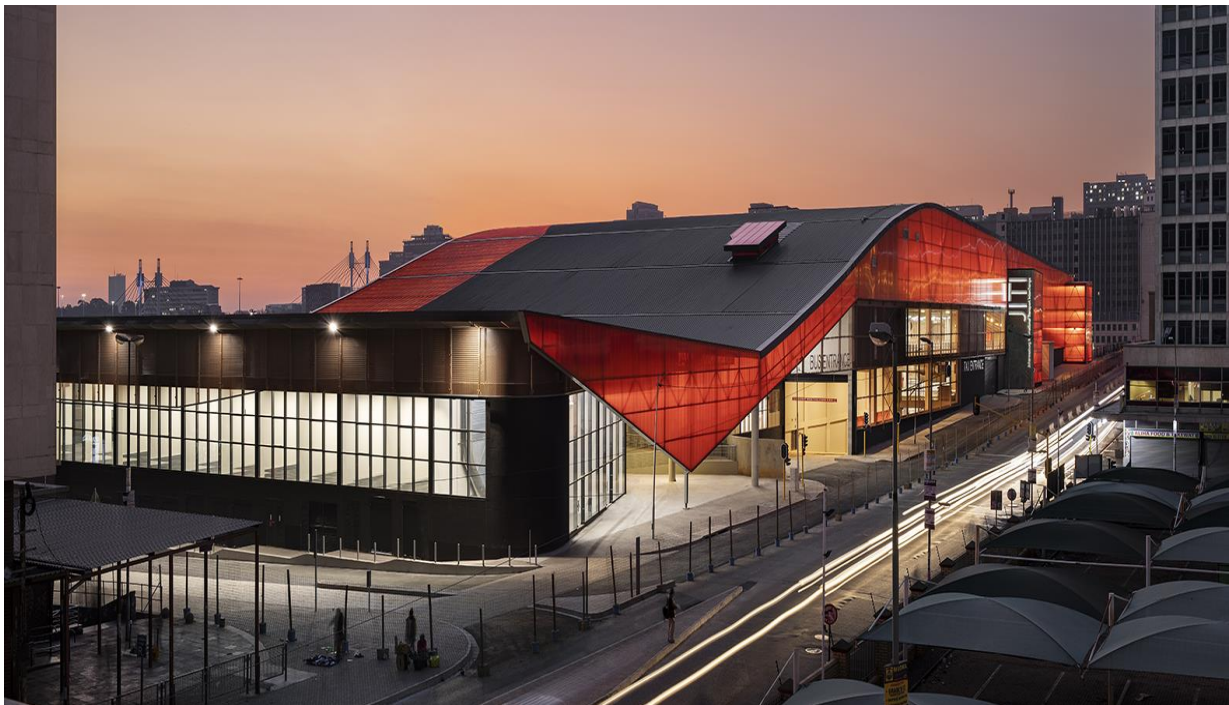


JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED

Registration no: 2001/005101/07



THIRD QUARTER PERFORMANCE REPORT 2021/22 JANUARY TO MARCH 2022

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

Registration number:	2001/005101/07
Shareholder / Municipality:	City of Johannesburg Metropolitan Municipality
Directors:	L Brenner (Chairperson) M Malinga S N Marota A Dryer L Matidze D Thwala C Whittle N Ntingane P Raphalalani S Moonsamy (Chief Financial Officer & Acting Chief Executive Officer)
Registered address:	3 Helen Joseph Street, Newtown, Johannesburg
Postal address:	PO Box 61877, Marshalltown, 2107
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Website:	www.jda.org.za
Bankers:	Standard Bank of SA Limited
Auditors:	The Auditor-General of South Africa
Company Secretary:	Hasani Rodney Shirinda

JDA Vision

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

JDA Mission

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

JDA Values

Accountability: To its shareholders, Board, and key stakeholders

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

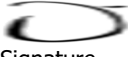



Responsiveness: To market forces, operating where it can make a difference, in locales and sectors where shareholders and their partners have a concentration of assets and expertise

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

Seeking to empower: Through progressive procurement and work practices

APPROVAL

VERSION CONTROL

<u>Mr Siyabonga Genu</u> Name & Surname Acting Chief Executive Officer	 Signature	<u>26 April 2022</u> Date of approval
<u>Ms Sherylee Moonsamy</u> Name & Surname Chief Financial Officer	 Signature	<u>21 April 2022</u> Date of approval
<u>Mr Lionel Brenner</u> Name & Surname Chairperson of the Board	 Signature	<u>25 April 2022</u> Date of approval
<u>Belinda Echeozonjoku</u> Name & Surname MMC: Development Planning	 Signature	<u>22 April 2022</u> Date of approval

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CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

The City of Johannesburg at its AGM held in February 2022 heralded the appointment of a new Board of Directors. The Board comprises a balance of knowledge, experience, diversity and independent thinking. This combination of skills and abilities will provide collective leadership for JDA to achieve its development and investment objectives.

During the remainder of the 3rd Quarter 2022 under review, the Board achieved the following:

- Held a JDA induction workshop with the senior management team
- Attended a COJ induction program
- Appointed required Board subcommittees
- Resolved on the appointment process of a Chief Executive Officer and Chief Audit Executive
- Resolved on the appointment of an acting CEO as an interim position
- Approved the Board Charter

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

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

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

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

As we the new Board embark upon this journey, I would like to thank the leadership team and the continued support from the COJ Shareholders Unit as well as the MMC and her team. I would also like to thank the CFO for her contributions in the role of the previous Acting CEO and to thank the incumbent Acting CEO who has agreed to step up to the plate. Finally, I would like to thank fellow Board members for their participation and valuable contributions to JDA.



Lionel Brenner
Board Chairperson

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

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

Of the JDA's 17 Strategic KPIs, the JDA achieved 59% performance target achieved, 6% performance target partially achieved, and 35% performance target not achieved.

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

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

Although there has been a significant delay in finalizing Service Level Agreements with various key client departments that impacted on our overall performance, the JDA is still committed and dedicated in delivering on those projects and contribute holistically to the overall GDS2040 and the MPG priorities.

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

Siyabonga Genu

Acting Chief Executive Officer

SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT

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

For the year ended 31 March 2022 the JDA had earned total revenue of R62.9 million (2020/21: R75.8 million) and incurred total expenditure of R87.9 million (2020/21: R81.5 million) which resulted in an overall deficit of R25 million (2020/21: Deficit of R5.7 million).

Total revenue was R62.9 million year to date (2020/21: R75.8 million) against a budget of R88.7 million (2020/21: R 90.7 million). As the development management fees are based as a percentage of the capital project spend, any under-expenditure on the capital projects would result in lower management fees being earned. The capital expenditure percentage against budget was 67% against a budgeted percentage of 50.28% for the period ended 31 March 2022.

Actual operating expenses is R87.9 million (2020/21: R81.5 million) for the year to date against a budget of R88.7 million (2020/21: R90.7 million). Included in the operating costs is interest charged on the sweeping account of R15 million. The JDAs current funding model is not effective and is required to be reviewed at least within this financial year. The current arrangement of paying of contractual suppliers and then the impact of late payments by the client departments continues to put substantial financial pressure on the JDA and contributes to at least 60% of the overall deficit. Without a more permanent solution around this process, the interest charged will continue to place enormous pressure on the operations of the JDA.

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

TABLE 1: ACTUAL OPERATIONAL BUDGET

	Actual Prior year 31 March 2021	Actual R'000	Budget R'000	Variance R'000	% of actual against budget
Revenue	R75,776	R62,972	R88,687	(R25,714)	71%
Operating costs (before interest)	(R70,447)	(R72,909)	(R83,539)	R10,630	87%
Interest expense	(R11,009)	(R15,076)	(R5,148)	(R9,928)	292%
Total operating costs	(R81,456)	(R87,985)	(R88,687)	R702	99%
Surplus/(Deficit)	(5,680)	(R25,013)	Rnil	(R25,013)	

Actual capital expenditure for the third quarter ended 31 March 2022 was R655 million (2020/21: R711 million) against an annual budget of R1.3 billion (2020/21: R1.263 billion). This represents 50.28% (2020/21: 56.26%) of the overall annual budget. There are still various factors that continue to affect projects including poor contractor performance and stakeholder stoppages, however, the basis of the 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 exceeded the total liabilities. The total net assets at 31 March 2022 were R41.6 million (2020/21: R64.4 million).

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

TABLE 2: FINANCIAL RATIOS

Key Performance Area		Actual 31 March 2021	Actual 31 March 2022
Current ratio	Above 1 : 1	1.03 : 1	1.023:1
Solvency ratio	Above 1 : 1	1.04 : 1	1.028:1
Salaries to expenditure ratio	Below 60%	74%	67%
Revenue	R60.5 million	R76 million	R62.9 million
Expenditure (including taxation)	R60.5 million	R81.5 million	R87,9 million
Surplus / (Deficit)	R nil	(R5.6 million)	(R25 million)
Total net assets	R55.45 million	R57 million	41.6 million
Capital expenditure	75%	56,26%	50,28%

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

The remuneration ratio is higher than the norm which is mainly because of a lower overall employee cost numerator. The ratio is based on employee costs of R58.5 million over total expenditure of R87.9 million, which results in 70% of the expenditure. The employee costs item balance is lower than the budgeted target by almost 9%. This in turn distorts the remuneration ratio. The JDA is primarily a service-orientated entity as majority of the operational costs relates to employee remuneration.

S Moonsamy
Chief Financial Officer

SECTION 4: CORPORATE PROFILE AND OVERVIEW

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

Vision

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

Mission

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

Values

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

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

Outcomes and challenges

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

Political governance and accountability

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

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

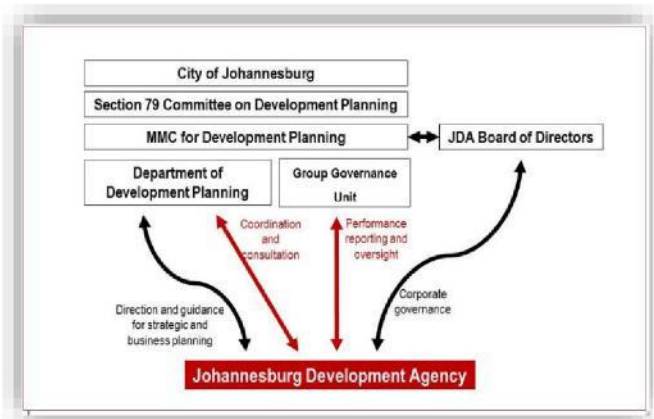


FIGURE 1: JDA GOVERNANCE SYSTEM

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

SECTION 5: STRATEGIC GOALS AND OBJECTIVES

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

TABLE 3: STRATEGIC GOALS AND OBJECTIVES

Strategic Goals		Aligned to four Strategic Objectives
Create great places	Creating robust democratic public spaces that give dignity and choice to city users. As urban densities continue to rise, the public spaces in cities are becoming increasingly important for meeting citizens' social needs. The quality of space is just as important as the quantity. Given the increasing demand for open space, public spaces need to be creatively designed, moving towards greater adaptability and multiplicity of use to ensure their longer-term sustainability.	To enable the long-term growth and development of strategic economic nodes in the city (including the CBD, future mixed use, and TOD nodes) through multi-year delivery programmes, proactive development facilitation and productive development partnerships.
Catalyze growth and investment	Catalyzing growth in areas with latent investment potential. Catalytic intervention and strategic capital investments in areas that have been previously marginalized or have failed to attract private investment can unlock development potential, stimulate local economies, and boost job creation and entrepreneurial development.	To deliver sustainable social and economic infrastructure projects efficiently, effectively, and economically To promote economic empowerment and transformation through the structuring and procurement of JDA developments
Connect people to opportunities	Connecting people with opportunities to live, work, play, learn and to be healthy in the city. Efficient mass public transport networks and connections, transit oriented multi-use precincts, together with strategic land-use planning and zoning regimes, are essential in realizing these connections.	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, sustainable, and well-governed organisation
Co-produce solutions	Co-producing solutions in partnership with local communities and stakeholders to meet local needs and mitigate challenges. This is an essential component of development intervention in cities. Since 1994, the state has made concerted efforts to engage communities in the development of local solutions. Unfortunately, this has not always been successful and often simply takes the form of decision-makers telling communities about their strategies. A more responsible and effective approach is to work with local stakeholders to produce solutions, drawing on their knowledge of the development context. This can cultivate a much more sustainable sense of ownership, civic pride, and citizenship.	
Continuous improvement	Underpinning all the strategic goals, there is the need for the JDA to run as efficiently as possible.	

Transforming the Spatial Economy

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

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

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

- Programme 4. Good Governance, Management and Administration Programme

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

FIGURE 2: SDF 2040 PRIORITY ZONES

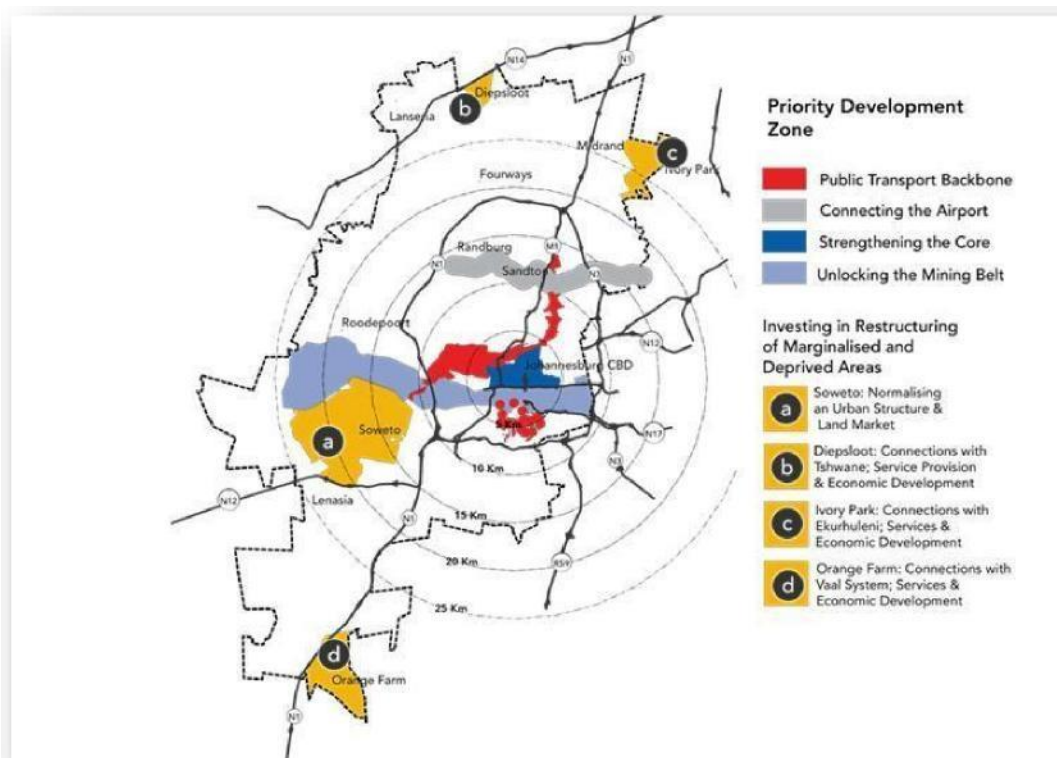


TABLE 4: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS AND PROGRAMMES

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

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

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

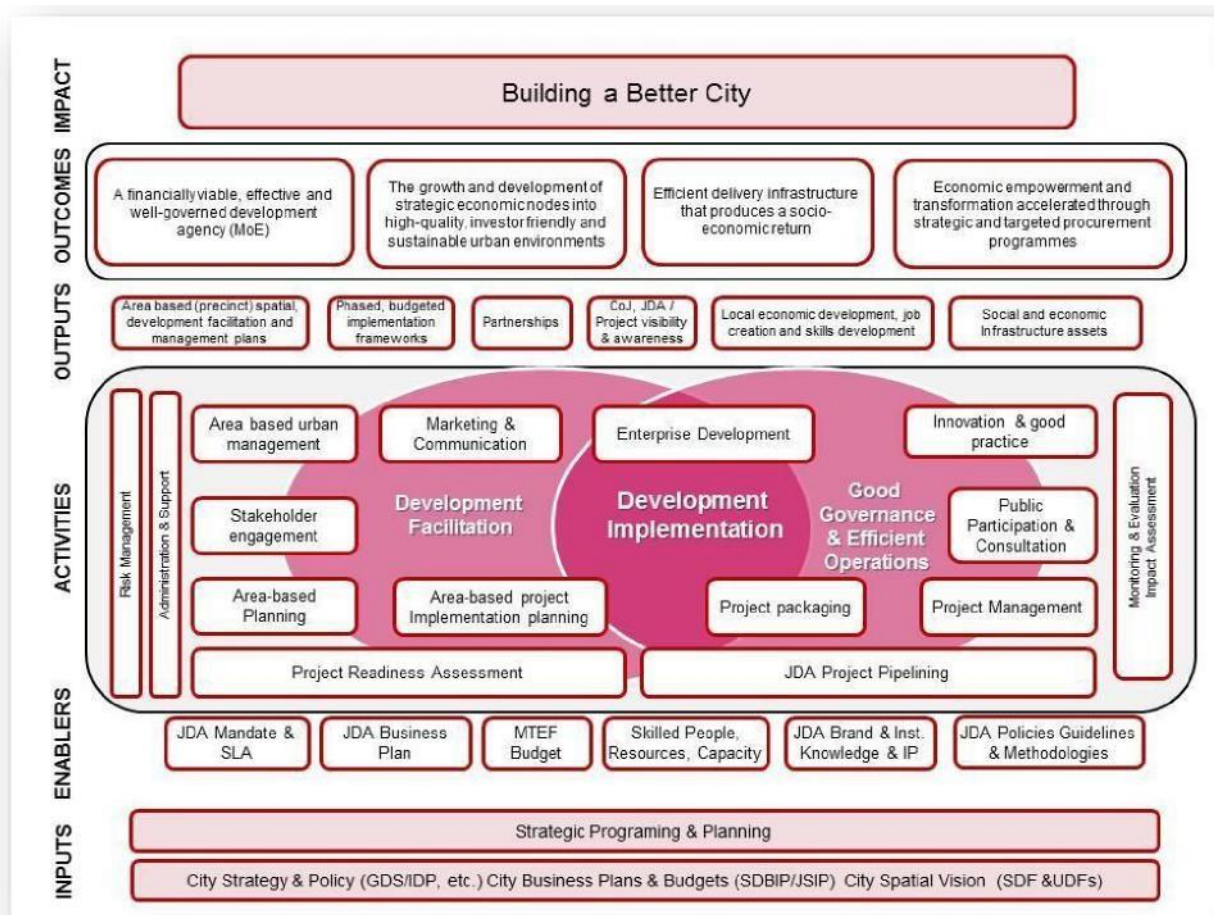
The JDA has aligned the main elements of our work and highlights the flow between them:

FIGURE 3: DEVELOPMENT PROCESS / LIFECYCLE



The following diagram unpacks the JDA's value creation process to illustrate how the JDA has aligned its activities and efforts to achieve expected results by structuring the main elements of our work.

FIGURE 4: JDA'S VALUE CREATION PROCESS



SECTION 6: SALIENT FEATURES

Performance Summary

- The overall year to date capex expenditure at third quarter was R655 million (2020/21: R711 million) against an annual budget of R1.3 billion. This represents 50,28% (2020/21:56,26% of the overall annual budget).
- For the period ended 31 March 2022 the JDA had earned total revenue of R62.9 million (2020/21: R75.8 million) and incurred total expenditure of R87.9 million (2020/21: R81.5 million) which resulted in an overall deficit of R25 million (2020/21: Deficit of R5.7 million).
- The organisation achieved 71% (2020/21:84%) of the budgeted target for revenue. Included in the revenue target is development management fees, operational grant, and other sundry income. The development management fees are based as a percentage of the overall capital expenditure.
- The JDA incurred expenditure against the budgeted target for operational expenditure of 99% (2020/21: 90% overall against target). This includes the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R25 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.
- The organization's total assets exceeded the total liabilities. The total net assets on 31 March 2022 were R48.6 million (2020/21: R57 million).
- The third quarter performance report has been prepared against the JDA's 2021/22 Business Plan and adjusted Scorecard. Regarding performance against the JDA's 17 Strategic KPIs, the JDA achieved 59% performance target achieved, 6% performance target partially achieved, and 35% performance target not achieved.
- For the period 01 January 2022 until 31 March 2022, the overall BBBEE share of expenditure was R R193 201 385.10. This translates into an achievement of 101% BBBEE claimed against quarterly expenditure.
- The SMME share of JDA's operating and capital expenditure was R 98 777 034.90 for the period 1 January 2022 to 31 March 2022. This constitutes an achievement of 51% for the period under review.
- A total of 334 EPWP work opportunities were reported against a third quarter target of 350.

TABLE 5: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE¹

Overall Programme Performance	2021/22 Annual Budget	Target YTD	Actual YTD	Target %	% Actual / Annual budget Expenditure
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 303 500	977 625	655 457	67%	50.28%

TABLE 6: OPERATING BUDGET MANAGEMENT

	2021/22	Year to date		% Achievement Against target	% Achievement for Annual
	Original Budget	Target	Actual		
	R'000	R'000	R'000		
Revenue R'000)	118 249	88 697	62 972	71%	53%
Costs (R'000)	118 249	88 687	87 984	99%	74%
Net surplus/(deficit)	-	-	(25 012)		

¹ This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 75% expenditure have been set in respect of all funding sources for the financial year.

CHAPTER 2: CORPORATE GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

Governance Framework

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

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

JDA's Governance Arrangements

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

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

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

The Legislative framework

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

Implementation of King Codes of Corporate Governance

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

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

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

The Protocol is premised on the principles enunciated in the King Code's Report on Corporate Governance for South Africa 2016 (King Code). The Entity steadfastly consolidated its position in respect of adherence to the King Code's report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King Codes. Ongoing steps are however taken to align practices with the King IV's recommendations and the Board of Directors continually reviews progress to ensure that the entity improves its Corporate Governance. During the year under review the Company entrenched its risk management reviews. Reporting and compliance assessments were conducted in terms of the Companies Act, the Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with section 121 of the Municipal Finance Management Act.

Ethical Leadership

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

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

Corporate citizenship

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

Compliance with laws, rules, codes, and standards

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

Citizen Involvement in Plan-Making and Project Implementation

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

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

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

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

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

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

1.1 . BOARD OF DIRECTORS

The JDA has a unitary board, which comprises both executive and non-executive directors. Until 15 February 2022 Mr. Kevin Phaahla was the chairperson of the Board and a non-executive director. While he was away, Mr. Mongezi Ntanga was the acting Board Chairperson..

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

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

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

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

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

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

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

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

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

- (i) Mr Kevin Mabatalale Phaahla (Chairperson)
- (ii) Mr Mongezi Ntanga (Acting Board Chairperson with effect from 25 September 2021)
- (iii) Mr Thabo Motloun
- (iv) Ms Khanyisa Marawu
- (v) Mr Tahir Tebogo Maepa
- (vi) Ms Mpho Lecoge
- (vii) Mr Tiyani Given Sambo
- (viii) Mr Velaphi Ntshangase
- (ix) Dr Sandile Shepherd Ndlungwane
- (x) Ms Nomakhosazana Ella Veyi
- (xi) Ms Sue NK Mokoena
- (xii) Ms Sandra Koketso Sibuyi
- (xiii) Mr Anthony Ngcezula (Chief Executive Officer and Executive Director) (Resigned effective 24 September 2021)
- (xiv) Ms Sherylee Moonsamy (Chief Financial Officer and Executive Director (Acting CEO effective 1 October 2021)

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

- (i) Ms Keabetswe Onuoka (Retained)
- (ii) Mr Tumisho Makofane (Retained)
- (iii) Mr Vincent Vhena (Retained)
- (iv) Ms Farida Alidi (New Appointment)

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

- (i) Mr Lionel Brenner (Chairperson)
- (ii) Mr Mthobisi Malinga
- (iii) Mr Success Ntona Marota
- (iv) Ms Anchen Dryer
- (v) Dr Lindelani Matidze
- (vi) Dr. Didibuku Thwala
- (vii) Mr Christopher Whittle
- (viii) Adv Neo Ntingane
- (ix) Mr. Phathutshedzo Raphalalani
- (x) Ms Sherylee Moonsamy (Chief Financial Officer and Executive Director (Acting CEO effective 1 October 2021)

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

- (v) Ms Nosipho Ngaka
- (vi) Mr Kwena Mashiane
- (vii) Mr John Mendelsohn

TABLE 8: BOARD COMPOSITION

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

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

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

1.2. BOARD COMMITTEES

Board Meeting Attendance

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

TABLE 10: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (1 JANUARY 2022 TO 31 MARCH 2022)

Name	Board				Audit & Risk Committee				Social & Ethics/ HR & Remuneration Committee				Development & Investment Committee			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Kevin Phaahla	1	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0
Mongezi Ntanga	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0
Thabo Motloung	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Khanyisa Marawu	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
Tahir Tebogo Maepa	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
Mpho Lecoge	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A

Name	Board				Audit & Risk Committee				Social & Ethics/ HR & Remuneration Committee				Development & Investment Committee			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Tiyani Sambo ¹	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Velaphi Ntshangase	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0
Sandile Ndlungwane	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0
Nomakhosazana Ella Veyi	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
Sue NK Mokoena	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
Sandra Koketso Sibuyi	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0
Vincent Vhena (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tumisho Makofane (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Keabetswe Onuoka (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Farida Alidi (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	1	0	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹ No fee is payable due to member is under the employment of the state.

BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (15 FEBRUARY 2022 TO 31 MARCH 2022)

Name	Board				Audit & Risk Committee				Social & Ethics/ HR & Remuneration Committee				Development & Investment Committee			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Lionel Brenner	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Mthobisi Malinga	1	1	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A	N/A
Success Morata	1	1	0	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Anchen Dreyer	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
Neo Ntingane	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
Christopher Whittle	1	1	0	0	0	0	0	0	N/A	N/A	N/A	N/A	1	0	1	0
Phathutshedzo Rhaphalalani	1	1	0	0	N/A	N/A	N/A	N/A	0	0	0	0	1	1	0	0
Lindelani Matidze	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Didibuku Thwala	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Nosipho Ngaka	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kwena Mashiane	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Mendelsohn (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	0	0	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 11: COMPOSITION OF COMMITTEES

Composition	Mandate and Quarterly Activities
Audit and Risk Committee	
<p>The Audit and Risk Committee, which consists of two non-executive directors and four independent members, meet not less than four times a year. Most members of these committee members are financially literate. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • Success Marota (Chairperson) • Mthobisi Malinga • Christopher Whittle • Nosipho Ngaka (Independent Member) • Kweni Mashiane (Independent Member) • John Mendelson (Independent Member) 	<p>The committee has specific responsibility for ensuring that all activities of the JDA are subject to independent and objective review and financial performance oversight. The Audit and Risk Committee has a Charter with clear terms of reference as guided by the provisions of Section 166 of the MFMA. The Committee has the following responsibilities:</p> <p>Reviewing JDA's internal controls, publishing financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosures to the Board.</p> <p>Reviewing reports from management, internal and external auditors, to provide reasonable assurance that control procedures are in place and are being followed.</p> <p>Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.</p>
Social and Ethics / Human Resources and Remuneration Committee	
<p>In line with the best practice of corporate governance, the Board maintains a Human Resources & Remuneration Committee/Social & Ethics Committee (HR & REMCO/Social & Ethics), comprising of 5 (five) non-executive directors and chaired by a non-executive director. It is responsible for directing human resources policies and strategies for the organisation and approving the remuneration for the Chief Executive Officer, senior executives and staff; the Committee is also responsible for acting as the social conscience of the business and ensuring that the company conducts itself as a responsible corporate citizen. This means ensuring that the JDA sustainably conducts its business, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. This committee also considers the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • Neo Ntingane (Chairperson) • Ancgen Dreyer • Phathutshedzo Rhaphalalani • Mthobisi Malinga 	<p>The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR & Remuneration Committee/Social & Ethics Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg following the provisions of Section 89(a) of the MFMA.</p> <p>The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the City of Johannesburg.</p>
Development and Investment Committee	
<p>The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • Lindelani Matidze (Chairperson) • Lionel Brenner • Didibuku Thwala • Phathutshedzo Rhaphalalani • Christopher Whittle 	<p>The Committee is responsible for evaluating development proposals to make recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.</p>

Duties of the Board

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

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

Board charter

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

1.3. DIRECTORS AND PRESCRIBED OFFICERS REMUNERATION

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

Table 12: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES FOR 01 JANUARY 2022 until 31 MARCH 2022

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Executive Directors & Senior Management							
S Moonsamy	CFO	469 692	30 920	75 514			576 126
R Shirinda	Company Secretary	427 845	20 324		-		448 169
B Seopela	EM: Corporate Services	524 589	-		-		524 589
O Nkoane	EM: Development Planning and Facilitation (Appointed Dec 2021)	484 356	31 886				-
S Genu	EM: Project Implementation (Appointed Nov 2021)	501 308	33 001				-
N Mulovhedzi	Senior Development Manager (Resigned 28 February 2022)	233 522	15 373	50 920	-		299 816
P Mkhize	Senior Development Manager	356 412	16 931	-	-		373 343
A Kgoathe	Senior Development Manager	249 171	16 403				265 575
Sub-Total		3 246 896	164 838	126 435	-	-	2 487 618
Non-Executive Directors & Independent Audit Committee Members							
K Phaahla	Board Chairperson (Retired 15 February 2022)	-					-
T Maepa	Board Member(Chairperson of D&I Committee) (Retired 15 February 2022)	12 000					12 000
K Marawu	Board Member(Chairperson of REMCO) (Retired 15 February 2022)	12 000					12 000
T Sambo	Board Member (Chairperson of ARC) (Retired 15 February 2022)	-					-

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
T Mothlounge	Board Member (Retired 15 February 2022)	18 000					18 000
M Ntanga	Board Member (Retired 15 February 2022)	16 000					16 000
V Ntshangase	Board Member (Retired 15 February 2022)	12 000					12 000
S Ndlungwane	Board Member (Retired 15 February 2022)	12 000					12 000
N Veyi	Board Member (Retired 15 February 2022)	12 000					12 000
S Mokeana	Board Member (Retired 15 February 2022)	12 000					12 000
M Lecoge	Board Member (Retired 15 February 2022)	12 000					12 000
S Sibuyi	Board Member (Retired 15 February 2022)	12 000					12 000
K Onuoka	Independent Audit and Risk Committee Member (Retired 15 February 2022)	6 000					6 000
V Vhena	Independent Audit and Risk Committee Member (Retired 15 February 2022)	6 000					6 000
T Makofane	Independent Audit and Risk Committee Member (Retired 15 February 2022)	-					-
F Alidi	Independent Audit and Risk Committee Member (Retired 15 February 2022)	6 000					6 000
L Brenner	Board Chairperson (Appointed 15 February 2022)	24 000					24 000
M Malinga	Board Member (Appointed 15 February 2022)	12 000					12 000

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
S Morata	Board Member (ARC Chair) (Appointed 15 February 2022)	12 000					12 000
A Dreyer	Board Member (Appointed 15 February 2022)	12 000					12 000
N Ntingane	Board Member (SEHR Chair) (Appointed 15 February 2022)	12 000					12 000
C Whittle	Board Member (Appointed 15 February 2022)	12 000					12 000
P Rhaphalalani	Board Member (Appointed 15 February 2022)	20 000					20 000
L Matidze	Board Member (DI Chairperson) (Appointed 15 February 2022)	22 000					22 000
D Thwala	Board Member (Appointed 15 February 2022)	20 000					20 000
N Ngaka	Independent Audit & Risk member (Appointed 15 February 2022)	12 000					12 000
K Mashiane	Independent Audit & Risk member (Appointed 15 February 2022)	12 000					12 000
J Mendelsohn	Independent Audit & Risk member (Appointed 15 February 2022)	12 000					12 000
Sub-Total		330 000	-	-	-	-	330 000
TOTAL		3 576 896	164 838	126 435	-	-	2 817 618

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

Loans and advances

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

1.4. COMPANY SECRETARIAL FUNCTION

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

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

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

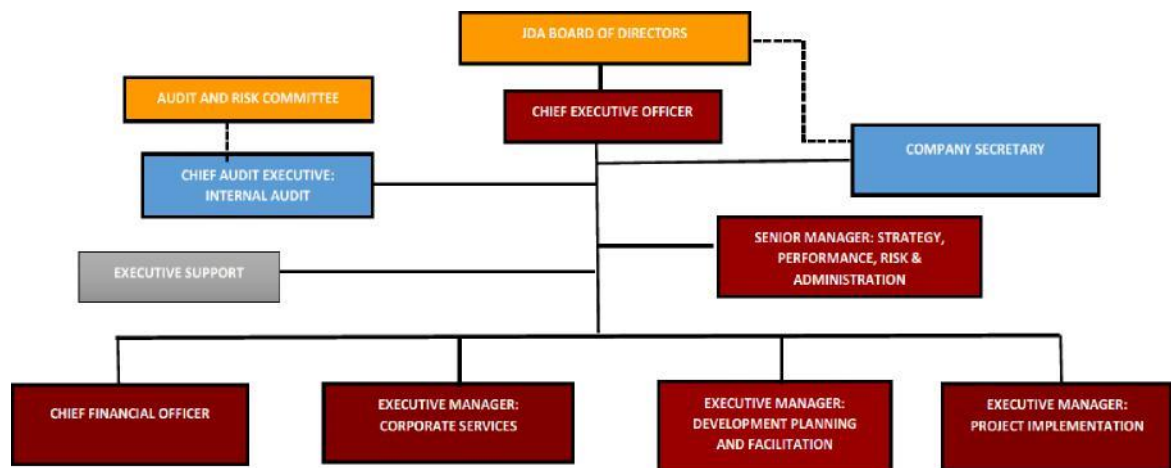
The Company Secretary's work covers a wide variety of functions, including but not limited to:

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

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

FIGURE 5: HIGH LEVEL ORGANISATION STRUCTURE



SECTION 3: RISK MANAGEMENT

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

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

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

Risk Management Process

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

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

TABLE 13: IMPLEMENTED RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES

Programmes and/or activities
Strategic Risks Action Plans Tracking and Monitoring
Collating Employee Declaration of Interests for new employees
Universal Regulatory Register (URR) and Compliance Monitoring
Operational Risks Action Plans Tracking and Monitoring
Reviewed the Strategic Risk Register

The Executive Committee and Audit and Risk Committee will continue to monitor the implementation of the documents listed above to ensure that the organization is proactive in addressing risks and strengthening its internal control environment.

Status of implementation of committed action plans

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

The percentage achieved reflects cumulative action plans that were committed to be implemented as at end of quarter three.

JDA had identified 8 Strategic Risks, 13 related committed actions plans for 2021/22 financial year, which were all meant to be implemented by the end of Q2. By the end of Q2, only 5 (38%) of the 13 committed action plans were implemented.

Due to this poor performance in the implementation of committed action plans, management suggested that the strategic risk register be reviewed to ensure that the risks identified and the mitigations committed are practical and realistic, especially in relation to the dates committed to implement such.

On the 23rd of February Executives and Senior Managers convened to review the strategic risk register in a workshop setup. Following such workshop, 9 strategic risks were identified and 29 related future committed action plans. Of the 29 future action plans, 6 have been committed to be implemented in the current financial year and the remaining 23 are scheduled to be implemented by the end of the next financial year (2022/23).

The remaining 8 (arising from the 13 above) current action plans, 1 action plan still remains to be implemented by the end of the financial year, 7 were deferred to the next financial year.

The reviewed strategic risk register will only be tracked and monitored after EXCO's consideration and ARC approval.

Corporate Ethics and Organizational Integrity

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

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

Code of Conduct

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

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

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

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

Declaration of interest

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

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

SECTION 4: ANTICORRUPTION AND FRAUD

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

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

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

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

Critical to the anti-fraud and anti-corruption programme is the prevention strategic pillar as contained in the Fraud Prevention Strategy and Response Plan, except for the Whistle Blowing Policy which was recommended to be presented to the Social & Ethics Committee prior to Board approval.

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

The Whistle Blowing Policy was presented to the Audit & Risk Committee on 30 July 2021 and has been recommended for Board Approval.

Fraud Policies, Fraud Prevention Strategy and Response Plan were reviewed, presented to Exco in October and recommended to ARC.

¹ The fraud risk register is approved by EXCO as it is an operational document. The Board approved the strategic risk register for current year in the previous financial year, as part of the business planning approval process. The strategic risk register includes fraud and corruption risk

TABLE 14: REPORTED CASES

There was no case of fraud and corruption reported in the third quarter of 2021/22 financial year. Refer to the Fraud Case Register below:

Note: As per the City's instruction all cases are to be investigated centrally through Group Forensics and Investigation Services.

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

Date of Case Reported	Reference Number	Where or to whom it was reported	No. of Employees involved if applicable	Allegation	Nature of the Cases e.g., Corruption, fraud and maladministration	Status (If resolved, State the outcome)	Contact Person for Investigation
21/07/2021	30/07/2021	Supply Chain Manager	Not Known	Alleged Corruption and Bribery by JDA officials and or Board Members related to projects awarded to MASSTON JV BASH	Corruption	The investigation is in progress. The matter is being investigated by GFIS.	N/A
12/05/2021	44/05/2021	Supply Chain Manager	One	Alleged solicitation of a bribe(undisclosed amount) by a person called Siyabonga who claim to be a city official, for tender JDA/MARKT/AERIAL-PHOTO/004/2020	Fraud & Corruption	The investigation is in progress. The matter is being investigated by GFIS.	N/A
2021/03/24	101/03/2021	Joburg Development Agency	Not known	Alleged fraudulent letter of appointment for Project JDA 17/10.1.1. A6000555.1 for appointment of Velman Construction Pty Ltd for construction of Eastern Gateway Oval Park.	Fraud & Corruption	Not yet allocated	N/A
2019/01/22	GFIS 116/02/2019	Chief Executive Officer	One	Third party purporting to be SCM official to a bidder for the Gandhi Precinct East Development construction tender.	Corruption	The investigation is in progress. The matter is being investigated by GFIS.	Lesiba Mashasha Deputy Director Sibande 0837026918
2018/06/13	107/06/2018	City Manager	Not known	Irregular acquisition of statue of late president Nelson Mandela	Fraud/corruption and maladministration	The investigation is in progress. The matter was referred to GFIS.	Deputy Director Sibande 0827026918
2018/12/07	GFIS 44/12/2018	Chief Executive Officer	One	Unauthorized wavering of Construction penalties.	Maladministration	The investigation is in progress, matter is investigated by GFIS.	Phuthi Ramara Deputy Director Sibande 0837026918
2018/08/30	GFIS 171/08/2018	City of Johannesburg Group Fraud and Investigation Services	Not known	Alleged solicitation of bribes and kickbacks	Fraud/Corruption	The investigation is in progress, matter is investigated by GFIS.	Deputy Director Sibande 0827026918
2018/03/16	105/03/2018	Chief Executive Officer	Not known	Unfair disqualification of SMMEs.	Suspected corruption	The investigation is in progress, matter is investigated by GFIS.	Deputy Director Sibande 0827026918
2017/10/16	GFIS 485/09/2017	City of Johannesburg Group Fraud and Investigation Services	One	Underpayment of SMMEs.	Maladministration.	Audit / review is underway as per GFIS's report recommendation.	Bobby Johnston Vincent Mtsweni Dudu Skhosana

SECTION 5: ICT GOVERNANCE

ICT Steering Committee

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

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

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

All policies are currently approved and active. There were therefore no policy reviews in the 3rd quarter of the 2021/22 financial year .

System Enhancements -Finance and Supply chain

The JDA prides itself in having an ICT strategy that allows the JDA business to be able to create a mechanism for continual improvement of identified business processes so as to improve the operational efficiency of the JDA business and therefore ultimately meet the overarching objective of Service delivery. It is in this context that since the first quarter of the 2021/2022 Financial year ,the process of migrating the Finance and Supply chain departments business processes have been underway .

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

All targets for this quarter have been met as follows;

Key Milestones	Target	Achieved
Functional Testing for SAP Purchase order process	100 %	100 %
Functional testing for SAP Opex contracts process	100 %	100 %
Functional testing for SAP Capex contract process	100 %	100 %
Functional testing for all workflows	100 %	100 %
Functional testing for backup and DR process	100%	100 %

System Enhancements -Stakeholder and Enterprise Development

The development of the JDA stakeholder application is a much-needed enhancement to the stakeholder system in that it allows for the stakeholders in all JDA projects to have an opportunity to register their issues directly on the JDA stakeholder application in real-time, without having to wait for a Stakeholder Meeting to take place. This ensures that stakeholder issues on JDA projects are responded to in a much shorter timeframe. The JDA stakeholder application also ensures that JDA management have a much faster line of sight on stakeholder issues and are able to mobilize adequate resources to respond to the issues raised. The feedback so far from the users has been good. Users are interacting with the system and deriving from it the intended benefits. New users are being assisted with Training as and when they join the JDA.

The application has been 100% fully developed as targeted in this 3rd quarter and has been opened for testing to the JDA stakeholder team as well as selected external stakeholder as provided by the stakeholder Team.

Application	3 rd Quarter Target	3 rd Quarter Achievement
Stakeholder application	100%	100%

ICT Infrastructure enhancements

Enhancements in the 3rd Quarter are as follows;

Infrastructure type	Enhancement	Treatment
Wi-fi	Upgrade	Tangible Asset value increase
SAP Supply chain module	Implementation	Intangible Asset value increase
SAP Finance module	Implementation	Intangible Asset value increase

Network Performance Indicators

The network uptime this quarter was 100 % against a target of 100 %. The network performance target for the quarter was therefore achieved. The performance of the network is measured via an automated system which analyses and consolidates all performance criteria for the quarter.

SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

The JDA monitors compliance with applicable legislation and regulations throughout the entity on a regular basis. Regulatory compliance describes the goals that JDA aspires to achieve in their efforts to ensure that they are aware of and take steps to comply with relevant laws and regulations, whereas general compliance means conforming to a rule, such as a specification, policy, standard or law.

Due to the increasing number of regulations and need for operational transparency, JDA has adopted the use of consolidated and harmonized sets of compliance controls which will be achieved through the successful implementation of the compliance management programme. This approach ensures that all necessary governance requirements can be met without the unnecessary duplication of effort and activity from resources.

The JDA has committed to undertake an annual risk analysis review of legislation, particularly of new and changed legislation, to keep the Regulatory Universe for JDA relevant and up to date. These processes include: -

- Developing a system for identifying the legislation that applies to JDA's activities is in progress.
- Assign responsibilities for ensuring that legislation and regulatory obligations are fully implemented in JDA.
- Provide training for officials, and other relevant stakeholders in the legislative requirements that affect them.
- Provide officials with the resources to identify and remain up to date with new legislation.
- Conduct audits to ensure there is full compliance.
- Establish a mechanism for reporting non-compliance.
- Identify accidents, incidents, and other situations where there may have been non-compliance.

In relation to compliance performance, the JDA has detected or registered 4 out of 268 compliance obligations that are non-compliant for the third quarter. The overall URR compliance is 98.5%.

JDA has not incurred any irregular, fruitless, wasteful, and unauthorized transactions for the period of the 01 January 2022 until 31 March 2022.

SECTION 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The CSR committee in the third quarter supported the Soweto Youth Chamber and Soweto Infrastructure and Construction Chamber (SICC) with technical equipment at the value of R132 400, this equipment is at the procurement stage and it will be distributed once received. This support is central towards the creation of a conducive environment for the implementation of programmes within the township.

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

TABLE 10: CSR FOCUS AREAS FOR THIS FINANCIAL YEAR:

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

SECTION 8: SUSTAINABILITY REPORT

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

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

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

Environmental Impact

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

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

Five major outcomes define the Joburg 2040 GDS:

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

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

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

SECTION 9: INSURANCE CLAIMS AGAINST/TO MOES

There was one insurance claim filed in the third quarter of the 2021/22 financial year. The claims registered are emanating from the previous financial years. Refer to the table below for the current open claims against the JDA.

TABLE 16: INSURANCE CLAIMS

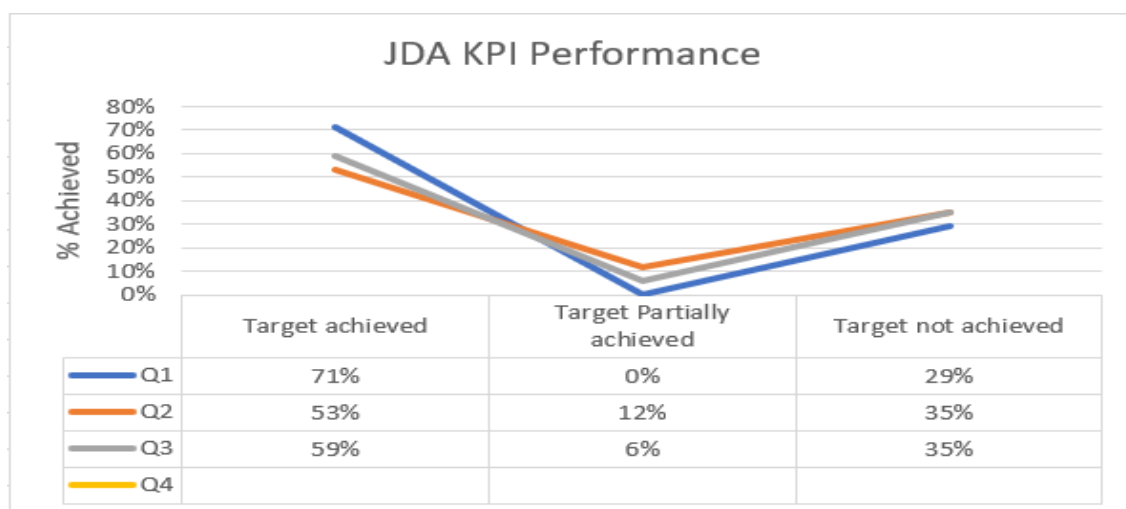
Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Gross Claim Amount	Risk Category	Claim's status
2017/18	51581697	01/11/2017	03/04/2019	Accidental damage	R250 000.00	Not yet determined.	Contractors all risk	Awaiting Insurer's advice.
2017/18	51574102	01/11/2017	03/04/2019	Accidental damage	R7 500.00	Not yet determined.	Contractors all risks	Awaiting Insurer's advice.
2017/18	51581695	01/11/2017	03/04/2019	Accidental damage	R49 680.00	Not yet determined.	Contractors all risks	Awaiting Insurer's advice.
2021/22	ADRS000 08351	02/10/2021	02/10/2021	Roof damage by the hailstorm	R 350 286.50	Not yet determined	Contractor's all risks	Claim approved, awaiting payment from the insurer
2021/22	ADRS000 08010	02/10/2021	04/10/2021	Accidental damage	R 1 471 792.36	Not yet determined	Contractor's all risk	Claim approved, awaiting payment from the insurer

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

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The third quarter performance report has been prepared against the JDA's 2021/22 Business Plan and Scorecard. Regarding performance against the JDA's 17 Strategic KPIs, the JDA achieved 59% performance target achieved, 6% performance target partially achieved, and 35% performance target not achieved.



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

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

TABLE 17: SUMMARY OF KPI PERFORMANCE

IDP Priority /	IDP Programs	No of KPI's	KPI Number (Ref)	Target Achieved (95% - 100% rating)		Target Partially Achieved (80% - 94% rating)		Target not Achieved (<79% rating)	
				Count	%	Count	%	Count	%
<p>Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty</p> <p>Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress.</p>	<p>Inner-city regeneration, including key economic nodes</p> <p>Increased infrastructure investment (from both public and private sectors)</p> <p>Working to cut red tape and improve the ease of doing business in the city</p> <p>Residents live, work, and play close to work, leisure and cultural opportunities</p> <p>Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure</p>	7	(1-2-3-4-5-6-7)	4	57%	0	0%	3	43%
IDP Priority 5: Create an honest and transparent City that fights corruption.	Increasing forensic investigative capability and controls	2	(8-9)	2	100%	0	0%	0	0%
IDP Priority 8: Enhance our financial sustainability.	Focusing on driving up capital expenditure investment in infrastructure	2	(10-11)	0	0	1	50%	1	50%
Day-to-day Program	Other IDP or Day-to Day programs	6	(12-13-14-15-16-17)	4	67%	0	0%	2	33%
		17		10	59%	1	6%	6	35%

SECTION 2: SERVICE DELIVERY CHALLENGES

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

By the end of the third quarter, delivery was affected in some projects. Some of these issues are highlighted below:

- Professional team contracts had expired by the end of June 2021. The reappointment process was concluded by September 2021 and this delay had caused further delays in some of the projects.
- Although the construction is completed there is no finalization of the agreement regarding the Post Office portion of land which forms part of the JITI development. The matter is sitting with the JPC to finalize the negotiations of the land acquisition agreement.
- Delays with regards to signing of SLA – three (3) of the major clients delayed the signing of SLAs. i.e., JRA, Social Development, EMS which resulted in projects starting late.
- Poor contractor performance across a number of projects which has resulted in a few contractors being terminated.
- Bus Rapid Transit projects shortage of funding – majority of BRT projects have no funding or under-funded in the current financial year.

SECTION 3: JDA

PROGRAMMES, PROJECTS, AND DAY-TO-DAY OPERATIONS

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

TABLE 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 centers around which to densify. They should be areas where people can live, work, and play and have good access to public transit. Guided by the CoJ policy ³ on the categorizing of the current city nodes with prospects for growth, the work of the program is to promote densification, diversification, and development in these nodes. The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighborhood nodes.
2. Accelerated Public Infrastructure Delivery Program	2A: Deprivation Areas Revitalization Sub-Programme	Investment is specifically required to eradicate backlogs and deficiencies of engineering and social infrastructure related to the revitalization of deprivation areas. Investment in these areas also needs to address the structural and built form aspects that have been raised in the SDF. Infrastructure investment is therefore targeted at resolving problems specifically related to the deprivation areas and at the same time create sustainable and live able settlements as an outcome. Several deprivation area programs are already in place (previously referred to as marginalized area programmes) including Orange Farm, Diepsloot, Ivory Park/Kaalfontein and Alexandra
	2B:Urban Infrastructure Delivery Sub-Program	The objective is to deliver on the City's priority social effectively and efficiently and/or economic infrastructure programs. This work includes overseeing capital investments by other departments and entities. This program includes Rea Vaya BRT infrastructure, taxi and transport facilities, primary healthcare clinics and fire-stations.

SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

Section Not Applicable to JDA

SECTION 5: CAPITAL PROJECTS & EXPENDITURE

Capital expenditure is the primary measure of the JDA's performance, and the budget for the capital projects to be implemented forms part of the agency's annual business plan and scorecard.

Actual capital expenditure for the third quarter ended 31 March 2022 was R655 million (2020/21: R711 million) against an annual budget of R1.3 billion (2020/21: R1.26 billion). This represents 50,28% (2020/21: 56,26%) of the overall annual budget. There are still various factors that continue to affect projects including poor contractor performance and stakeholder stoppages, however, the basis of the 75% targeted capital expenditure is based on a city-wide performance indicator and not necessarily aligned to each project milestone and progress.

TABLE 19: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE

Overall Programme Performance	2021/22 Annual Budget	Target YTD	Actual YTD	Target %	% Actual / Annual budget Expenditure
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 303 500	977 625	655 457	67%	50,28%

SECTION 6: ORGANISATIONAL PERFORMANCE

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

The JDA policy and reporting framework only define a target as achieved with a 95–100% rating, a target as partially achieved with an 80–94% rating and a target not achieved with anything less than a 79% rating. Hence anything less than 80% is regarded as not achieved.

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

Table 20:1 KPI ACHIEVEMENT RATINGS











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

TABLE 21: SCORECARD



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

National outcome: Outcome 6: An efficient, competitive, and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life.									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with an enhanced quality of life that provides meaningful redress through pro-poor development									
IDP program e/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the End of 31 March 2022	Variations and steps to be taken to improve performance
Inner-city regeneration, including key economic nodes including the implementation of the Transit-Oriented Development Corridors	1) Number of pre-feasibilities studies conducted. ⁴	4	9 (cumulative)	3	2	-1		Target not achieved	Travel demand management feasibility study was presented at DEVCO, however it was omitted from the EXCO report. The report will be presented in Q4 for approval.
			1. Orange farm turnkey (Urban Designer) 2. Orange farm turnkey (Transport Study) 3. Travel Demand management programme					Target achieved Target achieved Target not achieved	Delays in the finalization of the procurement processes. To be achieved in Q4
Increased infrastructure	2) Number of projects at the concept design phase.	8	12 (cumulative)	2	2			Target achieved	None
			1. Indlela ya Bafazi – Safe walking routes by Women/ Girls in Diepsloot 2. Inner city roadmap Economic development initiatives					Target achieved Target achieved	None
	3) Number of projects reaching the contract award stage.	10	31 (cumulative)	4	3	-1		Target not achieved	
			1. Complete streets : Deep South 2. Complete streets: Turfontein 3. COMPL: Sidewalk improvement Tshiawelo Metrorail 4. Orange farm turnkey (Dlamini Drive)					Target achieved Target achieved Target not achieved Target achieved	There was an error on the tender documentation, this have been fixed and the tender reissued. Appointment will be done in Q4.



National outcome: Outcome 6: An efficient, competitive, and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life.									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with an enhanced quality of life that provides meaningful redress through pro-poor development									
IDP program e/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2021	Variations and steps to be taken to improve performance
investment (from both public and private sectors) Residents live, work and play close to work, leisure, and cultural opportunity Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure	4) Number of projects Reaching practical completion stage.	8	26 (Cumulative)	2	1	-1		Target not Achieved	
			1. Regeneration of Lenasia CBD and Anchor Ville industrial hub – Region G 2. Inner City Eastern Gateway TOD and Movement corridors (Oval park)					Target not Achieved Target Achieved	Project is at 92% and was delayed to community issues during the implementation. It is expected to be complete by end of Q4.
	5) Number of precincts management implementation plans.	1	3 Cumulative	0	0	-		Target Achieved	Target Achieved

National outcome: Outcome 6: An efficient, competitive, and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life.									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with an enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programs	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2021	Variations and steps to be taken to improve performance
	6) Number of JDA Communication and Media related Initiatives.	379	280 (cumulative)	210	220	+10		Target Achieved	None required
	7) Number of impacts performance assessments completed.	1	4 (cumulative)	0	0	-		Target Achieved	None required

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



National outcome: Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better world									
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence									
IDP programs	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end 31 March 2021	Variations and steps to be taken to improve performance
Increasing forensic investigative capability and controls	8) Percentage resolution of Internal Audit findings.	89%	100%	70%	90%	+20		Target Achieved	None required
	9) Percentage resolution of Auditor General findings.	100%	100%	5%	90%	+85		Target Achieved	None required

IDP Priority 7: Enhance our financial sustainability

National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: Enhanced, quality services and sustainable environmental practices; Outcome 3: An equitable and inclusive society with high quality of life									
IDP programs	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly achievement Rating	Explanation of progress as at the end of 31 March 2022	Variations and steps to be taken to improve performance
Focusing on driving up capital expenditure investment in infrastructure	10) Percentage of budget spent on city- wide infrastructure.	68%	95% (cumulative)	75%	50,28%	-24,72		Target not Achieved	<ol style="list-style-type: none"> 1. Recovery plan in place to meet Q4 targets – client departments have accepted plan and currently underway 2. Poor performing contractors placed on terms. Termination of three contractors during the current quarter.
	11) Percentage of valid invoices paid within 30 days of the invoice date.	96%	100%	100%	92%	-8%		Target partially achieved	Delays in project related invoices submitted to finance. Overall agreement on tighter turn-around times and processes



Includes precinct management plans that are operationalized (implemented) or produced, reviewed, or updated
 Impact assessments completed can either be area, community or project related

Day-to-day Program



National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system									
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence									
IDP program/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2022	Variations and steps to be taken to improve performance
Other IDP or Day-to-Day Programs	12) Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total	104%	100%	100%	101%	+1		Target Achieved	None required
	13) Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	339	500 (cumulative)	350	334	-16		Target Achieved	None required

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

Day-to-day Program

National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system										
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence										
IDP program/s	Key Performance Indicator	Baseline 2019/20	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2022	Variations and steps to be taken to improve performance	
Other IDP or Day-to-Day Programs	14) Percentage of SMME expenditure as a share of total expenditure	32%	30%	30%	51%	+21%		Target Achieved	None required	
	15) Percentage spend on JDA operating budget against approved operating budget	115%	95% (cumulative)	75%	79%	+4%		Target Achieved	None required	

»Paid works for an individual for any period, the same individual can be employed on different projects and each period will be counted as a work opportunity.

National outcome: Outcome 9: Responsive, accountable, effective, and efficient developmental local government system									
Joburg Outcomes: Outcome 5: An honest, transparent, and responsive local government that prides itself on service excellence									
IDP program/s	Key Performance Indicator	Baseline 2020/21	2021/22 Annual Target	2021/22 Q3 Target	2021/22 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 March 2022	Variations and steps to be taken to improve performance
	16) Percentage implementation of the strategic risk management action plan findings resolved.	73%	95% ⁹ (cumulative)	70%	38%	-32%		Target not achieved Reasons for non-achievement: Some of the action plans, e.g., Review of Financial Model, are dependent on external parties to finalize and some had very stringent or ambitious	Review of the Strategic Risk Register by ensuring that Risks identified are relevant and that the committed action plans are practical to implement within the committed timeframes.
	17) Percentage of predetermined objectives targets achieved	47%	85%	85%	53%	-32%		None achieved KPIs #1, #2, #4 #10, #13 #16, and #17	

6.1 PROGRAMME EXPENDITURE

For period ended 31 March 2022

TABLE 22: EXPENDITURE BY FUNDING SOURCE

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
PUBLIC TRANSPORT CORRIDOR DEVELOPMENT									
BRIXTON SOCIAL CLUSTER: WORK PACKAGE 1 NEW MULTIPURPOSE SPORTS AND RECREATION	12 815 982	34 500 000	(21 684 018)	16 761 518	37 375 000	(21 307 885)	(57,01%)	46 000 000	36,44%
TEST ECO DISTRICT PROTOTYPES TOD CORRIDORS	751 086	3 525 000	(2 773 914)	1 957 266	1 875 000	(525 298)	(28,02%)	4 700 000	41,64%
NEW TURFONTEIN CLINIC AND MULTIPURPOSE	485 800	12 632 250	(12 146 450)	2 786 651	17 747 438	(17 261 638)	(97,26%)	16 843 000	16,54%
SUB-TOTAL	14 052 868	50 657 250	(36 604 382)	21 505 435	56 997 438	(39 094 821)	(68,59%)	67 543 000	31,84%
JDA ON BUDGET									
INNER CITY EASTERN GATEWAY_TOD AND MOVEMENT CORRIDORS	10 032 468	12 750 000	(2 717 532)	14 442 830	16 250 000	(1 807 167)	(11,12%)	17 000 000	84,96%
REGENERATION OF LENASIA CBD AND ANCHORVILLE INDUSTRIAL HUB – REGION G	10 397 667	12 750 000	(2 352 333)	27 440 814	8 125 000	19 736 466	242,91%	17 000 000	161,42%
BRAAMFISCHER EXT 12	0,00	10 125 000	(10 125 000)	0,00	0,00	(0,00)	0,00%	13 500 000	0,00%
4TH AVENUE CLINIC RENEWAL	420 652	0,00	420 652	167 521	8 125 000	(8 028 429)	(98,81%)	10 000 000	1,68%
ORLANDO EAST STATION PRECINCT	96 571	7 500 000	(7 403 429)	259 023	1 500 000	(1 304 016)	(86,93%)	1 500 000	17,27%
PENNYVILLE PRECINCT RENEWAL	0,00	1 125 000	(1 125 000)	14 442 830	16 250 000	(1 807 167)	(11,12%)	17 000 000	84,96%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
RANDBURG CBD REGENERATION RENEWAL	0,00	1 500 000	(1 500 000)	0,00	8 125 000	(8 125 000)	(100,00%)	2 000 000	0,00%
BALFOUR PARK TRANSIT PRECINCT	549 446	15 000 000	(14 450 554)	12 561 897	16 250 000	(15 700 554)	(96,62%)	20 000 000	62,81%
MELVILLE ACTIVITY STREET	567 555	1 125 000	(557 445)	567 555	1 500 000	(932 445)	(62,16%)	1 500 000	37,84%
CORR - PERTH EMPIRE CORRIDOR OF FREEDOM TRAFFIC IMPACT ASSESSMENT (TIA), STORMWATER MASTERPLAN AND NEW CONSTRUCTION: PHASE 2	13 562 945	10 125 000	3 437 945	13 562 944	11 600 000	1 962 945	16,92%	13 500 000	100,47%
CORR - LOUIS BOTHA CORRIDOR OF FREEDOM TRAFFIC IMPACT ASSESSMENT (TIA),	0,00	7 875 000	(7 875 000)	0,00	4 062 500	(4 062 500)	(100,00%)	10 500 000	0,00%
DIEPSLOOT DEVELOPMENT RENEWAL PRECINCT REDEVELOPMENT DIEPSLOOT WES A REGIONAL	10 625 793	15 000 000	(4 374 207)	15 156 142	16 250 000	(1 093 858)	(6,73%)	20 000 000	75,78%
BANAKEKELEN HOSPICE NEW CLINIC ALEXANDRA EXT.38 E WARD	558 694	17 250 000	(16 691 306)	17 908 373	12 000 000	(11 441 306)	(95,34%)	23 000 000	77,86%
OPERATIONAL CAPEX NEW OPERATIONAL CAPEX NEWTOWN F CITY WIDE	(36 696)	3 750 000	(3 786 696)	0,00	4 062 500	(3 736 112)	(91,97%)	5 000 000	0,00%
ORCHARDS CLINIC	13 460 342	10 875 000	2 585 342	13 460 342	10 500 000	2 960 342	28,19%	14 500 000	92,83%
KLIPFONTEIN WELLNESS CENTRE	2 013 329	22 500 000	(20 486 671)	2 013 329	8 125 000	(6 111 671)	(75,22%)	30 000 000	6,71%
ROODEPORT CBD REGENERATION RENEWAL PRECINCT REDEVELOPMENT REGION C	7 526 634	11 250 000	(3 723 366)	10 263 100	12 187 500	(3 687 826)	(30,26%)	15 000 000	68,42%
SUB-TOTAL	69 775 400	160 500 000	(90 724 600)	127 803 870	138 662 500	(41 371 131)	(32,75%)	214 000 000	59,72%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
COMMUNITY DEVELOPMENT (COMM DEV)									
LEHAE MPC NEW CONSTRUCTION LEHAE G	379 186	3 000 000	(2 620 814)	379 186	4 000 000	(3 620 814)	(90,52%)	4 000 000	9,48%
JOHANNESBURG LIBRARY F	512 670	3 750 000	(3 237 330)	642 945	7 837 500	(7 194 555)	(91,80%)	5 000 000	12,86%
KAALFONTEIN MPC NEW CONSTRUCTION	0,00	16 500 000	(16 500 000)	1 739 130	24 375 000	(23 056 911)	(94,59%)	22 000 000	7,91%
IVORY PARK SWIMMING POOL	2 861 542	13 500 000	(10 638 458)	8 076 966	14 625 000	(9 429 183)	(64,47%)	18 000 000	44,87%
MPC MATHOLESVILLE	110 259	11 250 000	(11 139 741)	1 984 546	12 187 500	(10 632 979)	(87,24%)	15 000 000	13,23%
JOHANNESBURG ART GALLERY	0,00	750 000	(750 000)	345 832	1 000 000	(654 168)	(65,42%)	1 000 000	34,58%
DRIEZIEK MPC	6 351 994	13 500 000	(7 148 006)	9 119 955	11 400 000	(3 169 303)	(27,80%)	18 000 000	50,67%
REPAIRS TO COMM DEV FACILITIES	5 204 419	31 500 000	(26 295 581)	6 471 338	28 000 000	(21 528 661)	(76,89%)	42 000 000	15,41%
MINOR WORKS AT VARIOUS FACILITIES	0,00	5 250 000	(5 250 000)	3 618 231	12 000 000	(8 381 767)	(69,85%)	7 000 000	51,69%
NEWTOWN CLEANING AND SECURITY	0,00	2 250 000	(2 250 000)	0,00	1 600 000	(1 600 000)	(100,00%)	3 000 000	0,00%
SUB-TOTAL	15 420 070	101 250 000	(85 829 930)	32 378 129	117 025 000	(89 268 341)	(76,28%)	135 000 000	23,39%
INNER CITY DEVELOPMENT GRANT									
CONCEPTUALISATION AND DEVELOPMENT INNER CITY SPATIAL SCENARIO PLANNING	990 075	2 250 000	(1 259 925)	2 051 422	2 250 000	(198 578)	(8,83%)	3 000 000	68,38%
GHANDHI SQUARE EAST	12 081 331	22 500 000	(10 418 669)	21 611 908	22 500 000	(888 092)	(3,95%)	30 000 000	72,04%
SUB-TOTAL	13 071 406	24 750 000	(11 678 594)	23 663 330	24 750 000	(1 086 670)	(4,39%)	33 000 000	71,71%
EMERGENCY MANAGEMENT SERVICES (EMS)									
CENTRAL FIRE STATION	1 431 043	13 043 478	(11 612 435)	9 000 571	13 043 478	(4 042 907)	(31,00%)	17 391 304	51,75%
SUB-TOTAL	1 431 043	13 043 478	(11 612 435)	9 000 571	13 043 478	(4 042 907)	(31,00%)	17 391 304	51,75%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
Health Department									
ELIAS MOTSOALEDI CLINIC	0,00	1 875 000	(1 875 000)	0,00	1 500 000	(1 500 000)	(100,00%)	2 500 000	0,00%
PROTEA GLEN CLINIC	0,00	1 875 000	(1 875 000)	0,00	1 500 000	(1 500 000)	(100,00%)	2 500 000	0,00%
SOUTH HILLS CLINIC	0,00	1 875 000	(1 875 000)	0,00	1 000 000	(1 000 000)	(100,00%)	2 500 000	0,00%
NALEDI CLINIC	4 904 183	11 250 000	(6 345 817)	8 986 851	11 250 000	(2 317 149)	(20,60%)	15 000 000	59,55%
ZANDSPRUIT CLINIC	0,00	750 000	(750 000)	0,00	525 000	(525 000)	(100,00%)	1 000 000	0,00%
RABIE RIDGE CLINIC	0,00	1 875 000	(1 875 000)	0,00	1 500 000	(1 500 000)	(100,00%)	2 500 000	0,00%
PROTEA SOUTH CLINIC	0,00	3 750 000	(3 750 000)	0,00	5 477 000	(5 477 000)	(100,00%)	5 000 000	0,00%
FREEDOM PARK CLINIC	0,00	375 000	(375 000)	0,00	1 400 000	(1 400 000)	(100,00%)	500 000	0,00%
SUB-TOTAL	4 904 183	23 625 000	(18 720 817)	8 986 851	48 652 000	(40 216 735)	(62,19%)	31 500 000	28,53%
INNER CITY FUND (ICF)									
INNER CITY PARTNERSHIP FUND	7 192 017	13 875 000	(6 682 983)	12 882 669	13 875 000	(992 331)	(7,15%)	18 500 000	69,64%
INNERCITY CORE	1 090 316	1 500 000	(409 684)	1 995 646	1 500 000	495 646	133,04%	2 000 000	99,78%
SUB-TOTAL	8 282 333	15 375 000	(7 092 667)	14 878 315	15 375 000	(496 685)	(3,23%)	20 500 000	72,58%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)									
JABULANI TOD: PHASE 6A - SAFE HUB	23 693 123	19 926 750	3 766 373	32 117 700	19 926 750	12 190 950	161,18%	26 569 000	120,88%
SUB-TOTAL	23 693 123	19 926 750	3 766 373	32 117 700	19 926 750	12 190 950	161,18%	26 569 000	120,88%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
TRANSPORTATION PTIS FUNDING:									
PHASE 1C STATIONS	2 977 904	30 210 000	(27 232 096)	2 977 904	51 447 041	(48 469 137)	(94,21%)	40 280 000	7,39%
SELBY DEPOT	0,00	14 347 826	(14 347 826)	18 303 005	9 565 216	(5 680 925)	(59,39%)	19 130 434	95,67%
ALEXANDRA DEPOT	2 130 791	1 500 000	630 791	2 130 791	2 434 782	(303 991)	(12,49%)	2 000 000	106,54
SECTION 15K (WATT INTERCHANGE STATION ROAD WORKS AND BRIDGES)	34 451 135	38 025 000	(3 573 865)	52 730 460	22 043 476	30 657 516	139,08%	50 700 000	104,00 %
OTHER: LAND	0,00	982 500	(982 500)	160 836	0,00	160 836	0,00%	1 310 000	12,28%
GUARD HOUSES AND CUSTOMER CENTRES	3 566 268	19 815 750	(16 249 482)	7 246 402	4 514 250	2 697 259	59,75%	26 421 000	27,38%
SELBY DEPOT 2C	15 279 948	19 006 500	(3 726 552)	26 396 513	16 565 216	(1 285 268)	(7,76%)	25 342 000	104,16
OTHER: PASSENGER INFORMATION SIGNAGE (FINGER BOARDS - "ON STREET)	0,00	2 083 500	(2 083 500)	0,00	2 257 125	(2 257 125)	(100,00%)	2 778 000	0,00%
SUB-TOTAL	58 406 046	125 971 076	(67 565 030)	109 945 911	108 827 106	(24 480 835)	(22,50%)	167 961 434	65,46%
DEPARTMENT OF SOCIAL DEVELOPMENT (SOC)									
SHELTER FOR DISPLACED PEOPLE REGION F	0,00	3 750 000	(3 750 000)	0,00	3 750 000	(3 750 000)	(100,00%)	5 000 000	0,00%
BERTRAMS MULTIPURPOSE CENTRE	5 286 285	18 750 000	(13 463 715)	8 691 483	18 750 000	(10 058 517)	(53,65%)	25 000 000	34,77%
YETTA NATHAN SOCIAL DEVELOPMENT CENTRE	3 389 285	11 250 000	(7 860 715)	4 992 813	11 250 000	(6 257 187)	(55,62%)	15 000 000	33,29%
NORTHERN FARM, FLEURHOF FARM AND EIKENHOF FARM	358 231	750 000	(391 769)	358 231	750 000	(391 769)	(52,24%)	1 000 000	35,82%
REPAIRS AND MAINTENANCE OF FACILITIES	3 321 736	5 250 000	(1 928 264)	3 321 735	5 250 000	(1 928 265)	(36,73%)	7 000 000	47,45%
SUB-TOTAL	12 355 537	39 750 000	(27 394 463)	17 364 262	39 750 000	(22 385 738)	(56,32%)	53 000 000	32,76%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
TRANSPORTATION COJ FUNDING:									
COMPLETE STREETS: (KFW - GERMAN DEVELOPMENT BANK): ORLANDO EAST TO UJ SOWETO ROUTE	3 054 252	14 093 250	(11 038 998)	11 477 540	10 562 500	(543 788)	(5,15%)	18 791 000	61,08%
PTF: SMALL PUBLIC TRANSPORT FACILITIES: TSHEPISONG:	295 489	1 125 000	(829 511)	295 489	812 500	(517 011)	(63,63%)	1 500 000	19,70%
COMPLETE STREETS: NMT FACILITIES LINKING RAILWAY STATIONS NEW DUBE CHIAWELO D CITY WIDE:	0,00	3 750 000	(3 750 000)	0,00	4 062 500	(4 062 500)	(100,00%)	5 000 000	0,00%
PTF: SMALL PUBLIC TRANSPORT FACILITY DESIGN KYA SAND NEW NODAL TRANSPORT FACILITIES KYA SAND:	7 633 982	20 301 750	(12 667 768)	10 304 293	24 375 000	(14 070 706)	(57,73%)	27 069 000	38,07%
PTF SMALL PUBLIC TRANSPORT FACILITY DESIGN AND CONSTRUCTION OF ZOLA PUBLIC TRANSPORT FACILITY NEW NODAL TRANSPORT FACILITIES ZOLA D REGIONAL	623 104	750 000	(126 896)	873 050	812 500	60 550	7,45%	1 000 000	87,31%
PTF: SMALL PUBLIC TRANSPORT FACILITIES: ORANGE FARM EXT 7 (REGION G)	11 805 556	36 750 000	(24 944 444)	16 964 741	24 999 991	(8 164 133)	(32,66%)	49 000 000	34,62%
SMALL: PUBLIC TRANSPORT FACILITY IN ZAKARIYA PARK REGION G	8 732 890	18 761 250	(10 028 360)	13 129 006	24 375 000	(11 263 934)	(46,21%)	25 015 000	52,48%
PARKING STRESS SURVEYS FOR MABONENG DISTRICT, BEREA, AND KENSINGTON	0,00	645 000	(645 000)	0,00	430 000	(430 000)	(100,00%)	860 000	0,00%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
"FEASIBILITY STUDY FOR ORANGE FARM, ENNERDALE AND JOHANNESBURG CBD AND CORRIDOR"	0,00	2 049 418	(2 049 418)	656 200	1 824 000	(1 167 800)	(64,02%)	2 732 557	24,01%
FEASIBILITY STUDY ON THE IVORY PARK TO SANDTON CORRIDOR	394 792	3 086 582	(2 691 790)	394 792	2 900 000	(2 505 208)	(86,39%)	4 115 443	9,59%
FEASIBILITY STUDY ON THE SOWETO TO SANDTON CORRIDOR	880 977	2 652 563	(1 771 586)	880 977	2 460 750	(1 579 773)	(64,20%)	3 536 750	24,91%
FEASIBILITY STUDY FOR DIEPSLOOT- FOURWAYS- RANDBURG CBD AND SUNNINGHILL AND SANDTON CORRIDOR	0,00	1 573 920	(1 573 920)	0,00	1 399 040	(1 399 040)	(100,00%)	2 098 560	0,00%
PTF PUBLIC TRANSPORT FACILITY SANDTON	125 766	375 000	(249 234)	233 801	406 250	(172 449)	(42,45%)	500 000	46,76%
COMPLETE STREETS: NMT LINKS TSHEPISONG	51 861	750 000	(698 139)	293 851	800 000	(506 149)	(63,27%)	1 000 000	29,39%
COMPLETE STREETS DEEP SOUTH	79 235	3 750 000	(3 670 765)	588 421	4 062 500	(3 474 079)	(85,52%)	5 000 000	11,77%
PTF ROSEBANK	741 305	4 500 000	(3 758 695)	808 382	4 875 000	(4 066 618)	(83,42%)	6 000 000	13,47%
COMPLETE STREETS TURFONTEIN	283 253	3 750 000	(3 466 747)	674 266	4 062 500	(3 589 634)	(88,36%)	5 000 000	13,49%
PUBLIC TRANSPORT STOPS: COSMO CITY	0,00	225 000	(225 000)	0,00	600 000	(600 000)	(100,00%)	300 000	0,00%
COMPLETE STREETS: NMT LINKING PHEFENI STATION	0,00	225 000	(225 000)	0,00	600 000	(600 000)	(100,00%)	300 000	0,00%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
SMALL: PTF LAKESIDE NEW NODAL	0,00	225 000	(225 000)	0,00	600 000	(600 000)	(100,00%)	300 000	0,00%
PTF: REDEVELOPMENT OF INNER-CITY RANKS	18 349 864	39 937 500	(21 587 636)	18 349 864	54 234 375	(35 884 511)	(66,17%)	53 250 000	34,46%
PTF SUNNINGHILL	0,00	750 000	(750 000)	333 976	812 500	(478 524)	(58,90%)	1 000 000	33,40%
RANDBURG CBD MASTERPLAN	419 385	1 164 155	(744 770)	788 787	1 755 200	(993 287)	(56,59%)	1 552 206	50,82%
ZANDSPRUIT MASTERPLAN	1 409 362	1 822 826	(413 464)	1 586 092	1 773 000	(186 908)	(10,54%)	2 430 435	65,26%
PUBLIC TRANSPORT DATA	1 686 570	2 544 806	(858 236)	3 250 952	1 599 000	1 460 720	91,35%	3 393 074	95,81%
INNER CITY TRANSPORT MASTERPLAN	0,00	177 375	(177 375)	0,00	146 600	(146 600)	(100,00%)	236 500	0,00%
TRAVEL DEMAND MANAGEMENT	0,00	1 630 435	(1 630 435)	0,00	1 657 300	(1 657 300)	(100,00%)	2 173 913	0,00%
PARKING MANAGEMENT POLICY	0,00	652 174	(652 174)	0,00	407 596	(407 596)	(100,00%)	869 565	0,00%
COMPLETE STREETS: NMT LINKING ORANGE FARM	0,00	225 000	(225 000)	0,00	800 000	(800 000)	(100,00%)	300 000	0,00%
FEASIBILITY STUDY INTEGRATED CORRIDOR MANAGEMENT	235 478	1 040 230	(804 752)	383 922	825 000	(441 078)	(53,46%)	1 386 973	27,68%
LENASIA SCHOLAR TRANSPORT MASTERPLAN	898 664	750 000	148 664	953 891	812 500	141 392	17,40%	1 000 000	95,39%
ROODEPOORT CBD TRANSPORT MASTERPLAN	117 390	1 630 435	(1 513 045)	226 169	1 376 300	(1 150 131)	(83,57%)	2 173 913	10,40%
SUB-TOTAL	58 080 382	171 663 667	(113 583 285)	83 438 462	181 219 402	(99 796 095)	(54,93%)	228 884 889	36,45%

	CAPEX FOR THE QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	VAR	BUDGET	USED
PROJECTS PER FUNDING SOURCE	R	R	R	R	R	R	%	R	%
OTHER									
UN HABITAT	270 191	487 500	(217 309)	270 191	487 500	(217 309)	(44,58%)	650 000	41,57%
IVORY PARK URBAN DEVELOPMENT FRAMEWORK	5 161 117	3 750 000	1 411 117	22 558 970	3 750 000	1 411 117	137,63%	5 000 000	103,22 %
WATTSTREET PRECINCT WYNBERG	0,00	825 000	(825 000)	0,00	825 000	(825 000)	(100,00%)	1 100 000	0,00%
CREATION OF ASSET REGISTER	0,00	3 750 000	(3 750 000)	0,00	3 750 000	(3 750 000)	(100,00%)	5 000 000	0,00%
ODENDAAL	0,00	1 050 000	(1 050 000)	0,00	1 050 000	(1 050 000)	(100,00%)	1 400 000	0,00%
SOWETO STRATEGIC AREA FRAMEWORK	0,00	1 500 000	(1 500 000)	0,00	1 500 000	(1 500 000)	(100,00%)	2 000 000	0,00%
REVITALISATION OF PAGEVIEW AND VREDEDORP	0,00	3 750 000	(3 750 000)	623 777	3 750 000	(3 126 223)	(83,37%)	5 000 000	12,48%
ORANGE FARM TURNKEY PROJECT	67 976 819	161 250 000	(93 273 181)	110 190 062	161 250 000	(66 326 953)	(41,13%)	215 000 000	44,15%
REVIEW KLIPTOWN BUSINESS PLAN & URBAN DESIGN	0,00	3 750 000	(3 750 000)	0,00	3 750 000	(3 750 000)	(100,00%)	5 000 000	0,00%
IVORY PARK TURNKEY PROG DLAMINI DRIVE	0,00	21 000 000	(21 000 000)	0,00	21 000 000	(21 000 000)	(100,00%)	28 000 000	0,00%
5TH ROAD BRIDGE	4 929 366	5 180 711	(251 345)	9 457 359	5 180 711	4 276 648	182,55%	6 907 615	136,91 %
MODDERFONTEIN BRIDGE	7 668 438	8 202 501	(534 063)	12 837 668	8 202 501	4 635 167	156,51%	10 936 668	117,38 %
M2 FINGER JOINTS	7 922 932	16 616 789	(8 693 857)	12 764 316	16 616 789	(3 852 473)	(23,18%)	22 155 718	57,61%
SUB-TOTAL	93 928 863	231 112 501	(137 183 638)	174 374 998	231 112 501	(95 075 026)	(48,80%)	308 150 001	56,59%
TOTAL	373 401 254	977 624 721	(604 223 467)	655 457 391	1007 902 009	(466 680 971)	(48,30%)	1 303 500 000	50,28%

6.1 ECONOMIC DEVELOPMENT

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

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

TABLE 23: EPWP PERFORMANCE

JDA Program	Q1 EPWP	Q2 EPWP	Q3 EPWP	YTD EPWP Opportunities created in 2021/22
Program 1	32	39	62	133
Program 2	8	0	35	43
Program 3	51	22	85	148
TOTAL	91	61	182	334

6.2 GOOD GOVERNANCE, MANAGEMENT AND ADMINISTRATION

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

CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

SECTION 1: HUMAN RESOURCE MANAGEMENT

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

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

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

The structure includes:

Top Management consists of the Chief Executive Officer (CEO)

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

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

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

1. Senior Project Managers,
2. Senior Manager: Project Planning & Development Facilitation,
3. Senior Manager: Spatial/Urban Planning & Business Development,
4. Senior Manager: Strategy, Performance, Risk and Administration,
5. Senior Manager: Financial Management,
6. Senior Manager: Supply Chain Management,
7. Senior Manager: Human Capital Operations and Talent Management,
8. Senior Manager: Communication, Marketing and Public Relations,
9. Senior Manager: Internal Audit,
10. Senior Manager: Information, Communication & Infrastructure Management,
11. Manager: Management Accounting,
12. Manager: Facilities,
13. Manager: Stakeholder Engagement and Relationship Management,
14. Manager: Enterprise Oversight,
15. Manager: Project Quality & Support

Professional and Middle Management comprises of:

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

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

Skilled Employees consists of:

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

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

Unskilled Employees consists of General Workers and Housekeepers.

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

TABLE 16: COST OF SICK LEAVE - (1 JANUARY 2022 – 31 MARCH 2021)

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employee s using sick leave	Total employees in post ⁴	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R 000
Top management	0	0	0	0	0	0
Executive management (including Chief Audit Executive)	3	0	1	5	3	20,681.55
Senior management	0	0	0	12	16	0
Middle management	32	0	2	34	0	88,638.94
Skilled technical/junior management	0	0	0	23	0	0
Semi-skilled	0	0	0	12	0	0
Unskilled	0	0	0	9	0	0
TOTAL	35	0%	3	95	0	109,320.49

SECTION 2: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

The Total Remuneration Costs for the period from 1st January 2022 to 31st March 2022 amount to R 18 513 066,63. This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: The eJoburg Retirement Fund and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, from 1st January 2022 to 31st March 2022 amount to R 319 556.54

SECTION 3: KEY VACANCIES

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

TABLE 25: KEY VACANCIES

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

TABLE 26: STAFF ESTABLISHMENT

Description	Approved no. of posts per approved organogram	No. of employees	No. of vacancies	% Of vacancies
Top management level	1	0	1	100%
Executive management	6	5	1	16,7%
Senior management	19	12	10	52,6%
Middle management	47	34	13	27,7%
Skilled technical/junior management	41	23	18	43,9%
Semi-skilled	11	12	3	27,2%
Unskilled housekeepers/cleaners	6	9*	0	0%
Total	131	94*	46	35%

The basis for turnover rates is annual. To give an accurate indicator of the turnover rates year on year. In the current period under review staff turnover is 9.6%.

TABLE 27: TURNOVER RATE

Details	Total active employees at the beginning of the financial year	Terminations during financial year (YTD)	Turnover rate
	No.	No.	%
2021/22	94	9	9.6%

A total of 9 terminations were recorded in the 2021/22 financial year.

Retention Initiatives

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

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

SECTION 4: EMPLOYMENT EQUITY

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

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

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

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

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

TABLE 28: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW

Occupational Levels									Foreign Nationals		Total
	Male				Female						
	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	3	0	0	0	1	0	1	0	0	0	5
Senior Management	5	0	0	0	7	0	0	0	0	0	12
Professionally Qualified and Experienced specialists and mid-management	14	1	0	0	18	1	0	0	0	0	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7	0	0	0	15	0	1	0	0	0	23
Semi-skilled and discretionary decision making	3	0	0	0	7	0	0	0	0	0	10
Unskilled and defined decision making	5	0	0	0	4	0	0	0	0	0	9
Total Permanent	37	1	0	0	52	1	2	0	0	0	93
Temporal Employees	0	0	0	0	2	0	0	0	0	0	2
Grand Total	38	1	0	0	54	1	2	0	0	0	95

The JDA status for period under review:

- 95% of employees are African
- 60 % of employees are Female
- 52% of Employees in senior management positions are black females
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories

City Targets (JDA)		JDA Achievements
Black African employees	80.9%	95,8%
Senior Management Female	35.9%	52,9%
Disability	2%	1%

TABLE 21: STAFF MOVEMENTS

Staff movements	African		Colored		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	1	3	0	0	0	0	0	0	4
Deceased	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Retirements	0	1	0	0	0	0	0	0	1
Absenteeism	0	0	0	0	0	0	0	0	0
Resignations	2	0	0	0	0	0	0	0	2
End of contract	0	0	0	0	0	0	0	0	0
Total	3	4	0	0	0	0	0	0	7

SECTION 5: SKILLS DEVELOPMENT AND TRAINING

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

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

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

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

An Individual Learning Plans (ILP) is both a document and a process that employees use – with support from Line Management and Human Resources to address areas of development and to define their career goals throughout their employment at the JDA. Training, which is part of Human Resources Development, is an 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 Human Resources Development programmes that are practical and outcomes based. It also supports employees who wish to attain further qualifications to improve their productivity and career enhancement.

A budget of R 500 000 has been allocated for training and development for the 2021/2022 financial year. The actual expenditure stands at R224 682,94. The JDA supports the attainment of further educational qualifications by employees to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

SECTION 6: PERFORMANCE MANAGEMENT

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

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

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

SECTION 7: DISCIPLINARY MATTERS AND OUTCOMES

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

TABLE 30: DISCIPLINARY HEARINGS FINALISED AS AT 31 MARCH 2021

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

SECTION 8: LEAVE AND PRODUCTIVITY MANAGEMENT

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

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

The most highly utilized leave type is Annual leave with a total of 359 days, with Maternity leave being the second most utilized leave type, with a total of 230 days, and finally Sick Leave 57 days.

TABLE 31: LEAVE ANALYSIS PERFORMANCE AS AT 31 MARCH 2022

Type of Leave	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	Total
Annual Leave	5	32	31	1	29	38	141	56	26	359
Sick Leave	22	0	0	0	0	0	9	26	0	57
Family Responsibility	6	0	0	0	0	0	0	0	0	6
Study Leave	0	2	3	0	9	0	2	0	0	16
Maternity Leave	0	0	0	15	22	37	63	49	44	230
Paternity Leave	0	0	0	0	0	0	10	0	0	10
TOTAL	33	34	34	16	60	75	225	131	70	678

SECTION 9: EMPLOYEE WELLNESS

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

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

HIV/AIDS in the Workplace

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

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

SECTION 10: EMPLOYEE BENEFITS

The Total Remuneration Costs for the period from 1 January to 31 March 2022 amount to R 18 513 066.63 . This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: The eJoburg Retirement Fund and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, from 1 January 2022 to 31 March 2022 amount to R 319 566.54.

SECTION 11: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

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

The safety audit are meant to identify risks and cases of noncompliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance.

HIV/AIDS in the Workplace

As the employer, JDA has an obligation to ensure compliance with COVID-19 Occupational Health and Safety Measures in Workplaces (C19 OHS), 2020 and Disaster Management Act, 2002. To ensure compliance with the above mentioned regulations, the JDA has adopted a Phased-In-Approach on returning to work to avoid congestion and ensured workplace readiness.

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

CHAPTER 5: FINANCIAL PERFORMANCE

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

STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 31 MARCH 2022

	Year ended 31 March 2022			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
Non-current assets	29 961	30 800	-839	1
Property plant and equipment	7 147	10 000	(2 853)	
Deferred tax	3 634	2 800	834	
Intangible assets	19 180	18 000	1 180	
Current assets	1 482 642	850 002	632 640	2
Trade and other receivables	1 238 784	600 000	638 784	
Vat Receivable	243 857	250 000	(6 143)	
Cash and cash equivalents	1	2	(1)	
Total assets	1 512 603	880 802	631 801	
EQUITY AND LIABILITIES				
Capital and reserves	41 600	76 278	(34 678)	3
Contribution from owner	16 278	16 278	(0)	
Accumulated surplus/(deficit)	25 323	60 000	(34 677)	
Non-current liabilities	22 658	25 681	(3 023)	4
Finance lease obligation	42	41	1	
Deferred taxation	22 616	25 640	(3 024)	
Project funds payable	-	-	0	
Current liabilities	1 448 344	778 843	671 319	
Loans from shareholders	808 532	637 549	170 983	5
Trade and other payables	591 125	90 000	501 125	6
VAT payable	-	-	0	
Finance lease obligation	240	294	(54)	
Project fund payable	42 183	44 000	1	
Provisions – bonus	6 265	7 000	(735)	
Total equity and liabilities	1 512 603	880 802	633 619	

Notes	
1	The variance relates to additional operational capex that is still to be purchased. Included in the budgeted value is the finalization of the SAP implementation, the records management system and furniture and fittings.
2	The increases on the current asset it due to the following (1) Increase in receivables due to late collection of claims (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 R25 million
4	The movement of the non current liability is related to the estimation around the deferred taxation
5	The variance is R170 million . This is mainly due to late collection of claims from the various client departments. Included in these claims is the R200 million roll over approved by National Treasury for the PTNG grant that has not been paid over from transportation due to administrative issues within the roll over processing. The budget on the City's side was only loaded during the mid-year adjustment process.
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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 MARCH 2022

	March 2022	Original approved	Quarter ending 31 March 2022			Year to date			Notes
	Actual	budget	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Gross revenue	75 776	118 249	62 972	88 687	(25 714)	62 972	88 687	(25 714)	5
Operating costs	(70 447)	(111 385)	(72 909)	(83 539)	10 630	(72 909)	(83 539)	10 630	6
Gross surplus/(deficit)	5 329	6 864	(9 937)	5 148	15 085	(9 937)	5 148	(15 085)	
Other operating income and expenditure	(11 009)	(6 864)	(15 076)	(5 148)	(9 928)	(15 076)	(5 148)	(9 928)	
Interest expense	(11 009)	(6 864)	(15 076)	(5 148)	(9 928)	(15 076)	(5 148)	(9 928)	7
Interest income	0	0	0	0	0	0	0	0	
Deficit before tax	(5 680)	0	(25 012)	0	(25 012)	(25 012)	0	(25 012)	
Taxation	0	0	0	0	0	0	0	0	
Surplus/(Deficit) after tax	(5 680)	0	(25 012)	0	(25 012)	(25 012)	0	(25 012)	

Notes

- 5** Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budget revenue due to capex expenditure not being achieved
- 6** The negative variance is mainly due to delay in the procurement process which resulted in the target not being achieved
- 7** The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that were received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account. The outstanding balance as at the end of the third quarter relates to balances that were owing from the 2020/21 and the 2021/22 financial years.

SECTION 3: CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2022

	Year to date			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
Cash flows from operating activities	(568 732)	(133 418)	(435 314)	
<i>Receipts</i>				
Grants	30 590	0	30 590	
Interest received	0	0	0	
Cash receipts from CAPEX funding	447 644	433 382	14 262	
Other receipts	348	1 200	(852)	11
		0	0	
		0	0	
<i>Payments</i>	(58 514)	(68 000)	9 486	
Employee cost	(973 725)	(500 000)	(473 725)	12
Suppliers	(15 076)	0	(15 076)	13
Interest paid	979	(4 500)	5 479	
Cash flows from investing activities				
<i>Expenditure to maintain operating capacity</i>	979		979	
Property, plant, and equipment acquired		0	0	
Proceeds from sale of property, plant, and equipment	0		0	
Purchase of intangible assets	567 753	137 918	705 671	
Cash flows from financing activities	0	0	0	14
Movement in project funds payable	567 521	400 000	167 521	
Proceeds from Shareholders' loan		0	0	
Repayments of Shareholders' loan	232	(80)	312	
Finance lease repayments				
Net increase/(decrease) in cash and cash equivalents	(0)	0	0	
Cash and cash equivalents at beginning of the year	4	0	4	
Cash and cash equivalents at the end of the year	4	0	4	

Notes	
11	The negative it is mainly due to the late collection of receivables
12	The variance it mainly due to vacant position that are not yet filled
13	The variance it mainly due timing differences between accruals paid in the current year relating to the previous financial year
14	The variance is due to money borrowed from shareholder since there is a delay in the settlement of debtors by COJ departments.

SECTION 4: NET ASSETS

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31 MARCH 2022

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
Opening balance as previously reported	60	16 278	16 278	67 640	83 918
Adjustments	0	0	0	0	0
Prior year adjustments				0	0
Balance on 01 July 2020	60	16 278	16 278	67 640	83 918
Changes in net assets	0	0	0	(17 305)	(17 305)
Surplus for the year					
Total changes	0	0	0	-17 305	-17 305
Balance on 01 July 2021	60	16 278	16 278	50 335	66 613
Changes in net assets					
Profit for the year	0	0	0	(25 012)	(25 012)
Total changes	0	0	0	(25 012)	(25 012)
Balance on 31 March 2022	60	16 278	16 278	25 323	41 600

SECTION 5: RATIO ANALYSIS FOR THE PERIOD ENDED 31 MARCH 2022

Key Performance Area		Actual 31 March 2021	Actual 31 March 2022
Current ratio	Above 1 : 1	1.03 : 1	1.023:1
Solvency ratio	Above 1 : 1	1.04 : 1	1.028:1
Salaries to expenditure ratio	Below 60%	74%	67%
Revenue	R88.7 million	R76 million	R62.9 million
Expenditure (including taxation)	R88.7 million	R81.5 million	R87,9 million
Surplus / (Deficit)	R nil	(R5.6 million)	(R25 million)
Total net assets	R47.4 million	R57 million	41.6 million
Capital expenditure	75%	56,26%	50,28%

Notes	
1	Current ratio is just above the target and is as a result of the higher sweeping account .
2	Solvency ratio is just above the target. The continued pressure on the overall loan from shareholder due to outstanding debtors still puts pressure on the liquidity ratios.
3	Remuneration to expenditure ratio is above target and above last year quarter due to an overall reduction in the remuneration costs that impacts the ratio.

SECTION 6: SUPPLY CHAIN MANAGEMENT

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

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

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

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

Supply chain deviations and approval

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

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

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

To give effect to regulation 36, the Col's supply chain management policy allows the accounting officer to deviate from normal procurement processes under the circumstances outlined above. In terms of regulation

36(1) (b), the accounting officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

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

The deviation from obtaining at least a minimum of three written quotations in terms of Regulation 16, 17 and 18 of the MFMA Act 56 of 2003. The accounting officer ratified a minor breach in the supply chain process for the appointment of service providers through the request for quotation process where less than the minimum three quotations were received. For the period 1 January 2022 to 31 March 2022 there were 8 service providers appointed where less than three quotations were returned or obtained to a combined value of R 120 767.68 (Excluding VAT)

According to Regulation 44 of the Municipal Supply Chain Management Regulations the regulation prohibits municipal entities from awarding contracts to a person who is in the service of the State. For the period 1 January 2022 to 31 March 2022 the JDA has not awarded any contract to a person who is in the employment of the State.

Black Economic Empowerment

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE share of capital and operating expenditure. For the period 1 January 2022 to 31 March 2022, the overall BBBEE share of expenditure was R 193,201,385.10 This translates into an achievement of 101% BBBEE claimed against quarterly expenditure.

TABLE 32: SUMMARY OF BBBEE EXPENDITURE⁵

Description	Q3 2021/22		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R 104,617,338.21	R 125,499,064.70	120%
Opex	R 87,428,166.89	R 67,702,320.40	77%
Consolidated Opex and Capex	R 192,045,504.89	R 193,201,385.10	101%

The JDA uses various criteria for calculating the BBBEE claimed. Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135% of the actual expenditure. For example, if the JDA spends R10 000 with a level 1 service provider, it can claim R13 500 as BBBEE spend. If it spends R10 000 with a level 6 service provider, it can only claim R6 000. The JDA claims 135% for service providers with B-BBEE level 1, 125% for level 2, 110% for level 3, 100% for level 4, 80% for level 5, and 60% for level 6, 50% for level 7 and 10% for level 8.

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

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

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

FIGURE 5: BBBEE CONTRIBUTION TABLE

Enterprise / SMME Development

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

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

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

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

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R 98 777 034.9 for the period 1 January 2022 to 31 March 2022. This constitutes achievement of 51% for the period under review.

TABLE 33: SUMMARY OF SMME EXPENDITURE⁶

Description	Q3 2021/22		
	Total Expenditure	SMME Claimed	SMME %
Capex	R 104,617,338.21	R 76,054,835.60	73%
Opex	R 87,428,166.89	R 22,722,199.30	26%
Consolidated Opex	R 192,045,504.89	R 98,777,034.90	51%

Report in Irregular, Fruitless and Wasteful Expenditure and Due Process

JDA has not incurred any irregular, fruitless, wasteful, and unauthorized transactions for the period of the 1 January 2022 until 31 March 2022.

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

TABLE 34: PENDING LITIGATIONS

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Ubuntu Kraal (Pty) Ltd vs JDA	± 23 555 160, 06 million	13/12/2013	Damages suffered by Ubuntu Kraal because of “alleged” negligence by the JDA and other parties.	<p>On Friday, 13 December 2013 the JDA was served with summons. The summons relates to the “alleged” negligence on the part of the JDA during the widening of the Klipspruit valley road during the construction of the BRT routes around 2010. It is alleged that because of such construction, which resulted in flooding in 2010 and 2011, damages to buildings and properties to the tune of approximately R23 555 160, 06 was incurred by the plaintiff. The JDA has been cited as the first defendant and the City of Johannesburg as the second defended in the matter, together with other 5 defendants.</p> <p>The JDA has appointed RoutledgeModise Attorneys (T/A HoganLovells) to assist in defending the matter. Routledge Modise have handed over the matter to the insurer’s attorneys at the request of the JDA’s insurers (Webber Wentzel Bowens). The matter is being defended by the JDA and COJ’s insurer’s lawyers.</p> <p>The Matter was set for trial in June 2018 but was withdrawn from the trial roll. There have been no developments since the matter was removed from the trial roll in June 2018. The plaintiff’s</p>	Not yet determined at this stage.	Not yet determined at this stage.

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
				on this matter and the attorneys that are meant to take over this matter have not yet filed their notice of substitution. We have written to the attorney and are yet to receive a response as to whether they still intend pursuing this matter.		
Bertram's Priority Block vs JDA	Not applicable	February 2008	Relocation of illegal occupants in various buildings around Bertram's Priority Block.	The JDA has through its Attorneys (Edward Nathan Sonnenburg ENS) entered legal proceedings regarding the relocation of illegal occupants in various buildings around Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with the occupants to settle the matter out of court. Progress made since 2012, some occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The Few that would be left would, due to inability to meet monthly rentals will be accommodated by the Department of Housing. The parties are working together to reach agreement without a protracted litigation process.	On-going	Good
Grayston Bridge Collapse (scaffolding)		2015	The scaffolding supporting the bridge collapsed in 2015 resulting in 2 fatalities and additional 9 people injured because of the collapse. The matter was investigated by the department of labor and a hearing	The outcome from the Department of Labor has been received 19 November 2019. The Presiding Officer has issued findings against various parties in this matter including the JDA. The findings against the JDA relate to contravention of the construction regulations. The JDA has since sought legal advice on the outcome of the Department of Labor's findings. The JDA has been advised that there has been omission on	Grayston Bridge Collapse (scaffolding)	

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
			commenced in 2016 and concluded in July 2018.	<p>the part of the Presiding Officer to consider the provisions of section 37(2) of the Occupational Health and Safety Act. Accordingly, the JDA has addressed a letter to the Chief Presiding inspector indicating its intention to appeal the matter, first with the Department of Labour as dictated by the rules. Since having lodged an appeal to the Labour Court against the decision of the Chief Inspector, we received a Notice to Oppose from the State Attorney, who is representing the Chief Inspector in the above matter.</p> <p>In addition, we received the written record of proceedings forming the subject of the appeal from the State Attorney on 30 June 2020. In accordance with the Labour Court Rules, we extracted certain portions of the record for purposes of the appeal proceedings and served a certified copy thereof on the State Attorney and filed another copy at the Labour Court on 16 July 2020. In the circumstances, the Appellants' concise written representations were received on Thursday, 30 July 2020.</p> <p>Now that both parties have submitted their written representations, the Registrar of the Labour Court, will set the matter down. To date, we have not been provided a date by the Registrar. The matter will be heard in the labor court on a date yet to be set by the court.</p>		

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

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

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

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

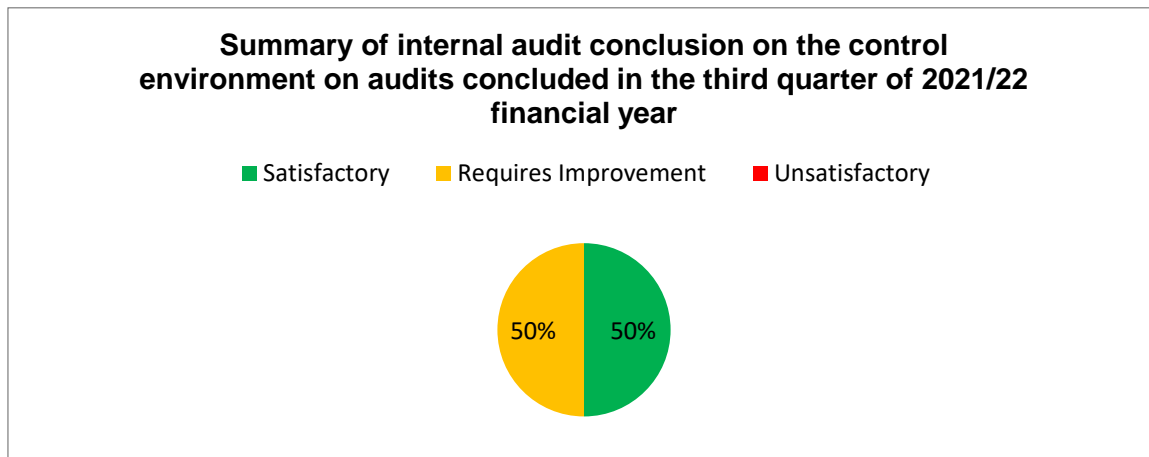
This measures effective debtor management and an assessment of the amounts owing by the various Government departments and entities.

TABLE 35: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

Name of department	Balance	Comments
	R' 000	
City of Johannesburg - CAM & USDG	177 916	Majority of claims are the current year - additional requirements for submissions are holding up the claims i.e. project progress reports
City of Johannesburg- Transport	236 058	Majority of the balance relates to claims processed against the grant roll over that was only incorporated in the mid-year adjustment process.
City of Johannesburg - Department of planning	2 057	Balance is current claims
City of Johannesburg - EMS	40 128	Current claims have been settled timeously, prior year claims are still outstanding. Accruals raised currently being processed
City of Johannesburg - Department of Health	2 749	Current claims
City of Johannesburg - GSPCR	3 850	Balance mainly relates to amounts outstanding relating to long overdue that is more than 180 days.
City of Johannesburg - Community Development	45 039	Balance relates to claims for both the current and prior year. There was a delay in the settlement of year end accruals due to a approval process required at Com Dev.
City of Johannesburg - Economic Development	32 248	Included is current claims and prior years claims. Prior year claims are awaiting the handover process within ED.
City of Johannesburg - Other departments (Department of Housing, Department of Social Development, , Johannesburg Roads Agency (SOC) Ltd)	168 079	Balance mainly relates to amounts outstanding from June 2021 claims and current claims.
Total	708 124	

CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

The chart below serves to indicate an overview of the audit conclusion made regarding the control environment based on the audits completed by internal audit in the third quarter of 2021/22 financial year. Overall, there were six (6) audit projects completed by internal audit.



27: PROGRESS AGAINST THE APPROVED 2021/22 ANNUAL INTERNAL AUDIT PLAN (1 JANUARY 2022 – 31 MARCH 2022)

No.	Audit Description	Status	Overall Conclusion
1.	3rd Quarter Follow-up on internal and external audit findings Disaster recovery testing	Completed	Requires improvement
2.	Quarterly Audit of performance information (Audit Of the Pre- Determined Objectives)	Completed	Requires improvement
3.	Appointment of main contractor for the construction of Turffontein complete street project	Completed	Satisfactory
4.	Civil and Structural Engineers BRT stations, customer cares and Joubert Peu	Completed	Satisfactory
5.	Deep South Complete Street	Completed	Satisfactory
6.	Appointment of service providers for Security Services	Completed	Requires improvement

TABLE 28: CONTROL ENVIRONMENT CONCLUSION EXPLANATION

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

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

TABLE 29: INTERNAL AUDIT FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2013/14	0	2	2
2014/15	1	16	17
2015/16	0	45	45
2016/17	0	58	58
2017/18	2	38	40
2018/19	1	32	33
2019/20	2	18	20
2020/21	17	7	24
Total	23	216	239
Percentage	10%	90%	100%

Internal Audit conducts follow-up reviews monthly on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the Chairperson of the Operation Clean Audit (OPCA) Committee and the Group Risk Assurance Services for discussion with the City Manager. Quarterly, Internal Audit also conducts a follow-up on the implementation of Internal and External audit recommendations. These reports are presented to the Audit and Risk Committee, who monitors the progress made by management on the implementation of recommendations and action plans.

SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

The table below provides a summary of AG Findings raised in the 2014/2015 to 2020/21 financial period:

TABLE 30: AUDITOR GENERAL FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2014/15	0	11	11
2015/16	0	34	34
2016/17	0	6	6
2017/18	1	4	5
2018/19	0	5	5
2019/20	0	21	21
2020/21	8	3	11
Total	9	84	93
Percentage	10%	90%	100%

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit also provides an independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings.

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

SECTION 4: STATE OF INTERNAL CONTROLS

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

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

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

From the Internal Audit reports, it was noted that there were no material deficiencies in the system of internal control for the reporting period.

The entity also has various functional and effective management structures, such as the Executive Management Committee, Programme Project Management Committees, Operation Clean Audit Committee, to review, monitor and evaluate programme performance and make corrective measures where necessary.

Management is committed to addressing control weaknesses identified by internal and external audit through implementation of audit recommendations and monitoring of action plans. However, there is still room for improvement as stricter commitment is required from management to ensure that audit findings are promptly resolved. Based on the internal audits completed in this financial year, internal audit's overall conclusion on the state of internal controls is that controls currently in place are adequate; however partially effective to provide reasonable assurance that JDA objectives will be achieved. The overall JDA control environment requires improvement.

ANNEXURES

ANNEXURE 1: ACRONYMS AND ABBREVIATIONS

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