



Q1 Performance Report 2024/25

July 2024 to September 2024

JOHANNESBURG DEVELOPMENT AGENCY

COMPANY INFORMATION:

Registration number: : 2001/005101/07

Registered Address: : 3 Helen Joseph Street, Newtown, Johannesburg

Postal Address: : PO Box 61877, Marshalltown, 2017

Telephone number : +27 (0) 11 688 7800


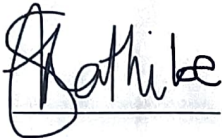
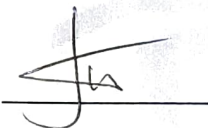

Fax number : +27 (0) 11 688 7851

Website : www.jda.org.za

Bankers : Standard Bank of SA Limited

Auditors : Auditor-General

APPROVAL

<div>Mr. Sinovuyo Mphakama</div> <div>Name & Surname</div> <div>Chief Financial Officer</div>	<div></div> <div>Signature</div>	<div>Date of approval: 18 October 2024</div>
<div>Mr Themba Mathibe</div> <div>Name & Surname</div> <div>Chief Executive Officer</div>	<div></div> <div>Signature</div>	<div>Date of approval: 18 October 2024</div>
<div>Mr. Julias Maputla</div> <div>Name & Surname</div> <div>Chairperson of the Board</div>	<div></div> <div>Signature</div>	<div>Date of approval: 28 October 2024</div>
<div>Ms. Eunice Mgcina</div> <div>Name & Surname</div> <div>MMC</div>	<div></div> <div>Signature</div>	<div>Date of approval: 30 October 2024</div>

CONTENTS

CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE	6
SECTION 1: CHAIRPERSON'S FOREWORD	6
SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT	8
SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT	9
SECTION 4: CORPORATE PROFILE AND OVERVIEW	11
SECTION 5: STRATEGIC GOALS AND OBJECTIVES	13
SECTION 6: SALIENT FEATURES	16
CHAPTER 2: CORPORATE GOVERNANCE	17
SECTION 1: CORPORATE GOVERNANCE STATEMENT	17
SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE	31
SECTION 3: RISK MANAGEMENT	32
SECTION 4: ANTICORRUPTION AND FRAUD	36
SECTION 5: ICT GOVERNANCE	37
SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS	40
SECTION 8: SUSTAINABILITY REPORT	42
CHAPTER 3: SERVICE DELIVERY PERFORMANCE	45
SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS	45
SECTION 2: SERVICE DELIVERY CHALLENGES	46
SECTION 3: PROGRAMMES, PROJECTS AND DAY-TO-DAY OPERATIONS	47
SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS	50
SECTION 5: CAPITAL PROJECTS & EXPENDITURE	50
SECTION 6: ORGANISATIONAL PERFORMANCE	58
6.1. ECONOMIC DEVELOPMENT	65
6.2. GOOD GOVERNANCE, MANAGEMENT AND ADMINISTRATION	66
CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT	67
SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)	68
SECTION 2: KEY VACANCIES	68
SECTION 3: EMPLOYMENT EQUITY	70
SECTION 4: SKILLS DEVELOPMENT AND TRAINING	75

SECTION 5: PERFORMANCE MANAGEMENT	76
SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES	77
SECTION 7: LEAVE AND PRODUCTIVITY MANAGEMENT	78
SECTION 8: EMPLOYEE BENEFITS	79
SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES	79
SECTION 10: CORPORATE SOCIAL RESPONSIBILITY	81
SECTION 11: MARKETING AND COMUNICATION	81
CHAPTER 5: FINANCIAL PERFORMANCE	88
SECTION 1: STATEMENT OF FINANCIAL POSITION AND HIGH-LEVEL NOTES	88
SECTION 2: STATEMENT OF FINANCIAL PERFORMANCE AND HIGH-LEVEL NOTES	89
SECTION 3: CASH FLOW STATEMENT	91
SECTION 4: NET ASSETS	92
SECTION 5: CAPEX SPENT	93
SECTION 6: RATIOS	100
SECTION 7: SUPPLY CHAIN MANAGEMENT	101
SECTION 8: PENDING LITIGATIONS AND POSSIBLE LIABILITIES	103
SECTION 9: INSURANCE CLAIMS AGAINST/TO MOE/DEPARTMENT.	109
SECTION 10: STATEMENT ON AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES	110
CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS	111
SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN	111
SECTION 2: PROGRESS ON PROBITY AUDIT	113
SECTION 3: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS	113
SECTION 4: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS	114
SECTION 5: STATE OF INTERNAL CONTROLS	115
ANNEXURES	117
ANNEXURE 1: ACRONYMS AND ABBREVIATIONS	117

CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

I am honoured to present the quarterly report for the Johannesburg Development Agency (JDA) for the 2024/25 financial year. This quarter has been one of significant transformation and achievement as we worked to address key operational challenges, strengthen our financial position, and broaden our impact through innovative collaborations. Despite a volatile global economic environment, JDA has shown resilience and maintained a strong commitment to growth and operational excellence.

One of our primary areas of focus this quarter has been the introduction of debt recovery mechanisms aimed at improving our financial stability. By refining our debt collection processes, we are laying the groundwork to improve liquidity, which is essential for meeting our obligations and driving long-term sustainable growth. We have also concentrated on establishing public-private partnerships to diversify revenue streams. These partnerships are crucial for securing funding for our projects, creating additional value, and unlocking new opportunities within the city's development landscape.

In addressing fruitless and wasteful expenditure, we have implemented stricter control measures and promoted a culture of accountability throughout the organization. By doing so, we have strengthened our ability to allocate resources more efficiently, directing them towards high-impact initiatives. We are also mindful of the historical financial challenges that have contributed to the entity's debt burden and are actively putting measures in place to improve our financial health.

In terms of employment creation, we have continued to focus on fostering inclusive growth that benefits the communities we serve. Our ongoing investments in infrastructure development have not only created jobs but have also stimulated economic growth in the areas surrounding our projects.

We are pleased to report that we have met, and in some cases surpassed, our procurement spent targets for SMMEs (Small, Medium, and Micro Enterprises). By prioritizing local businesses, we are playing a key role in promoting economic empowerment and social equity.

We have also turned our attention to resolving salary disparities within the organization. Ensuring fair and equitable pay is a critical priority, and we are making progress toward creating a more transparent and just compensation structure for all employees.

Looking ahead, we remain focused on improving operational efficiency and financial management, while pursuing opportunities for strategic growth. We are confident that JDA is well-equipped to face upcoming challenges, with a clear strategy for sustainable and inclusive growth.

I would like to express my sincere thanks to the entire Johannesburg Development Agency team, the Board, our stakeholders, and the MMC for Development Planning for their trust in our vision. Together, we will continue to build on the solid foundation we have established and work towards even greater success in the coming quarters.

Mr Julia Maputla

Board Chairperson



ORCHARD'S CLINIC

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

It is my immense pleasure to present the 1st Quarter Performance Report for 2024/25. On behalf of Management, I welcome the newly appointed Board for the Johannesburg Development Agency (JDA). As part of exercising oversight, the Board will play an important role in implementing the JDA's mandate of ensuring that spatial transformation and economic growth of the city is integrated and coordinated. The Board attended an informative Board Induction session organised by the JDA that was held in September 2024. This induction served as a key platform for acquainting the Board with the status quo of the Entity. As such, the Board has been informed about the financial constraints and other challenges experienced by the Entity. Key emphasis from the Board is that management should prioritise Revenue Enhancement and Debt Collection.

Through this 1st Quarter Performance Report the Entity seeks to comply, track progress against the targets set in the Business Plan Scorecard and analyse the 1st quarter performance for 2024/25 financial year. During the quarter under review, the Entity remained confronted with challenges that are primarily as a result of the City's financial constraints. These had a negative impact on the JDA and led to inability to pay invoices within 30 days. Overall, these financial constraints negatively impacted on the 1st quarter performance of the Entity because some of the KPI's could not be achieved.

Notwithstanding the challenges encountered, the entity has recorded 75% targets achieved, and 25% not achieved by end of Q1 based on the twelve (12) targets that were measured. A total of 254 EPWP work opportunities were reported as at end of the 1st Quarter, the entity had not set target for the quarter. Percentage spent on specific goal through local procurement as a share of total expenditure is 104%.

Management has identified challenges that resulted in the targets that were not achieved and formulated interventions. These interventions are key towards improving performance and will be implemented in the succeeding quarters.

I would like to express appreciation, to the MMC and the Board for their continued support. Thank you to my Colleagues, for their contribution and continued commitment.

Mr Themba Mathibe

Chief Executive Officer

SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT

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

For the quarter ended 30 September 2024 the JDA had earned total revenue of R26.9 million (2023/24: R19 million) and incurred total expenditure of R43 million (2023/24: R34 million) which resulted in an overall deficit of R16 million (2023/24: Deficit of R15 million).

Total revenue was R26.9 million year to date (2023/24: R19 million) against a budget of R34 million (2023/24: R 28 million). As the development management fees are based as a percentage of the capital project spend, the overall fluctuations in the capital expenditure have an impact on the management fees.

Actual operating expenses is R43 million (2023/24: R34 million) for the year to date against a budget of R34 million (2023/24: R30 million). Included in the operating costs is interest charged on the sweeping account of R15 million. The JDAs current funding model is not effective and is required to be reviewed at least within this financial year. The current arrangement of paying of contractual suppliers and then the impact of late payments by the client departments continues to put substantial financial pressure on the JDA and contributes to at least all of the overall deficit. Without a more permanent solution around this process, the interest charged will continue to place enormous pressure on the operations of the JDA.

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

TABLE 1: ACTUAL OPERATIONAL BUDGET

	Actual Prior year 30 September 2023	Actual R'000	Budget R'000	Variance R'000	% of actual against budget
Revenue	R19 271	R26 995	R34 016	(R7 021)	79%
Operating costs (before interest)	(R23 150)	(R28 249)	(R32 059)	R3 810	88%
Interest expense	(R11 352)	(R15 332)	(R1 958)	(R13 376)	783%
Total operating costs	(R34 502)	(R43 581)	(R34 017)	(R9 566)	128%
Surplus/(Deficit)	(R15 231)	(R16 586)		(R16 587)	

Actual capital expenditure for the first quarter ended 30 September 2024 was R100 million (2023/24: R86 million) against an annual budget of R898 million (2023/24: R1.4 billion). This represents 11.25% (2023/24: 6%) of the overall annual budget. There are still various factors that continue to affect projects including poor contractor performance, however, the performance for the first quarter is aligned to the target.

The organization's total liabilities exceeded the total Assets. The total net assets at 30 September 2024 were negative R58,3 million (2023/24: R14.6 million).

The table below reflects the financial performance ratio of the organization for the quarter ended 30 September 2024.

TABLE 2: FINANCIAL RATIOS

Key Performance Area	-	Actual 30 September 2023	Actual 30 September 2024
Current ratio	Above 1: 1,5	0,91:1	0.93:1.5
Solvency ratio	Above 2: 1	0.98:1	0.95:1
Salaries to expenditure ratio	Below 60%	60%	54%
Revenue	R34 Million	R19 Million	26.9million
Expenditure (including taxation)	R34 million	R34 Million	R43.5 million
Surplus / (Deficit)	R nil	(R15 million)	(R16.5 million)
Total net assets	R47.4 million	(14.6 million)	(58.3 million)
Capital expenditure	10%	6%	11.25%

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

The liquidity is slightly higher when compared to last year's quarter and the solvency ratio was below when you compared it to last year and still below the industry norm.

The remuneration ratio is below the norm which is mainly because of a lower employee cost numerator and the higher overall expenditure value as the denominator. The ratio is based on employee costs of R23 million over total expenditure of R43 million, which results in 54% of the expenditure.

Mr. Sinovuyo Mpakama
Chief Financial Officer

SECTION 4: CORPORATE PROFILE AND OVERVIEW

The Johannesburg Development Agency is one of the City of Johannesburg Municipality's entity which was established in 2002. Based on its memorandum of incorporation the entity's main purpose and object of the JDA is to, inter alia, promote socio-economic growth through the development and promotion of efficient spatial environments in defined geographic areas and regenerate decaying areas of the City to enhance their ability to contribute to economic development and improve quality of life for residents on behalf of the City by conceptualising, designing, facilitating and implementing specific capital and non-capital projects and programmes.

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

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

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

Vision

To be the leading development agency of choice within South Africa

Mission

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

Values

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

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

JDA Governance Arrangement

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

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

The Council's Section 79 Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of the departments and entities mandated with

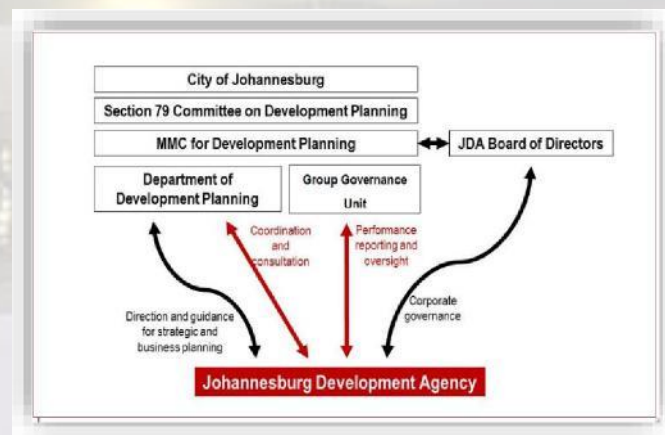


FIGURE 1: JDA GOVERNANCE SYSTEM

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

SECTION 5: STRATEGIC GOALS AND OBJECTIVES

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

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

JDA's Role in Transforming the Spatial Economy

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

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

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

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

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

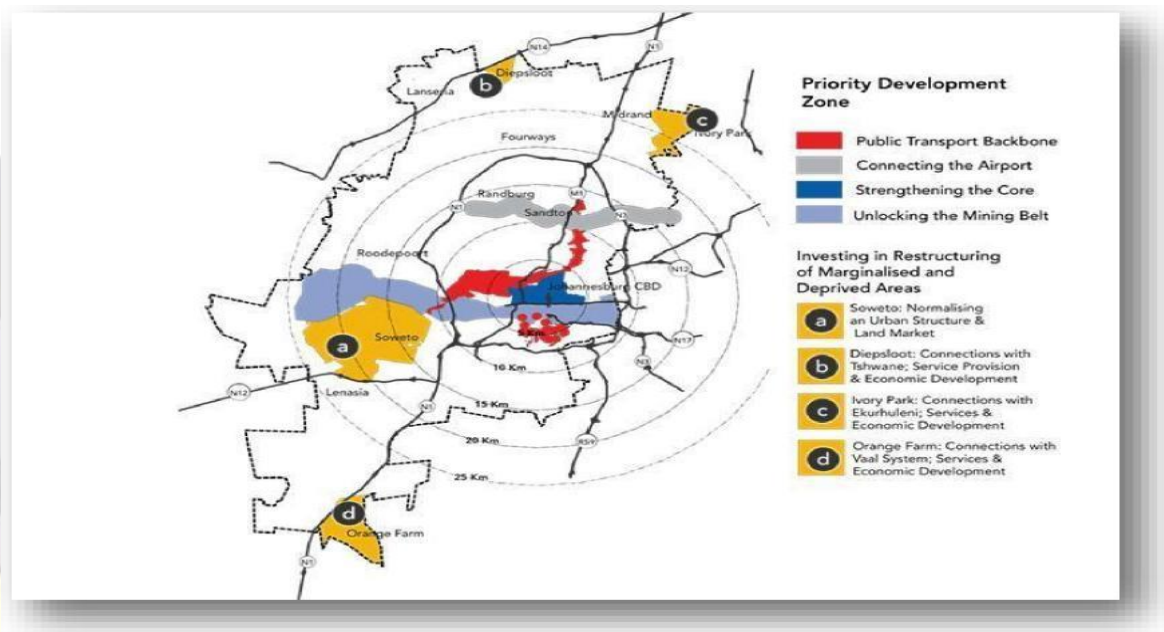


FIGURE 2: SDF 2040 PRIORITY ZONES

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

SDF Priority Transformation Areas	Corresponding JDA Programmes	Regional JDA Development Programmes
Strengthening the metro core (inner city)	Inner City and the Old South (including Turffontein and Mining Belt).	<ul style="list-style-type: none"> 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 coordination** - Working with various stakeholders and parties to ensure that they are undertaking their roles as expected and required.
- 3. Overall development implementation involving capital developments** - In ensuring that the development is implemented as planned, JDA may oversee specific project management functions within a development, while retaining overall accountability as a development manager. Through local beneficiation, in terms of Small, Medium, and Micro Enterprise (SMME) and entrepreneurial support, the JDA aims to increase the number of local emerging contractors used in capital projects carried out in the various communities, as well as the number of local construction jobs created.
- 4. Post implementation support and sustainability** - Complement any capital development or investment with urban management initiatives and models.
- 5. Impact Assessment / monitoring and evaluation** - Analyse, review, and quantify private sector investment in various JDA intervention areas and assess the socio-economic impact of these interventions. This is achieved through, among others, an analysis of the property market trends and factors that influence investor interest in JDA development areas. Value for money assessment.

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



FIGURE 3: DEVELOPMENT PROCESS / LIFECYCLE

SECTION 6: SALIENT FEATURES**Performance Summary**

- JDA has managed to spend only 11.25% of its allocated Capital budget in the first quarters of the financial year against the target of 10%.
- A total of 254 EPWP work opportunities were reported as at end of the 1st Quarter. The entity had not set EPWP target because of the cashflow challenges experienced in the last FY.
- The entity has recorded a deficit of R16.5 million by end of quarter due to cost that is higher than revenue.

TABLE 4: OPERATING BUDGET MANAGEMENT

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TABLE 5: CAPEX SPENT

Programme	2024/25 Annual Budget	Target YTD	Actual YTD	Target %	% Actual /annual budget
	R' 000	R' 000	R'000	%	%
Capex for 2024/25 FY	897 956 775	89 795 678	100 994 147	10%	11.25%
Total	897 956 775	89 795 678	100 994 147	10%	11.25%

CHAPTER 2: CORPORATE GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

Governance Framework

The JDA's Board of Directors and executive management team adhere to governance principles outlined in the Code of Conduct for Directors, as per section 93L of the Municipal Systems Act, Circular 63 of the MFMA, and the King IV Code. Additionally, the organization follows governance principles from the Companies Act and the City's Governance framework. Adherence to these governance standards is monitored through Board subcommittees, such as the Audit and Risk Committee (ARC).

The Board regularly reviews and strengthens internal controls and governance processes to ensure the JDA operates ethically and within acceptable risk limits. During the reporting period, the Board oversaw compliance with the Companies Act, the Municipal Systems Act, the MFMA, and the applicable King Code.

JDA's Governance Arrangements

The JDA is accountable to the Department of Development Planning, which guides its contractual obligations, and to the Member of the Mayoral Committee for Development Planning, which provides political oversight. It also falls under the Economic Development Mayoral Cluster Committee, which ensures coordination and integration of work between departments and entities focused on the city's spatial transformation and economic growth. The Council's Section 79 Committee on Development Planning provides political oversight for the JDA's functions and activities.

The JDA's management is responsible for strategic and operational matters to the Board of Directors, which provides strategic guidance and oversees its execution. The JDA works closely with the Department of Development Planning to coordinate area-based development and other key interventions, collaborating with client departments during the design and construction phases of projects.

Implementation of King Code of Corporate Governance

The JDA Board follows Principle 13 of the King IV Code, which provides guidance on how the Board should manage its responsibilities concerning compliance with applicable laws, as well as non-binding rules, codes, and standards adopted by the organization. This commitment has led both the Board and the management team to embrace the principles of openness, integrity, and accountability as set out in the King Code.

During the reporting period, the JDA made significant progress in embedding and strengthening recommended governance practices within its structures, systems, processes, and procedures. The internal audit team regularly reported to the Audit and Risk Committee (ARC), which oversees the organization's compliance with the King Code.

The JDA applies the governance principles outlined in the King Code to the extent that they are relevant, and it continues to enhance and embed these practices within its governance frameworks. This process provides assurance to shareholders and stakeholders that the JDA is ethically managed within well-defined risk parameters and in line with recognized corporate governance standards. The ARC is responsible for monitoring the organization's adherence to the King Code, and the JDA has complied with the applicable provisions during the review period.

The Board of Directors has also integrated the City of Johannesburg's Corporate Governance Protocol into its Board Charter, which governs its relationship with the City as the JDA's sole shareholder, in alignment with good corporate governance and ethical practices. The protocol is based on the principles of the King IV Report on Corporate Governance for South Africa 2016, and the JDA's governance practices largely align with these principles. Continuous efforts are made to align fully with King IV recommendations, with the Board regularly reviewing progress to improve corporate governance.

Additionally, the JDA incorporates Environmental, Social, and Governance (ESG) factors into its daily operations and future reporting. Key ESG areas for the JDA include:

- Environmental: Issues such as climate change, energy use, water scarcity, pollution, and waste management.
- Social: Areas of focus include employment, labour practices, employee benefits, diversity, health and safety, human rights, community relations, and advancing broad-based black economic empowerment (B-BBEE).
- Governance: This includes corporate structure, management, strategic direction, compliance, anti-corruption efforts, and board and executive composition.

Ethical Leadership

The JDA Board provides leadership grounded in respect for ethical values, human dignity, and the rights of others. Its leadership is built on a strong ethical foundation, with the entity committed to upholding high standards of integrity. Since its inception in 2001, responsible leadership defined by the values of accountability, responsibility, fairness, and transparency has been a core characteristic of the organization.

The primary goal has always been to conduct business ethically while building a sustainable organization that considers the short- and long-term impacts of its actions on the economy, society, and the environment. In its

discussions, decisions, and actions, the Board remains mindful of the legitimate interests and expectations of the JDA's stakeholders.

Corporate citizenship

As a municipal entity, the JDA has social and moral responsibilities to the citizens. The Board is tasked with ensuring that the JDA safeguards, improves, and invests in the economy, society, and the natural environment. Additionally, the JDA carries out its activities within the framework of social, political, and environmental responsibilities as outlined in international human rights conventions.

Compliance with laws, rules, codes, and standards

The Board ensures 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 filed with the Registrar of Companies in line with section 268(d) of the Companies Act. The Board, through the Audit and Risk Committee (ARC), provides assurance that the entity remains compliant with all relevant laws. The Risk and Compliance department conducts quarterly compliance assessments, and the findings are presented to the ARC.

Citizen Involvement in Plan-Making and Project Implementation

As part of its commitment to public participation, the JDA, through city processes, ensures that communities and individuals are engaged in planning and project implementation. The City has adopted a community-based planning system to ensure that long, medium, and short-term plans reflect the needs of citizens. In preparing the Integrated Development Plan (including the Spatial Development Framework) and during the annual review of the Regional Spatial Development Framework, a structured participation process is followed. This process includes public meetings where any interested party can provide feedback or raise objections to proposed plans.

For area-based planning, the JDA follows a structured participation approach, which includes key public meetings at the start of the process and at the point of draft proposals. Additionally, other participatory methods, such as stakeholder meetings and information leaflets, may be used depending on the project's context. Citizens can also participate in developing detailed precinct plans at the neighbourhood level, and in many cases, these plans are initiated by local residents. The planning department is exploring ways to help communities pool resources to participate in the creation of precinct plans.

Local ward councillors, ward committees, and residents' associations serve as key channels for citizens to engage in public participation processes related to planning and project development.

The JDA Board of Directors adheres to good corporate governance principles outlined in the King Code and the Code of Conduct for Directors, as mentioned in section 93L of the Municipal Systems Act, 2000 (MSA). The Board recognizes the importance of conducting the municipal entity's affairs with integrity to enhance public and municipal confidence. It is the Board's policy to continuously review and improve the entity's control and governance systems, ensuring ethical management within well-defined risk parameters.

1.1 . Board Of Directors

The JDA adheres to the provisions of its Memorandum of Incorporation (MOI) and the Group Governance Policy regarding the nomination, appointment, composition, and remuneration of its Board members. Directors are appointed through a resolution passed at the Annual General Meeting (AGM), with the Board's composition determined by the experience, qualifications, and skills needed to guide the entity's strategic direction. The JDA has a unitary board, consisting of both executive and non-executive directors, who collectively bring a diverse range of expertise in areas such as accounting, finance, legal matters, business management, human resources, marketing, construction, and development management.

The JDA's sole shareholder, the City of Johannesburg (CoJ), reviews the terms of non-executive directors annually at the AGM. The Board is accountable to both the CoJ and the citizens of Johannesburg, and its relationship with the CoJ is governed by a service delivery agreement and a shareholder compact, as outlined in the Municipal Systems Act.

The Board submits quarterly, biannual, and annual performance and service delivery reports to the City of Johannesburg in accordance with the requirements of the service delivery agreement, the shareholder compact, the MFMA, and the Municipal Systems Act. Non-executive directors maintain an independent perspective on matters and contribute their expertise to enhance the Board's effectiveness. The roles of the Chairperson and the Chief Executive Officer are distinct, with responsibilities clearly divided between them.

Board members have unrestricted access to the Company Secretary, who provides guidance on corporate governance, compliance, statutory requirements, and best practices. The Board or its members can also seek independent professional advice at the company's expense when necessary.

An annual Board evaluation is conducted to identify areas for improvement and to consolidate strengths, and the performance of Board committees is assessed against their terms of reference.

As at the Annual General Meeting held on 31 July 2024, the JDA Board of Directors comprises of the following members:

1. Mr Julias Maputla (Chairperson)

2. Ms Mally Hilda Mokoena
3. Mr Mongezi Ntanga
4. Ms Daliwe Oliphant
5. Ms Morwesi Ramonyai
6. Ms Nomakhosazana Ella Veyi
7. Mr Thabo Sibeko
8. Mr Vukile Hlongwa
9. Mr Boitumelo Molelekeng
10. Mr Siyabonga Masiza
11. Mr Tshepo Nawane

Mr Themba Mathibe – appointed CEO effective 01 June 2024

Mr Sinovuyo Mpakama appointed Chief Financial Officer effective 01 January 2024

The appointed Independent Audit and Risk Committee members are:

1. Ms Winie Nozuko Yawa
2. Ms Ellen Rakodi
3. Mr Dalton Radimetja Ramaoma
4. Mr Oupa Madala Galane

TABLE 6: BOARD COMPOSITION

Board member	Capacity: Executive/ Non-Executive	Race	Gender	Board Committee Membership
Mr. Julias Maputla	Chairperson (Non-executive)	Black	Male	Development and Investment Committee
Ms. Daliwe Oliphant	Non-executive	Black	Female	Audit and Risk Committee (Chair)
Ms. Morwesi Ramonyai	Non-executive	Black	Female	Audit and Risk Committee and Development & Investment Committee
Mr. Mongezi Ntanga	Non-executive	Black	Male	Social & Ethics, Human Resources and Remuneration Committee
Ms. Ella Veyi	Non-executive	Black	Female	Social Ethics, Human Resources and Remuneration Committee
Ms. Mally Mokoena	Non-executive	Black	Female	Social & Ethics, Human Resources and Remuneration Committee (Chair)

Mr. Thabo Sibeko	Non-executive	Black	Male	Audit and Risk Committee
Mr. Vukile Hlongwa	Non-executive	Black	Male	Audit and Risk Committee
Mr. Siyabonga Masiza	Non-executive	Black	Male	Social & Ethics, Human Resources, & Remuneration Committee
Mr. Boitumelo Molelekeng	Non-executive	Black	Male	Development and Investment Committee
Tshepo Nawane	Non-executive	Black	Male	Development and Investment Committee (Chair) & Audit and Risk Committee

The JDA Directors collectively possess a diverse array of skills and experiences that they contribute to the benefit of the organization. Their expertise encompasses areas such as accounting, finance, law, business management, human resources, labour relations, marketing, construction, and development management.

The Board convenes regularly, exercising full and effective control over the organization while overseeing the execution of the company's strategic programs by the executive management through a structured reporting and accountability framework. It establishes the strategic direction for the JDA and monitors overall performance. All Board Committees are chaired by non-executive directors, who are responsible for overseeing the entity's performance.

1.2. Board Committees

Board Meeting Attendance

The Board and its Committees operate under the Group Policy established by the shareholder, which directs the functions of the City entities' Boards along with their respective charters. This policy stipulates that the Board should hold four regular meetings each financial year, with special meetings requiring justification. The table below outlines attendance at meetings during the first quarter.

TABLE 7: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (01 JULY 2024 TO 30 SEPTEMBER 2024)

Name	Board Meetings = Total of 3 Meetings				Audit & Risk Committee= Total of 2 Meetings				Social & Ethics/ HR & Remuneration Committee = Total Of 2				Development Committee = Total of 2			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Julius Maputla (Chairperson)	3	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	1	0	0
Daliwe Oliphant	3	3	0	0	2	1	0	0	N/A	N/A	N/A	N/A	2	2	0	0
Makoko Makgonye Ceased to be a NED on 31 July 2024	3	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	1	0	0
Mongezi Ntanga	3	3	0	0	N/A	N/A	N/A	N/A	2	2	0	0	N/A	N/A	N/A	N/A
Pinkie Numa Ceased to be a NED on 31 July 2024	3	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	1	0	0
Morwesi Ramonyai	3	3	0	0	2	1	N/A	N/A	2	1	0	0	2	2	0	0
Siyabonga Masiza	3	3	0	0	2	1	0	0	2	2	0	0	N/A	N/A	N/A	N/A
Vukile Hlongwa	3	3	0	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nandipha Zonela Ceased to be a NED on 31 July 2024	3	1	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	2	1	0	0
Mally Mokoena	3	3	0	0	N/A	N/A	N/A	0	2	2	0	0	N/A	N/A	N/A	N/A
Bruce Sarela Ceased to be a NED on 31 July 2024	3	1	0	0	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Boitumelo Molelekeng	3	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	1	0	0

Thabo Sibeko	3	2	0	0	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tshepo Nawane	3	3	0	0	2	1	0	0	2	1	0	0	2	1	0	0
Nomakhosazana Ella Veyi	3	2	0	0	N/A	N/A	N/A	N/A	2	1	0	0	N/A	N/A	N/A	N/A
Sivuyile Mndawe (IAC) Ceased to be IAC member on 31 July 2024	N/A	N/A	N/A	N/A	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Lebopa (IAC) Ceased to be a member of an IAC member on 31 July 2024	N/A	N/A	0	0	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr Oupa Madala Galane (IAC)	N/A	N/A	0	0	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr Dalton Radimetja Ramaoma (IAC)	N/A	N/A	0	0	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms Ellen Rakodi (IAC)	N/A	N/A	0	0	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms Winnie Nozuko Yawa (IAC)	N/A	N/A	N/A	N/A	2	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Board Committees

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

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

Each committee composition is as follows:

TABLE 8: COMPOSITION OF COMMITTEES AS AT 30 SEPTEMBER 2024

Composition	Mandate and Quarterly Activities
Audit and Risk Committee	
<p>The Audit and Risk Committee, which consists of five non-executive directors and four independent members, meet not less than four times a year. Most of these committee members are financially literate. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • Daliwe Oliphant (Chairperson) • Tshepo Nawane • Vukile Hlongwa • Morwesi Ramonyai • Thabo Sibeko • Nozuko Yawa (Independent Audit Member) • Ellen Rakodi (Independent Audit Member) • Dalton Ramaoma • Oupa Galane 	<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 4 (four) 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</p>	<p>The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR & Remuneration Committee/Social & Ethics Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg following the provisions of Section 89(a) of the MFMA.</p>

Composition	Mandate and Quarterly Activities
<p>sustainably conducts its business, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. This committee also considers the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • Mally Mokoena (Chairperson) • Mongezi Ntanga • Siyabonga Masiza • Nomakhosazana Ella Veyi 	<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"> • Tshepo Nawane (Chairperson) • Julius Maputla • Boitumelo Molelekeng • Morwesi Ramonyai 	<p>The Committee is responsible for evaluating development proposals to make recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.</p>

Duties of the Board

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

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

- Considering and ensuring that the entity's size, diversity, and skills are sufficient to achieve its strategic objectives.

Board charter

The Board of Directors has included the City of Johannesburg's corporate governance protocol in its charter, which governs its relationship with the City of Johannesburg as its sole member and parent municipality, promoting good corporate governance and ethical practices. This protocol is based on the principles outlined in the King Code. The charter details the Board's composition and its powers.

1.3. Directors And Prescribed Officers Remuneration

The JDA remunerates non-executive directors and independent audit committee members according to a policy and in amounts set periodically by the City of Johannesburg Metropolitan Municipality, acting as the sole shareholder of the JDA. This arrangement was reaffirmed by a special resolution at the Annual General Meeting. Non-executive directors and independent audit committee members receive payment for each meeting attended. Executive directors and prescribed officers are employees of the JDA and do not receive any additional compensation related to their positions. The table below shows the gross amounts or total costs incurred by the JDA for the fees of executive directors, non-executive directors, and independent audit committee members.

TABLE 9: EXECUTIVE DIRECTORS, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTORS & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES AS AT 30 SEPTEMBER 2024

Name	Designation	Salar/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Non-Pensionable Gratuity	Total
Executive Directors & Senior Management -								
T Mathibe	CEO	R 662 122,86	R 72 221,25	R 0	R 0	R 0		R 734 344.11
S Mpakama	CFO	R 610 053.44	R 52 775.85	R 0	R 0	R 0	R 5 454.00	R 668 283.29
T Msane	Company Secretary	R 355 342.23	R 38 759.28	R 0	R 0	R 0		R 394 101.51
O Nkoane	EM: Development Planning and Facilitatio	R 604 550.07	R 32 662.02	R 0	R 0	R 0	R 5 454.00	R 642 666,09
S Genu	EM: Project Implementation	R 601 099.58	R 33 467.19	R 0	R 0	R 0	R 5 454.00	R 640 020,77
M Mazibuko	EM: Corporate Services	R 690 513.29	R 52 775.85	R 0	R 0	R 0	R 5 454.00	R 748 743,14
T Maota	Chief Audit Executive	R 405 381.18	R 44 217.24	R 0	R 0	R 0		R 449 598,42
Sub-Total		R 3 929 062.65	R 326 878.68	R 0.00	R 0.00	R 0.00	R 21 816,00	R 4 277 757,33
Non-Executive Directors & Independent Audit Committee Members								
1 July 2024 to 30 September 2024								
Mr Julius Maputla	Board Chairperson	0.00	N/A	N/A	N/A	N/A	N/A	0.00
Ms Daliwe Oliphant	Board Member (ARC Chair)	R58 000	N/A	N/A	N/A	N/A	N/A	R58 000
Ms Mally Mokoena	Board Member (SEHR Chair)	R46 000	N/A	N/A	N/A	N/A	N/A	R46 000
Mr Mongezi Ntanga	Board Member	R44 000	N/A	N/A	N/A	N/A	N/A	R44 000
Ms Morwesi Ramonyai	Board Member	R60 000	N/A	N/A	N/A	N/A	N/A	R60 000
Ms Nandipha Zonela	Board Member	R22 000	N/A	N/A	N/A	N/A	N/A	R22 000
Mr Bruce Sarela	Board Member	0.00	N/A	N/A	N/A	N/A	N/A	0.00
Ms Pinkie Numa	Board Member	0.00	N/A	N/A	N/A	N/A	N/A	0.00
Mr Vukile Hlongwa	Board Member	R52 000	N/A	N/A	N/A	N/A	N/A	R52 000
Mr Makoko Makgonye	Board Member	R20 000	N/A	N/A	N/A	N/A	N/A	R20 000

Name	Designation	Salar/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Non-Pensionable Gratuity	Total
Mr Siyabonga Masiza	Board Member	0.00	N/A	N/A	N/A	N/A	N/A	0.00
Mr Tshepo Nawane	Board Member	R54 000	N/A	N/A	N/A	N/A	N/A	R54 000
Mr Boitumelo Molelekeng	Board Member	R32 000	N/A	NA	N/A	N/A	N/A	R32 000
Mr Thabo Sibeko	Board Member	R32 000	N/A	N/A	N/A	N/A	N/A	R32 000
Ms Ella Veyi	Board Member	R24 000	N/A	N/A	N/A	N/A	N/A	R24 000
Mr Sivuyile Mndawe	Independent Audit & Risk member	R8 000	N/A	N/A	N/A	N/A	N/A	R8 000
Mr Patrick Lebopa	Independent Audit & Risk member	R8 000	N/A	N/A	N/A	N/A	N/A	R8 000
Ms Nozuko Yawa	Independent Audit & Risk member	R8 000	N/A	N/A	N/A	N/A	N/A	R8 000
Ms Ellen Rakodi	Independent Audit & Risk member	R8 000	N/A	N/A	N/A	N/A	N/A	R8 000
Mr Dalton Ramaoma	Independent Audit & Risk member	R8 000	N/A	N/A	N/A	N/A	N/A	R8 000
Mr Oupa Galane	Independent Audit & Risk member	R8 000	N/A	N/A	N/A	N/A	N/A	R8 000
Sub total		R492 000	R 326 878.68	R 0.00	R 0.00	R 0.00	R 21 816,00	R492 000
		R4 421 062.65	R 326 878.68	R 0.00	R 0.00	R 0.00	R 21 816,00	R4 719 757.33

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

Loans and advances

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

1.4. Company Secretarial Function

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

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

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

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

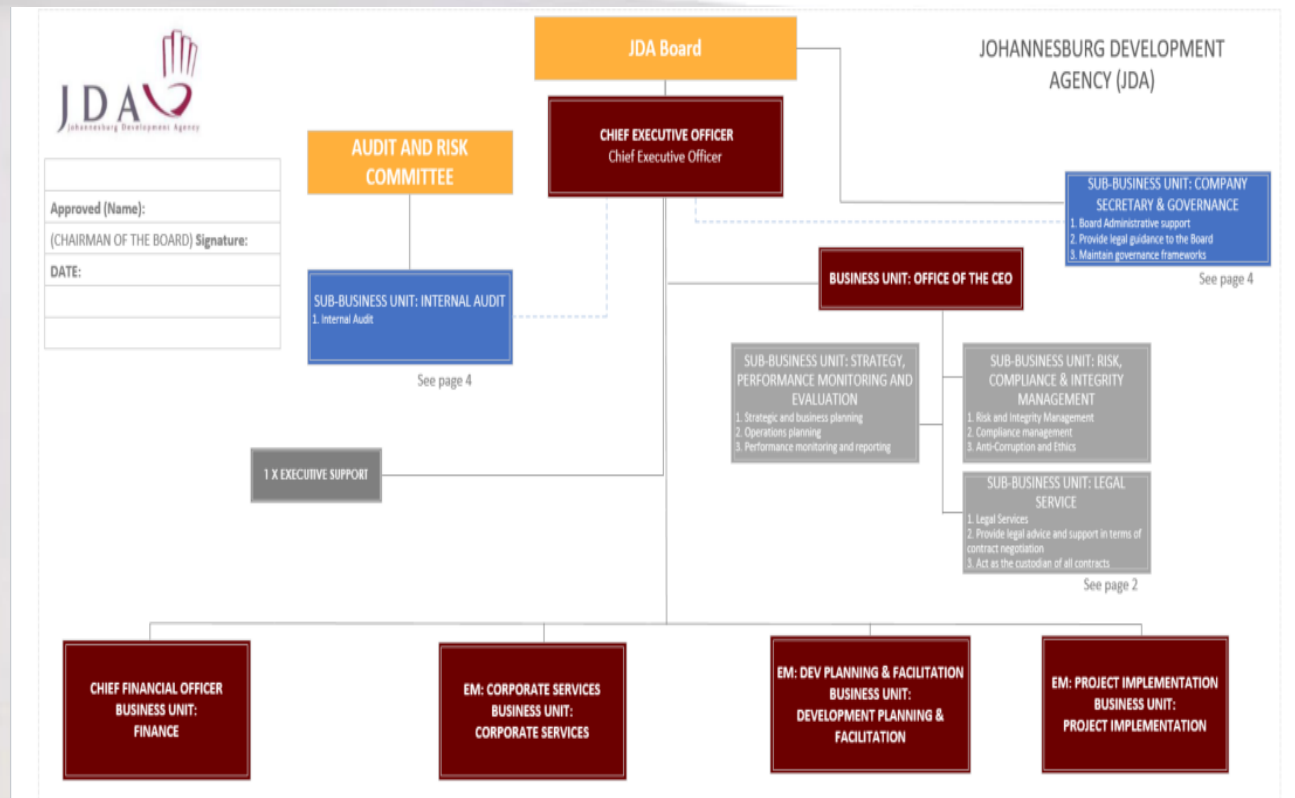


FIGURE 4: HIGH LEVEL ORGANISATION STRUCTURE

SECTION 3: RISK MANAGEMENT

The JDA has an integrated approach to risk management and has adopted the City's Group Risk Management Framework with few amendments as approved by Council and it is important to note the following:

- The JDA's Compliance Framework is aligned to the City's Group Framework and approved by the ARC.
- The Risk Management Frameworks are reviewed every three years or earlier, as and when necessary. The Framework has been adopted and approved by the JDA's ARC.

3.1 Risk Management Implementation Plan

The Annual Risk Management Implementation Plan for the current financial year 2024/25 was approved by the ARC. There were 7 KPIs planned to be implemented in the first quarter of the current financial year, all planned KPI's were implemented. The following KPIs were implemented:

- Operational Risk Assessments.
- Strategic Risk Management Report.
- Operational Risk Management Report.
- Compliance Assessment to URR.
- Collation of Employees Declaration of Interests (2024/25).
- Conduct Ethics awareness
- Fraud Risk Monitoring.

3.2 Status on the Strategic Risk Management Mitigation Plans

There are ten (10) committed strategic future mitigation plans scheduled to be implemented in the first quarter of 2024/25 financial year. Of the total planned action plans, only eight (8) which translate to 80% were implemented. Table below depicts the overall achievement in the implementation of strategic risks mitigations for the first quarter.

TABLE 10: OVERALL MITIGATION IMPLEMENTATION AS AT 30 September 2024

Key Performance Indicator	1 st Quarter - Target	1 st Quarter – Performance	Variance
Implementation of committed Strategic Action Plans.	100%	80%	20%

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

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

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

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







Progressed	Stagnant	Regressed
		

TABLE 11: RESIDUAL STRATEGIC RISKS TRIGGERED BY RISK TOLERANCE THRESHOLD

No	Risk Name	RR- 1 July 2024	RR- 30 September 2024	RR -Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
1.	Poor project performance	16	16		Number of contractors put on terms/ terminated contractors	The residual risk rating is stagnant. There was only one contractor that was put on terms in Q1. Therefore, we continuously monitor the risk.	Close monitoring of the project implementation.
2.	No/insufficient working capital to finance the project (contractor)	12	12		Delay in payment of contractors/ Invoices paid outside 30 days.	In quarter one, JDA paid a total of 217 invoices. Of these invoices, only 7 were paid outside 30 days payment cycle amounting to R15 585 513.78 which translates to 3%. The residual risk has stayed stagnant and we will monitor effectiveness of the implemented control.	JDA has developed a central point where all invoices will be received for timeous processing.
6.	Inability to ensure financial sustainability	12	10		10% of the budget is spent on city-wide infrastructure.	JDA has achieved 11,25% Capex spent as per quarter one target. Therefore, the residual risk rating has progressed.	Close monitoring of the project implementation.

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

Corporate Ethics and Organizational Integrity

Code of Conduct

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

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

Minimizing conflict

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

In terms of the Standard Bidding Documents (SBD) documents, bidders are required to submit a declaration whether their close family member/ partner/ associate are in employment of the state. If employees or their close family members/partners/associates of the bidder, director or shareholder have business interests in an enterprise that has submitted a bid to the JDA, the employee is required to disclose his/her interest and withdraw from participating in the process. Non-adherence to the conflict-of-interest disclosure requirements can lead to irregular expenditure being incurred by the JDA. Furthermore, all JDA employees are required to declare their financial interest at the beginning of every FY. 100% of the JDA employees have submitted their Declaration of Interest (DOI).

SECTION 4: ANTICORRUPTION AND FRAUD

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

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

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

- ❑ Fraud Risk Management Policies.
- ❑ Fraud Prevention Strategy and Response Plan.
- ❑ Whistle-Blowing Policy.
- ❑ Code of Ethics Policy.

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

An internal electronic system for fraud allegations received via the hotline is captured and maintained in a log register from the point of reporting, before allegations are escalated to the Anti-Fraud and Anti-Corruption unit for investigation.

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

There were no cases reported in the 1st quarter of the 2024/25 financial year, as illustrated in the table below.

REPORTED CASES

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

TABLE 12: REPORTED CASES

Year	Number of cases reported	Status	Comments
2024	4	There is one (1) case reported in the 4 th quarter. There are three (3) new cases reported in the 3 rd quarter.	Two cases are closed. Two cases are in progress.
2022	2	There are two (2) investigations that are currently in progress.	One case on advance payments is currently handed over to a third party to investigate. The other case is currently investigated by GFIS.
2021	3	There is 1 (one) case that does not appear on the GFIS system.	The matter was discussed with GFIS, continuous engagement with GFIS to identify where the discrepancies are.
		There are 2 (two) cases to be reopened for further investigation as JDA is of the view that the risk still exists.	The cases will be continuously monitored.
2019	1	There is one (1) case that does not appear on the GFIS system.	The matter was discussed with GFIS, continuous engagement with GFIS to identify where the discrepancies are.

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

SECTION 5: ICT GOVERNANCE

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

5.1 ICT SECURITY

5.1.1 ANTI-VIRUS AND MALWARE

The JDA uses Bitdefender Gravity Zone Antimalware, which is currently installed on 93 Active JDA Physical Endpoints and 31 JDA Virtual machines.

5.1.1.1 Summary Statistics

In the 1st quarter of 2024/25, the statistics were as follows.

- **BitDefender GravityZone Antimalware** has been installed on **93** Active JDA Physical Endpoints and **31** JDA Virtual Machines.
- The diagram on the previous page shows the **TOP 5** types of threats that were blocked by the Bitdefender GravityZone Antimalware during this reporting period, as well as the total managed endpoints and active endpoints.
- Out of the TOP 5 types of threats, Credential Access is the highest in this reporting period, followed by Lateral Movement, with **1333** and **32** instances respectively.
- **BitDefender GravityZone Antimalware** has successfully blocked a total of **1401** threats in this reporting period.
- **BitDefender GravityZone Antimalware** successfully identified and blocked Credential Access, Lateral Movement, Virus, Phishing and Initial Access.

5.1.2 MIMECAST EMAIL SECURITY

Mimecast is a secure email gateway that scans and protects JDA inbound and outbound emails before they reach the Microsoft platform. A complex filter is built to detect non-business-related messages, which is mostly marketing related. In this quarter, there was a total of 121 malware detections on inbound emails and 0 malware detections on outbound emails. A total of 760 impersonations were detected and held.

5.1.3 PENETRATION TESTS

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

5.1.4 PATCH MANAGEMENT

Patch management is the process of applying updates to software, drivers, and firmware to protect against vulnerabilities. Effective patch management also helps ensure the best operating performance of systems, boosting productivity. In this quarter, Microsoft released the highest number of patches to resolve vulnerabilities within the windows OS environments across all hardware platforms as follows, A total of 148 patches relevant to the JDA server and laptop OS environment were successfully tested and deployed.

5.2 INFRASTRUCTURE MANAGEMENT

5.2.1 Cloud Backup and Dr

The JDA uses a cloud backup and DR Solution. The report for this quarter reflects that 100% data was backed up for all servers and user data. The data was replicated in full to the azure cloud environment.

5.2.2 Critical Server Backup status-SAP

It is important in line with the JDA ICT risk register that there is close backup up management of the JDA's critical servers. Sap has 3 critical servers, A development server, Quality Assurance server, as well as a Production (live) server. As at Quarter 1, the backup status report shows that all 3 critical SAP servers were 100% backed up and replicated to the cloud DR environment. SharePoint server -status 100% Backup and replicated to Cloud

The other critical server is the Great Plains Financial management system server. As at quarter 1, backup status report, shows that there was a 100% successful backup and replication to the cloud DR environment of the of the Great Plains server.

5.3 NETWORK PERFORMANCE

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

As at quarter 1, the link performance was as follows;

- The average usage of the link was around 83.39%
- Site availability was at 94.33%
- RFO: As per feedback received from our technical support team was, the Link was down due to a suspected client power failure.

5.4 ICT PROJECTS

ICT projects are a direct response from the requirements of the JDA Business community. In this quarter, a few significant projects were undertaken in response to JDA business requirements as follows. Focus is being placed on the following priority projects for now;

TABLE 13: ICT PROJECT IMPLEMENTATION

SAP /ICT PROJECT IMPLEMENTATION ITEM	Activities (high level)	TIMEFRAME	RESPONSIBILITY
SAP FI-Finance Team (activation of SAP Finance Module)	Configuration testing by consultant after meeting with team Training UAT	31 December 2024	ICT/ Finance

	Parallel run and monthly verification for 3 months Live		
Document Signature Solution /e-memo (system for document signing and document workflow)	Details of signatories sent to COJ COJ physical upload of EXCO signatures and ID documents Training UAT Live	4 October 2024	ICT/ CoJ/ EXCO
SAP -Project Tracking activation (all JDA Project Managers)	PI -Requirements discussed with ICT DF discussion scheduled for 25/9/24 Training Configuration of project plans Project reporting	31 October 2024	ICT/ PI/Monitoring and Performance
ESS FIORI upgrade	Upgrade of DEV and QA to service pack 8 Testing of system functionality after upgrade Training -HCM and all JDA employees UAT-HCM & all JDA employees Live	31 October 2024	ICT/ EM:CS

SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

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

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

- Compliance Universe.
- Compliance Risk Register.
- Compliance Assessment Report.

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

- 18 identified as Core/Primary.
- 21 as Topical/Secondary; and

- 2 as Pertinent/Tertiary.

In the 1st quarter, URR reflects a total of 41 Legislations/Regulations with a corresponding 302 regulatory compliance obligations identified, of which 4 are reported as non-compliant and details of such are captured on table below:

TABLE 14: OVERALL URR COMPLIANCE STATUS:

Overall URR Compliance Status:

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

TABLE 15: IDENTIFIED NON-COMPLIANCE AND ACTION PLANS / STATUS

Legislation	Relevant Section	Compliance Requirement	Committed Action Plan/Status
National Archives and Record Service of South Africa, No. 43 of 1996	Section 13(2)(b)	<p>The National Archivist shall -</p> <ul style="list-style-type: none"> i. determine records classification systems to be applied by governmental bodies. i. determine the conditions subject to which records may be microfilmed or electronically reproduced; and i. determine the conditions subject to which electronic records systems should be managed. 	<p>The Records Management Policy was tabled at EXCO and recommended for Board approval.</p> <p>Records Management Matrix has been approved by EXCO and the file plan is in place and is being used by a records management specialist.</p>
Municipal Finance Management Act, No. 56 of 2004.	Section 99(2)(b)	Service Providers must be paid within 30 days.	In quarter one, JDA paid a total of 217 invoices. Of these invoices, only 7 were paid outside 30 days payment cycle amounting to R15 585 513.78 which translates to 3%.
Employment Equity Act 1998 (Act no 5 of 1998)	Chapter 3, Section 25 Subsection 1 to 3	<p>A designated employer must in each of its workplaces, place in prominent places that are accessible to all employees</p> <ul style="list-style-type: none"> a. the most recent report submitted by that employer to the Director General 	Display the EE report in common areas.
Local Government Municipal Systems Act 2000	Section 57	<ul style="list-style-type: none"> - The performance agreement must be entered into for each financial year. - The parties must review the provisions of these agreements 	91% submission of both Performance Agreements and Performance Reviews. HRM has workshopped all employees

Legislation	Relevant Section	Compliance Requirement	Committed Action Plan/Status
		during June of each year and conclude the new performance agreements within one month of the new financial year.	on the policy through Labour Wednesday Webinar.

Unauthorized, irregular, fruitless and wasteful expenditure must be compiled and adopted by municipalities and municipal entities to ensure compliance with Section 32 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA) and MFMA Circular 68 dealing with unauthorized, irregular, fruitless and wasteful expenditure issued by National Treasury on 10 May 2013. The compliance status of the MFMA Circular 68 report is illustrated in the table below:

TABLE 16: UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Unauthorized Expenditure	No expenditure incurred
Fruitless and Wasteful Expenditure	No expenditure incurred
Irregular Expenditure.	No expenditure incurred
Failure to pay Service Providers within 30 days.	<p>In quarter one, JDA paid a total of 217 invoices. Of these invoices, only 7 were paid outside 30 days payment cycle amounting to R15 585 513.78 which translates to 3%.</p> <p>A circular was issued indicating new invoice processing that all invoices must be received in one central point. This process will assist in fast tracking invoices for payment.</p>

SECTION 8: SUSTAINABILITY REPORT

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

The JDA's area-based development approach has evolved over the last 12 years. It begins by identifying the local competitive advantages, development needs, and opportunities within the development area. Capital works projects are then used to catalyse private investment, enterprise, and neighbourhood development.

This area-based development approach ensures the long-term sustainability of the capital assets created by ensuring a greater focus on developing strategic capital works projects, facilitating development to increase the impact of public investments, and establishing urban management partnerships to ensure the sustainability of the public investments.

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

Environmental Impact

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

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

Four major outcomes define the Joburg 2040 GDS:

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

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

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

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The following are the key highlights and achievement for the first quarter of the FY:

The JDA is the entity of the City of Johannesburg municipality, as such the entity report in line with the MFMA, the City requirements and against the City templates. the entity has complied with the provision of the MFMA and ensured that the entity has a business plan which is approved by Council beginning of the 2024/25 FY. The business plan has a scorecard with twenty-one (21) key Performance indicators (including gatekeeping KPIs) and targets for the entire FY, broken down into quarters.

In the quarter under review, the JDA scorecard has nine (9) KPIs that are not due for reporting because there were no targets set for these KPI in the first quarter. These are KPIs that are usually going through planning stage during the first quarter of the FY. In total, the entity will measure twelve (12) of the twenty-one (21) KPIs that are in the scorecard.

The graph below presents the Q1 results in comparison with Q1 of the previous FY. The entity has recorded 75% targets achieved, and 25% not achieved by end of Q1 based on the twelve (12) targets that were measured. However, it is important to indicate that the entity has also recorded positive performance on two (2) of the nine (9) KPIs that were not measured. In comparison with the same period in the previous financial year, the entity's performance has improved its performance as compared to 69% in Q1 of 2023/24,

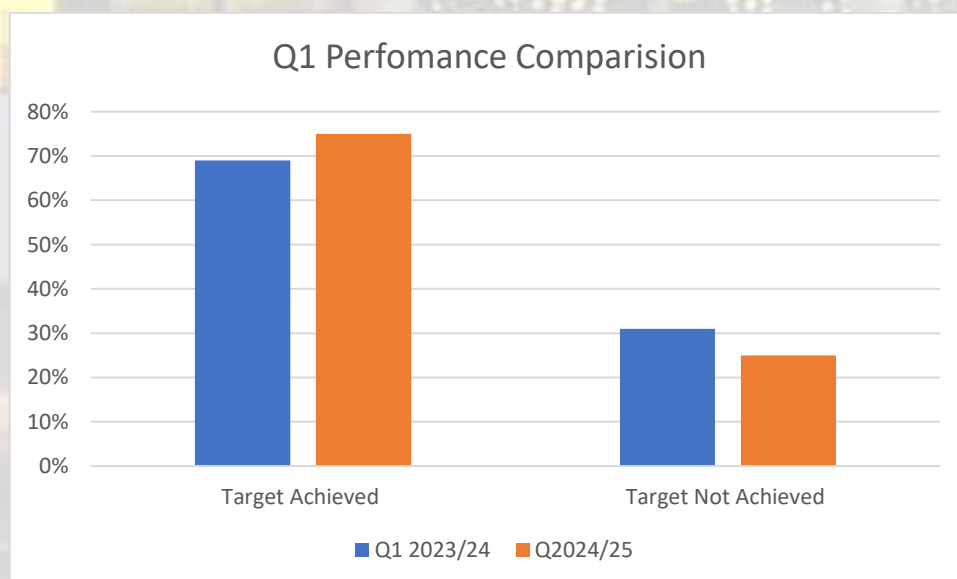


FIGURE 5: JDA PERFORMANCE

The JDA's Programme Performance Information Policy and Reporting Framework was reviewed in the last quarter of the previous FY to align it with the City's threshold for recording performance achieved at 85%. The policy covers the procedures and content in the JDA's programme performance information management system. This includes for example, the definition of key performance areas, indicators and targets in the business planning process and the articulation of the link between programme objectives and results and the performance indicators and targets. The policy is supported by a programme performance reporting framework based on a comprehensive scorecard. This scorecard lists all the output and outcome performance measures that the JDA should collect data on for a range of timeframes (quarterly, annually, or periodically). From this reporting framework, the annual scorecard is developed, and the performance targets are set. The JDA policy and reporting framework only defines a target as achieved with 85–100% rating.

SECTION 2: SERVICE DELIVERY CHALLENGES

During the quarter under review, the Entity remained confronted with financial constraints and other challenges. These are primarily as a result of the City's financial constraints. These had a negative impact on the JDA and led to inability to pay invoices within 30 days. Overall, these financial constraints negatively impacted on the 1st quarter performance of the Entity because some of the KPI's could not be achieved. Management would prioritise Revenue Enhancement and Debt Collection.

SECTION 3: RESPONSE TO STRATEGIC DIRECTION

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

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

TABLE 17: JDA RESPONSE TO CITY STRATEGIC DIRECTION

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

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

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

TABLE 18: SUMMARY OF JDA PROGRAMMES

JDA Substantive Program	JDA Sub-Program	Purpose
1. Strategic Economic Node Delivery Program	1A: Inner-city transformation Sub- Program	Guided by the Mayoral Priority on the Inner City and the Inner-City Roadmap the JDA will focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner-city precincts, address movement challenges, and improve the quality of the built environment across the inner city. The activities include managing the development of the Johannesburg inner city through capital investments in selected precincts, by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.
	1B: Economic Node Sub-Program	<p>The objective is to develop nodes that are compact, walkable, live able, mixed-use, and mixed-income areas and centres around which to densify. They should be areas where people can live, work, and play and have good access to public transit. Guided by the COJ policy³ on the categorizing of the current city nodes with prospects for growth, the work of the program is to promote densification, diversification, and development in these nodes.</p> <p>The main categories of nodes are mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighbourhood nodes.</p>

2. Accelerated Public infrastructure Delivery Program	2A: Deprivation Areas Revitalization Sub-Programme	Investment is specifically required to eradicate backlogs and deficiencies of engineering and social infrastructure related to the revitalization of deprivation areas. Investment in these areas also needs to address the structural and built form aspects that have been raised in the SDF. Infrastructure investment is therefore targeted at resolving problems specifically related to the deprivation areas and at the same time create sustainable and live able settlements as an outcome. Several deprivation area programs are already in place (previously referred to as marginalized area programmes) including Orange Farm, Diepsloot, Ivory Park/Kaalfontein and Alexandra.
	2B: Urban Infrastructure Delivery Sub-Program	The objective is to deliver on the City's priority social effectively and efficiently and/or economic infrastructure programs. This work includes overseeing capital investments by other departments and entities. This program includes Rea Vaya BRT infrastructure, taxi and transport facilities, primary healthcare clinics and fire-stations.

SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

Section Not Applicable to the JDA

SECTION 5: CAPITAL PROJECTS & EXPENDITURE

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

Actual capital expenditure for the first quarter ended 30 September 2024 was R100.9 million (2023/24: R138.4 million) against the budget of R997.9 million (2023/24: R1.3 billion). The performance represents 10% of the overall annual budget spent by end of fourth quarter. There are still various factors that continue to affect projects expenditure including poor contractor performance.

TABLE 19: CAPEX SPENT FOR THE QUARTER

Programme	2024/25 Annual Budget	Target YTD	Actual YTD	Target %	% Actual /annual budget
	R' 000	R' 000	R'000	%	%
Capex for 2024/25 FY	897 956 775	89 795 678	100 994 147	10%	11.25%
Total	897 956 775	89 795 678	100 994 147	10%	11.25%

TABLE 20: CAPITAL PROJECTS UPDATE AS AT END OF SEPTEMBER 2024

NO	PROJECT NAME	REGION	BUDGET (24/25)	BRIEF DESCRIPTION OF THE PROJECT	PROJECT PROGRESS UPDATE (30 Sept 2024)	CHALLENGES AND PROPOSED REMEDIAL ACTION
1. NUMBER OF PRE-FEASIBILITY STUDIES CONDUCTED						
1.1	Draft Sandton Transport Masterplan	E	R 1 750 000	Development of a Transport Sandton CBD Masterplan with an implementation plan	Bid Specifications and IPW have been completed. Appointments to be finalised on the 4 th of October	None
1.2	Draft Alexandra Masterplan	E	R 1 750 000	Development of a transport Masterplan for Alexander with an implementation plan	Procurement is currently on hold and to be done in Q3	None
1.3	Integrated Corridor Management Strategy and Model	Citywide	R1 304 347,83	Development of a Strategy and Model for the introduction of the Integrated Corridor Management	Bid Specifications and IPW have been completed. Appointments to be finalised on the 4 th of October	None

NO	PROJECT NAME	REGION	BUDGET (24/25)	BRIEF DESCRIPTION OF THE PROJECT	PROJECT PROGRESS UPDATE (30 Sept 2024)	CHALLENGES AND PROPOSED REMEDIAL ACTION
1.4	Green Energy by Road Based Transport Plan	Citywide	R1 500 000	Development of a Strategy for the introduction of Alternative Energy for Road Based Transport	Bid Specifications and IPW have been completed. Appointments to be finalised on the 4 th of October	None
2. NUMBER OF FEASIBILITY STUDIES CONDUCTED						
2.1	Erf 80 Stafford (Marily House)	F	R6 000 000	Building Conditional Assessment, Bulk Infrastructure capacity confirmation and GPR concrete floor and column scanning. The aim is to convert and existing industrial building for the development of affordable rental units to a minimum of 200 units.	Inception report submitted and approved by JDA and client Status Quo analysis and site investigation has commenced	Safety of consultants during site visit may require additional security
2.2	Erf 286 Lorentzville	F	R 7 000 000	The development of affordable rental units for erf 286 Lorentzville. The scope requires the acquisition of development rights, Concept designs and design development.	Bid Specifications and IPW have been completed. BAC to be finalised on the 4 th of October	
3. NUMBER OF URBAN DEVELOPMENT FRAMEWORKS AND PRECINCTS MANAGEMENT IMPLEMENTATION PLANS COMPLETED						
3.1	Orlando Industrial Park Development	D	R610 287, 83	Completion of an Urban Development Framework for the revitalisation of the Orlando Industrial Park precinct.	Project at Status quo development.	Project delayed by Stakeholder Engagements.
3.2	Desmond Tutu Precinct development	F	R 1 500 000	Development of the Desmond Tutu Precinct plan. The project is meant to develop the transportation plan as well as the urban development concept and evaluate the impact the precinct will have on transport. The Precinct Plan should be complete with a functional Implementation Plan and Urban Management Plan to assist the City of Johannesburg transform the study area.	Bid Specifications and IPW have been completed. Appointments to be finalised on the 4 th of October	None identified and profiled today

NO	PROJECT NAME	REGION	BUDGET (24/25)	BRIEF DESCRIPTION OF THE PROJECT	PROJECT PROGRESS UPDATE (30 Sept 2024)	CHALLENGES AND PROPOSED REMEDIAL ACTION
3.3	Minibus Taxi Feeder Service Integration Study	A, E and F	R 1 000 000	Integration of mini-bus taxi services operating within the north-east quadrant of the City to serve as a feeder and distributor services in support of the Integrated Public Transport Network (IPTN). This project aims to improve mobility and accessibility in the city, reduce congestion and emissions (<i>green economic strategies</i>), improve customer satisfaction, and enhance seamless integration with other modes of transport such as bus, rail and non-motorized transport (NMT).	Approved ToRs awaiting signed IPW	None
3.4	Universal Access Plan Phase 1	Citywide	R 2 500 000	UDAP is to guide the CoJTD on improving public transport systems and capacity building in terms of universal accessibility of the public transport systems in the municipality. The plan will give input on the planning of the network, the infrastructure constructed, the vehicles used, operations of the systems, marketing and communication, customer care and passenger-related research on universal access requirements, information and signage, fares and fare system.	The first Bsc was convened and comments provided the final BSC will reconvene on 01 October to consider the revised Spec.	The appointment of a Universal Access Specialist may delay the procurement for this project given that the highly specialised work that is not included in the panel.

NO	PROJECT NAME	REGION	BUDGET (24/25)	BRIEF DESCRIPTION OF THE PROJECT	PROJECT PROGRESS UPDATE (30 Sept 2024)	CHALLENGES AND PROPOSED REMEDIAL ACTION
3.5	City of Johannesburg E-hailing Management Policy	City Wide	2 000 000	This project is the development of a new policy for the management of the e-hailing sector in the City.	The Terms of Reference have been completed, with IPW and the Requisition been signed, BSC will convene early October to consider the specification	None
4. NUMBER OF PROJECTS AT CONCEPT DESIGN PHASE						
4.1	Bramley View and Lombardy West	E	R 988 810 Exc vat	City of Johannesburg department of human settlements appointed the JOHANNESBURG DEVELOPMENT AGENCY (JDA) to select a suitable team to conduct feasibility and conceptual planning in Bramley View and Lombardy West in the City of Johannesburg metropolitan Municipality	The status quo has been completed, the client department and JDA are busy making comments before the Status Quo can be approved. Stakeholder engagement is currently ongoing.	None
4.2	Main Reef Strip in Roodepoort	C	R 766 000	Feasibility studies, and a development framework that will guide implementation of human settlements in the identified properties and supporting uses	Draft Urban Development Framework awaiting stakeholder engagement Scheduled for October 2024	None
4.3	City and Suburban	F	R2 500 000	Completion of a feasibility study, concept, and detail design to guide the construction of temporary and emergency accommodation in City and Suburban	Feasibility and Concept Development Stages have been completed; project is at detail design stage which will be completed by end of October 2024	Town planning application submission has been delayed
4.4	Lilian Ngoyi Public Environment upgrade	F	R2 500 000	Planning and Concept development of key streets in and around Lilian Ngoyi for the public environment upgrade in support of Lilian Ngoyi rehabilitation programme.	Inception report completed and approved. Stakeholder engagement commenced and is ongoing. Status Quo analysis, data collection and concept development are ongoing.	Additional scope of work as requested by the Executive Mayor.
5. NUMBER OF PROJECTS IN DETAILED DESIGN PHASE						
5.1	Orange Farm NMT links		R 1000 000	Non-motorized Transport in Orange Farm	Surveys to update the As-builts	none

NO	PROJECT NAME	REGION	BUDGET (24/25)	BRIEF DESCRIPTION OF THE PROJECT	PROJECT PROGRESS UPDATE (30 Sept 2024)	CHALLENGES AND PROPOSED REMEDIAL ACTION
5.2	Community Based Projects – Phase 1	Citywide	R 10 950 000	The upgrading of community facilities throughout the City of Johannesburg.	Stage 4: Documentation and Procurement. The contractor should be appointed in October for commencement in November 2024.	None.
5.3	Soweto Strategic Area Framework & Implementation – Phase 1	D	R 5 000 000	Public Environment Upgrade of Kumalo Main Road and Vilakazi Street	Finalise the approval of the Detailed Design and Preparation of the Stage 4: Tender Documentation	None
6. NUMBER OF PROJECTS REACHING CONTRACT AWARD STAGE						
6.1	Louis Botha TOD – Stormwater Master Plan: Phase 3	E	R4 250 000	The implementation of the Louis Botha Orange Groove Stormwater Master Plan Phase 2.	Project has reached practical completion.	The Principal Agent is owed payments; as a result, they are not submitting a close-out report until they are paid. Request has been sent to Finance to prioritize payments
6.2	Community Based Projects – Phase 1	Citywide	R10 950 000	The upgrading of community facilities throughout the City of Johannesburg.	Stage 4: Documentation and Procurement. A contractor should be appointed in October for commencement in November 2024.	None
6.3	Jabulani Precinct Upgrades: Molapo Bridge	D	R 4 600 000	The completion contract for. Molapo Bridge	Stage 5: Construction – on suspension.	Registration of servitude, with cannot be defined and the date for lifting of suspension unknown.
6.4	Soweto Strategic Area Framework & Implementation – Phase 1	D	R 5 000 000	Implementation of Public Environment Upgrade of Kumalo Main Road and Vilakazi Street	Stage 5: Construction – on suspension.	The client has indicated that they will not have a budget for implementation in fin year 2024/25 and 2025/26 – thus stage onboarding of a contractor will be postponed until budget is availed.
7. NUMBER OF PROJECTS REACHING PRACTICAL COMPLETION STAGE						

NO	PROJECT NAME	REGION	BUDGET (24/25)	BRIEF DESCRIPTION OF THE PROJECT	PROJECT PROGRESS UPDATE (30 Sept 2024)	CHALLENGES AND PROPOSED REMEDIAL ACTION
7.1	Chris Hani Sports Centre: Phase 1	G	R 13 260 000	Design and Construction of Chris Hani Multi-Purpose Sports Complex, which includes sports courts, rugby/soccer field, running pitch	60% progress, with a due completion date of 12 December 2024.	None
7.2	Bulk Stormwater Upgrade in Ward 3: Phase B (Street 2)	G	R 11 700 000	The construction of bulk stormwater channelling along Street 2 and Ngonyama Drive, including the outlet structure.	63% progress, with a due completion date of 30 November 2024.	None
7.3	Upgrading of Moyane Drive and 16th Street	G	R 13 750 000	Upgrading of Moyane Drive and 16th Street, including NMT upgrades	50% progress with a due completion date of 2 December 2024	None
7.4	Drieziek Recreational Park	G	R15 500 000	The construction of the recreational park including an amphitheatre, agricultural area.	20% progress with a due completion date of 20 March 2025.	None
7.5	Matholesville New MPC – Phase 1	C	R11 400 000	The construction of a community library.	83% completion, with a due completion date of 11 September 2024	Delayed completion due to consultants not issuing information timeously.

SECTION 6: ORGANISATIONAL PERFORMANCE

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

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

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

KPI ACHIEVEMENT RATINGS





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

TABLE 21: JDA CORPORATE SCORECARD

OUTCOME: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy									
STRATEGIC PRIORITY: Infrastructure Development and Refurbishment									
JDA STRATEGIC PROGRAMME: Accelerated Public infrastructure Delivery Programme/ Strategic Economic Node Delivery Programme									
KPI No	Key Performance Indicator	Baseline 2022/23	2024/25 Annual Target	2024/25 Q1 Target	2024/25 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2024	Variations and steps to be taken to improve performance.
1.	Number of pre-feasibility studies conducted. ⁴	6	4	-		-	-	Not due for reporting	None
2.	Number of feasibility studies conducted.	0	2	-		-	-	Not due for reporting	None
3.	Number of urban development frameworks completed.	2	5	-		-	-	Not due for reporting	None
4.	Number of projects at the concept design phase.	25	4	1	1	0		The Concept design for City and Suburban was completed in quarter 1.	None
5.	Number of projects in detailed design phase.	13	3	-	-	-	-	Not due for reporting	None




6.	Number of projects reaching contract award stage.	12	3	-	-	-	-	Not due for reporting	None
7.	Number of projects reaching practical completion stage.	2	5	-	-	-	-	Not due for reporting	None

GDS 2040 OUTCOME: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City



MAYORAL STRATEGIC PRIORITY: Good Governance


JDA STRATEGIC PROGRAMME: Good Governance, Management and Administration

KPI No	Key Performance Indicator	Baseline 2022/23	2024/25 Annual Target	2024/25 Q1 Target	2024/25 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2024	Variations and steps to be taken to improve performance.
8.	External Audit Opinion	Unqualified	Unqualified	-	-	-	-	Not due for reporting	None

GDS 2040 OUTCOME: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region									
MAYORAL STRATEGIC PRIORITY: Financial sustainability									
JDA STRATEGIC PROGRAMME: Good Governance, Management and Administration									
KPI No	Key Performance Indicator	Baseline 2022/23	2024/25 Annual Target	2024/25 Q1 Target	2024/25 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2024	Variations and steps to be taken to improve performance
9.	Percentage of capital budget spent on city-wide infrastructure.	76%	95%	10%	11.25%	1.25%		Works continued to proceed at project level and the invoices submitted were processed accordingly.	None
10.	Percentage of valid invoices paid within 30 days.	75%	100%	100%	97%	-3%		The target was not achieved due to COJ cash flow challenges.	JDA is in the process of diversifying revenue through doing business outside of COJ and opening separate bank account which will in return ensure payment will be made within 30 days.
11.	Percentage vacancy rate.	New	10%	10%	10.7%	0.7%		<ul style="list-style-type: none"> - Delays experienced due to the availability of the panel members. - Offer Negotiations were prolonged. - Candidates start later than estimated. 	The recruitment panel selection process to be managed closely.

GDS 2040 OUTCOME: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens**MAYORAL STRATEGIC PRIORITIES: Job opportunity and creation and sustained economic growth****JDA STRATEGIC PROGRAMME: Economic Empowerment**

KPI No	Key Performance Indicator	Baseline 2022/23	2024/25 Annual Target	2024/25 Q1 Target	2024/25 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2024	Variations and steps to be taken to improve performance
12.	Percentage spent on specific goal through local procurement as a share of total expenditure.	109%	100%(Non-Cumulative)	100%	104%	4%		The JDA claims 135% for service providers with B-BBEE level 1, 125% for level 2, 110% for level 3, 100% for level to 4, 80% for level 5, 60% for level 6, 50% for level 7 and 10% for level 8 which constitutes the overall 109% B-BBEE claimed. If a service provider is paid R1000 and their BBBEE level is 135 then we claim expenditure of R1350 if service provider is level 2 and is paid R1000 we claim expenditure of R1250, these therefore results in the BBBEE expenditure claimed exceeding the actual invoice expenditure.	None
13.	Number of Expanded Public Works Programme (EPWP) work opportunities created City-wide.	368	100 (cumulative)	0	254	254		Overachievement is due to the number of projects that were carried over from last financial year as these projects were already in motion.	None

14.	Percentage of SMME expenditure as a share of total expenditure.	48%	30% (cumulative)	1%	41%	40%		The over achievement is as a result of payments made to a number of service providers that are classified as SME's or QSE, a 100% is claimed on invoices paid to all service that are classified as SME's or QSE's providers.	None
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
DAY TO DAY PROGRAMME									
KPI No	Key Performance Indicator	Baseline 2022/23	2024/25 Annual Target	2024/25 Q1 Target	2024/25 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2024	Variations and steps to be taken to improve performance
15.	Number of JDA Communication, Stakeholder and Media related initiatives.	363	280	70	134	64		A total of 22 articles and broadcast clips were monitored in media. The sentiments were as follows: <ul style="list-style-type: none"> - Positive 9. - Neutral 7. - Negative 6. 	None

TABLE 22: 2024/25 GATEKEEPING INDICATORS AND TARGETS

KPI No	Key Performance Indicator	Baseline 2022/23	2024/25 Annual Target	2024/25 Q1 Target	2024/25 Q1 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 30 September 2024	Variations and steps to be taken to improve performance
1.	Percentage spent on operating budget against approved operating budget.	101%	95%	25%	32%	7%		Target is exceeded due to that Expenditure on interest is significantly ahead of its budget.	None
2.	Percentage spent on repairs and maintenance to property, plant and equipment.	New	5%	-	3%	3%		The target was not to spend on Repairs and maintenance however the entity closed the quarter at 3%.	None
3.	Percentage resolution of Internal Audit findings.	92%	95%	10%	98%	88%		The JDA's Operation Project Clean Audit has been highly effective in addressing outstanding audit findings.	None
4.	Percentage resolution of AG findings.	88%	95%	95%	99%	4%		The JDA's Operation Project Clean Audit has been highly effective in addressing outstanding audit findings.	None

5.	Percentage implementation of the strategic risk management action plan.	76%	80%	80%	80%	0%		Target Achieved	None
6.	Percentage reduction of unauthorized, irregular, fruitless, and wasteful (UIFW) expenditure incurred citywide.	New	50%	10%	0%	-10%		The investigations for the current financial year are in-progress.	The UIFW amount that is written off will be reported in Q2 and the Report will also be tabled at the Board meeting

6.1. Economic Development

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

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

EPWP PERFORMANCE

The SA government describe the EPWP Programme as one of government’s key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The JDA has an annual target of 100 jobs to be created through this programme. Of the annual target of 100 jobs, 254 jobs were achieved in Q1. The EPWP job opportunities range from skilled work to manual labour (depending on the type of projects) and the existing skills in the community. The JDA has split the Project Implementation into 3 portfolios and this table also shows how portfolios contributed towards reported EPWP jobs.

TABLE 23: EPWP PERFORMANCE

Q1 EPWP	Q2 EPWP	Q3 EPWP	Q1 EPWP	YTD
254 Jobs				254
254				254

SMME PERFORMANCE

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

Over the years, the JDA has established processes and practices to support job creation and enterprise and skills development for previously disadvantaged groups, including black people, women, youth, and people with disabilities. But the impact of these processes and practices have not been adequately measured and reported on in the past. The agency has also recognized the need to consolidate and extend these practices

by designing and implementing a programme that will drive the achievement of empowerment objectives and align projects and approaches to address the challenges facing previously disadvantaged enterprises.

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

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

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

1 July 2024 to 30 September 2024

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period 1 July 2024 to 30 September 2024, the SMME share of JDA's total expenditure was R 113 159 682.2. This constitutes an achievement of 41%.

TABLE 24: THE SMME EXPENDITURE FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

Description	1 July 2024 to 30 September 2024		
	Total Expenditure	SMME Claimed	SMME %
Capex	R91 131 801.5	R102 652 917	43%
Opex	R17 413 249.72	R10 506 765.21	32%
Consolidated Opex and Capex	R108 545 051.2	R113 159 682.2	41%

6.3. Good Governance, Management and Administration

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

CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

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

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

HR priorities for the year under review related to ensuring that there was an efficient and effective workforce within the JDA. The HR department is making a concerted effort to ensure implementation of the recruitment and selection policy during the financial year regarding the filling of vacant posts on the structure and implementation of the remuneration and reward policy by addressing the salary disparities and through actively managing the conditions of services and/or benefits such as Medical Aid and Housing Allowance.

The Human Capital department will also be assisting the JDA in undergoing an organizational structure review process to align to the revised organizational strategy. The project is envisaged to be completed by the end of FY25, a supporting Strategic Plan will also be developed within FY25. The following policies have been approved and workshopped to all relevant structures (Board, LMF and Employees):

- Talent Acquisition Policy
- Remuneration and Reward Policy
- Acting Policy

The following policies were reviewed in September and will be forwarded for consultation and subsequent approval by the board in the next quarter.

- Conditions of Service Policy
- Talent and Development Management Policy
- Termination Policy
- Harassment Policy

As reported previously, the JDA is currently facing unprecedented service delivery challenges in terms of performance and low staff morale, which is evident from the numerous daily interactions with employees. These challenges are impeding JDA from effectively fulfilling its mandate of delivering efficient and timeous services to its stakeholders.

The AGSA report revolves around the culture issues that impact negatively on staff morale and performance, it is therefore essential for JDA to cultivate a culture of trust, meaningful engagements, lifelong learning for performance excellence.

For JDA to establish a culture baseline and improve its current organization's culture there was a need for a service provider to conduct an Organisational Climate and Culture Survey and facilitate the Change Management Process, a Service Provider (SPT Consulting) was appointed and are currently undergoing the Organisation Analysis Phase. The project is estimated to be concluded within a maximum of 6 months from the date of appointment of the service provider.

SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

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

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

SECTION 2: EMPLOYMENT AND KEY VACANCIES

A number of positions were shortlisted and interviews for same positions conducted during of Quarter 1, the details of the recruitment activity is as per below:

TABLE 25: VACANCY PROGRESS AS AT 30 SEPTEMBER 2024

Vacancies	Progress
Senior Manager: Internal Audit	On hold due to Budget
Senior Project Manager	Resumed duty on the 23 August 2024
Senior Manager : Information, Communication & Infrastructure Management	On hold
Senior Manager: Development Planning & Facilitation	Offer Accepted, to resume on 01 November 2024
Project Manager	Recruitment Stage
Legal Specialist	Recommendation Report awaiting approval
Human Capital Business Partner	Recruitment Stage
Specialist: Strategy, Performance and Monitoring	Offer Accepted, to resume on 01 December 2024

Senior Internal Auditor	Recruitment Stage
Executive Support Finance	Recruitment Stage
Payroll Specialist	Resumed duty on the 01 September 2024
Security Supervisor	Resumed duty on the 01 October 2024

With the appointment of the Executive Support: Corporate Services and Senior Project Manager in Quarter 1 and the Payroll Specialist in September there was an improvement in the vacancy rate, an improvement of 3% is shown from July (13,7%) to September (10,7%), this is reflected in the table below. The recruitment process of the three positions listed below was finalised in Q1, however due to the vacancy rate calculation criteria, they cannot be reported as filled. There is a disjuncture between the recruitment policy and the vacancy rate criteria hence we highlight that in essence our vacancy rate is 8% cause the positions are filled we just waiting for warm bodies.

- Senior Manager: Development Planning and Facilitation
- Specialist: Performance Monitoring and Evaluation
- Security Supervisor

TABLE: 26 VACANCY RATE ANALYSIS

Description	Approved no. of posts per approved organogram	Funded no. of posts per approved organogram	Approved no. of posts per approved organogram	No. of employees	No. of vacancies Quarter 1 2024	% of vacancies	No. of funded vacancies Quarter 1 2024	% of vacancies
Top management level	1	1	1	1	0	0%	0	0%
Executive management	5	5	5	5	0	0%	0	0%
Senior management	20	16	20	13	7	35%	3	19%
Middle management	47	39	47	35*	13	27,7%	5	13,5%
Skilled technical/junior management	42	26	42	23	19	45%	3	11,5%
Semi-skilled	13	10	13	10	3	23,1%	0	0%
Unskilled housekeepers/cleaners	17*	7*	16	7*	10	58,8%	0	0%
Total	145	104	144	94	52	35,8%	11	10,7%

SECTION 3: EMPLOYMENT EQUITY

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

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

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

JDA Human Resources undertakes an annual review of its employment equity processes and general employment practices to inform them of 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											Total	
	Male			Female			Foreign Nationals					
	A	C	I	W	A	C	I	W	Male	Female		
Top management	0	0	0	0	0	0	0	0	0	0	0	
Executive Management	5	0	0	0	1	0	0	0	0	0	6	
Senior Management	5	0	0	0	8	0	0	0	0	0	13	
Professionally qualified and experienced specialists and mid-management	12	0	0	0	21	1	0	0	0	1	35	

Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7	0	0	0	14	0	1	0	0	0	22
Semi-skilled and discretionary decision making	3	0	0	0	7	0	0	0	0	0	10
Unskilled and defined decision making	4	0	0	0	3	0	0	0	0	0	7
TOTAL PERMANENT	36	0	0	0	54	1	1	0	0	1	94
Temporary employees	0	0	0	0	0	0	0	0	0	0	1
GRAND TOTAL	36	0	0	0	54	1	1	0	0	1	95

The JDA targets and achievements for period under review:

- 96,8% of its employees are Black African.
- 62% of its staff members are Female.
- 47% of Executive and Senior Management positions are held by black women.
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

Table 28: EE PERFORMANCE AGAINST THE TARGET

Targets (JDA)		City	JDA Achievements
Black African employees	80.9%		96,8%
Senior Management black Female	35.9%		47%
Disability	2%		1%

TABLE 29: WORKFORCE PROFILE IN TERMS OF AGE, RACE, GENDER, AND FOREIGN NATIONAL STATUS AS AT 30 SEPTEMBER 2024

Occupational Level (Below EAP row)	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
Top Management	18-34	1	0	0	0	0	0	0	0	0	0	1
(Level 1-2)	>35	4	0	0	0	1	0	0	0	0	0	5
	Total	5	0	0	0	1	0	0	0	0	0	6
Senior Management	18-34	0	0	0	0	0	0	0	0	0	0	0
(Level 3-4)	>35	5	0	0	0	8	0	0	0	0	0	13
	Total	5	0	0	0	8	0	0	0	0	0	13
Professional Qualified	18-34	4	0	0	0	5	0	0	0	0	0	9
(Level 5-6)	>35	8	0	0	0	16	1	0	0	0	1	26
	Total	12	0	0	0	21	1	0	0	0	1	35
Skilled Technical	18-34	3	0	0	0	3	0	0	0	0	0	6
(Level 7-8)	>35	4	0	0	0	12	0	1	0	0	0	17
	Total	7	0	0	0	15	0	1	0	0	0	23
Semi-Skilled	18-34	1	0	0	0	2	0	0	0	0	0	3
(Level 9-10)	>35	2	0	0	0	5	0	0	0	0	0	7
	Total	3	0	0	0	7	0	0	0	0	0	10
Unskilled	18-34	1	0	0	0	0	0	0	0	0	0	1
(Level 11)	>35	2	0	0	0	4	0	0	0	0	0	6
	Total	3	0	0	0	4	0	0	0	0	0	7
Temporary	18-34	0	0	0	0	0	0	0	0	0	0	0
	>35	0	0	0	0	1	0	0	0	0	0	1
	Total	35	0	0	0	57	1	1	0	0	1	95

TABLE 30: PERCENTAGE STANDING ON RACE AND GENDER

Occupational Level (Below EAP row)	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
Top Management (Level 1-2)	18-34	1,1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1,1%
	>35	4,2%	0%	0%	0%	1,1%	0%	0%	0%	0%	0%	5,3%
	Total	5,3%	0%	0%	0%	1,1%	0%	0%	0%	0%	0%	6,4%
Senior Management (Level 3-4)	18-34	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	>35	5,3%	0%	0%	0%	8,4%	0%	0%	0%	0%	0%	13,7%
	Total	5,3%	0%	0%	0%	8,4%	0%	0%	0%	0%	0%	13,7%
Professional Qualified (Level 5-6)	18-34	4,2%	0%	0%	0%	5,3%	0%	0%	0%	0%	0%	9,5%
	>35	8,4%	0%	0%	0%	16,8%	1,1%	0%	0%	0%	1,1%	27,4%
	Total	12,6%	0%	0%	0%	22,1%	1,1%	0%	0%	0%	1,1%	36,9%
Skilled Technical (Level 7-8)	18-34	3,2%	0%	0%	0%	3,2%	0%	0%	0%	0%	0%	6,4%
	>35	4,2%	0%	0%	0%	12,6%	0%	1,1%	0%	0%	0%	17,9%
	Total	7,4%	0%	0%	0%	15,8%	0%	1,1%	0%	0%	0%	24,3%
Semi-Skilled (Level 9-10)	18-34	1,1%	0%	0%	0%	2,1%	0%	0%	0%	0%	0%	3,2%
	>35	2,1%	0%	0%	0%	5,3%	0%	0%	0%	0%	0%	7,4%
	Total	3,2%	0%	0%	0%	7,4%	0%	0%	0%	0%	0%	10,6%
Unskilled (Level 11)	18-34	1,1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1,1%
	>35	1,1%	0%	0%	0%	4,2%	0%	0%	0%	0%	0%	5,3%
	Total	2,2%	0%	0%	0%	4,2%	0%	0%	0%	0%	0%	6,4%
Temporary	18-34	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	>35	0%	0%	0%	0%	1,1%	0%	0%	0%	0%	0%	1,1%

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

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

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

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

Training is an on-going process of improving employees' knowledge, skills and attitude to enhance job performance, create opportunities for growth and advance careers.

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

The JDA funds appropriate training and development programmes, it also supports employees who wish to attain further qualifications to improve their productivity and career enhancement.

A budget of R 676 000 has been allocated for training and development for the 2024/2025 financial year. The actual expenditure incurred thus far for this quarter stands at (-+ R373.92 000) HRM will be communicating the study assistance through bursaries to employees from September to October 2024, the training spend usually increases during the second and third quarter of the financial year. The JDA supports the attainment of further educational qualifications by employees to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

HR will be embarking on a Skills Audit within the first quarter of FY25 to address any identified gaps between the revised strategy versus current skills, to inform the next WSP/ATR submission and any mid-term adjustment processes that may be necessary. ILP are to be submitted with the Performance Agreements timeously.

TABLE 31: SKILLS DEVELOPMENT AND TRAINING

Occupational category	Number of employees	Training provided within the reporting period		
		Group Training	Short Courses/Seminars	Bursaries
Top Management	6	6	0	0
Senior Management	12	11	0	0
Middle Management	35	35	0	0
Skilled Technical and academically Qualified	21	21 (1 IA official trained)	0	0
Semi-Skilled	10	10	0	0
Unskilled	7	7	0	0

SECTION 5: PERFORMANCE MANAGEMENT

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

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

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

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

TABLE 32: PERFORMANCE MANAGEMENT AS AT END OF SEPTEMBER 2024

	PERFORMANCE AGREEMENTS 2024/2025			PERFORMANCE REVIEWS 2023/2024		
Department	Eligible Staff	PA Submitted	Outstanding	Eligible Staff	FY24 Reviews Submitted	Outstanding
Office of the CEO	08	8	00	08	08	00
Company Secretary	02	0	02	01	00	01
Internal Audit	06	6	00	05	05	00
Finance	14	14	00	14	14	00
Corporate Services	16	14	02	16	14	02
Project Implementation	28	13	15	28	19	09
Development Planning & Facilitation	08	08	00	08	08	00
Total	82	63	19	80	68	12

*Includes New Appointments

SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

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

The Labour Management Forum as a vehicle for constant communications between the employer and employees has been effective in building and maintaining the employee-employer relationships with regular monthly meetings being held since May 2024, in Quarter 1 2024 the feedback from Labour on some of the reviewed policies was still pending, specifically the Disciplinary Code and it was resolved that their input would be circulated to all LMF members once finalized and/or during the next meeting. The update and/or progress on the Grievance raised by employees through Labour as a standing agenda item was discussed and it was resolved to move the meeting from monthly to quarterly for the rest of the financial year. There have been five (5) meetings held thus far in Quarter 1.

TABLE 33: DISCIPLINARY CASES/ CONSEQUENCE MANAGEMENT SCHEDULED AND/OR FINALIZED

Employee Number	Allegations	Status
SAP- 178	UIFW - Failure to monitor monthly the performance of the contractor (both in terms of project duration and rand value) as outlined in section 116(2)(b) of the MFMA	Enquiry resumed and postponed, rescheduled for 27th September 2024. The matter was sat on the 27th of September and was postponed. Date TBC
SAP - 378	Misconduct – Insolence and insubordination	JDA is currently engaging with the employee failing which, the investigation process will ensue
SAP -	UIFW - Failure to monitor monthly the performance of the contractor (both in terms of project duration	Case finalized and sanction of LWP (3 days) award

	and rand value) as outlined in section 116(2)(b) of the MFMA	
--	--	--

SECTION 7: LEAVE & PRODUCTIVITY MANAGEMENT

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

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

The most highly utilised leave type is Annual leave with a total of 154 days, with Family Responsibility leave being the second most utilised leave type with a total of 11 days, followed by Sick Leave with 8 days.

TABLE 34: LEAVE ANALYSIS AS AT END OF SEPTEMBER 2024

Type of Leave	July	August	September	October	November	December	January	February	March	April	May	June	Total
Annual Leave	76	59	19										154
Sick Leave	0	8	0										8
Family Responsibility	9	2	0										11
Maternity Leave	0	0	0										0
Paternity Leave	0	0	0										0
Study Leave	0	1	0										1
TOTAL	85	70	19										174

SECTION 8: EMPLOYEE BENEFITS

Workforce Health is the appointed service provider for JDA's employee wellness programme, during the month of August we celebrated JDA Women's commitment to service delivery and delivered on our intent to improve staff morale all round while empowering our women.

The wellness report for the period under review revealed the following:

- JDA has reached a utilization rate of 10,53% from 0.60% from the last quarter.
- There were 26 interactions leading to a total engagement rate of 27,37% from 1.2% of the last quarter.
- The total engagement rate is calculated by adding the total number of employees reached (divided by (/) headcount times (*) by 100) through external face-to-face sessions (10), telephonic counselling sessions (6) total telephonic contacts (10), email, USSD and please call me (0), number of participants in group trauma debriefings (0) and number of participants in awareness and training interventions (0).
- The top presenting problems for this reporting period were as follows:
 - a. Organisational Issues
 - b. Mental Health/Psychological
 - c. Child and Family Care
 - d. Relationship Issues
 - e. Life Threat

SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

HIV/AIDS in the Workplace

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

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

Occupational Health and Safety (OHASA)

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

1. **Repairs and maintenance:** Servicing of HVAC, Lift, Hygiene services, Pest control, Roof waterproofing and general building maintenance have been conducted as per the maintenance plan.
2. **Fire Compliance:** The fire risk assessment was conducted by the consultant in August and September 2024 and remedial recommendations were made. The implementation of the recommended action is at 70% score
3. **Pest control service:** Monthly services for Q1 were conducted and invoices were submitted to finance for payment. Appointment of the new service provider is at an advanced stage and report to recommend the preferred bidder was submitted to SCM in the month of September 2024 for approval.
4. **Hygiene services:** Monthly hygiene service and deep cleaning of all bathrooms are conducted as per the SLA valid until 25th of May 2025.
5. **Lift maintenance:** Monthly lift maintenance conducted including lift inspection that was conducted as per the OHS Act 85 of 1993 (see Annexure E- Lift inspection report)
6. **Office space:** Acquisition for JDA Architects were appointed, Potential office space viewing with the CEO was conducted.
 - 6.1. The project is still on stage 1, whereby as built drawings by appointed Architects is on 65%.
 - 6.2. EXCO reached an agreement to look for new office space, a report to the Board requesting approval to look for new office accommodation through JPC was tabled on the 15th of May 2024.
 - 6.3. JDA Board signed and approved a request to relocate JDA to a conducive & habitable environment through JPC was approved on the 23rd of May 2024.
 - 6.4. SLA between JPC and JDA signed in June 2024 and waiting for JPC to give an update on the SLA.
8. **Consumables:** Development and implementation of Consumables and stationery SOP and request form. 100% Issuing of Consumables and stationery within 30 days. Outstanding is approval of the SOP by EXCO.
9. **OHS Policy:** Implementation of the approved OHS policy is underway, employees were workshopped on the policy. Approved policy is displayed in common areas. OHS Committee was established pending appointment.
10. **First aid consumables:** It was noted that first aid boxes require replenishing of consumables and procurement is at the advanced stage.

11. **Physical Security:** Enforced Access control including screening of all visitors by security officials. Due is for the Security Officer to be trained on security breaches. SOP and security checklist currently at draft to be tabled at EXCO for approval.
12. **Asset Management:** One Asset disposal meeting conducted and asset register updated after disposal.

SECTION 10: CORPORATE SOCIAL RESPONSIBILITY (CSR)

JDA has donated laptops for SMME empowerment and skills development as part of its CSR initiatives. In a heartfelt celebration of Mandela Day, the Johannesburg Development Agency (JDA), the infrastructure arm of the City of Johannesburg, proudly donated 29 laptops to the Soweto Infrastructure & Construction Chambers (SICC). The donation event, led by the City of Johannesburg MMC for Development Planning, Cllr Eunice Mgcina, and JDA CEO Mr. Themba Mathibe, occurred at the JDA Auditorium on Thursday, 18 July.



SECTION 11: MARKETING AND COMMUNICATIONS

11.1 Media Management (Digital)

The report shows the performance of content on the Johannesburg Development Agency's digital platforms between 01 July to 30 September 2024.

TABLE 35: MEDIA MANAGEMENT

Social Media Platform	Posts	Growth	Engagement	Reach
FACEBOOK	35	589	2943	166 580
X	36	N/A	N/A	N/A

INSTAGRAM	32	49	692	3 872
LINKEDIN	19	469	547	37 021
Press Release	12			

Social Media Platform	Followers
FACEBOOK	30 293
TWITTER	13 134
INSTAGRAM	5 203
LINKEDIN	20 139

Media Report


JULY – AUGUST 2023

The JDA media analysis is conducted by Ornico, on behalf of the City of Joburg, and below is the breakdown of the report for July to September 2024. Four (8) press releases were issued for the reporting period.

JULY 2024

- The Johannesburg Development Agency (JDA) was analyzed in 15 media items in July 2024.
- The Agency's Advertising Value Equivalent (AVE) was R176,396,17 in July 2024.
- Positive coverage consisted of six items at 40% in July 2024. Reports varied and included an oversight visit to the Vlaktefontein Public Transport Facility in Region G, an oversight visit to two capital infrastructure projects in Ivory Park, the construction of the Drieziek Recreation Park as part of the Orange Farm Turnkey Programme, the donation of 29 laptops to the Soweto Infrastructure & Construction Chambers, participation in Jozi My Jozi activities, the Rea Vaya BRT System Phase 1C trunk route, and the donation of a cutting-edge smartboard to Central Johannesburg College's Alexandra Campus.
- Nine items were neutral coverage was at 60%.

AUGUST 2024



Report Summary

This summary highlights some of the key findings regarding media coverage for Johannesburg Development Agency. The following slides then aims to provide a deeper understanding of the media coverage for the month of August 2024 utilizing various communication measurements and evaluation metrics.

34 articles and broadcast clips

28 Unique Media Sources

Top 3 Identified Topics


Topic	Items	AVE
Johannesburg Development Agency	34	R2,292,254.63

A total Advertising Value Equivalent of R02 292 254.63 was identified

The Majority of coverage for August 2024 was deemed **POSITIVE**


Top 3 Media Sources

Source	Items	AVE
Sunday Times Cpt	1	R455,530.57
Sunday Times	1	R428,809.63
Sunday Times Kzn	1	R399,208.88



City Of Johannesburg Metropolitan Municipality | Media Analysis | August 2024

2



SEPTEMBER 2024



Report Summary

This summary highlights some of the key findings regarding media coverage for Johannesburg Development Agency. The following slides then aims to provide a deeper understanding of the media coverage for the month of September 2024 utilizing various communication measurements and evaluation metrics.

22 articles and broadcast clips

18 Unique Media Sources

Top 3 Identified Topics

Topic	Items	AVE
Johannesburg Development Agency	22	R429,855.93

A total Advertising Value Equivalent of R00 429 855.93 was identified

The Majority of coverage for September 2024 was deemed POSITIVE

Top 3 Media Sources

Source	Items	AVE
Mail & Guardian	1	R128,151.46
Asset	1	R71,120.30
The Citizen Rsa News	1	R50,000.00



City Of Johannesburg Metropolitan Municipality | Media Analysis | September 2024



11.2 PUBLIC RELATIONS ENGAGEMENTS

IVORY PARK PROJECTS TO BUILD A VIBRANT INTEGRATED COMMUNITY

The City of Johannesburg Member of the Mayoral Committee (MMC) for Development Planning, Councillor Eunice Mgcina, along with Johannesburg Development Agency (JDA) CEO, Mr. Themba Mathibe, conducted an oversight visit to two capital infrastructure projects in Ivory Park, Region A.



HIKHENSILE CLINIC COMMENCES FOLLOWING ENGAGEMENT WITH SMMEs

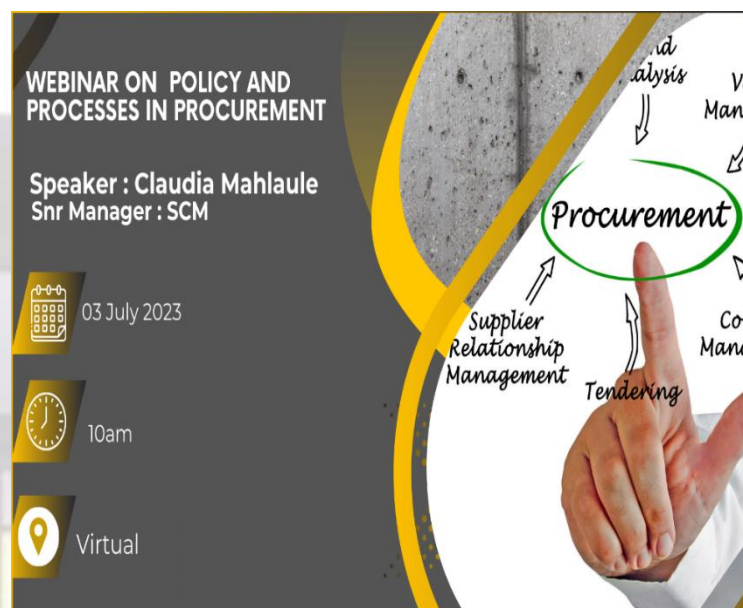
The new Hikhensile Clinic is being implemented to meet the City of Johannesburg's Health Department's quality standards. It will be able to accommodate larger volumes of patients and provide a wider range of services. The implementation of the facility is on track following the MMC's and CEO's engagement with the local SMMEs and labours within the community during the oversight. The engagement sought to identify issues that could lead to potential delays and implement solutions to ensure the project stays on schedule.



11.3 JDA EVENTS

The following are events including webinars that the entity held during the quarter under review:

03 July 2024



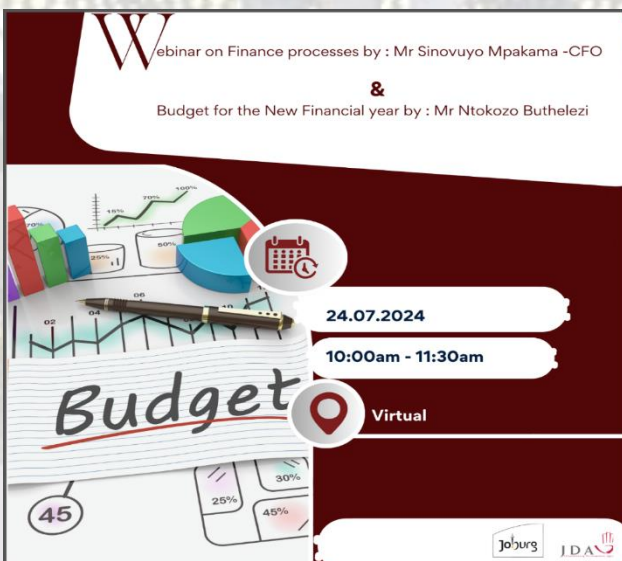
11 JULY 2024



18 July 2024

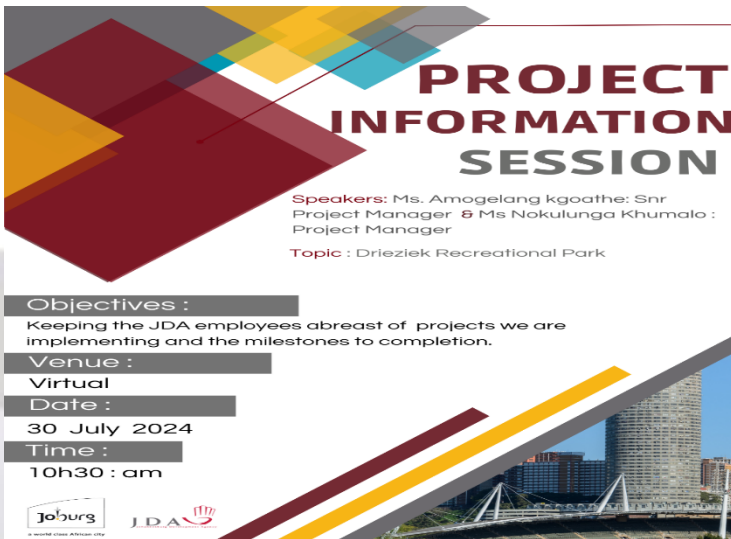


24 JULY 2024



30 July 2024

31 July 2024



PROJECT INFORMATION SESSION

Speakers: Ms. Amogelang kgoathe: Snr Project Manager & Ms Nokulunga Khumalo : Project Manager

Topic : Drieziek Recreational Park

Objectives :
Keeping the JDA employees abreast of projects we are implementing and the milestones to completion.

Venue :
Virtual

Date :
30 July 2024

Time :
10h30 : am

Joburg JDA

06 August 2024



CEO ENGAGEMENT

31 July 2024

10am - 12:00 PM

Auditorium

Joburg JDA

07 August 2024



Government Communication and Information System (GCIS) Media Training for JDA Employees

06 August 2024
10am

Virtual

Joburg JDA

13 August 2024



Labour Wednesday Webinar

by Human Resource Magement

- Change Management
- Leave Management policy
- Performance Management

07 August 2024
10am

Virtual

Joburg JDA

16 August 2024



PROJECT INFORMATION SESSION

Speakers: Ms. Zilungile Chanco : Development Planning and Facilitation Specialist & Ms Xolisa Sithole : Development Planning and Facilitation Specialist

Topics : Zandspruit & Frankbrown.

Objectives :
Keeping the JDA employees abreast of projects we are implementing and the milestones to completion.

Venue :
Virtual

Date :
13 August 2024

Time :
10h30 : am

Joburg JDA

20 August 2024



In celebration of Women's Month, the JDA is inviting all ladies to a hike aimed at raising awareness on the benefits of walking and outdoor living.

16 August 2024
08 am

Kloofendal Nature Reserve

PLEASE RSVP TO BARBRA BY THE END OF BUSINESS ON TUESDAY, AUGUST 13, 2024.

Joburg JDA

29 August 2024



04 September 2024



11 September 2024



17 September 2024



FIGURE 12: WEBINER SESSIONS FOR THE QUARTER

CHAPTER 5: FINANCIAL PERFORMANCE

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

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

	Year ended 30 September 2024			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
Non-current assets	37 908	38 000	-92	1
Property plant and equipment	4 925	5 000	(75)	
Deferred tax	17 744	17 500	244	
Intangible assets	15 239	15 500	(261)	
Current assets	1 196 229	1 307 772	(111 543)	2
Trade and other receivables	919 122	1 020 762	(101 640)	
Prepayments	-			
Vat Receivable	277 103	287 000	(9 897)	
Cash and cash equivalents	4	10	(6)	
Total assets	<u>1 234 137</u>	<u>1 345 772</u>	<u>(111 635)</u>	
EQUITY AND LIABILITIES				
Capital and reserves	-58 394	51 278	(39 672)	3
Contribution from owner	16 278	16 278	(0)	
Accumulated surplus/(deficit)	-74 672	35 000	(39 672)	
Non-current liabilities	2 865	2 800	65	4
Finance lease obligation	318	300	18	
Deferred taxation	2 547	2 500	47	
	-	-	0	
Current liabilities	1 289 666	1 291 694	(1 655)	5
Loans from shareholders	1 197 781	1 200 000	(2 219)	6
Trade and other payables	80 996	81 000	(4)	
VAT payable	-	-	0	
Finance lease obligation	593	294	299	
Project fund payable	3 028	3 400	1	
Provisions – bonus	7 268	7 000	268	
Total equity and liabilities	<u>1 234 137</u>	<u>1 345 772</u>	<u>-41 262</u>	

Notes	
1	The decreases on the property plant and equipment it is due to depreciation.
2	The unfavourable variance it due to budget which had impact on revenue claims.
3	Changes on the Reserve/Net Assets it is due to the deficit of 58 million which arise from sweeping account.
4	The movement of the non-current liability is immaterial
5	The variance is above than the target overdraft of R300 million. This is mainly due to invoices that were raised /accrued in June 2024 that were paid in July. However, JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the city with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account.
6	The increases on the payable it due to invoices that were received in the current month.

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

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

	September 2023	Original approved	Quarter ending 30 September 2024			Notes
	Actual	budget	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	
Gross revenue	19 271	136 065	26 995	34 016	(7 021)	5
Operating costs	(23 150)	(128 235)	(28 249)	(32 059)	3 810	6
Gross surplus/(deficit)	(3 879)	7 830	(1 254)	1 958	(3 212)	
Other operating income and expenditure	(11 352)	(7 830)	(15 332)	(1 958)	(13 375)	
Interest expense	(11 352)	(7 830)	(15 332)	(1 958)	(13 375)	7
Interest income	0	0	0	0	0	
Surplus/(Deficit) before tax	(15 231)	0	(16 586)	0	(16 586)	
Taxation	0	0	0	0	0	
Surplus/(Deficit) after tax	(15 231)	0	(16 586)	0	(16 586)	

Notes	
7	Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budget revenue by 20% due to delay in some of the projects.
8	Th negative variance it mainly due to delay in the procurement process.
9	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that was received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the city with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account. The outstanding balance as at the end of the first quarter relates to balances that were owing from the 2023/24 financial year.

SECTION 3: CASH FLOW STATEMENT

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

CASHFLOW STATEMENT FOR THE QUARTER ENDED 30 September 2024

	Year to date		
	Actual	Budget	Variance
	R'000	R'000	R'000
Cash flows from operating activities			
	(234 028)	(134 057)	(99 971)
<i>Receipts</i>			
Grants	0	0	0
Interest received	0	0	0
Cash receipts from CAPEX funding	149 017	150 000	(983)
Other receipts	20 373	20 000	373
		0	0
<i>Payments</i>		0	0
Employee cost	(21 209)	(22 000)	791
Suppliers	(382 209)	(300 000)	(82 209)
		0	
Cash flows from investing activities	0	(160)	160
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired	0	(160)	160
Proceeds from sale of property, plant and equipment			0
Purchase of intangible assets	0		0
Cash flows from financing activities	234 023	230 000	464 023
Movement in project funds payable	(401)	0	(401)
Proceeds from Shareholders' loan	234 424	230 000	4 424
Repayments of Shareholders' loan		0	0
Finance lease repayments	0	0	0
Net increase/(decrease) in cash and cash equivalents	(5)	230 000	(230 005)
Cash and cash equivalents at beginning of the year	9	4	5

11

12

13

14

Cash and cash equivalents at
the end of the year

4230 004(230 000)

Notes	
11	The negative it is mainly due to delay in the payments from client department
12	The variance it mainly due to vacant position that are not yet filled
13	The variance it mainly due decreases on the capex invoice delay in the implementation of the projects
14	The variance it due to money borrowed from loan to shareholder since there is a delay in the settlement of debtors by COJ departments

SECTION 4: NET ASSETS

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

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
Balance on 01 July 2023	60	16 278	16 278	-14 990	1 288
Changes in net assets					
Deficit for the year	0	0	0	(43 096)	(43 096)
Total changes					
Balance on 01 July 2024	60	16 278	16 278	(58 086)	(41 808)
Changes in net assets					
Profit/(deficit) for the year				(16 586)	(16 586)
Total changes					
Balance on 30 September 2024	60	16 278	16 278	(74 672)	(58 398)

SECTION 5: CAPITAL PROJECTS & EXPENDITURE

TABLE 40: CAPEX EXPENDITURE FOR THE YEAR

CAPITAL EXPENDITURE AS AT 30 September 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
JDA ON BUDGET									
Randburg CBD regeneration Renewal Precinct Redevelopment	R 6 880 359	R 322 864	R 6 557 495	R 6 880 359	322 864	R 6 557 495	2 031,04%	R 3 228 643	213,10%
Diepsloot Development Renewal Precinct Redevelopment	0	220 000	(220 000)	0	220 000	(220 000)	(100,00%)	2 200 000	0,00%
Balfour Park Transit Precinct Development (Louis Botha Corridor) Renewal	0	142 500	(142 500)	0	142 500	(142 500)	(100,00%)	1 425 000	0,00%
CORR - Louis Botha Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA)	1 682 448	425 000	1 257 448	1 682 448	425 000	1 257 448	295,87%	4 250 000	39,59%
Pennyville Precinct Renewal Precinct Redevelopment	0	478 826	(478 826)	0	478 826	(478 826)	(100,00%)	4 788 257	0,00%
Operational Capex New Operational Capex NEWTOWN F City Wide	0	190 000	(190 000)	0	190 000	(190 000)	(100,00%)	1 900 000	0,00%
Melville Activity Street_Neighbourhood Development_CoF_Upgrade	0	R 336 167	(336 167)	R 0	336 167	(R 336 167)	(100,00%)	3 361 668	0,00%
Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C	0	40 000	(40 000)	0	40 000	(40 000)	(100,00%)	400 000	0,00%
Watt Street Precinct Wynberg	0	658 189	(658 189)	0	658 189	(658 189)	(100,00%)	6 581 890	0,00%
Inner City Eastern Gateway_TOD and Movement Corridors	1 586 521	468 054	1 118 468	1 586 521	468 054	1 118 468	238,96%	4 680 535	33,90%
Klipfontein View Wellness centre	996 476	2 500 000	(1 503 524)	996 476	2 500 000	(1 503 524)	(60,14%)	25 000 000	3,99%
Braamfischer Ext 12 Roads and stormwater (New line item)	0	280 000	(280 000)	0	280 000	(280 000)	(100,00%)	2 800 000	0,00%
23775_Ivory Park Urban Renewal Programme	3 846 942	300 000	3 546 942	3 846 942	300 000	3 546 942	1 182,31%	3 000 000	128,23%
23776_Kliptown Urban Renewal Programme	0	51 300	(51 300)	0	51 300	(51 300)	(100,00%)	513 000	0,00%
23705_Orange Farm Urban Renewal Programme	20 926 050	5 520 331	15 405 719	20 926 050	5 520 331	15 405 719	279,07%	55 203 310	37,91%
Community Based Projects	385 847	95 000	290 847	385 847	95 000	290 847	306,15%	950 000	40,62%
SUB-TOTAL	36 304 643	12 028 230	24 276 413	36 304 643	12 028 230	24 276 413	201,83%	120 282 303	30,18%

CAPITAL EXPENDITURE AS AT 30 September 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
COMMUNITY DEVELOPMENT (Comm Dev)									
Ivory Park Swimming pool	0	100 000	(100 000)	0	100 000	(100 000)	(100,00%)	1 000 000	0,00%
Drieziek MPC	0	100 000	(100 000)	0	100 000	(100 000)	(100,00%)	1 000 000	0,00%
Kaalfontein New Community Centre KAALFONTEIN EXT4 A Ward	4 567 648	1 700 000	2 867 648	4 567 648	1 700 000	2 867 648	168,69%	17 000 000	26,87%
Matholesville New MPC Community Centre MATHOLESVILLE C Regional	0	1 144 000	(1 144 000)	0	1 144 000	(1 144 000)	(100,00%)	11 440 000	0,00%
Maintenancea and repairs of public art and Heritage assets	807 674	317 500	490 174	807 674	317 500	490 174	154,39%	3 175 000	25,44%
SUB-TOTAL	5 375 322	3 361 500	2 013 822	5 375 322	3 361 500	2 013 822	59,91%	33 615 000	15,99%
DEVELOPMENT PLANNING									
Brixton Social Cluster	3 969 556	1 102 400	2 867 156	3 969 556	1 102 400	2 867 156	260,08%	11 024 000	36,01%
Mayfair PEU	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	5 000 000	0,00%
Soweto Strategic Area Framework & Implementation	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	5 000 000	0,00%
GEF Global Enviromental	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100,00%)	15 000 000	0,00%
New Clinic De Villiers Street Turf	0	1 200 000	(1 200 000)	0	1 200 000	(1 200 000)	(100,00%)	12 000 000	0,00%
City Building Demolitions	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100,00%)	10 000 000	0,00%
Kliptown Multipurpose Centre	0	150 000	(150 000)	0	150 000	(150 000)	(100,00%)	1 500 000	0,00%
Walkable Networks	0	300 000	(300 000)	0	300 000	(300 000)	(100,00%)	3 000 000	0,00%
High court	0	250 000	(250 000)	0	250 000	(250 000)	(100,00%)	2 500 000	0,00%
Innecity Partner Retention	43 448			43 448					
SUB-TOTAL	4 013 004	6 502 400	(1 982 844)	4 013 004	6 502 400	(2 282 844)	(35,11%)	65 024 000	6,17%
CITY MANAGER									

CAPITAL EXPENDITURE AS AT 30 September 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Lilian Ngoyi Work package 3	680 350	217 400	462 950	680 350	217 400	462 950	212,95%	2 174 000	31,29%
Masingita Development	0	130 400	(130 400)	0	130 400	(130 400)	(100,00%)	1 304 000	0,00%
SUB-TOTAL	680 350	347 800	332 550	680 350	347 800	332 550	(95,62%)	3 478 000	19,56%
HEALTH DEPARTMENT									
Protea South Clinic Renewal Clinic PROTEA SOUTH EXT1 G Ward	0	300 000	(300 000)	0	300 000	(300 000)	(100,00%)	3 000 000	0,00%
Zandspruit New Clinic ZANDSPRUIT EXT4 C Ward 114	0	90 000	(90 000)	0	90 000	(90 000)	(100,00%)	900 000	0,00%
Hikensile Clinic Renewal Clinic IVORY PARK EXT9 A Ward	311 606	2 200 000	(1 888 394)	311 606	2 200 000	(1 888 394)	(85,84%)	22 000 000	1,42%
Naledi clinic New Building NALEDI D	1 311 611	1 503 800	(192 189)	1 311 611	1 503 800	(192 189)	(12,78%)	15 038 000	8,72%
Elias Motsoaledi clinic Renewal Building DUBE EXT2 D	123 975	30 000	93 975	123 975	30 000	93 975	313,25%	300 000	41,33%
Southhills Clinic and Regional Health Offices Renewal Clinic S	0	30 000	(30 000)	0	30 000	(30 000)	(100,00%)	300 000	0,00%
Rabie Ridge Clinic Renewal and Community Health Centre	0	30 000	(30 000)	0	30 000	(30 000)	(100,00%)	300 000	0,00%
Freedom Park New Clinic DEVLAND EXT30 G Ward	0	30 000	(30 000)	0	30 000	(30 000)	(100,00%)	300 000	0,00%
SUB-TOTAL	1 747 192	4 213 800	(2 466 608)	1 747 192	4 213 800	(2 466 608)	(58,54%)	42 138 000	4,15%
HUMAN SETTLEMENTS									
Kanana Park Ext 1	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	5 000 000	0,00%
Finetown Proper -Region G	0	400 000	(400 000)	0	400 000	(400 000)	(100,00%)	4 000 000	0,00%
Drieziek Ext3	10 059 993	500 000	9 559 993	10 059 993	500 000	9 559 993	1 912,00%	5 000 000	201,20%
Drieziek Ext5	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	5 000 000	0,00%
Malibongwe Ridge	0	250 000	(250 000)	0	250 000	(250 000)	(100,00%)	2 500 000	0,00%

CAPITAL EXPENDITURE AS AT 30 September 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Lorenzville Building Erf286	0	625 900	(625 900)	0	625 900	(625 900)	(100,00%)	6 259 000	0,00%
Jeppeshtown Erf 2866	0	625 900	(625 900)	0	625 900	(625 900)	(100,00%)	6 259 000	0,00%
Ennerdale South	0	500 000	(500 000)	0	500 000	(500 000)	(100,00%)	5 000 000	0,00%
Drieziek Ext4	2 376 065	500 000	1 876 065	2 376 065	500 000	1 876 065	375,21%	5 000 000	47,52%
City and suburban ERF918,919,930,931	0	300 000	(300 000)	0	300 000	(300 000)	(100,00%)	3 000 000	0,00%
Roodepoort UDF	0	300 000	(300 000)	0	300 000	(300 000)	(100,00%)	3 000 000	0,00%
Elias Motsoaledi	8 089 150	1 500 000	6 589 150	8 089 150	1 500 000	6 589 150	439,28%	15 000 000	53,93%
SUB-TOTAL	20 525 208	6 501 800	14 023 408	20 525 208	6 501 800	14 023 408	215,69%	65 018 000	31,57%
PIKITUP									
Phase1 Limbro Park	0	1 512 287	(1 512 287)	0	1 512 287	(1 512 287)	(100,00%)	15 122 873	0,00%
Phase2 Marie Louise landfill site	0	3 380 265	(3 380 265)	0	3 380 265	(3 380 265)	(100,00%)	33 802 646	0,00%
Phase2 Goudkoppies landfill site	0	2 781 853	(2 781 853)	0	2 781 853	(2 781 853)	(100,00%)	27 818 525	0,00%
Zondi depot	0	589 792	(589 792)	0	589 792	(589 792)	(100,00%)	5 897 920	0,00%
Midrand Depot - Rabieridge Ext	0	378 072	(378 072)	0	378 072	(378 072)	(100,00%)	3 780 718	0,00%
Ennerdale Landfill Site	0	756 144	(756 144)	0	756 144	(756 144)	(100,00%)	7 561 436	0,00%
Phase1 Marie Louis Landfill Site	0	3 380 265	(3 380 265)	0	3 380 265	(3 380 265)	(100,00%)	33 802 646	0,00%
SUB-TOTAL	0	12 778 676	(12 778 676)	0	12 778 676	(12 778 676)	(100,00%)	127 786 764	0,00%
TRANSPORTATION PTNG									
2804_16_Rea Vaya BRT Phase 1C New Stations	0	1 300 000	(1 300 000)	0	1 300 000	(1 300 000)	(100,00%)	13 000 000	0,00%
2804_18_Selby Bus Depot (Phase 2C – Administration Building)	0	4 729 800	(4 729 800)	0	4 729 800	(4 729 800)	(100,00%)	47 298 000	0,00%
2804_15_Rea Vaya BRT Land Acquisition	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100,00%)	15 000 000	0,00%
BRT phase 1C Roadways	305 202	14 034 900	(13 729 698)	305 202	14 034 900	(13 729 698)	(97,83%)	140 349 000	0,22%
Passage Signage	0	4 000 000	(4 000 000)	0	4 000 000	(4 000 000)	(100,00%)	40 000 000	0,00%

CAPITAL EXPENDITURE AS AT 30 September 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Phase 1 A and B	0	2 500 000	(2 500 000)	0	2 500 000	(2 500 000)	(100,00%)	25 000 000	0,00%
Depot Rehabilitation	0	2 000 000	(2 000 000)	0	2 000 000	(2 000 000)	(100,00%)	20 000 000	0,00%
Sandton to Ivory Park BRT Roadways	0	300 000	(300 000)	0	300 000	(300 000)	(100,00%)	3 000 000	0,00%
Sandton to Ivory Park Depot terminals	0	300 000	(300 000)	0	300 000	(300 000)	(100,00%)	3 000 000	0,00%
SUB-TOTAL	305 202	30 664 700	(30 359 498)	305 202	30 664 700	(30 359 498)	(99,00%)	306 647 000	0,10%
DEPARTMENT OF SOCIAL DEVELOPMENT (SoC DEV)									
Shelter for Displaced People Region F	6 899 396	1 505 400	5 393 996	6 899 396	1 505 400	5 393 996	358,31%	15 054 000	45,83%
Betrans Multipurpose Centre	12 652 190	2 000 000	10 652 190	12 652 190	2 000 000	10 652 190	532,61%	20 000 000	63,26%
Yetta Nathan Social development Centre	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100,00%)	10 000 000	0,00%
Minor upgrades	0	80 000	(80 000)	0	80 000	(80 000)	(100,00%)	800 000	0,00%
Louis Botha - Co - Production zone for social interventions Renewal Corridors	0	154 400	(154 400)	0	154 400	(154 400)	(100,00%)	1 544 000	0,00%
SUB-TOTAL	19 551 586	4 739 800	14 811 786	19 551 586	4 739 800	14 811 786	312,50%	47 398 000	41,25%
TRANSPORTATION COJ FUNDING:									
PTF Small Public Transport Facility Design and Construction of Zola	0	80 000	(80 000)	0	80 000	(80 000)	(100,00%)	800 000	0,00%
PTF: Small Public Transport Facility Design and Construction of Lakeside	0	120 000	(120 000)	0	120 000	(120 000)	(100,00%)	1 200 000	0,00%
PTF: Public Transport Stops in Cosmo City	3 521 286	1 560 300	1 960 986	3 521 286	1 560 300	1 960 986	125,68%	15 603 000	22,57%
Complete Streets: NMT links to Railway Stations: Phefeni Station	0	100 000	(100 000)	0	100 000	(100 000)	(100,00%)	1 000 000	0,00%
Complete Streets: NMT links to public transport facilities in Tshepisoong	1 551 354	1 424 800	126 554	1 551 354	1 424 800	126 554	8,88%	14 248 000	10,89%
Complete Streets: NMT links to public transport facilities in Orange Farm	0	100 000	(100 000)	0	100 000	(100 000)	(100,00%)	1 000 000	0,00%
Ebhareni PTF	0	150 000	(150 000)	0	150 000	(150 000)	(100,00%)	1 500 000	0,00%

CAPITAL EXPENDITURE AS AT 30 September 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
Metro Mall PTF	0	800 000	(800 000)	0	800 000	(800 000)	(100,00%)	8 000 000	0,00%
Orange farm PTF	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100,00%)	10 000 000	0,00%
Karzene	0	100 000	(100 000)	0	100 000	(100 000)	(100,00%)	1 000 000	0,00%
Jack Mincer	0	400 000	(400 000)	0	400 000	(400 000)	(100,00%)	4 000 000	0,00%
PTF KYA Sand	0	100 000	(100 000)	0	100 000	(100 000)	(100,00%)	1 000 000	0,00%
PTF Rosebank	0	50 000	(50 000)	0	50 000	(50 000)	(100,00%)	500 000	0,00%
Orlando East Non-Motorised	0	100 000	(100 000)	0	100 000	(100 000)	(100,00%)	1 000 000	0,00%
Minibus Taxi Feeder	0	86 957	(86 957)	0	86 957	(86 957)	(100,00%)	869 565	0,00%
IPTN and Secondary Network	0	43 478	(43 478)	0	43 478	(43 478)	(100,00%)	434 783	0,00%
Sandton Transport Master	0	152 174	(152 174)	0	152 174	(152 174)	(100,00%)	1 521 739	0,00%
Southern Area Transport Master plan	0	173 913	(173 913)	0	173 913	(173 913)	(100,00%)	1 739 130	0,00%
Alexandra Transport Master plan	0	152 174	(152 174)	0	152 174	(152 174)	(100,00%)	1 521 739	0,00%
Desmond Tutu Precinct	0	173 913	(173 913)	0	173 913	(173 913)	(100,00%)	1 739 130	0,00%
Universal Design Access Design	0	217 391	(217 391)	0	217 391	(217 391)	(100,00%)	2 173 913	0,00%
Protea Glen Transport Master plan	0	217 391	(217 391)	0	217 391	(217 391)	(100,00%)	2 173 913	0,00%
Parking Management Policy	491 705	245 784	245 921	491 705	245 784	245 921	100,06%	2 457 840	20,01%
Parking Management Policy Phase 2	0	130 435	(130 435)	0	130 435	(130 435)	(100,00%)	1 304 348	0,00%
COJ E-hailing Management Policy	0	86 957	(86 957)	0	86 957	(86 957)	(100,00%)	869 565	0,00%
Park and Ride Plan	0	130 435	(130 435)	0	130 435	(130 435)	(100,00%)	1 304 348	0,00%
Feasibility: Alternative Green Energy	0	217 391	(217 391)	0	217 391	(217 391)	(100,00%)	2 173 913	0,00%
Comprehensive Integrated Transport Plan (CITP)	0	86 957	(86 957)	0	86 957	(86 957)	(100,00%)	869 565	0,00%
ICM Strategy and Model	0	108 696	(108 696)	0	108 696	(108 696)	(100,00%)	1 086 957	0,00%
Subsidizes Bus contracts Due diligence study	0	173 913	(173 913)	0	173 913	(173 913)	(100,00%)	1 739 130	0,00%
Guideline Doc SOP Evaluation PTF and non-motorised Impacts of Dev	0	130 435	(130 435)	0	130 435	(130 435)	(100,00%)	1 304 348	0,00%
Development of Fare Policy	0	21 739	(21 739)	0	21 739	(21 739)	(100,00%)	217 391	0,00%
Transport Dep Project Prioritization Model	0	21 739	(21 739)	0	21 739	(21 739)	(100,00%)	217 391	0,00%
SUB-TOTAL	5 072 640	8 656 971	(3 049 148)	5 072 640	8 656 971	(3 049 148)	(35,22%)	86 569 708	5,86%

CAPITAL EXPENDITURE AS AT 30 September 2024	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				ANNUAL	BUDGET
	ACTUAL R	BUDGET R	VARIANCE R	ACTUAL R	BUDGET R	VARIANCE R	VARIANCE %	BUDGET R	USED %
OTHER									
Ptf Small Public Trans Facilities Lehae	156 680			156 680					
Innercity Partnership fund	3 078 283			3 078 283					
Alex Auto Hub Security	239 712			239 712					
Inner City Core	1 484 576			1 484 576					
Jabulani Public Enviroment Upgrade	1 052 122			1 052 122					
Pimville Zone 9	448 299			448 299					
Alexandra Depot	305 202			305 202					
Central Fire station	654 126			654 126					
SUB-TOTAL	7 419 000			7 419 000					
TOTAL	100 994 147	89 795 678	4 821 205	100 994 147	89 795 678	4 521 205	5,03%	897 956 775	11,25%

SECTION 6: RATIO ANALYSIS

TABLE 41: RATIO ANALYSIS FOR THE PERIOD ENDED 30 September 2024

Key Performance Area	-	Actual 30 September 2023	Actual 30 September 2024
Current ratio	Above 1: 1,5	0,91:1	0.93:1.5
Solvency ratio	Above 2: 1	0.98:1	0.95:1
Salaries to expenditure ratio	Below 60%	60%	54%
Revenue	R34 Million	R19 Million	26.9million
Expenditure (including taxation)	R34 million	R34 Million	R43.5 million
Surplus / (Deficit)	R nil	(R15 million)	(R16.5 million)
Total net assets	R47.4 million	(14.6 million)	(58.3 million)
Capital expenditure	10%	6%	11.25%

SECTION 7: SUPPLY CHAIN MANAGEMENT AND BBBEE (DEVIATIONS, PAYMENTS WITHIN 30 DAYS, REPORT ON IRREGULAR, UNAUTHORISED, FRUITLESS AND WASTEFUL EXPENDITURE AND DUE PROCESSES)

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.

7.1 Black Economic Empowerment

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

1 July 2024 to 30 September 2024

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

For the period 1 July 2024 to 30 September 2024 the JDA achieved **104%** B-BBEE Opex and Capex procurement.

The total B-BBEE expenditure commitment in terms of active contracts was **R 108 545 051.2** for the period **1 July 2024 to 30 September 2024**, and the BBBEE share of expenditure achieved within the period was **R 113 159 682.2**

TABLE 42: THE B-BBEE EXPENDITURE FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

Description	1 July 2024 to 30 September 2024		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R91 131 801.5	R102 652 917	113%
Opex	R17 413 249.72	R10 506 765.21	60%
Consolidated Opex and Capex	R108 545 051.2	R113 159 682.2	104%

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

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

1 July 2024 to 30 September 2024

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period **1 July 2024 to 30 September 2024**, the SMME share of JDA's total expenditure was **R R113 159 682.2**. This constitutes an achievement **41%**.

TABLE 43: THE SMME EXPENDITURE FROM 1 JULY 2024 TO 30 SEPTEMBER 2024

Description	1 July 2024 to 30 September 2024		
	Total Expenditure	SMME Claimed	SMME %
Capex	R91 131 801.5	R102 652 917	43%
Opex	R17 413 249.72	R10 506 765.21	32%
Consolidated Opex and Capex	R108 545 051.2	R113 159 682.2	41%

7.2 Deviations and Ratifications

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

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

In terms of Regulation 36(1) (b) the Accounting Officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers, which are of a purely technical nature.

7.2.1 The deviation from obtaining at least a minimum of three written quotations in terms of Regulation 16, 17 and 18 of the MFMA Act 56 of 2003. The accounting officer ratified a minor breach in the supply chain process for the appointment of service providers through the request for quotation process where less than the minimum three quotations were received.

It should be noted that from 1 July 2024 to 30 September 2024 there were (3) service providers appointed where less than three quotations were obtained with a combined value of **R79 347.15**.

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

7.3 Irregular, Unauthorised, Fruitless and Wasteful Expenditure

For the period under review there was no UIFW identified or incurred.

SECTION 8: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

TABLE 44: PENDING LITIGATIONS

CASE / MATTER	DATE INSTITUTED	TYPE/ DESCRIPTION	EXPECTED COMPLETION DATE	VALUE OF EXPECTED ASSET OR LIABILITY AS A RESULT
REMBU (Arbitration)	2018	Potential liability through the arbitration regarding the allegedly unlawful termination of the JBCC agreement by JDA as a result of Rembu's failure to progress the works with due diligence and expedition. JDA has lodged a counterclaim.	The matter is on-going	Approximately R22.3 million
Keendom Druza JV	October 2021	<p>The Claimant, Keendom Druza JV performed work as a civil engineering contractor entered into an agreement with JDA in May 2019. The agreement was for the Claimant to complete the construction of Braamfischerville Ext 12 internal roads and stormwater for a contract value amounting to R40 899 524.45 excl VAT.</p> <p>In October 2021, the Claimant commenced Adjudication Proceedings against the JDA in respect of a dispute in terms of the construction agreement.</p> <p>The total claim (intimated) is R8 955 387.97. The total costs being the legal costs from inception of the matter to 24 August 2023 is R1 222 324.65.</p>	Not yet known.	Approximately R10.1 million including legal fees

BRT-Sandton Station	2022	<p>The matter relates to a possible interdict against the City and JDA by Liberty for the construction of the Sandton BRT station.</p> <p>In February 2024, judgment was granted in favour of JDA, and after initially appealing the judgment, Liberty Group opted to withdraw its appeal and offered costs to JDA.</p>	The matter has been finalised	Approximately R2 million
Dzata Properties Kuvu Civils JV	March 2022	<p>In March 2022 JDA terminated the two JBCC agreements it entered into with the Dzata Properties Kuvu Civils JV ("the JV") for the repair and maintenance of Social and Community Development Facilities at various sites.</p> <p>The reason for the termination was due to failure by the JV to progress the works and reach the various completion stages set out in the JBCC agreements.</p> <p>The JV has challenged the lawfulness of the terminations for determination first by way of adjudication. Provisional Sentence Summons and arbitration.</p> <p>The matter is now before an Arbitration Tribunal set up under the auspices of the Association of Arbitrators and the High Court.</p> <p>In both the arbitration and the High Court, the JV seeks awards for the payment in respect of retention and interest in the amount of R954 685.28 and a claim for loss of profit in the amount of R9 732 020.75 (incl. VAT) for loss of profit on the COMMDEV contract, together with interest tempore morae. Alternatively, the JV seeks payment in the amount of R5 739 289.21 (incl. VAT) for loss of profit on the SOCDEV contract, together with interest tempore morae.</p> <p>Alternatively, payment in the amount of</p>		

		R2 958 401.14 (incl. VAT) for loss of profit on the SOCDEV contract together with interest.		
Mayibuye i-Afrika JV	June 2024	Selby 2C Depot JDA has appointed a law firm to assist in recovering cost damages from the contractor after the contractor failed to complete the project.	The matter is relatively new, so the completion date is unknown.	Approximately R6.4 million
Thamandla Consulting	June 2024	Watt Street Public The JDA has appointed a legal firm to assist in recovering cost damages from the contractor after the contractor failed to complete the project.	The matter is relatively new, so the completion date is unknown.	Approximately R 1.5 million
JDA // HL Matlala t/a Gorogang Plant Hire	29 January 2024	Jabulani Phase 5 Received letter of demand dated 29 January 2024. The Contractor claims that should be furnished with a Certificate of Completion in terms of the applicable contract. However, that cannot be the case as he has not completed the works as per the conditions of Practical Completion given and accepted by the contractor. At this point, there is only a letter of demand with no court application.	n/a	n/a
Inkululeko Yethu Cleaning	6 June 2024	The matter relates to monies owed to the claimant by the contractor that was appointed by the JDA.	The matter is relatively new, so the completion date is unknown.	Approximately R 2.7 million

Phakamani Properties	6 June 2024	The matter relates to monies owed to the claimant by the contractor that was appointed by the JDA.	The matter is relatively new, so the completion date is unknown.	Approximately R 4.4 million
Yiyo Luna Properties & Bisanele Consulting //JDA & Basil Read Umso JV	September 2024	<p>JDA appointed Basil Read Umso JV ("BRU") in April 2016 for the construction of the Kazerne Intermodal Facility. The original construction programme was 20 months ending in November 2017. The plaintiffs entered into a sub-contractor agreement with BRU on 16 January 2017.</p> <p>Early June 2018, JDA became aware that BRU was in business rescue. After numerous failed attempts to get BRU to perform, notices of intention to terminate were given and the contract was finally terminated on 28 August 2018.</p> <p>According to the plaintiffs, prior to the termination of the agreement the plaintiffs submitted invoices to BRU and BRU paid partial amounts and there is an outstanding payment of R8 331 113.89.</p> <p>BRU cannot make their claim from JDA as they have no valid contract with JDA, so JDA has no legal obligation to pay BRU directly for their claim. A direct payment by JDA to BRU would mean paying twice for the same work, a fruitless and wasteful expenditure for which there might be negative consequences for JDA such as regression in JDA audit outcome and liability for the accounting officer.</p> <p>BRU should register their claim as creditors in the liquidation process with business rescue practitioners.</p>	This is a new matter therefore the completion date is unknown.	R8 331 113.89
MACP Construction//JDA & Bergstan South Africa Consulting and Development Engineers	September 2024	On or about May 2022, JDA appointed MACP Construction ("MACP") for the construction of the Soweto Railway Stations NMT Links-Chiawelo facility . The original construction programme was 10 months. MACP established its plant, equipment and personnel on the project on 12 July 2022 and submitted interim	This is a new matter therefore the completion date is unknown.	R966 182.83

		<p>payment certificate for certification by the engineers. The full site handover occurred on 16 August 2022.</p> <p>In September 2022, MACP was notified of the suspension of the works.</p> <p>Consequent to the requisite wayleaves not being availed by the engineers, MACP submitted a written intention to claim standing costs and extensions of time in the amount of R966 182.83 (excluding VAT). The engineers rejected the claims.</p> <p>Attorneys have been instructed to defend the matter.</p>		
<p>Madisethupa // Masakhane Mbali & JDA</p>	<p>Oct 2015</p>	<p>On 26 November 2014, JDA published an advertisement inviting tenders for the construction management (managing contractor) of start-ups, SMMEs. On 5 March 2015, Tranacon Construction was appointed as the managing contractor on the project.</p> <p>During or about December 2014, Mr Mbali, acting in the course and scope of his employment with the JDA at the time, invited SMMEs within the area of Alexander Township to bid for appointment as sub-contractors in respect of the project.</p> <p>During the evaluation of the bid submissions phase, Mr Mbali removed Modisethupa from the evaluation process. On 6 October 2015, JDA advised the plaintiff's attorneys that the plaintiff was removed from the process as it was from Ward 76, which was not one of the affected wards in respect of the project.</p> <p>It is against this background that the plaintiff instituted the action, in terms of which an amount of R2 193 953.58 is being claimed from JDA, couched as a claim for loss of income.</p> <p>On 11 December 2015, JDA filed an exception to the plaintiff's particulars of claim. The parties appeared in court on 2 September 2016 for purposes of arguing the exception. On 25 October 2018, judgment was delivered, the judge</p>	<p>Unknown</p>	<p>R2 193 953.58</p>

		<p>was not persuaded that the grounds provided by JDA had any merit. JDA was ordered to pay the plaintiff's costs.</p> <p>On 14 February 2019, the parties agreed by a settlement agreement, that JDA shall pay an amount of R30 000 for purposes of settling the plaintiff's bill of costs. The settlement amount was paid by JDA on 14 March 2019.</p> <p>Pleadings have closed and the parties have made discovery.</p> <p>JDA's attorneys received a Notice to Attend a Pre-Trial Meeting on 30 August 2024. We have since consulted with the attorneys in preparation for the trial, and we are gathering information for the trial.</p>		
EBESA Architects// JDA	September 2024	<p>We received a Notice of Motion for an Application for judgment by default on 6 January 2025.</p> <p>According to EBESA's attorneys, Summons were served on JDA on 24 July 2024. The time for filing a Notice of Intention to Defend expired on 7 August 2024.</p> <p>We are yet to locate the Summons, once the Summons have been located, we will appoint attorneys to defend the matter and attend to the application for condonation.</p>		
Mayibuye i-Afrika Matters		<p>Kindly refer to the attached JDA v Mayibuye Power Progress Report</p>		

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SECTION 9: INSURANCE CLAIMS AGAINST/TO MOE/DEPARTMENT.

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

There were no new claims in quarter 1, we have 6 open claims that emanate from previous years as outlined in the table below:

TABLE 45: INSURANCE CLAIMS

Claim No.	Claim Notification	Description of Loss	Claims Status	Net Claim
ADRS00001394	01-Oct-2020	A bridge collapsed and resulted in the death of two people and 19 others injured.	Insurer handling TP claim	38 000.00
ADRS00008435	20-Apr-2021	JDA appointed contractor's damage third party's wall.	Corresponding with TP - TP Claim	85 000.00
ADRS00008441	13-Jan-2022	The JDA's appointed contractor damaged third party's property.	Awaiting TP approach	12 500.00
ADRS00006188	18-Apr-2021	Electric pole fell on TP	Claim prescribed	300 000.00
ADRS00011226	06-Jan-2023	The third party fell into an uncovered water main access panel.	Insurer handling TP claim	2 515 263.13
ADRS00011575	01-Oct-2020	Damages to third party property	Attorney handling TP summons	23 565 160.06

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

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

TABLE 46: AMOUNTS OWED BY GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

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

CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

The Internal Audit progress to which this section of the report relates to is the work conducted in the period 01 July 2024 to 30 September 2024 and outstanding projects from Q4 of the 2024/25 financial year completed in this quarter, the section of the report includes progress on the planned audit projects as well as special audit requests (if any) that were undertaken during this reporting period.

- a. There were twelve (12) audits outstanding from the 2024/25 annual audit plan, of the twelve (12) projects eleven (11) projects are completed and one is in the reporting stage.
- b. There were three (3) planned audits for the period under review, all three (3) are completed.
- c. Therefore 93.33 of the projects undertaken in this quarter were completed and 6.67% are in progress.
- d. 91.66% of the outstanding projects from the previous quarter have been completed whiles 8,33 are in progress.
- e. 100% of the projects planned for this quarter have been completed.

TABLE 47: OUTSTANDING PROJECTS FROM THE 2024/25 ANNUAL AUDIT PLAN

No.	Audit Description	Status	Progress Status	Overall control Environment
1.	Business Continuity Management framework and Program implementation.	Completed	Completed	Requires improvement
2.	Financial Discipline Review (Finance Processes)	Completed	Report distribution	Requires improvement
3.	2024/25 3rd quarter Quarterly Audit of performance information (Audit of the Pre- Determined Objectives).	Completed	Completed	Requires improvement
4.	Audit of the capital project management processes Value for Money audit on completed projects	Completed	Completed	Requires improvement
5.	Audit of Bill of Quantity and Capex expenditure	Completed	Completed	Requires improvement

6.	3rd report Physical verification of the progress of the project against the expenditure incurred	Completed	Completed	Requires improvement
7.	Audit of performance management processes. Monitoring of operational business plans.	In progress	Report distribution	Requires improvement
8.	Cybersecurity audit - Information Security Review	Completed	Report distribution	Requires improvement
9.	IT governance, general and applications controls	Completed	Report distribution	Requires improvement
10.	Application controls review and data migration SAP Finance systems	Reporting	Reporting	Not satisfactorily
11.	Marketing strategy implementation review. Review of project communication strategies.	Completed	Completed	Requires improvement
12.	Review of CSR activities. Review of media management systems and processes	Completed	Completed	Requires improvement

TABLE 48: PROGRESS ON THE PLANNED Q1 PROJECTS

No.	Audit Description	Status	Progress Status	Overall control Environment
1.	Q1: Follow-up on internal and external audit findings	Completed	Completed	Requires improvement
2.	Review of the Financial Statement	Completed	Completed	Requires improvement
3.	Review of the quarterly – performance information review for completeness and reliability	Completed	Completed	Requires improvement

TABLE 49: PROGRESS ON SPECIAL AUDIT REQUEST

No.	Audit Description	Status	Progress Status	Audit Opinion on Compliance
1.	Hikhensile Clinic Extension of contract for professional team	Completed	Completed	Conditional Compliance
2.	Brixton Social Cluster: Increase of contract value for Quantity Surveyor	Completed	Completed	Conditional Compliance
3.	Shelters for displace people: Extension of contract for professional team	Completed	Completed	Conditional Compliance
4.	Diepsloot Development Projects: Extension of contract period for professional team	Completed	Completed	Conditional Compliance
5.	Jabulani Phase 5: Extension of Professional Team	Completed	Completed	Conditional Compliance
6.	Brixton Social Cluster: Professional Team contract extension	Completed	Completed	Conditional Compliance
7.	Eastern Stormwater Chancel in Orange Grove: Increase of contract amount	Completed	Completed	Conditional Compliance
8.	Our City Our Block: Extension of contract for professional team	Completed	Completed	Conditional Compliance
9.	Jack Mincer PTF: Extension of contracts for professional team	Completed	Completed	Conditional Compliance
10.	BRT Stations: Increase in contract period and fees	Completed	Completed	Conditional Compliance
11.	Mimecast: Increase in contract value	Completed	Completed	Conditional Compliance
12.	ERP Implementation: and support Services: Increase in contract value	Completed	Completed	Conditional Compliance
13.	Selby refurbishment of administration building: Extension of contracts	Completed	Completed	Conditional Compliance
14.	Increase of contract value for Braamfischerville Contract Amount	Completed	Completed	Conditional Compliance
15.	Increase of contract value for Jabulani Phase 7 Contract Amount	Completed	Completed	Qualified Opinion
16.	Website	Completed	Completed	Conditional Compliance

SECTION 2: PROGRESS ON PROBITY AUDITS

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

SECTION 3: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

Internal Audit conducts follow-up reviews monthly on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the Chairperson of the Operation Clean Audit (OPCA) Committee and the Group Risk Assurance Services for discussion with the City Manager. On a

quarterly basis Internal Audit, presents these reports to the Audit and Risk Committee, which monitors the progress made by management on the implementation of recommendations and action plans.

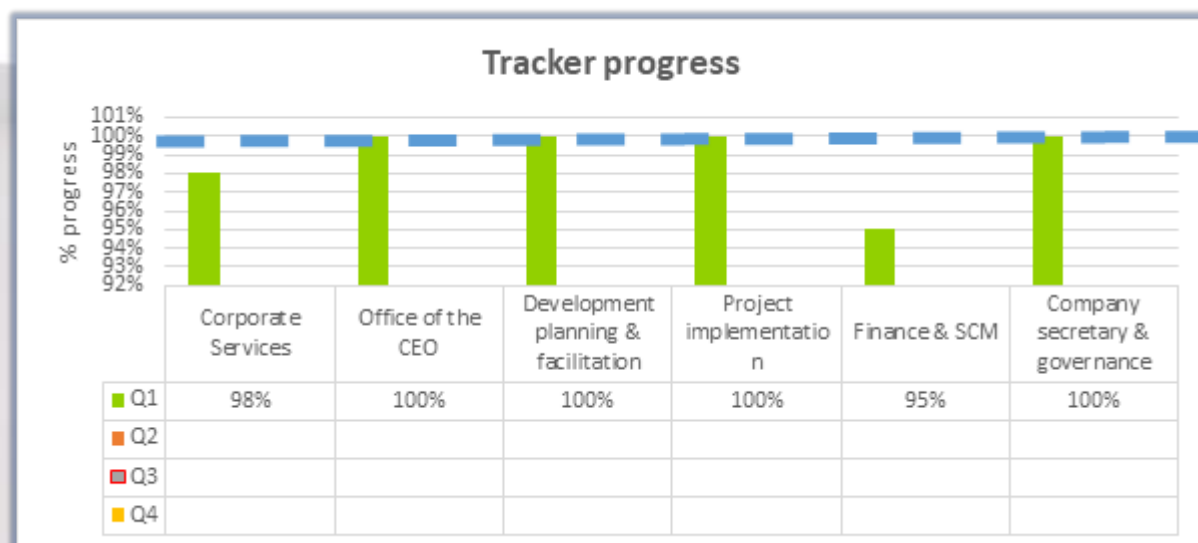
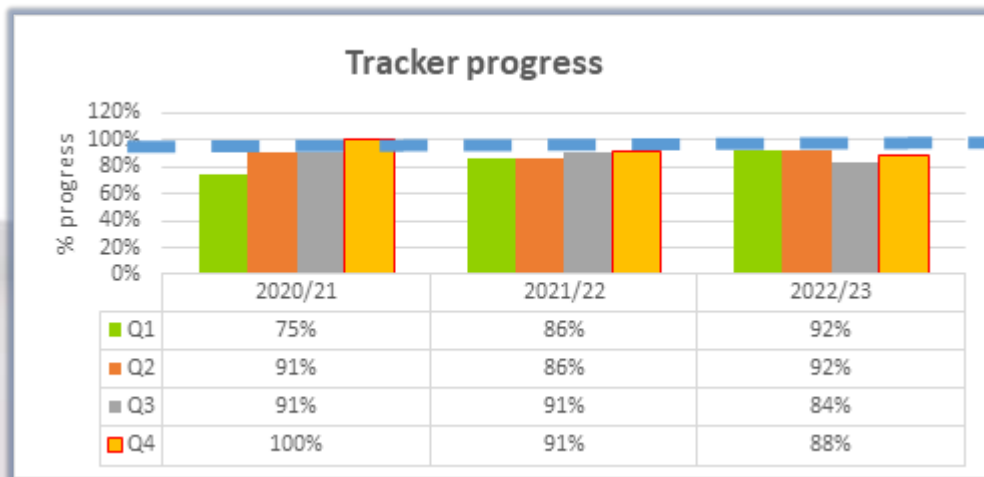


TABLE 50: RESOLUTION OF INTERNAL AUDIT FINDINGS

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2020/21	0	31	31
2021/22	1	62	63
2022/23	0	60	60
Total number as of 30 September 2024	1	153	154
Percentage	1%	99%	100%

SECTION 4: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit provides independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings. In the 1st quarter management made a progressive move in resolving Internal audit findings.

**TABLE 51: RESOLUTION OF EXTERNAL AUDIT FINDINGS**

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2020/21	0	11	11
2021/22	1	34	35
2022/23	0	24	24
Total number as of 30 September 2024	1	69	70
Percentage	1%	99%	100%

SECTION 5: STATE OF INTERNAL CONTROLS

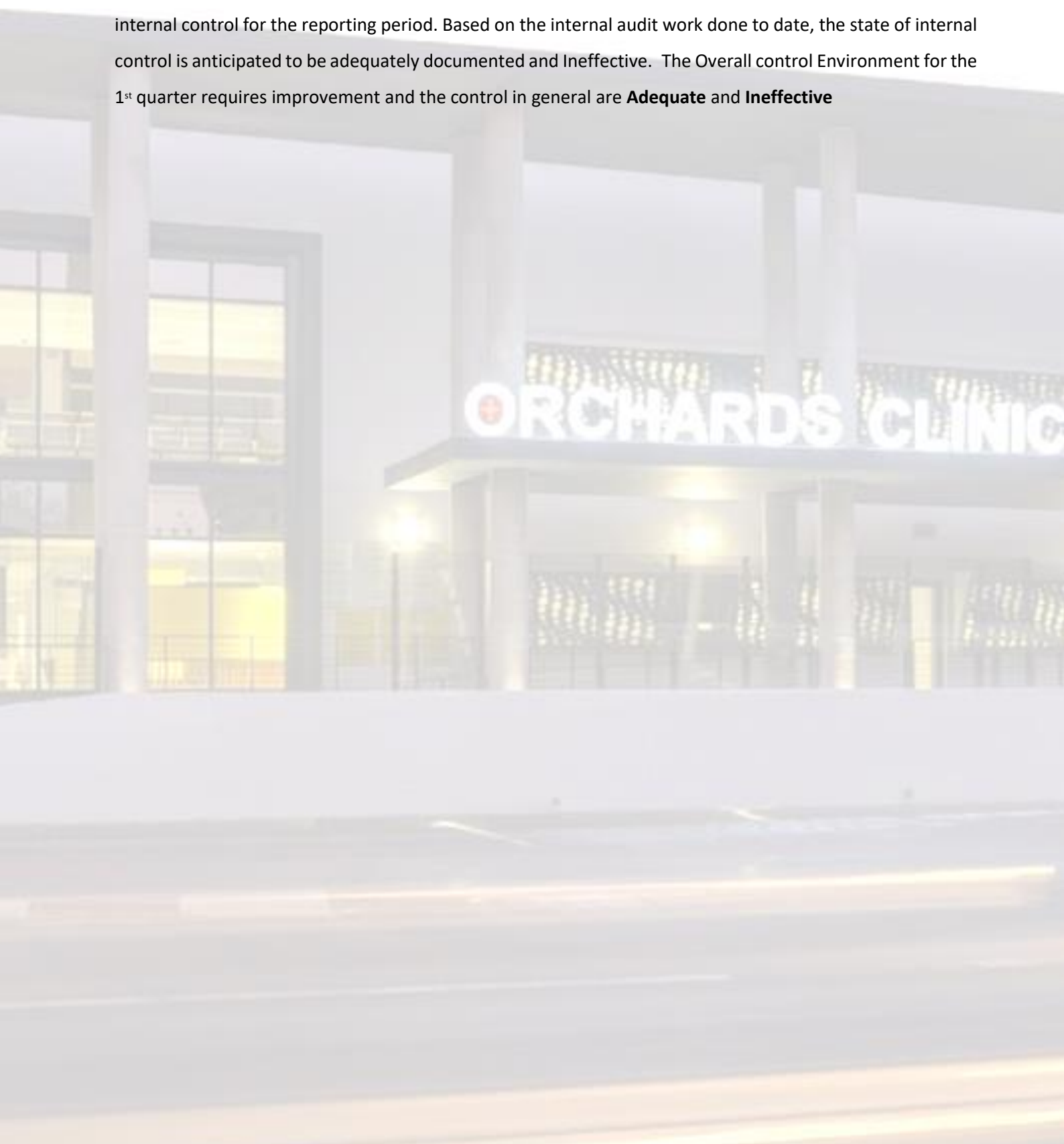
Effective risk management and compliance with government regulations are driving the need for ongoing auditing. JDA is subjected to internal and external audits each year, thus making audit coordination and management vitally important by ensuring timeous implementation of corrective action to clear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

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

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

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

From the Internal work done for 1st quarter, we are not anticipating material deficiencies in the system of internal control for the reporting period. Based on the internal audit work done to date, the state of internal control is anticipated to be adequately documented and Ineffective. The Overall control Environment for the 1st quarter requires improvement and the control in general are **Adequate** and **Ineffective**



ANNEXURES

ANNEXURE 1: ACRONYMS AND ABBREVIATIONS

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