



## Q4 PERFORMANCE REPORT

2023/24

APRIL 2024 TO JUNE 2024




**JOHANNESBURG DEVELOPMENT AGENCY  
(SOC )LIMITED**



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

## APPROVAL

Mr Themba Mathibe  
Name & Surname  
Chief Executive Officer

  
Signature

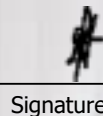
17 July 2024  
Date of approval

Mr. Sinovuyo Mpakama  
Name & Surname  
Chief Financial Officer

  
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24 July 2024  
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Ms. Daliwe Oliphant  
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Chairperson of the Board

  
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Date of approval

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MMC: Development Planning

  
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31 July 2024  
Date of approval

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

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

On behalf of the Board, I am pleased to present the 4th quarter report for the Johannesburg Development Agency's (JDA). The Agency continues to fulfil its objective of promoting socio-economic growth through the development and promotion of efficient spatial environments in defined geographic areas and regenerate decaying areas of the City of Johannesburg. It is with great pleasure to welcome the Chief Executive Officer, Mr Themba Mathibe, who officially assumed the role in June 2024. We pronounce our unwavering support and commitment.

The Board approved the Entity's Business Plan for the upcoming financial year 2024/25. We exercised the Board's fiduciary duties meticulously and ensured that the Business Plan contributes towards the key policy imperatives comprising of the City's GDS2040, IDP and priorities that have been set by the GLU. There is demonstrated readiness by management to execute the KPI targets set out in the Business Plan (Scorecard). The Entity's performance for the quarter under review is 89%, and that is commendable. Furthermore, the Agency played an important role in uplifting the City's communities by creating 534 work opportunities through Expanded Public Works Programs (EPWP). Certainly, there is no doubt that our approach towards economic empowerment remains resilient in the face of various challenges.

While the Entity plays a critical role, it remains affected by the City's Cash Flow challenges. As a result, that has affected progress on projects which therefore affected the Service Provider's ability to properly financially resource the JDA's projects. Hence much attention must be given to identifying and implementing more pragmatic strategies to enhance revenue. We acknowledge that, there has been much reflection on enhancing efficiencies within the Entity. There is progress on the implementation of the mitigation plans aligned with the three (3) Operational Areas, firstly Capital Projects, secondly, Finance and thirdly, Corporate Services.

Ending the 4th quarter heralds an important period of compiling the Annual Financial Statements and Annual Performance Report that gets audited by Auditor General of South Africa. Throughout this financial year, the Board monitored progress in resolving audit findings with the aim of ensuring that these do not recur. I am most proud that, the JDA exceeded the targets for resolution of Internal Audit findings by 2% and resolution of Auditor General findings by 3%.

It remains our key priority as the JDA Board to ensure that, the Entity performs and complies with applicable laws and policies.

**Ms Daliwe Oliphant**

**Board Chairperson**

## SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

It is my immense pleasure to present the Johannesburg Development Agency's (JDA) 4th Quarter Performance Report for 2023/24 financial year. This report outlines the Entity's financial and non-financial performance for the period effective 1st April 2024 until 30 June 2024. It also signifies the end of the 2023/24 financial year for delivering the targets set out in the Business Plan, a blueprint that guides the JDA in terms of its assigned mandate.

I am pleased to report that, the Entity achieved an overall performance of 89% (17/19) KPI's and 11% (2/19) KPI's were not achieved. Furthermore, it is noteworthy to indicate that the JDA exceeded the target for the JDA communication and media related initiatives by 69, percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total by 10%, Expanded Public Works Programs (EPWP) work opportunities by 234, SMME expenditure as a share of total expenditure by 7%. It is commendable that the Entity exceeded these targets as they have a direct impact on the communities. There is dedicated performance working sessions with the CEO to assist in resolving bottlenecks and operational inefficiencies. There are several restructuring initiatives that have been undertaken for operational efficiency to improve the business facilitation process, planning initiatives and implementation approach.

This financial year we embarked on extensive engagements with client departments, we also have started various engagements with provincial departments, provincial entities and private sector on the possibility of getting JDA on board as their implementation agent. These continuous engagements were meant to reassure our clients that the tide has turned and showcase our new service offering with a new customer approach.

The Entity is reporting positive results on governance by exceeding the targets for resolution of Internal Audit findings by 2% and resolution of Auditor General findings by 3%. Also achieved 85% (2022/23: 107%) of the budgeted target for revenue. These results encourage us to continue pursuing our vision of being the leading development agency of choice within South Africa.

A progressive step is that management has put in place the necessary measures to ensure that the JDA attains 100% overall performance in the next quarter. These measures include periodic monitoring progress on the Operational Plan, that culminates in the quarterly reports. Heads of internal departments submit signed assurance sheets for reported performance and Internal Audit conducts an audit of the evidence that supports the reported Performance Information on a quarterly basis and provides progress reports to EXCO, ARC and Board. The entity has established an operation clear audit committee which focuses on internal and external audit preparation, risk mitigations and UIFW matters.



The JDA has an entrenched ethical tone, all employees submit the Declaration of Interest Forms, there was an ethics training where all staff members attended and there is continuous awareness on compliance with various Policies, supply chain management webinars. Furthermore, internal controls are being put in place to ensure that no payments are made by Finance when contracts have expired, or budget has been exhausted. Upon the successful roll-out of the SAP, this process will be complete.

Previously there were two Executive Management positions that were vacant, I am pleased to report that the Company Secretary and Chief Audit Executive were appointed, hence there are no vacancies for senior management positions within the JDA.

I wish to express gratitude for the continued support, leadership and guidance that is received from the Board, MMC for Development Planning and CoJ as it has assisted the JDA immensely.

We look forward to reaching new heights as the Entity in the next financial year.

**Mr Themba Mathibe**  
**Chief Executive Officer**

### SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT

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

For the period ended 30 June 2024 the JDA had earned total revenue of R137 million (2022/23: R119 million) and incurred total expenditure of R185 million (2022/23: R167 million) which resulted in an overall deficit of R48 million (2022/23: Deficit of 47 million).

The organisation achieved 94% (2022/23: 107%) of the budgeted target for revenue. Included in the revenue target is development management fees, operational grant. The development management fees are based as a percentage of the overall capital expenditure.

The JDA incurred expenditure against the budgeted target for operational expenditure of 140% (2022/23: 150% overall against target). The operational expenditure includes interest of R72.9 million that is charged on the JDA overdrawn sweeping account. The overdrawn account is as a result of the late settlement of claims from the various client departments.

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

**TABLE 1: ACTUAL OPERATIONAL BUDGET**

	Actual Prior year 30 June 2023	YTD Actual R'000	YTD Budget R'000	Variance R'000	% of actual against budget
Revenue	R119,729	137 476	132 364	R5,112	104%
Operating costs (before interest)	(R122,484)	(112 161)	(124 833)	(R12,672)	89%
Interest expense	(R45,610)	(72 999)	(7 531)	(R65,468)	969%
Total operating costs	(R168,094)	(185 160)	(132 364)	(R84,602)	140%
Surplus/(Deficit)	(34 381)	(47 684)	(Rnil)	(R77 058)	

Actual capital expenditure for the year ended 30 June 2024 was R885 million (2022/23: R879 million) against an annual budget of R976 million (2022/23: R1.4 billion). There are still various factors that continue to affect projects including poor contractor performance and stoppages due to non-payment since COJ has cash flow problem, however, the basis of the 95% targeted capital expenditure is based on a city-wide performance indicator and not necessarily aligned to each project milestone and progress.

The organization's total assets exceeded the total liabilities. The total net deficit of assets on 30 June 2024 was (R46 million) (2022/23: R1.3 million).

The table below reflects the financial performance ratio of the organization for the period ended June 2024.

**TABLE 2: FINANCIAL RATIOS**

Key Performance Area	Target	Actual 30 June 2023	Actual 30 June 2024
Current ratio	Above 1.5: 1	0.98:1,5	0.95:1.5
Solvency ratio	Above 2: 1	1: 2	0,97:2
Salaries to expenditure ratio	Below 60%	52%	50%
Revenue	R132.2 million	R119.7 million	137 million
Expenditure (including taxation)	R132.2 million	R174.9 million	R185 Million
Surplus / (Deficit)	R nil	(R34 million)	(R39 million)
Total net assets	R15.4 million	R1.3 million	(R47 million)
Capital expenditure	95%	75%	91%

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

The remuneration ratio is lower than the target of 60% this is due to some vacant position that are not filled and high interest expense. The ratio is based on employee costs of R92.5. million over total expenditure of R185 million, which results in 50% of the expenditure.

**Mr Sinovuyo Mpakama**  
Chief Financial Officer

#### **SECTION 4: CORPORATE PROFILE AND OVERVIEW**

The JDA was established at a critical moment in Johannesburg's history as part of the iGoli 2002 re-engineering process. The main purpose and object of the JDA is to, inter alia, promote socio-economic growth through the development and promotion of efficient spatial environments in defined geographic areas and regenerate decaying areas of the City to enhance their ability to contribute to economic development and improve quality of life for residents on behalf of the City by conceptualising, designing, facilitating and implementing specific capital and non-capital projects and programmes.

Since its inception, the JDA's role has evolved significantly and it is guided by the overarching frameworks of the National Development Plan, the Gauteng 2055 vision, the Growth Development Strategy (GDS) 2040, integrated Development Plan (IDP) and the CoJ's Spatial Development Framework (SDF). The agency is particularly, led by the 2040 strategy's ideals of resilience, liveability and sustainability – driven by the conviction that a resilient city is flexible and strong enough to solve complex and unanticipated problems.

In order to respond to the challenges, opportunities and local needs of the City of Johannesburg, the agency has evolved with the changing requirements of Johannesburg and its people. JDA has shifted its focus from triple bottom line outcomes (economic, social and environmental) in the inner city and marginalised areas to an emphasis on resilient, sustainable and liveable urban areas in identified transit nodes and corridors. Every area-based development undertaken by the JDA is supported by development facilitation functions in the pre-development and post-development phases to enhance the value added by the capital works interventions and improve the longer-term sustainability of the capital investment. The entity gives much emphasis to precinct-based development, collaborating with stakeholders to enhance areas and address local challenges and needs in a sustainable way through capital investments.

The JDA has implemented over 600 projects across all the seven regions of the City in 21 years of operation. Over the last five years, the JDA has grown by almost 100% from 50 employees to 96 employees and resulted in an increased capital budget and increased number of projects to implement on behalf of the City. The total Capex allocation increased to just over R5 Billion over the last 5 years.

#### **Vision**

To be the leading development agency of choice within South Africa

#### **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.
- Transparency and openness.

## JDA Governance Arrangement

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

The JDA relies on the Department of Development Planning for direction on its contractual obligations contained in the service delivery agreement, and on the Member of the Mayoral Committee for its political mandate and oversight. The Group Governance Unit provides corporate governance and related support, including financial. The Council's Section 79 Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of the departments and entities mandated with spatial transformation and economic growth of the city is integrated and coordinated. The JDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The JDA coordinates its area-based development activities and other

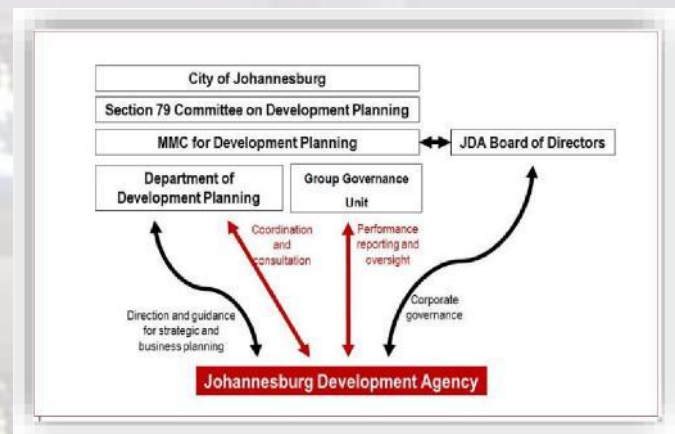


FIGURE 1: JDA GOVERNANCE SYSTEM

catalytic interventions with the Department of Development Planning and engages with client departments in the design and construction of infrastructure assets.

## **SECTION 5: STRATEGIC GOALS AND OBJECTIVES**

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

- To support the growth and development of strategic nodes into high quality, investor friendly and sustainable urban environment.
- To efficiently, effectively and economically deliver sustainable social and economic infrastructure projects.
- To promote economic empowerment and transformation through the structuring and procurement of the JDA developments.
- To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, self-sustained and well-governed organization.

### ***JDA's Role in Transforming the Spatial Economy***

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

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

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

- Programme 4. Good Governance, Management and Administration Programme.

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

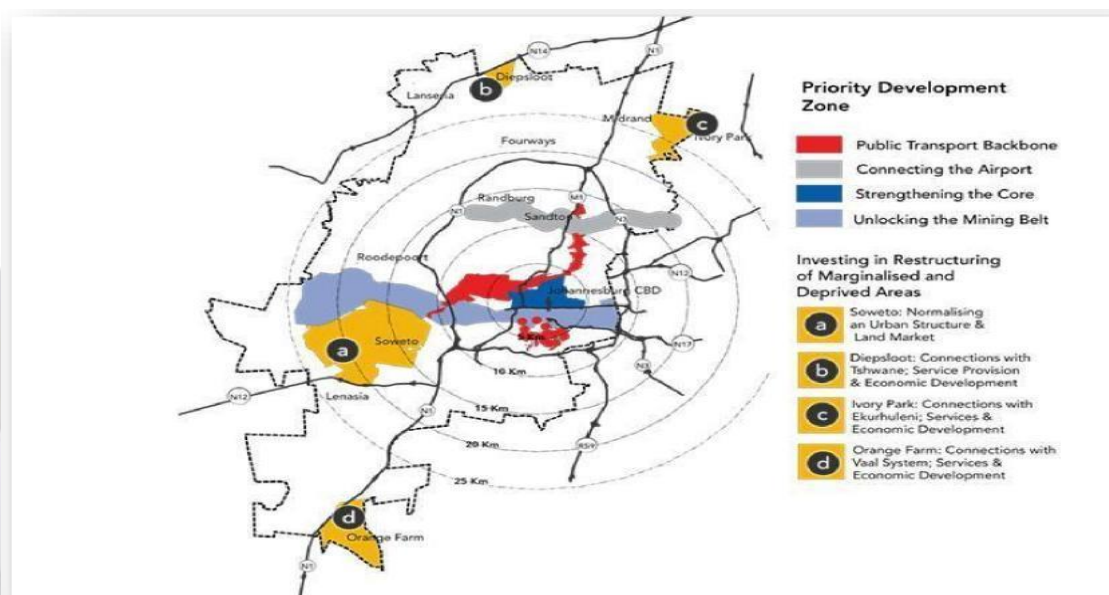


FIGURE 2: SDF 2040 PRIORITY ZONES

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

SDF Priority Transformation Areas	Corresponding JDA Programmes	Regional JDA Development Programmes
Strengthening the metro core (inner city)	Inner City and the Old South (including Turffontein and Mining Belt).	<ul style="list-style-type: none"> <li>Programme 1: Strategic Economic Node Delivery Programme.</li> <li>Programme 2: Accelerated Infrastructure Delivery Programme.</li> <li>Programme 3: Economic Empowerment Programme.</li> </ul>
Unlocking Soweto	Greater Soweto (including Lenasia, Eldorado Park, Nancefield).	
Consolidating public transport backbone	The Transit-Oriented Development Corridors: Empire-Perth.	
OR Tambo/Airport Corridor	Alex and the OR Tambo Corridor (Includes Randburg, Sandton, Cosmo City).	
Addressing marginalization	Marginalized Areas – Diepsloot, Ivory.	



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

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

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



**FIGURE 3: DEVELOPMENT PROCESS / LIFECYCLE**

## SECTION 6: SALIENT FEATURES

### *Performance Summary*



- The JDA had irregular expenditure that was raised by the Auditor General in the 2022/23 FY. The entity had investigated the expenditure as per MFMA prescripts and the matter was concluded in the fourth quarter. The entity has now put in place corrective and preventative measures in place to avoid repeat findings.
- JDA has managed to spend 91% of its allocated Capital budget in the year to date against the target of 95%. The entity is confident that the annual target will be reached by end of the financial year.
- A cumulative total of 534 EPWP work opportunities were created by end of fourth quarter. The entity has exceeded the target that is set at 300 jobs.
- For the period ended 30 June 2024 the JDA had earned total revenue of R137 million (2022/23: R119 million) and incurred total expenditure of R185 million (2022/23: R167 million) which resulted in an overall deficit of R48 million (2022/23: Deficit of 47 million).
- The JDA incurred expenditure against the budgeted target for operational expenditure of 140%.

**TABLE 4: OPERATING BUDGET MANAGEMENT**

	Actual Prior year 30 June 2023	YTD Actual	YTD Budget	Variance	% of actual against budget
		R'000	R'000	R'000	
<b>Revenue</b>	<b>R119,729</b>	<b>137 476</b>	<b>132 364</b>	<b>R5,112</b>	<b>104%</b>
Operating costs (before interest)	(R122,484)	(112 161)	(124 833)	(R12,672)	89%
Interest expense	(R45,610)	(72 999)	(7 531)	(R65,468)	969%
<b>Total operating costs</b>	<b>(R168,094)</b>	<b>(185 160)</b>	<b>(132 364)</b>	<b>(R84,602)</b>	<b>140%</b>
<b>Surplus/(Deficit)</b>	<b>(34 381)</b>	<b>(47 684)</b>	<b>(Rnil)</b>	<b>(R77 058)</b>	

Actual capital expenditure for the year ended 30 June 2024 was R885 million (2022/23: R879 million) against an annual budget of R976 million (2022/23: R1.4 billion).

## CHAPTER 2: CORPORATE GOVERNANCE

### SECTION 1: CORPORATE GOVERNANCE STATEMENT

#### Governance Framework

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 entity further applies the governance principles contained in the Companies Act and the City's Governance framework. Monitoring of the adherence to the above-mentioned governance principles is done through the sub committees of the Board such as the Audit and Risk Committee (ARC)

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 exercised oversight to ensure that the JDA complied with the requirements of the Companies Act, the Municipal Systems Act, the MFMA and applicable king Code.

#### 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 portfolio, which exercises political oversight. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of departments/entities responsible for the city's spatial transformation and economic growth is integrated and coordinated. The Council's Section 79 Committee on Development Planning provides political oversight of the JDA's activities and functions.

The JDA's management is accountable for strategic and operational matters to the Board of Directors, which provides strategic direction and oversee its implementation. The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and engages with client departments at the design and construction stages of the assets.

#### Implementation of King Code of Corporate Governance

The JDA Board subscribes to principle 13 of King IV, which guides the Board on how it should govern its responsibilities towards compliance with applicable laws and identified non-binding rules, codes, and standards the organisation has adopted. This has resulted in the Board and management team being 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 ARC, which is responsible for monitoring compliance with the King Code.

The entity applies the governance principles contained in the King Code as far as it applies to it and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes, and procedures. 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. As highlighted above, the monitoring of the entity's compliance with the King Codes on Corporate Governance is part of the ARC mandate. 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 shareholder in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King Code Report on Corporate Governance for South Africa 2016 (King Code). 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.

Furthermore, the JDA incorporates the Environmental, Social and Governance (ESGs) in its day-to-day operations and future reporting.

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

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



## **Ethical Leadership**

The JDA Board provides leadership directed by respect for ethical beliefs and values and the dignity and rights of others. It provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness, and transparency, has been a defining characteristic of the entity since the company's establishment in 2001.

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

## **Corporate citizenship**

As an entity of a municipality, the JDA has social and moral obligations to the citizens. The Board is responsible for ensuring that the JDA protects, enhances, and invests in the economy, society and the natural environment, and pursues its activities within the limits of social, political and environmental responsibilities outlined 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. Through the ARC, the Board gives assurance that the entity complies with all applicable laws. A compliance assessment is undertaken on a quarterly bases by the Risk and Compliance department and results presented to the ARC.

## **Citizen Involvement in Plan-Making and Project Implementation**

As part of public participation and involvement, the JDA through the city processes ensures that the communities and individuals are involved in the preparation of plans and project implementation. The City has adopted Community based planning system to ensure that long- medium and short-term plans are informed by citizens needs

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 some ways, including key public meetings at the start of the process and 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 areas at the neighbourhood level. In many areas, these plans are initiated by the residents of a particular area. The planning department is investigating ways of helping people to pool their resources in communities to participate in preparing precinct plans.

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

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

### **1.1 . Board Of Directors**

The JDA adheres to the provision of its memorandum of incorporation (MOI) and the Group Governance Policy on the nomination, appointment, composition, and remuneration of the Board. The Directors are appointed through a resolution of the Annual General Meeting (AGM). The composition of the Board is informed by the experience, qualifications and skills mix required to pursue the entity's strategic direction. The JDA has a unitary board, which comprises both executive and non-executive directors. Together, the JDA directors have a range of different skills and experience that they bring to bear for the benefit of the entity. These include accounting, finance, legal, business management, human resources and labour relations, marketing, construction, and development management.

The 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.

**As at the Annual General Meeting held on 01 March 2023, the JDA Board of Directors consist of the following members:**

1. Ms Daliwe Oliphant (Chairperson)
2. Ms Mally Hilda Mokoena
3. Mr Mongezi Ntanga
4. Mr Bruce Sarela
5. Ms Morwesi Ramonyai
6. Ms Nandipha Zonela
7. Ms Pinkie Numa
8. Mr Vukile Hlongwa
9. Mr Makoko Makgonye
10. Mr Siyabonga Masiza
11. Mr Tshepo Nawane

Mr Themba Mathibe – Acting CEO effective 15 February 2024 to 30 May 2024 thereafter appointed CEO from 01 June 2024

Mr Siyabonga Genu - Acting Chief Executive Officer from 30 June 2023 to 14 February 2024

Mr Mokgema Mongane - Chief Executive Officer from 05 August 2022 to February 2024)

Mr Sinovuyo Mpakama appointed Chief Financial Officer effective 01 January 2024

Mr Sihle Mkhize was appointed acting Chief Financial Officer from 14 November 2022 to 30 June 2024.

The appointed Independent Audit and Risk Committee members are:

1. Mr Sivuyile Mndawe
2. Mr Patrick Lebopa

**TABLE 5: BOARD COMPOSITION**

Board member	Capacity: Executive/ Non-Executive	Race	Gender	Board Committee Membership
Ms. Daliwe Oliphant	Chairperson (Non-executive)	Black	Female	Development and Investment Committee
Mr. Makoko Makgonye	Non-executive	Black	Male	Development and Investment Committee
Ms. Morwesi Ramonyai	Non-executive	Black	Female	Social Ethics, Human Resources and Remuneration Committee and Development & Investment Committee
Mr. Mongezi Ntanga	Non-executive	Black	Male	Social Ethics, Human Resources and Remuneration Committee (Chair)
Ms. Nandipha Zonela	Non-executive	Black	Female	Development and Investment Committee (Chair)
Ms. Mally Mokoena	Non-executive	Black	Female	Social Ethics, Human Resources and Remuneration Committee (Chair)
Ms. Pinkie Numa	Non-executive	Black	Female	Development and Investment and Social Ethics, Human Resources and Remuneration Committee
Mr. Vukile Hlongwa	Non-executive	Black	Male	Audit and Risk Committee
Mr. Siyabonga Masiza	Non-executive	Black	Male	Audit and Risk Committee, and Social, Ethics, Human Resources, & remuneration Committee
Mr. Bruce Sarela	Non-executive	Black	Male	Audit and Risk Committee (chair)
Tshepo Nawane <b>Rotated from IAC to NED in November 2023</b>	Non-executive	Black	Male	Social, Ethics, Human Resources, & remuneration Committee

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

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





## 1.2. Board Committees

### Board Meeting Attendance

The Board and Board Committee sitting is guided by the Group Policy that was developed by the shareholder to guide the functions of the City entities Boards together with Board charters. The policy provides that the Board should have 4 ordinary meetings in a financial year and special meetings must be motivated. The table below presents attendance of meetings in the fourth quarter.

**TABLE 6: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (01 APRIL 2024 TO 30 JUNE 2024)**

Name	Board Meetings = Total of 3 Meetings				Audit & Risk Committee= Total of 2 Meetings				Social & Ethics/ HR & Remuneration Committee = Total Of 1				Development Committee = Total of 23			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Daliwe Oliphant (Chairperson)	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2	0	0
Bruce Sarela	3	2	1	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Makoko Makgonye	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2	0	0
Mongezi Ntanga	3	2	1	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Pinkie Numa Ceased to be a member of S, E, HR & REMCO from November 2023	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2	0	0
Morwesi Ramonyai	3	3	0	0	N/A	N/A	N/A	N/A	1	1	0	0	2	2	0	0
Siyabonga Masiza	3	2	1	0	2	2	0	0	1	1	0	0	N/A	N/A	N/A	N/A
Vukile Hlongwa	3	3	0	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nandipha Zonela	3	3	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	2	2	0	0
Mally Mokoena	3	3	0	0	N/A	N/A	N/A	0	4	4	0	N/A	N/A	N/A	N/A	N/A
Sivuyile Mndawe (IAC)	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
Tshepo Nawane (IAC)	3	3	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A

Rotated from IAC to NED in November 2023																
Patrick Lebopa (IAC)	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

ORCHARDS CLINIC

## Board Committees

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

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

Each committee composition is as follows:

**TABLE 7: COMPOSITION OF COMMITTEES AS AT 30 June 2024**

Composition	Mandate and Quarterly Activities
<b>Audit and Risk Committee</b>	
<p>The Audit and Risk Committee, which consists of three non-executive directors and three independent members, meet not less than four times a year. Most of these committee members are financially literate. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> <li>• Bruce Sarela (Chairperson)</li> <li>• Siyabonga Masiza</li> <li>• Vukile Hlongwa</li> <li>• Patrick Lebopha (Independent Audit Member)</li> <li>• Sivuyile Mndawe (Independent Audit Member)</li> </ul>	<p>The committee has specific responsibility for ensuring that all activities of the JDA are subject to independent and objective review and financial performance oversight. The Audit and Risk Committee has a Charter with clear terms of reference as guided by the provisions of Section 166 of the MFMA. The Committee has the following responsibilities:</p> <p>Reviewing JDA's internal controls, publishing financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosures to the Board.</p> <p>Reviewing reports from management, internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed.</p> <p>Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.</p>
<b>Social and Ethics / Human Resources and Remuneration Committee</b>	
<p>In line with the best practice of corporate governance, the Board maintains a Human Resources &amp; Remuneration Committee/Social &amp; Ethics Committee (HR &amp; REMCO/Social &amp; Ethics), comprising of 5 (five) non-executive directors and chaired by a non-executive director. It is responsible for directing human resources policies and strategies for the organisation and approving the remuneration for the Chief Executive Officer, senior executives and staff; the Committee is also responsible for acting as the social conscience of the business and ensuring that the company conducts itself as a</p>	<p>The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR &amp; Remuneration Committee/Social &amp; Ethics Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg following the provisions of Section 89(a) of the MFMA.</p>

Composition	Mandate and Quarterly Activities
<p>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"> <li>• Mally Mokoena (Chairperson)</li> <li>• Morwesi Ramonyai</li> <li>• Mongezi Ntanga</li> <li>• Pinkie Numa</li> <li>• Siyabonga Masiza</li> <li>• Mr Tshepo Nawane- <b>Rotated from IAC to NED in November 2023</b></li> </ul>	<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"> <li>• Nandipha Zonela (Chairperson)</li> <li>• Makoko Makgonye</li> <li>• Daliwe Oliphant</li> <li>• Morwesi Ramonyai</li> <li>• Pinkie Numa</li> </ul>	<p>The Committee is responsible for evaluating development proposals to make recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.</p>

### ***Duties of the Board***

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

- Providing effective, transparent, accountable, and coherent oversight of the JDA's affairs.
- Ensuring that the JDA complies with all applicable legislation, the service delivery agreement and the various shareholder policy directives issued by the City of Johannesburg from time to time.
- Dealing with the COJ in good faith and communicating openly and promptly on all pertinent matters requiring the attention of its shareholder.



- Determining and developing strategies that set out the organization's purpose and values in accordance with the shareholder mandate and strategic documents such as the integrated development plan.
- Reviewing and approving financial objectives, including significant capital allocations and expenditure as determined by the COJ.
- Considering and ensuring that the entity's size, diversity, and skills are sufficient to achieve its strategic objectives.

### **Board charter**

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

### **1.3. Directors And Prescribed Officers Remuneration**

The JDA remunerates the non-executive directors and independent audit committee members in accordance with the policy and in the amounts determined from time to time by the City of Johannesburg Metropolitan Municipality, acting in its capacity as the sole shareholder of the JDA. The foregoing position was reaffirmed by special resolution at the 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 8: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES AS AT 30 June 2024**

Name	Designation	Salar/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
<b>Executive Directors &amp; Senior Management -</b>							
M Mongane	CEO	R 2 015 465.20	R 83 972.17	R0	R0	R 385 648.00	R 2 485 085.37
T Mathibe	CEO	R 220 707,62	R 24 073,75	R 96 800.00	R0	R0	R 341 581.37
S Mpakama	CFO	R 937 209.38	R 102 172.79	R0	R0	R0	R 1 039 382.17
R Shirinda	Company Secretary	R 88 285, 54	R 6,774.64	R0	R0	R0	R 95 060,18
T Msane	Company Secretary	R 217 153.67	R 23 686.14	R0	R0	R0	R 240 839.81
O Nkoane	EM: Development Planning and Facilitation	R 2 057 028.64	R 133 773.61	R0	R 247 795,80	R0	R 2 438 598,05
S Genu	EM: Project Implementation	R 2 125 545.97	R 138 230.48	R 194 545.92	R0	R0	R 2 458 322,37
M Mazibuko	EM: Corporate Services	R 824 095.15	R 89 845.08	R0	R0	R0	R 913 940,23
T Maota	Chief Audit Executive	R 419 323.00	R 51 573.53	R0	R0	R0	R 470 896,53
<b>Sub-Total</b>		<b>R 8 904 814.17</b>	<b>R 654 102,19</b>	<b>R 291 345,92</b>	<b>R 247 795,80</b>	<b>R 385 648,00</b>	<b>R 10 483 706,10</b>
<b>Non-Executive Directors &amp; Independent Audit Committee Members</b>							
With effect from 1 July 2023 to 30 June 2024							
Ms Daliwe Oliphant	Board Chairperson	R250,000.00	N/A	N/A	N/A	N/A	R250,000.00
Ms Mally Mokoena	Board Member (SEHR Chair)	R260,000.00	N/A	N/A	N/A	N/A	R260,000.00
Mr Mongezi Ntanga	Board Member	R136,000.00	N/A	N/A	N/A	N/A	R136,000.00
Ms Morwesi Ramonyai	Board Member	R212,000.00	N/A	N/A	N/A	N/A	R212,000.00
Ms Nandipha Zonela	Board Member	R158,000.00	N/A	N/A	N/A	N/A	R158,000.00
Mr Bruce Sarela	Board Member	0.00	N/A	N/A	N/A	N/A	0.00
Ms Pinkie Numa	Board Member	0.00	N/A	N/A	N/A	N/A	0.00

Name	Designation	Salar/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Mr Vukile Hlongwa	Board Member	R184,000.00	N/A	N/A	N/A	N/A	R184,000.00
Mr Makoko Makgonye	Board Member	R172,000.00	N/A	N/A	N/A	N/A	R172,000.00
Mr Siyabonga Masiza	Board Member	0.00	N/A	N/A	N/A	N/A	0.00
Mr Tshepo Nawane NED from November 2023	Independent Audit & Risk member	R120,000.00	N/A	N/A	N/A	N/A	R120,000.00
Mr Sivuyile Mndawe	Independent Audit & Risk member	R56,000.00	N/A	N/A	N/A	N/A	R56,000.00
Mr Patrick Lebopa	Independent Audit & Risk member	R64,000.00	N/A	N/A	N/A	N/A	R64,000.00
<b>Sub total</b>		<b>R1 612 000.00</b>	N/A	N/A	N/A	N/A	<b>R1 612 000.00</b>
<b>TOTAL</b>		<b>R10 516 814,17</b>	<b>R 654 102,19</b>	<b>R 291 345,92</b>	<b>R 247 795,80</b>	<b>R 385 648,00</b>	<b>R12 095 706,1</b>

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

## **Loans and advances**

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

### **1.4. Company Secretarial Function**

The Company Secretary has a key role to play in ensuring that Board procedures are followed and regularly reviewed. The Chairperson and the Board consult with the Company Secretary for guidance on Board responsibilities, under the rules and regulations as well as how these responsibilities should be discharged. All Directors have access to the advice and services of the Company Secretary and recognise that the Chairperson is entitled to support from the Company Secretary in ensuring the effective functioning of the Board. The Board has empowered the Company Secretary with the responsibility of advising the Board, through the chairperson, on all governance matters, including the duties set out in section 88 of the Companies Act.

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

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



## SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

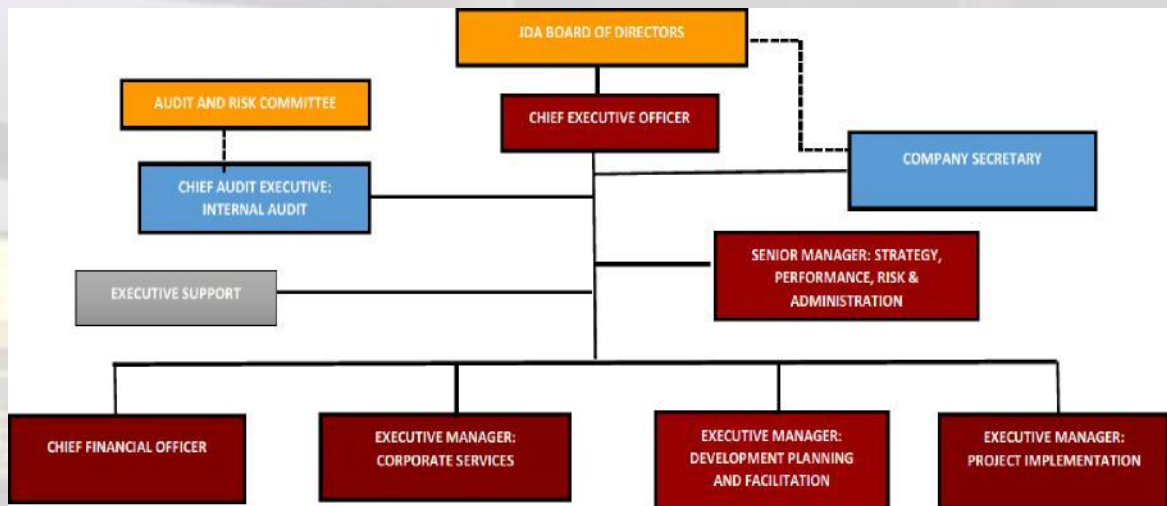


FIGURE 4: HIGH LEVEL ORGANISATION STRUCTURE

### SECTION 3: RISK MANAGEMENT

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

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

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

#### 3.1 Status on the Strategic Risk Management Mitigation Plans

There are twenty-four (24) committed strategic future mitigation plans accumulatively scheduled to be implemented in the 2023/24 financial year, all planned action plans were implemented. Table below depicts the overall achievement in the implementation of strategic risks mitigations for the 4th quarter.

**TABLE 9: OVERALL MITIGATION IMPLEMENTATION As at 30 June 2024**


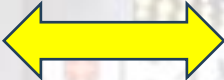

Key Performance Indicator	4th quarter - Target	4th quarter – Performance	Variance
Implementation of committed Strategic Action Plans.	100%	100%	0%

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


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




The reported strategic risks below triggers reporting for the attention of EXCO and ARC to intervene, treat and monitor these risks more closely to ensure achievement of expected performance.

The residual risk rating level of amber and above must be reported to EXCO and ARC to allow early intervention as per the adopted Risk Management Framework at the JDA.

Progressed	Stagnant	Regressed
		

**TABLE 10: RESIDUAL STRATEGIC RISKS TRIGGERED BY RISK TOLERANCE THRESHOLD**

No	Risk Name	RR-1 April 2024	RR-25 June 2024	RR -Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
1.	Poor project performance	16	16		Number of contractors put on terms/ terminated contractors	<p>There are three (3) contractors that are put on terms.</p> <ul style="list-style-type: none"> <li>• Temi Construction – Selby Depot 2C</li> <li>• Zookie Construction – Pennyville PEU</li> <li>• Molatebo Construction – Chris Hani MPC</li> </ul> <p>There is also one (1) contractor that was terminated.</p> <ul style="list-style-type: none"> <li>• Kgomphe Civils – Finetown</li> </ul>	Close monitoring of contractors put on terms.

No	Risk Name	RR-1April 2024	RR-25 June 2024	RR -Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
						The residual risk rating has stagnated.	
2.	No/insufficient working capital to finance the project (contractor)	12	12		Delay in payment of contractors/ Invoices paid outside 30 days.	<p>In quarter four, there were 82 invoices amounting to R58 125 555.15 paid outside the 30-day period. Management has indicated that the Col's cashflow issues have contributed to the delayed payment of invoices.</p> <p>The residual risk rating has been stagnated; management should monitor the risk closely.</p>	A circular was issued indicating new invoice processing that all invoices must be received in one central point. This process will assist in fast tracking invoices for payment.
6.	Inability to ensure financial sustainability	12	16		% of the budget was spent on city-wide infrastructure.	<p>There was 91% Capex budget spent against the 95% target. Therefore, the risk has regressed. Management should monitor the risk closely.</p>	Management will closely monitor the budget Capex and ensure invoices are paid on time
8.	Inadequate institutional governance.	8	8		<ul style="list-style-type: none"> <li>- Percentage resolution of Internal Audit findings.</li> <li>- Percentage resolution of Auditor General findings.</li> </ul>	<p>97% Internal Audit findings resolved as of 31 May 2024.</p> <p>97% Auditor General (AGSA) findings resolved.</p>	Management will monitor the Implementation of Action Plans and resolving Audit Findings.



No	Risk Name	RR- 1April 2024	RR- 25 June 2024	RR -Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
						The residual risk rating is stagnant. Management must ensure that strategic action plans are implemented, and audit findings are resolved timeously.	

Considering the information contained in the table above, there is a heightened level of concern regarding the risks that have triggered the risk tolerance. These risks, if not effectively managed to reduce the level of residual risk exposure to the JDA, threaten the achievement of key strategic objectives and the vision of JDA being perceived as the implementing agent of choice.

#### ***Corporate Ethics and Organizational Integrity***

##### ***Code of Conduct***

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

The Company, through its Social, Ethics & Human Resource Committee, addresses issues relating to the ethical conduct of the Company and its employees. It is a requirement for any Director and Executive Manager at any meeting of the Board of Directors, Board Sub Committees, and the Audit & Risk Committee to declare interest and sign a register to that effect. Should such a conflict exist, the Director or Executive Manager concerned will be recused from the proceedings. Furthermore, employees are requested to sign a declaration of interest on an annual basis to ensure issues of conflict of interest are addressed accordingly.

##### ***Declaration of interest***

Employees who participate in Supply Chain Management processes are required to disclose their interests in business enterprises that bid for the provision of goods/services at the JDA. The declarations are registered and filed for audit purposes. An undeclared conflict of interest will, when detected, lead to the

bid not being awarded to the enterprise in which an employee has interest and result in consequence management.

In terms of the Standard Bidding Documents (SBD) documents, bidders are required to submit a declaration whether their close family member/ partner/ associate are in the employ of the state. The conflict of interest thus disclosed will be kept in the register for audit purposes. If employees or their close family members/partners/associates of the bidder, director or shareholder have business interests in an enterprise that has submitted a bid to the JDA, the employee is required to disclose his/her interest and withdraw from participating in the process.

Non-adherence to the Conflict-of-Interest disclosure requirements will lead to irregular expenditure being incurred by the JDA. The irregular expenditure will then be reported to the Audit and Risk Committee, City of Johannesburg and Auditor General. Disciplinary measures will be instituted against employees who do not comply with the disclosure requirements.

#### **SECTION 4: ANTICORRUPTION AND FRAUD**

Annual Fraud Risk Awareness is conducted through risk assessment and awareness workshops which focuses on fraud risk, fraud prevention, detection, the right to remain anonymous, reporting procedure and the various platforms to which suspected fraud and corruption can be reported.

Fraud Prevention Awareness Programme also focuses on five strategic pillars {Detection, Prevention, Reporting, Investigation and Resolution} regarding fraud and corruption and other factors that propel individuals to fall prey to committing fraud and corruption.

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 fraud risk management documents are in place:

Fraud Risk Management Policies.

Fraud Prevention Strategy and Response Plan.

Whistle-Blowing Policy.

Code of Ethics Policy.

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. Fraud, Corruption and Maladministration allegations are investigated by the Group Forensics and Investigation Department as per memorandum signed by the City Manager on the 07 March 2017.

There is one (1) case reported in the 4th quarter of the 2023/24 financial year, as illustrated in the below table.

## REPORTED CASES

**TABLE 11: REPORTED CASES**

Year	Number of cases	Status	Comments
2024	4	<ul style="list-style-type: none"> <li>There is one (1) case reported in the 4<sup>th</sup> quarter.</li> <li>There are three (3) new cases reported in the 4th quarter.</li> </ul>	<ul style="list-style-type: none"> <li>Two cases are closed.</li> <li>Two cases are in progress.</li> </ul>
2022	2	<ul style="list-style-type: none"> <li>There are two (2) investigations that are currently in progress.</li> </ul>	<ul style="list-style-type: none"> <li>One case on advance payments is currently handed over to a third party to investigate. The other case is currently investigated by GFIS.</li> </ul>
2021	3	<ul style="list-style-type: none"> <li>There is 1 (one) case that does not appear on the GFIS system.</li> </ul>	<ul style="list-style-type: none"> <li>The matter was discussed with GFIS, continuous engagement with GFIS to identify where the discrepancies are.</li> </ul>
		<ul style="list-style-type: none"> <li>There are 2 (two) cases to be reopened for further investigation as JDA is of the view that the risk still exists.</li> </ul>	<ul style="list-style-type: none"> <li>The cases will be continuously monitored.</li> </ul>
2019	1	<ul style="list-style-type: none"> <li>There is one (1) case that does not appear on the GFIS system.</li> </ul>	<ul style="list-style-type: none"> <li>The matter was discussed with GFIS, continuous engagement with GFIS to identify where the discrepancies are.</li> </ul>

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

## SECTION 5: ICT GOVERNANCE

### 1 ANTI-VIRUS AND MALWARE

The JDA uses Bitdefender GravityZone Antimalware, which is currently installed on 93 Active JDA Physical Endpoints and 26 JDA Virtual machines.

### 1.1 Summary Statistics

In this quarter, the statistics were as follows.

- **BitDefender GravityZone Antimalware** has been installed on **93** Active JDA Physical Endpoints and **26** JDA Virtual Machines.
- The diagram on the previous page shows the **TOP 5** types of threats that were blocked by the Bitdefender GravityZone Antimalware during this reporting period, as well as the total managed endpoints and active endpoints.
- Out of the TOP 5 types of threats, Lateral Movement is the highest in this reporting period, followed by Virus, with **64** and **10** instances respectively.
- **BitDefender GravityZone Antimalware** has successfully blocked a total of **76** threats in this reporting period.
- **BitDefender GravityZone Antimalware** successfully identified and blocked Lateral Movement, Virus, Potentially Harmful Application and Phishing.

In terms of incidents, the following remediation actions were reported:

- 7 incidents were detected.
- The remediation Actions:
  1. Out of the 3 threats, **BitDefender GravityZone Antimalware** detected the following remediation actions were carried out:
  2. 86.84% Blocked
  3. 13.16% Deleted
  4. 0% Malicious processes killed
  5. 0% Moved to quarantine
  6. 0% Disinfected

### 1.2 MIMICAST EMAIL SECURITY

Mimecast is a secure email gateway that scans and protects JDA inbound and outbound emails before they reach the Microsoft platform.

A complex filter is built to detect non-business-related messages, which is mostly marketing related. In this period, there was a total of 112 malware detections on inbound emails and 0 malware detections on outbound emails. A total of 266 impersonations were detected and held.

### 1.3 PENETRATION TESTS

Penetration tests, represent a form of “ethical hacking”, which is a preventative measure which tests that the JDA ICT environment is protected against hackers. The Penetration test uses various tools to test if a hacker can successfully manage to access the JDA ICT internal environment. In this quarter, the overall outcome of the assessment reflects that the internal environment is secure. In the context of ICT, management understands that security requires



a continuous process of assessment, and remediation, and will therefore continue to monitor the environment until the next penetration test cycle.

#### 1.4 PATCH MANAGEMENT

Patch management is the process of applying updates to software, drivers, and firmware to protect against vulnerabilities. Effective patch management also helps ensure the best operating performance of systems, boosting productivity. In this quarter, Microsoft released the highest number of patches to resolve vulnerabilities within the windows OS environments across all hardware platforms as follows

- April- 213
- May-645
- June-122

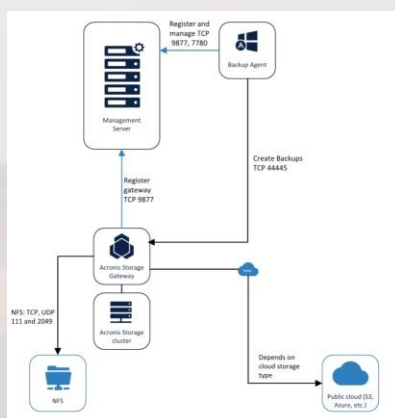
A total of 236 patches relevant to the JDA server and laptop OS environment were successfully tested and deployed.

## 2. INFRASTRUCTURE MANAGEMENT

### 2.1 CLOUD BACKUP AND DR

The JDA uses a cloud backup and DR Solution.(as per illustration below) The executive summary for this quarter reflects that 100% data was backed up for all servers and user data. The data was replicated in full to the azure cloud environment .The JDA cloud backup architecture, as well as backup statistics are illustrated below ;

#### JDA Cloud Backup Architecture



#### Critical Server Backup status-SAP

It is important in line with the JDA ICT risk register that there is close backup up management of the JDA's critical servers . Sap has 3 critical servers ,A development server , Quality Assurance server , as well as a Production (live) server .As at 28 June 2024, the status report shows that all 3 critical SAP servers were 100% backed up and replicated to the cloud DR environment.

#### **Critical Server Backup Status -Great Plains Financial system**

The other critical server is the Great Plains Financial management system server . As at 28 June 2024, the backup status report, shows that there was a 100% successful backup and replication to the cloud DR environment , of the of the Great Plains server

### **3. NETWORK PERFORMANCE**

The performance of the network in this context refers to uptime of internet and allied services. The JDA outsources these services to an appointed ISP.ISPs typically guarantee 99,9% uptime and setup a tight support system to maintain this standard. This is the KPI value that has been set for network performance.

In this quarter , City Power announced load reduction in Newtown . This meant that not only was there no electricity at JDA but more importantly the network towers for MTN to which both the main link and backup link terminate were also down. This brought the average performance of the network from 100% to 77%.

The services have since been restored . MTN have responded that they have been experiencing theft of their backup equipment in Newtown and Johannesburg central , despite frequent replacement .

### **4.SERVER PERFORMANCE MANAGEMENT**

An assessment of virtual server environment in this quarter shows that there is adequate capacity to support the virtual server ecosystem. The report shows that there is still adequate memory and CPU capacity in physical server host to successfully run all 26 virtual servers . There were no hardware failures reported on the two server hosts in this quarter

### **5.INCIDENT MANAGEMENT**

The JDA helpdesk provides a platform for business users to report /log ICT related issues and for the tracking of the resolution of these issues. All (100%) issues reported in this quarter were resolved

### **6.ICT PROJECTS**

ICT projects are a direct response from the requirements of the JDA Business community. In this quarter, a number of significant projects were undertaken in response to JDA business requirements as follows.

**Table 12 ICT Projects**

Project	Business Value proposition	High level status
SAP FI Module implementation	Enhancement of financial transaction controls through total integration of transactions from input, processing to output in one enterprise resource planning system.	<p>The roll-over to Live SAP FI will commence on 1 July 2024 as follows;</p> <p><b>High level Milestone Summary</b></p> <ul style="list-style-type: none"> <li>• Period end procedures run on GP for accounts payable, accounts receivable, cashbook and general ledger, assets . - 28/6-30/6</li> <li>• Closure of all GP sub modules -30 June 2024</li> <li>• Server decommissioning-30 June 2024</li> <li>• Block system processing functions and access to Accounts payable and Accounts receivable modules from 30 June 2024</li> <li>• 1 July -New Financial processes on SAP - 1 July 2024(loading of new projects , loading of budgets ,opening balances on submodules</li> </ul>
Service provider satisfaction survey	Assessment tool whose outcome aims to foster an improvement of stakeholder relations between the JDA and its service provider community so that there is a stable enabling environment for projects to be implemented successfully with minimal or no stoppages	Complete
Client satisfaction survey	An assessment tool whose outcome aims to foster an improvement in stakeholder relations between the JDA and the clients on whose behalf the JDA is implementing projects. This should ultimately result in client departments settling long outstanding debt which will improve the JDA's revenue inflows.	Complete

## 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 identified as Core/Primary.

21 as Topical/Secondary; and

2 as Pertinent/Tertiary.

In the 4th quarter, URR reflects a total of 41 Legislations/Regulations with a corresponding 302 regulatory compliance obligations identified, of which 4 are reported as non-compliant and details of such are captured on table below:

**TABLE 13: OVERALL URR COMPLIANCE STATUS:**

**Overall URR Compliance Status:**

Description	# of Obligations	Compliance %
Compliant	298	98.67%
Non-compliant	4	1.33%
Total	302	100%

**TABLE 14: 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)(b)	<p>The National Archivist shall -</p> <ul style="list-style-type: none"> <li>i. determine records classification systems to be applied by governmental bodies.</li> <li>i. determine the conditions subject to which records may be microfilmed or electronically reproduced; and</li> </ul>	<p>Records Management Matrix and plan are in draft to be submitted in the next EXCO in June 2024 for approval.</p> <p>JDA has also implemented the electronical filing through SharePoint</p>



Legislation	Relevant Section	Non-Compliance Finding	Committed Action Plan/Status
		i. determine the conditions subject to which electronic records systems should be managed.	for each business unit for ease of access in line with the file plan.
Municipal Finance Management Act, No. 56 of 2004.	Section 99(2)(b)	Service Providers must be paid within 30 days.	The delayed payments were because of COJ's cashflow issues. A circular was issued indicating new invoice processing that all invoices must be received in one central point. This process will assist in fast tracking invoices for payment.
Employment Equity Act 1998 (Act no 5 of 1998)	Chapter 3, Section 25 Subsection 1 to 3	2 A designated employer must in each of its workplaces, place in prominent places that are accessible to all employees a. the most recent report submitted by that employer to the Director General	Displace the EE report in common areas.
Occupational Health and Safety Act as Amended no.181. of 1993	7 (1)(a) & (b)	-(a) any employer in writing and (b) any category by notice in the Gazette, to prepare a written policy concerning the protection of the health and safety of his employees at work including a description of his organization and the arrangement for carrying out that policy - An employer shall prominently display a copy of the policy referred to in subsection (1) signed by the chief executive officer, in the workplace where the employee normally reports for service	The OHS policy was approved by the Board and the signed copy will be displayed in all common areas before the end of June.

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

**TABLE 15: UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Unauthorized Expenditure	None

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Fruitless and Wasteful Expenditure	None
Irregular Expenditure.	None
Failure to pay Service Providers within 30 days.	<p>In quarter four, there were 623 invoices paid amounting to R332 736 583,77. However of the 623 invoices paid, 13% (82 invoices) were paid outside the 30-day period.</p> <p>Management has indicated that the CoJ's cashflow issues have contributed to the delayed payment of invoices.</p> <p>A circular was issued indicating new invoice processing that all invoices must be received in one central point. This process will assist in fast tracking invoices for payment.</p>

## SECTION 8: SUSTAINABILITY REPORT

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

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

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

### ***Environmental Impact***

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

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

Four major outcomes define the Joburg 2040 GDS:

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

Outcome 2 highlights the need for "Sustainable human settlements". The COJ plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (for example, housing, eco-mobility, energy, water,

waste, sanitation, and ICT) to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives. The two JDA programmes are a direct response to Outcome 2.

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

## SECTION 9: CORPORATE SOCIAL RESPONSIBILITY (CSR)

The status remains for CSI project that is due to budget, there will be movement in terms of activity in the identified three projects for CSR purposes in the financial year. The progress report will be submitted in the 4th term. The following are projects identified.

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

Budget adjustments were approved and will assist in ensuring that the CSI projects take off.



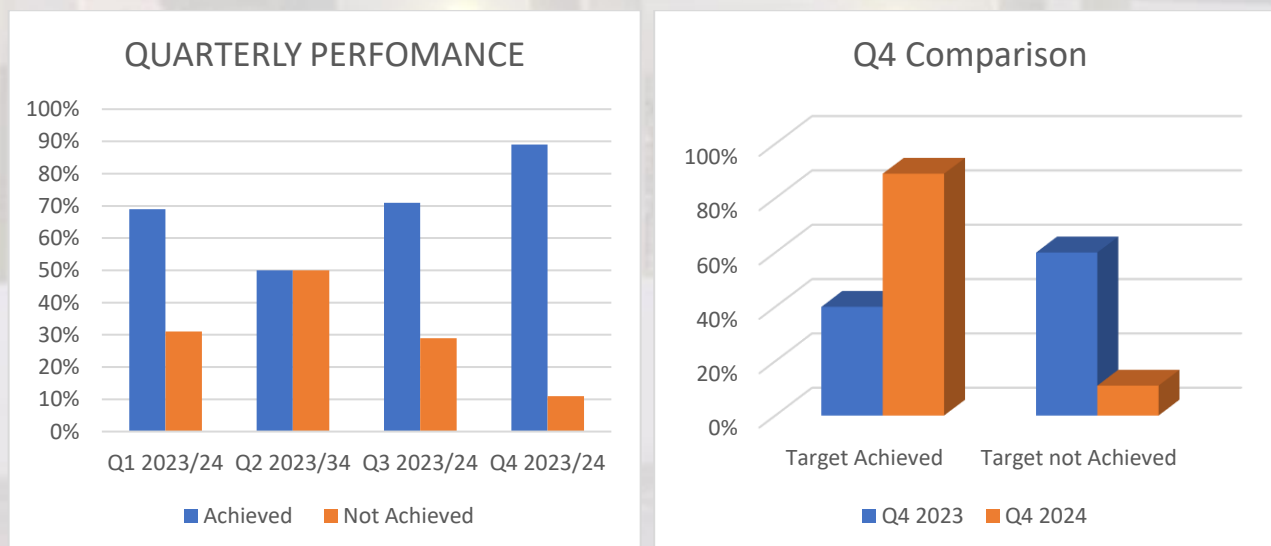
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The JDA complied with the provision of the MFMA and ensured that the entity has a business plan which is approved by Council beginning of the 2023/24 FY. The plan has a scorecard with nineteen (19) key Performance indicators and targets for the entire FY, broken down into quarters.

In quarter four, all the KPIs are due for reporting including those that have annual target. The report reflects performance against all 19 KPIs that are in the scorecard

The graph below presents the results of the fourth quarter of the FY in comparison with the previous quarter's performance. The entity has recorded 17/19 (89%) targets achieved and 2/19 (11%) not achieved by end of Q4. In comparison with the same period in the previous financial year, the entity's performance has shown significant improvement. The entity has recorded an increase of more than 100% in Q4 when compared to the same period in the previous FY. The improvement in performance is attributed to, amongst other, leadership stability.

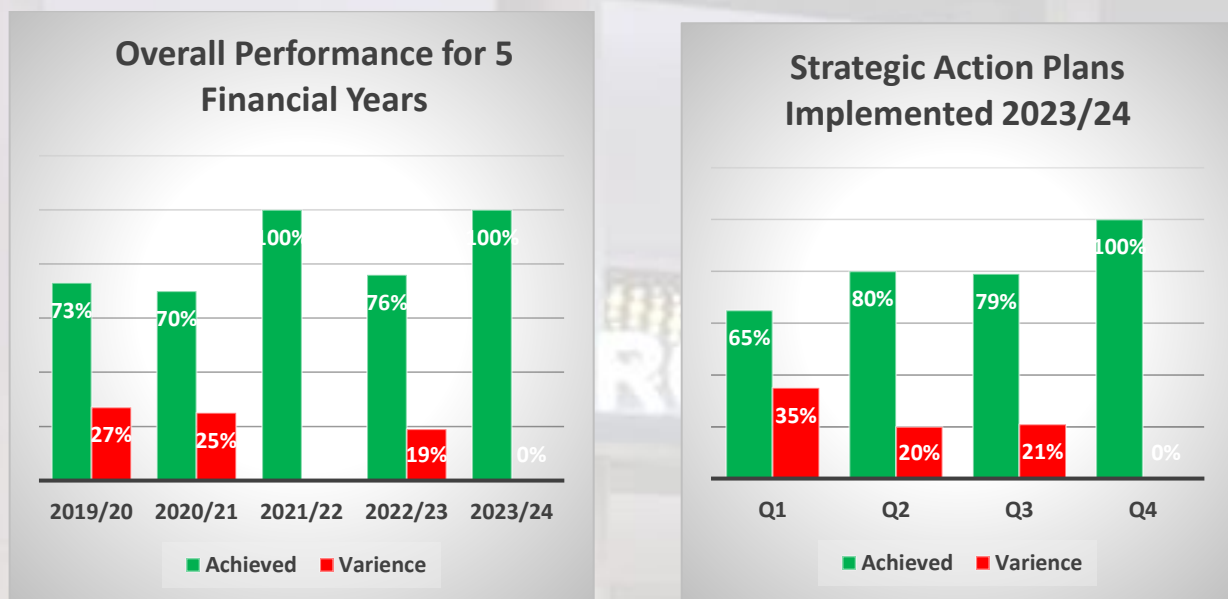


**FIGURE 5: JDA PERFORMANCE**

The JDA's Programme Performance Information Policy and Reporting Framework was reviewed in the last quarter of the previous FY to align it with the City's threshold for recording performance achieved at 85%. The policy covers the procedures and content in the JDA's programme performance information management system. This includes for example, the definition of key performance areas, indicators and targets in the business planning process and the articulation of the link between programme objectives and results and the performance indicators and targets. The policy is supported by a programme performance

reporting framework based on a comprehensive scorecard. This scorecard lists all the output and outcome performance measures that the JDA should collect data on for a range of timeframes (quarterly, annually, or periodically). From this reporting framework, the annual scorecard is developed, and the performance targets are set. The JDA policy and reporting framework only defines a target as achieved with 85–100% rating, a target as partially achieved with a 75–84% rating and a target not achieved with anything less than a 74% rating.

#### OVERALL PERFORMANCE OF THE RISK STRATEGIC ACTION PLANS



The above graph shows, the overall performance of the committed Risk Strategic Action Plans for five (5) consecutive financial years. It also shows quarterly performance for 2023/24 financial year. During the year 2021/22 and current financial year 2023/24 JDA has achieved 100%.

**TABLE 16: SUMMARY OF KPI PERFORMANCE**

City Priorities	JDA Programmes	No of KPI's	KPI Number	Target Achieved		Target not Achieved	
				Count	%	Count	%
Infrastructure Development and Refurbishment.	Accelerated Public infrastructure Delivery Programme	9	(1-2-3-4- 9)	9	100%	-	-
	Strategic Economic Node Delivery Programme						
Good Governance	Good Governance, Management and Administration	2	(10-11)	2	100%	-	-
Financial Sustainability	Good Governance, Management and Administration	3	(12-13-14)	1	33%	2	67%
Job opportunity and creation and sustained economic growth	Economic Empowerment	4	(15-16-17-18)	4	100%	-	-
Strategic priority: Day-to-day Job opportunity and creation and Economic Development Growth	Other IDP or Day-to Day programs	1	19	1	100%	-	-
		19	(1-19)	17	89%	2	11%

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

The service delivery challenges that were experienced by the JDA during the 3rd quarter of 2023/24 persisted and were also encountered in the 4th Quarter.

The City's cash flow challenges became worse in the 4th Quarter, for instance for half of the Quarter, there was no cash flow allocation received from the City.

As a result, there has been delayed payment of invoices that has affected progress on projects which therefore affected the Service Provider's ability to properly financially resource the JDA projects.

Several Contractors have suspended sites because the Contractors have not been paid for almost two (2) months resulting a projects being on-hold

### **Measures to address cash flow and service delivery challenges**

To address the challenges are non-allocation of cashflows from the City, Group Treasury must ensure that it adheres to the allocation framework which requires that grant-funded projects be prioritized.

A significant portion of projects implemented by JDA are grant-funded, as such the entity should not be so severely impacted by low cash allocations.

JDA and Group Treasury must revisit the cash allocation model in place with the intention of making sure that it is applied as required and that grant-funded projects are prioritized.

Further challenge from a service delivery perspective is the slow rate of resolution of outstanding debtors by client departments, which results in a growing negative sweeping balance for the JDA, which in turn results in a growing interest cost bill, further putting strain on the financial sustainability of the entity.

To respond to this issue, JDA has been holding regular meetings with client departments to resolve long-outstanding debtors, which will lead to the negative sweeping balance being reduced.

The conveyor belt approach has been re-introduced with Transport department to reduce the risk of unpaid invoices.

Going forward, no projects will be implemented without valid SLAs to avoid challenges when it is time to process claims.

A request will be made to Group Treasury to freeze interest for a period of 120 days on the sweeping balance to allow for claims to be processed.

Collection of receivables will be a performance target for Finance and Project Implementation team.

Effort will be placed on sourcing business outside the City to improve revenue and reduce the losses



### SECTION 3: RESPONSE TO STRATEGIC DIRECTION

The City of Johannesburg has reviewed its priorities post the change of government early 2023 from the Multiparty Government to the Government of Local Unity (GLU). The entity has aligned its objectives with the strategic priorities that came with the new government as reflected in the table below:

**TABLE 17: JDA RESPONSE TO CITY STRATEGIC DIRECTION**

GDS Outcomes	GDS Output	Strategic Priorities	JDA Objectives	JDA Programme	Outcome
1. Improved quality of life and development-driven resilience for all.	1. Reduce poverty and increase productivity 2. Food security that is both improved and safeguarded 3. Access to knowledge and lifelong learning 4. A society characterised by healthy living for all 5. A safe and secure city 6. A city characterised by social inclusivity and enhanced social cohesion	Safer City  Sustainable Economic Growth	To support the growth and development of strategic nodes into high quality, investor friendly and sustainable urban environment	1. Strategic Economic Node Delivery Programme  2. Economic Empowerment Programme.	The growth and development of strategic economic nodes into high-quality, investor friendly and sustainable urban environments.  Efficient delivery infrastructure that produces a socio-economic return.
2. Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	1. Sustainable and integrated delivery of water 2. Sustainable and integrated delivery of sanitation 3. Sustainable and integrated delivery of energy 4. Sustainable and integrated delivery of waste 5. Improved eco-mobility Sustainable human settlements 6. Climate change resilience and environmental protection	Sustainable service delivery  Energy mix  Infrastructure development and refurbishment	To efficiently, effectively and economically deliver sustainable social and economic infrastructure projects	1. Accelerated infrastructure Delivery Programme	Efficient delivery infrastructure that produces a socio-economic return.
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens	1. Job-intensive economic growth 2. Promotion and support to informal and micro businesses 3. Increased competitiveness of the economy	Sustainable Economic Growth  Job opportunity and creation  Green Economy.	To promote economic empowerment and transformation through the structuring and	1. Economic Empowerment Programme.  2. Good Governance,	The growth and development of strategic economic nodes into high-quality, investor friendly and sustainable urban environments.

GDS Outcomes	GDS Output	Strategic Priorities	JDA Objectives	JDA Programme	Outcome
	4. A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross cutting output).	Smart city	procurement of the JDA developments	Management and Administration Programme	
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	1. Partnerships, intergovernmental & international relations 2. A responsive, accountable, efficient and productive metropolitan government 3. Financially sustainable and resilient city 4. Meaningful citizen participation and empowerment 5. Guaranteed customer and citizen care and service	Active and engaged citizenry. Good governance. Financial sustainability.	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, self-sustained and well-governed organization.	1. Good Governance, Management and Administration Programme	A financially viable, effective and well-governed development agency.

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 18: SUMMARY OF JDA PROGRAMMES**

JDA Substantive Program	JDA Sub-Program	Purpose
1. Strategic Economic Node Delivery Program	1A: Inner-city transformation Sub- Program	Guided by the Mayoral Priority on the Inner City and the Inner-City Roadmap the JDA will focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner-city precincts, address movement challenges, and improve the quality of the built environment across the inner city. The activities include managing the development of the Johannesburg inner city through capital investments in selected precincts, by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.
	1B: Economic Node Sub-Program	The objective is to develop nodes that are compact, walkable, live able, mixed-use, and mixed-income areas and centres around which to densify. They should be areas where people can live, work, and play and have good access to public transit. Guided by the COJ policy <sup>3</sup> on the categorizing of the current city nodes with prospects for growth, the work of the program is to promote densification, diversification, and development in these nodes.  The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighbourhood nodes.

2. Accelerated Public infrastructure Delivery Programme	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 the 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 period ended 30 June 2024 was 885 million against the annual budget of R976 million. This represents 95% of the overall annual budget spent by end of the fourth quarter. There are still various factors that continue to affect projects expenditure including poor contractor performance.



**TABLE 19: CAPITAL EXPENDITURE AS AT END OF JUNE 2024**

Programme	2023/24 Annual Budget	Target YTD	Actual YTD	Target %	% Actual /annual budget
	R' 000	R' 000	R'000	%	%
Capex for 2023/24 FY	976 498 925	927 673 979	885 100 577	95%	91%
<b>Total</b>	<b>976 498 925</b>	<b>927 673 979</b>	<b>885 100 577</b>	<b>95%</b>	<b>91%</b>

**SECTION 6: ORGANISATIONAL PERFORMANCE**

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

The below legend represents the rating in the scorecard. Performance per programme and per KPA are summarized in the table below:

## KPI ACHIEVEMENT RATINGS












Achievement	Rating
	Target achieved
	Target not achieved

TABLE 20: JDA CORPORATE SCORECARD

<b>OUTCOME:</b> Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy									
<b>STRATEGIC PRIORITY:</b> Infrastructure Development and Refurbishment									
<b>JDA STRATEGIC PROGRAMME:</b> Accelerated Public infrastructure Delivery Programme/ Strategic Economic Node Delivery Programme									
KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q4 Target	2023/24 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2024	Variations and steps to be taken to improve performance.
1.	Number of pre-feasibility studies conducted. <sup>4</sup>	6	3 Pre-feasibility studies conducted	3	3	0		The following prefeasibility studies were concluded: -Deep South Data Collection -Community Based Planning -City and Suburban	
2.	Number of feasibility studies conducted.	New KPI	3 feasibility studies conducted	1	1	0		The following Feasibilities were concluded -Integrated Spatial Portal	
3.	Number of urban development framework completed.	2	2 UDF Completed	1	1	0		One UDF was completed Main -Reef Strip Roodepoort	



4.	Number of projects at the concept design phase.	25	6 Concept Design	2	2	0		Following concept designs were concluded -Mayfair Public Environment Upgrade -Hillbrow Health Precinct	
5.	Number of projects in detailed design phase.	New KPI	1 Project	1	1	0		Phefeni detailed design was completed	
6.	Number of projects reaching contract award stage.	12	6 Projects	2	2	0		Two Projects reached contract stage -Edith Cavell -Katherine Street	
7.	Number of projects reaching practical completion stage.	2	6 Projects at practical completion	4	4	0		The following projects reached practical completion: -Environment upgrade phase 1 -Melville Activity Street Public Environment Upgrade Phase 1 -Innecity Core PEU- Goud Street  Lakeside Gravel Road Upgrade Phase 1 reached practical completion before time	

8.	Number of precinct management implementation plans.	0	4 plans	4	4	0		The following precinct management implementation plans: -Chris Hani Sports Complex -High Court Precinct - Mayfair Public Environment Upgrade - Innercity Walkable Network	
9.	Number of JDA Communication and Media related Initiatives.	363	280	70	139	69		Target Achieved	

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

**STRATEGIC PRIORITY:** Good Governance

**JDA STRATEGIC PROGRAMME:** Good Governance, Management and Administration




KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q4 Target	2023/24 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2024	Variations and steps to be taken to improve performance
10.	Percentage resolution of Internal Audit findings.	91%	95%	95%	97%	2%		Target Achieved	
11.	Percentage resolution of Auditor General findings.	88%	95%	95%	98%	3%		Target Achieved	



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

**STRATEGIC PRIORITY:** Financial sustainability





**STRATEGIC PROGRAMME:** Good Governance, Management and Administration

KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q4 Target	2023/24 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2024	Variations and steps to be taken to improve performance
12.	Percentage of budget spent on city- wide infrastructure.	76%	95%(Cumulative)	95%	91%	4%-		The overall performance of the capex projects has been affected by the delays in paying service providers on time due to the City' cashflow issues.	The entity will continuously engagement the City regarding the improvement of adequate allocation.
13.	Percentage of valid invoices paid within 30 days of the invoice date.	75%	100%	100%	83%	17%		The target was not achieved due to cashflow allocations from COJ Treasury being insufficient to cover JDA needs.	The target will be achieved if the JDA can diversify its revenues and have a separate bank account. Ring-fencing of funds for grant-funded projects.
14.	Percentage of spent on repairs and maintenance to property, plant and equipment.	New	5%	5%	5%	0			


**OUTCOME:** An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens

**STRATEGIC PRIORITIES:** Job opportunity and creation and sustained economic growth

**JDA STRATEGIC PROGRAMME:** Economic Empowerment

KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q4 Target	2023/24 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2024	Variations and steps to be taken to improve performance
15.	Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total.	109%	100%	100%	107%	7%			
16.	Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	368	300	300	534	234			
17.	Percentage of SMME expenditure as a share of total expenditure.	48%	30%	30%	37%	7%			
18.	Percentage spends on JDA operating Expenditure against approved operating budget.	101%	95%	95%	140%	45%			

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

STRATEGIC PRIORITIES: Job opportunity and creation and Economic Development									
KPI	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q4 Target	2023/24 Q4 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 June 2024	Variations and steps to be taken to improve performance.
19	Percentage implementation of the strategic risk management action plan findings resolved.	95%	100%	100%	100%	-			

## 6.2. Economic Development

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

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

### EPWP PERFORMANCE

The SA government describe the EPWP Programme as one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The JDA has an annual target of 300 jobs to be created through this programme. The EPWP job opportunities range from skilled work to manual labour (depending on the type of projects) and the existing skills in the community. The JDA has performed way above the target where 534 jobs were created by the end of June 2024

### SMME PERFORMANCE

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 % of expenditure paid to SMME companies as a % of total expenditure (Opex and Capex) for the period under review.

### 1 July 2023 to 30 June 2024

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period **1 July 2023 to 30 June 2024**, the SMME share of JDA's total expenditure was **R284 680 744.70**. This constitutes an achievement **37%**.

**TABLE 43: THE SMME EXPENDITURE FROM 1 JULY 2023 TO 30 JUNE 2024**

Description	1 July 2023 to 30 June 2024		
	Total Expenditure	SMME Claimed	SMME %
Capex	R726 809 743.60	R265 536 053.80	37%
Opex	R50 412 843,94	R19 144 690.93	38%
Consolidated Opex and Capex	R777 222 587.54	R284 680 744.70	37%

### 6.3. Good Governance, Management and Administration

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

## CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

The nature of the human capital function within the JDA is broadly encapsulated in the HR legislative framework. The framework plays an important role in governing the HR processes towards creating, developing and supporting a collaborative culture in the workplace. Furthermore, the human resource department takes care of the employees in terms of recognition, benefits, and many other aspects. To this extent, the Employment Policy emphasizes that its employment practices and remuneration policies motivate and retain talented employees and create an attractive work environment.

### HR priorities for the year under review and the impact of these priorities

Human Resources Management is a management function concerned with hiring, training, motivating, developing and maintaining workforce within JDA. Human Resource Management further ensures the satisfaction of its employees to get maximum contribution of employees for the achievement of JDA's objectives, it is for this reason that the entity is undergoing a Change Management process which includes a Climate and Organisational Culture survey being conducted. JDA is in hyper-growth mode, almost all of its executive management positions are filled, the organisation has the necessary talent and skills necessary to cultivate a culture of high performance. In an attempt to address organizational performance, the CEO is currently working on resolving Labour Relations matters and impressing on adherence/compliance to the Performance Management System which has a direct implication to the organizational performance.

Eleven (11) Corporate Services Policies and three (3) Terms of References were reviewed. HRM held policy workshop with Organized Labour and Management and staff meetings will be scheduled to workshop employees on all revised and newly approved policies. More policies will be reviewed in the new financial year.

Employee performance management system has been put in place to ensure that the organizational objectives are cascaded down and aligned with individual performance contract. The performance management process is embedded on the following principles:

- Performance management is consistently applied across the JDA to ensure effective alignment of strategic objectives and individual outputs;
- Performance objectives are based on a scorecard of metrics featuring both financial and non-financial indicators, which are aligned with the JDA's strategic imperatives, and
- Performance management is an ongoing process rather than an event.

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

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

This section provides the total employee remuneration of all employees that were in the JDA's employment during quarter four (4) (including the Executive members).

The Total Remuneration Costs for the period ending 30 June 2024 amount to R 89 376 753.28. This figure is inclusive of the Pension Fund, the JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 30 June 2024 amount to R 1 816 560.29.

## SECTION 2: EMPLOYMENT AND KEY VACANCIES

**TABLE 22: VACANCY PROGRESS AS AT 30 June 2024**

Vacancies	Progress
Senior Manager: Internal Audit	On hold due to Budget
Senior Project Manager	Offer extended to successful candidate
Senior Manager : Information, Communication & Infrastructure Management	On hold
Senior Manager: Development Planning & Facilitation	On hold due to Budget
Project Manager x 3	Recruitment Stage
Human Capital Business Partner	On hold
Specialist: Strategy, Performance and Monitoring	Recruitment Stage
Executive Support Finance	Recruitment Stage
Payroll Specialist	Shortlisting Stage

## SECTION 3: EMPLOYMENT EQUITY

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

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

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

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

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

**TABLE 23: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW**

Occupational Levels											Total
	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Executive Management	4	0	0	0	1	0	0	0	0	0	5
Senior Management	5	0	0	0	7	0	0	0	0	0	12
Professionally qualified and experienced specialists and mid-management	12	0	0	0	21	1	0	0	0	1	35
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7	0	0	0	13	0	1	0	0	0	21
Semi-skilled and discretionary decision making	3	0	0	0	7	0	0	0	0	0	10
Unskilled and defined decision making	2	0	0	0	3	0	0	0	0	0	5
TOTAL PERMANENT	34	0	0	0	52	1	1	0	0	1	89



Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	34	0	0	0	52	1	1	0	0	1	89

## 5. EE PERFORMANCE

The EE performance against targets for the 4<sup>th</sup> Quarter are summarized as follows.

The JDA targets and achievements for period under review:

- 96,6 % of its employees are Black African.
- 61,8 % of its staff members are Female.
- 44% of Executive and Senior Management positions are held by black women.
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improving the percentage representation of people from designated groups across all occupational categories.

**Table 24: EE PERFORMANCE AGAINST THE TARGET**

City Targets (JDA)		JDA Achievements
Black African employees	80.9%	96,5%
Senior Management Female	35.9%	44%
Disability	2%	1%

**TABLE 25: WORKFORCE PROFILE IN TERMS OF AGE, RACE, GENDER AND FOREIGN NATIONAL STATUS AS AT 30 JUNE 2024**

Occupational Level  (Below EAP row)	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
Top Management	18-34	1	0	0	0	0	0	0	0	0	0	1
(Level 1-2)	>35	4	0	0	0	1	0	0	0	0	0	5
	Total	5	0	0	0	1	0	0	0	0	0	6
Senior Management	18-34	0	0	0	0	0	0	0	0	0	0	0
(Level 3-4)	>35	5	0	0	0	7	0	0	0	0	0	12
	Total	5	0	0	0	7	0	0	0	0	0	12
Professional Qualified	18-34	4	0	0	0	5	0	0	0	0	0	9
(Level 5-6)	>35	8	0	0	0	16	1	0	0	0	1	26
	Total	12	0	0	0	21	1	0	0	0	1	35
Skilled Technical	18-34	3	0	0	0	3	0	0	0	0	0	7
(Level 7-8)	>35	4	0	0	0	10	0	1	0	0	0	14
	Total	7	0	0	0	13	0	1	0	0	0	21
Semi-Skilled	18-34	1	0	0	0	2	0	0	0	0	0	3
(Level 9-10)	>35	2	0	0	0	5	0	0	0	0	0	7
	Total	3	0	0	0	7	0	0	0	0	0	10
Unskilled	18-34	1	0	0	0	0	0	0	0	0	0	1
(Level 11)	>35	1	0	0	0	3	0	0	0	0	0	4
	Total	2	0	0	0	3	0	0	0	0	0	5
Temporary	18-34	0	0	0	0	0	0	0	0	0	0	0
	>35	0	0	0	0	0	0	0	0	0	0	0
	Total	34	0	0	0	52	1	1	0	0	1	89

TABLE 26: PERCENTAGE STANDING ON RACE AND GENDER

Occupational Level	Age Group	Male				Female				Foreigner		Total
(Below EAP row)		A	C	I	W	A	C	I	W	M	F	
Top Management	18-34	1,1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1,1%
(Level 1-2)	>35	4,5%	0%	0%	0%	1,1%	0%	0%	0%	0%	0%	5,6%
	Total	5,6%	0%	0%	0%	1,1%	0%	0%	0%	0%	0%	6,7%
Senior Management	18-34	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
(Level 3-4)	>35	5,6%	0%	0%	0%	7,9%	0%	0%	0%	0%	0%	13,5%
	Total	5,6%	0%	0%	0%	7,9%	0%	0%	0%	0%	0%	13,5%
Professional Qualified	18-34	4,5%	0%	0%	0%	5,6%	0%	0%	0%	0%	0%	10,1%
(Level 5-6)	>35	9%	0%	0%	0%	18%	1,1%	0%	0%	0%	1,1%	29,2%
	Total	13,5%	0%	0%	0%	23,6%	1,1%	0%	0%	0%	1,1%	39,3%
Skilled Technical	18-34	3,4%	0%	0%	0%	3,4%	0%	0%	0%	0%	0%	6,8%
(Level 7-8)	>35	4,5%	0%	0%	0%	11,2%	0%	1,1%	0%	0%	0%	16,8%
	Total	7,9%	0%	0%	0%	14,6%	0%	1,1%	0%	0%	0%	23,6%
Semi-Skilled	18-34	1,1%	0%	0%	0%	2,3%	0%	0%	0%	0%	0%	3,4%
(Level 9-10)	>35	2,3%	0%	0%	0%	5,6%	0%	0%	0%	0%	0%	7,9%
	Total	3,4%	0%	0%	0%	7,9%	0%	0%	0%	0%	0%	11,3%
Unskilled	18-34	1,1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1,1%
(Level 11)	>35	1,1%	0%	0%	0%	3,4%	0%	0%	0%	0%	0%	4,5%
	Total	2,2%	0%	0%	0%	3,4%	0%	0%	0%	0%	0%	5,6%
Temporary	18-34	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	>35	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

## SECTION 4: SKILLS DEVELOPMENT AND TRAINING

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

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

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

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

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

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

A budget of R 645 000 has been allocated for training and development for the 2023/2024 financial year. The actual expenditure incurred during this quarter stands at R 219 967,00 , the training spend was delayed by SAP SCM errors and cash flow during the last quarter of the financial year. R 450 000 of the training budget will be spent on Climate survey and Change Management Training. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

### TABLE 27: SKILLS DEVELOPMENT AND TRAINING



Occupational category	Number of employees	Training provided within the reporting period		
		Professional Memberships	Short Courses/Seminars	Bursaries
Top Management	5	0	0	0
Senior Management	11	1	0	0
Middle Management	35	2	0	1
Skilled Technical and academically Qualified	19	2	0	3
Semi-Skilled	10	0	0	1
Unskilled	5	0	0	0

The following skills gaps have been identified and will be addressed in the current as well as in the next financial year to enable JDA to improve on productivity and service delivery:

- **ICT – SAP; data analysis and Business Improvement** - training will be addressed as part of WSP 2024/2025
- **Strategic Change and Business Processes Development** - training will be addressed as part of WSP 2024/2025
- **Multimedia and Graphic Design** - training will be addressed as part of WSP 2024/2025
- **Legal Services** – Funds were set aside to recruit the skill needed.
- **Contract Management** - Funds were set aside to recruit the skill needed.
- **Program and project Management** - training will be addressed as part of WSP 2024/2025

## SECTION 5: PERFORMANCE MANAGEMENT

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

The JDA uses a scorecard to evaluate employee performance. Individual performance indicators are linked to the JDA's objectives and the CoJ's integrated development plan scorecard. Objectives that reinforce the culture of governance and risk management among managers are also included. As part of continuous employee development, coaching, mentorship and training interventions are implemented to assist employee to perform to the required performance standard.

**TABLE 28: PERFORMANCE MANAGEMENT FOR 2023/24 FY**

Department	Eligible Staff	Performance Agreements Submitted	Outstanding	Mid-Term Reviews Eligible	Mid-Term Reviews Submitted
Office of the CEO	7	7	0	7	6
Company Secretary	1	1	0	1	1
Internal Audit	6	6	0	5	5
Finance	12	12	0	11	11
Corporate Services	15	15	0	14	14
Project Implementation	29	28	1	24	24
Development Planning & Facilitation	8	8	0	8	8
<b>Total</b>	<b>78</b>	<b>77</b>	<b>1</b>	<b>70</b>	<b>69</b>

## SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

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

**TABLE 29: MISCONDUCT AND DISCIPLINARY FOR THE YEAR TO DATE**

Outcome	Number
Written Warning	1
Final Written Warning	3

Outcome	Number
Suspension without pay (31 days)	4
Dismissal	0

**TABLE 30: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FINALISED FOR THE YEAR TO DATE**

Type of misconduct	Number
Dishonesty	0
Intimidation and Harassment	2
Insubordination	0
Gross Negligence	2
Failure to adhere to company processes	2
<b>Total</b>	<b>6</b>

## SECTION 7: LEAVE & PRODUCTIVITY MANAGEMENT

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

The following table gives an annual analysis of the various leave types and how they were utilised by JDA employees up to the period under review. The most highly utilised leave type is Non-Compulsory (Encashed) leave with a total of 766 days, with Annual leave being the second most utilised leave with a total of 644,50 days, followed by Maternity leave with a total of 322 days.

**TABLE 31: LEAVE ANALYSIS As at 30 June 2024**

Type of Leave	Ju ly	Aug ust	Septe mber	Octo ber	Nove mber	Dece mber	Janu ary	Febru ary	Ma rch	A pr il	M ay	Ju ne	Tot al
Annual Leave	48,5	41	25	59	21	45	150	62,5	19	84	66	86	644,50
Leave Encashment	0	0	0	0	0	0	0	0	0	0	0	766	766
Sick Leave	0,5	1	2	4	6	0	0	5	13	7	0	3	41,5
Family Responsibility	0	0	0	0	0	0	0	3	2	4	0	0	9
Maternity Leave	42	44	40	54	24	15	40	22	19	21	1	0	322
Paternity Leave	0	10	0	0	0	0	0	0	0	0	0	0	10
Study Leave	5	2	0	6	2	0	0	0	1	2	3	4	25
<b>TOTAL</b>	<b>96</b>	<b>98</b>	<b>67</b>	<b>123</b>	<b>53</b>	<b>60</b>	<b>190</b>	<b>92,5</b>	<b>54</b>	<b>118</b>	<b>70</b>	<b>859</b>	<b>1880,5</b>

**SECTION 8: EMPLOYEE WELLNESS**

Workforce Health, service provider has is onboard, though employee accessing the service is slow.

The first report for the period 01 April until 31 May revealed the following:

- JDA has reached a utilization of 0.60%.
- There were 6 interactions leading to a total engagement rate of 1.2%. The total engagement rate is calculated by adding the total number of employees reached (divided by (/) headcount times (\*) by 100) through face-to-face sessions (1), telephonic sessions (2) total telephonic contacts (3), email, USSD and please call me (0), number of participants in group trauma debriefings (0) and number of participants in awareness and training interventions (0).



- The top presenting problems for this reporting period were as follows:  
Money/Management/Financial Issues
- Critical Incident (Workplace Trauma)

## **SECTION 9:EMPLOYEE BENEFITS**

The Total Remuneration Costs for the period ending 30 June 2024 amount to R 89 376 753.28. This figure is inclusive of the Pension Fund, the JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 30 June 2024 amount to R 1 816 560.29.

## **SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES**

### **9.1 HIV/AIDS in the Workplace**

The JDA's HIV/AIDS Policy is aligned with the Col's policy, and its HIV/AIDS coordinator attends the Col 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.

EHWP wellness day was arranged on the 27th June 2024 all related reports will be reported in Q1 of 2024/2025. The HIV/AIDS awareness and educational campaigns, provides free condoms, shares videos and offers free helplines continues. The programme ensures that employees with HIV/AIDS are treated in a fair, consistent manner and are informed about their rights and employee benefits.

### **9.2 OCCUPATIONAL HEALTH AND SAFETY**

There were significant improvements in relation to OHS legal compliance at the JDA. The fire risk in relation to the 'unprotected' transformer outside the JDA was adequately mitigated. A lockable gate was installed so

as to minimize public interface in relation to unlawful access to the transformer. Improvements were also evident in relation to the repairs of the downpipes that used to result in ponding and flooding of various sections at the Bus Factory. Firefighting equipment was recently serviced and valid until 2025. Consistence was observed in relation to the SHE committee quarterly meetings and feedback from the committee is positive and goes a long way towards the continual improvement of the SHE management system in place. Commitment by the CEO towards OHS aspects of the JDA is laudable and is key to the inculcation of a positive health and safety culture at the JDA.

There three Lost Time Injuries reported at the JDA involving JDA employees. Detailed incident investigation should always follow where a Lost Time Injury is recorded or where a significant damage to property incidents is registered. Incident management procedure should be updated, same applies to the risk assessment in place so as to minimize the probability of recurrence.

**Three(3) OHSA incident reported see below:**

**1. Power cutting affecting the JDA Bus Factory**

Consistent power cuts by City power since 3rd June 2024 the matter was escalated to the CEO who escalated to City Power CEO and power was since restored on 26 June 2024.

**2. Two injury on duty incident took place on the 29th of April 2024**

**SECTION 10: MARKETING AND COMMUNICATIONS**

The JDA media analysis is conducted by Ornico, on behalf of the City of Joburg, and below is the breakdown of the report for April, May, and June 2024.

The report shows media content on the Johannesburg Development Agency's digital platforms between 01 April to 31 June 2024.

**TABLE 32: MEDIA STATUS APRIL 2024 – JUNE 2024**

Social Media Platform	Posts	Growth	Engagement	Reach
FACEBOOK	39	109	702	47 507
X	40	13	16 600	16 600
INSTAGRAM	31	40	387	2 389

LINKEDIN	20	784	423	37 958
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**TABLE 34: TOTAL FOLLOWERS AS OF 30 JUNE 2024**

Social Media Platform	Followers
FACEBOOK	9 785
TWITTER	4 301
INSTAGRAM	1686
LINKEDIN	6 446

**MEDIA REPORT****APRIL**

- The Johannesburg Development Agency (JDA) was analyzed in 10 media items in April 2024, the same number as in March 2024.
- However, the Agency's Advertising Value Equivalent (AVE) decreased from R385 977.40 in March 2024 to R262 243.04 in April 2024.
- Positive coverage consisted of five media items, highlighting the JDA's proud celebration of its 23rd anniversary as the infrastructure arm of the City of Johannesburg on April 1st, its participation in World Health Day on April 6th alongside the City's Health Department, and its commemoration of World Art Day on April 15th.
- Neutral coverage (3 items) included passing mentions, such as reports of the Johannesburg Metro Police (JMPD) denying sabotage allegations related to an event planned by Rise Mzansi outside Gauteng premier Panyanza Lesufi's office, where organizers later inquired with the JDA about the availability of Newtown Park as an alternate venue.
- Negatively (2 items), the Johannesburg Heritage Foundation threatened to protest the closure of the Joburg City Library, seeking answers regarding the continued closure of the 89-year-old building to the public.

**MAY**

- The Johannesburg Development Agency (JDA) was analysed in 34 media items in May 2024, from the 10 items in April 2024.
- The Agency's Advertising Value Equivalent (AVE) stood at R 2 073 886.85, from R262 243.04 in April 2024.
- 64.71% of the coverage was negative, while neutral and positive coverage accounted for 17.65%.

- 44.12% of all the coverage came from online media, 32.35% from broadcast media, and the remaining 23.53% from print media.
- *Radio 702* and *eNCA* (broadcast) had the most mentions of JWA, each recording 4 items.
- Gill Gifford from the Arena Holdings media house was the leading reporter, accounting for 4 media items.

## JUNE

- In June 2024, the Johannesburg Development Agency (JDA) was analyzed in 12 media items, a decrease from 34 items in May 2024.
- The Agency's Advertising Value Equivalent (AVE) dropped to R 147 471.56 from R 2 073 886.85 in May 2024.
- Six of the analyzed items were positive, focusing on completed upgrades to Melville Activity Street's public environment and the approval of a detailed transportation master plan for Randburg and Zandspruit.
- Only one item was negative, featuring concerns from the Democratic Alliance about transparency in the appointment of Themba Mathibe as Chief Executive Officer of the JDA.
- Five items were neutral, carrying passing mentions of the JDA.
- *Newzroom Afrika* (broadcast) and *Egoli Jozi News* (online) were the primary sources of information on JDA matters, each contributing 3 items.
- Sabrina Jardim, writing for *Engineering News*, led in reporting with 2 media items, which covered the approval of the transport master plan for Randburg and Zandspruit.

## 1. PUBLIC RELATIONS ACTIVITIES

### 04 APRIL

#### WORLD HEALTH DAY: BRIDGING THE GAP BETWEEN COMMUNITIES AND HEALTH SERVICES





This World Health Day, 06 April, the Johannesburg Development Agency (JDA) stands alongside the City of Johannesburg's Health Department in reaffirming our collective commitment to building healthier communities.

The purpose of World Health Day is to create awareness about health care and working conditions, and through training and support, aims to better equip health practitioners to provide better health services.

**09 APRIL**

**23 YEARS OF ELEVATING JOHANNESBURG'S LANDSCAPE**



The Johannesburg Development Agency (JDA) proudly marked its 23rd anniversary as the infrastructure arm of the City of Johannesburg on Monday, 01 April 2024. Since its establishment in 2001, the JDA has been at the forefront of shaping the urban landscape and driving socio-economic growth through strategic development projects.

**11 April**

## VISIT JOBURG'S NEW PUBLIC ART DIRECTORY THIS WORLD ART DAY



Each year, on 15 April, World Art Day celebrations help reinforce the links between artistic creations and society, encourage greater awareness of the diversity of artistic expressions, and highlight the contribution of artists to sustainable development.

**02 May 2024**

**JOBURG STATE OF THE CITY: ENHANCING CONNECTIVITY,  
MOBILITY, AND URBAN RESILIENCE**

**13 May 2024 FOUNDATION WORK BEGINS  
FOR REVITALISED KOPANONG SPORTS  
COMPLEX AND PUBLIC SPACES**



In the northeastern corner of the City of Johannesburg, Region A, deep excavations, land grading, and earthworks are all underway laying the groundwork for the much-anticipated, transformed Kopanong Sports Complex which includes an upgraded public environment.



15 May 2024

## JDA'S ROLE VITAL IN THE CITY'S R7.4 BILLION CAPITAL EXPENDITURE BUDGET FOR 2024/25



The Member of the Mayoral Committee (MMC) for Finance, Dada Morero emphatically underscored the City's dedication to fortifying Johannesburg's resilience, tabling a R83.1-billion budget for 2023/24, including a R7.4-billion capital expenditure budget.

### 1. JDA EVENTS

11 April

Employee Health and Wellness Services

**WEBINAR**

Employee Health and Wellness Services.

WITH  
Ms. Palesa Tshehlo

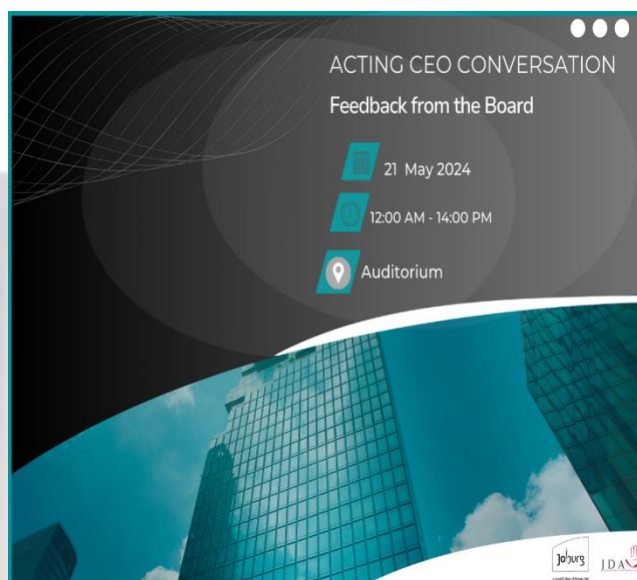
11 April 2024

10h30

Virtual

Joburg  
a world class African city

JDA  
Johannesburg Development Agency



## 2. JDA ACTIVITIES FOR OFFICE OF THE MMC Development Planning, Cllr Eunice Mgcina

The Johannesburg Development Agency planned events for the MMC Development Planning, Cllr Eunice Mgcina to visit JDA projects for – oversight visits, handover, stakeholder engagement, and Corporate Social Investment in different regions:

**TABLE 35: JDA ACTIVITIES FOR OFFICE OF THE MMC**

REGION E	FACILITY	RESPONSIBLE	DATE
JDA CSR Project – Smartboard donation	Alexandra Campus	JDA CSR Committee	19 June 2024
<b>REGION G</b>			
Oversight Visit	Vlakfontein Public Transport Facility	Zwakele Magudulela	Thursday, 27 June 2024
<b>REGION D</b>			
CSI Initiative	Soweto Infrastructure Chamber – IT equipment handover	JDA CSR Committee	July 2024
<b>REGION E</b>			
Project Handover	Alexandra Hospice	Siyabonga Genu and NGO	July 2024
Stakeholder Engagement	Alexandra Automotive Hub	Rendani Musetsho	



## CHAPTER 5: FINANCIAL PERFORMANCE

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

TABLE 36: STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 30 JUNE 2024

	Year ended 30 June 2024			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Non-current assets</b>	<b>32 912</b>	<b>35 000</b>	<b>-2 088</b>	<b>1</b>
Property plant and equipment	5 124	6 000	(876)	
Deferred tax	11 821	11 000	821	
Intangible assets	15 967	18 000	(2 033)	
<b>Current assets</b>	<b>1 363 295</b>	<b>1 450 622</b>	<b>(87 327)</b>	<b>2</b>
Trade and other receivables	960 089	1 070 620	(110 531)	
Prepayments	-			
Vat Receivable	403 202	380 000	23 202	
Cash and cash equivalents	4	2	2	
<b>Total assets</b>	<b><u>1 396 207</u></b>	<b><u>1 485 622</u></b>	<b><u>(89 415)</u></b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>	<b>-46 396</b>	<b>51 278</b>	<b>(27 674)</b>	<b>3</b>
Contribution from owner	16 278	16 278	(0)	
Accumulated surplus/(deficit)	-62 674	35 000	(27 674)	
<b>Non-current liabilities</b>	<b>2 990</b>	<b>3 050</b>	<b>(60)</b>	<b>4</b>
Finance lease obligation	506	550	(44)	
Deferred taxation	2 484	2 500	(16)	
	-	-	0	
<b>Current liabilities</b>	<b>1 439 613</b>	<b>1 431 294</b>	<b>8 420</b>	<b>5</b>
Loans from shareholders	958 809	950 000	8 809	<b>6</b>
Trade and other payables	469 348	470 000	(652)	
VAT payable	-	-	0	
Finance lease obligation	319	294	25	

Project fund payable	3 900	4 000	1
Provisions – bonus	7 237	7 000	237

**Total equity and liabilities**                      **1 396 207**                      **1 485 622**                      **-19 314**

Notes	
<b>1</b>	The decreases on the property plant and equipment it is due to depreciation.
<b>2</b>	The unfavourable variance it due to budget which had impact on revenue claims.
<b>3</b>	Changes on the Reserve/Net Assets it is due to the deficit of 46 million which arise from sweeping account.
<b>4</b>	The movement of the non-current liability is immaterial
<b>5</b>	The variance is above than the target overdraft of R300 million. This is mainly due to invoices that were raised /accrued in June 2023 that were paid in July. However, JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the city with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account.
<b>6</b>	The increases on the payable it due to invoices that were received in the current month.

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

TABLE 37: STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 JUNE 2024

	June 2023	Original approved	Quarter ending 30 June 2024			Notes
	Actual R'000	budget R'000	Actual R'000	Budget R'000	Variance R'000	
Gross revenue	119 728	132 364	137 476	132 364	5 112	5
Operating costs	(121 863)	(124 833)	(112 161)	(124 833)	12 672	6
<b>Gross surplus/(deficit)</b>	<b>(2 135)</b>	<b>7 531</b>	<b>25 315</b>	<b>7 531</b>	<b>17 784</b>	
Other operating income and expenditure	(45 611)	(7 531)	(72 999)	(7 531)	(65 468)	
Interest expense	(45 611)	(7 531)	(72 999)	(7 531)	(65 468)	7
Interest income	0	0	0	0	0	
<b>Surplus/(Deficit) before tax</b>	<b>(47 746)</b>	<b>0</b>	<b>(47 684)</b>	<b>0</b>	<b>(47 684)</b>	
Taxation	0	0	0	0	0	
<b>Surplus/(Deficit) after tax</b>	<b>(47 746)</b>	<b>0</b>	<b>(47 684)</b>	<b>0</b>	<b>(47 684)</b>	

0

Notes	
7	Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budget revenue by 10% due to capex expenditure not being achieved
8	Th negative variance it mainly due budget cuts that were implemented during there year which resulted in overspending due to commitments that were already made

9	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that 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 first quarter relates to balances that were owing from the 2022/23 financial year.
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### SECTION 3: CASH FLOW STATEMENT

TABLE 38: CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2024

	Year to date			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Cash flows from operating activities</b>				
	(215 207)	(134 057)	(81 150)	
<i>Receipts</i>				
Grants	82 310	0	82 310	
Interest received	0	0	0	
Cash receipts from CAPEX funding	668 094	600 000	68 094	11
Other receipts	1 748	2 600	(852)	
		0	0	
<i>Payments</i>		0	0	
Employee cost	(73 548)	(70 000)	(3 548)	12
Suppliers	(893 811)	(800 000)	(93 811)	13
		0		
<b>Cash flows from investing activities</b>	(176)	(160)	(16)	
<i>Expenditure to maintain operating capacity</i>				
Property, plant and equipment acquired	(176)	(160)	(16)	
Proceeds from sale of property, plant and equipment			0	
Purchase of intangible assets	0		0	



**Cash flows from financing activities****215 389****(1)****215 388****14**

Movement in project funds payable

0

0

0

Proceeds from Shareholders' loan

215 483

79

215 404

Repayments of Shareholders' loan

0

0

Finance lease repayments

(94)

(80)

(14)

**Net increase/(decrease) in cash and cash equivalents****6****(1)****7****Cash and cash equivalents at beginning of the year****4****4****0****Cash and cash equivalents at the end of the year****10****3****7****Notes****10**

The negative it is mainly due to the target not being achieve which resulted in decreases on the Capital receipts

**11**

The variance it mainly due to vacant position that are not yet filled

**12**

The variance it mainly due decreases on the capex invoice due to target not being meet/not achieved

**13**

The variance it due to money borrowed from loan to shareholder since there is a delay in the settlement of debtors by COJ departments

### 3.1: Net Assets

**TABLE 39: STATEMENT OF CHANGES IN NET ASSETS FOR THE QUARTER ENDED 30 June 2024**

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
<b>Balance on 01 July 2022</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>18 770</b>	<b>35 048</b>
Changes in net assets					
Deficit for the year	0	0	0	(33 760)	(33 760)
Total changes					
<b>Balance on 01 July 2023</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>(14 990)</b>	<b>1 347</b>
Changes in net assets					
Profit/(deficit) for the year				<b>(47 684)</b>	<b>(47 684)</b>
Total changes					
<b>Balance on 30 JUNE 2024</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>(62 674)</b>	<b>(46 337)</b>

## SECTION 4: CAPITAL PROJECTS &amp; EXPENDITURE

TABLE 40 CAPEX EXPENDITURE FOR THE YEAR

CAPITAL EXPENDITURE AS AT 31 May 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
<b>JDA ON BUDGET</b>									
Inner City Eastern Gateway TOD and Movement Corridors	R 11 289 612	R 11 115 000	R 174 612	R 11 289 612	R 11 115 000	R 174 612	1,57%	R 11 700 000	96,49%
Pennyville Precinct Renewal	5 799 153	9 257 750	(3 458 597)	5 799 153	9 257 750	(3 458 597)	(37,36%)	9 745 000	59,51%
Randburg CBD Regeneration Renewal	22 405 749	9 285 300	13 120 449	22 405 749	9 285 300	13 120 449	141,30%	9 774 000	229,24%
Melville Activity Street	8 909 557	7 616 150	1 293 407	8 909 557	7 616 150	1 293 407	16,98%	8 017 000	111,13%
CORR - Louis Botha Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	28 658 973	14 250 000	14 408 973	28 658 973	14 250 000	14 408 973	101,12%	15 000 000	191,06%
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional	2 134 683	5 700 000	(3 565 317)	R 2 134 683	5 700 000	(R 3 565 317)	(62,55%)	6 000 000	35,58%
Watt Street Precinct, Wynberg	1 542 868	2 850 000	(1 307 132)	1 542 868	2 850 000	(1 307 132)	(45,86%)	3 000 000	51,43%
Orange farm Turnkey project	135 835 716	80 940 950	54 894 766	135 835 716	80 940 950	54 894 766	67,82%	85 201 000	159,43%
Kliptown Urban Renewal Programme	0	513 000	( 513 000)	0	513 000	( 513 000)	(100,00%)	540 000	0,00%
23775_Ivory Park Urban Renewal Programme	13 710 113	4 750 000	8 960 113	13 710 113	4 750 000	8 960 113	188,63%	5 000 000	274,20%
Operational Capex New Operational Capex NEWTOWN F City Wide	0	662 150	( 662 150)	0	662 150	( 662 150)	(100,00%)	697 000	0,00%
Community Based Projects	971 445	950 000	21 445	971 445	950 000	21 445	2,26%	1 000 000	97,14%
Braamfischerville Ext 12&13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward	3 866 577	5 700 000	(1 833 423)	3 866 577	5 700 000	(1 833 423)	(32,17%)	6 000 000	64,44%
Klipfontein Wellness Centre	33 539 767	34 205 700	( 665 933)	33 539 767	34 205 700	( 665 933)	(1,95%)	36 006 000	93,15%

CAPITAL EXPENDITURE AS AT 31 May 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C	0	34 200	( 34 200)	0	34 200	( 34 200)	(100,00%)	36 000	0,00%
<b>SUB-TOTAL</b>	<b>268 664 213</b>	<b>187 830 200</b>	<b>80 834 013</b>	<b>268 664 213</b>	<b>187 830 200</b>	<b>80 834 013</b>	<b>43,04%</b>	<b>197 716 000</b>	<b>135,88%</b>
<b>COMMUNITY DEVELOPMENT (Comm Dev)</b>									
Johannesburg Library F	5 245 858	2 850 000	2 395 858	5 245 858	2 850 000	2 395 858	84,07%	3 000 000	174,86%
Kaalfontein MPC New Construction	10 518 225	10 165 000	353 225	10 518 225	10 165 000	353 225	3,47%	10 700 000	98,30%
MPC Matholesville	27 130 017	14 440 000	12 690 017	27 130 017	14 440 000	12 690 017	87,88%	15 200 000	178,49%
Repairs to Comm Dev Facilities	14 037 308	15 200 000	(1 162 692)	14 037 308	15 200 000	(1 162 692)	(7,65%)	16 000 000	87,73%
Lehae mPC	2 737 568	380 000	2 357 568	2 737 568	380 000	2 357 568	620,41%	400 000	684,39%
Drieziek MPC	398 695	114 000	284 695	398 695	114 000	284 695	249,73%	120 000	332,25%
Public art Fountains	395 051	4 097 464	(3 702 413)	395 051	4 097 464	(3 702 413)	(90,36%)	4 313 120	9,16%
<b>SUB-TOTAL</b>	<b>60 462 722</b>	<b>47 246 464</b>	<b>13 216 258</b>	<b>60 462 722</b>	<b>47 246 464</b>	<b>13 216 258</b>	<b>27,97%</b>	<b>49 733 120</b>	<b>121,57%</b>
<b>DEVELOPMENT PLANNING</b>									
Jabulani TOD: Phase 6a - Safe Hub	3 039 440	7 600 000	(4 560 560)	3 039 440	7 600 000	(4 560 560)	(60,01%)	8 000 000	37,99%
Soweto Strategic area framework	119 699	760 000	( 640 301)	119 699	760 000	( 640 301)	(84,25%)	800 000	14,96%
InnerCity Core	13 301 602	11 400 000	1 901 602	13 301 602	11 400 000	1 901 602	16,68%	12 000 000	110,85%
Brixton Social Cluster: Work Package 1 New multipurpose sports and recreation	9 594 599	9 500 000	94 599	9 594 599	9 500 000	94 599	1,00%	10 000 000	95,95%
New Turfontein Clinic and Multipurpose	6 813 737	5 700 000	1 113 737	6 813 737	5 700 000	1 113 737	19,54%	6 000 000	113,56%
Inner City Partnership Fund - Round 1: Yeoville	5 046 801	4 750 000	296 801	5 046 801	4 750 000	296 801	6,25%	5 000 000	100,94%
Integrated Spatial Data Portal	0	13 300 000	(13 300 000)	0	13 300 000	(13 300 000)	(100,00%)	14 000 000	0,00%
GEFGlobal environmental facility Marketing	0	3 304 348	(3 304 348)	0	3 304 348	(3 304 348)	(100,00%)	3 478 261	0,00%
GEFGlobal environmental facility GIS SPATIAL	1 946 592	10 607 188	(8 660 596)	1 946 592	10 607 188	(8 660 596)	(81,65%)	11 165 461	17,43%



CAPITAL EXPENDITURE AS AT 31 May 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Mayfair PEU	0	855 000	( 855 000)	0	855 000	( 855 000)	(100,00%)	900 000	0,00%
Kliptown Multipurpose	0	902 500	( 902 500)	0	902 500	( 902 500)	(100,00%)	950 000	0,00%
<b>SUB-TOTAL</b>	<b>39 862 470</b>	<b>68 679 036</b>	<b>(28 816 566)</b>	<b>39 862 470</b>	<b>68 679 036</b>	<b>(28 816 566)</b>	<b>( 41,96%)</b>	<b>72 293 722</b>	<b>55,14%</b>
EMERGENCY MANAGEMENT SERVICES (EMS)									
Alex Fire Station	358 320	617 500	( 259 180)	358 320	617 500	( 259 180)	(41,97%)	650 000	55,13%
Central fire station	11 158 978	14 250 000	(3 091 022)	11 158 978	14 250 000	(3 091 022)	0,00%	15 000 000	74,39%
<b>SUB-TOTAL</b>	<b>11 517 298</b>	<b>14 867 500</b>	<b>(3 350 202)</b>	<b>11 517 298</b>	<b>14 867 500</b>	<b>(3 350 202)</b>	<b>(22,53%)</b>	<b>15 650 000</b>	<b>73,59%</b>
<b>HEALTH DEPARTMENT</b>									
Elias Motsoaledi Clinic	109 037	950 000	( 840 963)	109 037	950 000	( 840 963)	(88,52%)	1 000 000	10,90%
South Hills Clinic	2 742 167	2 850 000	( 107 833)	2 742 167	2 850 000	( 107 833)	(3,78%)	3 000 000	91,41%
Naledi Clinic	38 027 325	42 501 100	(4 473 775)	38 027 325	42 501 100	(4 473 775)	(10,53%)	44 738 000	85,00%
Rabie Ridge Clinic	641 745	1 425 000	( 783 255)	641 745	1 425 000	( 783 255)	(54,97%)	1 500 000	42,78%
Hikhsensile Clinic	9 491 845	9 500 000	( 8 155)	9 491 845	9 500 000	( 8 155)	(0,09%)	10 000 000	94,92%
Protea South Clinic	2 726 711	2 280 000	446 711	2 726 711	2 280 000	446 711	19,59%	2 400 000	113,61%
Freedom Park Clinic	557 832	171 000	386 832	557 832	171 000	386 832	226,22%	180 000	309,91%
<b>SUB-TOTAL</b>	<b>54 296 662</b>	<b>59 677 100</b>	<b>(5 380 438)</b>	<b>54 296 662</b>	<b>59 677 100</b>	<b>(5 380 438)</b>	<b>(9,02%)</b>	<b>62 818 000</b>	<b>86,43%</b>
<b>HUMAN SETTLEMENTS</b>									
Masingita Development Bulk Services	756 824	2 470 000	(1 713 176)	756 824	2 470 000	(1 713 176)	(69,36%)	2 600 000	29,11%
Finetown Proper Gravel roads upgrade	2 502 950	4 275 000	(1 772 050)	2 502 950	4 275 000	(1 772 050)	(41,45%)	4 500 000	55,62%
Lakeside Ext 5 Gravel roads upgrade	5 815 847	5 700 000	115 847	5 815 847	5 700 000	115 847	0,00%	6 000 000	96,93%
Drieziek 3, 4 and 5 upgrade gravel Road	40 011 286	11 983 300	28 027 986	40 011 286	11 983 300	28 027 986	233,89%	12 614 000	317,20%
Kanana Park Ext	4 736 629	8 021 800	(3 285 171)	4 736 629	8 021 800	(3 285 171)	(40,95%)	8 444 000	56,09%

CAPITAL EXPENDITURE AS AT 31 May 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Formulation of Zandspruit Urban Development Framework	198 500	380 000	( 181 500)	198 500	380 000	( 181 500)	(47,76%)	400 000	49,63%
Elias Motsoaledi Ext1 Township Development (Region D - Ward 24)	13 893 627	12 350 000	1 543 627	13 893 627	12 350 000	1 543 627	12,50%	13 000 000	106,87%
Pimville zone 9	2 266 347	42 750 000	(40 483 653)	2 266 347	42 750 000	(40 483 653)	(94,70%)	45 000 000	5,04%
Drieziek Ext.5	25 848 855	13 366 500	12 482 355	25 848 855	13 366 500	12 482 355	93,39%	14 070 000	183,72%
Ennerdale South	34 951 289	14 181 600	20 769 689	34 951 289	14 181 600	20 769 689	146,46%	14 928 000	234,13%
Drieziek Ext.4	23 900 000	18 050 000	5 850 000	23 900 000	18 050 000	5 850 000	32,41%	19 000 000	125,79%
Technical support Erven 918,19,30&31	1 051 843	2 850 000	(1 798 157)	1 051 843	2 850 000	(1 798 157)	(63,09%)	3 000 000	35,06%
Marily House ERF80	0	3 800 000	(3 800 000)	0	3 800 000	(3 800 000)	(100,00%)	4 000 000	0,00%
Roodepoort Feasibility and Development Framework	487 727	2 850 000	(2 362 273)	487 727	2 850 000	(2 362 273)	(82,89%)	3 000 000	16,26%
Jeppeshtown 3866 Technical suport ERF	0	2 850 000	(2 850 000)	0	2 850 000	(2 850 000)	(100,00%)	3 000 000	0,00%
Bramley View and Lombardy West	337 435	2 850 000	(2 512 565)	337 435	2 850 000	(2 512 565)	(88,16%)	3 000 000	11,25%
Johannesburg Market Upgrade	0	2 850 000	(2 850 000)	0	2 850 000	(2 850 000)	(100,00%)	3 000 000	0,00%
Inner City Walkable Network	3 000 000	2 850 000	150 000	3 000 000	2 850 000	150 000	5,26%	3 000 000	100,00%
Highcourt Revitalisation	883 384	2 565 000	(1 681 616)	883 384	2 565 000	(1 681 616)	(65,56%)	2 700 000	32,72%
Hillbrow Health Precinct Upgrade	401 984	1 900 000	(1 498 016)	401 984	1 900 000	(1 498 016)	(78,84%)	2 000 000	20,10%
CBD Rejuvenation	0	2 850 000	(2 850 000)	0	2 850 000	(2 850 000)	(100,00%)	3 000 000	0,00%
Upgrading of Mechanical & Electrical Equip	0	1 900 000	(1 900 000)	0	1 900 000	(1 900 000)	(100,00%)	2 000 000	0,00%
Innecity Walkable Stage 4	256 648	2 090 000	(1 833 352)	256 648	2 090 000	(1 833 352)	(87,72%)	2 200 000	11,67%
CBD Rejuvenation 2	0	5 700 000	(5 700 000)	0	5 700 000	(5 700 000)	(100,00%)	6 000 000	0,00%
<b>SUB-TOTAL</b>	<b>161 301 175</b>	<b>171 433 200</b>	<b>(10 132 025)</b>	<b>161 301 175</b>	<b>171 433 200</b>	<b>(10 132 025)</b>	<b>(5,91%)</b>	<b>180 456 000</b>	<b>89,39%</b>
<b>TRANSPORTATION PTIS FUNDING:</b>									
Phase 1C Stations	83 799 272	89 449 150	(5 649 878)	83 799 272	89 449 150	(5 649 878)	(6,32%)	94 157 000	89,00%
Section 15K (Watt Interchange Station Road Works and Bridges)	195 626	22 800 000	(22 604 374)	195 626	22 800 000	(22 604 374)	(99,14%)	24 000 000	0,82%

CAPITAL EXPENDITURE AS AT 31 May 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Alexandra Depot	4 138 426	6 650 000	(2 511 574)	4 138 426	6 650 000	(2 511 574)	(37,77%)	7 000 000	59,12%
OTHER: Land	11 904 177	7 600 000	4 304 177	11 904 177	7 600 000	4 304 177	56,63%	8 000 000	148,80%
Selby Depot 2C	44 107 331	69 350 000	(25 242 669)	44 107 331	69 350 000	(25 242 669)	(36,40%)	73 000 000	60,42%
OTHER: Passenger Information Signage(Finger boards - "on Street)	6 245 629	19 950 000	(13 704 371)	6 245 629	19 950 000	(13 704 371)	(68,69%)	21 000 000	29,74%
<b>SUB-TOTAL</b>	150 390 461	215 799 150	(65 408 689)	150 390 461	215 799 150	(65 408 689)	(30,31%)	227 157 000	66,21%
<b>DEPARTMENT OF SOCIAL DEVELOPMENT (SoC DEV)</b>									
Shelter for Displaced People Region F	20 493 022	14 463 750	6 029 272	20 493 022	14 463 750	6 029 272	41,69%	15 225 000	134,60%
Betrans Multipurpose Centre	52 752 034	42 736 700	10 015 334	52 752 034	42 736 700	10 015 334	23,43%	44 986 000	117,26%
Yetta Nathan Social development Centre	4 062 117	34 912 500	(30 850 383)	4 062 117	34 912 500	(30 850 383)	(88,36%)	36 750 000	11,05%
Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	1 673 442	1 543 750	129 692	1 673 442	1 543 750	129 692	8,40%	1 625 000	102,98%
Minor Upgrades of all Social Development Facilities in all the Regions	0	950 000	( 950 000)	0	950 000	( 950 000)	(100,00%)	1 000 000	0,00%
<b>SUB-TOTAL</b>	78 980 615	94 606 700	(15 626 085)	78 980 615	94 606 700	(15 626 085)	(16,52%)	99 586 000	79,31%
<b>TRANSPORTATION COJ FUNDING:</b>									
Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route	94 331	475 000	( 380 669)	94 331	475 000	( 380 669)	(80,14%)	500 000	18,87%
Complete Streets: NMT Facilities Linking Railway stations New Dube CHIAWELO D City Wide:	15 827 731	19 000 000	(3 172 269)	15 827 731	19 000 000	(3 172 269)	(16,70%)	20 000 000	79,14%
PTF: Small Public Transport Facility Design Kya Sand New Nodal Transport Facilites KYA SAND:	0	95 000	( 95 000)	0	95 000	( 95 000)	(100,00%)	100 000	0,00%



CAPITAL EXPENDITURE AS AT 31 May 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Carr Street Public Transport Facility	496 912	475 000	21 912	496 912	475 000	21 912	4,61%	500 000	99,38%
Jack Mincer Public Transport Facility	3 102 295	1 140 000	1 962 295	3 102 295	1 140 000	1 962 295	172,13%	1 200 000	258,52%
Fleet Africa Public Transport Facility	2 221 239	1 710 000	511 239	2 221 239	1 710 000	511 239	29,90%	1 800 000	123,40%
PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G)	14 096 622	9 010 750	5 085 872	14 096 622	9 010 750	5 085 872	56,44%	9 485 000	148,62%
Small: Public Transport Facility in Zakariya Park Region G	2 371 982	3 325 000	( 953 018)	2 371 982	3 325 000	( 953 018)	(28,66%)	3 500 000	67,77%
Complete Streets: NMT links Tshepisoeng	2 162 687	1 710 000	452 687	2 162 687	1 710 000	452 687	26,47%	1 800 000	120,15%
Complete Streets Deep South	3 521 830	1 235 000	2 286 830	3 521 830	1 235 000	2 286 830	185,17%	1 300 000	270,91%
PTF Rosebank	2 287 976	2 850 000	( 562 024)	2 287 976	2 850 000	( 562 024)	(19,72%)	3 000 000	76,27%
Complete Streets Turfontein	2 354 185	1 330 000	1 024 185	2 354 185	1 330 000	1 024 185	77,01%	1 400 000	168,16%
Public Transport Stops : Cosmo City	1 711 739	1 425 000	286 739	1 711 739	1 425 000	286 739	20,12%	1 500 000	114,12%
Complete Streets: NMTlinking Phefeni Station	47 347	1 425 000	(1 377 653)	47 347	1 425 000	(1 377 653)	(96,68%)	1 500 000	3,16%
Integrated Corridor Management (ICM)	541 253	263 983	277 270	541 253	263 983	277 270	105,03%	277 877	194,78%
PTF Sunninghill	14 400	285 000	( 270 600)	14 400	285 000	( 270 600)	(94,95%)	300 000	4,80%
Public Transport Data	233 517	578 550	( 345 033)	233 517	578 550	( 345 033)	(59,64%)	609 000	38,34%
Travel demand	2 667 876	2 297 100	370 776	2 667 876	2 297 100	370 776	16,14%	2 418 000	110,33%
Parking Management Policy	556 420	2 890 850	(2 334 430)	556 420	2 890 850	(2 334 430)	(80,75%)	3 043 000	18,29%
Complete Streets: NMT Linking Orange Farm	866 758	950 000	( 83 242)	866 758	950 000	( 83 242)	(8,76%)	1 000 000	86,68%
Sandton Transport Master Plan	0	82 609	( 82 609)	0	82 609	( 82 609)	(100,00%)	86 957	0,00%
Southern Area Transport Master plan	0	2 065 217	(2 065 217)	0	2 065 217	(2 065 217)	(100,00%)	2 173 913	0,00%
Alexandra Transport Master plan	0	413 044	( 413 044)	0	413 044	( 413 044)	(100,00%)	434 783	0,00%
Desmond Tutu	0	1 652 174	(1 652 174)	0	1 652 174	(1 652 174)	(100,00%)	1 739 130	0,00%
Universal Access plan	0	2 065 217	(2 065 217)	0	2 065 217	(2 065 217)	(100,00%)	2 173 913	0,00%
Helen Joseph Public Transport New	0	1 900 000	(1 900 000)	0	1 900 000	(1 900 000)	(100,00%)	2 000 000	0,00%
Upgrading of JITI Control Room New	0	1 900 000	(1 900 000)	0	1 900 000	(1 900 000)	(100,00%)	2 000 000	0,00%
PTF Small Public Transport Facility Design and Construction of Zola Public	0	142 500	( 142 500)	0	142 500	( 142 500)	(100,00%)	150 000	0,00%
<b>SUB-TOTAL</b>	<b>55 177 100</b>	<b>62 691 994</b>	<b>(7 514 894)</b>	<b>55 177 100</b>	<b>62 691 994</b>	<b>(7 514 894)</b>	<b>(11,99%)</b>	<b>65 991 573</b>	<b>83,61%</b>



CAPITAL EXPENDITURE AS AT 31 May 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
<b>OTHER</b>									
Karsene	14 808	0	14 808	14 808	0	14 808	0,00%	0	0,00%
FRANKBROWN HOUSING	495 790	1 900 000	(1 404 210)	495 790	1 900 000	(1 404 210)	(73,91%)	2 000 000	24,79%
Review Kliptown	1 466 077	0	1 466 077	1 466 077	0	1 466 077	0,00%	0	0,00%
Alex Auto hub security	2 379 762	2 376 690	3 072	2 379 762	2 376 690	3 072	0,13%	2 501 779	95,12%
UN Habitat	91 424	565 944	( 474 520)	91 424	565 944	( 474 520)	(83,85%)	595 731	15,35%
<b>SUB-TOTAL</b>	<b>4 447 861</b>	<b>4 842 635</b>	<b>( 394 774)</b>	<b>4 447 861</b>	<b>4 842 635</b>	<b>( 394 774)</b>	<b>(8,15%)</b>	<b>5 097 510</b>	<b>87,26%</b>
<b>TOTAL</b>	<b>885 100 577</b>	<b>927 673 979</b>	<b>(42 573 402)</b>	<b>885 100 577</b>	<b>927 673 979</b>	<b>(42 573 402)</b>	<b>(4,59%)</b>	<b>976 498 925</b>	<b>91%</b>

**SECTION 5: RATIO ANALYSIS (MINIMUM: LIQUIDITY, SOLVENCY, COST COVERAGE)****TABLE 41: RATIO ANALYSIS FOR THE PERIOD ENDED 30 JUNE 2024**

Key Performance Area	Target	Actual 30 June 2023	Actual 30 June 2024
Current ratio	Above 1.5: 1	0.98:1,5	0.95:1.5
Solvency ratio	Above 2: 1	1: 2	0.97:2
Salaries to expenditure ratio	Below 60%	52%	50%
Revenue	R132.2 million	R119.7 million	137 million
Expenditure (including taxation)	R132.2 million	R174.9 million	R185 Million
Surplus / (Deficit)	R nil	(R34 million)	(R47 million)
Total net assets	R15.4 million	R662 Thousand	(46 million)
Capital expenditure	95%	75%	91%

Notes	
1	<b>Current ratio</b> is just below the target and slightly below when you compare with last year quarter. Included in current liabilities is the sweeping account with the shareholder which increases with the interest monthly.
2	<b>Solvency ratio</b> is below to the target and below to last year quarter mainly due to cash flow challenges. The continued pressure on the overall loan from shareholder due to outstanding debtors still puts pressure on the liquidity ratios.
3	<b>Remuneration to expenditure ratio</b> is below target and below to the last year quarter due to an overall reduction in the operational expenditure which affects the denominator of the ratio.
4	The target was not achieved since it below to the target of 95%

## SECTION 6: SUPPLY CHAIN MANAGEMENT AND BBBEE (DEVIATIONS, PAYMENTS WITHIN 30 DAYS, REPORT ON IRREGULAR, UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE AND DUE PROCESSES)

Analysis of BBBEE and SMME results for the period 1 July 2023 to 30 June 2024. The % of expenditure paid to companies with B-BBEE credentials out of total expenditure for the period under review:

### 1 July 2023 to 30 June 2024

JDA's target in respect of B-BBEE spending as a percentage of total expenditure is 100%. For the period 1 July 2023 to 30 June 2024 the JDA achieved **101%** B-BBEE Opex and Capex procurement.

The total B-BBEE expenditure commitment in terms of active contracts was **R 777 222 587.54** for the period **1 July 2023 to 30 June 2024**, and the BBBEE share of expenditure achieved within the period was **R 788 679 546,20**

**TABLE 42: THE B-BBEE EXPENDITURE FROM 1 JULY 2023 TO 30 JUNE 2024**

Description	1 July 2023 to 30 June 2024		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R726 809 743.60	742 985 509.40	102%
Opex	R50 412 843,94	R45 694 036.76	91%
<b>Consolidated Opex and Capex</b>	<b>R777 222 587.54</b>	<b>R788 679 546.20</b>	<b>101%</b>

The JDA claims a 135% for service providers with B-BBEE level 1, 125% for level 2, 110% for level 3, 100% for level to 4, 80% for level 5, 60% for level 6, 50% for level 7 and 10% for level 8 which constitutes the overall 107% B-BBEE claimed.

**The % of expenditure paid to SMME companies as a % of total expenditure (Opex and Capex) for the period under review:**

### 1 July 2023 to 30 June 2024

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period **1 July 2023 to 30 June 2024**, the SMME share of JDA's total expenditure was **R284 680 744.70**. This constitutes an achievement **37%**.

**TABLE 43: THE SMME EXPENDITURE FROM 1 JULY 2023 TO 30 JUNE 2024**

Description	1 July 2023 to 30 June 2024		
	Total Expenditure	SMME Claimed	SMME %
Capex	R726 809 743.60	R265 536 053.80	37%
Opex	R50 412 843,94	R19 144 690.93	38%
Consolidated Opex and Capex	R777 222 587.54	R284 680 744.70	37%

### 6.1 Deviations and Ratifications

Regulation 36(1)(a) of the Municipal Supply Chain Management Regulations the regulation provides that the Accounting Officer may dispense with the normal procurement processes and procure the required goods or services through any convenient process, which may include direct negotiations, but only ;

- In an emergency;
- If goods or services are available from a single supplier;
- In respect of acquisition of special works of art;
- In respect of acquisitions of animals for Zoo's;
- In any other exceptional case where it is impossible or impractical to follow official procurement processes.

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, which are of a purely technical nature.

6.1.1 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.

It should be noted that from 1 July 2023 to 30 June 2024 there were (8) service providers appointed for employee training and development where less than three quotations were obtained with a combined value of **R271 523.67**.

6.1.2 In terms of Regulation 36(1a)(v) allows an accounting officer to deviate from procurement processes In any other exceptional case where it is impractical or impossible to follow the official procurement processes". In this instance It is Impractical and Impossible to follow the procurement processes.

It should be noted that there were several deviations that were approved by the accounting officer, where direct negotiations were entered into with several service providers where it was impractical to follow official procurement processes to a value of **R 5 006 321.53**.

## SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES



**TABLE 44: PENDING LITIGATIONS**

CASE / MATTER	DATE INSTITUTED	TYPE/ DISCRIPTION	EXPECTED COMPLETION DATE	VALUE OF EXPECTED ASSET OR LIABILITY AS A RESULT
Rembu (Arbitration)	2018	<p>The JDA placed Rembu (the claimant) on terms (mora) for poor performance. After the claimant failed to perform in terms of the revised programme, the JDA terminated the contract with the claimant. The claimant alleges that at the time of termination, the JDA owed the claimant payment for one invoice certificate for approximately R21 million but the JDA disputes this amount and believes that the amount in dispute should be R1, 151, 711 32. In terms of the JBCC contract the employer may not terminate the contract while it is in material breach.</p> <p>The claimant alleges that the JDA was in material breach of the contract when it terminated the contract.</p> <p>The JDA disputes this assertion in that the payment was effected on time for the outstanding invoice prior to termination of the contract. This meant that there was no material breach of the contract at the time of termination.</p> <p>The JDA has a counterclaim against the claimant for advance payment for material on site and damages suffered as a result of the termination. The amount counterclaimed by the JDA is R12,145,055.</p>	August 2023	<p>Claimant (R21 000 000)</p> <p>Respondent (R12 145 055)</p>

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CASE / MATTER	DATE INSTITUTED	TYPE/ DISCRIPTION	EXPECTED COMPLETION DATE	VALUE OF EXPECTED ASSET OR LIABILITY AS A RESULT
ROHRMAR	October 2022	The matter relates to a claim against the by SMMEs in Karzene project for amounts owed to it by the Main contractor.	Not yet known.	R0
Maitazwifoma	October 2023	The matter relates to a claim against the by SMMEs in Karzene project for amounts owed to it by the Main contractor.	Not yet known	R0
BRT-Sandton Station	2022	The matter relates to a possible interdict against the City and JDA by Liberty for the construction of the Sandton BRT station.	Not yet known	R0

CASE / MATTER	DATE INSTITUTED	DISCRIPTION	ANTICIPATED COMPLETION DATE	VALUE OF EXPECTED ASSET OR LIABILITY AS A RESULT
Mayibuye i-Afrika JV	October 2022	The matter relates to an on-going claim by Mayibuye i-Afrika – after their contract was terminated for poor performance they submitted a dispute in which they are claiming for compensation.	The dispute process is still on-going and completion date has not been determined.	Not known since the matter is still open.
JDA // HL Matlala t/a Gorogang Plant Hire		<p>Jabulani Phase 5</p> <p>Letter of demand in place dated 29 January 2024. The Contractor claims that he is due a Certificate of Completion in terms of the applicable contract. However that cannot be the case as he has not completed the works as per the conditions of Practical Completion given and accepted by them.</p> <p>AT this point, there is only a letter of demand with no court application.</p>	n/a	n/a
Inkululeko Yethu Cleaning	6 June 2024	The matters relates to monies owe to the claimant by the contractor that was appointed by the JDA.	The matter is relatively new so completion date is unknown.	Approximately R 2.7 million

Phakamani Properties	6 June 2024	The matters relates to monies owe to the claimant by the contractor that was appointed by the JDA.	The matter is relatively new so completion date is unknown.	Approximately R 4.4 million
Mayibuye i-Afrika JV	June 2024	The JDA has appointed a legal firm to assist in recovering cost damages from the contractor after he failed to complete the project.	The matter is relatively new so completion date is unknown.	Approximately R 6.4 million
Thamandla Consulting	June 2024	The JDA has appointed a legal firm to assist in recovering cost damages from the contractor after he failed to complete the project.	The matter is relatively new so completion date is unknown.	Approximately R 1.5 million

## SECTION 8: INSURANCE CLAIMS AGAINST/TO MOE

JDA is covered by the city-wide insurance entered into by the City of Johannesburg on behalf of all its entities. The insurance cover is reviewed on an annual basis.

The were no new claims in quarter 4, all claims emanate from previous years as outlined in the table below:

**TABLE 45: INSURANCE CLAIMS**

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
1	2017/18	ADRS00008440	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's property	R103 035,17	Third Party Liability	This claim was settled, and the file is closed.
2	2017/18	ADRS00008441	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's property.	R 12 500,00	Third Party Liability	The insurance has attempted to get hold of the claimant with no success. Therefore,



#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
								they are waiting for a third party/ claimant approach.
3	2017/18	ADRS00008435	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's wall.	R85 000.00	Contractors all risks	The insurance has attempted to get hold of the claimant with no success. Therefore, they are waiting for a third party/ claimant approach.
4	2021/22	ADRS000 08010	02/10/21	04/10/21	Damage to property due to hailstorm.	R1 782 370,67	Contractor's all risk.	The claim was settled, and the fine is closed.
5	2010/11	ADRS00011575	20/01/2011	01/10/2020	Damages to third party property.	R23 558 889,34	Third Party Liability	Insurer handling TP claim. The matter is currently in court.
6	2014/15	ADRS00011226	03/03/2015	06/01/2023	Third party fell into an uncovered water main access panel.	R2 430 000,00	Third Party Liability.	Insurer is handling TP claim. The matter is currently in court.
7	2015/16	ADRS00001394	14/10/2015	01/10/2020	A bridge collapsed and resulted in the death of two people and nineteen others injured.	R38 000.00	Third Party Injury.	Insurer is handling TP claim. The matter is currently in court.

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
8	2018/19	ADRS00006188	04/10//2018	18/04/2021	Electric pole fell on TP.	R300 000,00	Third Party Liability	Insurer is handling TP claim. The matter is in court.

## SECTION 10: 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 46: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES**

Name of department	Balance on 30 JUNE 2024	Comments
	R' 000	
City of Johannesburg - CAM & USDG	181,398	Balance relates to invoices that will be paid once budget lift signed by the City Manager and other remaining balance it relates to current invoices.
City of Johannesburg - Department of transportation	270,111	Balance relates to invoices that are long overdue, however Transport Department has submitted the memo of R97 million to the City Manager for the payment to be made, the other remaining balance we are waiting for the addendum that need to be signed together with supporting document that are outstanding (R70 million for addendum and R35 million related to invoices that are in disputes).
City of Johannesburg - Department of planning	39,249	Balance relates mainly relates to invoices that are overdue, the payment will be affected once the SCM documents are submitted.
City of Johannesburg - EMS	46,319	Balance relates to invoices for Alexandra and Comsociety fire station which have been referred to legal department, the remaining balance will be settled in June.
City of Johannesburg - Department of Health	65,439	Balance relates to invoices that are current and the payment will be made June 2024.
City of Johannesburg - Economic Development	24,006	Balance relates to invoices that are long overdue i.e. Linear Market Project where DED they are still in the process of making the payment.
City of Johannesburg - Housing	148,827	Balance relates to the invoices that needed the SLA to be signed in order for the payment to be made.
City of Johannesburg - GSPCR	3,850	Balance mainly relates to amounts outstanding since 2016/17 financial year. Although discussions have been held with the department, no payments have yet been received.
City of Johannesburg – Comm Dev and City Manager	238,261	Balance relates to invoices which are over 90 days, however they are developments City Manager department they are waiting for the budget lift that need to be signed by City Manager to affect the payments and lastly majority of invoices from Comdev will be paid between May and June 2024
<b>Total</b>	<b>952,021</b>	

## CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

### SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

The Internal Audit progress to which this section of the report relates to is the work conducted in the period 01 April 2024 to 30 June 2024 and outstanding projects from Q2 completed in Q4 the section of the report includes progress on the planned audit projects as well as special audit requests (if any) that were undertaken during this reporting period.

- a. There were ten (10) planned audits, of the 10 planned audits two (2) is completed, two (2) in execution phase and the remaining six (6) are all in progress at reporting (draft discussion) stage.
- b. Therefore 60% of the project are at reporting (draft discussion), while 20% at execution phase and another 20% are completed.

**TABLE 47: OUTSTANDING PROJECTS FROM Q2 COMPLETED IN Q4**

No.	Audit Description	Status	Progress Status	Overall Environment control
1.	Audit of the SCM Processes  Performance Audit of the SCM processes(3E's)  Contract Management Review and variation orders	Complete	Project completed report issued to management for noting.	Requires improvement
2.	2023/24 2 <sup>nd</sup> quarter Quarterly Audit of performance information (Audit of the Pre- Determined Objectives).	Complete	Project completed report issued to management for noting.	Requires improvement
3.	SMME development process review	Completed	Project completed report issued to management for noting.	Requires improvement
4.	Stakeholder Management Review – Project Stakeholders.	Completed	Project completed report issued to management for noting.	Requires improvement
5.	JDA internal project due diligence/feasibility assessment.	Completed	Project completed report issued to management for noting.	Requires improvement
6.	Performance Bonus Review	Completed	Project completed report issued to management for noting.	Requires improvement



**TABLE 48: PROGRESS ON THE PLANNED Q4 PROJECTS**

No.	Audit Description	Status	Progress Status	Overall control Environment
1.	4th report Follow-up on internal and external audit findings	In progress	Draft report	In progress
2.	Financial Discipline Review (Finance Processes)	In progress	Draft report	In progress
3.	2023/24 4th quarter Quarterly Audit of performance information (Audit of the Pre-Determined Objectives).	In progress	Draft report	In progress
4.	Audit of the capital project management processes Value for Money audit on completed projects, Audit of Bill of quantity and Capex expenditure and Audit of Bill of quantity and Capex expenditure	In progress	Draft report	In progress
5.	Cybersecurity audit - Information Security Review	In progress	Draft report	In progress
6.	IT governance, general and applications controls.	In progress	Draft report	In progress
7.	Marketing strategy implementation review. Review of project communication strategies	Completed	Draft report	Requires improvement

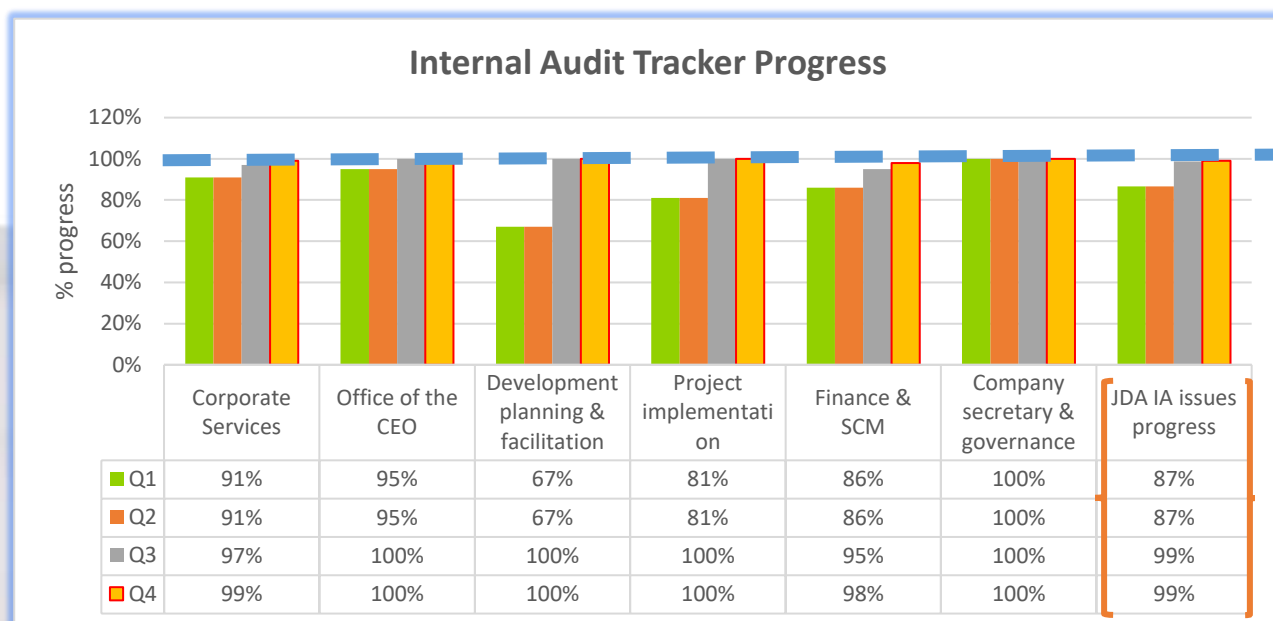
No.	Audit Description	Status	Progress Status	Overall control Environment
8.	Review of CSR activities. Review of media management systems and processes	Completed	Draft report	Requires improvement
9.	BCM	In progress	Execution	In progress
10.	SAP migration	In progress	Execution	In progress

## Section 2: PROGRESS ON PROBITY AUDITS

This section of the report relates to probity audits conducted in the period 01 April 2024 to 30 June 2024; in this reporting period there were no requests for probity audits.

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

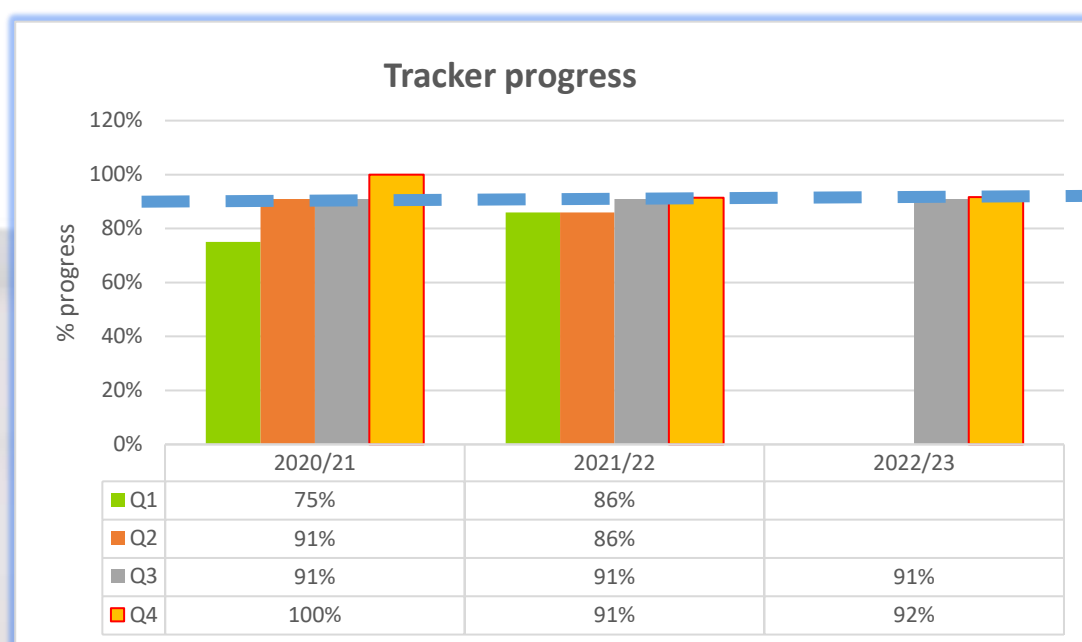
Internal Audit conducts follow-up reviews monthly on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the Chairperson of the Operation Clean Audit (OPCA) Committee and the Group Risk Assurance Services for discussion with the City Manager.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

**TABLE 49: RESOLUTION OF INTERNAL AUDIT FINDINGS**

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2021/22	1	53	54
2022/23	2	41	43
<b>Total number as of 30 June 2024</b>	<b>3</b>	<b>94</b>	<b>97</b>
<b>Percentage</b>	<b>3%</b>	<b>97%</b>	<b>100%</b>

**SECTION 4: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS**

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit provides independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings. In the 4<sup>th</sup> quarter management made a progressive move in resolving Internal audit findings.

**TABLE 50: RESOLUTION OF EXTERNAL AUDIT FINDINGS**

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2021/22	1	34	35
2022/23	0	24	24
<b>Total number as of 29 February 2024</b>	<b>1</b>	<b>58</b>	<b>59</b>
<b>Percentage</b>	<b>2%</b>	<b>98%</b>	<b>100%</b>

## SECTION 5: STATE OF INTERNAL CONTROLS

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

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

The JDA has a system of internal control to provide cost-effective assurance that the entity's goals will be economically, effectively, and efficiently achieved. In line with the MFMA, the International Standards for



the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and the King Code Report on Corporate Governance, Internal Audit provided the Audit and Risk Committee and Management with quarterly internal audit reports in terms of its approved annual Internal Audit Plan.

From the Internal work done for fourth quarter ,were are not anticipating material deficiencies in the system of internal control for the reporting period. Based on the internal audit work done to date, the state of internal control is anticipated to be adequately documented and Ineffective.

The Overall control Environment for the fourth quarter is not yet concluded as the audit are still in progress.

## 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)

