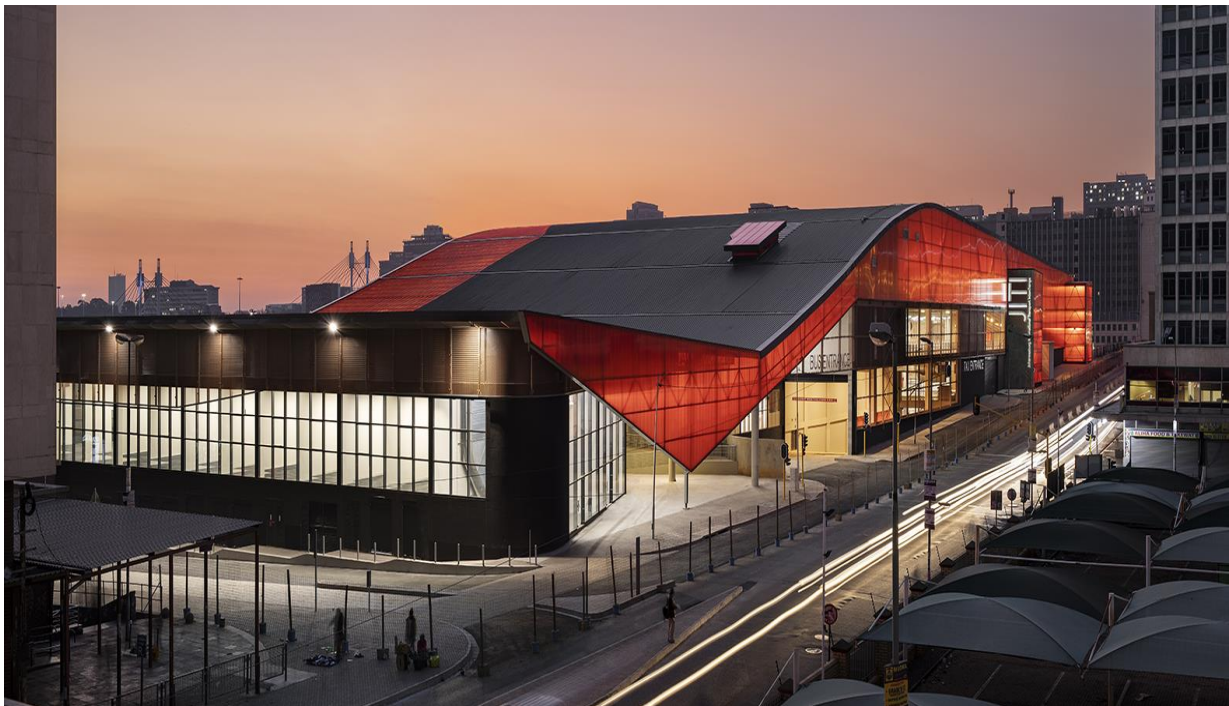


JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED

Registration no: 2001/005101/07



FOURTH QUARTER PERFORMANCE REPORT 2021/22

APRIL TO JUNE 2022

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:	L Brenner (Chairperson) M Malinga S N Marota A Dryer L Matshidze D Thwala C Whittle N Ntingane P Raphalalani S Moonsamy (Chief Financial Officer) S Genu (Acting Chief Executive Officer)
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Bankers:	Standard Bank of SA Limited
Auditors:	The Auditor-General of South Africa
Company Secretary:	Hasani Rodney Shirinda

JDA Vision

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

JDA Mission

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

JDA Values

Accountability: To its shareholders, Board, and key stakeholders

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




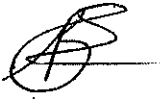
Responsiveness: To market forces, operating where it can make a difference, in locales and sectors where shareholders and their partners have a concentration of assets and expertise

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

Seeking to empower: Through progressive procurement and work practices

APPROVAL

VERSION CONTROL

Mr Siyabonga Genu Name & Surname Acting Chief Executive Officer	Signature 	15 July 2022 Date of approval
Ms Sherylee Moonsamy Name & Surname Chief Financial Officer	Signature 	15 July 2022 Date of approval
Mr Lionel Brenner Name & Surname Chairperson of the Board	Signature _____	Date of approval _____
 Name & Surname MMC: Development Planning	Signature 	5/8/22 Date of approval

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			Sub-Mayoral Committee
			Mayoral Committee

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CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

During the last quarter of the financial year under review, the Board achieved the following:

- Held a JDA strategy session between the JDA Board and the executive team to discuss some of the more pertinent strategic issues the organisation is facing and.
- Conducted interviews for both the Chief Executive Officer and Chief Audit Executive and will soon be finalizing these appointments.
- Approved the JDA Business Plan for the 2022/23 financial year.
- Approved the Contracting Project plans for 2022/23 which includes all the projects that the JDA will be implementing in the 2022/23 financial year and their relevant milestones.
- Reviewed and approved Finance, IT, Supply Chain and Human resource policies that will be in place for the next two financial years.

The following key strategic issues were identified as focus areas for the Board to address in terms of improving corporate governance and the performance of JDA. These issues include:

1. Building and stabilizing the executive leadership team
2. Recalibrating the business model to improve financial sustainability
3. Restoring the JDA Corporate reputation for excellence
4. Improving the internal control environment moving towards a clean audit opinion.
5. Improved communications and stakeholder management

As the Board sets its expectations, it recognizes the importance of working together with all stakeholders on an inclusive basis. It relies on the continued support from the management team and the COJ who are essential in delivering on the critical priorities for the Multi Party Government of the City of Johannesburg.

The results and performance of JDA are contained in the quarterly report below. The key highlights are contained in the Chief Executive's report.

As we the Board continue to embark upon this journey, I would like to thank the leadership team and the continued support from the COJ Shareholders Unit as well as the MMC and her team. I would also like to thank the current Acting CEO for his continued dedication as we close of the current year. Finally, I would like to thank fellow Board members for their participation and valuable contributions to JDA.

Lionel Brenner
Board Chairperson

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

This Fourth Quarter Performance report has been prepared against the JDA's 2021/22 business plan and scorecard as approved by the city. The 2021/22 business plan is closely aligned with the 2040 Growth and Development Strategy (GDS) the strategic priorities of the Multi-Party Government.

Of the JDA's 17 Strategic KPIs, the JDA achieved 53% performance target achieved, 12% performance target partially achieved, and 35% performance target not achieved.

As we close of on the fourth quarter of the financial year, there have been a number of service delivery challenges that has significantly impacted the JDAs overall performance such as poor performing contractors, late commencement of some of the projects and delayed SCM processes. As a way forward, the JDA management is committed to improving on these processes and ensure that the JDA delivers on our mandate.

I am proud to report that in term of the performance the JDA exceeded BBBEE and SMME targeted expenditure for the period. In terms of development progress on project implementation, the JDA continued its support of the City's strategic priorities through its two programmes. The focus of the Strategic Economic Node Delivery Programme has been on projects in the inner city and precincts along the TOD development corridors, such as the Roodepoort TOD as well as in Lenasia and Jabulani. The Jabulani node is maturing into a functional CBD in Soweto, with the JDA finalizing the following National Treasury NDPG funded projects Phase 5, Bolani Road, Phase 6b, the Community Safe Hub and in Phase 7 Inhlanzane/ Molapo Bridge.

The focus on the second programme, Accelerated Public infrastructure Delivery Programme has been primarily on the Rea Vaya BRT infrastructure and system, and depots. Other project types in this programme include the Bophelong Clinic and Community facilities in Drieziek and Ivory Park for example.

The current funding model continues to have a negative impact on the overall financial sustainability of the organisation and is one of the key strategic areas that we need to focus on in the 2022/23 and the current impact of this on the financial standing is included in the financial performance section of the report.

The high vacancy rate which includes some key valuable positions continues to place a burden on the JDA operations. These positions include the Chief Executive Officer, Chief Audit Executive, Senior Manager Finance and Senior Manager Planning and Strategy and we are hopeful that these appointments will be resolved early in the 2022/23 financial year.

Despite the challenges as indicated in more detail in the report, the JDA is still committed and dedicated in delivering on those projects and contribute holistically to the overall GDS2040 and the MPG priorities.

The JDA has adopted a community drive, infrastructure-led approach to the planning, design, and implementation of high-quality City infrastructure. Without its committed Board, its Management and Staff, this will be an impossible task, and we know that it is the people at the JDA who make the JDA.

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 must be just as nimble in order for us to remain financially sustainable.

For the year ended 30 June 2022 the JDA had earned total revenue of R97 million (2020/21: R115.8 million) and incurred total expenditure of R121 million (2020/21: R135.6 million) which resulted in an overall deficit of R24 million (2020/21: Deficit of R19.7 million).

The organisation achieved 86% (2020/21: 96%) 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 108% (2020/21: 112% overall against target). This includes the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R24 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.

The interest charged by the City of Johannesburg based on long-outstanding client department claims continues to put immense pressure on the JDA financial standing and continued financial sustainability. This comes as a result of the current financial model that allows for the funds to be settled post the implementation of projects on behalf of 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 2021	Actual	Budget	Variance	% of actual against budget
		R'000	R'000	R'000	
Revenue	R115,880	R97,055	R118,249	(R21,194)	82%
Operating costs (before interest)	(R119,770)	(R97,198)	(R111,385)	R14,187	87%
Interest expense	(R15,880)	(R24,139)	(R6,864)	(R17,275)	103%
Total operating costs	(R135,651)	(R121,338)	(R118,249)	(R3,089)	100%
Surplus/(Deficit)	(R19,770)	(R24,283)	Rnil	(R24,283)	

Excluding the internal interest charged on the overdraft balance, a variance of 13% against the budget was realised. This variance is mainly due to savings from current funded and vacant positions as a result of the City-wide moratorium placed.

Actual capital expenditure for the period ended 30 June 2022 was R1,027 billion (2020/21: R1.1 billion) against an annual budget of R1.361 billion (2020/21: R1.5 billion). This represents 75.45% (2020/21: 75%) of the overall annual budget.

The organisation's total assets exceeded the total liabilities. The total net assets at 30 June 2022 were R42,5 million (2020/21: R66.8 million).

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

TABLE 2: FINANCIAL RATIOS

Key Performance Area	Targets	Actual 30 JUNE 2021	Actual 30 JUNE 2022
Current ratio	Above 1 : 1	1.14 : 1	1.03:1
Solvency ratio	Above 1 : 1	1.11 : 1	1.04:1
Salaries to expenditure ratio	Below 60%	70%	62%
Revenue	R112 million	R116 million	R97 million
Expenditure (including taxation)	R112 million	R136 million	R121 million
Surplus / (Deficit)	R nil	(R17 million)	(R24 million)
Total net assets	R47.4 million	R66 million	R42,5 million
Capital expenditure	95%	75,00%	75.45%

The overall liquidity and solvency position of the JDA is lower than the prior year and slightly above the current industry norms. The main contributing factor to the overall variance in comparison to the prior year is the higher receivables and higher loan to shareholder balance. Our major concern currently is the long outstanding balances owed by the city departments to the JDA and the overall impact this has on the liquidity and solvency of the JDA. During the current financial year, the JDA had commenced the year with R585 million outstanding and 80% of which has been collected however past the agreed 30 days period. Any delay in this collection has a negative impact on the JDAs cashflow.

The remuneration ratio is higher than the norm which is mainly because of a lower overall expenditure denominator. The ratio is based on employee costs of R75,6 million over total expenditure of R121,3 million, which results in 62% of the expenditure. The JDA is primarily a service-orientated entity as majority of the operational costs relate to employee remuneration.

S Moonsamy
Chief Financial Officer

SECTION 4: CORPORATE PROFILE AND OVERVIEW

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

Vision

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

Mission

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

Values

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

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

challenges

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

Political governance and accountability

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

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

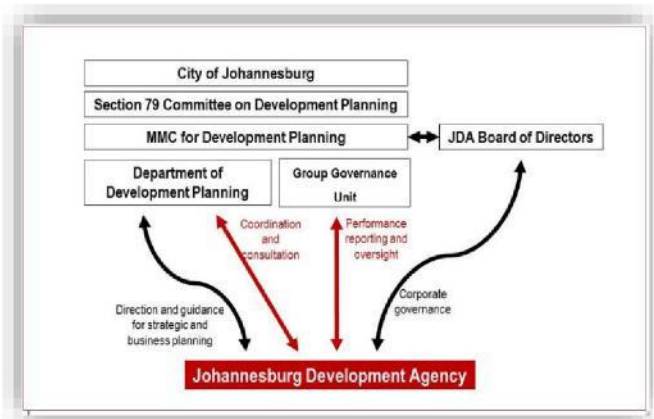


FIGURE 1: JDA GOVERNANCE SYSTEM

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

SECTION 5: STRATEGIC GOALS AND OBJECTIVES

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

TABLE 3: STRATEGIC GOALS AND OBJECTIVES

Strategic Goals		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.
Catalyze growth and investment	Catalyzing growth in areas with latent investment potential. Catalytic intervention and strategic capital investments in areas that have been previously marginalized or have failed to attract private investment can unlock development potential, stimulate local economies, and boost job creation and entrepreneurial development.	To deliver sustainable social and economic infrastructure projects efficiently, effectively, and economically To promote economic empowerment and transformation through the structuring and procurement of JDA developments
Connect people to opportunities	Connecting people with opportunities to live, work, play, learn and to be healthy in the city. Efficient mass public transport networks and connections, transit oriented multi-use precincts, together with strategic land-use planning and zoning regimes, are essential in realizing these connections.	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, sustainable, and well-governed organisation
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.	
Continuous improvement	Underpinning all the strategic goals, there is the need for the JDA to run as efficiently as possible.	

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 JDA 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, we ensure good governance of the organisation through an operational programme, resourced to support the optimal performance of the above three substantive areas:

- Programme 4. Good Governance, Management and Administration Programme

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

FIGURE 2: SDF 2040 PRIORITY ZONES

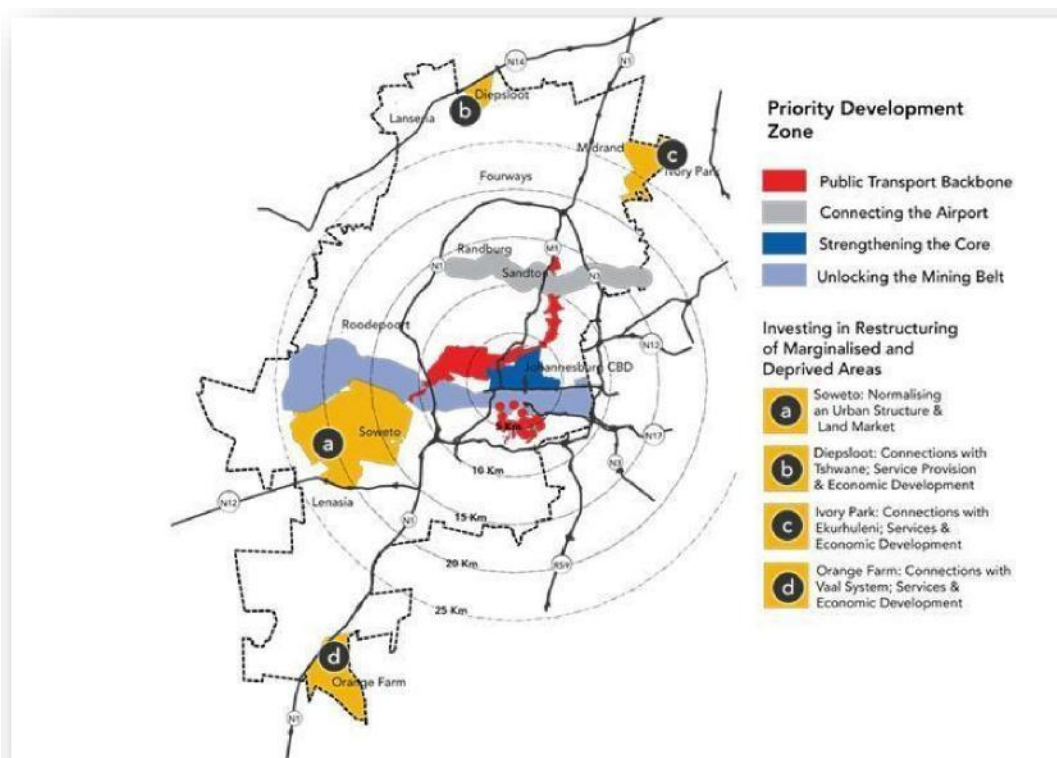


TABLE 4: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS AND PROGRAMMES

SDF Priority Transformation Areas	Corresponding JDA Programmes	Regional JDA Development Programmes
Strengthening the metro core (inner city)	Inner City and the Old South (including Turffontein and Mining Belt)	<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 co-ordination** - Working with various stakeholders and parties to ensure that they are undertaking their roles as expected and required.
- 3. Overall development implementation involving capital developments** - In ensuring that the development is implemented as planned, JDA may oversee specific project management functions within a development, while retaining overall accountability as a development manager. Through local beneficiation, in terms of small, medium, and micro enterprise (SMME) and entrepreneurial support, the JDA aims to increase the number of local emerging contractors used in capital projects carried out in the various communities, as well as the number of local construction jobs created.
- 4. Post implementation support and sustainability** - Complement any capital development or investment with urban management initiatives and models.
- 5. Impact Assessment / monitoring and evaluation** - Analyze, review, and quantify private sector investment in various JDA intervention areas, and assess the socio-economic impact of these interventions. This is achieved through, among others, analyses of property market trends and factors that influence investor interest in JDA development areas. Value for money assessment.

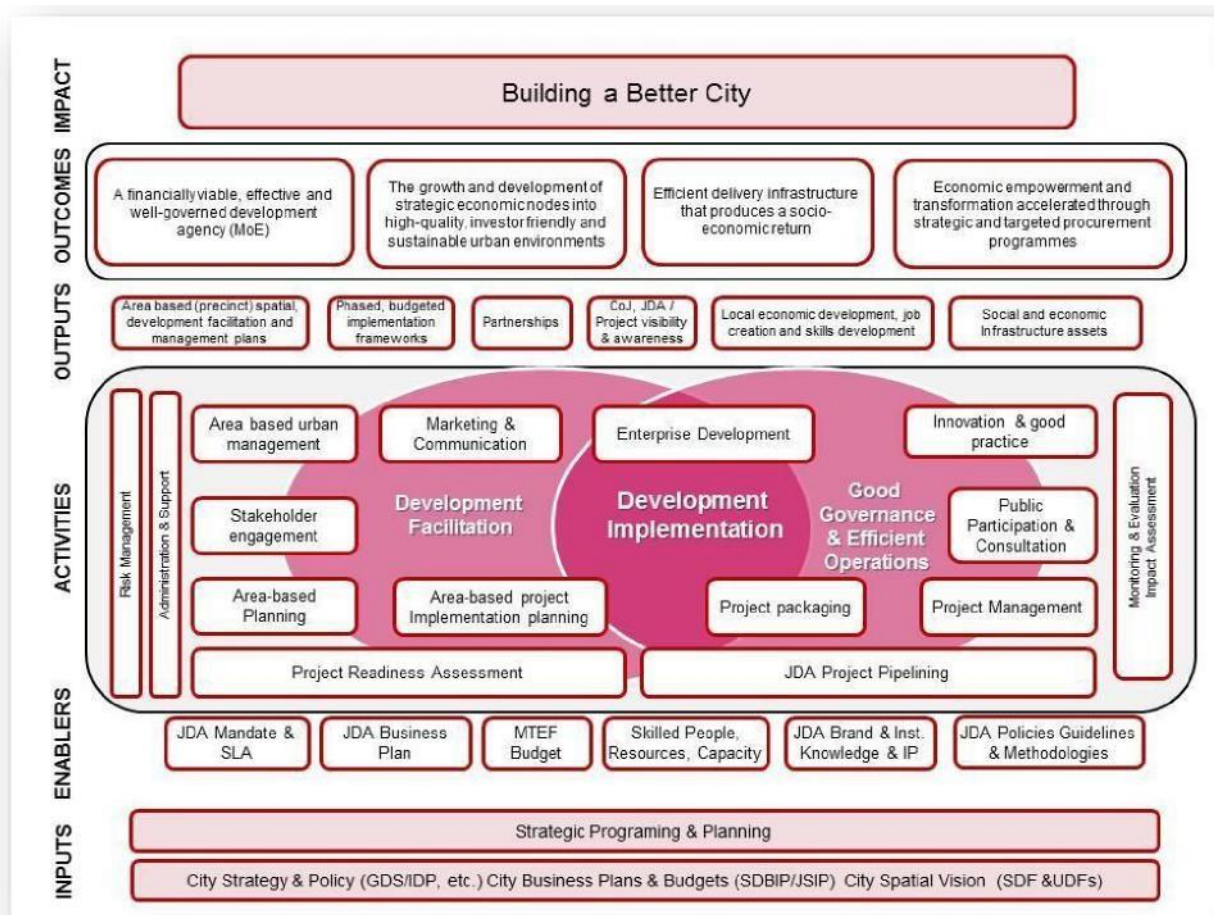
The JDA has aligned the main elements of our work and highlights the flow between them:

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 our work.

FIGURE 4: JDA'S VALUE CREATION PROCESS



SECTION 6: SALIENT FEATURES

Performance Summary

- The overall year to date capex expenditure at third quarter was R1,027 billion (2020/21: R1.1 billion) against an annual budget of R1.361 billion. This represents 75.45% (2020/21:75%) of the overall annual budget.
- For the period ended 30 June 2022 the JDA had earned total revenue of R97 million (2020/21: R115.8 million) and incurred total expenditure of R121 million (2020/21: R135.6 million) which resulted in an overall deficit of R24 million (2020/21: Deficit of R19.7 million).
- The organisation achieved 86% (2020/21:96%) 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 108% (2020/21: 112% overall against target). This includes the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R24 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.
- The organization's total assets exceeded the total liabilities. The total net assets on 30 June 2022 were R42,5 million (2020/21: R66.8 million).
- The fourth quarter performance report has been prepared against the JDA's 2021/22 Business Plan and adjusted Scorecard. Regarding performance against the JDA's 17 Strategic KPIs, the JDA achieved 53% performance target achieved, 12% performance target partially achieved, and 35% performance target not achieved.
- For the period 01 July 2021 to 30 June 2022, the overall BBBEE share of expenditure was R968.7 million. This translates into an achievement of 101% BBBEE claimed against annual expenditure.
- The SMME share of JDA's operating and capital expenditure was R 413 million for the period 1 July 2021 to 30 June 2022. This constitutes an achievement of 43% for the period under review.
- A total of 412 EPWP work opportunities were reported against a fourth quarter target of 500.

TABLE 5: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE¹

Overall Programme Performance	2021/22 Annual Budget	Target YTD	Actual YTD	Target %	% Actual / Annual budget Expenditure
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 361 475	1 293 401	1 027 216	79	75,45

TABLE 6: OPERATING BUDGET MANAGEMENT

	2021/22	Year to date		% Achievement Against target	% Achievement for Annual
	Original Budget	Target	Actual		
	R'000	R'000	R'000		
Revenue R'000)	118 249	112 337	97 055	86%	82%
Costs (R'000)	118 249	112 337	121 338	108%	103%
Net surplus/(deficit)	-	0	(24 283)		

¹This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 95% expenditure have been set in respect of all funding sources for the financial year.

CHAPTER 2: CORPORATE GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

Governance Framework

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

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

JDA's Governance Arrangements

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

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

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

The Legislative framework

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

Implementation of King Codes of Corporate Governance

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

The entity applies the governance principles contained in the King Codes as far as it applies to it and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes, and procedures. The Board of Directors and Executives recognize and are committed to the principles of openness, integrity and accountability advocated by the King Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. The monitoring of the entity's compliance with the King Codes on Corporate Governance is part of the shareholder mandate of the Audit and Risk Committee. The entity has complied with the Code in as far as it applies to it during the period under review.

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

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

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

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

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

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

Ethical Leadership

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

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

Corporate citizenship

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

Compliance with laws, rules, codes, and standards

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

Citizen Involvement in Plan-Making and Project Implementation

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

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

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

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

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

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

1.1 . BOARD OF DIRECTORS

The JDA has a unitary board, which comprises both executive and non-executive directors.

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

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

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

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

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

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

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

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

Subsequent to the Annual General Meeting held on 15 February 2022 the JDA Board of Directors as at 14 February 2022 consists of the following members:

- (i) Mr. Lionel Brenner (Chairperson)
- (ii) Mr Mthobisi Malinga
- (iii) Mr. Success Ntona Marotau
- (iv) Ms Anchen Dryer
- (v) Dr Lindelani Matshidze
- (vi) Dr. Didibuku Thwala
- (vii) Mr Christopher Whittle
- (viii) Adv Neo Ntingane
- (ix) Mr. Phathutshedzo Raphalalani
- (x) Ms Sherylee Moonsamy (Chief Financial Officer and Executive Director (Acting CEO effective 1 October 2021)
- (xi) Mr Siyabonga Genu was appointed acting Chief Executive Officer 01 April 2022

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

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

TABLE 7: BOARD COMPOSITION

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

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

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

1.2. BOARD COMMITTEES

Board Meeting Attendance

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

TABLE 8: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (1 APRIL 2022 TO 30 JUNE 2022)

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

Board Committees

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

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

Each committee composition is as follows:

TABLE 9: COMPOSITION OF COMMITTEES

Composition	Mandate and Quarterly Activities
Audit and Risk Committee	
<p>The Audit and Risk Committee, which consists of two non-executive directors and four independent members, meet not less than four times a year. Most members 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"> • Success Marota (Chairperson) • Mthobisi Malinga • Christopher Whittle • Nosipho Ngaka (Independent Member) • Kweni Mashiane (Independent Member) • John Mendelson (Independent 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 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"> • Neo Ntingane (Chairperson) • Ancgen Dreyer • Phathutshedzo Rraphalalani • Mthobisi Malinga 	<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>
Development and Investment Committee	
<p>The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • Lindelani Matshidze (Chairperson) • Lionel Brenner • Didibuku Thwala • Phathutshedzo Rraphalalani • Christopher Whittle 	<p>The Committee is responsible for evaluating development proposals to make recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.</p>

Duties of the Board

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

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

Board charter

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

1.3. DIRECTORS AND PRESCRIBED OFFICERS REMUNERATION

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

Table 10: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES FOR 01 JULY 2021 until 30 JUNE 2022

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Executive Directors & Senior Management							
S Genu	Acting CEO (April - June 2022) (EM: Project Implementation Appointed Nov 2021)	1 298 844	88 004	75 514			1 462 362
S Moonsamy	CFO	1 878 767	123 681	155 675	154 779	-	2 312 902
A Ngcezula	CEO (Resigned 29 Sept 2021)	561 946					561 946
R Shirinda	Company Secretary	1 711 381	81 296		173 206		1 965 882
B Seopela	EM: Corporate Services	2 171 801			209 836		2 381 637
O Nkoane	EM: Development Planning and Facilitation (Appointed Dec 2021)	1 130 163	74 400				1 204 563
N Mulovhedzi	Senior Development Manager (Resigned 28 February 2022)						1 185 335
P Mkhize	Senior Development Manager	934 090	61 492	74 323	115 430		1 637 659
A Kgoathe	Senior Development Manager	1 425 650	67 722		144 287		1 123 881
Sub-Total		996 686	65 613		61 583		13 836 167
Non-Executive Directors & Independent Audit Committee Members							
K Phaahla	Board Chairperson (Retired 15 February 2022)	86 000					86 000
T Maepa	Board Member(Chairperson of D&I Committee) (Retired 15 February 2022)	74 000					74 000
K Marawu	Board Member(Chairperson of REMCO) (Retired 15 February 2022)	68 000					68 000
T Mothloun	Board Member (Retired 15 February 2022)	78 000					78 000
M Ntanga	Board Member (Retired 15 February 2022)	66 000					66 000

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
V Ntshangase	Board Member (Retired 15 February 2022)	66 000					66 000
S Ndlungwne	Board Member (Retired 15 February 2022)	66 000					66 000
N Veyi	Board Member (Retired 15 February 2022)	66 000					66 000
S Mokeana	Board Member (Retired 15 February 2022)	66 000					66 000
M Lecoge	Board Member (Retired 15 February 2022)	66 000					66 000
S Sibuyi	Board Member (Retired 15 February 2022)	66 000					66 000
K Onuoka	Independent Audit and Risk Committee Member (Retired 15 February 2022)	18 000					18 000
V Vhena	Independent Audit and Risk Committee Member (Retired 15 February 2022)	18 000					18 000
T Makofane	Independent Audit and Risk Committee Member (Retired 15 February 2022)	12 000					12 000
F Alidi	Independent Audit and Risk Committee Member (Retired 15 February 2022)	18 000					18 000
L Brenner	Board Chairperson (Appointed 15 February 2022)	86 000					86 000
M Malinga	Board Member (Appointed 15 February 2022)	60 000					60 000
S Morata	Board Member (ARC Chair) (Appointed 15 February 2022)	86 000					86 000
A Dreyer	Board Member (Appointed 15 February 2022)	44 000					44 000

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
N Ntingane	Board Member (SEHR Chair) (Appointed 15 February 2022)	76 000					76 000
C Whittle	Board Member (Appointed 15 February 2022)	60 000					60 000
P Rraphalalani	Board Member (Appointed 15 February 2022)	60 000					60 000
L Matidze	Board Member (DI Chairperson) (Appointed 15 February 2022)	74 000					74 000
D Thwala	Board Member (Appointed 15 February 2022)	52 000					52 000
N Ngaka	Independent Audit & Risk member (Appointed 15 February 2022)	36 000					36 000
K Mashiane	Independent Audit & Risk member (Appointed 15 February 2022)	16 000					16 000
J Mendelsohn	Independent Audit & Risk member (Appointed 15 February 2022)	24 000					24 000
Sub-Total		1 508 000	-	-	-	-	1 508 000
TOTAL		13 617 328	562 207	305 513	859 119	-	15 344 167

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

Loans and advances

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

1.4. COMPANY SECRETARIAL FUNCTION

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

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

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

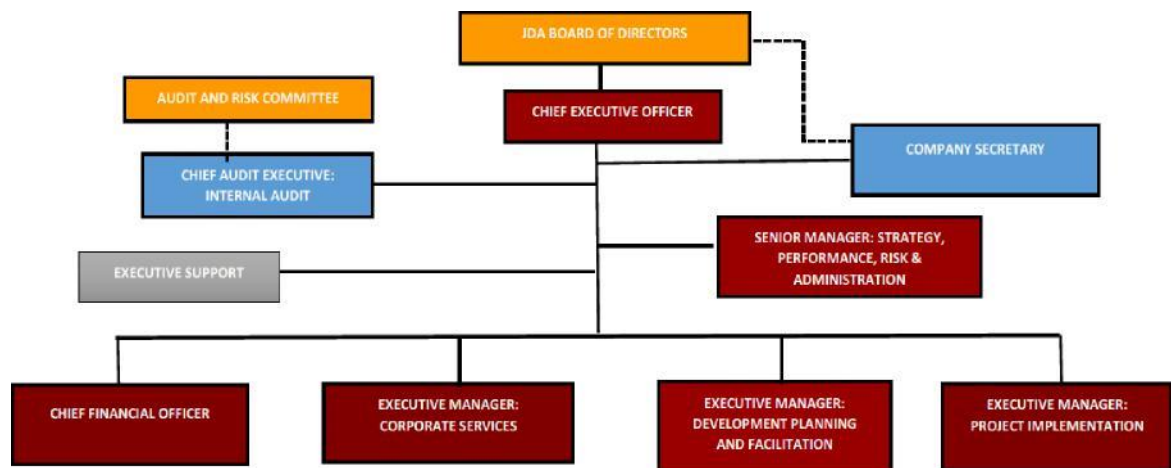
The Company Secretary's work covers a wide variety of functions, including but not limited to:

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

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

FIGURE 5: HIGH LEVEL ORGANISATION STRUCTURE



SECTION 3: RISK MANAGEMENT

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

The JDA has a risk management 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 constantly recorded and managed. Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

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

Risk Management Process

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

The following risk management programmes and/or activities were implemented during the fourth quarter of 2021/22 financial year are as follows:

TABLE 11: IMPLEMENTED RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES

Programmes and/or activities
Strategic Risks Action Plans Tracking and Monitoring
Universal Regulatory Register (URR) and Compliance Monitoring
Operational Risks Action Plans Tracking and Monitoring
Reviewed the Strategic Risk Register
Reviewed ERM Framework
2022/2023 Insurance Cover Reviewed

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.

Status of implementation of committed action plans

KPI	Q1	Q2	Q3	Q4
Implementation of committed Strategic Action Plans	23%	23%	38%	100%

The percentage achieved reflects cumulative action plans that were committed to be implemented as at end of current financial year. The JDA had identified 8 Strategic Risks, 13 related committed actions plans for 2021/22 financial year, which were all meant to be implemented by the end of Q2.

During the third quarter, the strategic risk register was reviewed by management. After the revision, the strategic risk register had 5 committed action plans to be implemented in the current financial year. The remaining 8 were deferred to the next financial year due to the impracticality to implement in the current financial year. Therefore 5 action plans were implemented against the target of 5 committed action which translate to 100%.

Corporate Ethics and Organizational Integrity

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

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

Code of Conduct

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

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

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

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

Declaration of interest

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

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

SECTION 4: ANTICORRUPTION AND FRAUD

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

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

Employees are regularly briefed and trained on fraud prevention. Strict payment management processes are in place and the Bid Evaluation Committee independently verifies whether preferred service providers can complete the work.

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

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

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

The Whistle Blowing Policy was previously tabled at ARC and recommended for Board Approval, however with newly elected Board members, the Policy will be resubmitted to EXCO for consideration prior to submitting to the newly elected Board and ARC committee.

Fraud Policies, Fraud Prevention Strategy and Response Plan were reviewed, presented to Exco in 12 October 2021 and resubmitted to EXCO on 28 March 2022, documents were recommended to ARC. The fraud risk documents will be tabled at the next financial year for approval.

REPORTED CASES

The JDA utilizes the City of Johannesburg Anti-Corruption Hotline (NACH) which is managed by an independent service provider. Internal reporting processes include electronic reporting of fraud allegations via telephone, email, and walk in reporting. An internal electronic system for fraud allegations received via the hotline is captured and maintained in a log register from the point of reporting, before allegations are escalated to the Anti-Fraud and Anti-Corruption unit for investigation.

There was no case of fraud and corruption reported in the fourth quarter of 2021/22 financial year. Of the 14 cases being investigated, 6 cases have finalised, 2 of the 6 finalised cases have been finalised as at the end of Q3, awaiting closing reports from GFIS

TABLE 14: REPORTED CASES

Date Reported	Reference Number	Where or to whom it was reported	No. of Employees involved if applicable	Allegation	Nature of the Cases e.g., Corruption, fraud and maladministration	Status (If resolved, State the outcome)	Contact Person for Investigation
11/10/2021	3/10/2021	Not Known	Not Known	Alleged fraud and corruption in the recruitment of officials for contractor at JDA	Fraud /Corruption	The investigation is in progress The matter is being investigated by GFIS	N/A
24/08/2021	54/08/2021	GFIS	One	Alleged fraud and Corruption taking place at Johannesburg Development Agency (JDA) by Mr Lawrence Khoza who is linked to the CEO Mr Anthony Thamsanqa Ngcezu, including irregular expenditure of some of the programs such as Bus Rapid Transport, Karzene project, Orchards Clinic project and project management system implemented.	Fraud /Corruption	Case closed CEO resigned	N/A
09/09/2021	101/09/2021	Supply Chain Manager	Not Known	Circulation of fraudulent documents trying to change suppliers banking details.	Fraud	Not yet allocated	N/A
16/08/2021	39/08/2021	GFIS	Not Known	Alleged Maladministration /Corrupt activities by JDA Official (s) related to Panel Contractors Procurement and submission of Section 116 Report to the Board Committee.	Maladministration	The investigation is finalised , closing memo in progress	N/A
05/08/2021	21/08/2021	GFIS	One	Alleged maladministration against the Chairperson of the Joburg Development Agency.	Maladministration	The investigation is in progress. The matter is being investigated by GFIS.	N/A

Date of Case Reported	Reference Number	Where or to whom it was reported	No. of Employees involved if applicable	Allegation	Nature of the Cases e.g., Corruption, fraud and maladministration	Status (If resolved, State the outcome)
21/07/2021	30/07/2021	Supply Chain Manager	Not Known	Alleged Corruption and Bribery related to projects awarded to MASSTON JV BASH	Corruption	The investigation is in progress. The matter is being investigated by GFIS.
12/05/2021	44/05/2021	Supply Chain Manager	One	Alleged solicitation of a bribe(undisclosed amount) by a person representing to be a JDA employee for tender JDA/MARKT/AERIAL-PHOTO/004/2020	Fraud & Corruption	The investigation is finalised , closing memo in progress
2021/03/24	101/03/2021	Joburg Development Agency	Not known	Alleged fraudulent letter of appointment for Project JDA 17/10.1.1. A6000555.1 for appointment of Velman Construction Pty Ltd for construction of Eastern Gateway Oval Park.	Fraud & Corruption	Not yet allocated
2019/01/22	GFIS 116/02/2019	Chief Executive Officer	One	Third party purporting to be SCM official to a bidder for the Gandhi Precinct East Development construction tender.	Corruption	The investigation is in progress. The matter is being investigated by GFIS.
2018/06/13	107/06/2018	City Manager	Not known	Irregular acquisition of statue of late president Nelson Mandela	Fraud/corruption and maladministration	The investigation is in progress. The matter was referred to GFIS.
2018/12/07	GFIS 44/12/2018	Chief Executive Officer	One	Unauthorized wavering of Construction penalties.	Maladministration	The investigation is in progress, matter is investigated by GFIS.
2018/08/30	GFIS 171/08/2018	City of Johannesburg Group Fraud and Investigation Services	Not known	Alleged solicitation of bribes and kickbacks	Fraud/Corruption	The investigation is in progress, matter is investigated by GFIS.
2018/03/16	105/03/2018	Chief Executive Officer	Not known	Unfair disqualification of SMMEs.	Suspected corruption	The investigation is in progress, matter is investigated by GFIS.
2017/10/16	GFIS 485/09/2017	City of Johannesburg Group Fraud and Investigation Services	One	Underpayment of SMMEs.	Maladministration.	Audit / review is underway as per GFIS's report recommendation.

SECTION 5: ICT GOVERNANCE

ICT Steering Committee

The ICT Steering Committee is constituted in line with principle 12 of the KING IV of code of governance in South Africa. The core mandate of the ICT Steering Committee is to ensure that the ICT function is efficiently managed, appropriately resourced and properly governed. To this extent the ICT Steering Committee has continued to play an oversight role in line with its mandate on matters including but not limited to the following;

- ICT Policies
- System changes /enhancements
- ICT SLAs
- ICT Budget
- ICT Infrastructure
- Overall Tracking of the operational plan
- ICT security

The JDA has key policies, which cover ICT security, Email and Internet Usage, Disaster Recovery, Cloud, ICT infrastructure as well as General ICT Governance Framework and ICT Governance Charter.

The Internet and Email policy was reviewed and approved in the fourth quarter of the 2021/22 financial year.

SCM and Finance integration into SAP

The implementation of the SAP Finance and SCM implementation is at 90% completion. The project has passed all major milestones including the quality gates for Training, User Acceptance testing, integration testing and is currently at the final quality gate stages of data migration.

The key outcomes of this integration project is that all key business processes of the JDA will be running from one integrated system, for example from the basic source invoice capture translation to the final payment of that transaction. This will enable a seamless integration and management of all supporting business processes such as budget availability control, contracts validity control and as well as alignment to planned expenditure management and reporting cycles..

Historically the Finance and Supply chain departments have been using Microsoft Great plains .However due to JDA business growth of the JDA ,the two units are being migrated to a centralized SAP ERP system platform.

Network performance

The project of upgrading the internal network is at 100% completion.

The JDA internal network has been upgraded to boost capacity and performance of the network. The performance of the internal network has improved significantly based on user feedback and boosted efficiencies in terms of access to systems.

Helpdesk Upgrade

The upgrade of the JDA helpdesk is at 100% completion. The upgrade had been planned for completion in quarter four. The upgrade is meant to bring innovation and improve operational efficiency to the ICT helpdesk deliverable, in terms of management of turnaround times for faults and incident logging.

Development Facilitation – SAP Integration

The integration of Development Facilitation business unit into SAP is currently at 85 % completion. It is expected that the project will reach 100% completion by end of June 2022.

SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

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

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

- Compliance Universe
- Compliance Risk Register
- Compliance Assessment Report

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

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

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

Overall URR Compliance status:

Description	Number of Obligations	Compliance %
Compliant	299	99%
Non-compliant	3	1%
Total	302	99%

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

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

Legislation	Relevant Section	Non-Compliance Finding	Committed Action Plan/Status
Occupational Health and Safety Act as Amended no.181. of 1993	34 (a-f) 19(1-6) 36(a-c)	<ul style="list-style-type: none"> - The policy is not yet approved even though the implementation date is documented as June 2018 in the assessment report. - There were no appointment letters in place yet to confirm appointment of Health and Safety Committee. 	<ul style="list-style-type: none"> - The URR was updated to reflect noncompliance of OHS regulation. - The OHS Policy is currently in draft, it is anticipated to be finalized and approved in Q4. - The process of appointing the OHS committee is under way. It is anticipated that the committee will be appointed and trained in the next financial year.

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

Unauthorized, irregular, fruitless and wasteful expenditure

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Unauthorized Expenditure	None
Fruitless & Wasteful Expenditure	None
Irregular Expenditure.	R41 million
Failure to pay Service Providers within 30 days.	<p>Year to date the JDA has paid 92% of the suppliers within the 30 day stipulated period with 8% not paid within the required 30 day period.</p> <p>The reasons for paying Service Providers outside the 30 days permissible window period is attributed to various reasons.</p> <p>Management is in the process of reviewing and re-engineering the payment processes to ensure defaulting employees are held accountable and to ensure efficiency in the payment process.</p>

SECTION 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The CSR committee supported the Soweto Youth Chamber and Soweto Infrastructure and Construction Chamber (SICC) with technical equipment at the value of R132,400 and Alexandra Campus was supported with smart boards at the value of R70,519. This support is central towards the creation of a conducive environment for the implementation of programmes within the township.

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

TABLE 16: CSR FOCUS AREAS FOR THIS FINANCIAL YEAR:

Focus areas	Programs
Area Regeneration	Upgrades to the built environment, area management initiatives which impact on cleanliness, safety and security, improved investment attraction to the area
Arts and Culture	Arts and culture development in underprivileged areas
Community Sport	Support community sports development programs in underprivileged areas
Conservation and Environment	Support projects that focus on conservation awareness and education including waste management, water conservation, energy, and disaster relief programs (e.g., food gardens)
Education	Support for community or public education facilities; programs that support the production of indigenous, appropriate knowledge streams relevant to the JDA and its work; programs that support the improvement of Mathematics, Science, Information, and Communications Technology, Engineering for underprivileged children.
Health	Support of community clinics; health programs in the community; HIV/AIDS Awareness and community food gardens and poverty alleviation
	Provision of a healthy, open, inclusive, and safe working environment; employee engagement and wellbeing
Training development	Community training, skills development for unemployed, underemployed, educational programs in the community; Women and Youth leadership development
	Learnership/internship program; graduate training programme; bursaries, Participation in national government's Youth Employment Service (YES4Youth) Program, and the JDA's Enterprise Development Program.
	Ongoing education, training, and development of JDA employees, employee wellness program
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 decisions about CSR

SECTION 8: SUSTAINABILITY REPORT

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

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

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

Environmental Impact

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

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

Five major outcomes define the Joburg 2040 GDS:

- Outcome 1: A growing, diverse and competitive economy that creates jobs
- Outcome 2: Enhanced, quality services and sustainable environmental practices
- Outcome 3: An equitable and inclusive society with high quality of life
- Outcome 4: Caring, safe, and secure communities
- Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence

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

JDA Substantive Programme	JDA Sub-Programme
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

SECTION 9: INSURANCE CLAIMS AGAINST/TO MOES

There was no insurance claim filed in the fourth quarter of the 2021/22 financial year. The claims registered are emanating from the previous financial years. Refer to the table below for the current open claims against the JDA.

TABLE 17: INSURANCE CLAIMS

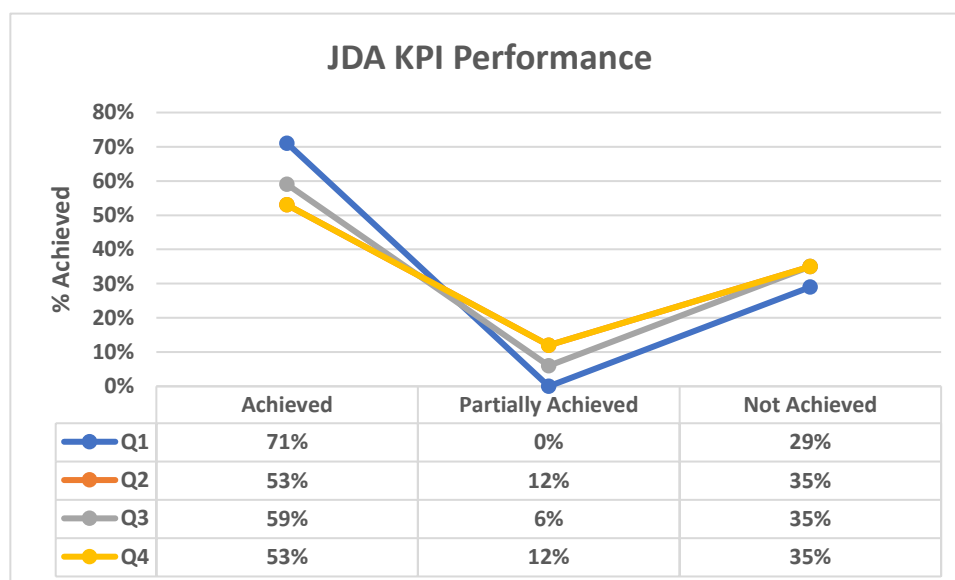
Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Gross Claim Amount	Risk Category	Claim's status
2017/18	51581697	01/11/2017	03/04/2019	Accidental damage	R250 000.00	Not yet determined.	Contractors all risk	The insurance is in communication with the claimants, awaiting the finalization of submission of documentation from the claimant.
2017/18	51574102	01/11/2017	03/04/2019	Accidental damage	R7 500.00	Not yet determined.	Contractors all risks	The insurance is awaiting third party approach.
2017/18	51581695	01/11/2017	03/04/2019	Accidental damage	R49 680.00	Not yet determined.	Contractors all risks	The insurance is in communication with the claimants, awaiting the finalization of submission of documentation from the claimant.
2021/22	ADRS000 08351	02/10/2021	02/10/2021	Roof damage by the hailstorm	R 350 286.50	Not yet determined	Contractor's all risks	The repairs were done. The claim was paid, therefore the claim is closed
2021/22	ADRS000 08010	02/10/2021	04/10/2021	Accidental damage	R 1 471 792.36	Not yet determined	Contractor's all risk	The claim was approved, repairs to start on site.

A progress reports with regards to the status of each claim are provided to the JDA by the broker insurance company monthly. All the above claims are still active; therefore, none have expired.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The fourth quarter performance report has been prepared against the JDA's 2021/22 Business Plan and Scorecard. Regarding performance against the JDA's 17 Strategic KPIs, the JDA achieved 53% performance target achieved, 12% performance target partially achieved, and 35% performance target not achieved



The JDA performed well in exceeding the targeted expenditure on BBBEE and SMME for the period under review; together with a notable progress on implementation of strategic risk action items. The resolution of Internal Audit as well as Auditor General findings remain a priority to the JDA, this have resulted in the resolution of most audit findings and all outstanding findings are followed up on a monthly basis.

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

TABLE 18: SUMMARY OF KPI PERFORMANCE

IDP Priority /	IDP Programs	No of KPI's	KPI Number (Ref)	Target Achieved (95% - 100% rating)		Target Partially Achieved (80% - 94% rating)		Target not Achieved (<79% rating)	
				Count	%	Count	%	Count	%
Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress.	Inner-city regeneration, including key economic nodes Increased infrastructure investment (from both public and private sectors) Working to cut red tape and improve the ease of doing business in the city Residents live, work, and play close to work, leisure and cultural opportunities Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure	7	(1-2-3-4-5-6-7)	4	57%	-		3	43%
IDP Priority 5: Create an honest and transparent City that fights corruption.	Increasing forensic investigative capability and controls	2	(8-9)	1	50%	1	50%	-	-
IDP Priority 8: Enhance our financial sustainability.	Focusing on driving up capital expenditure investment in infrastructure	2	(10-11)	-	-	1	50%	1	50%
Day-to-day Program	Other IDP or Day-to Day programs	6	(12-13-14-15-16-17)	4	67%	-	-	2	33%
		17		9	53%	2	12%	6	35%

SECTION 2: SERVICE DELIVERY CHALLENGES

Given the spatial, socio-economic, and political environment in which the JDA operates, there are often challenges that affect area-based development and the JDA's ability to facilitate common economic and social objectives.

During the 2021/22 financial year, there were a number of challenges across all the JDA projects that impacted the overall performance of the organisation. Some of the issues are highlighted below:

- Poor contractor performance across a number of projects which has resulted in a few contractors being terminated and further delays experienced then in terms of the reappointment process. E.g. Naledi Clinic and Brixton Social Cluster.
- Delayed SCM processes to appoint service providers and contractors and late start on some projects which resulted in the non-achievement of some of the KPIs.
- Professional team contracts had expired by the end of June 2021. The reappointment process was concluded by September 2021 and this delay had caused further delays in some of the projects.
- Certain projects could not reach practical completion due to insufficient budgets and these project scopes were then limited to the budgets available.
- Overall high vacancy rate at the JDA which includes some key positions has also negatively contributed to the overall performance of the organisation. E.g. Chief Executive Officer, Senior Manager: Planning and Strategy, Chief Audit Executive, Senior Financial Manager and etc.

In light of the above challenges, there are initiatives that have been put into place to assist in improving performance going forward. These are listed as follows;

- Despite the number of challenges that were experienced across the projects, in Quarter 3 there was a recovery plan that was implemented across all the projects which assisted greatly in achieving the 75,45% overall capital expenditure.
- To reduce the delays in the commencement of the projects, the JDA Contracting project plans for the 2022/23 financial year were already approved by the Board in June 2022 and the process of finalizing SLAs has already commenced.
- The Contracting Project Plan for 2022/23 will be monitored and reported on a monthly basis to ensure that SCM and Project processes are on track and that no delays are experienced.
- Contract Management Framework has been developed to also further assist specifically around the performance management of contractors and service providers responsible for the implementation of these projects.
- All project milestones have been linked to the available budgets so that these milestones are achieved without compromising the overall project.

SECTION 3: JDA

PROGRAMMES, PROJECTS, AND DAY-TO-DAY OPERATIONS

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

TABLE 19: SUMMARY OF JDA PROGRAMMES

JDA Substantive Program	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 centers around which to densify. They should be areas where people can live, work, and play and have good access to public transit. Guided by the CoJ policy ³ on the categorizing of the current city nodes with prospects for growth, the work of the program is to promote densification, diversification, and development in these nodes. The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighborhood 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 2022 was R925 million (2020/21: R1.2 billion) against the adjusted budget of R1.3 billion (2020/21: R1.4 billion). This represents 67,81% (2020/21: 75%) of the overall annual budget. There are still various factors that continue to affect projects including poor contractor performance and stakeholder stoppages, however, the basis of the 95% targeted capital expenditure is based on a city-wide performance indicator and not necessarily aligned to each project milestone and progress.

TABLE 20: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE

Overall Programme Performance	2021/22 Annual Budget	Target YTD	Actual YTD	Target %	% Actual / Annual budget Expenditure
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 361 475	1 293 401	1 027 216	79	75,45

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. Hence anything less than 80% is regarded as not achieved.

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

Table 20:1 KPI ACHIEVEMENT RATINGS








Achievement	Rating
	Target achieved (95–100% rating)
	Target partially achieved (80–94% rating)
	Target not achieved (<79% rating)


TABLE 21: SCORECARD



Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2022 & Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress

National outcome: Outcome 6: An efficient, competitive, and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life.									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with an enhanced quality of life that provides meaningful redress through pro-poor development									
IDP program e/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the End of 30 June 2022	Variations and steps to be taken to improve performance
Inner-city regeneration on, including key economic nodes including the implementation of the Transit-Oriented Development Corridors Increased infrastructure investment (from both public and private sectors) Residents live, work and play close to work, leisure, and cultural opportunity Efficient and effective transport (Public and Freight) connecting home, work, culture	1) Number of pre-feasibilities studies conducted. ⁴	4	9 (cumulative)	3	3	-		Target Achieved	None required
			1.Zandspruit Masterplan 2.Inner-City Spatial Planning 3.Development and Test of Eco-District Prototype					1.Target Achieved 2.Target Achieved 3.Target Achieved	
	2) Number of projects at the concept design phase.	8	29 (cumulative)	21	12	(9)		Target not achieved	
			1. PTF Small Public Transport Facility Design and Construction of Zola 2. Complete Streets: NMT Links to Public Transport Facilities in Tshepisong 3. Complete Streets: NMT Links to Public Transport Facilities in Phefeni Stations 4.Widening of Odendaal Road 5. PTF: Public Transport Facility in Cosmo City 6. PTF Small Public Transport Facility Design and Construction of Lakeside 7. Ivory Park -to Sandton and Sandton to Soweto via Randburg 8. Watt Street Precinct					1.Target Achieved 2. Target Achieved 3. Target Not Achieved 4.Target Achieved 5. Target Achieved 6. Target Not Achieved 7. Target Not Achieved 8. Target Achieved	The procurement process to appoint professional service providers to develop the concept for the NMT Links to Phefeni Rail Station and the Small Public Facility in Cosmo City was cancelled due to Supply Chain Compliance issues. The re-appointments are currently being finalized, and the concept developments will be completed during the first quarter of 2022/23 financial year (FY). The data gathering process to inform the concept development for the Ivory Park-to Sandton, and Sandton to Soweto via Randburg Rea Vaya route was delayed due to unexpected demands from the Taxi Associations. Unfortunately the City took longer than anticipated to resolve this matter. An alternative data collection method has been devise, and the concept will be completed in Q1 of 2022/23 FY.



National outcome: Outcome 6: An efficient, competitive, and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life.									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with an enhanced quality of life that provides meaningful redress through poor development									
IDP program e/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the End of 30 June 2022	Variations and steps to be taken to improve performance
			9.Soweto Strategic Area framework 10.Freedom Park Clinic Region G 11.Hikhensile Clinic 12.Rabie Ridge Clinic 13.South Hills Clinic 14.Protea Glen Clinic 15.Elias Motsoaledi Clinic 16.Shelters for GBV Region G 17.Shelter for Displaced People Region F 18.Northern, Fleurhof Farm and Eikenhof Farm 19.Operational Capital : Equipment and Machinery for Agriculture 20.Repairs and Maintenance of Facilities 21.Citywide - Infrastructure Asset Register					9. Target Not Achieved 10.Target Achieved 11.Target Achieved 12.Target Achieved 13.Target not achieved 14.Target Achieved 15. Target Achieved 16.Target Achieved 17. Target Achieved 18. Target Not Achieved 19. Target Not Achieved 20. Target Not Achieved 21. Target Not	The procurement process for the Soweto Strategic Area Framework and for the Citywide – Infrastructure Asset Register got delayed. The concepts design for the Soweto Strategic Area Framework will be completed during the second quarter of the 2022/23 FY, whilst the Infrastructure Asset Register is on-hold due to budget constraint.
	3) Number of projects reaching the contract award stage.	5	26 (cumulative)	11	2	(9)			
			1.CORR - Louis Botha Transit Oriented Development 2.Orlando East Station Precinct New Precinct Redevelopment 3.Lehae MPC New Construction Lehae G 4..Pennyville Precinct Renewal Precinct Redevelopment 5.PTF: Transfer Facility: Lenasia Scholar Transport Interchange 6.PTF: Upgrading of Sunninghill Public Transport Facilities 7.Randburg CBD regeneration Renewal Precinct Redevelopment Ferndale B Regional 8.PTF: Public Transport Facility in Sandton 9.Melville Activity Street_Neighbourhood Development_CoF_Upgrade 10.PTF: Upgrading of Rosebank Public Transport Facility 11.PTF: Redevelopment of Inner City Ranks on Carr Street					1.Target Achieved 2. Target Not Achieved 3. Target Not Achieved 4. Target Not Achieved 5. Target Not Achieved 6.Target Achieved 7. Target Not Achieved 8. Target Not Achieved 9. Target Not Achieved 10. Target Not Achieved 11. Target Not Achieved	The contractors for the Pennyville Precinct Renewal, the Randburg CBD and Melville Activity Street will be appointed during the first quarter of the 2022/23 FY. Whilst the construction stage for the Orlando East Station Precinct, Lenasia Scholar Transport Facilities, Lehae MPC, and Sunninghill Public Transport Facilities have been moved to outer years due to delays at planning stages and budget constraints for implementation / construction stages.

National outcome: Outcome 6: An efficient, competitive, and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life.									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with an enhanced quality of life that provides meaningful redress through pro-poor development									
IDP program e/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievem ent Rating	Explanation of progress as at the end of 30 June 2022	Variations and steps to be taken to improve performance
	4) Number of projects Reaching practical completion stage.	2	26 (Cumulative)	22	5	(17)			
			1.Ghandi Square East Work Package 2 2.Balfour Park Transit Precinct Development (Louis Botha Corridor) Renewal Precinct 3.Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route 4.Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional 5.Lib.Johannesburg Library (Centre of Excellence) 6.Naledi clinic New Building NALEDI D 7.PTF: Small Public Transport Facilities: Tshepisoong 8.PTF: Small Public Transport Facility Design and Construction of Kya Sand 9.Fire Station - Central Fire Station Renewal Building Alterations MARSHALLS TOWN F Ward 10.Brixton Social Cluster 11.Braamfischerville Ext 12&13: Roads and Stormwater Management 12.Lehae MPC New Construction LEHAE G 13.Klipfontein Wellness Centre 14.JRA 5th Road Bridge 15.JRA – M2 Finger Joint Replacement Works					1. Target Not Achieved 2.Target Achieved 3. Target Not Achieved 4. Target Not Achieved 5. Target Not Achieved 6. Target Not Achieved 7.Target Achieved 8. Target Not Achieved 9.Target Not Achieved 10. Target Not Achieved 11. Target Not Achieved 12. Target Not Achieved 13. Target Not Achieved 14.Target Achieved 15. Target Achieved	The Orlando to UJ Soweto project has been delayed due to numerous service delivery protest and local SMME work stoppage. The revised completion date is end August 2022. The contractor for the Diepsloot Development Project has cashflow issues and this has delayed the project. The contractor has been put on performance terms and the contract termination process is underway. The completion of the Public Transport Facility in Kya Sand has been delayed due to objections from some affected property owners. The issue has been resolved and revised completion is end July 2022.



IDP program e/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2022	Variations and steps to be taken to improve performance
				16. Orange Farm Turnkey - Ward1 17. Orange Farm Turnkey Project – Ward2 18. Orange Farm Turnkey Project – Ward3 19. Orange Farm Turnkey Project – Ward4 20. Orange Farm Turnkey Project – Ward5 21. Orange Farm Turnkey Project – Ward 131 22. OurCity our Block Round 2				16. Target Not Achieved 17. Target Achieved 18. Target Not Achieved 19. Target Not Achieved 20. Target Not Achieved 21. Target Not Achieved 22. Target Not Achieved	The Joburg Library project is 98% complete, but the testing of the down pipes was not completed on time to issue the Practical completion certificate. This will be done during the month of July 2022. The contractor for the Naledi Client failed to complete the project as per the agreed contractual date. The contract was terminated during the third quarter and a replacement contractor has been appointed. The project will be completed during the Q3 of 2022/23 FY. The completion of the Brixton Social Cluster, the Ward 4, and Our City our Block projects were delayed due to poor contractor performance. These projects will be completed during the first quarter of 2022/23 FY. The Ward 3, Ward 5 and Ward 131 have been completed but awaiting JRA sign off – to be done on the 12 th of July 2022.
	5) Number of precincts management implementation plans.	1	3 (cumulative)	3	3	-			Not required
			1. Precinct Management Implementation Plan Toolkit 2. Sunninghill PTF Precinct Management Implementation Plan 3. Sandton PTF Precinct Management Implementation Plan					1. Target Achieved 2. Target Achieved 3. Target Achieved	

National outcome: Outcome 6: An efficient, competitive, and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life.									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with an enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programs	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2022	Variations and steps to be taken to improve performance
	6) Number of JDA Communication and Media related Initiatives.	379	280 (cumulative)	280	410	+130		Target Achieved	
	7) Number of impacts performance assessments completed.	1	4 (cumulative)	4	4	0			
			1.Impact Assessment and Process Review of one JDA Art My Jozi 2.JDA - NMT (Non-Motorised Transport) Impact Assessment 2 3.Assessment of Inner-City Parks implementation- Jeppe Park 4.. Evaluation of Two JDA Construction Project					1. Target Achieved 2. Target Achieved 3. Target Achieved 4. Target Achieved	

IDP Priority 5: Create an honest and transparent City that fights corruption.

National outcome: Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better world									
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence									
IDP programs	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end 30 June 2022	Variations and steps to be taken to improve performance
Increasing forensic investigative capability and controls	8) Percentage resolution of Internal Audit findings.	89%	100%	100%	92%	-8%		Target Partially Achieved	
	9) Percentage resolution of Auditor General findings.	92%	100%	25%	91%	+66%		Target Achieved	

IDP Priority 7: Enhance our financial sustainability



National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: Enhanced, quality services and sustainable environmental practices; Outcome 3: An equitable and inclusive society with high quality of life									
IDP programs	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly achievement Rating	Explanation of progress as at the end of 30 June 2022	Variations and steps to be taken to improve performance
Focusing on driving up capital expenditure investment in infrastructure	10) Percentage of budget spent on city- wide infrastructure.	68%	95% (cumulative)	95%	73%	(22%)		N/a	The poor capital expenditure can be explained mainly by delays in Supply Chain process, late commencement for several projects and poor performance of contractors on several projects. Several projects that were planned for completion this year are currently behind schedule, thus low capital expenditure. The recovery plans that we implemented at the beginning of the third quarter, which yielded great improvements, will be carried through to the next FY.
	11) Percentage of valid invoices paid within 30 days of the invoice date.	96%	100%	100%	92%	(8%)		N/a	

^sIncludes precinct management plans that are operationalized (implemented) or produced, reviewed, or updated

^eImpact assessments completed can either be area, community or project related Johannesburg Development Agency (SOC) Limited Q4 Performance Report 2021/22



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Day-to-day Program



National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system									
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence									
IDP program/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2022	Variations and steps to be taken to improve performance
Other IDP or Day-to-Day Programs	12) Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total	104%	100%	100%	101%	+1		Target Achieved	
	13) Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	339	500 (cumulative)	500	412	(132)		Target not Achieved	Due to the delayed implementation of several projects at construction stage, creation of EPWP jobs has been impacted.

the same individual can be employed on different projects and each period will be counted as a work opportunity.

Day-to-day Program

National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system									
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence									
IDP program/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2022	Variations and steps to be taken to improve performance
Other IDP or Day-to-Day Programs	14) Percentage of SMME expenditure as a share of total expenditure	32%	30%	30%	43%	+13%		Target Achieved	
	15) Percentage spend on JDA operating budget against approved operating budget	113%	95% (cumulative)	95%	104%	+9%		N/a	

«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.

National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system									
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence									
IDP program/s	Key Performance Indicator	Baseline 2020/21	2021/22 Annual Target	2021/22 Q4 Target	2021/22 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2022	Variations and steps to be taken to improve performance
	16) Percentage implementation of the strategic risk management action plan findings resolved.	73%	95% ⁹ (cumulative)	95%	100%	+5%		Target Achieved	
	17) Percentage of predetermined objectives targets achieved	47%	85%	85%	56%	(29%)		N/a	The underperformance can be explained by the poor performance under projects planned for contract award practical completion, EPWP and capex expenditure. The planning for the 2022/23 FY has been completed and is being implemented. The recovery plan approach from Q3 of the current year will be adopted to ensure Q1 targets are achieved.

6.1 PROGRAMME EXPENDITURE

For period ended 30 June 2022

TABLE 22: EXPENDITURE BY FUNDING SOURCE

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
PUBLIC TRANSPORT CORRIDOR DEVELOPMENT									
BRIXTON SOCIAL CLUSTER: WORK PACKAGE 1 NEW MULTIPURPOSE SPORTS AND RECREATION	27 034 778	46 000 000	18 965 222	27 034 778	46 000 000	18 965 222	(47,20%)	46 000 000	58,77%
TEST ECO DISTRICT PROTOTYPES TOD CORRIDORS	2 694 332	4 700 000	2 005 668	2 694 332	4 700 000	2 005 668	(39,66%)	4 700 000	57,33%
NEW TURFONTEIN CLINIC AND MULTIPURPOSE	5 481 817	16 843 000	11 361 183	5 481 817	16 843 000	11 361 183	(65,74%)	16 843 000	32,55%
SUB-TOTAL	35 210 927	67 543 000	32 332 073	35 210 927	67 543 000	32 332 073	(51,30%)	67 543 000	52,13%
JDA ON BUDGET									
INNER CITY EASTERN GATEWAY_TOD AND MOVEMENT CORRIDORS	16 733 929	17 000 000	266 071	16 733 929	17 000 000	266 071	3,67%	17 000 000	98,43%
REGENERATION OF LENASIA CBD AND ANCHORVILLE INDUSTRIAL HUB – REGION G	32 430 135	17 000 000	(15 430 135)	32 430 135	17 000 000	(15 430 135)	69,91%	17 000 000	190,77%
BRAAMFISCHER EXT 12	0,00	13 500 000	13 500 000		13 500 000	13 500 000	(100,00%)	13 500 000	0,00%
ORLANDO EAST STATION PRECINCT	340 059	10 000 000	9 659 941	340 059	10 000 000	9 659 941	(96,42%)	10 000 000	3,40%
PENNYVILLE PRECINCT RENEWAL	674 909	1 500 000	825 091	674 909	1 500 000	825 091	(57,11%)	1 500 000	44,99%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
RANDBURG CBD REGENERATION RENEWAL	1 998 357	2 000 000	1 643	1 998 357	2 000 000	1 643	1,27%	2 000 000	99,92%
BALFOUR PARK TRANSIT PRECINCT	1 685 412	20 000 000	18 314 588	1 685 412	20 000 000	18 314 588	15,27%	20 000 000	8,43%
MELVILLE ACTIVITY STREET	1 076 732	1 500 000	423 268	1 076 732	1 500 000	423 268	(24,44%)	1 500 000	71,78%
CORR - PERTH EMPIRE CORRIDOR OF FREEDOM TRAFFIC IMPACT ASSESSMENT (TIA), STORMWATER MASTERPLAN AND NEW CONSTRUCTION: PHASE 2	13 562 945	13 500 000	(62 945)	13 562 945	13 500 000	(62 945)	5,75%	13 500 000	100,47%
CORR - LOUIS BOTHA CORRIDOR OF FREEDOM TRAFFIC IMPACT ASSESSMENT (TIA),	0,00	10 500 000	10 500 000	0,00	10 500 000	10 500 000	(100%)	10 500 000	0,00%
DIEPSLOOT DEVELOPMENT RENEWAL PRECINCT REDEVELOPMENT DIEPSLOOT WES A REGIONAL	16 600 043	20 000 000	3 399 957	16 600 043	20 000 000	3 399 957	(12,63%)	20 000 000	83,00%
BANAKEKELEN HOSPICE NEW CLINIC ALEXANDRA EXT.38 E WARD	23 900 592	23 000 000	(900 592)	23 900 592	23 000 000	(900 592)	(7,16%)	23 000 000	103,92%
OPERATIONAL CAPEX NEW OPERATIONAL CAPEX NEWTOWN F CITY WIDE	2 081 922	5 000 000	2 918 078	2 081 922	5 000 000	2 918 078	(100%)	5 000 000	41,64%
ORCHARDS CLINIC	17 362 561	14 500 000	(2 862 561)	17 362 561	14 500 000	(2 862 561)	(2,28%)	14 500 000	119,74%
KLIPFONTEIN WELLNESS CENTRE	4 591 489	30 000 000	25 408 511	4 591 489	30 000 000	25 408 511	(83,89%)	30 000 000	15,30%
ROODEPORT CBD REGENERATION RENEWAL PRECINCT REDEVELOPMENT REGION C	24 172 862	15 000 000	(9 172 862)	24 172 862	15 000 000	(9 172 862)	13,25%	15 000 000	161,15%
SUB-TOTAL	157 211 947	214 000 000	56 788 053	157 211 947	214 000 000	56 788 053	(23,71%)	214 000 000	73,46%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
COMMUNITY DEVELOPMENT (COMM DEV)									
LEHAE MPC NEW CONSTRUCTION LEHAE G	1 947 400	4 000 000	2 052 600	1 947 400	4 000 000	2 052 600	(63,40%)	4 000 000	48,69%
JOHANNESBURG LIBRARY F	13 825 176	14 900 000	1 074 824	13 825 176	14 900 000	1 074 824	(44,01%)	14 900 000	92,79%
KAALFONTEIN MPC NEW CONSTRUCTION	8 222 197	22 000 000	13 777 803	8 222 197	22 000 000	13 777 803	(81,36%)	22 000 000	37,37%
IVORY PARK SWIMMING POOL	19 296 153	18 000 000	(1 296 153)	19 296 153	18 000 000	(1 296 153)	(42,53%)	18 000 000	107,20%
MPC MATHOLESVILLE	3 637 641	15 000 000	11 362 359	3 637 641	15 000 000	11 362 359	(80,28%)	15 000 000	24,25%
JOHANNESBURG ART GALLERY	1 508 209	1 000 000	(508 209)	1 508 209	1 000 000	(508 209)	58,76%	1 000 000	150,82%
DRIEZIEK MPC	15 686 382	18 000 000	2 313 618	15 686 382	18 000 000	2 313 618	(36,65%)	18 000 000	87,15%
REPAIRS TO COMM DEV FACILITIES	11 435 224	42 000 000	30 564 776	11 435 224	42 000 000	30 564 776	(71,34%)	42 000 000	27,23%
MINOR WORKS AT VARIOUS FACILITIES	5 905 499	7 000 000	1 094 501	5 905 499	7 000 000	1 094 501	(13,52%)	7 000 000	84,36%
REPAIRS TO PUBLIC ART	1 311 450	3 472 000	2 160 550	1 311 450	3 472 000	2 160 550	(100,00%)	3 472 000	37,77%
SUB-TOTAL	82 775 331	145 372 000	62 596 669	82 775 331	145 372 000	62 596 669	(61,00%)	145 372 000	56,94%
INNER CITY DEVELOPMENT GRANT									
CONCEPTUALISATION AND DEVELOPMENT INNER CITY SPATIAL SCENARIO PLANNING	2 333 035	3 000 000	666 965	2 333 035	3 000 000	666 965	(18,14%)	3 000 000	77,77%
GHANDHI SQUARE EAST	30 228 693	30 000 000	288 693	30 228 693	30 000 000	288 693	1,29%	30 000 000	100,76%
SUB-TOTAL	32 561 728	33 000 000	955 658	32 561 728	33 000 000	955 658	0%	33 000 000	98,67%
EMERGENCY MANAGEMENT SERVICES (EMS)									
CENTRAL FIRE STATION	17 838 110	16 521 739	(466 806)	17 838 110	16 521 739	(446 806)	7,18%	17 391 304	102,57%
SUB-TOTAL	17 838 110	16 521 739	(466 806)	17 838 110	16 521 739	(446 806)	7%	17 391 304	102,57%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
Health Department									
ELIAS MOTSOALEDI CLINIC	2 725 708	3 500 000	774 292	2 725 708	3 500 000	774 292	(22,12%)	3 500 000	77,88%
PROTEA GLEN CLINIC	0,00	2 500 000	2 500 000	0,00	2 500 000	2 500 000	(100,00%)	2 500 000	0,00%
SOUTH HILLS CLINIC	403 584	700 000	296 416	403 584	700 000	296 416	(42,35%)	700 000	57,65%
NALEDI CLINIC	11 311 815	15 000 000	3 688 185	11 311 815	15 000 000	3 688 185	(24,59%)	15 000 000	75,41%
RABIE RIDGE CLINIC	3 217 466	3 500 000	282 534	3 217 466	3 500 000	282 534	(100,00%)	3 500 000	91,93%
HIKENSILE CLINIC	1 905 317	3 500 000	1 594 683	1 905 317	3 500 000	1 594 683	(100,00%)	3 500 000	54,44%
PROTEA SOUTH CLINIC	4 499 501	5 000 000	500 499	4 499 501	5 000 000	500 499	(5,27%)	5 000 000	89,99%
FREEDOM PARK CLINIC	1 000 774	3 500 000	2 499 226	1 000 774	3 500 000	2 499 226	(69,90%)	3 500 000	28,59%
SUB-TOTAL	25 064 165	37 200 000	12 135 835	25 064 165	37 200 000	12 135 835	(52,83%)	37 200 000	67,38%
INNER CITY FUND (ICF)									
INNER CITY PARTNERSHIP FUND	16 889 495	18 500 000	1 610 505	16 889 495	18 500 000	1 610 505	(10,23%)	18 500 000	91,29%
INNERCITY CORE	2 047 375	2 000 000	(47 375)	2 047 375	2 000 000	(47 375)	7,76%	2 000 000	102,37%
SUB-TOTAL	18 936 870	20 500 000	1 563 130	18 936 870	20 500 000	1 563 130	(8,48%)	20 500 000	92,37%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)									
JABULANI TOD: PHASE 6A - SAFE HUB	27 488 791	26 569 000	(919 791)	27 488 791	25 240 550	(919 791)	27%	26 569 000	103,46%
SUB-TOTAL	27 488 791	26 569 000	(919 791)	27 488 791	25 240 550	(919 791)	27%	26 569 000	103,46%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
TRANSPORTATION PTIS FUNDING:									
PHASE 1C STATIONS	12 392 386	40 280 000	27 887 614	12 392 386	38 266 000	27 887 614	(67,96%)	40 280 000	30,77%
SELBY DEPOT	4 117 349	19 130 434	15 013 085	4 117 349	18 173 912	15 013 085	(78,63%)	19 130 434	21,52%
ALEXANDRA DEPOT	12 248 391	2 000 000	(10 248 391)	12 248 391	1 900 000	(10 248 391)	39,59%	2 000 000	612,42%
SECTION 15K (WATT INTERCHANGE STATION ROAD WORKS AND BRIDGES)	52 730 460	50 700 000	(2 030 460)	52 730 460	48 165 000	(2 030 460)	9,48%	50 700 000	104,00%
OTHER: LAND	160 836	1 310 000	1 149 164	160 836	1 244 500	1 149 164	(87,08%)	1 310 000	12,28%
GUARD HOUSES AND CUSTOMER CENTRES	13 145 494	26 421 000	13 275 506	13 145 494	25 099 950	13 275 506	(63,79%)	26 421 000	49,75%
SELBY DEPOT 2C	44 580 048	25 342 000	(19 238 048)	44 580 048	24 074 900	(19 238 048)	85,17%	25 342 000	175,91%
ITS	1 923 726	3 203 000	1 279 274	1 923 726	3 042 850	1 279 274	(84,17%)	3 203 000	60,06%
OTHER: PASSENGER INFORMATION SIGNAGE (FINGER BOARDS - "ON STREET)	266 679	2 778 000	2 511 321	266 679	2 639 100	2 511 321	(100%)	2 778 000	9,60%
SUB-TOTAL	141 565 369	171 164 434	29 599 065	141 565 369	162 606 212	29 599 065	(22,61%)	171 164 434	82,71%
DEPARTMENT OF SOCIAL DEVELOPMENT (SOC									
SHELTER FOR DISPLACED PEOPLE REGION F	4 052 713	5 000 000	947 287	4 052 713	4 750 000	947 287	(50,38%)	5 000 000	81,05%
BERTRAMS MULTIPURPOSE CENTRE	13 962 812	25 000 000	11 037 188	13 962 812	23 750 000	11 037 188	(41,21%)	25 000 000	55,85%
YETTA NATHAN SOCIAL DEVELOPMENT CENTRE	13 850 363	15 000 000	1 149 637	13 850 363	14 250 000	1 149 637	(10,38%)	15 000 000	92,34%
NORTHERN FARM, FLEURHOF FARM AND EIKENHOF FARM	358 231	1 000 000	641 769	358 231	950 000	641 769	(62,29%)	1 000 000	35,82%
REPAIRS AND MAINTENANCE OF FACILITIES	5 039 964	7 000 000	1 960 036	5 039 964	6 650 000	1 960 036	(24,34%)	7 000 000	72,00%
SUB-TOTAL	37 264 083	53 000 000	15 735 917	37 264 083	50 350 000	15 735 917	(28,82%)	53 000 000	70,31%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
TRANSPORTATION COJ FUNDING:									
COMPLETE STREETS: (KFW - GERMAN DEVELOPMENT BANK): ORLANDO EAST TO UJ SOWETO ROUTE	20 344 388	18 791 000	(1 553 388)	20 344 388	17 851 450	(1 553 388)	(16,74%)	18 791 000	108,27%
PTF: SMALL PUBLIC TRANSPORT FACILITIES: TSHEPISONG:	295 489	1 500 000	1 204 511	295 489	1 425 000	1 204 511	(79,26%)	1 500 000	19,70%
COMPLETE STREETS: NMT FACILITIES LINKING RAILWAY STATIONS NEW DUBE CHIAWELO D CITY WIDE:	5 187 446	5 000 000	(187 446)	5 187 446	4 750 000	(187 446)	(98,76%)	5 000 000	103,75%
PTF: SMALL PUBLIC TRANSPORT FACILITY DESIGN KYA SAND NEW NODAL TRANSPORT FACILITES KYA SAND:	20 133 883	27 069 000	6 935 117	20 133 883	25 715 550	6 935 117	(22,21%)	27 069 000	74,38%
PTF SMALL PUBLIC TRANSPORT FACILITY DESIGN AND CONSTRUCTION OF ZOLA PUBLIC TRANSPORT FACILITY NEW NODAL TRANSPORT FACILITIES ZOLA D REGIONAL	943 014	1 000 000	56 986	943 014	950 000	56 986	(0,74%)	1 000 000	94,30%
PTF: SMALL PUBLIC TRANSPORT FACILITIES: ORANGE FARM EXT 7 (REGION G)	37 020 752	49 000 000	11 979 248	37 020 752	46 550 000	11 979 248	(20,89%)	49 000 000	75,55%
SMALL: PUBLIC TRANSPORT FACILITY IN ZAKARIYA PARK REGION G	18 638 291	25 015 000	6 376 709	18 638 291	23 764 250	6 376 709	(31,61%)	25 015 000	74,51%
PARKING STRESS SURVEYS FOR MABONENG DISTRICT, BERE, AND KENSINGTON	0,00	860 000	(817 000)	0,00	817 000	(817 000)	(100,00%)	860 000	0,00%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
"FEASIBILITY STUDY FOR ORANGE FARM, ENNERDALE AND JOHANNESBURG CBD AND CORRIDOR"	656 103	2 732 557	2 076 454	656 103	2 732 557	2 076 454	(37,85%)	2 732 557	24,01%
FEASIBILITY STUDY ON THE IVORY PARK TO SANDTON CORRIDOR	2 798 777	4 115 443	1 316 666	2 798 777	4 115 443	1 316 666	(28,41%)	4 115 443	68,01%
FEASIBILITY STUDY ON THE SOWETO TO SANDTON CORRIDOR	2 313 204	3 536 750	1 223 546	2 313 204	3 536 750	1 223 546	(31,15%)	3 536 750	65,40%
FEASIBILITY STUDY FOR DIEPSLOOT- FOURWAYS- RANDBURG CBD AND SUNNINGHILL AND SANDTON CORRIDOR	0,00	2 098 560	2 098 560	0,00-	2 098 560	2 098 560	(100,00%)	2 098 560	0,00%
PTF PUBLIC TRANSPORT FACILITY SANDTON	295 321	500 000	204 679	295 321	500 000	204 679	(36,86%)	500 000	59,06%
COMPLETE STREETS: NMT LINKS TSHEPISONG	351 986	1 000 000	648 014	351 986	1 000 000	648 014	(62,95%)	1 000 000	35,20%
COMPLETE STREETS DEEP SOUTH	7 192 288	5 000 000	(2 192 288)	7 192 288	5 000 000	(2 192 288)	(38,09%)	5 000 000	143,85%
PTF ROSEBANK	3 814 991	6 000 000	2 185 009	3 814 991	6 000 000	2 185 009	(79,32%)	6 000 000	63,58%
COMPLETE STREETS TURFONTEIN	8 601 828	5 000 000	(3 601 828)	8 601 828	5 000 000	(3 601 828)	(35,88%)	5 000 000	172,04%
PUBLIC TRANSPORT STOPS: COSMO CITY	291 500	300 000	8 500	291 500	300 000	8 500	2,28%	300 000	97,17%
COMPLETE STREETS: NMT LINKING PHEFENI STATION	0,00	300 000	300 000	0,00	300 000	300 000	(100,00%)	300 000	0,00%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
SMALL: PTF LAKESIDE NEW NODAL	0,00	300 000	300 000	0,00	285 000	300 000	(100,00%)	300 000	0,00%
PTF: REDEVELOPMENT OF INNER-CITY RANKS	33 102 993	53 250 000	20 147 007	33 102 993	50 587 500	20 147 007	(38,40%)	53 250 000	62,17%
PTF SUNNINGHILL	333 976	1 000 000	666 024	333 976	950 000	666 024	(64,84%)	1 000 000	33,40%
RANDBURG CBD MASTERPLAN	1 088 175	1 552 206	464 031	1 088 175	1 474 596	464 031	(26,21%)	1 552 206	70,11%
ZANDSPRUIT MASTERPLAN	2 092 109	2 430 435	338 326	2 092 109	2 308 913	338 326	(9,39%)	2 430 435	86,08%
PUBLIC TRANSPORT DATA	3 250 953	3 393 074	142 121	3 250 953	3 223 420	142 121	0,85%	3 393 074	95,81%
INNER CITY TRANSPORT MASTERPLAN	0,00	236 500	236 500	0,00	224 675	236 500	(100,00%)	236 500	0,00%
TRAVEL DEMAND MANAGEMENT	0,00	2 173 913	2 173 913	0,00	2 065 217	2 173 913	(100,00%)	2 173 913	0,00%
PARKING MANAGEMENT POLICY	0,00	869 565	869 565	0,00	826 087	869 565	(100,00%)	869 565	0,00%
COMPLETE STREETS: NMT LINKING ORANGE FARM	0,00	300 000	300 000	0,00	285 000	300 000	(100,00%)	300 000	0,00%
FEASIBILITY STUDY INTEGRATED CORRIDOR MANAGEMENT	383 922	1 386 973	1 003 051	383 922	1 317 624	1 003 051	(70,86%)	1 386 973	27,68%
LENASIA SCHOLAR TRANSPORT MASTERPLAN	1 093 576	1 000 000	(93 576)	1 093 576	950 000	(93 576)	15,11%	1 000 000	109,36%
ROODEPOORT CBD TRANSPORT MASTERPLAN	994 220	2 173 913	1 179 693	994 220	2 065 217	1 179 693	(51,86%)	2 173 913	45,73%
SUB-TOTAL	171 219 185	228 884 889	57 665 704	171 219 185	217 440 645	57 665 704	(33,56%)	228 884 889	74,81%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
OTHER									
UN HABITAT	653 847	650 000	(3 847)	653 847	650 000	(3 847)	5,89%	650 000	100,59%
IVORY PARK URBAN DEVELOPMENT FRAMEWORK	4 373 205	5 000 000	626 795	4 373 205	5 000 000	626 795	(7,93%)	5 000 000	87,46%
WATTSTREET PRECINCT WYNBERG	1 164 652	1 100 000	(64 652)	1 164 652	1 100 000	(64 652)	11,45%	1 100 000	105,88%
MASINGITA CITY DEVELOPMENT PROGRAMME	361 684	2 900 000	2 538 316	361 684	2 900 000	2 538 316	(100,00%)	2 900 000	12,47%
CREATION OF ASSET REGISTER	0.00	5 000 000	5 000 000	0,00	5 000 000	5 000 000	(100,00%)	5 000 000	0,00%
WIDENING ODENDAAL	936 608	1 400 000	463 392	936 608	1 400 000	463 392	(29,58%)	1 400 000	66,90%
SOWETO STRATEGIC AREA FRAMEWORK	663 367	800 000	136 633	663 367	800 000	136 633	(12,71%)	800 000	82,92%
REVITALISATION OF PAGEVIEW AND VREDEDORP	2 863 508	5 000 000	2 136 492	2 863 508	5 000 000	2 136 492	(63,58%)	5 000 000	57,27%
ORANGE FARM TURNKEY PROJECT	206 019 553	215 000 000	8 980 447	206 019 553	215 000 000	8 980 447	(7,16%)	215 000 000	95,82%
REVIEW KLIPTOWN BUSINESS PLAN & URBAN DESIGN	707 792	5 000 000	4 292 208	707 792	5 000 000	4 292 208	(85,10%)	5 000 000	14,16%
IVORY PARK TURNKEY PROG DLAMINI DRIVE	3 911 201	28 000 000	24 088 799	3 911 201	28 000 000	24 088 799	(86,68%)	28 000 000	13,97%
5TH ROAD BRIDGE	12 094 156	13 700 000	1 605 844	12 094 156	13 700 000	1 605 844	(7,08%)	13 700 000	88,28%
MODDERFONTEIN BRIDGE	17 403 691	29 300 000	11 896 309	17 403 691	29 300 000	11 896 309	(37,38%)	29 300 000	59,40%
M2 FINGER JOINTS	28 926 870	31 000 000	2 073 130	28 926 870	31 000 000	2 073 130	(1,78%)	31 000 000	93,31%
SUB-TOTAL	280 080 134	343 850 000	63 769 866	280 080 134	343 850 000	63 769 866	(19,84%)	343 850 000	81,45%
TOTAL	1027 216 640	1361 474 627	(371 003 068)	1027 216 640	1361 474 627	(371 003 068)	(28,62%)	1361 474 627	75,45%

6.1 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 EPWP Opportunities created in 2021/22
Program 1	32	39	62	6	139
Program 2	8	0	35	20	63
Program 3	51	22	85	52	210
TOTAL	91	61	182	78	412

6.2 GOOD GOVERNANCE, MANAGEMENT AND ADMINISTRATION

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

CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

SECTION 1: HUMAN RESOURCE MANAGEMENT

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

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

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

The structure includes:

Top Management consists of the Chief Executive Officer (CEO)

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

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

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

1. Senior Project Managers,
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

Professional and Middle Management comprises of:

1. Risk and Integrity Manager
2. Strategy & Performance Monitoring Manager
3. Communications and Marketing Manager
4. Development Facilitation Specialist
5. Senior Internal Auditor
6. Public Relations and Social Media Specialist
7. Planning and Facilitation Specialist
8. Development Facilitation Specialists

9. Enterprise Development Specialists,
10. Project Managers,
11. Demand and Acquisition Specialist,
12. Contract Management Specialist,
13. Risk and Compliance Officer,
14. Information and Document Management Specialist,
15. ICT Administrator (Infrastructure Engineer),
16. HR Business Partners,
17. Performance and OD Specialist,
18. Employee Relations Specialist,
19. Manager: Legal Services and
20. Stakeholder Engagement Specialist.

Skilled Employees consists of:

1. Technical, Academically Qualified and Junior Management,
2. Project Quality Management Officer,
3. Spatial/Urban Planning Officer,
4. Business Development Officer,
5. Executive Support ,
6. Legal Services Assistant,
7. Assistant Company Secretary,
8. Strategy Officer,
9. Accountants,
10. Budget Officer,
11. Accounts Payable Officer,
12. Internal Auditor,
13. Corporate Social Responsibility Officer,
14. ICT Network and Security Officer,
15. ICT Governance Officer,
16. ICT Support Officer,
17. ICT Coordinator and Help Desk,
18. SHE Officer,
19. Administrator and Data Capturers,
20. Facilities & Security Officer,
21. Maintenance Specialist,
22. Security Supervisor,
23. Coordinator and
24. Events Coordinator

Semi-Skilled Employees consists of Project Administrators, Data Capturers ,Drivers and Receptionists.

Unskilled Employees consists of General Workers and Housekeepers.

In terms of physical location, there are 95 employees including 2 learners and temporary workers who are based at the JDA Head Offices in Newtown. The JDA also hosts 16 Security Guards as part of the City of Johannesburg insourcing project.

TABLE 24: COST OF SICK LEAVE - (1 APRIL 2022 – 31 JUNE 2022)

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employee s using sick leave	Total employees in post ⁴	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R 000
Top management	0	0	0	0	0	0
Executive management (including Chief Audit Executive)	0	0	0	5	0	0
Senior management	0	0	0	11	0	0
Middle management	7	0	1	33	0,21	15,899.27
Skilled technical/junior management	0	0	0	26	0	0
Semi-skilled	0	0	0	10	0	0
Unskilled	3	0	0	9	0,33	2,322.36
TOTAL	10	0%	3	95	0	18,221.63

SECTION 2: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

The Total Remuneration Costs for the period from 1st April 2022 to 30th June 2022 amount to R 12 694 061,86. This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: The eJoburg Retirement Fund and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, from 1st April 2022 to 30th June 2022 amount to R 210 937.82

SECTION 3: KEY VACANCIES

The following is a list of key vacancies recorded in fourth quarter of the 2021/22 financial year:

TABLE 25: KEY VACANCIES

Open Vacancies	Progress
Chief Executive Officer	Recruitment Stage
Chief Audit Executive	Recruitment Stage
Senior Manager: Strategy, Performance, Risk and Administration	On hold due to Moratorium
Manager: Strategy & Performance Monitoring	On hold due to Moratorium
Senior Manager: Internal Audit	On hold due to Moratorium
Senior Manager : Information, Communication & Infrastructure	On hold due to Moratorium
Senior Manager: Financial Management	On hold due to Moratorium
Senior Project Manager	On hold due to Moratorium
Senior Manager: Development Planning & Facilitation	On hold due to Moratorium

TABLE 26: STAFF ESTABLISHMENT

Description	Approved no. of posts per approved organogram	No. of employees	No. of vacancies	% Of vacancies
Total	144	94	59	40,97%

Description	Approved no. of posts per approved organogram	No. of employees	No. of vacancies	% Of vacancies
Top management level	1	0	1	100%
Executive management	6	5	1	16,7%
Senior management	19	11	11	57,9%
Middle management	47	33	13	27,7%
Skilled technical/junior management	42	26	20	47,6%
Semi-skilled	13	10	3	23,1%
Unskilled housekeepers/cleaners	16	9	10	62,5%
Total	144	94*	59	40,9%

*Six employees are on fixed term contracts

*Inclusive of employees within a pool

The basis for turnover rates is annual. To give an accurate indicator of the turnover rates year on year. In the current period under review staff turnover is 2,13%.

TABLE 27: TURNOVER RATE

Details	Total active employees at the beginning of the financial year	Terminations during the financial year (YTD)	Turnover rate
	No.	No.	%
2021/22	94	11	11,7%

A total of 11 terminations were recorded in the 2021/22 financial year.

TERMINATIONS

Department	Gender
Development Planning and Facilitation	White Female
Development Planning and Facilitation	Black Male
Planning and Strategy	Black Female
Development Planning and Facilitation	Indian Female
Office of the CEO	White Male
Office of the CEO	Black Male
Finance	Black Male
Project Implementation	Black Male
Marketing	Black Female
Human Resources	Black Female
Project Implementation	Black Female

Retention Initiatives

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

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

SECTION 4: EMPLOYMENT EQUITY

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

The JDA's Employment Equity Policy and Plan aims to advance and protect previously disadvantaged individuals by providing opportunities for career advancement, growth, training, and development. The Executive Committee and Human Resources and Remuneration Committee provide regular input into the organization's employment equity practices, strategies, direction, and initiatives.

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

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

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

TABLE 28: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW

TABLE 28: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW

Occupational Levels									Foreign Nationals		Total
	Male				Female						
	A	C	I	W	A	C	I	W	Male	Femal	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Executive Management	3	0	0	0	1	0	1	0	0	0	5
Senior Management	5	0	0	0	6	0	0	0	0	0	11
Professionally Qualified and Experienced specialists and	14	1	0	0	17	1	0	0	0	0	33
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7	0	0	0	18	0	1	0	0	0	26
Semi-skilled and discretionary decision making	3	0	0	0	7	0	0	0	0	0	10
Unskilled and defined decision making	5	0	0	0	4	0	0	0	0	0	9
Total Permanent	37	1	0	0	53	1	2	0	0	0	94
Temporal Employees	0	0	0	0	0	0	0	0	0	0	0
Grand Total	37	1	0	0	53	1	2	0	0	0	94

The JDA status for period under review:

- 95,7% of employees are African
- 59,6 % of employees are Female
- 50% of Executive and Senior management positions are held by black females
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories

	City Targets	JDA Achievements
Black African employees	80.9%	95,7%
Senior Management Female	35.9%	50%
Disability	2%	1%

TABLE 29: STAFF MOVEMENTS

Staff movements	African		Colored		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	0	1	0	0	0	0	0	0	1
Deceased	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
Absenteeism	0	0	0	0	0	0	0	0	0
Resignations	0	1	0	0	0	0	0	0	1
End of contract	0	0	0	0	0	0	0	0	0
Total	0	3	0	0	0	0	0	0	3

SECTION 5: 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 organization's values, enhance leadership capability and improve the JDA's capacity to meet current and future business requirements.

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

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

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

An Individual Learning Plans (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 ongoing process of improving employees' knowledge, skills, and attitude to enhance job performance, create opportunities for growth and advance careers.

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

A budget of R 500 000 has been allocated for training and development for the 2021/2022 financial year. The actual expenditure stands at R189 634,44. The JDA supports the attainment of further educational qualifications by employees to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

SECTION 6: PERFORMANCE MANAGEMENT

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

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

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

SECTION 7: DISCIPLINARY MATTERS AND OUTCOMES

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

TABLE 30: DISCIPLINARY HEARINGS FINALISED AS AT 30 JUNE 2022

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

SECTION 8: LEAVE AND PRODUCTIVITY MANAGEMENT

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

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

The most highly utilized leave type is Annual leave with a total of 390 days, with Maternity leave being the second most utilized leave type, with a total of 230 days, and finally Sick Leave 67 days.

TABLE 31: LEAVE ANALYSIS PERFORMANCE AS AT 30 JUNE 2022

Type of Leave	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	Total
Annual Leave	5	32	31	1	29	38	141	56	26	7	5	19	390
Sick Leave	22	0	0	0	0	0	9	26	0	2	1	7	67
Family Responsibility	6	0	0	0	0	0	0	0	0	0	0	5	11
Study Leave	0	2	3	0	9	0	2	0	0	0	0	0	16
Maternity Leave	0	0	0	15	22	37	63	49	44	0	0	0	230
Paternity Leave	0	0	0	0	0	0	10	0	0	0	0	10	20
TOTAL	33	34	34	16	60	75	225	131	70	9	6	41	734

SECTION 9: EMPLOYEE WELLNESS

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

The JDA receives statistical information on the issues discussed to enable it to identify and implement solutions to the issues raised. The identities of the employees who use this service remain strictly confidential. The JDA in partnership with Life EHS hosted a wellness Day on the 25th of February 2022. Employees had their basic health assessed and receive feedback and guidance on corrective measures and counselling. The overall objective therefore of the employee wellness programme is to improve the quality of life of all its employees through the provision of quality, sustainable and lifelong Wellness Programmes that work towards the holistic development and support of all employees in a professional and confidential manner, while providing support and assistance to alleviate the impact of everyday work, personal and family challenges.

HIV/AIDS in the Workplace

The JDA's HIV/AIDS Policy is aligned with the City of Johannesburg's policy and its HIV/AIDS coordinator attends the CoJ HIV and AIDS Committee meetings. The policy ensures that no employee is discriminated against based on their HIV status. All employees must respect the confidentiality of information regarding existing or potential employees with life-threatening illnesses. Any employee who divulges information without the employee's knowledge or consent will be disciplined in accordance with the disciplinary code and procedure of the JDA. The JDA reserves the right to request medical advice or intervention in instances where an employee's illness adversely affects performance, or where an employee claims that he/she cannot work in certain situations due to illness. All employees are encouraged to know their HIV status and to remain healthy if they are living with HIV.

The HIV/AIDS Programme runs awareness and educational campaigns, 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.

SECTION 10: EMPLOYEE BENEFITS

The Total Remuneration Costs for the period from 1 April to 30 June 2022 amount to R 12 694 061.86. This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: The eJoburg Retirement Fund and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, from 1 April 2022 to 30 June 2022 amount to R 210 937.82.

SECTION 11: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

The service provider is now appointed for the twelve month period, to ensure compliance at the Bus Factory through quarterly OHASA audits.

The safety audit are meant to identify risks and cases of noncompliance 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.

HIV/AIDS in the Workplace

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, the JDA has adopted a Phased-In-Approach on returning to work to avoid congestion and ensured workplace readiness.

A compliance manual informed by OHS COVID-19 regulations has been communicated to all staff, which states health and safety protocols and social distancing measures to ensure compliance. As per para. 47 of regulations, a COVID-19 compliance manager has been appointed, to among other things, oversee the implementation of the plan (return to work) and adherence to the standards of hygiene, safety and health protocols relating to COVID-19 at the workplace. The JDA has further been submitting compliance reports to City of Johannesburg as required.

CHAPTER 5: FINANCIAL PERFORMANCE

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

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2022

	Year ended 30 June 2022			Notes
	Actual	Budget	Variance	
	R'000	R'000	R'000	
Non-current assets	29 125	30 800	-1 675	1
Property plant and equipment	6 468	10 000	(3 532)	
Deferred tax	3 634	2 800	834	
Intangible assets	19 023	18 000	1 023	
Current assets	1 117 295	850 002	267 293	2
Trade and other receivables	838 235	600 000	238 235	
Vat Receivable	279 059	250 000	29 059	
Cash and cash equivalents	1	2	(1)	
Total assets	1 146 420	880 802	265 618	
EQUITY AND LIABILITIES				
Capital and reserves	42 553	76 278	(33 725)	3
Contribution from owner	16 278	16 278	(0)	
Accumulated surplus/(deficit)	26 275	60 000	(33 725)	
Non-current liabilities	22 616	25 681	(3 065)	4
Finance lease obligation	-	41	(41)	
Deferred taxation	22 616	25 640	(3 024)	
Project funds payable	-	-	0	
Current liabilities	1 081 250	778 843	302 407	
Loans from shareholders	595 724	637 549	(41 825)	5
Trade and other payables	438 335	90 000	348 335	6
VAT payable	-	-	0	
Finance lease obligation	44	294	(250)	
Project fund payable	40 882	44 000	(3 118)	
Provisions – bonus	6 265	7 000	(735)	
Total equity and liabilities	1 146 420	880 802	265 618	

Notes	
1	The variance relates to Property, Plant and equipment and Intangibles that were budgeted for but have not yet been purchased. Included in the budgeted value is the finalization of the SAP implementation, the records management system and furniture and fittings.
2	"The increases on the current asset it due to the following
	(1) Increase in receivables due to late collection of claims and inclusion of June claims
	(2) The movement on the Vat on receivable is due to Vat refunds that is due to JDA.
3	Changes on the Reserve/Net Assets it is due to the deficit of R24 million
4	The movement of the non-current liability is related to the estimation around the deferred taxation

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Original approved	Quarter 4 (April – June 2022)			Year to date			Notes
	budget	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Gross revenue	118 249	34 083	29 562	4 520	97 055	118 249	(21 194)	5
Operating costs	(111 385)	(24 289)	(27 846)	3 557	(97 198)	(111 385)	14 187	6
Gross surplus/(deficit)	6 864	9 794	1 716	8 078	(143)	6 864	(7 007)	
Other operating income and expenditure	(6 864)	(9 064)	(1 716)	(7 348)	(24 139)	(6 864)	(17 275)	
Interest expense	(6 864)	(9 064)	(1 716)	(7 348)	(24 139)	(6 864)	(17 275)	7
Interest income	0	0	0	0	0	0	0	
Deficit before tax	0	730	0	730	(24 283)	0	(24 283)	
Taxation	0	0	0	0	0	0	0	
Surplus/(Deficit) after tax	0	730	0	730	(24 283)	0	(24 283)	

Notes

5	Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budgeted revenue by 18%. The management fees earned as a percentage of the capital expenditure so therefore any underachievement in the capital expenditure has a direct correlation to the management fees. Total capex expenditure for the year was R1,027 billion against an annual budget of R1,361 billion which results in a variance of 19,55%.
6	The variance is mainly due to overall savings identified in various departments. The major contributor to the variance is the savings identified in employee costs due to the number of vacant positions that currently remain unfilled. These include the Chief Executive Officer, the Chief Audit Executive, Senior Financial Manager and Senior Project Manager.
7	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that was received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the city with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account. The outstanding balance as at the end of the third quarter relates to balances that were owing from the 2020/21 and the 2021/22 financial years.

SECTION 3: CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Year to date			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
Cash flows from operating activities	572 031	221 200	350 831	
<i>Receipts</i>	40 735	0	40 735	
Grants	0	0	0	
Interest received	1 103 355	800 000	303 355	
Cash receipts from CAPEX funding	348	1 200	(852)	11
Other receipts		0	0	
		0		
<i>Payments</i>			0	
Employee cost	(75 593)	(80 000)	4 407	12
Suppliers	(472 675)	(500 000)	(27 325)	13
Interest paid	(24 139)	0	(24 139)	
Cash flows from investing activities				
<i>Expenditure to maintain operating capacity</i>	720		720	
Property, plant, and equipment acquired		0	0	
Proceeds from sale of property, plant, and equipment	0		0	
Purchase of intangible assets				
Cash flows from financing activities	(2 693)	0	(2 693)	14
Movement in project funds payable	(570 562)	(216 620)	(353 942)	
Proceeds from Shareholders' loan		0	0	
Repayments of Shareholders' loan	506	(80)	586	
Finance lease repayments				
Net increase/(decrease) in cash and cash equivalents	2	0	2	
Cash and cash equivalents at beginning of the year	0	0	0	
Cash and cash equivalents at the end of the year	2	0	2	

Notes	
11	The negative it is mainly due to the late collection of receivables and majority of current year collection is prior year receivables
12	The variance it mainly due to vacant position that are not yet filled
13	The variance it mainly due timing differences between invoices paid before end of June and those accrued for payment in July 2022
14	The variance it due to money borrowed from loan to shareholder since there is a delay in the settlement of debtors by COJ departments

SECTION 4: NET ASSETS

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 JUNE 2022

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
Opening balance as previously reported	60	16 278	16 278	67 640	83 918
Adjustments	0	0	0	0	0
Prior year adjustments				0	0
Balance on 01 July 2020	60	16 278	16 278	67 640	83 918
Changes in net assets	0	0	0	(17 083)	(17 083)
Surplus for the year					
Total changes	0	0	0	(17 083)	(17 083)
Balance on 01 July 2021	60	16 278	16 278	50 557	66 835
Changes in net assets					
Profit for the year	0	0	0	(24 283)	(24 283)
Total changes	0	0	0	(24 283)	(24 283)
Balance on 31 March 2022	60	16 278	16 278	26 274	42 552

SECTION 5: RATIO ANALYSIS FOR THE PERIOD ENDED 30 JUNE 2022

Key Performance Area	Target	Actual 30 JUNE 2021	Actual 30 JUNE 2022
Current ratio	Above 1: 1	1.14: 1	1.03:1
Solvency ratio	Above 1: 1	1.11: 1	1.04:1
Salaries to expenditure ratio	Below 60%	70%	62%
Revenue	R112 million	R116 million	R97 million
Expenditure (including taxation)	R112 million	R136 million	R121 million
Surplus / (Deficit)	R nil	(R17 million)	(R24 million)
Total net assets	R47.4 million	R66 million	R42,5 million
Capital expenditure	95%	75,00%	75,45%

Notes	
1	<p>Current ratio is slightly above the target and lower than the ratio from the prior year. Included in current liabilities is the sweeping account with the shareholder which increases with the interest on a monthly basis and increase in payables to due invoices accrued to be paid in July 2022.</p> <p>The long outstanding debtor balances with client department continue to place pressure on the overall liquidity and solvency of the organisation. The impact of this results in additional interest that is charged which is the biggest contributor to the overall deficit.</p>
2	<p>Solvency ratio is just above the target and slightly below the previous year mainly due to invoices that were received in June . The continued pressure on the overall loan from shareholder due to outstanding debtors still puts pressure on the liquidity ratios.</p>
3	<p>Remuneration to expenditure ratio is above target and below prior year percentage due to an overall increase in the operational expenditure which affects the denominator of the ratio.</p>

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: Development Implementation and the Senior Manager Supply Chain.
- The Operating Expenditure Bid Adjudication Committee includes the Chief Financial Officer (chairperson), the Senior Manager Supply Chain, and the Senior Manager Marketing, the IT Manager, and the Risk and Compliance Manager. Neither committee is authorized to make procurement decisions above R10 million.

Supply chain deviations and approval

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

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

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

To give effect to regulation 36, the Col'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 2022 there were 18 service providers appointed where less than three quotations were returned or obtained to a combined value of R 502,698.57 (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 June 2022 to 30 June 2022 the JDA has not awarded any contract to a person who is in the employment of the State.

Black Economic Empowerment

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE share of capital and operating expenditure. For the period 1st July 2021 to 30 June 2022, the overall BBBEE share of expenditure was R968 651 750. This translates into an achievement of 101% BBBEE claimed against expenditure.

TABLE 31: SUMMARY OF BBBEE EXPENDITURE⁵

Description	Q4 2021/22		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	823,795,705.60	867,945,805.42	105%
Opex	134,093,545.52	100,705,944.74	75%
Consolidated Opex and Capex	957,889,251.12	968,651,750.16	101%

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.

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

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

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

FIGURE 5: BBBEE CONTRIBUTION TABLE

Enterprise / SMME Development

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

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

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

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

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R413,032,533 for the period 1 July 2022 to 30 June 2022. This constitutes achievement of 43% for the period under review.

TABLE 32: SUMMARY OF SMME EXPENDITURE⁶

Description	Q4 2021/22		
	Total Expenditure	SMME Claimed	SMME %
Capex	823,795,705.60	393,449,044.77	39%
Opex	134,093,545.52	19,583,488.59	15%
Consolidated Opex and Capex	957,889,251.12	413,032,533.36	43%

Report in Irregular, Fruitless and Wasteful Expenditure and Due Process

For the period 1 July 2021 to 30 June 2022 the JDA has incurred irregular expenditure to a value of R41 million fruitless, wasteful and unauthorized transactions.

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

TABLE 33: 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 labor 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 / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
				<p>In the circumstances, the Appellants' concise written representations were received on Thursday, 30 July 2020.</p> <p>Now that both parties have submitted them written representations, the Registrar of the Labour Court, will set the matter down. To date, we have not been provided a date by the Registrar. The matter will be heard in the labor court on a date yet to be set by the court.</p>		

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Bona Electronic Solutions (Pty) Ltd/Naledi Consortium	Not yet determined	December 2018	<p>The applicant sought an order interdicting and restraining the city of Johannesburg and the JDA from proceeding with the tender process and implementing the contract in respect of the tender in relation to the BRT Bus Monitoring system.</p> <p>The applicant seeks an order, amongst others, reviewing and setting aside the JDA's decision to award the tender to the Naledi consortium. Naledi also opposes this relief.</p> <p>Mkhabela Huntley Attorneys are representing the City of Johannesburg and the JDA in this matter</p>	<p>The matter is currently at pleadings stage with the JDA having filed its answering affidavit in July 2020.</p> <p>The Applicant (Bona) has not taken steps since September 2020 to ensure that the matter is ready for hearing. They are required to file heads of argument, after which the rest of the respondents (JDA and Naledi) would file theirs and the matter be allocated a date for hearing.</p> <p>The JDA and City have since decided to file our own heads of arguments despite the failure by the applicant to do so.</p> <p>The matter will be held in court on 31 January 2022</p>	Bona Electronic Solutions (Pty) Ltd/Naledi Consortium	

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

No claims within the third quarter report of 2021/22 financial year.

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

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

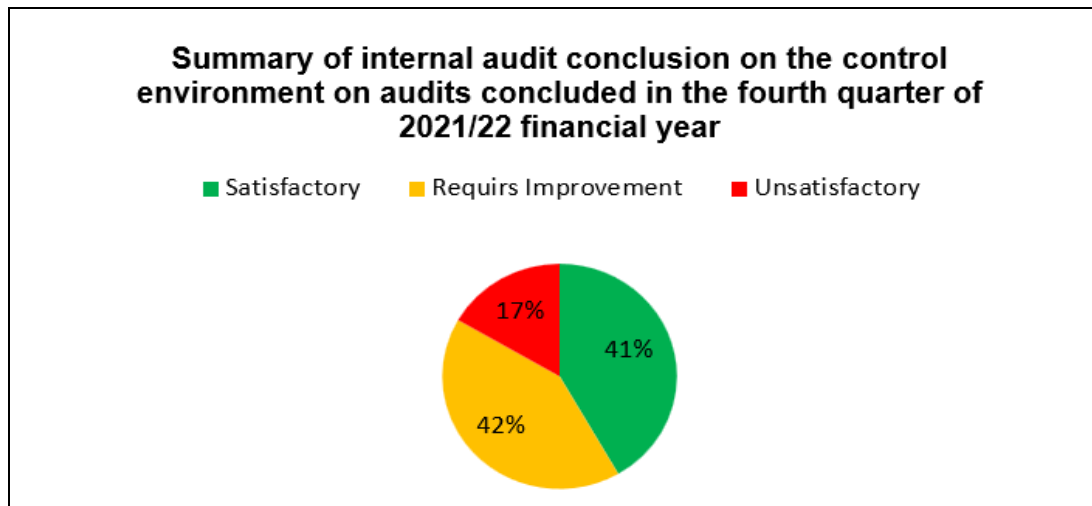
TABLE 34: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

Name of department	TOTAL	Current	>30 days	Comments
	R' 000			
City of Johannesburg - CAM & USDG	98 571	12 175	86 396	Majority of claims are the current year - additional requirements for submissions are holding up the claims i.e., project progress reports
City of Johannesburg- Transport	195 238	46 392	148 846	Majority of the balance relates to claims processed against the grant roll over that was only incorporated in the mid-year adjustment process and is awaiting final payment post reallocation
City of Johannesburg - Department of planning	13 496	9 207	4 289	Majority of balance is current claims, remaining balance in the process of being paid
City of Johannesburg - EMS	41 005	5 460	35 545	Claims for the current year have been settled timeously, prior year claims are still outstanding. Accruals raised currently being processed
City of Johannesburg - Department of Health	2 918	64	2 854	Claims for the current year are delayed in payment
City of Johannesburg - GSPCR	3 850		3 850	Balance mainly relates to amounts outstanding relating to long overdue that is more than 180 days.
City of Johannesburg - Community Development	28 195	13 451	14 744	Balance relates to claims for both the current and prior year. There was a delay in the settlement of year end accruals due to an approval process required at Com Dev.
City of Johannesburg - Economic Development	25 324		25 324	Included is current claims and prior years claims. Prior year claims are awaiting the handover process within ED.
City of Johannesburg - COOs office	95 681	23 722	71 959	Inefficiencies in client department. Claims are not being settled timeously, current Acting COO intervention was requested. Part payments have been received but not the entire balance.
Johannesburg Roads Agency	16 183	1 525	14 658	Inefficiencies in client department. Claims are not being settled timeously, JRA Project Manager indicated that payments are currently being processed. Part payments have been received but not the entire balance.
City of Johannesburg - Other departments (Department of Housing, Department of Social Development, , Ltd)	28 457	15 650	12 807	Balance mainly relates to amounts outstanding from June 2021 claims and current claims.
Total	548 918	127 646	421 272	

CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

The chart below serves to indicate an overview of the audit conclusion made regarding the control environment based on the audits completed by internal audit in the fourth quarter of 2021/22 financial year. Overall, there were twelve (12) audit projects completed by internal audit.



35: PROGRESS AGAINST THE APPROVED 2021/22 ANNUAL INTERNAL AUDIT PLAN (1 APRIL 2022 – 30 JUNE 2022)

No.	Audit Description	Status	Overall Conclusion
1.	Audit of the Budget and Expenditure Management utilizing data analytics	Completed	Requires improvement
2.	Audit of the SCM Processes, Performance Audit of the SCM processes(3E's), Contract Management Review and variation orders	Completed	Requires improvement
3.	Stakeholder Management Review – Project Stakeholders.	Completed	Satisfactory
4.	Performance Bonus Review	Completed	Requires improvement
5.	Financial Discipline Review	Completed	Requires improvement
6.	Q3 Performance Information Review	Completed	Requires improvement
7.	Appointment of service providers for Bertram's Multipurpose	Completed	Satisfactory
8.	Appointment of Main Contractor –for the construction of Bulk Stormwater Upgrades in Orange farm ward 4.	Completed	Satisfactory
9.	Appointment of Main Contractor for the construction of the Soweto railway stations NMT links project	Completed	Satisfactory
10.	Appointment of Main Contractor –For Construction of Bulk stormwater in Orange Farm ward 3.	Completed	Satisfactory
11.	Advance Payment	Completed	Unsatisfactory
12.	Payment made outside the SAP system	Completed	Unsatisfactory

TABLE 36: CONTROL ENVIRONMENT CONCLUSION EXPLANATION

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

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

TABLE 37: INTERNAL AUDIT FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2013/14	0	2	2
2014/15	1	16	17
2015/16	0	45	45
2016/17	0	58	58
2017/18	2	38	40
2018/19	1	32	33
2019/20	2	18	20
2020/21	14	10	24
Total	20	219	239
Percentage	8%	92%	100%

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. Quarterly, Internal Audit also conducts a follow-up on the implementation of Internal and External audit recommendations. These reports are presented to the Audit and Risk Committee, who monitors the progress made by management on the implementation of recommendations and action plans.

SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

The table below provides a summary of AG Findings raised in the 2014/2015 to 2021/22 financial period:

TABLE 38: AUDITOR GENERAL FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2014/15	0	11	11
2015/16	0	34	34
2016/17	0	6	6
2017/18	1	4	5
2018/19	0	5	5
2019/20	0	21	21
2020/21	7	4	11
Total	8	85	93
Percentage	9%	91%	100%

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 an independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings.

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

SECTION 4: STATE OF INTERNAL CONTROLS

Effective risk management and compliance with government regulations are driving the need for ongoing auditing. JDA is subjected to internal and external audits each year, thus making audit co-ordination and management vitally important by ensuring timeous implementation of corrective action to clear audit findings, 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 to ensure that resources are used efficiently and effectively.

The JDA has a system of internal control to provide cost-effective assurance that the entities 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, Operation Clean Audit Committee, to review, monitor and evaluate programme performance and make corrective measures where necessary.

Management is committed to addressing control weaknesses identified by internal and external audit through 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 that audit findings are promptly resolved. Based on the internal audits completed in this financial year, 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