisi Malinga
- (iii) Mr Success Ntona Marota
- (iv) Ms Anchen Dryer
- (v) Dr Lindelani Matshidze
- (vi) Dr Didibuku Thwala
- (vii) Dr Christopher Whittle
- (viii) Adv Neo Ntingane
- (ix) Mr. Phathutshedzo Raphalalani (Resigned on 10 August 2022)
- (x) Ms Sherylee Moonsamy (Chief Financial Officer and Executive Director) (resigned on 14 November 2022)
- (xi) Mr Mokgema Mongane (Chief Executive Officer) (Appointed 05 August 2022)

While the Independent Audit and Risk Committee members are as follows:

- (i) Ms Nosipho Ngaka
- (ii) Mr Kwena Mashiane
- (iii) Mr John Mendelsohn

TABLE 7: BOARD COMPOSITION

Board member	Capacity: Executive/ Non-Executive	Race	Gender	Board Committee Membership
Mr. Lionel Brenner	Chairperson (Non-executive)	White	Male	Development and Investment Committee
Dr. Didibuku Thwala	Non-executive	Black	Male	Development and Investment Committee
Mr. Mthobisi Malinga	Non-executive	Black	Male	Audit and Risk Committee and Social Ethics, Human Resources and
Adv. Neo Ntingane	Non-executive	Black	Female	Social Ethics, Human Resources and Remuneration Committee (Chair)
Dr. Lindelani Matshidze	Non-executive	Black	Male	Development and Investment Committee (Chair)
Ms. Anchen Dreyer	Non-executive	White	Female	Social Ethics, Human Resources and Remuneration Committee
Mr. Ntona Marota	Non-executive	Black	Male	Audit and Risk Committee (Chair)
Mr. Phathutshedzo Raphalalani (Resigned 10 August 2022)	Non-executive	Black	Male	Development and Investment Committee and Social Ethics, Human Resources and Remuneration Committee
Dr. Christopher Whittle	Non-executive	White	Male	Development and Investment Committee and Audit and Risk

Together, the JDA Directors have a range of different skills and experience that they bring to bear for the benefit of the entity. These include accounting, finance, legal, business management, human resources and labor relations, marketing, construction, and development management.

The Board meets regularly, retains full and effective control over the company and monitors the implementation of the company's strategic programmes by the executive management through a structured approach of reporting and accountability. It sets the strategic direction of the JDA and monitors overall performance. All JDA's Board Committees are chaired by non-executive directors and monitor overall performance.

1.2. BOARD COMMITTEES

Board Meeting Attendance

The Board meets not less than four times a year to consider matters specifically reserved for its attention. Indicated in the table below are the Board and committee's meetings held during the period under review. Attendance at meetings held during the period under review was as follows:

TABLE 8: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (01 OCTOBER 2022 TO 31 DECEMBER 2022)

Name	Parcog	1														
	800				Audit &	Audit & Risk Committee	nmittee		Social & Ethics/ HR & Remuneration Committee	thics/ H Comr	cs/ HR & Remu Committee	ıneration	Development	Ē	& Inve	Investment
	Sã				S			T							2011	
	gniseeting	əsnsbnəttA	γgolodA	‡n92 dA	gnitəəM to ol	eonsbrettA	γgoioqΑ	tnəsdA	guteeM to o	eonsbnet1A	γgologΑ	tn∋sdA	sgnitəəM lo	eonsbnettA	γgoloqΑ	JuəsdA
Lionel Brenner	c	L	c	ď	7				N				0 <i>V</i> I	,		
	n	n	>	5	A/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	.0	0
Mthobisi Malinga	m	m	0	0	1	1	0	0	-	-	c	c	MIZA			
Ntona Marota	m	m	0	c	,	,						>	N/A	N/A	N/A	N/A
Anchen Drayer				,	1	-1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	m	m	0	0	N/A	N/A	N/A	N/A	П	г	c	c	N/A	NI/A	0/10	
Neo Ntingane	m	7	1	0	A/N	N/N	N/W	11/10				,	W/M	¥/N	N/A	W/W
Christonhar Whitela					Į.	U/A		W/W	7	-	0	0	N/A	N/A	N/A	N/A
	m	m	0	0	-1	1	0	0	N/A	A N	N/A	N/A	1		c	
Lindelani Matidze	m	m	0	0	N/A	N/A	N/A	N/A		A/N	N/A	V/N		٠,		0
Didibuku Thwala	m	m	0	0	N/A	N/A	t		+	N/A	N/N	V/N	٠, ,	-i -	0	0
Nosipho Ngaka	N/A	N/A	N/A	N/A	+1		0		+	δ/N	() N	V / V	1 1/1			0
Kwena Mashiane	N/A	N/A	N/A	N/A	1	-	c		t	2,7	Y	¥/N	4/A	A/A		N/A
John Mendelsohn	100									¥/h	N/A	¥/ <u>×</u>	A/A	A/A	N/A	N/A
Independent Audit & Risk member)	A/N	N/A	N/A	N/A	+	₽	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Board Committees

The following committees have been formed, each of which is chaired by a non-executive director.

- Audit and Risk Committee.
- Development and Investment Committee.
- Social, Ethics, Human Resources and Remuneration Committee.

Each committee composition is as follows:

TABLE 9: COMPOSITION OF COMMITTEES

Composition

Audit and Risk Committee

The Audit and Risk Committee, which consists of three non-executive directors and three independent members, meet not less than four times a year. Most of these committee members are financially literate. The following members served on the committee during the period under review:

- Ntona Marota (Chairperson)
- Mthobisi Malinga
- · Christopher Whittle
- Nosipho Ngaka (Independent Member)
- Kwena Mashiane (Independent Member)
- John Mendelson (Independent Member)

Mandate and Quarterly Activities

The committee has specific responsibility for ensuring that all activities of the JDA are subject to independent and objective review and financial performance oversight. The Audit and Risk Committee has a Charter with clear terms of reference as guided by the provisions of Section 166 of the MFMA. The Committee has the following responsibilities:

Reviewing JDA's internal controls, publishing financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosures to the Board.

Reviewing reports from management, internal and external auditors, to provide reasonable assurance that control procedures are in place and are being followed. Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.

Social and Ethics / Human Resources and Remuneration Committee

In line with the best practice of corporate governance, the Board maintains a Human Resources & Remuneration Committee/Social & Ethics Committee (HR & REMCO/Social & Ethics), comprising of 5 (five) nonexecutive directors and chaired by a non-executive director. It is responsible for directing human resources policies and strategies for the organisation and approving the remuneration for the Chief Executive Officer, senior executives and staff; the Committee is also responsible for acting as the social conscience of the business and ensuring that the company conducts itself as a responsible corporate citizen. This means ensuring that the JDA sustainably conducts its business, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. This committee also considers the treatment of and investment in

The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR & Remuneration Committee/Social & Ethics Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg following the provisions of Section 89(a) of the MFMA.

The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the City of Johannesburg.

Composition	Mandate and Quarterly Activities
employees, health and safety practices, black economic empowerment and the ethical corporate culture. The following members served on the committee during the period under review:	
 Neo Ntingane (Chairperson) Anchen Dreyer Mthobisi Malinga Development and Investment Committee	
The following members served on the committee during the period under review: Lindelani Matshidze (Chairperson) Lionel Brenner Didibuku Thwala Christopher Whittle	The Committee is responsible for evaluating development proposals to make recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.

Duties of the Board

The Board retains full and effective control over the organisation and monitors the implementation of the JDA's strategic programmes. It sets the agency's strategic direction and monitors overall performance. The duties of the Board include:

- Providing effective, transparent, accountable, and coherent oversight of the JDA's affairs.
- Ensuring that the JDA complies with all applicable legislation, the service delivery agreement and the various shareholder policy directives issued by the City of Johannesburg from time to time.
- Dealing with the CoJ in good faith and communicating openly and promptly on all pertinent matters requiring the attention of its shareholder.
- Determining and developing strategies that set out the organization's purpose and values in accordance with the shareholder mandate and strategic documents such as the integrated development plan.
- Reviewing and approving financial objectives, including significant capital allocations and expenditure as determined by the CoJ.
- Considering and ensuring that the entity's size, diversity, and skills are sufficient to achieve its strategic objectives.

Board charter

The Board of Directors has incorporated the City of Johannesburg's corporate governance protocol into its charter, which regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics. The protocol is premised on the principles of the King Code. The charter sets out the composition and powers of the Board.

1.3. DIRECTORS AND PRESCRIBED OFFICERS REMUNERATION

The JDA remunerates the non-executive directors and independent audit committee members in accordance with the policy and in the amounts determined from time to time by the City of Johannesburg Metropolitan Municipality, acting in its capacity as the sole shareholder of the JDA. The foregoing position was reaffirmed by special resolution at the 2022 annual general meeting. The non-executive directors and independent audit committee members are paid per meeting. Executive directors and prescribed officers are employees of the JDA and do not receive any additional remuneration by reason of their office. The table below reflects the gross or cost to company amounts paid by the JDA in relation to executive directors, non-executive directors', and independent audit committee members' fees.

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Table 10: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES FOR THE PERIOD ENDING 31 DECEMBER 2022

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention	Travel allowance	Total
					Foortie		
M Mongane	CEO (Appointed 05 August 2022)	C00 TTT			EXECUTIVA	e Directors & Se	executive Directors & Senior Management
S Moonsamy	CEO (Reciprod 14 November 2000)	111 883	53 056		78	231 848	1 062 787
D Chirimala	C C (nesigned 14 November 2022)	902 069	51 534	41		II.	241 000
PDUIIIII0	Lompany Secretary	855 690	40 648	32	173 206		1 069 544
B Seopela	EM: Corporate Services	1 085 900	Service Service	Ĭ.	·	ď	1 085 900
O Nkoane	EM: Development Planning and Facilitation	968 712	63 772	m	,	,	1 030 404
S Genu	EM: Project Implementation	777 000 1					1 032 484
Z Tshabalala	Chief Andit Evenitive (American A	1 002 DID	96 002	31 278	5		1 099 896
	Checutave (Appointed August 2022)	583 989	24 706	À	14		608 695
Sub-Total							
and the same		5 965 095	299 718	31 278	173 206	231 848	6 701 1AE
		Non-Executive Directors & Independent Audit Committee Members	ors & Independent A	füdit Committee Men	bers		2000
L Brenner	Board Chairperson	140 000	3 - 0,				140 000
M Malinga	Board Member	128 000	8				128 000
S Morata	Board Member (ARC Chair)	144 000		1 1 15		×	144 000
A Dreyer	Board Member	88 000		,			88 000
N Ntingane	Board Member (SEHR Chair)	000 06		1)			000 06

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Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention	Travel	Total
C Whittle	Board Member	148 000	*2	7:	rees		148 000
P Rhaphalalani	Board Member	12 000	Α.	-97	×		12 000
L Matidze	Board Member (DI Chairperson)	118 000		-14	i ca	AV	118 000
D Thwala	Board Member	000 96	34	,			96 000
N Ngaka	Independent Audit & Risk member	45.000		The state of			46,000
K Mashiane	Independent Audit & Risk member	32 000				19	32
J Mendelsohn	Independent Audit & Risk member	40 000	1			N. C. C.	40 000
Sub-Total		1 082 000					
TOTAL		7 047 095	299 718	31 278	173 206	231 848	1 082 000
							CLT COLL

The directors' emoluments were taxed according to South African Revenue Services' guidelines

Loans and advances

In accordance with the provisions of the MFMA, the JDA has a strict policy in place that prohibits it from providing loans or advances to directors and employees; therefore, no loans or advances were made during the period under review. The agency did not provide loans to any organisation or person outside of or in the employ of the JDA.

1.4. COMPANY SECRETARIAL FUNCTION

The primary function of the Company Secretary is to act as the link between the Board and management and to facilitate good relationships with the shareholder. The Company Secretary is responsible for the general administration, more specifically to ensure compliance to good corporate governance practices and to provide guidance to the directors on corporate governance principles and applicable legislation. All directors have access to the advice and services of the Company Secretary who acts as the link between management, the Board, and the shareholder.

The Company Secretary is responsible for the flow of information to the Board and its committees and ensures compliance with Board procedures. In addition to various statutory functions, the Company Secretary provides individual directors and the Board as a whole, with guidance on their duties, responsibilities, and powers, as well as the impact of legislative and regulatory developments, while maintaining an arm's-length relationship with the Board.

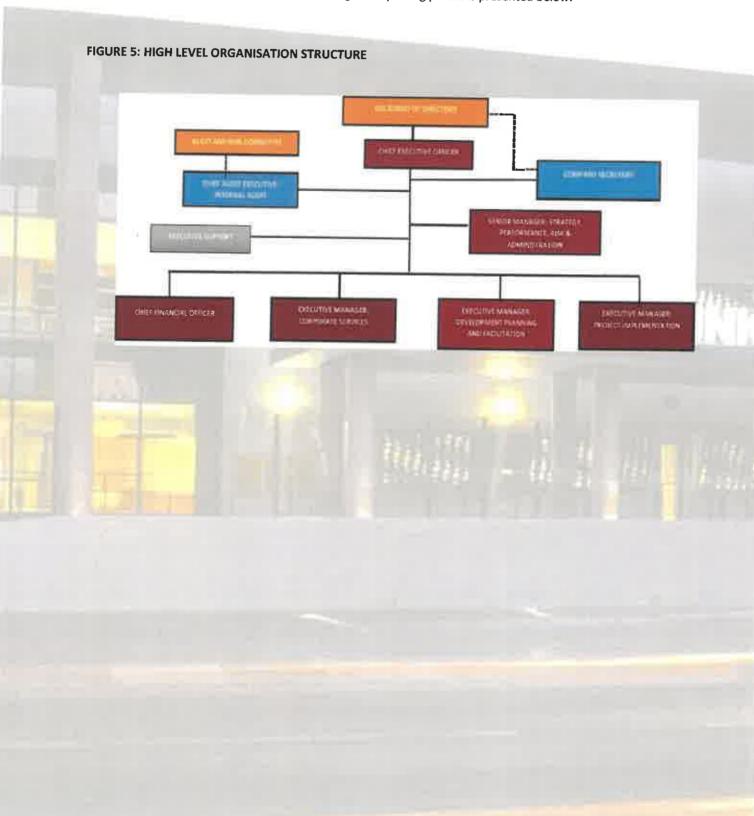
The Board has empowered the Company Secretary with the responsibility of advising the Board, through the chairperson, on all governance matters, including the duties set out in section 88 of the Companies Act.

The Company Secretary's work covers a wide variety of functions, including but not limited to:

- Organizing, preparing agendas, and taking minutes of meetings.
- Dealing with correspondence, collating information, writing reports, ensuring decisions made are communicated to the relevant people.
- Advising the Board and management on corporate governance matters.
- Contributing to meeting discussions, as and when required; and
- Arranging the annual general meetings.

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

The JDA's structure is a response to the business model, which focuses on the development of strategic capital works projects as well as development facilitation to optimize the impact of the catalytic public investments, and the establishment of urban management partnerships to ensure the sustainability of the catalytic public investments. The organizational structure during the reporting period is presented below.



SECTION 3: RISK MANAGEMENT

The JDA's Board monitors risk through the Audit and Risk Committee, which ensures that there is an effective risk management process and system in place. The committee recommends risk strategies and policies that need to be set, implemented, and monitored. The JDA Board is responsible for identifying, assessing, and monitoring the risks reported through by the Audit and Risk Committee.

The JDA has a risk management framework, which follows an enterprise-wide risk management system in which all identified risk areas are managed systematically and on an on-going basis at departmental level. The risk registers are treated as a working risk management document because risks are constantly recorded and managed. Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

The JDA submits its risk management reports to the City of Johannesburg's Group Risk and Governance Committee. The committee assesses all risk affecting the CoJ and its municipal entities in a holistic manner and makes recommendations to the City Manager and Council on the general effectiveness of risk management processes in the City of Johannesburg.

Risk Management Process

Risk identification and assessment is an on-going process. The JDA conducts annual strategic and operational risk assessment workshops. This process is supported by an on-going risk management process at departmental level and all employees are required to take ownership of risks that fall within their respective areas of responsibilities.

The following risk management programmes and/or activities were implemented second quarter are as follows:

TABLE 11: IMPLEMENTED RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES

Programmes and/or activities	
Strategic Risk Monitoring	A 12-14
Operational Risk Monitoring	
Declaration of Interest Report	CONTRACTOR OF THE PARTY OF THE

Status of implementation of committed action plans

KPI	Q1	Q2
Implementation of committed Strategic Action Plans	43%	50%

Performance for the Risk Management KPI is cumulative (performance as from Q1) and not reported per quarter target.

Last Quarter (Q1), the implementation performance was 43% derived from 9 action plans implemented out of a total of 21. In this Quarter (Q2), only one action was scheduled for Q2 bringing the total number of action plans to a total of 22 (both for Q1 & Q2), thus total action plans implemented for both Q1 & Q2 is 11 out of a total of 22 equating to 50%. This indicates that only two (2) action plans were implemented in the 2nd Quarter.

Corporate Ethics and Organizational Integrity

The JDA and its Board subscribe to high ethical standards and principles. The leadership provided by the Board is characterized by the values of responsibility, accountability, fairness and transparency, and has been a defining culture of the JDA since its establishment in 2001.

The JDA's main objective has always been to do business ethically while building a sustainable company that recognizes the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the Board is sensitive to the interests and expectations of the JDA's stakeholders.

Code of Conduct

The JDA's code of conduct, which is fully endorsed by the Board, applies to all directors and employees. The code is consistent with schedule 1 of the Municipal Systems Act and the provisions of the CoJ Corporate Governance Protocol for Municipal Entities.

The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behavior and professionalism. Through its code of conduct, the JDA is committed to:

- The highest standards of integrity and behavior in all its dealings with its stakeholders and society at large.
- Fair commercial and competitive business practices.
- Eliminating discrimination and enabling employees to realised their potential through continuous training and skills development.
- Taking environmental and social issues into consideration.
- Ensuring that all directors declare any direct or indirect personal or business interest that might adversely affect them in the proper performance of their stewardship of the entity.

The code requires all staff to act with the utmost integrity and objectivity, and in compliance with the law and company policies always. Fallure to act in terms of the code results in disciplinary action. The code is discussed with each new employee as part of the induction process, and all employees are asked to sign an annual declaration confirming their compliance with the code. A copy of the code is available to interested parties on request. Non-adherence to the code of ethics-related matters can be reported to a toll-free, anonymous hotline. Any breach of the code is considered a serious offence and is dealt with accordingly, which serves as a deterrent. The directors believe that ethical standards are being met and are fully supported by the ethics programme.

Declaration of interest

In accordance with its code of conduct, the JDA maintains a register of directors' declarations of interests. The register is updated annually and as and when each director's declared interests change. A register is circulated at every Board and Board committee meeting for the directors to declare any interest related to every matter discussed at a particular meeting.

The JDA's employee code of ethics and terms and conditions of employment require all employees to complete declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the JDA, gifts and hospitality, and the status of their municipal accounts.

SECTION 4: ANTICORRUPTION AND FRAUD

Financial crime and other unlawful conduct pose a threat to the JDA's business and strategic objectives. The JDA supports government's efforts to combat financial crime at all levels. The JDA, in its endeavor to combat financial crime, ensures compliance with all relevant legislation and regulations. The antifraud and anticorruption programme supports and fosters a culture of zero tolerance to fraud, corruption, and unlawful conduct.

The JDA has a whistle-blowing hotline number, which it advertises in the offices and on its website. In addition, all JDA tender documents urge people to report fraudulent activities or maladministration by JDA employees on the hotline.

Training and awareness on fraud prevention is conducted on an ongoing basis. Strict payment management processes are in place and the Bid Evaluation Committee independently verifies whether preferred service providers can complete the work.

The strategic risk register identifies "fraudulent and corrupt activities" as a strategic risk with a high inherent risk rating and medium residual risk rating. The strategic risk register sets out specific future actions to mitigate these risks, including conducting regular fraud risk assessments and creating fraud risk awareness. The Fraud Risk Register is an operational risk register which is signed-off by the respective HODs and is monitored monthly.

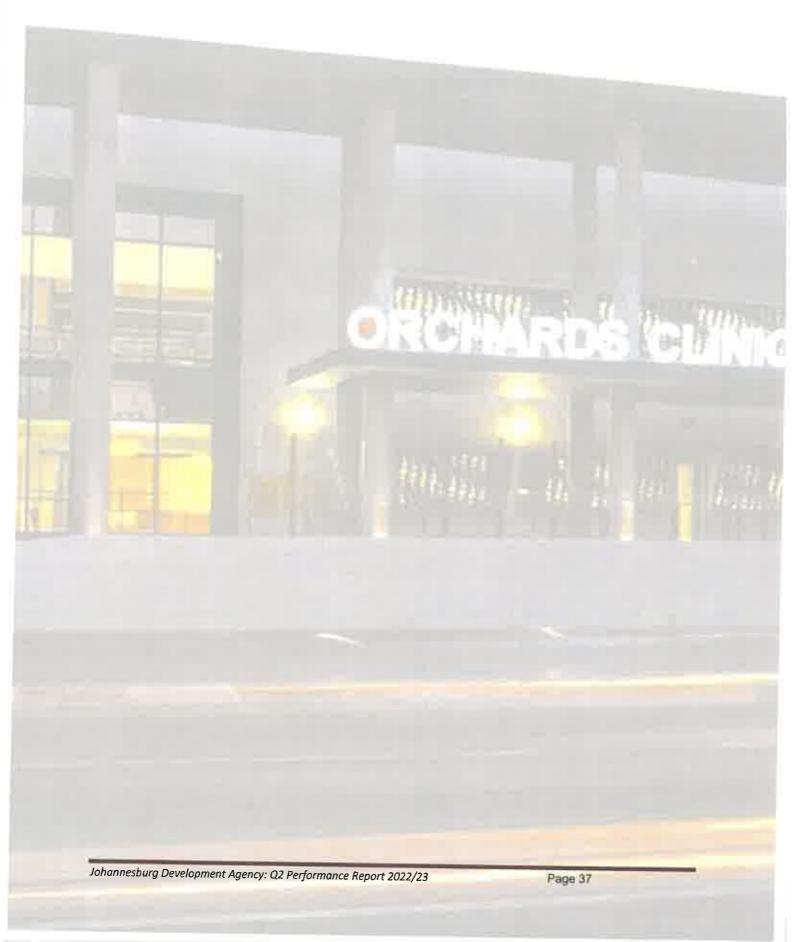
Critical to the anti-fraud and anti-corruption programme is the prevention strategic pillar as contained in the Fraud Prevention Strategy and Response Plan, as part of the prevention strategy, the following risk management documents are in place:

- Fraud Risk Management Policies
- Fraud Prevention Strategy and Response Plan
- Whistle -Blowing Policy
- Code of Ethics Policy; and
- Declaration of Interest Policy

The above-mentioned policies are currently under review. They were tabled at EXCO and recommended for ARC and Board approval.

REPORTED CASES

The JDA utilizes the City of Johannesburg Anti-Corruption Hotline (NACH) which is managed by an independent service provider. Internal reporting processes include electronic reporting of fraud allegations via telephone, email, and walk in reporting.



There was no case of fraud and corruption reported in the second quarter of 2022/23 financial year.

TABLE 14: REPORTED CASES

	Comments	The case is continuously monitored.	Awaiting the closing memo.	Awaiting the closing reports (as accordance with the procedure that, when a case is	closed there needs to be a report with reasons why the case is closed).	The cases are continuously monitored	The case is continuously monitored	The cases are continuously monitored.	Review is conducted internally, it will be resumed upon receipt of	information/evidence.
	Status	There is one (1) investigation that is currently in progress.	There are two (2) cases that have been closed.	There are two (2) cases that have been finalised.		There are four (4) investigations that are currently in progress.	There is one (1) investigation that is currently in progress.	There are there (3) investigations that are currently in progress.	There is one (1) review that has been halted.	
No of cases	reported	1	00				1	4		
Year		2022	2021				2019	2018		

SECTION 5: ICT GOVERNANCE

According to Principle 12 of King IV™, the purpose of IT Governance is "to support the organisation to set and achieve its objectives. To the above extent, ICT continues to recognize that technology is now more than just an enabler, but that technology is now both the source for future opportunities at JDA and for all platforms on which the JDA conducts its business.

The continual review of elements of the governance framework becomes pivotal in ensuring that the ICT governance are always up to date and importantly relevant.

In this quarter, several components of the governance framework are under review to ensure alignment, relevance and importantly value addition to the JDA's set objectives with regards to ICT.

The following policies and Frameworks are under review in the current quarter.

Policy/Framework	Duration	Status	Reviews this year
ICT Strategy	3 years	Approved	Q2
ICT Governance Charter	3 Years	Approved	Q2
ICT Security Policy	3 Years	Approved	Q1 (ready)

Automation Projects -SCM

The SAP SCM module is fully automated. The SCM Team has since the beginning of the current financial year captured cumulatively over 500 contracts in both the operational and capital expenditure environment. This initiative is a great boost not only buttressing the control environment for contracts management but also to the service delivery. Once contracts are captured, purchase orders are processed and approved, thereby enabling invoices processing to be more efficient.

Section 116

JDA has participated to enter into section 116(3) where Board granted the approval. There were seven (7) contracts that were approved for extension of time with no financial implication, two (2) contracts with the financial implications with the estimated value of R9 million and there were no objections from other Bidders.

Network Performance

The performance of the network remains stable at an average of 98%. The variance is due to the MTN network downtime at various times during the quarter.

SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

The Universal Regulatory Register (URR) and the MFMA Circular 68 Register are the two primary compliance management tools which are key pillars that bring to life what the Compliance Management Framework articulates.

The Universal Regulatory Register (URR) is made up of applicable legislation and regulations. The URR is split in three broad compliance management sections, which are the following:

- Compliance Universe
- Compliance Risk Register
- Compliance Assessment Report

The URR has identified 41 applicable Acts and Regulations that have been categorized as follows

- 18 identifies as Core / Primary
- 21 as Topical/ Secondary
- 2 as Pertinent/ Tertiary

In the second quarter, URR reflects a total of 41 Legislations / Regulations with a corresponding 302 compliance obligations identified. Two (2) are reported as non-compliant and details of such are captured on the table below:

Overall URR Compliance status:

Number of Obligations	Compliance %
100	
2	19
302	100%
	2

Table 15: Identified Non-Compliance and Action Plans / Status

Legislation	Relevant Section	Non-Compliance Finding	Committed Action Plan/Status
National Archives and Record Service of South Africa, No. 43 of 1996	Section 13(2)(c)	Public records are routinely inspected by records management staff.	Records Management Programme. The file plan is in place and the records management specialist was appointed. It is anticipated the records management policy and the entire program will be finalised in the next financial
Municipal Finance Management Act, No. 56 of 2004.	Section 99(2)(b)	Service Providers must be paid within 30 days.	The JDA has committed to establishing a centralized point for receiving and vetting invoices. Training is conducted on departmental level on how to vet invoices.

Municipal Finance Management Act, 56 of 2003 (MFMA) Section 32 stipulates that, unauthorized, irregular, fruitless and wasteful expenditure must be compiled and adopted by municipalities and municipal entities. Furthermore, there is MFMA Circular 68 that was issued by National Treasury on 10 May 2013, that deals with unauthorized, irregular, fruitless, and wasteful expenditure.

Accordingly, the JDA's second quarter compliance status of the MFMA Circular 68 report is illustrated in the table below:

Unauthorized, irregular, fruitless and wasteful expenditure

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Unauthorized Expenditure	None
Fruitless & Wasteful Expenditure	None
irregular Expenditure.	None
Failure to pay Service Providers within 30 days.	In the second quarter (July to December), there were 830 invoices paid amounting to R495 579 937. There are 85 invoices amounting to R72 446 710.35 that were paid outside the 30-day period. Meaning only 10% of invoices were paid outside the day's acceptable payment cycle. The reasons for paying Service Providers outside the 30 days permissible window period is attributed to various reasons.
	Management is in the process of identifying non-compliant individuals in order to hold them accountable and relooking at ways to improve the payment processes to ensure that 100% invoices are paid within the acceptable number of days.

SECTION 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The CSR committee supported the Alexandra Campus with Smart Boards at the value of R70,519 and Soweto infrastructure and construction Chamber at the value of R132,440 excl vat. The Sedlaka Primary School in Kalkfontein – Ivory Park requested Sport Kit at the value of R9,045. This support is central towards the creation of a conducive environment for the implementation of programmes that are going to benefit members of the community.

The table below illustrates the focus areas that guide the type of initiatives that get considered by the JDA:

TABLE 16: CSR FOCUS AREAS FOR THIS FINANCIAL YEAR:

Programme	Responsibility
Education	Support for community or public education facilities; programmes that support the production of indigenous, appropriate knowledge streams relevant to the JDA and its work; programmes that support improvement of Mathematics Science, Information and Communications Technology, Engineering for underprivileged children.
Training and development	Community training, skills development for unemployed or underemployed; ABET in the community; Women and Youth leadership development.
Arts and Culture	Arts and culture development in underprivileged areas and the development of new talent.
Conservation and Environment	Support projects that focus on conservation awareness and education including waste management, water conservation, energy and disaster relief programmes.
Area Regeneration	Upgrades to the built environment, area management initiatives which impact on cleanliness, safety and security, improved investment attraction to the area
Health	Support of community clinics; health programmes in community; HIV/AIDS Awareness and community food gardens and poverty alleviation
Community Sport	Support community sports development programmes in underprivileged areas
Goodwill	Donations – sponsorship (cash or in kind), partnerships e.g. Mandela Day activities, support charities chosen by staff and encourage staff to volunteer for community activities; inclusion of JDA employees in decision about CSR.

SECTION 8: SUSTAINABILITY REPORT

The Joburg 2040 GDS is driven by the goal of capable and capacitated communities and individuals. With this realised, the CoJ will be able to become a more sustainable, inclusive city in which people hold the potential and means to grow their neighborhoods, their communities, and themselves. A balanced focus on environmental management and services, good governance, economic growth, and human and social development will help in achieving a resilient and sustainable city – and a city in which all aspire to live.

The JDA's area-based development approach has evolved over the last 12 years. It begins by identifying the local competitive advantages, development needs, and opportunities within the development area. Capital works projects are then used to catalyze private investment, enterprise, and neighborhood development. This area-based development approach ensures the long-term sustainability of the capital assets created by ensuring a greater focus on developing strategic capital works projects, facilitating development to increase the impact of public investments, and establishing urban management partnerships to ensure the sustainability of the public investments.

During this reporting period, the JDA continued working closely with the Department of Development Planning to communicate the strategic vision for the TOD corridors and the City of Johannesburg's spatial transformation objectives. The JDA also participated in stakeholder engagements regarding spatial transformation and urban planning and the development of good practices.

Environmental Impact

Environmental sustainability plays an integral part in all the JDA's development projects, which all comply with environmental impact regulations. To minimize their environmental impact, all professional teams involved in preparing designs for the JDA are briefed to include the following environmental considerations:

- The design of more permeable ground surfaces and soakaways or swales to reduce the storm-water run-off in areas upgraded by the JDA to achieve sustainable urban drainage standards.
- Indigenous and water-wise planting in all landscaping interventions in compliance with City Parks requirements. These interventions are currently being implemented on most of JDA's public environment upgrades, NMT, streets and BRT related projects across the city.
- The environmental design for crime prevention guidelines as promoted by the City Safety Programme.
- Environmental construction and infrastructure options such as energy-efficient lighting and rainwater harvesting. This design intervention is currently being explored on JDA's BRT Depots and some Public Health Clinics that are at design stage.
- Environmental health regulations for informal trading where the JDA upgrades trading and taxi
 facilities. Currently, the JDA has four projects relating to the upgrading of Informal Trading and six
 projects relating to upgrading of Taxi Facilities.
- Including urban environmental management as an integral part of the urban regeneration projects that the JDA implements, such as, the upgrading of parks, the construction of storm-water facilities and public transport infrastructure and facilities. Currently, the JDA has more than six projects that focus on urban regeneration and public environment upgrades with more emphasis on Randburg, Orange Grove and the Inner City.

Five major outcomes define the Joburg 2040 GDS:

Outcome 1: A growing, diverse and competitive economy that creates jobs.

- Outcome 2: Enhanced, quality services and sustainable environmental practices.
- Outcome 3: An equitable and inclusive society with high quality of life.
- Outcome 4: Caring, safe, and secure communities.
- Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence.

Outcome 2 highlights the need for "Sustainable human settlements"". The CoJ plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (for example, housing, eco-mobility, energy, water, waste, sanitation, and ICT) to create a landscape that is livable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives. The two JDA programmes are a direct response to Outcome 2.

JDA Substantive Programme		JDA Sub-Programme
Strategic Economic Node Delivery	1A:	Inner city transformation Programme.
Programme.	1B:	Economic Node Sub-Programme.
2. Accelerated Public infrastructure Delivery	2A:	Deprivation Areas Revitalization Sub-Programme.
Programme.	2B:	Urban Infrastructure Delivery Sub-Programme.

SECTION 9: INSURANCE CLAIMS AGAINST/TO MOEs

There was no insurance claim filed in the second quarter of the 2022/23 financial year. The claims registered are emanating from the previous financial years. Refer to the table below for the current open claims against the JDA.

TABLE 17: INSURANCE CLAIMS

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
1.		51581697	01/11/2017	03/04/2019	Accidental damage	R250 000.00	Contractors all risk.	The insurance is in contact with the claimants, awaiting the finalization of submission of documentation from the claimant.
2.	2017/18	51574102	01/11/2017	03/04/2019	Accidental damage	R7 500.00	Contractors all risk.	Awaiting third party approach
3.	2017/18	51581695	01/11/2017	03/04/2019	Accidental damage	R49 680.00	Contractors all risks.	The insurance is in contact with the claimants, awaiting the finalization of submission of documentation from the claimant.
4.	2021/22	ADRS000 08010	02/10/21	04/10/21	Hailstorm damage	R1 471 729,96	Contractor's all risk.	The claim was approved, repairs are underway.
5.	2021/22	ADRS000 08351	02/10/21	02/10/21	Hailstorm damage	R350 286. 40	Contractor's all risk.	Case closed. The claim was paid off by the insurance.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The second quarter performance report has been prepared against the JDA's 2022/23 Business Plan and Scorecard. For the current financial year, the Johannesburg Agency is planning and implementing more than 100 projects with the total capex budget of approximately R 1.4 million. These projects are at various project implementation stages which are summarised as prefeasibility studies; feasibility studies, urban framework development; concept development; detailed design development; procurement of contract (contract award) and practical completion.

The projects implemented by the JDA contributes to three Key Mayoral Priorities – A City that get the basics right; A caring City and Business Friendly City, through four City's Strategic Programmes as follows:

- Inner City and Economic Node Transformation.
- Upliftment of marginalised areas.
- Implementation of the public wellness centres / clinics.
- Job Creation by engaging Emerging Community Based Contractor Development and through creation of short-term job opportunities.

During the quarter under review detailed designs for the repairs to two key existing Taxi Facilities in the Inner City were complete. Whereas contractors for the implementation of the economic nodes transformative projects were appointed - the Randburg Central Business District; Watt Street Precinct (opposite PAN African Taxi Rank); Melville Precinct Activation; Inner City Public Environment Upgrade; the Murray Park Library in the Inner City. These projects aim at improving pedestrian mobility and improving the general infrastructure upkeep in this critical economic nodes. Whereas the Murray Park Library upgrade aims at improving access to educational facilities on the Inner City.

In the current financial year the JDA is implementing several projects that aim at uplifting various marginalised areas such as Orange Farm; Ivory Park; Penniville; Diepsloot; Pageview; Klipfontein View; Deep South; Turfontein; Matholesville; Kaalfontien; Rabie Ridge; Soweto; Tshepisong; Cosmo City; Kya Sand. All these projects aim at providing basic infrastructure services such roads and stormwater; multi-purpose community centres and public transport infrastructure. During the current quarter four conceptual designs for community facilities related projects in Orange Farm were completed and approved. Whereas contractors to implement a multi-purpose community facility in Soweto; access roads in Alexandra; public environment upgrade in Pennyville and multi-purpose community centre in Betrams, were appointed.

The JDA is implementing 11 community based clinic across the City and all these clinics are in marginalised areas. This programme contributes towards a Caring City with the focus on uplifting marginalised areas through implementation of public wellness centres. During the current quarter four detailed designs for the clinics were completed, whilst the contractor for the implementation of the Protea South Clinic was appointed.

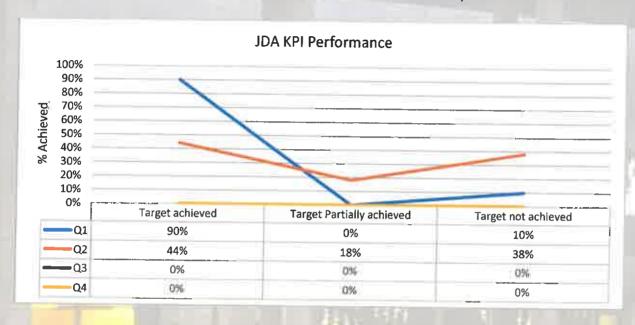
A key component of JDA's capex implementation programmes is creation of economic opportunities for emerging community-based contractors. These are contractors with CIDB grading level 1 to 5 whom often struggle to participate in the open market. As part of the provisions of the preferential procurement legislation, the JDA procurement policy compels all main contractors appointed by the JDA to subcontract a minimum of 30% of their appointed value of works to the emerging community based contractors. Above this contractors are expected to recruit all laborers from the directly affected communities. For the quarter under review the JDA has spent 47% of its current capex budget expenditure towards emerging community-based contractors

compared to a quarterly target of 5%. On other hand the JDA through its capex implementation is has created 223 short-term job opportunities compared to a quarterly target of 150 job opportunities.

As outlined in the JDA's 2022/23 Business Plan and Scorecard, in total there are 20 KPI's for the Agency (for the second quarter 16 KPI's are targeted and 4 KPI's are not targeted).

Regarding performance against the JDA's 16 targeted Strategic KPIs, 44% performance targets are achieved, 18% performance targets are partially achieved, and 38% performance targets are not achieved.

The JDA achieved eleven KPIs during the midyear, these include the resolution of internal audit findings that are tracked monthly through OPCA meetings, and the communication and media-related initiatives have increased in the quarter under review. There has been a notable increase in the number of EPWP work opportunities created and in SMME expenditure as a share of total expenditure in the second quarter.



The JDA's Programme Performance Information Policy and Reporting Framework covers the procedures and content in the JDA's programme performance information management system. This includes for example, the definition of key performance areas and indicators and targets in the business planning process and the articulation of the link between programme objectives and results and the performance indicators and targets. The policy is supported by a programme performance reporting framework based on a comprehensive scorecard. This scorecard lists all the output and outcome performance measures that the JDA should collect data on for a range of timeframes (quarterly, annually, or periodically). From this reporting framework, the annual scorecard is developed, and the performance targets are set. The JDA policy and reporting framework only defines a target as achieved with a 95–100% rating, a target as partially achieved with an 80–94% rating and a target not achieved with anything less than a 79% rating. Hence any less than 80% is regarded as not achieved.

TABLE 18: SUMMARY OF KPI PERFORMANCE

Target not Achieved (<79% rating)	ě			17%			20%	100%	33%	38%
Target not A	Count							74	.04	140
Target Partially Achieved (80% - 94% rating)	R			50%			360	×0	%0	18%
Target Partii (80% - 9	Count			м			0	0	0	en:
Target Achieved (95% - 100% rating)	×			33%			20%	Ě	%29	44%
Target Ach	Count			2				0	e	7
KPI Number (Ref)				(1-2-3-4- 5-6-7-8-9- 10)			(11-12)	(13-14)	(15-16-17-18-19-20)	
No of KPI's				ω			2	2	9	910
IDP Programs		Inner-city regeneral on, including key economic nodes	Increased infrastructure investment (from both public and private sectors)	Working to cut red tape and improve the ease of doing business in the city	Residents live, work, and play close to work, leisure and cultural opportunities	Efficient and effective transport	Increasing forensic investigative capability and controls	Focusing on driving up capital expenditure investment in infrastructure	Other IDP or Day-to Day programs	
IDP Priority /			Strategic priority: Integrated	Human Settlements and Sustainable service delivery.			Strategic priority: A well run City	Strategic priority: Financial Sustainability	Strategic priority: Day-to-day Program / Job opportunity and creation of Economic development	

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SECTION 2: SERVICE DELIVERY CHALLENGES

During the 2nd Quarter there are challenges that had effects on the JDA's ability to attain the set targets.

Firstly, during the current quarter under review, the City faced extreme cashflow issues which affected its ability to allocate the JDA with sufficient weekly and monthly cash flow to pay service provider on time. This meant the JDA could not pay its service providers on time and in turns that affected production rates on all the projects at construction stage. Some projects were suspended by contractors due to delayed payments whereas others were stopped by community members due to non-payment of community based SMMEs and general workers.

Secondly, some projects that were included in the JDA's Business Plan at the beginning of the Financial Year based on approved indicative budgets, did received final budget allocations from the City and Client Departments, thus could not be implemented nor could planned performance targets be achieved in the current quarter. Lastly, given the difficult current economic conditions, in particular delayed payments by project clients and sponsor, the construction industry has been impacted badly, and this has resulted in several contractors contracted by the JDA experiencing cashflow issues, which in turn negatively impacted planned production rates on site — and caused project delays.

Given these service delivery challenges, JDA continuously ensures that contractor performance is monitored on a regular basis and against the conditions of the contract. Procurements processes were agreed upfront as part of the Development Implementation Procurement Plan and has been monitored monthly.

SECTION 3: JDA

PROGRAMMES, PROJECTS, AND DAY-TO-DAY OPERATIONS

To ensure that the JDA is well positioned to respond to the development priorities as outlined above, the agency co-ordinates and manages its activities through three substantive programmes. In addition, the JDA ensures good governance of the organisation through one operational programme, resourced to support the optimal performance of the three substantive programmes.

TABLE 19: SUMMARY OF JDA PROGRAMMES

JDA Substantive Program IDA Sub-Program	I JDA Sub-Program	Purpose
1. Strategic Economic Node Delivery Program	1A: Inner-city transformation Sub- Program	Inner-city Guided by the Mayoral Priority on the Inner City and the Inner-City Roadmap the JDA will focus on strengthening transformation Sub- Program the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner-city precincts, address movement challenges, and improve the quality of the built environment across the inner city. The activities include managing the development of the Johannesburg inner city through capital investments in selected precincts, by overseeing integrated investments by other departments and entities, and by facilitating partnership integrated investments by other departments and entities, and by facilitating and by facilitating and activities.
	18:Economic Node Sub- Program	The objective is to develop nodes that are compact, walkable, live able, mixed-use, and mixed-income areas and centers around which to densify. They should be areas where people can live, work, and play and have good access to public transit. Guided by the CoJ policy ³ on the categorizing of the current city nodes with prospects for growth, the work of the program is to promote densification, diversification, and development in these nodes. The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) under and neighborhood codes.
2. Accelerated Public infrastructure Delivery Program	2A: Deprivation Areas Revitalization Sub-	Investment is specifically required to eradicate backlogs and deficiencies of engineering and social infrastructure related to the revitalization of deprivation areas. Investment in these areas also needs to address the structural and built form aspects that have been raised in the SDF. Infrastructure investment is therefore targeted at resolving problems specifically related to the deprivation areas and at the same time create sustainable and live able settlements as an outcome. Several deprivation area programs are already in place (previously referred to as marginalized area programmes) including Orange Farm, Diepsloot, Ivory Park/Kaalfontein and Alexandra.

The objective is to deliver on the City's priority social effectively and efficiently and/or economic infractive	programs.	This work includes overseeing capital investments by other departments and entities. This program includes	Vaya BRT infrastructure, taxi and transport facilities, primary healthcare clinics and fire-stations.
28:Urban infrastructure	Delivery Sub-Program		

SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

Section Not Applicable to JDA

SECTION 5: CAPITAL PROJECTS & EXPENDITURE

Capital expenditure is the primary measure of the JDA's performance, and the budget for the capital projects to be implemented forms part of the agency's Annual Business Plan and Scorecard.

billion (2021/22: R1.4 billion). This represents 26,73% (2021/22: 29.39%) of the overall annual budget. There are still various factors that continue Actual capital expenditure for the second quarter ended 31 December 2022 was R386.4 million (2021/22: R416.8 million) against the budget of R1.4 to affect projects including poor contractor performance.

TABLE 20: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE

Overall Programme 2022/23 Target YTD Actual YTD Target % % Actual / Annual budget Performance Annual Budget R' 000 R' 000 Expenditure R' 000 R' 000 R' 000 R' 000 Performance 1445 598 505 959 386 441 76%						
ne 1 445 598 505 959 386 441 76%	Overall Programme Performance	2022/23 Annual Budget	Target YTD	Actual YTD	Target %	% Actual / Annual budge Expenditure
ne 1 445 598 505 959 386 441 76%		R' 000	R' 000	R/000	*	
	Overall Programme Performance	1 445 598	656 505	386 441	76%	26,73

SECTION 6: ORGANISATIONAL PERFORMANCE

performance in terms of both the JDA's service delivery mandate and financial and other resource The JDA's progress towards achieving its KPIs is assessed using the performance scorecard, which measures management processes. The scorecard targets, which are set and agreed on by JDA management, the Board, and the Shareholder, aim to improve the JDA's performance and efficiency, and achieve longer-term goals for specific developments, such as area-based revitalization.

The JDA policy and reporting framework only define a target as achieved with a 95–100% rating, a target as partially achieved with an 80–94% rating and a target not achieved with anything less than a 79% rating. Hence anything less than 80% is regarded as not achieved.

Performance per programme and per KPA are summarized in the table below;

Table 20:1 KPI ACHIEVEMENT RATINGS

Current JDA Rating	95 - 100% rating	80% -94% rating	<79% rating
Rating	Target achieved	Target partially achieved	Target not
Achievement	0	0	3

TABLE 21: SCORECARD

Integrated Human Settlements and Sustainable service delivery

Variations and steps to be taken to improve performance. None required. OUTCOME: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy Achievemen progress as at the **Explanation of** December 2022 arget Achieved end of 31 STRATEGIC PROGRAMME: Accelerated and visible delivery and re-introduction of co-production in the delivery of the basic service Quarterly t Rating 0 2022/23 2022/23 Variance 0 0 Actual 0 0 STRATEGIC PRIORITY: Integrated Human Settlements and Sustainable service delivery Target 02 0 0 Ivory Park UDF **Annual Target** 7 (cumulative) 4 (cumulative) New KPI 2 (cumulative) Baseline 2022/23 2021/22 Annual Te ij of New KPI Ø nodes studies conducted.4 transport (Public and 3) Number of urban OUTPUT: Sustainable Human Settlements Residents studies conducted. Key Performance Indicator Inner-city regeneration 1)Number of pre-Number connecting development key feasibilities public and private feasibilities frameworks investment (from both 2) implementation of the Increased infrastructure work, Development Corridors Efficient and effective leisure, and cultural live, work and play home, work, culture. including Transit-Oriented program e/s opportunity close to economic Freight) sectors)

Program e/s lindicator ne la saeli 2022/23 Annual 2022/23 Variance ne la concept design investment (from both public and private sectors) Residents in defective transport (bublic and effective transport (bublic and effecti	STRATEGIC PROGRAMME: Accelerated Human Settlements and Sustainable service delivery STRATEGIC PROGRAMME: Accelerated and visible delivery and re -introduction of co-production in the delivery of the basic service	
the concept design phase. d ay	ariance Quarterly Explanation of Achievement progress as at the end Rating of 31 December 2022	Variations and steps to be taken nd to improve performance 22

	 Chris Hani – Phase 2 Community Century 	1. Target Achieved	larget number 11, Protea Glen
	Arts and Technology Centre (Drieziek Node) Drieziek Recreation Park		Department of Health as it was not
	5. Lenasia TOD – Phase2		eady for implementation. The dient is yet to resolve the Land
		1	Allocation for this project.
	Transport Facilities in Orange Farm 9. South Hills Clinic.	9. Target Achieved	
	 PTF: Small Public Transport Facilities: Tshepisong. 	11. Target not Achieved	
	11. Protea Glen Clinic Protea South Clinic.		
5) Number of projects in New detailed design phase.	33 (cumulative) 14 13 -1	Target partially Achieved	

2. Elias Motsoaledi Clinic 3. Jack Mincer PTF 4. Ivory Park Public Environment Upgrade (IPPEU) Blamini Drive – Phase 2 5. Hikensile Clinic 6. Complete Streets: NMT to linking Phefeni 7. Public Transport Stops: Cosmo City 8. Complete Streets: NMT Links to Public Transport Facilities in Tshepisong 9. PTF: Small Public Transport Facility Design and Construction of Lakeside Nodal Transport Facilities (Stops) 10. Fleet Africa PTF – Phase 1 11. Rabie Ridge Clinic 12. Freedom Park Clinic 13. Protea South Clinic 14. 14. Ivory Park Urban Renewal Programme (Kopanong) Koponong MPC) 4 34 (cumulative) 7 6 — 1 Target partially Achieved Target partially Achieved Target Achieved 11. Target Achieved 12. Target Achieved 13. Target Achieved 14. Target Achieved 15. Target Achieved 16. Target Achieved 17. Target Achieved 18. Target Achieved 19. Target Ach			 Chris Hani Phase 1 		1.Target Achieved	Target number 9 the completion of
3. Jack Mincer PTF 4. Ivory Park Public Environment Upgrade (IPPEU) Dlamini Drive – Phase 2 5. Hikensile Clinic 6. Complete Streets: NMT to linking Phefeni Station 7. Public Transport Stops: Cosmo City 8. Complete Streets: NMT Links to Public Transport Facilities in Tshepisong 9. PTF: Small Public Transport Facilities in Tshepisong Construction of Lakeside Nodal Transport Eacilities (Stops) 10. Fleet Africa PTF – Phase 1 11. Rabie Ridge Clinic 12. Freedom Park Clinic 13. Protea South Clinic 14. 14. Ivory Park Urban Renewal Programme (Kopanong) Koponong MPC) Indicate Clinic 14. 14. Ivory Park Urban Renewal Programme (Kopanong) Koponong MPC) Indicate Partially Achieved Indicate Partially Indicate Partially Indicate Partially Achieved Indicate Partially Indicate Indicate Partially Indicate I					2 Target Achieved	ho concept decime for the completion of
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	projects reaching the			①	Target partially Achieve	

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Alex Depot – Access road Alex Depot – Access road Watt Street Precinct, Wynberg Pennyville Precinct Renewal Precinct Redevelopment PENNYVILLE EXT.1 B City Wide (Phase1) JAG Johannesburg Art Gallery Bertrams Multi-purpose centre – Phase 2 Shelters for Displaced Persons Johannesburg Central Library -Phase 2	rget number 5, was not achii cause the Department mmunity Development did ovide budget for nannesburg Art Gallery (JAG s project was removed from A's implementation plan.		
Yetta Nathan Community Centre – Phase 2 Alex Depot – Access road Watt Street Precinct, Wynberg Pennyville Precinct Renewal Precinct Redevelopment PENNYVILLE EXT.1 B City Wide (Phase1) JAG Johannesburg Art Gallery Bertrams Multi-purpose centre – Phase 2 Shelters for Displaced Persons Johannesburg Central Library -Phase 2			
	1. Target Achieved 2. Target Achieved 3. Target Achieved 4. Target Achieved 5. Target Achieved 6. Target Achieved 7. Target Achieved		

есопоту	Variations and steps to be taken to improve performance	
pportive of a low carbon	of e end 2022	arget not Achieved
nfrastructure su	or the delivery of Quarterly Achievement Rating	
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delivery	2022/23 Q2 Actual	
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e urban environm nts and Sustainabl	2022/23 Annual 2022/23 2022/23 Variance Target Q2 Q2 Target Actual	31 (cumulative)
sustainable te Settlemer	Baseline 2021/22	4
OUTCOME: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy of the basic service STRATEGIC PROGRAMME: Accelerated and visible delivery and re-introduction of co-production in the delivery of the basic service IDP Rey Performance Baseline 2021/23 Annual 2022/23 Variance Quarterly Indicator 2021/22 Target Actual Reylementation on including key regeneration on including the projects including the projects including the Implementation of Increased infrastructure investment (from both public and private and play doze to work. Increased infrastructure investment (from both public and private and play doze to work.) A 4 8 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9		
OLITPLIT: Sustainahl STRATEGIC PRIORIT STRATEGIC PROGRA	IDP program e/s	Inner-city regeneration on, including key economic nodes including the implementation of the Transit-Oriented Development Corridors Increased infrastructure investment (from both public and private sectors) Residents live, work and play close to work, live, work and cultural opportunity efficient and opportunity filtents, and cultural opportunity efficient and effective transport (Publicand Freight) connecting home, work, culture.

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arfontein achieved artment, Agency, of the financial project 023. er City was not ruggling most of iis has etion of revised January of the delayed ashflow ed the rce the n time.	
ber 1, Modderfontein ect was not achieved a Client Department of the Roads Agency e confirmation of the the current financial mpletion of the project was not it has been struggling we issues for most of ial year. This has delayed completion of the revised date is 30 January payment of the invoices was delayed internal cashflow and this affected the billight to resource the if the project on time.	
e project to the inesburg ing the er the common the caship Frecashilow financia ed in de project in the mpleted The cator's ir to i aints an etion of	
rein BridgeTarge been due to Bridge sburg Road due slaying the obar an of the budge the curren ear. In. I arge tor for the artin rith cashflow his rost of this he ar. This has compl of the Fargel of the contract onter contact comple	
Modderfontein project has been he Johannesburg Agency, delayin confirmation or budget for the confirmation project has truggling with casulted in dompletion of project.	
eets Alive)	0
Modderfontein Bridge Inner City Partnership Fund (Streets Alive) Jabulani TOD – Swimming pool	0
ontein Brit	0
 Modderfontein Bridge Inner City Partnership Jabulani TOD – Swimm 	1 (cumulative)
	m
	8) Number of precinct management implementation plans

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A well run City

OUTCOME: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, , locally integrated and globally competitive **Gauteng City**

OUTPUT: A responsive, accountable, efficient and productive Metropolitan Government

STRATEGIC PRIORITY: A well run City

STRATEGIC PROGRAMME: Governance in the interest of people and reduce corruption

	Variations and steps to be taken to improve performance	None required.	Majority of the audit findings will be cleared in Q3, some of the audit findings have been cleared.
	Explanation of progress as at the end of 31 December 2022	Target Achieved	Target not Achieved
	Quarterly Achievement Rating	①	3
	2022/23 2022/23 Variance Q2 Q2 Target Actual	151	φ
i de la	2022/23 Q2 Actual	81%	92%
ירמונים רסו	2022/23 Q2 Target	30%	100%
	2022/23 Annual Target	100%	100%
	Baseline 2021/22	92%	Unqualified audit opinion
	Key Performance Indicator	11)Percentage resolution of Internal Audit findings.	12)Percentage esolution of Auditor eneral findings.
	IDP programs	Increasing forensic investigative capability and controls	

Financial sustainability

OUTCOME: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City.

OUTPUT: Financially and administratively sustainable and resilient city.

STRATEGIC PROGRAMME: Improve and strengthen financial position. STRATEGIC PRIORITY: Financial sustainability

IDP programs	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q2 Target	2022/23 Q2 Actual	Variance	Quarterly Achieveme nt Rating	2022/23 2022/23 Variance Quarterly Explanation of progress as Q2 Achieveme at the end of 31 December Target Actual	Variations and steps to be taken to improve performance
Focusing on driving up capital expenditure investment in infrastructure	Dudget spent on city wide infrastructure.	80,49%	95% (cumulative)	35%	26,73% -8,77%	-8,77%	3	Targets not Achieved.	The improvement in the City's inancial position and payment or nvoices may lead to the improved expenditure against targets.
	14) Percentage of valid 92% Invoices paid within 30 days of the Invoice date.	92%	100%	100%	85%	-15%	0	larget not achieved as a sesult of citywide cashflown ssues.	Target not achieved as afthe improvement in the City's result of citywide cashflow inancial position may lead change ssues. Owards ensuring that payments are done within 30 days.

Health pleased management plans had an operationalised Probenieshed or produced minimum, or updained illnood discurrents completed out when the areas committed and passed fellows.

Day-to-day Program / Job opportunity and creation and Economic Development

l of citizens. veness of the economy		
OUTCOME: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential OUTPUT: Job-intensive economic growth, increased competitiveness of the economy and Increased competiti STRATEGIC PRIORITIES: Job opportunity and creation and Economic Development.	COME: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.	PUT: Job-intensive economic growth, increased competitiveness of the economy and Increased competitiveness of the economy ATEGIC PRIORITIES: Job opportunity and creation and Economic Development

	Variations and steps to be taken to improve performance	None required	None required.	None required	Vone required
	Explanation of progress as at the end of 31 December 2022 t	Target Achieved No	Target Achieved	Target Achieved	Target Achieved
	Quarterly Achievement Rating	③	①	①	0
SMMEs	Variance	K L Z	+73	+42%	+18%
support of	2022/23 Q2 Actual	100%	223	47%	35%
pment and	2022/23 Q2 Target	100%	150	2%	20%
and Economic Develc	2022/23 Annual Target	100%	500 (cumulative)	30% (cumulative)	95% (cumulative)
nd creation	Baseline 2021/22	103%	412	44%	104%
STRATEGIC PROGRAMME: Job opportunity and creation and Economic Development and support of SMMEs	Key Performance Baseline Indicator 2021/22	15)Percentage spent on Broad-Based Economic Empowerment through local procurement as a	16)Number of Expanded Public Works Programs (EPWP) work opportunities created tty-wide.	17) Percentage of SMIME xpenditure as a share of total expenditure.	18) Percentage spend on DA operating budget gainst approved operating budget.
STRATEGIC PROG	IDP program/s	Other IDP or Day-to-Day Programs			

Day-to-day Program / Job opportunity and creation and Economic Development

STRATEGIC PRIORITIES: Job opportunity and creation and Economic Development

IDP program/s Key	Key	Performance Indicator	Baseline 2021/22	2022/23 Annual 2022/23 2022/23 Variance Target Q2 Q2 Target Actual	2022/23 Q2 Target	2022/23 Q2 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31	Variations and steps to be taken to improve performance
Other IDP or Day-to-Day Programs	mplem the st marrage plan fine	mplementation of mplementation of he strategic risk management action plan findings resolved.	100%	95% (cumulative)	000%	20%	-50%	③	Target not achieved	In O2, only one action was scheduled or, bringing the total number of action plans to a total of 22 (both for old & Q2), thus total action plans implemented for both Q1 & Q2 is 11 out of a total of 22 equating to 50%. This indicates that only 2 action plans were implemented in Quarter. Monthly follow up with management will be conducted as part of the corrective measure to ansure target is met.
	20) Per predeterm objectives achieved	rcentage of mined s	26%	85%	85%	55%	-30%	3	Target not Achieved	As a result of not reaching targets.

Pald works for an individual for any period, the same individual can be employed on different projects and each period will be counted as a work opportunity.

6.1 PROGRAMME EXPENDITURE

For period ended 31 December 2022

TABLE 22: EXPENDITURE BY FUNDING SOURCE

		CAPEX FOR	FOR THE QUARTER		CAPEX FOR	CAPEX FOR THE YEAR		ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGFT	IISEN
PROJECTS PER FUNDING SOURCE	æ	ac.	8	at.	K	*	*	æ	*
JDA ON BUDGET				The same	Carthelin			The second	
INNER CITY EASTERN GATEWAY_TOD AND MOVEMENT CORRIDORS	0	10 500 000	(10 500 000)	0	10 500 000	(10 500 000)	(100,00%)	30 000 000	%00'0
REGENERATION OF LENASIA CBD AND ANCHORVILLE INDUSTRIAL HUB – REGION G	393 558	5 250 000	(4 856 442)	393 558	5 250 000	(4 856 442)	(92,50%)	15 000 000	2,62%
PENNYVILLE PRECINCT RENEWAL	815 442	8 750 000	(7 934 558)	815 442	8 750 000	(7 934 558)	(90,68%)	25,000,000	/00C C
RANDBURG CBD REGENERATION RENEWAL	473 913	12 250 000	(11 776 087)	473 913	12 250 000	(11 776 087)	(96 13%)	35 000 000	3,20%
MELVILLE ACTIVITY STREET	3 367 485	7 000 000	(3 632 515)	3 367 485	2 000 000	(3000000)	favertoch	000 000 55	1,35%
REVITALISATION OF PAGEVIEW AND VREDEDORP	119 280	350 000	(230 720)	119 280	350 000	(3 632 515)	(51,89%)	20 000 000	16,84%
CORR - LOUIS BOTHA CORRIDOR OF FREEDOM TRAFFIC IMPACT ASSESSMENT	13 320 435	15 750 000	(2 429 565)	13 320 435	15 750 000	(2 429 565)	(15,43%)	45 000 000	79 60%
NODE INFRASTRUCTURE PROJECTS	0	7 000 000	(7 000 000)	0	7 000 000	(7 000 000)	(100,00%)	20 000 000	0.00%
DIEPSLOOT DEVELOPMENT RENEWAL PRECINCT REDEVELOPMENT DIEPSLOOT WES	7 557 023	10 500 000	(2 942 977)	7 557 023	10 500 000	(2 942 977)	(28,03%)	30 000 000	25,19%
IVORY PARK TURNKEY PROG DLAMINI DRIVE	15 091 752	2 450 000	12 641 752	15 091 752	2 450 000	12 641 752	515,99%	7 000 000	215 60%
WATT STREET PRECINCT, WYNBERG	406 683	5 250 000	(4 843 317)	406 683	5 250 000	(4 843 317)	(92.25%)	15 000 000	2 71%
JABULANI TOD: PHASE 6A - SAFE HUB	20 315 101	8 750 000	11 565 101	20 315 101	8 750 000	11 565 101	132.17%	25 000 000	81 25%
ORANGE FARM TURNKEY PROJECT	98 650 307	66 897 250	31 753 057	98 650 307	66 897 250	31 753 057	47,47%	191 135 000	51.61%

		CAPEX FOR THE QUARTER	OR THE		CAPEX FOR THE YEAR	E YEAR		ANNUAL	BUDGE
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	T
PROJECTS PER FUNDING SOURCE	œ	a.	*	4	æ	4	*	oc	%
KLIPTOWN URBAN RENEWAL PROGRAMME	0	598.850	(288 820)	0	598.850	(298 820)	(100,00%)	1,711,000	%00′0
23775 NOHY PARK URBAN RENEWAL PROGRAMME	0	8 494 500	(8 494 500)	.0	8 494 500	(8 494 500)	(100,00%)	24 270 000	%00'0
SOWETO STRATEGIC AREA FRAMEWORK	31 175	700 000	(668 825)	31 175	700 000	(668 825)	(95,55%)	2 000 000	1,56%
OPERATIONAL CAPEX NEW OPERATIONAL CAPEX NEWTOWN F	0.	2 450 000	(2 450 000)	0	2 450 000	(2 450 000)	(100,00%)	7 000 000	%00'0
INNERCITY CORE	5 098 569	000 008 9	(1 201 431)	5 098 569	000 000 9	(1 201 431)	(19,07%)	18 000 000	28,33%
BRIXTON SOCIAL CLUSTER: WORK PACKAGE 1 NEW MULTIPURPOSE	5 634 586	4 200 000	1 434 586	5 634 586	4 200 000	1 434 586	34,16%	12 000 000	%56'91
NEW TURFONTEIN CLINIC AND MULTIPURPOSE	10 952 346	13 618 850	(2 666 504)	10 952 346	13 618 850	(2 666 504)	(19,58%)	38 911 000	28,15%
INNER CITY PARTNERSHIP FUND - ROUND 1: YEOVILLE	3 503 351	2 600 000	(2 096 649)	3 503 351	2 600 000	(2 096 649)	(37,44%)	16 000 000	21,90%
KEIPFÖNTEIN WELLNESS CENTRE	8 632 342	14 000 000	(5 367 658)	8 632 342	14 000 000	(5 367 658)	(38,34%)	40 000 000	21,58%
ROODEPORT CBD REGENERATION RENEWAL PRECINCT REDEVELOPMENT	2 211 397	\$ 250 000	(3 038 603)	2 211 397	5 250 000	(3 038 603)	(57,88%)	15 000 000	14,74%
SUB-TOTAL	196 574 745	221 909 450	(25 334 705)	196 574 745	221 909 45 6 ;-	(25 334 705)	(11,42%)	634 027 000	31.00%

PROJECTS PER FUNDING SOURCE R R R R R R R R R		1	CAPEX FOR	THE QUARTER		CAPEX FOR	CAPEX FOR THE YEAR		ANNUAL	BUDGE
THY DEVICED MENT THE PARTY IN THE PARTY		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PACE	PROJECTS PER FUNDING SOURCE	æ	×	œ	2		ac	8		*
VERY CONSTRUCTION 0 1400 000 (1400 000) 0 1400 000 (100,00%) 4000 000 VERY CHARLET 0 1750 000 (1750 000) 0 1750 000 (1750 000) (100,00%) 5 000 000 MACHINEANY 0 1750 000 (1750 000) (1750 000) (1750 000) (100,00%) 5 000 000 CHANILE 9 9246 974 13 172 250 13 925 276 9 246 974 13 172 250 (1750 000) (100,00%) 3 000 000 CHANILE 9 791 792 10 500 000 (708 208) 9 791 792 10 500 000 (708 208) 6 745 300 7 000 000 7	COMMUNITY DEVELOPMENT									
NOTION N	LEHAE MPC NEW CONSTRUCTION	c	1 400 000	4 000						
1,150,000 1,15	JOHANNESBURG LIBRARY F	3	1 400 000	1 400 000	0	1 400 000	(1 400 000)	100 00%	4 000 000	%00'0
17.00 17.0	VAN DE TRIBUTA	0	1 750 000	(1 750 000)	0	1 750 000	(1 750 000)	(100,00%)	5 000 000	%00′0
1757/LIKE 2791.792 10 500 000 700 208) 9 791.792 10 500 000 700 2083 67.74% 30 000 000 000 000 000 000 000 0	NAALFON EIN WIPC NEW	9 246 974	13 172 250	(3 925 276)	9 246 974	13 172 250	(3 925 276)	(29.80%)	37 635 000	24.57
Committee Comm	MPC MAI HOLESVILLE	9 791 792	10 500 000	(708 208)	9 791 792	10 500 000	(708 208)	(6,74%)	30 000 000	32.64
NATIONIC PARTICLES 12 631 349 10 185 000 2446 349 12 631 349 10 185 000 2446 349 24,02% 29 100 000	DRIEZIEK MPC	0	700 000	(700 000)	0	700 000	(700 000)	(100,00%)	2 000 000	0.00%
NATION S83 920 S83 9	REPAIRS TO COMIM DEV FACILITIES	12 631 349	10 185 000	2 446 349	12 631 349	10 185 000	2 446 349	24,02%	29 100 000	43,41
31 254 035 37 707 250 (5453 215) 32 254 035 37 707 250 (5453 215) (14,46%) 107 735 000 2	UBLIC ART FOUNTAINS	583 920	0	583 920	583 920	0	583 920	%0	0	%0
ALTINIC ALINIC	SUB-TOTAL	32 254 035	37 707 250	(5 453 215)	32 254 035	37 707 250	(5 453 215)	(14.46%)	107 725 000	70 0487
CLINIC O 515 550 (515 550) O 515 550 (100,00%) (10	DEPARTMENT OF HEALTH								200 000 100	23,3470
CLINIC O 2578 450 (2578 450) O 2578 450 (100,00%) 7367 000										
CLINIC 0	ELIAS MOISOALEDI CLINIC	٥	2 578 450	(2 578 450)	0	2 578 450.	(2 578 450)	(100,00%)	7 367 000	0.00%
CLINIC 380 399 1289 050 18 177 809 26 040 700 18 177 809 26 040 700 26 0413 26 040 700 26 0413 26 040 700 26 0413 26 040 700 26 0413 26 040 700 26 0413 26 040 700 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 25 550 27 27 27 27 27 27 27 27 27 27 27 27 27 2	PROTEA GLEN CLINIC	0	515 550	(515 550)	0	515 550	(515 550)	(100 00%)	1 473 000	70000
CLINIC 0 515 550 (515 550) (515 550) (100,00%) 1473 000 CLINIC 380 939 1 289 050 (1 289 050) </td <td>SOUTH HILLS CLINIC</td> <td>0</td> <td>515 550</td> <td>(515 550)</td> <td>c</td> <td>1</td> <td></td> <td>(acceptance)</td> <td>000 574 1</td> <td>0,00%</td>	SOUTH HILLS CLINIC	0	515 550	(515 550)	c	1		(acceptance)	000 574 1	0,00%
CLINIC 16 554 772 10 313 450 6 241 322 16 554 772 10 313 450 6 241 322 6 241 322 6 0,52% 29 467 000 CLINIC 380 939 1 289 050 (10 313 450) 6 241 322 6 0,52% 29 467 000 H CLINIC 380 939 1 289 050 (908 111) 380 939 1 289 050 (908 111) 361 159 7 735 000 3 683 000 RK CLINIC 381 159 7 735 000 (6 873 841) 861 159 7 735 000 (6 873 841) (70,45%) 3 683 000 RK CLINIC 380 939 1 289 050 (908 111) 177 809 1 289 050 (908 111) 70,45%) 3 683 000 18 177 809 26 040 700 7 862 891 18 177 809 26 040 700 7 862 891 7 4402 000	ZANDSDOUTCHAC	3 3		(occ ctc)	0	055 515	(515 550)	(100,00%)	1 473 000	%00′0
CLINIC 380 939 1 289 050 (1 289 050) 1 289 050 1 289 050 1 289 050 1 289 050 1 289 050 2 467 000 H CLINIC 380 939 1 289 050 (908 111) 380 939 1 289 050 (908 111) 380 939 1 289 050 3 683 000 RK CLINIC 380 939 1 289 050 (908 111) 861 159 7 735 000 (6 873 841) 861 159 7 735 000 (6 873 841) 3 683 000 RK CLINIC 380 939 1 289 050 (908 111) 180 939 1 289 050 (908 111) 770,45%) 3 683 000 18 177 809 26 040 700 7 862 891 18 177 809 26 040 700 7 862 891 7 402 000	CONTROL CLIMIC	0	515 550	(515 550)	0	515 550	(515 550)	(100,00%)	1 473 000	0,00%
CLINIC 380 939 1289 050 (1289 050) 0 1289 050 (1289 050) (100,00%) 3 683 000 LINIC 380 939 1289 050 (908 111) 380 939 1289 050 (908 111) (70,45%) 3 683 000 RK CLINIC 380 939 1289 050 (908 111) 180 939 1289 050 (908 111) 70,45%) 3 683 000 18 177 809 26 040 700 (7 862 891) 18 177 809 26 040 700 74 402 000	NALEDI CLINIC	16 554 772	10 313 450	6 241 322	16 554 772	10 313 450	6 241 322	60,52%	29 467 000	56 18
HINIC 380 939 1 289 050 (6 873 841) 380 939 1 289 050 (6 873 841) (70,45%) 3 683 000 RK CLINIC 380 939 1 289 050 (6 873 841) (70,45%) 3 683 000 RK CLINIC 380 939 1 289 050 (908 111) 18 177 809 2 6 040 700 (7 862 891) (7 862 891) (7 862 891) (7 862 891) (7 862 891) (7 862 891) (7 862 891)	RABIE RIDGE CLINIC	0	1 289 050	(1 289 050)	0	1 289 050	(1 289 050)	(100.00%)	3 683 000	× 0000
H CLINIC 861 159 7 735 000 (6 873 841) 861 159 7 735 000 (6 873 841) (88,87%) 22 100 000 RK CLINIC 380 939 1 289 050 (908 111) 180 939 1 289 050 (908 111) (70,45%) 3 683 000 18 177 809 26 040 700 (7 862 891) (30,19%) 74 402 000	HIKHENSILE CLINIC	380 939	1 289 050	(908 111)	380 939	1 289 050	(908 111)	(70.45%)	3 683 000	10.34
RK CLINIC 380 939 1 289 050 (908 111) 180 939 1 289 050 (908 111) (70,45%) 22 100 000 18 177 809 26 040 700 (7 862 891) 18 177 809 26 040 700 (7 862 891) (7 862 8	PROTEA SOUTH CLINIC	861 159	7 735 000	(6 873 841)	861 150	7 735 000	10000000	(0.00./2)	200	+C,01
18 177 809 26 040 700 (7 862 891) 18 177 809 26 040 700 (7 862 891) (30,19%) 74 402 000	FREEDOM PARK CLINIC	380 039	1 200 050	(OOB 414)	001 100	000 6677	(D 8/3 84I)	(88,87%)	22 100 000	3,90%
26 J40 700 (7 862 891) 18 177 809 26 040 700 (7 862 891) (30,19%) 74 402 000	SUB-TOTAL	10 177 800	1 203 030	(308 111)	80 939	1 289 050	(908 111)	(70,45%)	3 683 000	10,34
		10 1// 809	Z6 040 700	(7 862 891)	18 177 809	26 040 700	(7 862 891)	(30,19%)	74 402 000	24,43

		CAPEX FOR THE	R THE		CAPEX FC	CAPEX FOR THE YEAR		ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	œ	œ	az	œ	æ	ede i	×	æ	*
HOUSING							ŀ		ı
BRAAMFISCHERVILLE EXT	8 362 390	2 100 000	6 262 390	8 362 390	2 100 000	out the			
FINETOWN PROPER GRAVEL ROADS	0	2 800 000	(2 800 000)	000 7000	7 700 000	0 262 390	298,21%	9 000 000	139,37%
LAKESIDE EXT 5 GRAVEL BOADS	1 503 /70	2000 000 2	(2 000 000)	0	2 800 000	(2 800 000)	(100,00%)	8 000 000	0,00%
DRIEZIEK 3 4 AND E LIDGOADE	OVECET	00000/	(5 406 530)	1 593 470	7 000 000	(5 406 530)	(77,24%)	20 000 000	7 97%
Delizier 3, 4 AND 3 OF SRADE	0	15 750 000	(15 750 000)	0	15 750 000	(15 750 000)	(100,00%)	45 000 000	0.00%
UB-TOTAL	9 955 860	27 650 000	(17 694 140)	9 955 860	27 650 000	(17 694 140)	(83,99%)	000 000 62	12 60%
TRANSPORTATION					STEWART CO				
PTF: SMALL PUBLIC TRANSPORT	.0	200,000	1000,007,		PARTY OF THE		111	A TEST	
EACULTIES, TSHEPISONIT		200	(100 000)	0	200 000	(200 000)	(100,00%)	2 000 000	%00'0
COMPLETE STREETS: NMT FACILITIES LINKING RAILWAY STATIONS NEW	7 964 265	7 700 000	264 265	7 964 265	7 700 000	264 265	3,43%	22 000 000	36,20%
PTF: SMALL PUBLIC TRANSPORT FACILITY DESIGN KYA SAND NEW	279 048	1 750 000	(1 470 952)	279 048	1 750 000	(1 470 952)	(84,05%)	5 000 000	5,58%
CARR STREET PUBLIC TRANSPORT	776 109	10 500 000	(9 723 891)	776 109	10 500 000	(100 CCT 0)	2007		
FLEET AFRICA PUBLIC TRANSPORT	2 258 369	1 750 000	508 369	3 259 350	4 710 000	(160 67 (6)	(92,61%)	30 000 000	2,59%
METRO MALL PUBLIC TRANSPORT	504 305	000 001 0	200 00	2 200 200	1 /30 000	508 369	29,05%	2 000 000	45,17%
PTF SMALL PUBLIC TRANSPORT	004530	3 500 000	(2.895.704)	604 296	3 500 000	(2 895 704)	(82,73%)	10 000 000	6,04%
PTE: SMAIL PHRILC TRANSPORT		000 0C/ T	(1 /30 000)	0	1 750 000	(1 750 000)	(100,00%)	2 000 000	0,00%
FACILITIES: ORANGE FARM EXTZ	13 570 143	3 500 000	10 070 143	13 570 143	3 500 000	10 070 143	287,72%	10 000 000	135,70
MITCE IE 31 REETS: NIMI LINKS	0	1 750 000	(1 750 000)	0	1 750 000	(1 750 000)	(100 00%)	5,000,000	àcc
COMPLETE STREETS DEEP SOUTH	10 102 421	8 750 000	1 352 421	10 102 421	8 750 000	1 352 421	15 46%	25,000,000	0,00,0
PIFROSEBANK	52 046	5 250 000	(5 197 954)	52 046	5 250 000	(5 197 954)	(99 01%)	15 000 000	40,4170
COMPLETE STREETS TURFONTEIN	11 389 752	5 250 000	6 139 752	11 389 752	5 250 000	6 139 752	116.05%	12,000,000	0,35%
PUBLIC TRANPORT STOPS : COSMO	485 614	1 750 000	(1 264 386)	485 614	1 750 000	(4 204 200)	410,93%	15 000 000	75,93%
COMPLETE STREETS: NMTLINKING	302 100	1 750 000	(1 447 000)	202 400	000000	(1 204 380)	(72,25%)	2 000 000	9,71%
SMALL: PTF LAKESIDE NEW NODAL	c	200 002	(000 (54.1)	302 IOO	1 /50 000	(1 447 900)	(82,74%)	2 000 000	6,04%
PTF SUNNINGHILL	2	200,000	(200,007)	0	700 000	(200 000)	(100,00%)	2 000 000	%00'0
DANDO INCOME	144 584	700 000	(555 416)	144 584	700 000	(555 416)	(79,35%)	2 000 000	7.23%
INDEANG COD INANSPORT	519 763	333 261	186 502	519 763	333 261	186 502	55,96%	952 174	54.59%

		CAPEX FOR 1	THE QUARTER		CAPEX FO	CAPEX FOR THE YEAR		ANNOAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	Hen
PROJECTS PER FUNDING SOURCE	R	*	ex.	ac.	ď	*	*	œ	3
ZANDSPRUIT AND SURROUNDING AREAS	1 273 622	969 989	636 927	1 273 627	202.262				
				770 077	060 060	036 97/	100,04%	1 819 130	70,01%
IRAVEL DEMAND MANAGEMENT	389 792	913 044	(523 252)	389 792	913 044	(523 252)	(57,31%)	2 608 696	14.94%
PARKING MANAGEMENT POLICY	0	456 522	(456 522)	0	456 522	(456 522)	(100,00%	1 304 348	%000
COMPLETE STREETS: NMT LINKING	0	1 750 000	(1 750 000)	D	1 750 000	(1 750 000)	(100,00%	000000	Nación de
LENASIA SCHOLAR TRANSPORT	21 500	700 000	(678 500)	21 500	700 000	(678 500)	(%26 96)	000000	0,00%
FRANK BROWN PARK SOCIAL HOUSING	0	140 000	(140 000)	0	140 000	(140 000)	(100,00%	400 000	T,U6%
HIGH COURT PEU	o	175 000	(175 000)	0	175 000	(175 000)	(100.00%	200,000	2000
HILLBROW HEALTH PRECINCT UPGRADE	0	175 000	(175 000)	0	175 000	(175,000)	(100 00%	000000	0,00%
INNER CITY WALKABLE NETWORK	0	175 000	(175,000)	c	475 000		avontant)	200 005	%00′0
#EASIBILITY STUDY FOR THE			(concern)	5	175 000	(175 000)	(100,00%	200 000	%00'0
MAREMENTATION OF THE ICM ROODEPOORT TO JHB CND.	a:	1 037 217	(1 037 217)	0	1 037 217	(1 037 217)	(100,00%	2 963 478	%00'0
FEASIBILITY STUDY FOR THE IMPLEMENTATION OF THE ICM (ORANGE	0	857 044	(857 044)	a	857 044	(857 044)	(100,00%	2 448 696	%000
HIGH COURT	0	121 739	(121 739)	0	121 739	1002 1011	1,00,000,		
DESMOND TUTU	0	456 522	(456 522)	0	756 E22	(45,733)	(100,00%	347 826	%00′0
PARKING STRESS (MABONENG)	286 004	339 652	(53 648)	286 004	330 657	(456 522)	(100,00%	1 304 349	%00'0
JACK MINCER	972 257	7 612 500	(6 640 243)	972 257	7 612 500	(5,540,343)	(%08/51)	970 435	29,47%
FORDSBURG PEU	a	280 000	(280 000)	0	280,000	(242 040 0)	(67,23%)	21 750 000	4,47%
SUB-TOTAL	51 391 685	73 709 196	(71 817 E11)	14 204 501	200,000	(280 000)	(100,00%	800 000	%00′0
		00 F00 F00	(716 /10 17)	51 391 685	73 209 196	(21817511)	(20 804)	200 150 133	

			יווני עטאאוניא		CAPEX	CAPEX FOR THE YEAR		ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	æ	Œ.	œ	×	4	es.	if.	ar.	*
SOCIAL DEVELOPIMENT									
SHELTER FOR DISPLACED PEOPLE	0	000,003,0	1000						
BETRAMS MULTIPURPOSE CENTRE		non one s	(3 500 000)	0.	3 500 000	(3 500 000)	(100,00%)	10 000 000	0.00%
THE WATER STORY OF THE STORY OF	20 451 787	20 302 450	149 337	20 451 787	20 302 450	149 337	0.74%	58 007 000	25 3697
TELIA INALHAN SUCIAL DEVEOPMENT	10 392 442	15 750 000	(5 357 558)	10 392 442	15 750 000	(5 357 558)	(34 03%)	41 000 000	33,20%
NORTHERM , FLEURHOF FARM AND EIKENHOF FARM	0	875 000	(875 000)	0	875 000	(875 000)	(100,00%)	2 500 000	23,09%
LOUIS BOTHA - CO - PROBUCTION ZONE FOR SOCIAL INTERVENTIONS RENEWAL CORRIDORS OF FREEDOM	922 633	1 225 000	(302 367)	922 633	1 225 000	(302367)	(24,68%)	3 500 000	26.36%
MINOR UPGRADES OF ALL SOCIAL DEVELOPMENT FACILITIES IN ALL THE REGIONS	Ð	1 750 000	(1 750 000)	0	1750000	(1 750 000)	(100,00%)	5 000 000	%000
SUB-TOTAL	31 766 862	43 402 450	(11 635 588)	31 766 862	43 402 450	(11 635 588)	(26,81%)	124 007 000	25.67%
TRANSPORTATION PTNG									
PHASE 1C STATIONS									
ALEVANDOS PROCE	17.487.784	73 828 350	(11340566)	12 487 784	23 828 350	111 340 566	47 50%	000 000	
Evalupa DEPOI	3 158 348	9 691 500	(6 533 157)	3 158 343	9 691 500	(6 533 157)	(67 41%)	27 690 000	18,34
SECTION 15K (WATT INTERCHANGE STATION ROAD WORKS AND BRIDGES)	7.01	4 200 000	(4 200 000)	0	4 200 000	(4 200 000)	(100,00%)	12 000 000	0.00%
OTHER: LAND	0	1 050 000	(1 050 000)	0	1 050 000	(1 050 000)	(100 00%)	2 000 000	1000
SELBY DEPOT 2C	66 992	12 689 950	(12 622 958)	66 992	12 689 950	(12 622 958)	(99,47%)	36 257 000	0.18%
OTHER: PASSENGER INFORMATION SIGNAGE(FINGER BOARDS - "ON	332 304	4 472 300	(4 139 996)	332 304	4 472 300	(4 139 996)	(92,57%)	12 778 000	2,60%
SUB-TOTAL	16 045 473	55 037 100	(FE2 200 0C)	16 045 423					

PROJECTS PER FUNDING SOUNCE R<			CAPEX FOR	CAPEX FOR THE QUARTER		CAPEX	CAPEX FOR THE YEAR		ANNUAL	BUDG
CTS PER FUNDING SOURCE R 510 422 R 510 423 R 510 422 R 510 423 R 510 422 R 510 423		ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	RUDGET	ET
Constrict Prototypes Todds R 2964 356 R 2 053 934 R 910 422 R 2 964 356 R 2 053 934 R 9 10 422 R 2 964 356 R 2 053 934 R 9 10 422 R 2 964 356 R 2 053 934 R 9 10 422 R 2 964 356 R 2 053 934 R 9 10 422 R 2 964 356 R 2 053 934 R 9 10 422 R 2 964 356 R 2 053 934 R 9 10 422 R 2 964 356 R 2 053 934 R 9 10 422 R 2 964 356 R 2 053 934 R 2 964 356 R 2 053 934 R 2 964 356 R 2 053 934 R 2 964 366 R 2 054 964 R 2 064 964 366 R 2 064 9	PROJECTS PER FUNDING SOURCE	œ	a	Œ	R	æ		終		35
CODISTRICT PROTOTYPES TOD R 910 422 R 2964 356 (R 2 053 934) R 910 422 R 2 964 356 (R 2 053 934) (69,29%) ODSS PRINCIPE SCRIPTION 23 249 562 23 249 562 23 249 562 276 248 276 248 276 248 276 248 276 748 277 504 279 248 276 748 279 248 276 748 279 248 276 748 276 748 9 203 765 (66 67 885) 2 55 78 880 9 203 765 (66 67 885) 2 55 28 880 9 203 765 (66 67 885) 2 57 57 48 276 748 9 203 765 (66 67 885) 2 57 57 48 276 748 9 203 765 1 7 455%) 9 203 765 1 7 455%) 9 203 765 1 7 455%) 9 203 765 1 7 455%) 9 200 767 1 7 2 455%) 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	ОТНЕК									
STATE STAT	TEST ECO DISTRICT PROTOTYPES TOD CORRIDORS	R 910 422	R 2 964 356	(R 2 053 934)	R 910 422	R 2 964 356	(R 2 053 934)	(69,29%)	R 8 469 588	10.75%
ODE RIDGE 576 748 210 688 484 601 273 913 210 688 9 203 765 248 601 279 248 9 506 748 297 309 370 000 370 248 9 203 765 484 601 279 248 9 203 765 6 667 885) 277 248 9 203 765 6 667 885) 277 248 9 203 765 6 667 885) 273 248 9 203 765 6 667 885) 273 28 735 (120 924) 10 200 200 10 20	Sentral Fire Station	23 249 562			23 249 562					20101
PRINCIPLE PAPER 297 500 279 248 576 748 197 500 1279 248 576 748 197 500 1279 248 576 748 197 500 1279 248 576 748 197 500 1	NEXANDRA AUTO HUB SECURITY	484 601	273 913	210 688			210 688	9,00%	782.609	%26.19
RECONTEIN BRIDGE 2.535 880 9.203 765 (6.667 885) 2.535 880 9.203 765 (6.667 885) (72,45%) 26 SET JOINTS 8 811 2.28 735 (219 924) (96,15%) 14 LATION OF ZANDSPRUIT 0 350 0000 (350 0000) 0 350 0000 (100,00%) 13 LATION OF ZANDSPRUIT 0 350 0000 (2.909 139) (2.909 139) (3.90 000) (1.00,00%) 13 LATION OF ZANDSPRUIT 0 2.62 500 (2.909 139) (2.909 139) (3.90 000) (2.909 139) (3.90 000) (3.90 000) (3.90 000) (3.90 000) (3.90 00) (3.90 000) (3.90 000) (3.90 000) (3.90 000) (3.90 00) (3.90 000) (3.90 000) (3.90 00) (3.90 000) (3.90 00) (3.90 000) (3.90 000) (3.90 000) (3.90 000) (3.90 00) (3.90 000) (3.90 000) (3.90 000) (3.90 000) (3.90 00) (3.90 000) (3.90 000) (3.90 000) (3.90 000) (3.90 00) (3.90 000) (3.90 000) (3.90 000) (3.90 000) (3.90 00) (3.90 000) (TH ROAD BRIDGE	576 748	297 500	279 248	576 748	297 500	279.248	33,86%	850 000	67.85%
SER JOINTS 8 811 228 735 (219 924) 8 81 228 735 (219 924) (96,15%) 1 LATION OF ZANDSPRUIT PRAMEWORK 0 350 000 0 350 000 (100,00%) 1 DEVELOPMENT FRAMEWORK 0 262 500 (2909 139) (200 139) (100,00%) 1 DIVAL MARKET FLOOR SPACE 1 250 861 4 200 000 (262 500) (100,00%) 1 PIVALION OF NOORDWYK 0 262 500 (262 500) (100,00%) 1 RROUND 100 MARENEWAL COMMUNITY 0 262 500 (100,00%) 1 R PEU 262 500 (105 000) 0 262 500 (100,00%) 1 R REU 0 105 000 (105 000) 0 105 000 (100,00%) 1 R PEU 1 217 665 1 575 000 (1385 000) 0 1575 000 (100,00%) 1 S S 440 969 505 959 415 (11 029 347) (11 029 347) (11 029 347) (14 9 982	4ODDERFONTEIN BRIDGE	2 535 880	9 203 765	(6 667 885)	2 535 880	9 203 765	(6 667 885)	(72,45%)	26 296 472	9.64%
LATION OF ZANDSPRUIT Column Colum	12 FINGER JOINTS	8 811	228 735	(219 924)	8 811	228 735	(219 924)	(96,15%)	653 528	1 2 2%
DNAL MARKET FLOOR SPACE 1 290 861 4 200 000 (2 909 139) (69,27%) 1 UCTION OF NOORDWYK 262 500 262 500 (262 500) 0 262 500 (262 500) (100,00%) 1 SHOUND DING OF MEADOWLANDS 262 500 (262 500) (262 500) 0 262 500 (100,00%) 1 NR ENEWAL COMMUNITY 30 105 000 (105 000) 0 262 500 (100,00%) 1 N RENEWAL COMMUNITY 30 105 000 (105 000) 0 262 500 (100,00%) 1 N RENEWAL COMMUNITY 385 000 (105 000) 0 105 000 (100,00%) 1 ITA DEVELOPMENT BULK 1217 665 1575 000 (385 000) 0 1217 665 1575 000 (357 335) (48 9) S 489 386 440 969 505 959 415 (110 518 446) (110 518 446) (121,435) 1445	ORMULATION OF ZANDSPRUIT RBAN DEVELOPMENT FRAMEWORK	0	350 000	(350 000)	0	350 000	(350 000)	(100,00%)	1 000 000	%00 0
UCTION OF NOORDWYK	DDITIONAL MARKET FLOOR SPACE	1 290 861	4 200 000	(2 909 139)	1 290 861	4 200 000	-1	Core day		Non'o
MENEWAL COMMUNITY 0 262 500 (262 500) 0 262 500 (100,00%) 48 98 M RENEWAL COMMUNITY 0 105 000 (105 000) 0 105 000 (100,00%) 100,00%) M R PEU 0 105 000 (105 000) 0 105 000 (100,00%) 1 UCTION OF PHIRI 1 217 665 1 575 000 (385 000) 0 1 217 665 1 575 000 (357 335) 1 217 665 1 575 000 (357 335) (100,00%) 1 S 6 114 566 17 143 913 (11 029 347) (64,33%) 48 98 JTAL 6 114 566 17 143 913 (110 518 446) (119 518 440) (119 518 440) (119 518 440) (119 518 440) <td>ONSTRUCTION OF NOORDWYK</td> <td>0</td> <td>262 500</td> <td>(262500)</td> <td>0</td> <td>262 500</td> <td>HD.</td> <td>(100,00%)</td> <td>12 000 000</td> <td>10,76%</td>	ONSTRUCTION OF NOORDWYK	0	262 500	(262500)	0	262 500	HD.	(100,00%)	12 000 000	10,76%
PEU	PGRADING OF MEADOWLANDS ADIUM RENEWAL COMMUNITY	0	262 500	(262 500)	0	262 500	(262 500)	(100,00%)	750 000	0,00%
UCTION OF PHIRI INPO E CENTRE ITA DEVELOPMENT BULK 1 217 665 1 575 000 (385 000) (3	AYFAIR PEU	0	105 000	(105 000)	0	105 000	(105 000)	(100,00%)	300 000	%000
ITA DEVELOPMENT BULK 1217 665 1575 000 (357 335) 1217 665 1575 000 (357 335) (22,69%) 17AL 6 114 566 17 143 913 (11 029 347) (64,33%) 48 9 386 440 969 505 959 415 (119 518 446) 886 440 969 505 959 415 (119 518 446) (23,62%) 1445	DNSTRUCTION OF PHIRI ULTIP IRP OF CENTRE	0	385 000	(382 000)	0	385 000	(382 000)	(100,00%)	1 100 000	0000
)TAL 6 114 566 17 143 913 (11 029 347) 6 114 566 17 143 913 (11 029 347) (64,33%) 386 440 969 505 959 415 (119 518 446) 386 440 969 505 959 415 (119 518 446) (23,62%)	ASINGITA DEVELOPMENT BULK RVICES	1 217 665	1 575 000	(357 335)	1 217 665	1575 000	(357 335)	(22,69%)	4 500 000	27,06%
386 440 969 505 959 415 (119 518 446) 386 440 969 505 959 415 (119 518 446) (23,62%)	JB-TOTAL	6 114 566	17 143 913	(11 029 347)	6 114 566	17 143 913	(11 029 347)	(64,33%)	48 982 609	12,48%
	JTAL.	386 440 969	505 959 415	(119 518 446)	386 440 969	505 959 415	(119 518 446)	(23,62%)	1445 598 329	26,73%

6.2. ECONOMIC DEVELOPMENT

A cluster of the JDA's economic development programmes that aims to:

- (i) Develop skills and capacity within the construction industry in Johannesburg
- (ii) Optimize the JDA's contribution to inclusive economic growth and empowerment, and the transformation of the construction industry; and
- (iii) Establish a monitoring and reporting system to measure the impact of the JDA's managing contractor development programme.

TABLE 23: EPWP PERFORMANCE

JDA Program	Q1 EPWP	Q2 EPWP
Program 1	23	16
Program 2	42	54
Program 3	33	55
TOTAL	98	223

6.3. GOOD GOVERNANCE, MANAGEMENT AND ADMINISTRATION

This programme manages the governance, admin and operational functions and improves efficiency through Finance, Governance, Risk and Compliance, Supply Chain Management, and IT.

CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

SECTION 1: HUMAN RESOURCE MANAGEMENT

The JDA aims to be the employer of choice in its field. This is supported by the JDA's overall objective, as set out in its Employment Policy, to ensure that its employment practices and remuneration policies motivate and retain talented employees and create an attractive work environment. The JDA periodically reviews all its employment policies and practices in line with applicable prescripts to ensure that it remains relevant and practical for the changing world of work and is attractive to potential employees.

Since May 2019, the JDA became a two-union workplace, with SAMWU (The South African Municipal Workers' Union) being the majority union ahead of IMATU (Independent Municipal and Allied Trade Union).

The JDA has adopted a new structure with new naming conventions and new role profiles.

The structure includes:

Top Management consists of the Chief Executive Officer (CEO)

Executive Management consists of the Executive Management Committee Team excluding the CEO i.e., the:

- 1. Chief Financial Officer (CFO),
- 2. Executive Manager: Project Implementation,
- 3. Executive Manager: Development Planning and Facilitation
- 4. Executive Manager: Corporate Services,
- 5. Chief Audit Executive and the
- 6. Company Secretary

Senior Management consists of Heads of Departments and Managers in the departments that reports to their Executives without heading departments, it comprises of:

- 1. Senior Project Managers x4
- Senior Manager: Project Planning & Development Facilitation,
- 3. Senior Manager: Spatial/Urban Planning & Business Development,
- 4. Senior Manager: Strategy, Performance, Risk and Administration,
- 5. Senior Manager: Financial Management,
- 6. Senior Manager: Supply Chain Management,
- 7. Senior Manager: Human Capital Operations and Talent Management,
- 8. Senior Manager: Communication, Marketing and Public Relations,
- 9. Senior Manager: Internal Audit x2,
- 10. Senior Manager: Information, Communication & Infrastructure Management,

In terms of physical location, there are 97 employees including temporary workers who are based at the JDA Head Offices in Newtown. The JDA also hosts 16 Security Guards as part of the City of Johannesburg insourcing project.

TABLE 24: COST OF SICK LEAVE - (1 OCTOBER 2022 - 31 DECEMBER 2022)

Salary band	Total sick leave	Proportio n of sick leave without medical	Employe es using sick leave	Total employees in post ⁴	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R
Top management	0	=	0	1	0	0
Executive management (including Chief Audit Executive)	2	÷	1	5	0,4	0
Senior management	6	8	1	11	0,54	14,677.44
Middle management	10	2.	2	37	0,27	16,206.01
Skilled technical/junior management	0		0	24	0	36,680.37
Semi-skilled	0		0	10	0	0
Unskilled	0		0	9	0	0
TOTAL	18	0%	4	97	0.18	29,438.32

SECTION 2: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

The Total Remuneration Costs for the period ending 31st December 2022 amount to R40 042 155. This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: The eloburg Retirement Fund and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, for the period ending 31st December 2022 amount to R565 285.

SECTION 3: KEY VACANCIES

The following is a list of key vacancies recorded in quarter of the 2022/23 financial year:

TABLE 25: KEY VACANCIES

Open Vacancies	Progress
Chief Financial Officer	Recruitment Stage
Company Secretary	Recruitment Stage
Executive Manager: Corporate Services	Recruitment Stage
Manager: Strategy & Performance Monitoring	Recruitment Stage
Senior Manager: Internal Audit	On hold due to Budget
Senior Manager: Information, Communication & Infrastructure	Recruitment Stage
Senior Project Manager	Recruitment Stage
Senior Manager: Development Planning & Facilitation	On hold due to Budget

TABLE 26: STAFF ESTABLISHMENT

Description	Approved no. of posts per approved organogram	No. of employees	No. of vacancies	% of vacancies
Total	144	97	53	36,80

Description	Approved no. of posts per approved organogram	No. of employees	No. of vacancies	% Of vacancies
Top management level	1	1	0	0%
Executive management	6	5	1	16.7%
Senior management	19	11	8	42 1%
Middle management	47	37	13	27,7%
Skilled technical/junior management	42	24	18	42,9%
Semi-skilled	13	10	3	23,1%
Unskilled housekeepers/cleaners	16	9	10	62,5%
Total	144	97*	53	36,80%

^{*}Five employees are on fixed term contracts

The basis for turnover rates is annual. To give an accurate indicator of the turnover rates year on year. In the current period under review staff turnover is 4,2%.

TABLE 27: TURNOVER RATE

Details	Total active employees at the	Terminations during financial year (YTD)	Turnover rate
	No.	No.	100
2022/23	94	4	4 2%

A total of 4 terminations recorded.

TERMINATIONS

Department	
	Gender
Corporate Services	Black Female
Office of the CEO	Black Female
Finance	Indian Female
Human Resources	Black Male

Retention Initiatives

The JDA remains committed to mitigate against resignations through various initiatives. These seek to make the JDA an employer of choice by way of offering competitive market related remunerations structures to promote staff retention as follows:

- Structured interventions for employee development.
- Organizational development and Job profiling.
- Periodic Salary Benchmarking to ensure alignment and best practice with industry remuneration packages along with participation with CoJ initiatives on pay parity.
- Accelerated interventions targeted at continuous improvement on employee relations and employee engagement.

^{*}Inclusive of employees within a pool

SECTION 4: EMPLOYMENT EQUITY

The JDA is committed to the principles of equity, non-discrimination and diversity enshrined in the Constitution and the Employment Equity Act (1998) as amended. It aims to employ a diverse staff complement which is of a geographical representation of our society and create equal employment opportunities to all.

The JDA's Employment Equity Policy and Plan aims to advance and protect previously disadvantaged individuals by providing opportunities for career advancement, growth, training, and development.

The Executive Committee and Human Resources and Remuneration Committee provide regular input into the organization's employment equity practices, strategies, direction, and initiatives.

Structures such as Employment Equity Committee and Nominated Shop Stewards have been put in place to coordinate and monitor employment equity implementation across the organisation.

The JDA Human Resources undertakes an annual review of its employment equity processes and general employment practices to inform the implementation of the Employment Equity Plan

The JDA Human Resources plans its annual employment equity targets in terms of its Employment Equity Policy and reports to the Department of Labor in accordance with the provisions of the Employment Equity Act and within legislated timeframes.

TABLE 28: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW

					- 11-				J. C.		U I
Occupational Levels	Male				Femal #				Foreign N	ationals	Tota I
	A	c	1	w	Ã:	¢	10	w	Male	Female	
Top Management	1	0	0	0	0	0	0	0	0	0	1
Executive Management	3	0	0	0	2	0	1	0	0	0	5
Senior Management	5	0	0	0	6	0	0	0	0	0	11
Professionally Qualified and Experienced specialists and midmanagement.		1	0	0	21	1	0	0	0	0	37
Skilled technical and Academically qualified workers, junior management, supervisors, foremen, and superintendents.		0	0	0	16	0	1	0	0	0	24
Semi-skilled and discretionary decision making.	3	0	0	0	7	0	0	0	0	0	10
Unskilled and defined decision making	5	0	0	0	-4	0	0	0	0	0	9
Total Permanent	38	1	0	0	56	1	1	0	0	0	97
Temporal Employees	0	0	0	0	0	0	0	0	0	0	0
Grand Total	38	1	0	0	56	1	1	0	0	0	97

The JDA status for period under review:

- 96,9% of employees are Black African.
- 59,8% of employees are Female.
- 47,1% of Executive and Senior management positions are held by black females.
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

Black African employees 80.9% 96,9% Senior Management Female 35.9% 47,1% Disability 2% 1%	Senior Management Female 35.9% 47,1% Disability 2% 1%	Senior Management Female 35.9% 47,1% Disability 2% 1%		City Targets	JDA Achievements
Disability 2% 1%	Disability 2% 1%	Disability 2% 1%	Black African employees	80.9%	96,9%
Disability 2% 1%	Disability 2% 1%	Disability 2% 1%		35.9%	
			Disability	2%	1%
				of C	ARDS C

TABLE 29: STAFF MOVEMENTS

Staff movements	African	African		Colored			White	Total	
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	1	4	0	0	0	0	0	0	5
Deceased	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Retirements	0	0	-0	0	0	0	0	0	0
Dismissal	1	0	0	0	0	0	0	0	1
Resignations	0	3	0	0	0	0	0	0	3
End of contract	0	0	0	0	0	0	0	0	0
Total	2	1	0	0	0	Ö	0	0	9

SECTION 5: SKILLS DEVELOPMENT AND TRAINING

The JDA is committed to maintaining a healthy workforce The JDA is committed to employee training and development, ensuring a variety of skill sets, thus building a pool of competent employees. It aims to provide an integrated learning experience to its employees that will strengthen their commitment to the organization's values, enhance leadership capability and improve the JDA's capacity to meet current and future business requirements.

The JDA's Learning Strategy is based on four pillars:

- Understanding the educational requirements of the organisation, based on competency assessments and pivotal training.
- Best practice learning design.
- Timely and appropriate learning delivery.
- Assessment of the impact of learning interventions on overall company performance.

The JDA has created a culture of both on-the-job and off-the-job learning, which is embraced by all employees. Training is an ongoing process of improving employees' knowledge, skills, and attitude to enhance job performance and create opportunities for growth and career advancement.

An Individual Learning Plan (ILP) is both a document and a process that employees use – with support from Line Management and Human Resources to address areas of development and to define their career goals throughout their employment at the JDA. Training, which is part of Human Resources Development, is an on-going process of improving employees' knowledge, skills, and attitude to enhance job performance, create opportunities for growth and advance careers.

The JDA funds appropriate Human Resources Development programmes that are practical and outcomes-based. It also supports employees who wish to attain further qualifications to improve their productivity and career enhancement.

A budget of R 613 000 has been allocated for training and development for the 2022/23 financial year. The actual expenditure stands at R63 106, the training expenditure typically peaks within Q3 as most formal and professional bodies membership registrations occur within that period. The JDA supports the attainment of further educational qualifications by employees to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

Section 6: Performance Management

The JDA views performance management as an integral part of the JDA 's business strategy which ensures that employees deliver on the agreed scorecard and excellent performers are rewarded accordingly.

The JDA uses a scorecard to evaluate employee performance. Individual performance indicators are linked to the JDA's objectives and the City of Johannesburg's integrated development plan scorecard. Objectives that reinforce the culture of governance and risk management among managers are also included.

As part of continuous employee development, coaching, mentorship, and training interventions are implemented to assist employees to perform to the required performance standards.

SECTION 7: DISCIPLINARY MATTERS AND OUTCOMES

The following table summarized the outcome of disciplinary hearings conducted within the entity for the period under review:

TABLE 30: DISCIPLINARY HEARINGS FINALISED AS AT 31 DECEMBER 2022

Type of misconduct	Number	% Of Total
Dishonesty	0	0 - 0
Absenteeism	0	0 1
Insubordination	0	Ö
Negligence	1	100%
Poor performance other than incapacity	0	0
Improper behavior	0	0
Theft	0	0
Misuse of state vehicle	0	0
Suspension	0	0
Total	100	100%

SECTION 8: LEAVE AND PRODUCTIVITY MANAGEMENT

The JDA is committed to the effective management of leave for its employees, and all Line Managers should ensure effective planned leave management within their respective Departments.

The following table gives an analysis of the various leave types and how they were utilized by JDA employees in the period under review.

The most highly utilized leave type is annual leave with a total of 281 days, with maternity leave being the second most utilized leave type, with a total of 66 days, and finally study leave 47 days.

TABLE 31: LEAVE ANALYSIS PERFORMANCE AS AT 31 DECEMBER 2022

Type of Leave	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	Total
Annual Leave	51	63	9	81	61	16	281
Sick Leave	3	4	11	13	5	0	36
Family Responsibility	0	5	1	0	2	0	8
Study Leave	0	15	22	6	4	0	47
Maternity Leave	0	0	0	21	22	23	66
Paternity Leave	0	0	0	0	10	0	10
TOTAL	54	87	43	121	104	39	448

SECTION 9: EMPLOYEE WELLNESS

The JDA is committed to maintaining a healthy workforce and providing a safe and hygienic working environment. The JDA has Life EHS as a service provider outsourced to offer free trauma counseling and free legal and financial advice for all employees. The service provider is appointed to offer a confidential, 24-hour personal support and information service, which employees, as well as their partners and immediate family, may access through a toll-free number for assistance with health, financial, legal, and other issues.

The JDA receives statistical information on the issues discussed to enable it to identify and implement solutions to the issues raised. The identities of the employees who use this service remain strictly confidential. The overall objective therefore of the employee wellness program is to improve the quality of life of all its employees through the provision of quality, sustainable and lifelong Wellness Programmes that work towards the holistic development and support of all employees professionally and confidentially while providing support and assistance to alleviate the impact of everyday work, personal and family challenges.

HIV/AIDS in the Workplace

The JDA's HIV/AIDS Policy is aligned with the City of Johannesburg's policy and its HIV/AIDS coordinator attends the CoJ HIV and AIDS Committee meetings. The policy ensures that no employee is discriminated against based on their HIV status. All employees must respect the confidentiality of information regarding existing or potential employees with life-threatening illnesses.

Any employee who divulges information without the employee's knowledge or consent will be disciplined in accordance with the disciplinary code and procedure of the JDA. The JDA reserves the right to request medical advice or intervention in instances where an employee's illness adversely affects performance, or where an employee claims that he/she cannot work in certain situations due to illness. All employees are encouraged to know their HIV status and to remain healthy if they are living with HIV.

The HIV/AIDS Programme runs awareness and educational campaigns provide free condoms, shares videos, and offers free helplines. The program ensures that employees with HIV/AIDS are treated in a fair, consistent manner and are informed about their rights and employee benefits.

SECTION 10: EMPLOYEE BENEFITS

The Total Remuneration Costs for the period ending 31st December 2022 amount to R40 042 155. This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: The eloburg Retirement Fund and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, for the period ending 31st December 2022 amount to R565 285.

SECTION 11: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

The service provider is now appointed for the thirty-six-month period, to ensure compliance at the Bus Factory through quarterly OHASA audits. The Safety, Health and Environmental Legal compliance audit was conducted, it concluded with the average audit score of 94.18% for the quarter. This is within the desired audit score however some concerns were raised.

This includes the noted water leakage problem at the JDA that are posing a significant high safety, health and environmental risk to the JDA employees, tenants and visitors.

The safety audit is meant to identify risks and cases of non-compliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance.

OHS COVID-19

As the employer, JDA has an obligation to ensure compliance with COVID-19 Occupational Health and Safety Measures in Workplaces (C19 OHS), 2020, and Disaster Management Act, 2002. To ensure compliance with the above-mentioned regulations a compliance manual informed by OHS COVID-19 regulations has been communicated to all staff, which states health and safety protocols. As per para. 47 of regulations, a COVID-19 compliance manager has been appointed, to among other things, ensure adherence to the standards of hygiene, safety, and health protocols relating to COVID-19 at the workplace.

CHAPTER 5: FINANCIAL PERFORMANCE

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

STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 31 DECEMBER 2022

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	Notes
1	The degreeses on the manufactual design of the second of t
	The decreases on the property plant and equipment it is due to decreases in depreciation because of the change in accounting estimate.
2	The increases on the current asset it due to the following (1) The favourable variance on trade receivable it is due to invoices that were issued to COJ in December.
3	Changes on the Reserve/Net Assets it is due to the deficit of R3.8 million. We are awaiting interest write off by the counci which will reduce the deficit balance on the accumulated reserve.
4	The movement of the non-current liability is immaterial.
5	The variance is above than the target overdraft of R300 million. This is mainly due to invoices that were raised /accrued in June 2022 that were paid in July -August. However, JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account.
6	The reason for not being able to pay invoices within 30 days is due to the Cash Flow challenges which is currently being experienced with the COJ.

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 DECEMBER 2022

	Original approved		Year to date		
	Budget	Actual	Budget	Variance	Notes
	R'000	R'000	R'000	R'000	
Gross revenue	124 057	46 559	62 029	(15 470)	5
Operating costs	(116 850)	(48 285)	(58 425)	10 140	6
Gross surplus/(deficit)	7 207	(1 733)	3 604	(5 337)	
Other operating Income and expenditure	(7 207)	(22 292)	(3 604)	(3 964)	
Interest expense	(7 207)	0	(3 604)	3 604	7
nterest income	0	0	0	0	
Deficit before		(24 025)	0	7	
Faxation	0	0	0	0	
Surplus/(Deficit) after tax	0	(24 025)	9		Del 25

No	es
5	Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budget revenue by 25% due to capex expenditure not being achieved
6	The negative variance is mainly due to delay in the procurement process which resulted in the target not being achieved and also because of vacant positions.
7	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that was received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account. The outstanding balance as at the end of the second quarter relates to balances that were owing from the 2021/22 financial year.

SECTION 3: CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2022

		Year to date	
	Actual	Budget	Variance
	R'000	R'000	R'000
Cash flows from operating activities	(33 584)	(134)	(38 440)
Receipts			
Grants	0	0	
Interest received	o	0	0
Cash receipts from CAPEX funding	496 700	718 173	(228 541) 11
COST TECCIPES ITOM CAPEX funding		0	(228 541) 11
Other receipts		0	0
		0	0
Payments			
Employee cost			S 7 ALTONO
Suppliers	(40)	(80)	39 12
Taxes	(530 244)	(718 173)	190 006
Cash flows from investing activities	0	0	0
Expenditure to maintain			- V
operating capacity			
Property, plant, and equipment acquired			
Proceeds from sale of property, plant, and equipment	0	1744	0
Purchase of intangible assets			0
Cash flows from financing activities	0		0
Movement in project funds payable	33 584	(300)	38 874 14
	0	0	0
Proceeds from Shareholders' loan	33 542	(300)	38 874
Repayments of Shareholders' loan			0
	(42)	0	
Finance lease repayments	(42)	(80)	38
Net increase/(decrease) in cash and			
cash equivalents	0	(434)	: 434
Cash and cash equivalents at peginning of the year	1	1	(1)
Cash and cash equivalents at the end of the year	.1	(433)	433

Notes	
11	The positive balance is mainly due to the June 2022 claim paid within the current year.
12	The variance it mainly due to vacant position that are not yet filled.
13	The variance is due to site being closed due to COJ cash flow challenges and therefore not able to achieve target.
14	The variance is due to the inability of COJ not paying claims within 30 days.

SECTION 4: NET ASSETS

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
		R'000	R'000	R'000	R'000
Opening balance as previously reported	60	16 278	16 278	67 640	83 918
Adjustments	0	0	- M - 0	(17 082)	(17 082)
Prior year adjustments				0	0
Balance on 01 July 2021	60	16 278	16 278	50 558	66 836
Changes in net assets					
Surplus for the year	0	0	0	(31 788)	(31 788)
Total changes	0	0	(0.	(31 788)	(31 788)
Balance on 01 July 2022	60	16 278	16 278	18 770	35 048
Changes in net assets			AT 13.	10110	33 040
Profit for the year	0	- 0	0	(24 025)	(24 025)
Total changes	60	16 278	16 278	(5 255)	11 023
Balance on 31 December 2022	60	16 278	16 278	(5 255)	11 023

SECTION 5: RATIO ANALYSIS FOR THE PERIOD ENDED 31 DECEMBER 2022

Key Performance Area	Targets	Actual 31 December 2021	Actual 31 December 2022
Current ratio	Above 1:1	1.08:1	1:1
Solvency ratio	Above 1:1	1.08:1	1.01 : 1
Salaries to expenditure	Below 60%	67%	57%
Revenue	R30.8 million	R45.43 million	R46.56 million
Expenditure (including taxation)	R30.8 million	R48.1 million	R70.5 million
Surplus / (Deficit)	R nil	(R2.68 million)	(R24 million
Total net assets	R47.4 million	79.8 million	11. million
Capital expenditure	50%	29.39%	26,73%

Notes	
1	Current ratio is just above the target in the current year of assessment and is below Q2 for the prior year.
2	Solvency ratio has slightly improved and is just above the target and below the Second quarter of the previous year mainly due to invoices that were received in December.
3	Remuneration to expenditure ratio is below 60% which is an acceptable target however there are vacant positions and higher interest expense.
4	The target was not achieved since we only achieved 26.73% and it was to site having being closed which emanates from COJ cash flow challenges.

SECTION 6: SUPPLY CHAIN MANAGEMENT

The JDA's supply chain management policy uses committee systems for the procurement of services and goods above specified limits. Existing committees include the:

- Bid Specification Committee.
- Bid Evaluation Committee.
- Bid Adjudication Committee.

There are two bid adjudication committees, capital expenditure and the other for operating expenditure:

- The Capital Expenditure Bid Adjudication Committee members include the Chief Financial Officer (chairperson), two Senior Development Managers (whose bid is not being adjudicated), the Risk and Compliance Manager, the Executive Manager: Project Implementation, Company Secretary /Legal Manager and the Supply Chain Manager.
- The Operating Expenditure Bid Adjudication Committee includes the Chief Financial Officer (chairperson), the Supply Chain Manager, and the Senior Manager: Marketing, Executive Manager: Corporate Services, the IT Manager, Company Secretary/Legal Manager and the Risk and Compliance Manager. Neither committee is authorized to make procurement decisions above R10 million.

Supply chain deviations and approval

According to regulation 36(1) of the Municipal Supply Chain Management Regulations, the accounting officer -

- (a) may dispense with the official procurement processes established by the SCM policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only:
 - i. In an emergency.
 - ii. If such goods or services are produced or available from a single supplier only.
 - iii. If acquiring special works of art or historical objects where specifications are difficult to compile.
 - iv. If acquiring animals for zoos, or
 - v. In any other exceptional case where it is impossible or impractical to follow official procurement processes; and
- (b) Ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

Reg. 36(2) requires the accounting officer to record the reasons for any deviation in terms of sub-regulation (1) (a) and (b) above and report them to the board of directors in the case of a municipal entity.

To give effect to regulation 36, the CoJ's supply chain management policy allows the accounting officer to deviate from normal procurement processes under the circumstances outlined above. In terms of regulation

36(1) (b), the accounting officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

The accounting officer ratified the following deviations for the year to date:

The deviation from obtaining at least a minimum of three written quotations in terms of Regulation 16, 17, and 18 of the MFMA Act 56 of 2003. The accounting officer ratified a minor breach in the supply chain process for the appointment of service providers through the request for quotation process where less than the minimum three quotations were received. For the period 1 July 2022 to 31 December 2022 there were 2 service provider appointed where less than three quotations were returned or obtained to a combined value of R42,480.00 (Excluding VAT).

According to Regulation 44 of the Municipal Supply Chain Management Regulations the regulation prohibits municipal entities from awarding contracts to a person who is in the service of the State. For the period 1 July 2022 to 31 December 2022 the JDA has not awarded any contract to a person who is in the employment of the State.

Black Economic Empowerment

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE's share of capital and operating expenditure. For the period 1 July 2022 to 31 December 2022, the overall BBBEE share of expenditure was R171,411,592.20 This translates into an achievement of 100% BBBEE claimed against quarterly expenditure.

TABLE 31: SUMMARY OF BBBEE EXPENDITURE

Description	Q2 2022/23							
Total Expenditure BBBEE Clain	BBBEE Claimed	BBBEE %						
Capex	R170 054 366.36	R169,222,359.00	100%					
Opex	R2,183,473.18	R2,189,233.14	100%					
Consolidated Opex and Capex	R172,237,809.54	R172,411,592.20	100%					

The JDA uses various criteria for calculating the BBBEE claimed. Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135% of the actual expenditure. For example, if the JDA spends R10 000 with a level 1 service provider, it can claim R13 500 as BBBEE spend. If it spends R10 000 with a level 6 service provider, it can only claim R6 000. The JDA claims 135% for service providers with a B-BBEE level 1, 125% for level 2, 110% for level 3, 100% for level to 4, 80% for level 5, and 60% for level 6, 50% for level 7 and 10% for level 8.

⁵ The reason why there is a difference in total expenditure and expenditure claimed for BBBEE is that the JDA's 5% Development Fee and retentions have been exclude

The JDA confirms the validity of BBBEE certificates by verification agencies by tracing the name of the agency to the South African National Accreditation System's list of accredited agencies. Each BBBEE level is translated into a BBBEE score reflected as a percentage. For example, BBBEE level 6 equals 60%, while BBBEE level 1 equals 135%.

B-BBEE Status Level		Number of Points					
Of Contributor	B-BBEE Recognition	Tenders up to R30,000 R50 million	Tenders above R50- million				
1	135%	20	10				
2	125%	18	9				
3	110%	14	6				
4	100%	12	5				
5	80%	8	4				
6	60%	6	3				
7	50%	4	2				
8	10%	2	1				
Non- Compliant contributor	0%	0	0				

FIGURE 5: BBBEE CONTRIBUTION TABLE

Enterprise / SMME Development

In line with national development and shared growth imperatives, the CoJ recognizes that creating jobs and ensuring that SMMEs have access to procurement opportunities are essential elements of an economically viable city.

Over the years, the JDA has established processes and practices to support job creation and enterprise and skills development for previously disadvantaged groups, including black people, women, youth, and people with disabilities. But the impact of these processes and practices have not been adequately measured and reported on in the past. The agency has also recognized the need to consolidate and extend these practices by designing and implementing a programme that will drive the achievement of empowerment objectives and align projects and approaches to address the challenges facing previously disadvantaged enterprises.

The enterprise development programme is made up of the following components:

- Emerging contractor development for SMMEs working on JDA projects (both subcontractors and those contracted directly by the JDA). This includes general training.
- Training on winning business for SMMEs (with a focus on unsuccessful bidders identified through the JDA tender process).

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R80,468,885.17 for the period 1 July 2022 to 31 December 2022. This constitutes achievement of 47% for the period under review.

TABLE 32: SUMMARY OF SMME EXPENDITURE⁶

Description		Q2 2022/23		
Capex	Total Expenditure	SMME Claimed	SMME %	
	R170,054,336.36	R79,059,090.14	46%	
Opex	R2,183,473.18	R1,409,775.03	65%	
Consolidated Opex and Capex	R172,237,809.54	R80,468,865.17	47%	

Report in Irregular, Fruitless and Wasteful Expenditure and Due Process

For the period 1 July 2022 to 31 December 2022 there was no irregular, fruitless, wasteful, and unauthorized transactions.

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

TABLE 33: PENDING LITIGATIONS

	ANTICIPATED CHANCES OF COMPLETION DATE SUICES	d at N								
CURRENT STATIS			construction, which resulted in flooding in 2010 and 2011, damages to buildings and properties to the tune of approximately R23 555 160, 06 was incurred by the plaintiff. The JDA has been cited as the first defendant and the cite.	Johannesburg as the second defended in the matter, together with other 5 defendants.	The JDA has appointed RoutledgeModise Attorneys (T/A Hogan Lovells) to assist in defending the matter. Routledge Modise have handed over the matter to the insurance	attomeys at the request of the JDA's insurers (Webber Wentzel Bowens). The matter is being defended by the JDA and COJ's insurer's lawyers.	The Matter was set for trial in June 2018 but was withdrawn from the trial roll. There have been no developments since the matter was removed	from the trial roll in June 2018. The plaintiff's attomeys have withdrawn as attomeys of record	on this matter and the attorneys that are meant	on this matter and the attorneys that are meant to take over this matter have not yet filed their
DISCRIPTION		Damages suffered by Ubuntu Kraal because of "alleged" negligence by the JDA and other parties.		V.					0	
DATE	INSTITUTED	STOCK TO LOCK								
AMOUNT	CLAIMED	million								
CASE / MATTER	Upuntu Kraa	511.FF			l la					

CASE / MATTER	AMOUNT CLAIMED	DATE	DISCRIPTION	CURRENT STATUS	ANTICIPATED	CHANCES OF
Bertram'e	Mer analleante	Eobriton, 1000			COMPLETION DATE	SUCCESS
lock vs			Relocation of illegal occupants in various buildings around Bertram's Prioboardrity Block.	Nathan Sonnenburg ENS) entered legal proceedings regarding the relocation of illegal occupants in various buildings around Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with the occupants to settle the matter out of court. Progress made since 2012, some occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The Few that would be left would, due to inability to meet monthly rentals will be accommodated by the Department of Housing. The parties are working together to reach the agreement without a protracted litigation process.	On-going	poog
Grayston Bridge Collapse (scaffolding)		2015	The scaffolding supporting the bridge collapsed in 2015 resulting in 2 fatalities and additional 9 people injured because of the collapse. The matter was investigated by the department of labor and a hearing	The outcome from the Department of Labor has been received 19 November 2019. The Presiding Officer has issued findings against various parties in this matter including the JDA. The findings against the JDA relate to contravention of the Construction regulations. The JDA has since sought legal advice on the outcome of the Department of Labor's findings. The JDA has been advised that there has been omission on the part of the Presiding Officer to consider the provisions of section 37(2) of the Occupational Health and Safety Act. Accordingly, the JDA has addressed a letter to the Chief Presiding inspector indicating its intention to appeal the matter, first with the Department of Labour as dictated by the rules. Since having lodged an appeal to the Labour Court against the decision of the Chief Inspector, we received a Notice to oppose from the State Attorney, who is representing the Chief Inspector in the above matter.		

	L		
CHANCES OF	SUCCESS Not determined at this tage.		
CHAN	SUCCESS Not determine determine stage.	(8)	
	DATE		
ANTICIPATED	COMPLETION DATE		
AN	le contraction de la contracti	res,t fed the the soor	
	In Multion, we received the written record of proceedings forming the subject of the appeal from the State Attorney on 30 June 2020. In accordance with the Labour Court Rules, we extracted certain portions of the record for purposes of the appeal proceedings and served a certified copy thereof on the State Attorney and filed another copy at the Labour Court on	16 July 2020. In the circumstances,t he Appellants' concise written representations were received on Thursday, 30 July 2020. Now that both parties have submitted their written representations, the Registrar of the Labour Court, will set the matter down. To date, we have not been provided a date by the Registrar. The matter will be heard in the labor court on a date yet to be set by the court.	
	d the write subject sy on 30. Sour Cour portion portion or cour cour stone or cour subject sy on the Si at the Lab	the circumstance of the ci	
TUS	re receive orming the cartonne the Lal ith the Lal cain le appeal py thereof her copy.	In Appellants' en represen 30 July 2020 th parties ha representat representat ourt, will set a not been permatter will te yet to be	
CURRENT STATUS	In Multion, we re proceedings form from the State A accordance with t extracted certain record for purposes of the ag a certified copy the	16 July 2020. In the circumstal he Appellants' concise written representations were reco on Thursday, 30 July 2020. Now that both parties have submitted the written representations, the Registr the Labour Court, will set the matter dow date, we have not been provided a date b Registrar. The matter will be heard in the I court on a date yet to be set by the court.	W = #
CUR	fron fron accc extr reco reco a ce	16 July 2020. he concise on Thur Now th: written the Labd date, wr Registra	Halling
DISCRIPTION			
DATE INSTITUTED			
AMOUNT			District of the last
-		11-1-1	
CASE / INIALIER			

	Name of Street Control of Street	ALCEROSING
CHANCES OF	SUCCESS	
ANTICIPATED	Not yet determined at this stage.	
CURRENT STATUS	The matter is currently at pleadings stage with the JDA having filed its answering affidavit in July 2020. The Applicant (Bona) has not taken steps since September 2020 to ensure that the matter is ready for hearing. They are required to file heads of argument, after whichthe rest of the respondents (JDA and Naledi) would file theirs and the matter be allocated a date for hearing. The JDA and City have since decided to file our own heads of arguments despite the failure by the applicant to do so. The matter will be held in court on 31 January 2002.	
DISCRIPTION	nd restraining the Juda fut and the Juda fut the tender pro thing the contractender in relation conitoring system. It seeks an orders, reviewing and the Juda's decision der to the Naled and the Maled and the Mal	representing the City of Johannesburg and the JDA in this matter.
DATE INSTITUTED	December 208	
AMOUNT	Not yet confirmed	
CASE / MATTER	Bona Electronic Solutions (Pty) Ltd/Naledi Consortium	

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

This measures effective debtor management and an assessment of the amounts owing by the various Government departments and entities.

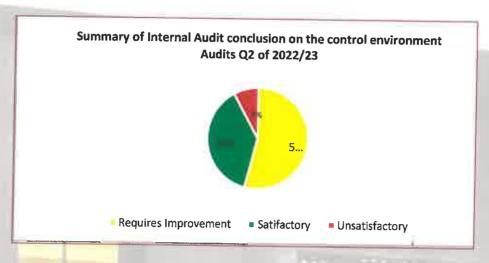
TABLE 34: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

Name of department	Balance	Comments
	R	
City of Johannesburg - Asset Management	37 299 386	The Balance relates to amount outstanding from December claims that were submitted.
City of Johannesburg- Transport	184 631 857	Balance mainly relates to amount outstanding from June 2022 claims and prior and current claims that were submitted in December.
City of Johannesburg - Department of Planning	276 330,22	Balance mainly relates to amounts outstanding from current claims that were submitted in December.
City of Johannesburg - Economic Development	23 722 915	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims which were submitted more than 360 days.
City of Johannesburg - Emergency Management Services	61 988 702	Balance mainly relates to amount outstanding from June 2022 claims and current claims from July to December.
City of Johannesburg - Health	9 320 819	Balance mainly relates to amounts outstanding relating to long overdue that is more than 360 days.
City of Johannesburg - Housing	25 818 252	Balance mainly relates to amount outstanding from June 2022 claims and current claims from July to December.
City of Johannesburg - Social Development	9 041 957	Balance mainly relates to current claims submitted in December.
City of Johannesburg - Community Development	49 650 504	Balance mainly relates to amount outstanding from June 2022 claims and current claims from July to December.
City of Johannesburg - GSCPR	3 850 363	Balance mainly relates to amount outstanding from 2015 and beyond.
City of Johannesburg - City Manager	91 705 443	Balance mainly relates to amounts outstanding from June 2022 claims and claims that were submitted in November and December.
City of Johannesburg - IRA	3 506 885	Balance mainly relates to amounts outstanding from December Claims.
- Total	500 813 415	

CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

The chart below serves to reflect an overview of the audit conclusion made regarding the control environment based on the audits completed by internal audit in the period of 1 October to 31 December 2022. Overall, there were eleven (11) audit projects completed by internal audit.



35: PROGRESS AGAINST THE APPROVED 2022/23 ANNUAL INTERNAL AUDIT PLAN (1 OCTOBER 2022 – 30 DECEMBER 2022)

No	Audit Description	Status	Overall Conclusion
1.	2nd Quarter (2022/23) Follow-up on Internal and External Audit findings.	Completed	Requires Improvement
2.	Management of strategic risk register. Review the fraud risk management programme. Review of the Enterprise -Wide Risk management.	Completed	Requires Improvement
3.	Audit of the adequacy and effectiveness of the compliance function. Review the effectiveness implementation of ethics management programme.	Completed	Requires improvement
4.	Audit of the Budget and Expenditure Management utilizing data analytics.	Completed	Requires Improvement
5.	1st Quarterly Audit of performance information (Audit of the Pre- Determined Objectives).	Completed	Requires Improvement
6.	Appointment of main contractor for the Chris Hani sports complex Phase 1	Completed	3-1-1
7.	Appointment of main contractor for the implementation of the Murry Park Library Phase 1	Completed	
8.	Appointment of main contractor for the Pennyville Public Environment Upgrade	Completed	
9.	Appointment of main contractor for the refurbishment of administration building at BRT Selby – Deport Phase 2C	Completed	
10.	Appointment of main contractor for the Construction of New Protea Clinic	Completed	
11.	Vodacom Phone Contract review	Completed	Ummanidiscourse

TABLE 36: CONTROL ENVIRONMENT CONCLUSION EXPLANATION

Control Environment	Definition	Indicator
дивенивенну.	Audit results indicate that insufficient reliance can be placed on the design and operational effectiveness of internal controls to mitigate the risks to which the activity under review is exposed.	 A breakdown in the overall management of a part of the business or the process being reviewed. Primarily "Catastrophic" risk findings. Actions are likely to bring JDA's brand and reputation into disrepute. A breakdown in accounting, reporting and other key financial and operating controls. Non-existent financial and operating controls. Non-compliance to laws and regulations.
Requires improvement	Audit results indicate that limited reliance can be placed on the design and operation of internationaries to mitigate the risks to which the activity under review is exposed.	 Primarily "Major or moderate" risk findings. Inadequate compensating controls. Overall control environment of The audited process/focus area is of a vulnerable standard. Overall control environment for the audited.
Sate Unitery	Audit results indicate that ufficient reliance can be placed the design and operation of termal controls to mitigate the lisks to which the activity.	Primarily "Minor or insignificant" risk findings. Overall control environment for the audited process/focus area is of the required standard. Adequate compensating controls in place.

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

Internal Audit conducts follow-up reviews monthly on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the Chairperson of the Operation Clean Audit (OPCA) Committee and the Group Risk Assurance Services for discussion with the City Manager. On a quarterly basis Internal Audit, these reports are presented to the Audit and Risk Committee, which monitors the progress made by management on the implementation of recommendations and action plans.

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit also provides independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings.

A schedule of audit findings raised has been maintained since the 2014/15 financial year. Monthly follow-up on the resolution of audit finding is done on this schedule. As of 31 August 2022, Internal Audit verified that eighty-four percent (84%) of audit findings were resolved and sixteen percent (16%) of audit findings.

The table below provides a summary of Internal Audit Findings raised from 2014/2015 to 2022/23 financial period:

TABLE 37: INTERNAL AUDIT FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2013/14	0	2	2
2014/15	0	17	17
2015/16	0	45	45
2016/17	0	58	58
2017/18	2	38	40
2018/19	1	32	33
2019/20	1	19	20
2020/21	6	18	24
2021/22	45	9	54
Total	54	238	293
Percentage	19%	81%	100%

SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

The table below provides a summary of AG Findings raised from 2014/15 to 2020/21 financial period:

TABLE 38: AUDITOR GENERAL FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2014/15	0	11	11
2015/16	0	34	34
2016/17	0	6	6
2017/18	1	4	5
2018/19	0	5	5
2019/20	0	21	21
2020/21	6	5	11
Total	7	86	93
Percentage 🖟	8%	92%	100% į.

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit also provides independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings.

The Audit and Risk Committee has in recent meetings, requested management to provide a report outlining action plans to ensure that all unresolved findings outstanding from the previous financial years are resolved promptly.

SECTION 4: STATE OF INTERNAL CONTROLS

Effective risk management and compliance with government regulations are driving the need for ongoing auditing. JDA is subjected to internal and external audits each year, thus making audit coordination and management vitally important by ensuring timeous implementation of corrective action to clear audit findings and strengthen risk management and compliance. Regular audits are essential to reduce the risk of non-compliance.

Internal controls refer to the policies, practices, and systems that the entity has put in place, to provide reasonable assurance that the organisation will achieve its objectives, prevent fraud and corruption from occurring, protect resources from waste, loss, theft, or misuse, and ensure that resources are used efficiently and effectively.

The JDA has a system of internal control to provide cost-effective assurance that the entity's goals will be economically, effectively, and efficiently achieved. In line with the MFMA, the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and the King Code Report on Corporate Governance, Internal Audit provided the Audit and Risk Committee and Management with quarterly internal audit reports in terms of its approved annual Internal Audit Plan.

From the Internal Audit reports, it was noted that there were no material deficiencies in the system of internal control for the reporting period.

The entity also has various functional and effective management structures, such as the Executive Management Committee, Programme Project Management Committees, and Operation Clean Audit Committee, to review, monitor, and evaluate programme performance and take corrective measures where necessary.

Management is committed to addressing control weaknesses identified by internal and external audits through the implementation of audit recommendations and monitoring of action plans. However, there is still room for improvement as stricter commitment is required from management to ensure those audit findings are promptly resolved. Based on the internal audits completed in this financial year, the internal audit's overall conclusion on the state of internal controls is that controls currently in place are adequate; however partially effective to provide reasonable assurance that JDA objectives will be achieved. The overall JDA control environment requires improvement.

ANNEXURES

ANNEXURE 1: ACRONYMS AND ABBREVIATIONS

ACRONYM	DEFINITION
ARP	Alexandra Renewal Programme
BBBEE	Broad-Based Black Economic Empowerment
BRT	Bus Rapid Transit
CAE	Chief Audit Executive
CBD	Central Business District
CEO	Chief Executive Officer
СГО	Chief Financial Officer
СРС	Community Participation Consultant
Col	City of Johannesburg
CSA	Capability support agents
EM	Executive Manager
EPWP	Expanded Public Works Programme
GDS	Growth and Development Strategy Joburg 2040
GMS	Growth Management Strategy
GRAP	Generally Recognized Accounting Practice
ICT	Information and communication technology
SCM	Supply Chain Management
iT	Information technology
King Code	King Report on Governance for South Africa and the King Code of Governance
KPt	Key performance indicator
MFMA	Municipal Finance Management Act (2003)
NMT	Non-motorized transit
ОРСА	Operation Clean Audit Committee
SMME	Small, Medium, and Micro enterprise
TOD	Transport Orientated Development