

JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED

Registration no: 2001/005101/07



Johannesburg Development Agency



THIRD-QUARTER PERFORMANCE REPORT 2019/20

JANUARY TO MARCH 2020

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:	P Kganare (Chairperson) M Ntanga EV Magerman V Magale S Moichela M Makwarela M Hleko N Moiloa S Masango T Motloung T Mvundle K Govender (Retired with effect from 11 March 2020) T Sambo (Retired with effect from 11 March 2020) P Zagaretos (Retired with effect from 11 March 2020) G Karuri-Sebina(Retired with effect from 11 March 2020) S Jensma(Retired with effect from 11 March 2020) A Steyn (Resigned with effect from 27 November 2019) E Peters(Retired with effect from 11 March 2020) S Moonsamy (Chief Financial Officer) F Brink (Acting CEO from 15 October 2019) A Ngcezula (Acting CEO from 1 September 2019 – 14 October 2019, CEO as of 1 April 2020) D Cohen (Acting CEO from 3 May 2019 until 30 August 2019)
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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*

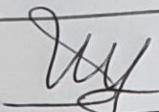
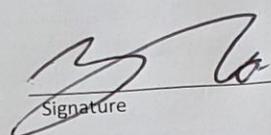
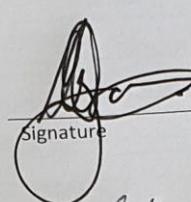
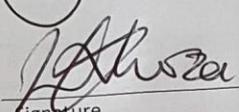
Innovation and creativity: *Promoting an environment of fast-tracked decision-making and broader financial leverage, within which developments are planned, led, managed and implemented*

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

Mr Sihle Mkhize Name & Surname A/Chief Financial Officer	 Signature	6 April 2020 Date of approval
Mr Anthony Ngcezula Name & Surname Chief Executive Officer/MD	 Signature	6 April 2020 Date of approval
Mr Papi Kganare Name & Surname Chairperson of the Board	 Signature	17 April 2020 Date of approval
Cllr Lawrence Khoza Name & Surname MMC: Development Planning	 Signature	07 May 2020 Date of approval

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CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

The JDA's capital expenditure at the end of the third quarter is 48% and it is therefore essential for the JDA team to focus and to accelerate project delivery from April to June and to make good on the delivery commitments made to the City and its client departments. Expenditure remains an important reflection of the JDAs performance; however, we are also mindful to retain the JDA's developmental outlook as well as ensuring and nurturing the growth of a well governed organisation. The improvement in expenditure aside, there are areas where the organisation must improve its implementation. These in particular include delivering on the EPWP programme and in better managing stakeholder engagement in what appears to be an ever more complex project climate. There were also changes to the JDA Board from the previous year as announced at the Annual General Meeting on the 11th March 2020. The following Non-Executive Directors were re-elected:

- Mr. Mongezi Ntanga

The following Non-Executive Directors were newly elected:

- Mr Papi Kganare (Chairperson); Mr Errol Vincent Magerman; Ms Virginia Magale; Ms Seipati Moichela; Dr Murunwa Makwarela; Mr Mzwandile Hleko; Ms Nokuzola Moilola; Mr Sakhile Masango Mr Thabo Motloun and Mr Thomas Mvundle

The following Independent Audit and Risk Committee members were reappointed:

- Ms Keabetswe Onouka

The following Independent Audit and Risk Committee member was newly appointed:

- Mr Tumisho Makofane; and Mr Vincent Vhena

I would also like to use this platform to thank all the Non-Executive Directors and Independent Audit and Risk Committee members who gave their time, energy and effort in ensuring that good governance looked beyond the audits and the boardroom and actually focused on ensuring the tangible outputs that transforms the lives of the residents of Johannesburg. We are working closely with the Shareholder to ensure the various senior vacant or acting positions are being replaced with permanent appointments. As the Board we shall continue to guide and support the organisation to accelerate its implementation of City's spatial and economic goals set out in the Joburg 2040 GDS as well as the priorities of the Government of Local Unity, that guide the City of Joburg, as captured in the City's draft 2020/21 IDP. Together with the MMC of Development Planning: Cllr. Lawrence Khoza and JDA management, we look forward to addressing the challenges and capitalising on the momentum as we enter the final quarter of the 2019/20 financial year.

We must however note a context with some very challenging circumstances, including the President's announcement of a national shutdown from midnight on 26 March to combat the spread of Covid-19. JDA offices were closed and JDA projects have been shut down for at least 21 days. All the legal and financial implications for contractor and principle agents are governed by a Memorandum issued by the National Department of Public Works and Infrastructure. Given the JDA's funding model is dependent on project delivery and expenditure, the Board has requested management to assess impact the lockdown will have on projects, expenditure and in-turn the organisation's revenue and financial sustainability.

Mr. Papi Kganare

Chairperson

31 March 2020

SECTION 2: ACTING CHIEF EXECUTIVE OFFICER'S REPORT

The JDA deals with the renovation, innovation and re-imagination of Johannesburg's built environment and urban and marginalised communities through a sustained programme of place-making, area-based development and strategic infrastructure delivery. During this quarter, the JDA continues to be a high performing Municipal Owned Entity with the delivery of projects and programmes across the city, in specific precincts, such as Randburg, Roodepoort, Lenasia and Johannesburg CBDs and neighbourhoods, including Ivory Park, Diepsloot and Alexandra. Key to this is our ability to work with communities in unlocking their energy, assets, inspiration, and potential, to create public spaces and key city infrastructure that promotes health, happiness, and well-being. The overall year to date capex expenditure at third quarter was R622 million against an annual budget of R1. 306 billion and a third quarter target of R653 million. This translates to 48% of the total annual budget and 95% against third quarter target. Therefore in terms of the JDA's own expenditure target at the third quarter this target was achieved.

The major driver of capital expenditure occurred in large construction works that are being undertaken on the Rea Vaya trunk routes along the TOD corridors that connect commuters with the Rea Vaya BRT system and commuter rail services. Included in developments around stations and along the transport routes are developments that support pedestrian and non-motorised transport. The intention is to support mobility as well as access to public transport. Guided by national policy and the JDA's developmental intent, 30% of all the intended developments around stations and along the transport routes is set aside for implementation by small construction companies. This means that City's expenditure through large-scale infrastructure is also benefiting local businesses and creating local job opportunities. With an achievement of 40% against a 30% target for the period under review demonstrates the JDA's commitment to ensuring that all SMME related expenditure (direct or via sub-contracts) is captured and reported against the target and that secondly, that contracts awarded with a 30% targeted are monitored and performing as contracted.

Due to the change of Board (11th March 2020) and the non-approval of the budget adjustment by Council, the JDA did not get an opportunity to present an amended scorecard to the ARC and Board prior to the conclusion of the 3rd Quarter, as normally is the case. The impact of this is that the scorecard continues to reflect project KPI's that should have either been removed from the scorecard, as no SLA was signed or budget provided by the client department, or project KPI milestones shifted to the Q4, for performance or procurement related issues. Hence the JDA is reflecting performance against the original scorecard, which is impacting the overall performance percentages of the JDA. A summary of the required changes, is yet to be approved by the Board, but a draft is available in Annexure 2: Amended JDA Scorecard

The JDA Management will work closely together with the new City leadership, in particular MMC of Development Planning: Cllr. Lawrence Khoza as well as our sister City departments and entities to ensure all performance and project delivery is achieved. Our preparations for the 2020/21 business plan aim to respond directly to the City of Joburg priorities. Internally, the JDA made progress in its internal organisation design process / review with the aim of ensuring a cohesive JDA team that is a well-positioned to assist in delivering on City priorities and commitments.

JDA is a well-positioned agency to assist in delivery on the priority GDS Outcomes, namely ensuring "A growing, diverse and competitive economy that creates jobs and "An inclusive society with high quality of life that provides meaningful redress through pro-poor development".

Mr Floyd W. Brink

Acting Chief Executive Officer

31 March 2020

SECTION 3: ACTING CHIEF FINANCIAL OFFICER'S REPORT

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

For the quarter ended 31 March 2020 the JDA had earned total revenue of R65 million (2018/19: R62 million) and incurred total expenditure of R88 million (2018/19: R85 million) which resulted in an overall deficit of R23.3 million (2018/19: R22.8 million).

The organisation achieved 96% (2018/19: 95%) of the budgeted target for revenue. Included in the revenue target are 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 in excess of the budgeted target for operational expenditure by 1% (2018/19: 2% overall against target) due to the over-expenditure on the internal interest charged on an overdraft balance with the City of Johannesburg of R17.5 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.

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

TABLE 1: ACTUAL OPERATIONAL BUDGET

	Actual Prior year 31 March 2019	Budget R'000	Actual R'000	Variance R'000	% of actual against budget
Revenue	R61 997	R67 836	R65 082	(R2 754)	96%
Operating costs (before interest)	R69 163	R81 970	R70 855	R(11 115)	86%
Interest expense	R15 641	R5 385	R17 544	R12 159	326%
Total operating costs	R84 804	R87 335	R88 399	R1 044	101%
Surplus/(Deficit)	(R22 807)	(R19 499)	(R23 317)	(R3 798)	

Excluding the internal interest charged on the overdraft balance, a variance of 14% against the target was realised. This variance is mainly due to a delay in the procurement process and critical vacancies that are not filled which resulted in the target not being achieved.

Actual capital expenditure for the period ended 31 March 2020 was R622 million (2018/19: R543 million) against a targeted budget of R653 million (2018/19: R638 million). This represents 48% (2018/19: 42%) of the overall annual budget. There are however various factors that continue to affect projects including poor contractor performance and community stoppages.

The organization's total assets exceeded the total liabilities. The total net assets at 31 March 2020 were R45 million (2018/19: R46 million).

The table below reflects the financial performance ratio of the organization for the period ended March 2020.

TABLE 2: FINANCIAL RATIOS

Key Performance Area	Target	Actual 31 March 2019	Actual 31 March 2020
Current ratio	Above 1 : 1	1.06 : 1	1.03 : 1
Solvency ratio	Above 1 : 1	1.1 : 1	1.05 : 1
Salaries to expenditure ratio	Below 60%	64%	62%
Revenue	R 65 million	R62 million	R65 million
Expenditure (including taxation)	R83 million	R85 million	R88 million
Surplus / (Deficit)	(R19 million)	(R22.8 million)	(R23.3 million)
Total net assets	R47.4 million	R46 million	R45 million
Capital expenditure	50%	43%	48%

The overall liquidity and solvency position of the JDA is lower than the prior year and still above the current industry norms. The main contributing factor to the overall variance in comparison to the prior year is the higher payables balance. Our major concern currently is the long outstanding balances owed by the City departments to the JDA and the overall impact this has on the liquidity and solvency of the JDA. If this continues to persist, it would negatively impact the ratios above and the JDA would be deemed to be technically insolvent as our liabilities would exceed our assets. During the current financial year, the JDA had commenced the year with R745 million outstanding and 90% of which has been collected since then by improving our debtors management processes through constant interactions with the departments.

The remuneration ratio is higher than the norm which is mainly as a result of a lower overall expenditure denominator. The ratio is based on employee costs of R55 million over total expenditure of R88 million, which results in 62% of the expenditure. The JDA is primarily a service-orientated entity as majority of the operational costs relate to employee remuneration.



Sihle Mkhize CA (SA)
Acting Chief Financial Officer
31 March 2020

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 neighbourhoods, mostly in the inner city. However, this has evolved to focusing on transforming Johannesburg into a resilient, sustainable and liveable 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 mobilise 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 liveable 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.

The Council’s Portfolio Committee on Development Planning provides political oversight of the JDA’s activities and functions.

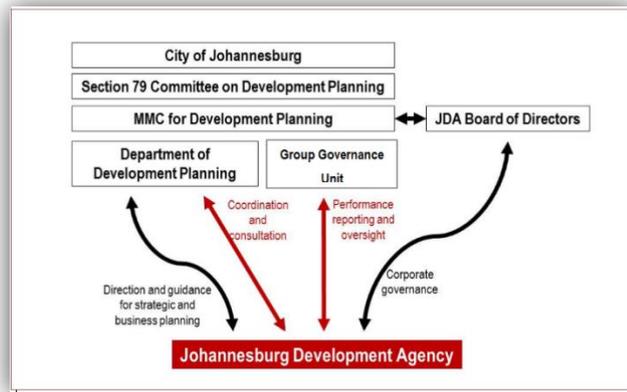


FIGURE 1: JDA GOVERNANCE SYSTEM

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.
Catalyse growth and investment	Catalysing growth in areas with latent investment potential. Catalytic intervention and strategic capital investments in areas that have been previously marginalised or have failed to attract private investment can unlock development potential, stimulate local economies and boost job creation and entrepreneurial development.	To efficiently, effectively and economically deliver sustainable social and economic infrastructure projects 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 2015/16 Spatial Development Framework.

FIGURE 1: SDF 2040 PRIORITY ZONES

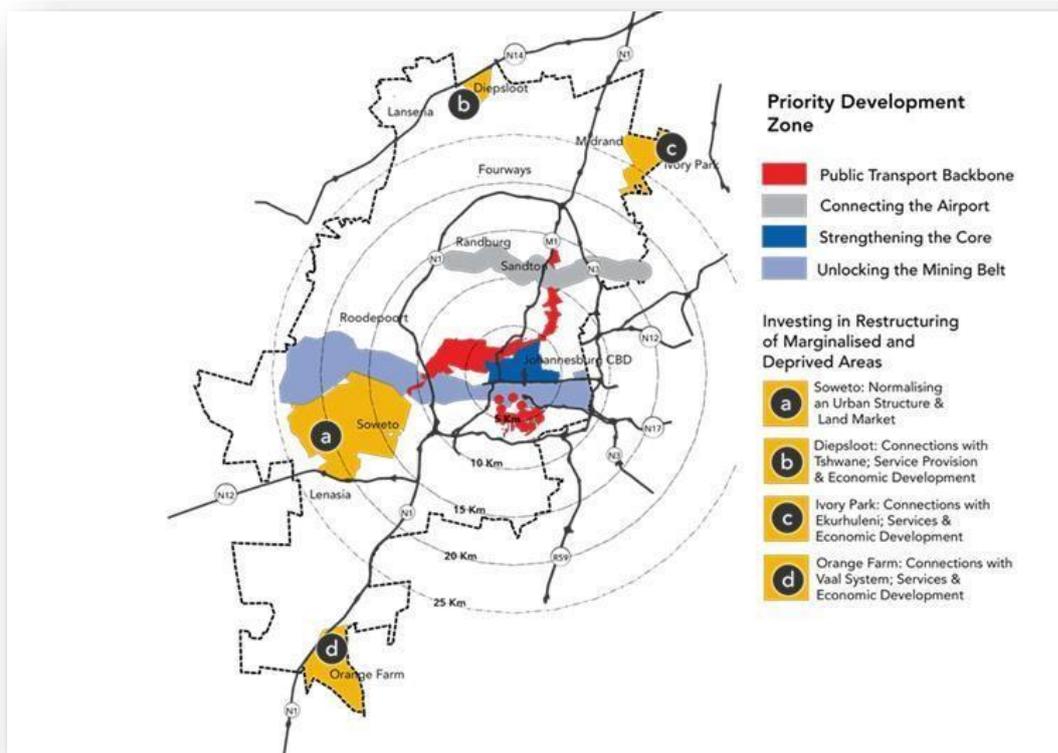


TABLE 4: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS AND PROGRAMMES

SDF Priority Transformation areas	Corresponding JDA Regional Programmes	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** -Analyse, review and quantify private sector investment in various JDA intervention areas, and assess the socio-economic impact of these interventions. This is achieved through, among others, analyses of property market trends and factors that influence investor interest in JDA development areas. Value for money assessment.

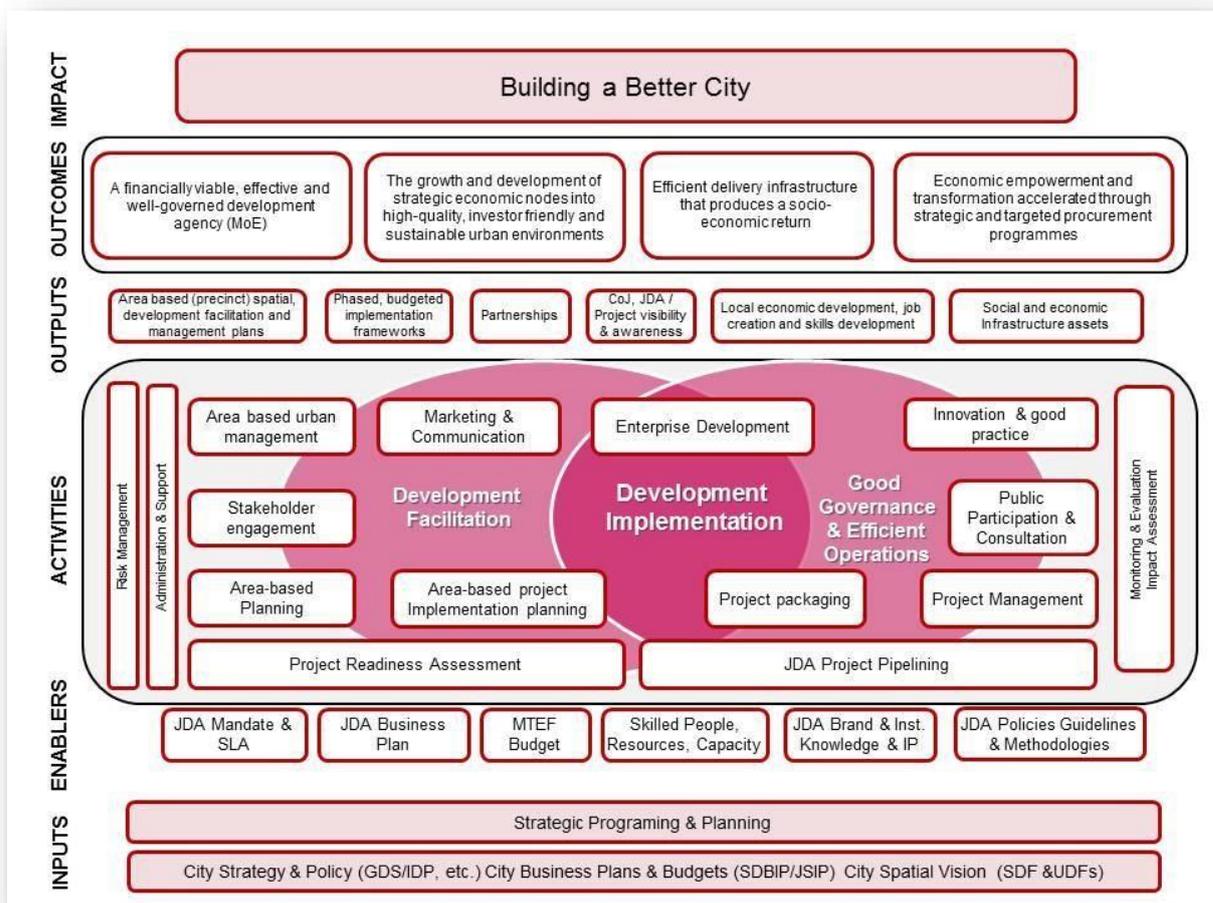
The JDA has aligned the main elements of our work and highlights the flow between them:

FIGURE 2: 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 3: JDA’S VALUE CREATION PROCESS



SECTION 6: SALIENT FEATURES

Performance Summary

- The overall year to date capex expenditure at third quarter was R622 million against an annual budget of R1.306 billion, and a third quarter target of R653 million. This translates to 48% of the total annual budget and 95% against third quarter target.
 - In comparison with the same time period in the previous financial year the JDA achieved 42% of the 2018/19 annual budget of R1.302 billion.
- For the period ended 31st March 2020 the JDA had earned total revenue of R65 million (2018/19: R62 million) and incurred total expenditure of R88 million (2018/19: R85 million) which resulted in an overall deficit of R23.3 million (2018/19: R22.9 million).
- The organisation achieved 96% (2018/19: 95%) of the budgeted target for revenue. Included in the revenue target are 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 in excess of the budgeted target for operational expenditure by 1% (2018/19: 2% overall against target) due to the over-expenditure on the internal interest charged on an overdraft balance with the City of Johannesburg of R17.5 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.
- Excluding the internal interest charged on the overdraft balance, a variance of 14% against the target was realised. This variance is mainly due to a delay in the procurement process and critical vacancies that are not filled which resulted in the target not being achieved.
- The organisation's total assets exceeded the total liabilities. The total net assets at 31st March 2020 were R45 million (2018/19: R46 million).
- The third quarter report has been prepared against the JDA's 2019/20 business plan and scorecard. Regarding performance against the JDA's 17 Strategic KPIs, the JDA achieved 65% performance target achieved and 35% performance target not achieved.
 - Due to the change of Board (11th March 2020) and the non-approval of the budget adjustment by Council, the JDA did not get an opportunity to present an amended scorecard to the ARC and Board prior to the conclusion of the 3rd Quarter, as normally is the case. The impact of this is that the scorecard continues to reflect project KPI's that should have either been removed from the scorecard, as no SLA was signed or budget provided by the client department, or project KPI milestones shifted to the Q4, for performance or procurement related issues. Hence the JDA is reflecting performance against the original scorecard, which is impacting the overall performance percentages of the JDA. A summary of the required changes, is yet to be approved by the Board, but a draft is available in Annexure 2: Amended JDA Scorecard
- For the period 1st January 2020 to 31st March 2020, the overall BBBEE share of expenditure was R148 395 523.92. This translates into an achievement of 105% BBBEE claimed against quarterly expenditure.
- The SMME share of JDA's operating and capital expenditure was R 57 653 086.22 for the period 1st January 2020 to 31st March 2020. This constitutes an achievement of 41% against a 30% target for the period under review.

TABLE 5: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE¹

Overall Programme Performance	2019/20 Annual Budget	Target YTD 50%	Actual YTD	YTD Target %	% Actual / Annual budget Expenditure
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 306 555	653 278	621 786	95%	48%

TABLE 6: OPERATING BUDGET MANAGEMENT

	2019/20	Adjusted Budget	Year to date		% Achievement Against target	% Achievement for Annual
	Original Budget		Target	Actual		
	R'000	R'000	R'000	R'000		
Revenue R'000)	114 116	116 473	67 836	65 082	96%	56%
Costs (R'000)	114 116	116 473	87 355	88 399	101%	76%
Net surplus/(deficit)	-	0	(19 519)	(23 317)		

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

CHAPTER 2: CORPORATE GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

Governance Framework

The JDA recognises 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 recognise 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 Codes Report on Corporate Governance for South Africa 2016 (King Code). The Entity steadfastly consolidated its position in respect of adherence to the King Codes 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, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the company's establishment in 2001.

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

Corporate citizenship

As an entity of a municipality, the JDA has social and moral obligations to the citizens. The Board is responsible for ensuring that the JDA protects, enhances and invests in the economy, society and the natural environment, and pursues its activities within the limits of social, political and environmental responsibilities outlined 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 also 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 a number of 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 neighbourhood level. In many areas these plans are initiated by the residents of a particular area. The planning department is investigating ways of helping people to pool their resources in communities in order to participate in preparing precinct plans.

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

The Board of Directors of the JDA subscribes to good corporate governance expressed in the King Code and the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, 2000 (MSA). The Board recognises the need to conduct the affairs of the municipal entity with integrity to ensure increased public confidence and the confidence of 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. Mr Mongezi Ntanga was the Chairperson of the Board and a non-executive director in the period and up to the 10th March 2020. From the 11th March 2020 to 31st March 2020, Mr Papi Kganare was Chairperson of the Board and a non-executive director. 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 in accordance with the provisions of the Municipal Systems Act, govern the entity's relationship with the CoJ. The Board provides quarterly, biannual and annual reports on its performance and service delivery to the City of Johannesburg as prescribed in the service delivery agreement, the shareholder compact, the MFMA and the Municipal Systems Act.

Non-executive directors maintain an independent stance to matters under consideration and add to the Board’s depth of experience. The roles of the Chairperson and Chief Executive Officer are separate, with responsibilities divided between them. Members have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters such as corporate governance, compliance with company rules and procedures, statutory requirements, regulations and best corporate practices.

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

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

As at the 1st January 2020 to 11th March 2020, the Board of Directors consisted of the following members:

- (i) Mr Mongezi Ntanga (Chairperson);
- (ii) Mr Edgar Peters;
- (iii) Mr Krishna Govender;
- (iv) Mr Tiyani Sambo;
- (v) Mr Panos Zagaretos;
- (vi) Ms Steineke Jensma;
- (vii) Mr Arron Steyn (Resigned with effect from 27 November 2019);
- (viii) Dr Geci Karuri-Sebina; and
- (ix) Ms Sherylee Moonsamy (as Chief Financial Officer and Executive Director);

The following members were appointed as Independent Audit and Risk Committee members:

- (i) Ms Keabetswe Onuoka; and
- (ii) Mr Zukisani Samsam
- (iii) Mr Kantharuben Moodley (Deceased)

TABLE 7: JDA BOARD OF DIRECTORS FOR THE PERIOD 1 JANUARY 2020 – 11 MARCH 2020

Board member	Capacity: Executive/nonexecutive	Race	Gender	Board Committee Membership
M Ntanga	Chairperson (Non-executive)	Black	Male	Board (Chair)
K Govender	Non-executive	Indian	Male	Audit and Risk Committee (Chair)
T Sambo	Non-executive	Black	Male	Development and Investment Committee
P Zagaretos	Non-executive	White	Male	Social & Ethics/ Human Resources and Remuneration Committee Development and Investment Committee
G Karuri-Sebina	Non-executive	Black	Female	Development and Investment Committee (Chair)
Steineke Jensma	Non-executive	Coloured	Female	Social & Ethics/ Human Resources and Remuneration Committee (Chair)

Board member	Capacity: Executive/nonexecutive	Race	Gender	Board Committee Membership
A Steyn ²	Non-executive	Coloured	Male	Audit and Risk Committee
Edgar Peters	Non-executive	Indian	Male	Social & Ethics/Human Resources and Remuneration Committee

As at the 11th March 2020 to 31st March 2020, the Board of Directors consisted of the following members:

- (i) Mr Papi Kganare (Chairperson);
- (i) Mr Mongezi Ntanga;
- (ii) Mr Errol Vincent Magerman;
- (iii) Ms Virginia Magale;
- (iv) Ms Seipati Moichela;
- (v) Dr Murunwa Makwarela;
- (vi) Mr Mzwandile Hleko;
- (vii) Ms Nokuzola Moilola;
- (viii) Mr Sakhile Masango
- (ix) Mr Thabo Motloun;
- (x) Mr Thomas Mvundle
- (xi) Mr Floyd Brink (as Acting Chief Executive Officer); and
- (xii) Ms Sherylee Moonsamy (as Chief Financial Officer and Executive Director);

The following members were appointed as Independent Audit and Risk Committee members:

- (iv) Ms Keabetswe Onuoka; and
- (v) Mr Tumisho Makofane; and
- (vi) Mr Vincent Vhena

TABLE 8: JDA BOARD OF DIRECTORS FOR THE PERIOD 11 MARCH 2020 – 31 MARCH 2020

Board member	Capacity: Executive/ Non-executive	Race	Gender	Board Committee Membership
P Kganare	Chairperson (Non-executive)	Black	Male	Board (Chair) Development and Investment
M Ntanga	Non-executive	Black	Male	Development and Investment (Chair)
EV Magerman	Non-executive	Black	Male	Development and Investment
V Magale	Non-executive	Black	Female	Audit and Risk
S Moichela	Non-executive	Black	Female	Audit and Risk (Chair) Development and Investment
M Makwarela	Non-executive	Black	Male	Social Ethics, Human Resources and Remuneration (Chair) Development and Investment
M Hleko	Non-executive	Black	Male	Social Ethics, Human Resources and Remuneration
N Moilola	Non-executive	Black	Female	Social Ethics, Human Resources and Remuneration
S Masango	Non-executive	Black	Male	Audit and Risk
T Motloun	Non-executive	Black	Male	Social Ethics, Human Resources and Remuneration
T Mvundle	Non-executive	Black	Male	Social Ethics, Human Resources and Remuneration

² Resigned with effect from 27 November 2019

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

The Board meets regularly, retains full and effective control over the company and monitors the implementation of the company's strategic programmes by the executive management through a structured approach of reporting and accountability.

Due to the lockdown (Covid-19) the New Board is taking decisions via Round Robin Resolutions within April / May 2020.

The Board 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 9: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (1 JANUARY 2020 – 11 MARCH 2020)

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
M Ntanga	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K Govender	2	2	0	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S Jensma	2	2	0	0	N/A	N/A	N/A	N/A	0	0	0	0	N/A	N/A	N/A	N/A
P Zagaretos	2	2	0	0	N/A	N/A	N/A	N/A	0	0	0	0	3	3	0	0
G Karuri-Sebina	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	3	0	0
T Sambo	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	2	1	0
E Peters (New Member of the ARC as at 9 January 2020)	2	2	0	0	1	1	0	0	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
A Steyn (Resigned with effect from 27 November 2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K Moodley (Independent Audit & Risk member) (Decease August 2019)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K Onuoka (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Z Samsam (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Board Committees

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

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

Each committee composition is as follows:

TABLE 10: 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 two independent members, meets 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"> • K Govender (Chairperson) • A Steyn (Resigned with effect from 27 November 2019); • Z Samsam (Independent Member) • K Moodley (Independent Member) (Deceased in August 2019) • K Onuoka (Independent Member) • E Peters (New member as at 09 January 2020) 	<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 conducts its business in a sustainable manner, 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"> • S Jensma (Chairperson) • E Peters • P Zagaretos 	<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 in accordance with 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"> • J Karuri-Sebina (Chairperson) • T Sambo • P Zagaretos 	<p>The Committee is responsible for evaluating development proposals with a view to making 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 organisation'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 2020 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 11: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES IN THE 1 JANUARY 2020 – 31 MARCH 2020

Name	Designation	Salary/Board Fees (R's)	Pension (R's)	Acting Allowance	Bonus/Board Retention Fees (R's)	Travel allowance (R's)	Total (R's)
Executive Directors and Senior Management							
S Moonsamy	CFO	1 136 739	144 603		136 783		1 418 125
Z Tshabalala	CAE	863 149	90 613		150 095		1 103 857
D Cohen	EM: Strategy & Planning(Acting CEO until 31 August 2019)	975 044	102 360	75 906	169 552		1 322 861
R Shirinda	Company Secretary	1 056 293	110 890		122 454		1 289 637
B Seopela	EM: Corporate Services	1 481 194	-		222 527		1 703 721
N Mulovhedzi	Senior Development Manager	847 750	107 841		153 014		1 108 604
P Mkhize	Senior Development Manager	879 935	92375		153 014		1 125 324
M. Soni	EM: Development Implementation	982 125	-		180 000	108 000	1 270 125
Sub-Total		8 222 228	648 682	75 906	1 287 439	108 000	10 342 254
Non-Executive Directors & Independent Audit Committee Members							
M Ntanga	Chairperson	112 000					112 000
T Sambo	Board Member	48 000					48 000
Dr G Karuri-Sebina	Board Member	88 000					88 000
E Peters	Board Member	108 000					108 000
A Steyn (Resigned)	Board Member	72 000					72 000
K Govender	Board Member	150 000					150 000
P Zagaretos	Board Member	84 000					84 000
Stieneke Jensma	Board Member	-					-
K Moodley	Independent Audit and Risk Committee Member	12 000					12 000
K Onuoka	Independent Audit and Risk Committee Member	56 000					56 000
Z Samsam	Independent Audit and Risk Committee Member	54 000					54 000
Sub-Total		784 000	-	-	-	-	784 000
TOTAL		9 006 228	648 682	75 906	1 287 439	108 000	11 126 254

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.

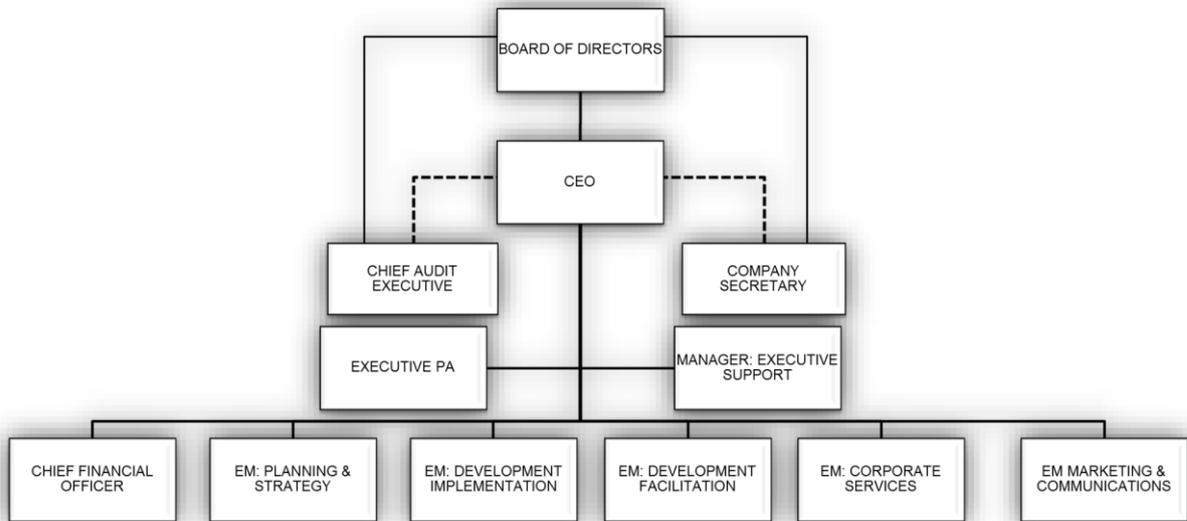
The Company Secretary's work covers a wide variety of functions, including but not limited to:

- Organising, 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 optimise the impact of the catalytic public investments, and the establishment of urban management partnerships to ensure the sustainability of the catalytic public investments. The organisational structure during the reporting period is presented below.

FIGURE 4: HIGH LEVEL ORGANISATION STRUCTURE



SECTION 3: RISK MANAGEMENT

The JDA's Board monitors risk through the Audit and Risk Committee, which ensures that there is an effective risk management process and system in place. The committee recommends risk strategies and policies that need to be set, implemented and monitored. The JDA Board is responsible for identifying, assessing and monitoring the risks reported 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 approved during the third quarter of 2019/20 financial year:

TABLE 12: BOARD / ARC RECOMMENDED RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES

Programmes and/or activities	Board / ARC Recommended
Strategic Risks Management and Monitoring	Noted
Operational Risks Management and Monitoring	Noted
Universal Regulatory Register (URR) and Compliance Monitoring	Noted
Contracted Service Provider for Legislation updates	Noted
Business Continuity Management Programme Framework/ Charter	Approved
Fraud Detection Review on Project Implementation (Outsourced)	Noted

TABLE 13: EXCO APPROVED RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES

Programmes and/or activities	EXCO
2019/20 Operational Risks Assessment	Noted
Business Continuity Management Programme Framework/ Charter	Approved

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.

Corporate Ethics and Organisational Integrity

The JDA and its Board subscribe to high ethical standards and principles. The leadership provided by the Board is characterised by the values of responsibility, accountability, fairness and transparency, and has been a defining characteristic 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 recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the Board is sensitive to the 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 behaviour and professionalism. Through its code of conduct, the JDA is committed to:

- The highest standards of integrity and behaviour 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 at all times. 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 endeavour 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 document and was approved by EXCO³ and is monitored quarterly.

Critical to the anti-fraud and anti-corruption programme is the prevention strategic pillar as contained in the Fraud Prevention Strategy and Response Plan, as part of the prevention strategy, the following fraud risk management documents were reviewed and presented to the Audit & Risk Committee on the 28th June 2019 with exception of the Whistle Blowing Policy which was recommended to be presented to Social & Ethics Committee prior to Board approval.

- Fraud Risk Management Policies
- Fraud Prevention Strategy and Response Plan; and
- Declaration of Interest Policy

The Whistle Blowing Policy was presented to Social & Ethics Committee on the 19th September 2019 and certain amendments were proposed to ensure alignment to COJ Whistle Blowing Policy.

There were no cases reported in third quarter of 2019/20 financial year. Refer to the Fraud Case Register below:

³ 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 IN 2019/20

No	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	Value (if know/ applicable)
1	2019/07/19	7/2-011424/17	Public Protector	Not known	Acquisition of land and construction at an excessive amount for the construction of Walter Sisulu square.	Corruption	The JDA previous response to the Public Protector regarding the land was accepted. To close the investigation Public Protector's office is requesting that the construction process was awarded through a public process. The JDA has submitted the necessary supporting evidence to the Public Protector	Sello Ernest Raselalome SelloR@pprotect.org	R400m
2	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	Matter referred to Group Forensics and Investigation Services for investigation. The investigation is still at the initial stage of collecting evidence it is envisaged to be completed before the end of financial year.	Lesiba Mashasha 0837026915	Unknown
3	2018/12/07	GFIS 44/12/2018	Chief Executive Officer	One	Unauthorized wavering of Construction penalties	Fraud, corruption or maladministration	Matter referred to Group Forensics and Investigation Services for investigation. The investigation was paused due to other competing investigations. It is envisaged that it will be commenced at the	Phuti Ramara 0836283576	R4.5m

No	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	Value (if know/ applicable)
							beginning of the second quarter of the financial year.		
4	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 or maladministration	The matter was referred to Group Forensics and Investigation Services for investigation. Investigation paused due to competing investigations. It is envisaged that it will be commenced at the beginning of the second quarter of the financial year.	Deputy Director Sibande 0837026918	Unknown
5	2018/06/13	107/06/2018	City Manager	Not known	Irregular acquisition of a Statue of the late President Nelson Mandela	Fraud, corruption or maladministration	Investigation is still underway and conducted by the Public Protector's office. No progress provided by the Public Protector.	Unknown	Unknown
6	2018/04/11	GFIS 184/04/2018	City of Johannesburg Hotline	One	JDA Official allegedly solicited bribe.	Corruption/ bribery	The matter was referred to GFIS for investigation. The investigation was paused due to other competing investigation, it is envisaged that it will be commenced at the beginning of the second quarter of the financial year.	Deputy Director Sibande 0837026918	Unknown
7	2018/03/16	105/03/2018	Chief Executive Officer	Not known	Unfair disqualification of SMMEs	Suspected corruption	Matter referred to GFIS for investigation. (Investigation not commenced, still to	Unknown	Unknown

No	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	Value (if know/ applicable)
							allocate an Investigation Officer).		
8	2017/10/16	GFIS 485/09/2017	City of Johannesburg Group Fraud and Investigation Services	One	Underpayment of SMMEs.	Corruption	Investigation is conducted by Group Fraud and Investigations Services. Investigation completed, report attached.	Mshiwa Sibande 0837026918	Unknown

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

SECTION 5: ICT GOVERNANCE

The ICT Strategy has been reviewed and in line with the JDA's ICT governance framework, it has been submitted to the ICT Steering Committee and served at the JDA's Executive Committee and Audit and Risk Committees respectively. Subject to the feasibility of the ICT Cloud Strategy, to be presented to the Audit and Risk Committee in Q4, the ICT Strategy will thereafter be submitted to the Board.

The review of the ICT strategy therefore takes a radical assessment of IT as an enabler of the JDA business, as an informer and major contributor to JDA business intelligence and decision making, a magnifier and innovator of the JDA business processes, a driver of positive change and driver of operational efficiency and effectiveness.

The review additionally takes into account the need for cost containment and how best it be applied without compromising the value of delivering smart solutions, in such a way that it creates, modifies, aligns and magnifies IT capability at the JDA.

The end or objective of an IT Strategy is to create shareholder value, stakeholder value and business value. This objective is not met unless the JDA maximizes value through use the least amount of resources, and risk to create the most returns.

In this year to date the ICT Steering Committee has met five times, in order to ensure there is a continual radar and accountability in terms of ICT governance.

Enterprise Resource Planning

One of the most important aspects of the implementation of Enterprise Resource Planning is its ability to handle high volume and high value transactions, as well as provide a firm handle on budget availability control, contract management, as well as handle project management life cycle activities.

Statistics drawn from the help desk system show a significant decline in issues logged, since the beginning of the financial year. Management will continue to work closely with the user community to ensure that there is maximum support as and when it is needed.

Network Performance

Network performance for this quarter has been 100% against a target of 100%. The total volume of data transmitted out was 1,97Tb as compared to the volume transported in of 349.23GB. The network has an additional available capacity of 10% based on the current 90% utilisation. The current line speed is 41Mbps. There is no lost data packets in and out of the network. The network is therefore being utilised within its capacity levels with no over utilisation recorded in this period.

Infrastructure changes

The JDA recently took receipt of new server infrastructure. The replacement of the old server infrastructure came at an opportune moment when load shedding has just been re-introduced, and in the last half of the financial year when system activity generally reaches a peak.

The major benefit of this development is that it will greatly improve processing speeds of data, as well as to ensure that users are able to work in a much more productive manner through faster interaction with systems.

SAP

JDA continues to partner with COJ in the broader SAP transformation project. This quarter saw the setup of the router to allow connection to the consolidated SAP platform. Testing is underway to ensure that the JDA can access the consolidated SAP platform.

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:-

- 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 3 out of 268 compliance obligations that are non-compliant for the third quarter. The overall URR compliance is 99%.

The JDA incurred irregular expenditure to the value of R26 656 for the period 1 July 2019 to 31 December 2019. This related to the continuation of the prior years' expenditure on the City-wide Avis Fleet contract which came to end on 31st October 2019.

During the third quarter of 2019/20, the JDA has not incurred irregular expenditure.

SECTION 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The JDA is currently in the process of developing a Corporate Social Responsibility (CSR) Framework to help guide how the organisation undertakes CSR initiatives. The annual budget for this financial year is R382, 914. There were no CSR initiatives undertaken in this quarter, the JDA has established a CSR Committee and identified 4 projects for possible implementation in Quarter 4.

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

TABLE 15: CSR FOCUS AREAS FOR THIS FINANCIAL YEAR

Focus areas	Programmes
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 programmes in underprivileged areas
Conservation and Environment	Support projects that focus on conservation awareness and education including waste management, water conservation, energy and disaster relief programmes (e.g. food gardens)
Education	Support for community or public education facilities; programmes that support the production of indigenous, appropriate knowledge streams relevant to the JDA and its work; programmes that support improvement of Mathematics, Science, Information and Communications Technology, Engineering for underprivileged children.
Health	Support of community clinics; health programmes in 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 or underemployed; educational programmes in the community; Women and Youth leadership development
	Learnership/internship programme; graduate training programme; bursaries, Participation in national government's Youth Employment Service (YES4Youth) Programme, and the JDA's Enterprise Development Programme.
	Ongoing education, training and development of JDA employees, employee wellness programme
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 neighbourhoods, their communities and themselves. A balanced focus on environmental management and services, good governance, economic growth, and human and social development will help in achieving a resilient and sustainable city – and a city in which all aspire to live.

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

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

Environmental Impact

Environmental sustainability plays an integral part in all of the JDA’s development projects, which all comply with environmental impact regulations. To minimise 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 liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives. The two JDA programmes are a direct response to Outcome 2.

TABLE 16: JDA PROGRAMMES

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 Revitalisation Sub-Programme 2B: Urban Infrastructure Delivery Sub-Programme

SECTION 9: INSURANCE CLAIMS AGAINST/TO MOES

There was no new insurance claims filed in the third quarter of 2019/20 financial year, hence the claims registered are emanating from the previous financial years. Refer to the table below for the current open claims against the JDA.

Delays in some claims being finalised are attributable to the lengthy legal contestation process of determining liability or opposing claim against the City.

TABLE 17: INSURANCE CLAIMS REGISTER

No.	Insured Year	Claim Number	Date of Loss	Date Notified	Days Outstanding	Risk Description	Gross Claim Amount	Risk Category
1	2014/15	51549204	14/07/2014	29/06/2017	722	Injury/ fatality to third parties	599 360.00	Public liability
2	2014/15	51557341	8/03/2016	17/07/2016	1090	Accidental damage	5 000.00	Public liability
3	2017/18	51551626	12/06/2017	02/10/2017	638	Negligence / Contractual Obligation	705 000	Liability
4	2018/19	51574248	30/01/2018	28/03/2019	90	Storm / flood / inland	Not determined yet	Assets
5	2018/19	51574102	10/10/2018	03/04/2019	87	Accidental damage	Not determined yet	Contractors all risks

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The 3rd Quarter report has been prepared against the JDA's 2019/20 business plan and adjusted scorecard. Of the JDA's 17 Strategic KPIs, the JDA achieved 65% performance target achieved and 35% performance target not achieved.

The focus on reporting on highlights and achievement is reflected for each of the JDA's substantive programmes, as per the table 16 below.

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 of the output and outcome performance measures that the JDA should collect data on for a range of timeframes (quarterly, annually or periodically). From this reporting framework, the annual scorecard is developed and the performance targets are set. The JDA policy and reporting framework only defines a target as achieved with a 95–100% rating, a target as partially achieved with an 80–94% rating and a target not achieved with anything less than a 79% rating. Hence any less than 80% is regarded as not achieved.

TABLE 18: SUMMARY OF KPI PERFORMANCE

IDP Priority /	IDP programmes	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)	3	43%	0	0%	4	57%
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)	2	100%	0	0%	0	0%
Day-to-day Programme	Other IDP or Day-to Day programmes	6	(12-13-14-15-16-17)	4	67%	0	0%	2	33%
		17		11	65%	0	0%	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 projects. Some of these issues are highlighted below:

- Although the construction is underway 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 finalise the negotiations of the land acquisition agreement.
- Various delays were experience specifically in the Contract Award stage. In summary, the reasons for such delays included lack of timeous planning and/or administrative approvals, changes in scope made by the Client department, lengthy consultation with communities and/or affected parties such as taxi associations.

SECTION 3: JDA PROGRAMMES, PROJECTS AND DAY-TO-DAY OPERATIONS

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

TABLE 19: SUMMARY OF JDA PROGRAMMES

JDA Substantive Programme	JDA Sub-Programme	Purpose
1. Strategic Economic Node Delivery Programme	1A: Inner city transformation Programme	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.

JDA Substantive Programme	JDA Sub-Programme	Purpose
	1B: Economic Node Sub-Programme	<p>The objective is to develop nodes that are compact, walkable, livable, mixed use and mixed income areas and centres around which to densify. They should be areas where people can live, work and play and have good access to public transit. Guided by the CoJ policy⁴ on the categorising the current city nodes with prospects for growth, the work of the programme is to promote densification, diversification and development in these nodes.</p> <p>The main categories of nodes are: mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighbourhood nodes.</p>
2. Accelerated Public Infrastructure Delivery Programme	2A: Deprivation Areas Revitalisation Sub-Programme	<p>Investment is specifically required to eradicate backlogs and deficiencies of engineering and social infrastructure related to the revitalization of deprivation areas. Investment in these areas also needs to address the structural and built form aspects that have been raised in the SDF. Infrastructure investment is therefore targeted at resolving problems specifically related to the deprivation areas and at the same time create sustainable and livable settlements as an outcome.</p> <p>A number of deprivation area programmes are already in place (previously referred to as marginalised area programmes) including Orange Farm, Diepsloot, Ivory Park/Kaalfontein and Alexandra</p>
	2B: Urban Infrastructure Delivery Sub-Programme	<p>The objective is to effectively and efficiently deliver on the City's priority social and/or economic infrastructure programmes. This work includes overseeing capital investments by other departments and entities. This programme includes Rea Vaya BRT infrastructure, taxi and transport facilities, primary healthcare clinics and fire-stations.</p>
3. Economic Empowerment Programme		<p>A cluster of the JDA's economic development programmes that aims to (i) Develop skills and capacity within the construction industry in Johannesburg (ii) Optimise 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.</p>
4: Good Governance, Management and Administration		<p>This programme manages the governance, admin and operational functions and improves efficiency through Finance, Governance, Risk and Compliance, Supply Chain Management and IT.</p>

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. The actual capital expenditure for the period ended 31st March 2020 was R621 786 million (2018/19: R543 026 million) against a budget of R653 278 million (2018/19: R651 229 million). This represents 95% (2018/19:83%) achievement of the budgeted capex for quarter and 48% (2018/19:42%) of the overall annual budget of R1 306 555 billion. There are however various factors that continue to affect projects including poor contractor performance, i.e. not adhering to the agreed project schedule or performing to the required quality as well community stoppages from affected parties in project area. These issues are highlighted individually per project in the tables below.

TABLE 18: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE

Overall Programme Performance	2019/20 Annual Budget	Target YTD	Actual YTD	Target %	% Actual / Annual budget Expenditure
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 306 555	653 278	621 786	95%	48%

SECTION 6: ORGANISATIONAL PERFORMANCE

The JDA’s progress towards achieving its KPIs is assessed using the performance scorecard, which **TABLE 17: KPI ACHIEVEMENT RATINGS** 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

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

performance and efficiency, and achieve longer-term goals for specific developments, such as area-based revitalisation.

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.

Note: Due to the change of Board (11th March 2020) and the non-approval of the budget adjustment by Council, the JDA did not get an opportunity to present an amended scorecard to the ARC and Board prior to the conclusion of the 3rd Quarter, as normally is the case. The impact of this is that the scorecard continues to reflect project KPI’s that should have either been removed from the scorecard, as no SLA was signed or budget provided by the client department, or project KPI milestones shifted to the Q4, for performance or procurement related issues. Hence the JDA is reflecting performance against the original scorecard, which is impacting the overall performance percentages of the JDA. A summary of the required changes, is yet to be approved by the Board, but a draft is available in Annexure 2: Amended JDA Scorecard

Performance per programme and per KPA as per the original 209/20 scorecard are summarised in the table below:

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

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
Inner city regeneration, including key	1) Number of pre-feasibility plans or studies ⁶ produced, reviewed or updated	8	4 (cumulative)	1	1	-		Target achieved.	
			High Court Precinct Study					Target	

⁵ Baseline is 2017/18 until the 2019/20 Annual Report has been audited and approved

⁶ Detailed local area plans, detailed local area implementation plans or area-based studies

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
economic nodes including the implementation of the Transit Oriented Development Corridors	2) Number of projects at concept design phase	9	23 (cumulative)	17	11	6	☹️	Target was not achieved. The following projects did not achieve the Concept Design Phase target as planned: Melville Activity Street_Neighbourhood Development_CoF_Upgrade; Pennyville Precinct Renewal Precinct Redevelopment PENNYVILLE EXT.1 B City Wide; PRINCESS Renewal Clinic PRINCESS C Ward; Revitalization of Pageview and Vrededorp; ACH - Joburg Art Gallery Upgrade JOHANNESBURG F; Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward.	
Increased infrastructure investment (from both public and private sectors)			1. Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional: Phase 2				Target achieved		
			2. Heritage Bridge Landscaping				Target achieved		
			3. 4003_06_Inner City Partnership Fund: Round 2				Target achieved		
Residents live, work and play close to			4. Naledi clinic New Building NALEDI D				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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
work, leisure and cultural opportunities Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure			5. Rec - Construction of the new multipurpose centre (Library included) at Kaalfontein (Ebony Park) New Community Centre KAALFONTEIN EXT.4 A Ward				Target achieved.		
			6. Guard Houses and Customer centers				Target achieved.		
			7. PTF: Redevelopment of Inner City Ranks				Target achieved.		
			8. 3877_09_New Turffontein Clinic & Multi-purpose centre				Target achieved.		
			9. Balfour Park Transit Precinct Development (Louis Botha Corridor) Renewal Precinct Redevelopment SAVOY ESTATE E City Wide				Target achieved.		
			10. NR: Nodal Regeneration: Braamfontein Precinct				Target achieved.		
			11. PTF: Small Public Transport Facility Design and Construction of Kya Sand Superstop New Nodal Transport Facilities KYA SAND				Target achieved.		
			12. Melville Activity Street_Neighbourhood Development_ CoF_Upgrade					Target not achieved.	The appointment of professional teams was delayed but has since been concluded. Work on the

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
								project concepts and all related studies are underway	
			13. Pennyville Precinct Renewal Precinct Redevelopment PENNYVILLE EXT.1 B City Wide				Target not achieved.	The appointment of professional teams was delayed but has since been concluded. Work on the project concepts and all related studies are underway	Project concept target will be achieved in Q4.
			14. PRINCESS Renewal Clinic PRINCESS C Ward				Target not achieved.	Project was included as part of original list during business plan approval stage (May 2018). Subsequent to that the project was excluded from the Client (Health) and JDA SLA.	Hence post July 2019, this project was not a JDA project. The intention was that this project was to be removed during the Mid-Year scorecard adjustment process when presented to the newly appointed Board and ARC subcommittee. Due to circumstances beyond the control of the JDA, there were no meetings of the new Board or ARC in March.
			15. Revitalization of Pageview and Vrededorp				Target not achieved.	The appointment of professional teams was delayed but has since been concluded. Work on the project concepts and all related studies are	Project concept target will be achieved 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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
								underway	
			16. ACH - Joburg Art Gallery Upgrade JOHANNESBURG F				Target not achieved.	Project was included as part of original list during business plan approval stage (May 2018). Subsequent to that the project was excluded from the Client (ComDev) and JDA SLA.	Hence post July 2019, this project was not a JDA project. The intention was that this project was to be removed during the Mid-Year scorecard adjustment process when presented to the newly appointed Board and ARC subcommittee. Due to circumstances beyond the control of the JDA, there were no meetings of the new Board or ARC in March.
			17. Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward				Target not achieved.	Project was included as part of original list during business plan approval stage (May 2018). Subsequent to that the project was excluded from the Client (ComDev) and JDA SLA.	Hence post July 2019, this project was not a JDA project. The intention was that this project was to be removed during the Mid-Year scorecard adjustment process when presented to the newly appointed Board and ARC subcommittee. Due to circumstances beyond the control of the JDA, there were no meetings of the new Board or ARC in March.

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 enhanced quality of life that provides meaningful redress through pro-poor development										
IDP programme/s	Key Performance Indicator		Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
	3) Number of projects reaching contract award stage	10		22 (cumulative)	19	4	15		Target was not achieved. The following projects did not achieve the Contract Award target as planned: COMPL: Sidewalk Improvements: Chiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities CHIAWELO D City Wide; CORR - Louis Botha Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional; Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional: Phase 2; Lehae MPC New Construction LEHAE G; PTF Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities ZOLA D Regional; PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G); PTF: Small Public Transport Facilities: Tshepisong; Regeneration of Lenasia CBD and Anchorville Industrial Hub – Region G; Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C; Small: Public Transport Facility in Zakariya Park Region G; 3877_01_Brixton Social Cluster: Work Package 2 : Library, Pool and Related Facilities; 4003_06_Inner City Partnership Fund: Round 2; Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward; Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route; Melville Activity Street_Neighbourhood Development_CoF_Upgrade	

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
			1. Banakekelen Hospice New Clinic ALEXANDRA EXT.38 E Ward				Target Achieved		
			2. CORR - Perth Empire Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and New Constriction and Upgrading Renewal Corridors of Freedom Intervention WESTBURY B Regional				Target achieved.		
			3. Heritage Bridge Landscaping				Target achieved.		
			4. Rec - Construction of the new multipurpose centre (Library included) at Kaalfontein(Ebony Park) New Community Centre KAALFONTEIN EXT.4 A Ward				Target Achieved		
			5. COMPL: Sidewalk Improvements: Chiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities CHIAWELO D City Wide				Target not achieved.	Project currently completing transport studies with additional concept for additional streets to be presented to DEVCO in the 4th Quarter 2019/20 financial year. Panel of Civil Engineers bids received and currently being evaluated, panel of transport engineers at	Project is meant to achieve Detailed Design this financial year. Appointment of the Main Contractor is anticipated to be concluded in the first quarter of the 2020/21 financial year.

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
								Internal Audit for review.	
			6. CORR - Louis Botha Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional				Target not achieved.	Phase 1 was completed in Q1. Phase 2 of this project was included as part of original list during business plan approval stage (May 2018).	Subsequent to that it was required to restart with a new planning phase and new technical team. Contract award will only take place later in FY or early next FY. The intention was that this project was to be removed during the Mid-Year scorecard adjustment process when presented to the newly appointed Board and ARC subcommittee. Due to circumstances beyond the control of the JDA, there were no meetings of the new Board or ARC in March.
			7. Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional: Phase 2				Target not achieved.	There were delays due to the outstanding approvals from EISD and DWA for the 1st phase of the project; this has impacted on the initiation of procurement processes for the tender for the appointment of the Main Contractor.	Due to the delays as indicated, it was resolved that a 2 stage bidding process would be undertaken; the tender closed on the 23rd March 2020. Pre-qualification of tenders is scheduled to be concluded by mid-April and stage 2 to commence in preparation for appointment by May 2020.

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
			8. Lehae MPC New Construction LEHAE G				Target not achieved	Due to outstanding SDP approvals not concluded and failure to obtain building plan approvals on time, the project plan has been revised by the client to achieve detail design and prepare for tender stage during the final quarter of 2019/20 financial year with the budget planned to be reallocated to Ivory Park Swimming Pool	The adjustment was subsequently not approved and implementation of the project will be in 2 phases with the first phase only concentrating on the earthworks.
			9. PTF Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities ZOLA D Regional				Target not achieved.	Ongoing consultations with client on numerous changes in relation to the scope and town planning approvals have impacted negatively on the progress of procuring the Main Contractor.	BAC report for the approval of the appointment of the Main Contractors was approved on the 28th February 2020. The report has been submitted to Internal Audit for review; anticipate feedback by end March 2020 and Main Contractor anticipated being on site in April 2020.
			10. PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G)				Target not achieved.	The Land Use rights issue has not been finalised and this has impacted on the progress and timelines of the project.	BAC report for the approval of the appointment of the Main Contractors was approved on the 28th February 2020. The report has been submitted to Internal Audit for review; anticipate

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
									feedback by end March 2020 and Main Contractor is anticipated to be on site in April 2020.
			11. PTF: Small Public Transport Facilities: Tshepisong				Target not achieved	The client has been issued with revised SDP layout according to their comments. Professional team attending to additional comments received for inclusion in the detailed design.	BAC report for the approval of the appointment of the Main Contractors was approved on the 28th February 2020. The report has been submitted to Internal Audit for review; anticipate feedback by end March 2020 and Main Contractor anticipated being on site in April 2020.
			12. Regeneration of Lenasia CBD and Anchorville Industrial Hub – Region G				Target Not Achieved.	Appointment of the main contractor in progress. The report was supposed to have gone to BAC on the 6th of March but it was postponed for the 17 March 2020.	Following approval by the Bid Adjudication Committee the appointment of the Main Contractor and establishment on site will be fast tracked to ensure project works start in April 2020.
			13. Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C				Target Not Achieved.	Design plans submitted to PRASA for review and feedback delayed the process. However the BAC report has been approved and currently being reviewed by Internal Audit, it is expected to be returned by the 25th	The BoQ and plans are ready for the 2nd stage and upon approval and signing by the A/CEO the contractor will be on site before the end March 2020.

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
								March 2020 with the feedback provided.	
			14. Small: Public Transport Facility in Zakariya Park Region G				Target Not Achieved.	Ongoing consultations with client on numerous changes in relation to the scope and town planning approvals have impacted negatively on the progress of procuring the Main Contractor.	BAC report for the approval of the appointment of the Main Contractors was approved on the 28th February 2020. The report has been submitted to Internal Audit for review; anticipate feedback by end March 2020 and Main Contractor anticipated being on site in April 2020.
			15. 3877_01_Brixton Social Cluster: Work Package 2 : Library, Pool and Related Facilities				Target Not Achieved	Appointment of Main Contractor could not proceed until the issue of outstanding permanent power and water connections was resolved.	The tender for the appointment of the Main Contractor closed on the 17th February 2020, evaluations are in progress and the report is anticipated to be tabled at the Bid Adjudication Committee by 27th March 2020.
			16. 4003_06_Inner City Partnership Fund: Round 2				Target Not Achieved	Ongoing consultations with client on numerous changes in relation to the scope and town planning approvals have impacted negatively on the progress of procuring the Main	BAC report for the approval of the appointment of the Main Contractors will be concluded in April

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
								Contractor.	
			17. Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward				Target Not Achieved	Project was included as part of original list during business plan approval stage (May 2018). Subsequent to that the project was excluded from the Client (ComDev) and JDA SLA.	Hence post July 2019, this project was not a JDA project. The intention was that this project was to be removed during the Mid-Year scorecard adjustment process when presented to the newly appointed Board and ARC subcommittee. Due to circumstances beyond the control of the JDA, there were no meetings of the new Board or ARC in March.
			18. Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route				Target Not Achieved	Delays were due to discrepancies between KFW and the JDA regarding inclusions in the tender document that had to be resolved. The issue was subsequently resolved.	Tender for the appointment of the Main Contractor closed on the 22nd March 2020. The bids will be evaluated and a report for recommendation submitted to the Bid Adjudication Committee for approval, the appointment process is anticipated to be concluded end April 2020.
			19. Melville Activity Street_Neighbourhood Development_CoF_Upgrade				Target Not Achieved	The appointment of professional teams was delayed but has since been concluded. Work on the project concepts and all	Project award target will be achieved 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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
								related studies are underway	
	4) Number of projects reaching practical completion stage	11	35 (cumulative)	8	1	7		Target was not achieved. The following projects did not achieve the practical completion target as planned: 3877_01_Brixton Social Cluster: Work Package 1 : New multi-purpose sports and recreation hall; 4003_06_Inner City Partnership Fund: Round 1; Orchards Clinic; 3877_13_Paterson Park - stormwater & new social facilities, park and road upgrading; 4003_03_Ghandi Square East; Florida Clinic; Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E	
			1. COMPL: Sidewalk Improvements: Dube NMT Links: DUBE D City Wide				Target achieved		
			2. 3877_01_Brixton Social Cluster: Work Package 1 : New multi-purpose sports and recreation hall				Target not achieved	Appointment of Main Contractor could not proceed until the issue of outstanding permanent power and water connections was resolved	The practical completion stage is anticipated to be reached by fourth quarter of the 2019/20 financial year.
			3. 4003_06_Inner City Partnership Fund: Round 1				Target not achieved	KPI not met due to persisting project stoppages in Hillbrow	The CPC is working closely with the stakeholders to ensure issues are resolved timeously. Revised practical completion planned for the fourth quarter.

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
			4. Orchards Clinic				Target not achieved	Practical completion will not be met this financial due to the poor performance of the main contractor.	Fikile Construction has ceded the contract to GVK SiyaZama and a cession agreement has been signed by Fikile, GVK and the JDA. - GVK is in the process of completing a dilapidation report – to detail the status of the site as they found it, before commencing with the construction - GVK is in the process of compiling their Health & Safety file for approval by the OHS consultant. Professional team to have a drawings workshop meeting with GVK to go through the drawings and to understand the balance of works to be done a report will be provided by end March 2020. The revised completion date will be provided after the programme from GVK has been finalized.
			5. 3877_13_Paterson Park - stormwater & new social facilities, park and road upgrading				Target not achieved	The scope of the project has been increased to include the rehabilitation of the eastern culvert; this has necessitated the revision of the Practical Completion date to the 19th of May 2020.	Construction progress achieved thus far is at 89%, barring any adverse weather conditions and considering the works that remain the revised Practical Completion date of the 19th of May 2020 is achievable

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
								Cumulatively, the development has achieved 70% progress. The new Contractor took occupation of the site in November 2018; the installation of services, concrete works, brickwork, structural steel and roof coverings have been completed. Internal finishes, external finishes, eastern culvert repairs, civil works, boundary walls and landscaping are the main activities that the Contractor is currently undertaking.	

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
			6. 4003_03_Ghandi Square East				Target not achieved	Initial practical completion target was for the 23rd March 2020. The project has experienced delays due to poor contractor performance, Road Accidents; Damage to existing services and property; Resistance and stoppages to the project by community / or unsuccessful SMMEs; February 2020, Extension of time requested to 30 March 2020, including reduction of scope request. Contractor currently far behind on progress.	Extension of time requested to 30 March 2020, including reduction of scope request. Contractor currently far behind on progress. Main Contactor will be closely monitored to ensure catch up on construction works.
			7. Florida Clinic				Target not achieved	Budget constraints, following the disapproval in budget adjustment the facility can only be completed once additional budget is made available.	Given that the budget adjustment was not being approved, the JDA is awaiting an instruction from the Client to see if budget reallocations from other projects to accelerate the works will be issued.

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
			8. Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E				Target not achieved	<p>BAC recommendation for approval acquired on the 28 May 2019</p> <p>Internal audit had a finding that some bidder did not receive an addendum. SCM had to ratify the process followed see attached response to IA. The acceptance of offer was received only on the 08 November 2019.</p> <p>Kickoff meeting: 19 November 2019. 1st site meeting: 07 January 2020. Practical Completion: 30 June 2020</p>	The site has been handed over the project in on progress.
	5) Number of precinct management plans or project operationalisation	6	3 (cumulative)	0	0	-		There were no precinct management plans or project operationalization	

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 enhanced quality of life that provides meaningful redress through pro-poor development									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁵	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
	plans produced, reviewed or updated							plans produced, reviewed or updated in Q3 of 2019/20 financial year.	
	6) Number of JDA Communication and Media related Initiatives	245	280 (cumulative)	210	367	157		<p>Target was achieved.</p> <p>During the first quarter there was a total of 19 press media releases issued and a total of 149 social media posts.</p> <p>During second quarter there was a total of 12 press media releases issued and a total of 135 social media posts.</p> <p>During third quarter there was a total of 8 press media releases issued and a total of 44 social media posts.</p>	
	7) Number of area, community or project impact performance assessments completed	13	6 (cumulative)	1	0	1		The appointment of service provider was delayed as it was extended to become a three year appointment; it has since been submitted to BAC.	Work on the construction project evaluations will begin post appointment and target will be achieved in Q4.

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 programme/s	Key Performance Indicator	Baseline 2017/18 ⁷	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
Increasing forensic investigative capability and controls	8) Percentage resolution of Internal Audit findings	Clean Audit Opinion	100%	70%	90%	+20%		Target achieved.	
	9) Percentage resolution of Auditor General findings ⁸	84%	100%	5%	90%	+85%		Target achieved.	

IDP Priority 7: Enhance our financial sustainability

National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system									
Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: Enhanced, quality services and sustainable environmental practices; Outcome 3: An equitable and inclusive society with high quality of life									
IDP programme/s	Key Performance Indicator	Baseline 2017/18 ⁹	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance

⁷ Baseline is 2017/18 until the 2019/20 Annual Report has been audited and approved

⁸ From the previous financial year

⁹ Baseline is 2017/18 until the 2019/20 Annual Report has been audited and approved

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 programme/s	Key Indicator	Performance	Baseline 2017/18 ⁹	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	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		92%	95% (cumulative)	50%	48%	2%		Target achieved.	
	11) Percentage of valid invoices paid within 30 days of invoice date		New KPI	100%	100%	98%	2%		Target achieved.	

Day-to-day Programme

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 programme/s	Key Indicator	Performance	Baseline 2017/18 ¹⁰	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
Other IDP or Day-to Day Programmes	12) Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total		97%	100%	100%	105%	+5%		Target achieved.	

¹⁰ Baseline is 2017/18 until the 2019/20 Annual Report has been audited and approved

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 programme/s	Key Performance Indicator	Baseline 2017/18 ¹⁰	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
	expenditure								
	13) Number of Expanded Public Works Programmes (EPWP) work opportunities created City-wide	805	1000 (cumulative)	500	287	213		Target was not achieved.	<p>To address the poor performance. Management is committed to ensure that internally an EPWP Champion is identified to address greater EPWP performance, i.e. more EPWP sub-projects and EPWP compliance, i.e. ensuring all the necessary evidence, as required by the Department of Public Works and by the Auditor General is provided.</p> <p>In addition, the JDA is amending the contract governing the construction contracts, which hold the service provider to account on their contractual EPWP commitments.</p>
	14) Percentage of SMME expenditure as a share of total expenditure	26%	30%	30%	41%	+11%		Target achieved.	

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 programme/s	Key Performance Indicator	Baseline 2017/18 ¹⁰	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
	15) Percentage spend on JDA operating budget against approved operating budget	96%	95% (cumulative)	75%	76%	+1%		Target achieved.	
	16) Percentage implementation of the strategic risk management action plan findings resolved	77%	95% ¹¹ (cumulative)	70%	68%	2%		Target achieved.	

¹¹ From Red and Amber to Green Status

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 programme/s	Key Performance Indicator	Baseline 2017/18 ¹⁰	2019/20 Annual Target	2019/20 Q3 Target	2019/20 Q3 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at end of 31 March 2020	Variations and steps to be taken to improve performance
	17) Percentage of predetermined objectives targets achieved	New KPI	85%	85%	65%	20%		<p>Target was not achieved.</p> <p>The following KPIs were not achieved:</p> <ul style="list-style-type: none"> - #2 No. of projects at concept design phase - #3 No. of projects reaching contracts awarded stage - #4 No. of projects reaching practical completion stage - #4 No. of area, community or project impact performance assessments completed - #13 No. of Expanded Public Works Programmes (EPWP) work opportunities created City-wide - #17 Percentage of predetermined objectives targets achieved 	

6.1 PROGRAMME EXPENDITURE

For period ended 31 March 2020

TABLE 20: EXPENDITURE BY FUNDING SOURCE

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
PUBLIC TRANSPORT CORRIDOR DEVELOPMENT									
Patterson Park: Work Package 3 - Multipurpose Centre and Sports Facilities	0	R 30 281 250	(R 30 281 250)	R 59 911 394	R 54 718 750	R 5 192 644	9.49%	R 85 000 000	70.48%
Brixton Social Cluster: Work Package 1 New multipurpose sports and recreation	6 445 167	12 468 750	(6 023 583)	25 705 354	22 531 250	3 174 104	14.09%	35 000 000	73.44%
Test Eco District Prototypes TOD corridors	0	1 425 000	(1 425 000)	0	2 575 000	(2 575 000)	(100.00%)	4 000 000	0.00%
Sub-total	6 445 167	44 175 000	(37 729 833)	85 616 748	79 825 000	5 791 748	7.26%	124 000 000	69.05%
JDA ON BUDGET									
Inner City Eastern Gateway_TOD and Movement Corridors	1 000 000	4 114 688	(3 114 688)	1 000 000	7 435 313	(6 435 313)	(86.55%)	11 550 000	8.66%
Regeneration of Lenasia CBD and Anchorville Industrial Hub – Region G	3 465 128	7 125 000	(3 659 872)	3 919 258	12 875 000	(8 955 742)	(69.56%)	20 000 000	19.60%
Inner City Managed Lanes	65 238	427 500	(362 262)	1 152 534	772 500	380 034	49.20%	1 200 000	96.04%
Orlando East Station Precinct	0	89 063	(89 063)	0	160 938	(160 938)	(100.00%)	250 000	0.00%
Pennyville Precinct Renewal	0	267 188	(267 188)	0	482 813	(482 813)	(100.00%)	750 000	0.00%
Randburg CBD Regeneration Renewal	261 250	178 125	83 125	261 250	321 875	(60 625)	(18.83%)	500 000	52.25%
Balfour Park Transit Precinct Development	22 840	178 125	(155 285)	445 533	321 875	123 658	38.42%	500 000	89.11%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Melville Activity Street	0	178 125	(178 125)	0	321 875	(321 875)	(100.00%)	500 000	0.00%
Revitalisation of Pageview and Vrededorp	0	267 188	(267 188)	0	482 813	(482 813)	(100.00%)	750 000	0.00%
CORR - Perth Empire Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction: Phase 2	0	4 626 863	(4 626 863)	1 408 250	8 360 824	(6 952 574)	(83.16%)	12 987 687	10.84%
CORR - Louis Botha Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	0	8 906 250	(8 906 250)	16 662 544	16 093 750	568 794	3.53%	25 000 000	66.65%
Ivory Park UDF_ Development_ Catalytic Node infrastructure projects	0	4 738 125	(4 738 125)	2 921 389	8 561 875	(5 640 486)	(65.88%)	13 300 000	21.97%
Alexandra Sports and Youth Development: SAFA Safe Hub Facility	594 986	4 275 000	(3 680 014)	5 808 349	7 725 000	(1 916 651)	(24.81%)	12 000 000	48.40%
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional	96 546	5 343 750	(5 247 204)	9 561 306	9 656 250	(94 944)	(0.98%)	15 000 000	63.74%
Banakekelen Hospice New Clinic ALEXANDRA EXT.38 E Ward	2 714 269	7 125 000	(4 410 731)	3 976 063	12 875 000	(8 898 937)	(69.12%)	20 000 000	19.88%
Operational Capex New Operational Capex NEWTOWN F City Wide	(1 016 863)	356 250	(1 373 113)	(76 730)	643 750	(720 480)	(111.92%)	1 000 000	(7.67%)
Orchards Clinic	295 796	3 562 500	(3 266 704)	991 018	6 437 500	(5 446 482)	(84.61%)	10 000 000	9.91%
Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C	11 475	7 125 000	(7 113 525)	394 565	12 875 000	(12 480 435)	(96.94%)	20 000 000	1.97%
Sub-total	7 510 665	58 883 740	(51 373 075)	48 425 329	106 403 951	(57 978 622)	(54.49%)	165 287 687	29.30%
COMMUNITY DEVELOPMENT (ComDev)									
Lehae MPC New Construction LEHAE G	40 919	3 562 500	(3 521 581)	586 506	6 437 500	(5 850 994)	(90.89%)	10 000 000	5.87%
Johannesburg Library F	0	1 068 750	(1 068 750)	1 935	1 931 250	(1 929 315)	(99.90%)	3 000 000	0.06%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Kaalfontein MPC New Construction	1 320 643	5 700 000	(4 379 357)	8 795 452	10 300 000	(1 504 548)	(14.61%)	16 000 000	54.97%
Public Art Fountains	1 278 688	0	1 278 688	2 213 688	0	2 213 688	0.00%	745 000	297.14%
Ivory Park Swimming Pool	4 063 640	6 412 500	(2 348 860)	5 304 968	11 587 500	(6 282 532)	(54.22%)	18 000 000	29.47%
MPC Matholesville	2 079 599	6 056 250	(3 976 651)	6 037 473	10 943 750	(4 906 277)	(44.83%)	17 000 000	35.51%
Drieziek MPC	3 204 615	7 837 500	(4 632 885)	8 334 863	14 162 500	(5 827 637)	(41.15%)	22 000 000	37.89%
Minor works at various facilities	48 459	2 850 000	(2 801 541)	193 970	5 150 000	(4 956 030)	(96.23%)	8 000 000	2.42%
Sub-total	12 036 563	33 487 500	(21 450 937)	31 468 855	60 512 500	(29 043 645)	(48.00%)	94 745 000	33.21%
INNER CITY DEVELOPMENT GRANT									
Conceptualisation and Development Inner City Spatial Scenario Planning	0	890 625	(890 625)	0	1 609 375	(1 609 375)	(100.00%)	2 500 000	0.00%
Ghandi Square East	146 545	7 125 000	(6 978 455)	12 214 548	12 875 000	(660 452)	(5.13%)	20 000 000	61.07%
Sub-total	146 545	8 015 625	(7 869 080)	12 214 548	14 484 375	(2 269 827)	(15.67%)	22 500 000	54.29%
EMERGENCY MANAGEMENT SERVICES (EMS)									
Central Fire Station	0	3 097 826	(3 097 826)	460 401	5 597 826	(5 137 425)	(91.78%)	8 695 652	5.29%
Sub-total	0	3 097 826	(3 097 826)	460 401	5 597 826	(5 137 425)	(91.78%)	8 695 652	5.29%
HEALTH DEPARTMENT									
Florida clinic New Clinic FLORIDA EXT C Ward	2 030 459	7 125 000	(5 094 541)	18 789 750	12 875 000	5 914 750	45.94%	20 000 000	93.95%
Turffontein Clinic	0	350 625	(350 625)	634 148	649 375	(15 227)	(2.34%)	1 000 000	63.41%
Orchards Clinic Health	0	1 282 500	(1 282 500)	0	2 317 500	(2 317 500)	(100.00%)	3 600 000	0.00%
Bophelong Clinic	1 215 599	10 687 500	(9 471 901)	17 600 629	19 312 500	(1 711 871)	(8.86%)	30 000 000	58.67%
Naledi Clinic	146 670	2 493 750	(2 347 080)	529 844	4 506 250	(3 976 406)	(88.24%)	7 000 000	7.57%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Sub-total	3 392 728	21 939 375	(18 546 647)	37 554 371	39 660 625	(2 106 254)	(5.31%)	61 600 000	60.96%
DEP OF HOUSING::									
Braamfischerville Ext 12&13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAAMFISCHERVILLE EXT.13 C Ward	0	5 521 875	(5 521 875)	17 922 162	9 978 125	7 944 037	79.61%	15 500 000	115.63%
Sub-total	0	5 521 875	(5 521 875)	17 922 162	9 978 125	7 944 037	79.61%	15 500 000	115.63%
INNER CITY FUND (ICF)									
Inner City Partnership Fund	2 312 872	7 125 000	(4 812 128)	6 022 907	12 875 000	(6 852 093)	(53.22%)	20 000 000	30.11%
Sub-total	2 312 872	7 125 000	(4 812 128)	6 022 907	12 875 000	(6 852 093)	(53.22%)	20 000 000	30.11%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)									
Jabulani TOD: Phase 6a - Safe Hub	8 954 981	23 156 250	(14 201 269)	35 498 838	41 843 750	(6 344 912)	(15.16%)	65 000 000	54.61%
Sub-total	8 954 981	23 156 250	(14 201 269)	35 498 838	41 843 750	(6 344 912)	(15.16%)	65 000 000	54.61%
ECONOMIC DEVELOPMENT DEP									
Safe spaces programme	115 000	0	115 000	115 000	0	115 000	0.00%	3 000 000	3.83%
Sub-total	115 000	0	115 000	115 000	0	115 000	0.00%	3 000 000	3.83%
TRANSPORTATION PTIS FUNDING:									
Phase 1C Stations	11 300 626	12 967 500	(1 666 874)	13 178 138	23 432 500	(10 254 362)	(43.76%)	38 584 000	34.15%
Selby Depot	504 524	35 625 000	(35 120 476)	46 532 462	64 375 000	(24 842 538)	(38.59%)	106 000 000	37.29%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
ITS (Fibre Loop and CCTV)	11 156	0	11 156	3 926 118	11 000 000	(7 073 882)	(64.31%)	26 500 000	14.82%
Alexandra Depot	474 562	7 695 000	(7 220 438)	17 236 784	13 905 000	3 331 784	23.96%	38 796 000	44.43%
Section 15K (Watt Interchange Station Road Works and Bridges)	33 258 724	53 437 500	(20 178 776)	88 907 940	96 562 500	(7 654 560)	(7.93%)	159 000 000	55.92%
OTHER Passenger Information Signage at Stations (at Totem, strip maps, "you are here" etc.)	0	356 250	(356 250)	0	643 750	(643 750)	(100.00%)	1 060 000	0.00%
OTHER: ICT	2 185 638	2 671 875	(486 237)	4 441 555	4 828 125	(386 570)	(8.01%)	7 950 000	55.87%
OTHER: Land	578 069	1 781 250	(1 203 181)	1 685 255	3 218 750	(1 533 495)	(47.64%)	5 300 000	31.80%
Greenstone Terminal	1 507 937	7 125 000	(5 617 063)	1 507 937	12 875 000	(11 367 063)	(88.29%)	21 200 000	7.11%
Bus Monitoring and Contract Management	0	8 059 803	(8 059 803)	0	8 908 203	(8 908 203)	(100.00%)	17 986 086	0.00%
Guard Houses and Customer centres	655 800	2 493 750	(1 837 950)	2 411 577	4 506 250	(2 094 673)	(46.48%)	7 420 000	32.50%
Soweto Phase 2A vs Ivory Park route	0	890 625	(890 625)	0	1 609 375	(1 609 375)	(100.00%)	2 650 000	0.00%
Selby Depot 2C	14 335 411	19 593 750	(5 258 339)	22 093 967	35 406 250	(13 312 283)	(37.60%)	58 300 000	37.90%
Heritage Bridge Landscaping	5 775 481	6 412 500	(637 019)	5 939 879	11 587 500	(5 647 621)	(48.74%)	19 080 000	31.13%
OTHER: Passenger Information Signage(Finger boards - "on Street)	160 711	0	160 711	160 711	0	160 711	0.00%	0	0.00%
Sub-total	70 748 639	159 109 803	(88 361 164)	208 022 323	292 858 203	(91 835 880)	(31.36%)	509 826 086	39.43%
TRANSPORTATION COJ FUNDING:									
Kazerne Public Transport Facility	32 321 290	42 750 000	(10 428 710)	98 990 678	77 250 000	21 740 678	28.14%	120 000 000	82.49%
Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route	0	1 781 250	(1 781 250)	369 675	3 218 750	(2 849 075)	(88.51%)	5 000 000	7.39%
Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E	1 047 559	2 493 750	(1 446 191)	1 047 559	4 506 250	(3 458 691)	(76.75%)	7 000 000	14.97%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
PTF: Small Public Transport Facilities: Tshepisoong:	0	1 781 250	(1 781 250)	0	3 218 750	(3 218 750)	(100.00%)	5 000 000	0.00%
Complete Streets: NMT Facilities Linking Railway stations New Dube CHIAWELO D City Wide:	143 812	605 625	(461 813)	143 812	1 094 375	(950 563)	(86.86%)	1 700 000	8.46%
PTF: Small Public Transport Facility Design Kya Sand New Nodal Transport Facilities KYA SAND:	124 476	534 375	(409 899)	340 320	965 625	(625 305)	(64.76%)	1 500 000	22.69%
PTF: Small Public Transport Facilities: DRIEZIEK EXT.3	1 400 653	9 547 500	(8 146 847)	18 097 482	17 252 500	844 982	4.90%	26 800 000	67.53%
Complete Streets: NMT Facilities Linking Railway stations Dube D Region	1 074 862	3 612 375	(2 537 513)	10 851 330	6 527 625	3 823 705	58.58%	10 140 000	102.08%
PTF Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities ZOLA D Regional	376 674	1 781 250	(1 404 576)	415 925	3 218 750	(2 802 825)	(87.08%)	5 000 000	8.32%
PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G)	94 104	1 781 250	(1 687 146)	120 991	3 218 750	(3 097 759)	(96.24%)	5 000 000	2.42%
Small: Public Transport Facility in Zakariya Park Region G	119 104	1 781 250	(1 662 146)	145 991	3 218 750	(3 072 759)	(95.46%)	5 000 000	2.92%
PTF Public Transport Facility Sandton	35 000	850 000	(815 000)	35 000	1 150 000	(1 115 000)	(96.96%)	2 000 000	1.75%
Complete Streets Deep South	0	356 250	(356 250)	0	643 750	(643 750)	(100.00%)	1 000 000	0.00%
Complete Streets Turffontein	0	356 250	(356 250)	0	643 750	(643 750)	(100.00%)	1 000 000	0.00%
NR Nodal Regeneration Braamfontein	160 995	534 375	(373 380)	365 310	965 625	(600 315)	(62.17%)	1 500 000	24.35%
PTF: Redevelopment of Inner City Ranks	0	3 028 125	(3 028 125)	982 089	5 471 875	(4 489 786)	(82.05%)	8 500 000	11.55%
Inner City Transport Masterplan	1 985 588	2 788 045	(802 457)	4 722 244	5 038 045	(315 801)	(6.27%)	6 086 957	77.58%
Parking Management	153 956	371 739	(217 783)	736 793	671 739	65 054	9.68%	1 043 478	70.61%
Feasibility Study Integrated Corridor Management	0	0	0	430 667	526 057	(95 390)	(18.13%)	695 652	61.91%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual Budget	
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Lenasia Scholar Transport Masterplan	(1 863 974)	418 207	(2 282 181)	331 718	755 707	(423 989)	(56.10%)	1 130 435	29.34%
Roodepoort CBD Transport Masterplan	100 505	464 674	(364 169)	182 625	839 674	(657 049)	(78.25%)	1 304 348	14.00%
Sub-total	37 274 604	77 617 540	(40 342 936)	138 310 209	140 396 347	(2 586 138)	(1.84%)	216 400 870	63.68%
TOTAL	148 937 764	442 842 034	(293 904 270)	621 631 691	805 723 202	(191 591 511)	(23.78%)	1306 555 295	47.58%

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) Optimise 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 21: EPWP PERFORMANCE

JDA Programme	Quarter 1 EPWP Opportunities created in 2019/20	Quarter 2 EPWP Opportunities created in 2019/20	Quarter 3 EPWP Opportunities created in 2019/20	YTD EPWP Opportunities created in 2019/20
Programme 1	4	19	0	23
Programme 2	96	5	80	181
Programme 3	20	28	35	83
Programme 4	0	0	0	0
TOTAL	120	52	115	287

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 are 112 positions on the JDA staff establishment and organogram:

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: Development Implementation,
 3. Executive Manager: Planning and Strategy,
 4. Executive Manager: Development Facilitation
 5. Executive Manager: Marketing & Communications,
 6. Executive Manager: Corporate Services,
 7. Chief Audit Executive
 8. Company Secretary / Legal Advisor
- **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 Development Managers,
 2. Executive Support Manager,
 3. Internal Audit Manager,
 4. Finance Manager,
 5. Budget Manager,
 6. Monitoring & Evaluation Manager,
 7. Supply Chain Manager,
 8. Planning Manager,
 9. Communications & Marketing Manager,
 10. Human Resources Manager,
 11. IT Manager,
 12. Risk & Compliance Manager and
 13. Manager: Stakeholder Relations.
- **Professional and Middle Management comprises of:**
 1. Development Facilitation Manager,
 2. Enterprise Development Manager,
 3. Development Managers,
 4. Coordinators,
 5. Accountants,
 6. Accounts Payable Officer,
 7. SCM Officer,
 8. Data Officer,
 9. Marketing Business Partners,

10. Risk & Compliance Officer,
 11. IT Support Officer,
 12. IT & IS Administration Officer,
 13. HR Business Partners,
 14. Legal Officer and
 15. Stakeholder Relations Officer.
- **Skilled Employees consists of:**
 1. Technical, Academically Qualified and Junior Management,
 2. Assistant Development Managers and Personal assistants.
 - **Semi-Skilled Employees consists of 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.

Learnership Programme

The learnership programme provides an opportunity for learners to acquire practical work experience in their field of expertise, as well as all other operational areas of the JDA. It also provides an opportunity for learners to get a practical feel of the work environment and at the same time meet the required competencies for a professional qualification. It is for this reason that the JDA fully supports and subscribes to a structured learnership programme. There are currently two (2) learners at the JDA, based in the Internal Audit department.

HR Policies

The JDA recently reviewed and updated ten (10) of its key HR policies to be in-line with legislation and good practice and more policies are still under review.

Organisational Development

The JDA has recently embarked on an organisational development (OD) process in order to review the current structure of the organisation to ensure that to enable the JDA to better respond and adapt to the changing environment and to unlock internal efficiencies. The OD process will be done in full consultation of both staff and Union in a participatory process.

TABLE 22: COST OF SICK LEAVE – EMPLOYEES ONLY ON JDA PAYROLL ONLY (JANUARY – MARCH 2020)

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employees using sick leave	Total employees in post ⁽¹⁾	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R 000
Top management	0	0	0		0	0
Executive management (including chief audit executive)	4	2	6	6	0.66	27 480
Senior management	45	0	18	17	2.64	345 950,88
Middle management	53	0	34	32	1.65	69 441.16

⁽¹⁾ The total of 98 excludes ARP staff, leave management administered by the Col

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employees using sick leave	Total employees in post ^[1]	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R 000
Skilled technical/junior management	48	0	23	28	1.71	84 612.56
Semi-skilled	0	0	0	3	0	0
Unskilled	19	0	10	5	3.8	41 928.56
TOTAL	169	0%	81	91	10.46	569 413

SECTION 2: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

The total remuneration costs for the period under review was R 16 024 354.00. This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: the eJoburg Retirement Fund (81 permanent employees) and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, in this period was R 253 123.00.

SECTION 3: KEY VACANCIES

The following key vacancies have are recorded:

TABLE 23: KEY VACANCIES

Open Vacancies	Progress
Chief Executive Officer	Approved by Mayoral Committee. Appointment effective as of 1 April 2020
Executive Manager: Development Facilitation	Pending OD Process
Executive Manager: Marketing and Communications	Pending OD Process
Senior Development Manager	Recruitment Stage
Development Managers	Recruitment Stage
Records Management Officer	Recruitment Stage

TABLE 24: STAFF ESTABLISHMENT

Description	Approved no. of posts per approved organogram	No. of employees at end of Q3	No. of vacancies	% of vacancies
Top management level ¹²	1	0	1	100%
Executive management	8	6	2	25%
Senior management	17	17	0	0%
Middle management	49	32	17	33%
Skilled technical/junior management	27	28 ¹³	0	0%
Semi-skilled	4	3	1	25%
Unskilled housekeepers/cleaners	6	5	1	25%
Total	112	91	22¹⁴	

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 4% due to resignations and a death.

¹² CEO Approved by Mayoral Committee. Appointment effective as of 1 April 2020

¹³ The figure at skilled level indicates the temporary appointments hence it reflects more numbers. Additional temporary resource added for capacity, the budget is available from existing vacant positions.

¹⁴ Please note number of vacancies stand at 21 however due to the additional resources required on a temporary basis over the approved posts on organogram will appear as 22 vacancies.

TABLE 25: TURNOVER RATE

Details	Total active employees at the beginning of 2019/20 financial year		Terminations during financial year (YTD)		Turnover rate	
	No.		No.		%	
2019/20	98		7		7%	

As at the beginning of the financial year of 2019/20, the JDA had 98 employees and there have been seven (7) terminations.

TABLE 26: TERMINATIONS FOR THIRD QUARTER 2019/20

Position	Male				Female				Non South African		Total
	A	C	I	W	A	C	I	W	Male	Female	
	Human Resources Officer	0	0	0	0	1	0	0	0	0	
Development Manager	0	0	0	0	1	0	0	1	0	0	2
Housekeeper	0	0	0	0	1	0	0	0	0	0	1
Totals	0	0	0	0	3	0	0	1	0	0	4

Retention Initiatives

The JDA remains committed to developing strategies to mitigate resignations through various initiatives, which 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 individual employee development.
- Organizational development and Job profiling programs, currently awaiting Board Approval for finalisation.
- 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 organisation’s employment equity practices, strategies, direction and initiatives. Structures such as an Employment Equity Committee and Nominated Shop Stewards have been put in place to coordinate and monitor employment equity implementation across the organisation.

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 Labour in accordance with the provisions of the Employment Equity Act and within legislated timeframes.

TABLE 27: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW

Occupational Levels									Foreign Nationals		Total at the end of Q3
	Male				Female				Male	Female	
	A	C	I	W	A	C	I	W			
Top management	0	0	0	0	0	0	0	0	0	0	0
Executive Management	2	0	0	1	2	0	1	0	0	0	6
Senior Management	7	1	0	1	7	0	1	0	0	0	17
Professionally qualified and experienced specialists and mid-management	18	0	0	0	12	1	0	1	0	0	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	0	0	0	23	1	1	0	0	0	28
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision making	2	0	0	0	3	0	0	0	0	0	5
Total Permanent	33	1	0	2	49	2	3	2	0	0	91

The JDA status for period under review:

- 88% of employees are African
- 60% of employees are Female
- 38% of employees in senior management positions are black females
- 2% of the JDA has employees have physical disabilities. This percentage is equal to the City of Johannesburg’s strategic target of 2%.

The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

TABLE 28: STAFF MOVEMENTS

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	0	0	0	0	0	0	0	0	0
Deceased	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	1	1

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Retirements	0	1	0	0	0	0	0	0	1
Absenteeism	0	0	0	0	0	0	0	0	0
Resignations	0	2	0	0	0	0	0	0	2
Total	0	3	0	0	0	0	0	1	4

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 organisation’s values, enhance leadership capability and improve the JDA’s capacity to meet current and future business requirements.

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

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

The JDA has created a culture of both on-the-job and off-the-job learning, which is embraced by all employees.

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 R714 600.00 has been allocated for training and development for the 2019/20 financial year. The Skills Development Levy (SDL) is a levy R 490 850. The actual expenditure for professional membership stands at R 295 239.44. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

SECTION 6: PERFORMANCE MANAGEMENT

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

The JDA uses a scorecard to evaluate employee performance. Individual performance indicators are linked to the JDA’s objectives and the 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. Final reviews were conducted for 2018/19 and performance bonuses were paid out in December 2019.

SECTION 7: DISCIPLINARY MATTERS AND OUTCOMES

There were no disciplinary inquiries under way, during the Q3 of 2019/20 financial year.

TABLE 29: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FINALISED

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 behaviour	0	0
Theft	0	0
Misuse of state vehicle	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 have an obligation to ensure effective planned leave management within their respective Departments.

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

The most highly utilised leave type is Annual Leave with a total of 597 days, with Sick Leave being the second most utilised leave type, with a total of 131 days, Family Responsibility Leave being the third most utilised leave type, with a total of 53 days and Study Leave being the least utilised leave type, with a total of 43 days.

TABLE 30: LEAVE ANALYSIS PERFORMANCE (AS AT THIRD-QUARTER 2019/20)

Type of Leave	Jul 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Total
Annual Leave	110.5	98.5	139	71	90	139	363	38	45	1094
Sick Leave	22	41	15	28	22	7	8	13	13	169
Family Responsibility	19	5	1	9	14	5	0	6	4	63

Type of Leave	Jul 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Total
Study Leave	8	9	4	14	5	2	0	2	13	57
TOTAL	159.5	153.5	159	122	131	153	371	59	75	1383

SECTION 9: EMPLOYEE WELLNESS

The JDA is committed to maintaining a healthy workforce and providing a safe and hygienic working environment. The JDA's Employee Wellness Programme, which is outsourced to Life EHS, offers behavioural risk management, free trauma counselling and free legal and financial advice for all employees. Life EHS provides a confidential, 24-hour personal support and information service, which employees, as well as their partners and immediate family members, 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 particular issues raised. The identities of the employees who use this service remain strictly confidential. The JDA holds Wellness Day events every quarter. Employees can have 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.

In the period under review, the JDA and ICAS held scheduled a wellness day, where HIV/AIDS awareness were to be prioritized through testing and counselling to all JDA staff, this was however cancelled due to the Covid19 emergency.

SECTION 10: EMPLOYEE BENEFITS

JDA permanent employees have the Group Life Cover and Pension Fund benefits.

SECTION 11: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

The safety audit was conducted to identify the level of compliance with the Occupational Health and Safety Act for the JDA for 2019/20 financial year. These audits 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. A report prepared during period under review estimated that the JDA's compliance rate for period under review was 94.41%. The areas of non-compliance include:

- Inadequate working space for employees - Service provider (Architects) has finalized the space designs. Finalising feasibility studies comparing the cost of upgrading Bus Factory as opposed to relocating to a new building
- Unsafe Stacking Storage Boxes in Offices - Boxes to be removed to offsite storage have been identified and quotes from Service Providers have been sourced for the removal and storage of JDA files in boxes.

CHAPTER 5: FINANCIAL PERFORMANCE

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

STATEMENT OF FINANCIAL POSITION FOR THE YEAR TO DATE ENDING 31 MARCH 2020

ASSETS	Quarter ended 31 March 2020			Year to date			Notes
	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	
Non-current Assets	29 482	23 960	5 522	29 482	23 960	5 673	1
Property plant and equipment	6 060	6 460	-400	6 060	6 460	-400	
Deferred tax	2 349	2 500	-151	2 349	2 500		
Intangible assets	21 073	15 000	6 073	21 073	15 000	6 073	
Current Assets	912 665	850 002	62 663	912 665	850 002	32 880	2
Trade and other receivables	682 880	650 000	32 880	682 880	650 000	32 880	
Vat Receivable	229 783	200 000	29 783	229 783	200 000	-	
Cash and cash equivalents	2	2	0	2	2	0	
Total Assets	<u>942 147</u>	<u>873 962</u>	<u>68 185</u>	<u>912 665</u>	<u>850 002</u>	<u>32 880</u>	
EQUITY AND LIABILITIES							
Capital and Reserves	44 690	47 374	-2 684	44 690	47 374	-2 684	
Contribution from owner	16 278	16 278	-0	16 278	16 278	-0	
Accumulated surplus/(deficit)	28 412	31 096	(2 684)	28 412	31 096	(2 684)	
Non-current Liabilities	9 062	37 463	(28 401)	9 062	37 463	(28 401)	

	Quarter ended 31 March 2020			Year to date			
ASSETS	Actual	Budget	Variance	Actual	Budget	Variance	Notes
	R'000	R'000	R'000	R'000	R'000	R'000	
Finance lease obligation	-	-	0	-	-	0	
Deferred taxation	18 313	5 581	12 732	18 313	5 581	12 732	
Project funds payable	-9 251	31 882	(41 133)	-9 251	31 882	(41 133)	
Current Liabilities	888 395	323 340	565 056	888 395	323 340	565 055	4
Loans from shareholders	389 255	102 719	286 536	389 255	102 719	286 536	
Trade and other payables	499 140	207 456	291 684	499 140	207 456	291 684	
Project funds payable	0	10 003	(10 003)	0	10 003	(10 003)	3
Finance lease obligation	0	141	(141)	0	141	(141)	
Bank Overdraft	0		1	0	0	0	
Provisions – bonus	0	3 021	(3 021)	0	3 021	(3 021)	
Total Equity and Liabilities	<u>942 147</u>	<u>408 177</u>	<u>533 971</u>	<u>942 147</u>	<u>408 177</u>	<u>533 970</u>	

Notes	
1	Variance is mainly due to Intangible assets variance as this assets is under construction since certain phases has not been Implemented ,the variance will change once the asset is available for use and can be amortised.
2	Variance is due to the higher than expected trade receivables balances which includes amounts owing from City of Johannesburg departments for development projects implemented in the 2018/19 and current period. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pay 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 transportation department.
3	The variance relates to project funds payable that includes amounts transferred from GNDC on the sale of No.1 Central Place.
4	The variance is due to the following two components which is Loans from shareholders and trade payable the comments for the variance are as follows: (1) Loans from Shareholders : There was a decreases from the loan to shareholders due to claims that were settled during the current quarter (2) Trade and other payable: The increases due to invoices received in March and all invoices are within 30 days and will be paid in April 2020.

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR TO DATE ENDING 31 MARCH 2020

	Prior Year 31 March 2019	Original Approved	Adjusted Approved	Year to date			Notes
	Actual	Budget	Budget	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	
Gross revenue	61 997	114 118	116 473	65 082	67 836	(2 754)	5
Operating costs	(69 163)	(106 938)	(109 293)	(70 855)	(81 970)	11 115	6
Gross surplus/(deficit)	(7 166)	7 180	7 180	(5 773)	(14 134)	8 361	
Other operating income and expenditure	(15 641)	(7 180)	(7 180)	(17 544)	(5 385)	(12 159)	
Interest expense	(15 641)	(7 180)	(7 180)	(17 544)	(5 385)	(12 159)	7
Interest income	0	0	0	0	0	0	
Deficit before tax	(22 807)	0	0	(23 317)	(19 519)	(3 798)	
Taxation	0	0	0	0	0	0	
Surplus/(Deficit) after tax	(22 807)	0	0	(23 317)	(19 519)	(3 798)	

Notes	
5	Management fees are budgeted for in accordance with the capital project expenditure. The overall revenue budget for management fees is lower than the budget due to the lower capital expenditure achieved at the end of March 2020.
6	Majority of the variance is mainly due to delay in the procurement process and critical vacancies that are not filled which is resulted in the underspending.
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 pay 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.

SECTION 3: CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR TO DATE ENDING 31 MARCH 2020

	Quarter ended 31 March 2020			Year to date			Notes
	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	
	(114 151)	9 621	(123 772)	(114 151)	9 621	(123 772)	
<i>Receipts</i>							
Grants	9 500	10 000	(500)	9 500	10 000	(500)	
Interest received	0	0	0	0	0	0	
Cash receipts from CAPEX funding	631 899	700 000	(68 101)	631 899	700 000	(68 101)	8
Other receipts	0	310	(310)	0	310	(310)	
		0	0		0	0	
		0	0		0	0	
<i>Payments</i>							
Employee cost	(49 129)	(50 000)	871	(49 129)	(50 000)	871	
Suppliers	(706 421)	(650 639)	(55 782)	(706 421)	(650 639)	(55 782)	9
Interest paid	0	(50)	50	0	(50)	50	10
Cash flows from investing activities	500	(1 000)	1 500	500	(1 000)	1 500	
<i>Expenditure to maintain operating capacity</i>							
Property, plant and equipment acquired	500	(1 000)	1 500	500	(1 000)	(1 500)	11
Proceeds from sale of property, plant and equipment	0	0	0	0	0	0	
Purchase of intangible assets	0	0	0	0	0	0	11

	Quarter ended 31 March 2020			Year to date			Notes
	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	
Cash flows from financing activities	113 651	(9 260)	122 911	(114 723)	(9 260)	(105 463)	
Movement in project funds payable	0	0	0	0	0	0	
Proceeds from Shareholders' loan		(9 194)	9 194		(9 194)	9 194	10
Repayments of Shareholders' loan	113 936	0	113 936	(114 437)	0	(114 437)	
Finance lease repayments	(286)	(66)	(220)	(286)	(66)	(220)	
Net increase/(decrease) in cash and cash equivalents	(0)	(639)	639	(228 374)	(639)	(227 735)	
Cash and cash equivalents at beginning of the year	1	640	(639)	1	1	0	
Cash and cash equivalents at the end of the year	<u>1</u>	<u>1</u>	<u>(0)</u>	<u>(228 373)</u>	<u>1</u>	<u>(227 735)</u>	

Notes	
8	Variance is unfavourable due to Capital receipt that were not paid on time by COJ departments
9	Variance is favourable it's made up of Capex and Opex expenditure.
10	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 pay 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.
11	Assets purchased related to computer equipment for new employees.

SECTION 4: NET ASSETS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR TO DATE ENDING 31 MARCH 2020

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
		R'000	R'000	R'000	R'000
Opening balance as previously reported	60	16 278	16 278	52 053	68 331
Adjustments	0	0	0	706	706
Prior year adjustments				0	0
Balance at 01 July 2018	60	16 278	16 278	52 759	69 037
Changes in net assets					
Surplus for the year	0	0	0	(1 030)	(1 030)
Total changes	0	0	0	51 729	-1 030
Balance at 01 July 2019	60	16 278	16 278	51 729	68 007
Changes in net assets					
Deficit for the year	0	0	0	(23 317)	(23 317)
Total changes	60	16 278	16 278	-24 347	44 690
Balance at 31 March 2019	60	16 278	16 278	28 412	44 690

SECTION 5: RATIO ANALYSIS

Key Performance Area	Target	Actual 31 March 2019	Actual 31 March 2020	Note
Current ratio	Above 1 : 1	1.06 : 1	1.03 : 1	1
Solvency ratio	Above 1 : 1	1.1 : 1	1.05 : 1	2
Salaries to expenditure ratio based on the above including finance charges.	Below 60%	64%	62%	3
Revenue	R 65 million	R62 million	R62 million	
Expenditure (including taxation)	R83 million	R84 million	R84 million	
Surplus / (Deficit)	(R19 million)	(R23 million)	(R23 million)	
Total net assets	R47.4 million	R45.5 million	R45.5 million	
Capital expenditure	50%	42%	48%	4

Notes	
1	Current ratio is above the target of 1:1 and below the previous quarter the items in the current ratio includes the sweeping account with the shareholder which increases with the interest on a monthly basis.
2	Solvency ratio is above the target of 1:1 and lower than the third quarter of the previous year mainly due to creditors that were settled within 30 days. The continued pressure on the overall loan from shareholder due to long outstanding debtors still puts pressure on the liquidity and solvency ratios.
3	Remuneration to expenditure ratio is above target and below last year quarter due to an overall reduction in the operational expenditure which affects the denominator of the ratio.
4	Capital expenditure is below the target of the approved budget by 2%.

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 authorised 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 CoJ'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 2020 to 31 March 2020 there were no instances where less than three quotations were received.

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 1st January 2020 to 31st March 2020 the JDA has not awarded any contract to a person who is in the employment of the state.

Black Economic Empowerment

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE share of capital and operating expenditure. For the period 1st January 2020 to 31st March 2020, the overall BBBEE share of expenditure was R 148 395 523.92. This translates into an achievement of 105% BBBEE claimed against quarterly expenditure.

TABLE 31: SUMMARY OF BBBEE EXPENDITURE¹⁵

Description	Third Quarter of 2019/20 FY		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R 132 391 460.61	R139 457 994.80	105%
Opex	R 9 226 683.66	R 8 937 529.123	97%
Consolidated Opex and Capex	R 141 618 144.30	R 148 395 523.92	105%

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, 60% for level 6, 50% for level 7 and 10% for level 8 respectively.

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%.

¹⁵ 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

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 recognises 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 recognised 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 57 653 086.22 for the period 1st January 2020 to 31st March 2020. This constitutes an achievement of 41% for the period under review.

TABLE 32: SUMMARY OF SMME EXPENDITURE¹⁶

Description	Third Quarter of 2019/20 FY	
	SMME Expenditure	SMME %
Capex	R 55 140 406.00	10%
Opex	R 2 512 680.22	27%

¹⁶ Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.

Description	Third Quarter of 2019/20 FY	
	SMME Expenditure	SMME %
Consolidated Opex and Capex	R 57 653 086.22	41%

Report in Irregular, Fruitless and Wasteful Expenditure and Due Process

During the third quarter of 2019/20, the JDA has not incurred irregular expenditure.

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

TABLE 33: PENDING LITIGATIONS

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DESCRIPTION	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 as a result of “alleged” negligence by the JDA and other parties.	<p>On Friday, 13 December 2013 the JDA was served with summons. The summons relate 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 as a consequence 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. The JDA has appointed Routledge Modise Attorneys (T/A Hogan Lovells) to assist in defending the matter.</p> <p>Routledge Modise have handed over the matter to the insurers attorneys at the request of the JDA’s insurers (Webber Wentzel Bowens). The matter is being defended by the JDA and City of Johannesburg’s insurer’s lawyers. 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 attorneys have withdrawn as attorneys of record 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.</p>	Not yet determined at this stage.	Not yet determined at this stage.

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DESCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Tembu Convenience Centre CC vs City of Johannesburg 1 st Defendant and Others (JDA-2 nd Defendant)	± R10 488 324 million		Damages suffered by Tembu Convenience Centre CC as a result of “alleged” extensive permanent road diversions and/or closures having been effected in order to cater for the BRT system in the area known as “Soweto to Parktown Bus Rapid Network, Section 1, Moroka Police Station to Modderspruit Culvert”. It is alleged that COJ or the JDA failed to comply with the relevant legislation and ordinances.	The JDA has successfully defended the matter through its attorneys (Mchunu Inc.) at the Supreme Court of Appeal and was awarded costs.	Completed	Succeeded
Bertrams Priority Block vs JDA	Not applicable	February 2008	Relocation of illegal occupants in various buildings around Bertrams Priority Block.	The JDA has through its Attorneys (Edward Nathan Sonnenburg ENS) entered into 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 be accommodated by the Department of Housing. The parties are working together to reach agreement without protracted litigation processes.	On-going	Good

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DESCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Grayston Bridge Collapse (scaffolding)		2015	<p>The scaffolding supporting the bridge collapsed in 2015 resulting in 2 fatalities and an additional 9 people injured as a result of the collapse.</p> <p>The matter was investigated by the Department of Labour and a hearing commenced in 2016 and concluded in July 2018.</p>	<p>The outcome from the Department of Labour has been received 19 November 2019.</p> <p>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 Labour's findings.</p> <p>The JDA has been advised that there has been omission on the part of the Presiding Officer to take into account the provisions of section 37(2) of the Occupational Health and Safety Act. Accordingly, the JDA will take the matter on review.</p>	Not yet determined	Good
Dark Fibre Africa vs JDA and Easyway Tarmac Pave and Projects CC	R42,037.85	14/03/2014	<p>The matter relates to the fibre optic cable that was damaged by opening a trench in the road reserve with a TLB Machine along the road carriage way of Orlando east, near Sofa Zonke street around 22 June 2013.</p> <p>The plaintiff, Dark Fibre Africa (Pty) Ltd is suing the JDA (2nd Defendant) on the basis that JDA used the services of Easyway Tarmac Pave and Projects CC to manage and control the execution of the water pipeline project and to do the drilling and excavation along the road carriage way of Orlando east near the intersection with Sofa Zonke</p>	<p>The contractor (Easy Way Tarmac) made payments arrangements with the Plaintiff and this regards and commenced payment of the damages claimed since 12 October 2016.</p>	The matter has been finalised	The matter has been finalised

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DESCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
			street.			

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

No claims within the third quarter report of 2019/20 financial year.

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

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

TABLE 34: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

Name of department	Balance (R)	Comments
City of Johannesburg - CAM & USDG	7 785 830.79	The Balance relates to amount outstanding for March claims submitted.
City of Johannesburg- Transport	149 979 521.16	Balance mainly relates to amounts outstanding in current financial year which is not more than 60 days.
City of Johannesburg - Departments of Transportation and Planning	7 780 912.79	Balance mainly relates to amounts outstanding in current financial year which is not more than 60 days.
City of Johannesburg - EMS	29 072 507.06	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims which were submitted more than 360 days.
City of Johannesburg - Department of Health	9 790 737.5	Balance mainly relates to current claims submitted currently which is not over 30 days
City of Johannesburg - GSPCR	3 850 363.47	Balance mainly relates to amounts outstanding which are long overdue more than 360 days.
City of Johannesburg - Other departments (Department of Economic Development, Department of Housing, Department of Social Development, Department of Community Development, Johannesburg Roads Agency (SOC) Ltd)	49 122 576	Balance mainly relates to amounts outstanding from ComDev and DED which are more than 360 days
Total	257 382 449	

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 undertaken by internal audit as at third quarter of 2019/20 financial year. On overall there were three (3) planned audits projects and five (5) probity audits completed in the reporting period.

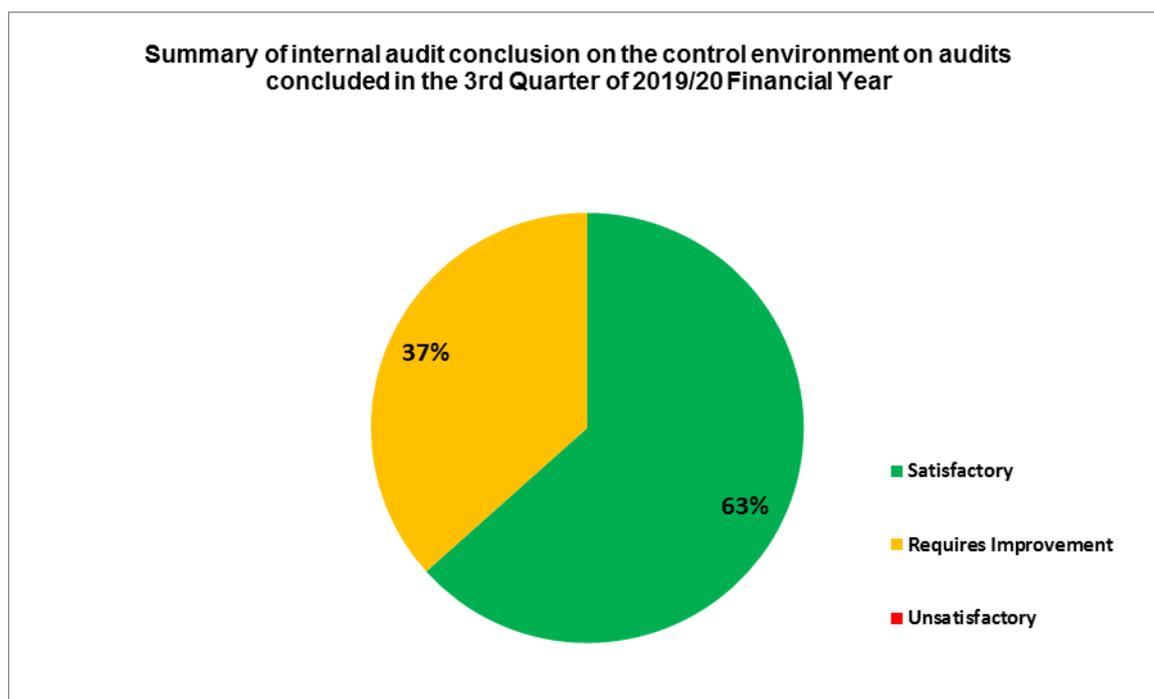


TABLE 35: PROGRESS AGAINST THE APPROVED 2019/20 ANNUAL INTERNAL AUDITS PLAN (1 JANUARY 2020 TO 31 MARCH 2020)

No.	Audit Description	Status	Overall Conclusion
1	Second Quarter - Follow-up on internal and external audit findings	Completed	Requires Improvement
2	Audit of Budget and Expenditure Management	Completed	Requires Improvement
3	Audit of the Supply Chain Management processes	In progress	Requires Improvement

TABLE 36: PROGRESS ON TENDER ABOVE R5 MILLION

No.	Audit Description	Status	Overall Conclusion on Control Environment
1	Appointment Consortium of professionals – Developing an eco-district methodology	Completed	Satisfactory
2	Appointment of Main Contractor for the Central Fire station	Completed	Satisfactory
3	Appointment of Panel of Urban Designer and Architect Panel of Designers and Architect	Completed	Satisfactory
4	Appointment of Main Contractor For The Alexandra Hospice	Completed	Satisfactory
5	Appointment of panel of Transport Specialist	Completed	Satisfactory

All the areas for improvement identified through the audit efforts were communicated to management through the internal audit reports. Management continues to ensure that internal audit findings are resolved, through the implementation of recommendations and the agreed upon action plans.

TABLE 37: 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. • Overall control environment of the audited process/focus area is of a vulnerable standard. • Overall control environment for the audited process/focus area is of an adequate standard.
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 under review is exposed.	<ul style="list-style-type: none"> • Primarily “Minor or insignificant” risk findings. • Overall control environment for the audited process/focus area is of the required standard. • Adequate compensating controls in place.

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

TABLE 38: INTERNAL AUDIT FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved	Total Findings
2013/14	0	2	2
2014/15	1	16	17
2015/16	1	44	45
2016/17	4	54	58
2017/18	6	34	40
2018/19	7	27	34
Total	19	177	196
Percentage	10%	90%	100%

Internal Audit conducts follow-up reviews on a monthly basis 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 to the Group Risk Assurance Services for discussion with the City Manager.

On a quarterly basis 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, 2015/2016, 2016/17 and 2017/18 financial period:

TABLE 39: AUDITOR GENERAL FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2014/15	2	9	11
2015/16	1	33	34
2016/17	0	6	6
2017/18	1	4	5
2018/19	2	3	5
Total	6	55	61
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 Recognised Accounting Practice
ICT	Information and communication technology
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-motorised transit
OPCA	Operation Clean Audit Committee
SMME	Small, medium and micro enterprise
TOD	Transport Orientated Development

ANNEXURE 2: AMENDED JDA SCORECARD (UNABLE TO SUBMIT FOR APPROVED BY JDA BOARD)

Number of pre-feasibility plans or studies produced, reviewed or updated

Number of pre-feasibility plans or studies produced, reviewed or updated	Comment/Reason	Quarter			
		Q2	Q3	Q4	Grand Total
Project Names					
High Court Precinct Study	No change		1		1
NR: Nodal Regeneration: Parking Solutions for small nodes JOHANNESBURG City Wide Parking Management (Braamfontein west, Newtown, Yeoville) Parking Stress Survey	Only name change			1	1
Orlando East Station Precinct New Precinct Redevelopment ORLANDO EAST D Ward	No change			1	1
Randburg CBD regeneration Renewal Precinct Redevelopment FERNDALE B Regional	No change			1	1
Soweto Phase 2A vs Ivory Park Route	Added KPI moved from Concept Design KPI as only a Feasibility Study will be completed this FY			1	1
Market of the Future B	Project Removed Unable to securing signed SLA Addendum from Joburg Market			1	1
PTF: Upgrading of Sunning hill Public Transport Facilities	Added KPI moved from Practical Completion KPI as only a Feasibility Study will be completed this FY			1	1
Grand Total			1	6	7

Number of projects at concept design phase

Number of project at concept design phase	Comment/Reason	Quarter				
		Q1	Q2	Q3	Q4	Grand Total
Guard Houses and Customer centres	Remove KPI was achieved in previous FY					
PTF: Redevelopment of Inner City Ranks	No change			1		1
3877_09_New Turffontein Clinic & Multi-purpose centre	No change			1		1
4003_06_Inner City Partnership Fund: Round 2	Achieved		1			1
ACH - Joburg Art Gallery Upgrade JOHANNESBURG F	Remove Project was not included in SLA by client dept.					
Alex Depot 2: Planning	No change				1	1
Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward	Remove Project was not included in SLA by client dept.					
Balfour Park Transit Precinct Development (Louis Botha Corridor) Renewal Precinct Redevelopment SAVOY ESTATE E City Wide	Shift To Q4				1	1
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional: Phase 2	Achieved	1				1
Emtonjeni Terminal	Remove Project was not included in SLA by client dept.					
Heritage Bridge Landscaping	Remove KPI was achieved in previous FY					
Market of the Future B	Remove: KPI was moved to the Pre-Feasibility Study KPI					
Melville Activity Street_Neighbourhood Development_CoF_Upgrade	Shift To Q4				1	1

Number of project at concept design phase	Comment/Reason	Quarter				
		Q1	Q2	Q3	Q4	Grand Total
Project Names						
Naledi clinic New Building NALEDI D	Achieved		1			1
NR: Nodal Regeneration: Braamfontein Precinct	Shift To Q4				1	1
Pennyville Precinct Renewal Precinct Redevelopment PENNYVILLE EXT.1 B City Wide	Shift To Q4				1	1
PRINCESS Renewal Clinic PRINCESS C Ward	Remove Project was not included in SLA by client dept.					
PTF: Small Public Transport Facility Design and Construction of Kya Sand Superstop New Nodal Transport Facilities KYA SAND	Shift To Q4				1	1
Rec - Construction of the new multipurpose centre (Library included) at Kaalfontein(Ebony Park) New Community Centre KAALFONTEIN EXT.4 A Ward	Remove KPI was achieved in previous FY					
Revitalisation of Pageview and Vrededorp	Shift To Q4				1	1
Soweto Phase 2A vs Ivory Park Route	Remove: KPI was moved to the Pre-Feasibility Study KPI					
Upgrading of Midrand Public Transport Facility remove	Remove Project was not included in SLA by client dept.					
Zandspruit New Clinic ZANDSPRUIT EXT.4 C Ward 114 (Acquisition of land, layout and design and construction of buildings etc.)	Remove Project was not included in SLA by client dept.					
COMPL: Sidewalk Improvements: Chiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities CHIAWELO D City Wide	Added KPI moved from Contact Award KPI as only a Concept Design will be completed this FY				1	1
Grand Total		1	2	2	8	13

Number of contracts awarded

Number of contract awarded	Comment/Reason	Quarter				
		Q1	Q2	Q3	Q4	Grand Total
3877_01_Brixton Social Cluster: Work Package 2 : Library, Pool and Related Facilities	No change			1		1
4003_06_Inner City Partnership Fund: Round 2	Remove Contact award will only occur next FY					
4003_11_Park Station to Civic Centre PEU (Park Station Regeneration)	Remove KPI was achieved in previous FY					
Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward	Remove Project was not included in SLA by client dept.					
Banakekelen Hospice New Clinic ALEXANDRA EXT.38 E Ward	Achieved		1			1
COMPL: Sidewalk Improvements: Chiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities CHIAWELO D City Wide	Remove: KPI was moved to the Concept Design KPI					
Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route	Shift To Q4				1	1
CORR - Louis Botha Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	Remove Contact award will only occur next FY					
CORR - Perth Empire Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention WESTBURY B Regional	Shift To Q4				1	1
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional: Phase 2	Shift To Q4				1	1
Heritage Bridge Landscaping	Shift To Q3			1		1
Lehae MPC New Construction LEHAE G	Remove					

Number of contract awarded	Comment/Reason	Quarter				
		Q1	Q2	Q3	Q4	Grand Total
Project Names						
	Project funding not provided beyond design stage in SLA by client dept.					
Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E	Achieved	1				1
PRINCESS Renewal Clinic PRINCESS C Ward	Remove Project was not included in SLA by client dept.					
PTF Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities ZOLA D Regional	Remove Contact award will only occur next FY					
PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G)	Remove Contact award will only occur next FY					
PTF: Small Public Transport Facilities: Tshepisong	Shift To Q4				1	1
Rec - Construction of the new multipurpose centre (Library included) at Kaalfontein(Ebony Park) New Community Centre KAALFONTEIN EXT.4 A Ward	Achieved (Q2)			1		1
Regeneration of Lenasia CBD and Anchorville Industrial Hub – Region G Q3	Shift To Q3			1		1
Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C Q3	Shift To Q3			1		1
Small: Public Transport Facility in Zakariya Park Region G	Remove Contact award will only occur next FY					
Upgrading of Meadowlands Stadium Renewal Community Centre MEADOWLANDS D Ward	Remove Project was not included in SLA by client dept.					
Grand Total		1	1	5	4	11

Number of projects at practical completion

Number of projects at practical completion	Comment/Reason	Quarter			
		Q2	Q3	Q4	Grand Total
3877_01_Brixton Social Cluster: Work Package 1 : New multi-purpose sports and recreation hall	Shift To Q3		1		1
3877_13_Paterson Park - stormwater & new social facilities, park and road upgrading	Shift To Q4			1	1
3879_02_Jabulani Precinct Upgrades: Phase 6b - Safe Hub	Remove Practical completion will only occur next FY				
3879_02_Jabulani Precinct Upgrades: Phase 7 – Bridge	Remove Practical completion will only occur next FY				
4003_03_Ghandi Square East	Shift To Q4			1	1
4003_06_Inner City Partnership Fund: Round 1	Shift To Q4			1	1
ACH - Joburg Art Gallery Upgrade JOHANNESBURG F	Remove Project was not included in SLA by client dept.				
ACH - Upgrading of Museum Africa and Precinct (Three houses, workers museum, Mary Fitzgerald Square)	Remove Project was not included in SLA by client dept.				
ACH - Upgrading of the June 16 Acre Memorial Renewal Heritage Area Upgrade JABAVU CENTRAL WESTERN D	Remove Project was not included in SLA by client dept.				
Alexandra Sports and Youth Development _SAFA Safe Hub Facility	No change			1	1
Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward	Remove Project was not included in SLA by client dept.				
Bophelong Clinic	No change			1	1

Number of projects at practical completion	Comment/Reason	Quarter			
		Q2	Q3	Q4	Grand Total
Braamfischerville Ext 12&13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward	Awaiting budget confirmation			1	1
Bus Monitoring and Contract Management	Remove Project was not included in SLA by client dept.				
COMPL: Sidewalk Improvements: Dube NMT Links: DUBE D City Wide	No change		1		1
Construction of a new MPC in Matholessville New Community Centre MATHOLESVILLE C Regional	No change			1	1
Florida Clinic	Shift To Q4			1	1
Greenstone to Watt and Alex NMT	Remove Practical completion will only occur next FY				
Heritage Bridge Landscaping	Remove Practical completion will only occur next FY				
Inner City Eastern Gateway_TOD and Movement Corridors	(Ablutions in End Street Park)			1	1
ITS Redundancy Loop	Remove Practical completion will only occur next FY				
Large: Public Transport Facility Redevelopment of Karzene, NEWTOWN EXT.1 Region F	No change			1	1
Lib.Johannesburg Library (Centre of Excellence) JOHANNESBURG F	No change (roof)			1	1
Minor Upgrades of all Social Development Facilities in all the Regions JOHANNESBURG F	Remove Project was not included in SLA by client dept.				
Minor works at various Sport and Recreational facilities: Citywide (Aqua, stadiums recreational centres etc.)	No change			1	1
Orchards Clinic	Remove Project delayed. New contractor on site.				
Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E	Shift To Q4			1	1
Phase 1C Stations (Sandton Station, Gandhi Square Station)	Remove Practical completion				

Number of projects at practical completion	Comment/Reason	Quarter			
		Q2	Q3	Q4	Grand Total
Project Names					
	will only occur next FY				
PTF: Upgrading of Sunning hill Public Transport Facilities	Remove Project funding only for pre-feasibility this FY. Move to pre-feasibility KPI this FY				
Rec - Construction of the new multipurpose centre (Library included) at Kaalfontein(Ebony Park) New Community Centre KAALFONTEIN EXT.4 A Ward	No change			1	1
Rec- Construction of Drieziek MPC (ACH and Sports and Recreation)	Remove Practical completion will only occur next FY				
Section 15K (Watt Interchange Station Road Works and Bridges)	Remove Practical completion will only occur next FY				
Selby Depot 2B	Remove Practical completion will only occur next FY				
Selby Depot 2C	Remove Practical completion will only occur next FY				
Signage, Demarcation blocks and related studies	Remove Project was not included as a stand-alone project in SLA by client dept.				
Grand Total		0	2	14	16

Number of Area-Based Precinct Management business plans / frameworks developed or Precinct Management business plans / frameworks programmes implemented

Number of Area-Based Precinct Management business plans / frameworks developed or Precinct Management business plans / frameworks programmes implemented	Comment	Quarter			
		Q2	Q3	Q4	Grand Total
Project Names					
Our City Our Block – Hillbrow Theatre Area Based Management Plan	No change			1	1
Our City Our Block – Indlulamithi Routes Partnership Area Based Management Plan	No change			1	1

	No change				
Ghandi Square East MOU to support Area Based Management	Only wording			1	1
Grand Total				3	3