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Registration no:
2001/005101/07





Q4 PERFORMANCE REPORT 2022/23 APRIL 2023 TO JUNE 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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Website:	www.ida.org.za
Bankers:	Standard Bank of SA Limited
Auditors:	The Auditor-General of South Africa
Company Secretary:	Hasani Rodney Shirinda

APPROVAL

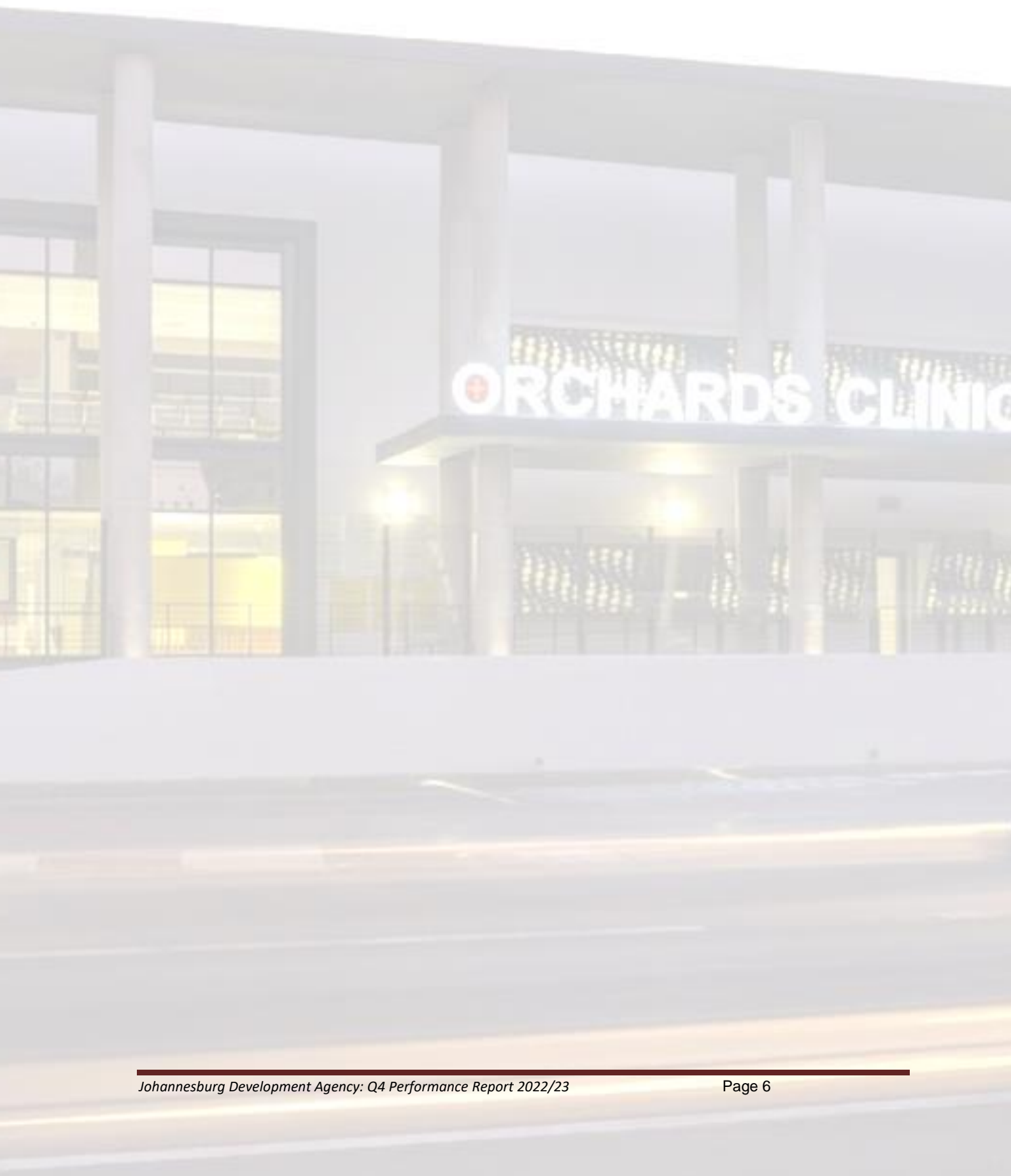
<u>Mr. Siyabonga Genu</u> Name & Surname Acting Chief Executive Officer	 Signature	<u>24 July 2023</u> Date of approval
<u>Mr. Sihle Mkhize</u> Name & Surname Acting: Chief Financial Officer	 Signature	<u>24 July 2023</u> Date of approval
<u>Ms. Daliwe Oliphant</u> Name & Surname Chairperson of the Board	 Signature	<u>26 July 2023</u> Date of approval
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CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

On behalf of the JDA's Board, I hereby present the 4th Quarter Performance Report for the Entity. During this quarter we demonstrated a business unusual approach towards migrating the Entity from the current state of challenges to the desired future state. In May 2023, a Strategic Planning Session to map a way forward for the JDA was held, where short-term, long-term goals and priorities for the future were set to help resolve the Entity's challenges. These were also accompanied by milestones and steps that will help achieve these.

The Strategic Planning Session's deliberations were premised on the fact that, JDA renders a wide range of infrastructure upon which service delivery is provided. As such, JDA inherently responds and contributes to various policy imperatives comprising the City's GDS2040, IDP and priorities that have been set by the GLU, as these collectively aim to address matters pertaining to service delivery. We envisage that through the rigorous implementation of the respective strategic initiatives for each of the adopted Strategic Focus Areas, JDA will transform to achieve the desired future state characterised by a healthy financial environment, operational excellence and a competent motivated workforce. As a service-based organisation, JDA fully recognises the central importance of its employees and remains committed to the highest standards of employee wellness. JDA has however faced various challenges in this regard including low employee morale, as well as high staff turnover which pose risks of losing critical skills.

JDA has compiled its 4th Quarter Performance Report to outline progress against the targets set in the JDA's 2022/23 Business Plan and the revised Scorecard (Deviations Report). The Board notes the Entity's overall performance of 40% that was achieved in the 4th Quarter. The Acting Chief Executive Officer's Report outlines the JDA's comprehensive performance and key highlights for the 4th Quarter.

One of the key milestones undertaken in the 4th Quarter was the approval of the JDA's Business Plan for the next financial year, 2023/24. The Entity is ready to implement the KPI targets that are outlined in the approved 2023/24 Business Plan (Scorecard). The JDA Board will continuously perform its fiduciary duties meticulously, including steering 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.

We acknowledge that, the end of the 4th quarter marks the beginning of the critical stage of compiling the Annual Performance Report and Annual Financial Statements that will be audited by the office of the Auditor General of South Africa. The JDA Board continues to ensure that the audit findings that were raised by the Auditor General of South Africa in previous audits do not recur.

Ms Daliwe Oliphant
Board Chairperson

SECTION 2: ACTING CHIEF EXECUTIVE OFFICER'S REPORT

The 4th Quarter marked the end of the 2022/23 financial year for the JDA and largely for the sphere of Local Government. During this Quarter, the JDA experienced financial improvements and there were minimal effects of the City's Cash Flow challenges encountered. As a result, there was a drastic decline in the cash flow impact experienced in the 2nd and 3rd quarters. JDA has made considerable progress in eradicating the backlog of the payment of invoices and subsequently there was a reduction in the protests, legal actions (among others). These successes are evidence of the effectiveness of the Management Action Plan that was developed by Management in the previous quarters. Key to this Action Plan was Intensive Communication that involved communicating with all service providers, thus managing protests and legal actions. During the 4th Quarter the Entity continued with the sequence of engagement sessions with the respective service providers.

During the month of May 2023 (on the 12th and 13th) the JDA held an informative Strategic Planning Session that was attended by the Board and Management. As part of this session the JDA's Vision and SWOT analysis were revised. Based on a thorough evaluation of the SWOT Analysis, the three Strategic Focus Areas (SFA) were derived along with their respective Strategic Initiatives as discussed and agreed upon, firstly, Operational Efficiency, secondly, Capacity Creation and thirdly, Revenue Enhancement. Accordingly, a corresponding programme of action was articulated in a form of Strategic Initiatives that aim to migrate the Entity from the current state of challenges to the desired future state. The session was cognisant of the fact that, the recent City's Cash Flow Challenges have exposed JDA's vulnerability and its sole dependency on the City, thus highlighting the need to enhance JDA's Business Model. Therefore, JDA's ambition to become a financially self-sustaining implementing agent is thus an untapped territory.

With regards to Institutional Performance, JDA achieved 40% (2/5) of the measured Strategic KPIs for the period under review, 2 (40%) performance targets are partially achieved, and 1 (20%) performance target is not achieved. Furthermore, from the 14 KPIs that had zero targets, 7 KPIs have reported progress. Reason being that the improvements in the City's Cash Flow assisted the JDA to progress even on targets that were revised to zero during the Mid-Year adjustment process. Additionally, the Entity's total assets exceeded the total liabilities. The total net assets on 30 June 2023 were (R32,4 million) (2021/22: R42.5 million). For the period 1 July 2022 to 30 June 2023, the overall BBBEE share of expenditure was R815 017 463.20. This translates into an achievement of 110% BBBEE claimed against quarterly expenditure.

On governance matters, JDA has vacancies for executive positions, the process to fill the four posts is currently underway. These positions are as follows: Chief Financial Officer (Resignation), Chief Audit Executive (Resignation), Executive Manager-Corporate Service (Resignation), and Company Secretary (Resignation).

As management our important priority as we move to the new financial year is to ensure that we continue to prioritise governance and compliance. Accordingly, will be very thorough when compiling the Annual Performance Report and the Annual Financial Statements for submission to Auditor General.

Mr Siyabonga Genu

Acting Chief Executive Officer

SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT

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

For the year ended 30 June 2023 (please note that, the CFO's report was prepared on 26 June due to the 1st submission that must be made to group governance on the 07 July and the figures will change on the final submission) JDA had earned total revenue of R87 million (2021/22: R97 million) and incurred total expenditure of R154 million (2021/22: R121 million) which resulted in an overall deficit of R67 million (2021/22: Deficit of R24 million).

The organisation achieved 77% (2021/22: 86%) of the budgeted target for revenue. Included in the revenue target is development management fees, operational grant and other sundry income. The development management fees are based as a percentage of the overall capital expenditure.

The JDA incurred expenditure against the budgeted target for operational expenditure of 137% (2021/22: 108% overall against target). This includes the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R41 million and R14 million that was paid to VAT consultant. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.

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

TABLE 1: ACTUAL OPERATIONAL BUDGET

	Actual Prior year Audited 30 June 2023	Actual R'000	Budget R'000	Variance R'000	% of actual against budget
Revenue	R97,055	R86,786	R112,313	(R25,527)	77%
Operating costs (before interest)	(R97,198)	(R113,264)	(R105,449)	(R7,815)	107%
Interest expense	(R24,139)	(R40,813)	(R6,864)	(R33,949)	595%
Total operating costs	(R154,078)	(R154,077)	(R112,313)	(R41,765)	137%
Surplus/(Deficit)	(R24,283)	(R67,292)	Rnil	(R16,238)	

Actual capital expenditure for the period ended 30 June 2023 was R737 million (2021/22: R925 million) against an annual budget of R1.162 billion (2021/22: R1.364 billion). This represents 63% (2021/22: 68%) of the overall annual budget.

The organization's total assets do not exceed the total liabilities. The total net assets on 30 June 2023 it was (R32.2 million) (2021/22: R42.5 million). This negative it due to the interest sweeping that has not been approved by COJ which amount to R42.7 million (R27 million relate to 2021/22 and R15.7 million relate to 2020/21 FY) and yet this year we incurred interest which amounts to R40.8 million). Should approval of the interest reversal be done before the end of the audit (30 November) the reserve will be adjusted with positive ending balance.

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

TABLE 2: FINANCIAL RATIOS

Key Performance Area	Targets	Actual 30 JUNE 2021	Actual 30 June 2023
Current ratio	Above 1.5: 1	1:1.03	1:0,88
Solvency ratio	Above 2: 1	2:1.04	2:0,87
Salaries to expenditure ratio	Below 60%	62%	54%
Revenue	R112 million	R97 million	R87 million
Expenditure (including taxation)	R112 million	R121 million	R154 million
Surplus / (Deficit)	R nil	(R24 million)	(R67 million)
Total net assets	R47.4 million	R42.5 million	(R32,4 million)
Capital expenditure	95%	68,00%	63,41%

Current ratio is below to the target and below last year quarter Included in current liabilities is the sweeping account with the shareholder which increases with the interest on a monthly basis and its amounts to R709 million. Solvency ratio it below to the target 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 solvency ratios.

Solvency ratio it below to the target 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 solvency ratios.

Sihle Mkhize CA (SA)
Acting Chief Financial Officer
30 June 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 Arrangeme

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 whom the JDA submits compliance reports in respect of performance scorecard.

The JDA relies on the Department of Development Planning for direction on its contractual obligations contained in its 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.

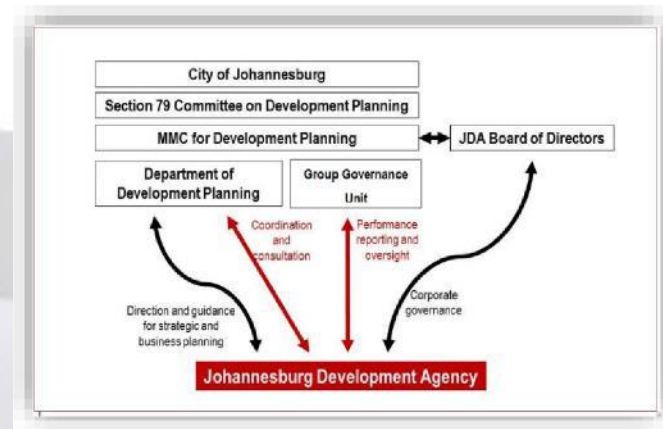


FIGURE 1: JDA GOVERNANCE SYSTEM

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		
Create great places	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.
Catalyse growth and investment	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.
Connect people and opportunities	Connecting people with opportunities to live, work, play, learn and to be healthy in the city. Efficient mass public transport networks and connections, transit oriented multi-use precincts, together with strategic land-use planning and zoning regimes, are essential in realizing these connections.	-To promote economic empowerment and transformation through the structuring and procurement of JDA developments.
Co-produce solutions	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.
Continuous improvement	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

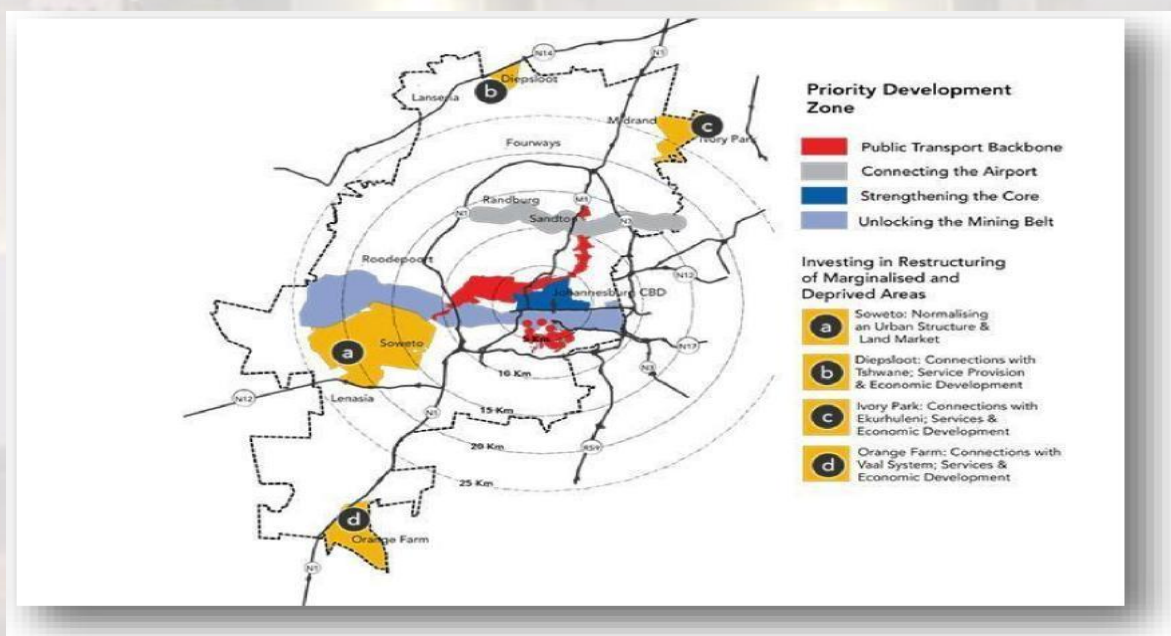


TABLE 3: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS AND PROGRAMMES

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"> • Programme 1: Strategic Economic Node Delivery Programme. • Programme 2: Accelerated Infrastructure Delivery Programme. • Programme 3: Economic Empowerment Programme.
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.

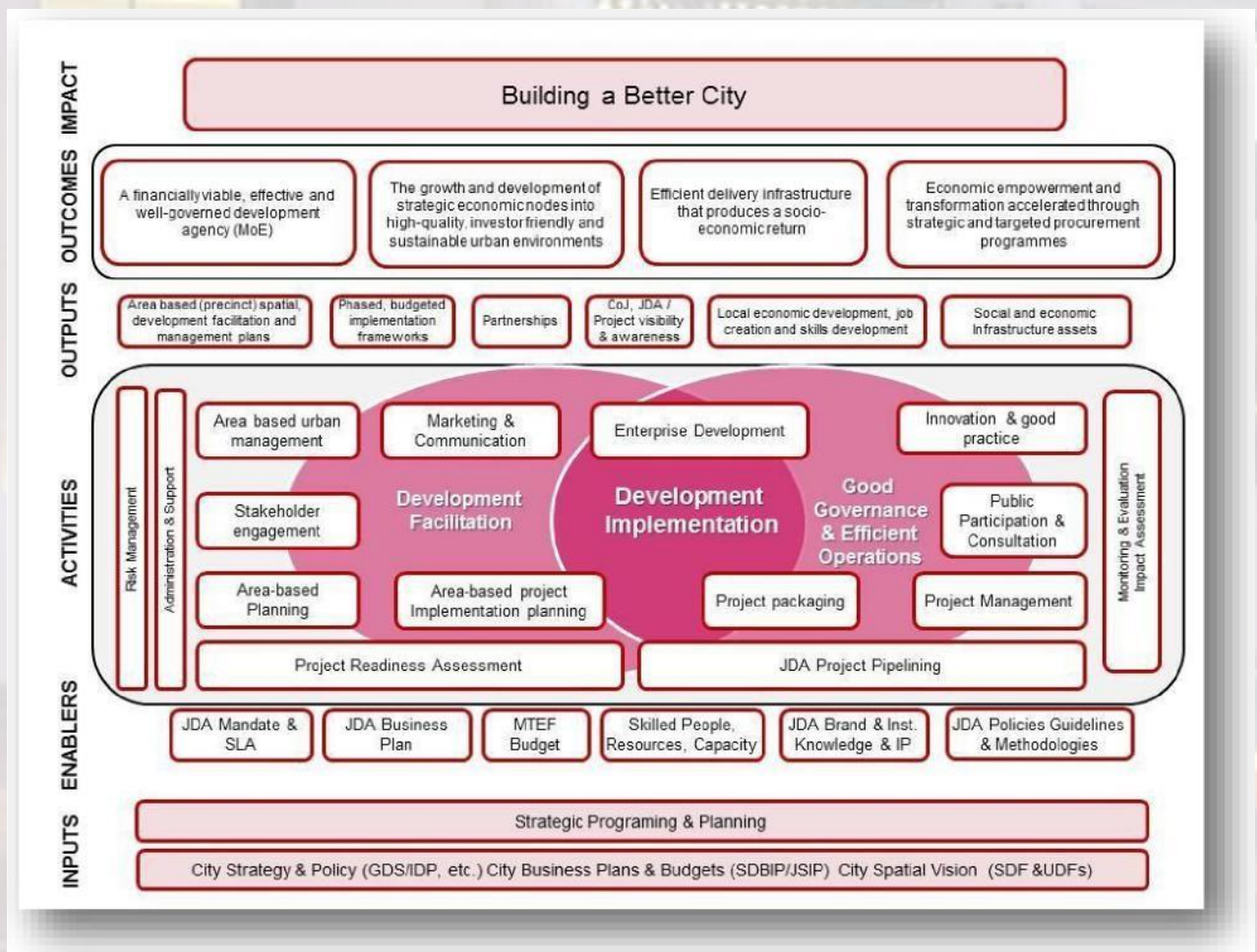
The JDA has aligned the main elements of the Agency's work and highlights the flow between them:

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 63,41% of its allocated Capital 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 368 EPWP work opportunities were reported as at end of the 4th Quarter. The entity has surpassed the annual target that is set 150 jobs.
- The entity has recorded a deficit of R26,4 million by end of quarter due to cost that is higher than revenue.
- The OPEX recorded is R113 million against the quarterly target of R112 million which represent 101% spent. The performance presents a year to date over expenditure against the allocated Operational Budget.

TABLE 4: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE¹

Programme	2022/23 Annual Budget	Target YTD	Actual YTD	Target %	%Actual /annual budget
	R' 000	R' 000	R'000	%	%
Capex for 2022/23 FY	1 161 601	1 161 601	736 609	63%	63,41%
Total	1 161 601	1 161 601	736 609	63%	63,41%

TABLE 5: OPERATING BUDGET MANAGEMENT

	2022/23	Year to date		% Achievement for Year to Date	% Achievement for Annual
	Adjusted Budget	Target	Actual		
Revenue R'000)	112 313	112 313	86 786	77%	77%
Costs (R'000)	112 313	112 313	154 078	137%	137%
Net surplus/(deficit)	-	0	(67 292)		

Expenditure has been set in respect of all funding sources for the financial year which excludes finance charges.

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 is:

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 fourth 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.

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 MARCH 2023 TO 30 JUNE 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 (Chair).
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 7: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (01 APRIL 2023 TO 28 JUNE 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)	5	5	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Bruce Sarela	5	4	1	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Makoko Makgonye	5	5	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0
Mongezi Ntanga	5	5	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Pinkie Numa	5	4	1	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Morwesi Ramonyai	5	5	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Siyabonga Masiza	5	5	0	0	1	1	0	0	N/A	N/A	N/A	N/A	1	1	0	0
Vukile Hlongwa	5	5	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nandipha Zonela	5	5	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mally Mokoena	5	5	0	0	1	1	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

ORCHARDS CLINIC

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 8: COMPOSITION OF COMMITTEES AS AT 14 MARCH 2023

Composition	Mandate and Quarterly Activities
Audit and Risk Committee	
<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"> • Bruce Sarela (Chairperson) • Siyabonga Masiza • Vukile Hlongwa • Patrick Lebopha (Independent Audit Member) • Sivuyile Mndawe (Independent Audit Member) • Tshepo Nawane (Independent Audit Member) 	<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>
Social and Ethics / Human Resources and Remuneration Committee	
<p>In line with the best practice of corporate governance, the Board maintains a Human Resources & Remuneration Committee/Social & Ethics Committee (HR & REMCO/Social & Ethics), comprising of 5 (five) 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 & Remuneration Committee/Social & Ethics Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg following the provisions of Section 89(a) of the MFMA.</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"> • Mally Mokoena (Chairperson) • Morwesi Ramonyai • Mongezi Ntanga • Pinkie Numa • Siyabonga Masiza 	
Development and Investment Committee	
<p>The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • Nandipha Zonela (Chairperson) • Makoko Makgonye • Daliwe Oliphant • Morwesi Ramonyai • Pinkie Numa 	<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 9: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT
AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES FOR THE PERIOD ENDING 30 JUNE 2023**

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Executive Directors & Senior Management							
M Mongane	CEO (Appointed 05 August 2022)	1 744 981	116 722	-	-	521 084	2 382 787
S Moonsamy	CFO (Resigned 14 November 2022)	690 305	51 534	-	-	-	741 839
R Shirinda	Company Secretary	1 711 430	81 296	-	173 206	-	1 965 932
B Seopela	EM: Corporate Services	1 999 043	-	-	260 616	-	2 259 659
O Nkoane	EM: Development Planning and Facilitation	1 937 423	127 543	-	144 548	-	2 209 514
S Genu	EM: Project Implementation	2 005 233	132 005	31 278	-	-	2 168 516
Z Tshabalala	Chief Audit Executive (Appointed August 2022)	959 283	49 412	-	-	-	1 008 695
Sub-Total		1 649 588	558 512	31 278	578 370	521 084	2 951 353
Non-Executive Directors & Independent Audit Committee Members							
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
Sub Total		1 438 000					1 438 000
Board Effective February 2023							
Ms Daliwe Oliphant (NED)	Board Chairperson	104,000					104,000
Ms Mally Mokoena (NED)	Board Member (SEHR Chair)	82,000					82,000
Mr Mongezi Ntanga (NED)	Board Member	68,000					68,000
Ms Morwesi Ramonyai (NED)	Board Member	96,000					96,000
Ms Nandipha Zonela (NED)	Board Member	70,000					70,000
Mr Bruce Sarela (NED)	Board Member	0.00					0.00

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Ms Pinkie Numa (NED)	Board Member	40,000					40,000
Mr Vukile Hlongwa (NED)	Board Member	88,000					88,000
Mr Makoko Makgonye (NED)	Board Member	80,000					80,000
Mr Siyabonga Masiza (NED)	Board Member	0.00					0.00
Mr Sivuyile Mndawe (IAC)	Independent Audit & Risk member	16,000					16,000
Mr Patrick Lebopa (IAC)	Independent Audit & Risk member	32,000					32,000
Mr Tshepo Nawane (IAC)	Independent Audit & Risk member	32,000					32,000
Sub total		708 000					708 000
TOTAL		3 795 588	558 512	31 278	578 370	521 084	5 097 353

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.

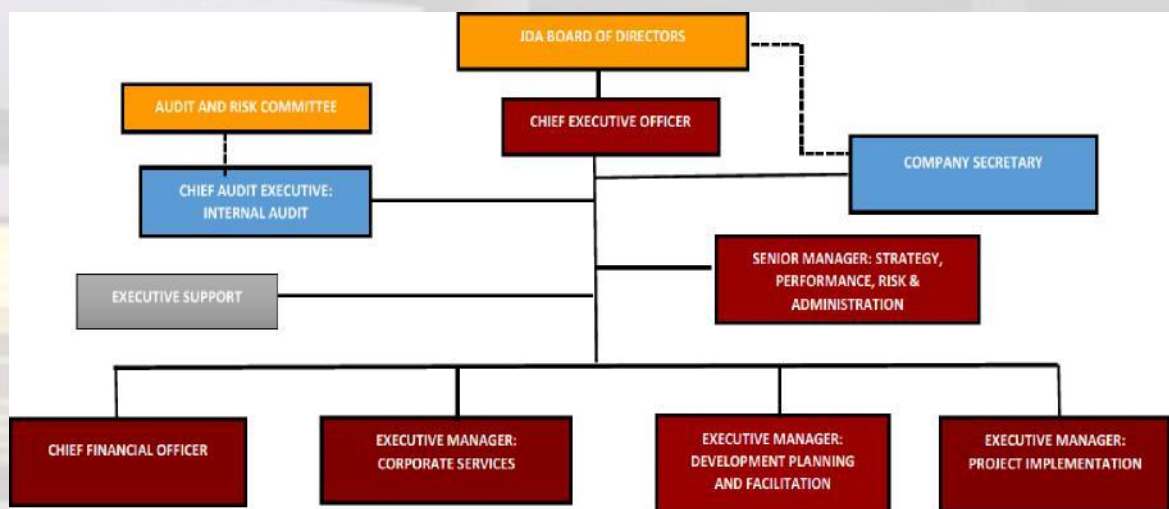
The Company Secretary's work covers a wide variety of functions, including but not limited to:

- Organizing, preparing agendas, and taking minutes of meetings.
- Dealing with correspondence, collating information, writing reports, ensuring decisions 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 4 are as follows:

TABLE 10: IMPLEMENTED RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES

Programmes and/or activities
Strategic Risk Monitoring
Operational, compliance and Fraud Risk Monitoring
2023/24 Strategic Risk Register Review
2022/23 Insurance Cover Payment Settlement

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 11: STATUS OF IMPLEMENTATION OF COMMITTED ACTION PLANS

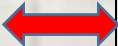
KPI	Q1	Q2	Q3	Q4
Implementation of committed Strategic Action Plans	73%	50%	62%	76%

The performance achieved reflects cumulative action plans that were committed to be implemented as at end of the 4th quarter. There are twenty-one (21) committed mitigation plans to be implemented as at the 4th quarter. Of the twenty-one (21) mitigation plans only thirteen (16) were implemented and 5 were not implemented, which translates to 76% **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 trigger 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 12: RESIDUAL STRATEGIC RISKS TRIGGERED BY RISK TOLERANCE THRESHOLD

N o	Risk Name	R R- Q 3	RR- Q4	RR Movem ent	KRIs triggered	Status on the KRIs	Proposed Action Plans
1.	Poor project performance	25	25		<ul style="list-style-type: none"> - Number of projects at concept design stage. - Number of projects at detailed design stage. - Number of projects reaching the contract award stage. - Number of project at reaching practical completion stage. 	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. This resulted in invoices being paid outside 30	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.

N o	Risk Name	R R- Q 3	RR- Q4	RR Movem ent	KRIs triggered	Status on the KRIs	Proposed Action Plans
2.	No/insufficient working capital to finance the project (contractor)	25	25		<ul style="list-style-type: none"> - Number of contractors place in terms or terminated. - Number of sessions entered into with contractor to pay SMMEs. - Number of incidents of SMMEs marching to JDA offices or stopping construction due to non-payment. 	days schedule in quarter four.	
6.	Inability to ensure financial sustainability	25	25		<ul style="list-style-type: none"> - % of budget spent on city-wide infrastructure. - % of valid invoices paid within 30 days of the invoice date. - Number of days-debtors collection period. 		
8.	Maladministration	8	8		<ul style="list-style-type: none"> - % of Strategic and Operational Risk Management Action Plans resolved. 	76% of strategic risk management action plans were implemented in the 4 th quarter. Therefore the risk rating is stagnant.	Monthly follow up with management will be conducted as part of the corrective measure to ensure target is met.

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 always be in compliance with the law and company policies. 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 interest. 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 Board continued to adhere to this practice even in the period under review.

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 had already achieved 100% 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 the 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 in 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 4 of 2022/23 financial year. The cases cited below emanate from the previous quarters and years.

TABLE 13: 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 14: 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

A concentrated focus on the supply chain is inevitable. The entire service delivery value chain pivots around the supply chain. The digitization of the 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% digitized 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 and Operational Contracts

	Q3	Q4
Contracts loaded on	588	811
SAP (Opex & Capex)		

The total number of contracts captured to date is 811, against a Q3 closing balance of 588. The Supply chain team have been diligent in meeting the target of capturing all active contracts by the end of Q4 in preparation for the next financial year.

SAP Finance Digitization

Preparations for the final step of digitization and data migration are underway in this quarter. All preparations targets in terms of setting parameters and indicators for accuracy of data and completeness of records have been met.

Timeline

In terms of timeline, the Finance team is anticipated to be in a SAP parallel run mode by the end Q1 of the 2023/2024 Financial year, with Q2 being the post review process.

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:

TABLE 15: 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 has been 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.	In quarter four, there were 446 invoices paid amounting to R262 093 516,61 that were outside the 30-day period.

COMPLIANCE CATEGORY	COMPLIANCE STATUS
	The reason for paying Service Providers outside the 30 days as prescribed by the MFMA is attributed to City's financial constraints.

SECTION 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The entity has no funds for the projects identified:

- 1.1 ALEXANDRA CAMPUS supported with Smart Boards.
- 1.2 SEDILAKA PRIMARY SCHOOL, Kalkfontein – Ivory Park requested Sport Kit.
- 1.3 SOWETO INFRASTRUCTURE AND CONSTRUCTION CHAMBER, for Technical Equipment.

The proposed solution was to issue new RFQs to get up to date costs from suppliers. A new RFQ was issued on the 5th of June and closed 12 June 2023 for the supply and delivery of Smartboards for Alexandra Campus mentioned above. Implementation is anticipated for the first quarter of the new FY.

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 neighbourhoods, 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 run-off in areas upgraded by the JDA to achieve sustainable urban drainage standards.
- Indigenous and water-wise planting in all landscaping interventions in compliance with City Parks requirements. These interventions are currently being implemented on most of JDA's public environment upgrades, NMT, streets and BRT related projects across the city.
- The environmental design for crime prevention guidelines as promoted by the City Safety Programme.
- Environmental construction and infrastructure options such as energy-efficient lighting and rainwater harvesting. This design intervention is currently being explored on JDA's BRT Depots and some Public Health Clinics that are at design stage.
- Environmental health regulations for informal trading where the JDA upgrades trading and taxi facilities. Currently, the JDA has four projects relating to the upgrading of Informal Trading and six projects relating to upgrading of Taxi Facilities.

- Including urban environmental management as an integral part of the urban regeneration projects that the JDA implements, such as, the upgrading of parks, the construction of storm-water facilities and public transport infrastructure and facilities. Currently, the JDA has more than six projects that focus on urban regeneration and public environment upgrades with more emphasis on Randburg, Orange Grove and the Inner City.

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.

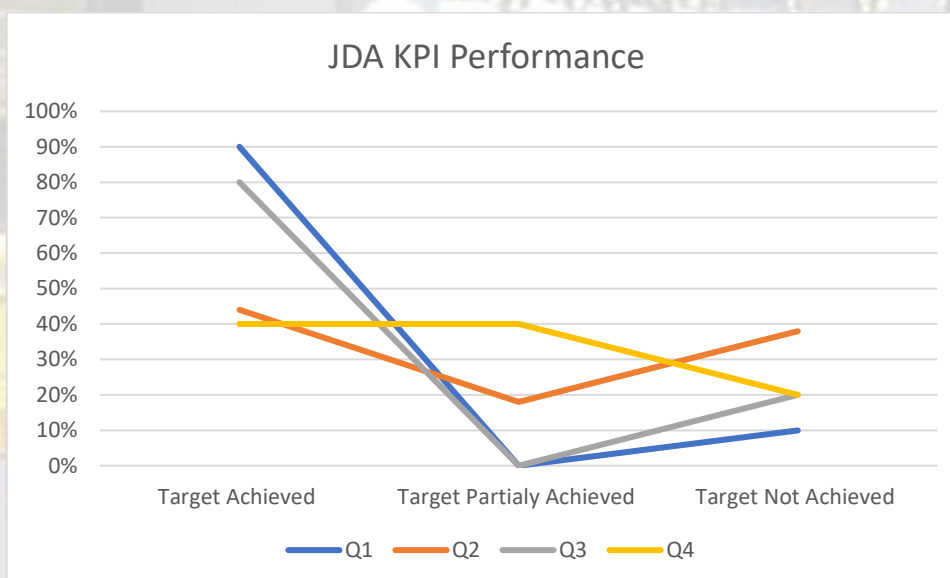
CHAPTER 3: SERVICE DELIVERY PERFORMANCE

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, from 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 4th quarter there are 5 KPI's that are measured and 14 KPI's had zero targets). Furthermore, of 14 KPIs that had zero targets, 7 have reported progress. Reason being that the improvements in the City's Cash Flow assisted the JDA to progress even on targets that were revised to zero during the Mid-Year adjustment process.

The fourth quarter performance is presented against the JDA's 5 measured Strategic KPIs, 2 (40%) performance targets are achieved, 2 (40%) performance targets are partially achieved, and 1 (20%) performance target is not achieved.



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	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)	100%	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	Financial Sustainable and Resilient City	2 (Both Measured)	(11-12)	—	—	2	100%	—	—
Strategic priority: Financial Sustainability	Focusing on driving up capital expenditure investment in	3	(13-14-18)	—	—	—	—	—	—
Strategic priority: Day-to-day Program / Job opportunity and creation and Sustained Economic	Other IDP or Day-to Day programs	4 (2 Measured)	(15-16-17-19)	50%	50%	—	—	—	50%
		19 (5 Measured)			40%	2	40%		20%

SECTION 2: SERVICE DELIVERY CHALLENGES

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

- Though the JDA has started to see some signs of recovery from the challenges caused by lack of cash flow that resulted in some projects being suspended for at least four months between Q2 and Q3 of the year under review: the rate of recover and progress was slower than anticipated. This, by enlarge has negatively impacted overall performance for the quarter and the overall year under review.
- Despite the fact that, the JDA has made considerable progress in eradicating the backlog of the Q3 payment of invoices, several services providers have not fully recovered from a cashflow point of view, and this has affected some of the vulnerable and sensitive project stakeholders, such as Community Based Emerging Contractors (SMMEs). The JDA was still dealing with aggrieved SMMEs from various projects who are still experiencing delayed payment by main contractors. The Entity has pro-actively and intensively communicated with all its key stakeholders any payment delays that have a potential to affect the implementation of projects.
- The JDA has to terminate at least three contracts of contractors who had failed to complete the projects as per the agreed conditions of contracts and has put on terms several contractors who have struggled to demonstrate capacity to execute projects as per the agreed schedules. These terminations and lack of progress from several contractors have affected the overall performance of the entity. However, it should be noted that the Entity has put in place recovery plans on challenged projects, and replacement plans for projects where contracts have been terminated.
- Overall, since there are financial improvements that the Entity experienced during the 4th Quarter, consequently there were minimal effects of the City's Cash Flow challenges encountered. This led to a reduction in terms of the cash flow impact when compared to the 2nd and 3rd quarters.

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 ³ on the categorizing of the current city nodes with prospects for growth, the work of the program is to promote densification, diversification, and development in these nodes. The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighbourhood nodes.

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	The objective is to deliver on the City's priority social effectively and efficiently and/or economic infrastructure programs. 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.

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 fourth quarter ended 30 June 2023 was R736.6 million (2021/22: R1 027 million) against the budget of R1.2 billion (2021/22: R1.3 billion). This represents 63.41% of the overall annual budget spent by end of fourth quarter. There are still various factors that continue to affect projects expenditure including poor contractor performance.

TABLE 21: CAPITAL EXPENDITURE AS AT END OF JUNE 2023

PROJECTS PER FUNDING SOURCE	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTU	BUDG	VARIAN	ACTU	BUDG	VARIAN	VAR	BUDGET	USED
						R	%	R	%
IDA ON BUDGET									
INNER CITY EASTERN GATEWAY_TOD AND MOVEMENT CORRIDORS	4 495 986	3 750 000	745 986	4 495 986	3 750 000	745 986	19,89%	5 000 000	89,92%
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	6 846 039	6 000 000	846 039	6 846 039	6 000 000	846 039	14,10%	8 000 000	85,58%
RANDBURG CBD REGENERATION RENEWAL	1 695 789	1 500 000	195 789	1 695 789	1 500 000	195 789	13,05%	2 000 000	84,79%
MELVILLE ACTIVITY STREET	16 484 902	15 000 000	1 484 902	16 484 902	15 000 000	1 484 902	9,90%	20 000 000	82,42%
REVITALISATION OF PAGEVIEW AND VREDEDORP	119 280	375 000	(255 720)	119 280	375 000	(255 720)	(68,19%)	500 000	23,86%
CORR - LOUIS BOTHA CORRIDOR OF FREEDOM TRAFFIC IMPACT ASSESSMENT (TIA),	38 522 737	33 750 000	4 772 737	38 522 737	33 750 000	4 772 737	14,14%	45 000 000	85,61%
IVORY PARK UDF_ DEVELOPMENT_ CATALYTIC NODE INFRASTRUCTURE PROJECTS		19 000 000	(19 000 000)		19 000 000	(19 000 000)	(100,00%)	20 000 000	0,00%
DIEPSLOOT DEVELOPMENT RENEWAL PRECINCT REDEVELOPMENT DIEPSLOOT WES A REGIONAL		760 000	(760 000)		760 000	(760 000)	(100,00%)	800 000	0,00%
IVORY PARK TURNKEY PROG DLAMINI DRIVE	7 657 105	7 600 000	57 105	7 657 105	7 600 000	57 105	0,75%	8 000 000	95,71%
WATT STREET PRECINCT, WYNBERG	368 487	361 000	7 487	368 487	361 000	7 487	2,07%	380 000	0,00%
JABULANI TOD: PHASE 6A - SAFE HUB	24 345 289	6 650 000	17 695 289	24 345 289	6 650 000	17 695 289	266,09%	7 000 000	347,79%
ORANGE FARM TURNKEY PROJECT	4 138 915	7 600 000	(3 461 085)	4 138 915	7 600 000	(3 461 085)	(45,54%)	8 000 000	51,74%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNU	BUDG
	ACTU	BUDG	VARIAN	ACTU	BUDG	VARIAN	VAR	BUDG	US
PROJECTS PER FUNDING SOURCE						R	%		
KLIPTOWN URBAN RENEWAL PROGRAMME	177 375	1 425 000	(1 247 625)	177 375	1 425 000	(1 247 625)	(87,55%)	1 500 000	0,00%
23775_IVORY PARK URBAN RENEWAL PROGRAMME		13 556 500	(13 556 500)		13 556 500	(13 556 500)	(100,00%)	14 270 000	0,00%
SOWETO STRATEGIC AREA FRAMEWORK	601 680	760 000	(158 320)	601 680	760 000	(158 320)	(20,83%)	800 000	75,21%
OPERATIONAL CAPEX NEW OPERATIONAL CAPEX NEWTOWN F CITY WIDE		6 650 000	(6 650 000)		6 650 000	(6 650 000)	(100,00%)	7 000 000	0,00%
INNERCITY CORE	6 945 250	1 425 000	5 520 250	6 945 250	1 425 000	5 520 250	387,39%	1 500 000	463,02%
BRIXTON SOCIAL CLUSTER: WORK PACKAGE 1 NEW MULTIPURPOSE SPORTS AND	7 694 664	11 400 000	(3 705 336)	7 694 664	11 400 000	(3 705 336)	(32,50%)	12 000 000	64,12%
NEW TURFONTEIN CLINIC AND MULTIPURPOSE	11 841 493	10 450 000	1 391 493	11 841 493	10 450 000	1 391 493	13,32%	11 000 000	107,65%
INNER CITY PARTNERSHIP FUND - ROUND 1: YEOVILLE	4 120 270	15 200 000	(11 079 730)	4 120 270	15 200 000	(11 079 730)	(72,89%)	16 000 000	25,75%
KLIPTOWN WELLNESS CENTRE	13 985 338	23 750 000	(9 764 662)	13 985 338	23 750 000	(9 764 662)	(41,11%)	25 000 000	55,94%
ROODEPORT CBD REGENERATION RENEWAL PRECINCT REDEVELOPMENT REGION C	2 211 397	2 850 000	(638 603)	2 211 397	2 850 000	(638 603)	(22,41%)	3 000 000	73,71%
BRAAMFICHER GRAVEL ROAD		22 800 000	(22 800 000)		22 800 000	(22 800 000)	(100,00%)	24 000 000	0,00%
SUB-TOTAL	330 176 315	448 290 750	(118 114 435)	330 176 315	448 290 750	(118 114 435)	(26,35%)	471 885 000	69,97%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNU	BUDG
	ACTU	BUDG	VARIAN	ACTU	BUDG	VARIAN	VAR	BUDG	US
PROJECTS PER FUNDING SOURCE						R	%		%
COMMUNITY DEVELOPMENT									
LEHAE MPC NEW CONSTRUCTION LEHAE G	813 760	3 800 000	(2 986 240)	813 760	3 800 000	(2 986 240)	(78,59%)	4 000 000	20,34%
JOHANNESBURG LIBRARY F	1 775 999	10 450 000	(8 674 001)	1 775 999	10 450 000	(8 674 001)	(83,00%)	11 000 000	16,15%
KAALFONTEIN MPC NEW CONSTRUCTION	14 433 786	14 250 000	183 786	14 433 786	14 250 000	183 786	1,29%	15 000 000	96,23%
Public Art Fountains	1 913 360	0	1 913 360	1 913 360	0	1 913 360	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	11 370 208	14 250 000	(2 879 792)	11 370 208	14 250 000	(2 879 792)	(20,21%)	15 000 000	75,80%
DRIEZIEK MPC	28 098	1 900 000	(1 871 902)	28 098	1 900 000	(1 871 902)	(98,52%)	2 000 000	1,40%
REPAIRS TO COMM DEV FACILITIES	20 877 469	27 645 000	(6 767 531)	20 877 469	27 645 000	(6 767 531)	(24,48%)	29 100 000	71,74%
SUB-TOTAL	51 240 045	72 295 000	(21 054 955)	51 240 045	72 295 000	(21 054 955)	(29,12%)	76 100 000	67,33%
DEPARTMENT OF HEALTH									
ELIAS MOTSOLEDI CLINIC	1 245 250	0	1 245 250	1 245 250	0	1 245 250	0,00%	0	0,00%
PROTEA GLEN CLINIC		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%
NALEDI CLINIC		0	0		0	0	0,00%	0	0,00%
RABIE RIDGE CLINIC	26 262 042	27 993 650	(1 731 608)	26 262 042	27 993 650	(1 731 608)	(6,19%)	29 467 000	89,12%
HIKHENSILE CLINIC	2 026 700	0	2 026 700	2 026 700	0	2 026 700	0,00%	0	0,00%
PROTEA SOUTH CLINIC	893 329	361 950	531 379	893 329	361 950	531 379	146,81%	381 000	234,47%
FREEDOM PARK CLINIC	1 057 900	0	1 057 900	1 057 900	0	1 057 900	0,00%	0	0,00%
SUB-TOTAL	1 359 941	361 950	997 991	1 359 941	361 950	997 991	275,73%	381 000	356,94%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTU	BUDG	VARIAN	ACTU	BUDG	VARIAN	VAR	BUDG	US
PROJECTS PER FUNDING SOURCE							%		
HOUSING									
BRAAMFISCHERVILLE EXT 12&13: ROADS	17 236 172	9 500 000	7 736 172	17 236 172	9 500 000	7 736 172	81,43%	10 000 000	172,36%
FINETOWN PROPER GRAVEL ROADS	276 368	11 875 000	(11 598 632)	276 368	11 875 000	(11 598 632)	(97,67%)	12 500 000	2,21%
LAKESIDE EXT 5 GRAVEL ROADS	15 696 468	14 250 000	1 446 468	15 696 468	14 250 000	1 446 468	10,15%	15 000 000	104,64%
DRIEZIEK 3, 4 AND 5 UPGRADE GRAVEL	20 803 630	42 750 000	(21 946 370)	20 803 630	42 750 000	(21 946 370)	(51,34%)	45 000 000	46,23%
Ennerdale South	331 079	9 500 000	(9 168 921)	331 079	9 500 000	(9 168 921)	(96,51%)	10 000 000	0,00%
Kanana Park Ext		4 750 000	(4 750 000)		4 750 000	(4 750 000)	(100,00%)	5 000 000	0,00%
SUB-TOTAL	54 343 717	92 625 000	(38 281 283)	54 343 717	92 625 000	(38 281 283)	(41,33%)	97 500 000	6,73%
TRANSPORTATION									
PTF: SMALL PUBLIC TRANSPORT	207 592	475 000	(267 408)	207 592	475 000	(267 408)	(56,30%)	500 000	41,52%
COMPLETE STREETS: NMT FACILITIES	1 203 337	7 600 000	(6 396 663)	1 203 337	7 600 000	(6 396 663)	(84,17%)	8 000 000	15,04%
PTF: SMALL PUBLIC TRANSPORT FACILITY	711 697	1 615 000	(903 303)	711 697	1 615 000	(903 303)	(55,93%)	1 700 000	41,86%
CARR STREET PUBLIC TRANSPORT	742 528	921 913	(179 385)	742 528	921 913	(179 385)	(19,46%)	970 435	76,51%
FLEET AFRICA PUBLIC TRANSPORT	1 830 792	4 750 000	(2 919 208)	1 830 792	4 750 000	(2 919 208)	(61,46%)	5 000 000	36,62%
METRO MALL PUBLIC TRANSPORT	1 355 225	1 900 000	(544 775)	1 355 225	1 900 000	(544 775)	(28,67%)	2 000 000	67,76%
PTF SMALL PUBLIC TRANSPORT FACILITY	2 258 369	2 185 000	73 369	2 258 369	2 185 000	73 369	3,36%	2 300 000	98,19%
PTF: SMALL PUBLIC TRANSPORT	618 349	950 000	(331 651)	618 349	950 000	(331 651)	(34,91%)	1 000 000	61,83%
COMPLETE STREETS: NMT LINKS	42 294	190 000	(147 706)	42 294	190 000	(147 706)	(77,74%)	200 000	21,15%
COMPLETE STREETS DEEP SOUTH	13 944 979	19 000 000	(5 055 021)	13 944 979	19 000 000	(5 055 021)	(26,61%)	20 000 000	69,72%
PTF ROSEBANK	3 348 706	4 750 000	(1 401 294)	3 348 706	4 750 000	(1 401 294)	(29,50%)	5 000 000	66,97%
COMPLETE STREETS TURFONTEIN	253 136	285 000	(31 864)	253 136	285 000	(31 864)	(11,18%)	300 000	84,38%
PUBLIC TRANSPORT STOPS: COSMO CITY	16 826 642	23 750 000	(6 923 358)	16 826 642	23 750 000	(6 923 358)	(29,15%)	25 000 000	67,31%
COMPLETE STREETS: NMT LINKING	1 947 229	6 650 000	(4 702 771)	1 947 229	6 650 000	(4 702 771)	(70,72%)	7 000 000	27,82%

SMALL: PTF LAKESIDE NEW NODAL	13 478 059	14 250 000	(771 941)	13 478 059	14 250 000	(771 941)	(5,42%)	15 000 000	89,85%
PTF SUNNINGHILL	782 220	760 000	22 220	782 220	760 000	22 220	2,92%	800 000	97,78%
RANDBURG CBD TRANSPORT	943 750	904 565	39 185	943 750	904 565	39 185	4,33%	952 174	99,12%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNU	BUDG
	ACTU	BUDG	VARIAN	ACTU	BUDG	VARIAN	V.	BUDG	US
PROJECTS PER FUNDING SOURCE						R			%
ZANDSPRUIT AND SURROUNDING AREAS	1 594 773	1 728 174	(133 401)	1 594 773	1 728 174	(133 401)	(7,72%)	1 819 130	87,67%
TRANSPORT MASTERPLAN									
TRAVEL DEMAND MANAGEMENT	1 974 471	2 478 261	(503 790)	1 974 471	2 478 261	(503 790)	(20,33%)	2 608 696	75,69%
PARKING MANAGEMENT POLICY		1 239 131	(1 239 131)		1 239 131	(1 239 131)	(100,00%)	1 304 348	0,00%
COMPLETE STREETS: NMT LINKING ORANGE		665 000	(665 000)		665 000	(665 000)	(100,00%)	700 000	0,00%
LENASIA SCHOLAR TRANSPORT MASTERPLAN	44 612	380 000	(335 388)	44 612	380 000	(335 388)	(88,26%)	400 000	11,15%
FRANK BROWN PARK SOCIAL HOUSING	1 119 874	380 000	739 874	1 119 874	380 000	739 874	194,70%	400 000	279,97%
HIGH COURT PEU	588 202	3 634 783	(3 046 581)	588 202	3 634 783	(3 046 581)	(83,82%)	3 826 087	15,37%
HILLBROW HEALTH PRECINCT UPGRADE	215 073	475 000	(259 927)	215 073	475 000	(259 927)	(54,72%)	500 000	43,01%
Fordsburg PEU		760 000	(760 000)		760 000	(760 000)	(100,00%)	800 000	0,00%
INNER CITY WALKABLE NETWORK	422 409	475 000	(52 591)	422 409	475 000	(52 591)	(11,07%)	500 000	84,48%
FEASIBILITY STUDY FOR THE IMPLEMENTATION OF THE ICM		2 815 304	(2 815 304)		2 815 304	(2 815 304)	(100,00%)	2 963 478	0,00%
FEASIBILITY STUDY FOR THE IMPLEMENTATION OF THE ICM (ORANGE	1 487 831	2 326 261	(838 430)	1 487 831	2 326 261	(838 430)	(36,04%)	2 448 696	60,76%
HIGH COURT		330 435	(330 435)		330 435	(330 435)	(100,00%)	347 826	0,00%
DESMOND TUTU		1 239 132	(1 239 132)		1 239 132	(1 239 132)	(100,00%)	1 304 349	0,00%
Complete Streets: (KFW - German Development Bank): Orlando East to UJ	4 374 220	0	4 374 220	4 374 220	0	4 374 220	0,00%	0	0,00%

SUB-TOTAL	75 483 266	112 332 958	(36 849692)	75 483 266	112 332 958	(36 849 692)	(32,80%)	118 245 219	63,84%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNU	BUDG
	ACTU	BUDG	VARIAN	ACTU	BUDG	VARIAN	VAR	BUDG	US
PROJECTS PER FUNDING SOURCE							%		
SOCIAL DEVELOPMENT									
SHELTER FOR DISPLACED PEOPLE REGION	104 346	4 750 000	(4 645 654)	104 346	4 750 000	(4 645 654)	(97,80%)	5 000 000	2,09%
BETRAMS MULTIPURPOSE CENTRE	34 306 100	40 850 000	(6 543 900)	34 306 100	40 850 000	(6 543 900)	(16,02%)	43 000 000	79,78%
YETTA NATHAN SOCIAL DEVELOPMENT	13 183 825	33 250 000	(20 066 175)	13 183 825	33 250 000	(20 066 175)	(60,35%)	35 000 000	37,67%
NORTHERM, FLEURHOF FARM AND EIKENHOF FARM		950 000	(950 000)		950 000	(950 000)	(100,00%)	1 000 000	0,00%
LOUIS BOTHA - CO - PRODUCTION ZONE FOR SOCIAL INTERVENTIONS RENEWAL	856 022	3 325 000	(2 468 978)	856 022	3 325 000	(2 468 978)	(74,25%)	3 500 000	24,46%
MINOR UPGRADES OF ALL SOCIAL DEVELOPMENT FACILITIES IN ALL THE		2 375 000	(2 375 000)		2 375 000	(2 375 000)	(100,00%)	2 500 000	0,00%
Repairs and Maintenance of Facilities	5 030 310	0	5 030 310	5 030 310	0	5 030 310	0,00%	0	0,00%
SUB-TOTAL	53 480 6	85 500 0	(32 019 3)	53 480 6	85 500 0	(32 019 3)	(37,45)	90 000 0	59,4
TRANSPORTATION PTNG									
PHASE 1C STATIONS	25 857 551	38 000 000	(12 142 449)	25 857 551	38 000 000	(12 142 449)	(31,95%)	40 000 000	64,64%
ALEXANDRA DEPOT	21 359 881	26 305 500	(4 945 619)	21 359 881	26 305 500	(4 945 619)	(18,80%)	27 690 000	77,14%
SECTION 15K (WATT INTERCHANGE STATION ROAD WORKS AND BRIDGES)		2 850 000	(2 850 000)		2 850 000	(2 850 000)	(100,00%)	3 000 000	0,00%
OTHER: LAND	55 173	2 850 000	(2 794 827)	55 173	2 850 000	(2 794 827)	(98,06%)	3 000 000	1,84%
SELBY DEPOT 2C	9 573 667	13 300 000	(3 726 333)	9 573 667	13 300 000	(3 726 333)	(28,02%)	14 000 000	68,38%

OTHER: PASSENGER INFORMATION SIGNAGE (FINGER BOARDS - "ON STREET)	27 426 046	47 500 000	(20 073 954)	27 426 046	47 500 000	(20 073 954)	(42,26%)	50 000 000	54,85%
SUB-TOTAL	84 964 050	157 405 500	(72 441 450)	84 964 050	157 405 500	(72 441 450)	(46,02%)	165 690 000	51,28%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNU	BUDGE
	ACTU	BUDG	VARIAN	ACTU	BUDG	VARIAN	VAR	BUDG	USED
PROJECTS PER FUNDING SOURCE							%		
OTHER									
TEST ECO DISTRICT PROTOTYPES TOD	R 1 016 591	R 8 046 109	(R 7 029 518)	R 1 016 591	R 8 046 109	(R 7 029 518)	(87,37%)	R 8 469 588	12,00%
CORRIDORS									
Central Fire Station	24 589 762	38 000 000	(13 410 238)	24 589 762	38 000 000	(13 410 238)	(35,29%)	40 000 000	61,47%
ALEXANDRA AUTO HUB SECURITY		743 479	35 745	779 224	743 479	35 745	4,81%	782 609	99,57%
5TH ROAD BRIDGE	576 748	807 500	(230 752)	576 748	807 500	(230 752)	(28,58%)	850 000	67,85%
MODDERFONTEIN BRIDGE	4 174 823	24 981 648	(20 806 825)	4 174 823	24 981 648	(20 806 825)	(83,29%)	26 296 472	15,88%
M2 FINGER JOINTS	29 397	620 852	(591 455)	29 397	620 852	(591 455)	(95,27%)	653 528	4,50%
FORMULATION OF ZANDSPRUIT URBAN DEVELOPMENT FRAMEWORK	322 500	950 000	(627 500)	322 500	950 000	(627 500)	(66,05%)	1 000 000	32,25%
ADDITIONAL MARKET FLOOR SPACE	6 366 734	11 400 000	(5 033 266)	6 366 734	11 400 000	(5 033 266)	(44,15%)	12 000 000	53,06%
CONSTRUCTION OF NOORDWYK SPORT GROUND	464 657	712 500	(247 843)	464 657	712 500	(247 843)	(34,78%)	750 000	61,95%
UPGRADING OF MEADOWLANDS STADIUM RENEWAL COMMUNITY CENTRE	940 947	712 500	228 447	940 947	712 500	228 447	32,06%	750 000	125,46%
MAYFAIR PEU	81 969	285 000	(203 031)	81 969	285 000	(203 031)	(71,24%)	300 000	27,32%
CONSTRUCTION OF PHIRI MULTIPURPOSE CENTRE	826 421	1 045 000	(218 579)	826 421	1 045 000	(218 579)	(20,92%)	1 100 000	75,13%
MASINGITA DEVELOPMENT BULK SERVICES	2 158 713	4 275 000	(2 116 287)	2 158 713	4 275 000	(2 116 287)	(49,50%)	4 500 000	47,97%
Inner City Transport Masterplan`	654 747	0	654 747	654 747	0	654 747	0,00%	0	0,00%
Priority Economic zones	754 235	0	754 235	754 235	0	754 235	0,00%	0	0,00%
Feasibility Ivorypark to Sandton	1 928 367	0	1 928 367	1 928 367	0	1 928 367	0,00%	0	0,00%
Feasibility Study Soweto to Sandton	1 403 745	0	1 403 745	1 403 745	0	1 403 745	0,00%	0	0,00%

Balfour Park Transit	842 706	0	842 706	842 706	0	842 706	0,00%	0	0,00%
Westburt transformation	483 750	0	483 750	483 750	0	483 750	0,00%	0	0,00%
UN HABIT	19 803	0	19 803	19 803	0	19 803	0,00%	0	0,00%
GIS Integrated Spatial Data	3 371 201	0	3 371 201	3 371 201	4 275 000	(903 799)	0,00%	4 500 000	0,00%
SUB-TOTAL	26 886 0	46 533 4	(19 647 4	26 886 030	50 808 479	(23 922 449)	(47,08%)	53 482 609	50,27%
TOTAL	736 609 0	865 331 4	(360 943 412)	736 609 016	1101 827 428	(365 218 412)	(33,15%)	1161 601 416	63,41%

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 Q4 Target	2022/23 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2023	Variations and steps to be taken to improve performance.
Inner-city regeneration, 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. ⁴	8	7 (cumulative)	0	4	4	N/A	The following pre-feasibility studies were concluded in Q.4 a. ICM Corridor Southern Corridor. b. ICM Western Corridor. c. Orange Farm Urban Agriculture. d. Parking Stress Management.	The improvements in the City's Cash Flow assisted the JDA to progress even on targets that were revised to zero during the Mid-Year adjustment process.
	2) Number of feasibilities studies conducted.	New KPI	0 (cumulative)	0	0	0	N/A	Not applicable.	Not applicable.

3) Number of urban development frameworks completed.	New KPI	2 (cumulative)	0	0	0	N/A	Not applicable.	Not applicable.



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 2021/22	2022/23 Annual Target	2022/23 Q4 Target	2022/23 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of : June 2023	Variations and steps to be taken 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 the concept design phase.	18	24	0	2	2	N/A	a. High Court PEU. b. Integrated Spatial Portal.	The improvements in the City’s Cash Flow assisted the JDA to progress even on targets that were revised to zero during the Mid-Year adjustment process.
	5) Number of projects detailed design phase.	New KP	16 (cumulative)	0	0	0	N/A	Not applicable.	Not applicable.
	6) Number of projects reaching the contract award stage.	4	15 (cumulative)	0	0	0	N/A	Not applicable.	Not applicable.

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 Q4 Target	2022/23 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end 30 June 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	0	N/A	Not applicable.	Not applicable.
	8) Number of precinct management implementation plans	3	0	0	0	0	N/A	Not applicable.	Not applicable.
	9) Number of JDA Communication and Media related initiatives	458	300(Cumulative)	300	363	63		Not applicable.	Not applicable.

10)Number of Impact performance assessments completed	4	0	0	0	0	N/A	Not applicable.	Not applicable.

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.

OUTCOME: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City									
OUTPUT: A responsive, accountable, efficient and productive Metropolitan Government									
STRATEGIC PRIORITY: Good Governance									
STRATEGIC PROGRAMME: Governance in the interest of people and reduce corruption									
IDP programs	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q4 Target	2022/23 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 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%	100%	91%	-9%		The findings were not resolved reason being that some reports that were not approved on time and these findings will be cleared by end of Q1 2023/24 FY.	All findings will clear before the end of Q1, and all will be monitored on the OPCA meetings.
	12)Percentage resolution of Auditor General findings.	91%	100%	100%	86%	-14%		Internal Audit is conducting follow up audit of the AG findings. Some findings will be cleared after Internal Audit has been concluded and any remaining findings will be cleared at the end of Q1 2023/24	All findings will be cleared before the end of Q1 and be monitored on the OPCA meetings.

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 Q4 Target	2022/23 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of June 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%	63.41%	63.41%	N/A	Not applicable.	Not Applicable.
	14) Percentage of valid invoices paid within 30 days of the invoice date.	92%	50%	0%	75%	75%	N/A	Not applicable.	Not Applicable.


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.									
OUTPUT: Job-									
STRATEGIC PRIORITIES: Job opportunity and creation and Economic Development									
IDP program/s	Key Performance Indicator	Baseline 2021/22	2022/23 Annual Target	2022/23 Q4 Target	2022/23 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 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%	106%	106%	N/A	Not applicable	The improvements in the City's Cash Flow assisted the JDA to progress even on targets that were revised to zero during the Mid-Year adjustment process.
	16) Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	412	150 (Cumulative)	0	368	368	N/A	Not applicable	The improvements in the City's Cash Flow assisted the JDA to progress even on targets that were revised to zero during the Mid-Year adjustment process.
	17) Percentage of SMME expenditure as a share of total expenditure.	44%	5%	0%	47%	47%	N/A	Not applicable.	The improvements in the City's Cash Flow assisted the JDA to progress even on targets that were revised to zero during the Mid-Year adjustment process.

18) Percentage spends on JDA operating Expenditure against approved operating budget.	104%	75%	75%	101%	26%		Not Applicable	Not Applicable
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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 Q4 Target	2022/23 Q4 Actual	Variance	Quarterly Achievemer Rating	Explanation of progress as at end of 30 June 2023	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%	76%	-24%		There are twenty-one (21) committed mitigation plans to be implemented as at the 4 th quarter. Of the twenty-one (21) mitigation plans only sixteen (16) were implemented and five (5) were not implemented which translates to 76%.	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	Q4 EPWP	YTD
Program 1	23	16	14	37	90
Program 2	42	54	22	30	148
Program 3	33	55	34	8	130
TOTAL	98	125	70	75	368

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 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 Manager 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 91 employees including temporary workers who are based at the JDA Head Offices in Newtown. The JDA also hosts 16 Security Guards as part of the City of Johannesburg insourcing project.

TABLE 24: COST OF SICK LEAVE – EMPLOYEES ONLY ON JDA PAYROLL ONLY (01 APR 2023 – 30 JUNE 2023)

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employees using sick leave	Total employee 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	3	0	R 0
Senior management	3	0	1	11	0,27	R 18 181,82
Middle management	24	0	4	36	0,67	R 67 068,55
Skilled technical/junior management	0	0	0	22	0	R 0
Semi-skilled	0	0	0	10	0	R 0
Unskilled	0	0	0	8	0	R 0
TOTAL	27	0%	5	91	0,30	R 85 250,37

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

The Total Remuneration Costs for the period ending 27 June 2023 amount to R 82 444 938.00. This figure is inclusive of the Pension Fund. The JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 27 June 2023 amount to R 1 372 051.39.

SECTION 2: KEY VACANCIES

Below is a list of key vacancies.

TABLE 25: VACANCY PROGRESS

Vacancies	Progress
Chief Financial Officer	Recruitment Stage
Company Secretary	Recruitment Stage
Executive Manager: Corporate Services	Recruitment Stage
Chief Audit Executive	Recruitment Stage
Manager: Risk & Integrity Management	Recruitment Stage
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	% of vacancies
Total	144	91	60	41,7%

Description	Approved no. of posts per approved organogram	No. of employees	No. of vacancies June 2023	% of vacancies
Top management level	1	1	0	0%
Executive management	6	3	4	66,7%
Senior management	19	11	8	42,1%
Middle management	47	36	12	25,5%
Skilled technical/junior management	42	22	22	52,4%

Description	Approved no. of posts per approved organogram	No. of employees	No. of vacancies June 2023	% of vacancies
Semi-skilled	13	10	3	23,1%
Unskilled housekeepers/cleaners	16	8	11	68,8%
Total	144	91*	60	41,7%

*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 4,3%.

TABLE 27: ANNUAL TURNOVER RATE

Details	Total active employees at the beginning of financial year ¹	Terminations during financial year (YTD)	Turnover rate (YTD)
	No.	No.	%
2022/23	94	10	10,6%

A total of 4 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
Facilities	Black Female
Human Resources	Black Female
Corporate Services	Black Female
Project Implementation	Black Male

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 of employee relations and employee engagement.
- Hybrid working model.

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	0	0	0	0	0	0	3
Senior Management	5	0	0	0	6	0	0	0	0	0	11
Professionally qualified and experienced specialists and mid-management	13	0	0	0	21	1	0	0	0	1	36
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7	0	0	0	14	0	1	0	0	0	22
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	3	0	0	0	0	0	8
TOTAL PERMANENT	37	0	0	0	51	1	1	0	0	1	91
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	37	0	0	0	51	1	1	0	0	1	91

The JDA targets and achievements for period under review:

- 96,7% of its employees are Black African.
- 59,3% of its staff members are Female.
- 40% 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%	96,7%
Senior Management Female	35.9%	40%
Disability	2%	1%

TABLE 31: STAFF MOVEMENTS

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Retirements	0	1	0	0	0	0	0	0	1
Dismissals	0	0	0	0	0	0	0	0	0
Resignations	1	2	0	0	0	0	0	0	3
Death	0	0	0	0	0	0	0	0	0
End of contract	0	0	0	0	0	0	0	0	0
Total	1	3	0	0	0	0	0	0	4

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 197, 794.70. 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 – JUNE 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
Total	1

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 811 days, with Maternity leave being the second most utilised leave type with a total of 250 days, followed by Sick Leave with 80 days.

TABLE 34: LEAVE ANALYSIS FOR JUL 2022 – JUNE 2023

Type of Leave	Jul y	Augu st	Septemb er	Octob er	Novemb er	Decemb er	Janua ry	Februa ry	Marc h	Apr il	Ma y	Jun e	Tot al
Annual Leave	51	63	9	82	51	18	180	74	69	85	64	65	811
Sick Leave	6	4	11	16	5	0	5	5	1	14	13	0	80
Family Responsibility	0	5	2	0	0	0	0	0	0	0	0	0	7

Maternity Leave	0	15	22	20	22	26	40	40	44	10	0	11	250
Paternity Leave	0	0	0	0	10	0	0	0	0	0	0	0	10
Study Leave	0	2	0	6	4	0	0	0	0	0	8	2	22
TOTAL	57	89	44	124	92	44	225	119	114	109	85	78	1180

SECTION 8: EMPLOYEE BENEFITS

The Total Remuneration Costs for the period ending 27 June 2023 amount to R 82 444 938.00. This figure is inclusive of the Pension Fund. The JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 27 June 2023 amount to R 1 372 051.39.

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 94.57% for the quarter. A planned evacuation was conducted to ensure emergency preparedness.

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.

Despite the fact that there was a general relaxation of COVID 19 preventive measures at the workplace nationally, it remains prudent to be proactive and ensure that the risk of contagion is controlled at all times.

SECTION 10: MARKETING AND COMMUNICATIONS

10.1 Media Management (Digital)

The report shows the performance of content on the Johannesburg Development Agency's digital platforms between 01 April to 26 June 2023. 8 Press releases, 19 Facebook posts, 19 tweets on Twitter, 19 posts on Instagram and 16 posts on LinkedIn for the fourth quarter of 2022/23

TABLE 35: SOCIAL MEDIA ANALYSIS FOR FOURTH QUARTER

Social Media Platform	Posts	Growth	Engagement	Reach
FACEBOOK	19	121	291	17 470
TWITTER	19	121	613	25 700
INSTAGRAM	19	28	401	4 200
LINKEDIN	16	234	270	14 178

Social Media Platforms	Followers
Facebook	9 178
Instagram	1 513
Twitter	3 831
LinkedIn	5 057

Media Report

APRIL 2023

- Only six media items were analysed for the Johannesburg Development Agency (JDA) in April 2023.

- This was a decrease when compared to 14 media items recorded in March 2023.
- The Agency's AVE was at R 46 072.24, from R 929 980.16 in March 2023.
- All six media items were positive, and reports included the JDA celebrating 22 years of managing City of Johannesburg projects on 1 April 2023, Mayor Thapelo Amad's oversight visit to the R42m Ivory Park swimming pool, the near completion of the construction of the Rea Vaya bus rapid transit (BRT) depot in Selby, and the official opening of the newly built Bophelong Clinic in Doornkop, Snake Park.
- Mentions appeared in sources such as Dobsonville Urban News, Protea Urban News, Midrand Reporter, Comaro Chronicle Online, Engineering News – Online and Eldos FM.

MAY 2023

- 23 media items were analysed for the Johannesburg Development Agency (JDA) in May 2023.
- This was an increase when compared to six media items recorded in April 2023.
- The Agency's AVE was at R 232 513.32, up from R 46 072.24 recorded in April 2023.
- 56.52% of the coverage was neutral, 39.13% was positive and only 4.35% was negative.
- 56.52% of all the coverage emanated from online media, 30.43% appeared in print media, while the remaining 13.04% came from broadcast media.
- Rosebank Killarney Gazette (online media) had the most mentions of the JDA, with three media items.
- Naidine Sibanda of Caxton was the top journalist with two media items, followed by Zandile Khumalo, Rebecca Mogalagadi and Chris Gilili with one item each.
- 12 May 2023 – Coverage involved concerns about makeshift shelters developing along Louis Botha Avenue's S-bend mural and reports about the new Selby BRT depot being near completion.
- 18 May 2023 – The newly upgraded Lenasia Taxi Rank was said to be in a mess less than a year after completion.
- 26 May 2023 – Mentions included the approval of the Roodepoort Transport Master Plan, and City of Joburg Mayor Kabelo Gwamanda officially opening the Lehae Library.

JUNE

- Only 11 media items were analysed for the Johannesburg Development Agency (JDA) in June 2023.
- This was a decrease when compared to the 23 media items analysed in May 2023.
- The Agency's AVE was at R 231 962.15 in June 2023, from R 232 513.32 recorded in May 2023.
- Out of 11 media items reviewed, four had a positive tone and focused mostly on the completion of the Turffontein Non-Motorised Transport (NMT) project.
- The other seven media items maintained a neutral stance and briefly mentioned the Johannesburg Development Agency. These articles touched upon various aspects, such as the Agency's budget for the 2023/24 financial year, which included an operating expenditure budget of R119 million, and a three-year capital budget of R1.3 billion.

CHAPTER 5: FINANCIAL PERFORMANCE

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

TABLE 36: STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 30 JUNE 2023

	Year ended 30 JUNE 2023		
	Actual	Budget	Variance
	R'000	R'000	R'000
Non-current assets	19 331	30 800	-11 469
Property plant and equipment	3 323	10 000	(6 677)
Deferred tax	3 619	2 800	819
Intangible assets	12 389	18 000	(5 611)
Current assets	718 745	750 002	(56 993)
Trade and other receivables	505 105	500 000	5 105
Prepayments	25 736		
Vat Receivable	187 899	250 000	(62 101)
Cash and cash equivalents	5	2	3
Total assets	<u>738 076</u>	<u>780 802</u>	<u>(68 462)</u>
EQUITY AND LIABILITIES			
Capital and reserves	-32 244	76 278	(108 522)
Contribution from owner	16 278	16 278	(0)
Accumulated surplus/(deficit)	-48 522	60 000	(108 522)
Non-current liabilities	28 996	28 640	356
Finance lease obligation	-	-	0
Deferred taxation	28 996	28 640	356
Project funds payable	-	-	0
Current liabilities	816 833	778 843	54 045
Loans from shareholders	709 048	637 549	71 499
Trade and other payables	75 000	90 000	(15 000)
VAT payable	-	-	0
Finance lease obligation		294	(294)
Project fund payable	27 946	44 000	1
Provisions – bonus	4 839	7 000	(2 161)
Total equity and liabilities	<u>813 585</u>	<u>883 761</u>	<u>-54 121</u>

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 June 2023.

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

TABLE 37: STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 JUNE 2023

	March 2022	Original approved	Quarter ending 30 June 2023		
	Actual	budget	Actual	Budget	Variance
	R'000	R'000	R'000	R'000	R'000
Gross revenue	14 878	118 249	86 786	118 249	(31 463)
Operating costs	(29 123)	(111 385)	(113 274)	(111 385)	(1 889)
Gross surplus/(deficit)	(14 245)	6 864	(26 488)	6 864	(33 352)
Other operating income and expenditure	(6 297)	(6 864)	(40 804)	(5 148)	(35 656)
Interest expense	(6 297)	(6 864)	(40 804)	(5 148)	(35 656)
Interest income	0	0	0	0	0
Surplus/(Deficit) before tax	(20 542)		(67 292)	1 716	(69 008)
Taxation	0		0	0	0
Surplus/(Deficit) after tax	(20 542)		(67 292)	1 716	(69 008)

Notes

- 7** 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.
- 8** The negative variance is mainly due to budget cuts that were implemented during the year which resulted in overspending due to commitment already made.
- 9** 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 were 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 a final overdraft balance on the treasury sweeping account. The outstanding balance as at

SECTION 3: CASH FLOW STATEMENT**TABLE 38: CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2023**

	Year to date		
	Actual	Budget	Variance
	R'000	R'000	R'000
Cash flows from operating activities			
	74 116	(134 057)	208 173
<i>Receipts</i>			
Grants	40 286	40 286	0
Interest received	0	0	0
Cash receipts from CAPEX funding	834 907	950 000	(115 093)
Other receipts	83	100	(17)
		0	0
<i>Payments</i>		0	0
Employee cost	(77 255)	(77 649)	394
Suppliers	(723 905)	(750 000)	26 095
		0	
Cash flows from investing activities	0	(4 500)	4 500
<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
Cash flows from financing activities	(74 116)	137 918	63 802
Movement in project funds payable	0	0	0
Proceeds from Shareholders' loan	(74 116)	(70 000)	(4 116)
Repayments of Shareholders' loan		0	0
Finance lease repayments	0	0	0
Net increase/(decrease) in cash and cash equivalents	0	(639)	639

Cash and cash equivalents at beginning of the year	7 634	639	6 995
Cash and cash equivalents at the end of the year	7 63	-	7 63

Notes	
10	The negative it is mainly due to the target not being achieve which resulted in decreases on the Capital receipts
11	The variance it mainly due to vacant position that are not yet filled.
12	The variance it mainly due decreases on the capex invoice due to target not being meet/not achieved
13	The variance it due to money borrowed from loan to shareholder since there is a delay in the settlement of debtors by COL departments

SECTION 4: NET ASSETS

TABLE 39: STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 JUNE 2023

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net asset
		R'000	R'000	R'000	R'000
Balance at 01 July 2021	60	16 278	16 278	50 558	66 836
Changes in net assets					
Surplus for the year	0	0	0	(31 788)	(31 788)
Total changes	0	0	0	-31 788	-31 788
Balance at 01 July 2022	60	16 278	16 278	18 770	35 048
Changes in net assets					
Profit for the year	0	0	0	(67 292)	(67 292)
Total changes	0	0	0	-67 292	-67 292
Balance at 31 March 2023	60	16 278	16 278	-48 522	-32 244

SECTION 5: RATIO ANALYSIS

TABLE 40: RATIO ANALYSIS FOR THE PERIOD ENDED 30 JUNE 2023

Key Performance Area		Actual 30 June 2022	Actual 30 June 2023
Current ratio	Above 1: 1.5	1,01	1:0,87
Solvency ratio	Above 2: 1	1:1	2:0,87
Salaries to expenditure ratio	Below 60%	67%	54%
Revenue	R112.8 million	R109.8 million	R86.8 million
Expenditure (including taxation)	R30.8 million	R129 Million	R154 Million
Surplus / (Deficit)	R nil	(R31.7` million)	(R67` million)
Total net assets	R47.4 million	31.8 million	(32.4 million)
Capital expenditure	95%	68%	63,41%

Notes	
1	Current ratio is below to the target and below last year quarter. Included in current liabilities is the sweeping account with the shareholder which increases with the interest monthly and its amounts to R709 million
2	Solvency ratio is below the target 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 solvency ratios.
3	Remuneration to expenditure ratio is below target and below to the last year quarter due to an overall in the operational expenditure and interest sweeping which affects the denominator of the ratio.
4	The target was not achieved since it below to the target of 95%

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 process.

Supply chain deviations and approval

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

(a) may dispense with the official procurement processes established by the SCM policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only:

- i. In an emergency.
- ii. If such goods or services are produced or available from a single supplier only.
- iii. If acquiring special works of art or historical objects where specifications are difficult to compile.
- iv. If acquiring animals for zoos; or
- v. In any other exceptional case where it is impossible or impractical to follow official procurement processes; and

- (b) Ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

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

To give effect to regulation 36, the CoJ's supply chain management policy allows the accounting officer to deviate from normal procurement processes under the circumstances outlined above. In terms of regulation 36(1) (b), the accounting officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

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

The deviation from obtaining at least a minimum of three written quotations in terms of Regulation 16, 17 and 18 of the MFMA Act 56 of 2003. The accounting officer ratified a minor breach in the supply chain process for the appointment of service providers through the request for quotation process where less than the minimum three quotations were received. For the period 1 July 2022 to 30 June 2023 there were 11 service providers appointed where less than three quotations were returned or obtained to a combined value of R 528 346.51 (Excluding VAT).

According to Regulation 44 of the Municipal Supply Chain Management Regulations the regulation prohibits municipal entities from awarding contracts to a person who is in the service of the State. For the period 1 July 2022 to 30 June 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 July 2022 to 30 June 2023, the overall BBBEE share of expenditure was R815 017 463.20 This translates into an achievement of 110% BBBEE claimed against quarterly expenditure.

TABLE 41: SUMMARY OF BBBEE EXPENDITURE⁵

Description	Q4 2022/23		
	Total Expenditure	BBBEE Claim	BBBEE %
Capex	R 673 019 921.17	R 777 719 943	116%
Opex	R 65 254 184.23	R 37 297 520.17	57%
Consolidated Opex and Capex	R 738 274 105.40	R 815 017 463.20	110%

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 4, 80% for level 5, and 60% for level 6, 50% for level 7 and 10% for level 8.

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 R356 301 729.10 for the period 1 July 2022 to 30 June 2023. This constitutes an achievement of 48% for the period under review.

TABLE 42: SUMMARY OF SMME EXPENDITURE⁶

Description	Q4 2022/23		
	Total Expenditure	SMME Claimed Expenditure	SMME %
Capex	R 673 019 921	R 341 854 787	51%
Opex	R 65 254 184	R 14 446 941	22%
Consolidated Opex and Capex	R 738 274 105	R 356 301 729	48%

Report in Irregular, Fruitless and Wasteful Expenditure and Due Process

For the period 1 July 2022 to 30 June 2023 there was irregular expenditure identified with a value of R 717 194, no fruitless, wasteful, and unauthorized 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
Grayston Bridge Collapse (scaffolding)		2015	<p>The scaffolding supporting the bridge collapsed in 2015 resulting in 2 fatalities and additional 9 people injured because of the collapse.</p> <p>The matter was investigated by the department of labour and a hearing commenced in 2016 and concluded in July 2018</p>	<p>The outcome from the Department of Labor has been received 19 November 2019. The Presiding Officer has issued findings against various parties in this matter including the JDA. The findings against the JDA relate to contravention of the construction regulations. The JDA has since sought legal advice on the outcome of the Department of Labor's findings. The JDA has been advised that there has been omission on the part of the Presiding Officer to consider the provisions of section 37(2) Of the Occupational Health and Safety Act. Accordingly, the JDA has Addressed a letter to the Chief Presiding inspector indicating its intention to appeal the matter, first with the Department of Labour as dictated by the rules. Since having lodged an appeal to the Labour Court against the decision of the Chief Inspector, we received a Notice to oppose from the State Attorney, who is representing the Chief Inspector in the above matter.</p> <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.</p>	Grayston Bridge Collapse (scaffolding)	

CASE / MATT	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	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 together to reach the agreement without a protracted litigation process.	On-going	Good

Grayston Bridge Collap (scaffolding)		2015	<p>The scaffolding supporting the bridge collapsed in 2015 resulting in 2 fatalities and additional 9 people injured because of the collapse.</p> <p>The matter was investigated by the department of labour and a hearing</p>	<p>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.</p>		
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CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	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.</p> <p>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 INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Bona Electronic Solutions (Pty) Ltd/Naledi Consortium	Not yet confirmed	December	<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. 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 3rd 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 reason that was 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	Claim Settled
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 May 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 May 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 May 2023.
City of Johannesburg - EMS	49 790	Balance mainly relates to amounts outstanding from November 2022 claims and claims that were submitted till May 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 May 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 May 2023.
City of Johannesburg - Department of Social Development	2 824	The Balance relates to amount outstanding from May 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 May 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 May 2023.
Johannesburg Road Agency	4 633	The Balance relates to amount outstanding from May 2023 which are current invoices
Total	480 069	

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 01 April to 30 June 2023. Overall, there were eight (08) audit projects completed by internal audit.

Summary of Internal Audit conclusion on the control environment on audits concluded in the 4th quarter of the 2022/23 financial year

■ Satisfactory ■ Requires Improvement ■ Unsatisfactory

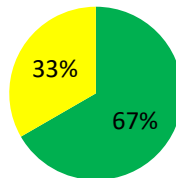


TABLE 46: CONTROL ENVIRONMENT CONCLUSION /RATING EXPLANATIONS

Control Environment	Definition	Indicator
	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"> • A breakdown in the overall management of a part of the business or the process being reviewed. • Primarily “Catastrophic” risk findings. • Actions are likely to bring JDA’s brand and reputation into disrepute. • A breakdown in accounting, reporting and other key financial and operating controls. • Non-existent financial and operating controls. • Non-compliance to laws and regulations.
	Audit results indicate that limited reliance can be placed on the design and operation of internal controls to	<ul style="list-style-type: none"> • Unsatisfactory

Control Environment	Definition	Indicator
	mitigate the risks to which the activity under review is exposed.	
Satisfactory	Audit results indicate that sufficient 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"> • Requires Improvement

TABLE 47: PROGRESS AGAINST THE APPROVED 2022/23 ANNUAL INTERNAL AUDIT PLAN (01 APRIL TO 30 JUNE 2023)

No.	Audit Description	Status	Overall Conclusion
1.	Financial Discipline Review	Completed	Requires improvement
2.	Audit of the SCM Processes, Performance Audit of the SCM processes(3E's)	Completed	Requires improvement
3.	Contract Management Review and variation orders	Completed	Requires improvement
4.	JDA internal project due diligence/feasibility assessment.	Completed	Requires improvement
5.	Performance Bonus Review	Completed	Satisfactory
6.	Security Management Audit	Completed	Requires improvement
7.	3rd Quarterly Audit of performance information (Audit of the Pre Determined Objectives)	Completed	Requires improvement
8.	Appointment of Main Contractor –for the upgrading of gravel roads in Pinetown	Completed	Requires improvement

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 May 2023, Internal Audit verified that ninety one percent (91%) of internal audit findings and eighty six percent (86%) of external audit findings were resolved and eight (9%) and fourteen percent (14%) respectively remained unresolved.

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	0	20	20
2020/21	5	19	24
2021/22	20	32	54
Total	25	268	293
Percentage	9%	91%	100%

SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

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.

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
Total	18	110	128
Percentage	14%	86%	100%

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

