



## MID-TERM PERFORMANCE REPORT

2023/24

OCTOBER 2023 TO DECEMBER 2023

**JOHANNESBURG DEVELOPMENT AGENCY  
(SOC )LIMITED**

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



a world class African city



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

APPROVAL

Mr Siyabonga Genu  
Name & Surname  
Acting Chief Executive Officer

  
Signature

31/01/2024

Date of approval

Mr. Sinovuyo Mpakama  
Name & Surname  
Chief Financial Officer

  
Signature

31 January 2024

Date of approval

Ms. Daliwe Oliphant  
Name & Surname  
Chairperson of the Board

  
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02 February 2024

Date of approval

Ms. Eunice Mgcina  
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06 February 2024

Date of approval

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## CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

### SECTION 1: CHAIRPERSON'S FOREWORD

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

JDA has contributed towards improving the quality of lives of the City's residents by curbing unemployment through the commission of SMME's, thus creating jobs for community members where infrastructure projects are implemented. In the aforementioned infrastructure projects, the Entity has created 171 Expanded Public Works Programme (EPWP) work opportunities and has exceeded the set target of 150 work opportunities. Furthermore, the Entity surpassed the 30% target for SMME expenditure by 9% and achieved the target for Broad-Based Black Economic Empowerment. These achievements demonstrate the Entity's intentional and consistent efforts towards community development while uprooting poverty and relative deprivation.

During the period under review, the Entity's overall performance is 50%. The JDA's comprehensive performance and key highlights for the Mid-Term are presented in the Acting Chief Executive Officer's Report. We are cognisant of the service delivery challenges encountered by the Entity such as poor performing service providers and contractors because of their cashflow challenges. Management is encouraged to find solutions that address these challenges and expedite processing of invoices within 30 days.

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

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

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

**Ms Daliwe Oliphant**



**Board Chairperson**



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

The Mid-Term report provides the performance of the entity for the first half of the 2023/24 financial year in line with section 72 of the MFMA. As a proactive way to improve performance, management held a Working Session on the 1<sup>st</sup> and 2<sup>nd</sup> of November 2023 aimed at operationalising the JDA's Strategy, thoroughly diagnosing the challenges that hinder efficiencies and formulate mitigations. Based on the input gathered during the robust discussions the JDA's Implementation Plan for the Strategy Objectives has been compiled that is envisioned to achieve efficiencies. The Implementation Plan will be tabled in various Committees within the Entity as part of being routed for approval by the Board in the meeting scheduled for January 2024.

With regards to Institutional Performance, in total the JDA's scorecard has 20 KPI's, there are four (4) KPI's that are not due for reporting because there were no targets set for these KPI's, hence, sixteen (16) KPI's are measured. The entity has recorded 8/16 (50%) targets achieved, 1/16 (6%) partially achieved and 7/16 (44%) not achieved by the end of the 2<sup>nd</sup> Quarter. In comparison with the same period in the previous financial year, the entity's performance is higher because the 2<sup>nd</sup> Quarter Performance for 2022/23 was 44%.

The Entity's financial performance shows that for the six months ended 31 December 2023, JDA earned total revenue of R51.7 million (2022/23: R46.5 million) and incurred total expenditure of R78.3 million (2022/23: R69.2 million). Actual capital expenditure for the six months ended 31 December 2023 was R313 million (2022/23: R386.4 million) against an annual budget of R1.4 billion (2022/23: R1.4 billion). This represents 23% (2022/23: 26.73%) of the overall annual budget. The organisation's total assets exceeded the total liabilities. The total net deficit of assets on 31 December 2023 was R25.9 million (2022/23: R12.4 million).

A total of 171 EPWP work opportunities were created by the end of December 2023. The entity has surpassed the target that is set at 150 jobs. JDA achieved 100% B-BBEE Opex and Capex procurement. The SMME share of JDA's total expenditure was R119 936 068.1, this constitutes an achievement 39%.

On governance matters, JDA has made considerable progress by appointing the Chief Financial Officer and Executive Manager: Corporate Service, they are both set to commence in January 2024. The recruitment process for the following positions is currently underway: Chief Audit Executive, Company Secretary, Manager: Risk & Integrity Management, Senior Manager: Information, Communication & Infrastructure Management.

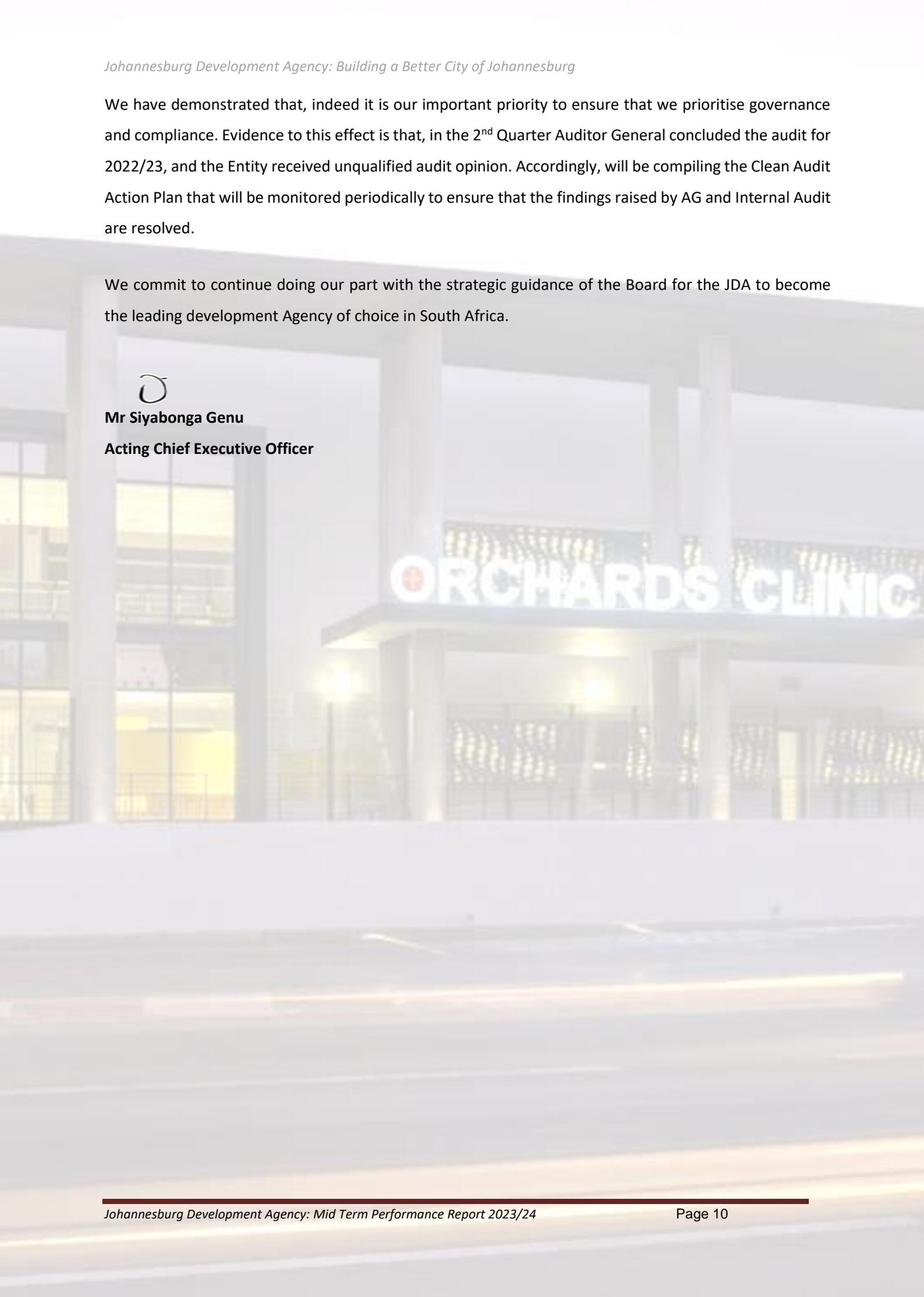
We have demonstrated that, indeed it is our important priority to ensure that we prioritise governance and compliance. Evidence to this effect is that, in the 2<sup>nd</sup> Quarter Auditor General concluded the audit for 2022/23, and the Entity received unqualified audit opinion. Accordingly, will be compiling the Clean Audit Action Plan that will be monitored periodically to ensure that the findings raised by AG and Internal Audit are resolved.

We commit to continue doing our part with the strategic guidance of the Board for the JDA to become the leading development Agency of choice in South Africa.



**Mr Siyabonga Genu**

**Acting Chief Executive Officer**



**ORCHARDS CLINIC**

**SECTION 3: CHIEF FINANCIAL OFFICER’S REPORT**

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

For the six months ended 31 December 2023 the JDA had earned total revenue of R51.7 million (2022/23: R46.5 million) and incurred total expenditure of R78.3 million (2022/23: R69.2 million) which resulted in an overall deficit of R26.6 million (2022/23: Deficit of 22.6 million).

The organisation achieved 87% (2022/23: 75%) of the budgeted target for revenue. Included in the revenue target is development management fees, operational grant. The development management fees are based as a percentage of the overall capital expenditure. The under achievement on revenue for R8 million was because of termination of contractors due to poor performance and other challenges related to slow execution of projects on the ground.

The JDA incurred expenditure against the budgeted target for operational expenditure of 132% (2022/23: 80% overall against target). The operational expenditure includes interest of R22.3 million that is charged on the JDA overdrawn sweeping account. The overdrawn account is as a result of the late settlement of claims from the various client departments.

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

**TABLE 1: ACTUAL OPERATIONAL BUDGET**

	Actual Prior year 31 December 2022	YTD Actual R’000	YTD Budget R’000	Variance R’000	% of actual against budget
<b>Revenue</b>	<b>R46,559</b>	<b>R51,739</b>	<b>R59,483</b>	<b>(R7,744)</b>	<b>87%</b>
Operating costs (before interest)	(R46,919)	(R47,208)	(R55,718)	R7,085	85%
Interest expense	(22,292)	(31,137)	(R3,765)	R38,725	827%
<b>Total operating costs</b>	<b>(R69,211)</b>	<b>(R78,345)</b>	<b>(R59,483)</b>	<b>R45,810</b>	<b>132%</b>
<b>Surplus/(Deficit)</b>	<b>(R22, 652)</b>	<b>(R26, 606)</b>	<b>(Rnil)</b>	<b>R41 180</b>	

Actual capital expenditure for the six months ended 31 December 2023 was R313 million (2022/23: R386.4 million) against an annual budget of R1.4 billion (2022/23: R1.4 billion). This represents 23% (2022/23: 26.73%) of the overall annual budget. There are still various factors that continue to affect projects including poor contractor performance and stoppages due to non-payment since COJ has cash flow problem, however, the

basis of the 50% targeted capital expenditure is based on a city-wide performance indicator and not necessarily aligned to each project milestone and progress.

The organization’s total assets are marginally less than the total liabilities. The total net deficit of assets on 31 December 2023 was (R25.9 million) and (2022/23: R12.4 million).

The table below reflects the financial performance ratio of the organization for the period ended December 2023.

**TABLE 2: FINANCIAL RATIOS**

Key Performance Area	-	Actual 31 December 2022	Actual 31 December 2023
Current ratio	Above 1.5: 1	1:1	1.16:1
Solvency ratio	Above 2: 1	1.02: 1	0.97: 1
Salaries to expenditure ratio	Below 60%	58%	51%
Revenue	R59.5 million	R46.56 million	R51.7 million
Expenditure (including taxation)	R59.5 million	R69.21 million	R78.3 million
Surplus / (Deficit)	R nil	(R22.65 million)	(R26.6 million)
Total net assets	R15.4 million	12.4 million	(25.9 million)
Capital expenditure	50%	26.73%	23.3%

The liquidity ratio is higher when compared with last year quarter and solvency ratio is below than last year quarter and below to the current industry norms. The main contributing factor to the overall variance in comparison to the prior year is the higher receivables and lower loan to shareholder balance for R670 million (November). Our major concern currently is the long outstanding balances owed by the city departments to the JDA and the overall impact this has on the liquidity and solvency of the JDA.

The remuneration ratio is lower than the target of 60% as a result of vacant position that are not filled and high interest expense. The ratio is based on employee costs of R40. million over total expenditure of R78.3 million, which results in 51% of the expenditure.



**Mr Sinovuyo Mpakama**

**Chief Financial Officer**

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

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

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

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

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

#### **Vision**

To be the leading development agency of choice within South Africa

#### **Mission**

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

## Values

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

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

### JDA Governance Arrangement

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

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

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

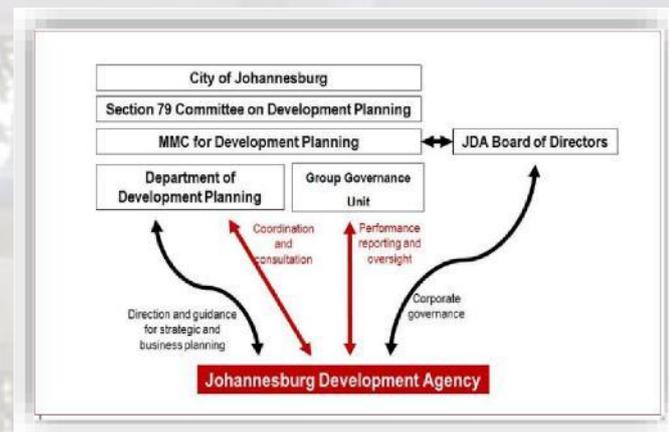


FIGURE 1: JDA GOVERNANCE SYSTEM

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

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

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

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

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

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

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

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

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

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

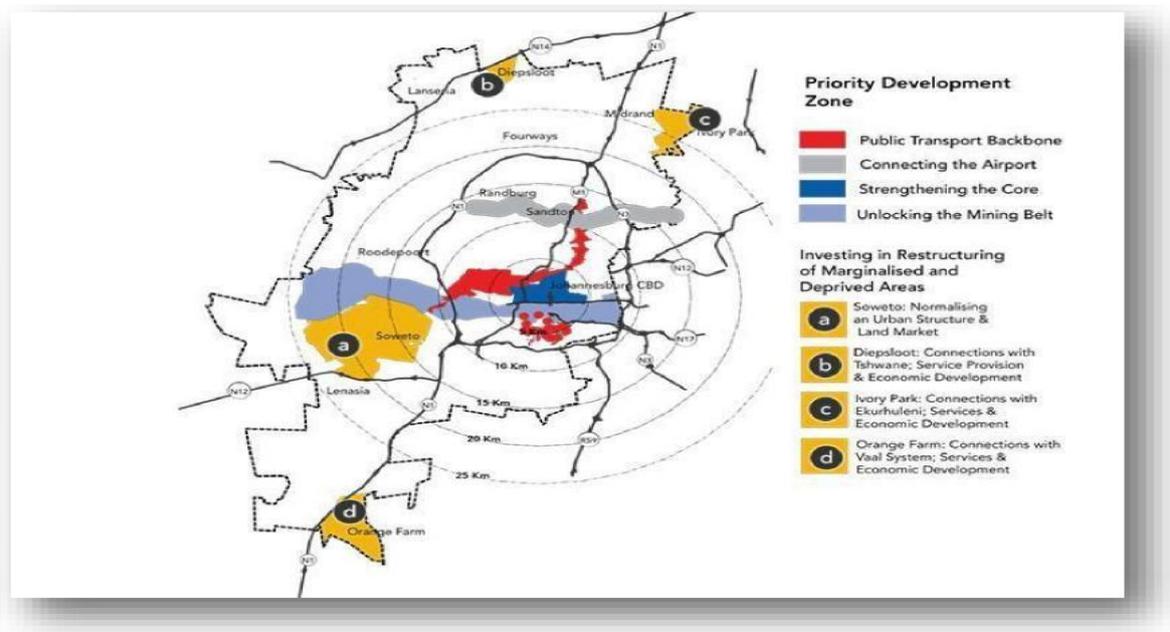


FIGURE 2: SDF 2040 PRIORITY ZONES

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

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

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

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

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



**FIGURE 3: DEVELOPMENT PROCESS / LIFECYCLE**

## SECTION 6: SALIENT FEATURES

### Performance Summary

- JDA has managed to spend 23% of its allocated Capital budget in the first half of the financial year against the target of 50%. The entity is confident that the annual target will be reached by end of the financial year.
- A total of 171 EPWP work opportunities were created by end of December 2023. The entity has surpassed the target that is set at 150 jobs.
- The entity has recorded a deficit of R26,6 million by end of the first half of the year due to cost that is higher than revenue.
- The JDA incurred expenditure against the budgeted target for operational expenditure of 132% (2022/23: 80% overall against target).

**TABLE 4: OPERATING BUDGET MANAGEMENT**

	Actual Prior year 31 December 2022	YTD Actual	YTD Budget	Variance	% of actual against budget
		R'000	R'000	R'000	
<b>Revenue</b>	<b>R46,559</b>	<b>R51,739</b>	<b>R59,483</b>	<b>(R7,744)</b>	<b>87%</b>
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<b>Surplus/(Deficit)</b>	<b>(R22, 652)</b>	<b>(R26, 606)</b>	<b>(Rnil)</b>	<b>R41 180</b>	

Actual capital expenditure for the six months ended 31 December 2023 was R313 million (2022/23: R386.4 million) against an annual budget of R1.4 billion (2022/23: R1.4 billion). This represents 23% (2022/23: 26.73%) of the overall annual budget.

## CHAPTER 2: CORPORATE GOVERNANCE

### SECTION 1: CORPORATE GOVERNANCE STATEMENT

#### Governance Framework

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

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

#### 1.1 . Board Of Directors

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

The JDA's sole shareholder, the City of Johannesburg CoJ, reviews the term of office for non-executive directors every year at the annual general meeting. The Board is accountable to the CoJ and the citizens of Johannesburg. A service delivery agreement and shareholder compact, concluded following the provisions of the Municipal Systems Act, govern the entity's relationship with the CoJ.

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

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

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

The Board or any of its members may, under appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. Shortcomings are addressed and areas of strength are consolidated during an annual Board evaluation. The performance of the Board committees is evaluated against their terms of reference.

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

1. Ms Daliwe Oliphant (Chairperson)
2. Ms Mally Hilda Mokoena
3. Mr Mongezi Ntanga
4. Mr Bruce Sarela
5. Ms Morwesi Ramonyai
6. Ms Nandipha Zonela
7. Ms Pinkie Numa
8. Mr Vukile Hlongwa
9. Mr Makoko Makgonye
10. Mr Siyabonga Masiza
11. Mr Tshepo Nawane- Rotated from IAC to NED in November 2023
12. Mr Mokgema Mongane - Chief Executive Officer (on suspension effective 21 June 2023)
13. Mr Siyabonga Genu was appointed acting Chief Executive Officer effective 30 June 2023
14. Mr Sihle Mkhize was appointed acting Chief Financial Officer effective 14 November 2022.

The appointed Independent Audit and Risk Committee members are:

1. Mr Sivuyile Mndawe
2. Mr Patrick Lebopa

**TABLE 5: BOARD COMPOSITION**

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

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

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

## 1.2. Board Committees

### Board Meeting Attendance

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

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

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 1			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
Daliwe Oliphant (Chairperson)	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0
Bruce Sarela	3	3	0	0	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Makoko Makgonye	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	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	3	3	0	0	N/A	N/A	N/A	N/A	2	2	0	0	1	1	0	0
Morwesi Ramonyai	3	3	0	0	N/A	N/A	N/A	N/A	2	2	0	0	1	1	0	0
Siyabonga Masiza	3	3	0	0	2	2	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	3	3	0	0	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	1	1	0	0
Mally Mokoena	3	3	0	0	N/A	N/A	N/A	0	2	2	0	N/A	N/A	N/A	N/A	N/A
Sivuyile Mndawe (IAC)	N/A	N/A	N/A	N/A	2	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tshepo Nawane (NED) Became NED from November 2023	2	2	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Lebopa (IAC)	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Board Committees

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

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

Each committee composition is as follows:

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

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

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

### **Duties of the Board**

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

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

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

### **Board charter**

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

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

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

**TABLE 8: EXECUTIVE DIRECTOR’S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR’S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES AS AT 31 DECEMBER 2023**

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
<b>Executive Directors &amp; Senior Management -</b>							
M Mongane	CEO	R 967 098,96	R 63 665,04	R0	R0	R289 236,00	R 1 320 000,00
R Shirinda	Company Secretary	R 88 285, 54	R 6,774.64	R0	R0	R0	R 95 060,18
O Nkoane	EM: Development Planning and Facilitation	R 1 055 895,24	R68 944,44	R0	R 247 795,80	R0	R 1 372 635,48
S Genu	EM: Project Implementation	R 1 092 851,23	R 71 357,63	R 133 218,00	R0	R0	R 1 297 426,86
<b>Sub-Total</b>		<b>R 3 204 130,97</b>	<b>R 210 741,75</b>	<b>R 133 218,00</b>	<b>R 247 795,80</b>	<b>R289 236,00</b>	<b>R 4 085 122,52</b>
<b>Non-Executive Directors &amp; Independent Audit Committee Members</b>							
With effect from 1 July 2023 to 31 December 2023							
Ms Daliwe Oliphant	Board Chairperson	R 138 000,00					R 138 000,00
Ms Mally Mokoena	Board Member (SEHR Chair)	R 168 000,00					R 168 000,00
Mr Mongezi Ntanga	Board Member	R84 000,00					R84 000,00
Ms Morwesi Ramonyai	Board Member	R124 000,00					R124 000,00
Ms Nandipha Zonela	Board Member	R80 000,00					R80 000,00
Mr Bruce Sarela	Board Member	0.00					0.00
Ms Pinkie Numa	Board Member	0.00					0.00
Mr Vukile Hlongwa	Board Member	R 112 000,00					R 112 000,00
Mr Makoko Makgonye	Board Member	R100 000,00					R100 000,00
Mr Siyabonga Masiza	Board Member	0.00					0.00

Name	Designation	Salary/Board Fees	Pension	Acting allowance	Bonus/Board Retention Fees	Travel allowance	Total
Mr Tshepo Nawane NED from November 2023	Independent Audit & Risk member	R 64 000,00					R 64 000,00
Mr Sivuyile Mndawe	Independent Audit & Risk member	R32 000,00					R32 000,00
Mr Patrick Lebopa	Independent Audit & Risk member	R40 000,00					R40 000,00
<b>Sub total</b>		R942 000,00					R942 000,00
<b>TOTAL</b>		<b>R4 146 130,97</b>	<b>R 210 741,75</b>	<b>R 133 218,00</b>	<b>R 247 795,80</b>	<b>R289 236,00</b>	<b>R5 027 122,52</b>

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

## **Loans and advances**

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

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

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

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

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

## SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

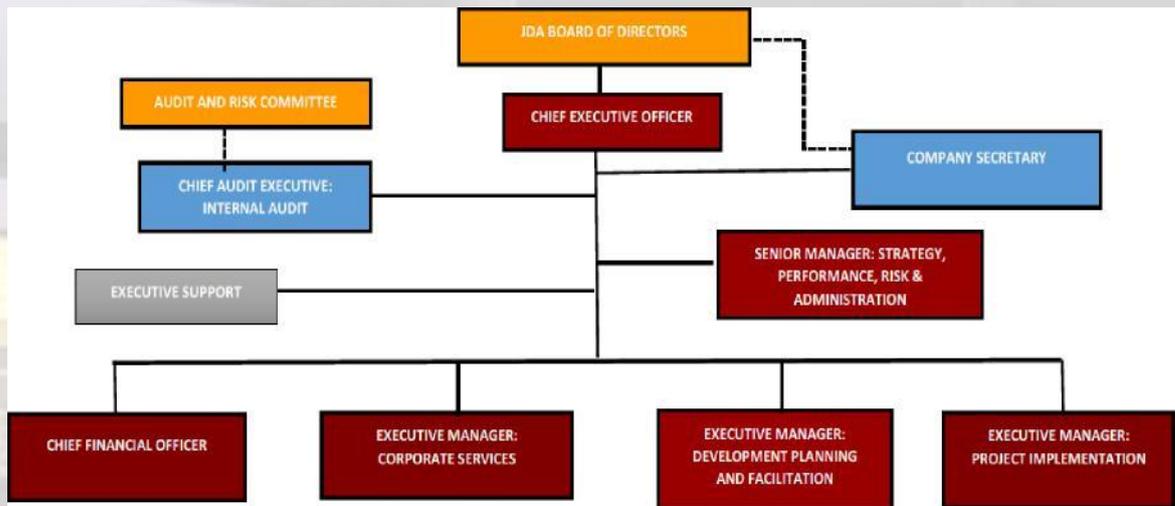


FIGURE 4: HIGH LEVEL ORGANISATION STRUCTURE

**SECTION 3: RISK MANAGEMENT**

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

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

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

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

There are 20 committed strategic future mitigation plans scheduled to be implemented in quarter two cumulative from quarter one of 2023/24 financial year. However, of the 20 mitigation plans there are 16 that are implemented which result to 80%. Table below depicts the overall achievement in the implementation of strategic risks mitigations for the 2<sup>nd</sup> quarter.

**TABLE 9: OVERALL MITIGATION IMPLEMENTATION AS AT 31 DECEMBER 2023**

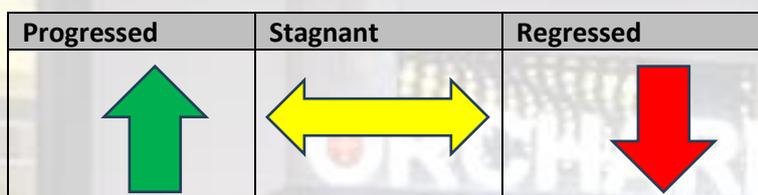
Key Performance Indicator	2 <sup>nd</sup> Quarter - Target	2 <sup>nd</sup> Quarter – Performance	Variance
Implementation of committed Strategic Action Plans.	100%	80%	-20%

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

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

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

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



**TABLE 10: RESIDUAL STRATEGIC RISKS TRIGGERED BY RISK TOLERANCE THRESHOLD**

No	Risk Name	RR- 1 Oct 2023	RR- 31 Dec 2023	RR - Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
1.	Poor project performance	12	16		Number of contractors put on terms/ terminated contractors	<p>There are two contractors served with notice for termination letters.</p> <p>There is one contractor served with the notice of default interms of clause 11.0- securities.</p> <p>One contractor that is put on terms.</p> <p>The residual risk rating has regressed, moving from the rating of 12 to</p>	Management is the process of readvertising and will closely monitor the procurement process and the contractors that are put on terms.

No	Risk Name	RR- 1 Oct 2023	RR- 31 Dec 2023	RR - Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
						6, therefore management needs to monitor the risk closely.	
2.	No/insufficient working capital to finance the project (contractor)	12	12		Delay in payment of contractors/ Invoices paid outside 30 days.	In quarter two, there was a total of 698 invoices paid and of the 698, 266 invoices were paid outside the 30-day schedule.  However as this is an ongoing process and it's a compliance risk, management must closely monitor the risk.	A resolution from a committee was taken for all HODs to ensure they instruct all end users to process invoices within the specified timeframe
6.	Inability to ensure financial sustainability	12	16		- % of budget spent on city-wide infrastructure.	JDA achieved 23%	The target has not been achieved due to the fact that, the target of 50% for Q2 varies for the JDA's past trend or practice of spending approximately 30%/33% by mid-year. The Deviation Report has been compiled and the targets for Q3 and Q4 are aligned with the JDA's past practice or trend.

No	Risk Name	RR- 1 Oct 2023	RR- 31 Dec 2023	RR - Movement	KRIs triggered	Status on the KRIs	Proposed Action Plans
8.	Inadequate institutional governance.	8	8		<ul style="list-style-type: none"> <li>- % of Strategic Risk Management Action Plans resolved.</li> <li>- Percentage resolution of Internal Audit findings.</li> <li>- Percentage resolution of Auditor General findings.</li> </ul>	There are 20 committed strategic future mitigation plans scheduled for implementation in the 2 <sup>nd</sup> quarter of 2023/24 financial year. However, of the 20 mitigation plans there are 16 implemented that result in 80%.	Management will fast-track and monitor the Implementation of the four (4) Action Plans.

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

**Corporate Ethics and Organizational Integrity**

**Code of Conduct**

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

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

**Declaration of interest**

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

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

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

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

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

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

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

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

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

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

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

There was no case reported in the 2n quarter of the 2023/24 financial year. The cases reported emanate from the previous financial years, as illustrated in the below table.

**REPORTED CASES**

**TABLE 11: REPORTED CASES**

Year	Number of cases	Status	Comments
2022	2	<ul style="list-style-type: none"> <li>There are 2 (two) investigation that are currently in progress.</li> </ul>	<ul style="list-style-type: none"> <li>One case on advance payments is currently recommended for closer/internal processes as there is significant information to implement consequence management. A memo is in draft to request GFIS to allow JDA to embark on internal controls.</li> </ul>
2021	8	<ul style="list-style-type: none"> <li>There are 5 (five) cases that have been closed.</li> </ul>	<ul style="list-style-type: none"> <li>Closing reports/memos are available.</li> </ul>
		<ul style="list-style-type: none"> <li>There is 1 (one) case that do not appear on the GFIS system.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous engagement with GFIS to identify where the discrepancies are.</li> </ul>
		<ul style="list-style-type: none"> <li>There are 2 (two) cases to be reopened for further investigation.</li> </ul>	<ul style="list-style-type: none"> <li>The cases will be continuously monitored.</li> </ul>
2019	1	<ul style="list-style-type: none"> <li>There is one (1) case that does not appear on the GFIS system.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous engagement with GFIS to identify where the discrepancies are.</li> </ul>
2018	3	<ul style="list-style-type: none"> <li>All cases are closed</li> </ul>	<ul style="list-style-type: none"> <li>Closing reports/memos are available.</li> </ul>
2017	1	<ul style="list-style-type: none"> <li>The case is closed.</li> </ul>	<ul style="list-style-type: none"> <li>Closing report/memo is available.</li> </ul>

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

**SECTION 5: ICT GOVERNANCE**

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

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

Policy	Role	Status
ICT Security Policy	ICT Security enforcement	Approved
ICT Strategy	ICT Strategy enforcement	Approved
Cloud Policy	Cloud enforcement	Approved
Disaster Recovery	Disaster Recovery	Approved
Backup Policy	Backup detail & frequency	Approved
Password Policy	Password application	Approved
Internet and Email Policy	governance	Approved
Cyber Security Strategy	Cyber security application	Approved

**Finance Module integration Status**

The data migration process between MS Great Plains and SAP is complete. The Finance Team will be completing User acceptance testing in January 2024 and thereafter start using the Finance module fully.

**Performance of the network**

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

**Backup and Business continuity**

The implementation of managed backup and Disaster recovery is complete. Backup services are running. The 1st DR test under the new service provider will be conducted by 31 March 2024.

**Penetration Testing and Vulnerability assessment**

The penetration testing and vulnerability assessment for Q2 is underway.

**SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS**

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

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

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

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

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

In the 2nd quarter, URR reflects a total of 41 Legislations/Regulations with a corresponding 302 regulatory compliance obligations identified, of which 5 are reported as non-compliant and details of such are captured on table below:

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

**Overall URR Compliance Status:**

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

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

Legislation	Relevant Section	Non-Compliance Finding	Committed Action Plan/Status
National Archives and Record Service of South Africa, No. 43 of 1996	Section 13(2)(c)	Public records are routinely inspected by records management staff.	Records management specialist was appointed, File Plan approved, Records Management Policy developed, Records Management Matrix developed. The action item still outstanding is the appointment of the service provider to assist the JDA with electronic document management, however the action item was halted due to budget constraints.
Municipal Finance Management Act, No. 56 of 2004.	Section 99(2)(b)	Service Providers must be paid within 30 days.	Management will issue instruction note to JDA employees specifying the number of days in which invoices needs to be submitted to Finance upon receipt.
Protection of Personal Information	Chapter 4, section 55	Appointment of the Information Officer and register him/her with the Information Regulator.	The process of creating awareness on POPI act compliance is implemented. The next stage is to create awareness organizational wide and appoint the Information Officer, this is planned to be implemented in Q2.
Protection of Personal Information	Section 4 Section 17	The Information Officer must ensure that a compliance manual is developed, implemented, monitored and maintained.  The responsible party to maintain the documentation of all processing operations under its responsibility.	As indicated above, post the appointment and registration of the Information Officer, the POPI Manual will be developed.
Municipal Systems Act	Section 7	Declaration of Interest.	JDA had a total of 87 employees and of the 87 and there are 4 employees that did not submit the DOI (these employees are currently on suspension); There are 3 new employees in the quarter, one

Legislation	Relevant Section	Non-Compliance Finding	Committed Action Plan/Status
			have declared and two have recently been appointed, awaiting submission. Employees with changed status of declaration are encouraged to revise and submit updated declaration forms.

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 second quarter compliance status of the MFMA Circular 68 report is illustrated in the table below:

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

COMPLIANCE CATEGORY	COMPLIANCE STATUS
Unauthorized Expenditure	No expenditure incurred
Fruitless and Wasteful Expenditure	No expenditure incurred
Irregular Expenditure.	No expenditure incurred
Failure to pay Service Providers within 30 days.	In quarter two of the 2023/24 financial year there was a total of 698 invoices paid which amount to R157 372 533.77. Of the 698 total invoices paid, there were 266 invoices paid outside the 30-day period which amount to R114 183 422.50. Therefore, JDA is at 38% non-compliance. Management will issue an instruction note to JDA employees specifying the number of days in which invoices needs to be submitted to Finance upon receipt.

**SECTION 8: SUSTAINABILITY REPORT**

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

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

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

### ***Environmental Impact***

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

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

focus on urban regeneration and public environment upgrades with more emphasis on Randburg, Orange Grove and the Inner City.

Four major outcomes define the Joburg 2040 GDS:

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

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

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

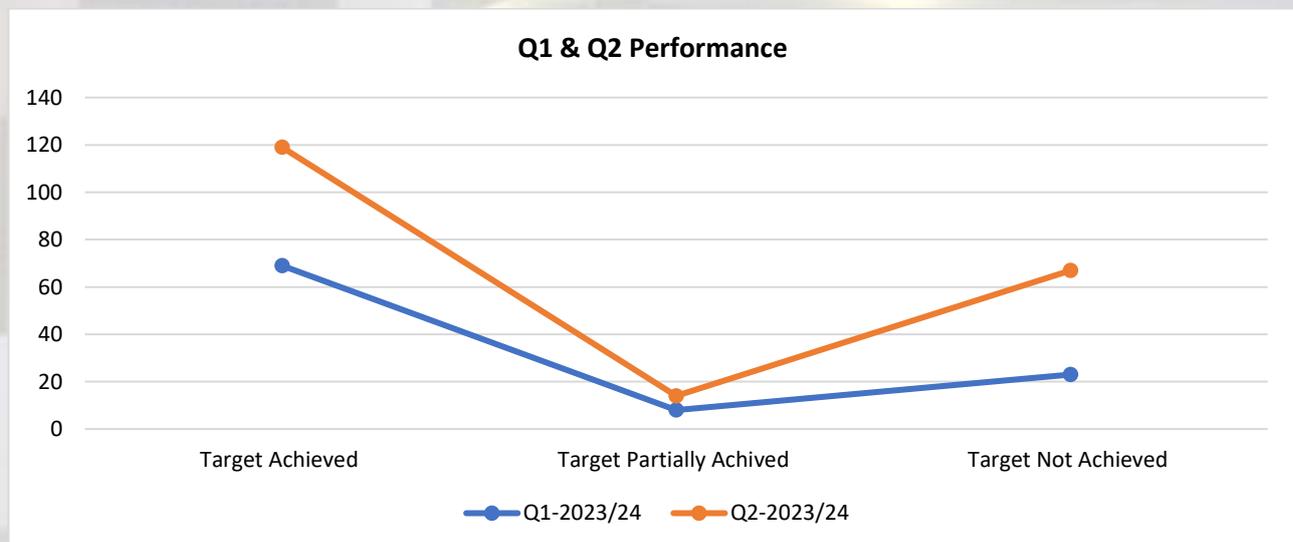
## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The JDA complied with the provision of the MFAM and ensured that the entity has a business plan which is approved by Council beginning of the 2023/24 FY. The plan has a scorecard with twenty (20) key Performance indicators and targets for the entire FY, broken down into quarters.

In the period under review, the JDA scorecard has four (4) KPIs that are not due for reporting because there were no targets set for these KPI in the second quarter. These are KPIs that are still going through planning phase. In total, the entity will measure sixteen (16) of the twenty (20) KPIs that are in the scorecard.

The graph below presents the results of the first half of the FY in comparison with the previous FY performance. The entity has recorded 8/16 (50%) targets achieved, 1/16 (6%) partially achieved and 7/16 (44%) not achieved by end of Q2. In comparison with the same period in the previous financial year, the entity's performance is higher because the Q2 Performance for 2022/23 was 44%.



**FIGURE 5: JDA PERFORMANCE**

The JDA's Programme Performance Information Policy and Reporting Framework was reviewed in the last quarter of the previous FY to align it with the City's threshold for recording performance achieved at 85%. The policy covers the procedures and content in the JDA's programme performance information management system. This includes for example, the definition of key performance areas, indicators and targets in the business planning process and the articulation of the link between programme objectives and results and the performance indicators and targets. The policy is supported by a programme performance

reporting framework based on a comprehensive scorecard. This scorecard lists all the output and outcome performance measures that the JDA should collect data on for a range of timeframes (quarterly, annually, or periodically). From this reporting framework, the annual scorecard is developed, and the performance targets are set. The JDA policy and reporting framework only defines a target as achieved with 85–100% rating, a target as partially achieved with a 75–84% rating and a target not achieved with anything less than a 74% rating.



**TABLE 16: SUMMARY OF KPI PERFORMANCE**

City Priorities	JDA Programmes	No of KPI's	KPI Number (Ref)	Target Achieved (85% - 100% rating)		Target Partially Achieved (75% - 84% rating)		Target not Achieved (<74% rating)	
				Count	%	Count	%	Count	%
Infrastructure Development and Refurbishment.	Accelerated Public infrastructure Delivery Programme Strategic Economic Node Delivery Programme	9(5 Measured)	(1-2-3-4-5-6-7-8-9)	2	40%	—	—	3	60%
Good Governance	Good Governance, Management and Administration	2	(10-11)	2	100%	—	—	—	—
Financial Sustainability	Good Governance, Management and Administration	4	(12-13-14-15)	—	—	—	—	4	100%
Job opportunity and creation and sustained economic growth	Economic Empowerment	4	(16-17-18-19)	4	100%	—	—	—	—
Strategic priority: Day-to-day Job opportunity and creation and Economic Development Growth	Other IDP or Day-to Day programs	1	20	—	—	1	100%	—	—
		<b>20 (16 due for reporting)</b>	<b>(1-20)</b>	<b>8</b>	<b>50%</b>	<b>1</b>	<b>6%</b>	<b>7</b>	<b>44%</b>

## SECTION 2: SERVICE DELIVERY CHALLENGES

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

- Poor performing service providers (contractors and professional service providers) remain a key risk in the delivery of capex projects for the JDA - mainly their inability to resource the projects both financially and with competent personal.
- Inability of contractors to pay Community Based SMMEs timeously due to cashflow issues, has disrupted several projects that are currently at construction stage.
- The City's cashflow issues continues to affect the JDA's ability to pay service providers timeously, and in turn affects the ability of service providers to resources the projects.
- Strategic Senior Management positions that are still to be filled had a negative impact on accountability:
  - The position of the CFO, CAE and COSEC remained vacant throughout the first half of the FY. It is important to mention that, by December 2023 the position of the CFO was filled and the incumbent was set to commence in January 2024.

### 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	<ol style="list-style-type: none"> <li>Partnerships, intergovernmental &amp; international relations</li> <li>A responsive, accountable, efficient and productive metropolitan government</li> <li>Financially sustainable and resilient city</li> <li>Meaningful citizen participation and empowerment</li> <li>Guaranteed customer and citizen care and service</li> </ol>	<p>Active and engaged citizenry.</p> <p>Good governance.</p> <p>Financial sustainability.</p>	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, self-sustained and well-governed organization.	1. Good Governance, Management and Administration Programme	A financially viable, effective and well-governed development agency.

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

**TABLE 18: SUMMARY OF JDA PROGRAMMES**

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

**SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS**

Section Not Applicable to the JDA

**SECTION 5: CAPITAL PROJECTS & EXPENDITURE**

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

Actual capital expenditure for the period ended 31 December 2023 was R313 the annual budget of R1.3 billion. This represents 23% of the overall annual budget spent by end of second quarter. There are still various factors that continue to affect projects expenditure including poor contractor performance.

**TABLE 19: CAPITAL EXPENDITURE AS AT END OF 31 DECEMBER 2023**

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual	Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
<b>JDA ON BUDGET</b>									
Inner City Eastern Gateway_TOD and Movement Corridors	R 5 744 713	R 15 500 000	(R 9 755 287)	R 5 744 713	R 15 500 000	(R 9 755 287)	(62.94%)	R 31 000 000	18.53%
Pennyville Precinct Renewal	4 716 866	15 000 000	(10 283 134)	4 716 866	15 000 000	(10 283 134)	(68.55%)	30 000 000	15.72%
Randburg CBD Regeneration Renewal	3 878 957	10 000 000	(6 121 043)	3 878 957	10 000 000	(6 121 043)	(61.21%)	20 000 000	19.39%
Balfour Park Transit Precinct Development	0	750 000	(750 000)	0	750 000	(750 000)	(100.00%)	1 500 000	0.00%
Melville Activity Street	7 520 694	7 500 000	20 694	7 520 694	7 500 000	20 694	0.28%	15 000 000	50.14%
CORR - Louis Botha Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom. Intervention ORANGE GROVE E Regional	8 475 148	10 000 000	(1 524 852)	8 475 148	10 000 000	(1 524 852)	(15.25%)	20 000 000	42.38%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual	Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional	2 056 626	R 12 500 000	(10 443 374)	R 2 056 626	R 12 500 000	(R 10 443 374)	(83.55%)	25 000 000	8.23%
Ivory Park Turnkey Prog Dlamini Drive	2 079 498	0	2 079 498	2 079 498	0	2 079 498	0.00%	0	
Watt Street Precinct, Wynberg	1 359 572	13 000 000	(11 640 428)	1 359 572	13 000 000	(11 640 428)	(89.54%)	26 000 000	5.23%
Orange farm Turnkey project	35 993 743	50 000 000	(14 006 257)	35 993 743	50 000 000	(14 006 257)	(28.01%)	100 000 000	35.99%
Kliptown Urban Renewal Programme	0	750 000	( 750 000)		750 000	( 750 000)	(100.00%)	1 500 000	0.00%
23775_Ivory Park Urban Renewal Programme	0	10 000 000	(10 000 000)		10 000 000	(10 000 000)	(100.00%)	20 000 000	0.00%
Operational Capex		1 000 000	(1 000 000)		1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
Community Based Projects	0	25 000 000	(25 000 000)		25 000 000	(25 000 000)	(100.00%)	50 000 000	0.00%
Braamfischerville Ext 12&13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward	3 642 496	5 000 000	(1 357 504)	3 642 496	5 000 000	(1 357 504)	(27.15%)	10 000 000	36.42%
Klipfontein Wellness Centre	<b>13 593 132</b>	11 003 000	2 590 132	13 593 132	11 003 000	2 590 132	23.54%	22 006 000	61.77%
Roodeport CBD		250 000	( 250 000)		250 000	( 250 000)	(100.00%)	500 000	0.00%
<b>Sub-total</b>	<b>89 061 445</b>	<b>187 253 000</b>	<b>(98 191 555)</b>	<b>89 061 445</b>	<b>187 253 000</b>	<b>(98 191 555)</b>	<b>(52.44%)</b>	<b>374 506 000</b>	<b>23.78%</b>
<b>COMMUNITY DEVELOPMENT (Comm Dev)</b>									
Meusium Africa	0	2 500 000	(2 500 000)	0	2 500 000	(2 500 000)	(100.00%)	5 000 000	0.00%
Aqua - Construction of a new Cosmo City swimming pool New Community Centre COSMO CITY EXT.3 C Ward	0	15 000 000	(15 000 000)	0	15 000 000	(15 000 000)	(100.00%)	30 000 000	0.00%
Johannesburg Library F	4 451 510	5 000 000	( 548 490)	4 451 510	5 000 000	( 548 490)	(10.97%)	10 000 000	44.52%
Kaalfontein MPC New Construction	3 580 941	22 965 000	(19 384 059)	<b>3 580 941</b>	22 965 000	(19 384 059)	(84.41%)	45 930 000	7.80%
MPC Matholesville	9 598 801	22 500 000	(12 901 199)	<b>9 598 801</b>	22 500 000	(12 901 199)	(57.34%)	45 000 000	21.33%
Repairs to Comm Dev Facilities	501 168	0	501 168	501 168	0	501 168	0,00%	0	
<b>Sub-total</b>	<b>17 938 052</b>	<b>67 965 000</b>	<b>(50 026 948)</b>	<b>17 938 052</b>	<b>67 965 000</b>	<b>(50 026 948)</b>	<b>(73,61%)</b>	<b>135 930 000</b>	<b>13,20%</b>
<b>DEVELOPMENT PLANNING</b>									

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual	Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Jabulani TOD: Phase 6a - Safe Hub	3 598 695	7 750 000	(4 151 305)	3 575 293	7 750 000	(4 174 707)	(53.87%)	15 500 000	23.07%
Soweto Strategic area framework	35 200	1 000 000	( 964 800)	35 200	1 000 000	( 964 800)	(96.48%)	2 000 000	1.76%
InnerCity Core	8 563 983	7 500 000	1 063 983	8 563 983	7 500 000	1 063 983	14.19%	15 000 000	57.09%
Brixton Social Cluster: Work Package 1 New multipurpose sports and recreation	3 399 546	15 000 000	(11 600 454)	3 399 546	15 000 000	(11 600 454)	(77.34%)	30 000 000	11.33%
New Turfontein Clinic and Multipurpose	941 742	18 997 000	(18 055 258)	941 742	18 997 000	(18 055 258)	(95,04%)	37 994 000	2,48%
Inner City Partnership Fund - Round 1: Yeoville	1 377 639	5 000 000	(3 622 361)	1 377 639	5 000 000	(3 622 361)	(72.45%)	10 000 000	13.78%
Fordsburg PEU	0	500 000	( 500 000)	0	500 000	( 500 000)	(100.00%)	1 000 000	0.00%
Mayfair PEU	0	500 000	( 500 000)	0	500 000	( 500 000)	(100.00%)	1 000 000	0.00%
Kliptown Multipurpose	0	750 000	( 750 000)	0	750 000	( 750 000)	(100.00%)	1 500 000	0.00%
<b>Sub-total</b>	<b>17 916 805</b>	<b>56 997 000</b>	<b>(39 080 195)</b>	<b>17 916 805</b>	<b>56 997 000</b>	<b>(39 080 195)</b>	<b>( 68,57%)</b>	<b>113 994 000</b>	<b>15,72%</b>
<b>EMERGENCY MANAGEMENT SERVICES (EMS)</b>									
Alex Fire Station	0	20 000 000	(20 000 000)	0	20 000 000	(20 000 000)	(100.00%)	40 000 000	0.00%
Central fire station	4 169 356	0	4 169 356	4 169 356	0	4 169 356	0.00%	0	
<b>Sub-total</b>	<b>4 169 356</b>	<b>20 000 000</b>	<b>(15 830 644)</b>	<b>4 169 356</b>	<b>20 000 000</b>	<b>(15 830 644)</b>	<b>(79.15%)</b>	<b>40 000 000</b>	<b>10.42%</b>
<b>HEALTH DEPARTMENT</b>									
Elias Motsoaledi Clinic		1 000 000	(1 000 000)		1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
South Hills Clinic	2 420 488	1 500 000	920 488	2 420 488	1 500 000	920 488	61.37%	3 000 000	80.68%
Naledi Clinic	18 936 661	11 457 500	7 479 161	18 936 661	11 457 500	7 479 161	65.28%	22 915 000	82.64%
Zandspruit Clinic	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
Rabie Ridge Clinic	632 576	1 000 000	( 367 424)	632 576	1 000 000	( 367 424)	(36.74%)	2 000 000	31.63%
Hikhensile Clinic	358 006	10 000 000	(9 641 994)	358 006	10 000 000	(9 641 994)	(96.42%)	20 000 000	1.79%
Protea South Clinic	0	15 000 000	(15 000 000)	0	15 000 000	(15 000 000)	(100.00%)	30 000 000	0.00%
Freedom Park Clinic	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
<b>Sub-total</b>	<b>22 347 731</b>	<b>41 957 500</b>	<b>(19 609 769)</b>	<b>22 347 731</b>	<b>41 957 500</b>	<b>(19 609 769)</b>	<b>(46.74%)</b>	<b>83 915 000</b>	<b>26.63%</b>

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual	Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
<b>HUMAN SETTLEMENTS</b>									
Masingita Development Bulk Services	0	1 300 000	(1 300 000)	0	1 300 000	(1 300 000)	(100.00%)	2 600 000	0.00%
Finetown Proper Gravel roads upgrade	579 379	5 000 000	(4 420 621)	579 379	5 000 000	(4 420 621)	(88.41%)	10 000 000	5.79%
Lakeside Ext 5 Gravel roads upgrade	5 815 847	0	5 815 847	5 815 847	0	5 815 847	0.00%	0	
Drieziek 3, 4 and 5 upgrade gravel Road	23 870 203	10 000 000	13 870 203	23 870 203	10 000 000	13 870 203	138.70%	20 000 000	119.35%
Kanana Park Ext	452 708	7 500 000	(7 047 292)	452 708	7 500 000	(7 047 292)	(93.96%)	15 000 000	3.02%
Formulation of Zandspruit Urban Development Framework	225 750	200 000	25 750	225 750	200 000	25 750	12.88%	400 000	56.44%
Elias Motsoaledi Ext1 Township Development (Region D - Ward 24)	621 577	17 500 000	(16 878 423)	621 577	17 500 000	(16 878 423)	(96.45%)	35 000 000	1.78%
Drieziek Ext.5	0	10 000 000	(10 000 000)	0	10 000 000	(10 000 000)	(100.00%)	20 000 000	0.00%
Ennerdale South	5 987 041	10 000 000	(4 012 959)	5 987 041	10 000 000	(4 012 959)	(40.13%)	20 000 000	29.94%
Drieziek Ext.4	0	10 000 000	(10 000 000)	0	10 000 000	(10 000 000)	(100.00%)	20 000 000	0.00%
Technical support Erven 918,19,30&31	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
Marily House ERF80	0	2 000 000	(2 000 000)	0	2 000 000	(2 000 000)	(100.00%)	4 000 000	0.00%
Roodepoort Feasibility and Development Framework	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
Jeppestown 3866 Technical suport ERF	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
Bramley View and Lombardy West	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
Johannesburg Market Upgrade	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
Inner City Walkable Network	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
Highcourt Revitalisation	771 895	1 350 000	( 578 105)	771 895	1 350 000	( 578 105)	(42,82%)	2 700 000	28,59%
Hillbrow Health Precinct Upgrade	204 510	1 000 000	( 795 490)	204 510	1 000 000	( 795 490)	(79,55%)	2 000 000	10,23%
CBD Rejuvenation	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
Upgrading of Mechanical & Electrical Equip	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
Innecity Walkable Stage 4	809 512	1 100 000	( 290 488)	809 512	1 100 000	( 290 488)	(26.41%)	2 200 000	36.80%
CBD Rejuvenation 2	0	3 000 000	(3 000 000)	0	3 000 000	(3 000 000)	(100.00%)	6 000 000	0.00%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual	Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
<b>Sub-total</b>	<b>39 338 422</b>	<b>91 450 000</b>	<b>(52 111 578)</b>	<b>39 338 422</b>	<b>91 450 000</b>	<b>(52 111 578)</b>	<b>(56,98%)</b>	<b>182 900 000</b>	<b>21,51%</b>
<b>TRANSPORTATION PTIS FUNDING:</b>									
Phase 1C Stations	23 543 940	47 078 500	(23 534 560)	23 543 940	47 078 500	(23 534 560)	(49,99%)	94 157 000	25,00%
Section 15K (Watt Interchange Station Road Works and Bridges)		27 500 000	(27 500 000)		27 500 000	(27 500 000)	(100,00%)	55 000 000	0,00%
Alexandra Depot	1 522 007	0	1 522 007	1 522 007	0				
OTHER: Land	591 875	7 500 000	(6 908 125)	591 875	7 500 000	(6 908 125)	(92,11%)	15 000 000	3,95%
Selby Depot 2C	40 890 636	22 500 000	18 390 636	40 890 636	22 500 000	18 390 636	81,74%	45 000 000	90,87%
OTHER: Passenger Information Signage(Finger boards - "on Street)	71 500	12 500 000	(12 428 500)	71 500	12 500 000	(12 428 500)	(99,43%)	25 000 000	0,29%
<b>Sub-total</b>	<b>66 619 958</b>	<b>117 078 500</b>	<b>(50 458 542)</b>	<b>66 619 958</b>	<b>117 078 500</b>	<b>(50 458 542)</b>	<b>(43,10%)</b>	<b>234 157 000</b>	<b>28,45%</b>
<b>DEPARTMENT OF SOCIAL DEVELOPMENT (SoC DEV)</b>									
Shelter for Displaced People Region F	7 104 183	4 987 500	2 116 683	7 104 183	4 987 500	2 116 683	42,44%	9 975 000	71,22%
Betrans Multipurpose Centre	9 135 617	22 575 000	(13 439 383)	9 135 617	22 575 000	(13 439 383)	(59,53%)	45 150 000	20,23%
Yetta Nathan Social deveopment Centre	583 401	18 375 000	(17 791 599)	583 401	18 375 000	(17 791 599)	(96,83%)	36 750 000	1,59%
Repairs and Maintanance of Facilities	4 600 288	0	4 600 288	4 600 288	0	4 600 288	0,00%	0	
Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional	0	812 500	( 812 500)	0	812 500	( 812 500)	(100,00%)	1 625 000	0,00%
Minor Upgrades of all Social Development Facilities in all the Regions	0	500 000	( 500 000)	0	500 000	( 500 000)	(100,00%)	1 000 000	0,00%
<b>Sub-total</b>	<b>21 423 489</b>	<b>47 250 000</b>	<b>(25 826 511)</b>	<b>21 423 489</b>	<b>47 250 000</b>	<b>(25 826 511)</b>	<b>(54,66%)</b>	<b>94 500 000</b>	<b>22,67%</b>
<b>TRANSPORTATION COJ FUNDING:</b>									

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual	Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Karsene Public Transport Facility	14 808	1 500 000	(1 485 192)	14 808	1 500 000	(1 485 192)	(99.01%)	3 000 000	0.49%
Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route	0	2 500 000	(2 500 000)	0	2 500 000	(2 500 000)	(100.00%)	5 000 000	0.00%
Complete Streets: NMT Facilities Linking Railway stations New Dube CHIAWELO D City Wide:	10 077 320	5 000 000	5 077 320	10 077 320	5 000 000	5 077 320	101,55%	10 000 000	100,77%
PTF: Small Public Transport Facility Design Kya Sand New Nodal Transport Facilites KYA SAND:		1 000 000	(1 000 000)		1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
Carr Street Public Transport Facility	353 767	9 032 500	(8 678 733)	353 767	9 032 500	(8 678 733)	(96.08%)	18 065 000	1.96%
Jack Mincer Public Transport Facility		1 250 000	(1 250 000)		1 250 000	(1 250 000)	(100.00%)	2 500 000	0.00%
Fleet Africa Public Transport Facility	2 221 239	1 500 000	721 239	2 221 239	1 500 000	721 239	48.08%	3 000 000	74.04%
Metro Mall Public Transport facility	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G)	4 809 198	7 000 000	(2 190 802)	4 809 198	7 000 000	(2 190 802)	(31,30%)	14 000 000	34,35%
Small: Public Transport Facility in Zakariya Park Region G	1 447 811	2 500 000	(1 052 189)	1 447 811	2 500 000	(1 052 189)	(42.09%)	5 000 000	28.96%
Complete Streets: NMT links Tshepisong	89 454	1 500 000	(1 410 546)	89 454	1 500 000	(1 410 546)	(94.04%)	3 000 000	2.98%
Complete Streets Deep South	3 111 603	2 500 000	611 603	3 111 603	2 500 000	611 603	24.46%	5 000 000	62.23%
PTF Rosebank	1 472 826	6 500 000	(5 027 174)	1 472 826	6 500 000	(5 027 174)	(77.34%)	13 000 000	11.33%
Complete Streets Turfontein	2 354 185	1 500 000	854 185	2 354 185	1 500 000	854 185	56.95%	3 000 000	78.47%
Public Transport Stops : Cosmo City	400 649	1 500 000	(1 099 351)	400 649	1 500 000	(1 099 351)	(73.29%)	3 000 000	13.35%
Complete Streets: NMTlinking Phefeni Station	47 347	1 500 000	(1 452 653)	47 347	1 500 000	(1 452 653)	(96.84%)	3 000 000	1.58%
Small: PTF Lakeside New nodal	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
PTF Sunninghill	0	525 000	( 525 000)	0	525 000	( 525 000)	(100.00%)	1 050 000	0.00%
Public Transport Data	0	304 500	( 304 500)	0	304 500	( 304 500)	(100.00%)	609 000	0.00%
Travel demand	297 495	1 209 000	( 911 505)	297 495	1 209 000	( 911 505)	(75,39%)	2 418 000	12,30%
Parking Management Policy	0	1 521 500	(1 521 500)	0	1 521 500	(1 521 500)	(100.00%)	3 043 000	0.00%
Complete Streets: NMT Linking Orange Farm	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
Roodepoort Public Transport Facility	0	500 000	( 500 000)	0	500 000	( 500 000)	(100.00%)	1 000 000	0.00%

	CAPEX FOR QUARTER			CAPEX FOR THE YEAR				Annual	Budget
	Actual	Budget	Variance	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	R	R	R	%	R	%
Helen Joseph Public Transport New	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
Upgrading of JITI Control Room New	0	1 000 000	(1 000 000)	0	1 000 000	(1 000 000)	(100.00%)	2 000 000	0.00%
PTF: Small Public Transport Facilities: Tshepisoong	0	1 500 000	(1 500 000)	0	1 500 000	(1 500 000)	(100.00%)	3 000 000	0.00%
PTF Small Public Transport Facility Design and Construction of Zola Public	0	500 000	( 500 000)	0	500 000	( 500 000)	(100.00%)	1 000 000	0.00%
<b>Sub-total</b>	<b>26 697 702</b>	<b>58 342 500</b>	<b>(31 644 798)</b>	<b>26 697 702</b>	<b>58 342 500</b>	<b>(31 644 798)</b>	<b>(54,24%)</b>	<b>116 685 000</b>	<b>22,88%</b>
<b>Other</b>									
Review Kliptown Business Plan & Urban design	700 062	0	700 062	700 062	0	700 062	0,00%	0	0,00%
Innecity Master	541 253	0	541 253	541 253	0	541 253	0,00%	0	0,00%
Frankbrown housing	495 790	0	495 790	495 790	0	495 790	0,00%	0	0,00%
GIS Spatia;	1 853 279	0	1 853 279	1 853 279	0	1 853 279	0,00%	0	0,00%
Public art Fountains	212 982	0	212 982	212 982	0	212 982	0,00%	0	0,00%
Alex Auto hub security	2 092 806	0	2 092 806	2 092 806	0	2 092 806	0.00%	0	0,00%
Lehae Library	1 806 615	0	1 806 615	1 806 615	0	1 806 615	0,00%	0	0,00%
UN Habitat	91 424	0	91 424	91 424	0	91 424	0.00%	0	0,00%
<b>Sub-total</b>	<b>7 794 211</b>	<b>0</b>	<b>7 794 211</b>	<b>7 794 211</b>	<b>0</b>	<b>7 794 211</b>	<b>0,00%</b>	<b>0</b>	<b>0,00%</b>
	=	=	=	=	=	=	=	=	=
<b>TOTAL</b>	<b>313 307 171</b>	<b>688 293 500</b>	<b>(374 986 329)</b>	<b>313 307 171</b>	<b>688 293 500</b>	<b>(374 986 329)</b>	<b>(54,48%)</b>	<b>1376 587 000</b>	<b>23%</b>

## SECTION 6: ORGANISATIONAL PERFORMANCE

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

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

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

**TABLE 20: JDA CORPORATE SCORECARD**

### KPI ACHIEVEMENT RATINGS

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

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 2021/22	2023/24 Annual Target	2023/24 Q2 Target	2023/24 Q2 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 December 2023	Variations and steps to be taken to improve performance.
1.	Number of pre-feasibility studies conducted. <sup>4</sup>	8	3 Pre-feasibility	-	-	-	-	Not due for reporting.	None
2.	Number of feasibility studies conducted.	New KPI	4 feasibility studies conducted	2	2	-		The following Feasibility projects were conducted: - Frank brown Park Social Housing - Sunninghill PTF.	None
3.	Number of urban development framework completed.	1	2 UDF Completed	-	-	-	-	Not due for reporting.	None
4.	Number of projects at the concept design phase.	18	4	3	2	-1		The following Concept Design projects were conducted: - Kliptown UDF: Khayelethu Care Centre - Ivory Park UDF: Lord Khanyile Precinct.	The third project was erroneously set for achievement under concept design instead of detailed design. This has been being corrected through mid-year deviation process.

5.	Number of projects in detailed design phase.	New KPI	7 Projects	-	-	-	-	Not due for reporting	None
6.	Number of projects reaching contract award stage.	4	9 Projects	2	1	-1		Moyane Drive Public Environment Upgrade (PEU) was completed.	The second project was erroneously included in the business plan – the project is not budgeted for in the current financial year.
7.	Number of projects reaching practical completion stage.	4	22 Projects at practical completion	2	0	-2		Not achieved.	There was a targeting error, a project that ought to have been completed in Q2 was targeted for Q4. Similarly, a project that ought to have been completed in Q4 was targeted for Q2.
8.	Number of precinct management implementation plans.	3	1	-	-	-	-	Not due for reporting.	None
9.	Number of JDA Communication and Media related Initiatives.	410	280	70	84	14		None	None

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

**STRATEGIC PRIORITY:** Good Governance

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

KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q2 Target	2023/24 Q2 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 December 2023	Variations and steps to be taken improve performance
10.	Percentage resolution of Internal Audit findings.	92%	100%	30%	88%	58%		None	None
11.	Percentage resolution of Auditor General findings.	91%	100%	100%	95%	-5%		None	None

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

**STRATEGIC PRIORITY:** Financial sustainability

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

KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q2 Target	2023/24 Q2 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 December 2023	Variations and steps to be taken to improve performance
12.	Percentage of budget spent on city- wide infrastructure.	80,49%	95%(Cumulative)	50%	23%	-27		Not Achieved.	The target has not been achieved due to the fact that, the target of 50% for Q2 varies for the JDA's past trend or practice of spending approximately 30%/33% by mid-year. The Deviation Report has been compiled and the targets for Q3 and Q4 are aligned with the JDA's past practice or trend.
13.	Percentage of valid invoices paid within 30 days of the invoice date.	92%	100%	100%	62%	-38%		Not Achieved.	Institutional Arrangements, hinder the JDA from paying 100% of the invoices within 30 days. JDA does not have its own Bank Account and therefore rely on the City's allocation of the Cash to pay.
14.	Percentage of spent on repairs and maintenance to property, plant and equipment.	New	8%	4%	0%	-4%		Not Achieved.	This is a City-Wide challenge, because this target is based on the National Treasury ratio. JDA's budget for repairs and maintenance is 5%, yet the annual target is 8%. The latter is above the JDA's budget for repairs and maintenance. The Deviation Report has been compiled and the target has been amended to align with the JDA's budget.

15.	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide.	New	50%	30%	0%	-30%		Not Achieved.	Majority of the irregular expenditure within the JDA is comprised of Advanced Payments. At the time wherein the target was set GFIS was conducting Investigations, however, they indicated that due to insufficient evidence they are unable to conclude the investigations. Risk and Compliance Unit within the JDA is conducting an internal assessment to ascertain the exact amounts that were recouped from advanced payments Once that has been concluded it will enable Management to compile a Report that will be tabled at the Board seeking approval to condone.
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**Day-to-day Program / Job opportunity and creation and Economic Development**

<b>OUTCOME:</b> An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens										
<b>STRATEGIC PRIORITIES:</b> Job opportunity and creation and sustained economic growth										
<b>JDA STRATEGIC PROGRAMME:</b> Economic Empowerment										
KPI No	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q2 Target	2023/24 Q2 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 December 2023	Variations taken to improve performance	steps to be taken to improve performance
16.	Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total.	103%	100%	100%	100%	-		None		None
17.	Number of Expanded Public Works Programs (EPWP) work opportunities created City-wide.	412	500	150	171	21		None		None
18.	Percentage of SMME expenditure as a share of total expenditure.	44%	30%	30%	39%	9%		None		None
19.	Percentage spends on JDA operating Expenditure against approved operating budget.	104%	95%	50%	132%	32%		None		None

**Day-to-day Program / Job opportunity and creation and Economic Development**

STRATEGIC PRIORITIES: Job opportunity and creation and Economic Development									
KPI	Key Performance Indicator	Baseline 2021/22	2023/24 Annual Target	2023/24 Q2 Target	2023/24 Q2 Actual	Variance	Quarterly Achievement Rating	Explanation of progress as at the end of 31 December 2023	Variations and steps to be taken to improve performance.
20	Percentage implementation of the strategic risk management action plan findings resolved.	100%	95%	100%	80%	-20%		There are 20 committed strategic future mitigation plans scheduled for implementation in the 2 <sup>nd</sup> quarter of 2023/24 financial year. However, of the 20 mitigation plans there are 16 implemented that result in 80%.	Management will fast-track and monitor the Implementation of the four (4) Action Plans.

## 6.2. Economic Development

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

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

### EPWP PERFORMANCE

The SA government describe the EPWP Programme as one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The JDA has an annual target of 500 jobs to be created through this programme. Of the annual target of 500 jobs, 150 jobs were set as target for the Q2. The EPWP job opportunities range from skilled work to manual labour (depending on the type of projects) and the existing skills in the community. The JDA has performed above the target where 171 jobs were created by the end of December 2023

### 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 2023 to 31 December 2023**

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period 1 July 2023 to 31 December 2023, the SMME share of JDA’s total expenditure was R119 936 068.1. This constitutes an achievement 39%.

**Table 21 below indicates the SMME expenditure from 1 July 2023 to 31 December 2023**

Description	1 July 2023 to 31 December 2023		
	Total Expenditure	SMME Claimed	SMME %
Capex	R289,749,927.77	R112 252 009.1	39%
Opex	R21,153,379.19	R7 684 058.91	36%
<b>Consolidated Opex and Capex</b>	<b>R310,903,306.96</b>	<b>R119 936 068.1</b>	<b>39%</b>

**6.3. Good Governance, Management and Administration**

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

## CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

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

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

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

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

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

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

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

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

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

This section provides the total employee remuneration for all employees that were in the JDA’s employment during quarter two (2) (including the Executive members).

The Total Remuneration Costs for the period ending 18 December 2023 amount to R39 801 602. This figure is inclusive of the Pension Fund. The JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 18 December 2023 amount to R525 345.54.

**SECTION 2: EMPLOYMENT AND KEY VACANCIES**

Below is a list of key vacancies.

**TABLE 23: VACANCY PROGRESS AS AT 31 DECEMBER 2023**

Vacancies	Progress
Chief Financial Officer	Recruitment Stage
Company Secretary	Recruitment Stage
Executive Manager: Corporate Services	Recruitment Finalised – Start Date 01 January 2024
Chief Audit Executive	Recruitment Stage
Manager: Risk & Integrity Management	Recruitment Stage
Senior Manager: Internal Audit	On hold due to Budget
Senior Manager : Information, Communication & Infrastructure Management	Recruitment Stage
Senior Project Manager	Recruitment Stage
Senior Manager: Development Planning & Facilitation	On hold due to Budget

**SECTION 3: EMPLOYMENT EQUITY**

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

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

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

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

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

**TABLE 24: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW**

Occupational Levels											Total
	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Executive Management	2	0	0	0	0	0	0	0	0	0	2
Senior Management	5	0	0	0	6	0	0	0	0	0	11
Professionally qualified and experienced specialists and mid-management	12	0	0	0	20	1	0	0	0	1	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	0	0	12	0	1	0	0	0	19
Semi-skilled and discretionary decision making	3	0	0	0	7	0	0	0	0	0	10
Unskilled and defined decision making	5	0	0	0	3	0	0	0	0	0	8
<b>TOTAL PERMANENT</b>	34	0	0	0	48	1	1	0	0	1	85
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	34	0	0	0	48	1	1	0	0	1	85

The JDA targets and achievements for period under review:

- 96,5% of its employees are Black African.
- 60% of its staff members are Female.
- 42,9% of Executive and Senior Management positions are held by black women.
- The JDA has employees with physical disabilities of 1%. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

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

City Targets (JDA)		JDA Achievements
Black African employees	80.9%	96,5%
Senior Management Female	35.9%	42,9%
Disability	2%	1%

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

Occupational Level  (Below EAP row)	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
<b>Top Management</b>	<b>18-34</b>	0	0	0	0	0	0	0	0	0	0	0
<b>(Level 1-2)</b>	<b>&gt;35</b>	3	0	0	0	0	0	0	0	0	0	3
	<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Senior Management</b>	<b>18-34</b>	0	0	0	0	0	0	0	0	0	0	0
<b>(Level 3-4)</b>	<b>&gt;35</b>	5	0	0	0	6	0	0	0	0	0	11
	<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>
<b>Professional Qualified</b>	<b>18-34</b>	4	0	0	0	5	0	0	0	0	0	9
<b>(Level 5-6)</b>	<b>&gt;35</b>	8	0	0	0	15	1	0	0	0	1	25
	<b>Total</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>34</b>
<b>Skilled Technical</b>	<b>18-34</b>	2	0	0	0	3	0	0	0	0	0	5
<b>(Level 7-8)</b>	<b>&gt;35</b>	4	0	0	0	9	0	1	0	0	0	14
	<b>Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Semi-Skilled</b>	<b>18-34</b>	1	0	0	0	2	0	0	0	0	0	3
<b>(Level 9-10)</b>	<b>&gt;35</b>	2	0	0	0	5	0	0	0	0	0	7
	<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Unskilled</b>	<b>18-34</b>	3	0	0	0	0	0	0	0	0	0	3
<b>(Level 11)</b>	<b>&gt;35</b>	2	0	0	0	3	0	0	0	0	0	5
	<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>Temporary</b>	<b>18-34</b>	0	0	0	0	0	0	0	0	0	0	0
	<b>&gt;35</b>	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>85</b>

**TABLE 27: PERCENTAGE STANDING ON RACE AND GENDER**

Occupational Level (Below EAP row)	Age Group	Male				Female				Foreigner		Total
		A	C	I	W	A	C	I	W	M	F	
<b>Top Management</b>	<b>18-34</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>(Level 1-2)</b>	<b>&gt;35</b>	3,5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,5%
	<b>Total</b>	<b>3,5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>3,5%</b>
<b>Senior Management</b>	<b>18-34</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>(Level 3-4)</b>	<b>&gt;35</b>	5,9%	0%	0%	0%	7,1%	0%	0%	0%	0%	0%	13%
	<b>Total</b>	<b>5,9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>7,1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>13%</b>
<b>Professional Qualified</b>	<b>18-34</b>	4,7%	0%	0%	0%	5,9%	0%	0%	0%	0%	0%	10,6%
<b>(Level 5-6)</b>	<b>&gt;35</b>	9,4%	0%	0%	0%	17,6%	1,2%	0%	0%	0%	1,2%	29,4%
	<b>Total</b>	<b>14,1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>23,5%</b>	<b>1,2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1,2%</b>	<b>40%</b>
<b>Skilled Technical</b>	<b>18-34</b>	2,4%	0%	0%	0%	3,5%	0%	0%	0%	0%	0%	5,9%
<b>(Level 7-8)</b>	<b>&gt;35</b>	4,7%	0%	0%	0%	10,6%	0%	1,2%	0%	0%	0%	16,5%
	<b>Total</b>	<b>7,1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>14,1%</b>	<b>0%</b>	<b>1,2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>22,4%</b>
<b>Semi-Skilled</b>	<b>18-34</b>	1,2%	0%	0%	0%	2,4%	0%	0%	0%	0%	0%	3,6%
<b>(Level 9-10)</b>	<b>&gt;35</b>	2,4%	0%	0%	0%	5,9%	0%	0%	0%	0%	0%	8,3%
	<b>Total</b>	<b>3,6%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>8,3%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>11,9%</b>
<b>Unskilled</b>	<b>18-34</b>	3,5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3,5%
<b>(Level 11)</b>	<b>&gt;35</b>	2,4%	0%	0%	0%	3,5%	0%	0%	0%	0%	0%	5,9%
	<b>Total</b>	<b>5,9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>3,5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>9,4%</b>
<b>Temporary</b>	<b>18-34</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	<b>&gt;35</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

## SECTION 4: SKILLS DEVELOPMENT AND TRAINING

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

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

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

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

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

The JDA funds appropriate training and development programmes that are practical and outcomes based. It also supports employees who wish to attain further qualifications to improve their productivity and career enhancement.

A budget of R 645 000 has been allocated for training and development for the 2023/2024 financial year. The actual expenditure incurred during this quarter stands at R 13 556,90 however the JDA's bursary approval window is currently open and has been communicated during this quarter and 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 in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

**TABLE 28: SKILLS DEVELOPMENT AND TRAINING**

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

**SECTION 5: PERFORMANCE MANAGEMENT**

The JDA views performance management as an integral part of the JDA 's business strategy which ensure that employees deliver on the agreed scorecard and excellent performers are rewarded accordingly. The JDA uses a scorecard to evaluate employee performance. Individual performance indicators are linked to the JDA's objectives and the CoJ's integrated development plan scorecard. Objectives that reinforce the culture of governance and risk management among managers are also included. As part of continuous employee development, coaching, mentorship and training interventions are implemented to assist employee to perform to the required performance standard.

**TABLE 29: PERFORMANCE MANAGEMENT FOR 2023/24 FY**

Department	Eligible Staff	Performance Agreements Submitted	Outstanding
Office of the CEO	7	5	2
Company Secretary	1	1	0
Internal Audit	6	6	0
Finance	11	11	0
Corporate Services	14	12	2
Project Implementation	27	11	16
Development Planning & Facilitation	8	7	1
<b>Total</b>	<b>74</b>	<b>53</b>	<b>21</b>

## SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

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

**TABLE 30: MISCONDUCT AND DISCIPLINARY FOR THE YEAR TO DATE**

Outcome	Number
Final Written Warning	0
Dismissal	0

**TABLE 31: TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FINALISED FOR THE YEAR TO DATE**

Type of misconduct	Number
Dishonesty	0
Absenteeism	0
Insubordination	0
Negligence	0
<b>Total</b>	<b>0</b>

## SECTION 7: LEAVE & PRODUCTIVITY MANAGEMENT

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

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

The most highly utilised leave type is Maternity leave with a total of 218 days, with Annual leave being the second most utilised leave type with a total of 187,5 days, followed by Sick Leave with 14,5 days.

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

Type of Leave	July	August	September	October	November	December	January	February	March	April	May	June	Total
Annual Leave	48,5	17	25	41	10	46							187,5
Sick Leave	0,5	1	2	4	6	1							14,5
Family Responsibility	0	0	0	0	0	0							0
Maternity Leave	42	44	40	54	24	14							218
Paternity Leave	0	10	0	0	0	0							10
Study Leave	5	0	0	0	2	0							7
<b>TOTAL</b>	<b>96</b>	<b>72</b>	<b>67</b>	<b>99</b>	<b>42</b>	<b>61</b>							<b>437</b>

**SECTION 8: EMPLOYEE BENEFITS**

The Total Remuneration Costs for the period ending 31 December 2023 amount to R39 801 602. This figure is inclusive of the Pension Fund. The JDA participates in the eJoburg Retirement Fund. The total contribution for Group Life Cover for the JDA employees and directors for the period ending 31 December 2023 amount to R525 345.54

**SECTION 9: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES**

***HIV/AIDS in the Workplace***

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

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

### Occupational Health and Safety (OHASA)

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

1. Fire equipment was serviced
2. Fire audit service provider appointed and conducting monthly audits
3. OHASA consultants appointed for 36 months
4. Appointment of pest control service provider was done
5. Appointment of hygiene services provider
6. Office space acquisition for JDA is at planning stage through engineers

### SECTION 10: CORPORATE SOCIAL RESPONSIBILITY (CSR)

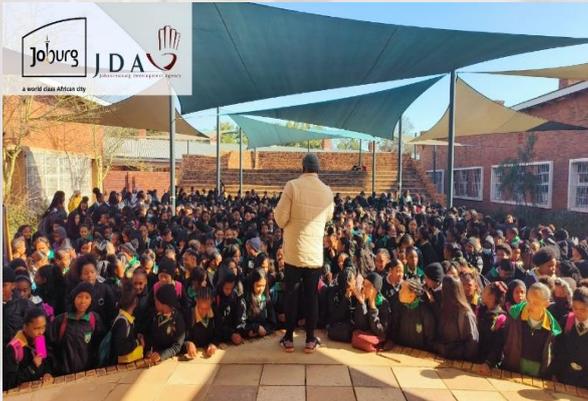


FIGURE 6: KLIPTOWN SECONDARY GIRLS COLLEGE'S (CJC)



FIGURE 7: CENTRAL JOHANNESBURG TVET



FIGURE 8: DAVID MAKHUBO SECONDARY SCHOOL

18 JULY 2023

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

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

**16 August 2023**

## **JDA ENGAGES THE NEXT GENERATION OF ENGINEERING PROFESSIONALS**

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

**17 AUGUST 2023**

## **JDA AND QUADRANT SYSTEMS PARTNER TO EMPOWER YOUNG GIRLS**

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

## SECTION 11: MARKETING AND COMMUNICATIONS

### 11.1 Media Management (Digital)

The report shows the performance of content on the Johannesburg Development Agency’s digital platforms between 01 October to 11 December 2023.

**7** Press releases, **21** Facebook posts, **20** tweets on X, **20** posts on Instagram and **16** posts on LinkedIn for the second quarter of 2023/24

Social Media Platform	Posts	Growth	Engagement	Reach
FACEBOOK	21	105	734	26 226
TWITTER	20	73	796	47 400
INSTAGRAM	20	56	143	1 573
LINKEDIN	16	77	313	13 428

Social Media Platforms	Followers
Facebook	9 394
Instagram	1 624
X	4 116
LinkedIn	5 385

### Media Report

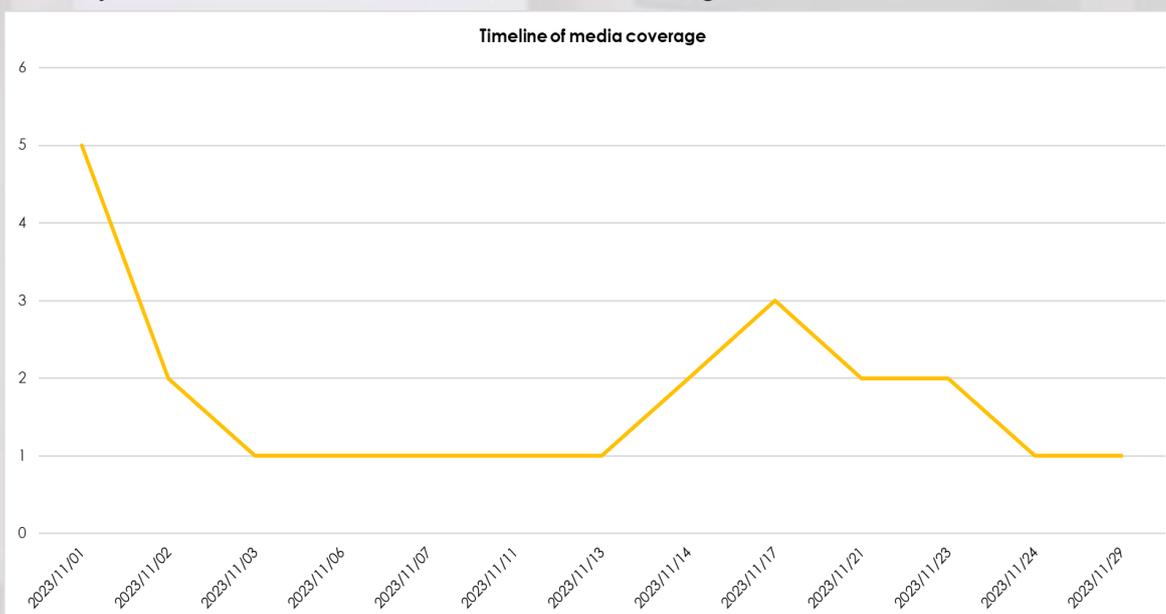
#### OCTOBER – DECEMBER 2023

##### OCTOBER 2023

- In October 2023, the Johannesburg Development Agency (JDA) was featured in 12 media items, from 14 in September 2023.
- The Agency’s Advertising Value Equivalent (AVE) decreased to R205 379.70 in October 2023, from R363,137.85 in September 2023.
- Five media items reported positive developments regarding the JDA. According to the reports, the JDA had made significant progress in the construction of the Bertrams Multipurpose Centre, which is located on the eastern edge of the Inner-City Central Business District. Additionally, it was mentioned that the Agency was set to begin construction of Bus Rapid Transit (BRT) stations in the Gandhi Square Precinct. The Agency also announced the completion of the REA Vaya BRT Alexandra Bus Depot Access Road.
- Four of the 12 media items received a neutral rating, with the reporting merely consisting of passing mentions related to the JDA.
- The remaining three items were negative and unpacked a forensic report on the insourcing process in the City of Johannesburg. According to media reports, the City insourced 5262 security guards for its facilities between 2020 and 2022, which was deemed insufficient, with the JDA facilities accounting for 16 of them.

**NOVEMBER 2023**

- In November 2023, the Johannesburg Development Agency (JDA) was featured in 23 media items, marking an increase from the 12 media items recorded in October 2023.
- The Agency's Advertising Value Equivalent (AVE) increased to R401 417.16 in November 2023, up from R205 379.70 in October 2023.
- 52.17% of the coverage was neutral, 47.83% was positive, with no negative coverage.
- 52.17% of all the coverage came from print media, 43.48% from online media, while the remaining 4.35% came from broadcast media.
- *Egoli Jozi News* (online) had the most mentions of JDA, with four media items.
- Vijay Naidoo, Tasneem Bulbulia, John Young, Martin Williams, and Shaun Smillie were the only journalists who wrote about JDA, each contributing one item.



- 1 November 2023 – The reporting included the construction of Phase 1C of the Rea Vaya Bus BRT in Sandton CBD, the Kaalfontein Multi-Purpose Centre entering the second phase, the expansion of the Reya Vaya Bus Rapid Transit, and Member of the Mayoral Committee Eunice Mgcina undertaking an oversight visit to three projects being undertaken by the Johannesburg Development Agency.

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

**06 JULY 2023**

04 October 2023

### **BRT COMING SOON TO GANDHI SQUARE PRECINCT**



*This Transport Month, construction on Rea Vaya's Phase 1C will expand into one of the City Centre's main transport terminuses and urban hubs.*

16 October 2023

### **GROUNDWORK LAID FOR THE INNOVATIVE BETRAMS MULTIPURPOSE FACILITY**



Johannesburg's Inner-City Eastern Gateway is witnessing a transformative moment as the excavation works for the highly anticipated multipurpose centre are well underway.

The Johannesburg Development Agency (JDA), has made significant progress in the construction of the much-anticipated of the Bertrams Multipurpose Centre on the eastern edge of the Inner-City Central Business District.

25 October 2023

### JDA COMPLETES REA VAYA BRT ALEXANDRA BUS DEPOT ACCESS ROAD



The Johannesburg Development Agency (JDA) has completed yet another key infrastructure for the enablement of the Rea Vaya Bus Rapid Transit (BRT) System Phase 1C trunk route operation.

26 October 2023

### AFRICAN THRONE TOUR CONCLUDES IN THE NEWTOWN PRECINCT



The African Throne Tour, featuring South African hip-hop Nasty C and Cassper Nyovest, has taken the continent by storm with a series of electrifying performances.

This extraordinary musical journey has captivated audiences from all walks of life and will conclude in the creative and cultural soul of Johannesburg, Newtown.

26 October 2023

#### UPDATE: ROSEBANK PUBLIC TRANSPORT FACILITY



*The first phase of construction upgrades for the Rosebank Public Transport Facility has reached practical completion. Phase two of the project will commence pending the finalisation of building plan approvals.*

13 November 2023

#### A PEDESTRIAN CENTERED, FUNCTIONAL RANDBURG CBD ON THE CARDS



The vision for a pedestrian centered, functional Randburg CBD is on the cards after the Johannesburg Development Agency (JDA) completed site establishment for the upgrading of Bram Fischer and Jan Smuts intersection.

The mobility spines in the Randburg CBD are Bram Fischer, Republic and Jan Smuts which play a critical role in connecting Randburg to several other decentralised nodes.

29 November 2023

### **FINETOWN PROPER GRAVEL ROAD PROJECT GETS UNDERWAY**



*The Johannesburg Development Agency (JDA) is embarking on a transformative project to upgrade gravel roads to asphalt in Finetown Proper.*

05 December 2023

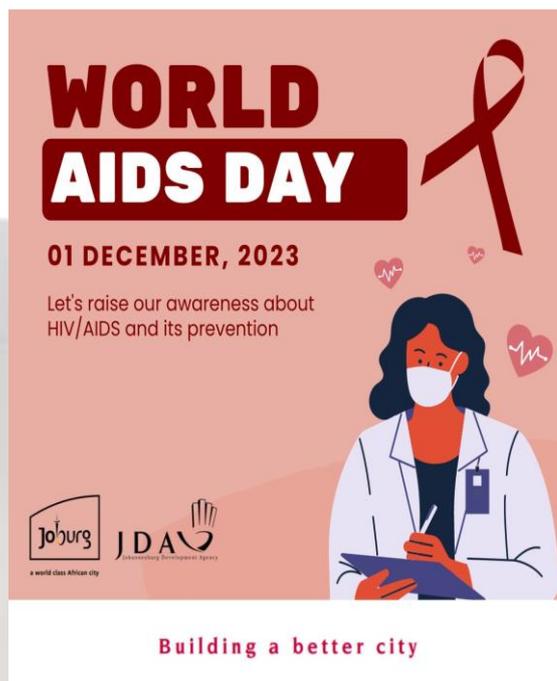
### **CITY OF JOHANNESBURG TAKES BOLD STEP IN ADDRESSING HOMELESSNESS**



*City of Johannesburg's Social Development Department has taken a bold step in addressing homelessness with construction a displaced persons shelter in Devland/Freedom Park.*

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

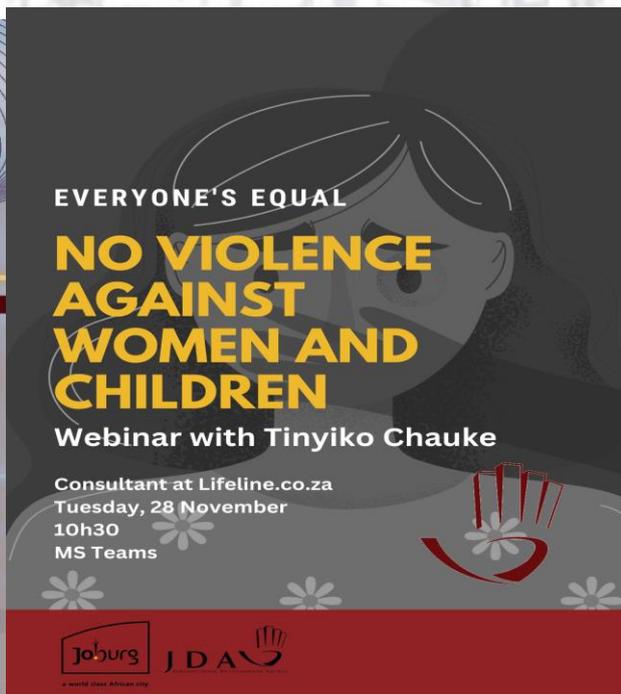
**SOCIAL MEDIA POSTER CAMPAIGNS**



**WEBINAR EVENTS**



**24 October 2023**



**28 November 2023**

## CHAPTER 5: FINANCIAL PERFORMANCE

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

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

	Quarter Ended 30 September 2023			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Non-current assets</b>	<b>26 013</b>	<b>31 953</b>	<b>(5 543)</b>	<b>1</b>
Property plant and equipment	4 798	7 603	(2 805)	
Deferred tax	3 953	3 953	0	
Intangible assets	17 262	20 000	(2 738)	
Deferred tax	3 953	3 953	0	
<b>Current assets</b>	<b>870 923</b>	<b>897 415</b>	<b>(30 726)</b>	<b>2</b>
Trade and other receivables	582 891	697 405	(114 514)	
Prepayments	0	0	0	
Vat Receivable	288 032	200 000	83 797	
Cash and cash equivalents	1	10	(9)	
<b>Total assets</b>	<b>896 936</b>	<b>929 368</b>	<b>(36 269)</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>	<b>(25 943)</b>	<b>16 278</b>	<b>(42 221)</b>	<b>3</b>
Contribution from owner	16 278	16 278	0	
Accumulated surplus/(deficit)	(42 221)	0	(42 221)	
<b>Non-current liabilities</b>	<b>173 475</b>	<b>5 900</b>	<b>(265 346)</b>	
Deferred taxation	4 448	4 400	48	<b>4</b>
Provisions	3 357	1 500	(245)	
Other Liability	165 670	200 000	(265 149)	
<b>Current liabilities</b>	<b>749 404</b>	<b>1 073 385</b>	<b>268 372</b>	
Loans from shareholders	670 319	360 000	310 319	<b>5</b>
Trade and other payables	66 619	50 000	16 619	<b>6</b>
Provision	7 283	60 000	(52 717)	
Other Liability	5 183	50000	183	
<b>Total equity and liabilities</b>	<b>896 936</b>	<b>1 030 416</b>	<b>(27 819)</b>	

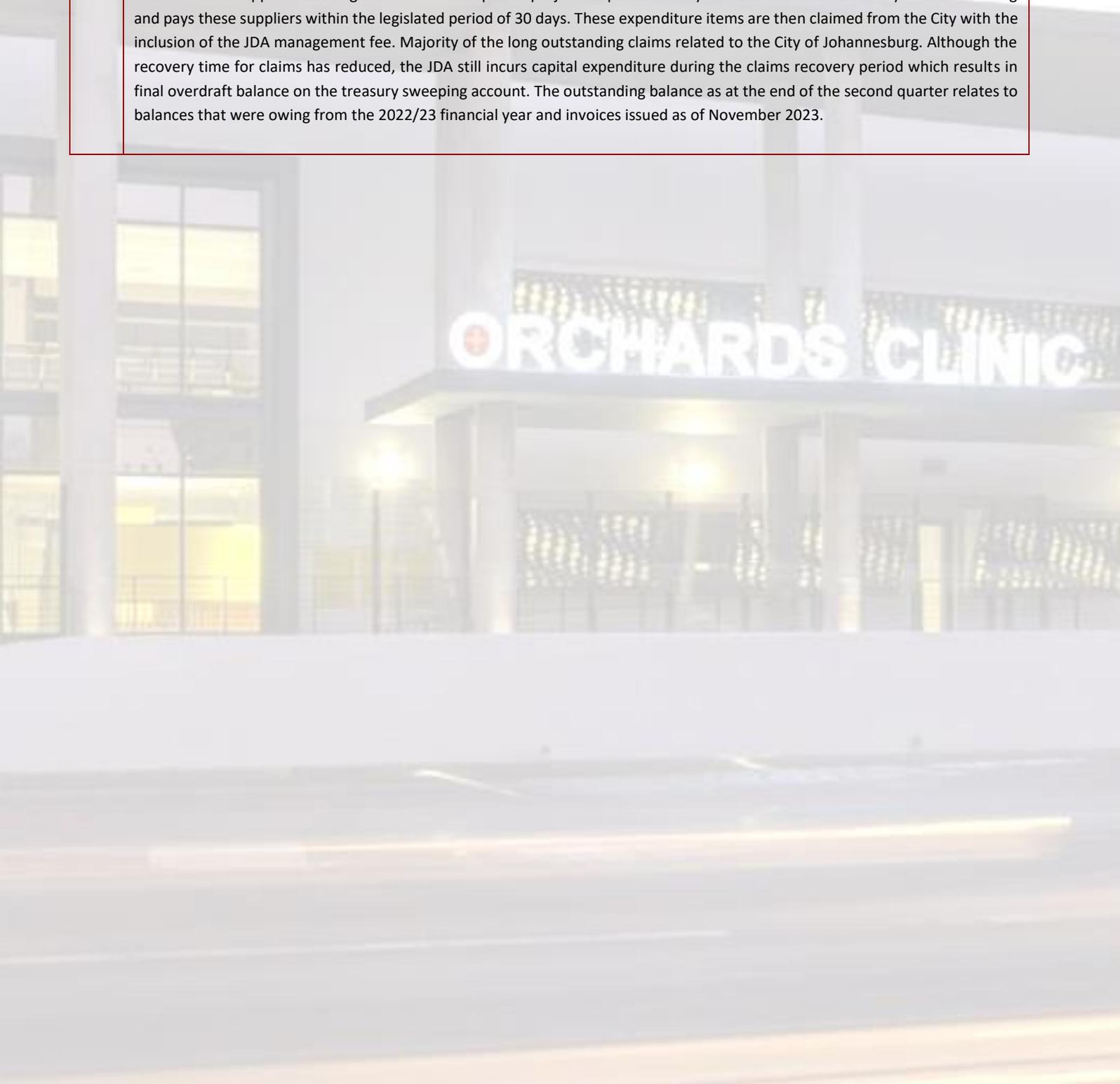
Notes	
1	The decreases on the property plant and equipment it is due to depreciation
2	The unfavourable variance it due to under expenditure on capex which has impact on revenue claims.
3	Changes on the Reserve/Net Assets it is due to the deficit of R26.6 million
4	The movement of the non-current liability is immaterial
5	The variance is above the target overdraft of R300 million. This is mainly due to invoices that were raised /accrued June 2023 that were paid after July 2023. However, JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the city with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account.
6	The increases on the payables it due to invoices that were received in December 2023.

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

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

	Original approved	Year to date			Notes
	Budget	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	
Gross revenue	118 967	51 739	59 484	(7 745)	7
Operating costs	(111 436)	(47 208)	(55 718)	(8 595)	8
<b>Gross surplus/(deficit)</b>	<b>6 864</b>	<b>4 531</b>	<b>3 432</b>	<b>(3 138)</b>	
Other operating Income and expenditure	0	0	0	0	
Interest expense	(7 531)	(31 137)	(3 766)	(27 371)	9
Interest income	0	0	0	0	
<b>Deficit before tax</b>	<b>0</b>	<b>(26 606)</b>	<b>0</b>	<b>(26 606)</b>	
Taxation	0	0	0	0	
<b>Surplus/(Deficit) after tax</b>	<b>0</b>	<b>(26 606)</b>	<b>0</b>	<b>(26 606)</b>	

Notes	
7	Management fees are budgeted for in accordance with the capital project expenditure. The overall actual revenue is below the budget revenue by 13% because of under expenditure on Capex.
8	The negative variance is mainly due to over expenditure for quarter two relating to Contracted Services.
9	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that were received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg. Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in a final overdraft balance on the treasury sweeping account. The outstanding balance as at the end of the second quarter relates to balances that were owing from the 2022/23 financial year and invoices issued as of November 2023.



**SECTION 3: CASH FLOW STATEMENT**

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

	Year to date			
	Actual	Budget	Variance	
	R'000	R'000	R'000	
<b>Cash flows from operating activities</b>	<b>290 314</b>	<b>581 521</b>	<b>145 875</b>	
	-	-	-	
<i>Receipts</i>				
Grants	21 521	21 521	0	
Other Receipt	1 799	0	1 799	
Cash receipts from CAPEX funding	704 076	560 000	144 076	10
Other receipts		0	0	
<i>Payments</i>				
Employee cost	(40 702)	(46 778)	6 076	11
Suppliers	(484 449)	(500 000)	15 551	12
Finance Cost	0	(3 766)	(3 766)	
Tax paid	0			
<b>Net cash flow from Operating Activities</b>	<b>202 244</b>	<b>(76 423)</b>	<b>(163 736)</b>	
<i>Expenditure to maintain operating capacity</i>				
Property, plant, and equipment acquired		0	0	
Proceeds from sale of property, plant, and equipment	0		0	
Purchase of intangible assets	0		0	
<b>Cash flows from financing activities</b>				
Movement in project funds payable	(236 693)	(444 505)	207 812	
Proceeds from Shareholders' loan	34 440	40 000	5 560	13
Finance lease repayments	0		0	
Net Cash Flow from Investing Activities	(202 252)	(404 505)	(163 736)	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8</b>	<b>0</b>	<b>8</b>	
<b>Cash and cash equivalents at beginning of the year</b>	<b>9</b>	<b>10</b>	<b>(1)</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>1</b>	<b>10</b>	<b>9</b>	

Notes	
10	The positive it is mainly due to payments received from client departments relating to 2022/2023 financial year claims.
11	The variance it mainly due to saving as a results vacant position not yet filled.
12	The variance it mainly due payments made in July 2023 relating to 2022/2023 financial year and other payments made in as of September 2023. on the capex invoice due to target not being meet/not achieved
13	The variance it due to money borrowed from loan to shareholder since there is a delay in the settlement of debtors by COJ departments.

#### SECTION 4: NET ASSETS

**TABLE 36: STATEMENT OF CHANGES IN NET ASSETS FOR THE QUARTER ENDED 31 DECEMBER 2023**

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
<b>Balance on 01 July 2022</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>18 770</b>	<b>35 048</b>
Changes in net assets					
Deficit for the year	0	0	0	(34 385)	(34 385)
Total changes	0	0	0	(34 385)	((34 385)
<b>Balance on 01 July 2023</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>(15 615)</b>	<b>663</b>
Changes in net assets					
Profit/(deficit) for the year	0	0	0	(26 606)	(26 606)
Total changes	0	0	0	(26 606)	(26 606)
<b>Balance on 31 December 2023</b>	<b>60</b>	<b>16 278</b>	<b>16 278</b>	<b>(42 221)</b>	<b>(25 943)</b>

#### SECTION 5: RATIO ANALYSIS

**TABLE 37: RATIO ANALYSIS FOR THE PERIOD ENDED 31 DECEMBER 2023**

Key Performance Area	Targets	Actual December 2022	Actual 31 December 2023
Current ratio	Above 1.5: 1	1:1	1.16:1
Solvency ratio	Above 2: 1	1.02: 1	0,97: 1
Salaries to expenditure ratio	Below 60%	58%	51%
Revenue	R59 million	R46.56 million	R51.7million
Expenditure (including taxation)	29.7 million	R69.21 million	78.3 million
Surplus / (Deficit)	R nil	(R22.65 million)	(R26.6million)
Total net assets	39 million	12.4 million	(25.9 million)
Capital expenditure	50%	26.73%	23%

Notes	
1	<b>Current ratio</b> is below target and above last year quarter. Included in current liabilities is the sweeping account with the shareholder which increases with the interest monthly and its amounts to R670 million.
2	<b>Solvency ratio</b> is below the target and below last year quarter mainly due to cash flow challenges. The continued pressure on the overall loan from shareholder due to outstanding debtors still puts pressure on the solvency ratios.
3	<b>Remuneration to expenditure ratio</b> is lower than the target of 60% this is due to some vacant positions. The ratio is based on employee costs of R39.8 million over total expenditure of R78.3 million, which results in 51% of the expenditure.
4	The target is below last financial year quarter 2 and was not achieved since it below the target of 50%.

## SECTION 6: SUPPLY CHAIN MANAGEMENT

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

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

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

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

### Analysis of BBBEE and SMME results for the period 1 July 2023 to 31 December 2023

The % of expenditure paid to companies with B-BBEE credentials out of total

expenditure for the period under review:

### 1 July 2023 to 31 December 2023

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

For the period **1 July 2023 to 31 December 2023** the JDA achieved 100% B-BBEE Opex and Capex procurement.

The total B-BBEE expenditure commitment in terms of active contracts was R 292 944 060 for the period 1 July 2023 to 31 December 2023, and the BBEE share of expenditure achieved within the period was R 311 624 415.4

**Table 1 below indicates the B-BBEE expenditure from 1 July 2023 to 31 December 2023**

Description	1 July 2023 to 31 December 2023		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R289,749,927.77	R292 944 060	101%
Opex	R21,153,379.19	R18 680 355.43	88%
<b>Consolidated Opex and Capex</b>	<b>R310,903,306.96</b>	<b>R311 624 415.4</b>	<b>100%</b>

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

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

### 1 July 2023 to 31 December 2023

The annual target for SMME spending as a percentage of total expenditure (excluding employee costs, depreciation, and amortisation) is 30%. In the period 1 July 2023 to 31 December 2023, the SMME share of JDA's total expenditure was R119 936 068.1. This constitutes an achievement 39%.

**Table 2 below indicates the SMME expenditure from 1 July 2023 to 31 December 2023**

Description	1 July 2023 to 31 December 2023		
	Total Expenditure	SMME Claimed	SMME %
Capex	R289,749,927.77	R112 252 009.1	39%
Opex	R21,153,379.19	R7 684 058.91	36%
<b>Consolidated Opex and Capex</b>	<b>R310,903,306.96</b>	<b>R119 936 068.1</b>	<b>39%</b>

## Deviations and Ratifications

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

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

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

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

It should be noted that from 1 July 2023 to 31 December 2023 there were no deviations where less than 3 quotations were received.

4.2 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.

It should be noted that there were several deviations that were approved by the accounting officer, where direct negotiations were entered into with several service providers where it was impractical to follow official procurement processes as per table in Annexure A to a value of **R 3 093 308.67**.

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

**TABLE 39: PENDING LITIGATIONS**

<b>DATE INSTITUTED</b>	<b>TYPE/ DISCRIPTION</b>	<b>EXPECTED COMPLETION DATE</b>
2018	The JDA placed the claimant on terms (mora) for poor performance. After the claimant failed to perform in terms of the revised programme, the JDA terminated the contract with the claimant. The claimant alleges that, at the time of termination, the JDA owed the claimant payment.	August 2023
October 2022	The matter relates to a claim by SMMEs in Karzene project for amounts owed to it by the Main contractor.	Not yet known.
October 2023	The matter relates to a claim by SMMEs in Karzene project for amounts owed to it by the Main contractor.	Not yet known
2022	The matter relates to a possible interdict against the City and JDA for the construction of the Sandton BRT station.	Not yet known
2022	The matter relates to outstanding cost order by the adjudicator for alleged unlawful termination of contract.	Not yet known
October 2022	The matter relates to an on-going claim by the Service Provider after their contract was terminated for poor performance, they submitted a dispute in which they are claiming for compensation.	The dispute process is still on-going and completion date has not been determined.
August 2013	The matter relates to the payment of the retention money for the Jabulani Precinct.	The dispute process is still on-going.

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

JDA is covered by the city-wide insurance entered into by the City of Johannesburg on behalf of all its entities. The insurance cover is reviewed on an annual basis, there were no insurance claims in the first and second quarter, the current claims emanate from the previous financial years as illustrated in the table below:

**TABLE 40: INSURANCE CLAIMS**

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
1.	2017/18	ADRS00008440	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's property.	R103 035,17	Third Party Liability	The claim was settled, file closed.
2.	2017/18	ADRS00008441	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's property.	R 12 500,00	Third Party Liability	The insurance is waiting for the claimant to approach them.
3.	2017/18	ADRS00008435	01/11/2017	03/04/2019	JDA appointed contractor damaged third party's wall.	R85 000.00	Contractors all risks	The insurer is in contact with the claimants.
4.	2021/22	ADRS000 08010	02/10/21	04/10/21	Damage to property due to hailstorm.	R1 782 370,67	Contractor's all risk	The insurance is awaiting adjuster's fee.
5.	2010/11	ADRS00011575	20-Mar-2011	01-Oct-2020	Damages to third party property.	R 23 558 889,34	Third Party Liability	Attorney handling TP summons.

#	Insured Year	Claim Number	Date of Loss	Date Notified	Risk Description	Value of the Claim	Risk Category	Claim's status
6	2014/15	ADRS00011226	03-Mar-2015	06-Jan-2023	The third party fell into an uncovered water main access panel.	R 2 430 000,00	Third Party Liability	Insurer handling TP claim
7	2015/16	ADRS00001394	14-Oct-2015	01-Oct-2020	A bridge collapsed and resulted in the death of two people and 19 others injured.	38 000.00	Third Party Injury	Attorney appointed to handle TP approach.
8	2018/19	ADRS00006188	04-Oct-2018	18-Apr-2021	Electric pole fell on TP.	300 000,00	Third Party Liability	Claims pending

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

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

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

Name of department	Balance	Comments
	R' 000	
City of Johannesburg - CAM & USDG	124 995	The Balance relates to amount outstanding from June 2023 and current invoices.
City of Johannesburg- Transport	173 549	Balance mainly relates to amounts outstanding from June 2023 claims and claims that were submitted till November 2023.
City of Johannesburg - Department of Economic Development	23 504	Balance mainly relates to amounts outstanding from June 2023 claims balance and 2023 current claims
City of Johannesburg - EMS	44 823	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted till November 2023.
City of Johannesburg - Department of Health	36 136	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted till November 2023.
City of Johannesburg - Department of Housing	46 768	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted in Current Year.
City of Johannesburg - Department of Social Development	2 012	The Balance relates to amount outstanding from June 2023 and invoices for current year.
City of Johannesburg - Department of Community Development	26 171	Balance mainly relates to amounts outstanding from June 2023 claims and claims that were submitted till November 2023.
City of Johannesburg - GSPR	3 850	Balance mainly relates to amounts outstanding from June 2021 claims and claims that were submitted.

City of Johannesburg - COO	79 407	Balance mainly relates to amounts outstanding from June 2023 claims balance and claims that were submitted till November 2023.
City of Johannesburg – Planning Department	11 675	Balance relates to current year invoices.
<b>Total</b>	<b>582 891</b>	



## CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

### SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

The Internal Audit progress to which this section of the report relates to is the work conducted in the period 01 September to 31 December 2023; the section of the report includes progress on the planned audit projects as well as special audit requests (if any) that were undertaken during the reporting period. The section also included completed projects from the previous quarter.

In the previous quarter there were two projects that were in progress and since completed in quarter, Projects from 1<sup>st</sup> quarter completed in the 2<sup>nd</sup> quarter.

No.	Audit Description	Status	Progress Status	Overall control Environment
1.	1 <sup>st</sup> report quarter Physical verification of the progress of the project against the expenditure incurred	Completed	The project is completed. Final report has been issued to management for commenting and will be tabled at the December 2023 EXCO and subsequently to the ARC.	Satisfactory
2.	Audit of the facilities maintenance plans, expense authorisations and payments	Completed	The project is completed. Final report has been issued to management for commenting and will be tabled at the December 2023 EXCO and subsequently to the ARC.	Requires improvement

- In this reporting period, there were eight (08) audits planned. Of the eight (08) audits planned, all eight (08) audits are completed.
- Therefore 100% of the project are completed.
- There was no special management request in the 2<sup>nd</sup> quarter of the financial year.

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

No.	Audit Description	Status	Progress Status	Overall control Environment
1.	2nd report Follow-up on internal and external audit findings Disaster recovery testing	Completed	The last OPCA of the quarter was held on the 04 December 2023,  The follow up report was discussed with management to address previous and current year findings	Requires improvement
2.	Enterprise-Wide Risk Management	Completed	The project is completed the report has been discussed with management and tabled at EXCO and will subsequently be tabled at the January 2024 ARC	Requires improvement

No.	Audit Description	Status	Progress Status	Overall Environment control
3.	Compliance and Ethic management review.	Completed	The project is completed the report has been discussed with management and tabled at EXCO and will subsequently be tabled at the January 2024 ARC	Requires improvement
4.	Audit of the Budget and Expenditure Management utilizing data analytics.	Completed	The project is completed the report has been discussed with management and tabled at EXCO and will subsequently be tabled at the January 2024 ARC.	Requires improvement
5.	Quarterly Audit of performance information (Audit Of the Pre-Determined Objectives).	Completed	The project is completed the report has been discussed with management and tabled at EXCO and will subsequently be tabled at the January 2024 ARC.	Satisfactory
6.	2 <sup>nd</sup> report Physical verification of the progress of the project against the expenditure incurred	Completed	The project is completed the report has been discussed with management and tabled at EXCO and will subsequently be tabled at the January 2024 ARC.	Satisfactory
7.	Review of HR Management Processes: Recruitment and Terminations Non-implementation of training plans. Review of the training and development	Completed	The project is completed the report has been discussed with management and tabled at EXCO and will subsequently be tabled at the January 2024 ARC.	Requires improvement
8.	Payroll and leave management	Completed	The project is completed the report has been discussed with management and tabled at EXCO and will subsequently be tabled at the January 2024 ARC.	Requires improvement

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

Internal Audit conducts follow-up reviews monthly on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the Chairperson of the Operation Clean Audit (OPCA) Committee and the Group Risk Assurance Services for discussion with the City Manager. On a quarterly basis Internal Audit, these reports are presented to the Audit and Risk Committee, which monitors the progress made by management on the implementation of recommendations and action plans. On the 2<sup>nd</sup> quarter of the financial year there were fourteen (14) internal audit finding resolved.

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

Financial Period	Total Unresolved Findings	Total Resolved Findings	Total Findings
2013/14	0	3	3
2014/15	0	17	17
2015/16	0	45	45
2016/17	0	58	58

2017/18	0	40	40
2018/19	0	33	33
2019/20	0	20	20
2020/21	0	24	24
2021/22	8	46	54
2022/23	31	12	41
<b>Total number as of 20 November 2023</b>	<b>39</b>	<b>298</b>	<b>335</b>
<b>Percentage</b>	<b>12%</b>	<b>88%</b>	<b>100%</b>

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

On a quarterly basis, management reports to the Audit and Risk Committee on the progress made towards resolving audit findings raised by Internal Audit and the Auditor General. Internal Audit provides independent assurance to the Audit and Risk Committee on the progress made by management in resolving audit findings. In the 2<sup>nd</sup> quarter of the financial year there were ten (10) auditor general finding resolved.

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

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

### SECTION 4: STATE OF INTERNAL CONTROLS

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

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

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

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

**ANNEXURES**

**ANNEXURE 1: ACRONYMS AND ABBREVIATIONS**

<b>ACRONYM</b>	<b>DEFINITION</b>
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)