



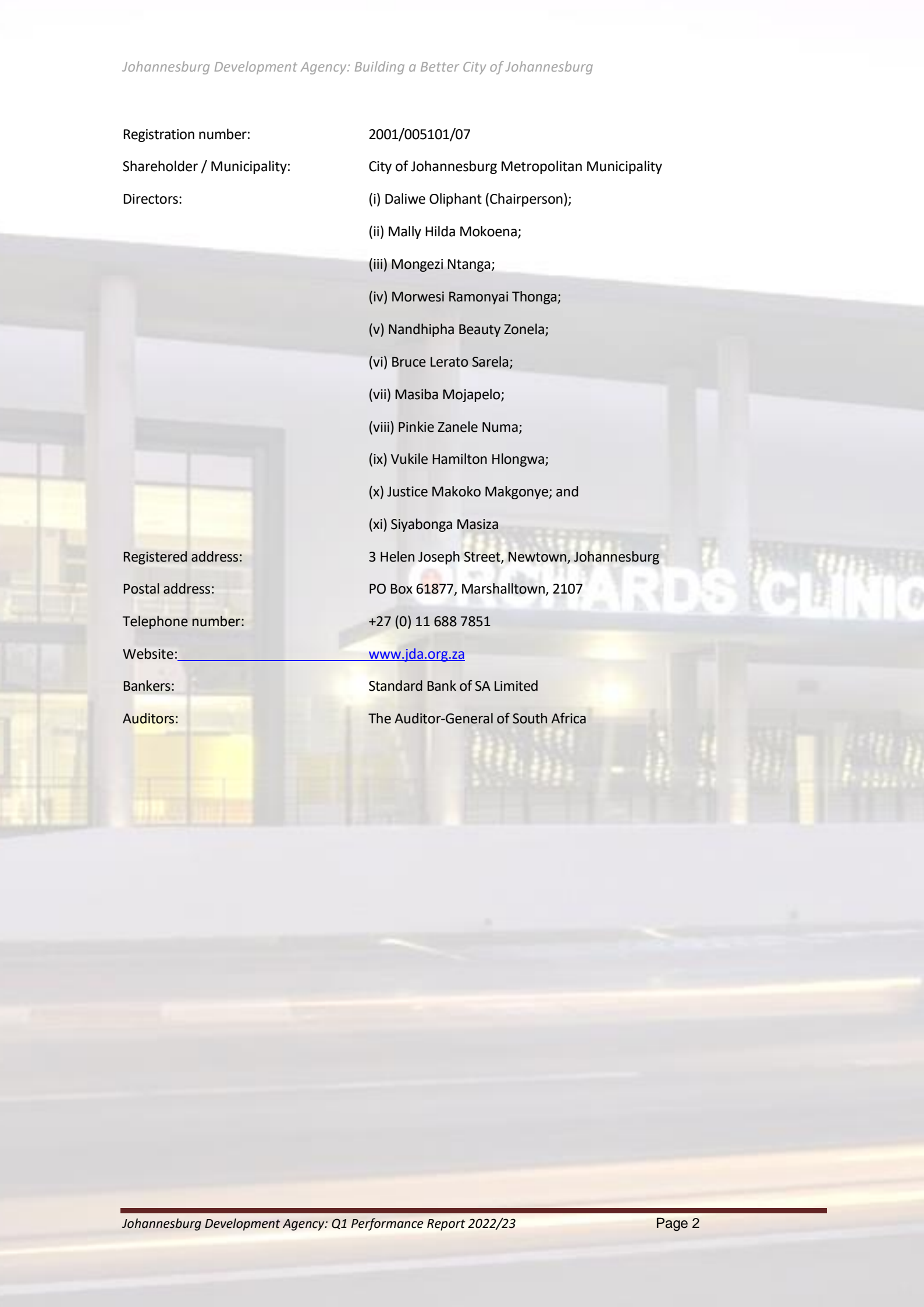
## **Q1 PERFORMANCE REPORT 2023/24**

**JULY 2023 TO SEPTEMBER 2023**




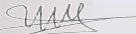


**JOHANNESBURG DEVELOPMENT AGENCY  
(SOC )LIMITED**

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



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

APPROVAL

<u>Mr Siyabonga Genu</u> Name & Surname Acting Chief Executive Officer	 Signature	<u>20/10/2023</u> Date of approval
<u>Mr. Sihle Mkhize</u> Name & Surname Acting: Chief Financial Officer	 Signature	<u>20 October 2023</u> Date of approval
<u>Ms. Daliwe Oliphant</u> Name & Surname Chairperson of the Board	 Signature	<u>25 October 2023</u> Date of approval
<u>Ms. Eunice Mgcina</u> Name & Surname MMC: Development Planning	 Signature	<u>25 October 2023</u> Date of approval

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## CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

### SECTION 1: CHAIRPERSON'S FOREWORD

I am honoured, as the Chairperson of the Johannesburg Development Agency (JDA) Board to present the 1st Quarter Performance Report for 2023/24 Financial Year. This Entity's Report was preceded by key milestones such as, the Strategic Planning Session for the JDA and the approval of the JDA's Business Plan for the current financial year, 2023/24. This Business Plan is aligned with the City of Johannesburg's eleven Mayoral strategic priorities and the four GDS 2040 outcomes that are informed by the Government of Local Unity (GLU)'s strategic direction. Inherently the JDA contributes and responds to several policy imperatives comprising of the IDP and priorities that have been set by the GLU, as these mutually aim to address matters concerning service delivery.

In this Report, progress against the targets set in the Scorecard and the first quarter performance for 2023/24 financial year are presented. The Board notes the Agency's achievement of 69% to the overall target in the 1st Quarter. The JDA's key highlights are contained in the Acting Chief Executive's Report and the Agency's detailed performance is contained in the 1st Quarter Performance Report below.

The JDA is committed to achieving its plans despite the challenges that may be brought about by the economic, financial, technological, legal and socio-cultural conditions within the South African economy. The Board notes Management's interventions after challenges that resulted in missed targets were identified. Within its mandate, the Board will ensure that Management continues to implement these interventions as they will improve the Entity's performance in the subsequent quarters.

JDA is a service-based organisation hence, the Board recognises the importance of the Entity's commitment to the highest standards of employee wellness. JDA has however faced challenges in this regard. These include low employee morale and high staff turnover, which pose risks of losing critical skills. The Board is prioritizing the recruitment of senior executives at the Entity, to provide stability and critical building blocks for its future operations. The Entity's Board will continuously perform its fiduciary duties thoroughly, including steering the strategic direction of the JDA to execute its mandate. During the month of August 2023, the Board approved the Entity's 2022/23 Annual Financial Statements and Integrated Annual Report, and these were subsequently submitted to Auditor General and the Shareholder.

On behalf of the Board, I would like to extend our gratitude, to the MMC and Shareholder for their continued support. I would also like to thank fellow Board members and Management for their unwavering support and continued commitment, too.

**Ms Daliwe Oliphant**  
**Board Chairperson**

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

The 1<sup>st</sup> quarter covering the period from July 2023 until the end of September 2023, marks the beginning of the 2023/24 Financial Year. The JDA complied and ensured that the Entity has a Business Plan which was approved by Council at the beginning of the 2023/24 FY. This Business Plan has a scorecard with twenty (20) Key Performance Indicators (KPI's) and targets for the entire FY, broken down into quarters.

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 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.

Aligned with JDA's Programme Performance Information Policy and Reporting Framework, the JDA's overall Performance for the 1<sup>st</sup> quarter is 69% of its applicable KPI targets, 8% partially achieved and 23% not achieved. However, there are challenges encountered that resulted in some KPI's not being achieved, such as that the entity continued to experience work stoppages due to SMMEs demands in some projects that are under construction. There are other various factors that continue to affect projects including poor contractor performance.

With regards to financial performance, the JDA had earned total revenue of R24 million (2021/22: R18 million) and incurred total expenditure of R34 million (2021/22: R33 million) which resulted in an overall deficit of R10 million (2022/23: Deficit of R9 million). Total revenue was R24 million year to date (2021/22: R23 million) against a budget of R28 million (2022/23: R 19 million). Actual capital expenditure was R139 million (2021/22: R174 million) against an annual budget of R1.4 billion (2021/22: R1.4 billion). This represents 10% (2021/22: 11.90%) of the overall annual budget. The organization's total assets did not exceed the total liabilities. The total net assets on 30 September 2023 were negative R9,8 million (2021/22: R42.5 million).

JDA has vacancies for executive and other management positions, the process to fill these posts is currently underway. These positions are as follows: Chief Financial Officer, Company Secretary, Executive Manager: Corporate Services, Chief Audit Executive, Manager: Risk and Integrity Management, Senior Manager: Information, Communication and Infrastructure Management, Senior Project Manager and these positions are at recruitment stage. The positions of Senior Manager: Internal Audit and Senior Manager: Development Planning and Facilitation are on hold due to Budget.

As we have commenced the new financial year 2023/24 our important priority as management is to continuously ensure that the Entity performs and comply with relevant legislation and policies.

**Mr Siyabonga Genu**

**Acting Chief Executive Officer**



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

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

For the quarter ended 30 September 2023 the JDA had earned total revenue of R24 million (2021/22: R18 million) and incurred total expenditure of R34 million (2021/22: R33 million) which resulted in an overall deficit of R10 million (2021/22: Deficit of R9 million).

Total revenue was R24 million year to date (2021/22: R18 million) against a budget of R28 million (2022/23: R 19 million). As the development management fees are based as a percentage of the capital project spend, the overall fluctuations in the capital expenditure have an impact on the management fees.

Actual operating expenses is R34 million (2021/22: R33 million) for the year to date against a budget of R30 million (2021/22: R19 million). Included in the operating costs is interest charged on the sweeping account of R11 million. The JDAs current funding model is not effective and is required to be reviewed at least within this financial year. The current arrangement of paying of contractual suppliers and then the impact of late payments by the client departments continues to put substantial financial pressure on the JDA and contributes to at least all of the overall deficit. Without a more permanent solution around this process, the interest charged will continue to place enormous pressure on the operations of the JDA.

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

**TABLE 1: ACTUAL OPERATIONAL BUDGET**

	Actual Prior year 30 September 2022	Actual R'000	Budget R'000	Variance R'000	% of actual against budget
<b>Revenue</b>	<b>R18 599</b>	<b>R24 014</b>	<b>R27 843</b>	<b>(R3 829)</b>	<b>86%</b>
Operating costs (before interest)	(R29 298)	(R23 150)	(R27 859)	R4 709	83%
Interest expense	(R1 716)	(R11 352)	(R1 883)	(R9 469)	603%
<b>Total operating costs</b>	<b>(R31 014)</b>	<b>(R34 502)</b>	<b>(R29 742)</b>	<b>(R4 760)</b>	<b>116%</b>
<b>Surplus/(Deficit)</b>	<b>(R12 416)</b>	<b>(R10 480)</b>	<b>(R1 899)</b>	<b>(R8 589)</b>	

Actual capital expenditure for the first quarter ended 30 September 2023 was R139 million (2021/22: R174 million) against an annual budget of R1.4 billion (2022/23: R1.4 billion). This represents 10 % (2021/22: 11.90%) of the overall annual budget and 40 % against the target budget of R344 million. There are still various factors that continue to affect projects including poor contractor performance. The organization's total assets exceeded the total liabilities. The total net assets at 30 September 2023 were negative R9,8 million (2021/22: R42.5 million).

The table below reflects the financial performance ratio of the organization for the quarter ended 30 September 2023.

**TABLE 2: FINANCIAL RATIOS**

Key Performance Area	Targets	Actual 30 September 2022	Actual 30 September 2023
Current ratio	Above 1.5: 1	1.04:1	0.91:1
Solvency ratio	Above 2: 1	1.05:1	0.98:1
Salaries to expenditure ratio	Below 60%	61%	60%
Revenue	R28 million	R18 million	R24 million
Expenditure (including taxation)	R29 million	R33 million	R34 million
Surplus / (Deficit)	(R 12 million)	(R9 million)	(R10 million)
Total net assets	R39.4 million	R42,5 million	(R9,8 million)
Capital expenditure	25%	11,90%	10%

Included in the above table, are the period specific prior year comparisons to further evaluate the performance.

The overall liquidity and solvency position of the JDA is below the norm. In previous financial years, the drastic increase in the capital expenditure that is normally experienced during the last quarter of the financial year puts extreme pressure on the overdraft in July and August due to the vast payments that need to be made. In addition, the collection of the claims back from the client departments have been slower than in previous years which has a negative impact on the sweeping account balance.

The remuneration ratio is equal to the norm which is mainly because of a lower employee cost numerator and the higher overall expenditure value as the denominator. The ratio is based on employee costs of R21 million over total expenditure of R34 million, which results in 60% of the expenditure. The employee costs item balance is slightly higher than the budgeted target by almost 60%. The JDA is primarily a service-orientated entity as majority of the operational costs relates to employee remuneration.

**S Mkhize**

**Acting 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, working 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 sustainability and compliance reporting and review.

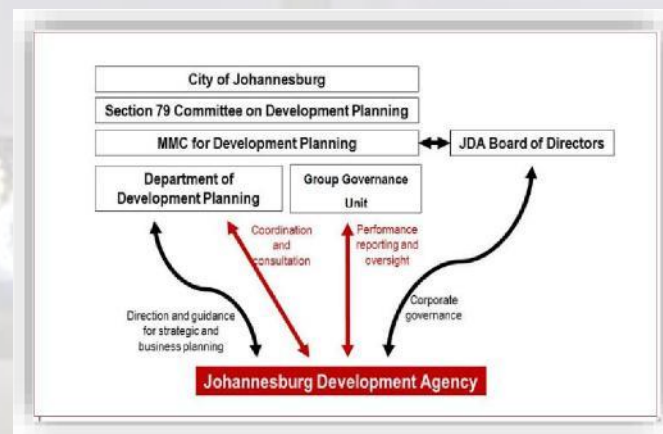


FIGURE 1: JDA GOVERNANCE SYSTEM

The Council's Section 79 Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of the departments and entities mandated with spatial transformation and economic growth of the city is integrated and coordinated. The JDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and engages with client departments in the design and construction of infrastructure assets.



## SECTION 5: STRATEGIC GOALS AND OBJECTIVES

The JDA has set the following strategic 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.

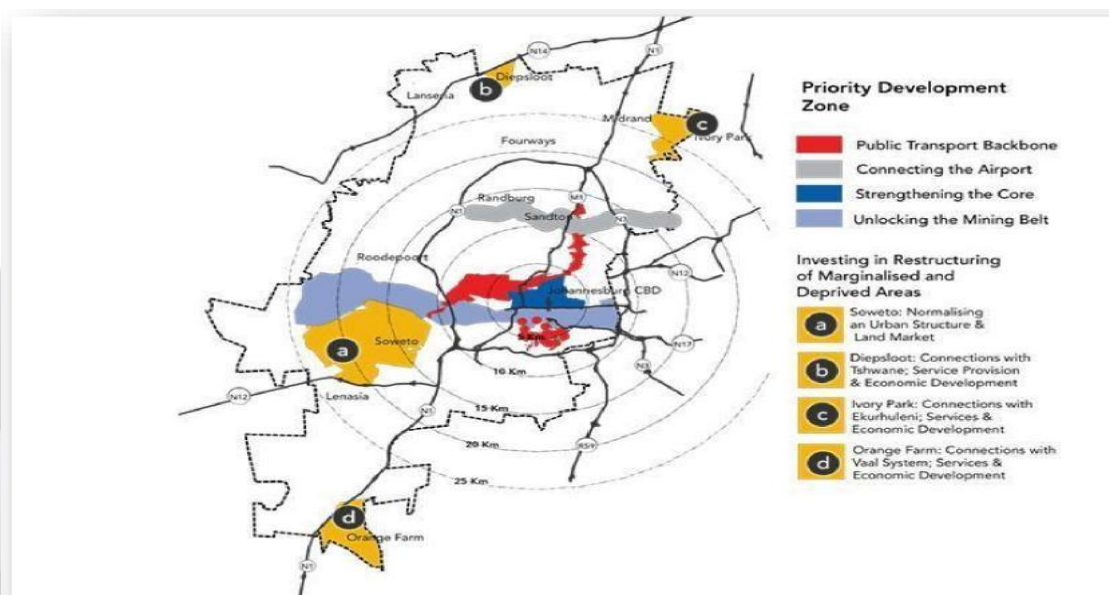


FIGURE 2: SDF 2040 PRIORITY ZONES

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 Corridor and Louis Botha Corridor.	
OR Tambo/ Airport Corridor	Alex and the OR Tambo Corridor (Includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald)	
Addressing marginalization	Marginalized Areas – Diepsloot, Ivory Park, Orange Farm	

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

- 1. Development identification and project packaging** - Identifying strategic opportunities to respond to the City of Johannesburg's focus area by bringing together all relevant stakeholders and parties to the initiative and developing an implementation plan.

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

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



FIGURE 3: DEVELOPMENT PROCESS / LIFECYCLE

**SECTION 6: SALIENT FEATURES****Performance Summary**

- JDA has managed to spend only 10% of its allocated Capital budget in the first quarters of the financial year against the target of 25%.
- A total of 70 EPWP work opportunities were reported as at end of the 1<sup>st</sup> Quarter. The entity has surpassed the target that is set at 50 jobs.
- The entity has recorded a deficit of R10.4 million by end of quarter due to cost that is higher than revenue.
- Actual operating expenses is R34 million (2021/22: R33 million) for the year to date against a budget of R30 million (2021/22: R31 million).

**TABLE 4: OPERATING BUDGET MANAGEMENT**

	Actual Prior year 30 September 2022	Actual R'000	Budget R'000	Variance R'000	% of actual against budget
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Actual capital expenditure for the first quarter ended 30 September 2023 was R139 million (2021/22: R174 million) against an annual budget of R1.4 billion (2022/23: R1.4 billion). This represents 10% (2021/22: 11.90%) of the overall annual budget and 40 % against the target budget of R344 million. There are still various factors that continue to affect projects including poor contractor performance.



## CHAPTER 2: CORPORATE GOVERNANCE

### SECTION 1: CORPORATE GOVERNANCE STATEMENT

#### Governance Framework

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

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

#### 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 Mokgema Mongane - Chief Executive Officer (on suspension effective 21 June 2023)

Mr Siyabonga Genu was appointed acting Chief Executive Officer effective 30 June 2023

Mr Sihle Mkhize was appointed acting Chief Financial Officer effective 14 November 2022.

The appointed Independent Audit and Risk Committee members are:

1. Mr Tshepo Nawane
2. Mr Sivuyile Mndawe
3. Mr Patrick Lebopa

**TABLE 5: BOARD COMPOSITION AS AT 30 SEPTEMBER 2023**

Board member	Capacity: Executive/ non-executive	Race	Gender	Board Committee Membership
Ms. Daliwe Oliphant	Chairperson	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)

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 first quarter.

**TABLE 6: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (01 JULY 2023 TO 30 SEPTEMBER 2023)**

Name	Board Meetings = Total of 2 Meetings				Audit & Risk Committee= Total of 3 Meetings				Social & Ethics/ HR & Remuneration Committee = Total Of 1				Development Committee = Total of 1			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Daliwe Oliphant (Chairperson)	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Bruce Sarela	2	2	1	0	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Makoko Makgonye	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Mongezi Ntanga	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Pinkie Numa	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	1	1	0	0
Morwesi Ramonyai	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	1	1	0	0
Siyabonga Masiza	2	2	0	0	3	3	0	0	1	1	0	0	N/A	N/A	N/A	N/A
Vukile Hlongwa	2	2	0	0	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nandipha Zonela	2	2	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	1	1	0	0
Mally Mokoena	2	2	0	0	N/A	N/A	N/A	0	1	1	0	N/A	N/A	N/A	N/A	N/A
Sivuyile Mndawe (ARC member)	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tshepo Nawane (ARC member)	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Lebopa (ARC member)	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



## Board Committees

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

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

Each committee composition is as follows:

**TABLE 7: COMPOSITION OF COMMITTEES AS AT 30 SEPTEMBER 2023**

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

Composition	Mandate and Quarterly Activities
<p>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> </ul>	
Development and Investment Committee	
<p>The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> <li>• 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 2022 annual general meeting. The non-executive directors and independent audit committee members are paid per meeting. Executive directors and prescribed officers are employees of the JDA and do not receive any additional remuneration by reason of their office. The table below reflects the gross or cost to company amounts paid by the JDA in relation to executive directors, non-executive directors', and independent audit committee members' fees.

**TABLE 8: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES AS AT 30 SEPTEMBER 2023**

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
<b>Executive Directors &amp; Senior Management</b>							
M Mongane	CEO	R 483 549,48	R 31 832,52	R0	R0	R144 618,00	R 660 000,00
R Shirinda	Company Secretary	R 88 285, 54	R 6,774.64	R0	R0	R0	R 95 060,18
O Nkoane	EM: Development Planning and Facilitation	R 484 355,76	R31 885,56	R0	R0	R0	R 516 241,32
S Genu	EM: Project Implementation	R 501 308,22	R 33 001,44	R 79 200,00	R0	R0	R 613 509,66
<b>Sub-Total</b>		<b>R 1 557 499,00</b>	<b>R 103 494,16</b>	<b>R 79 200,00</b>	<b>R 0</b>	<b>R144 618,00</b>	<b>R 1 884 811,16</b>
<b>Non-Executive Directors &amp; Independent Audit Committee Members</b>							
Board Effective March 2023							
Ms Daliwe Oliphant (NED)	Board Chairperson	R40,000.00					R40,000.00
Ms Mally Mokoena (NED)	Board Member (SEHR Chair)	R34,000.00					R34,000.00
Mr Mongezi Ntanga (NED)	Board Member	R32,000.00					R32,000.00
Ms Morwesi Ramonyai (NED)	Board Member	40,000.00					40,000.00
Ms Nandipha Zonela (NED)	Board Member	R32,000.00					R32,000.00
Mr Bruce Sarela (NED)	Board Member	R0.00					R0.00
Ms Pinkie Numa (NED)	Board Member	R0.00					R0.00
Mr Vukile Hlongwa (NED)	Board Member	R48,000.00					R48,000.00
Mr Makoko Makgonye (NED)	Board Member	R32,000.00					R32,000.00



Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Mr Siyabonga Masiza (NED)	Board Member	R0.00					R0.00
Mr Sivuyile Mndawe (IAC)	Independent Audit & Risk member	R24,000.00					R24,000.00
Mr Patrick Lebopa (IAC)	Independent Audit & Risk member	R24,000.00					R24,000.00
Mr Tshepo Nawane (IAC)	Independent Audit & Risk member	R24,000.00					R24,000.00
<b>Sub total</b>		<b>R332,000.00</b>					<b>R332,000.00</b>
<b>TOTAL</b>		<b>R1 889 499.00</b>	<b>R 103 494.16</b>	<b>R 79 200.00</b>	<b>R 0</b>	<b>R144 618.00</b>	<b>R 2 216 811.16</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.

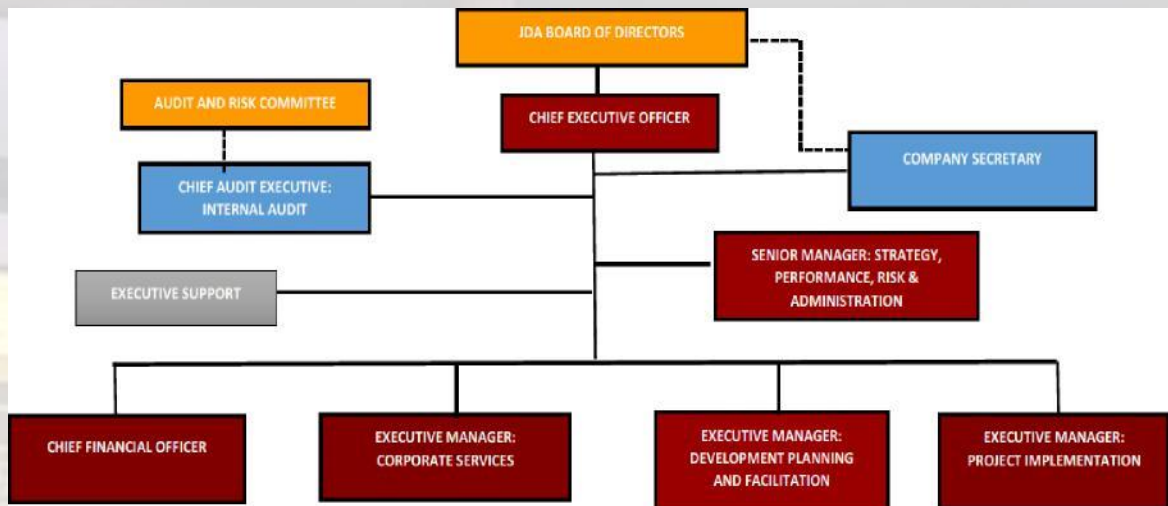


FIGURE 4: HIGH LEVEL ORGANISATION STRUCTURE

### 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 20 committed strategic future mitigation plans scheduled to be implemented in quarter one of 2023/24 financial year. However, of the 20 mitigation plans there are 13 that are implemented which result to 65%. Table below depicts the overall achievement in the implementation of strategic risks mitigations for the 1st quarter.

**TABLE 9: OVERALL MITIGATION IMPLEMENTATION AS AT 30 SEPTEMBER 2023**

Key Performance Indicator	1 <sup>st</sup> Quarter - Target	1 <sup>st</sup> Quarter – Performance	Variance
Implementation of committed Strategic Action Plans.	100%	65%	35%




#### 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 July 2023	RR- 30 Sept 2023	RR Movement	KRIs triggered	Status on the KRIs
1.	Poor project performance	12	16		Number of contractors put on terms/ terminated contractors	<p>There are two contractors served with notice for termination letters.</p> <p>There is one contractor served with the notice of default in terms of clause 11.0- securities.</p> <p>One contractor that is put on terms.</p> <p>The residual risk rating has regressed, moving from the rating of 12 to 6, therefore management needs to monitor the risk closely.</p>
2.	No/insufficient working capital to finance the project (contractor)	12	8		Delay in payment of contractors/ Invoices paid outside 30 days.	In quarter one, there was a total of 217 invoices paid and of the 217 only 2 invoices were paid outside the 30-day schedule.

No	Risk Name	RR- 1 July 2023	RR- 30 Sept 2023	RR Movement	KRIs triggered	Status on the KRIs
						There was a significant improvement and the residual risk has progressed from high to medium. However as this is an ongoing process and it's a compliance risk, management must closely monitor the risk.
6.	Inability to ensure financial sustainability	12	16		- % of budget spent on city-wide infrastructure.	The budget spent in quarter 1 is 86 million, which is 6% spent against the target of 25%. JDA is below the target, the residual risk remains high, moves from 12 to 16. Management must monitor the expenditure as this increases the likelihood of risk materializing if it is not monitored and managed.
8.	Inadequate institutional governance.	8	8		<ul style="list-style-type: none"> <li>- % of Strategic Risk Management Action Plans resolved.</li> <li>- Percentage resolution of Internal Audit findings.</li> <li>- Percentage resolution of Auditor General findings</li> </ul>	<p>Only 65% of strategic risk management action plans were implemented in the first quarter.</p> <p>85% Internal Audit findings resolved.</p> <p>94% Auditor General findings resolved.</p> <p>The residual risk rating is stagnant. Management must ensure that action plans are implemented and audit findings are resolved timeously.</p>

Considering the information contained in 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 is 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. 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 can lead to irregular expenditure being incurred by the JDA. Furthermore, all JDA employees are required to declare their financial interest at the beginning of every FY. To date JDA has a total of 87 employees and of the 87 employees there are 83 (equal to 95%) employees that submitted their Declaration of Interest (DOI) and only 4 (equal to 5%) employees that did not submit the DOI (these employees are currently on suspension). Management will explore other options to ensure that there is 100% compliance (HR department to liaise with the said employees to submit their completed forms).

#### SECTION 4: ANTICORRUPTION AND FRAUD

Annual Fraud Risk Awareness is conducted through risk assessment & 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 & 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.

Progress on fraud cases is provided on a monthly basis via email and quarterly meetings with GFIS. The objective of these meetings is to discuss the progress of each case and the challenges encountered. There was no case reported in quarter one of the 2023/24 financial year. The current cases emanate from the previous years as illustrated in the table below.



**REPORTED CASES**

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

**TABLE 11: REPORTED CASES**

Year	No	Status on the cases	Comments
2022	2	There are 2 (two) investigation that are currently in progress.	The cases are continuously monitored.
2021	8	There are 5 (five) cases that have been closed.	Closing reports/memos are available.
		There is 1 (one) case that do not appear on the GFIS system.	Continuous engagement with GFIS to identify where the discrepancies are.
		There are 2 (two) cases to be reopened for further investigation	The cases will be continuously monitored.
2019	1	There is one (1) case that does not appear on the GFIS system	Continuous engagement with GFIS to identify where the discrepancies are.
2018	3	All cases are closed	Closing reports/memos are available.
2017	1	The case is closed.	Closing report/memo is available.

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

**SECTION 5: ICT GOVERNANCE**

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

**TABLE 12: ICT POLICIES AND FRAMEWORKS ARE CURRENTLY IN PLACE**

Policy	Role	Status
ICT Security Policy	ICT Security enforcement	Approved-Due for review
ICT Strategy	ICT Strategy enforcement	Approved-Due for review

Policy	Role	Status
Cloud Policy	Cloud enforcement	Approved
Disaster Recovery	Disaster Recovery	<b>Approved-Due for review</b>
Backup Policy	Backup detail & frequency	<b>Approved-Due for review</b>
Password Policy	Password application	Approved
Internet and Email Policy	governance	Approved
Cyber Security Strategy	Cyber security application	Approved

### Finance Module integration Status

The following high-level plan applies to the data migration process for system change from MS Great Plains to SAP Finance. The SAP Team has received internally audited financials. The extraction and data cleansing processes are complete as scheduled.

Item	Status	Progress
<b>GP Supplier Masterfile</b> <ul style="list-style-type: none"> <li>Extract</li> <li>Verification by Finance Team</li> <li>Sign-off</li> <li>Handover</li> </ul>	Data has been extracted from GP and loaded on staging and is being cleansed before confirmation by business	100%
<b>Debtors Masterfile extract and finance sign-off</b> <ul style="list-style-type: none"> <li>Extract</li> <li>Verification by Finance Team</li> <li>Sign-off</li> <li>Handover</li> </ul>	Data has been extracted from GP and is being cleansed before confirmation by business	100%
<b>Assets Masterfile extract</b> <ul style="list-style-type: none"> <li>Extract</li> <li>Verification by Finance Team</li> <li>Sign-off</li> <li>Handover</li> </ul>	Data has been extracted from GP and is being cleansed before confirmation by business	100%

Item	Status	Progress
<b>Creditors ledger verification of balances as at date</b> <ul style="list-style-type: none"> <li>• Extract</li> <li>• Verification</li> <li>• handover</li> </ul>	Data has been extracted from GP and is being cleansed before confirmation by business	100%
<b>Debtors' ledger verification of balances as at date</b> <ul style="list-style-type: none"> <li>• Extract</li> <li>• Verification</li> <li>• handover</li> </ul>	Data has been extracted from GP and is being cleansed before confirmation by business	100%
<b>Configuration of integration of all submodules to FI</b>	Complete. Users will test during the UAT process - scheduled for 26-30 /9/2023	100%
<b>Testing of all integrations</b>	Scheduled for 03-05/10/23	100%
<b>Refresher Training</b>	Will be run parallel with UAT -03-05/10/23	scheduled
<b>Re-UAT</b>	Will be run parallel with UAT 03-05/10/23	scheduled
<b>Quality Gate 1 test</b> <b>Cycle 1 -SAP QA to GP</b>	2-5/10/2023	scheduled
<b>Quality Gate 2 Test</b> <b>Cycle 2-SAP QA to GP</b>	2-5/10/2023	scheduled
<b>Quality Gate 3 -Integration to all business modules</b> <b>Workshop of Finance Team, DI, DF and SCM</b>	2-5/10/2023	scheduled

### Performance of the network

Under normal operating conditions, the network performance is 99%, against a target of 99%. Network performance in this context refers to access of JDA employees to the internet and JDA systems, when they are working from the JDA premises and when they are working from home.

### Backup and Business continuity

A new service for managed backup and Disaster Recovery services has been appointed in this quarter due to the fact that the contract for the old service provider was coming to an end. This will ensure that there is continuity of backup and Disaster Recovery services.

### Vulnerability assessments and Penetration Testing

The importance of ICT Security especially in the context of modern technologies cannot be overemphasized. The JDA has taken a proactive approach to safeguarding both information and ICT infrastructure by ensuring that there is a service provider appointed to run vulnerability assessments, as well as penetration tests every quarter of the financial year.

For this quarter, the vulnerability assessments will be run from the 30 of September to the end of the 1st week of October. The outcome of the assessments is informed by a remedial plan to resolve any vulnerability issues that may have been identified, or any security weaknesses that may have been identified.

#### **Activation of the Employee Self Service (ESS) system**

This quarter saw the activation of the Employee self-service (ESS) portal on the SAP system. The ESS is a secure web-based portal that allows employees to access their payslips (viewing and printing), update their Masterfile details through an approved workflow, apply for leave and view their personal details.

### **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 quarter one, URR reflects a total of 41 Legislations/Regulations with a corresponding 302 regulatory compliance obligations identified, of which 5 are reported as non-compliant and details of such are captured on table below:

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

#### **Overall URR Compliance Status:**

<b>Description</b>	<b># of Obligations</b>	<b>Compliance %</b>
<b>Compliant</b>	<b>297</b>	<b>98.3%</b>
<b>Non-compliant</b>	<b>5</b>	<b>1.7%</b>
<b>Total</b>	<b>302</b>	<b>100%</b>

**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)(c)	Public records are routinely inspected by records management staff.	Records management specialist was appointed, File Plan approved, Records Management Policy developed, Records Management Matrix developed.  The action item still outstanding is the appointment of the service provider to assist the JDA with electronic document management, however the action item was halted due to budget constraints
Municipal Finance Management Act, No. 56 of 2004.	Section 99(2)(b)	Service Providers must be paid within 30 days.	Management will issue instruction note to JDA employees specifying the number of days in which invoices needs to be submitted to Finance upon receipt.
Protection of Personal Information	Chapter 4, section 55	Appointment of the Information Officer and register him/her with the Information Regulator	The process of creating awareness on POPI act compliance is in progress. Three awareness sessions have been conducted thus far (focusing on these categories EXCO, Risk & Compliance and Supply Chain Management unit). The next stage is to create awareness organizational wide and appoint the Information Officer, this is planned to be implemented in Q2.
Protection of Personal Information	Section 4 Section 17	The Information Officer must ensure that a compliance manual is developed, implemented, monitored and maintained.  The responsible party to maintain the documentation of all processing operations under its responsibility.	As indicated above, post the appointment and registration of the Information Officer, the POPI Manual will be developed.
Municipal Systems Act	Section 7	Declaration of Interest	JDA has a total of 87 employees and of the 87 and there are 4 employees that did not submit the DOI (these employees are currently on suspension); however, management will explore other option to ensure 100% compliance.

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 first quarter 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	No expenditure incurred
Fruitless and Wasteful Expenditure	No expenditure incurred
Irregular Expenditure.	No expenditure incurred
Failure to pay Service Providers within 30 days.	In quarter one of the 2023/24 financial year there was a total of 217 invoices paid which amount to R87 860 963.85. Of the 217 total invoices paid, there were 2 invoices paid outside the 30-day period which amount to R 932 683,56. Therefore JDA is at 0.8% non-compliance. Management will issue an instruction note to JDA employees specifying the number of days in which invoices needs to be submitted to Finance upon receipt.

**SECTION 8: SUSTAINABILITY REPORT**

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

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

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

***Environmental Impact***

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

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

Four major outcomes define the Joburg 2040 GDS:

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

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

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

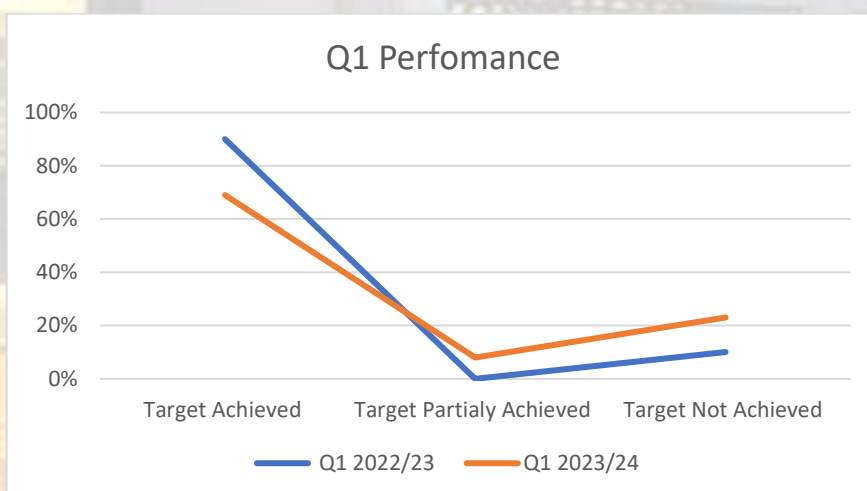
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The JDA complied with the provision of the MFAM 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 twenty (20) key Performance indicators and targets for the entire FY, broken down into quarters.

In the quarter under review, the JDA scorecard has seven (7) KPIs that are not due for reporting because there were no targets set for these KPI in the first quarter. These are KPIs that are usually going through planning stage during the first quarter of the FY. In total, the entity will measure thirteen (13) of the twenty (20) KPIs that are in the scorecard.

The graph below presents the Q1 results in comparison with Q1 of the previous FY. The entity has recorded 69% targets achieved, 8% partially achieved and 23% not achieved by end of Q1. In comparison with the same period in the previous financial year, the entity's performance has regressed in that 90% achievement was recorded in that period.



**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.



**TABLE 16: SUMMARY OF KPI PERFORMANCE**

City Priorities	JDA Programmes	No of KPI's	KPI Number	Target Achieved (85% - 100% rating)		Target Partially Achieved (75% - 84% rating)		Target not Achieved (<74% rating)	
				Count	%	Count	%	Count	%
Strategic priority: infrastructure Development and Refurbishment.	Accelerated Public infrastructure Delivery Programme Strategic Economic Node Delivery Programme	9(2 Measured)	(1-2-3-4-5-6-7-8-9)	2	100%	–	–	–	–
Strategic priority: Good Governance	Good Governance, Management and Administration	2	(10-11)	2	100%	–	–	–	–
Strategic priority: Financial Sustainability	Good Governance, Management and Administration	4	(12-13-14-15)	2	50%	–	–	2	50%
Strategic priority: Job opportunity and creation and sustained	Economic Empowerment	4	(16-17-18-19)	3	75%	1	25%		
Strategic priority: Day-to-day Job opportunity and creation and Economic Development Growth	Other IDP or Day-to Day programs	1	20	–	–	–	–	1	100%
		20 (13 due for reporting)	(1-20)	9	69%	1	8%	3	23%

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

The following are service delivery challenges that were encountered by the JDA during the first quarter of 2023/24:

- The entity continued to experience work stoppages due to SMMEs demands in some projects that are under construction.
- Lack of budget affected the Internal Audit in conducting one of its planned audits - a motivation for budget adjustment has been submitted to cater for the project and letter requesting deferment of the project has been prepared.
- High vacancy rate in various Senior Management positions (impacting on accountability):
  - The position of the CFO, EM: Corporate Services, CAE and COSEC remained vacant throughout the quarter.
  - As result there are Employees that are acting in various Senior Management positions.

## 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	<p>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.</p> <p>The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighbourhood nodes.</p>
2. Accelerated Public Infrastructure Delivery Program	2A: Deprivation Areas Revitalization Sub-Programme	<p>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.</p>
	2B:Urban Infrastructure Delivery Sub-Program	<p>The objective is to deliver on the City's priority social effectively and efficiently and/or economic infrastructure programs.</p> <p>This work includes overseeing capital investments by other departments and entities. This program includes Rea Vaya BRT infrastructure, taxi and transport facilities, primary healthcare clinics and fire-stations.</p>

#### 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 fourth quarter ended 30 September 2023 was R736.6 million (2021/22: R1 027 million) against the budget of R1.2 billion (2021/22: R1.3 billion). This represents 10% of the overall annual budget spent by end of fourth quarter. There are still various factors that continue to affect projects expenditure including poor contractor performance.

TABLE 19: CAPITAL EXPENDITURE AS AT END OF SEPTEMBER 2023

	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 4 621 659	R 7 750 000	(R 3 128 341)	R 4 621 659	R 7 750 000	(R 3 128 341)	(40,37%)	R 31 000 000	14,91%
Pennyville Precinct Renewal	2 776 804	7 500 000	(4 723 196)	2 776 804	7 500 000	(4 723 196)	(62,98%)	30 000 000	9,26%
Randburg CBD Regeneration Renewal	2 066 905	5 000 000	(2 933 095)	2 066 905	5 000 000	(2 933 095)	(58,66%)	20 000 000	10,33%
Balfour Park Transit Precinct Development	0	375 000	( 375 000)	0	375 000	( 375 000)	(100,00%)	1 500 000	0,00%
Melville Activity Street	4 035 453	3 750 000	285 453	4 035 453	3 750 000	285 453	7,61%	15 000 000	26,90%
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	4 002 789	5 000 000	( 997 211)	4 002 789	5 000 000	( 997 211)	(19,94%)	20 000 000	20,01%
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional	0	R 6 250 000	(6 250 000)	R 0	R 6 250 000	(R 6 250 000)	(100,00%)	25 000 000	0,00%
Ivory Park Turnkey Prog Dlamini Drive	165 550	0	165 550	165 550	0	165 550	0,00%	0	
Watt Street Precinct, Wynberg	1 078 085	6 500 000	(5 421 915)	1 078 085	6 500 000	(5 421 915)	(83,41%)	26 000 000	4,15%
Orange farm Turnkey project	19 123 995	25 000 000	(5 876 005)	19 123 995	25 000 000	(5 876 005)	(23,50%)	100 000 000	19,12%
Kliptown Urban Renewal Programme	0	375 000	( 375 000)	0	375 000	( 375 000)	(100,00%)	1 500 000	0,00%
23775_Ivory Park Urban Renewal Programme	0	5 000 000	(5 000 000)	0	5 000 000	(5 000 000)	(100,00%)	20 000 000	0,00%
Operational Capex New Operational Capex NEWTOWN F City Wide	0	500 000	( 500 000)	0	500 000	( 500 000)	(100,00%)	2 000 000	0,00%
Community Based Projects	0	12 500 000	(12 500 000)	0	12 500 000	(12 500 000)	(100,00%)	50 000 000	0,00%
Braamfischerville Ext 12&13: Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward	1 811 026	2 500 000	( 688 974)	1 811 026	2 500 000	( 688 974)	(27,56%)	10 000 000	18,11%
Klipfontein Wellness Centre	7 645 685	5 501 500	2 144 185	7 645 685	5 501 500	2 144 185	38,97%	22 006 000	34,74%
Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C	0	125 000	(125 000)	0	125 000	(R 3 128 341)	(40,37%)	500 000	0,00%
<b>SUB-TOTAL</b>	<b>47 327 951</b>	<b>93 626 500</b>	<b>(46 298 549)</b>	<b>47 327 951</b>	<b>93 626 500</b>	<b>(46 298 549)</b>	<b>(49,45%)</b>	<b>374 506 000</b>	<b>12,64%</b>

<b>COMMUNITY DEVELOPMENT (Comm Dev)</b>									
Meusium Africa	0	1 250 000	(1 250 000)	0	1 250 000	(1 250 000)	(100,00%)	5 000 000	0,00%
Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward	0	7 500 000	(7 500 000)	0	7 500 000	(7 500 000)	(100,00%)	30 000 000	0,00%
Johannesburg Library F	319 659	2 500 000	(2 180 341)	319 659	2 500 000	(2 180 341)	(87,21%)	10 000 000	3,20%
Kaalfontein MPC New Construction	1 647 641	11 482 500	(9 834 859)	1 647 641	11 482 500	(9 834 859)	(85,65%)	45 930 000	3,59%
MPC Mathollesville	3 316 227	11 250 000	(7 933 773)	3 316 227	11 250 000	(7 933 773)	(70,52%)	45 000 000	7,37%
Repairs to Comm Dev Facilities	2 410 043	0	2 410 043	2 410 043		2 410 043	0,00%	0	
<b>SUB-TOTAL</b>	<b>7 693 570</b>	<b>33 982 500</b>	<b>(26 288 930)</b>	<b>7 693 570</b>	<b>33 982 500</b>	<b>(26 288 930)</b>	<b>(77,36%)</b>	<b>135 930 000</b>	<b>5,66%</b>
<b>DEVELOPMENT PLANNING</b>									
Jabulani TOD: Phase 6a - Safe Hub	1 887 785	3 875 000	(1 987 215)	1 887 785	3 875 000	(1 987 215)	(51,28%)	15 500 000	12,18%
Soweto Strategic area framework	0	500 000	( 500 000)	0	500 000	( 500 000)	(100,00%)	2 000 000	0,00%
InnerCity Core	1 866 901	3 750 000	(1 883 099)	1 866 901	3 750 000	(1 883 099)	(50,22%)	15 000 000	12,45%
Brixton Social Cluster: Work Package 1 New multipurpose sports and recreation	34 377	7 500 000	(7 465 623)	34 377	7 500 000	(7 465 623)	(99,54%)	30 000 000	0,11%
New Turfontein Clinic and Multipurpose	472 617	9 498 500	(9 025 883)	472 617	9 498 500	(9 025 883)	(95,02%)	37 994 000	1,24%
Inner City Partnership Fund - Round 1: Yeoville	169 580	2 500 000	(2 330 420)	169 580	2 500 000	(2 330 420)	(93,22%)	10 000 000	1,70%
Fordsburg PEU	0	250 000	( 250 000)	0	250 000	( 250 000)	(100,00%)	1 000 000	0,00%
Mayfair PEU	0	250 000	( 250 000)	0	250 000	( 250 000)	(100,00%)	1 000 000	0,00%
Kliptown Multipurpose	0	375 000	( 375 000)	0	375 000	( 375 000)	(100,00%)	1 500 000	0,00%
<b>SUB-TOTAL</b>	<b>4 431 260</b>	<b>28 498 500</b>	<b>(24 067 240)</b>	<b>4 431 260</b>	<b>28 498 500</b>	<b>(24 067 240)</b>	<b>( 84,45%)</b>	<b>113 994 000</b>	<b>3,89%</b>
<b>EMERGENCY MANAGEMENT SERVICES (EMS)</b>									
Alex Fire Station	0	10 000 000	(10 000 000)	0	10 000 000	(10 000 000)	(100,00%)	40 000 000	0,00%
Central fire station	311 723	0	311 723	311 723	0	311 723	0,00%	0	
<b>SUB-TOTAL</b>	<b>311 723</b>	<b>10 000 000</b>	<b>(9 688 277)</b>	<b>311 723</b>	<b>10 000 000</b>	<b>(9 688 277)</b>	<b>(96,88%)</b>	<b>40 000 000</b>	<b>0,78%</b>
<b>HEALTH DEPARTMENT</b>									
Elias Motsoaledi Clinic	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	2 000 000	0,00%
South Hills Clinic	2 420 488	750 000	1 670 488	2 420 488	750 000	1 670 488	222,73%	3 000 000	80,68%
Naledi Clinic	13 451 607	5 728 750	7 722 857	13 451 607	5 728 750	7 722 857	134,81%	22 915 000	58,70%



Zandspruit Clinic	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	2 000 000	0,00%
Rabie Ridge Clinic	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	2 000 000	0,00%
Hikhsensile Clinic	325 461	5 000 000	(4 674 539)	325 461	5 000 000	(4 674 539)	(93,49%)	20 000 000	1,63%
Protea South Clinic	0	7 500 000	(7 500 000)	0	7 500 000	(7 500 000)	(100,00%)	30 000 000	0,00%
Freedom Park Clinic	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	2 000 000	0,00%
<b>SUB-TOTAL</b>	<b>16 197 556</b>	<b>20 978 750</b>	<b>(4 781 194)</b>	<b>16 197 556</b>	<b>20 978 750</b>	<b>(4 781 194)</b>	<b>(22,79%)</b>	<b>83 915 000</b>	<b>19,30%</b>
<b>HUMAN SETTLEMENTS</b>									
Masingita Development Bulk Services	0	650 000	( 650 000)	0	650 000	( 650 000)	(100,00%)	2 600 000	0,00%
Finetown Proper Gravel roads upgrade	128 765	2 500 000	(2 371 235)	128 765	2 500 000	(2 371 235)	(94,85%)	10 000 000	1,29%
Lakeside Ext 5 Gravel roads upgrade	1 638 033	0	1 638 033	1 638 033	0	1 638 033	0,00%	0	
Drieziek 3, 4 and 5 upgrade gravel Road	11 628 072	5 000 000	6 628 072	11 628 072	5 000 000	6 628 072	132,56%	20 000 000	58,14%
Kanana Park Ext	452 709	3 750 000	(3 297 291)	452 709	3 750 000	(3 297 291)	(87,93%)	15 000 000	3,02%
Formulation of Zandspruit Urban Development Framework	0	100 000	( 100 000)	0	100 000	( 100 000)	(100,00%)	400 000	0,00%
Elias Motsoaledi Ext1 Township Development (Region D - Ward 24)	165 847	8 750 000	(8 584 153)	165 847	8 750 000	(8 584 153)	(98,10%)	35 000 000	0,47%
Drieziek Ext.5	0	5 000 000	(5 000 000)	0	5 000 000	(5 000 000)	(100,00%)	20 000 000	0,00%
Ennerdale South	288 691	5 000 000	(4 711 309)	288 691	5 000 000	(4 711 309)	(94,23%)	20 000 000	1,44%
Drieziek Ext.4	0	5 000 000	(5 000 000)	0	5 000 000	(5 000 000)	(100,00%)	20 000 000	0,00%
Technical support Erven 918,19,30&31	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	3 000 000	0,00%
Marily House ERF80	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100,00%)	4 000 000	0,00%
Roodepoort Feasibility and Development Framework	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	3 000 000	0,00%
Jeppeshtown 3866 Technical suport ERF	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	3 000 000	0,00%
Bramley View and Lombardy West	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	3 000 000	0,00%
Johannesburg Market Upgrade	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	3 000 000	0,00%
Inner City Walkable Network	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	3 000 000	0,00%
Highcourt Revitalisation	0	675 000	(675 000)	0	675 000	(675 000)	(100,00%)	2 700 000	0,00%
Hillbrow Health Precinct Upgrade	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	2 000 000	0,00%
CBD Rejuvenation	0	750 000	(750 000)	0	750 000	(750 000)	(100,00%)	3 000 000	0,00%
Upgrading of Mechanical & Electrical Equip	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	2 000 000	0,00%
Innecity Walkable Stage 4	0	550 000	(550 000)	0	550 000	(550 000)	(100,00%)	2 200 000	0,00%
CBD Rejuvenation 2	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100,00%)	6 000 000	0,00%
<b>SUB-TOTAL</b>	<b>14 302 117</b>	<b>45 725 000</b>	<b>(31 422 883)</b>	<b>14 302 117</b>	<b>45 725 000</b>	<b>(31 422 883)</b>	<b>(68,72%)</b>	<b>182 900 000</b>	<b>7,82%</b>



<b>TRANSPORTATION PTIS FUNDING:</b>									
Phase 1C Stations	894 878	23 539 250	(22 644 372)	894 878	23 539 250	(22 644 372)	(96,20%)	94 157 000	0,95%
Section 15K (Watt Interchange Station Road Works and Bridges)	0	13 750 000	(13 750 000)	0	13 750 000	(13 750 000)	(100,00%)	55 000 000	0,00%
Alexandra Depot	552 724	0	552 724	552 724					
OTHER: Land	147 600	3 750 000	(3 602 400)	147 600	3 750 000	(3 602 400)	(96,06%)	15 000 000	0,98%
Selby Depot 2C	24 185 438	11 250 000	12 935 438	24 185 438	11 250 000	12 935 438	114,98%	45 000 000	53,75%
OTHER: Passenger Information Signage (Finger boards - "on Street)	71 500	6 250 000	(6 178 500)	71 500	6 250 000	(6 178 500)	(98,86%)	25 000 000	0,29%
<b>SUB-TOTAL</b>	<b>25 852 140</b>	<b>58 539 250</b>	<b>(32 687 110)</b>	<b>25 852 140</b>	<b>58 539 250</b>	<b>(32 687 110)</b>	<b>(55,84%)</b>	<b>234 157 000</b>	<b>11,04%</b>
<b>DEPARTMENT OF SOCIAL DEVELOPMENT (SoC DEV)</b>									
Shelter for Displaced People Region F	0	2 493 750	(2 493 750)	0	2 493 750	(2 493 750)	(100,00%)	9 975 000	0,00%
Betrans Multipurpose Centre	2 570 343	11 287 500	(8 717 157)	2 570 343	11 287 500	(8 717 157)	(77,23%)	45 150 000	5,69%
Yetta Nathan Social development Centre	0	9 187 500	(9 187 500)	0	9 187 500	(9 187 500)	(100,00%)	36 750 000	0,00%
Repairs and Maintenance of Facilities	1 851 167	0	1 851 167	1 851 167	0	1 851 167	0,00%	0	
Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	0	406 250	( 406 250)	0	406 250	( 406 250)	(100,00%)	1 625 000	0,00%
Minor Upgrades of all Social Development Facilities in all the Regions	0	250 000	( 250 000)	0	250 000	( 250 000)	(100,00%)	1 000 000	0,00%
<b>SUB-TOTAL</b>	<b>4 421 510</b>	<b>23 625 000</b>	<b>(19 203 490)</b>	<b>4 421 510</b>	<b>23 625 000</b>	<b>(19 203 490)</b>	<b>(81,28%)</b>	<b>94 500 000</b>	<b>4,68%</b>
<b>TRANSPORTATION COJ FUNDING:</b>									
Karsene Public Transport Facility	0	750 000	( 750 000)	0	750 000	( 750 000)	(100,00%)	3 000 000	0,00%
Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route	0	1 250 000	(1 250 000)	0	1 250 000	(1 250 000)	(100,00%)	5 000 000	0,00%
Complete Streets: NMT Facilities Linking Railway Stations New Dube CHIAWELO D City Wide:	5 149 114	2 500 000	2 649 114	5 149 114	2 500 000	2 649 114	105,96%	10 000 000	51,49%
PTF: Small Public Transport Facility Design Kya Sand New Nodal Transport Facilities KYA SAND:	0	500 000	( 500 000)	0	500 000	( 500 000)	(100,00%)	2 000 000	0,00%
Carr Street Public Transport Facility	321 606	4 516 250	(4 194 644)	321 606	4 516 250	(4 194 644)	(92,88%)	18 065 000	1,78%
Jack Mincer Public Transport Facility	0	625 000	( 625 000)	0	625 000	( 625 000)	(100,00%)	2 500 000	0,00%
Fleet Africa Public Transport Facility	0	750 000	( 750 000)	0	750 000	( 750 000)	(100,00%)	3 000 000	0,00%

Metro Mall Public Transport facility	0	750 000	( 750 000)	0	750 000	( 750 000)	(100,00%)	3 000 000	0,00%
PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G)	1 465 389	3 500 000	(2 034 611)	1 465 389	3 500 000	(2 034 611)	(58,13%)	14 000 000	10,47%
Small: Public Transport Facility in Zakariya Park Region G	0	1 250 000	(1 250 000)	0	1 250 000	(1 250 000)	(100,00%)	5 000 000	0,00%
Complete Streets: NMT links Tshepisoong	0	750 000	( 750 000)	0	750 000	( 750 000)	(100,00%)	3 000 000	0,00%
Complete Streets Deep South	1 457 828	1 250 000	207 828	1 457 828	1 250 000	207 828	16,63%	5 000 000	29,16%
PTF Rosebank	1 319 853	3 250 000	(1 930 147)	1 319 853	3 250 000	(1 930 147)	(59,39%)	13 000 000	10,15%
Complete Streets Turfontein	2 354 185	750 000	1 604 185	2 354 185	750 000	1 604 185	213,89%	3 000 000	78,47%
Public Transport Stops: Cosmo City	0	750 000	( 750 000)	0	750 000	( 750 000)	(100,00%)	3 000 000	0,00%
Complete Streets: NMTlinking Phefeni Station	43 042	750 000	( 706 958)	43 042	750 000	( 706 958)	(94,26%)	3 000 000	1,43%
Small: PTF Lakeside New nodal	0	750 000	( 750 000)	0	750 000	( 750 000)	(100,00%)	3 000 000	0,00%
PTF Sunninghill	0	262 500	( 262 500)	0	262 500	( 262 500)	(100,00%)	1 050 000	0,00%
Public Transport Data	541 253	152 250	389 003	541 253	152 250	389 003	255,50%	609 000	88,88%
Travel demand	297 495	604 500	( 307 005)	297 495	604 500	( 307 005)	(50,79%)	2 418 000	12,30%
Parking Management Policy	0	760 750	( 760 750)	0	760 750	( 760 750)	(100,00%)	3 043 000	0,00%
Complete Streets: NMT Linking Orange Farm	0	500 000	( 500 000)	0	500 000	( 500 000)	(100,00%)	2 000 000	0,00%
Roodepoort Public Transport Facility	0	250 000	( 250 000)	0	250 000	( 250 000)	(100,00%)	1 000 000	0,00%
Helen Joseph Public Transport New	0	500 000	( 500 000)	0	500 000	( 500 000)	(100,00%)	2 000 000	0,00%
Upgrading of JITI Control Room New	0	500 000	( 500 000)	0	500 000	( 500 000)	(100,00%)	2 000 000	0,00%
PTF: Small Public Transport Facilities: Tshepisoong	0	750 000	( 750 000)	0	750 000	( 750 000)	(100,00%)	3 000 000	0,00%
PTF Small Public Transport Facility Design and Construction of Zola Public	0	250 000	( 250 000)	0	250 000	( 250 000)	(100,00%)	1 000 000	0,00%
<b>SUB-TOTAL</b>	<b>12 949 765</b>	<b>29 171 250</b>	<b>(16 221 485)</b>	<b>12 949 765</b>	<b>29 171 250</b>	<b>(16 221 485)</b>	<b>(55,61%)</b>	<b>116 685 000</b>	<b>11,10%</b>
<b>OTHER</b>									
Review Kliptown Business Plan & Urban design	283 800	0	283 800	283 800	0	283 800	0,00%	0	0,00%
Alex Auto hub security	508 033	0	508 033	508 033	0	508 033	0,00%	0	0,00%
UN Habitat	91 424	0	91 424	91 424	0	91 424	0,00%	0	0,00%
<b>SUB-TOTAL</b>	<b>883 257</b>	<b>0</b>	<b>883 257</b>	<b>883 257</b>	<b>0</b>	<b>883 257</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b>
<b>Retention</b>	4 085 000			4 085 000					
<b>TOTAL</b>	<b>138 455 849</b>	<b>344 146 750</b>	<b>(205 690 901)</b>	<b>138 455 849</b>	<b>344 146 750</b>	<b>(205 690 901)</b>	<b>(59,77%)</b>	<b>1376 587 000</b>	<b>10,06%</b>




## SECTION 6: ORGANISATIONAL PERFORMANCE

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


The JDA policy and reporting framework was reviewed and aligned to the City's performance rating threshold where a target is achieved with 85–100% rating, a target is partially achieved with a 75–84% rating and a target not achieved with anything less than a 74% rating.

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


### KPI ACHIEVEMENT RATINGS

Achievement	Rating	Current JDA Rating
	Target achieved	85% - 100% rating
	Target partially achieved	75% - 84% rating
	Target not achieved	<74% rating

**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									
<b>KPI No</b>	<b>Key Performance Indicator</b>	<b>Baseline 2021/22</b>	<b>2023/24 Annual Target</b>	<b>2023/24 Q1 Target</b>	<b>2023/24 Q1 Actual</b>	<b>Variance</b>	<b>Quarterly Achievem ent Rating</b>	<b>Explanation of progress as at the end of 30 September 2023</b>	<b>Variations and steps to be taken to improve performance.</b>
1.	Number of pre-feasibility studies conducted. <sup>4</sup>	8	8 Pre-feasibility	-	-	-	-	Not due for reporting	None
2.	Number of feasibility studies conducted.	New KPI	4 feasibility studies conducted	-	-	-	-	Not due for reporting	None
3.	Number of urban development framework completed.	1	2 UDF Completed	1	1	0		None	None
4.	Number of projects at the concept design phase.	18	4	-	-	-	-	Not due for reporting	None
5.	Number of projects in detailed design phase.	New KPI	7 Projects	-	-	-	-	Not due for reporting	None





6.	Number of projects reaching contract award stage.	4	9 Projects	-	-	-	-	Not due for reporting	None
7.	Number of projects reaching practical completion stage.	4	22 Projects at practical completion	-	2	-	-	Project Complete Streets Turffontein and Lakeside Gravel Roads Upgrade – Phase 1 which were planned to reach practical completion in Q2 and Q4 respectively were completed in Q1	None
8.	Number of precinct management implementation plans.	3	1	-	-	-	-	Not due for reporting	None
9.	Number of JDA Communication and Media related Initiatives.	410	280	70	134	64		None	None

**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:** Good Governance




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


KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q1 Target	2023/24 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2023	Variations and steps to be taken to improve performance
10.	Percentage resolution of Internal Audit findings.	92%	100%	10%	84%	74%		None	None
11.	Percentage resolution of Auditor General findings.	91%	100%	80%	95%	15%		None	None

**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 Q1 Target	2023/24 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2023	Variations and steps to be taken to improve performance
12.	Percentage of budget spent on city- wide infrastructure.	80,49%	95%(Cumulative	25%	10%	-15%		Under expenditure is attributed to delay in procurement, poor performance by contractors.	Robust enforcement of contracts for Poor performing contractors including termination is underway and planned procurement to be fast tracked in Q2.
13.	Percentage of valid invoices paid within 30 days of the invoice date.	92%	100%	100%	99%	-1%		2 invoices were paid after 30 days due to being received late from user department.	In the subsequent quarters, management will closely monitor and ensure that 100% of the invoices are paid within 30days. If there are invoices that are not paid within 30 days, Finance will report to the respective HoD's.
14.	Percentage of spent on repairs and maintenance to property, plant and	New	8%	0%	1%	1%		None	None


15.	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide.	New	50%	40%	0%	-40%		No movements on unauthorized, irregular, fruitless and wasteful (UIFW) expenditure reduction. The expenditure is still under investigation by GFIS.	JDA awaits GFIS process to be concluded.
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## Day-to-day Program / Job opportunity and creation and Economic Development

OUTCOME: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens									
STRATEGIC PRIORITIES: Job opportunity and creation and sustained economic growth									
JDA STRATEGIC PROGRAMME: Economic Empowerment									
KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q1 Target	2023/24 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2023	Variations and steps to be taken to improve performance
16.	Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total.	103%	100%	100%	108%	8%		None	None
17.	Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	412	500	50	70	20		None	None
18.	Percentage of SMME expenditure as a share of total expenditure.	44%	30%	30%	33%	3%		None	None
19.	Percentage spends on JDA operating Expenditure against approved operating budget.	104%	95%	25%	23%	2%		Under expenditure because of budgeted vacant post not filled resulting in a saving of 2%	The recruitment process of positions have commenced and is anticipated to be concluded in Q2.

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 Q1 Target	2023/24 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2023	Variations and steps to be taken to improve performance.
20	Percentage implementation of the strategic risk management action plan findings resolved.	100%	95%	100%	65%	-35%		There are 20 committed strategic future mitigation plans scheduled to be implemented in quarter one of 2023/24 financial year. However, of the 20 mitigation plans only 13 are implemented which result to 65%.	Management will fast-track and monitor the Implementation of Action Plans.

## 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 500 jobs to be created through this programme. Of the annual target of 500 jobs, 50 jobs were set as target for the Q1. 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 split the Project Implementation into 3 portfolios and this table also shows how portfolios contributed towards reported EPWP jobs.

**TABLE 21: EPWP PERFORMANCE**

JDA Program	Q1 EPWP	Q2 EPWP	Q3 EPWP	Q4 EPWP	YTD
Program 1	19	-	-	-	19
Program 2	21	-	-	-	21
Program 3	30	-	-	-	30
<b>TOTAL</b>	<b>70</b>				<b>70</b>

### 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: July 2023 to 28 September 2023**

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 28 September 2023, the SMME share of JDA's total expenditure was R29 180 847.10. This constitutes an achievement of **33%**.

**TABLE 22: SMME EXPENDITURE FROM 1 JULY 2023 TO 30 SEPTEMBER 2023**

Description	July 2023 to 30 September 2023		
	Total Expenditure	SMME Claimed	SMME %
Capex	R77 902 562.95	R26 574 813.54	34%
Opex	R 9 958 766.84	R 2 606 033.56	26%
<b>Consolidated Opex and Capex</b>	<b>R87 861 329.79</b>	<b>R 29 180 847.10</b>	<b>33%</b>

### 6.3. Good Governance, Management and Administration

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



## CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

The 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 emphasises 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

HR priorities for the year under review relate to ensuring that there is an efficient and effective workforce within the JDA. The HR department is making a concerted effort to ensure implementation of the recruitment and selection policy with regard to the filling of vacant posts on the structure.

Human capital policies are in place and will continue to be reviewed in 2023/24 FY to ensure that they are aligned to the Strategic Plan and legislative requirements.

An employee performance management system has been put in place to ensure that the organizational objectives are cascaded down and aligned with individual performance contracts. This 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).

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

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

This section provides the total employee remuneration for all employees that were in the JDA's employment during quarter one (1) (including the Executive members).

The Total Remuneration Costs for the period ending 27 September 2023 amount to R 13 705 467.40. This figure is inclusive of the Pension Fund. The JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 27 September 2023 amounts to R 212 462.30.

## SECTION 2: EMPLOYMENT AND KEY VACANCIES

Below is a list of key vacancies.

**TABLE 23: VACANCY PROGRESS AS AT 30 SEPTEMBER 2023**

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

## 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 24: 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	2	0	0	0	0	0	0	0	0	0	2
Senior Management	5	0	0	0	6	0	0	0	0	0	11
Professionally qualified and experienced specialists and mid-management	12	0	0	0	20	1	0	0	0	1	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	0	0	14	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	5	0	0	0	3	0	0	0	0	0	8
TOTAL PERMANENT	34	0	0	0	50	1	1	0	0	1	87
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	34	0	0	0	50	1	1	0	0	1	87

The JDA targets and achievements for period under review:

- 96,6% of its employees are Black African.
- 60,9% of its staff members are Female.
- 42,9% of Executive and Senior Management positions are held by black women.

- The JDA has employees with physical disabilities of 1%. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

**Table 25: EE PERFORMANCE AGAINST THE TARGET**

City Targets (JDA)		JDA Achievements
Black African employees	80.9%	96,6%
Senior Management Female	35.9%	42,9%
Disability	2%	1%



**TABLE 26: WORKFORCE PROFILE IN TERMS OF AGE, RACE, GENDER AND FOREIGN NATIONAL STATUS AS AT 30 SEPTEMBER 2023**

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	0	0	0	0	0	0	0	0	0	0	0
(Level 1-2)	>35	3	0	0	0	0	0	0	0	0	0	3
	Total	3	0	0	0	0	0	0	0	0	0	3
Senior Management	18-34	0	0	0	0	0	0	0	0	0	0	0
(Level 3-4)	>35	5	0	0	0	6	0	0	0	0	0	11
	Total	5	0	0	0	6	0	0	0	0	0	11
Professional Qualified	18-34	4	0	0	0	3	0	0	0	0	0	7
(Level 5-6)	>35	8	0	0	0	17	1	0	0	0	1	27
	Total	12	0	0	0	20	1	0	0	0	1	34
Skilled Technical	18-34	2	0	0	0	5	0	0	0	0	0	7
(Level 7-8)	>35	4	0	0	0	9	0	1	0	0	0	14
	Total	6	0	0	0	14	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	3	0	0	0	0	0	0	0	0	0	3
(Level 11)	>35	2	0	0	0	3	0	0	0	0	0	5
	Total	5	0	0	0	3	0	0	0	0	0	8
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	50	1	1	0	0	1	87

TABLE 27: PERCENTAGE STANDING ON RACE AND GENDER

Occupational Level (Below EAP row)	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
<b>Top Management</b>	<b>18-34</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>(Level 1-2)</b>	<b>&gt;35</b>	3,4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,4%
	<b>Total</b>	<b>3,4%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>3,4%</b>
<b>Senior Management</b>	<b>18-34</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>(Level 3-4)</b>	<b>&gt;35</b>	5,7%	0%	0%	0%	6,9%	0%	0%	0%	0%	0%	12,6%
	<b>Total</b>	<b>5,7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>6,9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>12,6%</b>
<b>Professional Qualified</b>	<b>18-34</b>	4,6%	0%	0%	0%	3,4%	0%	0%	0%	0%	0%	8%
<b>(Level 5-6)</b>	<b>&gt;35</b>	9,2%	0%	0%	0%	19,5%	1,2%	0%	0%	0%	1,2%	31,1%
	<b>Total</b>	<b>13,8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>23%</b>	<b>1,2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1,2%</b>	<b>39,1%</b>
<b>Skilled Technical</b>	<b>18-34</b>	2,3%	0%	0%	0%	5,7%	0%	0%	0%	0%	0%	8%
<b>(Level 7-8)</b>	<b>&gt;35</b>	4,6%	0%	0%	0%	10,3%	0%	1,2%	0%	0%	0%	16,1%
	<b>Total</b>	<b>6,9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>16,1%</b>	<b>0%</b>	<b>1,2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>24,2%</b>
<b>Semi-Skilled</b>	<b>18-34</b>	1,2%	0%	0%	0%	2,3%	0%	0%	0%	0%	0%	3,5%
<b>(Level 9-10)</b>	<b>&gt;35</b>	2,3%	0%	0%	0%	5,7%	0%	0%	0%	0%	0%	8%
	<b>Total</b>	<b>3,5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>11,5%</b>
<b>Unskilled</b>	<b>18-34</b>	3,4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,4%
<b>(Level 11)</b>	<b>&gt;35</b>	2,3%	0%	0%	0%	3,4%	0%	0%	0%	0%	0%	5,7%
	<b>Total</b>	<b>5,7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>3,4%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>9,1%</b>
<b>Temporary</b>	<b>18-34</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	<b>&gt;35</b>	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 a variety of skills sets, thus building a pool of competent employees. It aims to provide an integrated learning experience to its employees that will strengthen their commitment to the 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.

**TABLE 28: SKILLS DEVELOPMENT AND TRAINING**

Occupational category	Number of employees	Training provided within the reporting period		
		Professional Memberships	Short Courses/Seminars	Bursaries
Top Management	0	0	0	0
Senior Management	0	0	0	0
Middle Management	0	0	0	0
Skilled Technical and academically Qualified	0	0	0	0

Occupational category	Number of employees	Training provided within the reporting period		
		Professional Memberships	Short Courses/Seminars	Bursaries
Semi-Skilled	0	0	0	0
Unskilled	0	0	0	0

## 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 29: PERFORMANCE MANAGEMENT AS AT END OF SEPTEMBER 2023**

Department	Eligible Staff	Performance Agreements Submitted	Outstanding
Office of the CEO	7	4	3
Company Secretary	1	1	0
Internal Audit	6	5	1
Finance	11	10	1
Corporate Services	14	12	2
Project Implementation	26	11	15
Development Planning & Facilitation	8	7	1
<b>Total</b>	<b>73</b>	<b>50</b>	<b>23</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 30: MISCONDUCT AND DISCIPLINARY AS AT END OF SEPTEMBER 2023**

Outcome	Number
Final Written Warning	0
Dismissal	0

**TABLE 31: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FINALISED AS AT END OF SEPTEMBER 2023**

Type of misconduct	Number
Dishonesty	0
Absenteeism	0
Insubordination	0
Negligence	0
<b>Total</b>	<b>0</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 Maternity leave with a total of 126 days, with Annual leave being the second most utilised leave type with a total of 43,5 days, followed by Paternity Leave with 10 days.

**TABLE 32: LEAVE ANALYSIS AS AT END OF SEPTEMBER 2023**

Type of Leave	July	August	September	October	November	December	January	February	March	April	May	June	Total
Annual Leave	4,5	14	25										43,5
Sick Leave	0,5	1	0										1,5

Family Responsibility	0	0	0										0
Maternity Leave	42	44	40										126
Paternity Leave	0	10	0										10
Study Leave	5	0	0										5
<b>TOTAL</b>	<b>52</b>	<b>69</b>	<b>65</b>										<b>186</b>

## SECTION 8: EMPLOYEE BENEFITS

The Total Remuneration Costs for the period ending 27 September 2023 amount to R 13 705 467.40. This figure is inclusive of the Pension Fund. The JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 27 September 2023 amount to R 212 462.30.

## SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

### *HIV/AIDS in the Workplace*

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

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

### **Occupational Health and Safety (OHASA)**

The following deliverables were achieved in the quarter under review to ensure that the JDA complies with the relevant provision of the OHASA Act:

1. Fire equipment was serviced
2. Fire audit service provider appointed and conducting monthly audits
3. OHASA consultants appointed for 36 months

4. Appointment of pest control service provider was done
5. Appointment of hygiene services provider
6. Office space acquisition for JDA is at planning stage through engineers

## SECTION 10: CORPORATE SOCIAL RESPONSIBILITY (CSR)



FIGURE 6: KLIPTOWN SECONDARY GIRLS



FIGURE 7: CENTRAL JOHANNESBURG TVET COLLEGE'S (CJC)



FIGURE 8: DAVID MAKHUBO SECONDARY SCHOOL

18 JULY 2023

### KLIPTOWN SECONDARY GIRLS BENEFIT FROM JDA SANITARY PAD DRIVE

To mark the global celebration of Mandela Day, the Johannesburg Development Agency (JDA), led by the Member of the Mayoral Committee for Development Planning, Cllr Eunice Mgcina, donated sanitary pads to Kliptown Secondary School. The project was driven by employees who donated everything that was distributed on the day.

16 August 2023

### JDA ENGAGES THE NEXT GENERATION OF ENGINEERING PROFESSIONALS

The Johannesburg Development Agency (JDA) hosted a dynamic engagement session for the Central Johannesburg TVET College's (CJC) engineering students. The engagement session was led by JDA acting CEO Mr. Siyabonga Genu who has extensive experience in the implementation of various infrastructure Capex projects.



**17 AUGUST 2023**

## JDA AND QUADRANT SYSTEMS PARTNER TO EMPOWER YOUNG GIRLS

In celebration of Women's Month, this partnership has undertaken the noble endeavor of donating sanitary pads to 980 girls from David Makhubo Secondary School in Kaalfontein on Thursday, 17 August.

## SECTION 11: MARKETING AND COMMUNICATIONS

### 11.1 Media Management (Digital)

The report shows the performance of content on the Johannesburg Development Agency's digital platforms between 01 July to 30 September 2023.

**12** Press releases, **32** Facebook posts, **35** tweets on Twitter, **30** posts on Instagram and **25** posts on LinkedIn for the first quarter of 2023/24

Social Media Platform	Posts	Growth	Engagement	Reach
FACEBOOK	32	82	832	46 229
TWITTER	35	130	947	59 189
INSTAGRAM	30	39	347	2 740
LINKEDIN	25	167	390	23 946

Social Media Platforms	Followers
Facebook	9 313
Instagram	1 968
Twitter	4 042
LinkedIn	5 385

## Media Report

### JULY – AUGUST 2023

#### JULY 2023

- Seven media items were analysed for the Johannesburg Development Agency (JDA) in July 2023.
- This was a decrease when compared to the 11 media items analysed in June 2023.
- The Agency's Advertising Value Equivalency (AVE) was at R 301 458.19 in July 2023, from R 231 962.15 in June 2023.
- Five media items analysed were positive in rating. Coverage varied from the completion of the Jabulani Safe-Hub Olympic sized swimming pool and MMC Eunice Mgcina's oversight visits to three projects by the Johannesburg Development Agency (JDA). The projects are the Kaalfontein Multipurpose Centre, the Turffontein Clinic, and the Diepsloot Public Environment Upgrade.
- In addition, media coverage reported that Griffin Shea, the founder of Bridge Books, collaborated with the JDA a few years back to engage in community outreach and rebrand specific areas of the CBD neighborhood as the Johannesburg literary district, aiming to reshape the perception of the city and shed light on the true nature of downtown life.



- Neutral coverage included reports about an explosion in the CBD on 19 July 2023. Some of the reports mentioned that *“the boards of quasi-privatised entities such as the Johannesburg Development Agency (in charge of planning), City Power, Johannesburg Water and the Johannesburg Roads Agency, which are supposed to fuel the city’s expertise, are mainly made up of cadres from the parties in the coalition government.”*

## AUGUST 2023

- Eleven media items were analysed for the Johannesburg Development Agency (JDA) in August 2023.
- This compares seven media items analysed in July 2023.
- The Agency’s Advertising Value Equivalency (AVE) was calculated at R 74 112.75 in August 2023, from R 301 458.19 in July 2023.
- Out of the analysed media items, five garnered a positive rating. These reports mainly focused on the progress of the BRT station construction in Sandton.
- There was also coverage acknowledging the successful site establishment for the Chris Hani Sports Complex in Orange Farm.
- The remaining six media items received a neutral rating, with the reporting merely consisting of passing mentions related to the JDA.

## SEPTEMBER 2023

- The Johannesburg Development Agency (JDA) was analysed in 14 media items in September 2023, up from eleven media items in August 2023.
- The Agency’s AVE was calculated at R363 137.85 in September 2023, up from R 74 112.75 in August 2023.
- Out of the analysed media items, five received a positive rating. The coverage included topics such as the successful completion of the southern section of the Modderfontein Bridge Project and the nearing completion of a new swimming pool complex at the Drieziek Multipurpose Centre.
- Five items received a negative rating, with mentions primarily focusing on infrastructure development challenges in and around Johannesburg.
- The remaining four media items received a neutral rating, with the reporting merely consisting of passing mentions related to the JDA.

## 1. PUBLIC RELATIONS ACTIVITIES: MMC MCGINA’S OVERSIGHT VISITS TO DIFFERENT JDA PROJECTS

06 JULY 2023

### MMC MCGINA KICKS OFF OVERSIGHT VISITS WITH THREE JDA PROJECTS



FIGURE 9: PROJECTS VISITED BY THE MMC

The oversight visit took place on Thursday, 06 July and was aimed at gauging the progress on capital development underway. Projects visited were the **Kaalfontein Multipurpose Centre**, the **Turffontein Clinic** and the **Diepsloot Public Environment Upgrade (PEU)**.

20 JULY 2023

#### MMC MGCINA TACKLES JDA PROJECTS IN REGION F AND G

**Johannesburg Central Library** – The MMC’s oversight tour kick-started at Johannesburg City Library, which was first opened in 1935. The JDA is implementing renovations at the iconic building on Albertina Sisulu Road and Pixley Ka Isaka Seme Street.

**Central Fire Station** - The second stop of oversight saw the MMC travel to the new Central Fire Station which is a modern space intended to cater for the current and envisaged demands for the community in the inner city of Johannesburg.

**Bertrams Multipurpose Centre** – The oversight tour then saw the MMC head to the eastern edge of the Inner-City Central Business District where the JDA is implementing the Bertrams Multipurpose Centre.

**Orange Farm Bulk Stormwater** – The MMC oversight then saw her visit Region G in Orange Farm. As part of the Orange Farm Turnkey Programme has been implementing bulk stormwater infrastructure in ward 3.

**Chris Hani Sports Complex** – The final stop of the oversight tour was the Chris Hani Sports Complex project which is currently in its first phase of construction. The Chris Hani Sports Complex also forms part of the Orange Farm Turnkey Programme.

#### CUTTING-EDGE CHRIS HANI SPORTS COMPLEX WILL MAXIMIZE FUNCTIONALITY

03 AUGUST 2023



FIGURE 10: CHRIS HANI SPORTS COMPLEX AND MULTIPURPOSE HALL



FIGURE 11: MODDERFONTEIN BRIDGE PROJECT

*The new Chris Hani Sports Complex and Multipurpose Hall will serve as a state-of-the-art infrastructure that will enhance the sporting experience and foster the community development.*

23 AUGUST 2023

#### UPDATE: REHABILITATION OF MODDERFONTEIN BRIDGE

The Johannesburg Development Agency (JDA) has completed the southern section of the Modderfontein Bridge project following an extensive period of rehabilitation and modernisation.

#### WEBINARS

The entity held webinars intended to address a number of issues in the quarter under review. The webinars ranged from mental health issues, women empowerment, Artificial Intelligence and heritage related matters during September. The pictures below depict the webinars held.



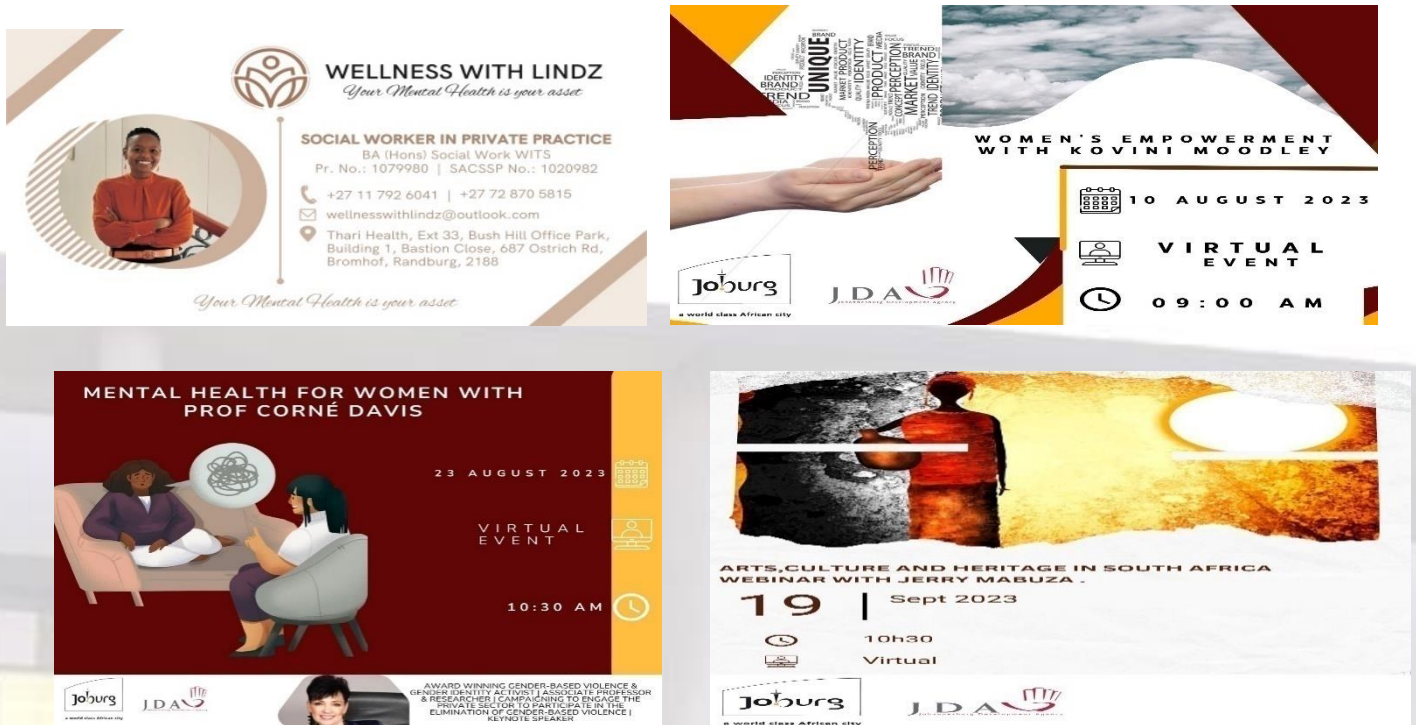


FIGURE 12: WEBINER SESSIONS FOR THE QUARTER

## CHAPTER 5: FINANCIAL PERFORMANCE

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

**TABLE 33: STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	Quarter Ended 30 September 2023		
	Actual	Budget	Variance
	R'000	R'000	R'000
<b>Non-current assets</b>	<b>26 651</b>	<b>31 953</b>	<b>(5 302)</b>
Property plant and equipment	5 195	8 000	(2 805)
Deferred tax	3 953	3 953	0
Intangible assets	17 503	20 000	(2 497)
<b>Current assets</b>	<b>975 945</b>	<b>998 463</b>	<b>(22 518)</b>
Trade and other receivables	683 939	798 453	(114 514)
Prepayments	0	0	0
Vat Receivable	292 002	200 000	92 002
Cash and cash equivalents	4	10	(6)
<b>Total assets</b>	<b>1 002 597</b>	<b>1 030 416</b>	<b>(27 819)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>	<b>(9 825)</b>	<b>16 278</b>	<b>(30 845)</b>
Contribution from owner	16 278	16 278	0
Accumulated surplus/(deficit)	(26 103)	0	(26 103)
<b>Non-current liabilities</b>	<b>(59 446)</b>	<b>5 900</b>	<b>(53 546)</b>
Deferred taxation	4 448	4 400	48
Provisions	1 255	1 500	(245)
Other Liability	(65 149)	200 000	(265 149)
<b>Current liabilities</b>	<b>1 071 868</b>	<b>1 073 385</b>	<b>(1 517)</b>
Loans from shareholders	660 752	360 000	300 752
Trade and other payables	398 018	400 000	(1 982)
Provision	7 283	60 000	(52 717)
Provision for Leave	5 994	10 000	(4 006)
<b>Total equity and liabilities</b>	<b>1 002 597</b>	<b>1 030 416</b>	<b>(27 819)</b>



Notes	
1	The decreases on the property plant and equipment it is due to depreciation
2	The unfavourable variance it due to under expenditure on capex impact on revenue claims.
3	Changes on the Reserve/Net Assets it is due to the deficit of R10.5 million
4	The movement of the non-current liability is immaterial
5	The variance is above the target overdraft of R300 million. This is mainly due to invoices that were raised /accrued June 2023 that were paid after July 2023. However, JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the city with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account.
6	The increases on the payables it due to invoices that were received in September 2023.

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

TABLE 34: STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Original approved	Year to date			Notes
	Budget	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	
Gross revenue	118 967	24 014	27 843	(3 829)	7
Operating costs	(111 436)	(23 150)	(27 859)	4 709	8
<b>Gross surplus/(deficit)</b>	<b>6 864</b>	<b>864</b>	<b>6 864</b>	<b>(6 000)</b>	
Interest expense	(7 531)	(11 352)	(1 883)	(9 469)	9
<b>Deficit before tax</b>	<b>0</b>	<b>(10 487)</b>	<b>0</b>	<b>(14 589)</b>	
Taxation	0	0	0		
<b>Surplus/(Deficit) after tax</b>	<b>0</b>	<b>(10 487)</b>	<b>0</b>	<b>(14 589)</b>	

## Notes

7	Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budget revenue by 35% because of under expenditure on Revenue.
8	Th negative variance it mainly due saving in expenditure for quarter one relating to Employee cost and Contracted Services.
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.

## SECTION 3: CASH FLOW STATEMENT

TABLE 35: CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Year to date			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Cash flows from operating activities</b>	<b>290 314</b>	<b>290 760</b>	<b>446</b>	
	-	-	-	
<i>Receipts</i>				
Grants	10 760	10 760	0	
Other Receipt	293	0	293	
Cash receipts from CAPEX funding	279 264	280 000	736	10
Other receipts		0	0	
<i>Payments</i>				
Employee cost	(17 674)	(21 758)	4 084	11
Suppliers	(364 961)	(343 542)	21 419	12
Finance Cost	0	(1 883)	(1 883)	
Tax paid	0			
<b>Net cash flow from Operating Activities</b>	<b>31 297</b>	<b>(76 423)</b>	<b>(45 126)</b>	
<i>Expenditure to maintain operating capacity</i>				
Property, plant, and equipment acquired	0	0	0	
Proceeds from sale of property, plant, and equipment				
Purchase of intangible assets	0		0	
<b>Cash flows from financing activities</b>				
Movement in project funds payable	(65 741)	(70 000)	4 259	
Proceeds from Shareholders' loan	34 440	180 000	(145 560)	13
Finance lease repayments	0	(0	0	
<b>Net Cash Flow from Investing Activities</b>	<b>(31 301)</b>	<b>216 032</b>	<b>215 648</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6</b>	<b>0</b>	<b>6</b>	
<b>Cash and cash equivalents at beginning of the year</b>	<b>10</b>	<b>10</b>	<b>0</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>10</b>	<b>6</b>	

Notes	
10	The positive it is mainly due to payments received from client departments relating to 2022/2023 financial year claims.
11	The variance it mainly due to saving as a results vacant position not yet filled.
12	The variance it mainly due payments made in July 2023 relating to 2022/2023 financial year and other payments made in as of September 2023. 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.

#### SECTION 4: NET ASSETS

TABLE 36: STATEMENT OF CHANGES IN NET ASSETS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	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	(34 385)	(34 385)
Total changes	0	0	0	(34 385)	((34 385)
<b>Balance on 01 July 2023</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>(15 615)</b>	<b>663</b>
Changes in net assets					
Profit/(deficit) for the year	0	0	0	(10 487)	(10 487)
Total changes	0	0	0	(10 487)	(10 487)
<b>Balance on 30 June 2023</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>(26 103)</b>	<b>9 825)</b>

#### SECTION 5: RATIO ANALYSIS

TABLE 37: RATIO ANALYSIS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Key Performance Area	Targets	Actual September 2022	Actual 30 September 2023
Current ratio	Above 1.5: 1	1.04:1	0.91:1
Solvency ratio	Above 2: 1	1.05:1	0.99: 1
Salaries to expenditure ratio	Below 60%	61%	60%
Revenue	R29 million	R23 million	R24 million
Expenditure (including taxation)	29.7 million	R33 million	R34.5 million
Surplus / (Deficit)	R nil	(R9 million)	(R10 million)
Total net assets	39 million	R42.5 million	(9.8 million)
Capital expenditure	25%	11.90%	10%



Notes	
1	<b>Current ratio</b> is below the target and below last year quarter. Included in current liabilities is the sweeping account with the shareholder which increases with the interest monthly and its amounts to R660 million.
2	<b>Solvency ratio</b> is below the target and below to last year quarter mainly due to cash flow challenges. The continued pressure on the overall loan from shareholder due to outstanding debtors still puts pressure on the solvency ratios.
3	<b>Remuneration to expenditure ratio</b> is equal to the norm which is mainly because of a lower employee cost numerator and the higher overall expenditure value as the denominator.
4	The target is below last financial year quarter 1 and was not achieved since it below the target of 25%.

## SECTION 6: SUPPLY CHAIN MANAGEMENT

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

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

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

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

### **Black Economic Empowerment**

Analysis of BBBEE and SMME results for the period 1 July 2023 to 28 September 2023. The % of expenditure paid to companies with B-BBEE credentials out of total expenditure for the period under review:

#### **01 July 2023 to 28 September 2023**

JDA's target in respect of B-BBEE spending as a percentage of total expenditure is 100%. For the period 1 July 2023 to 28 September 2023 the JDA achieved **108%** B-BBEE Opex and Capex procurement.

The total B-BBEE expenditure commitment in terms of active contracts was **R88 734 687.79** for the period 1 July 2023 to 28 September 2023, and the BBBEE share of expenditure achieved within the period was **95 279 823.19**.

**TABLE 38: B-BBEE EXPENDITURE FROM 1 JULY 2023 TO 28 SEPTEMBER 2023**

Description	July 2023 to 28 September 2023		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R77 902 562.95	R 88 734 687.79	114%
Opex	R 9 958 766.84	R 6 545 135.40	66%
<b>Consolidated Opex and Capex</b>	<b>R87 861 329.79</b>	<b>R 95 279 823.19</b>	<b>108%</b>

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

## 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.

- 4.1 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 28 September 2023 there were no deviations where less than 3 quotations were received.

**SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES**

**TABLE 39: PENDING LITIGATIONS**

DATE INSTITUTED	TYPE/ DISCRIPTION	EXPECTED COMPLETION DATE
2018	The JDA placed 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.	August 2023
October 2022	The matter relates to a claim by SMMEs in Karzene project for amounts owed to it by the Main contractor.	Not yet known.
October 2023	The matter relates to a claim by SMMEs in Karzene project for amounts owed to it by the Main contractor.	Not yet known
2022	The matter relates to a possible interdict against the City and JDA for the construction of the Sandton BRT station.	Not yet known
2022	The matter relates to outstanding cost order by the adjudicator for alleged unlawful termination of contract.	Not yet known
October 2022	The matter relates to an on-going claim by the Service Provider 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.
August 2013	The matter relates to the payment of the retention money for the Jabulani Precinct.	The dispute process is still on-going.

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

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, there were no insurance claims in the first quarter, the current claims emanate from the previous financial years as illustrated in the table below:

**TABLE 40: 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	The claim was settled, file 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 is waiting for the claimant to approach them.
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 insurer is in contact with the claimants
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 insurance is awaiting adjuster's fee.
5	2010/11	ADRS00011575	20-Mar-2011	01-Oct-2020	Damages to third party property	R 23 558 889,34	Third Party Liability	Attorney handling TP summons
6	2014/15	ADRS00011226	03-Mar-2015	06-Jan-2023	The third party fell into an uncovered water main access panel.	R 2 430 000,00	Third Party Liability	Insurer handling TP claim
7	2015/16	ADRS00001394	14-Oct-2015	01-Oct-2020	A bridge collapsed and resulted in the death of two people and 19 others injured.	38 000.00	Third Party Injury	Attorney appointed to handle TP approach.



#	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-Oct-2018	18-Apr-2021	Electric pole fell on TP.	300 000,00	Third Party Liability	Claims pending

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

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

**TABLE 41: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES**

Name of department	Balance R' 00	Comments
City of Johannesburg - CAM & USDG	245 500	The Balance relates to amount outstanding from June 2023 and current invoices.
City of Johannesburg- Transport	200 272	Balance mainly relates to amounts outstanding from June 2023 claims and claims that were submitted till September 2023.
City of Johannesburg - Department of Economic Development	23 342	Balance mainly relates to amounts outstanding from June 2023 claims balance and September 2023 claims
City of Johannesburg - EMS	42 583	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted till September 2023.
City of Johannesburg - Department of Health	15 016	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted till September 2023.
City of Johannesburg - Department of Housing	28 122	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted in Current Year.
City of Johannesburg - Department of Social Development	2 698	The Balance relates to amount outstanding from June 2023 and invoices for current year.
City of Johannesburg - Department of Community Development	23 240	Balance mainly relates to amounts outstanding from June 2023 claims and claims that were submitted till September 2023.
City of Johannesburg - GSPCR	3 850	Balance mainly relates to amounts outstanding from June 2021 claims and claims that were submitted.
City of Johannesburg - COO	99 316	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted till September 2023.
<b>Total</b>	<b>683 939</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 July 2023 to 30 September 2023; the section of the report includes progress on the planned audit projects as well as special audit requests (if any) that were undertaken during the reporting period.

- In this reporting period, there were seven (07) audits planned. Of the seven (07) audits planned, four (04) audits are completed, two (2) projects are in progress and one (1) project is not yet started and to be deferred to the 2nd quarter of the financial year.
- Therefore 57% of the project are completed, 29% of the projects are in progress and 14% is to be deferred.
- There was no special management request in the 1st quarter of the financial year.

**TABLE 42: PROGRESS ON INTERNAL AUDIT PLAN**

No.	Audit Description	Status	Progress Status	Overall Environment control
1.	1st report Follow-up on internal and external audit findings Disaster recovery testing	Completed	The last OPCA of the quarter was held on the 05 September 2023,  The follow up report was discussed with management to address previous and current year findings	Requires improvement
2.	Business Continuity Management framework and Program implementation.	Not yet started	There are no funds available to conduct the audit as it requires external expertise.  Finance department to allocate budget by Mid-year Budget.	Not yet Started
3.	Review of the draft AFS and Commitment scheduled	Completed	The Audit is completed.  Two set of financial statement were audited.  The 1 <sup>st</sup> review was on the initial annual financial statements and 2 <sup>nd</sup> review was a follow on the implementation of recommended actions in the second set of financial statements.  Both reports were submitted to the ARC for noting prior to the approval of the AFS.	Requires Improvement
4.	Review of the annual report – performance information review for completeness and reliability	Completed	The Audit is completed.  The final report has been submitted to the ARC for noting.	Requires improvement
5.	2022/23 4th quarter Quarterly Audit of performance information	Completed	The Audit is completed.  The final report has been submitted to the ARC for noting.	Requires improvement

No.	Audit Description	Status	Progress Status	Overall Environment control
	(Audit of the Pre- Determined Objectives)			
6.	1 <sup>st</sup> report quarter Physical verification of the progress of the project against the expenditure incurred	In progress	The project is currently at execution stage.  The project is anticipated to be completed on 30 October 2023	Not Applicable
7.	Audit of the facilities maintenance plans, expense authorisations and payments.	In Progress	The project is currently at the reporting stage.  The project is anticipated to be completed on 30 October 2023	Not Applicable

## SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

Internal Audit conducts follow-up reviews monthly on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the Chairperson of the Operation Clean Audit (OPCA) Committee and the Group Risk Assurance Services for discussion with the City Manager. On a quarterly basis Internal Audit, these reports are presented to the Audit and Risk Committee, which monitors the progress made by management on the implementation of recommendations and action plans. On the 1st quarter of the financial year there were twelve (12) internal audit finding resolved.

**TABLE 43: RESOLUTION OF INTERNAL AUDIT FINDINGS**

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2013/14	0	3	3
2014/15	0	17	17
2015/16	0	45	45
2016/17	0	58	58
2017/18	0	40	40
2018/19	0	33	33
2019/20	0	20	20
2020/21	5	19	24
2021/22	9	45	54
2022/23	38	3	41
<b>Total number as of 30 September 2023</b>	<b>52</b>	<b>283</b>	<b>335</b>
<b>Percentage</b>	<b>16%</b>	<b>84%</b>	<b>100%</b>



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

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit provides independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings. On August OPCA follow up report there were one (1) external audit finding resolved.

**TABLE 44: RESOLUTION OF EXTERNAL AUDIT FINDINGS**

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2014/15	0	11	11
2015/16	0	34	34
2016/17	0	6	6
2017/18	0	5	5
2018/19	0	5	5
2019/20	0	21	21
2020/21	1	10	11
2021/22	5	30	35
<b>Total number as at 30 September 2023</b>	<b>6</b>	<b>122</b>	<b>128</b>
<b>Percentage</b>	<b>5%</b>	<b>95%</b>	<b>100%</b>

**SECTION 4: STATE OF INTERNAL CONTROLS**

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

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

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

From the Internal Audit reports, it was noted that there were no material deficiencies in the system of internal control for the reporting period. Based on the internal audit reports issued the state of internal control is adequately documented and partially effective. On overall the control environment as at the first quarter of the 2023/24 requires improvement

## ANNEXURES

### ANNEXURE 1: ACRONYMS AND ABBREVIATIONS

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