



## Q3 PERFORMANCE REPORT

2023/24

JANUARY 2024 TO MARCH 2024



**JOHANNESBURG DEVELOPMENT AGENCY  
(SOC )LIMITED**



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

## APPROVAL

Mr Themba Mathibe  
Name & Surname  
Acting Chief Executive Officer

  
Signature

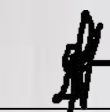
03 May 2024  
Date of approval

Mr. Sinovuyo Mpakama  
Name & Surname  
Chief Financial Officer

  
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03 May 2024  
Date of approval

Ms. Daliwe Oliphant  
Name & Surname  
Chairperson of the Board

  
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Date of approval

Ms. Eunice Mgcina  
Name & Surname  
MMC: Development Planning

  
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06 May 2024  
Date of approval

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

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

On behalf of the JDA's Board, I take this opportunity to present the Entity's 2023/24 Third Quarter Performance Report that outlines financial and non-financial performance. Through this report, the JDA aims to apprise the Shareholder and various stakeholders about progress on the implementation of the Business Plan.

JDA has contributed towards improving the quality of lives of the City's residents by curbing unemployment through the commission of SMME's, thus creating jobs for community members where infrastructure projects are implemented. The Entity has created 277 Expanded Public Works Programme (EPWP) work opportunities and has exceeded the set target of 250 work opportunities. Furthermore, the Entity surpassed the 30% target for SMME expenditure by 19% and achieved the target for Broad-Based Black Economic Empowerment. These achievements demonstrate the Entity's intentional and consistent efforts towards community development while uprooting poverty and relative deprivation.

During the period under review, the Entity's overall performance is 71%. The JDA's comprehensive performance and key highlights for the Third Quarter are presented in the Acting Chief Executive Officer's Report. We are cognisant of the service delivery challenges encountered by the Entity such as poor performing service providers and contractors because of their cashflow challenges. Management is encouraged to find solutions that address these challenges and expedite processing of invoices within 30 days.

JDA currently has limited revenue streams, undiversified client base and is solely dependent on the City because the Entity implements projects with cash flow reserves that are currently held by the respective Client Departments within the City. The Board will exercise oversight to ensure that Management addresses lack of alternative sources of revenue as this affects financial sustainability of the Entity.

The wellbeing of the Entity's employees and inculcating the culture of high performance remains a key priority. As a result, the establishment of mechanisms for communicating widely with the staff and continuous engagement between Management and Employees is encouraged.

I would like to express appreciation, to the MMC for Development Planning, fellow Board Members, Management and various stakeholders for their valuable contribution and continued support.



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

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

The JDA's 3<sup>rd</sup> Quarter Report precedes the last quarter of the 2023/24 financial year. The Entity through this Report seeks to comply and report performance against the targets set in the JDA's 2023/24 Business Plan Deviation Report.

Overall, the Entity's 3<sup>rd</sup> Quarter Institutional Performance is 71%. In total the JDA's scorecard has 19 KPI's, there are fourteen (14) KPI's that are due for reporting in the period under review. Hence five (5) KPIs are not due for reporting because there were no targets set for these KPI's in the 3<sup>rd</sup> quarter. The entity has recorded 10/14 (71%) targets achieved and 4/14 (29%) targets not achieved by end of the 3<sup>rd</sup> Quarter.

As part of the key highlights for the 3<sup>rd</sup> Quarter achievements, there are 277 Expanded Public Works Programs (EPWP) work opportunities created City-wide, this achievement surpasses the target of 250. The percentage of SMME expenditure as a share of total expenditure is 19% more than the set target of 30%. JDA also exceeded the target for the percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total by achieving 106% against the target of 100%. The Entity also outshone the target for Communication and Media related initiatives by achieving 103 against the target of 70.

Management has identified challenges that resulted in the targets that were not achieved and formulated appropriate interventions. EXCO has approved a framework of project initiation and acceptance matrix. Projects will be subjected to a filtering process to test applicability and suitability to the JDA Mandate. There is an overall organisational procurement matrix, that tracks the entire procurement process, and it is presented every two weeks at EXCO. Furthermore, all bids above R5 million will be subjected to Probity Audit.

With regards to governance matters, JDA has successfully filled the vacancies for the Chief Financial Officer, Executive Manager-Corporate Services and Chief Audit Executive, and they commenced duties during the period under review. The recruitment process to fill the Company Secretary position is at advance stage.

As we move closer towards the end of the 2023/24 financial year, we remain focused on prioritising governance and efficiencies.

We will continuously ensure that, the JDA performs and comply with relevant legislation and policies.

**Mr Themba Mathibe**

**Acting Chief Executive Officer**



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

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

For the period ended 31 March 2024 the JDA had earned total revenue of R95 million (2022/23: R61 million) and incurred total expenditure of R118 million (2022/23: R92.4 million) which resulted in an overall deficit of R24 million (2023/24: Deficit of R31.3 million).

The organisation achieved 92% (2023/24: 69%) of the budgeted target for revenue. Included in the revenue target is development management fees, operational grant. The development management fees are based as a percentage of the overall capital expenditure.

The JDA incurred expenditure against the budgeted target for operational expenditure of 119% (2022/23 104% overall against target). The operational expenditure includes interest of R118 million that is charged on the JDA overdrawn sweeping account. The overdrawn account is because of the late settlement of claims from the various client departments.

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

**TABLE 1: ACTUAL OPERATIONAL BUDGET**

	Actual Prior year 31 March 2023	YTD Actual	YTD Budget	Variance	% of Actual against target budget	% of actual annual against budget
		R'000	R'000	R'000		
<b>Revenue</b>	<b>R61,062</b>	<b>94 778</b>	<b>99 273</b>	<b>(R4,495)</b>	<b>95%</b>	<b>75%</b>
Operating costs (before interest)	(R60,733)	(R72,891)	(93 625)	(R20,734)	78%	58%
Interest expense	(31,697)	(45,479)	(5 648)	(R39,831)	805%	604%
<b>Total operating costs</b>	<b>(R92,430)</b>	<b>(R118,370)</b>	<b>(R99,273)</b>	<b>60 565</b>	<b>61%</b>	<b>89%</b>
<b>Surplus/(Deficit)</b>	<b>(R31, 368)</b>	<b>(R23, 592)</b>	<b>(Rnil)</b>	<b>(R56 070)</b>		

Actual capital expenditure for period ended 31 March 2024 was R452.6 million (2022/23: R469.7 million) against an annual budget of R978 million (2022/23: R1.4 billion). This represents 46.3% (2022/23: 40.71%) of the overall annual budget. There are still various factors that continue to affect projects including poor contractor performance and stoppages due to non-payment since COJ has cash flow problem, however, the

basis of the 75% targeted capital expenditure is based on a city-wide performance indicator and not necessarily aligned to each project milestone and progress.

The organization's total assets do not exceed the total liabilities. The total net assets on 31 March 2024 were (R25.9) million (2022/23: R3.9 million). There will be an improvement of R100 million once interest sweeping is reversed.

The table below reflects the financial performance ratio of the organization for the period ended 31 March 2024.

**TABLE 2: FINANCIAL RATIOS**

Key Performance Area		Actual 31 March 2023	Actual 31 March 2024
Current ratio	Above 1,5: 1	1.023:1	.92:1
Solvency ratio	Above 2: 1	1.0	.94:1
Salaries to expenditure ratio	Below 60%	58%	50%
Revenue	R99.2 million	62 million	95 million
Expenditure (including taxation)	R99.2 million	106 million	R118 Million
Surplus / (Deficit)	R nil	(44. million)	(R25 million)
Total net assets	R47.4 million	R3.6million	(50 million)
Capital expenditure	75%	41%	46%

The liquidity ratio is lower than last year quarter and solvency ratio is below than last year quarter. Our major concern currently is the long outstanding balances owed by the city departments to the JDA and the overall impact this has on the liquidity and solvency of the JDA.

The remuneration ratio is lower than the target of 60% this is due to some vacant position that are not filled and high interest expense. The ratio is based on employee costs of R59.4 million over total expenditure of R117.7 million, which results in 50% of the expenditure.

**Mr Sinovuyo Mpakama**  
**Chief Financial Officer**  
**31 March 2024**

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

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

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

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

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

#### **Vision**

To be the leading development agency of choice within South Africa

#### **Mission**

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

## Values

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

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

## JDA Governance Arrangement

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

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

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

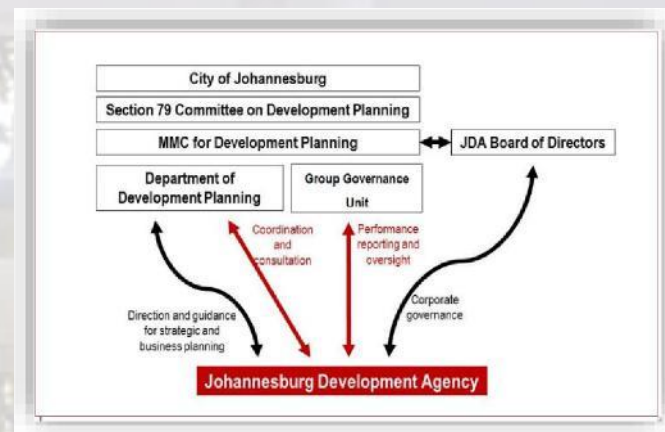


FIGURE 1: JDA GOVERNANCE SYSTEM



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

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

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

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

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

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

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

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

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

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

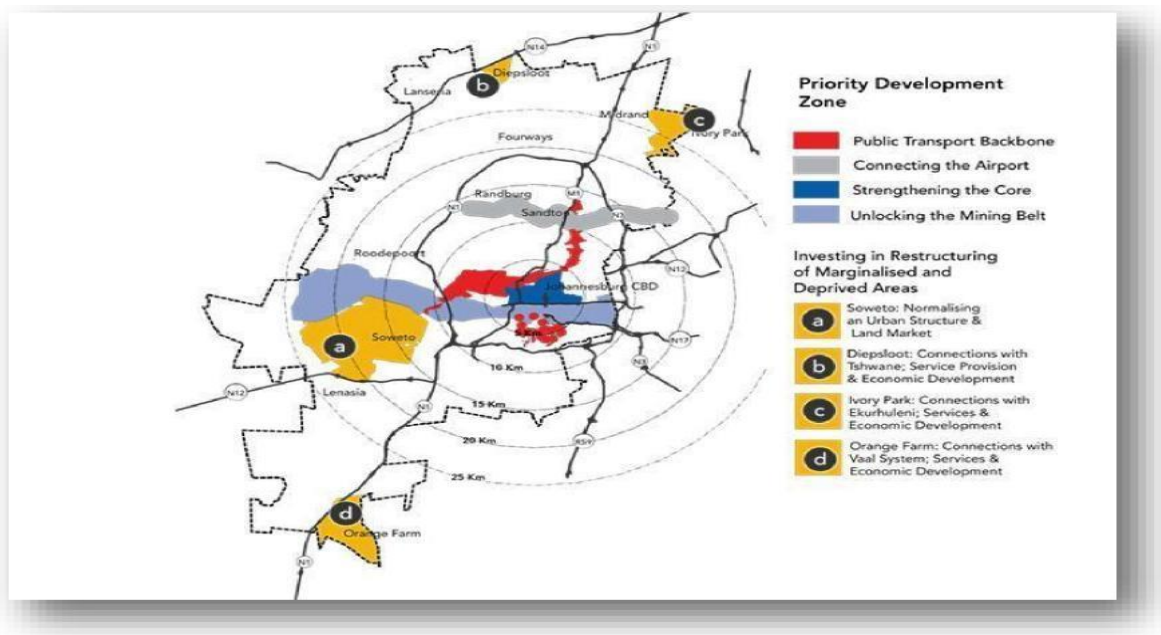


FIGURE 2: SDF 2040 PRIORITY ZONES

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

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

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

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

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



**FIGURE 3: DEVELOPMENT PROCESS / LIFECYCLE**

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

- JDA has managed to spend 46% of its allocated Capital budget in the year to date against the target of 60%. The entity is confident that the annual target will be reached by end of the financial year.
- A total of 277 EPWP work opportunities were created by end of third quarter. The entity has exceeded the target that is set at 250 jobs.
- The entity has recorded a deficit of R25 million by end of third quarter of the year due to cost that is higher than revenue.
- The JDA incurred expenditure against the budgeted target for operational expenditure of 89%.

**TABLE 4: OPERATING BUDGET MANAGEMENT**

	Actual Prior year 31 March 2023	YTD Actual	YTD Budget	Variance	% of Actual against target budget	% of actual annual against budget
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<b>Surplus/(Deficit)</b>	<b>(R31, 368)</b>	<b>(R23, 592)</b>	<b>(Rnil)</b>	<b>(R56 070)</b>		

Actual capital expenditure for the six months ended 31 March 2024 was R452.6 million (2022/23: R469.7 million) against an annual budget of R978 million (2022/23: R1.4 billion). This represents 46.3% (2022/23: 40.71%) of the overall annual budget.



## CHAPTER 2: CORPORATE GOVERNANCE

### SECTION 1: CORPORATE GOVERNANCE STATEMENT

#### Governance Framework

The JDA's Board of Directors and executive management team subscribe to the governance principles set out in the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, circular 63 of the MFMA and the King IV Code. The entity further applies the governance principles contained in the Companies Act and the City's Governance framework. Monitoring of the adherence to the above-mentioned governance principles is done through the sub committees of the Board such as the Audit and Risk Committee (ARC)

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

#### JDA's Governance Arrangements

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

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

#### Implementation of King Code of Corporate Governance

The JDA Board subscribes to principle 13 of King IV, which guides the Board on how it should govern its responsibilities towards compliance with applicable laws and identified non-binding rules, codes, and standards the organisation has adopted. This has resulted in the Board and management team being committed to the principles of openness, integrity and accountability advocated by the King Code.

The JDA made progress during the reporting period towards entrenching and strengthening the implementation of the recommended practices in its governance structures, systems, processes, and

procedures. The internal audit team provided regular feedback to the ARC, which is responsible for monitoring compliance with the King Code.

The entity applies the governance principles contained in the King Code as far as it applies to it and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes, and procedures. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. As highlighted above, the monitoring of the entity's compliance with the King Codes on Corporate Governance is part of the ARC mandate. The entity has complied with the Code in as far as it applies to it during the period under review.

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

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

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

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

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

## **Ethical Leadership**

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

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

## **Corporate citizenship**

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

## **Compliance with laws, rules, codes, and standards**

The Board is responsible for ensuring that the entity complies with applicable laws and considers adherence to non-binding rules, codes, and standards. The company secretary certifies that all statutory returns have been submitted to the Registrar of Companies in terms of section 268(d) of the Companies Act. Through the ARC, the Board gives assurance that the entity complies with all applicable laws. A compliance assessment is undertaken on a quarterly bases by the Risk and Compliance department and results presented to the ARC.

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

Mr Themba Mathibe – Acting CEO effective 15 February 2024 to current

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

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

Mr Sinovuyo Mpakama appointed Chief Financial Officer effective 01 January 2024

Mr Sihle Mkhize was appointed acting Chief Financial Officer from 14 November 2022 to 31 December 2023.

The appointed Independent Audit and Risk Committee members are:

1. Mr Tshepo Nawane (rotated from IAC to NED in November 2023)
2. Mr Sivuyile Mndawe
3. Mr Patrick Lebopa

**TABLE 5: BOARD COMPOSITION**

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

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

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



## 1.2. Board Committees

### Board Meeting Attendance

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

**TABLE 6: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (01 JANUARY 2024 TO 31 MARCH 2024)**

Name	Board Meetings = Total of 1 Meeting				Audit & Risk Committee= Total of 1 Meeting				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)	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Bruce Sarela	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Makoko Makgonye	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Mongezi Ntanga	1	1	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
Pinkie Numa	1	1	0	0	N/A	N/A	N/A	N/A	1	1	0	0	1	1	0	0
Morwesi Ramonyai	1	1	0	0	N/A	N/A	N/A	N/A	1	1	0	0	1	1	0	0
Siyabonga Masiza	1	1	0	0	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A
Vukile Hlongwa	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nandipha Zonela	1	1	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	1	1	0	0
Mally Mokoena	1	1	0	0	N/A	N/A	N/A	0	1	1	0	N/A	N/A	N/A	N/A	N/A
Sivuyile Mndawe (IAC)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tshepo Nawane (IAC) Rotated from IAC to NED in November 2023	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Lebopa (IAC)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



## Board Committees

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

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

Each committee composition is as follows:

**TABLE 7: COMPOSITION OF COMMITTEES AS AT 31 MARCH 2024**

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

Composition	Mandate and Quarterly Activities
<p>responsible corporate citizen. This means ensuring that the JDA sustainably conducts its business, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. This committee also considers the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> <li>• Mally Mokoena (Chairperson)</li> <li>• Morwesi Ramonyai</li> <li>• Mongezi Ntanga</li> <li>• Pinkie Numa</li> <li>• Siyabonga Masiza</li> <li>• Mr Tshepo Nawane- <b>Rotated from IAC to NED in November 2023</b></li> </ul>	<p>The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the City of Johannesburg.</p>
Development and Investment Committee	
<p>The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> <li>• Nandipha Zonela (Chairperson)</li> <li>• Makoko Makgonye</li> <li>• Daliwe Oliphant</li> <li>• Morwesi Ramonyai</li> <li>• Pinkie Numa</li> </ul>	<p>The Committee is responsible for evaluating development proposals to make recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.</p>

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

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

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

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

### **Board charter**

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

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

The JDA remunerates the non-executive directors and independent audit committee members in accordance with the policy and in the amounts determined from time to time by the City of Johannesburg Metropolitan Municipality, acting in its capacity as the sole shareholder of the JDA. The foregoing position was reaffirmed by special resolution at the 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 31 March 2024**

Name	Designation	Salar/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
<b>Executive Directors &amp; Senior Management -</b>							
M Mongane	CEO	R 2 015 465,20	R 83 972,17	R0	R0	R385 648,00	R 2 485 085,37
S Mpakama	CFO	R 460 983,99	R 50 228,28				R 511 212,27
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 1 554 781,50	R 101 220,45	R0	R 247 795,80	R0	R 1 903 797,84
S Genu	EM: Project Implementation	R 1 609 198,50	R 104 763,29	R 194 545,92	R0	R0	R 1 908 507,81
M Mazibuko	EM: Corporate Services	R 344 802,54	R 37 569,57				R 382 372,11
T Maota	Chief Audit Executive	R 58 984,06	R 12 269,43				R 71 253,49
<b>Sub-Total</b>		<b>R 7 294 501,52</b>	<b>R 396 797,83</b>	<b>R 194 545,92</b>	<b>R 247 795,80</b>	<b>R 385 648,00</b>	<b>R 7 357 289,07</b>
<b>Non-Executive Directors &amp; Independent Audit Committee Members</b>							
With effect from 1 July 2023 to 31 March 2024							
Ms Daliwe Oliphant	Board Chairperson	R180,000.00	N/A	N/A	N/A	N/A	R180,000.00
Ms Mally Mokoena	Board Member (SEHR Chair)	R208,000.00	N/A	N/A	N/A	N/A	R208,000.00
Mr Mongezi Ntanga	Board Member	R104,000.00	N/A	N/A	N/A	N/A	R104,000.00
Ms Morwesi Ramonyai	Board Member	R152,000.00	N/A	N/A	N/A	N/A	R152,000.00
Ms Nandipha Zonela	Board Member	R102,000.00	N/A	N/A	N/A	N/A	R102,000.00
Mr Bruce Sarela	Board Member	0.00	N/A	N/A	N/A	N/A	0.00
Ms Pinkie Numa	Board Member	0.00	N/A	N/A	N/A	N/A	0.00
Mr Vukile Hlongwa	Board Member	R132,000.00	N/A	N/A	N/A	N/A	R132,000.00



Name	Designation	Salar/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Mr Makoko Makgonye	Board Member	R120,000.00	N/A	N/A	N/A	N/A	R120,000.00
Mr Siyabonga Masiza	Board Member	0.00	N/A	N/A	N/A	N/A	0.00
Mr Tshepo Nawane NED from November 2023	Independent Audit & Risk member	R76,000.00	N/A	N/A	N/A	N/A	R76,000.00
Mr Sivuyile Mndawe	Independent Audit & Risk member	R40,000.00	N/A	N/A	N/A	N/A	R40,000.00
Mr Patrick Lebopa	Independent Audit & Risk member	R48,000.00	N/A	N/A	N/A	N/A	R48,000.00
<b>Sub total</b>		<b>R1,162,000.00</b>	N/A	N/A	N/A	N/A	<b>R1,162,000.00</b>
<b>TOTAL</b>		<b>R7 294 501,33</b>	<b>R 396 797,83</b>	<b>R 194 545,92</b>	<b>R 247 795,80</b>	<b>R 385 648,00</b>	<b>R8 519 289,07</b>

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

## **Loans and advances**

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

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

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

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

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

## SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

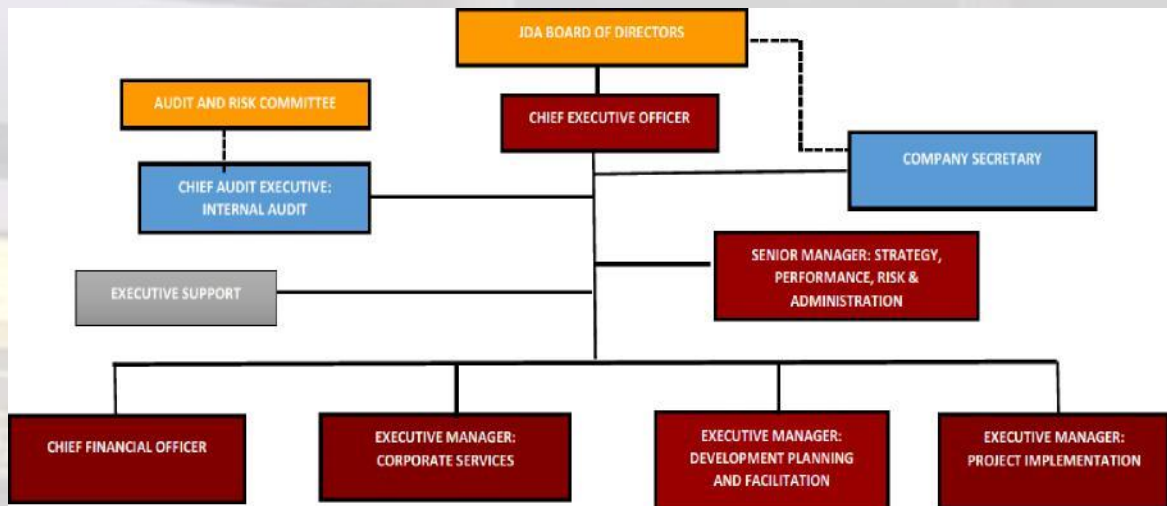


FIGURE 4: HIGH LEVEL ORGANISATION STRUCTURE

### SECTION 3: RISK MANAGEMENT

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

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

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

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

There are twenty-four (24) committed strategic future mitigation plans accumulatively scheduled to be implemented in the 3rd quarter of 2023/24 financial year. However, of the twenty-four (24) mitigation plans seventeen (19) are implemented which result in 76% implementation. Table below depicts the overall achievement in the implementation of strategic risks mitigations for the 3rd quarter.

**TABLE 9: OVERALL MITIGATION IMPLEMENTATION AS AT 31 March 2024**

Key Performance Indicator	3 <sup>rd</sup> Quarter - Target	3 <sup>rd</sup> Quarter – Performance	Variance
Implementation of committed Strategic Action Plans.	100%	76%	24%


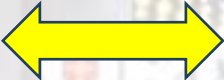



### 3.2 Residual Strategic Risks triggered by Risk Tolerance threshold and reported as per Priority for Attention Reporting Framework


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-31 Dec 2023	RR-25 Mar 2024	RR -Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
1.	Poor project performance	12	16		Number of contractors put on terms/ terminated contractors	<p>There are six contractors that are put on terms.</p> <p>There are also five (5) contracts that were terminated.</p> <p>The residual risk rating has regressed, moving from the rating of 12 to 16, therefore management needs to monitor the risk closely.</p>	Management is in the process of readvertising and will closely monitor the procurement process and the contractors that are put on terms.

No	Risk Name	RR-31 Dec 2023	RR-25 Mar 2024	RR -Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
2.	No/insufficient working capital to finance the project (contractor)	12	12		Delay in payment of contractors/ Invoices paid outside 30 days.	In quarter three, particularly the first two (2) months of the quarter, there were 165 invoices paid, of the 165 total invoice 51 invoices were paid outside the 30-day period. Management has indicated that the CoJ's cashflow issues have contributed to the delayed payment of invoices.  The residual risk rating has been stagnated; management should monitor the risk closely.	Management has engaged with end user departments to ensure that invoices are submitted to finance within 7 days of receipt to assist with cashflow projections.
6.	Inability to ensure financial sustainability	12	16		- % of budget spent on city-wide infrastructure.	There was a 46% capex budget spent against the 60% target. Therefore, the risk has regressed. Management should monitor the risk closely.	
8.	Inadequate institutional governance.	8	8		- % of Strategic Risk Management Action Plans resolved. - Percentage resolution of Internal Audit findings.	Only 71% of strategic risk management action plans were implemented in the third quarter.	Management will monitor the Implementation of Action Plans and resolving Audit Findings.

No	Risk Name	RR-31 Dec 2023	RR-25 Mar 2024	RR -Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
					- Percentage resolution of Auditor General findings.	92% Internal Audit findings resolved as of 29 February 2024.  88% Auditor General (AGSA) findings resolved.  The residual risk rating is stagnant. Management must ensure that strategic action plans are implemented, and audit findings are resolved timeously.	

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

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

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

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

The Company, through its Social, Ethics & Human Resource Committee, addresses issues relating to the ethical conduct of the Company and its employees. It is a requirement for any Director and Executive Manager at any meeting of the Board of Directors, Board Sub Committees, and the Audit & Risk Committee to declare interest and sign a register to that effect. Should such a conflict exist, the Director or Executive

Manager concerned will be recused from the proceedings. Furthermore, employees are requested to sign a declaration of interest on an annual basis to ensure issues of conflict of interest are addressed accordingly.

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

Employees who participate in Supply Chain Management processes are required to disclose their interests in business enterprises that bid for the provision of goods/services at the JDA. The declarations are registered and filed for audit purposes. An undeclared conflict of interest will, when detected, lead to the bid not being awarded to the enterprise in which an employee has interest and result in consequence management.

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

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

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

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

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

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

Fraud Risk Management Policies.

Fraud Prevention Strategy and Response Plan.



Whistle-Blowing Policy.

Code of Ethics Policy.

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

An internal electronic system for fraud allegations received via the hotline is captured and maintained in a log register from the point of reporting before allegations are escalated to the Anti-Fraud and Anti-Corruption unit for investigation. Fraud, Corruption and Maladministration allegations are investigated by the Group Forensics and Investigation Department as per memorandum signed by the City Manager on the 07 March 2017.

There are 3 cases reported in the 3rd quarter of the 2023/24 financial year. The rest of the cases emanate from the previous financial years, as illustrated in the below table.

## REPORTED CASES

**TABLE 11: REPORTED CASES**

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

Progress on fraud cases is provided 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**

### **1. Positioning and role of ICT unit**

ICT is positioned as an enabler and therefore drives business processes to achieve operational efficiencies that enable JDA to meet its business objectives. ICT is therefore positioned to offer services that cut across the entire JDA. The context ICT Operations is founded on a sound governance framework, solid infrastructure framework, effective risk management, effective enterprise resource management(systems), effective security as well as effective disaster recovery.

### **2. ICT Functions and Operational Focus**

The ICT unit is required to provide the following services / support at high level:

- Streamlined ICT operations that are fully aligned to the business objectives of the JDA.
- Partner with decision makers in other departments to identify, recommend, develop, implement, and support cost-effective technology solutions.
- Drive ICT innovation in line with the shareholder's smart cities principles.
- manage ICT Risks at both a strategic and operational level.
- Institute a formidable ICT governance framework.
- Partner with business to drive cost effective digital transformation/business automation.

### **3. PERFORMANCE**

The CT operational achievements for the third quarter of the 2023/2024 Financial year are detailed in the next subsections under ICT. It must be noted that ICT met its operational targets for the third quarter of the 2023/2024 Financial year.

### **4. ICT security**

#### **4.1 ANTI-VIRUS AND MALWARE**

The JDA uses Bitdefender Gravity Zone Antimalware, which is currently installed on 103 Active JDA Physical Endpoints and 23 JDA Virtual machines.

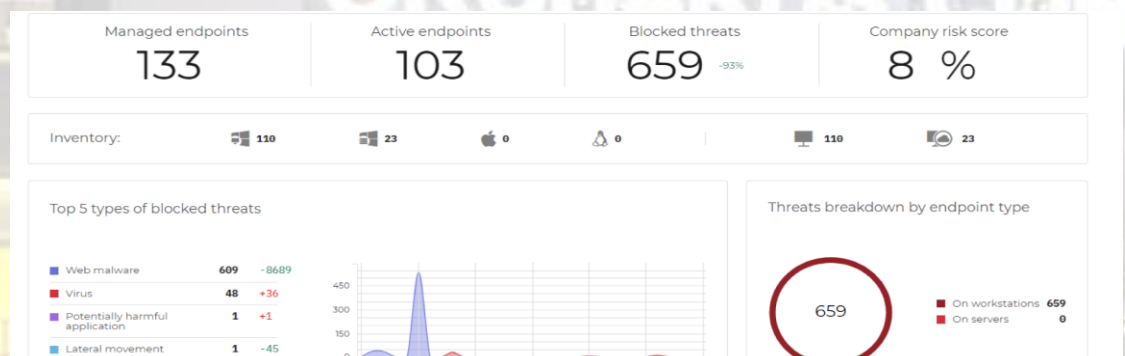
##### **4.1.1 Summary Statistics**

In this quarter, the statistics were as follows.

- Top five types of threats were blocked by the Bitdefender Gravity Zone Antimalware during this reporting period, as well as the total managed endpoints and active endpoints.
- Out of the Top 5 types of threats, Web Malware is the highest in this reporting period, followed by Virus, with 609 and 48 instances, respectively.
- Bitdefender Gravity Zone Antimalware has successfully blocked a total of 659 threats in this reporting period.
- Bitdefender Gravity Zone Antimalware successfully identified and blocked Web Malware, Virus, and instance of Lateral Movement.

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

- 95.3% Blocked
- 4.7% Deleted
- 0% Malicious process killed.
- 0% Moved to quarantine.
- 0% Disinfected



## 4.2 MIMECAST EMAIL SECURITY

Mimecast is a secure email gateway that scans and protects JDA inbound and outbound emails before they reach the Microsoft platform. So far in this quarter, a total of 56,979 email messages were received, while a total of 8,253 messages were sent out from the JDA domain.

A complex filter is built to detect non-business-related messages, which is mostly marketing related. In this period, 72% of in-bound messages were rejected /held, while 4% of outbound messages were rejected. Mimecast is also set up to protect against impersonations. A total of 201 impersonations have been detected and blocked.



### 4.3 PENETRATION TESTS

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

### 4.4 PATCH MANAGEMENT

Patch management is the process of applying updates to software, drivers, and firmware to protect against vulnerabilities. Effective patch management also helps ensure the best operating performance of systems, boosting productivity. In this quarter, a total of seventeen patches were deployed, some to enhance and protect windows operating systems, other to resolve firmware issues.

Name	Severity	Affecte...	Installed vers...	Version	Micros...	Last reported
Dell - Firmware - 1.0.1.7	MEDIUM	Windows 11	—	—	—	Mar 27, 2024
2024-03 Cumulative Update for Windows 11 V...	CRITICAL	Windows 11	—	—	KB5035853	Mar 27, 2024
2024-03 Cumulative Update Preview for Wind...	MEDIUM	Windows 11	—	—	KB5035942	Mar 27, 2024
2024-03 Cumulative Update Preview for Wind...	MEDIUM	Windows 11	—	—	KB5035942	Mar 27, 2024
2024-03 Cumulative Update for Windows 11 V...	CRITICAL	Windows 11	—	—	KB5035853	Mar 27, 2024
2024-03 .NET 7.0.17 Security Update for x64 C...	CRITICAL	.NET 7.0	—	—	KB5036451	Mar 27, 2024
2024-03 Cumulative Update Preview for .NET ...	MEDIUM	Windows 11	—	—	KB5036581	Mar 27, 2024
2024-03 .NET 6.0.28 Update for x64 Client (KB...	CRITICAL	.NET 6.0	—	—	KB5036450	Mar 27, 2024
2024-03 Cumulative Update Preview for .NET ...	MEDIUM	Windows 11	—	—	KB5036035	Mar 27, 2024
Microsoft Corporation Microsoft .NET Runtim...	MEDIUM	Microsoft .NE...	6.0.26.33205	6.0.28.33420	—	Mar 27, 2024
Microsoft Corporation Microsoft Teams	MEDIUM	Microsoft Tea...	1.4.00.19572, ...	1.7.00.6058	—	Mar 27, 2024
Windows Malicious Software Removal Tool (W...	CRITICAL	Windows 11	—	—	KB5036035	Mar 27, 2024










## 5. INFRASTRUCTURE MANAGEMENT

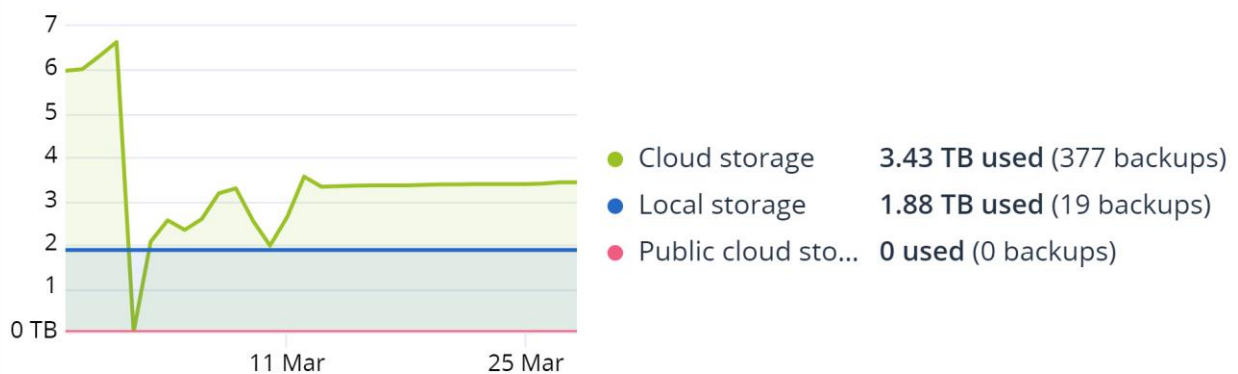
### 5.1 CLOUD BACKUP AND DR

The JDA uses cloud backup and DR Solution. The executive summary for this quarter shows that 7,74 TB of data was successfully backed-up and replicated to the cloud-DR environment. This represents 100% data backed during this quarter.

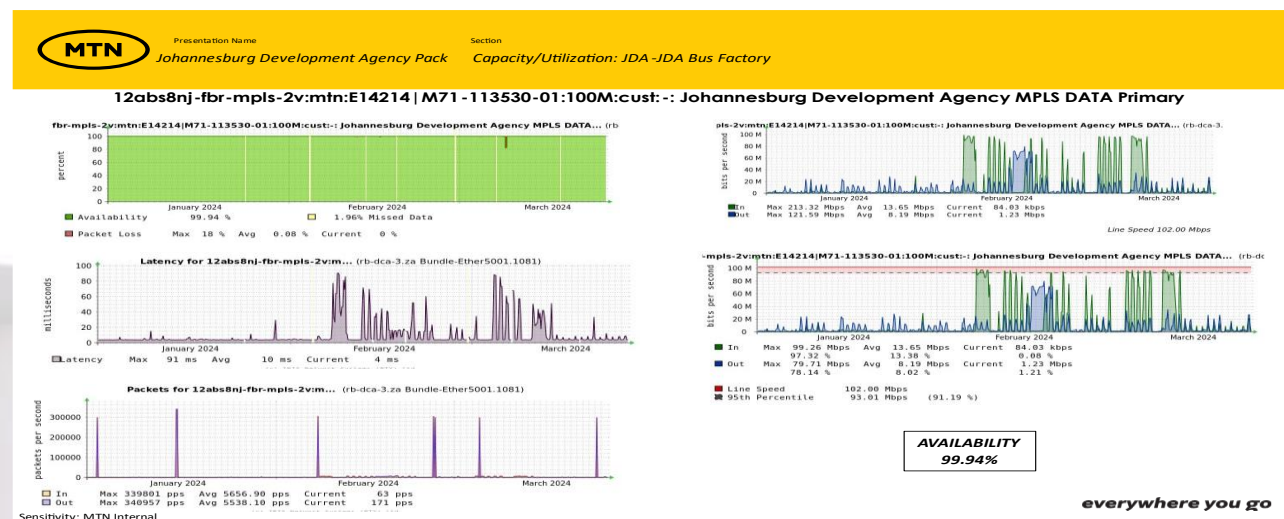


**Backup Workload overview****Cyber protection summary**

Data backed up  <b>7.75 TB</b>	Mitigated threats  <b>0</b>	Malicious URLs blocked  <b>0</b>	Patched vulnerabilities  <b>0</b>	Installed patches  <b>17</b>
File Sync & Share users  <b>2</b>	Notarized files  <b>0</b>	eSigned documents  <b>0</b>	Blocked peripheral devices  <b>0</b>	

**Backup storage usage****6. NETWORK PERFORMANCE**

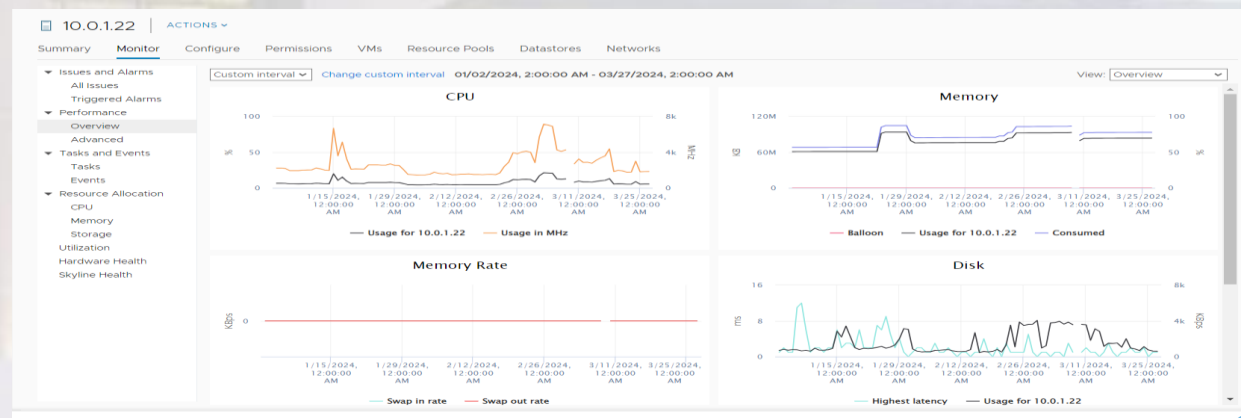
The performance of the network in this context refers to uptime of internet and allied services. The JDA outsources these services to an appointed ISP. ISPs typically guarantee 99,9% uptime and set up a tight support system to maintain this standard. This is the KPI value that has been set for network performance. The JDA has a heavy reliance on the uptime of the ISP link which supports its cloud backup and DR solution, office 365 business applications, access to SAP ERP to mention a few platforms. It is therefore important that uptime is guaranteed. In this quarter, the uptime remained at 99,9% against a target of 99,9%.



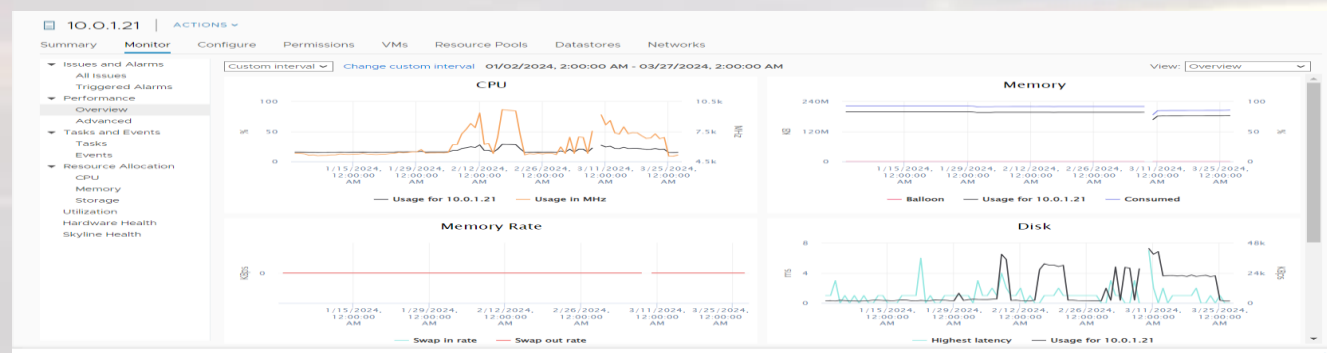
## 7.SERVER PERFORMANCE

An assessment of virtual server environment in this quarter shows that there is adequate capacity to support the virtual server ecosystem. There were no server failures recorded in this quarter. There was 100% server uptime, against a target of 100% server uptime. This means the servers were fully accessible to the JDA business users.

### Performance-Virtual host 1

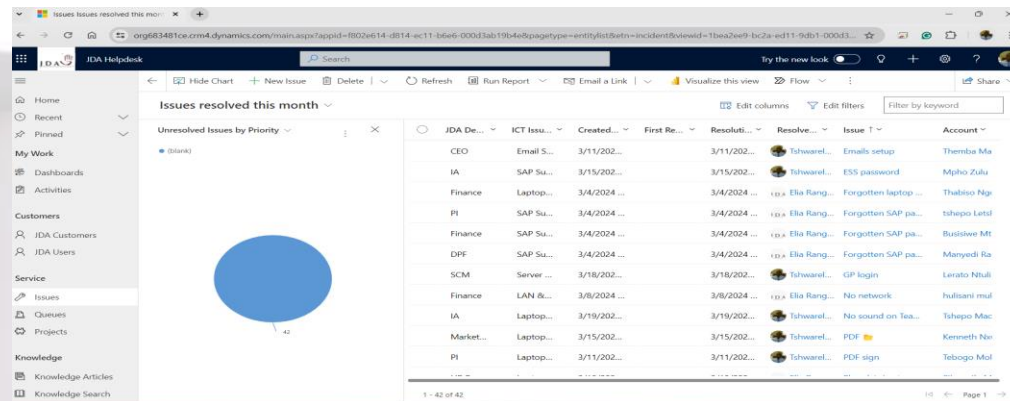


### Performance-Virtual Host 2



## 8. Incident Management

The JDA helpdesk provides a platform for business users to report /log ICT related issues and for the tracking of the resolution of these issues. All (100%) issues reported in this quarter were resolved, as shown in the extract below, which shows zero unresolved issues.



## 9. ICT Projects

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

**Table 12: List of ICT Projects**

Project	Business Value proposition	High level status
<b>SAP FI Module implementation</b>	Enhancement of financial transaction controls through total integration of transactions from input, processing to output in one enterprise resource planning system.	In this quarter the following milestones were completed. Training and data migration. The SAP FI Module will run parallel with the legacy system, Great Plains from 1 April 2024 to 30 June 2024.
<b>Service provider satisfaction survey</b>	Assessment tool whose outcome aims to foster an improvement of stakeholder relations between the JDA and its service provider community so that there is a stable enabling environment for projects to be implemented successfully with minimal or no stoppages	Complete
<b>Client satisfaction survey</b>	An assessment tool whose outcome aims to foster an improvement in stakeholder relations between the JDA and the clients on whose behalf the JDA is implementing projects. This should ultimately result in client departments settling long outstanding debt which will improve the JDA's revenue inflows.	Complete

## SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

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

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

Compliance Universe.

Compliance Risk Register.

Compliance Assessment Report.

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

18 identified as Core/Primary.

21 as Topical/Secondary; and

2 as Pertinent/Tertiary.

In the 3rd quarter, 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:**

Description	# of Obligations	Compliance %
Compliant	297	99,98%
Non-compliant	5	0.2%
Total	302	100%

**TABLE 14: IDENTIFIED NON-COMPLIANCE AND ACTION PLANS / STATUS**

Legislation	Relevant Section	Non-Compliance Finding	Committed Action Plan/Status
National Archives and Record Service of South Africa, No. 43 of 1996	Section 13(2)(b)	<p>The National Archivist shall -</p> <ul style="list-style-type: none"> <li>i. determine records classification systems to be applied by governmental bodies.</li> <li>i. determine the conditions subject to which records may be microfilmed or electronically reproduced; and</li> <li>i. determine the conditions subject to which electronic records systems should be managed.</li> </ul>	<p>Records management specialist was appointed, File Plan approved, Records Management Policy developed, Records Management Matrix is in draft to be submitted in the next EXCO in April 2024 for approval.</p> <p>The action item still outstanding is the appointment of the service provider to assist the JDA with electronic</p>



Legislation	Relevant Section	Non-Compliance Finding	Committed Action Plan/Status
			document management. In the meantime, management will ensure documents are filed on SharePoint for each business unit for ease of access in line with the file plan.
Municipal Finance Management Act, No. 56 of 2004.	Section 99(2)(b)	Service Providers must be paid within 30 days.	The delayed payments were because of COJ's cashflow issues. Management has engaged with end user departments to ensure that invoices are submitted to finance within 7 days of receipt to assist with cashflow projections.
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.	<ul style="list-style-type: none"> <li>- The Information Officer has registered with the Information Regulator.</li> <li>- POPIA Manual was developed and approved by EXCO.</li> <li>- Management will monitor the implementation of the manual.</li> </ul>
Municipal Systems Act	Section 7	Declaration of Interest.	JDA has a total of 92 employees and of the 92, there is only 1 employee that did not submit the DOI (this employee is currently on suspension); however, management is exploring other options to ensure 100% compliance.
Occupational Health and Safety Act as Amended no.181. of 1993	7 (1)(a) & (b)	<p>-(a) any employer in writing and (b) any category by notice in the Gazette, to prepare a written policy concerning the protection of the health and safety of his employees at work including a description of his organization and the arrangement for carrying out that policy</p> <p>- An employer shall prominently display a copy of the policy referred to in subsection (1) signed by the chief executive officer, in the workplace where the employee normally reports for service</p>	<p>The policy was tabled at EXCO and recommended for ARC/ Board approval.</p> <p>It is envisaged that OHS Policy will be approved and displayed in all common areas in the fourth quarter.</p>

Unauthorized, irregular, fruitless and wasteful expenditure must be compiled and adopted by municipalities and municipal entities to ensure compliance with Section 32 of the Municipal Finance

Management Act, Act 56 of 2003 (MFMA) and MFMA Circular 68 dealing with unauthorized, irregular, fruitless and wasteful expenditure issued by National Treasury on 10 May 2013. The compliance status of the MFMA Circular 68 report is illustrated in the table below:

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

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Unauthorized Expenditure	None
Fruitless and Wasteful Expenditure	None
Irregular Expenditure.	None
Failure to pay Service Providers within 30 days.	<p>In quarter three there were 301 invoices paid. Of the 301 total invoice 98 invoices were paid outside the 30-day period. Management has indicated that the Col's cashflow issues have contributed to the delayed payment of invoices.</p> <p>Management has engaged with end user departments to ensure that invoices are submitted to finance within 7 days of receipt to assist with cashflow projections.</p>

## **SECTION 8: SUSTAINABILITY REPORT**

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

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

During this reporting period, the JDA continued working closely with the Department of Development Planning to communicate the strategic vision for the TOD corridors and the City of Johannesburg's spatial

transformation objectives. The JDA also participated in stakeholder engagements regarding spatial transformation and urban planning and the development of good practices.

### ***Environmental Impact***

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

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

Four major outcomes define the Joburg 2040 GDS:

- Improved quality of life and development-driven resilience for all.
- Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.
- An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.

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

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

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

## SECTION 9: CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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



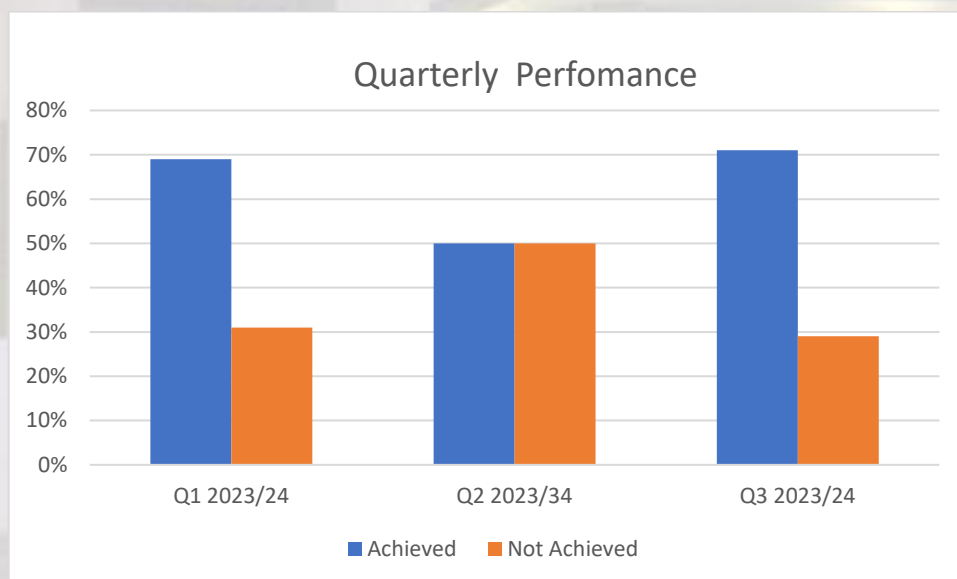
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

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

In the period under review, the JDA scorecard has five (5) KPIs that are not due for reporting because there were no targets set for these KPI in the third quarter. In total, the entity will measure fourteen (14) of the nineteen (19) KPIs that are in the scorecard.

The graph below presents the results of the third quarter of the FY in comparison with the previous quarter's performance. The entity has recorded 10/14 (71%) targets achieved and 4/14 (29%) not achieved by end of Q3. In comparison with the same period in the previous financial year, the entity's performance has shown an upward trend.



**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		Target not Achieved	
				Count	%	Count	%
Infrastructure Development and Refurbishment.	Accelerated Public infrastructure Delivery Programme	9(4 Measured)	(1-2-3-4-	4	100%	-	-
	Strategic Economic Node Delivery Programme						
Good Governance	Good Governance, Management and Administration	2	(10-11)	2	100%	-	-
Financial Sustainability	Good Governance, Management and Administration	3	(12-13-14)	-	-	3	100%
Job opportunity and creation and sustained economic growth	Economic Empowerment	4	(15-16-17-18)	4	100%	-	-
Strategic priority: Day-to-day Job opportunity and creation and Economic Development Growth	Other IDP or Day-to Day programs	1	19	0	-	1	100%
		19 (14 due for reporting)	(1-19)	10	71%	4	29%

## SECTION 2: SERVICE DELIVERY CHALLENGES

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

Given the current City's cash flow challenges and as per of the on-going mid-term budget adjustment process, all City Departments and Entities have been requested to rebase their budget – this has resulted to an approximately **R 400 million** down-ward adjusted for the overall JDA budget and approximately **R 154 million** for JDA's own budget. The revised budget adjustment has negatively impacted several projects that are currently at construction stage and has a potential to commercially expose the JDA. Several projects that are at construction stage budget has been reduced more than what is required for the current financial year.

Despite some improvement, the City's cash flow challenges and delayed payment of invoices has affected progress on projects which consequently affected the Service Provider's ability to properly financially resource the JDA projects. Furthermore, the issue of delayed payment of invoices negatively impacts the contractor's ability to achieve agreed production rates, including cashflow expenditure.

The issues of poorly performing contractors still remain a major challenge and risk for the JDA's ability to complete projects as planned and fully utilize the allocated budget. During the quarter under review the JDA had to terminate contracts due to poor performance – underlying cash flow challenges (inability to financially resource the projects).

Some projects commenced later than the planned date, due to the delays in completing the contractor procurement processes – this has affected the projected Q3 expenditure targets. These include the Drieziek Recreational Park and Pimiville Gravel Road Upgrades, that are part of the KPI for projects reaching contract award stage.



**SECTION 3: RESPONSE TO STRATEGIC DIRECTION**

The City of Johannesburg has reviewed its priorities post the change of government early 2023 from the Multiparty Government to the Government of Local Unity (GLU).

The entity has aligned its objectives with the strategic priorities that came with the new government as reflected in the table below:

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

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

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

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

**TABLE 18: SUMMARY OF JDA PROGRAMMES**

JDA Substantive Program	JDA Sub-Program	Purpose
1. Strategic Economic Node Delivery Program	1A: Inner-city transformation Sub- Program	Guided by the Mayoral Priority on the Inner City and the Inner-City Roadmap the JDA will focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner-city precincts, address movement challenges, and improve the quality of the built environment across the inner city. The activities include managing the development of the Johannesburg inner city through capital investments in selected precincts, by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.
	1B:Economic Node Sub-Program	The objective is to develop nodes that are compact, walkable, live able, mixed-use, and mixed-income areas and centres around which to densify. They should be areas where people can live, work, and play and have good access to public transit. Guided by the COJ policy <sup>3</sup> on the categorizing of the current city nodes with prospects for growth, the work of the program is to promote densification, diversification, and development in these nodes.  The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighbourhood nodes.
2. Accelerated Public Infrastructure Delivery Program	2A: Deprivation Areas Revitalization Sub-Programme	Investment is specifically required to eradicate backlogs and deficiencies of engineering and social infrastructure related to the revitalization of deprivation areas. Investment in these areas also needs to address the structural and built form aspects that have been raised in the SDF. Infrastructure investment is therefore targeted at resolving problems specifically related to the deprivation areas and at the same time create sustainable and live able settlements as an outcome. Several deprivation area programs are already in place (previously referred to as marginalized area programmes) including Orange Farm, Diepsloot, Ivory Park/Kaalfontein and Alexandra.
	2B:Urban Infrastructure Delivery Sub-Program	The objective is to deliver on the City's priority social effectively and efficiently and/or economic infrastructure programs. This work includes overseeing capital investments by other departments and entities. This program includes Rea Vaya BRT infrastructure, taxi and transport facilities, primary healthcare clinics and fire-stations.

#### SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

Section Not Applicable to the JDA

#### SECTION 5: CAPITAL PROJECTS & EXPENDITURE

Capital expenditure is the primary measure of the JDA's performance, and the budget for the capital projects to be implemented forms part of the agency's Annual Business Plan and Scorecard.

Actual capital expenditure for the period ended 31 March 2024 was 453 million the annual budget of R978 million. This represents 46% of the overall annual budget spent by end of the third quarter. There are still various factors that continue to affect projects expenditure including poor contractor performance.

**TABLE 19: CAPITAL EXPENDITURE AS AT END OF 31 MARCH 2024**

Programme	2023/24 Annual Budget	Target YTD	Actual YTD	Target %	% Actual /annual budget
	R' 000	R' 000	R'000	%	%
Capex for 2023/24 FY	978 798 925	587 279 355	452 647 140	60%	46%
<b>Total</b>	<b>978 798 925</b>	<b>587 279 355</b>	<b>452 647 140</b>	<b>60%</b>	<b>46%</b>





## SECTION 6: ORGANISATIONAL PERFORMANCE



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



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

KPI ACHIEVEMENT RATINGS

Achievement	Rating
	Target achieved
	Target not achieved

**TABLE 20: JDA CORPORATE SCORECARD**



<b>OUTCOME:</b> Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy									
<b>STRATEGIC PRIORITY:</b> Infrastructure Development and Refurbishment									
<b>JDA STRATEGIC PROGRAMME:</b> Accelerated Public infrastructure Delivery Programme/ Strategic Economic Node Delivery Programme									
<b>KPI No</b>	<b>Key Performance Indicator</b>	<b>Baseline 2021/22</b>	<b>2023/24 Annual Target</b>	<b>2023/24 Q3 Target</b>	<b>2023/24 Q3 Actual</b>	<b>Variance</b>	<b>Quarterly Achievement Rating</b>	<b>Explanation of progress as at the end of 31 March 2024</b>	<b>Variations and steps to be taken to improve performance.</b>
1.	Number of pre-feasibility studies conducted. <sup>4</sup>	6	3 Pre-feasibility studies conducted	-	-	-	-	Not due for reporting.	None
2.	Number of feasibility studies conducted.	New KPI	3 feasibility studies conducted	-	-	-	-	Not due for reporting.	None
3.	Number of urban development framework completed.	2	2 UDF Completed	-	-	-	-	Not due for reporting.	None
4.	Number of projects at the concept design phase.	25	6 Concept Design	2	2	0		None	None
5.	Number of projects in detailed design phase.	New KPI	1 Project	-	-	-	-	Not due for reporting	None
6.	Number of projects reaching contract award stage.	12	6 Projects	3	3	0		None	None

7.	Number of projects reaching practical completion stage.	2	6 Projects at practical completion	1	1	0		The entity has implemented Naledi Clinic to a level of practical completion	None
8.	Number of precinct management implementation plans.	0	4 plans	-	-	-	-	Not due for reporting.	None
9.	Number of JDA Communication and Media related Initiatives.	363	280	70	103	33		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 Q3 Target	2023/24 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2024	Variations and steps to be taken to improve performance
10.	Percentage resolution of Internal Audit findings.	91%	95%	70%	88%	18%		None	None
11.	Percentage resolution of Auditor General findings.	88%	95%	50%	95%	45%		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 Q3 Target	2023/24 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 December 2023	Variations and steps to be taken to improve performance
12.	Percentage of budget spent on city- wide infrastructure.	76%	95%(Cumulative)	60%	46%	-14%		The revised budget adjustment has negatively impacted several projects that are currently at construction stage and has a potential to commercially expose the JDA. Several projects that are at construction stage budget has been reduced more than what is required for the current financial year.	Management is robustly monitoring expenditure against the adjusted budget to ensure that the annual target of 95% is achieved
13.	Percentage of valid invoices paid within 30 days of the invoice date.	75%	100%	100%	67%	-33%		The target was not achieved due to cashflow challenges from COJ.	JDA will prioritise grant funded project which will assist in payment invoices within 30 days.

14.	Percentage of spent on repairs and maintenance to property, plant and equipment.	New	5%	4.5%	4%	0.5		There were assets that were lost which had direct impact of the maintenance cost	The assets lost will be replaced in C and the target will be achieve at th end of the year.

## 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 Q3 Target	2023/24 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2024	Variations and steps to be taken to improve performance
15.	Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total.	109%	100%	100%	106%	6%		None	None
16.	Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	368	300	250	277	27		None	None
17.	Percentage of SMME expenditure as a share of total expenditure.	48%	30%	30%	49%	19%		None	None
18.	Percentage spends on JDA operating Expenditure against approved operating budget.	101%	95%	75%	89%	14%		None	None

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 Q3 Target	2023/24 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2024	Variations and steps to be taken to improve performance.
19	Percentage implementation of the strategic risk management action plan findings resolved.	95%	100%	100%	76%	24%		There are twenty-four (24) committed strategic future mitigation plans accumulatively scheduled to be implemented in the 3rd quarter of 2023/24 financial year. However, of the twenty-four (24) mitigation plans seventeen (19) are implemented which result in 76% implementation	Management has a plan to fast-track and monitor the implementation of the actions that lagged behind. All actions plan will be completed in Q4



## 6.2. Economic Development

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

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

### EPWP PERFORMANCE

The SA government describe the EPWP Programme as one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The JDA has an annual target of 300 jobs to be created through this programme. Of the annual target of 300 jobs, 250 jobs were set as target for the Q3. The EPWP job opportunities range from skilled work to manual labour (depending on the type of projects) and the existing skills in the community. The JDA has performed above the target where 277 jobs were created by the end of March 2024

### SMME PERFORMANCE

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

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

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

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

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

### 1 January 2024 to 31 March 2024

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period 1 January 2024 to 31 March 2024, the SMME share of JDA's total expenditure was R 64 890 092.18. This constitutes an achievement 49%.

**Table 21 below indicates the SMME expenditure from 1 January 2024 to 31 March 2024**

Description	January 2024 to 31 March 2024		
	Total Expenditure	SMME Claimed	SMME %
Capex	R120 493 356.82	R59 190 688.07	49%
Opex	R12 243 558.32	R5 699 404.11	47%
<b>Consolidated Opex and Capex</b>	R132 736 915.14	R64 890 092.18	<b>49%</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 emphasizes that its employment practices and remuneration policies motivate and retain talented employees and create an attractive work environment.

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

Human Resource Management is a management function concerned with hiring, training, motivating, developing and maintaining workforce within JDA. Human Resource Management further ensures satisfaction of employees to get maximum contribution of employees for the achievement of JDA's objectives. JDA is in hyper-growth mode, for example, almost all executive management positions are filled meaning the organization has the necessary talent and skills necessary to cultivate a culture of high performance. In an attempt to address organizational performance, the ACEO is currently working on resolving Labour Relations matters, impressing on adherence to the Individual Performance Management system which has a direct implication to the organizational performance.

In an attempt to ensure employee satisfaction and enhance accountability, HRM has reviewed 06 policies and drafted 03 new policies and 03 Terms of Reference:

1. Remuneration and Reward Policy
2. Performance Management Policy
3. Talent Acquisition Policy
4. Acting Policy
5. Leave Policy

#### Newly Drafted Policies

6. Retention Policy
7. Succession Policy
8. Probation Policy

#### Terms of Reference

9. Disciplinary Code and Grievance Procedures
10. Labour Management Forum ToR
11. Employment Equity Forum (it was never signed by the Accounting Officer)

The support of HR&REMCO, as well as that of the JDA Board of Directors, to management during this period cannot be underestimated, as it gave management the encouragement to keep working hard to resolve issues raised by employees. Management would also like to acknowledge the support from the MMC 's office.

For the final quarter of 2023/ 2024, management undertakes to support staff and maximize performance of all officials. Critical to note is that all outstanding Labour Matters both internally and at the CCMA should be resolved, all HRM related Audit findings were resolved as HRM stands at 95% in terms of resolving findings from the previous financial year. All plans are in place for the AGSA in line with the clean audit plan of JDA. The performance management process is embedded on the following principles:

- Performance management is consistently applied across the JDA to ensure effective alignment of strategic objectives and individual outputs, there is positive improvement and employee buy-in on the PMS process.
- 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.

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). JDA had moved to resuscitate the Labour Management forum, the first meeting and training on Terms of Reference was held on the 18th of March 2024.

## 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 three (3) (including the Executive members).

The Total Remuneration Costs for the period ending 31 March 2024 amount to R 57 217 158,88. 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 31 March 2024 amounts to R 1 464 144.51.

## SECTION 2: EMPLOYMENT AND KEY VACANCIES

Below is a list of key vacancies.

**TABLE 22: VACANCY PROGRESS AS AT 31 March 2024**

Vacancies	Progress
Company Secretary	Recruitment Stage
Chief Audit Executive	Appointed effective 15 March



Senior Manager: Internal Audit	On hold due to Budget
Senior Project Manager	Recruitment Stage
Manager: Risk & Integrity Management	Job Profile being reviewed
Senior Manager : Information, Communication & Infrastructure Management	On hold
Senior Manager: Development Planning & Facilitation	On hold due to Budget
Project Manager x 2	Recruitment Stage
Human Capital Business Partner	Recruitment Stage

### SECTION 3: EMPLOYMENT EQUITY

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

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

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

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

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

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

Occupational Levels											Total
	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0

Executive Management	4	0	0	0	1	0	0	0	0	0	5
Senior Management	5	0	0	0	6	0	0	0	0	0	11
Professionally qualified and experienced specialists and mid-management	12	0	0	0	21	1	0	0	0	1	35
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	0	0	12	0	1	0	0	0	19
Semi-skilled and discretionary decision making	3	0	0	0	7	0	0	0	0	0	10
Unskilled and defined decision making	2	0	0	0	3	0	0	0	0	0	5
<b>TOTAL PERMANENT</b>	32	0	0	0	50	1	1	0	0	1	85
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	32	0	0	0	50	1	1	0	0	1	85

The JDA targets and achievements for period under review:

- 96,5% of its employees are Black African.
- 62,4% of its staff members are Female.
- 44% of Executive and Senior Management positions are held by black women.
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

## 5. EE PERFORMANCE

The EE performance against targets for the 3rd Quarter are summarized as follows.

The JDA targets and achievements for period under review:

- 96,7 % of its employees are Black African.
- 61,5 % of its staff members are Female.
- 16,4% of Executive and Senior Management positions are held by black women.
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improving the percentage representation of people from designated groups across all occupational categories.

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

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

**TABLE 25: WORKFORCE PROFILE IN TERMS OF AGE, RACE, GENDER AND FOREIGN NATIONAL STATUS AS AT 31 MARCH 2024**

Occupational Level  (Below EAP row)	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
Top Management	18-34	0	0	0	0	0	0	0	0	0	0	0
(Level 1-2)	>35	4	0	0	0	1	0	0	0	0	0	5
	Total	4	0	0	0	1	0	0	0	0	0	5
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	5	0	0	0	0	0	9
(Level 5-6)	>35	8	0	0	0	16	1	0	0	0	1	26
	Total	12	0	0	0	21	1	0	0	0	1	35
Skilled Technical	18-34	2	0	0	0	3	0	0	0	0	0	5
(Level 7-8)	>35	4	0	0	0	9	0	1	0	0	0	14
	Total	6	0	0	0	12	0	1	0	0	0	19
Semi-Skilled	18-34	1	0	0	0	2	0	0	0	0	0	3
(Level 9-10)	>35	2	0	0	0	5	0	0	0	0	0	7
	Total	3	0	0	0	7	0	0	0	0	0	10
Unskilled	18-34	1	0	0	0	0	0	0	0	0	0	1
(Level 11)	>35	1	0	0	0	3	0	0	0	0	0	4
	Total	2	0	0	0	3	0	0	0	0	0	5
Temporary	18-34	0	0	0	0	0	0	0	0	0	0	0
	>35	0	0	0	0	0	0	0	0	0	0	0
	Total	32	0	0	0	50	1	1	0	0	1	85



TABLE 26: 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>	4,7%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4,7%
	<b>Total</b>	<b>4,7%</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>4,7%</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>	5,9%	0%	0%	0%	7%	0%	0%	0%	0%	0%	12,9%
	<b>Total</b>	<b>5,9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>12,9%</b>
<b>Professional Qualified</b>	<b>18-34</b>	4,7%	0%	0%	0%	5,9%	0%	0%	0%	0%	0%	10,6%
<b>(Level 5-6)</b>	<b>&gt;35</b>	9%	0%	0%	0%	18,8%	1%	0%	0%	0%	1%	29,8%
	<b>Total</b>	<b>13,7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>23,5%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>40,4%</b>
<b>Skilled Technical</b>	<b>18-34</b>	2%	0%	0%	0%	3,5%	0%	0%	0%	0%	0%	5,5%
<b>(Level 7-8)</b>	<b>&gt;35</b>	4,7%	0%	0%	0%	10,6%	0%	1%	0%	0%	0%	16,4%
	<b>Total</b>	<b>6,7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>14,1%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>21,9%</b>
<b>Semi-Skilled</b>	<b>18-34</b>	1%	0%	0%	0%	2%	0%	0%	0%	0%	0%	3%
<b>(Level 9-10)</b>	<b>&gt;35</b>	2%	0%	0%	0%	5,9%	0%	0%	0%	0%	0%	8%
	<b>Total</b>	<b>3,4%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>7,9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>11%</b>
<b>Unskilled</b>	<b>18-34</b>	3,5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,5%
<b>(Level 11)</b>	<b>&gt;35</b>	2%	0%	0%	0%	3,5%	0%	0%	0%	0%	0%	5,5%
	<b>Total</b>	<b>5,5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>3,5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>9%</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.

A budget of R 645 000 has been allocated for training and development for the 2023/2024 financial year. The actual expenditure incurred during this quarter stands at R 124 247,92, JDAs bursary approval window is closed and the training spend increased by nine (9) and will continue to increase during the last quarter of the financial year. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

TABLE 27: SKILLS DEVELOPMENT AND TRAINING

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

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

- ICT – SAP; data analysis and Business Improvement
- Strategic Change and Business Processes Development
- Multimedia and Graphic Design
- Legal Services
- Contract Management
- Program and project Management

## SECTION 5: PERFORMANCE MANAGEMENT

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

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

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

Department	Eligible Staff	Performance Agreements Submitted	Outstanding	Mid-Term Reviews Submitted
Office of the CEO	6	6	0	6
Company Secretary	1	1	0	1
Internal Audit	7	6	1	5
Finance	12	12	0	11
Corporate Services	15	15	0	14
Project Implementation	29	28	1	22
Development Planning & Facilitation	8	8	0	8
<b>Total</b>	<b>78</b>	<b>76</b>	<b>2</b>	<b>67</b>

**SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES**

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

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

Outcome	Number
Final Written Warning	0
Dismissal	0

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

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 Annual leave with a total of 470 days, with Maternity leave being the second most utilised leave type with a total of 300 days, followed by Sick Leave with 19,5 days.

**TABLE 31: LEAVE ANALYSIS AS AT END OF March 2024**

Type of Leave	July	August	September	October	November	December	January	February	March	April	May	June	Total
Annual Leave	48,5	41	25	59	21	45	150	62,5	18				470
Sick Leave	0,5	1	2	4	6	0	0	5	1				19,5
Family Responsibility	0	0	0	0	0	0	0	3	2				5
Maternity Leave	42	44	40	54	24	15	40	22	19				300
Paternity Leave	0	10	0	0	0	0	0	0	0				10
Study Leave	5	2	0	6	2	0	0	0	1				16
<b>TOTAL</b>	<b>96</b>	<b>98</b>	<b>67</b>	<b>123</b>	<b>53</b>	<b>60</b>	<b>190</b>	<b>92,5</b>	<b>41</b>				<b>820,5</b>

## SECTION 8: EMPLOYEE BENEFITS

The Total Remuneration Costs for the period ending 18 December 2023 amount to R39 801 602. 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 18 December 2023 amount to R525 345.54.

## SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

### 9.1 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.

## **9.2 OCCUPATIONAL HEALTH AND SAFETY**

The appointed service provider conducted quarterly OHASA audit on the 8th of March 2024 with the average audit score of 96,79%, SHE quarterly meeting took place on the 7th of March 2024. During the audit it was noted that the servicing of Firefighting equipment has long surpassed the due date at the JDA. The fire hose and all the fire extinguishers at the JDA were due for annual service in January 2024. A service provider was since appointed to service all firefighting equipment and it was scheduled to be conducted on the 26th to the 27th of March 2024.

To prevent recurrence of non-servicing of firefighting equipment a service provider will be appointed on a 36-month contract.

### **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. Appointment of hygiene services provider
4. Office space acquisition for JDA is at planning stage through engineers

## **SECTION 10: MARKETING AND COMMUNICATIONS**

Content on the Johannesburg Development Agency's digital platforms between 01 – 29 February 2024.

## FEBRUARY and MARCH 2024

The report shows the performance of content on the Johannesburg Development Agency's digital platforms between January and March 2024.

9 Press releases, 26 Facebook posts, 25 tweets on X, 23 posts on Instagram, and 20 posts on LinkedIn for the month of February 2024.

**Table 32: Media Release**

Social Media Platform	Posts	Growth	Engagement	Reach
FACEBOOK	19	138	380	30 668
X	18	24		11 500
INSTAGRAM	16	13	115	490
LINKEDIN	14	85	108	5 199

Social Media Platforms	Followers
Facebook	19 204
Instagram	3288
X	8415
LinkedIn	11453

## MEDIA REPORT

### Quarter 3 March 2024

- In Quarter 3, March 2024, the Johannesburg Development Agency (JDA) garnered increased media attention, featured in 27 media items compared to Third quarter 2023/2024.
- The Agency's Advertising Value Equivalent (AVE) also saw a significant rise, standing at R 470 040.60.
- Positive coverage dominated, with eight media items receiving favourable ratings, while eight were rated as neutral, and only two items were negative.
- Positive coverage was driven by infrastructure developments, including the reopening of the Rabie Ridge Community Hall and Library, the commencement of upgrades at the Bram Fischer Drive and Jan Smuts Avenue intersection, and the resumption of essential infrastructure projects in Region G by the JDA after the annual construction industry shutdown in December 2023. Additionally, progress updates on projects such as the Orange Farm Transport Facility, at 60% completion, and the construction of the new Naledi Clinic in Soweto contributed to the positive coverage.
- Neutral-rated coverage merely mentioned the JDA in passing without significant commentary or analysis.
- However, negative coverage emerged concerning the Johannesburg Heritage Foundation raising concerns over the emptiness of Chancellor House, a building where Nelson Mandela and Oliver Tambo once operated as attorneys. The foundation warned that the building could soon be hijacked by homeless people if the City of Johannesburg fails to put it to good use, particularly given its proximity to the Johannesburg Magistrate's Court.



## 1. PUBLIC RELATIONS ACTIVITIES

06 February 2024

### NEW NALEDI CLINIC ON THE HORIZON



New naledi clinic on the horizon is the new, state-of-the-art, single storey that is taking shape. The community is witnessing the tangible realisation of the City's commitment to fostering a healthier tomorrow.

The Rabie Ridge Community Hall and Library in Region A, north of Johannesburg, have undergone transformations following renovations and refurbishments spearheaded by the Johannesburg Development Agency (JDA).

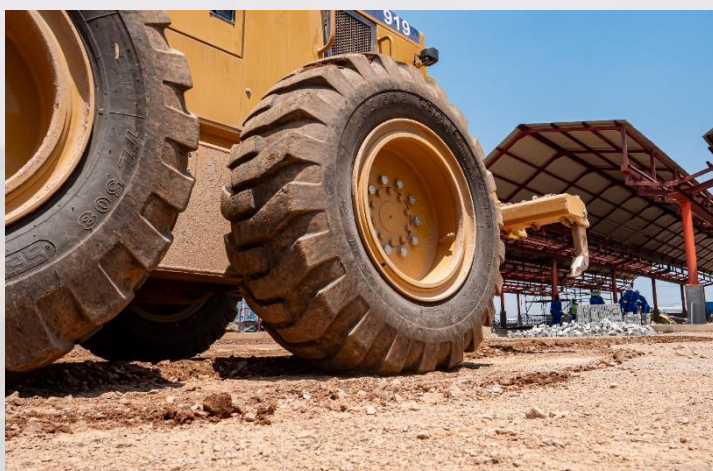
12 February 2024

### RABIE RIDGE COMMUNITY HALL AND LIBRARY REOPENS AFTER RENOVATIONS



15 February 2024

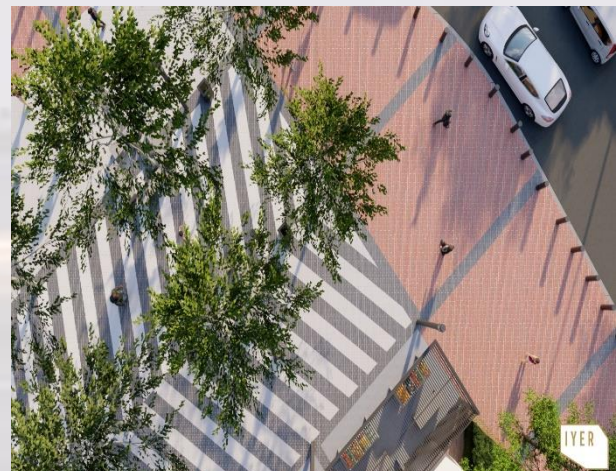
### ORANGE FARM PUBLIC TRANSPORT FACILITY



Ongoing construction work at the Orange Farm Public Transport Facility.

19 February 2024

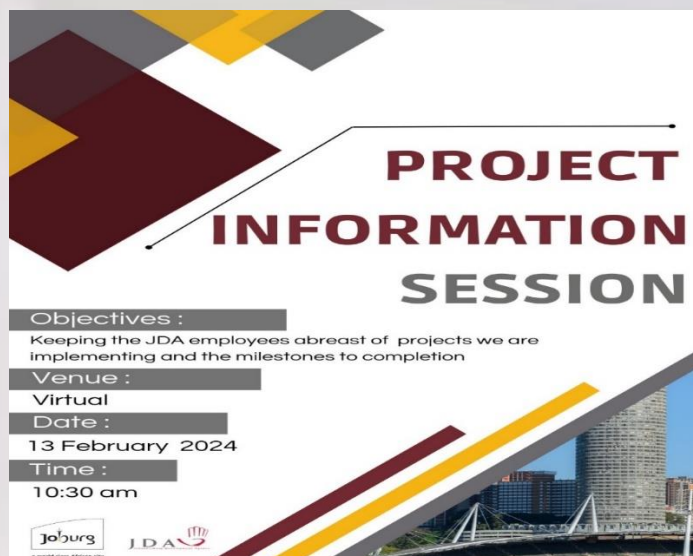
### TRAFFIC ADVISORY: LANE REDUCTIONS AS PART OF THE RANDBURG UDF PROJECT





The upgrading of Bram Fischer and Jan Smuts intersection will enhance pedestrian and vehicle movement, improve the quality of the public environment, and promote the development of a compact, pedestrian-friendly environment.

## 2. EVENTS



### 3. FEBRUARY FINANCIAL WELLNESS CAMPAIGN



## 1. PUBLIC RELATIONS ACTIVITIES

06 March 2024

### CONSTRUCTION OF THE 1870M<sup>2</sup> TURFFONTEIN CLINIC RECOMMENCES



The construction of Turffontein Clinic is regaining momentum following a temporary stoppage. The two-story, 1870m<sup>2</sup> facility is rapidly taking shape, with the foundational structure already becoming prominent.

With a 23-year track record in executing capital projects, the JDA is steering the construction of Turffontein Clinic on behalf of the City of Johannesburg. The clinic aims to set new benchmarks in patient care and occupational health and safety standards.

Strategically situated at De Villiers Street and Van Hulsteyn Street, the clinic's reach will extend to Turffontein, Rosettenville, Kenilworth, and neighbouring suburbs in Johannesburg South.



#### KLIPFONTEIN WELLNESS CENTRE, JOHANNESBURG

A transformative state-of-the-art facility designed to combat drug and alcohol abuse is being built in the Klipfontein View community of Ward 32 in Johannesburg. The Johannesburg Development Agency (JDA), the City of Johannesburg's

**No major problems with Johannesburg City Library closed since Covid, says JHF.**

*The library in the middle of the Joburg CBD remains a white elephant.*





C

## CONSTRUCTION OF THE 1870M<sup>2</sup> TURFFONTEIN CLINIC RECOMMENCES

by Nie Cele 0 March 6, 2024, 0 0 56

## HAVE YOUR SAY! ZANDSPRUIT URBAN DEVELOPMENT FRAMEWORK





The Johannesburg City Library on Albertina Sisulu Road and Pixley Ka Isaka Seme Street. Picture: Facebook/Joburg City Library Book Club

ORCHARDS CLINIC



## CHAPTER 5: FINANCIAL PERFORMANCE

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

TABLE 33: STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 31 March 2024

	Quarter Ended 31 March 2024			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Non-current assets</b>	<b>25 485</b>	<b>25 800</b>	<b>315</b>	<b>1</b>
Property plant and equipment	4 450	5 000	(550)	
Deferred tax	3 953	2 800	1 153	
Intangible assets	17 082	18 000	(918)	
Deferred tax				
<b>Current assets</b>	<b>1 169 770</b>	<b>930 002</b>	<b>239 768</b>	<b>2</b>
Trade and other receivables	877 324	700 000	177 324	
Prepayments	292 445	230 000	62 445	
Vat Receivable	1	2	(1)	
Cash and cash equivalents				
<b>Total assets</b>	<b>1 195 255</b>	<b>955 802</b>	<b>239 453</b>	
<b>EQUITY AND LIABILITIES</b>				
	<b>-49 778</b>	<b>76 278</b>	<b>(195 743)</b>	
<b>Capital and reserves</b>	<b>16 278</b>	<b>16 278</b>	<b>(69 687)</b>	<b>3</b>
Contribution from owner	-66 056	60 000	(126 056)	
Accumulated surplus/(deficit)	<b>4 448</b>	<b>5 000</b>	<b>(552)</b>	
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>0</b>	
Deferred taxation	4 448	5 000	(552)	<b>4</b>
Provisions	-	-	0	
Other Liability				
	<b>1 270 914</b>	<b>874 524</b>	<b>435 748</b>	
<b>Current liabilities</b>	<b>991 441</b>	<b>733 524</b>	<b>257 917</b>	
Loans from shareholders	273 547	90 000	183 547	<b>5</b>
Trade and other payables	4 643	44 000	1	<b>6</b>
Provision	1 283	7 000	(5 717)	
Other Liability				
<b>Total equity and liabilities</b>	<b>1 225 584</b>	<b>955 802</b>	<b>239</b>	

Notes	
1	The decreases on the property plant and equipment it is due to depreciation.
2	The increases on the current asset it due to the following (1) The favourable variance on trade receivable it is due to invoices that were issued to COJ in March (2) The movement on the Vat on receivable is due to Vat refunds that is due to JDA
3	Changes on the Reserve/Net Assets it is due to the deficit of R23 million
4	The movement of the non-current liability is immaterial
5	The variance is above than the target overdraft of R300 million. This is mainly due to invoices that were raised /accrued in June 2023 that were paid in July. However, JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the city with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account.
6	The increases on the payable it due to invoices that were received in March which will be paid within 30 days.

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

TABLE 34: STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 March 2024

	Original approved	Year to date			Notes
	Budget	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	
Gross revenue	132 364	94 778	99 273	(4 495)	7
Operating costs	(124 833)	(72 891)	(93 625)	20 734	8
<b>Gross surplus/(deficit)</b>	<b>7 531</b>	<b>21 887</b>	<b>5 648</b>	<b>16 239</b>	
Other operating Income and expenditure	0	0	0	0	
Interest expense	(7 531)	(45 479)	(5 648)	(39 831)	9
Interest income	0	0	0		
<b>Deficit before tax</b>	<b>0</b>	<b>(23 592)</b>	<b>0</b>	<b>(23 592)</b>	
Taxation	0	0	0	0	
<b>Surplus/(Deficit) after tax</b>	<b>0</b>	<b>(23 592)</b>	<b>0</b>	<b>(23 592)</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 4% due to capex. However, the ratio will worsen should additional grant was not received of R22 million which resulted in the improvement of the ratio.
8	Th negative variance it mainly due to delay in the procurement process which resulted in the target not being achieved and due to increases on the midterm budget adjustment.
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 2020/21 financial year.

## SECTION 3: CASH FLOW STATEMENT

TABLE 35: CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 March 2024

	Year to date		
	Actual	Budget	Variance
	R'000	R'000	R'000
<b>Cash flows from operating activities</b>	<b>(324 115)</b>	<b>( 134 057)</b>	<b>(190 058)</b>
<i>Receipts</i>			
Grants	32 250	32 250	0
Other Receipt	0	0	0
Cash receipts from CAPEX funding	675 874	700 000	(24 126)
Other receipts	0	0	0
	0	0	0
	(58 514)	0	0
<i>Payments</i>	(973 725)	(480 000)	421 486
Employee cost	0	(850 000)	(123 725)
Suppliers		0	0
Finance Cost	0	(4 500)	4 500
Tax paid			
<b>Net cash flow from Operating Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Expenditure to maintain operating capacity</i>			
Property, plant, and equipment acquired			
Proceeds from sale of property, plant, and equipment			
Purchase of intangible assets			
<b>Cash flows from financing activities</b>	<b>324 112</b>	<b>350 000</b>	<b>(25 888)</b>
Movement in project funds payable		0	0
Proceeds from Shareholders' loan	0	0	0
Finance lease repayments			
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3)</b>	<b>(639)</b>	<b>636</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>4</b>	<b>639</b>	<b>(635)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>1</u></b>	<b><u>0</u></b>	<b><u>1</u></b>



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

### 3.1: Net Assets

TABLE 36: STATEMENT OF CHANGES IN NET ASSETS FOR THE QUARTER ENDED 30 March 2024

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
<b>Balance on 01 July 2022</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>18 770</b>	<b>35 048</b>
Changes in net assets					
Deficit for the year	0	0	0	(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	(23 592)	(23 592)
Total changes	0	0	0	-23 592	-23 592
<b>Balance on 31 March 2024</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>-39 207</b>	<b>-22 929</b>

**SECTION 4: CAPITAL PROJECTS & EXPENDITURE****TABLE 37 CAPEX EXPENDITURE FOR THE YEAR**

CAPITAL EXPENDITURE AS AT 31 March 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANC E %	BUDGET R	USED %
<b>JDA ON BUDGET</b>									
Inner City Eastern Gateway_TOD and Movement Corridors	R 7 514 414	R 7 020 000	R 494 414	R 7 514 414	R 7 020 000	R 494 414	7,04%	R 11 700 000	64,23%
Pennyville Precinct Renewal	4 966 416	5 847 000	( 880 584)	4 966 416	5 847 000	( 880 584)	(15,06%)	9 745 000	50,96%
Randburg CBD Regeneration Renewal	14 081 050	5 864 400	8 216 650	14 081 050	5 864 400	8 216 650	140,11%	9 774 000	144,07%
Melville Activity Street	8 151 549	4 810 200	3 341 349	8 151 549	4 810 200	3 341 349	69,46%	8 017 000	101,68%
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	17 214 411	9 000 000	8 214 411	17 214 411	9 000 000	8 214 411	91,27%	15 000 000	114,76%
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional	2 056 626	R 3 600 000	(1 543 374)	R 2 056 626	R 3 600 000	(R 1 543 374)	(42,87%)	6 000 000	34,28%
Watt Street Precinct, Wynberg	1 467 932	1 800 000	( 332 068)	1 467 932	1 800 000	( 332 068)	(18,45%)	3 000 000	48,93%
Orange farm Turnkey project	43 472 558	51 120 600	(7 648 042)	43 472 558	51 120 600	(7 648 042)	(14,96%)	85 201 000	51,02%
Kliptown Urban Renewal Programme	983 972	324 000	659 972	983 972	324 000	659 972	203,70%	540 000	182,22%
23775_Ivory Park Urban Renewal Programme	6 372 882	3 000 000	3 372 882	6 372 882	3 000 000	3 372 882	112,43%	5 000 000	127,46%
Operational Capex New Operational Capex NEWTOWN F City Wide	0	418 200	( 418 200)	0	418 200	( 418 200)	(100,00%)	697 000	0,00%
Community Based Projects	0	600 000	( 600 000)	0	600 000	( 600 000)	(100,00%)	1 000 000	0,00%
Braamfischerville Ext 12&13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward	4 676 466	3 600 000	1 076 466	4 676 466	3 600 000	1 076 466	29,90%	6 000 000	77,94%

CAPITAL EXPENDITURE AS AT 31 March 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Klipfontein Wellness Centre	19 009 219	21 603 600	(2 594 381)	19 009 219	21 603 600	(2 594 381)	(12,01%)	36 006 000	52,79%
Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C		21 600	( 21 600)	0	21 600	( 21 600)	(100,00%)	36 000	0,00%
<b>SUB-TOTAL</b>	<b><u>129 967 495</u></b>	<b><u>118 629 600</u></b>	<b><u>11 337 895</u></b>	<b><u>129 967 495</u></b>	<b><u>118 629 600</u></b>	<b><u>11 337 895</u></b>	<b><u>9,56%</u></b>	<b><u>197 716 000</u></b>	<b><u>65,73%</u></b>
<b>COMMUNITY DEVELOPMENT (Comm Dev)</b>									
Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward	0	1 380 000	(1 380 000)	0	1 380 000	(1 380 000)	(100,00%)	2 300 000	0,00%
Johannesburg Library F	4 451 511	1 800 000	2 651 511	4 451 511	1 800 000	2 651 511	147,31%	3 000 000	148,38%
Kaalfontein MPC New Construction	7 013 685	6 420 000	593 685	7 013 685	6 420 000	593 685	9,25%	10 700 000	65,55%
MPC Matholeville	14 085 691	9 120 000	4 965 691	14 085 691	9 120 000	4 965 691	54,45%	15 200 000	92,67%
Repairs to Comm Dev Facilities	10 078 934	9 600 000	478 934	10 078 934	9 600 000	478 934	4,99%	16 000 000	62,99%
Lehae mPC	2 303 199	240 000	2 063 199	2 303 199	240 000	2 063 199	859,67%	400 000	575,80%
Drieziek MPC	120 817	72 000	48 817	120 817	72 000	48 817	67,80%	120 000	100,68%
Public art Fountains	212 982	2 587 872	(2 374 890)	212 982	2 587 872	(2 374 890)	(91,77%)	4 313 120	4,94%
<b>SUB-TOTAL</b>	<b><u>38 266 819</u></b>	<b><u>31 219 872</u></b>	<b><u>7 046 947</u></b>	<b><u>38 266 819</u></b>	<b><u>31 219 872</u></b>	<b><u>7 046 947</u></b>	<b><u>22,57%</u></b>	<b><u>52 033 120</u></b>	<b><u>73,54%</u></b>
<b>DEVELOPMENT PLANNING</b>									
Jabulani TOD: Phase 6a - Safe Hub	3 657 464	4 800 000	(1 142 536)	3 657 464	4 800 000	(1 142 536)	(23,80%)	8 000 000	45,72%
Soweto Strategic area framework	35 200	480 000	( 444 800)	35 200	480 000	( 444 800)	(92,67%)	800 000	4,40%
InnerCity Core	11 871 244	7 200 000	4 671 244	11 871 244	7 200 000	4 671 244	64,88%	12 000 000	98,93%
Brixton Social Cluster: Work Package 1 New multipurpose sports and recreation	3 616 030	6 000 000	(2 383 970)	3 616 030	6 000 000	(2 383 970)	(39,73%)	10 000 000	36,16%
New Turfontein Clinic and Multipurpose	1 197 016	3 600 000	(2 402 984)	1 197 016	3 600 000	(2 402 984)	(66,75%)	6 000 000	19,95%
Inner City Partnership Fund - Round 1: Yeoville	2 863 859	3 000 000	( 136 141)	2 863 859	3 000 000	( 136 141)	(4,54%)	5 000 000	57,28%
Integrated Spatial Data Portal	0	8 400 000	(8 400 000)	0	8 400 000	(8 400 000)	(100,00%)	14 000 000	0,00%

CAPITAL EXPENDITURE AS AT 31 March 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
GEFGlobal environmental facility Marketing	0	2 086 957	(2 086 957)	0	2 086 957	(2 086 957)	(100,00%)	3 478 261	0,00%
GEFGlobal environmental facility GIS SPATIAL	1 946 592	6 699 277	(4 752 685)	1 946 592	6 699 277	(4 752 685)	(70,94%)	11 165 461	17,43%
Mayfair PEU	0	540 000	( 540 000)	0	540 000	( 540 000)	(100,00%)	900 000	0,00%
Kliptown Multipurpose	0	570 000	( 570 000)	0	570 000	( 570 000)	(100,00%)	950 000	0,00%
<b>SUB-TOTAL</b>	<b>25 187 405</b>	<b>43 376 233</b>	<b>(18 188 828)</b>	<b>25 187 405</b>	<b>43 376 233</b>	<b>(18 188 828)</b>	<b>( 41,93%)</b>	<b>72 293 722</b>	<b>34,84%</b>
<b>EMERGENCY MANAGEMENT SERVICES (EMS)</b>									
Alex Fire Station	0	390 000	( 390 000)	0	390 000	( 390 000)	(100,00%)	650 000	0,00%
Central fire station	5 046 634	9 000 000	(3 953 366)	5 046 633	9 000 000	(3 953 367)	0,00%	15 000 000	33,64%
<b>SUB-TOTAL</b>	<b>5 046 634</b>	<b>9 390 000</b>	<b>(4 343 366)</b>	<b>5 046 633</b>	<b>9 390 000</b>	<b>(4 343 367)</b>	<b>(46,26%)</b>	<b>15 650 000</b>	<b>32,25%</b>
<b>HEALTH DEPARTMENT</b>									
Elias Motsoaledi Clinic	0	600 000	( 600 000)	0	600 000	( 600 000)	(100,00%)	1 000 000	0,00%
South Hills Clinic	2 420 488	1 800 000	620 488	2 420 488	1 800 000	620 488	34,47%	3 000 000	80,68%
Naledi Clinic	22 928 492	26 842 800	(3 914 308)	22 928 492	26 842 800	(3 914 308)	(14,58%)	44 738 000	51,25%
Rabie Ridge Clinic	641 746	900 000	( 258 254)	641 746	900 000	( 258 254)	(28,69%)	1 500 000	42,78%
Hikhsensile Clinic	660 787	6 000 000	(5 339 213)	660 787	6 000 000	(5 339 213)	(88,99%)	10 000 000	6,61%
Protea South Clinic	2 567 753	1 440 000	1 127 753	2 567 753	1 440 000	1 127 753	78,32%	2 400 000	106,99%
Freedom Park Clinic	265 456	108 000	157 456	265 456	108 000	157 456	145,79%	180 000	147,48%
<b>SUB-TOTAL</b>	<b>29 484 722</b>	<b>37 690 800</b>	<b>(8 206 078)</b>	<b>29 484 722</b>	<b>37 690 800</b>	<b>(8 206 078)</b>	<b>(21,77%)</b>	<b>62 818 000</b>	<b>46,94%</b>
<b>HUMAN SETTLEMENTS</b>									
Masingita Development Bulk Services	0	1 560 000	(1 560 000)	0	1 560 000	(1 560 000)	(100,00%)	2 600 000	0,00%



CAPITAL EXPENDITURE AS AT 31 March 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Finetown Proper Gravel roads upgrade	2 012 214	2 700 000	( 687 786)	2 012 214	2 700 000	( 687 786)	(25,47%)	4 500 000	44,72%
Lakeside Ext 5 Gravel roads upgrade	5 815 847	3 600 000	2 215 847	5 815 847	3 600 000	2 215 847	0,00%	6 000 000	96,93%
Drieziek 3, 4 and 5 upgrade gravel Road	40 443 237	7 568 400	32 874 837	40 443 237	7 568 400	32 874 837	434,37%	12 614 000	320,62%
Kanana Park Ext	1 827 659	5 066 400	(3 238 741)	1 827 659	5 066 400	(3 238 741)	(63,93%)	8 444 000	21,64%
Formulation of Zandspruit Urban Development Framework	185 750	240 000	( 54 250)	185 750	240 000	( 54 250)	(22,60%)	400 000	46,44%
Elias Motsoaledi Ext1 Township Development (Region D - Ward 24)	960 336	7 800 000	(6 839 664)	960 336	7 800 000	(6 839 664)	(87,69%)	13 000 000	7,39%
<b>Pimville zone 9</b>	835 275	27 000 000	(26 164 725)	835 275	27 000 000	(26 164 725)	(96,91%)	45 000 000	1,86%
Drieziek Ext.5	1 848 855	8 442 000	(6 593 145)	1 848 855	8 442 000	(6 593 145)	(78,10%)	14 070 000	13,14%
Ennerdale South	15 738 364	8 956 800	6 781 564	15 738 364	8 956 800	6 781 564	75,71%	14 928 000	105,43%
Drieziek Ext.4	0	11 400 000	(11 400 000)	0	11 400 000	(11 400 000)	(100,00%)	19 000 000	0,00%
Technical support Erven 918,19,30&31	0	1 800 000	(1 800 000)	0	1 800 000	(1 800 000)	(100,00%)	3 000 000	0,00%
Marily House ERF80	0	2 400 000	(2 400 000)	0	2 400 000	(2 400 000)	(100,00%)	4 000 000	0,00%
Rodepoort Feasibility and Development Framework	0	1 800 000	(1 800 000)	0	1 800 000	(1 800 000)	(100,00%)	3 000 000	0,00%
Jeppeshtown 3866 Technical suport ERF	0	1 800 000	(1 800 000)	0	1 800 000	(1 800 000)	(100,00%)	3 000 000	0,00%
Bramley View and Lombardy West	0	1 800 000	(1 800 000)	0	1 800 000	(1 800 000)	(100,00%)	3 000 000	0,00%
Johannesburg Market Upgrade	0	1 800 000	(1 800 000)	0	1 800 000	(1 800 000)	(100,00%)	3 000 000	0,00%
Inner City Walkable Network	3 473 337	1 800 000	1 673 337	3 473 337	1 800 000	1 673 337	92,96%	3 000 000	115,78%
Highcourt Revitalisation	883 384	1 620 000	( 736 616)	883 384	1 620 000	( 736 616)	(45,47%)	2 700 000	32,72%
Hillbrow Health Precinct Upgrade	328 497	1 200 000	( 871 503)	328 497	1 200 000	( 871 503)	(72,63%)	2 000 000	16,42%
CBD Rejuvenation	0	1 800 000	(1 800 000)	0	1 800 000	(1 800 000)	(100,00%)	3 000 000	0,00%
Upgrading of Mechanical & Electrical Equip	0	1 200 000	(1 200 000)	0	1 200 000	(1 200 000)	(100,00%)	2 000 000	0,00%
Innecity Walkable Stage 4	0	1 320 000	(1 320 000)	0	1 320 000	(1 320 000)	(100,00%)	2 200 000	0,00%
CBD Rejuvenation 2	0	3 600 000	(3 600 000)	0	3 600 000	(3 600 000)	(100,00%)	6 000 000	0,00%
<b>SUB-TOTAL</b>	<b>74 352 755</b>	<b>108 273 600</b>	<b>(33 920 845)</b>	<b>74 352 755</b>	<b>108 273 600</b>	<b>(33 920 845)</b>	<b>(31,33%)</b>	<b>180 456 000</b>	<b>41,20%</b>

CAPITAL EXPENDITURE AS AT 31 March 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
<b>TRANSPORTATION PTIS FUNDING:</b>									
Phase 1C Stations	37 600 899	56 494 200	(18 893 301)	37 600 899	56 494 200	(18 893 301)	(33,44%)	94 157 000	39,93%
Section 15K (Watt Interchange Station Road Works and Bridges)	0	17 400 000	(17 400 000)	0	17 400 000	(17 400 000)	(100,00%)	29 000 000	0,00%
Alexandra Depot	3 863 763	1 200 000	2 663 763	3 863 763	1 200 000	2 663 763	221,98%	2 000 000	193,19%
OTHER: Land	591 875	4 800 000	(4 208 125)	591 875	4 800 000	(4 208 125)	(87,67%)	8 000 000	7,40%
Selby Depot 2C	41 069 125	43 800 000	(2 730 875)	41 069 125	43 800 000	(2 730 875)	(6,23%)	73 000 000	56,26%
OTHER: Passenger Information Signage(Finger boards - "on Street)	850 500	12 600 000	(11 749 500)	850 500	12 600 000	(11 749 500)	(93,25%)	21 000 000	4,05%
<b>SUB-TOTAL</b>	<b>83 976 162</b>	<b>136 294 200</b>	<b>(52 318 038)</b>	<b>83 976 162</b>	<b>136 294 200</b>	<b>(52 318 038)</b>	<b>(38,39%)</b>	<b>227 157 000</b>	<b>36,97%</b>
<b>DEPARTMENT OF SOCIAL DEVELOPMENT (SoC DEV)</b>									
Shelter for Displaced People Region F	10 317 554	9 135 000	1 182 554	10 317 554	9 135 000	1 182 554	12,95%	15 225 000	67,77%
Betrans Multipurpose Centre	15 878 602	26 991 600	(11 112 998)	15 878 602	26 991 600	(11 112 998)	(41,17%)	44 986 000	35,30%
Yetta Nathan Social deveopment Centre	2 993 665	22 050 000	(19 056 335)	2 993 665	22 050 000	(19 056 335)	(86,42%)	36 750 000	8,15%
Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	1 521 311	975 000	546 311	1 521 311	975 000	546 311	56,03%	1 625 000	93,62%
Minor Upgrades of all Social Development Facilities in all the Regions	0	600 000	( 600 000)	0	600 000	( 600 000)	(100,00%)	1 000 000	0,00%
<b>SUB-TOTAL</b>	<b>30 711 132</b>	<b>59 751 600</b>	<b>(29 040 468)</b>	<b>30 711 132</b>	<b>59 751 600</b>	<b>(29 040 468)</b>	<b>(48,60%)</b>	<b>99 586 000</b>	<b>30,84%</b>
<b>TRANSPORTATION COJ FUNDING:</b>									

CAPITAL EXPENDITURE AS AT 31 March 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route	0	300 000	( 300 000)	0	300 000	( 300 000)	(100,00%)	500 000	0,00%
Complete Streets: NMT Facilities Linking Railway stations New Dube CHIAWELO D City Wide:	10 390 368	12 000 000	(1 609 632)	10 390 368	12 000 000	(1 609 632)	(13,41%)	20 000 000	51,95%
PTF: Small Public Transport Facility Design Kya Sand New Nodal Transport Facilities KYA SAND:		60 000	( 60 000)	0	60 000	( 60 000)	(100,00%)	100 000	0,00%
Carr Street Public Transport Facility	420 914	300 000	120 914	420 914	300 000	120 914	40,30%	500 000	84,18%
Jack Mincer Public Transport Facility	0	720 000	( 720 000)	0	720 000	( 720 000)	(100,00%)	1 200 000	0,00%
Fleet Africa Public Transport Facility The budget cut affected the project (R5 million to R1.8 million)	2 221 239	1 080 000	1 141 239	2 221 239	1 080 000	1 141 239	105,67%	1 800 000	123,40%
PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G)	7 773 400	5 691 000	2 082 400	7 773 400	5 691 000	2 082 400	36,59%	9 485 000	81,95%
Small: Public Transport Facility in Zakariya Park Region G	1 581 461	2 100 000	( 518 539)	1 581 461	2 100 000	( 518 539)	(24,69%)	3 500 000	45,18%
Complete Streets: NMT links Tshepisoong	89 455	1 080 000	( 990 545)	89 455	1 080 000	( 990 545)	(91,72%)	1 800 000	4,97%
Complete Streets Deep South The budget cut affected the project (R5 million to R1.3 million)	3 111 603	780 000	2 331 603	3 111 603	780 000	2 331 603	298,92%	1 300 000	239,35%
PTF Rosebank	2 146 606	1 800 000	346 606	2 146 606	1 800 000	346 606	19,26%	3 000 000	71,55%
Complete Streets Turfontein	2 354 185	840 000	1 514 185	2 354 185	840 000	1 514 185	180,26%	1 400 000	168,16%
Public Transport Stops : Cosmo City	400 649	900 000	( 499 351)	400 649	900 000	( 499 351)	(55,48%)	1 500 000	26,71%
Complete Streets: NMTlinking Phefeni Station	47 347	900 000	( 852 653)	47 347	900 000	( 852 653)	(94,74%)	1 500 000	3,16%
Integrated Corridor Management (ICM)	541 253	166 726	374 527	541 253	166 726	374 527	224,64%	277 877	194,78%
PTF Sunninghill	0	180 000	( 180 000)	0	180 000	(180 000)	(100%)	300 000	0,00%
Public Transport Data	233 517	365 400	( 131 883)	233 517	365 400	( 131 883)	(36,09%)	609 000	38,34%
Travel demand	1 581 974	1 450 800	131 174	1 581 974	1 450 800	131 174	9,04%	2 418 000	65,42%
Parking Management Policy	0	1 825 800	(1 825 800)	0	1 825 800	(1 825 800)	(100,00%)	3 043 000	0,00%
Complete Streets: NMT Linking Orange Farm	0	600 000	( 600 000)	0	600 000	( 600 000)	(100,00%)	1 000 000	0,00%



CAPITAL EXPENDITURE AS AT 31 March 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Sandton Transport Master Plan	0	52 174	( 52 174)	0	52 174	( 52 174)	(100,00%)	86 957	0,00%
Southern Area Transport Master plan	0	1 304 348	(1 304 348)	0	1 304 348	(1 304 348)	(100,00%)	2 173 913	0,00%
Alexandra Transport Master plan	0	260 870	( 260 870)	0	260 870	( 260 870)	(100,00%)	434 783	0,00%
Desmond Tutu	0	1 043 478	(1 043 478)	0	1 043 478	(1 043 478)	(100,00%)	1 739 130	0,00%
Universal Access plan	0	1 304 348	(1 304 348)	0	1 304 348	(1 304 348)	(100,00%)	2 173 913	0,00%
Helen Joseph Public Transport New	0	1 200 000	(1 200 000)	0	1 200 000	(1 200 000)	(100,00%)	2 000 000	0,00%
Upgrading of JITI Control Room New	0	1 200 000	(1 200 000)	0	1 200 000	(1 200 000)	(100,00%)	2 000 000	0,00%
PTF Small Public Transport Facility Design and Construction of Zola Public	0	90 000	( 90 000)	0	90 000	( 90 000)	(100,00%)	150 000	0,00%
<b>SUB-TOTAL</b>	<b>32 893 971</b>	<b>39 594 944</b>	<b>(6 700 973)</b>	<b>32 893 971</b>	<b>39 594 944</b>	<b>(6 700 973)</b>	<b>(16,92%)</b>	<b>65 991 573</b>	<b>49,85%</b>
<b>OTHER</b>									
Karsene Budget reduced from R3 million to R0 during the midyear review	14 808	0	14 808	14 808	0	14 808	0,00%	0	
FRANKBROWN HOUSING	495 790	1 200 000	( 704 210)	495 790	1 200 000	( 704 210)	58,68%	2 000 000	24,79%
Alex Auto hub security	2 158 023	1 501 067	656 956	2 158 023	1 501 067	656 956	43,77%	2 501 779	86,26%
UN Habitat Funds for the projects were already received, in the books of the JDA	91 424	357 439	(266 015)	91 424	357 439	(266 015)	(74,42%)	595 731	15,35
<b>SUB-TOTAL</b>	<b>2 760 045</b>	<b>3 058 506</b>	<b>(298 461)</b>	<b>2 760 045</b>	<b>3 058 506</b>	<b>(298 461)</b>	<b>(9,76)</b>	<b>5 097 510</b>	<b>54,14%</b>
<b>TOTAL</b>	<b>452 647 140</b>	<b>587 279 355</b>	<b>(134 632 215)</b>	<b>452 647 140</b>	<b>587 279 355</b>	<b>(134 632 215)</b>	<b>(22,92%)</b>	<b>978 798 925</b>	<b>46%</b>

There are number of projects that were affected by the budget adjusted down resulting in the expenditure being more than the adjusted budget. The adjustment process is done at a shareholder level with the entity having limited influence on how it should be adjusted. There are number of projects that are already way above 100% spent.



**SECTION 5: RATIO ANALYSIS (MINIMUM: LIQUIDITY, SOLVENCY, COST COVERAGE)****TABLE 38: RATIO ANALYSIS FOR THE PERIOD ENDED 30 JUNE 2023**

Key Performance Area	Targets	Actual December 2022	Actual 31 March 2024
Current ratio	Above 1,5: 1	1.023:1	.92:1
Solvency ratio	Above 2: 1	1.0	.94:1
Salaries to expenditure ratio	Below 60%	58%	50%
Revenue	R99.2 million	62 million	95 million
Expenditure (including taxation)	R99.2 million	106 million	R118 Million
Surplus / (Deficit)	R nil	(44. million)	(R25 million)
Total net assets	R47.4 million	R3.6million	(50 million)
Capital expenditure	75%	41%	46%

Notes	
1	<b>Current ratio</b> is below the target and is below when you compare with last year quarter. Included in current liabilities is the sweeping account with the shareholder which increases with the interest monthly.
2	<b>Solvency ratio</b> is just below the target and below than the 3rd quarter of the previous year mainly due to invoices that were received in March. The continued pressure on the overall loan from shareholder due to outstanding debtors still puts pressure on the liquidity ratios.
3	<b>Remuneration to expenditure ratio</b> is below target and below last year quarter due to an overall reduction in the operational expenditure which affects the denominator of the ratio and some vacancy position that are not filled.
4	The target was not achieved since it was below by 29%

**SECTION 6: SUPPLY CHAIN MANAGEMENT AND BBBEE (DEVIATIONS, PAYMENTS WITHIN 30 DAYS, REPORT ON IRREGULAR, UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE AND DUE PROCESSES)****Analysis of BBBEE and SMME results for the period 1 January 2024 to 31 March 2024****3.1.1 The % of expenditure paid to companies with B-BBEE credentials out of total expenditure for the period under review:****1 January 2024 to 31 March 2024**

JDA's target in respect of B-BBEE spending as a percentage of total expenditure is 100%.

For the period 1 January 2024 to 31 March 2024 the JDA achieved **106%** B-BBEE Opex and Capex procurement.

The total B-BBEE expenditure commitment in terms of active contracts was **R132 736 915.14** for the period 1 January 2024 to 31 March 2024, and the BBBEE share of expenditure achieved within the period was **R 140 790 534.2**

**Table 39: below indicates the B-BBEE expenditure from 1 January 2024 to 31 March 2024**

Description	July 2023 to 31 December 2023		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R120 493 356.82	R128 076 465.3	106%
Opex	R12 243 558.32	R12 714 068.82	104%
<b>Consolidated Opex and Capex</b>	<b>R132 736 915.14</b>	<b>R140 790 534.2</b>	<b>106%</b>

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

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

#### 1 January 2024 to 31 March 2024

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period **1 January 2024 to 31 March 2024**, the SMME share of JDA's total expenditure was **R 64 890 092.18**. This constitutes an achievement **49%**.

**Table 40 below indicates the SMME expenditure from 1 January 2024 to 31 March 2024**

Description	January 2024 to 31 March 2024		
	Total Expenditure	SMME Claimed	SMME %
Capex	R120 493 356.82	R59 190 688.07	49%
Opex	R12 243 558.32	R5 699 404.11	47%
<b>Consolidated Opex and Capex</b>	<b>R132 736 915.14</b>	<b>R64 890 092.18</b>	<b>49%</b>

### 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.

- 5.1 The deviation from obtaining at least a minimum of three written quotations in terms of Regulation 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. In the period under review there was (7) service providers appointed where less than three quotations were obtained to a value of R 250 023.67.

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

TABLE 41: PENDING LITIGATIONS

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



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

CASE / MATTER	DATE INSTITUTED	DISCRIPTION	ANTICIPATED COMPLETION DATE	VALUE OF EXPECTED ASSET OR LIABILITY AS A RESULT
Dzata/ Kuvu	2022	The matter relates to outstanding cost order by the adjudicator for alleged unlawful termination of contract.	Not yet known	R10 466 481
Mayibuye i-Afrika JV	October 2022	The matter relates to an on-going claim by Mayibuye i-Afrika – after their contract was terminated for poor performance, they submitted a dispute in which they are claiming for compensation.	The dispute process is still on-going and completion date has not been determined.	Not known since the matter is still open.

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

JDA is covered by the city-wide insurance entered into by the City of Johannesburg on behalf of all its entities. The insurance cover is reviewed on an annual basis. There were no new claims in quarter 3, all claims emanate from previous years as outlined in the table below:

**TABLE 42: INSURANCE CLAIMS**

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
1	2017/18	ADRS00008440	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's property	R103 035,17	Third Party Liability	This claim was settled, and the file is closed.
2	2017/18	ADRS00008441	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's property.	R 12 500,00	Third Party Liability	The insurance has attempted to get hold of the claimant with no success. Therefore, they are waiting for a third party/claimant approach.
3	2017/18	ADRS00008435	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's wall.	R85 000.00	Contractors all risks	The insurance has attempted to get hold of the claimant with no success. Therefore, they are waiting for a third party/claimant approach.
4	2021/22	ADRS000 08010	02/10/21	04/10/21	Damage to property due to hailstorm.	R1 782 370,67	Contractor's all risk.	The claim was settled, and the file is closed.
5	2010/11	ADRS00011575	20/01/2011	01/10/2020	Damages to third party property.	R23 558 889,34	Third Party Liability	

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
								Insurer handling TP claim. The matter is currently in court.
6	2014/15	ADRS00011226	03/03/2015	06/01/2023	Third party fell into an uncovered water main access panel.	R2 430 000,00	Third Party Liability.	Insurer is handling TP claim. The matter is currently in court.
7	2015/16	ADRS00001394	14/10/2015	01/10/2020	A bridge collapsed and resulted in the death of two people and nineteen others injured.	R38 000.00	Third Party Injury.	Insurer is handling TP claim. The matter is currently in court.
8	2018/19	ADRS00006188	04/10//2018	18/04/2021	Electric pole fell on TP.	R300 000,00	Third Party Liability	Insurer is handling TP claim. The matter is in court.

## SECTION 10: STATEMENT ON AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

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

**TABLE 43: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES**

Name of department	Balance	Comments
	R' 000	
City of Johannesburg - CAM & USDG	212 678	The Balance relates to amount outstanding from June 2023 and March claims that were submitted.
City of Johannesburg- Transport	318 032	Balance mainly relates to amounts outstanding from June 2022 claims and claims that were submitted till March 2023.
City of Johannesburg - Department of Economic Development	23900	Balance mainly relates to amounts outstanding from June 2023 claims and claims that were submitted in March.
City of Johannesburg- Department of Development Planning	3990	Balance mainly relates to amounts outstanding from June 2023 claims and claims that were submitted in March.
City of Johannesburg - EMS	49 790	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims which were submitted more than 360 days.
City of Johannesburg - Department of Health	19 006	The Balance relates to amount outstanding from June 2023 and March claims that were submitted.
City of Johannesburg - Department of Housing	54 830	The Balance relates to amount outstanding from June 2023 and March claims that were submitted.
City of Johannesburg - Department of Social Development	20 912	The Balance relates to amount outstanding from June 2023 and March claims that were submitted.
City of Johannesburg - Department of Community Development	36 219	The Balance relates to amount outstanding from June 2023 and March claims that were submitted.



City of Johannesburg - GSPCR	3 850	The Balance relates to amount outstanding is over 360 days
City of Johannesburg - City Manager	132 316	The Balance relates to amount outstanding from June 2023 and March claims that were submitted.
<b>Total</b>	<b>875 523</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 January 2024 to 30 March 2024; the section of the report includes progress on the planned audit projects as well as special audit requests (if any) that were undertaken during this reporting period.

- a. In this reporting period, there were ten (10) audits planned. Of the ten (10) audits planned, nine audits are in progress and one (1) audit has been deferred to the 4<sup>th</sup> quarter.
- b. Therefore 90% of the project are in progress and 10% of the projects is deferred.

**TABLE 44: PROGRESS ON INTERNAL AUDIT PLAN**

No.	Audit Description	Status	Progress Status	Overall control Environment
1.	3 <sup>rd</sup> report Follow-up on internal and external audit findings Disaster recovery testing	Completed	OPCA	Requires improvement
2.	Audit of the SCM Processes Performance Audit of the SCM processes(3E's) Contract Management Review and variation orders	Execution	The project is currently at the execution stage, and it is anticipated to be completed on 08 April 2024	Project in progress
3.	2023/24 2 <sup>nd</sup> quarter Quarterly Audit of performance information (Audit of the Pre-Determined Objectives).	Reporting	The project is currently at the execution stage, and it is anticipated to be completed on 30 March 2024	Project in progress
4.	3 <sup>rd</sup> report Physical verification of the progress of the project against the expenditure incurred	Execution	The project is currently at the execution stage, and it is anticipated to be completed on 08 April 2024.	Project in progress
5.	SMME development process review	Execution	The project is currently at the execution stage, and it is anticipated to be completed On 08 April 2024.	Project in progress
6.	Stakeholder Management Review – Project Stakeholders.	Execution	The project is currently at the execution stage, and it is anticipated to be completed on 08 April 2024.	Project in progress
7.	JDA internal project due diligence/feasibility assessment.	Reporting	The project is currently at the execution stage, and it is anticipated to be completed on 29 March 2024.	Project in progress
8.	Audit of performance management processes. Monitoring of operational business plans.	Deferred to the 4 <sup>th</sup> quarter	The project was planned for Q3 and is deferred to Q4 as per management request.	Project in progress

No.	Audit Description	Status	Progress Status	Overall control Environment
9.	Performance Bonus Review	Reporting	The project is currently at the execution stage, and it is anticipated to be completed on 29 March 2024.	Project in progress
10.	Application controls review and data migration SAP Finance systems	Not yet started to be deferred to 4 <sup>th</sup> quarter	The project is planned for the third quarter and could not be executed because of budget constraints.	Project in progress

## Section 2: PROGRESS ON PROBITY AUDITS

This section of the report relates to probity audits conducted in the period 01 January 2024 to 30 March 2024; in this reporting period there were three (3) requests for probity audits. All three probity audits were completed.

Therefore 100% of the probity audit requests were completed.

**Table 45 Probity Audits**

No.	Audit Description	Status	Progress Status	Overall control Environment
1.	Appointment of main contractor – Jabulani TOD	Completed	The report has been presented at BAC and submitted the accounting officer.	Requires improvement
11.	Appointment of main contractor – Drieziek Recreational Park	Completed	The report has been presented at BAC and submitted the accounting officer.	Satisfactory
12.	Appointment of main contractor–Pimville roads and storm water waters.	Completed	The report has been presented at BAC and submitted the accounting officer.	Satisfactory
13.	Appointment of main contractor–Yetta Nathan community center	Completed	The report has been presented at BAC and submitted the accounting officer.	Satisfactory

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

Internal Audit conducts follow-up reviews monthly on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the Chairperson of the Operation Clean Audit (OPCA) Committee and the Group Risk Assurance Services for discussion with the City Manager. On a quarterly basis Internal Audit, presents these reports to the Audit and Risk Committee, which monitors the progress made by management on the implementation of recommendations and action plans. On the 3<sup>rd</sup> quarter of the financial year there were twelve (12) internal audit finding resolved.

**TABLE 46: 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	0	24	24
2021/22	6	48	54
2022/23	22	21	43
<b>Total number as of 29 February 2024</b>	<b>28</b>	<b>309</b>	<b>337</b>
<b>Percentage</b>	<b>12%</b>	<b>88%</b>	<b>100%</b>

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

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit provides independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings. In the 3<sup>rd</sup> quarter of the financial year, twenty-three (23) auditor general finding resolved.

**TABLE 47: 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	3	32	35
2022/23	3	21	24
<b>Total number as of 29 February 2024</b>	<b>7</b>	<b>145</b>	<b>152</b>
<b>Percentage</b>	<b>5%</b>	<b>95%</b>	<b>100%</b>



## **SECTION 5: STATE OF INTERNAL CONTROLS**

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

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

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

From the Internal 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 third quarter of the 2023/24 cab rated as Partially effective.

## 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)