



a world class African city



Registration no:  
2001/005101/07

# Q3 PERFORMANCE REPORT 2022/23 JANUARY 2023 TO MARCH 2023

**JOHANNESBURG  
DEVELOPMENT AGENCY  
(SOC) LIMITED**


IN TERMS OF SECTION 121 OF THE MUNICIPAL  
FINANCE MANAGEMENT ACT (2003) AND  
SECTION 46 OF THE MUNICIPAL SYSTEMS ACT  
(2000)

Registration number:	2001/005101/07
Shareholder / Municipality:	City of Johannesburg Metropolitan Municipality
Directors:	(i) Daliwe Oliphant (Chairperson); (ii) Mally Hilda Mokoena; (iii) Mongezi Ntanga; (iv) Morwesi Ramonyai Thonga; (v) Nandhipha Beauty Zonela; (vi) Bruce Lerato Sarela; (vii) Masiba Mojapelo; (viii) Pinkie Zanele Numa; (ix) Vukile Hamilton Hlongwa; (x) Justice Makoko Makgonye; and (xi) Siyabonga Masiza
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Bankers:	Standard Bank of SA Limited
Auditors:	The Auditor-General of South Africa
Company Secretary:	Hasani Rodney Shirinda

APPROVAL

<u>Mr. Mokgema Mongane</u> Name & Surname Chief Executive Officer	 Signature	<u>20 April 2023</u> Date of approval
<u>Mr. Sihle Mkhize</u> Name & Surname Acting: Chief Financial Officer	 Signature	<u>20 April 2023</u> Date of approval
<u>Ms. Daliwe Oliphant</u> Name & Surname Chairperson of the Board	 Signature	 Date of approval
<u>Name &amp; Surname</u> MMC: Development Planning	 Signature	 Date of approval

## APPROVAL

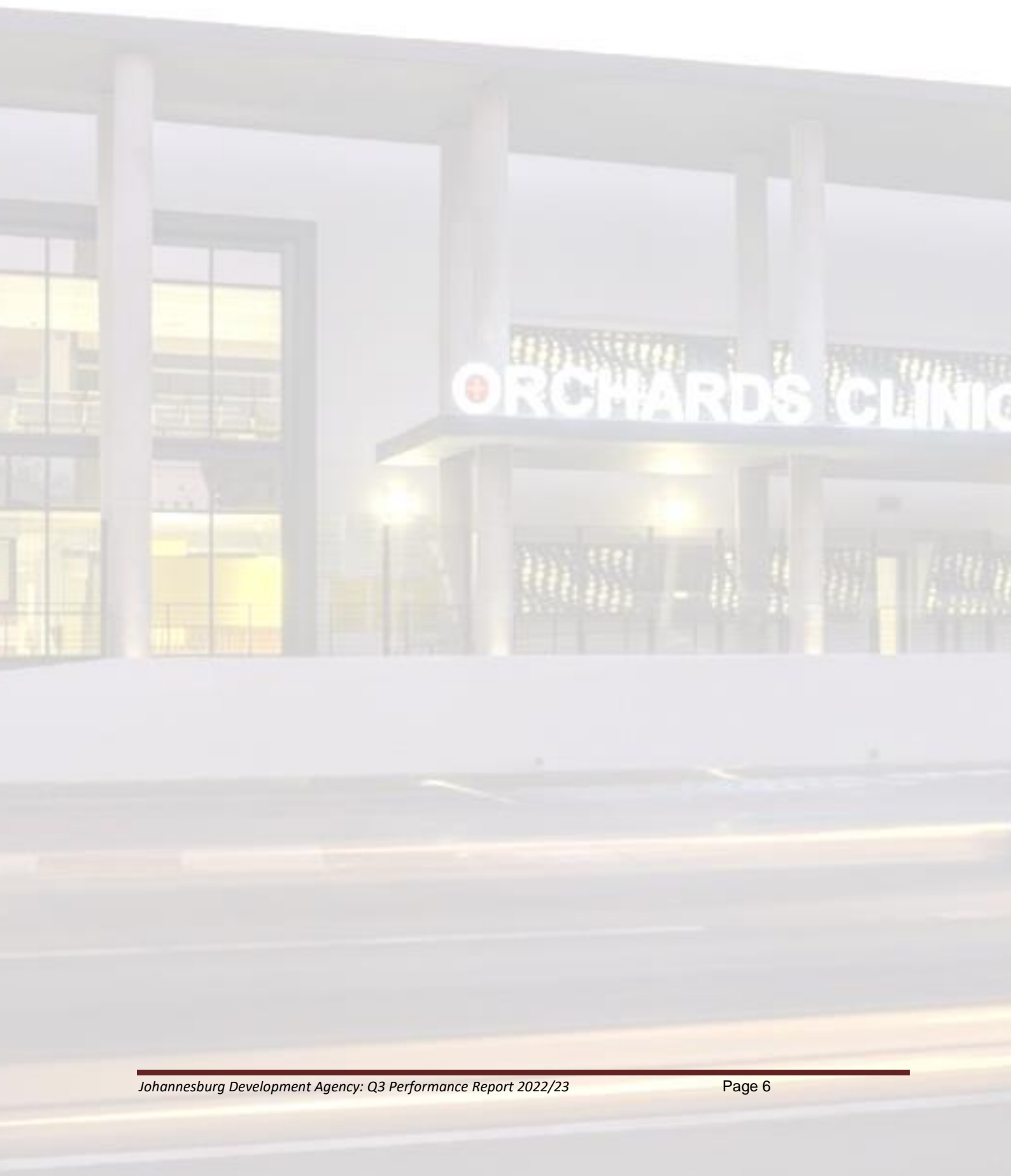
<u>Mr. Mokgema Mongane</u>		
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Chief Executive Officer		
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Chairperson of the Board		
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MMC: Development Planning		

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## **CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE**

### **SECTION 1: CHAIRPERSON'S FOREWORD**

It is an honour and privilege to present my first report as the Chairperson of the Johannesburg Development Agency (JDA) Board, that was appointed in March 2023. On behalf of the newly appointed Board, I would like to extend our gratitude to the City of Johannesburg (COJ) for establishing the JDA Board that is comprised of highly knowledgeable professionals that have diverse skills and perspectives. The Board commits to carrying its fiduciary duties diligently, including steering and setting the strategic direction of the JDA to execute its mandate of ensuring that spatial transformation and economic growth of the City is integrated and accessible.

The Board attended two informative Board Induction sessions, the first induction session was organised by the shareholder, the COJ and the second induction session was organised by the JDA. These induction sessions were important platforms for the Board to get insights about the JDA's mandate. The Board is also aware of the financial constraints and other challenges that are experienced by the Entity. The Board endeavours to work with management in identifying more pragmatic solutions to resolve these challenges and develop strategies to enhance revenue. A strategic planning session that is intended to map out a plan that will help resolve the identified challenges is planned to take place at the beginning of the 4<sup>th</sup> quarter.

The Board is cognizant of the fact that, JDA's strategic plan is aligned with the City of Johannesburg's eleven Mayoral strategic priorities and the four GDS 2040 outcomes that are informed by the Government of Local Unity (GLU)'s strategic direction. The Board will exercise oversight in ensuring that, the JDA's 2023/24 Business Plan drives programmes that are part of the aforementioned strategic priorities and outcomes. Moreover, while the Entity is committed to achieving its plans, the Board is also cognizant of the technological, economic, legal, socio-cultural and financial conditions that exist in the South African economy and their impacts on the Entity.

This 3<sup>rd</sup> Quarter Performance Report for 2022/23 financial year complies with the relevant legislation and it aims to present progress against the set targets. In the context of various challenges and financial constraints that were encountered, the Board notes that the Entity achieved 80% overall performance in the 3<sup>rd</sup> Quarter. The key highlights are contained in the Chief Executive's Report and the detailed performance of the Entity is contained in the 3<sup>rd</sup> Quarter Performance Report below.

The Board is highly committed to good governance and encourages management to effectively utilise both the JDA and the Group Operation Clean Audit (OPCA) structures to ensure that the findings that were identified and reported by Auditor General in previous Audits are addressed accordingly to avoid recurrence. It is the Board's key priority among others, to ensure that the Entity improves its Audit Opinion for the current financial year 2022/23. This will be achieved through robust oversight during the preparation of the 2022/23 Annual Financial Statements and Annual Performance Report.

I would like to express gratitude to the MMC for Development Planning for the warm welcome and to the JDA Executive Management and staff for their affirmed commitment.

**Ms Daliwe Oliphant**

**Board Chairperson**



## **SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT**

During the 3<sup>rd</sup> Quarter, the JDA continued to experience the adverse effects of the City's Cash Flow challenges encountered since the beginning of the 2<sup>nd</sup> Quarter. This has had a negative impact on the JDA and led to, amongst others: protests, legal actions, suspension of works, extensive project delays and inability to pay invoices within 30 days. Furthermore, JDA subsequently accumulated a substantial outstanding invoice backlog along with large revenue shortfalls. This situation further posed additional risks such as abandoned sites, theft and vandalism, an increase in UIFW Expenditure and possible contractual claims for the respective CAPEX projects.

In response, management developed a Management Action Plan which incorporated various actions. To begin with, this included "Intensive Communication" which involved communicating with all service providers, thereby managing further protests and legal actions. Accordingly, during the month of March 2023 a follow up engagement session was convened with the respective service providers. Furthermore, management undertook a concerted campaign to canvas for funds from the City by lobbying to be prioritized upon the distribution of the City's obtained loan. The JDA presented its case at numerous platforms including the Budget Steering Committee, EMT, Mayoral Committee and the Section 79 Committees sessions. Moreover, management has further undertaken to reprioritize CAPEX projects by considering various factors including the source of funding (i.e. grant based funding) and the respective project progress (i.e. projects nearing completion) with appropriate alignment to the Mid-Term Adjustments.

During the 2022/23 Mid-Year Adjustment process, the JDA's budget was cut by R10,7mil (OPEX) and R163 million (CAPEX) respectively. Accordingly, the said budget cut had a corresponding impact on the respective Q3, Q4 and Annual targets, as these were adjusted downwards.

Despite the challenges encountered, JDA achieved 80% (4/5) of its applicable KPI targets for the period under review. Furthermore, the organisation's total assets exceeded the total liabilities. The total net assets on 31 March 2023 was R3.6 million (2021/22: R41.6 million).

As of the end of the third quarter, JDA's vacancies for executive positions were as follows: Chief Financial Officer (Resignation), Chief Audit Executive (Resignation), Executive Manager-Corporate Service (Contract ending) and Company Secretary (Contract ending). The process to fill these four posts is now currently underway.

Despite these turbulent times, I am confident that together we will take JDA to new heights. Let us do our part to make JDA a world-class implementing agent of choice. Let us continue to cultivate the Culture of Absolute Brilliance.

**Mokgema Mongane**  
**Chief Executive Office**

**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 clients (COJ departments). Over the years there have been fluctuations in the capital project budgets implemented by the JDA and our operational requirements must be nimble in order to remain financially sustainable.

For the period ended 31 March 2023, the JDA had earned a total revenue of R61 million (2021/22: R62.9 million) and incurred total expenditure of R92.4 million (2021/22: R87.9 million) which resulted in an overall deficit of R31.3 million (2021/22: Deficit of 25 million).

The organisation achieved 69% (2021/22: 71%) of the budgeted target for revenue. Included in the revenue target is development management fees and operational grant. The development management fees are based on the percentage of the overall capital expenditure.

The JDA incurred expenditure against the budgeted target for operational expenditure of 104% (2021/22: 99% overall against target). The operational expenditure includes interest of R31.7 million that is charged on the JDA overdrawn sweeping account. The overdrawn account is due to the late settlement of claims from various client departments.

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

**TABLE 1: ACTUAL OPERATIONAL BUDGET**

	Actual Prior year 31 March 2022	YTD Actual R'000	YTD Budget R'000	Variance R'000	% of actual against budget
<b>Revenue</b>	<b>R75,776</b>	<b>R61,062</b>	<b>R88,687</b>	<b>(R27,625)</b>	<b>69%</b>
Operating costs (before interest)	(R70,447)	(R60,733)	(R83,539)	(R22,806)	73%
Interest expense	(R11,009)	(31,697)	(R5,148)	(R26,549)	616%
<b>Total operating costs</b>	<b>(R81,456)</b>	<b>(R92,430)</b>	<b>(R88,687)</b>	<b>R3,743</b>	<b>104%</b>
<b>Surplus/(Deficit)</b>	<b>(5,680)</b>	<b>(R31,368)</b>	<b>(Rnil)</b>	<b>(R14 724)</b>	

Actual capital expenditure for the period ending 31 March 2023 was R469.7 million (2021/22: R604.4 million) against an annual budget of R1.4 billion (2021/22: R1.3 billion). This represents 40.71% (2021/22: 46. %) of the overall annual budget. There are various factors that continue to affect projects including poor contractor performance and stoppages due to non-payment since CoJ has cash flow challenges.

The organization's total assets exceeded the total liabilities. The total net assets on 31 March 2023 were R3.6 million (2021/22: R41.6 million). There will be an improvement of R28 million once interest sweeping is written off.

The table below reflects the financial performance ratio of the organization for the period ended 31 March 2023.

**TABLE 2: FINANCIAL RATIOS**

Key Performance Area	-	Actual 31 March 2022	Actual 31 March 2023
Current ratio	Above 1.5 : 1	1.023:1	1.01:1
Solvency ratio	Above 2 : 1	1.028:1	1:1
Salaries to expenditure ratio	Below 60%	67%	58%
Revenue	R88.7 million	62,9 Million	61 million
Expenditure (including taxation)	R88.7 million	R106,5 million	R92.4 million
Surplus / (Deficit)	R nil	(R25 million)	(R31` million)
Total net assets	R47.4 million	41.8 million	3.6 million
Capital expenditure	75%	46.39%	40.71%

The liquidity and the solvency ratios are lower than what was recorded in the same period last financial year and also below the current industry norms. 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. The ratio is based on employee costs of R53.5. million over total expenditure of R92.4 million, which results in 58% of the expenditure.

**Sihle Mkhize CA (SA)**  
**Acting Chief Financial Officer**  
**31 March 2023**

## 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 neighbourhoods, mostly in the inner city. However, this has evolved to focusing on transforming Johannesburg into a resilient, sustainable, and liveable 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 the Entity to respond to the objectives as outlined in the Growth and Development Strategy (GDS). Under this model, the JDA takes 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, socio-economic, 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 liveable urban areas in identified nodes and corridors.

### JDA Governance Arrangement

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.

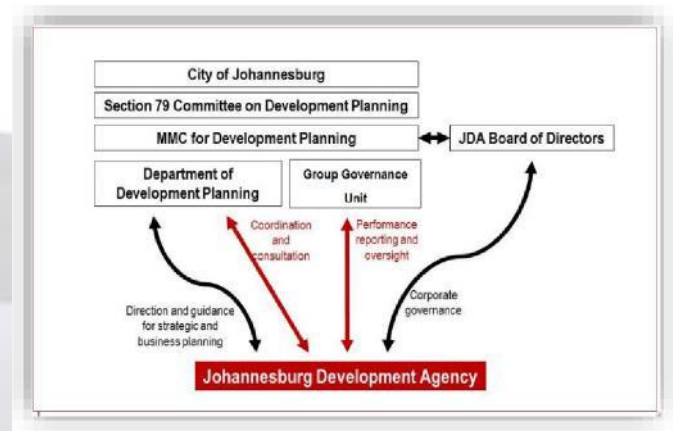


FIGURE 1: JDA GOVERNANCE SYSTEM

The Council's Section 79 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 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 1: STRATEGIC GOALS AND OBJECTIVES**

Strategic Goals Aligned to four Strategic Objectives		
<b>Create great places</b>	Creating robust democratic public spaces that give dignity and choice to city users. As urban densities 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.	-To enable the long-term growth 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.
<b>Catalyse growth and investment</b>	Catalysing 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, stimulate local economies, and boost job creation and entrepreneurial development.	-To deliver sustainable social and economic infrastructure projects efficiently, effectively, and economically.
<b>Connect people to opportunities</b>	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.	-To promote economic empowerment and transformation through the structuring and procurement of JDA developments.
<b>Co-produce solutions</b>	Co-producing solutions in partnership with local communities and stakeholders to meet local needs and mitigate challenges. This is an essential component of development intervention in cities. Since 1994, the state has made concerted efforts to engage communities in the development of local solutions. Unfortunately, this has not always been successful and often simply takes the form of decision-makers telling communities about their strategies. A more responsible and effective approach is to work with local stakeholders to produce solutions, drawing on their knowledge of the development context. This can cultivate a much more sustainable sense of ownership, civic pride, and citizenship.	-To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, sustainable, and well-governed organisation.
<b>Continuous improvement</b>	Underpinning all the strategic goals, there is the need for the JDA to run as efficiently as possible.	

**TABLE 2: JDA'S RESPONSE TO THE CITY PRIORITIES**

GDS Outcomes	GDS Output	Mayoral Priorities	JDA Programme	Outcome
1. Improved quality of life and development-driven resilience for all.	1. Reduce poverty and increase productivity 2. Food security that is both improved and safeguarded 3. Access to knowledge and lifelong learning 4. A society characterised by healthy living for all 5. A safe and secure city 6. A city characterised by social inclusivity and enhanced social cohesion	Safer City	1. Strategic Economic Node Delivery Programme  2. Economic Empowerment Programme.	The growth and development of strategic economic nodes into high-quality, investor friendly and sustainable urban environments.  Efficient delivery infrastructure that produces a socio-economic return.
2. Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	1. Sustainable and integrated delivery of water 2. Sustainable and integrated delivery of sanitation 3. Sustainable and integrated delivery of energy 4. Sustainable and integrated delivery of waste 5. Improved eco-mobility 6. Sustainable human settlements	Sustainable service delivery    Energy mix   Infrastructure development and refurbishment	1. Accelerated infrastructure Delivery Programme	Efficient delivery infrastructure that produces a socio-economic return.

GDS Outcomes	GDS Output	Mayoral Priorities	JDA Programme	Outcome
	7. Climate change resilience and environmental protection			
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens	1. Job-intensive economic growth 2. Promotion and support to informal and micro businesses 3. Increased competitiveness of the economy 4. A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross cutting output).	Sustainable Economic Growth  Job opportunity and creation  Green Economy.  Smart city	1. Economic Empowerment Programme.  2. Good Governance, Management and Administration Programme	The growth and development of strategic economic nodes into high-quality, investor friendly and sustainable urban environments.
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	1. Partnerships, intergovernmental & international relations 2. A responsive, accountable, efficient and productive metropolitan government 3. Financially sustainable and resilient city 4. Meaningful citizen participation and empowerment 5. Guaranteed customer and citizen care and service.	Active and engaged citizenry. Good governance. Financial sustainability.	1. Good Governance, Management and Administration Programme	A financially viable, effective and well-governed development agency.

## 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:

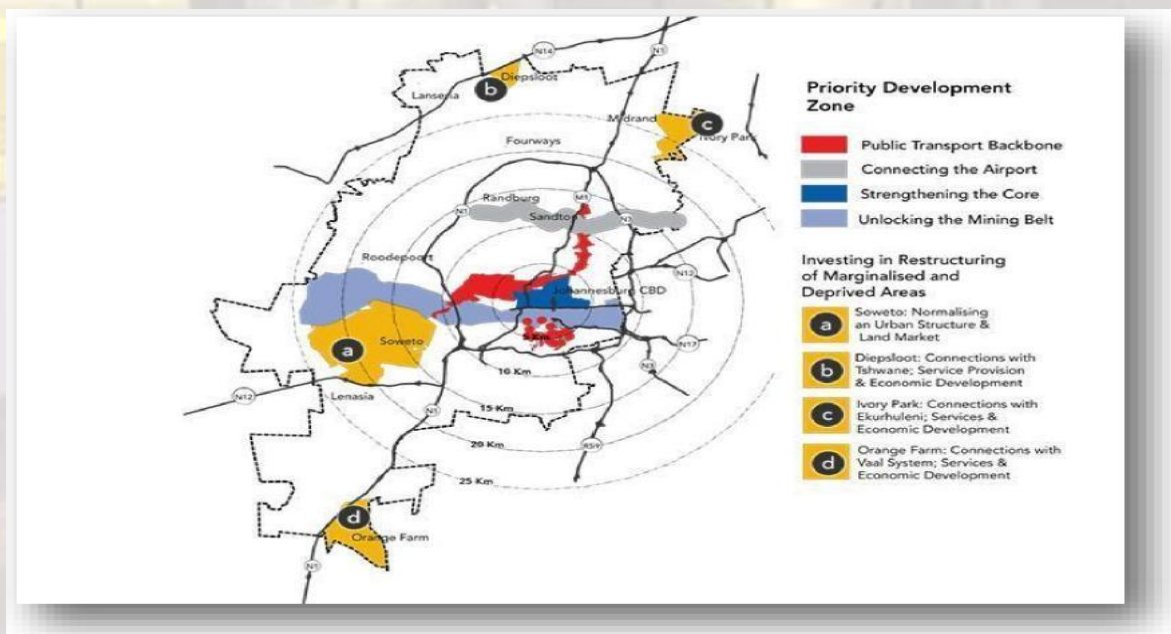
- Programme 1. Strategic Economic Node Delivery Programme.
- Programme 2. Accelerated Infrastructure Delivery Programme.
- Programme 3. Economic Empowerment Programme.

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 3: 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).	<ul style="list-style-type: none"> <li>• Programme 1: Strategic Economic Node Delivery Programme.</li> <li>• Programme 2: Accelerated Infrastructure Delivery Programme.</li> <li>• Programme 3: Economic Empowerment Programme.</li> </ul>
Unlocking Soweto	Greater Soweto (including Lenasia, Eldorado Park, Nancefield)	
Consolidating public transport backbone	The Transit-Oriented Development Corridors: Empire-Perth Corridor and Louis Botha Corridor.	
OR Tambo/ Airport Corridor	Alex and the OR Tambo Corridor (Includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald)	
Addressing marginalization	Marginalized Areas – Diepsloot, Ivory Park, Orange Farm	

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.
- 2. 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** - Analyse, 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.

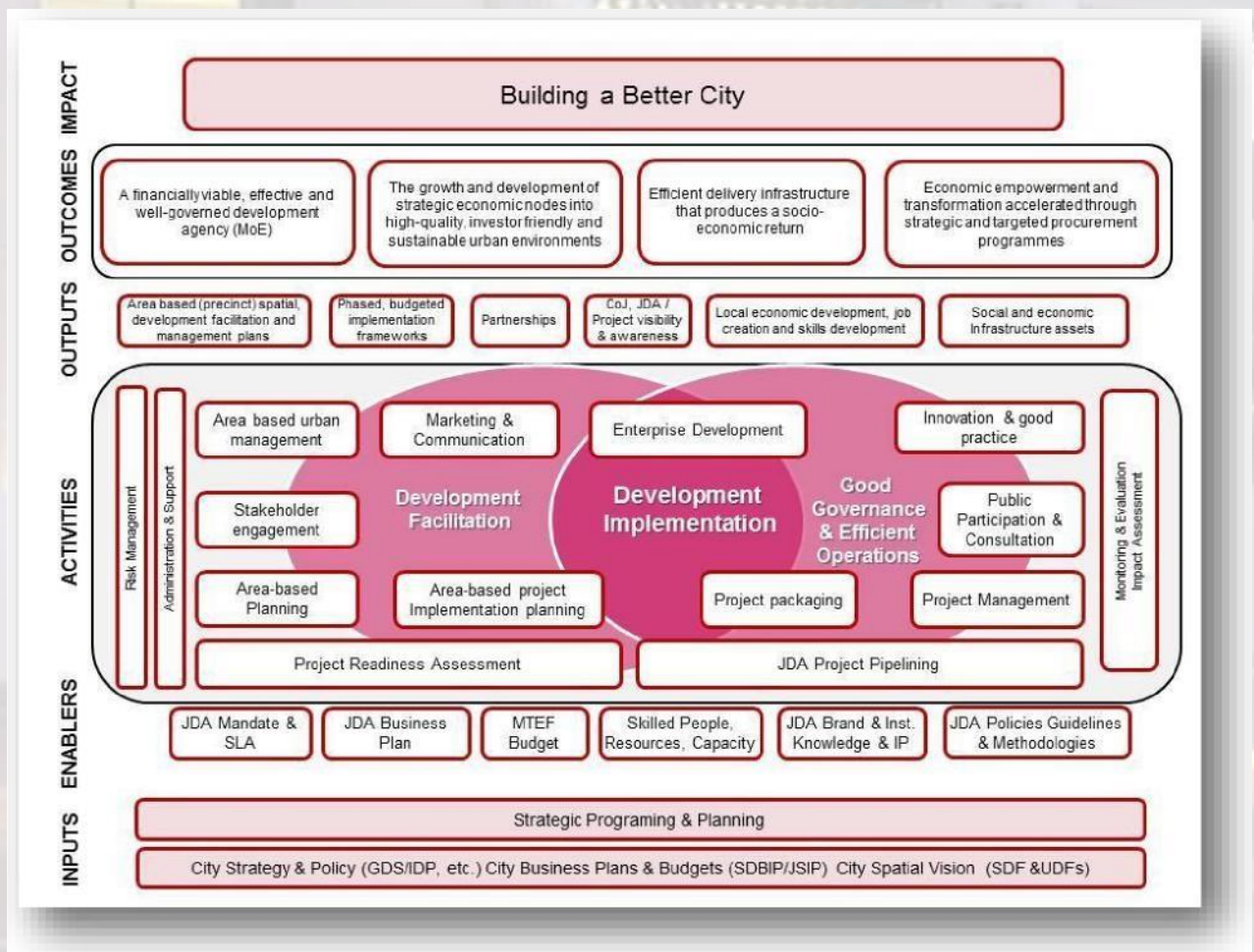
The JDA has aligned the main elements of the Agency's work and highlights the flow between them:

**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**

- JDA has managed to spend 40.7% of its allocated budget in the first three quarters of the financial year. This is despite the cash flow challenges that affected payment on invoices within a prescribed period of 30 days.
- A cumulative total of 293 EPWP work opportunities were reported as at end of the 3<sup>rd</sup> Quarter. The entity has surpassed the annual target that is set 150 jobs.
- The entity has recorded a deficit of R31 million by end of quarter three due to cost that is higher than revenue.
- The OPEX recorded is R92 million against the quarterly target of R84 million which represent 110% spent. The performance poses a risk of over expenditure by end of the financial year and requires the Finance department to manage expenditure in the last quarter.

**TABLE 4: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE<sup>1</sup>**

Programme	2022/23 Annual Budget	Target YTD	Actual YTD	Target %	%Actual /annual budget
	R' 000	R' 000	R'000	%	%
Capex for 2021/22 FY	1 153 775	865 331	469 716	54%	40,71%
<b>Total</b>	<b>1 153 775</b>	<b>865 331</b>	<b>469 716</b>	<b>54%</b>	<b>40,71%</b>

**TABLE 5: OPERATING BUDGET MANAGEMENT**

	2022/23 Adjusted Budget	Year to date		% Achievement for Year to Date	% Achievement for Annual
		Target	Actual		
Revenue R'000)	112 313	84 235	61 062	72%	54%
Costs (R'000)	112 313	84 235	92 430	110%	82%
Net surplus/(deficit)	-	0	(31 368)		

Expenditure has 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 recognises 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.

#### 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 Compliance Team and Internal Audit team provided regular feedback to the Audit and Risk Committee, which is responsible for monitoring compliance with applicable legislation including 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 recognise 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 as far as it applies 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 ensures that the JDA incorporates the Environmental, Social and Governance (ESGs) in its day-to-day operations and reports accordingly.

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

Environmental aspects of concern for the JDA include climate change, energy, water scarcity and usage, pollution and waste management;

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

Governance matters include corporate structure and management, strategic direction and oversight, compliance, anti-bribery and corruption, board composition, and executive composition.

During the third quarter 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, characterised 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 recognises 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 neighbourhood 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 recognises 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 1 March 2023 Annual General meeting (AGM), Ms. Daliwe Oliphant 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.

Board 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.

The Board undergoes an evaluation process annually where shortcomings are addressed and areas of strength are consolidated. The performance of the Board committees is also evaluated against their terms of reference.

At the AGM held on 1 March 2023 the JDA Board of Directors was reviewed and the following members were retired from the entity:

- (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

While the Independent Audit and Risk Committee members retired from the entity were:

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

**The same AGM appointed the following Board with effect from 1 March 2023:**

- (i) Daliwe Oliphant (Chairperson).
- (ii) Mally Hilda Mokoena.
- (iii) Mongezi Ntanga.
- (iv) Morwesi Ramonyai Thonga.
- (v) Nandhipha Beauty Zonela.
- (vi) Bruce Lerato Sarela.
- (vii) Masiba Mojapelo.
- (viii) Pinkie Zanele Numa.
- (ix) Vukile Hamilton Hlongwa.
- (x) Justice Makoko Makgonye; and
- (xi) Siyabonga Masiza

With: Mr. Mokgema Mongane (Chief Executive Officer and Executive Director)

While the new Independent Audit Committee members consist of the following members:

- (i) Sivuyile Mndawe.
- (ii) Patrick Sydwell Lebopa; and
- (iii) Tshepo Nawane

**TABLE 6: BOARD COMPOSITION BETWEEN 1 JANUARY 2023 TO 28 FEBRUARY 2023**

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-	Black	Male	Development and Investment Committee

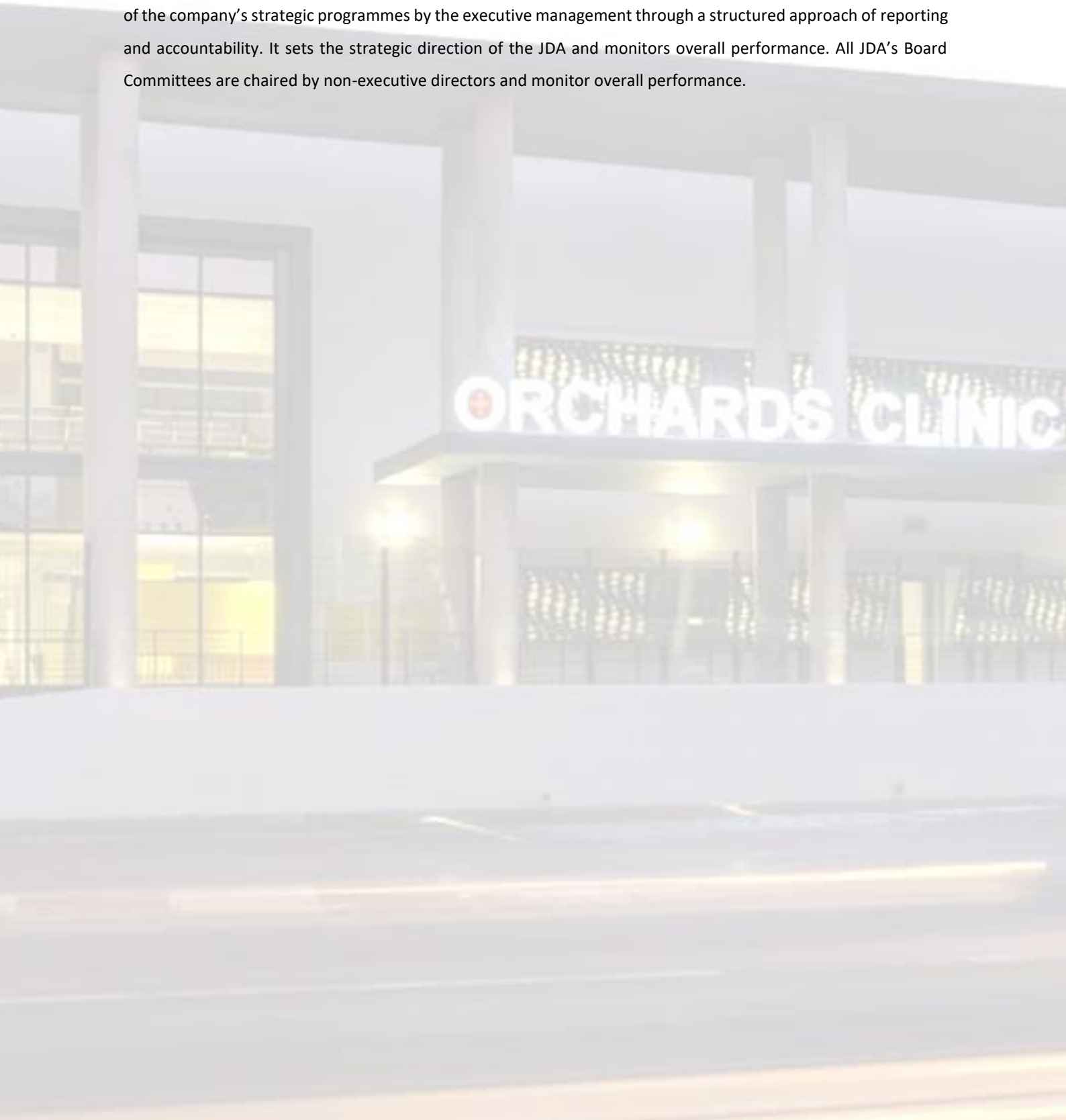
Mr. Mthobisi Malinga	Non-executive	Black	Male	Audit and Risk Committee and Social Ethics, Human Resources and Remuneration Committee
Adv. Neo Ntingane	Non-executive	Black	Female	Social Ethics, Human Resources and Remuneration Committee (Chair)
Dr. Lindelani Matshidze	Non-executive	Black	Male	Development 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 Committee

TABLE 7: BOARD COMPOSITION BETWEEN 1 MARCH 2023 TO 31 MARCH 2023

Board member	Capacity: Executive/ Non-Executive	Race	Gender	Board Committee Membership
Ms. Daliwe Oliphant	Chairperson (Non-executive)	Black	Female	Development and Investment Committee
Mr. Makoko Makgonye	Non-executive	Black	Male	Development and Investment Committee
Ms. Morwesi Ramonyai	Non-executive	Black	Female	Audit and Risk Committee and Social Ethics, Human Resources and Remuneration Committee
Mr. Mongezi Ntanga	Non-executive	Black	Male	Social Ethics, Human Resources and Remuneration Committee
Ms. Nandipha Zonela	Non-executive	Black	Female	Development and Investment Committee (Chair)
Ms. Mally Mokoena	Non-executive	Black	Female	Social Ethics, Human Resources and Remuneration Committee (Chair)
Ms. Pinkie Numa	Non-executive	Black	Female	Development and Investment and
Mr. Vukile Hlongwa	Non-executive	Black	Male	Audit and Risk Committee
Mr. Siyabonga Masiza	Non-executive	Black	Male	Audit and Risk Committee and Social, Ethics, Human Resources and remuneration Committee
Mr. Bruce Sarela	Non-executive	Black	Male	Audit and Risk Committee (chair)

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 labour 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 8A: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (01 JANUARY 2023 TO 28 FEBRUARY 2023)**

Name	Board				Audit & Risk Committee				Social & Ethics/ HR & Remuneration Committee				Development & Investment Committee			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Lionel Brenner (Chairperson)	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Mthobisi Malinga	2	2	0	0	2	2	0	0	1	1	0	0	N/A	N/A	N/A	N/A
Ntona Marota	2	2	0	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Anchen Dreyer	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Neo Ntingane	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Christopher Whittle	2	2	0	0	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0
Lindelani Matshidze	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Didibuku Thwala	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Nosipho Ngaka (ARC member)	N/A	N/A	N/A	N/A	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kwena Mashiane (ARC member)	N/A	N/A	N/A	N/A	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Mendelsohn (ARC member)	N/A	N/A	N/A	N/A	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 8B: BOARD AND BOARD COMMITTEE MEETINGS &amp; ATTENDANCE (01 MARCH 2023 TO 31 MARCH 2023)

Name	Board				Audit & Risk Committee				Social & Ethics/ HR & Remuneration Committee				Development & Investment Committee			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Daliwe Oliphant (Chairperson)	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Bruce Sarela	2	2	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Makoko Makgonye	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Mongezi Ntanga	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Pinkie Numa	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Morwesi Ramonyai	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Siyabonga Masiza	2	2	0	0	1	1	0	0	N/A	N/A	N/A	N/A	1	1	0	0
Vukile Hlongwa	2	2	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nandipha Zonela	2	2	0	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mally Mokoena	2	2	0	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sivuyile Mndawe (ARC member)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tshepo Nawane (ARC member)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Lebopa (ARC member)	N/A	N/A	N/A	N/A	1	1	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 AS AT 14 MARCH 2023**

Composition	Mandate and Quarterly Activities
<b>Audit and Risk Committee</b>	
<p>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:</p> <ul style="list-style-type: none"> <li>• Ntona Marota (Chairperson)</li> <li>• Mthobisi Malinga</li> <li>• Christopher Whittle</li> <li>• Nosipho Ngaka (Independent Audit Member)</li> <li>• Kwena Mashiane (Independent Audit Member)</li> <li>• John Mendelson (Independent Audit Member)</li> </ul>	<p>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:</p> <p>Reviewing JDA's internal controls, publishing financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosures to the Board.</p> <p>Reviewing reports from management, internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed.</p> <p>Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.</p>
<b>Social and Ethics / Human Resources and Remuneration Committee</b>	
<p>In line with the best practice of corporate governance, the Board maintains a Human Resources &amp; Remuneration Committee/Social &amp; Ethics Committee (HR &amp; REMCO/Social &amp; Ethics), comprising of 5 (five) non-executive 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</p>	<p>The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR &amp; Remuneration Committee/Social &amp; 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.</p> <p>The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the City of Johannesburg.</p>

Composition	Mandate and Quarterly Activities
<p>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 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:</p> <ul style="list-style-type: none"> <li>• Neo Ntingane (Chairperson)</li> <li>• Anchen Dreyer</li> <li>• Mthobisi Malinga</li> </ul>	
Development and Investment Committee	
<p>The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> <li>• Lindelani Matshidze (Chairperson)</li> <li>• Lionel Brenner</li> <li>• Didibuku Thwala</li> <li>• Christopher Whittle</li> </ul>	<p>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.</p>

### **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.

**Table 10: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS  
REMUNERATION AND ALLOWANCES FOR THE PERIOD ENDING 31 MARCH 2023**

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
<b>Executive Directors &amp; Senior Management -</b>							
M Mongane	CEO (Appointed 05 August 2022)	1 261 432	84 889	-	-	376 466	1 722 787
S Moonsamy	CFO (Resigned 14 November 2022)	690 305	51 534	-	-	-	741 839
R Shirinda	Company Secretary	1 283 585	60972	-	173 206	-	1 517 763
B Seopela	EM: Corporate Services	1 628 850	-	-	260 616	-	1 889 466
O Nkoane	EM: Development Planning and Facilitation	1 453 067	95 657	-	144 548	-	1 693 272
S Genu	EM: Project Implementation	1 503 925	99 004	31 278	-	-	1 634 207
Z Tshabalala	Chief Audit Executive (Appointed August 2022)	959 283	49 412	-	-	-	1 008 695
<b>Sub-Total</b>		<b>8 780 447</b>	<b>441 468</b>	<b>31 278</b>	<b>578 370</b>	<b>376 466</b>	<b>10 208 029</b>
<b>Non-Executive Directors &amp; Independent Audit Committee Members</b>							
L Brenner	Board Chairperson	192 000					192 000
M Malinga	Board Member	176 000					176 000
S Morata	Board Member (ARC Chair)	176 000					176 000
A Dreyer	Board Member	96 000					96 000

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
N Ntingane	Board Member (SEHR Chair)	142 000					142 000
C Whittle	Board Member	194 000					194 000
P Raphalalani	Board Member	12000					12000
L Matidze	Board Member (DI Chairperson)	158 000					158 000
D Thwala	Board Member	134 000					134 000
N Ngaka	Independent Audit & Risk member	62 000					62 000
K Mashiane	Independent Audit & Risk member	40 000					40 000
J Mendelsohn	Independent Audit & Risk member	56 000					56 000
<b>Sub-Total</b>		<b>1 438 000</b>					<b>1 438 000</b>
<b>TOTAL</b>		<b>10 218 447</b>	<b>441 468</b>	<b>31 278</b>	<b>578 370</b>	<b>376 466</b>	<b>11 646 029</b>

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.

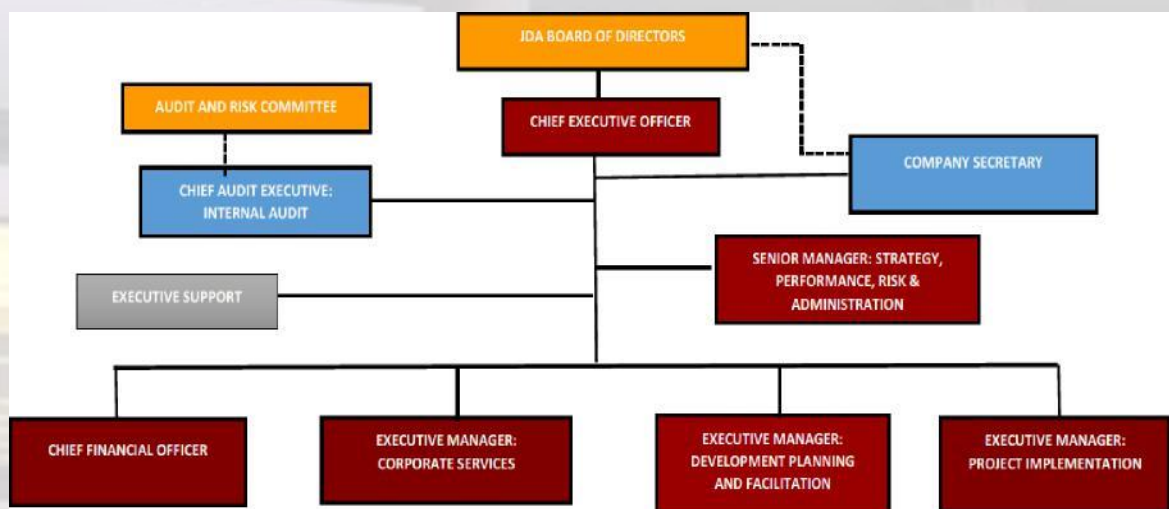
The Company Secretary's work covers a wide variety of functions, including but not limited to:

- 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.

**FIGURE 5: HIGH LEVEL ORGANISATION STRUCTURE**



### 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. JDA management is responsible for identifying, assessing and monitoring risks reported to the various governance structures as per risk reporting framework.

The JDA has a risk management strategy, 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 amenable to changes and as such, changes are 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 quarter 3 are as follows:

**TABLE 11: IMPLEMENTED RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES**

Programmes and/or activities
Strategic Risk Monitoring
Operational, compliance and Fraud Risk Monitoring
Review of Fraud Management Policies
Review of Whistle Blowing Policy
Review of Code of Ethics Policy
Finalised Declaration of Interest
SCM Risk Tolerance Framework

The Executive Committee and Audit and Risk Committee will continue to monitor the implementation of the documents listed above to ensure that the organization is proactive in addressing risks and strengthening its internal control environment.

**TABLE 12: STATUS OF IMPLEMENTATION OF COMMITTED ACTION PLANS**

KPI	Q1	Q2	Q3
Implementation of committed Strategic Action Plans	73%	50%	62%


The percentage achieved reflects the overall total of action plans that were committed to be implemented as at end of quarter 3. There are twenty-one (21) committed mitigation plans to be implemented as at the 3<sup>rd</sup> quarter. Of the twenty-one (21) mitigation plans only thirteen (13) were implemented, which translates to 62% (depicted in table 2 above). Therefore, the performance has improved by 12% from the 50% in the 2<sup>nd</sup> Quarter.



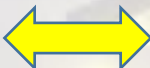
#### **Residual Strategic Risks triggered by Risk Tolerance threshold and reported as per Priority for Attention Reporting Framework**

Key risk indicators (KRIs) have been developed and linked to risk categories and risks. These KRIs are aligned to the organization's key performance indicators (KPIs) in order to monitor the defined milestones and targets in pursuit of the set objectives.

The strategic risks reported below triggers reporting for the attention of EXCO and ARC to intervene, treat and monitor these risks more closely to ensure achievement of expected performance. The residual risk rating level of amber and above must be reported to EXCO and ARC to allow early intervention as per the JDA's adopted Risk Management Framework.

**TABLE 13: RESIDUAL STRATEGIC RISKS TRIGGERED BY RISK TOLERANCE THRESHOLD**

No	Risk Name	RR-Q2	RR-Q3	RR Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
1.	Poor project performance	16	25		<ul style="list-style-type: none"> <li>- Number of projects at concept design stage</li> <li>- Number of projects at detailed design stage.</li> <li>- Number of projects reaching the contract award stage.</li> <li>- Number of project at reaching practical completion stage.</li> </ul>	Due to the City's cashflow challenges JDA was unable to pay service providers, thus resulted in a large backlog of unpaid invoices. This led to all contractors to down tool and suspend work. Therefore all projects are still suspended and the risk rating has regressed.	The improvement in the City's financial position may lead to payment of outstanding invoices and resumption of work on site. All contractors paid in full will be requested to resume work.

No	Risk Name	RR-Q2	RR-Q3	RR Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
2.	No/insufficient working capital to finance the project (contractor)	16	25		<ul style="list-style-type: none"> <li>- Number of contractors place in terms or terminated.</li> <li>- Number of cessions entered into with contractor to pay SMMs.</li> <li>- Number of incidents of SMMs marching to JDA offices or stopping construction due to non-payment.</li> </ul>		
6.	Inability to ensure financial sustainability	12	25		<ul style="list-style-type: none"> <li>- % of budget spent on city-wide infrastructure.</li> <li>- % of valid invoices paid within 30 days of the invoice date.</li> <li>- Number of days-debtors collection period.</li> </ul>		
8.	Maladministration	8	8		<ul style="list-style-type: none"> <li>- % of Strategic and Operational Risk Management Action Plans resolved.</li> </ul>	62% of strategic risk management action plans were implemented in Q3. Therefore the risk rating is stagnant.	

## **Corporate Ethics and Organizational Integrity**

### **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 realise 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. Failure 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. The entity achieved 100% of declaration of interest by employees at end of Q3.

#### **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.

Employees are regularly briefed and trained on fraud prevention. 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 and
- Code of Ethics Policy.

#### **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 relating to possible fraud and corruption reported in quarter 3 of 2022/23 financial year. The cases cited below emanate from the previous quarters and years.

**TABLE 14: REPORTED CASES**

Year	No of cases reported	Status	Comments
2022	2	There are 2 (two) investigation that are currently in progress.	The cases are continuously monitored.
2021	8	There are 7 ( seven) cases that have been closed.	Closing reports/memos are available.
		There is 1 (one) case that do not appear on the GFIS system.	Continuous engagement with GFIS to identify where the discrepancies are,
2019	1	There is one (1) case that does not appear on the GFIS system	Continuous engagement with GFIS to identify where the discrepancies are.
2018	3	All cases are closed	Closing reports/memos are available
2017	1	The case is closed.	Closing report/memo is available.

Progress on fraud cases is provided on a monthly basis via email and meetings with GFIS given the slow pace in resolving cases. The objective of these meetings is to discuss the progress of each case and the challenges encountered.

## 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.

**TABLE 15: ICT POLICIES AND FRAMEWORKS ARE CURRENTLY IN PLACE**

Policy	Role	Status
ICT Security Policy	ICT Security enforcement	Approved
ICT Strategy	ICT Strategy enforcement	Approved
Cloud Policy	Cloud enforcement	Approved
Disaster Recovery	Disaster Recovery	Approved
Backup Policy	Backup detail & frequency	Approved
Password Policy	Password application	Approved
Internet and Email Policy	governance	Approved
Cyber Security Strategy	Cyber security application	Approved

### Supply Chain Management Digitization

The concentrated focus on supply chain is inevitable. The entire service delivery value chain pivots around supply chain. The digitisation of supply chain is therefore meant to trigger JDA-wide efficiencies in the execution of contracting strategies that will enable service delivery objectives to be met. All supply chain processes are 100% digitised as at the 3rd quarter of the financial year. The Supply chain team has made great strides in ensuring that all SCM processes are automated through the SAP system as follows:

### Summary Statistics-Capital Expenditure

	Portfolio A	Portfolio B	Portfolio C	Totals
Contracts loaded on SAP	63	175	187	425

### Summary Statistics-Operational expenditure

	Opex Cluster 1	Opex Cluster 2
Contracts	151	12

### SAP Finance Digitization

Data migration is the only milestone left to complete the implementation of the Finance module. Its delays have mainly been due to the request by Finance Management to pause the implementation to allow the audit by the auditor general to take precedence. It is anticipated that since the audit is complete and assets were returned, the implementation can proceed.

The data migration process for financial data goes just beyond the IT aspect of developing a tool to move data from the Great Plains system to the SAP system. There are significant quality gates that need to be considered and passed before data is migrated from GP to SAP, as follows:

**Accuracy of financial data** -financial data should have been audited and all necessary adjustments made to inform the correct opening balances for all balance sheet accounts from an agreed period by business. This ensures that financial data being migrated has been independently verified for accuracy and integrity.

**Completeness of records** -this quality gate confirms that mandatory information required for each creditor and debtor records are complete. This means all information required to ensure that a debtor or creditor record is complete should be in place and where there are gaps, the information should be populated to complete the record before the records are moved to the SAP system.

The data migration process is expected to be complete by 30 June 2023.

### Network Performance

The performance of the network remains stable at an average of 99% against a target of 99%. The improvement in performance has been largely attributed to the service provider replacing stolen infrastructure as well as upgrading fiber.

## 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 categorised as follows.

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

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

Overall URR Compliance status:

Description	Number of Obligations	Compliance %
Compliant	300	99.33 %
Non-compliant	2	0.67%
Total	302	100%

**TABLE 16: 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 year.
Municipal Finance Management Act, No. 56 of 2004.	Section 99(2)(b)	Service Providers must be paid within 30 days.	The improvement in the City's financial position will lead to payment of invoices within 30 days.

Unauthorized, irregular, fruitless and wasteful expenditure must be compiled and adopted by municipalities and municipal entities to ensure compliance with Section 32 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and MFMA Circular 68 dealing with unauthorized, irregular, fruitless and wasteful expenditure issued by National Treasury on 10 May 2013

The third quarter compliance status of the MFMA Circular 68 report is illustrated in the table below:

**TABLE 17: UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Unauthorized Expenditure	None
Fruitless & Wasteful Expenditure	None
Irregular Expenditure.	None
Payment of Service Providers within 30 days.	77%

## 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 implementation of the three identified CSR initiatives is stagnant due to unavailability of funds.

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

**TABLE 18: 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 catalyse private investment, enterprise, and neighbourhood 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 runoff 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.

Four major outcomes define the Joburg 2040 GDS:

- Improved quality of life and development-driven resilience for all.
- Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.
- An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.
- A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region

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

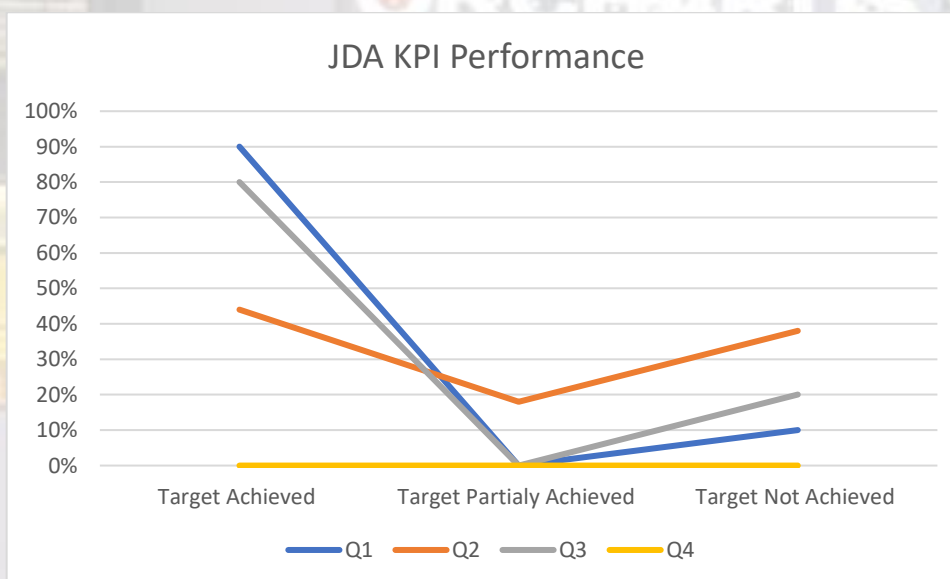
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The JDA continued to implement its planned programmes during the quarter under review. During mid-year adjustment process, the entity considered factors that have affected its performance for the first half of the financial year and deviated accordingly. As such, the third quarter performance report has been prepared against the adjusted 2022/23 adjust scorecard approved by Council during mid-year adjustment process.

As outlined in the JDA's 2022/23 Business Plan and revised Scorecard (Deviations Report), in total there are 19 KPI's for the Agency (for the 3<sup>rd</sup> quarter there are 5 KPI's that are measured and 14 KPI's had zero targets). Furthermore, of 14 KPIs that had zero targets, 8 have reported progress as a result of the momentum they had already gained beginning of the quarter.

Regarding performance against the JDA's 5 measured Strategic KPIs, 4 (80%) performance targets are achieved, zero performance targets are partially achieved, and 1 (20%) performance target is not achieved in the 3<sup>rd</sup> 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, 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.



TABLE 19: SUMMARY OF KPI PERFORMANCE

IDP Priority /	IDP Programs	No of KPI's	KPI Number (Ref)	Target Achieved (95% - 100% rating)		Target Partially Achieved (80% - 94% rating)		Target not Achieved (<79% rating)	
				Count	%	Count	%	Count	%
Strategic priority: infrastructure Development and Refurbishment.	Inner-city regeneration, including key economic nodes.	10(1 Measured))	(1-2-3-4-5-6-7-8-9-10)	1	100%	-	-	-	-
	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								
Strategic priority: Good Governance	Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure	2 (Both Measured)	(11-12)	2	100%	-	-	-	-
	Financial Sustainable and Resilient City								
Strategic priority: Financial Sustainability	Focusing on driving up capital expenditure investment in infrastructure	3	(13-14-18)	-	-	-	-	-	-
Strategic priority: Day-to-day Program / Job opportunity and creation and Sustained Economic Growth	Other IDP or Day-to Day programs	4 (2 Measured )	(15-16-17-19)	1	50%	-	-	1	50%
		19 (5 Measured)		4	80%	0	0%	1	20%

## **SECTION 2: SERVICE DELIVERY CHALLENGES**

The following are service delivery challenges encountered by the JDA during the third quarter of 2022/23

- The major challenge facing the entity is the withdrawal of client budgets and consequentially the inability to pay existing obligations and to continue with existing contracts. Unless this situation is addressed now, it will negatively impact on the ability of the entity to continue its operations.
- The Entity continued to experience the dismal impact of the COJ cash flow challenge that the City encountered.
- During the second quarter of the 2022/23 financial year, the CoJ had begun to face Cash Flow mismatch. The CoJ's entities, such as the JDA, were thus unable to fulfil the payment obligations to their Service Providers, as these projects are funded through the City's Coffers. This inevitably had dire consequences and implications on the business of JDA.
- The JDA was not receiving the weekly projected amount in order to pay invoices timeously. 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 on average approximately R8mil on a weekly basis. This has thus resulted in a large backlog of unpaid invoices.
- Inability to pay invoices led to protest by contractors and all contractors have since down tools and suspended work on the ground until all aforementioned outstanding invoices are fully paid out.

### 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 20: SUMMARY OF JDA PROGRAMMES**

JDA Substantive Program	JDA Sub-Program	Purpose
1. Strategic Economic Node Delivery Program	1A: Inner-city transformation Sub- Program	Guided by the Mayoral Priority on the Inner City and the Inner-City Roadmap the JDA will focus on strengthening 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 initiatives.
	1B: Economic Node Sub-Program	The objective is to develop nodes that are compact, walkable, live able, mixed-use, and mixed-income areas and centres 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 <sup>3</sup> 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
2. Accelerated Public infrastructure Delivery Program	2A: Deprivation Areas Revitalization Sub-Programme	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.

	2B: Urban Infrastructure Delivery Sub-Program	<p>The objective is to deliver on the City's priority social effectively and efficiently and/or economic infrastructure programs.</p> <p>This work includes overseeing capital investments by other departments and entities. This program includes Rea Vaya BRT infrastructure, taxi and transport facilities, primary healthcare clinics and fire-stations.</p>
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#### 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.

Actual capital expenditure for the third quarter ended 31 March 2023 was R469.7 million (2021/22: R655 million) against the budget of R1.2 billion (2021/22: R1.3 billion). This represents 40.71% of the overall annual budget spent by third quarter. There are still various factors that continue to affect projects expenditure including poor contractor performance.

TABLE 21: EXPENDITURE BY FUNDING SOURCE

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
PROJECTS PER FUNDING SOURCE									
Test Eco District Prototypes TOD corridors	R 1 016 591	R 6 352	(R 5 335	R 1 016	R 6 352	(R 5 335	(84,00%)	R 8 469	12,00%
<b>Sub-total</b>	<b>1 016 591</b>	<b>6 352</b>	<b>(5 335</b>	<b>1 016</b>	<b>6 352 191</b>	<b>(5 335</b>	<b>(84,00%)</b>	<b>8 469</b>	<b>12,00%</b>
<b>JDA ON BUDGET</b>									
Inner City Eastern Gateway TOD and Movement Corridors	2 498 468	3 750 000	(1 251 532)	2 498 468	3 750 000	(1 251 532)	(33,37%)	5 000 000	49,97%
Regeneration of Lenasia CBD and Anchorville Industrial Hub – Region G	3 630 734	4 500 000	(869 266)	3 630 734	4 500 000	(869 266)	(19,32%)	6 000 000	60,51%
Pennyville Precinct Renewal	3 241 987	6 000 000	(2 758 013)	3 241 987	6 000 000	(2 758 013)	(45,97%)	8 000 000	40,52%
Randburg CBD Regeneration Renewal	635 166	1 500 000	(864 834)	635 166	1 500 000	(864 834)	(57,66%)	2 000 000	31,76%
Melville Activity Street	5 846 289	15 000 000	(9 153 711)	5 846 289	15 000 000	(9 153 711)	(61,02%)	20 000 000	29,23%
Revitalisation of Pageview and	119 280	375 000	(255 720)	119 280	375 000	(255 720)	(68,19%)	500 000	23,86%
CORR - Louis Botha Corridor of Freedom	19 708 470	33 750 000	(14 041 530)	19 708 470	33 750 000	(14 041 530)	(41,60%)	45 000 000	43,80%
Ivory Park UDF_ Development Catalytic	0	15 000 000	(15 000 000)	0	15 000 000	(15 000 000)	(100,00%)	20 000 000	0,00%
Alexandra Sports and Youth	0	600 000	(600 000)	0	600 000	(600 000)	(100,00%)	800 000	0,00%
Diepsloot Development Renewal	7 657 105	6 000 000	1 657 105	7 657 105	6 000 000	1 657 105	27,62%	8 000 000	95,71%
Banakekelen Hospice New Clinic	0	285 000	(285 000)	0	285 000	(285 000)	(100,00%)	380 000	0,00%
Ivory Park Turnkey Prog Dlamini Drive	16 907 022	5 250 000	11 657 022	16 907 022	5 250 000	11 657 022	222,04%	7 000 000	241,53%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
Watt Street Precinct, Wynberg	490 318	6 000 000	(5 509 682)	490 318	6 000 000	(5 509 682)	(91,83%)	8 000 000	6,13%
Jabulani TOD: Phase 6a - Safe Hub	24 377 110	25 500 000	(1 122 890)	24 377 110	25 500 000	(1 122 890)	(4,40%)	34 000 000	71,70%
Orange farm Turnkey project	105 001 063	143 351 250	(38 350 187)	105 001	143 351 250	(38 350 187)	(26,75%)	191 135 000	54,94%
Kliptown Urban Renewal Programme	177 375	1 125 000	(947 625)	177 375	1 125 000	(947 625)	(84,23%)	1 500 000	0,00%
23775_Ivory Park Urban Renewal	0	10 702 500	(10 702 500)	0	10 702 500	(10 702 500)	(100,00%)	14 270 000	0,00%
Soweto Strategic area framework	31 175	600 000	(568 825)	31 175	600 000	(568 825)	(94,80%)	800 000	3,90%
Operational Capex New Operational	0	5 250 000	(5 250 000)	0	5 250 000	(5 250 000)	(100,00%)	7 000 000	0,00%
InnerCity Core	5 098 569	1 125 000	3 973 569	5 098 569	1 125 000	3 973 569	353,21%	1 500 000	339,90%
Brixton Social Cluster: Work Package 1	5 652 852	9 000 000	(3 347 148)	5 652 852	9 000 000	(3 347 148)	(37,19%)	12 000 000	47,11%
New Turfontein Clinic and Multipurpose	10 952 346	8 250 000	2 702 346	10 952 346	8 250 000	2 702 346	32,76%	11 000 000	99,57%
Inner City Partnership Fund - Round 1:	4 109 691	12 000 000	(7 890 309)	4 109 691	12 000 000	(7 890 309)	(65,75%)	16 000 000	25,69%
Klipfontein Wellness Centre	12 810 214	18 750 000	(5 939 786)	12 810 214	18 750 000	(5 939 786)	(31,68%)	25 000 000	51,24%
Roodeport CBD regeneration Renewal	2 211 397	2 250 000	(38 603)	2 211 397	2 250 000	(38 603)	(1,72%)	3 000 000	73,71%
Braamfischer gravel road	12 626 761	18 000 000	(5 373 239)	12 626 761	18 000 000	(5 373 239)	(29,85%)	24 000 000	52,61%
<b>Sub-total</b>	<b>243 783 392</b>	<b>353 913 750</b>	<b>(110 130 358)</b>	<b>243 783</b>	<b>353 913 750</b>	<b>(110 130 358)</b>	<b>(31,12%)</b>	<b>471 885 000</b>	<b>51,66%</b>

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
<b>COMMUNITY DEVELOPMENT (COMM DEV)</b>									
Lehae MPC New Construction	72 901	3 000 000	(2 927 099)	72 901	3 000 000	(2 927 099)	(97,57%)	4 000 000	1,82%
Johannesburg Library F	1 775 999	8 250 000	(6 474 001)	1 775 999	8 250 000	(6 474 001)	(78,47%)	11 000 000	16,15%
Kaalfontein MPC New Construction	13 937 039	11 250 000	2 687 039	13 937 039	11 250 000	2 687 039	23,88%	15 000 000	92,91%
Public Art Fountains	825 524	0	825 524	825 524	0	825 524	0,00%	0	0,00%
Ivory Park Swimming Pool	27 365	0	27 365	27 365	0	27 365	0,00%	0	0,00%
MPC Matholesville	9 972 530	11 250 000	(1 277 470)	9 972 530	11 250 000	(1 277 470)	(11,36%)	15 000 000	66,48%
Drieziek MPC	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100,00%)	2 000 000	0,00%
Repairs to Comm Dev Facilities	10 683 903	21 825 000	(11 141 097)	10 683 903	21 825 000	(11 141 097)	(51,05%)	29 100 000	36,71%
Newtown Security and Cleaning									
<b>Sub-total</b>	<b>37 295 261</b>	<b>57 075 000</b>	<b>(19 779 739)</b>	<b>37 295 261</b>	<b>57 075 000</b>	<b>(19 779 739)</b>	<b>(34,66%)</b>	<b>76 100 000</b>	<b>49,01%</b>
<b>EMERGENCY MANAGEMENT SERVICES (EMS)</b>									
Central Fire Station	23 249 562	30 000 000	(6 750 438)	23 249 562	30 000 000	(6 750 438)	(22,50%)	40 000 000	58,12%
<b>Sub-total</b>	<b>23 249 562</b>	<b>30 000 000</b>	<b>(6 750 438)</b>	<b>23 249 562</b>	<b>30 000 000</b>	<b>(6 750 438)</b>	<b>(22,50%)</b>	<b>40 000 000</b>	<b>58,12%</b>
<b>HEALTH DEPARTMENT</b>									
Elias Motsoaledi Clinic	1 006 235	0	1 006 235	1 006 235	0	1 006 235	0,00%	0	0,00%
Protea Glen Clinic	0	0	0	0	0	0	0,00%	0	0,00%
South Hills Clinic	1 583 475	0	1 583 475	1 583 475	0	1 583 475	0,00%	0	0,00%
Protea Glen Clinic	0	0	0	0	0	0	0,00%	0	0,00%
Naledi Clinic	17 870 238	22 100 250	(4 230 012)	17 870 238	22 100 250	(4 230 012)	(19,14%)	29 467 000	60,64%
Rabie Ridge Clinic	1 564 311	0	1 564 311	1 564 311	0	1 564 311	0,00%	0	0,00%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
Hikhensile Clinic	380 939	285 750	95 189	380 939	285 750	95 189	33,31%	381 000	99,98%
Protea South Clinic	861 159	0	861 159	861 159	0	861 159	0,00%	0	0,00%
Freedom Park Clinic	380 939	285 750	95 189	380 939	285 750	95 189	33,31%	381 000	99,98%
<b>Sub-total</b>	<b>23 647 296</b>	<b>22 671 750</b>	<b>975 546</b>	<b>23 647 296</b>	<b>22 671 750</b>	<b>975 546</b>	<b>4,30%</b>	<b>30 229 000</b>	<b>78,23%</b>
<b>DEP OF HOUSING:</b>									
Braamfischerville Ext 12&13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward	317 093	7 500 000	(7 182 907)	317 093	7 500 000	(7 182 907)	(95,77%)	10 000 000	3,17%
Finetown Proper Gravel roads upgrade	276 368	9 375 000	(9 098 632)	276 368	9 375 000	(9 098 632)	(97,05%)	12 500 000	2,21%
Lakeside Ext 5 Gravel roads upgrade	5 460 328	11 250 000	(5 789 672)	5 460 328	11 250 000	(5 789 672)	(51,46%)	15 000 000	36,40%
Drieziek 3, 4 and 5 upgrade gravel Road	1 452 662	33 750 000	(32 297 338)	1 452 662	33 750 000	(32 297 338)	(95,70%)	45 000 000	3,23%
Ennerdale South	0	7 500 000	(7 500 000)	0	7 500 000	(7 500 000)	(100,00%)	10 000 000	0,00%
Kanana Park Ext	0	3 750 000	(3 750 000)	0	3 750 000	(3 750 000)	(100,00%)	5 000 000	0,00%
<b>Sub-total</b>	<b>7 506 451</b>	<b>73 125 000</b>	<b>(65 618 548)</b>	<b>7 506 451</b>	<b>73 125 000</b>	<b>(65 618 548)</b>	<b>(89,73%)</b>	<b>97 500 000</b>	<b>6,73%</b>
Markets of the Future:	0	7 500 000	(7 500 000)	0	7 500 000	(7 500 000)	(100,00%)	10 000 000	0,00%
<b>Sub-total</b>	<b>0</b>	<b>7 500 000</b>	<b>(7 500 000)</b>	<b>0</b>	<b>7 500 000</b>	<b>(7 500 000)</b>	<b>(100,00%)</b>	<b>10 000 000</b>	<b>0,00%</b>
<b>TRANSPORTATION PTIS FUNDING:</b>									
Phase 1C Stations	8 281 245	30 000 000	(21 718 755)	8 281 245	30 000 000	(21 718 755)	(72,40%)	40 000 000	20,70%
Alexandra Depot	5 928 670	20 767 500	(14 838 829)	5 928 670	20 767 500	(14 838 829)	(71,45%)	27 690 000	21,41%
Section 15K (Watt Interchange Station Road Works and Bridges)	0	2 250 000	(2 250 000)	0	2 250 000	(2 250 000)	(100,00%)	3 000 000	0,00%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
OTHER: Land	55 173	2 250 000	(2 194 827)	55 173	2 250 000	(2 194 827)	(97,55%)	3 000 000	1,84%
Guard Houses and Customer centres	9 489 318	10 500 000	(1 010 682)	9 489 318	10 500 000	(1 010 682)	(9,63%)	14 000 000	67,78%
Selby Depot 2C	910 249	37 500 000	(36 589 754)	910 249	37 500 000	(36 589 754)	(97,57%)	50 000 000	1,82%
OTHER: Passenger Information Signage (Finger boards - "on	332 304	21 000 000	(20 667 696)	332 304	21 000 000	(20 667 696)	(98,42%)	28 000 000	1,19%
<b>Sub-total</b>	<b>24 996 959</b>	<b>124 267 500</b>	<b>(99 270 541)</b>	<b>24 996 959</b>	<b>124 267 500</b>	<b>(99 270 541)</b>	<b>(79,88%)</b>	<b>165 690 000</b>	<b>15,09%</b>
<b>DEPARTMENT OF SOCIAL DEVELOPMENT (SOC DEV)</b>									
Shelter for Displaced People Region E	42 391	3 750 000	(3 707 609)	42 391	3 750 000	(3 707 609)	(98,87%)	5 000 000	0,85%
Betrans Multipurpose Centre	21 635 689	32 250 000	(10 614 311)	21 635 689	32 250 000	(10 614 311)	(32,91%)	43 000 000	50,32%
Yetta Nathan Social Development Centre	10 949 979	26 250 000	(15 300 021)	10 949 979	26 250 000	(15 300 021)	(58,29%)	35 000 000	31,29%
Northern, Fleurhof Farm and Eikenhof Farm	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	1 000 000	0,00%
Repairs and Maintenance of Facilities	2 638 984	0	2 638 984	2 638 984	0	2 638 984	0,00%	0	0,00%
Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	922 632	2 625 000	(1 702 368)	922 632	2 625 000	(1 702 368)	(64,85%)	3 500 000	26,36%
Minor Upgrades of all Social Development Facilities in all the	0	1 875 000	(1 875 000)	0	1 875 000	(1 875 000)	(100,00%)	2 500 000	0,00%
<b>Sub-total</b>	<b>36 189 675</b>	<b>67 500 000</b>	<b>(31 310 325)</b>	<b>36 189 675</b>	<b>67 500 000</b>	<b>(31 310 325)</b>	<b>(46,39%)</b>	<b>90 000 000</b>	<b>40,21%</b>
<b>TRANSPORTATION COJ FUNDING:</b>									
Complete Streets: (KFW - German	4 374 220	0	4 374 220	4 374 220	0	4 374 220	0,00%	0	0,00%
PTF: Small Public Transport	0	375 000	(375 000)	0	375 000	(375 000)	(100,00%)	500 000	0,00%
Complete Streets: NMT Facilities	1 191 937	6 000 000	(4 808 063)	1 191 937	6 000 000	(4 808 063)	(80,13%)	8 000 000	14,90%
PTF: Small Public Transport Facility	309 089	1 275 000	(965 911)	309 089	1 275 000	(965 911)	(75,76%)	1 700 000	18,18%
Parking Stress (Maboneng)	521 429	727 826	(206 397)	521 429	727 826	(206 397)	(28,36%)	970 435	53,73%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
Carr Street Public Transport Facility	776 109	3 750 000	(2 973 891)	776 109	3 750 000	(2 973 891)	(79,30%)	5 000 000	15,52%
Jack Mincer Public Transport	1 355 225	1 500 000	(144 775)	1 355 225	1 500 000	(144 775)	(9,65%)	2 000 000	67,76%
Fleet Africa Public Transport	2 258 369	1 725 000	533 369	2 258 369	1 725 000	533 369	30,92%	2 300 000	98,19%
Metro Mall Public Transport facility	618 349	750 000	(131 651)	618 349	750 000	(131 651)	(17,55%)	1 000 000	61,83%
PTF Small Public Transport Facility	0	150 000	(150 000)	0	150 000	(150 000)	(100,00%)	200 000	0,00%
PTF: Small Public Transport	13 570 143	15 000 000	(1 429 857)	13 570	15 000 000	(1 429 857)	(9,53%)	20 000 000	67,85%
Small: Public Transport Facility in	3 282 456	3 750 000	(467 544)	3 282 456	3 750 000	(467 544)	(12,47%)	5 000 000	65,65%
Complete Streets: NMT links	0	225 000	(225 000)	0	225 000	(225 000)	(100,00%)	300 000	0,00%
Complete Streets Deep South	13 932 236	18 750 000	(4 817 764)	13 932	18 750 000	(4 817 764)	(25,69%)	25 000 000	55,73%
PTF Rosebank	644 199	5 250 000	(4 605 801)	644 199	5 250 000	(4 605 801)	(87,73%)	7 000 000	9,20%
Complete Streets Turfontein	12 802 622	11 250 000	1 552 622	12 802	11 250 000	1 552 622	13,80%	15 000 000	85,35%
Public Transport Stops: Cosmo City	724 314	600 000	124 314	724 314	600 000	124 314	20,72%	800 000	90,54%
Complete Streets: NMT linking Phefeni Station	302 100	600 000	(297 900)	302 100	600 000	(297 900)	(49,65%)	800 000	37,76%
Small: PTF Lakeside New nodal	0	600 000	(600 000)	0	600 000	(600 000)	(100,00%)	800 000	0,00%
PTF Sunninghill	144 584	750 000	(605 416)	144 584	750 000	(605 416)	(80,72%)	1 000 000	14,46%
Randburg CBD Transport	827 750	714 131	113 620	827 750	714 131	113 620	15,91%	952 174	86,93%
Zandspruit and surrounding areas	1 594 773	1 364 348	230 426	1 594 773	1 364 348	230 426	16,89%	1 819 130	87,67%
Travel demand management	1 351 237	1 956 522	(605 285)	1 351 237	1 956 522	(605 285)	(30,94%)	2 608 696	51,80%
Parking Management Policy	0	978 261	(978 261)	0	978 261	(978 261)	(100,00%)	1 304 348	0,00%
Complete Streets: NMT Linking	0	525 000	(525 000)	0	525 000	(525 000)	(100,00%)	700 000	0,00%
Lenasia Scholar Transport	21 500	300 000	(278 500)	21 500	300 000	(278 500)	(92,83%)	400 000	5,38%
Roodepoort CBD Transport	1 555 129	0	1 555 129	1 555 129	0	1 555 129	0,00%	0	0,00%
Frank Brown Park Social Housing	0	300 000	(300 000)	0	300 000	(300 000)	(100,00%)	400 000	0,00%
High Court PEU	0	375 000	(375 000)	0	375 000	(375 000)	(100,00%)	500 000	0,00%
Hillbrow Health Precinct Upgrade	0	375 000	(375 000)	0	375 000	(375 000)	(100,00%)	500 000	0,00%
Fordsburg PEU	0	600 000	(600 000)	0	600 000	(600 000)	(100,00%)	800 000	0,00%
Inner City Walkable Network	0	375 000	(375 000)	0	375 000	(375 000)	(100,00%)	500 000	0,00%
Feasibility study for the	0	2 222 609	(2 222 609)	0	2 222 609	(2 222 609)	(100,00%)	2 963 478	0,00%
Feasibility study for the	0	1 836 522	(1 836 522)	0	1 836 522	(1 836 522)	(100,00%)	2 448 696	0,00%
High Court	0	260 870	(260 870)	0	260 870	(260 870)	(100,00%)	347 826	0,00%
Desmond Tutu	0	978 262	(978 262)	0	978 262	(978 262)	(100,00%)	1 304 349	0,00%
			0			0			

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
<b>Sub-total</b>	<b>62 157 770</b>	<b>86 189 349</b>	<b>(24 031)</b>	<b>62 157</b>	<b>86 189 349</b>	<b>(24 031)</b>	<b>(27,88%)</b>	<b>114 919 132</b>	<b>54,09%</b>
<b>Other</b>			<b>0</b>			<b>0</b>			
Alexander Auto Hub Security	1 276 327	586 957	689 370	1 276 327	586 957	689 370	117,45%	782 609	163,09%
Review Kliptown Business Plan &	598 437	0	598 437	598 437	0	598 437	0,00%	0	0,00%
5th Road Bridge	576 748	637 500	(60 752)	576 748	637 500	(60 752)	(9,53%)	850 000	67,85%
Modderfontein Bridge	3 421 471	19 722 354	(16 300)	3 421 471	19 722 354	(16 300)	(82,65%)	26 296 472	13,01%
M2 Finger Joints	29 397	490 146	(460 749)	29 397	490 146	(460 749)	(94,00%)	653 528	4,50%
Formulation of Zandspruit Urban	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	1 000 000	0,00%
Additional Market Floor Space	1 530 763	9 000 000	(7 469 237)	1 530 763	9 000 000	(7 469 237)	(82,99%)	12 000 000	12,76%
Construction of Noordwyk Sport	61 244	562 500	(501 256)	61 244	562 500	(501 256)	(89,11%)	750 000	8,17%
Upgrading of Meadowlands	215 469	562 500	(347 031)	215 469	562 500	(347 031)	(61,69%)	750 000	28,73%
Mayfair PEU	0	225 000	(225 000)	0	225 000	(225 000)	(100,00%)	300 000	0,00%
Construction of Phiri Multipurpose	103 171	825 000	(721 829)	103 171	825 000	(721 829)	(87,49%)	1 100 000	9,38%
Masingita Development Bulk	1 217 665	3 375 000	(2 157 335)	1 217 665	3 375 000	(2 157 335)	(63,92%)	4 500 000	27,06%
Balfour Park Transit	842 706		842 706	842 706	0	842 706	0,00%	0	0,00%
<b>Sub-total</b>	<b>9 873 398</b>	<b>36 736 957</b>	<b>(26 863)</b>	<b>9 873 398</b>	<b>36 736 957</b>	<b>(26 863)</b>	<b>(73,12%)</b>	<b>48 982 609</b>	<b>20,16%</b>
<b>TOTAL</b>	<b>469 716 355</b>	<b>865 331 497</b>	<b>(395 615)</b>	<b>469 716</b>	<b>865 331 497</b>	<b>(395 615)</b>	<b>(45,72%)</b>	<b>1153 775 329</b>	<b>40,71%</b>

## SECTION 6: ORGANISATIONAL PERFORMANCE

The JDA's progress towards achieving its KPIs is assessed using the performance scorecard, which measures performance in terms of both the JDA's service delivery mandate and financial and other resource 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.

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

KPI ACHIEVEMENT RATINGS





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

TABLE 22: JDA CORPORATE SCORECARD

OUTCOME: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy									
OUTPUT: Sustainable Human Settlements									
STRATEGIC PRIORITY: Infrastructure Development and Refurbishment									
STRATEGIC PROGRAMME: Accelerated and visible delivery and re -introduction of co-production in the delivery of the basic service									
IDP program e/s	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q3 Target	2022/23 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2023	Variations and steps to be taken to improve performance.
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, leisure, and cultural opportunity Efficient and effective transport (Public and Freight) connecting home, work, culture.	1) Number of pre-feasibilities studies conducted. <sup>4</sup>	8	7 (cumulative)	0	2	2	-	Randburg Transport Masterplan and Zandspruit and the surrounding areas Transport Masterplan were conducted and presented for approval.	Though the target was zero, there were Service Provider's that were already appointed to do the work. Commitments were made even though there were financial challenges. Hence, work continued and subsequently the projects reached the pre-feasibility milestone
	2) Number of feasibilities studies conducted.	New KPI	0 (cumulative)	0	0	-	-	Feasibility studies were not targeted or projected for the quarter under review.	None required.

3) Number of urban development frameworks completed.	New KPI	2 (cumulative)	0	0	-	-	The two urban development frameworks planned for the year were delivered during Q1 and Q2.	None required.



OUTCOME: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy									
OUTPUT: Sustainable Human Settlements									
STRATEGIC PRIORITY: Integrated 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									
IDP program e/s	Key Performance Indicator	Baseline e 2021/2	2022/23 Annual Target	2022/23 Q3 Target	2022/23 Q3 Actual	Varian ce	Quarterl y Achieve	Explanation of progress as at the end of 31 March 2023	Variations and steps to be taken to improve performance.
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, leisure, and cultural opportunity Efficient and effective transport (Public and Freight) connecting home, work, culture	4) Number of projects at the concept design phase.	18	24	0	3	3	-	The following projects were in the original business plan and reached concept design phase during Q3.  -Soweto SAF: Vilakazi and Kumalo Street.  -Inner City Walkable Network.  -Louis Botha Office Upgrade.	Though the target was zero, there were Service Provider’s that were already appointed to do the work.  Commitments were made even though there were financial challenges. Hence, work continued and subsequently the projects reached concept design milestone
	5) Number of projects in detailed design phase.	New KPI	16 (cumulative)	0	0	-	-	-	-
	6) Number of projects reaching the contract award stage.	4	15 (cumulative)	0	2	2	-	The following projects have reached contract award stage during the quarter. Somewhere targeted for the milestone in the previous quarters. However not achieved as planned due to various reasons:  -Metro Mall Project  -BRT Signage and Demarcation	Though the target was zero, there were Service Provider’s that were already appointed to do the work.  Commitments were made even though there were financial challenges. Hence, work continued and subsequently the projects reached award stageNone

OUTCOME: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy									
STRATEGIC PRIORITY: Integrated 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									
IDP program e/s	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q3 Target	2022/23 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2023	Variations and steps to be taken to improve performance
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, leisure, and cultural opportunity. Efficient and effective transport (Public and Freight) connecting home, work, culture.	7) Number of projects Reaching practical completion stage	4	5	0	0	-	-	-	-
	8) Number of precinct management implementation plans	3	0	0	0	-	-	No precinct plan was scheduled for implementation in Q3.	None required.
	9) Number of JDA Communication and Media related initiatives	458	300(Cumulative)	230	282	52		Target Achieved.	None required.

10)Number of Impact performance assessments completed	4	0	0	-	-	-	The impact assessment study was not projected for the quarter. However, the entity has a Service Provider that is assisting with impact assessment and report will be furnished once concluded in Q4.	None required.

KPI 8: Includes precinct management plans that are operationalized (implemented) or produced, reviewed, or updated.

KPI 10: Impact assessments completed can either be area, community or project related

<b>OUTCOME: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City</b>									
<b>OUTPUT: A responsive, accountable, efficient and productive Metropolitan Government</b>									
<b>STRATEGIC PRIORITY: Good Governance</b>									
<b>STRATEGIC PROGRAMME: Governance in the interest of people and reduce corruption</b>									
IDP programs	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q3 Target	2022/23 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2023	Variations and steps to be taken to improve performance
Increasing forensic investigative capability and controls	11)Percentage resolution of Internal Audit findings.	92%	100%	70%	88%	8%		Target Achieved	None required.
	12)Percentage resolution of Auditor General findings.	91%	100%	50%	72%	22%		Target Achieved	None required.

**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 PRIORITY:** Financial sustainability

**STRATEGIC PROGRAMME:** Improve and strengthen financial position.

IDP programs	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q3 Target	2022/23 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2023	Variations and steps to be taken to improve performance
Focusing on driving up capital expenditure investment in infrastructure	13) Percentage of budget spent on city-wide infrastructure.	80,49%	35%(Cumulative)	0%	40,71%	40,71%	-	Subsequent to the City/ client departments allocating funds to the entity, the JDA managed to pay some of the invoices for contractors.	-
	14) Percentage of valid invoices paid within 30 days of the invoice date.	92%	50%	0%	77%	77%	-	The availability of funds has resulted in more than projected invoices paid within the prescribed time of 30 days.	-

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


OUTCOME: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.									
STRATEGIC PRIORITIES: Job opportunity and creation and Economic Development									
IDP program/s	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q3 Target	2022/23 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2023	Variations and steps to be taken to improve performance
Other IDP or Day-to-Day Programs	15)Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total.	103%	100%	0%	109%	109%	-	Availability of funds to pay contractors /service providers resulted in some of the construction sites progressing with work without stoppages. _ Some of the construction projects advanced to site	-
	16)Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	412	150(Cumulative)	0	293	293	-	The few sites that were not suspended created EPWP opportunities during the quarter	-
	17) Percentage of SMME expenditure as a share of total expenditure.	44%	5%	0%	36%	36%	-	On some projects the engagement of SMMEs took place earlier than planned - this meant that projected expenditure happened quicker	-

18) Percentage spends on JDA operating Expenditure against approved operating budget.	104%	75%	65%	110%	45%		Target Achieved	Not required
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KPI 16 Paid 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

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

##### STRATEGIC PRIORITIES: Job opportunity and creation and Economic Development

IDP program/s	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q3 Target	2022/23 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March	Variations and steps to be taken to improve performance
Other IDP or Day-to-Day Programs	19) Percentage implementation of the strategic risk management action plan findings resolved.	100%	95%	100%	62%	-38%		Target not achieved	Monthly follow up with management will be conducted as part of the corrective measure to ensure target is met.

## 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	Q3 EPWP
Program 1	23	16	14
Program 2	42	54	22
Program 3	33	55	34
<b>TOTAL</b>	<b>98</b>	<b>223</b>	<b>293</b>

## 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

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 attractive to potential employees.

Since May 2019, the JDA became a two Union workplace, with SAMWU now being the majority Union ahead of IMATU (Independent Municipal and Allied Trade Union).

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

**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 Senior Managers and Managers in the departments that reports to their**

**Executives without heading departments, it comprises of:**

1. Senior Project Managers
2. 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
10. Senior Manager : Information, Communication & Infrastructure Management
11. Manager: Management Accounting
12. Manager: Facilities
13. Manager: Stakeholder Engagement and Relationship Management.
14. Manager: Enterprise Oversight
15. Manager: Project Quality & Support

In terms of physical location, there are 96 employees 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 – EMPLOYEES ONLY ON JDA PAYROLL ONLY (01 JAN 2023 – 17 MARCH 2023)**

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employees using sick leave	Total employees in post	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R 000
Top management	0	0	0	1	0	R 0
Executive management	0	0	0	5	0	R 0
Senior management	1	0	1	11	0,09	R 5 426, 19
Middle management	9	0	2	37	0,24	R23 981, 27
Skilled technical/junior management	0	0	0	23	0	R 0
Semi-skilled	0	0	0	10	0	0
Unskilled	1	0	1	9	0,11	R 736,72
<b>TOTAL</b>	<b>11</b>	<b>0%</b>	<b>4</b>	<b>96</b>	<b>0,44</b>	<b>R 30 144,18</b>

**SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES) \***

The total remuneration costs for the period ending 31 March 2023 amount to R5 386 098.86 this figure is inclusive of the pension fund.

**SECTION 2: KEY VACANCIES**

Below is a list of key vacancies.

**TABLE 25: VACANCY PROGRESS**

Vacancies	Progress
Chief Financial Officer	Recruitment Stage – On hold
Company Secretary	Recruitment Stage – On hold
Executive Manager: Corporate Services	Recruitment Stage – On hold
Manager: Risk & Integrity Management	No recruitment in progress
Senior Manager: Internal Audit	On hold due to Budget
Senior Manager : Information, Communication & Infrastructure Management	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 March 2023	% of vacancies
Top management level	1	1	0	0%
Executive management	6	5	3	50%
Senior management	19	11	8	42,1%
Middle management	47	37	11	23,4%
Skilled technical/junior management	42	23	21	50%
Semi-skilled	13	10	3	23,1%
Unskilled housekeepers/cleaners	16	9	10	62,5%
<b>Total</b>	<b>144</b>	<b>96*</b>	<b>56</b>	<b>38,9%</b>

\*There are five employees who are on fixed term contracts

\*Inclusive of employees within a pool

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 2,1%.

**TABLE 27: ANNUAL TURNOVER RATE**

Details	Total active employees at the beginning of financial year <sup>1</sup>	Terminations during financial year (YTD)	Turnover rate (YTD)
	No.	No.	%
2022/23	94	6	6,4%

A total of 2 terminations are recorded for the period under review.

**TABLE 28: TERMINATIONS**

Department	Gender
Corporate Services	Black Female
Office of the CEO	Black Female
Finance	Indian Female
Human Resources	Black Male
Risk & Administration	Coloured Male
Finance	Black Female

### **Retention Initiatives**

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 programs.
- 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.

### **SECTION 3: 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 organisation's employment equity practices, strategies, direction and initiatives.

Structures such as an 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 Labour in accordance with the provisions of the Employment Equity Act and within legislated timeframes.

**TABLE 29: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW**

Occupational Levels											Total
	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Executive Management	3	0	0	0	2	0	0	0	0	0	5
Senior Management	5	0	0	0	6	0	0	0	0	0	11
Professionally qualified and experienced specialists and mid-management	14	0	0	0	21	1	0	0	0	1	37
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7	0	0	0	15	0	1	0	0	0	23
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

<b>TOTAL PERMANENT</b>	38	0	0	0	55	1	1	0	0	1	96
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	38	0	0	0	55	1	1	0	0	1	96

The JDA targets and achievements for period under review:

- 96,9% of its employees are Black African.
- 60,4% of its staff members are female.
- 47,1% of Executive and Senior Management positions are held by black women.
- 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.

**Table 30: EE PERFORMANCE AGAINST THE TARGET**

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

**TABLE 31: STAFF MOVEMENTS**

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	0	1	0	0	0	0	0	0	1
Transfers	0	0	0	0	0	0	0	0	0
Retirements	0	0	0	0	0	0	0	0	0
Dismissals	0	0	0	0	0	0	0	0	0
Resignations	0	1	1	0	0	0	0	0	2
Death	0	0	0	0	0	0	0	0	0
End of contract	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

#### **SECTION 4: SKILLS DEVELOPMENT AND TRAINING**

The JDA is committed to employee training and development, ensuring variety of skills set, 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 organisation'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 on-going process of improving employees' knowledge, skills and attitude to enhance job performance, create opportunities for growth and advance careers.

An 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 training and 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 2022/2023 financial year. The actual expenditure stands at R 102,082.70. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

#### **SECTION 5: PERFORMANCE MANAGEMENT & SUCCESSION PLANNING**

The JDA views performance management as an integral part of the JDA's business strategy which ensure 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 COJ'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 employee to perform to the required performance standard.

## SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

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

**TABLE 32: MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR JULY 2022 – MARCH 2023**

Outcome	Number
Dismissal	1

**TABLE 33: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FINALISED FOR THE YEAR TO DATE**

Type of misconduct	Number
Dishonesty	0
Absenteeism	0
Insubordination	0
Negligence	1
Poor performance	0
<b>Total</b>	<b>1</b>

## SECTION 7: LEAVE & PRODUCTIVITY MANAGEMENT

JDA is committed to the effective management of leave for its employees to ensure sufficient rest for employees as legislated and manage the liability to the organisation, and all Line Managers have an obligation to ensure effective planned leave management within their respective Departments.

The following table gives an annual analysis of the various leave types and how they were utilised by JDA employees up to the period under review.

The most highly utilised leave type is Annual leave with a total of 597 days, with Maternity leave being the second most utilised leave type, with a total of 164 days, followed by Sick Leave with 53 days.

**TABLE 34: LEAVE ANALYSIS FOR JUL 2022 – MARCH 2023**

Type of Leave	July	August	September	October	November	December	January	February	March	Total
Annual Leave	51	63	9	82	51	18	180	74	69	597
Sick Leave	6	4	11	16	5	0	5	5	1	53
Family Responsibility	0	5	2	0	0	0	0	0	0	7
Maternity Leave	0	15	22	20	22	23	20	20	22	164
Paternity Leave	0	0	0	0	10	0	0	0	0	10
Study Leave	0	2	0	6	4	0	0	0	0	12
<b>TOTAL</b>	<b>57</b>	<b>87</b>	<b>44</b>	<b>118</b>	<b>92</b>	<b>41</b>	<b>205</b>	<b>99</b>	<b>92</b>	<b>835</b>

**SECTION 8: EMPLOYEE BENEFITS**

The JDA participates in two retirement benefit schemes: the Ejoburg 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 20 March 2023 amount to R801 767.41.

**SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES*****HIV/AIDS in the Workplace***

The JDA's HIV/AIDS Policy is aligned with the COJ'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, provides free condoms, shares videos and offers free helplines. The programme ensures that employees with HIV/AIDS are treated in a fair, consistent manner and are informed about their rights and employee benefits.

## Occupational Health and Safety

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 94.41% 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.

## SECTION 11: MARKETING AND COMMUNICATIONS

### 11.1 Media Management (Digital)

The report shows the performance of content on the Johannesburg Development Agency's digital platforms between 01 January to 31 March 2023. 22 Facebook posts, 24 tweets on Twitter, 20 posts on Instagram and 22 posts on LinkedIn for the Third quarter of 2022/23

**TABLE 35: LINKEDIN FOR THIRD QUARTER**

Social Media Platform	Posts	Growth	Engagement	Reach
FACEBOOK	22	250	355	27 591
TWITTER	24	209	972	10 265
INSTAGRAM	20	26	294	1 150
LINKEDIN	22	335	308	20 970

Social Media Platforms	Followers
Facebook	9 014
Instagram	1 447
Twitter	3 662
LinkedIn	4 676

## Media Report

### January 2023

- The Johannesburg Development Agency (JDA) was analysed in two media items in January 2023, compared to three items recorded in the previous period.
- The Agency's AVE was at R 10 116.00, from R14 856.05 in December 2022.
- Both articles were positive in tone.
- One of the articles reported on the renewal of the Johannesburg inner suburbs and CBD.
- The other article reported on the JRA's bridge construction and maintenance projects for the 2022/23 fiscal period. It was mentioned that the JRA *"projects covered for the fiscal year 2022/23 include three that are in the consultant procurement stage, a bridge panel at BEC, and three that are being implemented through a service-level agreement with the Johannesburg Development Agency"*.

### February 2023

- Media coverage of the Johannesburg Development Agency (JDA) in February 2023 remained the same as in January 2023 at two media items.
- The Agency's AVE was at R 91 419.79, from R 10 116.00 in January 2023.
- One item was positive and it reported on JDA being appointed to implement renovations to the Johannesburg City Library on the corner of Albertina Sisulu Road and Pixley Ka Isaka Seme Street.
- The other article was neutral and carried a passing mention of the state of infrastructure developments in the City.

## CHAPTER 5: FINANCIAL PERFORMANCE

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

TABLE: STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 31 MARCH 2023

	Year ended 31 March 2023			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Non-current assets</b>	<b>28 110</b>	<b>30 800</b>	<b>(2 690)</b>	<b>1</b>
Property plant and equipment	6 323	10 000	(3 677)	
Deferred tax	3 619	2 800	819	
Intangible assets	18 168	18 000	168	
<b>Current assets</b>	<b>713 092</b>	<b>750 002</b>	<b>(62 646)</b>	<b>2</b>
Trade and other receivables	499 456	500 000	100 813	
Prepayments	25 736	0	0	
Vat Receivable	187 899	250 000	(62 101)	
Cash and cash equivalents	1	2	(1)	
<b>Total assets</b>	<b>741 202</b>	<b>780 802</b>	<b>(65 336)</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>	<b>3 680</b>	<b>76 278</b>	<b>(72 598)</b>	<b>3</b>
Contribution from owner	16 278	16 278	(0)	
Accumulated surplus/(deficit)	(12 598)	60 000	(72 598)	
<b>Non-current liabilities</b>	<b>29 038</b>	<b>28 681</b>	<b>357</b>	<b>4</b>
Finance lease obligation	42	41	1	
Deferred taxation	28 996	28 640	356	
Project funds payable	-	-	0	
<b>Current liabilities</b>	<b>708 484</b>	<b>778 843</b>	<b>(60 916)</b>	
Loans from shareholders	619 480	637 549	(18 069)	<b>5</b>
Trade and other payables	48 500	50 000	1 500	<b>6</b>
VAT payable	-	-	0	
Finance lease obligation	42	294	(252)	
Project fund payable	34 558	44 000	(9 442)	
Provisions – bonus	5 904	7 000	(1 096)	
<b>Total equity and liabilities</b>	<b>741 202</b>	<b>883 802</b>	<b>(142 600)</b>	

Notes	
1	The decreases on the property plant and equipment it is due to depreciation
2	he unfavourable variance it due to stoppages in sites due to cash flow challenges which had impact on revenue claims.
3	Changes on the Reserve/Net Assets it is due to the deficit of R31 million
4	The movement of the non-current liability is immaterial.
5	The variance is above the target overdraft of R300 million. This is mainly due to invoices that were raised /accrued in June 2022 that were paid in July. 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 increases on the payables it due to invoices that were received in December the payment delay was due to cash flow challenges.

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

TABLE: STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 MARCH 2023

	Original approved	Year to date			Notes
	Budget	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	
Gross revenue	118 249	61 062	88 687	(27 625)	5
Operating costs	(111 385)	(60 733)	(83 539)	22 806	6
<b>Gross surplus/(deficit)</b>	<b>6 864</b>	<b>329</b>	<b>5 148</b>	<b>(4 819)</b>	
Other operating Income and expenditure	(6 864)	(22 292)	(5 148)	(26 549)	
Interest expense	0	(31 697)	(5 148)	(26 549)	7
Interest income	0	0	0	0	
<b>Deficit before tax</b>		<b>(31 368)</b>	<b>0</b>	<b>(31 368)</b>	
Taxation	0	0	0	0	
<b>Surplus/(Deficit) after tax</b>	<b>0</b>	<b>(31 368)</b>	<b>0</b>	<b>(31 368)</b>	

## Notes

- 5** Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budget revenue by 31.09% 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 third quarter relates to balances that were owing from the 2021/22 financial year.

## SECTION 3: CASH FLOW STATEMENT

TABLE 38: CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2023

	Year to date			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Cash flows from operating activities</b>	<b>68 368</b>	<b>(134 057)</b>	<b>202 425</b>	
	-	-	-	
<i>Receipts</i>				
Grants	31 012	0	31 012	
Interest received	0	0	0	
Cash receipts from CAPEX funding	664 800	120 510	544 290	11
Other receipts	83	1200	(1 117)	
		0	0	
<i>Payments</i>				
Employee cost	(61 430)	(71 649)	10 219	12
Suppliers	(566 097)	(500 000)	(66 097)	13
Taxes	(530 244)	0	0	
<b>Cash flows from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<i>Expenditure to maintain operating capacity</i>				
Property, plant, and equipment acquired	0	0	0	
Proceeds from sale of property, plant, and equipment			0	
Purchase of intangible assets	0		0	
<b>Cash flows from financing activities</b>	<b>(68 371)</b>	<b>(137 918)</b>	<b>65 547</b>	<b>14</b>
Movement in project funds payable	0	0	0	
Proceeds from Shareholders' loan	(68 329)	(70 000)	1671	
Repayments of Shareholders' loan		0	0	
Finance lease repayments	(42)	(80)	38	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3)</b>	<b>(639)</b>	<b>636</b>	
<b>Cash and cash equivalents at beginning of the year</b>	<b>4</b>	<b>639</b>	<b>(635)</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>1</b>	<b>0</b>	<b>1</b>	

Notes	
11	The positive balance is mainly due to the June 2022 claim paid within the current year.
12	The variance is 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

TABLE 39: STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31 MARCH 2023

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	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	0	(17 082)	(17 082)
Prior year adjustments				0	0
<b>Balance on 01 July 2021</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>50 558</b>	<b>66 836</b>
Changes in net assets					
Surplus for the year	0	0	0	(31 788)	(31 788)
Total changes	0	0	0	(31 788)	(31 788)
<b>Balance on 01 July 2022</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>18 770</b>	<b>35 048</b>
Changes in net assets					
Profit for the year	0	0	0	(31 368)	(31 368)
Total changes	0	0	0	(31 368)	(31 368)
<b>Balance on 31 March 2022</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>(12 598)</b>	<b>3 600</b>

## SECTION 5: RATIO ANALYSIS

TABLE 40: RATIO ANALYSIS FOR THE PERIOD ENDED 31 MARCH 2023

Key Performance Area	Targets	Actual 31 March 2022	Actual 31 March 2023
Current ratio	Above 1.5: 1	1.023: 1	1.01:1
Solvency ratio	Above 2: 1	1.28: 1	1: 1
Salaries to expenditure ratio	Below 60%	67%	58%
Revenue	R30.8 million	R62.9 million	R61 million
Expenditure (including taxation)	R30.8 million	106.5 million	R92.4 million
Surplus / (Deficit)	R nil	(R25 million)	(R31 million)
Total net assets	R47.4 million	R41.8 million	R3.6 million
Capital expenditure	75%	46.39%	40.71%

Notes	
1	<b>Current ratio</b> is just below the target 1.5:1 and slightly below when compared with last year quarter three. Included in current liabilities is the sweeping account with the shareholder which increases with the interest on a monthly basis.
2	<b>Solvency ratio</b> is below the target of above 2:1 and below to last year quarter mainly due to cash flow challenges. The continued pressure on the overall loan from shareholder due to outstanding debtors still puts pressure on the liquidity ratios.
3	<b>Remuneration to expenditure ratio</b> is below target and below the last year quarter due to an overall reduction in the operational expenditure which affects the denominator of the ratio.
4	The target was not achieved since it below to the target of 75%

## 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 on), 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, the IT Manager, Company Secretary/Legal Manager and the Risk and Compliance Manager. Neither committee is authorized to make procurement decisions above R10 million.

### ***Tender Awarded***

For the period 1 January 2023 to March 2023 a total of 33 Capex Contracts with a total value of R111.6 million were awarded. The awards made in the period under review were 4 contractors appointments and 29 professional teams' appointment. The majority of the awarded contracts are multi-year contracts.

From the appointment above, all 4 contractors were appointed through the approved panels with a total value of R91.9 million.

The 29 Consultants were appointed through approved panels with a total of R19.6 million.

There was only 1 OPEX contract awarded during 1 January 2023 to 31 March 2023 with a contract value of R117 000. The contract is for a duration of 36 months. The service provider was appointed through a public tender processes.

### ***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 January 2023 to 31 March 2023 there were 8 service providers appointed where less than three quotations were returned or obtained to a combined value of R 278 252.04 (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 January 2023 to 31 March 2023 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 share of capital and operating expenditure. For the period 1 January 2023 to 31 March 2023, the overall BBBEE share of expenditure was R88 820 246.82 This translates into an achievement of 109% BBBEE claimed against quarterly expenditure.

**TABLE 41: SUMMARY OF BBBEE EXPENDITURE<sup>5</sup>**

Description	Q3 2022/23		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R 72 101 934.78	R 83 543 477.47	116%
Opex	R 9 593 237.42	R 5 276 769.35	55%
<b>Consolidated Opex and Capex</b>	<b>R 81 695 172.20</b>	<b>R 88 820 246.82</b>	<b>109%</b>

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 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.

<sup>5</sup> 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 excluded.



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 Of Contributor	B-BBEE Recognition	Number of Points	
		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 R 29 647 902.82 for the period 1 January 2023 to 31 March 2023. This constitutes achievement of 36% for the period under review.

**TABLE 42: SUMMARY OF SMME EXPENDITURE<sup>6</sup>**

Description	Q3 2022/23		
	Total Expenditure	SMME Claimed	SMME %
Capex	R 72 101 934.78	R 28 128 500.02	39%
Opex	R 9 593 237.42	R 1 519 402.80	16%
<b>Consolidated Opex and Capex</b>	<b>R 81 695 172.20</b>	<b>R 29 647 902.82</b>	<b>36%</b>

***Report in Irregular, Fruitless and Wasteful Expenditure and Due Process***

There was no Unauthorised, Irregular, Fruitless and Wasteful Expenditure

## SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

TABLE 43: PENDING LITIGATIONS

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Ubuntu Kraal (Pty) Ltd vs JDA	± 23 555 160, 06 million	13/12/2013	Damages suffered by Ubuntu Kraal because of “alleged” negligence by the JDA and other parties.	<p>On Friday, 13 December 2013 the JDA was served with summons. The summons relates to the “alleged” negligence on the part of the JDA during the widening of the Klipspruit valley road during the construction of the BRT routes around 2010. It is alleged that because of such 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 City of Johannesburg as the second defended in the matter, together with other 5 defendants.</p> <p>The JDA has appointed Routledge Modise Attorneys (T/A Hogan Lovells) to assist in defending the matter. Routledge Modise have handed over the matter to the insurer’s attorneys 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.</p> <p>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 attorneys have withdrawn as attorneys of record on this matter and the attorneys that are meant to take over this matter have not yet filed their notice of substitution</p> <p>We have written to the attorney and are yet to receive a response as to whether they still intend pursuing this matter.</p>	Not yet determined at this stage.	Not yet determined at this stage.

CASE / MATTER	AMOUNT CLAIMED	DATE	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION	CHANCES OF SUCCESS
Bertram's Priority Block vs JDA	Not applicable	February 2008	Relocation of illegal occupants in various buildings around Bertram's Prioboardrity Block.	The JDA has through its Attorneys (Edward 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.	On-going	Good
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 labour and a hearing	The outcome from the Department of Labour 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 Labour'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.		

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION	CHANCES OF SUCCESS
				<p>In addition, 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, the 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 labour court on a date yet to be set by the court.</p>		Not yet determined at this stage.

CASE / MATTER	AMOUNT CLAIMED	DATE	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Bona Electronic Solutions (Pty) Ltd/Naledi Consortium	Not yet confirmed	December 208	<p>The applicant sought an order interdicting and restraining the City of Johannesburg and the JDA from proceeding with the tender process and implementing the contract in respect of the tender in relation to the BRT Bus Monitoring system.</p> <p>The applicant seeks an order, amongst others, reviewing and setting aside the JDA's decision to award the tender to the Naledi consortium. Naledi also opposes this relief.</p> <p>Mkhabela Huntley Attorneys are representing the City of Johannesburg and the JDA in this matter.</p>	<p>The matter is currently at pleadings stage with the JDA having filed its answering affidavit in July 2020.</p> <p>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 which the rest of the respondents (JDA and Naledi) would file theirs and the matter be allocated a date for hearing.</p> <p>The JDA and City have since decided to file our own heads of arguments despite the failure by the applicant to do so.</p> <p>The matter will be held in court on 31 January 2022.</p>	Not yet determined at this stage.	

**SECTION 8: INSURANCE CLAIMS AGAINST/TO MOE/DEPARTMENT.**

There was no claim filed in the 3<sup>rd</sup> Quarter of 2022/23 financial year, the current claims emanate from the previous financial years as outlined in the table below. The first three claims cited on the table were previously closed by the insurance company on the 28 August 2020, however the reasons for rejection of these claims were not reasonable. The reasons that were provided by the insurance company was that the claimant did not follow up on the claim. Therefore, the claims were resubmitted for a proper assessment. Insurance Brokers are currently directly liaising with the claimants. A progress report with regards to the status of each claim is provided to the JDA by the insurance broker/administrator company on a monthly basis.

**TABLE 44: INSURANCE CLAIMS**

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
1	2017/18	51581697	01/11/2017	03/04/2019	Accidental damage	R250 000.00	Contractors all risk	Loss adjuster's report has been received; the claim is currently pending settlement.
2	2017/18	51574102	01/11/2017	03/04/2019	Accidental damage	R7 500.00	Contractors all risk	The insurance is waiting for the claimant to approach them.
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. They are waiting for the claimant to submit all the requested documentation.
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.

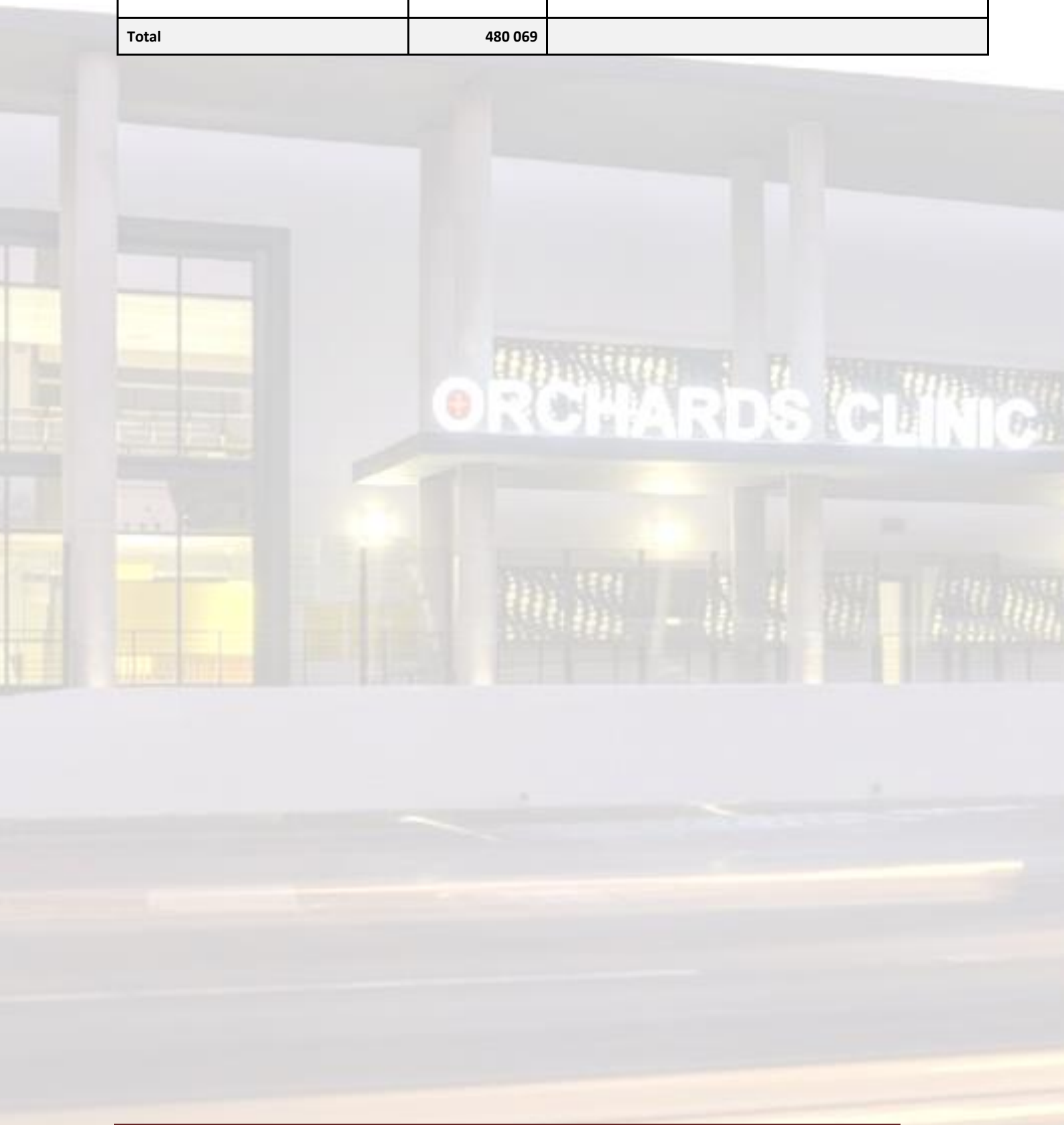
## SECTION 9: STATEMENT ON AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

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

**TABLE 45: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES**

Name of department	Balance	Comments
	R' 000	
City of Johannesburg - CAM & USDG	71 708	The Balance relates to amount outstanding from March 2023 which are current invoices.
City of Johannesburg- Transport	155 693	Balance mainly relates to amounts outstanding from November 2022 claims and claims that were submitted till March 2023.
City of Johannesburg - Department of Economic Development	23900	Balance mainly relates to amounts outstanding from June 2022 claims and claims that were submitted till March 2023.
City of Johannesburg - EMS	49 790	Balance mainly relates to amounts outstanding from November 2022 claims and claims that were submitted till March 2023.
City of Johannesburg - Department of Health	8 344	Balance mainly relates to amounts outstanding from November 2022 claims and claims that were submitted till March 2023.
City of Johannesburg - Department of Housing	38 632	Balance mainly relates to amounts outstanding from November 2022 claims and claims that were submitted till March 2023.
City of Johannesburg - Department of Social Development	2 824	The Balance relates to amount outstanding from March 2023 which are current invoices.
City of Johannesburg - Department of Community Development	31 219	Balance mainly relates to amounts outstanding from November 2022 claims and claims that were submitted till March 2023.
City of Johannesburg - GSPCR	3 850	Balance mainly relates to amounts outstanding from June 2021 claims and claims that were submitted .

City of Johannesburg - COO	89 476	Balance mainly relates to amounts outstanding from November 2022 claims and claims that were submitted till March 2023.
Johannesburg Road Agency	4 633	The Balance relates to amount outstanding from March 2023 which are current invoices
<b>Total</b>	<b>480 069</b>	



## 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 January to 31 March 2023.

Overall, there were nine (09) audit projects completed by internal audit.

#### Summary of Internal Audit conclusion on the control environment on audits concluded in the 3rd quarter of the 2022/23 financial year

■ Satisfactory    ■ Requires Improvement    ■ Unsatisfactory

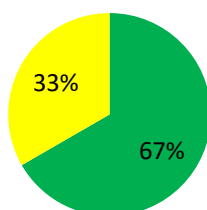


TABLE 46: CONTROL ENVIRONMENT CONCLUSION /RATING EXPLANATIONS

Control Environment	Definition	Indicator
Unsatisfactory	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.	<ul style="list-style-type: none"> <li>• A breakdown in the overall management of a part of the business or the process being reviewed.</li> <li>• Primarily "Catastrophic" risk findings.</li> <li>• Actions are likely to bring JDA's brand and reputation into disrepute.</li> <li>• A breakdown in accounting, reporting and other key financial and operating controls.</li> <li>• Non-existent financial and operating controls.</li> <li>• Non-compliance to laws and regulations.</li> </ul>
Requires Improvement	Audit results indicate that limited reliance can be placed on the design and operation of internal controls to mitigate the risks to which the activity under review is exposed.	<ul style="list-style-type: none"> <li>• Primarily "Major or moderate" risk findings.</li> <li>• Inadequate compensating controls.</li> <li>• Overall control environment of the audited process/focus area is of a vulnerable standard.</li> <li>• Overall control environment for the audited process/focus area is of an adequate standard.</li> </ul>
Satisfactory	Audit results indicate that sufficient reliance can be placed on the design and operation of internal controls to	<ul style="list-style-type: none"> <li>• Primarily "Minor or insignificant" risk findings.</li> <li>• Overall control environment for the audited process/focus area is of the required standard.</li> </ul>

Control Environment	Definition	Indicator
	mitigate the risks to which the activity under review is exposed.	<ul style="list-style-type: none"> <li>Adequate compensating controls in place.</li> </ul>

**TABLE 47: PROGRESS AGAINST THE APPROVED 2022/23 ANNUAL INTERNAL AUDIT PLAN (01 JANUARY TO 31 MARCH 2023)**

No.	Audit Description	Status	Overall Conclusion
1.	3rd Quarter (2022/23) Follow-up on Internal and External Audit findings.	Completed	Requires Improvement
2.	Payroll and leave management audit.	Completed	Requires Improvement
3.	Review Recruitment and Terminations processes.	Completed	Satisfactory
4.	2022/23 2nd Quarterly Audit of performance information (Audit of the	Completed	Requires Improvement
5.	Appointment of main contractor for the Drieziek EXT 4A project.	Completed	Satisfactory
6.	Appointment of main contractor for Metro Mall B repairs.	Completed	Satisfactory
7.	Appointment of main contractor for the Demarcations, signages and wayfinding signs project.	Completed	Satisfactory
8.	Appointment of main contractor construction of internal roads and related stormwater Drieziek Ext 5A	Completed	Satisfactory
9.	Appointment of experienced team of consultants to form a consortium/ a multi-disciplinary company/ joint venture with GIS specialist expertise to develop an integrated spatial data portal and spatial plan management/ sharing system for the city of Johannesburg metropolitan municipality for 36 months.	Completed	Satisfactory

## 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 March 2023, Internal Audit verified that eighty-eight percent (88%) of internal audit findings were resolved and seventy-two (72%) of external audit findings were resolved.

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

**TABLE 48: 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	0	33	33
2019/20	1	19	20
2020/21	6	18	24
2021/22	27	27	54
<b>Total</b>	<b>36</b>	<b>257</b>	<b>293</b>
<b>Percentage</b>	<b>12%</b>	<b>88%</b>	<b>100%</b>

### SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

The table below provides a summary of AG Findings raised from 2014/15 to 2021/22 financial period:

**TABLE 49: 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	0	5	5
2018/19	0	5	5
2019/20	0	21	21
2020/21	1	10	11
2021/22	35	0	35
<b>Total</b>	<b>36</b>	<b>92</b>	<b>128</b>
<b>Percentage</b>	<b>28%</b>	<b>72%</b>	<b>100%</b>

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
CFO	Chief Financial Officer
CPC	Community Participation Consultant
COJ	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 Principles
KPI	Key performance indicator
MFMA	Municipal Finance Management Act (2003)
NMT	Non-motorized transit
OPCA	Operation Clean Audit Committee
SMME	Small, Medium, and Micro enterprise
TOD	Transport Orientated Development